

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’

A Keynote Presentation given by Mushtak Parker,
Editor, Islamic Banker Magazine, London, UK
at the 1st IIR Islamic Finance & Real Estate Forum held
on 4-5 November 2008 in Frankfurt/Main, Germany

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- **Impact of Credit Crunch and Global Financial Crisis on Islamic Finance Sector**
- a)) Mixed impact – general rule - those countries where banks and individuals are high-leveraged, there has been a much greater impact. Not surprising that UAE was the first Muslim country to guarantee banks deposits 100 per cent.
- b) Three areas of impact – Financial System & Philosophy; Market Regulation and Supervision; and Products and Services
- c) **Financial System & Philosophy** – Is the market let alone the free market a discredited system of financial management? Is it time to save capitalism from the capitalists? Casino capitalism versus compassionate capitalism.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Is it merely a case of greed, bonus chasing and a lack of ethics? “The subprime crisis is an example of originators with questionable ethics selling bad deals to lenders with questionable ethics, securitised and sold to investors whose ethics are so distanced from the debtors that they do not even play a role in the equation” – David Loundy – Devon Bank.
- Is Fiqh Al-Muamalat a better or safer alternative? IMF Study – Islamic finance may be better suited in absorbing the effects of financial shocks. Some experts have stressed that a subprime crisis and the ensuing financial turmoil would never happen under an Islamic system of financial management.
- We have to be careful – Islam may be supreme to Muslims but to others it does not have a monopoly in espousing a just and equitable and ethical economic and financial system. Also Muslims are human beings therefore just as fallible as others – a spate of financial scandals over the last decade in Islamic finance. This despite the fact that it is a faith-based system of financial management and Shariah compliance is an extra tier of ethical compliance.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Response of the Islamic finance sector has been wisely muted. Action in this case is far better than words. No room for complacency or moral chauvinism. Such behaviour can easily come home to roost given the nature of governance in most of the Muslim countries. Major issue of Shariah-compliant versus Shariah-based product development.
- **c) Market Regulation & Supervision** – Deregulation may be one of the causes that precipitated the subprime crisis and the global financial turmoil. In the Islamic countries especially in the Islamic finance space the concern is a lack of regulation, supervision and enforcement.
- The examples are many – Egypt, Saudi Arabia, UAE, Turkey. Let us hope that regulators do not only tighten up on capital adequacy; transparency and disclosure; but equally importantly on enabling legislation facilitating Islamic finance. In the UK for instance, which is a Christian country, we have more enabling legislation on Islamic finance than in most Muslim countries.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Surely it is also the ethics of the regulators who allow these sort of excesses on their watch. Blurring of democracy (or politics) and business. The era of ‘bizdemocracy’. Bonus chasing; fat cat salaries; insider dealing; conflict of interest; profit maximisation at any cost to protect EVA (shareholder value) not unique to the conventional sector. Also prevalent in Islamic sector. “My first duty is to my shareholders and not whether I have the most suitable Shariah-compliant product in the market or not” – the CEO of a Malaysian Islamic Bank.
- Inter-bank Rate Mechanism – a major issue in Islamic finance as well. In need of urgent reform in both sectors. LIBOR setting mechanism – top 5 or 6 banks get together every morning at 11am in London and agree the rate for the day. In my books this is a cartel and surely against the ethos of the free market. Yet they refuse to lend to each other because they do not trust each other. They deliberately set the rate too high so as to exacerbate their behaviour. Just as well there is a lack of an institutionalised Islamic inter-bank market, except in Malaysia. This gives a chance to come up with a more effective, transparent and equitable way of setting profit rates on Islamic finance. Of there is a credit crunch sourced differently in Islamic finance, would Islamic banks behave differently? Liquidity management remains a major challenge for the sector.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- c) **Products and Services** – Despite talks of an estimated US\$1.2 trillion of private liquidity in the GCC countries, suddenly the talk now is a lack of liquidity. A question of confidence – market and investor behaviour in Islamic finance is no different.
- True impact of credit crunch and financial crisis on Islamic finance sector has not yet fully emerged. Information is being drip fed. Most likely some horror stories will emerge.
 - Sukuk Market – “Dried up” in 2008 – IDB RM1bn MTN issuance; SABIC US\$1.3bn Sukuk; a few others; 2009 better prospects but market recovery will be slow and cautious – UK Treasury; Turkish Treasury; Japan Bank for International Cooperation; Hong Kong Airport Authority – all on record planning possible issuances
 - Hedge Funds and short selling – supposed to be a prime suspect in precipitating financial crisis. Implications for Islamic hedge funds. Al-Safi Alternative Investment Platform – Shariah capital Inc Barclays Capital suddenly gone quiet.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Mortgage securitisation – product that started the whole crisis. It would be a pity if it acquires a notoriety. An eminently viable product as long as the structure is transparent; full identification of asset pool and no hiding behind confidentiality agreements. Technically not possible in Islamic finance because of the proscription on Gharar.
- Huge opportunities in Islamic securitisation especially as more Muslim countries introduce mortgage laws to accommodate growing populations and demand for affordable housing.
- Retail banking – mortgages – good news is that in UK the largest Islamic mortgage providers report that NO repossessions thus far, Statistically there should be some. This compared to thousands in the conventional sector.

