



“On the earth are diverse tracts, adjoining one another: vineyards and cornfields and groves of palm, the single and the clustered. Their fruits are nourished by the same water; yet We make the taste of some excel that of others. In this also are signs for people who understand.”

*[Al-Qur'an, Al-Ra'D: 4]*



“Whoever has three daughters and is patient towards them, and feeds them, gives them to drink, and clothes them from his wealth; they will be a shield for him from the Fire on the Day of Resurrection.”

*[Ibn-e-Majah, 3,669]*

### *Inside This Issue*

❖ IF and Inclusive Economic Growth	1
❖ Al-Baraka Forum 2025	3
❖ Interview of Prof. Dzulfajri	5
❖ IEP Public Poll Results	8
❖ Book Review: History of IET	9
❖ Research Paper in Focus	11
❖ Reflections	13
❖ Market News	15
❖ Economic & Market Indicators	17
❖ Call for Papers	22

“The purely economic man is indeed close to being a social moron. Economic theory has been much preoccupied with this rational fool.”

*Richard Thaler*

*Misbehaving: The Making of Behavioral Economics*

## **Islamic Finance and Inclusive Economic Growth**

**Dr. Salman Ahmed Shaikh**

The permissibility of earning interest on the amount of money lent creates distributive inequity in the financial flows as well as delinks the financial flows with the real economy.

Tremendous financial investments in exotic financial derivatives and money market ensure return to the financial capitalist on fiat money without having any commitment to give back to society any tangible real benefit. The current

financial system largely funds rich segments of the population who can provide collateral as security for the grant of money based loans.

In a market following Islamic norms and values, the market forces will determine which Halal goods and services should be produced and offered at what price. Through private sector investment and production, resource markets and product markets will function to enable

households to obtain purchasing power by providing rentable factors of production like labour services (Ijarat-ul-Ashkhas) or usufruct of a naturally existing or produced tangible asset (Ijarat-ul-A'yan) in the production process and earn compensation in terms of wage and rent, respectively.

As per Islamic rules of trade, the subject matter should be Halal and the price once determined cannot be changed in a credit sale after the sale is executed.

Since contemporary businesses require expensive and long duration capital goods for achieving efficiency and economies of scale, sourcing capital from individual households having surplus investible capital might be cumbersome. Islamic banks exist to reduce transaction cost, mitigate moral hazard and provide asset backed financing. Islamic banks monitor the investments made by households and share the profits on investments with them.

Since there is no provision of earning money by simply loaning fiat money, all the financing provided is backed by real assets in the Islamic economic framework. This mitigates the moral hazard problem and the misuse of funds. It also ensures that the real assets are traded or leased when a financing contract is executed. Thus, it strengthens the link with the real economy and links the payoffs with the outcome of real economic transactions rather than fixating profit for one party in investments.

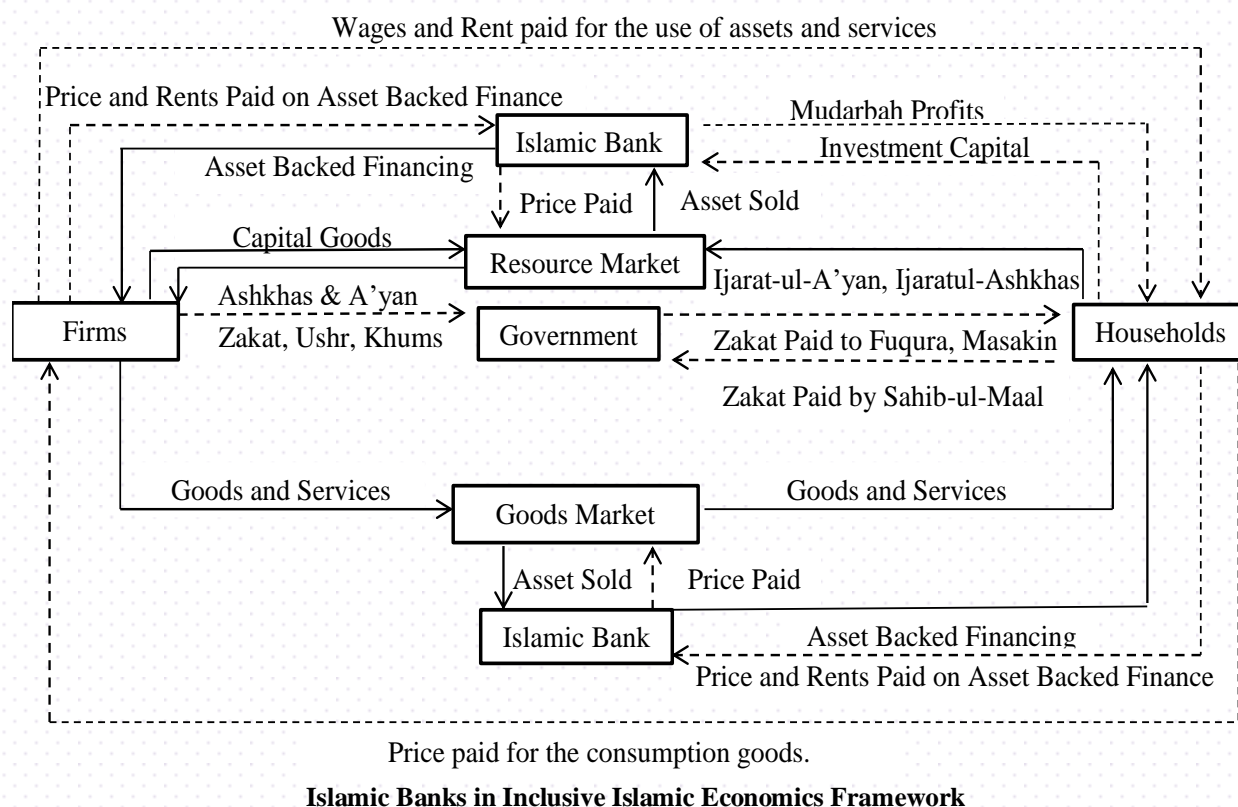
By ensuring that financial intermediaries cannot simply earn interest on money capital alone, they necessarily have to ensure that they provide asset backed financing and these assets are purchased from the resource markets (such as raw materials, equipment and machinery) or goods market (such as cars and consumer appliances).

Finally, the institution of Zakat ensures that the poor and hungry people who earn below subsistence level incomes are provided with income support so that they can fulfil their basic needs. Producers and rich households who are required to pay Zakat, Ushr and Khums share their incomes with the poor households.

