



“They are those who have been expelled from their homes for no reason other than proclaiming: “Our Lord is Allah.” Had Allah not repelled the aggression of some people by means of others, destruction would have surely claimed monasteries, churches, synagogues, and mosques in which Allah’s Name is often mentioned. Allah will certainly help those who stand up for Him. Allah is truly All-Powerful, Almighty.”

[Al-Qur’an, Al-Hajj: 40]



“The best (purest) food a man consumes is that which he has earned himself, and his child (and his child’s wealth) is part of his earnings.”

[Sunan Ibn-e-Maja, 2137]

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“I thought about the core tools we EHMs used in my day: false economics that included distorted financial analyses, inflated projections, and rigged accounting books; secrecy, deception, threats, bribes, and extortion; false promises that we never intended to honour; and enslavement through debt and fear. These same tools are used today. Now, as then, many elements are present in each “hit,” although that likely is evident only to someone willing to delve deeply into the story behind the story.”

John Perkins

The New Confessions of an Economic Hitmen

Values in Economic Choice Behaviour **Salman Ahmed Shaikh**

Use of mathematics in economic theorizing has restricted economic analysis of consumer behavior within a confined boundary of certain axioms. Often, these axioms are found to be empirically false.

Even more importantly, these axioms and the analytical framework based on them is incapable of explaining economic choices in using environmental resources, public goods and social choice. Studies in behavioural finance have also documented information processing

incapacities and biases that challenge some of the rationality assumptions.

In traditional mainstream consumer theory, the consumer is supposed to maximize a utility function subject to some budget constraint. To conduct maximization analysis, certain axioms are imposed on the consumer choice set that enable mathematical tractability and optimization analysis. Some of these axioms can be summarized into the following:

- ❖ Completeness (having complete knowledge of alternatives and having definite judgement while comparing them),
- ❖ Transitivity (comparative judgements on alternatives remain same and decisive always),
- ❖ Convexity (diminishing marginal utility from successive use or consumption, i.e. boredom from consistent use), and
- ❖ Monotonicity or non-satiation (more of a good is always better than less).

Some economists defend the neoclassical methods for analysing consumer behavior by arguing that the false assumptions are not potent reasons to abandon the mainstream methods and analysis. It is the empirical validity of predictions with observed behavior which gives the mainstream tools and methodology the credibility and wide acceptability.

They opine that if consumer behavior does not conform to the set of axioms adopted in neoclassical theory, then one cannot make the leap from maximizing utility to constructing welfare measures of

consumer surplus using Hicksian or Marshallian demand curves.

Nobel Laureate Richard Thaler explains that since mainstream consumer behavior theory is based on a rational maximizing model, it describes how consumers should choose given the model and its assumptions; however, not necessarily describing how they do choose. Mainstream consumer behavior theory is normatively based and it only claims that it is also a descriptive theory.

But, in many cases, the mainstream consumer theory fails to predict the economic choices either because of rigid axioms or simplistic preference structure.

Nobel Laureate Amartya Sen explaining the shortcomings in the structure in neoclassical approach comments as follows:

“A person is given one preference ordering, and as and when the need arises this is supposed to reflect his interests, represent his welfare, summarize his idea of what should be done, and describe his actual choices and behavior. Can one preference ordering do all these things? A person thus described may be “rational” in the limited sense of revealing no inconsistencies in his choice behavior, but if he has no use for these distinctions between quite different concepts, he must be a bit of a fool.”

Monotonicity axiom (more of a good is always better than less) is irrelevant in environmental goods where the balance and coherence matters more than abundance. Health goods also require a balance for their effectiveness. Same is true when consumption is analyzed with

respect to health effects (physical, emotional, psychological) and societal effects.

Furthermore, 'Ultimatum Game' reflects the fact that people tend to look at their choice outcomes relatively. The ultimatum game involves players making sequential moves in a simple take-it-or-leave-it bargaining environment.

One person, the proposer, receives a fixed amount of money and must offer a suggested split of this money with another person, the responder. The responder must accept or reject the offer as it is presented.

For example, assume Player 1, the proposer, receives Rs 20 million to split with Player 2, the responder. Player 1 may choose an even split, giving Rs 10 million to each person, or an uneven split, such as keeping Rs 18 million and offering Rs 2 million. Player 2 may either accept or reject this offer. If Player 2 rejects the offer, both players receive Rs 0. Most people reject unfair splits because of lack of fairness.

Also, Prisoner's Dilemma highlights the fact that choices by each player in a self-centric way are not necessarily going to be best for them either individually or collectively.

The rational consumer theory is also overly optimistic about the information processing capability of the consumer. Recent evidence in behavioural finance and consumer psychology points to the fact that consumer information processing capabilities are limited and prone to error.

Explaining socially responsible behaviour, utility theory explains that people engage in impure altruism when they contribute in charity or donate for public goods. These charitable acts also emanate from self-interest, i.e. to get fame, satisfy ego or change the living environment to improve one's own social experience and relations. In mainstream economic literature, 'Warm glow' is defined as the feeling of moral satisfaction generated by contributing.

However, socially responsible behaviour is not solely based on self-centric interest. Even when individual voters have limited probability of affecting actions and when the costs of casting votes could be substantial in particular circumstances, people still take the pain to cast votes. Even when reciprocity is not expected, people help others, strangers and often anonymously.

People recycle paper and plastic even though the impact of their individual action is environmentally negligible. Even the busy and rich people volunteer time (costlier resource for them) than donating money (whose marginal utility is less for them).

Hence, the neoclassical analytical framework is mathematically elegant, logically consistent, but it is often simplistic to explain economic choices in environment goods, public goods and social choice. Preferences are learned from family, societal norms and transferred over one generation to the others. In a community where moral values are high, chances are that people's preferences would not go against the norm, learnings, culture and values of the community. Hence, there is need to inculcate moral values.

To promote cooperation, responsibility, mutual respect and ethical behaviour, it is important to broaden the analysis of choice behaviour beyond selfish self-interest. Since modelling choice

behaviour as selfish self-interest as the only motivating factor is neither factual nor desirable. It is important not to glorify greed, wealth accumulation, lavish lifestyles and 'ends justify means' attitude.

Highlights of the Oxfam Report on Survival of the Richest

Millions of people are facing hunger. Hundreds of millions more face impossible rises in the cost of basic goods. Climate breakdown is crippling economies and droughts, cyclones and floods are forcing people from their homes. Millions are still reeling from the continuing impact of COVID-19, which killed over 20 million people. Global poverty has increased for the first time in 25 years.

