Islamic Finance Monthly Bulletin

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GCC Markets

Shariah compliant indices exclude industries whose lines of businesses incorporate forbidden goods or where debt/assets ratios exceed 33%. The increasing popularity of Islamic finance has led to the establishment of Shariah compliant stock indices in many stock markets across the world, even where local Muslim populations are relatively small, such as in China and Japan.

In July the GCC region’s markets were mixed - with two of the six recording negative returns. The UAE market recorded positive returns, up 5.2% after a long period of losses. Kuwait recorded positive gains with a 5.2% rise followed by Saudi Arabia, up 1.6%. The Qatari market experienced gains of 0.6%. By contrast, the Omani and Bahraini stock markets fell by 1.5% and 2.4% respectively.

On risk measurement indicators, volatility and VaR in UAE were 0.82% and -1.33% respectively. In Kuwait and Saudi Arabia volatility was 1.41% and 0.94% while VaR was -2.95% and -1.53% respectively. Both markets showed no differentiation compared to June’s results. Qatar recorded volatility of 0.52% and its VaR was -0.99%. Finally, the two markets with losses in July, Oman and Bahrain, showed no signs of escalating risk. Volatility was 0.34% and 0.74% while VaR was -0.74% and -2.10% respectively.

Figure 1: GCC Stock Markets, July 2010. Bahrain: S&P Bahrain Shariah; Kuwait: S&P Kuwait Shariah; Oman: S&P Oman Shariah; Qatar: FTSE Nasdaq Dubai Qatar 10 Shariah; Saudi Arabia: S&P Saudi Arabia Shariah; UAE: FTSE Nasdaq Dubai UAE 20

Volatility is a measure of trading activity. Higher volatility is observed during periods of financial crisis. Higher volatility is also associated with speculative trading. Value at Risk (VaR) estimates the worst possible return that can happen tomorrow with a given confidence (here 95%). Source: Datastream
The favourable economic climate of last month continued in July for nearly all the Far East markets. Taiwan was the best performer, up 5.27%, closely followed by Singapore, up 3.69%, and Thailand, up 2.65%. The Malaysian stock market rose by 2.8% while Indonesia recorded a 2.9% rise. In contrast, the Philippines failed to recover from June’s negative returns with its market falling 2.6%.

On risk performance indicators, Taiwan’s risk levels were at 0.87% and -0.83% for volatility and VaR respectively. Volatility for Singapore and Thailand was at 0.68% and 0.61% while VaR was -0.83% and -0.97% respectively. Malaysia was the least risky market with 0.49% and -0.59% volatility and VaR indicators. The Philippines’ market had the second-highest volatility of 0.83% and the highest VaR of -1.33%.

Figure 2: Far East Stock Markets, July 2010. Malaysia: FTSE Bursa Malaysia Emas, FTSE Bursa Malaysia Hijrah; Indonesia: Jakarta SE Islamic; Philippines: SPGI BMI Philippines Shariah; Singapore: SPGI BMI Singapore Shariah; Taiwan: SPGI BMI Taiwan Shariah; Thailand: SPGI BMI Thailand Shariah. Source: Datastream
MENA Region Markets

Middle East and North Africa (MENA) region markets are less developed than GCC and some Far East markets. However, good investment opportunities do exist, particularly for investors willing to take extra risk.

In July the MENA region markets showed signs of recovery. Morocco was the best performer with gains of 2%, followed by Tunisia, up 1%, and Egypt up 0.6%. By contrast, Jordan did not overcome the bad investment climate of the past few months, with its market falling 2% in July. Lebanon recorded the biggest fall of all Islamic indices, losing 7%.

On risk performance indicators, Morocco and Tunisia recorded volatilities of 1.41% and 1.39 while their VaR was -2.9% and -1.83% respectively. Egypt’s risk indicators were at 1.12% and -1.57% for volatility and VaR. For the two falling markets, Jordan and Lebanon, volatility was 1.25% and 1.62% while VaR was -2.62% and -4.23% showing a big rise over June’s results.