Thus, the Islamic economic framework ensures that investible capital is invested in the real economy and through which, a greater magnitude of employment opportunities are created as against an interest based financial system in which the funds can be invested in financial derivatives and money market to earn a risk-free return.

Finally, those households which remain unable to earn sufficient incomes to meet their needs are supported through the second phase of circulation of endowments which is not based on the profit motive, but which is driven by pure altruism.

Figure below shows the Islamic economic framework in which the dashed lines represent monetary flows and the solid lines represent the commodity flows.



### **Highlights of Al-Baraka Forum** **Report by Muhammad Hammad**

The AlBaraka Forum for Islamic Economy, in collaboration with the Islamic Chamber of Commerce and Development (ICCD), successfully held the 4th AlBaraka Forum Regional Conference on 29 January 2025 at Marriot Hotel Karachi, Under the theme “Sukuk for Sustainable Development: International Best Practices”.

During the opening ceremony, H.E Mr. Yousef Hassan Khalawi, Secretary General, AlBaraka Forum for Islamic Economy highlighted that the world has now spent more than a full century talking about sustainability. The Islamic world has 22 countries classified as least

developed countries. We should focus on our nations and focus on our beliefs, as today we are trying to introduce Sukuk as one of our major initiatives created by Muslim economists, scientists, and experts.



Mr. Saleem, Deputy Governor of the State Bank of Pakistan, highlighted that the main Islamic finance principle is to be able to give the world a fair, just and

equitable economic system. The capitalist system in most part of the world is not making the development sustainable. Islamic economic and financial system focuses on creating value, making sure that new resources are distributed equally so that income inequality is being addressed. Mr. Akif Saeed, Chairman of the Securities and Exchange Commission of Pakistan (SECP), highlighted that on the international stage, Sukuk has demonstrated its effectiveness as a financial instrument for sustainable development.

During the sessions of the 4th Albaraka Forum Regional Conference Series, Mr. Rehmat Ali Hasnie, President and Chief Executive Officer, the National Bank of Pakistan highlighted that the government's support and security are crucial for transition, as progress will be slow or even impossible without them. H.E Mr. Irfan Siddiqui, Founding President, and Chief Executive Officer, of Meezan Bank revealed that Meezan Bank along with other Islamic banks is working actively with MoF and SBP for regular issuance of Sukuk.



Mr. Syed Faraz Anwer, Partner Advisory and Consulting, PWC Pakistan shared optimism that the diversified representation of both Islamic and conventional banking industry in the conference could assist in the conversion process.

Mr. Muhammad Atif Hanif, Chief Executive Officer, Al Baraka Bank, Pakistan, highlighted that Sukuk has developed rapidly in recent years and now it has improved to 5 trillion rupees. Speaking about the challenges, Mr. Hanif, mentioned the requirements of the conventional banks and Islamic banks, besides the issue of debt raising for the government as the total domestic debt of Pakistan is now 47 trillion rupees, which used to be 26 trillion in 2021, and it is growing by average 20% every year.

Mr. Basir Shamsie, President & Chief Executive Officer, JS Bank highlighted some challenges, like the rupee devaluation, as hard currency investors are reluctant about it. He also mentioned limited amount of issuances and transactions as further challenges.

Mr. Ijlal Ahmed Alvi, Chief Executive Officer, and Secretary to The Board and Spokesperson of The International Islamic Financial Market emphasized that the consultative phase is the essential first step in any process, as it helps identify key issues and set the direction accordingly. Reflecting on 2008, Mr. Alvi highlighted the extensive discussions surrounding the legal behaviour of Sukuk and their ability to generate revenue, which underscored the critical need for transparency at the time.

Prof. Mohammad Kabir Hassan, Professor of Finance at the University of New Orleans - USA, and Hamid Habib Chair Professor at the Institute of Business Administration (IBA), highlighted that the challenge in the current Sukuk market is the regulatory harmonization. He also mentioned that there are technical gaps



in knowledge from Shari'ah experts, as there is a shortage in Shari'ah structuring expertise.

Mr. Imtiaz Gadar, Chief Executive Officer, of Al Meezan Investment Management Limited, highlighted that one of the key challenges in meeting the rising demand for Sukuk is the paucity of clean tangible assets to back the prevalent Ijarah Sukuk structure, and an asset-light Sukuk can resolve this as issuance is not directly backed by tangible physical assets, but instead relies on alternative mechanisms like receivables, cash flows, or intangible assets.

Mufti Dr. Irshad Ahmad Aijaz, Chairman of the Shariah Advisory Committee, State Bank of Pakistan mentioned that it is easy to structure Sukuk in some regions than others.

Mr. Tariq Naseem, Head Islamic Finance Department, The Securities and Exchange Commission of Pakistan (SECP) highlighted that as a result of consultation, significant notes have been taken. Mr. Tariq also clarified that all sovereign Sukuk issued by the government of Pakistan are on a single Sukuk structure which is Ijarah Sukuk.

---

### Interview of Prof. Dzuljastri Abdul Razak

#### Research Fellow

International Institute for Halal Research and Training (INHART)

International Islamic University Malaysia (IIUM)

**Q: Unless Islamic banks change their pricing to give more priority to green transformation, just having a bigger portfolio of green financing provided at greater than or equal to market rate of interest shows green washing. Do you agree with this statement?**

Islamic finance is rooted in principles of social justice and the well-being of the community (Maslaha). Prioritizing green transformation aligns directly with this principle. Simply offering green financing at market rates does not demonstrate a genuine commitment to Maslaha if it does not actively incentivize environmentally beneficial projects. A true commitment requires going beyond business-as-usual and actively promoting what is good for society.

Offering preferential rates for green projects recognizes and internalizes the long-term benefits, which may in turn reduce systemic risk. Charging the same rate for both green and non-green projects ignores this critical risk differential.



It is indeed a problem that a larger portfolio of green financing at market rates can be easily manipulated. Banks could reclassify existing projects as "green" without any real positive

environmental impact. Without clear, standardized metrics and transparent reporting, it is difficult to distinguish genuine green initiatives from green-washing. Pricing incentives tied to demonstrable environmental impact would provide greater transparency and accountability.

Nowadays, preserving the environment is increasingly recognized as a core component of Maqasid al-Sharia, the higher objectives of Islamic law. Simply financing green projects at market rates does not fully realize this objective. It treats green projects as just another asset class, rather than prioritizing them as essential for the well-being of present and future generations.