'The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe' - Mushtak Parker

- **Assessing the scope and attractiveness of the European markets for Islamic Finance**
- **Brief History** – popular misconception that resurgence in Islam and Islamic Revolution in Iran in 1979 were the main drivers of contemporary Islamic finance. Not so. Important to see Islamic finance as an alternative investment system rather than a purely religious or faith-based system.
- In the UK Islamic finance has been around since the 1970s and 1980s. Drivers were the traditional high net worth families from GCC, Malaysia, South Africa, India et al who banked traditionally with the private banks in London and Switzerland.
- First ever Islamic corporate finance deal structured by Citibank International in the Strand in London in 1983; First ever Islamic structured finance deal done by Saudi International Bank in 1984. London structures about GBP50bn of Islamic finance every year.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- In the last year, one institution, DDCAP Limited, headed by Stella Cox, has arranged over US\$4bn of Islamic finance facilities for institutions and corporates; and facilitated Shariah-compliant asset-backed transactions either directly or through third party relationships totalling US\$32bn.
- Europe – Luxembourg even ahead of London in sowing the seeds of Islamic finance in Europe. I remember attending meetings in the early 1980s – Islamic Banking Systems & Holding Company of Luxembourg – parent of Islamic Finance House in London and International Islamic Bank of Denmark
- Canton of Geneva – authorised the establishment of Daar Al-Maal Al-Islami (DMI) Trust – Faisal Finance (now a private banking licence) – headed by Prince Muhammed Al-Faisal, son of late King Faisal of Saudi Arabia
- Badr Forte Bank in Moscow – Bosna International Bank; International Islamic bank of Albania – hastily set up for emotional reasons and thus not thriving

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Scope – Potential is big but mismatch between this and market realities – lack of systemic approach. Islamic finance still seen as an extension of Islamic fundamentalism – slowly changing as highlighted by Saxony-Anhalt Sukuk issuance two years ago and the recent Sarkozy Initiative.
- French institutions such as Societe Generale and BNP Paribas have also been involved in sector for a number of years.

MUSLIMS IN THE UNITED KINGDOM

ESTIMATED NUMBER OF MUSLIMS PERMANENTLY RESIDENT IN THE UK	2.0M
ESTIMATED NUMBER OF MUSLIM HOUSEHOLDS IN THE UK	450,000
ESTIMATED SAVINGS OF THE ABOVE MUSLIM POPULATION IN THE UK	UK£1,750M
NUMBER OF MUSLIM VISITORS TO THE UK IN 2007	750,000
SPENDING POWER OF VISITORS TO THE UK IN 2007	UK£750M
ESTIMATED NUMBER OF MUSLIMS IN THE EUROPEAN UNION	14.8M

