



"It is He who made the sun radiate a brilliant light and the moon shed its lustre, and ordained for it stages so that you may learn to count out the years and [to make other such] reckoning of time. God has not created all these without a purpose. He makes plain His revelations to men of understanding. In the alternation of night and day, and in all that God has created in the heavens and the earth, there are signs for a God-fearing people."

[Al-Qur'an, Yunus: 5-6]



"A man came to Allah's Messenger (pbuh) and said, 'O Allah's Messenger (pbuh)! Who is more entitled to be treated with the best companionship by me?' The Prophet (pbuh) said, 'Your mother.' The man said, 'Who is next?' The Prophet said, 'Your mother.' The man further said, 'Who is next?' The Prophet (pbuh) said, 'Your mother.' The man asked for the fourth time, 'Who is next?' The Prophet (pbuh) said, 'Your father.'"

[Sahih Bukhari, 5971]

Inside This Issue

❖ Liquidity Risks in Islamic Banks	1
❖ Roundup of 2 nd Al Baraka Forum 2024	3
❖ IEP Public Poll Results	6
❖ Book Review	7
❖ Research Paper in Focus	9
❖ Reflections	10
❖ Market News	12
❖ Economic Indicators	15
❖ Call for Papers	20

"We must arm ourselves with patience and wisdom and listen to the poor what they want. This is the best way to avoid the trap of ignorance, ideology and inertia on our side."

Abhijit V. Banerjee

*Poor Economics: A Radical Rethinking
of the Way to Fight Global Poverty*

Liquidity Risks in Islamic Banks **Salman Ahmed Shaikh**

There are various risks faced by Islamic banks in liquidity management due to the i) absence of an Islamic inter-bank market, ii) lack of Shari'ah compliant alternatives for liquidity management, both at the inter-bank and central bank level, iii) absence of liquid Islamic Sukuk both in short and long term maturities and iv) absence of Islamic discount window at

the central bank level for Islamic financial institutions.

In liquidity management, banks often have surplus liquidity as well as a shortage of liquidity. The problem becomes more pressing as there are lesser alternatives for managing liquidity shortage for Islamic banks. An Islamic bank can take

investment from any financial institution and invest it in Shari'ah compliant financing assets. However, it cannot invest its surplus liquidity on equity financing basis with conventional banks since they are operating on the basis of interest based loans in all their operations including lending and deposit mobilization.

The nature of liquidity risk is also different in Islamic banks since the instruments and contracts available for Islamic banks in the money market and treasury operations are different for Islamic banks as compared to conventional banks.

Likewise, Islamic banks face greater repercussions if there is a delay in repayment of financial obligations by the clients. Any late payment received in order to maintain financial discipline cannot be taken as income by the Islamic bank. Secondly, the price of asset in Murabaha financing cannot be altered even if the price is not received at maturity. Finally, new debt cannot be created by rescheduling or rolling over loan as it happens in conventional banking.

Islamic banks also have some unique challenges as compared to conventional banks. They do not have access to the central bank as the lender of the last resort in many jurisdictions. Islamic banks also do not invest in Treasury bills in order to meet statutory reserve requirements.

In some jurisdictions, they invest in Sovereign Sukuk and also face greater cash reserve requirements if there is a lack of sovereign Shari'ah compliant instruments available. Thus, Islamic banks have to be more watchful and prudent in

their financing operations to mitigate liquidity risk.

Usually, the average maturity of deposits in banks is shorter than average maturity of financing provided. Islamic banks are no exception as they compete in the same market and also need to follow the BASEL requirements.

Liquidity risk management in Islamic banking becomes more difficult due to restriction on sale of debt and absence of alternate instruments for short term liquidity management.

As a result, experts call for more alternative liquidity management instruments which are compliant with Shari'ah together with development of new deposit products, such as special purpose deposits, Bancassurance (bank and insurance) deposits, children deposits, and pilgrimage deposits to expand the deposit base.

In this regard, use of equity financing can ensure pure-pass through returns. Furthermore, securitization of investments with secondary trading can also enable the depositors to liquidate their investment in the secondary market rather than withdrawing deposits which are not replaced by another depositor.

Deposits, especially in Islamic banks are mostly placed in checking accounts. Current accounts are zero-return deposits while investment deposits mobilized in checking account do not on average have higher return. In fact, the returns on Islamic investment deposits are usually lower than conventional.

Hence, if financing is mostly reliant on these low-cost investment deposits and

zero-return safekeeping deposits, then cost of funds will be lower as compared to relying on other external sources of funds.

Rise in benchmark rate may lower liquidity risk and bank may start to rely more on deposits. It is because deposits are less sensitive and elastic to rise in benchmark rate as compared to the financing contracts. Hence, rise in benchmark rate bodes well for the liquidity risk as the bank is able to raise revenues from financing contracts more substantially as compared to the rise on cost of funding from deposits.

Stringency of capital regulations and credit risk have a negative and significant impact on liquidity risk. Nonetheless, some empirical researches indicate that more solvent banks have better liquidity position with a greater cushion of capital. It may imply that larger banks are able to manage liquidity risk more effectively by leveraging on the trust of depositors and having a relatively more flexible access to interbank market.

For effective liquidity management, Islamic banks shall look to diversify sources of funds. An increase in non-remunerative deposits can reduce the cost of raising funds from the public. Reliance on a few big deposits is risky. It is better to have a widespread deposit base.

Islamic banks also need to reduce the concentration of funding base. It is better to have an efficient liability mix with adequate availability of short term and long term deposits. Maturity matching on both sides of the balance sheet can solve much of the problem systematically.