This report has four chapters and this report focuses on how taxing the rich is vital to addressing unprecedented and skyrocketing inequality. It shows how taxing the rich can set us clearly on the path to a more equal, sustainable world free of poverty.

The report explores how taxing the rich claws back elite power and reduces not just economic inequality, but racial, gender and colonial inequalities, too. The report lays out how much tax the richest should pay, and the practical, tried and tested ways in which governments can raise such taxation.

Time to Tax the Rich

Greater taxation of rich people is not the only answer to the inequality crisis, but it is a fundamental part of it. It is time for governments to shake off decades of

failed ideology and rich elite influence, and to do the right thing: tax the rich.

Governments must use the tax tools at their disposal to turn back this tide of inequality, following these steps to a more equal world:

1. Introduce one-off solidarity wealth taxes and corporate windfall taxes as well as much higher taxes on dividend pay-outs to stop crisis profiteering.
2. Permanently increase taxes on the richest 1%, for example to a minimum of 60% of their income from both labour and capital, with higher rates for multi-millionaires and billionaires.
3. Tax the wealth of the super-rich at rates high enough to systematically reduce extreme wealth and lower power concentration and inequality.

The Inequality Explosion

In recent decades, economic inequality has soared to extreme and dangerous levels. It has become an existential threat to our societies, crippling our ability to end poverty, corroding politics and putting the future of our planet in peril. Crisis after crisis has driven an ever-greater wedge between the haves and the

have-nots, exposing the consequences of entrenched inequalities. Most recently, the COVID-19 pandemic and runaway food and fuel prices have led to poverty and a cost-of-living crisis for the many, while driving relentless wealth and income growth for the richest. Governments have a responsibility for this inequality explosion.

Soaring Wealth for the Few

Ten years ago, Oxfam first sounded the alarm at the Davos World Economic Forum - a meeting of the world's wealthy elite - about extreme levels of inequality. Back then, the income and wealth of the world's richest people were shooting up as they captured post-financial-crisis growth, in a context of austerity and economic hardship for the majority of people. Today, the richest are benefiting from a global pandemic followed by a war-fuelled cost-of-living crisis that the world's richest are benefiting from.

In the last 10 years, billionaires have doubled their wealth, making nearly six times more than the increase in wealth seen by the bottom 50%.

For every \$100 of wealth created in the last 10 years, \$54.40 went to the top 1% and \$0.70 went to the bottom 50%.

Mounting Crises for the Poorest People

While the wealthiest people and companies continue to thrive, recent crises have caused huge setbacks in the fight against poverty and hunger, cuts to jobs and wages, and a fiscal squeeze that threatens the lives and livelihoods of the world's poorest people. Now, in the midst of a cost-of-living crisis, it is clear that the world cannot continue on this trajectory.

One constant of the last two-and-a-half decades has been the steady decline in extreme poverty. This progress has now ground to a halt - the government responses to the pandemic, and food and energy crises, have undermined hard-won gains in the fight against poverty. For the first time in 25 years, extreme wealth and extreme poverty have sharply increased simultaneously.

Fighting Inequality by Taxing the Wealthiest

Tax policy is one of the most important levers that a government has at its disposal to reduce economic inequality. Historically, taxation of the wealthiest has helped to create more equal societies and prevent an extreme gulf emerging between the haves and the have-nots. However, in the decades prior to the pandemic, progressive taxation collapsed. The wealthiest individuals and companies were favoured with low-tax regimes, while taxes on billions of ordinary citizens increased.

As soon as you join the ranks of the super-wealthy, you have a whole range of exciting tools to avoid paying tax and to help you and your family get even wealthier! You may consider the 'buy, borrow, die' strategy of income tax avoidance. First, buy an asset, like a company. But instead of paying yourself a salary from the company, which you would have to pay tax on, why not borrow money from a bank or other third-party lender against that asset? Because loans are tax-free! Also, it is easy for you to access credit, because you are already very rich.

Growing Support for Taxing the Wealthy

Public polling consistently finds that a majority of people support increased taxation of the wealthy; this is the case across many countries. Polling in the US shows that in the last decade, for the first time, the majority of Americans have said they think that their 'government should redistribute wealth by heavy taxes on the rich'.

An estimated 80% of Indian citizens are in favour of increasing taxes on the rich, and 85% of Brazilians are in favour of increasing taxes on the super-rich to finance essential services. In Africa, 69% of people polled across 34 countries agreed that it 'is fair to tax rich people at a higher rate than ordinary people in order to fund government programs to benefit the poor'.

How Countries Can Make the Wealthiest Pay More Tax

The report proposes how much tax the richest should pay as a proportion of their incomes, and outlines some of the most practical and common-sense ways in which governments around the world - including low-income countries - can choose to act now to increase taxation of the wealthiest people. We look at different taxes on income and wealth.

There is a strong case for governments to build on the wave of progressive taxes in various countries and usher in a broader era of progressive taxation, in which the wealthiest pay their fair share.

While governments will tailor the finer details of tax rates according to their national contexts, we believe a minimum level of ambition is needed to reduce the

extreme economic inequality we see today, and release much needed resources to fight inequality and fund the green transition.

Oxfam calls for progressive taxation on the incomes of the wealthiest, including income from: 1. Personal income; 2. Capital gains; and 3. Unrealized capital gains. The idea of income is central to understanding why the super-rich pay less tax than the rest of us.

Normally, people earn most of their income through employment or self-employment; in other words, through their own personal effort. The super-rich derive most of their income from financial flows that arise from their ownership of assets like land, property, companies and stocks.

Through interest, dividends and gains in the value of the capital they own, the rich can earn income without lifting a finger, and this unearned income tends to be taxed at a far lower rate than wages and salaries.

Oxfam calls for progressive taxation on holdings of wealth - in other words, taxing the fortunes of the rich. We look at three key taxes that could be used to do this:

1. Property tax.
2. Inheritance tax.
3. Net wealth tax.

Oxfam calls on governments and international institutions to work together to urgently implement the following three sets of recommendations:

One-off Solidarity Wealth and Windfall Taxes

Today, billions of ordinary people are suffering the consequences of multiple crises, while the wealthiest people and companies continue to grow richer. Governments could raise vital revenue, and prevent the richest further profiting from crisis, by implementing one-off taxes on excessive profits and wealth. This would mean:

- ❖ Taxing the windfall profits of corporations during crises, with an ambitious and sector-wide windfall tax.
- ❖ Urgently taxing dividend pay-outs to wealthy stockholders at much higher rates.
- ❖ Tax on income from dividends should be at least as high as tax on income from wages.
- ❖ Implementing one-off solidarity wealth taxes on the top 1%.