Source: Compiled by Islamic Banker from various sources June 2008

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- SocGen together with the Mauritius Commercial bank recently even launched an Islamic liquidity scheme for investors in Reunion islands
- German banks very slow to react. Deutsche Bank has belatedly carved out a niche in several areas the first Islamic equity certificates with NCB of Saudi Arabia; it is a leading arranger of Sukuk. Of all the European countries Germany should have the greatest affinity to Islamic finance because of the strong historical credit union and mutual society structures in local finance. Perhaps Professor Volker would comment more about that. But as usual political and regulatory barriers in the past have prevented the development of Islamic finance in Germany.
- Commerzbank set up the Al-Sukoor Islamic European Equity Fund on behalf of Al-Tawfeek of the Dallah Albaraka Group. But this fund, aimed at Turkish expats and Turks at home, was closed after a few years. It is surprising that German banks have not leveraged their close ties with Turkey in this respect, compared say to HSBC and Citigroup.

'The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe' - Mushtak Parker

- West LB in Turkey and London very active – involved in the GBP522m acquisition of the iconic Aston Martin Car Company from Ford by a consortium led by Kuwaiti Islamic finance company The Investment Dar
- Austrian banks have recently also been involved – RZF has been involved in several Sukuk and Murabaha syndications albeit in London. ABN Amro also involved. This is however ad hoc banking business.
- No concerted policy as in UK where Islamic finance is seen as part of the financial and social inclusion policies of the New Labour Governments of both Tony Blair and Gordon Brown.
- Growing EU Muslim population, but as Lord George has stressed that Islamic finance products if successful in the market could be for anyone irrespective of religion or ethnicity. This is the challenge of Islamic finance policy in Europe.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- **Attractiveness** – given the current crisis of capitalism, this ought to be an ideal opportunity for alternative financial products to make their mark. But this will require market education; imaginative lobbying; and intelligent marketing. Is the sector and indeed the EU countries up to it. I remain to be convinced. The spectre of the ‘war on terrorism’; ‘the financial war on terrorism’; and ‘Islamophobia’ may have something to do with this.
- On the other hand Islamic banks are not that adept at handling such matters. Look at the way they squandered the two Islamic banking licences – the International Islamic Bank of Denmark and Albaraka International Bank in London in the 1990s - well before the current spate of authorisations in the UK.
- Europe – nay the UK – has already proven how attractive Islamic finance can be. But Europe has to think outside that black box of financial inclusion and look at the wider alternative Islamic finance and investment market

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- **Which markets? Which segments? Which products?**

Judging by the direction of Islamic investment and financing flows – the UK is the major market of interest, followed by Germany, Scandinavia, France and Spain. The historical links between the UK and Muslim countries in the Gulf and Asia are important. This has helped the entry of Islamic finance because investors from the Muslim countries are familiar with English law and practices. Not surprisingly, English law is the preferred jurisdiction of many Islamic financial transactions. France has not leveraged its colonial links to the same extent as the UK in this respect.

- Some markets such as France and Spain are perceivedly more difficult to operate in especially for real estate transactions because of local laws relating to honouring lease and rental review provisions.
- Signs that Central Europe and Eastern Europe now attracting the attention of Islamic investors who are always on the look out to diversify their asset allocation strategies both in terms of structures and geography.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- A word of warning though – Islamic investments – inherently conservative – will seek those opportunities in markets where the regulation, legal and accounting infrastructure, and recourse to law and due process is best established.
- Islamic banks in Bosnia and Albania – can hardly do any Murabaha transactions because the legal infrastructure to facilitate such transactions are not in place
- Real estate – Arabs love ‘bricks and mortar’ – already huge exposure in Europe. Swedish post office sorting offices until recently owned by Kuwait Finance House; also Grand Buildings in Trafalgar square; Investments in residential; commercial property; mixed-used developments; warehousing and logistics; business parks; self-storage

