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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.

The GCC region’s markets were sharply downward in May, reflecting a worldwide negative trend. The principal cause was the ongoing crisis in the euro zone and the potential repercussions for the world economy. The Qatari stock market saw the biggest fall in May with an 11% decline, closely followed by the Saudi market at 10.9% down, and the UAE was down by 9.9%. The other GCC markets fell less sharply - with Oman down 5.6%, Bahrain down 1.6%, and Kuwait down 0.13%.

On risk measurement indicators, volatility and VaR in Saudi Arabia were at 1.3% and -3.4% respectively, while volatility and VaR for the UAE were 1.3% and -3.3% respectively. Volatility for Qatar was 1.1% and VaR was -2.8%, with Kuwait 1.1% and -2.2% respectively. The safest markets for May were Oman at 0.7% volatility and -2.5% VaR, and Bahrain 0.5% and -0.8% respectively.

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
As with the GCC’s markets, the Far East was adversely affected by the euro zone crisis, and the largest monthly faller was Indonesia, down 15.6%. Taiwan, Singapore and Malaysia also fell, down 7.5%, 7.4% and 7% respectively. The Philippines recorded a 3.9% decline, with Thailand the only Far East market to record a monthly rise, up 0.3%.

On risk performance indicators, Indonesia’s risk levels increased in May with volatility and VaR indicators of 2.2% and -3.7% respectively. Taiwan, Singapore and the Philippines displayed greater risk in May with volatility of 1.1%, 1.25% and 1.40% respectively. VaR indicators for the three countries were -2.8%, -2.0% and -2.25% respectively. Thailand’s volatility for May was 1.5% with VaR of -2.5%, whereas Malaysia’s volatility was 0.6% and VaR -1.2%.
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 May, Egypt experienced the greatest fall with a 14% loss, sharply contrasting with the previous three months where gains were recorded. Tunisia and Jordan also recorded falls of 5.8% and 1.8% respectively. Morocco and Lebanon both recorded positive returns of 2.5% and 2.4%.

On risk performance indicators, Morocco recorded volatility of 1.7% and VaR of -2.9%. Tunisia’s volatility was 1.0% and VaR -2.5% with Egypt recording 1.6% and -1.2% respectively. Jordan’s volatility was 0.95% and VaR -1.90%, with Lebanon’s volatility 0.5% and VaR -1.1%.

The market climate elsewhere was negative with no markets recording positive returns. South Korea had the largest monthly loss, down 14%, hit by a combination of international uncertainty regarding the euro zone crisis, and the threat of conflict with North Korea. Japan and the FTSE World indices were both down 12.1%, and the DJ Islamic index fell by 11.90%. India and China both recorded losses of 11%, with South Africa and Hong Kong losing 8% and 5% respectively.

On risk performance indicators South Korea’s volatility was 1.8% and VaR -4.2%, with China 2.1% and -3.9% respectively. Japan recorded volatility of 1.3% and VaR -3.1%, with the DJ Islamic index at 1.25% and -3.1% respectively. FTSE World Index’s volatility was 1.2% and VaR -3.0%, with India recording 1.8% and -2.90% respectively and South Africa 1.9% and -2.9%. Hong Kong displayed the least risk in May with volatility of 0.85% and VaR of -1.5%.

Figure 4: Rest of the World Indices, May 2010. Korea: SPGI BMI Republic of Korea Shariah; Japan: S&P Japan 500 Shariah; South Africa: FTSE South Africa Shariah; Hong Kong: SPGI Hong Kong Shariah; India: FTSE Shariah India; China: FTSE Shariah China; Global: DJ Islamic Average; FTSE Shariah All World. Source: Datastream
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 in May by 0.82 % closing at 119.995. The sukuk market showed signs of recovery in May after a difficult few months stemming mainly from the Dubai World and Greek debt crises. Moody’s Investors Service, which rates $32.452 billion (Dh119.19bn) worth of sukuk, expects deals in 2010 to surpass last year’s total of $24 billion. KFH Research estimates Islamic bond sales in 2010 will climb by 50% to $30 billion, driven by low interest rates and spending by governments on infrastructure programs aimed at supporting growth. It expects new regulations and legislation to be introduced into global sukuk markets in 2010, especially in new jurisdictions, following steps in Luxembourg, the UK and Indonesia to facilitate the issuance of Islamic finance securities. France and Australia could also implement similar measures. The UK is set to be the first European jurisdiction to introduce a sovereign sukuk issuance with the imminent passage of legislation by the UK Parliament.