In financing operations, all else equal, it is better to rely on financing of marketable assets. It is better to finance those assets on a priority basis that have a secondary market and that are somewhat standardized and widely used in the real sector of the economy.

Roundup of 2nd Al Baraka Forum 2024 **Karachi, Pakistan**

Al Baraka Forum for Islamic Economy in collaboration with the Islamic Chamber of Commerce and Development (ICCD) hosted the 2nd Al Baraka Regional Conference, in partnership with Al Baraka Bank Pakistan, to shed light on the crucial role of home remittances in Pakistan and their impact on sustainable development.

The conference served as a platform to discuss the multifaceted aspects of home remittances and their far-reaching

implications in shaping the economic growth tracks of nations in general, and Pakistan in particular.

The event brought together leading experts, decision-makers, and stakeholders to engage in dialogue about strengthening Islamic finance tools to achieve the Sustainable Development Goals (SDGs) and align remittance strategies with sustainable development

objectives in a globally changing remittance landscape.

Event was divided into three sessions; first session was about the Islamic financial institutions and their role in economic integration in Pakistan. Second session focused on the challenges and opportunities in harnessing home remittances for economic growth and the last session was the discussion on the policy frameworks and future outlook for home remittances.

The discussion started with keynote addresses delivered by Dr. Ahmad Kawesa Sengendo, Assistant Secretary-General for Economic Affairs of the Organization of Islamic Cooperation (OIC), Dr. Mufti Irshad Ahmad Aijaz, Chairman Shariah Advisory Committee of Securities and Exchange Commission of Pakistan (SECP) and State Bank of Pakistan (SBP), Dr. Ishrat Husain, Former Advisor to Prime Minister and Ex-Governor SBP, and Mr. Zulfiqar Ali Khokar, Head of the Pakistan Remittance Initiative at SBP, sharing industry insights and future outlook for the country.

“As one of the 57 member states of the OIC, Pakistan plays a crucial role in promoting economic integration through home remittances. Islamic financial institutions facilitate these remittances, encouraging recipients to invest sustainably in local businesses and welfare programs. Collaboration between governments and financial institutions is essential to establish secure, user-friendly, and legal channels for remittances and foster linkages with international financial institutions,” stated Mr. Yousef Khalawi, Secretary-General of the Al Baraka Forum for Islamic Economy.

Dr. Sengendo pointed out that remittances represent an important flow of foreign currency with a tremendous impact on local communities and national economies in many OIC Member States. He also emphasized that remittances were increasingly becoming the most important sources of external finance for low-income countries, and in some cases, a main driver of economic growth, where they amounted to nearly 20% of their Gross Domestic Products. He also emphasized the need for effective and planned strategies for human resources export to avoid the loss of human resources needed to develop the respective OIC countries through brain drain.

As a key note speaker, Dr. Ishrat Husain, former SPB Governor, said that the Islamic banking system has the potential to offer solutions to the economic problems. “Something we have to pursue vigorously”, he added.

As another keynote speaker, Dr. Mufti Irshad Ahmed Aijaz, Chairman Shariah Advisory Committee SECP, and SPB saw the conversion of the economy as a challenge to which the country’s financial players are not prepared yet.

Zulfiqar Ali Khokhar, Head of Pakistan Remittance Initiative SBP, informed about ‘Sohni Dharti’ which is a remittance program and serves as a digital platform. He said that there are also incentives for the market players and consumers. He said that the Islamic banks can grow their home remittance services up to 15%, besides enhancing their outreach and marketing.

According to the Saleh Kamel Islamic Economy Database, Pakistan received

around US\$150 billion in home remittance from 2017 to 2022. This ranks Pakistan fifth among the top remittance receiving countries in 2022 with US\$29.9 billion. Global remittances reached US\$758 billion in 2022, with OIC countries receiving 25.5% of this amount, i.e. over US\$193 billion. Home remittances are crucial for Pakistan as they constituted 33% of total imports, making it the second highest among OIC countries and fifth globally in 2022.

Experts highlighted that remittances contribute to alleviating poverty at micro level as well as accelerating growth at micro level through converting low-income families into middle class families by providing better education level, better health care and general elevation in their lifestyle.

The conference conclusively put forth policy frameworks and future outlooks for home remittances, including suggestions to streamline remittance flows so they contribute to sustainable economic growth. The stakeholders also delved into future trends and outlook for home remittances in Pakistan and emphasized the need to collectively work on innovative strategies to further enhance the positive impact on the national economy.

During the panel discussions, it was emphasized that there is less trade among OIC countries than the more integrated trade blocks like NAFTA, EU and ASEAN. It is partly due to politics, but also because of economic inequality. Islamic finance can help with trade finance and infrastructure finance to set up export processing zones, industrial & IT parks, warehouses & port infrastructure along with business process engineering. For

this, there is need to focus on cross border Sukuk issuance, using Islamic modes in bilateral and multilateral finance and exchange of expertise and resources for transformation of financial systems.

Experts pointed out that Islamic modes of financing are naturally synchronized with the real economy. Experts urged the industry to develop more innovative ways of reaching SMEs and agriculture. Furthermore, they also emphasized the need for product variety and price competitiveness. Government also needs to transform its monetary and fiscal policy.

In Pakistan, Islamic banks have one fourth share in banking, but one third share of profits in the banking industry, yet there is room for improvement in sharing profits equitably with depositors and also in reaching SMEs and agriculture (2.6% share of agriculture and SMEs financing in Islamic banking vs 7.3% in overall banking).

