AlBaraka Strategic Report on Islamic Economy

[1447 H/ 2026 CE]

[Report No. 1]

AlBaraka Forum for Islamic Economy

AlBaraka Strategic Report Series

on Islamic Economy

(1)

منتدى البركة للاقتصاد الإسلامي
ALBARAKA FORUM

AlBaraka Strategic Report on Islamic Economy

[1447 H/ 2026 CE]

Report No. 1

قاعدة بيانات صالح كامل للاقتصاد الإسلامي
Saleh Kamel Islamic Economy Database

مركز التفكير الاستراتيجي للاقتصاد الإسلامي
Strategic Thinking Center for Islamic Economy

AlBaraka Forum for Islamic Economy

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AlBaraka Forum for Islamic Economy

Email: info@albaraka.org

Website: www.albaraka.org

Social media: albarakaforum/

Typesetting and Design: Shazaraat (admin@shazaraat.com)

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AlBaraka Forum for Islamic Economy

AlBaraka Forum for Islamic Economy is an independent, non-profit, global think tank, specializing in Islamic economy in its holistic sense. The Forum emerged as an extension of the deep-rooted heritage of its founder **Sheikh Saleh Abdullah Kamel (may Allah bestow mercy on his soul)**, a heritage that covered various areas of research and development in Islamic economy.

The Forum seeks to enrich the research resources and serve the knowledge structure of the Islamic economy, as well as to build partnerships and alliances with regional and international entities to foresee contemporary economic challenges and developments, in order to keep pace with Islamic economy and finance. This will enhance the outputs of the Forum as a global economic and financial knowledge beacon.





AlBaraka Economic Reports Series

بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

It is no secret that our modern age, an age of knowledge and information, is based on the centralization of data as being one of its most strategic and fundamental bases, along with specialized monitoring and analysis processes becoming a prime necessity for the various domains of life. An examination of the leadership benchmarks on the international level shows that research and analytical centers are very important pillars of superiority and competitive edge for countries that seek to enhance their presence in the arena of global influence.

Against this backdrop, the world has seen a qualitative shift over the past four decades regarding the mechanisms of economic data production, processing, and presentation. Specialized economic reports have emerged as the most important conduit for gaining insights into the performance of various types of institutions. Quantitative and qualitative indicators of a professional nature have been developed to measure and evaluate such performance, with the task of preparing and disseminating them to research institutions and specialized bodies that issue periodic reports. Therefore, periodic reports on economic monitoring, analysis, and classification have become a defining feature of the modern economy. Today, no viable economic sector exists can effectively function without dependence on such instruments.

Despite the steady expansion and increasing global prominence of the Islamic economy, one of the most significant challenges to its progress is the underdevelopment of the knowledge infrastructure that is intended to serve as its foundational reference framework, grounded in its intellectual foundations and aligned with its distinctive developmental vision. In light of this, there is an urgent need to build a comprehensive system of specialized reports that can monitor and analyze the performance indicators of Islamic economy activities, institutions, and services, as well as monitor and assess the performance indicators of the economy for the Organization of Islamic Cooperation (OIC) countries. These reports should showcase methodological rigor in the collection and analysis of data, in addition to innovation in presentation and interpretive techniques. It is this combination that further enhances their research

and applied value, establishing them as tools of a great importance in promoting the goals of the Islamic economy and of Islamic countries.

Guided by its vision of "**global leadership in Islamic economy**" and in alignment with its mission to "**develop and promote the Islamic economy worldwide**" and in pursuit of one of its strategic goals, namely "**enriching the research stock in Islamic economy and providing practical tools for its application in light of contemporary economic challenges and updates**", AlBaraka Forum for Islamic Economy established its own Economic Studies and Reports Unit. This unit provides specialized reports that shed light on the most critical issues in the Islamic economy and OIC countries. These reports appear as a series of 2 to 3 annual publications starting 2024. These reports aim to achieve a set of key goals, including:

1. Formulating a comprehensive strategic vision for the Islamic economic institutions and OIC member economies, drawing on the latest available data and reflecting the present and future developmental trajectories.
2. Providing in-depth and comprehensive analyses that contribute to formulating more efficient and effective strategic insights toward the topics examined.
3. Providing decision-makers with accurate data, as well as recommendations and conclusions that they could use, thus improving their abilities to make well-informed and effective decisions.
4. Providing solid methodological instruments for monitoring the most important economic issues, both current and those with long-term strategic consequences.
5. Contributing to the establishment of a sustainable knowledge infrastructure that is anchored in well-established scientific methodologies, yet informed by the peculiar context of the Islamic world and responsive to its developmental and intellectual needs.

This is in addition to an annual report that tracks the status and developments of Islamic economy institutions, published under the title "**AlBaraka Islamic Economy Report,**" as well as a quinquennial report titled "**AlBaraka Strategic Report on the Islamic Economy**".

We pray to Allah Almighty that these informative reports serve as a rich resource to all the seekers of knowledge and in-depth analyses, while fulfilling the aspirations of stakeholders committed to building a better world—through effective resource utilization and long-term strategic planning to address future challenges.



AlBaraka Forum for Islamic Economy

AlBaraka Strategic Report Series

on Islamic Economy

AlBaraka Strategic Report on Islamic Economy

[1447 H/ 2026 CE]

Report No. 1



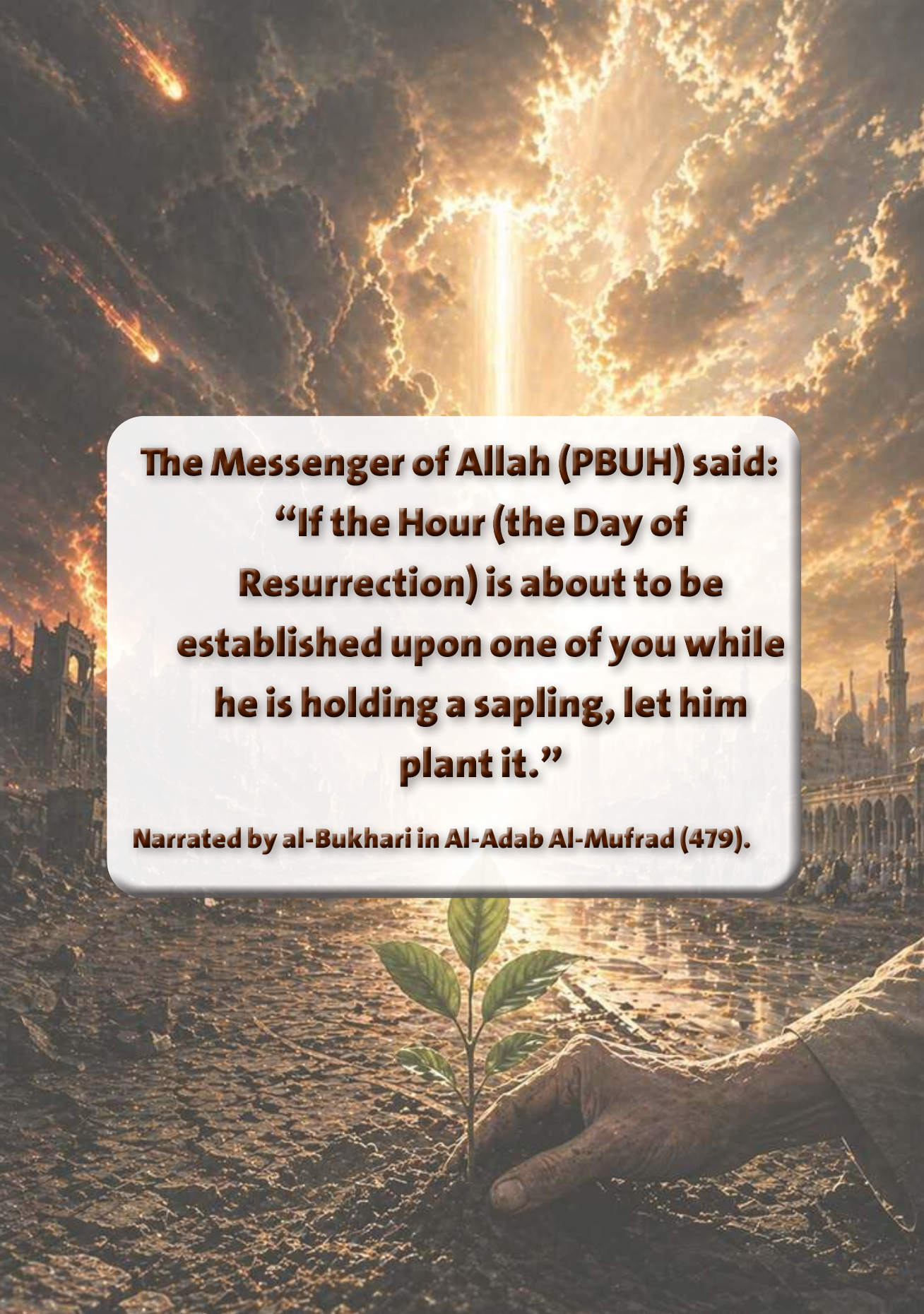
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بسم الله الرحمن الرحيم


The Messenger of Allah (PBUH) said:
“If the Hour (the Day of Resurrection) is about to be established upon one of you while he is holding a sapling, let him plant it.”
Narrated by al-Bukhari in Al-Adab Al-Mufrad (479).



بِسْمِ ٱللَّهِ ٱلرَّحْمَٰنِ ٱلرَّحِيمِ

The First AlBaraka Strategic Report on Islamic Economy

﴿Read! In the name of your Lord who created (1). He created man from a clinging form (2). Read! Your Lord is the Most Bountiful One (3), Who taught by [means of] the pen (4), Who taught man what he did not know (5)﴾. (Qur'an, 96)

All praise is due to Allah, the One Who imparted the Qur'an, endowed mankind with the gift of eloquence, guided Abraham with divine instruction, and granted Solomon an unparalleled depth of understanding. Prayers and blessings be upon the one whom Allah sent as a bearer of the Qur'an, making it the most sublime of His revelations and the most enduring across every land and age. May Allah be pleased with the great custodians of this Ummah, foremost among them the Companions of the Messenger of Allah [PBUH], souls whom Allah graced with knowledge and the power of expression; among them were those touched by divine inspiration, and among them were those gifted with wisdom, mastery of speech, and a profound illumination of the Qur'anic word.

To proceed...

The horizons of *Iqra'*, for the nation of *Iqra'*, a nation that has truly grasped the eternal divine address, continue to expand across time and space, transcending both in an ever-unfolding journey toward new frontiers. For all those who have genuinely comprehended Allah's word, these horizons forge a perpetually renewed understanding and a deeply rooted clarity of vision, however fragmented the events of the world may become and however divergent its realities may prove.