Nevertheless, the passing of the legislation into law could make it more likely for corporates to issue sukuk rather than a sovereign issuer, given several corporates’ pressing funding needs.

Moreover, the recent improvements in government financing metrics and credit qualities are likely to prompt governments and, to a great extent, government-related issuers (GRIs) to tap the sukuk and conventional bond markets for further debt issuance, as it is believed that these entities would be most able to raise new funding through issuing fixed income securities, especially for longer-term tenors.

Source: Djindexes.com and www.business24-7.ae
Commodities were adversely affected in May by the ongoing euro zone crisis. Oil prices fell around 20% during the month - influenced by the euro zone crisis, the strengthening dollar, and seasonality (whereby global oil demand declines during the summer months). Gold prices increased by 1.1% mainly due to the euro zone crisis, one consequence of which has been the panic buying of gold, including South African gold coins or krugerrands, particularly by German dealers and banks (Financial Times, 15 May 2010). Copper prices dropped by 7% amid fall out from the euro zone crisis, and evidence of declining manufacturing activity in China (www.metalmarkets.org.uk, 1 June 2010). Natural gas prices increased by 4.8% in May with further rises expected due to summer drilling work that may affect supplies (www.eia.doe.gov, May 2010). Palm oil prices fell to $790/MT amid global economic uncertainty, the strengthening dollar, and European and American proposals to tighten financial regulation potentially reducing investor appetite for riskier assets (Reuters India, 19 May 2010). However, sugar prices rose by 8%, partly due to concerns that domestic instability in Thailand may affect its ability to export raw materials including refined or white sugar, of which Thailand is the world’s second largest exporter (Financial Times, 20 May 2010).
Recent Developments in the Islamic Finance Industry

GLOBAL DEVELOPMENTS

**Sweden’s Export Credit Corporation (SEK) mulls Islamic bond to boost Saudi trade**

SEK may issue Islamic bonds or tap other Shariah compliant financial instruments to boost trade with Saudi Arabia, its biggest trade partner in the Middle East and Africa. A delegation from SEK met Saudi banks including Alinma, Al Rajhi and Banque Saudi Fransi to discuss the plan. These instruments could also involve Shariah compliant letters of credit for Saudi firms. SEK officials declined to elaborate on the potential sums envisaged.

*Source: www.arabianbusiness.com*

**Zurich Aims to Enter Takaful Market in Saudi Arabia, Malaysia**

Zurich Financial Services plans to establish a takaful (Shariah compliant insurance) presence in Saudi Arabia and Malaysia, two of the three mainstays of the Islamic insurance sector (the third being Iran). Zurich recently expanded its global life insurance team in order to increase its Asia-Pacific operations. While it has enjoyed success in Hong Kong and Japan for some time the company intends to widen its regional focus to include Indonesia and Malaysia.

*Source: IslamicFinance.de*

**Bank of London and the Middle East (BLME) to launch Shariah compliant fund**

UK-based bank, BLME has announced it is developing a Shariah compliant Absolute Return Fund. Operating as a Shariah compliant bank with its own Shariah Supervisory Board (SSB), BLME has been providing Islamic investment and finance services to Muslims in Western Europe and Turkey since it opened three years ago. BLME currently operates in the sectors of private banking, corporate advisory, corporate banking, asset management, and markets, and intends to commence retail banking services.

*Source: Arab News*

**Bank Sarasin-Alpen agrees Murabaha[1] financing facility for Noor Islamic Bank**

Bank Sarasin-Alpen (Middle East) Limited, a subsidiary of Bank Sarasin & Co. Ltd (a leading Swiss private bank), has arranged a $120 million Murabaha financing facility for the Malaysian based Noor Islamic Bank PJSC. The facility has been designed to fund Noor’s future investments and balance sheet management.

*Source: Emirates Financial News*

**Saudi Arabia**

**Alinma Bank’s $196.5m loan for Al Rajhi**

Saudi-based Al Rajhi Steel Industries has obtained a 737 million riyals ($196.5 million) bank loan to more than double its steel rebar production by the start of 2012. The Sharia compliant loan from Saudi Arabia’s Alinma Bank will help finance the construction of a 1 million tonne per year steel rebar plant in the Red Sea port city of Jeddah. This will raise Al Rajhi Steel’s annual steel rebar production capacity to 1.8 million tonnes, with the plant costing SR 1 billion ($0.2 billion). When completed, the Jeddah plant will be the biggest rebar steel plant in the Middle East and North Africa.