Islamic finance has the potential to be a leader in sustainable finance. By actively incentivizing green transformation through preferential pricing, Islamic banks can set a positive example for the entire financial industry. By maintaining the same rates for all projects, Islamic banks may inadvertently be supporting businesses that contribute to environmental degradation. Differential pricing can allow them to actively discourage investment in polluting industries and promote a shift towards more sustainable practices. Otherwise, it risks being perceived as mere green-washing.

**Q: Muslim economies are struggling to still solve problems of poverty, unemployment and underdevelopment. In such a scenario, can they afford to give more priority to green financing at the cost of not improving performance on social indicators first?**

The issue is not about giving priority to green finance. Green finance must itself be competitive and address social issues like poverty and hunger. It cannot be seen from the conventional lens. There is need for avoiding the false dichotomy. In the long run, green financing towards environmental transformation will also complement the social upliftment of the poor.

Many poor people also suffer from droughts, extreme weathers, floods, hurricanes, fires and earthquakes. They lose homes, assets and source of living under these adverse events. Green transformation is necessary to avoid the unwanted environmental catastrophe which put poor people in more danger due to their weak coping mechanisms.

**Q: Some scholars now interpret revealed knowledge to get direct guidance on environmental sustainability and challenges. Is this approach correct or does it show post-event rationalization only?**

The Maqasid Shariah is very clear on environment sustainability. Allama Yusuf Al-Qardawi had provided ample references from the Qur'an and Ahadith which show that Islam has clear teachings relating to environment. Qur'an is a book of guidance for all times. For West, it can be said that they are now waking up to environmental concerns as an economic necessity. But, in Islamic revealed knowledge, environmental ethics presents the responsible attitude towards environment and natural resources. This is the right approach and should be followed through by us.

**Q: Islamic banks are struggling to be competitive even in traditional segments. Can they compete in green transformation for which impetus is mostly in economies that have limited penetration of Islamic banking and large scale and established conventional banking which enjoys several scale advantages?**

Green finance has to find its unique feature to leverage on and not "mimic" conventional ways. Green finance has market which is looking at not only the rates, but the impact as well. Sukuk are mimicking conventional ways for market competitiveness competing in a dual market scenario for funds. But, if they cater to the green clientele, it requires more than just healthy returns. Islamic finance can do well to find its foothold in new niche segments. Green Sukuk are not only going to attract investors who want Shari'ah compliant products, but also the investors who are looking for ethical and environmentally friendly investments.

**Q: Do environmental risks be taken as standalone risks or do they also have indirect effects on credit risk, liquidity risk and market risk?**

Climate risk is a separate risk on its own and it also has link with credit risk, liquidity risk and market risk. However, this link creates additional risk factor and premium due to the climate element. It cannot be considered that if credit risk, liquidity risk and market risks are mitigated as understood and defined conventionally, then there is no need for

climate risk mitigation.

Environmental risks are interconnected with and can significantly amplify other traditional financial risks. Companies heavily reliant on natural resources or those with high environmental impact face increased risks due to climate change (e.g., extreme weather events disrupting operations, resource scarcity) or changing regulations (e.g., carbon taxes or stricter emission standards). This can lead to decreased profitability and higher default rates on loans, increasing credit risk for lenders.

Furthermore, properties in flood-prone areas or those reliant on vulnerable ecosystems (e.g., coastal resorts) can lose value due to environmental degradation or climate change impacts. This reduces the value of collateral held by lenders, increasing their exposure to losses in case of default.

Finally, supply chain disruptions can affect procurement, production processes and sales leading to business risks and liquidity risks. In mitigating adverse climate, companies may see spike in expenses affecting their liquidity positions which can also affect their ratings, risk profile and access to financial markets.

Therefore, it is not correct to treat environmental risks as isolated. They have a cascading effect on other financial risks. Ignoring these interconnections can lead to a miscalculation of risk exposure and potentially significant financial losses.

## IEP Public Poll

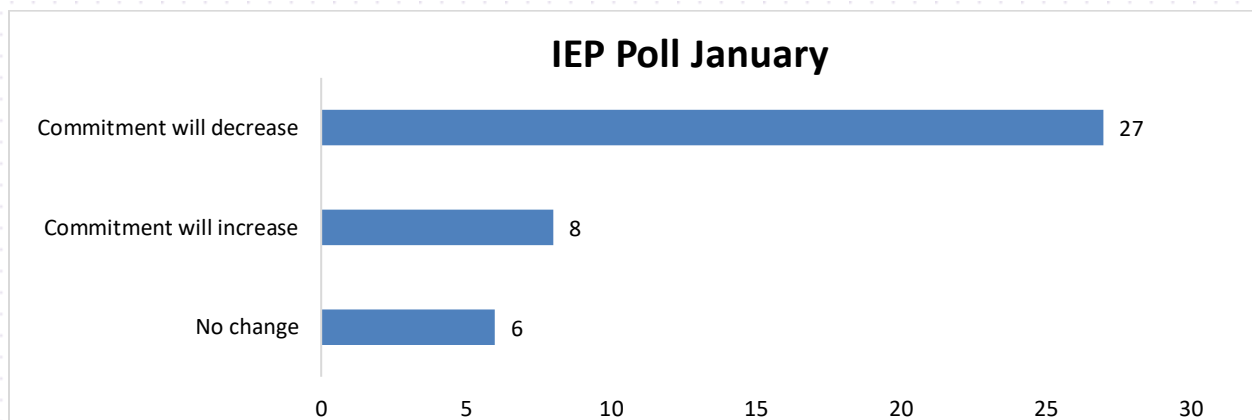
In January 2025, Islamic Economics Project held a public poll on its Facebook and LinkedIn page. The question in the poll was: USA's low commitment on climate change can make other nations complacent or more committed to lead in SDG/ESG?

❖ Commitment will increase

❖ Commitment will decrease

❖ No change

Around 50 people voted in the poll. Answers are illustrated in the graph below. It is interesting to note that more than 66% of the people voted for the option that commitment will decrease.



On the other hand, 20% of the respondents think that commitment will increase while 15% of the people think there will be no change.

Commitment will decrease is the highly voted option in the poll because if a significant global player like the USA appears to be less committed, other nations might feel less pressure to take action, leading to a decrease in commitment.

Some nations might prioritize short-term economic gains over long-term sustainability and climate action, especially if they perceive USA as not being committed to climate change mitigation.