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Infrastructure – Saxony Anhalt Sukuk used for financing infrastructure; talk about UK Sukuk to finance Crossrail and even some of the London 2012 Olympic facilities. Precedent in Muslim countries – KL International Airport; New International Terminal at Ataturk Airport in Istanbul – financed through Islamic facilities. The best way to promote this is to ensure a level playing field for Islamic finance structures with equivalent conventional structures – tax neutrality and others.
- Renewable Energy & Utilities – Arcapita Bank already involved in a stake in Innogy UK, a German-owned wind energy company; and in owning a water utility in England. A sector of the future. Also biotechnology and other technologies as long as there is a possibility for some technology transfer. But this will depend on type of investment. If it is private equity, then scope for long-term relationship is less likely, as investors will have exit strategy like any other private equity vehicles.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Retail and Consumer Finance – mortgages and other consumer finance products; retail investment products – savings; national bonds; child trust certificates
- Takaful – Cinderella of Islamic finance – even bigger potential than Islamic banking – family Takaful (life insurance), pensions, General Takaful.
- Big European reinsurance companies also setting the pace in Retakaful
- Social Financing Opportunities – Waqfs and Zakat – leveraging these as Malaysia is doing
- Mosque Financing – reducing dependence on foreign financing often with strings attached

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Islamic Finance and Europe – Leveraging the UK’s Emerging role

UK ISLAMIC BANKS						
COMPARATIVE FINANCIAL HIGHLIGHTS 31 DECEMBER 2006-2007 (UK£ MILLIONS)						
	<u>IBB</u>		<u>EIIB</u>		<u>*BLME</u>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
TOTAL ASSETS	118.01	164.94	236.30	316.85	-	297.72
CUSTOMER DEPOSITS	83.85	134.64	0.90	2.77	-	5.60
DEPOSITS FROM BANKS	0.24	2.50	47.51	126.70	-	108.65
TOTAL EQUITY	31.73	24.83	185.70	180.92	-	179.40
CASH AT BANKS	0.45	0.51	0.81	0.64	-	0.70
COMMODITY MURABAHA & WAKALA RECEIVABLES	100.30	141.77	-	-	-	180.53
ISLAMIC FINANCING TRANSACTIONS	4.55	7.80	30.60	45.70	-	50.08
NET INCOME FROM ISLAMIC TRANSACTIONS	2.85	4.60	8.10	13.73	-	10.40
NET PROFIT/LOSS	(8.83)	(6.92)	1.22	(4.48)	-	0.17
TOTAL OPERATING EXPENSES	11.84	11.61	6.00	15.50	-	5.34

Source: Compiled by Islamic Banker from official statements and reports June 2008. IBB-Islamic Bank of Britain; EIIB-European Islamic Investment Bank; BLME Bank of London & Middle East. IBB is a retail Islamic bank whereas EIIB and BLME are Islamic investment banks. *Consolidated results from August 2006-31 December 2007

'The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe' - Mushtak Parker

- The UK is a very interesting example of Islamic finance empowerment.
- The UK Model of Authorisation of Islamic Banks is now the model to emulate. The FSA has received tens of enquiries from regulators all over the world following the establishment of Islamic Bank of Britain (IBB).
- **Strengths** – strong UK government support; part of a policy initiative; a multi-systemic approach – started with the establishment of the Islamic Finance Advisory Group by Eddie George, then Governor of Bank of England. A lot of pro bono work done by HSBC and Norton Rose especially in research papers for the Treasury and HMRC to consider. Now another committee – Islamic Capital Markets Group at the Treasury – advising on possible UK Sukuk issuance in wholesale sterling market
- **Weaknesses:** New Labour is very supportive of the sector. It is not clear whether a Conservative Government will give equal support to this initiative if and when it gets into power. FSA and Treasury completely lost over Shariah compliance part of Islamic finance.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- It is a secular regulator not a religious regulator. Advice given to participants in Islamic finance is that as far as Shariah compliance is concerned, you are on your own. Get advice from your local Imam. This is ridiculous. You cannot promote Islamic finance without considering regulating Islamic compliance. This can be done if the FSA appoints an ad hoc an Islamic legal advisory board. A major challenge for many jurisdictions.
- Treasury and FSA also tends to cow-tow to certain community groups. Islamic finance is an alternative form of finance. As such the policy approach should involve bankers, investors and allied services. Community groups could be involved in consumer education and protection initiatives.
- **Future** – two more licence applications pending one by Dar Capital of Kuwait and the other by Al-Salaam Bank on Bahrain. London now emerging location for listing of Sukuk – some 20 now listed. Islamic banks are also listing on AIM and LSE such as Gulf finance House. Eyes of the world on UK Treasury debut Sukuk developments. Industry wants UK to lead development of Euro-sukuk market – akin to its role in Euro-bond market.