Figure 3: MENA Region Stock Markets, July 2010. Egypt: MSCI Egypt Islamic; Tunisia: S&P Tunisia Shariah; Morocco: S&P Morocco Shariah; Lebanon: S&P Lebanon Shariah; Jordan: S&P Jordan Shariah. Source: Datastream
The general climate elsewhere was positive with all markets other than India’s recording gains. South Korea and South Africa were the best performers for July with gains of 6.7% and 6.5% respectively. China, Hong Kong and Japan recorded gains of 4.2%, 3.4% and 1.6%. India was the only stock market to record losses, down 1.2%. In addition, the two worldwide Shariah compliant indices showed gains of 7.5%

On risk performance indicators South Korea’s and South Africa’s volatilities were 1.26% and 1.09% while VaR was -1.06% and -1.22%. China, Hong Kong and Japan had volatility and VaR of 4.17% and -1.9%, 0.7% and -0.8%, and 1.35% and -2.68% respectively. Volatility and VaR for India were 0.9% and -1.2% respectively. The two worldwide indices showed decreased volatility (0.9%) and VaR (-1.8%) compared to June.
**Sukuk Market**

This index, launched by Dow Jones Indexes and Citigroup Index LLC in 2006, measures the performance of global bonds that comply with Islamic investment guidelines. The index is made up of investment-grade, US dollar-denominated Islamic bonds—also known as sukuk. The index was created as a benchmark for investors seeking exposure to Shariah-compliant fixed-income investments. The index shares design criteria and calculation assumptions with the broader Citigroup fixed-income index family, and its screens for Shariah compliance are consistent with the Dow Jones Islamic Market (DJIM) Indexes. Bond issues included in the index must comply with Shariah Law and the Bahrain-based Auditing & Accounting Organization of Islamic Financial Institutions (AAOIFI) standards for tradable sukuk. It must also have a minimum maturity of one year, a minimum issue size of $200 million, and an explicit or implicit rating of at least BBB-/Baa3 by leading rating agencies.

The Dow Jones Citigroup Sukuk Index, increased during June closing at 121.655, a rise of 0.67%. However, this rise is not in line with the increase in the levels of Islamic stock market indices. As stock markets advance, Islamic bonds became less attractive for investors. The Dow Jones Citigroup Sukuk Index added 0.67%, finishing at 121.655 points. Only dollar-denominated Sukuk which are rated investment grade can be included in this index. Components include the General Electric (GE) Capital Sukuk Ltd. and the Islamic Development Bank (IDB) Trust Services Ltd.

However, the numbers of Sukuk Issuances in the first half of the year increased compared to 2009. The increase is largely due to the surge in South East Asia’s (SEA) Sukuk issuance which reached $17.35 billion this half compared to $8.89 billion in H1’09 and $4.54 billion in H1’08. Malaysia accounted for 89% of all SEA issuances, rising from $7.25 billion in H1’09 to $15.45 billion in H1’10.

![Dow Jones Citigroup Sukuk Index](image)

*Figure 5 (top): The Dow Jones Citigroup Sukuk Index (DJCSI) measuring the performance of sukuk bonds around the world. Source: Djindexes*
Commodities

Over the past two months, the oil price has been in the range of $70 to $80 per barrel, with analysts claiming the $80 per barrel mark has become a strong resistance point. Hurricane Bonnie caused the suspension of 50% of crude oil production in US-regulated areas of the Gulf, but after passing through the region, crude oil production recovered. Furthermore, the strengthening of the Euro against the Dollar directed fund flows towards riskier investments such as commodities and stocks. Influenced by all these developments oil prices in July stood at $77 per barrel (WSJ, 27 July 2010).

Natural gas prices ($4.64/MMBTU) declined in July as producers continued to exploit prolific onshore gas fields (known as shales), maintaining high supply levels and keeping prices down. In addition, hot weather helped maintain high surplus storage levels (WSJ, 21 July 2010).

Gold fell 5% hitting a 3-month low as problems in the Eurozone seemed, for the time being at least, to have eased. In addition, liquidation of SPDR Gold Trust, the second largest ETF (exchange-traded fund) has been a significant factor in the gold price fall over July (Reuters, 27 July 2010; Gold Alert, 27 July 2010).

Copper rose by 4.1% in July amid positive economic sentiment following the release of EU and US economic data. Higher than anticipated US home sales in addition to a strengthening Euro have been the major driving force behind copper’s rise (The Economic Times, 27 July 2010).

Palm oil rose by 5.4% in July reaching $835/tonne following speculative pressure fuelled by India’s intention to boost imports of palm oil in order to meet rising demand. India overtook China as the biggest buyer of palm oil in 2009. Analysts forecast palm oil prices to rise by up to 20% by November (Bloomberg, 13 July 2010).