On the agenda of Islamic finance and ESG, experts highlighted that Islamic environmental ethics & Maqasid e Shari'ah are harmonized with SDGs & ESG. Protection of biodiversity, avoiding waste, responsible use of resources, transparency, fairness, equality, inclusivity and justice are duly emphasized in Islamic teachings. Need more green finance in countries facing infrastructure deficit, water stress levels and energy shortages. New market segment allows greater and speedy market penetration. Need to focus on green asset creation than just becoming a way of rolling over loans. More focus is needed on offering price differential in green finance than overindulgence in

reporting and minimum compliance alone.

In embracing technology, experts emphasized that it is the only way forward to deal with disruptive technologies.

Islamic banking should have very strong fintech, one touch services, and mobile apps, as digitalization is not just important for home remittance but it's a game changer in many fields.

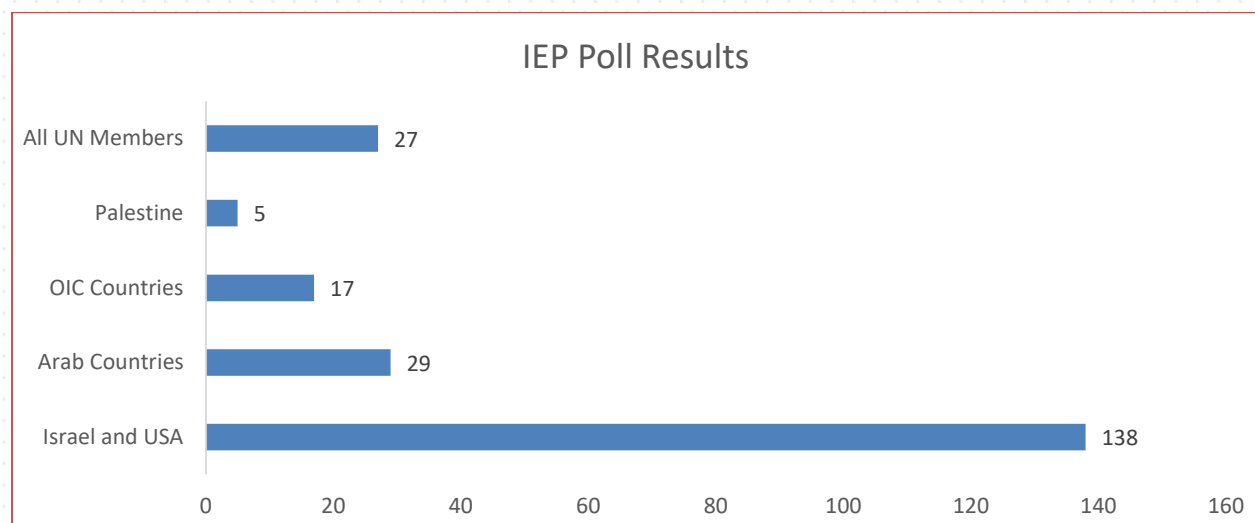
IEP Public Poll

In January 2024, Islamic Economics Project held a public poll on its Facebook page. Question in the poll was “Who should bear the cost of destruction in Gaza Genocide?”. Options were:

- ❖ Israel and USA
- ❖ Arab Countries
- ❖ OIC Countries

- ❖ Palestine
- ❖ All UN Members

More than 200 people voted in the poll. Answers are illustrated in the graph below. It is interesting to note that more than 60% of the people voted in favour of Israel and USA.



Nonetheless, 13% respondents put the responsibility on the shoulders of all UN members. Another 13% respondents felt that the responsibility lies with Arab countries.

Even though, majority of the people still put the responsibility over Israel and USA, there are still quite a lot of people who

think that the responsibility of meeting cost of destruction shall be borne by Arab countries or by all UN members.

It is important to create awareness about how Israel has dehumanized and decimated homes, people's source of living, hospitals, schools and have made

people deprived of water, sanitation and food.

As much as it sounds good to see people having moral conscientiousness, change in political sphere requires much more than boycotts. It requires compelling political

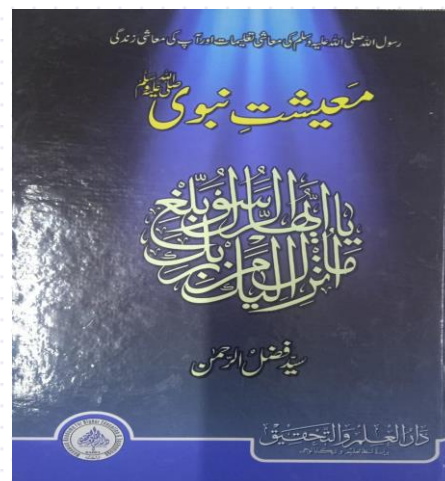
representatives to raise voice against injustice. It requires not voting for those politicians whose shameless silence, ignorance or outright advocacy of Israel's brutality has resulted in loss of 30,000 lives in Gaza in just over 4 months.

Book Review

Title: Economics of Muhammad PBUH
(معیشت نبوی صلی الله علیه وسلم)

Author: Syed Fazl ur Rehman

Publisher: Dar-ul-Ilm Wat-Tahqeeq



This book presents the personal finance management of Prophet Muhammad (PBUH) along with economic teachings. It provides details of both the periods, i.e. period of life spent in Makkah and period of life spent in Medina.

Prophet Muhammad (pbuh) lost both parents at an early age. Prophet Muhammad (pbuh) inherited some belongings from His late father. Besides that, He (pbuh) was supported by grandparent and then two uncles. It ensured that all physiological needs of Prophet Muhammad (pbuh) were met with convenience and ease in the early period of life.

Then, when Prophet Muhammad (pbuh) reached a mature age, He (pbuh) involved in herding and then trading. He (pbuh) learnt trading through His uncle and also accompanied him in trading visits. Then, Prophet Muhammad (pbuh) progressed and engaged as Mudarib in Mudarabah.