Data has long served as a formidable instrument across many domains, and what concerns us the most here are two: the shaping of the future, and the art of persuading others through the power of what that data reveals. Yet the analysis of data has always stood a rank above its mere production, wielding far greater influence across both of those domains. Nevertheless, both levels, the generation of data and its analysis, demand work that leaves no room for amateurs, resources that admit no tolerance for negligence, and an unwavering commitment that brooks no interruption.

The foremost step demanded of anyone who aspires to walk this path, a path reserved exclusively for those of uncommon strength and resolve, is precise, disciplined observation grounded in rigorous scientific methodology. Fail here, and everything that follows is irredeemably compromised. Observation alone, as a stage, calls for total awareness and deliberate orchestration: careful planning; the procurement of the specific observational tools that such planning identifies; repeated, iterative trials until confidence is earned and processes are stabilised; and then continuous, systematic review — all in service of one end: the generation of clean, raw, unmediated data.

It is likely for this reason, compounded by an array of broader challenges, that the Islamic world has fallen painfully short in the arena of knowledge management at virtually every level. There are, to be sure, genuine achievements we can hold up with pride across multiple domains: some governmental in nature, some academic, some belonging to the private sector, and some to charitable and social institutions. Yet whoever steps back to take in the full picture cannot escape the sight of vast, deeply darkened patches spread across it — the consequence of missing data, data that is partial or selectively compiled, data that has grown stale, data released without consistency, or data whose methodology and sourcing remain entirely unclear, along with a host of further factors that together cause these shadowed spaces to stretch to a truly vast and consequential scale.

More troubling still is that we rely, in no small portion of our knowledge apparatus, on sources that have no root in our land, ways of thinking, or values — sources that are, at times, openly antagonistic to everything that defines our character and identity. Nowhere is this clearer than in the deployment of such data as a weapon against Muslim states — targeting their values, principles, and ways of life. It is equally unmistakable in the social sciences and humanities, which are, whether we like it or not, among the most dangerous fronts in the war over identity. And yet, when this data is put into circulation, distorted, as it so often is, the most we can seem to do is raise our voices: protest, lament, and object. Had we invested in building our own data in this field, we would have had, in our hands, the surest and most complete answer to the many claims and assumptions that bear no resemblance to our reality — and we would have had no need, naturally, for the protests or the rebuttals.

The economic domain — which is, naturally, our primary concern here — is among the most critical arenas in which we stand in need of a comprehensive and uninterrupted knowledge system: one that begins with day-to-day observation, moves through analytical processes of limitless depth, and arrives at the formulation of recommendations necessary for building a sound future, revisiting and renewing the policies that govern our economic life, alongside all other domains that are affected, in one way or another, by economic data.

Capital market regulations across the world have, in this respect, played a quietly consequential role: by compelling listed companies to open their books, they have made it possible for anyone who cares to look to find detailed, regularly updated records — refreshed every quarter, without fail. Strong national statistical bodies are equally significant, making a genuine and active contribution to the publication of data on how national economies perform. Together, these two forces have placed an extraordinary resource in the hands of re-

searchers, analysts, and thinkers working across every relevant discipline.

But what becomes of countries where capital markets are still finding their footing — or where statistical bodies are hobbled by chronic shortfalls in funding or expertise? And what of the private sector, the non-profit organizations? Such gaps stand as a real obstacle for everyone — but the burden falls nowhere more heavily than on knowledge-producing institutions: universities, specialized research centres, media organisations, consultancy firms, and all others whose work places them within the orbit of producing, using, and advancing knowledge.

All these challenges were squarely in view from the very first day **AlBaraka Forum for Islamic Economy** began its work. Yet our deep conviction that contributing fresh, analytical knowledge to the field drove us, from early on, to make all the preparations within our means to fulfil what we regard as one of the most vital obligations toward the Islamic economy: the regular, updated publication of data that we endeavour to collect, disseminate, and analyse. Foremost among these efforts has been the **Saleh Kamel Islamic Economy Database**[1], followed by the **Economic Reports Series**[2]; and what we present today is a third track — no less significant, and inseparable from the two that came before it.

With that said — this is a significant new step taken by AlBaraka Forum for Islamic Economy, one that sits squarely within its pioneering role in the advancement of the Islamic economy. The aim is to provide some of the most important tools for policy formulation and decision-making — at the forefront of which stand periodic annual reports and others of their kind — spanning multiple levels and domains.

This work was not improvised, nor was it released the moment it was finished. On the contrary, it took several years of planning, experimentation, evaluation, and refinement before arriving at the model on which AlBaraka periodic reports series will be built. After extensive consultations and deliberations, a clear resolution was reached: these reports will be produced at two levels and in two types.

By level:

- Annual
- Strategic (Every five years)

By type:

- Comprehensive
- Specialized

All of this is in service of the Islamic economy; a field that continues to suffer from the absence of comprehensive, specialized, and exacting monitoring across its many tracks and areas of activity. Before elaborating on these levels and types, it is necessary to define who these periodic reports are actually written for.

The intended audience - and we state this plainly - falls into two principal categories:

The first category: Executives: Those who lead and oversee organizations and institutions. This includes, among others:

- Chief executives across all types of banks, not Islamic banks alone
- Professionals in insurance companies, investment firms, investment funds,

(1) Official website: https://www.database.albaraka.site/

(2) Two reports have been issued to date: the first, in the Challenges track — *Qiyās Wāqiʿ Ḥālat al-Faqr fī Duwal Munaẓẓamat al-Taʿāwun al-Islāmī*, 1445 AH/ 2024; and the second, in the Resources track — *Al-Taḥwīlāt al-Shakhṣiyya al-Māliyya fī Duwal Munaẓẓamat al-Taʿāwun al-Islāmī*, covering the period 2017–2024.

and consultancy organizations that have a direct or indirect relationship - whether full or partial - with the components of the Islamic economy

- Senior officials at central banks, capital markets (stock exchanges), financial regulatory bodies, and comparable public institutions
- Heads of relevant departments within financial institutions: treasury, public relations, product development, and similar functions
- Support funds, development banks, and federations of financial institutions at the local, regional, and international levels
- All those involved in policymaking and issuing recommendations, including economic committees in parliaments, shura councils, and relevant ministries
- Economic media organizations and bodies connected, in one way or another, to the various tracks of the Islamic economy

The second category: Researchers working across all related disciplines. These are people doing serious analytical work, yet time and again their output falls short of what the field demands, simply because the monitoring channels and data tools they need do not exist. They are left gathering whatever data they can find, and what they find rarely tells the full story: it distorts markets rather than illuminating them, and fails to track their movements, shifts, and composition with anything approaching real precision.

It is perhaps stating the obvious to say that one of the most valuable things this report offers is a comprehensive survey of the Islamic economy's constituent parts. In more than a quarter century of sustained engagement with this field, I have never come across a piece of work built on this kind of all-encompassing vision. None of this amounts to a claim that we have reached the aspired standard — that would be far from the truth. What pushed us to go ahead, in spite of knowing full well that this work is still taking its first steps, is our conviction that it simply had to be done — and those with a stake in this field will know precisely what we mean.

One of the central purposes behind publishing this report in its present form is to call on everyone to open up their data. And before that, of course, to document it properly in-house: through sound, methodologically clean procedures driven by nothing other than a genuine desire to develop markets, businesses, products, and services, and to bring into sharper focus the challenges, opportunities, and unrealized potentials that deserve far more attention than they currently receive. That, we think, is a goal whose worth speaks for itself.

We turn now to the types and levels of AlBaraka periodic reports. To put it simply: we are aiming to publish two reports each year.

First: Monitoring Report Published at the end of each year, it draws together the year's developments across the Islamic economy in all its dimensions: financial, legal, human, and more. A reader who sits down with this report can cover the full breadth of that year's developments, coming away better informed and more closely in step with everything in the field that concerns them.

It also offers a concise reading of market performance, drawing on data from listed companies (Islamic banks, takaful companies, and others) as well as instruments such as sukuk and investment funds. Behind it lies a daily, uninterrupted

process: tracking published data, organizing it, running preliminary analysis. The report does not produce information, but rather it takes what is already out there, imposes order on it, and hands it back in a form that actually serves a researcher and decision-maker.

As more entities publish their data, the report's coverage becomes more comprehensive; and as the regularity of data publication improves, the report becomes more timely and up to date in both content and substance.

It is our hope, God willing, to publish the first report of this kind before mid-2027, covering the activities of 2026, which will serve as the opening year of the series.

Second: Strategic Report: This report in your hand is the first report of this type. As noted earlier, it comes in two types:

The first type: **Comprehensive Report**, covering all areas of the Islamic economy, and published, God willing, once every five years.

The second type: **Specialized Reports** such as the *Strategic Islamic Banking Report*, likewise published every five years, and the *Philanthropy Sectors Report*, along with other reports addressing specific sectors as need and priority dictate.

Within this structure, the Annual Monitoring Report forms the first tier. Above it sits the Specialized Strategic Reports, and at the top of the pyramid stands the Al-Baraka Strategic Report, fed primarily by everything beneath it, providing a comprehensive, structured body of knowledge with broad, high-level dimensions, focusing on overarching analytical perspectives rather than the detailed issues covered in specialized strategic reports.

We are well aware that all of this represents an enormously ambitious undertaking, but it is what the moment asks of us, and it must be taken on. Years of preparation have gone into making it possible. We ask God for success, sound judgement, guidance, and His help in seeing it through.

None of this could have been set in motion were it not, above all, for God's grace, and then for the existence of this blessed institution, whose foundations were laid and whose seed was sown, with his own time, effort, and wealth, by the great pioneer Sheikh Saleh Abdullah Kamel, may God have mercy on him. His family has since taken up that work — in devotion to his memory, in belief in his vision, and in fidelity to what he set in motion — walking the same path he walked. To all of them, we pray that God accepts their deeds and grants a share in that reward to everyone who has worked, or works still, with sincerity and dedication — inside the Forum or beyond it. And there are many such people: the well-wishers who stand by us with their sincere advice, guidance, and heartfelt prayers.

I renew my call to those who lead institutions and companies across this field: publish your periodic reports with all the care they deserve, and do not put it off. You are the foundation on which this work rests. The more faithfully you honour that responsibility, the better placed we, and others, will be to bring that good work to light and present it as fully as it deserves. God will not allow to be lost the reward of any who did well in deeds.