*Source: IFIS*

**Saudi Electricity Co. raises SR 7 billion ($1.87 billion) from sukuk**

Saudi Electricity Co. has raised SR7 billion ($1.87 billion) from a seven-year sukuk at 95 basis points (bps) above the Saudi Interbank Offered Rate (Sibor). The yield on the issue is also lower than the 160 bps above Sibor at which the Gulf’s largest power utility priced its previous sukuk issue of the same size. This indicates an easing in credit con-

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1 The financing of a sale at a determined markup (cost plus profit margin)
ditions in Saudi Arabia after difficult conditions in 2009. Saudi Electricity raised the tenure of the bond to seven years, up from the five year notes it issued in its previous two sukuk. HSBC and Samba Financial Group are joint lead managers on the offer.

Source: IFIS

Islamic Development Bank (IDB) approves $165 million for development projects & unveils new strategy for member countries

IDB approved $164.9 million for new development projects in member countries and special assistance for Muslim communities in non-member countries, and reviewed a concept note on Member Country Partnership Strategy (MCPS) adopted by the bank aimed at consulting and engaging with member countries in designing joint partnership strategies. New finances approved by the Board of Executive Directors (BED) included development projects in Turkey, Bangladesh and Mali, in addition to Technical Assistance (TA) Grants for Muslim communities in Australia, Ethiopia, Montenegro, New Zealand, France and Kosovo (loan & grant). A T.A Grant was also approved for drilling 10 new water wells and rehabilitating five others in Somalia. The BED approved a $3 million T.A Grant for the Private Sector Project Preparation Facility for African Member Countries, over a 3 year period starting in 2010. The grant will be managed by the Islamic Corporation for the Development of the Private Sector (ICD), which also allocated about $1.5 million for the same project. A proposal for sukuk issuance under the Enlarged MTN Program of $3.5 billion was also reviewed by the BED.

Source: Arab News

Bahrain

Bahrain’s Arcapita secures $200 million facility with Standard Chartered Bank

Arcapita Bank has secured a $200 million facility with Standard Chartered for balance sheet strengthening and corporate purposes. Its original business model focused exclusively on using its balance sheet to fund deals in the private equity, infrastructure and real estate sectors. These were subsequently syndicated to Gulf investors - largely ultra high net worth individuals and family offices. Arcapita’s mission is to provide innovative and distinctive investment opportunities generating superior risk-adjusted returns whilst adhering to Islamic principles.

Source: IFIS

Elaf Bank handles $84 million sukuk

Two Indonesian companies have appointed Bahrain-based investment bank Elaf Bank to arrange the issuance of $84 million of their Islamic bonds (sukuk). These will be sold in domestic and international financial markets, with the funds generated to be used to fund the expansion of the two companies, Java Energi and Mitra Abadi. From the funds, $62 million will be allotted to Java Energi to finance a gas compression station project and refilling in East Java, Karawang, and Cilegon. The remaining $22 million is allotted to Mitra Abadi to develop mini hydro-based power plant with 2x4 megawatt capacity in Sumatra. Islamic Investment bank from Bahrain plans to open branch offices in the Southeast Asia region to get the growing financing opportunity.

Source: IFIS

Gulf Finance House considers increasing Khaleeji stake

Bahrain-based Gulf Finance House (GFH), a leading Islamic investment bank, is considering increasing its stake in Khaleeji Commercial Bank instead of selling it under its asset sales programme. Like other Bahraini investment houses, GFH has been badly hit by the regional real estate crunch, and narrowly escaped default in February by agreeing with lenders to roll over one third of a $300 million loan. According to analysts and bankers, GHF needs to sell down assets to avoid further funding difficulties, and its 37% stake in Bahrain’s Khaleeji was its most attractive asset compared to its real estate holdings.

Source: IFIS
Bahrain touted as gateway for Singapore Small and medium size enterprises (SME) to tap Mideast, North Africa markets

A Bahraini delegation was in Singapore in May to secure investment and offer Bahrain’s expertise in developing the Islamic banking industry. Bahrain hopes to attract Singaporean and Asian businesses in order to act as a launch pad to the wider region. It has also offered to provide expertise to develop the Islamic banking industry in Singapore through the Islamic Bank of Asia, in which DBS group (a Singapore-based banking group) owns a 50% stake. To expand trade relations with Singapore, Bahrain recently ratified the GCC-Singapore Free Trade Agreement. Bahrain ranked 63rd in Singapore’s trading partnerships last year, with bilateral trade increasing by 18% to $557 million.