'The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe' - Mushtak Parker

ISLAMIC FINANCIAL INSTITUTIONS IN THE UK AUTHORISED UNDER THE UK BANKING ACT CEOs AND PROMOTERS/MAIN SHAREHOLDERS AT 1 FEBRUARY 2008

INSTITUTION	CEO/MANAGING DIRECTOR	MAIN SHAREHOLDERS
ISLAMIC BANK OF BRITAIN	MICHAEL HANLON/GERRY DEEGAN	SHEIKH HAMAD BIN KHALIFA BIN HAMAD AL-THANI; HSBC GLOBAL CUSTODY NOMINEE UK; QATAR INTERNATIONAL ISLAMIC BANK; VIDACOS NOMINEES; SHAIKH THANI BIN ABDULLAH BIN JASSEM AL-THANI; DCD LONDON & MUTUAL PLC; QATAR ISLAMIC INSURANCE & CO; SECURITIES SERVICES NOMINEES; HSBC CLIENT HOLDINGS NOMINEES
EUROPEAN ISLAMIC INVESTMENT BANK	JOHN WEGEULEN	INTERNATIONAL INVESTMENT BANK; BNP PARIBAS (FOR CLIENTS); KHALID A RAHMAN ALRAJHI; OVERSEAS INVESTMENT SPC; AWAL GROUP; AL-MAL INVESTMENT & TRADING; SABB (FOR CLIENTS); ET AL
GLOBAL SECURITIES UK LIMITED	RICHARD THOMAS	SECURITIES HOUSE (KUWAIT)
BANK OF LONDON & THE MIDDLE EAST	HUMPHREY PERCY	BOUBYAN BANK ET AL, KUWAIT
EUROPEAN FINANCE HOUSE	MICHAEL CLARK	QATAR ISLAMIC BANK; GROUPE FINANCIERE CENTURIA; SHEIKH HAMAD BIN JASSEM AL-THANI; FOUNDING DEVELOPMENT TEAM
*GATEHOUSE CAPITAL	DAVID TESTA	SECURITIES HOUSE (KUWAIT)

SOURCE: COMPILED BY ISLAMIC BANKER FEBRUARY 2008

*GATEHOUSE CAPITAL HAS APPLIED FOR AN ISLAMIC INVESTMENT BANKING LICENCE TO THE FSA

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

UK TREASURY SUKUK CONSULTATION MAIN CONCLUSIONS JUNE 2008

- THE BALANCE OF ADVANTAGES AND RISKS LIES WITH ‘BILL-LIKE’ SUKUK RATHER THAN ‘BOND-LIKE’ SUKUK;
- A ROLLING PROGRAMME OF UP TO AROUND UK£2 BILLION OF BILL-LIKE SUKUK ISSUANCE WOULD BE ACHIEVABLE OVER TIME
- A ‘BILL-LIKE’ SUKUK PROGRAMME WOULD BE FULLY INTEGRATED WITH THE CONVENTIONAL TREASURY BILL PROGRAMME, WHICH HAS ROLLING ISSUANCE AT 1, 3 AND 6 MONTH MATURITIES
- AND THE GOVERNMENT WOULD USE A ‘PLAIN VANILLA’ IJARA-BASED (LEASING) STRUCTURE TO FACILITATE SUKUK ISSUANCE.