Secretary General

Yousef Hasan Khalawi

Brussels, Wednesday, 8 April 2026



Introduction

This report is a systematic attempt to examine "the institutional framework of the Islamic economy" as we perceive it in today's global reality, not as a single normative package, but rather as a multi-tiered system in which universal principles interact with localized applications in various socioeconomic contexts. It proceeds from a foundational premise that the Islamic economy encompasses two dimensions. The first is the micro-level dimension, as practiced and implemented within Muslim communities across various countries worldwide. The second is the macro-level dimension, as adopted and integrated by countries as a comprehensive institutional commitment, entailing general policies, regulations and mechanisms for governance and control.

To capture the current landscape more precisely, the report begins with an introductory overview of the size and geographic distribution of the Muslim population as a governing interpretive variable for understanding demand circles, dissemination pathways, and sectoral concentration patterns of Sharia-compliant institutions and products. It then develops a balanced classification approach which juxtaposes finance sectors alongside real economy sectors, and for-profit instruments alongside social solidarity mechanisms, thus presenting the Islamic economy not just as a "financial sector," but rather as a vast system extending into wider networks.

Accordingly, the first section deals specifically with **"Islamic finance institutions"** both in banking and non-banking dimensions, focusing on industries with expanding applications and diversified business models such as Takaful insurance, Islamic leasing and property finance, Islamic microfinance, Islamic Sukuk and Islamic fintech. The second section discusses "**Halal economy**" institutions as a natural extension of Sharia compliance into commodity and service markets, encompassing such sectors as halal food and beverages, pharmaceuticals, cosmetics, modest fashion, tourism and media & entertainment. The third section focuses on "**Islamic social finance institutions**" as one of the distinctive pillars of Islamic economic architecture, such as Zakat, Waqf and Qard Hasan institutions, together with their roles in income redistribution, promotion of social protection and sustainable development.

The report's institutional framework is carried forward in section IV which discusses the "**Economics of religious**

institutions and rituals in Islam," as an autonomous economic field that brings together public services and activities of production and consumption. This section analyzes the economics of mosques, Hajj and Umrah, Islamic seasons and festivals and Islamic educational institutions.

The report concludes with section V which shifts from the analysis of micro-level institutions to macroeconomic aspect of Islamic countries through two key axes: First, the evolution of GDP and growth patterns in OIC member countries, while the second reviews the key global infrastructure organizations and bodies supporting Islamic economic and financial institutions.

Through this structure, the report goes beyond merely listing sectors and entities to presenting a framework for a comprehensive analysis of the interconnections between "institutions," "markets," and "policies." It views the Islamic economy as a dynamic sphere in which development imperatives, governance challenges, advances of financial innovation, transformations of value chain in halal economy interact within a global context characterized by accelerating economic and technological shifts and the growing significance of compliance and standards.

To enhance analytical clarity and the precision of findings presentation, the report makes extensive use of visual tools as a methodological instrument to support the analysis and interpretation of data. Data and information are presented through an integrated suite of thematic maps, charts and graphs, and data infographics designed to simplify complex indicators and highlight structural relationships between variables. In this regard, the report includes 49 maps covering approximately 70 analytical dimensions and drawing on more than 1,200 statistical data points. In addition, 143 charts and graphs address 191 dimensions, likewise supported by a comprehensive database exceeding 1,200 data points. The report further incorporates more than 90 data infographics, designed to present key findings in a concise and integrated visual format, enhancing knowledge communication and supporting usability for both researchers and policymakers.

Overview

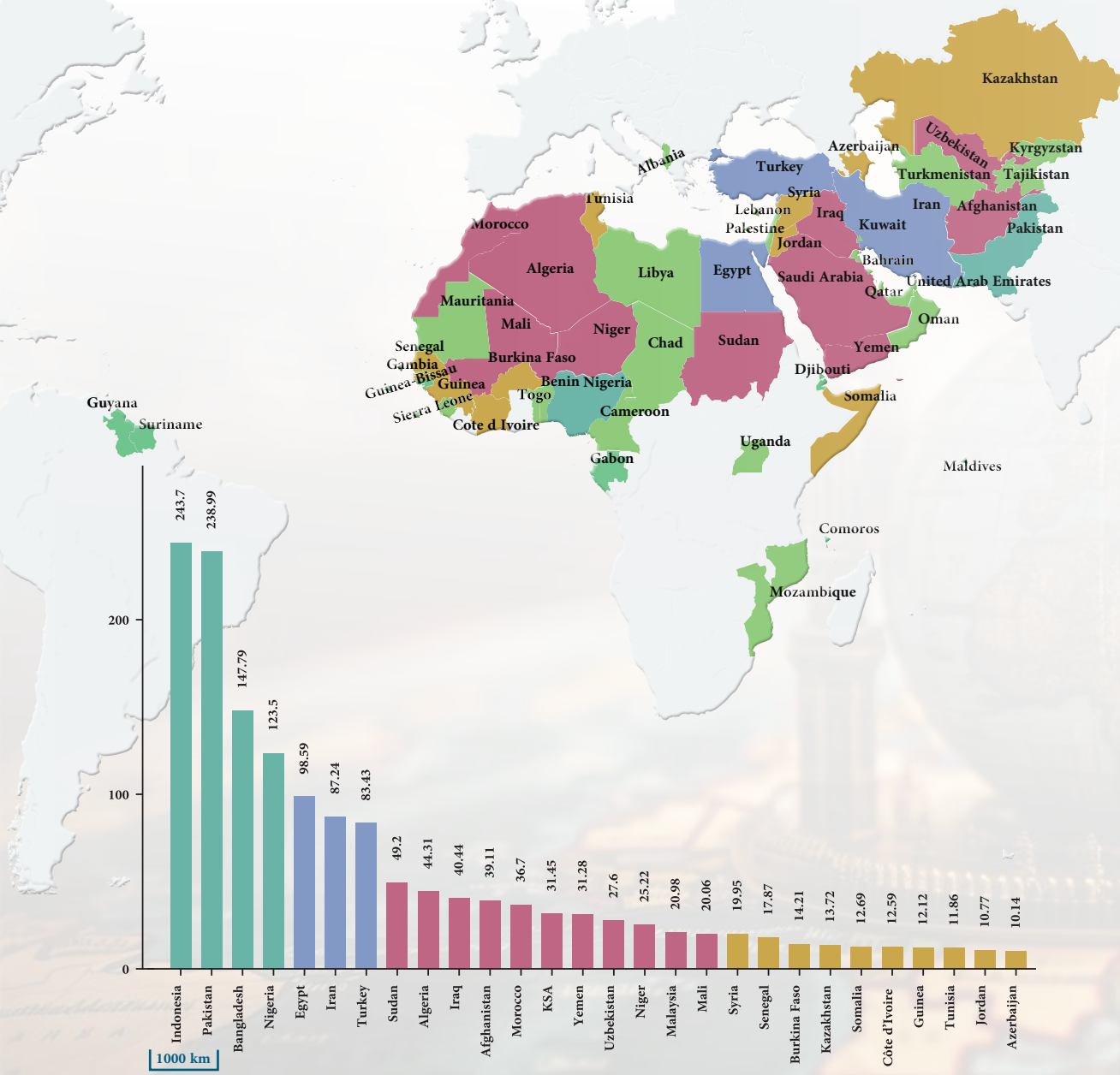
Demographic Analysis and Geographic Distribution of Muslims Worldwide

Muslims represent the core stakeholder base, both current and potential, in Islamic economy institutions, as their products and services are inherently designed to comply with Islamic Sharia. With estimated population of nearly two billion people spread across more than 130 countries worldwide, Muslims create a vast and diverse market landscape displaying diverse demographic, economic and social characteristics. Distribution of Muslims across countries and continents can be illustrated as follows[1]:



(1) This section of the report draws on data from https://www.cia.gov/the-world-factbook/

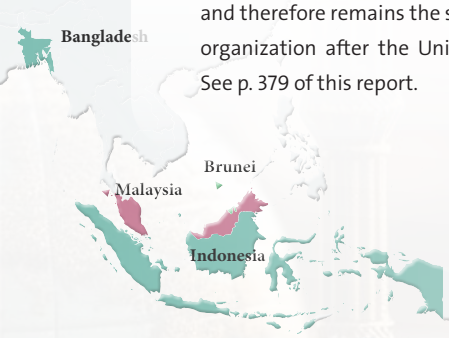
Number of Muslims in OIC member countries (2023)



1. Muslims in OIC Member Countries[1]

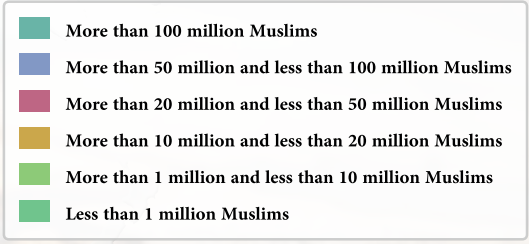
There are more than 1.6 billion Muslims living in the OIC member countries, accounting for about 81% of the total number of Muslims throughout the world, which highlights the substantial demographic weight of these countries within the Islamic world. Furthermore, it's noted that nearly 1.2 billion Muslims are concentrated in only 10 OIC member countries, accounting for 58% of Muslims across the world and around 71% of those within the borders of OIC countries. This concentration highlights wide variations in the density of Muslim population across member countries, while underscores the pivotal role of these major countries in shaping the Islamic world's demographic and economic landscape.

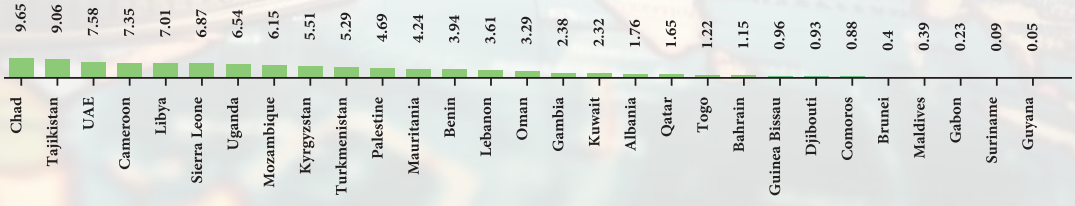
(1) Organization of Islamic Cooperation (OIC) is an international Islamic body that comprises 57 countries on four continents and therefore remains the second largest organization after the United Nations. See p. 379 of this report.