Prophet Muhammad (pbuh) did exceptionally well as a trading manager. People liked His honesty and professionalism.

It is narrated that once Prophet Muhammad (pbuh) sold a camel. But, upon recalling that the camel had a defect, He (pbuh) Himself returned the money. Once a person promised to pay Him (pbuh) and asked to wait at a

particular place. But, the person forgot to pay back. When he realized that he had forgotten the commitment, he came back and found Prophet Muhammad (pbuh) there waiting for him since the last three days.

Despite enmity towards the message of Islam, people in Makkah despite all hostility and enmity trusted Prophet Muhammad (pbuh) to do safekeeping of their belongings. Even when faced with threats, Prophet Muhammad (pbuh) was most concerned about returning the belongings of the people to them and made conscious arrangement to ensure that people's belongings are returned safely to them.

Prophet Muhammad (pbuh) also acted as Mudarib for Khadija (rta). Both later on got married. When Khadija (rta) died, Prophet Muhammad (pbuh) also got a share in inheritance.

In Medina, Prophet Muhammad (pbuh) was warmly welcomed. Often, he would be invited as guest with honour. People would feel honour if they get a chance to host Prophet Muhammad (pbuh) or send Him meals and gifts like clothes.

When battles started, Muslims started getting Amwal-e-Ghanimat. Prophet

Muhammad (pbuh) also got His share. But, He (pbuh) would not use it all for Himself and family. Rather, He (pbuh) would distribute a major part of it to the needy.

In a nutshell, the picture that emerges from the authentic narrations is that Prophet Muhammad (pbuh) did not have to suffer from poverty or hunger. Occasional challenges were circumstantial. He (pbuh) had earned sustenance through trading. He (pbuh) also had livestock and in Medina, there were agricultural lands which will yield enough food for the whole family.

Prophet Muhammad (pbuh) had multiple forms of wealth including agricultural land, livestock and armor, to name a few. He was sufficiently able to meet His needs along with the needs of the family with ease. Prophet Muhammad (pbuh) had spent in charity all the time and this is only possible if He had been able to manage His personal finance without constraints.

Research Paper in Focus

Paper Title: Waqf Management Through Fintech in Malaysia

Author: Zaki Ahmad, Mushtaq Ahmed and Mahvish Nawaz Mokal

Publisher: Journal of Islamic Finance, Vol. 12 (2), 114 - 125.

Authors state that cash Waqf has gained acceptability in Malaysia, with the Malaysian National Fatwa Council issuing a fatwa allowing cash Waqf in 2007.

In Malaysia, Waqf is seen as a strong instrument that could help Malaysia's poverty problems. Authors stress that Waqf management in Malaysia has to be strengthened and revitalized. Leveraging fintech can help to modernise the administration and investment.

Authors think that internet crowdfunding is positioned to assume a pivotal role in fundraising efforts catering to a diverse range of emerging Waqf needs, both domestically and internationally. Consequently, there is a pressing demand for an enhanced level of professionalism in Waqf fundraising, particularly when it pertains to the establishment of the financial mechanisms required for such endeavours.

Authors emphasize on the need for strong Shari'ah governance in order to gain and retain the trust of Muslim donors. To enhance the confidence of donors and uphold integrity of Waqf management, security, legal and governance frameworks along with transparency in reporting and enforcement are necessary.

Even though, the paper presents useful information, but it lacks novel perspectives and concrete solutions. The challenges need to be addressed and the

solutions needs to be discussed thoroughly to show how the challenges can be overcome. Case examples of success stories in third sector, NGO sector and philanthropic sector from around the world can be used as a source on inspiring changes. Malaysia along with Indonesia are already ahead and frontrunner in Islamic social finance.

There are plenty of public private partnership projects which have been successfully carried out in Malaysia using the Waqf model. Likewise, Waqf model has been used in increasing house ownership among the middle class Muslims in Malaysia.

Having said that, Waqf administration in Malaysia faces certain challenges which the authors seemed to have overlooked. For instance,

- ❖ No land records in some areas since land has been existing for long even before independence. For unoccupied land in suburbs or in rural areas, development record is missing.
- ❖ Since ultimate ownership is not transferred on Waqf based property, apartments and assets, banks are sometimes reluctant to provide financing.
- ❖ There is no tax exemption on Waqf at the moment. Same charges are levied on sale, exchange and income. Hence, lack

of tax incentives sometimes dampen the use of Waqf.

- ❖ Local authorities want the surrender of area where some public amenities exist or planned to be developed, such as power supply station, green area, pond, drainage, sewerage treatment plant and roads. However, looking at it from another way, a property or land area which had been dedicated in the way of Allah shall not be surrendered after its permanent dedication in order to ensure perpetuity and irrevocability.
- ❖ Majlis also faces a problem to develop Waqf land classified as heritage. This

type of land is put under the auspices of the local authority and the museum department.

- ❖ A lot of Waqf lands are located in scattered rural areas where potential for development and rise in value is relatively lower and due to scattered nature of lands geographically, there are limited economies of scale in development.
- ❖ A lot of people still do not have complete awareness of Waqf, its potential and impact.

Reflections

Scientists who do not believe in God know that science can neither prove nor disprove God. But, they try to demean the importance of existential questions with casual remarks. Prof. Richard Dawkins once said that God's existence cannot be disproved just like it cannot be disproved that a flying horse exists or fairies live beneath the garden.