Without strong global leadership and accountability mechanisms, nations might feel less inclined to report their progress, set ambitious targets, or implement effective climate policies.

On the other hand, some of the commentators feel that commitment may even increase. The USA's low commitment could excite other nations to take the lead and showcase their dedication to addressing climate change.

This might inspire increased commitment and action from countries, cities, and businesses, driving innovation and progress in SDGs and ESG. For instance, the European Union has been at the forefront of climate action, and other nations might follow suit.



No change is the least voted option in the poll. Many nations have already set ambitious climate goals and are making progress toward achieving them. The USA's low commitment might not significantly impact their efforts.

Countries might be driven by domestic factors, such as public opinion, economic interests, or environmental concerns, which could outweigh the influence of the USA's low commitment.

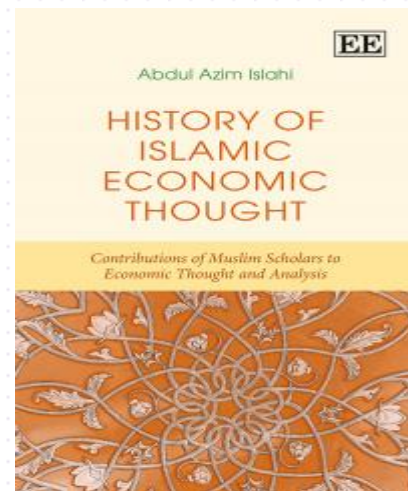
---

### Book Review

**Title:** History of Islamic Economic Thought

**Author:** Prof. Dr. Abdul Azim Islahi

**Publisher:** Edward Elgar, 2014



This meticulously written book illustrates the contributions made by Muslim scholars to economic thought throughout history. It is a topic that has received relatively little attention in mainstream economics. The author aptly answers the Great Gap hypothesis by Joseph Schumpeter.

Prof. Abdul Azim Islahi discusses various ways in which Muslim ideas reached the European West, influencing scholars and helping to form the foundations of modern economic ideas and theories.

Prof. Islahi argues that Muslim scholars made substantial contributions to economic thought, influencing both the development of Islamic economics and,

indirectly, the foundations of modern Western economic theory. He challenges the notion that modern economics is solely a product of Western thought, highlighting the intellectual debt owed to earlier Muslim thinkers.

The book traces the evolution of Islamic economic thought through distinct phases, from its early formation based on the Quran and Sunnah, through periods of significant intellectual flourishing and interaction with other cultures, to its modern revival.

Prof. Islahi examines the contributions of Muslim scholars to various economic concepts and theories.

In value theory, Muslim scholars provided Islamic perspectives on value, emphasizing ethical considerations and the concept of 'just price'.

In market and pricing, Muslim scholars talked about market mechanism, competition, and price determination, highlighting the importance of fairness and transparency.

On production and distribution, Muslim scholars presented Islamic approaches to organizing production process with labour, capital and entrepreneurship with no fixed compensation to capital. They also highlighted the principles of equitable distribution of wealth.

Muslim scholars also explained Gresham law 'bad money driving out good money' much before Gresham. They discussed the problems and effects of counterfeit money. Imam Ghazali and others discussed the functions of money and how interest is not a just price of money.

Muslim scholars also highlighted the role of the state in regulation and monitoring. They covered the key principles which are now considered the cornerstone of long run macroeconomics, growth theory and institutional economics.

Ibn-e-Khuldun provided a theory of civilizational development and decline through the concept of social cohesion. Ibn Khuldun is known for his pioneering work on social and economic dynamics, including his theory of cyclical economic development. Ibn-e-Khuldun also explained supply side economics and cautioned against raising the marginal rates of taxation excessively as it may kill the incentives.

Muslim economists explained division of labour, specialization of tasks and labour theory of value much before Adam Smith and David Ricardo. It is not just in theoretical knowledge that Muslim economists contributed, Muslim civilization also established institutions which became precursor to the modern day commerce and economy.

The use of cheques, partnership modes, agency based depository services and Waqf-based enterprise were some of the notable institutions. Mawardi, Farabi and Shah Waliullah discussed the importance of transparency, peace, order and good governance. They emphasized on the responsibility of the state for ensuring social justice, providing public goods, and promoting economic development.

Prof. Islahi explores the ways in which Islamic economic ideas, transmitted through various channels, influenced European scholars and contributed to the development of modern economic thought. Translation works enriched the knowledge of scholastics. The ideas are unique to Greek as Muslims focused on the inductive approach and on establishing modern institutions of commerce and trade which were not there in Greek.

While Max Weber and Joseph Schumpeter are incorrect to undermine the role of Muslim scholarship and civilization, the other authors such as Briffault, Durant, Sarton, Koehler and others acknowledge the role of Muslim scholarship and civilization and this is also documented by Prof. Abdul Azim Islahi.

The book is a valuable resource for anyone interested in the history of economic thought, Islamic economics, or

the intellectual history of the Muslim world. It provides a comprehensive and insightful account of the rich tradition of Islamic economic thought and its enduring relevance for contemporary economic discourse.

---

### **Research Paper in Focus**

**Paper Title:** Islamic Financial Inclusion and Economic Growth in OIC Countries: Panel Quantile Regression Analysis

**Author:** Massinissa Ameziane

**Publisher:** Journal of Islamic Monetary Economics and Finance, Vol 10(3), 609 - 630.

This study examines how Islamic financial inclusion contributes to economic growth within the OIC countries. A novel index of Islamic financial inclusion (IIFI) is developed and a quantile regression with fixed effects approach is applied to data spanning the period 2015 to 2020 in 25 OIC countries. The index has been constructed to measure the level of financial inclusion within the OIC countries taking into consideration the access to traditional, digital and Islamic financial services.

The findings reveal that Islamic financial inclusion contributes positively to economic growth in the OIC countries across different segments of the GDP per capita with the impact being consistent across all segments. Specifically, a one-percent increase in the index of Islamic Financial Inclusion (IIFI) is associated with a 0.669% rise in GDP per capita.

This underscores the importance of promoting Islamic financial inclusion as a key strategy for driving economic development across OIC member states,

particularly for lower IIFI countries that exhibit greater scope for improvement.

The authors argue that by expanding the network of Islamic banks and enhancing the technological infrastructure for financial access, policymakers can harness the transformative potential of Islamic finance to promote sustainable economic growth and development in the OIC countries. The authors urge policymakers to prioritize initiatives aimed at expanding the network of Islamic banks and enhancing technological infrastructure for financial access.