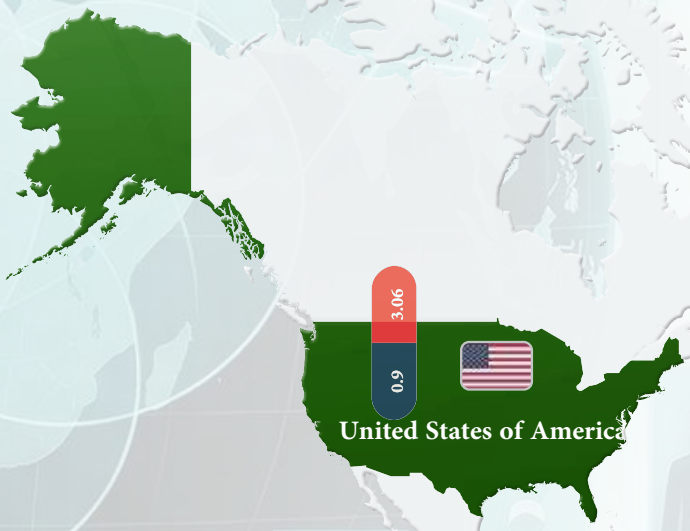
Number of Muslims in OIC member countries

6.1 billion





Top 10 non-OIC countries by Muslim population (2023)



Number of Muslims (millions)

Muslims Percentage (%)

2000 km

2. Muslims in Non-OIC Member Countries

373 million Muslims live across 73 non-OIC countries, comprising 19% of the total Muslim population worldwide. 327 million of these Muslims live in just 10 countries, accounting for 16% of the world's Muslim population, and 88% of all Muslims living in non-OIC countries.

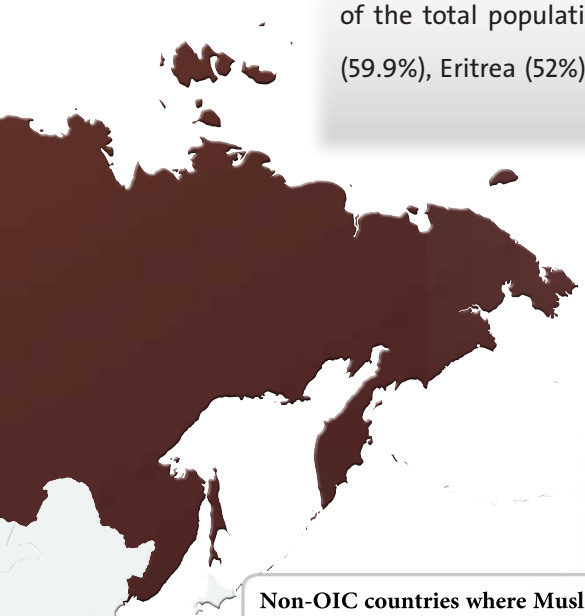
Number of Muslims in non-OIC Member countries

373 million




Non-OIC countries where Muslims exceed 10% of the population (%) 2023
Kosovo
59.6%
Bosnia and Herzegovina
50.7%
Russia
12.5%
Montenegro
19.1%
North Macedonia
32.2%
Occupied Palestinian Territories
18%
Georgia
10.7%
India
14.2%
Eritrea
52%
Ethiopia
31.3%
Kenya
10.9%
Singapore
15.6%
Liberia
12.2%
Ghana
19.9%
Malawi
13.8%
Mauritius
17.3%
Tanzania
34.1%
2000 km

In 17 non-OIC member countries, Muslims comprise more than 10% of the total population, with the highest proportions in Kosovo (59.9%), Eritrea (52%), and Bosnia and Herzegovina (50.7%).



Non-OIC countries where Muslims exceed 10% of the population (%) 2023





Section I

Islamic Finance Institutions

First: Islamic Finance Institutions .. Overview

Second: Islamic Banking

Third: Takaful Insurance Industry

Fourth: Other Non-Banking Islamic Financial Institutions

Fifth: Islamic Financial Technology (Islamic Fintech)

Sixth: Sukuk

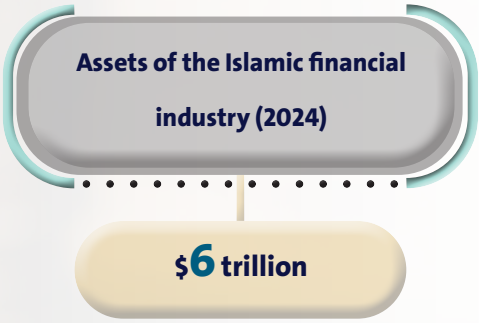


First

Islamic Finance Institutions .. Overview[1]

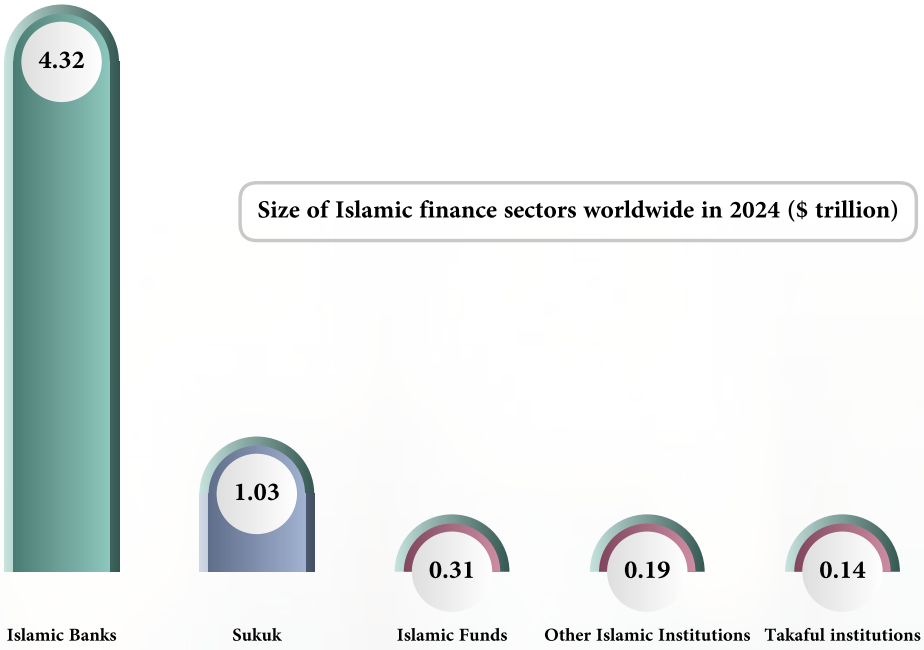
1. Global Size of Islamic Finance Sectors (2024)

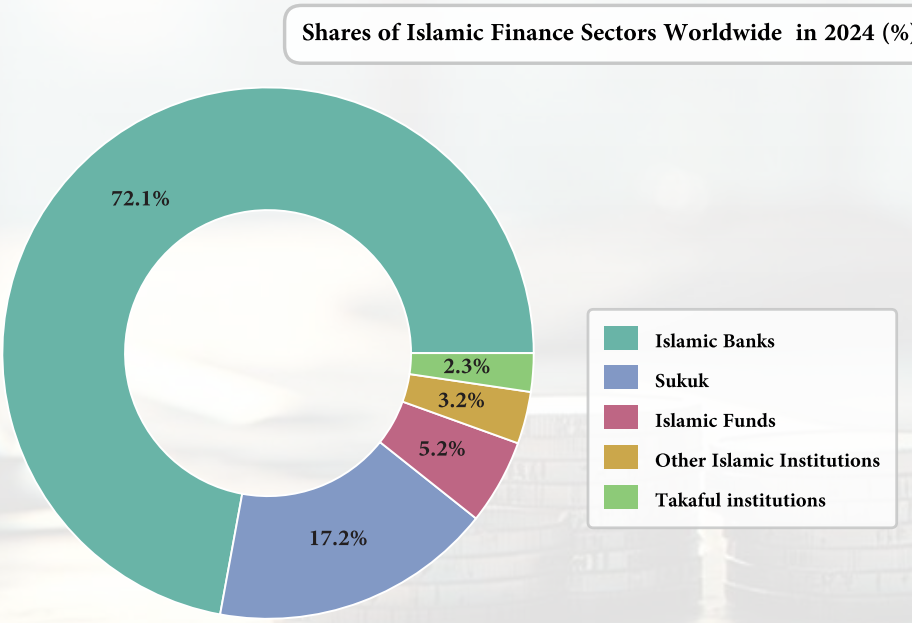
2024 data reveals the increasing strategic importance of Islamic financial industry assets and how these assets amount to **$6 trillion with an annual growth rate of 21%**, reflecting its ability to efficiently stimulate economic activities and support sustainable development pathways. These assets rest upon **an extensive institutional foundation that supports more than 2250 Islamic financial institutions worldwide**, positioning it as a core provider of Sharia-compliant financing for productive ventures, infrastructure initiatives and priority development sectors.



Data indicates dominance of the **Islamic banking** sector, which holds the largest share of Islamic finance assets valued at about $4.38 trillion, reflecting its expansive base and institutional reach. The value of **Sukuk** sector exceeds $1 trillion. The value of **Islamic funds** stands at $380 billion. The value of other Islamic financial institutions stands at about $193 billion, and **Takaful** sector registers $136 billion, reflecting a steady growth in Islamic insurance activities and its role in enhancing the financial protection within the Islamic finance system.