Sugar prices remained steady in July (24.5 USD cents/lb) due to weak demand from bulk consumers such as ice cream producers and high processing costs (Reuters, 27 July 2010).

Figure 7: Price evolution of Important Commodities since February 2010 - July 2010 Source: Datastream
Recent Developments in the Islamic Finance Industry

GLOBAL DEVELOPMENTS

Trowers & Hamlins advises UK-based Islamic investment bank Gatehouse on a multi-million dollar transaction

International law firm Trowers & Hamlins has advised UK Islamic investment bank Gatehouse on its £40.1 million ($60.8 million) acquisition of BT’s regional headquarters in Leeds. The property was purchased from LaSalle Investment Management on behalf of the Royal Mail Pension Fund with Shariah-compliant financing provided by German bank Helaba (Landesbank Hessen -Thüringen Girozentrale).

Trowers & Hamlins advised Gatehouse on two recent UK commercial property purchases using Shariah-compliant financing structures including two student accommodation properties bought in April for £29 million and the Procter & Gamble headquarters purchased for £32 million in December.

Source: Gulf Daily News

Ilirika DZU & Qatari Tathmeerom set up Islamic open-end investment fund

Sarajevo-based investment fund management company Ilirika DZU, in cooperation with Qatari Tathmeerom, has established its first open-end investment fund, the Ilirika Emerging Europe Islamic Fund. It will operate on Islamic principles and is being funded by means of a public offering. Ilirika DZU expects to collect some EUR 0.5 million ($0.65 million) in the following three months. This is the minimum funding required to regard the public offering as successful. The new fund aims to increase its value in the medium to long-term via investments in other companies. The fund will not invest in companies generating more than 5% of their revenue from activities such as selling or producing alcohol, tobacco, pork products and firearms, or providing entertainment (such as gambling, operating movie theatres and music halls or providing hotel accommodation).

Source: IFIS

First Japanese company enters Islamic funding market in the Middle East

Nomura, the global investment bank, launched its Commodity Murabaha Facility and raised $70 million through syndication last month. The scale of demand meant the issuance was increased from the original target of $50 million. ABC Islamic Bank, the Islamic finance subsidiary of Arab Banking Corporation, was appointed as the sole Mandated Lead Arranger.

The Facility has been structured as a Shariah compliant commodity Murabaha financing with a three-year tenure, offering a profit margin of 175bps per annum. As a symbolic debut transaction by Nomura into the Islamic finance market, the Facility will be used for general liquidity management purposes. Participants in the Facility include ABC Islamic Bank, Islamic Development Bank (IDB), Samba Financial Group, Sumitomo Mitsui Banking Corporation Europe Limited and Ahli United Bank.

Source: Business week

Bahrain

Bahrain Islamic Bank plans $143 million rights issue

Bahrain Islamic Bank (BisB) is preparing to increase its capital base by raising up to $143 million
in a rights issue at a 37% discount. The bank needs to boost its paid-up capital to address the growth requirements of its finance and investment portfolios. BisB has played a crucial role in the development of the Bahraini economy through its various contributions in financing infrastructure projects in the kingdom.

Source: Gulf Daily News – Local

**Gulf Finance House (GFH) signs up for key infrastructure opportunities for its Syrian bank under establishment**

The Bahrain-based Islamic investment bank, Gulf Finance House (GFH), on behalf of Syria Finance House (SFH), one of Syria’s largest Islamic banks under establishment, with capital of $333 million, signed Memoranda of Understanding with the Syrian Investment Authority (SIA) to develop an economic zone, power projects and phosphate mines.

SFH will take the lead in drawing up the necessary plans, structure financial instruments required to finance these projects, raise the necessary funds and sub-contract developers to commence the work.

SFH’s capital will comprise 30% from an Initial Public Offering, 10% from local partners, and the remaining 60% from GFH, strategic financial institutions and its investors.

Source: Gulf Finance House

**GFH in talks to delay $100 million loan**

Bahrain’s Gulf Finance House (GFH) is to delay the repayment of a $100 million loan maturing in August by up to three years after it failed to raise funds through asset sales. This is the second extension to the Shariah-compliant Murabaha loan as GFH tries to sell assets to free up liquidity and meet debt obligations. Bankers said lenders will likely agree an extension after GFH renegotiated the original $300 million facility in February by paying back $200 million and rolling over the remainder for six months.

In May, GFH sold its stake in the Bahrain Financial Harbour real estate development for $262 million to Emar Bahrain, mostly an asset swap with a cash component of only $40 million.