Increase Taxes on the Richest 1%

In addition to one-off solidarity taxes on the wealthiest, governments must ensure that the richest 1% are permanently paying significantly more of their income from labour and capital in tax, and that multi-millionaires and billionaires pay higher rates still.

- ❖ Taxing capital gains - income from stocks, shares, rent and other revenue that the rich disproportionately rely on - at rates that are at least as high as those on income from work, and preferably higher.
- ❖ Introducing top rates of tax (marginal rates) of at least 75% on all personal income for the highest earners (e.g. for those making \$5 million a year, or the top 0.1%) to discourage sky-high executive pay.
- ❖ Removing tax exemptions and loopholes in tax systems that primarily benefit the rich.

IEP Public Poll

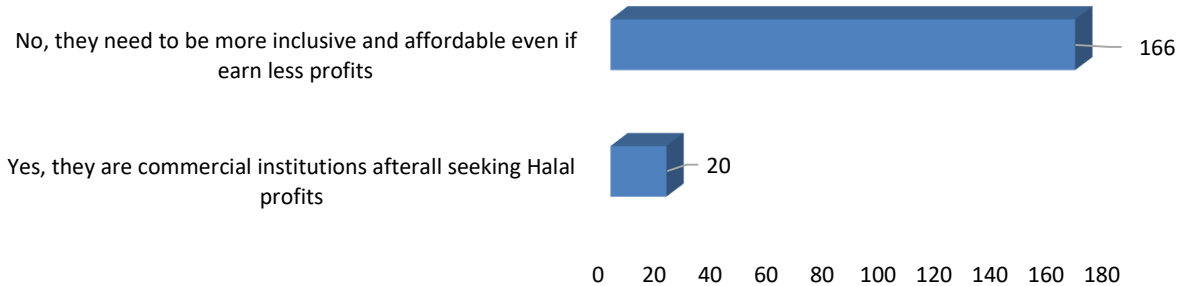
In November 2023, Islamic Economics Project held a public poll on its Facebook Page. Question in the poll was “Islamic bank is responsible for providing only Shari’ah compliant banking products at market rates, regardless that products can be afforded by some, but not all”. Options were:

- ❖ Yes, they are commercial institutions after all seeking Halal profits

- ❖ No, they need to be more inclusive and affordable even if earn less profits

A close to 200 people voted in the poll. Answers are illustrated in the graph below. It is interesting to note that more than 80% of the people expect Islamic banks to be more inclusive and affordable because they are even willing to pay faith premium.

IEP Poll Results



Faith premium in economic sense is a term to reflect extra cost or sacrifice in returns investors are willing to bear in order to ensure that ethical and faith compliance is ensured.

Islamic banks particularly in Pakistan are still yet to be equally competitive in deposit rates on deposit products. Industry representatives justify this by saying that in most deposit categories, competitiveness is achieved or the gap has narrowed down.

They also state that the gap exists since Islamic banks have lesser options for short term liquidity management. Hence, unlike conventional banks, they cannot simply provide loans to the government through T-bills. Currently, government of Pakistan hardly uses Islamic finance options for sovereign financing.

However, it is not just the rates in which Islamic banks are yet to gain full

competitiveness. They also fall short in financing agriculture and SMEs at least as much as conventional banks do.

Hence, the respondents share the sentiment that they expect Islamic banks to be more inclusive and affordable. If they are offering Riba-free solutions to financing needs, then the aspiration should be that the Riba-free solution is inclusive and affordable to all so that they avoid Riba.

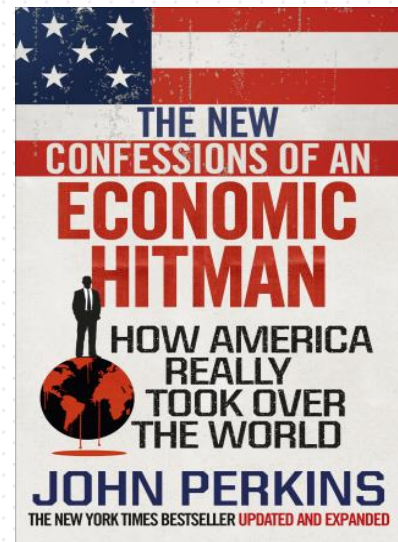
While it is understandable that as commercial financial institutions, Islamic banks cannot be expected to let go commercial criteria in evaluating financing requests, but they need to be distinct and superior or at least competitive vis-à-vis conventional banks. The aspirations illustrated from the poll results also warrant more attention on this aspect.

Book Review

Title: The New Confessions of an Economic Hitmen

Author: John Perkins

Publisher: Ebury Press



The book takes the readers through a journey, starting with the author's childhood life, and how he grew into becoming an economic hitman during the '70s and '80s. Perkins later became a whistle-blower, revealing the strategies used by the US and international organizations to lure underprivileged nations into debt traps to increase their influence across the globe.

In his book, John Perkins confesses that he used to cheat countries out of enormous sums of money on behalf of the US government. It was his job, and he was good at it, but its inherent immorality weighed heavily on him. The countries had to spend all their money on repayment, rather than helping their people, and they were firmly in US control.

He was required to use tools such as false economics, false promises, threats, bribes, extortion, debt, deception, coups, assassinations, and unrestrained military

power. These tools continue to be employed around the world today.

Perkins explains the pitfalls in false economics. He criticizes the idea that all growth is always beneficial to all, even if it is unequal and that those who left behind are available for exploitation. He argues that in many countries, growth benefits a small elite. He criticizes promotion of consumerism and credit culture.

An influential propaganda machine has persuaded society to adopt a system based on fear and debt that benefits the corporatocracy, which is made up of vast networks of corporations, banks, colluding governments, and the wealthy and influential individuals who are connected to them. Media houses are also owned by corporations. They create false propaganda to suppress resentment and criticism.

NBC is owned by General Electric, ABC by Disney, CBS by Viacom, and CNN is part of

the huge AOL Time Warner Conglomerate. Media houses are expert at smearing campaigns and when opposed, they can be ruthless in creating narratives for the corporatocracy.

His job entailed asking leaders to sign off on World Bank loans that would be used to hire US businesses to work on infrastructure projects in their respective countries. A threat would be involved. Then, when the infrastructure was built, businesses thrived, and anyone who wasn't a business owner didn't. To pay off the interest on the loans, the country would have to use funds budgeted for public services such as health care and education.

Thus, poor countries pay more to rich corporations in US and other Western countries than what they receive as aid. Money that comes as loan is quickly routed back in payments to the US and other Western suppliers of infrastructure.

A condition of loans is that engineering and construction companies from our own country must build all these projects. In essence, most of the money never leaves United States. It is simply transferred from banking offices in Washington to engineering offices in New York, Houston or San Francisco.