(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

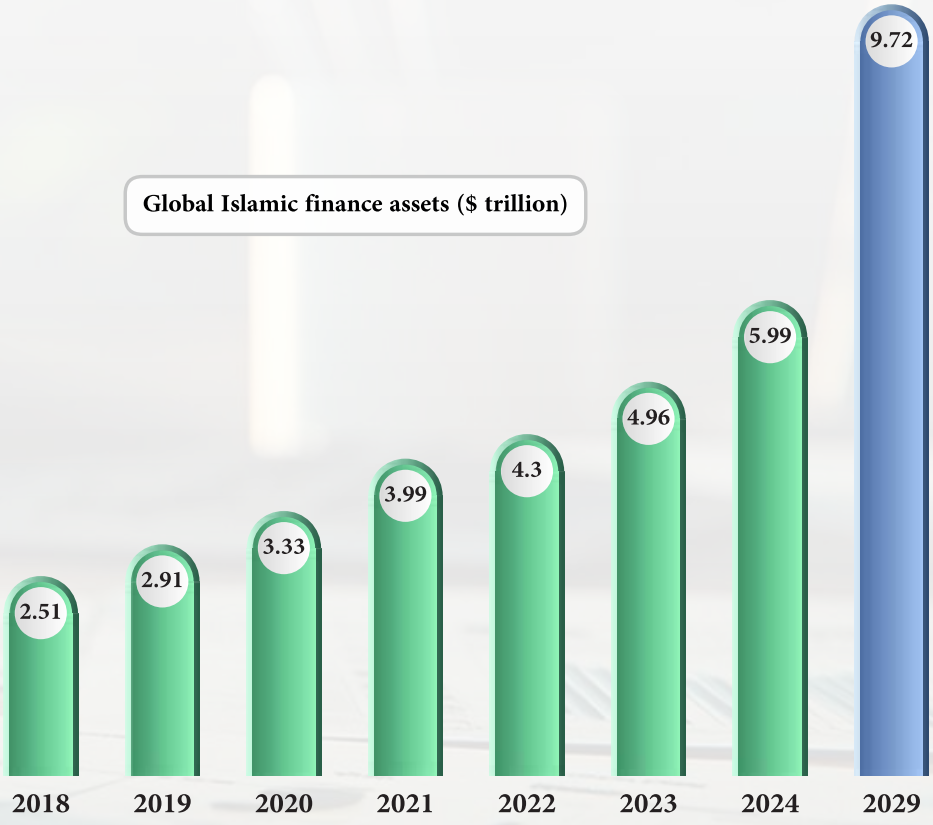

Size of Islamic finance sectors worldwide in 2024 ($ trillion)
4.32
1.03
0.31
0.19
0.14
Islamic Banks
Sukuk
Islamic Funds
Other Islamic Institutions
Takaful institutions


Shares of Islamic Finance Sectors Worldwide in 2024 (%)
72.1%
17.2%
5.2%
3.2%
2.3%
Islamic Banks
Sukuk
Islamic Funds
Other Islamic Institutions
Takaful institutions

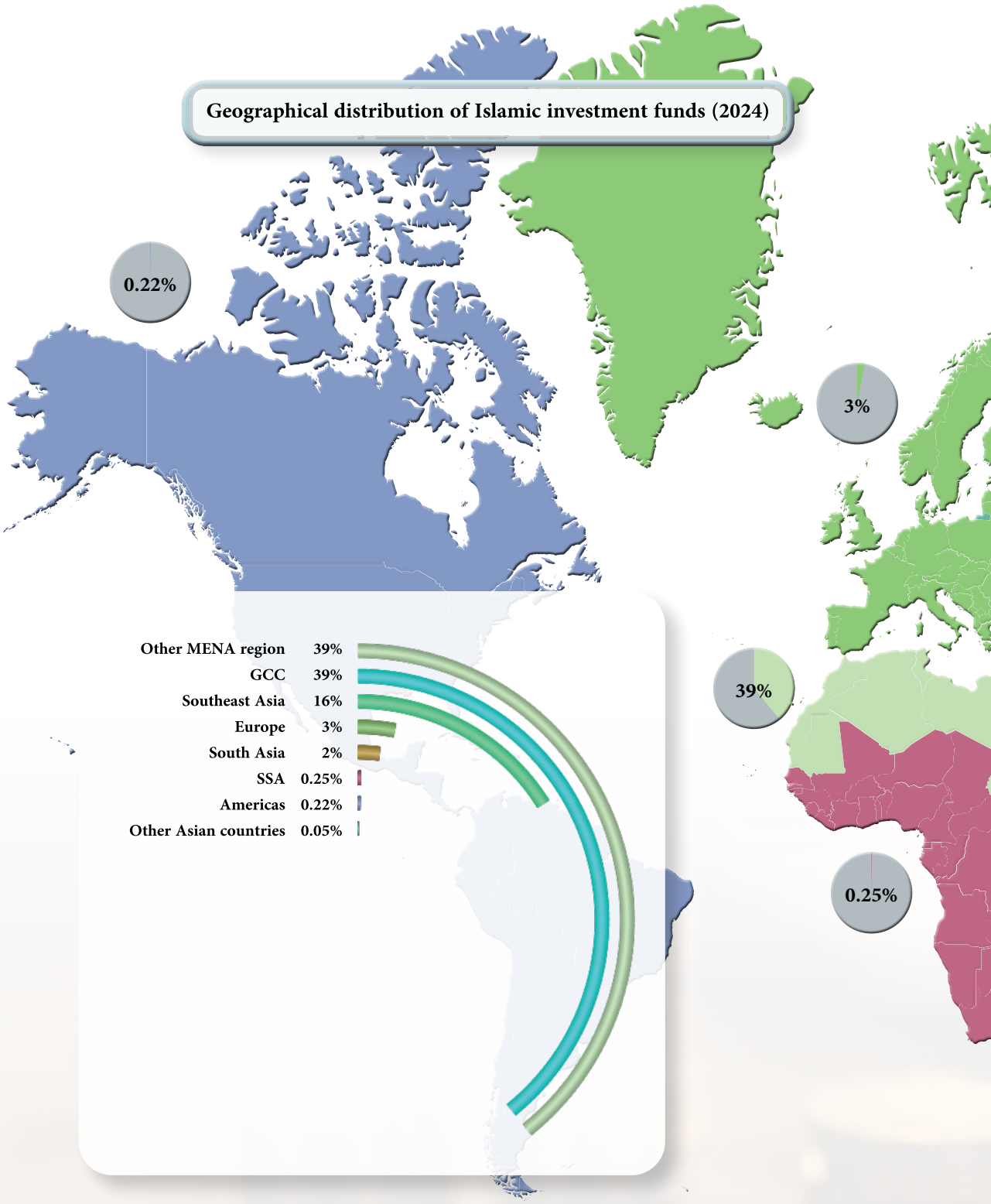
2. Growth Rate of Islamic Finance Sectors Worldwide (2024)

Islamic finance assets rose from $2.5 trillion in 2018 to $2.9 trillion in 2019, reaching $3.3 trillion in 2020 and approaching $4 trillion by 2021. This consistent upward trajectory suggests that the industry is proceeding with a steady annual expansion supported by a rising global demand for Islamic finance products and the evolving institutional framework in key markets.

Data indicates that assets continued expanding during 2022-2023 to $4.3 trillion and $4.96 trillion, respectively, hitting $5.98 trillion in 2024. Projections show a dramatic surge in the size of assets to about $9.7 trillion by 2029, which confirms the expansion of the base of Islamic finance worldwide and its increasing role in the international financing system, in addition to the possibility of its evolution into premier sources of sustainable financing in the upcoming years.



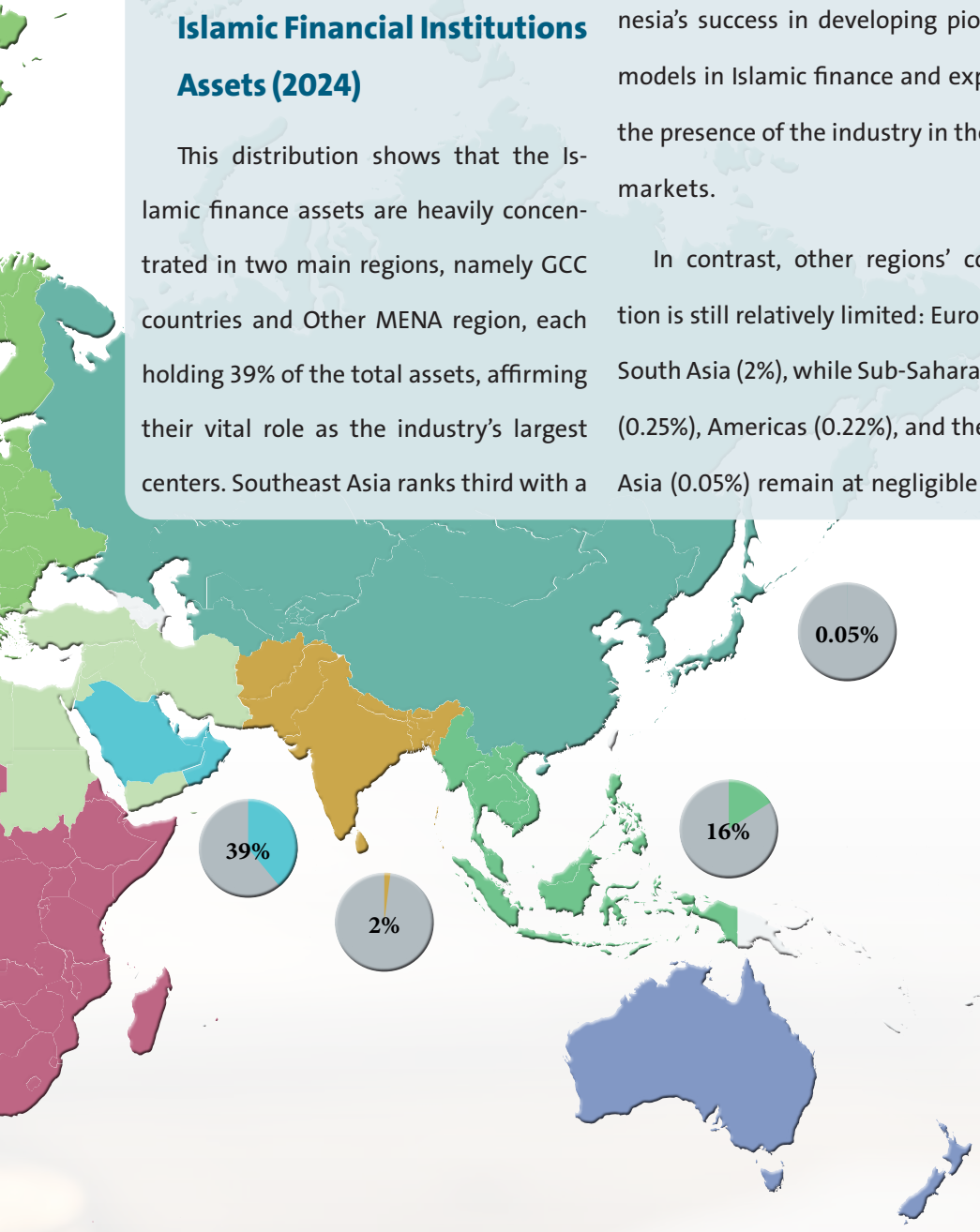
Geographical distribution of Islamic investment funds (2024)



3. Geographical Distribution of Islamic Financial Institutions Assets (2024)

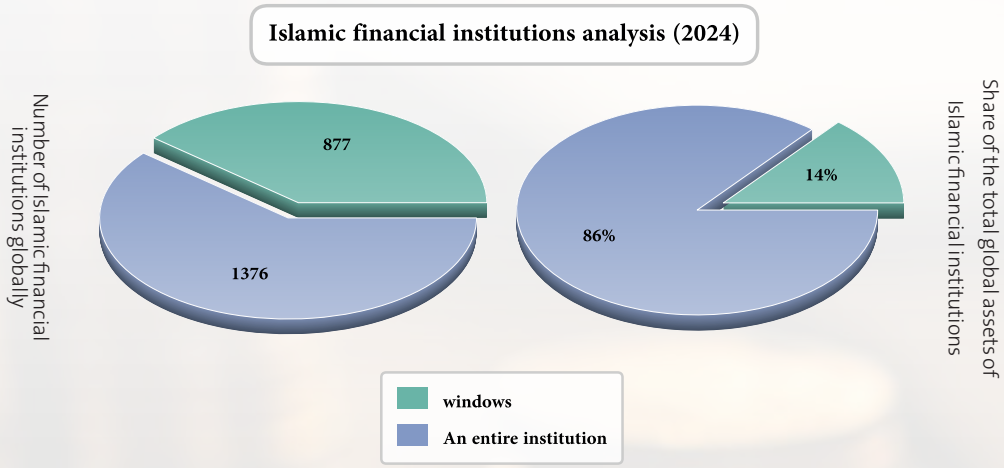
This distribution shows that the Islamic finance assets are heavily concentrated in two main regions, namely GCC countries and Other MENA region, each holding 39% of the total assets, affirming their vital role as the industry's largest centers. Southeast Asia ranks third with a 16% share, driven by Malaysia's and Indonesia's success in developing pioneering models in Islamic finance and expanding the presence of the industry in the global markets.