Measures such as promoting digital payment systems, improving internet connectivity and fostering innovation in financial technology can amplify the impact of Islamic finance on economic growth. Additionally, establishing regulatory frameworks conducive to digital Islamic financial services is crucial for creating a supportive environment.

Authors also note that while finance is crucial for economic growth, a significant proportion of individuals and businesses in developing countries are financially underserved. In OIC countries, there is financial exclusion due to involuntary as well as voluntary factors. Muslims want to avoid Riba which is Haram. In the absence of Islamic banking, they may not bank not because they are not bankable clients, but the banks are not Islamic enough.

By and large, the literature reveals positive effect of financial inclusion. Hence, if Islamic banking enhances financial inclusion, then it will have positive effect on growth. However, it is important to also look at bi-directional causality. Usually, growth increases per capita income and savings. Increase in savings will lead to more deposits and investments in Islamic banks. Is the financial inclusion driving growth or the growth driving financial inclusion?

The authors note themselves that conducting comparative studies between Islamic and conventional financial systems could highlight the unique advantages and challenges of each,

providing a nuanced view of their respective contributions to economic growth. Additionally, qualitative case studies of individual OIC countries could uncover contextual factors and unique pathways through which Islamic financial inclusion influences economic growth.

Furthermore, it is important to question financial inclusion for whom? Merely looking at the aggregate size of market and not the parts which make up the whole may blur the reality. Is the financial inclusion really financial inclusion of masses or is it driven by large institutional investments in the periods of growth.

Furthermore, is the financial inclusion impacting the very people and their incomes or is their inclusion fuels growth of the large corporate sector. Is the effect trickling down or trickling up? This can be explored through primary data of panels using pre and post financial inclusion welfare indicators.



## Reflections on Qur'anic Reference to Nature

Quran is not a book of science, but a book of signs. The basic message of Quran is to answer the existential questions. In presenting the answers, it gives details of Tawheed and Akhirat and how this message was delivered generations after generations by Prophets (PBUT).

When Qur'an focuses our attention to nature, some of its descriptive statements are not contradictory to what we now know through established scientific knowledge, such as:

- ❖ State of early universe (Fussilat: 11)
- ❖ Movement of mountains and continents (An-Naml: 88)
- ❖ Human development in a mother's womb (Al-Mu'minun: 13-16)
- ❖ Non-mingling nature of seas (Ar-Rahman: 19-20)
- ❖ Rotation of planets, stars and celestial bodies (Az-Zumar: 5)
- ❖ Expansion of the universe (Adh-Dhariat: 47)
- ❖ Relative nature of time in the universe (As-Sajdah: 5)
- ❖ Shining of moon by reflected sunlight (Al-Furqan: 61)
- ❖ Determination of sex (An-Najm: 45-46)

It is inconceivable to many modern scientists who have also studied Qur'an that how can a person without extensive travel, writing ability and attending

modern universities of knowledge, could explain things about history, nature and make socio-political predictions that would appear perfectly correct afterwards.

Dr. Keith Moore, former President of the Canadian Association of Anatomists and of the American Association of Clinical Anatomists remarked at a conference in Cairo that details of human development as mentioned in Qur'an must have come to Muhammad from God, or Allah, because most of this knowledge was not discovered until many centuries later.

The historical accuracy of Qur'an's socio-political predictions, perfect transmission through ages of its text, the unique eloquent language it carries and its accurate description of humans and nature should compel one to give it a sincere reading and reflect on its basic message.

The basic message for us is that we are not created without any purpose. As per Islam, the purpose is to excel in our duties to Allah with a thankful attitude and be kind to all of His creations including humans, plants and animals we interact and live with.

If a religious text is transmitted generations after generations with perfect historical accuracy and consistency and whose descriptive statements about history and future are verified perfectly and whose descriptive statements about what we see across nature and within ourselves is accurate and verified by established discoveries of modern science, then it is certainly a very serious candidate for us to consult

in exploring the question of why life and for what purpose?

As a matter of fact, Qur'an is such a book which comes true on all the above mentioned characteristics.



## Market News

- ❖ Brunei ranks 13th globally in Islamic Finance development; Malaysia and Saudi Arabia maintain their top two positions (The Star, Jan 20).
- ❖ Kazakhstan expands Islamic finance with new Shariah ETF (The Astana Times, Jan 17).
- ❖ Fitch Ratings adds new OIC countries for recovery ratings (Zawya, Jan 29).
- ❖ DIB increases its stake in Türkiye's digital bank to 25% (Arabian Business, Jan 20).
- ❖ Four Kuwait institutions among top Islamic banks in 2023 - Arab body (Zawya, Jan 18).
- ❖ Saudi's Al Akaria secures \$186 million Islamic facility from Bank Al Jazira (Zawya, Jan 16).
- ❖ Saudi: Waja obtains \$4.26 million in funding from Alinma Bank (Zawya, Jan 15).
- ❖ Bahri signs an \$800 million Murabaha revolving credit facility agreement with Al Rajhi Bank (Zawya, Jan 15).
- ❖ PTCL Group injects \$15 million into U Bank for Islamic banking and digital growth (Profit by Pakistan Today, Jan 22).
- ❖ GCC is set to propel global Sukuk issuance to \$200 billion in 2025 (Zawya, Jan 16).
- ❖ Riyadh Bank to redeem \$1.5 billion Sukuk five years early (Zawya, Jan 09).
- ❖ Cenomi Centers welcomes Standard & Poor's assessment of \$1.6 billion existing Sukuk (Zawya, Jan 21).
- ❖ Government of Pakistan raises Rs 584.5 billion in T-Bills, PIBs, and Sukuk auctions (Profit by Pakistan Today, Jan 09).
- ❖ Global Sukuk issuance set to reach \$200 billion in 2025: S&P Global (Arab News PK, Jan 14).
- ❖ FAB Sukuk Company prices \$600 million five-year Sukuk to list in London (Zawya, Jan 09).
- ❖ Qatar and Saudi Arabia helped GCC issue record high Sukuk in 2024: Kamco Invest (Zawya, Jan 13).
- ❖ Islamic treasury bonds auction for January attracts bids worth AED 6.91 billion (ANI News, Jan 22).