Source: Gulf Daily News

**International Investment Bank exits Bahrain Property Fund**

International Investment Bank (IIB), a globally focused investment bank based in Bahrain and operating in accordance with Shariah principles, announced its withdrawal from the Bahrain Property Fund (BPF); a diversified portfolio of residential and commercial properties in Bahrain.

**UAE**

**Nakheel presents detailed debt proposal**

Nakheel, the property developer behind Dubai’s palm-shaped islands, has proposed repaying its bank debt after five years and one outstanding $1.85 billion syndicated Islamic loan after seven. Bankers have until the end of August to respond to undisclosed terms of Nakheel’s multi-billion dollar restructuring plan, including the rates of interest and repayment schedules for syndicated and bilateral loans.

Nakheel has paid off two maturing sukuks of about $5 billion so far. The next payment includes a $750 million sukuk due next year and another of $1.85 billion in 2012. Additionally, the developer has loans and liabilities related to banks and trade creditors.
Nakheel’s talks with creditor banks centre on the syndicated loan, based on a Shariah compliant Ijara leasing structure and backed by a tangible asset, as well as an unknown number of bilateral loans.

Barclays Capital, National Bank of Abu Dhabi and Dubai Islamic Bank comprise a coordinating committee handling the restructuring.

The majority of mandated arrangers on the loan are UAE lenders and include Emirates NBD and Abu Dhabi Commercial Bank, both on a bank panel handling talks with Nakheel’s parent Dubai World.

Source: Gulf News

ADIB launches $5 billion Sukuk issuance program

Abu Dhabi Islamic Bank (ADIB) plans to raise as much as $5 billion through the sale of Islamic bonds (Sukuk) under a trust certificate issuance program detailed in a prospectus posted on the London Stock Exchange, listing HSBC as the lead arranger on the Islamic bond program. State-controlled ADIB did not provide a reason for the Sukuk issuance program, but the bank, like many other UAE financial institutions, has been forced to take provisions against bad loans amid the global financial crisis and turmoil over Dubai World’s restructuring.

Source: Trade Arabia - Banking & Finance

Dubai funds may buy Malaysian Sukuk

Duet Mena and Algebra Capital, Dubai-based managers of $500 million (Dh1.8 billion), plan to buy Islamic bonds from Malaysia’s Cagamas, the first under a new structure that complies with the Gulf’s stricter religious laws.

Cagamas, Malaysia’s biggest mortgage holder, plans to seek funds in the oil-rich region by offering 5 billion ringgit ($1.5 billion) of notes that meet the guidelines of the Bahrain-based Accounting & Auditing Organisation for Islamic Financial Institutions.

Fatwas (the judgment of a scholar based on his interpretation of Shariah) from Malaysia are not generally accepted in the Middle East.

Demand from Dubai investors would benefit borrowers in Malaysia, the largest Asian sukuk market. Saturna, the Malaysian investment fund whose Washington-based parent oversees $3 billion of Islamic assets, said the sale is an integral part of its efforts to attract funds from the Middle East.

Source: IFIS

Qatar

Standard Chartered Agrees to Sell Allianz Takaful Insurance Products in Qatar

Standard Chartered and Allianz Takaful have signed a five year agreement to sell Allianz Takaful’s insurance products through Standard Chartered Bank in Qatar. In April this year, the two companies came to an agreement over selling Standard Chartered SME business insurance products through Allianz Takaful in Bahrain, and the new deal in Qatar serves to strengthen ties between the two regional allies. The five-year agreement will see Standard Chartered Bank promoting and selling Allianz Takaful life insurance products through their Bancassurance distributions channels. The Allianz Takaful products which are now available in Standard Chartered branches throughout Qatar include protection plans, investment and savings plans, as well as child education insurance.

Qatar International Islamic Bank (QIIB) seek-
ing stake in UK based Islamic Bank of Britain (IBB)

Qatar International Islamic Bank (QIIB) plans to raise its holding in Islamic Bank of Britain (IBB) to a “significant stake” by offering to buy new shares. IBB has announced plans to raise £20 million ($31 million) through the placement of new shares priced at one penny per share to QIIB.

The shares will be issued at a 69.2% discount to the 3.25 pence per share price on July 26 and a 67.5% discount to the net book value per share as of the end of 2009.

QIIB holds an 11.2% stake in IBB and is the Gulf state’s sixth largest lender by market value. Following the shares placement, the Qatari lender will be an 81% shareholder in IBB.