In contrast, other regions' contribution is still relatively limited: Europe (3%), South Asia (2%), while Sub-Saharan Africa (0.25%), Americas (0.22%), and the rest of Asia (0.05%) remain at negligible levels.

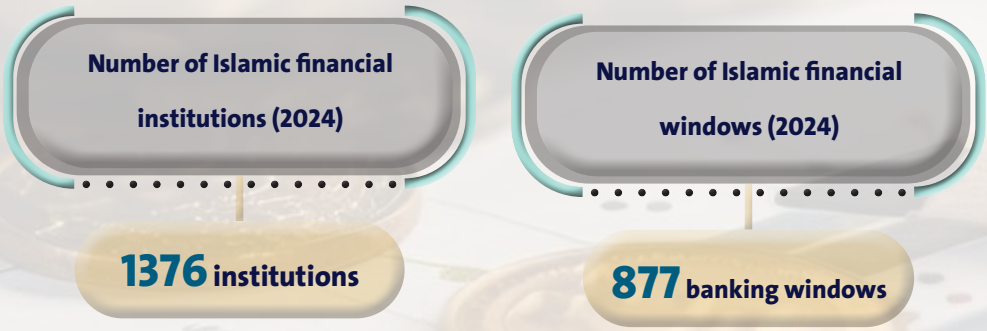


4. Analysis of Islamic Financial Institutions (2024)

Data indicates that the Islamic financial industry is characterized by a clear institutional variety, as it includes about 1376 specialized institutions that operate as an integrated system of Islamic finance, compared to 877 banking windows that provide Islamic services within conventional banks. This distribution reflects the industry's reliance on two operating models that together contribute to the expansion of Sharia-compliant financing.



In terms of assets, specialized institutions dominate with about 86% of total assets, while Islamic windows hold only 14%.



5. Institutional Framework Supporting Islamic Financial Industry (2024)

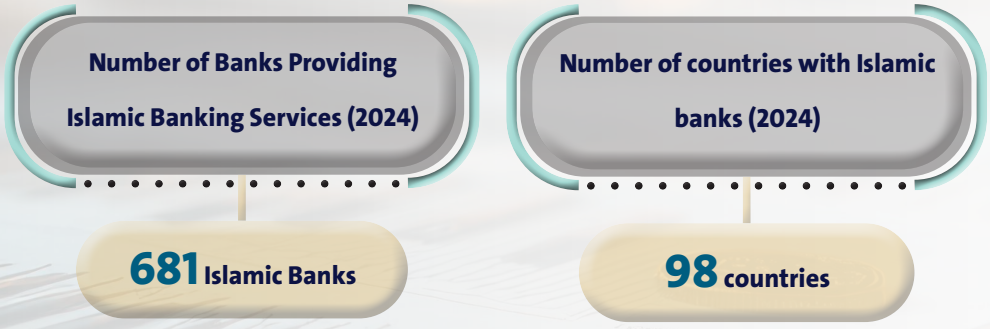
Data from 2024 indicates that a remarkable progress was made in the institutional framework of Islamic financial industry, with regulatory framework now covering 57 countries and innovation level rising in 72 Islamic finance testing environments, supported by 23 central Sharia committees and 1617 Sharia board members; in addition to Islamic banks achieving an average disclosure rate of 76%. The industry strengthened its commitment to sustainable finance, with ESG Sukuk reaching $61.5 billion, ESG-compliant investment funds at $9.7 billion, alongside 50 countries adopting national sustainability guidelines and achieving an average disclosure rate of 49%.

Regarding knowledge and awareness, 2024 witnessed substantial activity: 1031 in-person events and 379 virtual events were held, while 9480 specialized news items were published. The industry's research and educational capabilities also grew, now comprising 1186 educational institutions that produced 5291 research papers and published 379 specialized academic journals, reinforcing the industry's knowledge-based contribution to advancing innovation and consolidating Islamic finance practices worldwide.



Second Islamic Banking

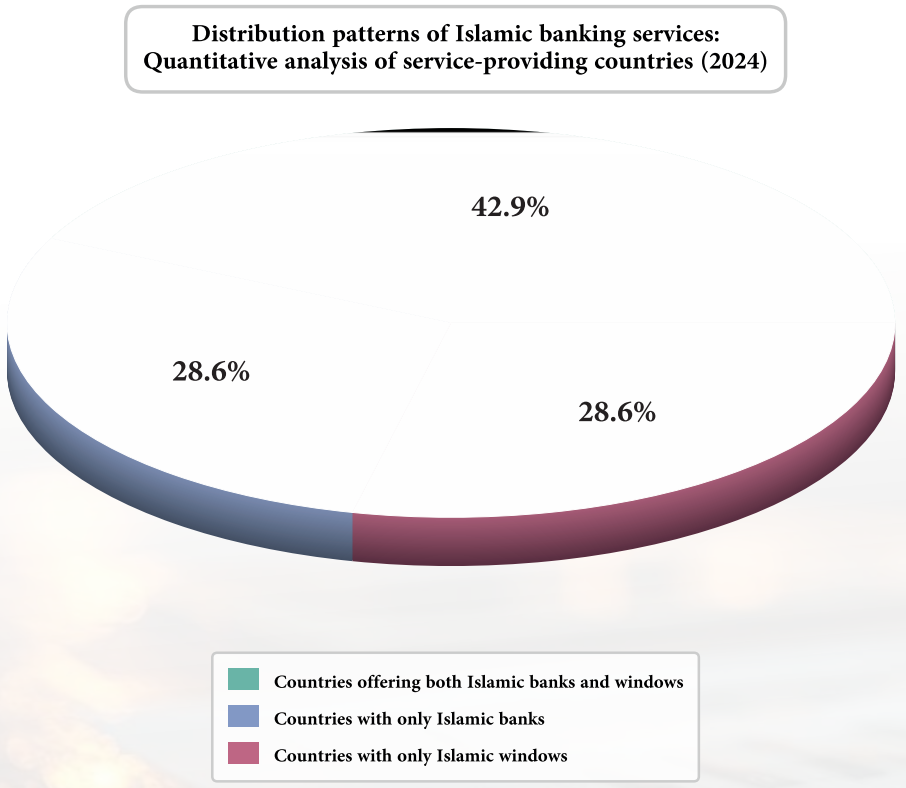
Historical data indicates that Islamic banking services have witnessed continuous growth since its inception in 1975, gradually expanding to cover over 98 countries by 2024. The number of banks offering these services reached about 681 banks[1]. Saleh Kamel Islamic Economy Database provides detailed information on 457 of these banks[2].



(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025

(2) https://database.albaraka.site/

Saleh Kamel Islamic Economy Database reveals that about 30 countries provide Islamic banking services through parallel dual models represented in fully Islamic banks and Islamic windows within conventional banks, covering about 43% of the total countries offering Islamic banking. On the other hand, these services are limited to Islamic banks only in 20 countries, representing 28.5% of countries, while 20 other countries rely exclusively on Islamic windows, accounting for the same percentage.



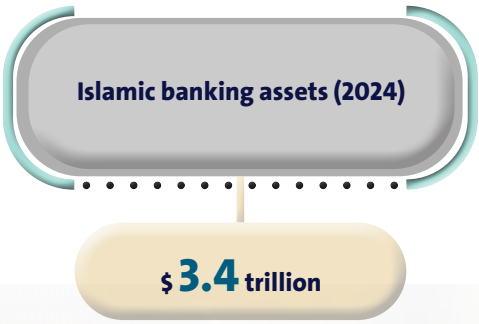
1. Islamic Banks (2024)

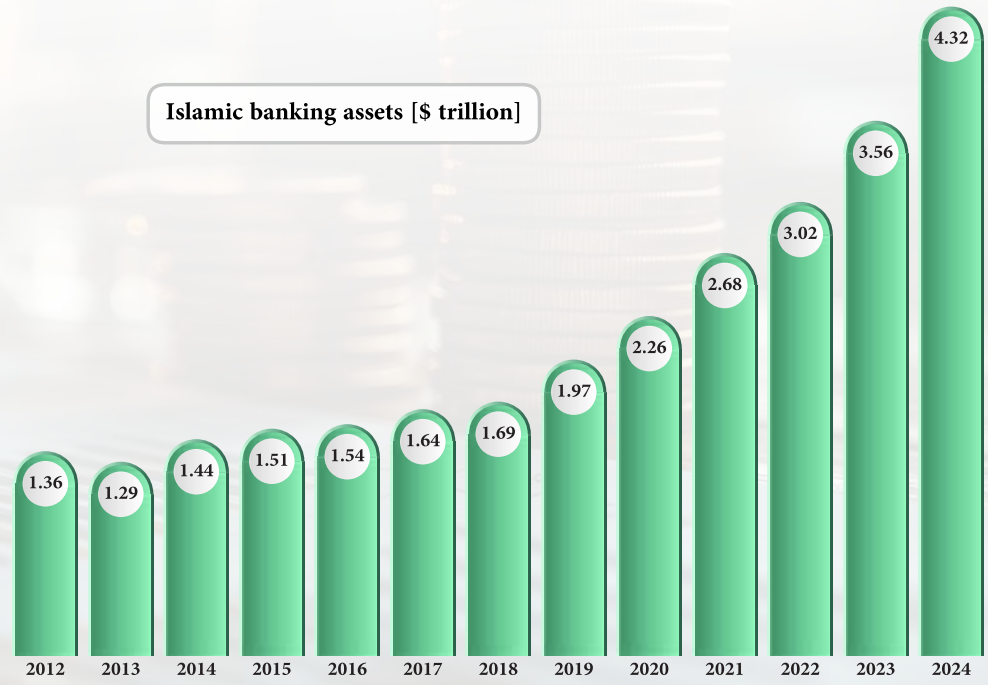
1.1 Islamic Banking Assets[1]

1.1.1 Growth of Islamic Banking Assets

Data on Islamic banking assets between 2012 and 2024 shows an ascending trend in these assets, rising from $1.36 trillion in 2012 to nearly $4.3 trillion in 2024.