But, that is not enough, the compounded debt starves countries and yet after interest payments, the principal amount of debt remains intact. It leaves the countries in ever more vulnerable position and tightly trapped to give into the demands of the corporatocracy. Resentment is dealt with violence and branding it as terrorism.

As the country sank deeper into debt, it would be forced to give its resources to corporations at low prices and to privatize public sector institutions like electric, water, or sewer and sell them to the corporatocracy. When the country inevitably had to default on its loan payments, the EHMs would demand control over UN votes, the establishment of military bases, and/or access to valuable resources such as oil. On top of that, the country would still owe money. Perkins finally realized he needed to accept responsibility for his life and decisions.

The book reveals how American corporations and the US government use major development contracts to control third-world nations. Perkins writes that "fear and debt drive this system. We are hammered with messages that terrify us into believing that we must pay any price, assume any debt, to stop the enemies who, we are told, lurk at our doorsteps.

Perkins admits he served as an "economic hit man" to convince leaders of poor countries to accept loans that pay for infrastructure projects, loans that cannot easily be repaid and effectively put those officials in the US government's pocket. Leaders who resist economic capture are routinely overthrown or assassinated. Perkins realized that if EHMs such as himself cannot convince these leaders to toe the line, CIA operatives that Perkins refers to as jackals will appear and do their lethal dirty work.

Meanwhile, China becomes the latest entry into the field of third world development projects, offering better deals than the Americans, but Perkins worries that China may itself fall prey to

the temptation to dominate the countries to which it loans money.

Perkins calls for spreading truth, adopting simpler lifestyles, not trusting myths, not overly led by media campaigns and support local causes through active citizenship.

Overall, it is a striking personal account of an economic hitmen and informs general

public of the evil picture of corporatocracy and the geo political economy. It brings together irrefutable evidence in support of dependency theory of economic development.

Research Paper in Focus

Paper Title: Configuring Problems of Economics in Islamic Perspective: Moral Nexus, Realities and its Unification

Author: Hafas Furqani, Mohamed Aslam Haneef

Publisher: International Journal of Ethics and Systems, Vol. 39 (4), 875 - 891.

This paper explores answers to the question that what should be the subject matter of Islamic economics.

Authors urge that Islamic economics, as a new body of knowledge, needs to clarify the economic problems that will be its subject matter. The paper brings an insight into the subject matter of Islamic economics as conceived by scholars in two approaches, namely, economic problems “as they are” and economic problems “as they should be”.

Authors argue that Islamic economics as a discipline will be strengthened if it has a clear subject matter that will be the object of study.

However, the conception of economic problems proposed by Islamic economists is based on life-reality, i.e. of what human beings face in their life (practical-

type economic problems as they are) and based on life guidance from the Qur'an on how human beings should live as well as life-objectives, i.e. of what goals he should strive for (ideal-type economic problems as they ought to be) brings implication that there are differences in determining the object of study of Islamic economics.

Authors define Islamic economics as “a study of resource appropriation to realize human well-being (maslahah)”. This suggests that economic problems as manifested in life reality will be studied within the grand objective of life in Islam (maqasid al-Shariah), and economic problems as perceived in life goals will be studied in the context of life reality.

Islamic economic theory will be formulated not only to solve the apparent problem of “what is” but also formulated

in a way that refers to goals (ideals) of “what ought to be” that will provide solutions to current economic problems according to certain vision and to take steps to move in that visionary direction.

Authors explain that Islamic economics perceives its subject-matter as an interaction of both the means and ends, studying actual human behaviour and human ends.

The way authors envision the discipline of economics, it needs to embed in its body of knowledge:

1. Empirical researches at micro, institutional and macro level to identify problems both from economic, moral and social perspective.
2. Fiqh of economics to develop and evaluate solutions to economic problems in both micro and societal perspective. Fiqh of economics is also needed to identify problems from the faith perspective. For instance, an economic good or service or an institution might be solving the economic problem, but in a Shari’ah non-compliant way.
3. Inductive and empirical researches in human economic behaviour to

understand the physical, emotional and psychological needs and characteristics of human beings.

4. Macro-level policy researches to study the economic problems and finding solutions through careful evaluation.
5. Well-reasoned literature supported by textual reasoning, logical reasoning and where applicable (scientific reasoning) to explain the Islamic teachings, worldview and philosophy to influence preferences, choice behaviour and sensitize people in becoming ethical agents as vicegerents of Allah in this world.

This dimension of bringing ethics is missing in mainstream economics literature. Though, it implicitly promotes selfish self-interest, greed and wealth accumulation. There will be overlap in Islamic and mainstream economics, but Islamic economics will have a broader scope, vision and goals and distinct analytical tools of reasoning to evaluate and study problems and their solutions not just from economic lens, but also from ethical lens.

Reflections

Sometimes, question is raised that what is the purpose of the universe and other species. Why there was a wait for billions of years before humans began to exist in the universe. What is the purpose of

millions of other life-forms in animals and plants? Why there is no life on other planets?

First of all, time is a relative concept. Thus, human's conception of time on planet earth is just how we experience movement of earth around sun and about its own axis. Venus and Mercury take longer time to fully rotate about their axis than to complete their orbits around sun. This means Venus and Mercury have days that last longer than their years, i.e. orbiting around sun is faster which determines years and rotation around their axis is slower which determines days.

Second, other life-forms exist and have consciousness. Their lives give us a lot of food for nutrition and food for thought. We get food for our physical needs from plants, trees and farm animals. We are able to use some animals for our safety and travel. Even the microorganisms are important in decomposing waste and are a source of medicines and vaccines.

In a way, these life-forms support our sustenance. Humans as consumers depend on nature for their sustenance more so than the plants which produce their own food and supply nutrients for other animals including humans.

We also get food for thought if we look at these life-forms. Reflecting on animals, we can see that they have limitations. They live on instincts and do not have ability to look into distant past and far future. They operate on survival instincts. Should humans be like

that and only pay attention to survival and animal instincts? We know from our own introspection that we have a clear and strong moral conscience and free will to choose goodness and evil in our choices.

Not only do we have that power of recognition, but a strong urge to see goodness, fairness and justice prevail in society. We never like to be cheated and be dealt unfairly. Even those who act in bad ways, they also recognize the evil acts as bad. Belief in afterlife accountability as included in monotheistic faith solves the puzzle by giving deterministic results for choices done with free will.

It completes the cause and effect relation in moral matters. Steven Weinberg once remarked that looking at cosmos; one gets the impression that it is pointless⁵⁹. However, religious worldview makes life of every human being meaningful and purposive with promise of deterministic justice in the life to come.