First of all, it does not come under the domain of science to be an arbiter in such matters. It is the limitation of science, but not of human rationality. Human rationality is not confined to believing only in physically observable realities. Even though Prof. Lawrence Krauss thinks that the ultimate arbiter of truth is experiment, science would come at a standstill when faced with realities that are not physical. Science would not tell us about the motive, will and morals definitively.

It is correct that not all beliefs are true. Some are mere superstitions. A belief can be true or false. If we cannot prove or disprove God from scientific method alone, then we need to evaluate a belief by using other faculties other than physical senses, such as logic and philosophy. If a concept dates back to history, then we ought to evaluate history and archaeology.

If the concept is written in a book and millions of people attribute their held views to that book, then one is ought to read and evaluate information in that book. Curiosity demands this continuous probing from a person who is interested in seeking reality, knowledge and truths.

From the perspective of science, take the unprovable proposition that there exist unobservable fairies beneath the garden. When the human rationality would understand that this is an unobservable

proposition, it would employ other faculties to probe it further rather than relying on experiments or physical senses.

For instance, ask who believes that fairies exist beneath the gardens. If none, then we do not need to find an answer to an irrelevant hypothetical belief as to whether it is true or false. If someone does believe in unobservable fairies beneath the garden, we need to see what question it answers for him/her and what is the source of this answer?

This kind of logical probing will be done to all kinds of beliefs, whether it is existence of unicorn or tea pot orbiting around some distant planet. It should be clear that how probing unobservable claims can be debunked through logic and rationality, whereas science on its own cannot resolve unobservable absurdities definitively.

Now, take the question of God's existence. If a person knows little science, he/she would conclude that this is neither provable nor disprovable through science or scientific method alone. But, one can use logical and rational reasoning to see whether it is a justified true belief.

When we see an orderly thing and reflect on its origin or existence, the questions like who created it, how it was created and why it was created come to mind. Atheists want to replace the question of who with chance for primordial matter and skip the question of why. How something comes about is an important part of reality. It comes under the domain of science to seek answers to that. But, that does not mean that the answer to 'how' alone tells us the complete story and also answers 'Who did it' and 'Why'.

For validation of knowledge about something, seeing something is not necessary. We use inference to know about things we have not seen, but which nevertheless are considered as true by inference. We would infer that someone put book on table if it was lying in cupboard when we last saw it. If we see an infant crying in a stroller in park and is unattended, we would immediately search for the parent or attendant who would have accompanied the infant to this place.

Inference can be used to derive valid knowledge about unseen concepts whose physical manifestations can however be observed like gravity, for instance. We know that dark energy and dark matter, detectable only because of their effect on the visible matter around them, make up most of the universe. We knew black holes exist even before we observed them through a visible image in 2019.

Science has made us truly amazed at how we exist through fine-tuned balance in numerous variables. The natural question is for what purpose? Can aspiration of getting a due reward for right conduct be possible for everyone? Can absolute justice ever be established? Is everlasting happiness achievable? Can the outlaws responsible for genocide be brought to justice ever? Can the honest and truthful people who suffer unjust lives be duly compensated, if ever?

Big bang proved the premise scientifically that the universe began to exist. Everything that begins to exist cannot create itself. It cannot create itself while not in existence. So, it cannot be existing and non-existing at the same time. It has to be created by something that is not 'it'. The creator has to be independent of

the universe itself. So, the constraints of this universe do not apply to that Creator since the Ultimate Creator is not part of

the universe. It is the author of both the universe and its laws.



Market News

- ❖ By 2026, the global Islamic finance industry is expected to reach \$ 6 trillion (IBS Intelligence, Jan 02).
- ❖ IFC provides Murabaha facility worth \$50 million to empower women entrepreneurs (Salaam Gateway, Jan 01).
- ❖ Ahli Islamic signs landmark MoU with AAOIFI (Pakistan Observer, Jan 12).
- ❖ CDNS secures Rs 50 billion in Islamic finance bonds (Associated Press of Pakistan, Jan 04).
- ❖ SECP launches Islamic finance bulletin for FY23 (Dawn, Jan 30).
- ❖ Raqami sets up Shari'ah Board as SBP grants NOC (Business Recorder, Jan 30).
- ❖ Islamic Trade Finance Corporation signs work plan for 2024 with Monsha'at and Saudi EXIM Bank (ZAWYA, Jan 31).
- ❖ Empowering Islamic finance: UNDP and Warba Bank initiate the development of an advanced ESG online course (United Nations Development Program, Jan 21).
- ❖ CDNS attains Rs 1,000 billion targets in fresh bond (Associated Press of Pakistan, Jan 29).
- ❖ Offa Selects Finova's Apprivo origination platform to power its Shari'ah-compliant finance products (Financial IT, Jan 31).
- ❖ Islamic finance: Malaysian expert sees Hong Kong benefiting from deglobalisation, shift in ethical financing (Yahoo Finance, Jan 25).
- ❖ Bank Nizwa signs agreement with Oman Housing Bank to provide Shari'ah-compliant home financing solutions (ZAWYA, Jan 13).
- ❖ NBO Islamic banking window Muzn introduces Tijarah account (ZAWYA, Jan 14).
- ❖ Pakistan's key Islamic Bank targets Gulf market expansion, set to operate beyond national borders (Arab News Pakistan, Jan 09).