- ❖ Bahrain to issue \$2-3 billion international bonds, Sukuk in 2025 (Zawya, Jan 27).
- ❖ CBB Sukuk Al-Ijara oversubscribed by 563% (Arab News, 28).
- ❖ Tadawul sees SAR 633.5 billion Sukuk, bond issuances in Q4 2024 (Arab News, Jan 29).
- ❖ Saudi banks ramp up Sukuk issuances to meet financing needs: Experts (Arab News, Jan 30).
- ❖ Saudi Arabia raises \$990 million in Sukuk issuances for January (Arab News, Jan 21).
- ❖ Philippines: First Takaful insurance product launched (Asia Insurance Review, Jan 28).
- ❖ Etiqa, Maybank launch Singapore's first Takaful in 10 years (MIFC, Jan 07).
- ❖ AlJazira Takaful renews qualification for health insurance (Arab News, Jan 07).
- ❖ Inquiry report reveals 'massive embezzlement' in Islamabad's Zakat fund (Dawn, Jan 29).
- ❖ Awqaf licenses Qatar-based charities to collect Zakat funds for Ramadan 1446 H| Gulf Times (Gulf Times, Jan 30).
- ❖ Malaysia allows crypto in Zakat payments (The Daily Star, Jan 21).
- ❖ "Agenda of government, forcefully introducing to destroy Waqf": Congress MP Imran Masood on Waqf (Amendment) Bill in India (ANI News, Jan 31).
- ❖ Agha Hassan calls Waqf Bill a conspiracy against Muslims (Kashmir Patriot, Jan 31).
- ❖ Waqf panel exceeded limits, alleging Muslim personal law board (The Hindu, Jan 29).