On the other hand, matter without any apparent life, i.e. abiotic matter, also supports our sustenance. Without Jupiter and Saturn orbiting out past Earth, life may not have been able to gain a foothold on our planet. The two gas giants likely helped stabilize the solar system, protecting Earth and the other interior, rocky planets from frequent run-ins with big, fast-moving objects.

Sun and moon give us light and their pre-determined movements make our days and night liveable in terms of length and temperature. Due to the Sun and Moon's gravitational pull, we have tides. Seas and rivers give us food and water. Likewise, forests, life in forests, mountains and biodiversity together provide the ecological balance which helps in sustaining life.

As humans, when we look into our inner self, we find that we also have survival instincts like animals. But, we also have conscience to differentiate right from wrong. Our brains have memories,

emotions and intellect to go beyond physical reality and find answers. Our aesthetic sense likes beauty, art, culture and nature. We also have the ability to use matter for our convenience in making objects bigger and powerful than us so as to make us transcend our physical limits.

Science has facilitated us to use matter in useful ways. However, as stated before, we also have conscience. We have inherent morals and values. Religion speaks to our soul and asks us to purify our inner soul as well as ensure that our physical self is also

pure, clean and peaceful while engaging with our outer environment where we meet people and nature.

A human child requires nourishment and care to sustain itself. This experience of being dependent for our survival needs gives us a chance to not forget our fallibility and weaknesses despite our strengths and superior ability in youth.

Sometimes, a virus creates havoc in our routine life. It makes us understand that

despite having consciousness, superior intellect and accumulated knowledge passed over from generations to generations, we are still fallible and vulnerable. We are not God nor can we be. Pandemics and natural calamities invite us to ponder that if life is going to end from one reason or the other, then what is the purpose and meaning of life.

If we have been created by the Ultimate Creator, then what is the purpose defined for our lives. The purpose of life defined by religion is not constraining when we look at life in far future. We have this ability to reflect on the far future.

Good morals and virtuous lives using our free will can enable us to achieve what we want to achieve in this world without success, i.e. everlasting life, peace of mind, no regrets of past, no vulnerabilities and no constraints of nature. It is up to us whether we look into the far future for which we have the ability or succumb to our survival instincts and perish as another life-form.

Market News

- ❖ Islamic finance wrap: UAE's ADIB rolls out three-year ESG strategy (Salaam Gateway, Nov 10).
- ❖ Saudi Arabia to lead GCC's growth of Islamic finance in next 12-24 months - S&P (ZAWYA, Nov 17).
- ❖ Qatar Islamic Bank returns to the international capital markets with a highly successful \$500 million 5-year Senior Sukuk (ZAWYA, Nov 18).
- ❖ COP28 boosts green financing; UAE holds 19% of global sustainable bonds (ANI News, Nov 19).
- ❖ Pak Suzuki announced 'Islamic Finance Offer' for all models (Pakwheels, Nov 28).

- ❖ Sharia-compliant financing up by 26.5% in September 2023, Islamic Finance Association (Egypt Today, Nov 22).
- ❖ A \$4 trillion Islamic banking market to be driven by FinTech, study shows (IBS Intelligence, Nov 28).
- ❖ Philippines: Dubai Islamic Bank signed up for first US dollar-denominated Sukuk (Gulf News, Nov 28).
- ❖ Islamic banking software market size to grow by USD 2.73 billion from 2022 - 2027, availability of smart cards offered by Islamic banks boosts the market - Technavio (Yahoo Finance, Nov 27).
- ❖ Islamic banking in Egypt grows by 27% in 2023: EIFA (ZAWYA, Nov 22).
- ❖ Meezan bank with SAFCO Microfinance Co launches Islamic microfinance services (Business Recorder, Nov 12).
- ❖ MCB Islamic bank's PBT jumps to Rs 7.5 billion (Business Recorder, Nov 1).
- ❖ Malaysia's Maybank launches Islamic wealth management hub in Singapore (Reuters, Nov 20).
- ❖ Indonesia sells \$2 billion dollar Sukuk, first in 18 months (Bloomberg.com, Nov 07).
- ❖ Abu Dhabi Islamic bank raises \$500 million from green Sukuk issuance (Arab News, Nov 09).
- ❖ IsDB enters European market with over \$588 million public Sukuk issuance (Arab News, Nov 09).
- ❖ Akin advises Ziraat Katılım Bankası A.Ş. on landmark inaugural international Sukuk issuance (Akin Gump, Nov 08).
- ❖ Indonesia launches 5-year, 10-year US dollar Sukuk at 5.65%, 5.85% areas - term sheet (ZAWYA, Nov 07).
- ❖ Turkish treasury borrows \$2.5 billion in 5-year Sukuk issue (ZAWYA, Nov 08).
- ❖ DP World raises \$1.5 billion green Sukuk to support sustainability ambitions (HOIST magazine, Nov 09).
- ❖ UAE's Islamic treasury Sukuk receives bids worth Dh 5.77 billion (Gulf News, Nov 07).
- ❖ Pakistan sports complex to be used for GoP Ijarah Sukuk issuance (Mettis Global, Nov 28).
- ❖ Bank of Sharjah leads \$350 million Sukuk issuance for Ittihad (ZAWYA, Nov 27).
- ❖ Jabal Omar completes redemption of \$135 million Sukuk (ZAWYA, Nov 27).

- ❖ Saudi real estate refinance completes \$932 million Sukuk issuance (ZAWYA, Nov 23).
- ❖ ACI limited to issue Tk 6 billion through Sukuk (The Business Standard, Nov 26).
- ❖ South Africa government issues \$1.1 billion domestic Sukuk (ZAWYA, Nov 23).
- ❖ First Abu Dhabi bank lists dirham-dominated green Sukuk (ZAWYA, Nov 23).
- ❖ Indonesia raises \$1.4 billion from retail green Sukuk for climate projects (ANTRA News, Nov 26).
- ❖ Public awareness on Takaful, insurance coverage in Malaysia still low, says deputy finance minister (Malay Mail, Nov 04).
- ❖ BNM policy document important to ensure highest professionalism among Takaful agents (The Newsway, Nov 11).
- ❖ Al Salam bank launches 'Al Salam Takaful' (News of Bahrain, Nov 11).
- ❖ Malaysian Takaful association hosts Climate Resilience Conference 2023 to address climate risks in insurance (Malay Mail, Nov 23).
- ❖ Zakat, tax, and customs authority urges submission of VAT returns for October (Arab News, Nov 20).
- ❖ RDC collaborates with DIB to maximize societal impact of Zakat funds (ZAWYA, Nov 12).
- ❖ KIB wins tender to manage real estate portfolio for Zakat House (ZAWYA, Nov 08).
- ❖ Indonesian Ulemas Council seeks Zakat to support Palestine (New Straits Times, Nov 11).