Source: IFIS

UAE

Dubai repays $980 million Islamic bond issued by developer Nakheel

Nakheel has announced the on-time payment of its Dhs3.6 billion ($980 million) sukuk (Islamic bond), as the Dubai Financial Support Fund (DFSF) made sufficient funds available to allow full repayment. DFSF was set up to distribute funds, raised via a $20 billion sovereign bond programme, to government-related entities. Nakheel’s parent company, Dubai World, had been given $24.8 billion as part of a debt-restructuring facility by DFSF.

Source: IFIS

Dubai World offers new debt plan

State-owned Dubai World has offered to pay its bank creditors 30% of its debt over five years and the remaining 70% in eight years. Dubai World is negotiating with seven banks to restructure its $24.8 billion debt by proposing a full repayment in two tranches over five and eight years at 1% interest and 1% payment-in-kind at the end of the loan.

Source: IFIS

Dubai Multi Commodities Centre (DMCC) successfully redeems $200 million sukuk

Dubai Multi Commodities Centre (DMCC), a Dubai government initiative, announced it has redeemed its $200 million Islamic bond, or sukuk, issued in May 2005. The final $20 million repayment of the five-year sukuk was made on schedule. DMCC’s $200 million issue was well received by financial institutions in the Middle East, Asia and Europe, based on the long-term strength of DMCC’s business model. The proceeds of the 2005 issue were used by DMCC to finance the construction of commercial towers in Jumeirah Lakes Towers (JLT).

Source: WAM - UAE News Agency

Dubai Islamic Bank (DIB) unveils world’s first Islamic personal loan

DIB launched the world’s first Sharia compliant personal liquidity solution and planned to offer as much as Dh2 billion ($0.5 billion) financing. The product, called Al Islami Salam Finance is based on the Islamic financing structure of salam, a sale contract in which the bank pays the cash price in advance, and the customer agrees to deliver goods with certain specifications and quantity on agreed future dates. This new product allows customers to receive the cash price in advance, for a commitment to deliver a certain described commodity to the bank on agreed future date.

Source: IFIS

DIB launches two-year Islamic Certificate with 88% capital return in two months

Dubai Islamic Bank (DIB), the largest Islamic bank in the UAE, announced the launch of a two-year Islamic Certificate linked to the fully Sharia-compliant RBS Crescent Dynamic Middle East 2 Strategy. Distributed by
DIB’s Wealth Management division, the dollar-denominated certificate is issued by the Royal Bank of Scotland Group, with a minimum investment of $25,000. The certificate offers investors exposure to regional equity markets and is based on a dynamic strategy designed to capture returns in rising markets while limiting losses during periods of market volatility. The strategy is structured to return 88% of invested capital to customers after two months, while returns are calculated on 100% of the amount invested for the two-year investment period.

Source: IFIS

**Qatar**

**Qatar’s Diar Real Estate to raise $1.5 billion in government-backed bonds**

Qatar’s real estate developer Diar plans to raise $1.5 billion by selling 10-year conventional bonds and 5-year Islamic securities backed by the Qatari government. HSBC Holdings Plc and Barclays Capital are among banks expected to manage the sale scheduled for completion in the next three months. Diar is a unit of the Qatar Investment Authority (QIA), the country’s sovereign wealth fund. QIA has invested $60 billion in projects in more than 18 countries around the world. It has about $3.9 billion in loans maturing next year.

Source: IFIS

**Malaysia and Qatar to sign Memorandum of Understanding (MoU) worth $5 billion**

Malaysia and Qatar will sign a memorandum of understanding on Friday to explore deals worth up to $5 billion in fields including energy and Islamic finance. The government-to-government deal will be signed in Kuala Lumpur, said a source familiar with the plan. Qatar-based Gulf Petroleum Ltd said in 2008 it would lead a consortium of Gulf banking and energy firms to build a $5 billion oil-and-gas complex in Malaysia.