*Source: Gulf Daily News - Business News*

**Saudi Arabia**

**IRTI launches online database**

The Islamic Research and Training Institute (IRTI), a member of the Islamic Development Bank Group, launched an online database information system called IBIS that aims to become a leading information provider to increase awareness, develop Islamic banking and finance products, and provide assistance in research.

The baseline for the IBIS data is the year 1990. The database will contain information on Islamic banks, Takaful companies, Islamic funds, a Shariah databank, a who’s who database, a collection of Islamic economics and banking literature, and selected news articles on Islamic banking and finance.

*Source: Arab News Newspaper*

**Saudi Binladin Sells $187 million Private Sukuk**

Private contractor Saudi Binladin Group has raised 700 million riyals (Dh685 million, $187 million) from the kingdom’s first short-term Islamic bond.

The privately placed sukuk was offered to Saudi investors and issued through Saudi Binladin Sukuk Co. HSBC Saudi Arabia was the sole lead manager and bookrunner for the transaction. SABB acted as the security agent while SABB Securities was the sukuk holder’s agent, payments administrator and inter creditor agent.

The sukuk issuance was oversubscribed more than 2.5 times and has achieved several notable firsts, including the first short-term issuance in Saudi Arabia, the first credit enhanced structure incorporating the sharing of assigned government contract payment, and the first issuance to be made on a zero coupon, discount to maturity basis.

The sukuk al-murabaha has attracted the highest number of primary investors of any sukuk ever issued in Saudi Arabia and is expected to become an attractive alternate financing source to support local issuer requirements.

*Source: Gulf News and Arab News*

**Kuwait, Jordan, Turkey**

**Kuwait**

**Kuwait Central Bank gets more time to study Dar debt plan**

A Kuwaiti court has given the country’s central bank four more months to submit a report on the debt restructuring plan of Islamic firm Investment Dar, which owns half of British carmaker Aston Martin. Dar, which has been trying to restructure
about KD1 billion ($3.48 billion) of debt, applied in March for support under a government facility set up for troubled companies as part of debt restructuring. In December, it said it had reached a deal with 80% of its creditors. The government facility would help it get the consent of the rest of the creditors on its restructuring plan.

Kuwaiti investment companies were hard hit by the global financial crisis. Dar defaulted on a $100 million Islamic debt issue last year - the first major, public Islamic instrument in the region to do so - and has said it may sell some assets to meet its obligations.

Source: Reuters

IIG of Kuwait defaults on Sukuk payment

Kuwaiti investment firm, International Investment Group (IIG), is unable to pay $152.5 million to sukuk holders who demanded immediate repayment after the company defaulted on its $200 million Islamic bond. In April, IIG became the second Kuwait-based firm in a year to miss a sukuk payment.

Source: Bloomberg

Jordan

The International Islamic Trade Finance Corporation (ITFC) and Jordan Kuwait Bank (JKB) sign $10 million deal

The International Islamic Trade Finance Corporation, an autonomous entity within the Islamic Development Bank, has signed a $10 million deal with Jordan Kuwait Bank (JKB) to help finance small- and medium-sized enterprises in Jordan.

Source: Al Bawaba

Turkey

Kuwait Finance House-Turkey launches gold mutual fund

Kuveyt Turk, or Kuwait Finance House-Turkey, launched the subscription for the first negotiable gold mutual fund on the stock exchange known as the Gold Plus Mutual Fund. The new fund would be listed on the Istanbul Stock Exchange (ISE) once the subscription is complete. Kuveyt Turk is the first Islamic bank to set up a mutual fund in line with Islamic Shariah and negotiable on the ISE offering liquidity for investors, speed in liquefying their equities, and opportunities to utilize recent high gold prices as well as the advantage of keeping value. Gold Plus’ principal objective is to provide the bank’s clientele with an opportunity to invest in the gold market via the capital market.

Source: IFIS

Malaysia: LBS Bina to issue RM135 million ($42.8 million) Sukuk to finance housing projects

Property developer LBS Bina Group Bhd is issuing RM135 million ($42.8 million) sukuk to part-finance three projects in Malaysia. The proceeds will be utilised mainly for proposed development projects in Bandar Putera Indah in Batu Pahat, Johor, Puchong in Selangor, and Taman Royal Lily in Cameron Highlands. The total value of the three projects is RM600 million ($190 million).