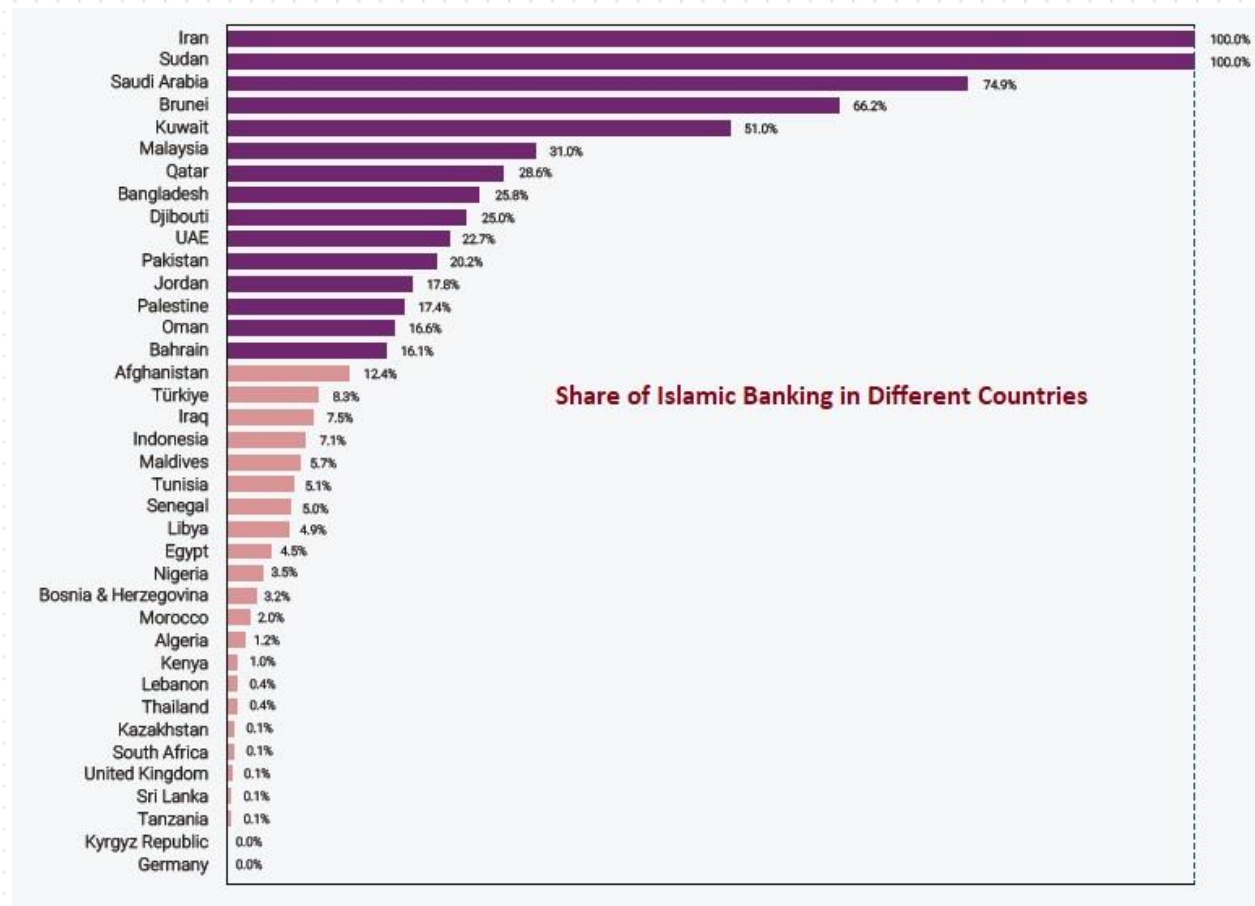


Economic and Financial Indicators

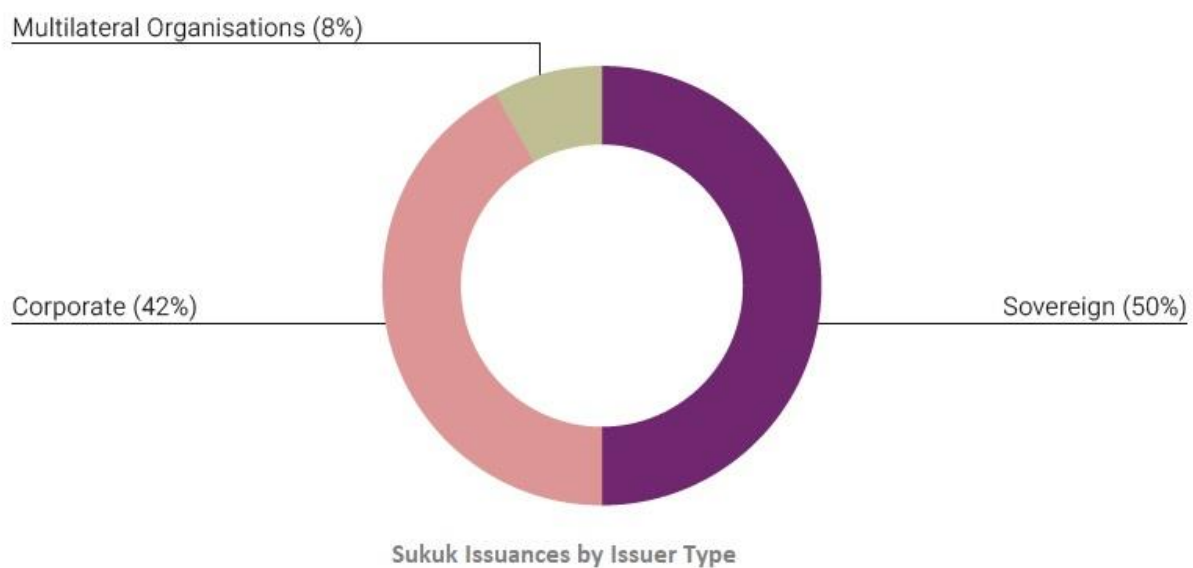
Islamic Banking Statistics 2023

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	19.2	5.7	0.3	3.1	38.3	59.9
Bangladesh	21.2	1.2	0.5	11.1	34.4	54.8
Brunei	19.1	2.8	2.0	16.9	59.8	42.7
Egypt	19.47	2.63	3.38	40.15	68.94	24.03
Indonesia	25.4	2.4	2.8	19.6	37.5	68.2
Jordan	21.1	2.0	1.7	19.0	58.8	45.2
Kuwait	17.2	1.5	1.0	7.5	57.5	38.4
Malaysia	18.2	1.6	1.0	13.8	37.5	41.9
Morocco	20.0	0.3	-1.5	-17.3	-63.3	159.6
Nigeria	13.53	6.02	2.31	54.40	31.82	60.3
Oman	15.6	3.0	1.0	7.5	31.8	52.0
Pakistan	17.8	3.0	3.6	71.2	50.8	40.4
Palestine	15.4	4.3	1.4	15.8	31.5	62.0
Qatar	19.1	1.8	1.5	16.2	40.1	13.3
Saudi Arabia	19.9	1.0	2.15	16.5	59.4	40.7
Sudan	8.60	4.68	3.01	34.1	37.5	50.0
Turkey	20.4	1.0	4.4	54.2	45.3	27.6
UAE	18.1	6.8	2.1	15.8	38.3	51.9

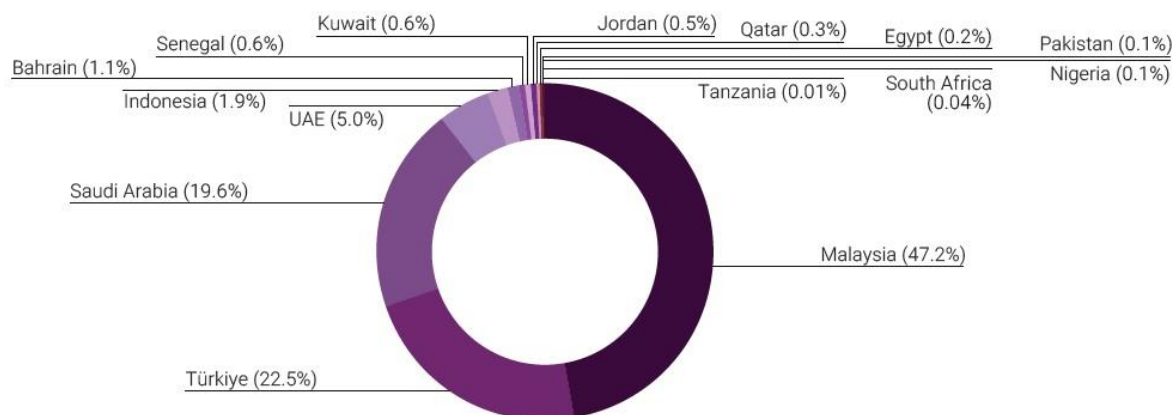
Source: IFSB Data



Source: IFSB Secretariat workings based on PSIFIs, data culled from various RSAs' websites, and annual financial reports of Islamic banks.