Source: IFIS

**Qatar Islamic Bank (QIB) finances major Qatar residential project, and to sell $750 million sukuk**

QIB has signed an Istisnā’[2] agreement for the financing of a QR300 million ($83 million) residential project in Al Khor. The property is owned by Al Khor & Dakira Schemes & Services Company and is scheduled to be completed in two years. QIB also announced plans to sell up to $750 million of bonds in its first Islamic debt offering. As Qatar’s biggest Shariah compliant lender, the sale will position QIB within the Islamic bond market.

Source: Gulf News; Gulf Times

**Al Khaliji takes part in major Murabaha deal**

Qatar’s premier bank, Al Khaliji, recently participated in a QR928 million ($250 million) dual currency Islamic structured Murabaha syndicated facility for Turkey’s largest Islamic bank - Bank Asya. As well as being the biggest Islamic Murabaha syndication ever executed in Turkey in dual currency ($121.5 million and €99.15 million), this represents the largest and most successful international syndicated finance involvement by regional and international banks. According to Al Khaliji, the Bank Asya Murabaha facility was more than three times oversubscribed.

Source: AME Info

**Al Jazeera Finance offers Shariah compliant credit packages**

Al Jazeera Finance recently launched a new, flexible approach to Shariah compliant financing, giving customers the option of obtaining tailor-made credit packages using Murabaha, Mosawama[3], Mosharaka[4] and

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2 A contract that refers to an agreement to sell to a customer an asset, which is to be manufactured
3 A simple sale in which the price of the commodity to be traded is negotiated
4 A contract between an Islamic Financial In-
other Islamic financing models.

*Source: Gulf Times*

**Kuwait**

*$100 million real estate Sukuk a success*

The $100 million Commercial Real Estate Sukuk (Kuwait) has been successfully settled and paid for on its maturity date. The sukuk was underwritten by senior lead manager, Kuwait Finance House, lead manager Boubyan Bank, in addition to Deutsche Bank, Emirates Islamic Bank, Gulf Investment Corporation, Kuwait Financial Centre, Liquidity Management Centre, Bank Muscat International, Arab Islamic Bank and Bahrain’s Arab Insurance Group. The ijara sukuk was structured as a Sharia compliant lease-to-own Islamic security with a five-year term. It offered a semi-annual return of 125 basis points over the dollar six month LIBOR.

*Source: Al Hilal Group*

**KFH signs deal to lease three Airbuses for Turkish Airlines**

Kuwait Finance House (KFH), a Kuwait-based Sharia compliant bank, has signed a contract with Aviation Lease and Finance Company (ALAFCO) and Turkish Airlines to lease three Airbus passenger aircraft for the latter. ALAFCO will run the funding process on behalf of KFH throughout the seven-year term of the contract.

*Source: Kuwaiti News Agency*

**Kuwait Finance House implements payments platform from Alaric International**

Alaric International, a leading supplier of advanced technology solutions for the card payments industry, announced that Kuwait Finance House (KFH) has implemented Alaric’s ‘Authentic’ payments platform. The project was implemented with the local substitution and a customer to provide capital for a business venture.

*Source: IFIS*

**Malaysia**

**Malaysia government to issue RM 3 billion ($0.9 billion) sukuk**

Bank Negara Malaysia, on behalf of the government, will issue Islamic bonds called Sukuk 1Malaysia 2010 to raise RM 3 billion. The sukuk would have three years tenure with a return rate of 5% per annum. The Malaysian government plans to have 19 bond sales this year, including conventional and Islamic securities, to raise funds to finance the country’s budget deficit and development projects. The Islamic bonds, to be issued on 21 June, are open to the public with a RM 1,000 minimum investment and a maximum of RM 50,000 per subscriber. The payments would be made on a quarterly basis and returns are tax free.

*Source: IFIS*

**Corporate banking and sukuk business to lift Asian Finance Bank**

Malaysia-based Islamic lender Asian Finance Bank will boost its net profit by at least 30%-40% this year as it expands its corporate banking and sukuk business. The three-year old bank will focus on activities such as trade financing, machinery leasing and providing letters of credit to infrastructure, oil and gas and services industries in Asia. Qatar Islamic Bank and its associates own 70% of Asian Finance Bank. RUSD Investment Bank of Saudi Arabia holds 20% and Financial Assets has a 10% stake. The bank expects to receive a $50 million capital boost from its Middle Eastern shareholders this year, enabling it to increase net profits from last year’s RM 4 million ($1.25 million).