- ❖ Islamic banking assets surge 22% in Q3, deposits exceed Rs 6 trillion (Profit by Pakistan Today, Jan 05).
- ❖ Sahara bank converts itself into an Islamic bank (Libya Herald, Jan 09).
- ❖ PSX to conduct three GOP Ijarah Sukuk auctions in 1Q of 2024 (Profit by Pakistan Today, Jan 09).
- ❖ Gulf nations witness 178% surge in US Dollar Sukuk issuance: Fitch Ratings (Arab News, Jan 14).
- ❖ First Abu Dhabi Bank issues first Sukuk globally in 2024 (ZAWYA, Jan 11).
- ❖ ADB supports Indonesia's first social bond and Sukuk Issuance (India Education, Jan 12).
- ❖ Islamic digital bank expansion to enhance Malaysia's robust standing: Moody's (New Straits Times, Jan 15).
- ❖ Govt raises Rs 86 billion in Sukuk auction at PSX (The Express Tribune, Jan 25).
- ❖ Govt plans Rs 100 billion Sukuk boost at PSX (The Express Tribune, Jan 23).
- ❖ IsDB and CIC foster strategic dialogue on Sukuk in Beijing (Islamic Development Bank, Jan 22).
- ❖ UAE Ministry of Finance plans to Issue \$1.3 billion bonds, Sukuk in Q1 2024 (Asharq Al-Awsat, Jan 22).
- ❖ Investors place \$3.5 billion of orders for debut Omantel Sukuk (Global Capital, Jan 17).
- ❖ Global Sukuk issuance expected to remain steady in 2024: S&P (Arab News, Jan 15).
- ❖ IILM's US\$ 840 million short-term Sukuk oversubscribed 2.3x (The Asset, Jan 17).
- ❖ Dentons advises QIIB on its US \$500 million sustainable Sukuk issuance (Dentons Jan 17).
- ❖ Saudi Arabia's Middle East Healthcare to issue Sukuk under \$400 million debt programme (ZAWYA, Jan 16).
- ❖ Global Sukuk market to cross \$1 trillion in 2024: Fitch (ZAWYA, Jan 11).
- ❖ Crown Takaful Insurance gets NAICOM's nod to begin operation (Business Day NG, Jan 30).

- ❖ Malaysia insurance, takaful sectors set for modest growth in first half of 2024 (Insurance Business America, Jan 17).
- ❖ FWD Takaful, AEON Insurance to close protection gap among motorcyclists in Malaysia (New Straits Times, Jan 17).
- ❖ Bank Islam to Offer Digital Takaful Solutions on Be U App with Zurich and Senang (Fintech News Malaysia, Jan 10).
- ❖ Department of Zakat fund provided over QR 16 Million in aid during December 2023 (QNA, Jan 16).
- ❖ Bank Islam introduces Ihsan sustainability investment account to deliver positive impact through social finance (Malay Mail, Jan 07).
- ❖ AEON bank set to become Malaysia's first Islamic digital bank (FinTech Global, Jan 16).