Source: The New Straits Times Press

Axis REIT Managers on buying spree

AXIS REIT Managers Bhd (ARMB) aims to manage $500 million (RM 1.6 billion) of assets and is in the process of buying more properties in the Klang Valley and Johor.

ARMB, manager of the Axis Real Estate
Investment Trust, an Islamic office and industrial property trust, now manages 23 properties worth a combined RM952 million ($301 million), ranging from offices and warehouses to logistic centres and hypermarkets. By the end of 2012, it will manage 27 properties with a combined value of RM1.2 billion ($380 million).

Source: The New Straits Times Press

Reserve fund regulation burdens Islamic insurance industry

A stipulation on the amount of reserve fund (qardh) in the draft of Minister of Finance Regulation on Islamic Insurance and Reinsurance Financial Health may cause insurance companies to shut down their Islamic business units. The Islamic insurance industry urged the government to lower qardh (loan) to less than 25% of the minimum solvability limit (BTSM), which itself cannot be fulfilled this year. The chairperson of the Indonesian Islamic Insurances Association (AASI) explained the application of qardh might threaten the growth of the Islamic insurance business. Based on the draft of the regulation, Islamic insurance companies have to provide reserve funds to meet claim coverage and benefit when the amount of tabarru’ (contribution fund from policyholders) is insufficient to meet claim coverage. The draft fixes qardh (loan) at a minimum 25% of the BTSM. AASI viewed such an amount as burdensome for Islamic insurance companies since the fees (ujrah) they received were small.

Source: IFIS

Indonesia to downsize global Sukuk issue

Indonesia will downsize a global sukuk issue planned for this year, as it cuts its debt issuance because of a government forecast for a lower-than-expected budget deficit. Indonesia had aimed to raise up to $650 million in a global sukuk issue in October, according to a finance ministry official.

Source: Reuters

Emirates Global Islamic Bank & Al Baraka Islamic Bank merger approved

Al Baraka Islamic Bank BSC (C) (Bahrain), a wholly owned subsidiary of Al Baraka Banking Group (ABG) (Bahrain), and Emirates Global Islamic Bank have announced their intention to merge the branches of Al Baraka Islamic Bank in Pakistan and Emirates Global Islamic Bank limited for the first merger in the Islamic Banking Sector in Pakistan.

The merger will lead to the emergence of a bank with assets in excess of $582 million and a network of 89 branches covering 40 cities and towns in Pakistan. The process of obtaining the necessary approvals from the regulatory authorities in Bahrain and Pakistan is under way.

The merged bank will carry the name of Al Baraka Bank Pakistan (ABBP) and be managed by ABG Group. ABG has substantial capital resources and presently operates in 12 countries with over 300 branches. ABBP, with its commitment, will commence operations with an extensive branch network enabling it to play a leading role in the Pakistani banking market and a comprehensive range of Islamic banking services, supported by the extensive resources and expertise of the well-established parent company.

Source: IFIS

Pakistan plans Sukuk bills to lure Gulf banks

Pakistan plans to expand its Shariah-compliant banking industry and attract more investors from the Gulf by boosting sales of sukuk bills. State Bank of Pakistan is seeking to sell sukuk maturing in a year or less in the domestic market. The
plan is part of an effort to double Islamic banking services in the next three years to 12% of the total.

The government said last month the $150 billion economy has suffered a loss of about $35 billion in the fight against the Taliban. The country’s budget deficit widened to 5.6% of GDP last fiscal year ended June 30, exceeding the target of 4.9%. Pakistan is selling Islamic debt to finance a deficit projected to be 4% of GDP in the year commencing July 1.

*Source: Gulf Times*
The Gulf One Lancaster Centre for Economic Research (GOLCER) was established in May 2008 by Lancaster University Management School and Gulf One Investment Bank. The centre is funded by a donation from Gulf One Bank.

The main purpose of the Centre is to conduct empirical research focused on key economic and financial developments in the Middle East and North Africa (MENA) region, with special emphasis on the Gulf region. This region includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates, countries that form the Gulf Cooperation Council.

GOLCER’s research agenda will include, as primary topics, energy economics, Islamic banking and finance, telecommunication and infrastructure economics. Recent developments in these fields will be assessed in the light of their impact on the economy of the Gulf region.

In addition to its research activities, GOLCER will provide tailored training courses in specialised areas, including quantitative methods and applications of state-of-the-art econometric and statistical software packages to economic and financial phenomena. GOLCER will also provide consultancy services.

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