*Source: IFIS*

**Indonesia**

**Qatar sets up $1 billion Indonesia fund**

Qatar Holding, the investment arm of Qatar’s
sovereign wealth fund, has set up a $1 billion Indonesian fund to invest in infrastructure and natural resources in Southeast Asia’s largest economy. Qatar’s existing interests in Indonesia include Qatar Telecommunication Co.’s 65% stake in Indonesia’s second-biggest telecom company. Indonesia’s huge coal and mineral resources have attracted interest from India and China, but Indonesia has also been aggressively pitching to Middle Eastern investors for several resource and infrastructure projects. It has opened a new marketing office in Dubai and is slowly developing Islamic financial markets to provide a wider array of Shariah compliant investments. Last year, Indonesia’s government attracted total investment of $7.2 billion from the Middle East, including a $5.2 billion investment in an integrated mineral-resources project in East Kalimantan by the UAE’s MEC Holdings.

Source: IFIS

Pakistan

Merger of the Pakistan Operations of Al Baraka Islamic Bank and Emirates Global Islamic Bank

Al Baraka Banking Group, the largest publicly traded Islamic lender in Bahrain, will merge its Pakistan operations with Emirates Global Islamic Bank to create a bank with a balance sheet of $563 million. The combined entity, called Al Baraka Bank Pakistan, will have a network of 93 branches. Approval is being sought from regulatory authorities and official bodies in Bahrain and Pakistan.

Source: Dailytimes of Pakistan; Reuters

Pak-Qatar Takaful to invest Rs 500 million ($5.87 million) in family segment

The sponsor of Pak-Qatar Takaful has planned an investment of around Rs 500 million in Pakistan to expand its family takaful business and other related projects. Pak-Qatar initiated the takaful - Shariah compliant insurance - in Pakistan with the help of a leading Qatari bank in 2005. The company operates in general and family takaful. During the last financial year the company’s family takaful business was worth Rs 466.64 million ($5.4 million), up from Rs 129.68 million ($1.5 million) in 2008.

Source: Gulf Times

Conference/Forum Watch: - Synopsis of 6th World Islamic Economic Forum (WIEF)

Five business deals worth over $100 million concluded at WIEF

Five business deals worth more than $100 million were signed at the 6th World Islamic Economic Forum (WIEF) held in Malaysia from 18-20 May. The deals were concluded after the forum’s opening by the Malaysian Prime Minister Datuk Seri Najib Tun Razak.

The first deal, valued at $30 million, entailed a strategic partnership for the global distribution of Islamic investment products involving Asian Finance Bank, European Finance House and PT Bank Muamalat Indonesia TBK. The deal will initiate, promote and develop Islamic investment products, commencing with the Islamic liquidity fund, global sukuk fund and potentially Shariah compliant structured notes.

The second agreement, valued at $33 million, involved collaboration on customising Islamic investment products and hedging solutions between Bank Islam Malaysia Bhd and Barclays Capital Markets Malaysia Sdn Bhd. Under the agreement Barclays will work with Bank Islam in developing Islamic risk management solutions to be offered to prospective customers. Bank Islam also hopes to join forces with Barclays in
designing products for its own hedging strategies.

The third agreement, worth $7.3 million, concerns the sale and purchase of Malaysian fresh fruit and frozen chicken, between Exotic Ecofarm Sdn Bhd and Cupid Trading Agency from Bangladesh. The fourth and fifth agreements with a total value of $58 million involved Muslim SE.Com Sdn Bhd with Most Glory Corp Ltd and Asia EP.

Source: Bernama Newswire

MENASA Forum

Recognizing the growing importance of the Middle East, North Africa and South Asia (MENASA) region to the global economy, the Dubai International Financial Centre (DIFC) organized the MENASA Forum, a high-level finance and business conference focused on the region, held on 23–24 May in Dubai. Under the theme of ‘Finance for the Next Decade of Growth’, the Forum in association with Abraaj Capital and Deutsche Bank looked at issues such as regional capital market development, infrastructure finance opportunities, Islamic finance challenges, regional energy needs and the changing role of oil in an increasingly diversified global energy mix - all from an emerging markets perspective. Islamic finance was a major focus of the forum, with speakers assessing the mainstreaming of the industry; the development of Islamic capital markets; issues of transparency and disclosure, and the prospects for Islamic products in key sectors such as energy and infrastructure, and in emerging Islamic financial markets such as Europe.

Source: IFIS
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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