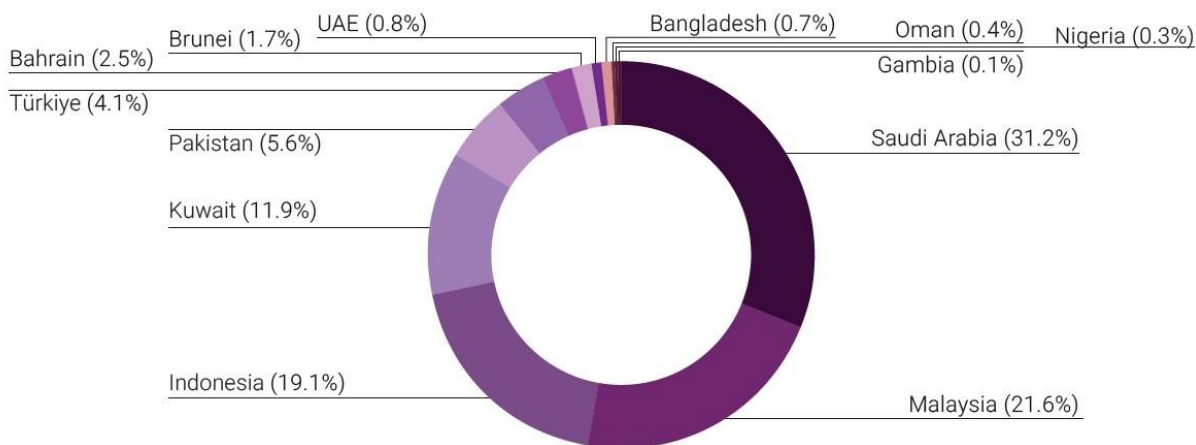


Source: IFSB Estimates based on data from Refinitiv



Corporate Sukuk Issuance by Jurisdiction of the Originator

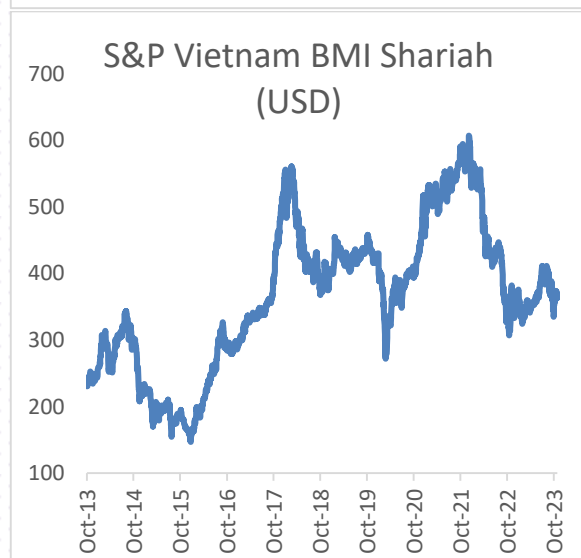
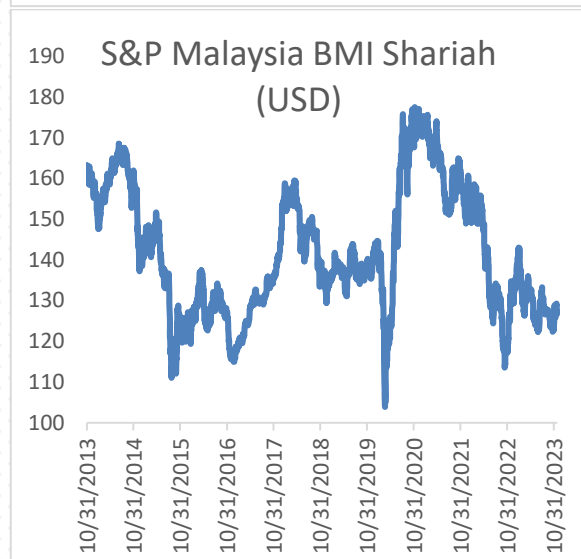
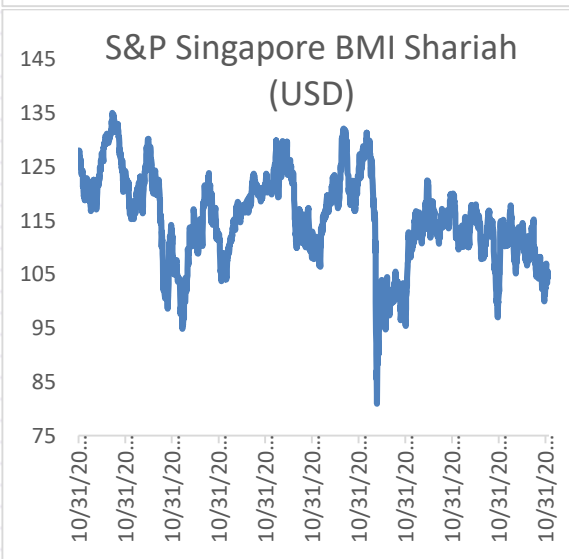
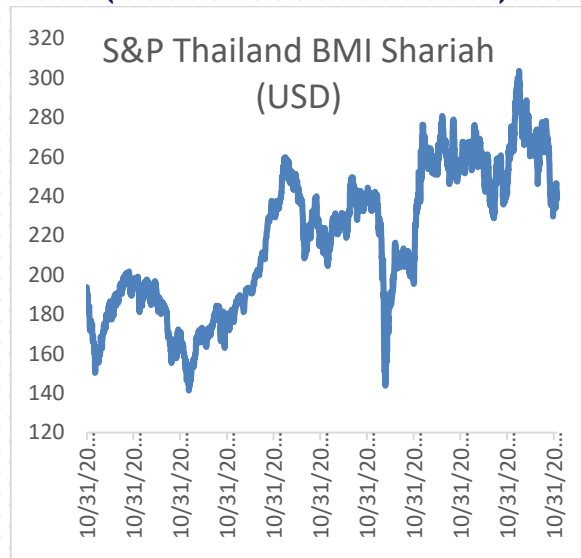
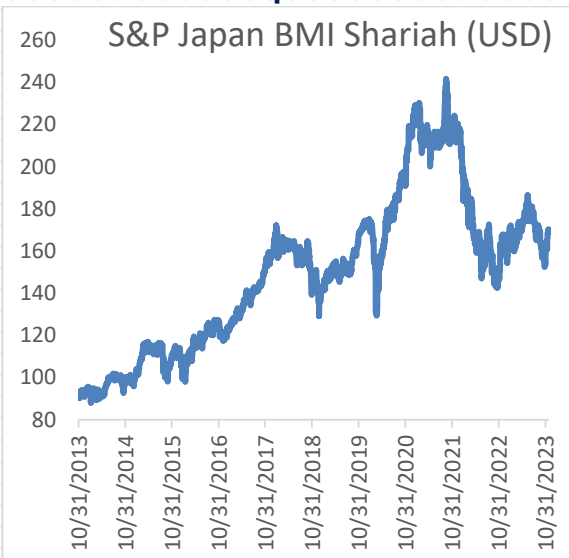
Source: IFSB Estimates based on data from Refinitiv and Regulatory Authorities (excluding Iran due to data limitations)



Sovereign Sukuk Issuances by Jurisdiction of the Issuer

Source: IFSB Estimates based on data from Refinitiv and Regulatory Authorities (excluding Iran due to data limitations)

Islamic Capital Market Investments (Source: SP Dow Jones)



Global Economic Perspectives June 2023
Projections for Real GDP Growth for 2023, 2024 and 2025

Country	2023f	2024f	2025f
Algeria	1.7	2.4	2.1
Bahrain	2.7	3.2	3.1
Bangladesh	5.2	6.2	6.4
Benin	6	5.9	6.1
Burkina Faso	4.3	4.8	5.1
Chad	3.2	3.4	3.1
Comoros	2.8	2.9	3.6
Côte d'Ivoire	6.2	6.5	6.5
Djibouti	4.4	5.4	5.9
Egypt	4	4	4.7
Gambia	5	5.5	5.8
Guinea	5.6	5.8	5.6
Guinea-Bissau	4.5	4.5	4.5
Iran	2.2	2	1.9
Iraq	-1.1	6	3.7
Jordan	2.4	2.4	2.4
Kenya	5	5.2	5.3
Kuwait	1.3	2.6	2.4
Lebanon	-0.5		
Maldives	6.6	5.3	5.9
Mali	4	4	5
Mauritania	4.5	5.6	6.8
Morocco	2.5	3.3	3.5
Mozambique	5	8.3	5.3
Niger	6.9	12.5	9.1
Nigeria	2.8	3	3.1
Oman	1.5	2.8	2.6
Pakistan	0.4	2	3
Qatar	3.3	2.9	3.1
Saudi Arabia	2.2	3.3	2.5
Senegal	4.7	9.9	5.2