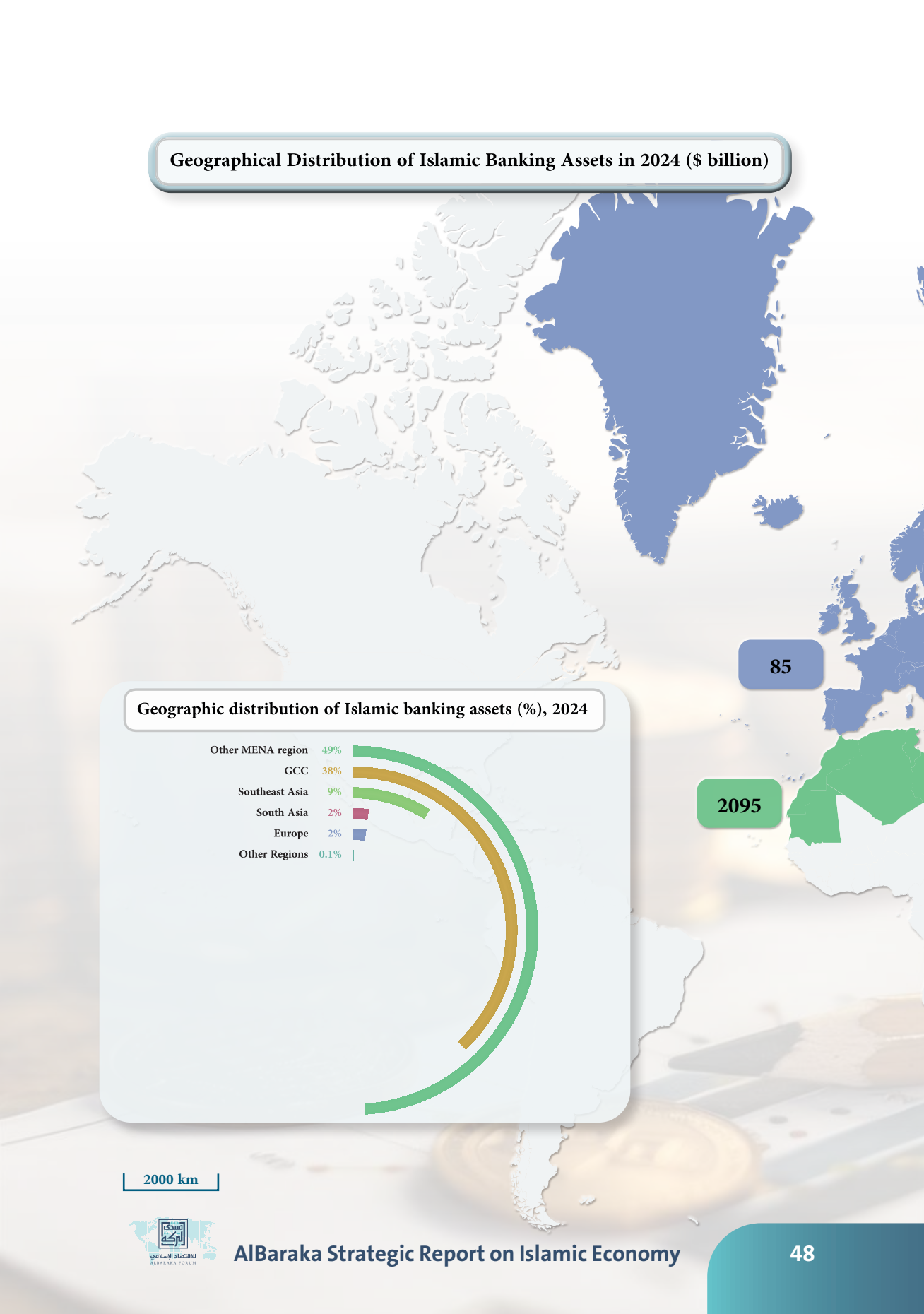
The timeline also reveals a remarkable rate of growth since 2012, with assets surging from under $2 trillion to over $4 trillion in a relatively short period.





(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

Geographical Distribution of Islamic Banking Assets in 2024 ($ billion)



Geographic distribution of Islamic banking assets (%), 2024

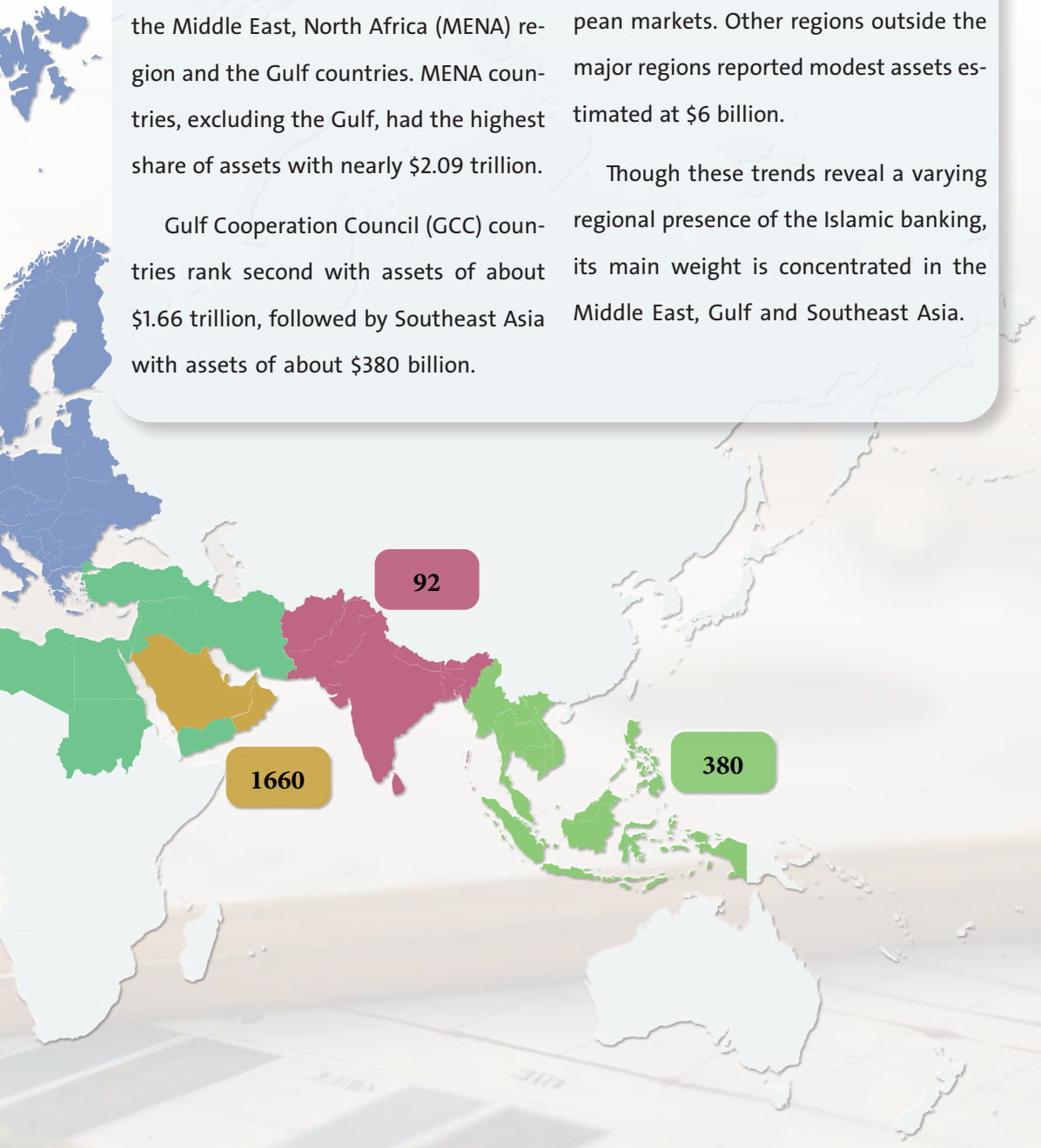
1.1.2 Geographical Distribution of Islamic Banking Assets

The 2024 data reveals a marked concentration of the Islamic banking assets in the Middle East, North Africa (MENA) region and the Gulf countries. MENA countries, excluding the Gulf, had the highest share of assets with nearly $2.09 trillion.

Gulf Cooperation Council (GCC) countries rank second with assets of about $1.66 trillion, followed by Southeast Asia with assets of about $380 billion.

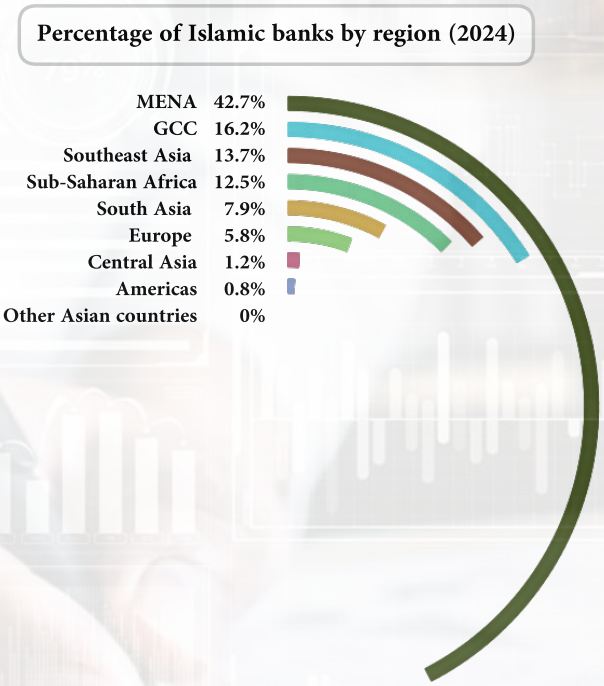
South Asia recorded assets of approximately $92 billion. Europe followed with nearly $85 billion as a result of the penetration of Islamic windows in some European markets. Other regions outside the major regions reported modest assets estimated at $6 billion.