SOURCE: HM TREASURY AND HMRC JUNE 2008

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Developing the UK as a Centre for Islamic Finance –

ISLAMIC FINANCIAL CENTRES ESTABLISHED AND ASPIRING INTERNATIONAL CENTRES SALIENT SELECTED ADVANTAGES AND DISADVANTAGES AUGUST 2008							
CRITERION	MIFC	BAHRAIN	DIFC	GFC	LONDON	SINGAPORE	HONG KONG
REGULATORY FRAMEWORK	EXCELLENT	GOOD	EMERGING	EMERGING	EXCELLENT	EXCELLENT	EXCELLENT
LEGAL FRAMEWORK	GOOD	GOOD	EMERGING	EMERGING	EMERGING	EMERGING	EMERGING
ENFORCEMENT CULTURE	EXCELLENT	EMERGING	EMERGING	EMERGING	EXCELLENT	EXCELLENT	EMERGING
LIQUIDITY POOL	LIMITED	LIMITED	GOOD	GOOD	GOOD	GOOD	GOOD
PRODUCT DIVERSIFICATION	EXCELLENT	EXCELLENT	EMERGING	LIMITED	EXCELLENT	LIMITED	LIMITED
MARKET PLAYERS	LARGE POOL	LARGE POOL	LIMITED POOL	LIMITED POOL	EMERGING POOL	LIMITED	LIMITED
GOVERNANCE POLITICAL	PARLIAMENTARY DEMOCRACY	ABSOLUTE MONARCHY	ABSOLUTE MONARCHY	ABSOLUTE MONARCHY	PARLIAMENTARY DEMOCRACY	PARLIAMENTARY DEMOCRACY	QUASI DEMOCRACY
HISTORY	3 DECADES	3 DECADES	1 DECADE	1 DECADE	3 DECADES	1 DECADE	1 DECADE
TRANSPARENCY & DISCLOSURE	EXCELLENT	EMERGING	EMERGING	LIMITED	EXCELLENT	EXCELLENT	EXCELLENT
ECONOMIC GOVERNANCE	FREE MARKET	QUASI FREE MARKET	QUASI FREE MARKET	QUASI FREE MARKET	FREE MARKET	FREE MARKET	FREE MARKET

Source: Compiled by Islamic Banker August 2008

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

- Stated policy of Brown Government to develop UK as an international Centre for Islamic trade, finance and investment
- London headstart on many of the nascent Islamic financial centres because it is already the largest financial centre in the world – islamic finance is a natural extension of this
- Has been promoting London as a key international Islamic finance centre in the GCC and Asia. UKTI Committee on Islamic Finance to further leverage London’s position
- UK should not see the opportunities for Islamic finance only in and from the GCC – there are huge opportunities elsewhere – South Asia, South East Asia; North Africa; Turkey; Iran; Caucasus; and UK and Europe itself. Uk outlook perhaps too Gulf-centric. This is a danger.
- London’s emerging pre-eminence could also act as a catalyst for other centres to emulate in best practice in legislation, standards, supervision and enforcement, financial inclusion and compliance

'The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe' - Mushtak Parker

- **Global perspectives on Islamic Finance – What other European countries offer**
- They offer choice and opportunities not available in the UK – Swedish post office investment – Malin Holdings
- They offer asset allocation diversification especially in central and eastern Europe and in emerging market debt
- They offer an opportunity to further globalise the Islamic finance movement beyond traditional markets in the East and West
- They offer political, investment and trade benefits in building bridges between these countries and the Islamic world
- And what does Islamic finance offer these countries – an alternative system of financing, investment and profit maximisation which supposedly impacts on the real economy in productive ways, generating employment and bereft of the excesses and practices which have been so exposed in the conventional sector in the last year and which has precipitated a so-called 'once-in-a-life time' global financial crisis which is threatening to undermine the very basis of the western economies.

‘The Landscape of Opportunity: Defining the Driving Forces of Growth for Islamic Finance in Europe’ - Mushtak Parker

Thank You for Listening

Mushtak Parker

London 4 November 2008

mushtakparker@yahoo.co.uk