Sierra Leone	3.4	3.7	4.4
Suriname	2.4	3.2	3.1
Syrian Arab Republic	-5.5		
Tunisia	2.3	3	3
United Arab Emirates	2.8	3.4	3.4
West Bank and Gaza	3	3	3
Yemen	-0.5	2	

Source: World Bank Global Economic Perspectives, June 2023

Call for Papers

ICSD 2024: 12th International Conference on Sustainable Development
European Center of Sustainable Development

September 11-12, Rome, Italy

<https://www.preventionweb.net/event/icsd-2024-12th-international-conference-sustainable-development-rome-italy>

Annual Conference of the British Association for Islamic Studies

University of Leeds, Monday 20 - Tuesday 21 May 2024

<https://www.brais.ac.uk/conferences/brais-2024/cfp>

7th World Islamic Economics and Finance Conference (WIEFC 2024)

27 & 28 January 2023, Minhaj University Lahore, Pakistan

<https://submit.confbay.com/conf/wiefc2024>

Other Resources on Islamic Economics Project Portal

- | | |
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| ❖ Research Articles | ❖ Book Reviews |
| ❖ Research Presentations | ❖ Frequently Asked Questions |
| ❖ Islamic Finance Calculators | ❖ Topical Bibliographies |
| ❖ Course Outlines | ❖ Islamic Finance Education Providers |
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| ❖ Data Resources Links | ❖ Call for Papers |
| ❖ Islamic Economics Journals List | ❖ Glossary of Islamic Finance |
| ❖ Qur'an and Hadith on Economics | ❖ Video Library |



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