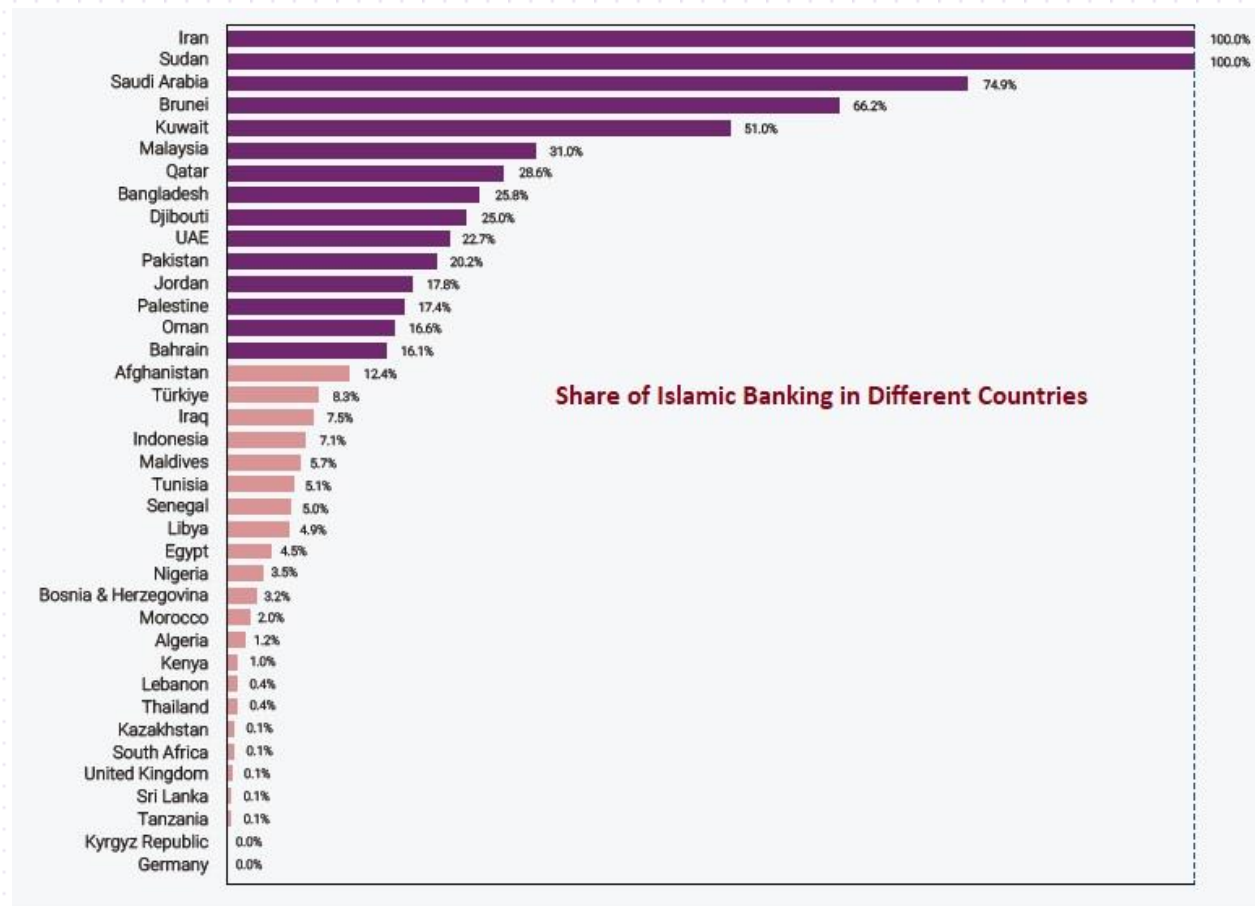


Economic and Financial Indicators

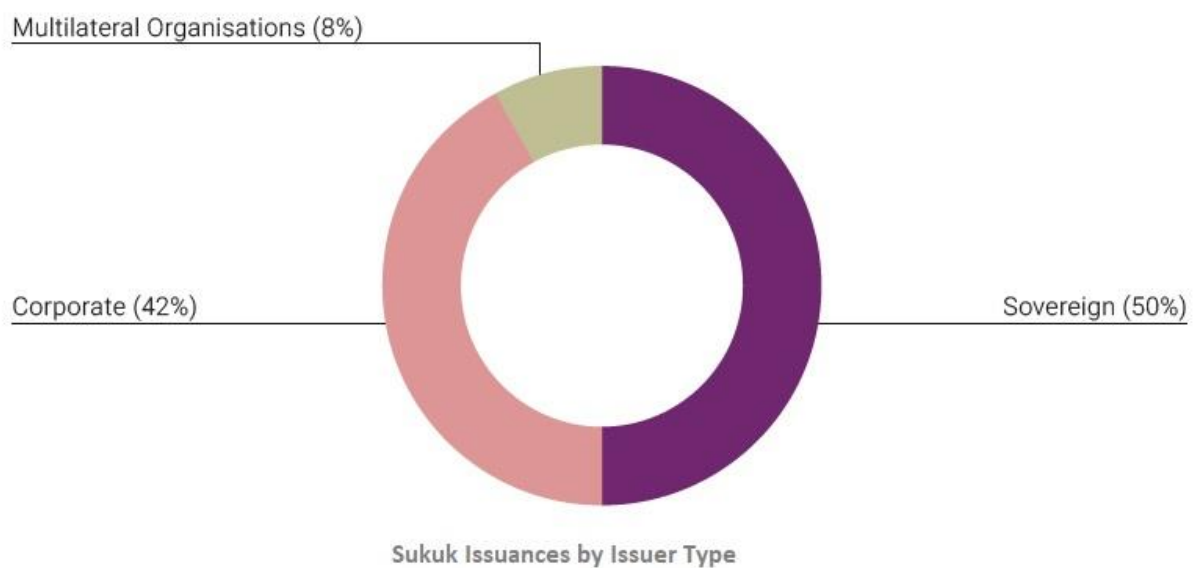
Islamic Banking Statistics 2023

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

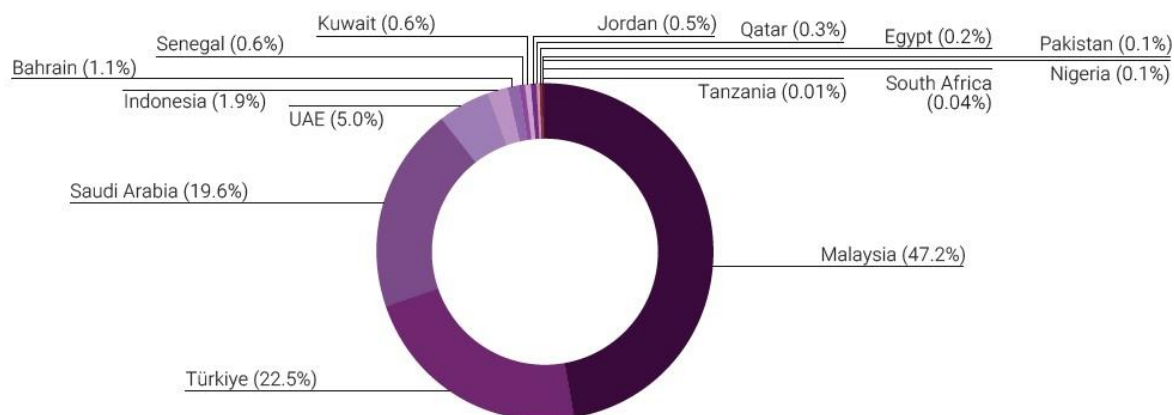
Source: IFSB Data



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

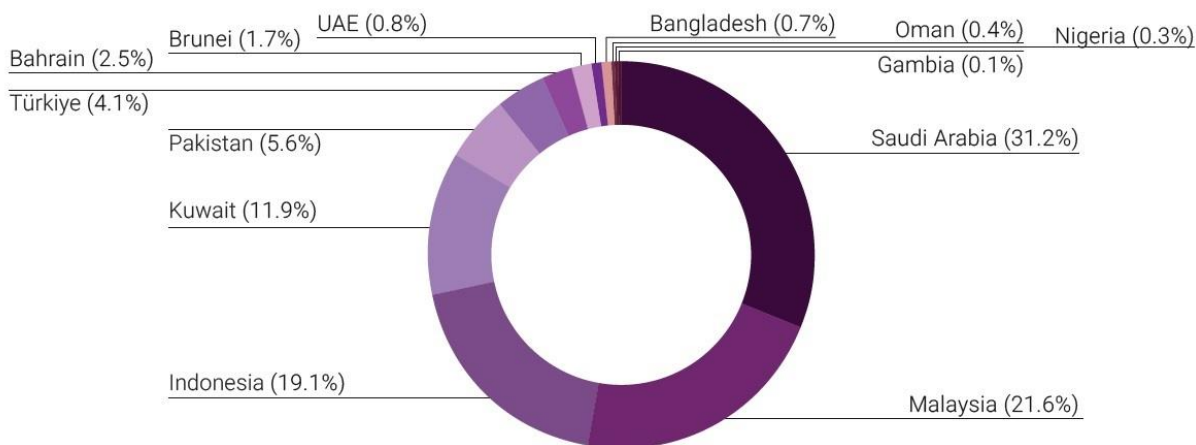


Source: IFSB Estimates based on data from Refinitiv



Corporate Sukuk Issuance by Jurisdiction of the Originator

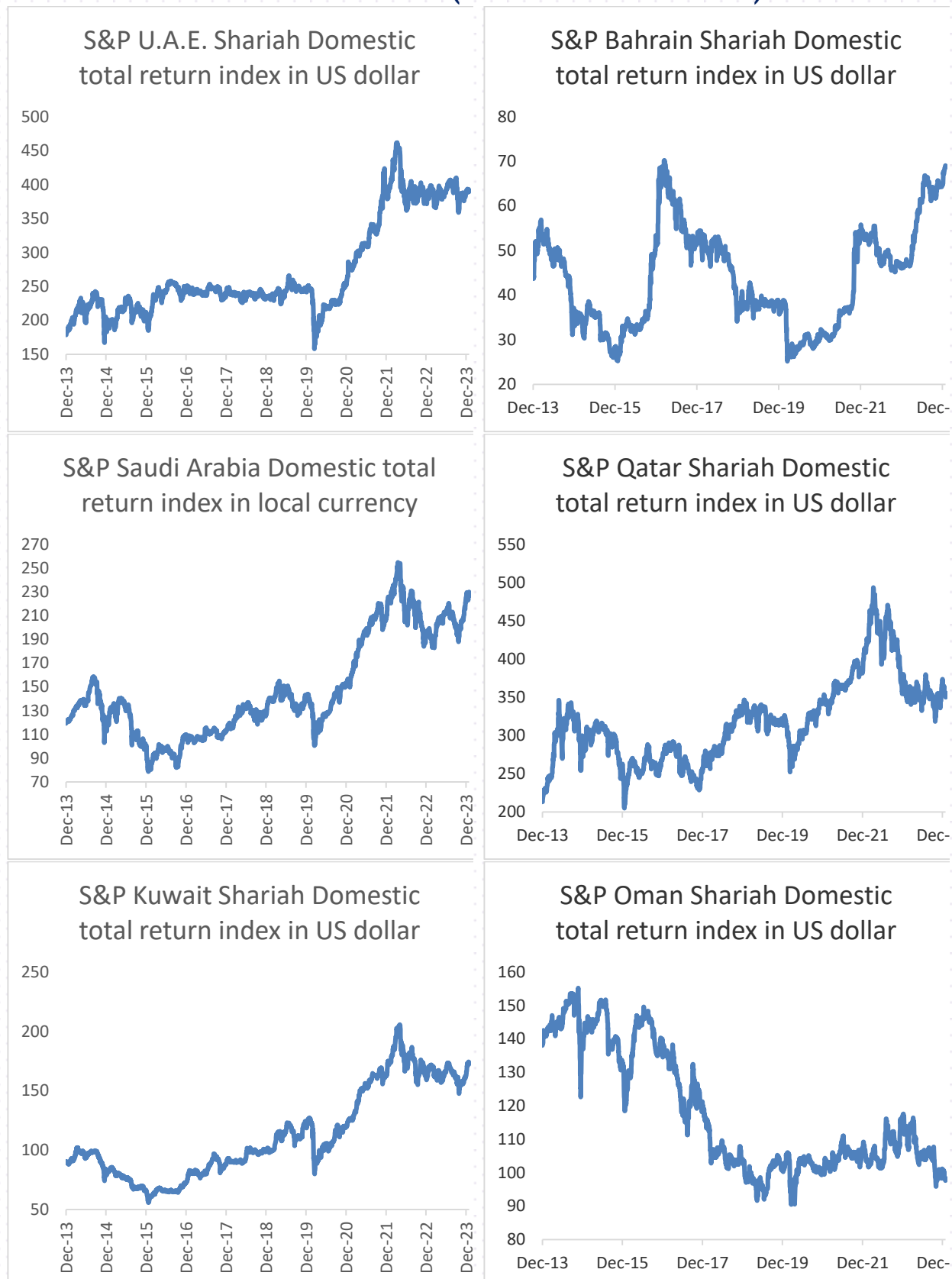
Source: IFSB Estimates based on data from Refinitiv and Regulatory Authorities (excluding Iran due to data limitations)



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)

SUKUK 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

Special Issue, Emerald Journal of Financial Reporting and Accounting
<https://www.emeraldgrouppublishing.com/calls-for-papers/islamic-financial-accounting-reporting-and-accountability>

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>

3rd International Conference on Islamic Economics 2024 (3rd ICONIE 2024)
24th - 25th April 2024 (Physical & Online), Hotel Holiday, Sarajevo, Bosnia
<https://submit.confday.com/conf/iconie2024>

NACIF 2024 Conference
'Tapping The Untapped Islamic Financial Market in North America'
<https://www.nacif.us/call-for-papers.html>

Other Resources on Islamic Economics Project Portal

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



islamic_economics_project@gmail.com

www.islamic_economics_project.com

www.facebook.com/IEProject

pk.linkedin.com/company/islamic-economics-project

<https://twitter.com/iepresearch>