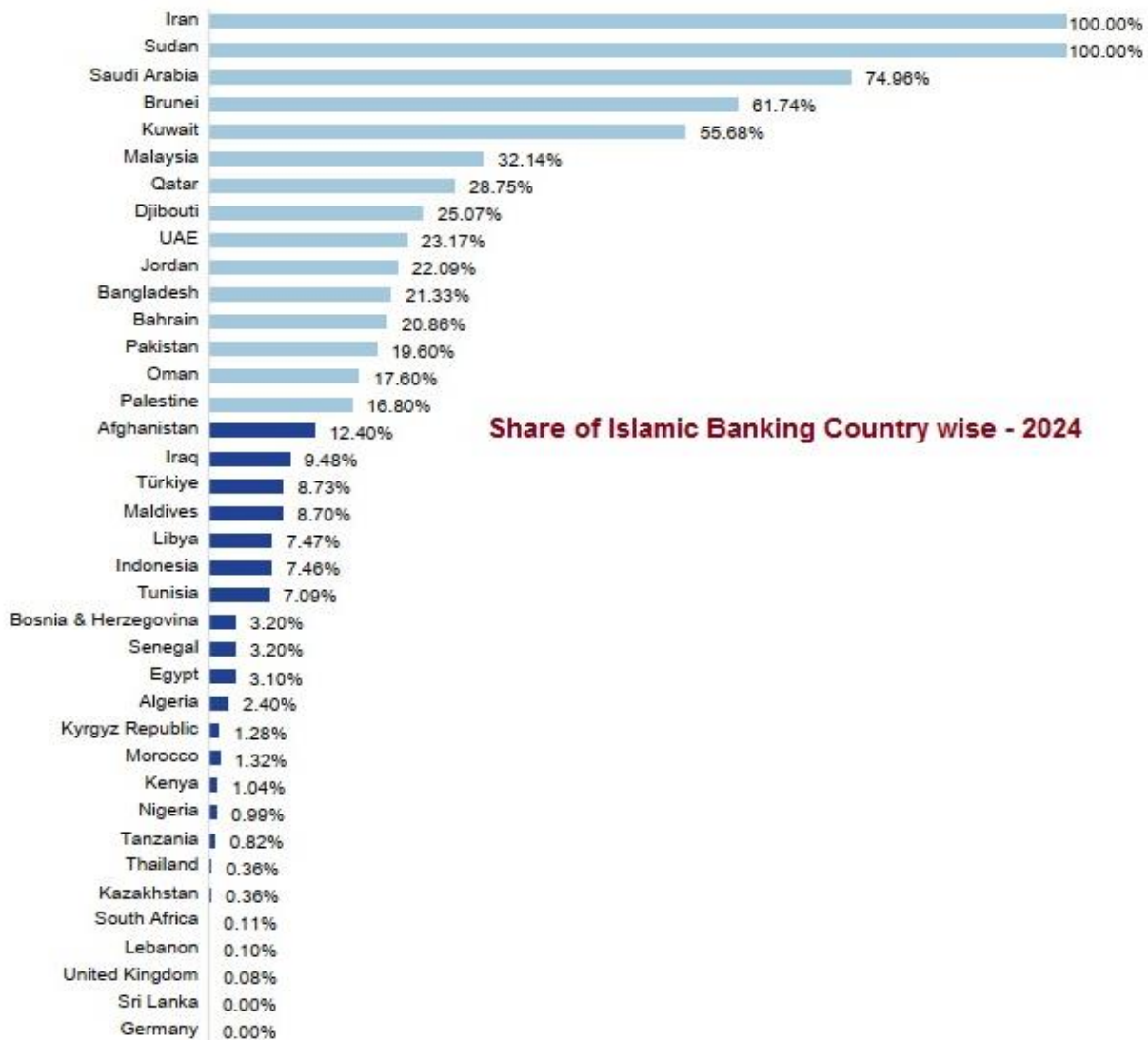


## Economic and Financial Indicators

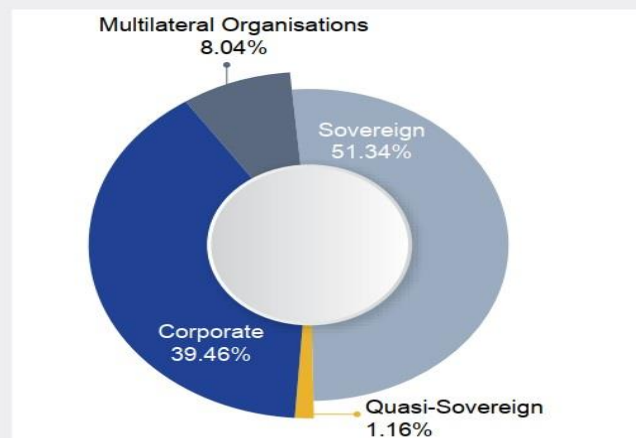
### Islamic Banking Statistics 2024

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	19.5	0.8	0.8	10.2	37.3	54.1
Bangladesh	21.2	1.2	0.5	11.1	34.4	54.8
Brunei	16.4	2.0	1.7	14.0	55.3	45.6
Egypt	18.73	2.97	3.50	40.58	63.70	17.38
Indonesia	25.41	2.10	2.55	18.19	33.31	66.69
Jordan	19.4	2.0	1.5	16.9	51.4	48.6
Kuwait	17.5	1.9	1.1	8.3	57	40.4
Malaysia	17.8	1.5	1.0	14.2	37.8	41.1
Morocco	20.0	0.3	-1.5	-17.3	-63.3	159.6
Nigeria	12.55	5.55	2.96	97.14	29.88	62.9
Oman	15.6	3.2	1.2	8.8	36.4	56.8
Pakistan	22.2	4.5	5.2	79.2	63.0	36.2
Palestine	15.0	5.9	0.3	3.0	6.1	65.8
Qatar	19.1	1.8	1.5	16.2	40.1	13.3
Saudi Arabia	19.5	1.0	2.22	16.9	61.9	38.1
Sudan	8.60	4.68	3.01	34.1	37.5	50.0
Turkey	17.9	0.9	3.2	41.3	37.6	41.8
UAE	18.4	6.3	2.0	15.3	35.7	54.4

Source: IFSB Data

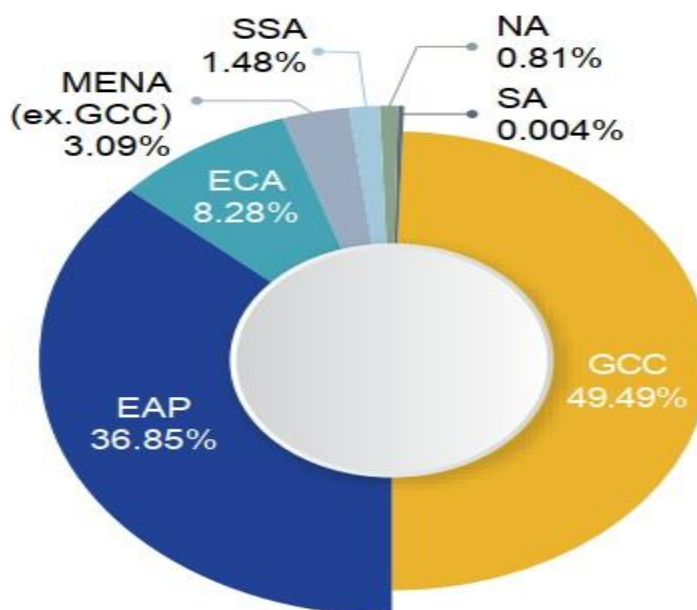


**Şukūk Issuances by Issuer Type (2023)**



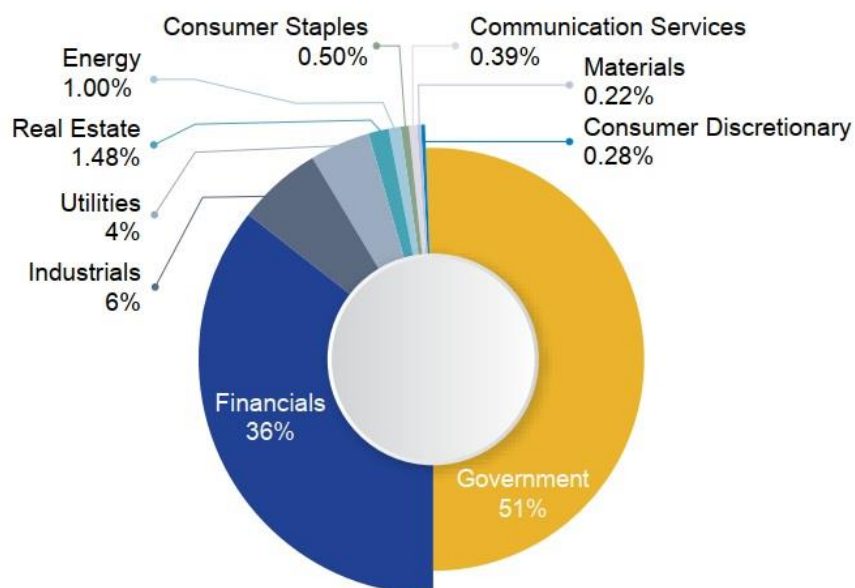
Source: IFSB estimates based on data from Refinitiv

## Corporate Şukūk Issuances by Region of the Originator (2023)



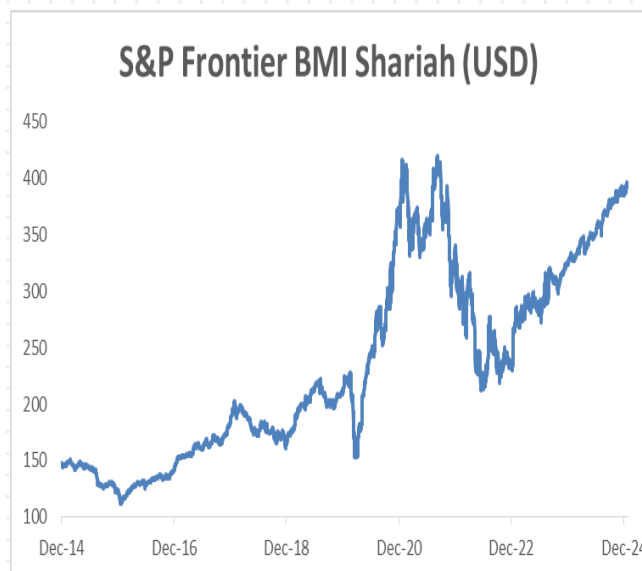
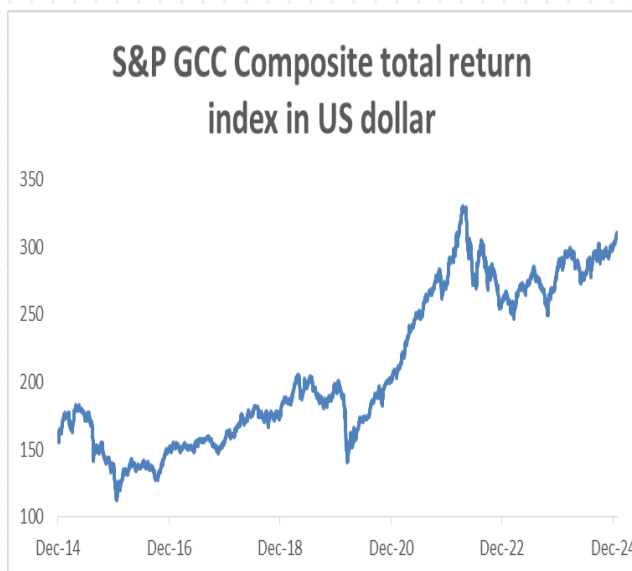
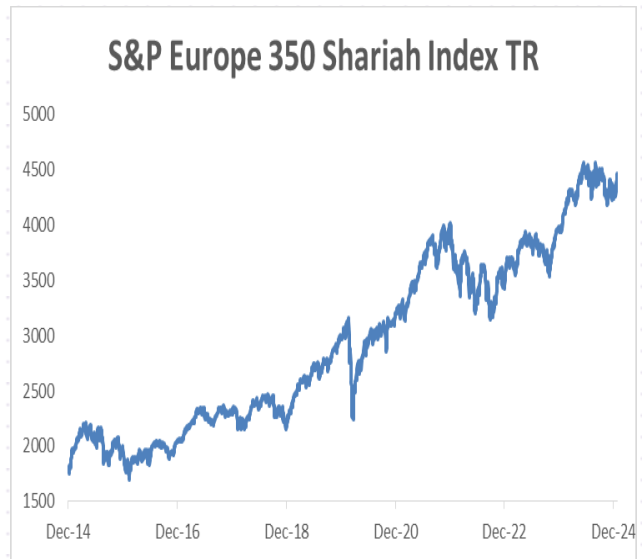
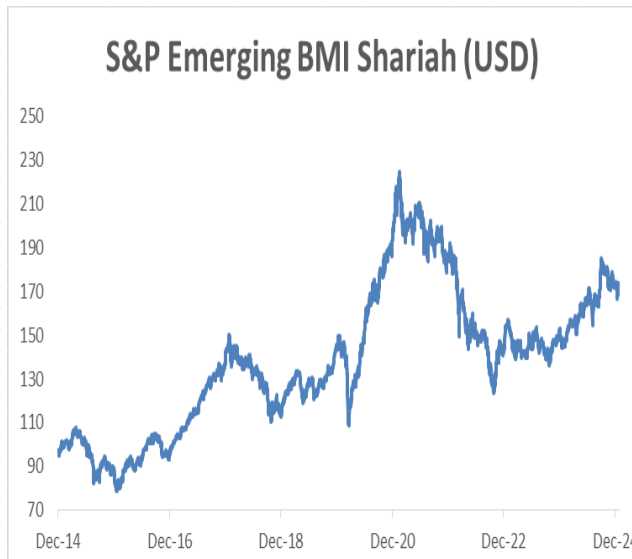
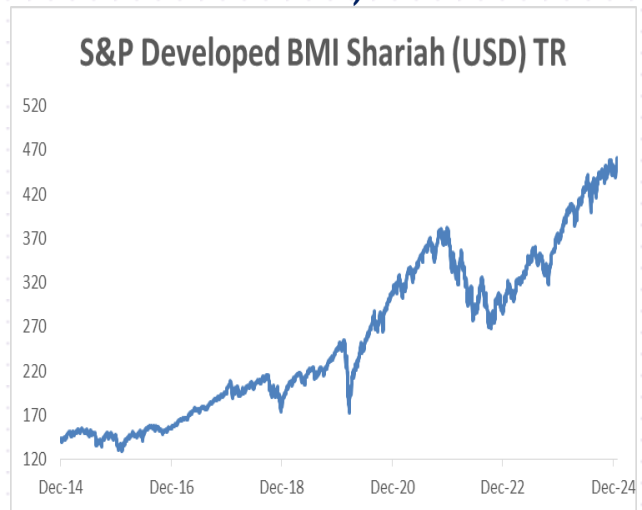
Source: IFSB estimates based on data from Refinitiv and Regulatory Authorities (excluding Iran due to data limitations)

## Sectoral Distribution of Global Şukūk Issuances (2023)



Source: IFSB estimates based on data from Refinitiv and Regulatory Authorities

## SUKUK Investments (Source: SP Dow Jones)





**Global Economic Perspectives**  
**Projections for Real GDP Growth for 2025**

Country	2025f
Algeria	2.1
Bahrain	3.1
Bangladesh	6.4
Benin	6.1
Burkina Faso	5.1
Chad	3.1
Comoros	3.6
Côte d'Ivoire	6.5
Djibouti	5.9
Egypt	4.7
Gambia	5.8
Guinea	5.6
Guinea-Bissau	4.5
Iran	1.9
Iraq	3.7
Jordan	2.4
Kenya	5.3
Kuwait	2.4
Lebanon	
Maldives	5.9
Mali	5
Mauritania	6.8
Morocco	3.5
Mozambique	5.3
Niger	9.1
Nigeria	3.1
Oman	2.6
Pakistan	3
Qatar	3.1
Saudi Arabia	2.5
Senegal	5.2
Sierra Leone	4.4
Suriname	3.1
Syrian Arab Republic	
Tunisia	3
United Arab Emirates	3.4
West Bank and Gaza	3
Yemen	

**Source: World Bank Global Economic Perspectives, June 2024**

## **Call for Papers**

Special Issue, Emerald Journal of Financial Reporting and Accounting  
Contemporary Issues in Accounting, Finance & Governance: Sustainability & SDGs  
<https://www.emeraldgrouppublishing.com/calls-for-papers/contemporary-issues-accounting-finance-and-governance-towards-sustainability-and>

Islamic Finance Conference, Values for Impact  
International Conference on Public Policy in Islamic Economic System  
18 - 19 June 2025, Sarajevo, Bosnia  
<http://valuesforimpact.com/>

Annual Conference of the British Association for Islamic Studies  
Old Divinity School, St John's College, University of Cambridge  
<https://www.brais.ac.uk/conferences>

---

## **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](mailto:islamic_economics_project@gmail.com)

[www.islamic\\_economics\\_project.com](http://www.islamic_economics_project.com)

[www.facebook.com/IEProject](https://www.facebook.com/IEProject)

[pk.linkedin.com/company/islamic-economics-project](https://www.linkedin.com/company/islamic-economics-project)

<https://twitter.com/iepresearch>