Though these trends reveal a varying regional presence of the Islamic banking, its main weight is concentrated in the Middle East, Gulf and Southeast Asia.



1.2 Quantitative Analysis of Islamic Banks Worldwide[1]

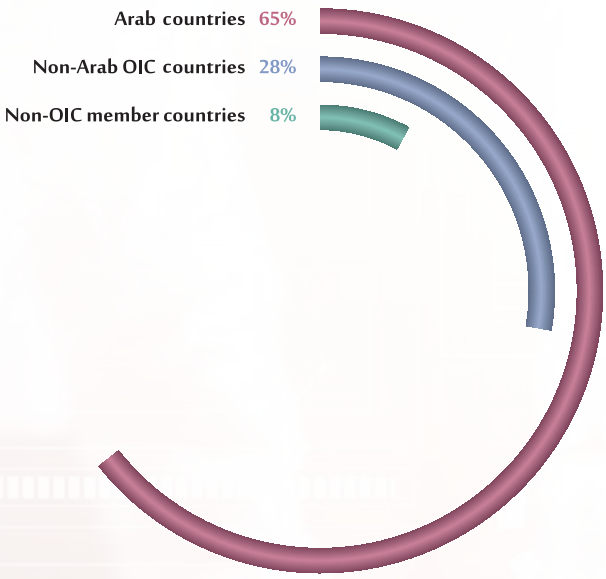
Saleh Kamel Islamic Economy Database shows a concentration of the Islamic banking activity in the MENA region, accounting for about 42% of the total Islamic banks worldwide [103 banks]. The GCC region follows with 16% [39 banks]. Southeast Asia and Sub-Saharan Africa represent 14% and 12%, respectively, followed by South Asia at 8% [19 banks]. Similarly, Islamic banks in Europe, Central Asia and the Americas collectively represent 8%.



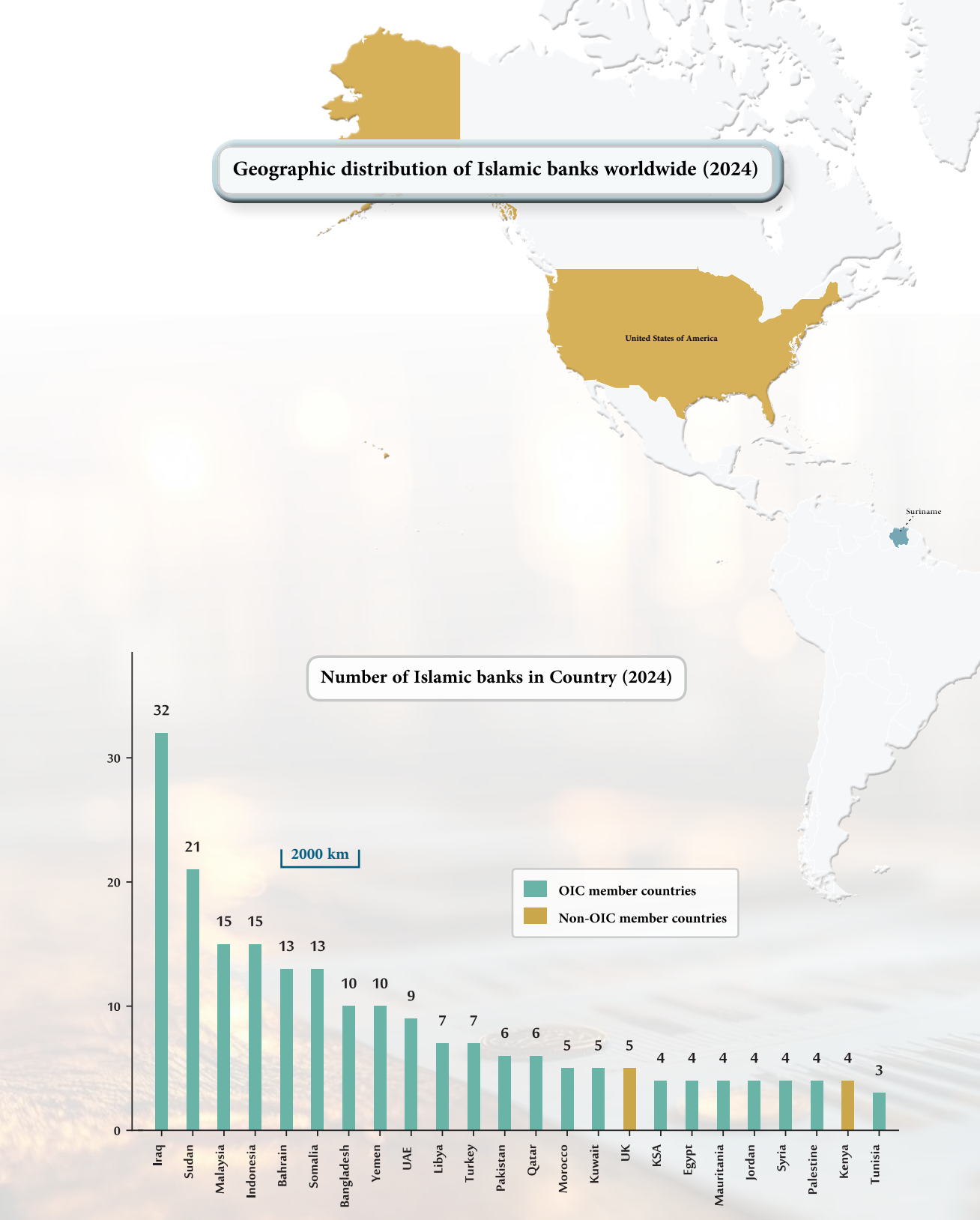
(1) https://database.albaraka.site/

Additionally, data shows that the Arab region controls about 65% of the world's total Islamic banks [157 banks]. This highlights its pivotal role in the development of the Islamic banking industry.

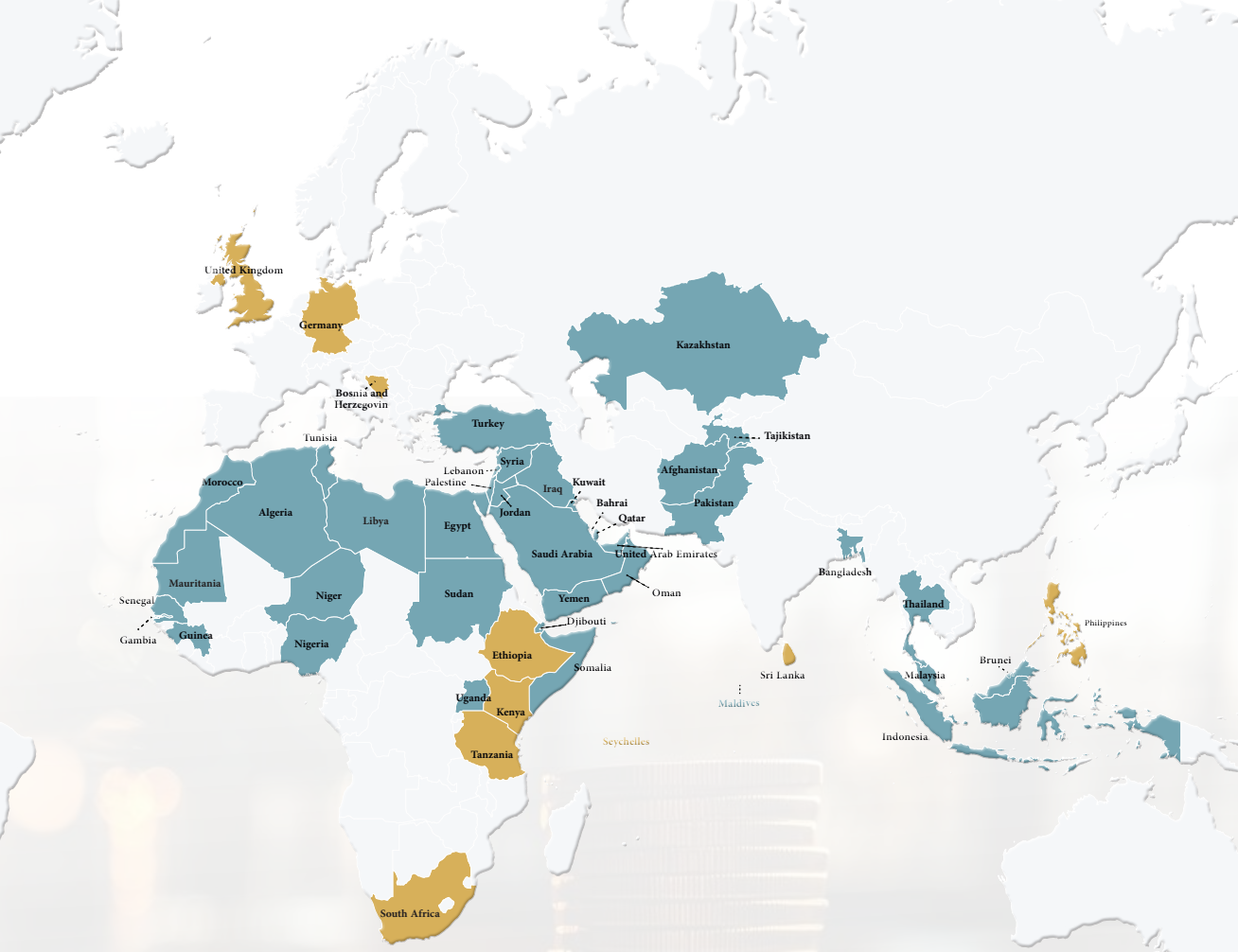
Geographic composition of Islamic banks worldwide: Percentage in the Arab world (2024)



Geographic distribution of Islamic banks worldwide (2024)



Number of Islamic banks in Country (2024)



Data shows that about 68% of the world's total Islamic banks are concentrated in just 15 countries. Iraq tops the ranking with 32 banks (13%), followed by Sudan with 21 banks (9%), while Malaysia and Indonesia each have 15 banks (6%). The data also indicates that all 15 countries are members of the Organization of Islamic Cooperation, except for the United Kingdom. Notably, eight of these are Arab countries which together host 115 Islamic banks, accounting for 47% of the total Islamic banks worldwide.



1.3 Geographical Distribution of Islamic Banks (2024)[1]

1.3.1 Islamic banks in the GCC Region

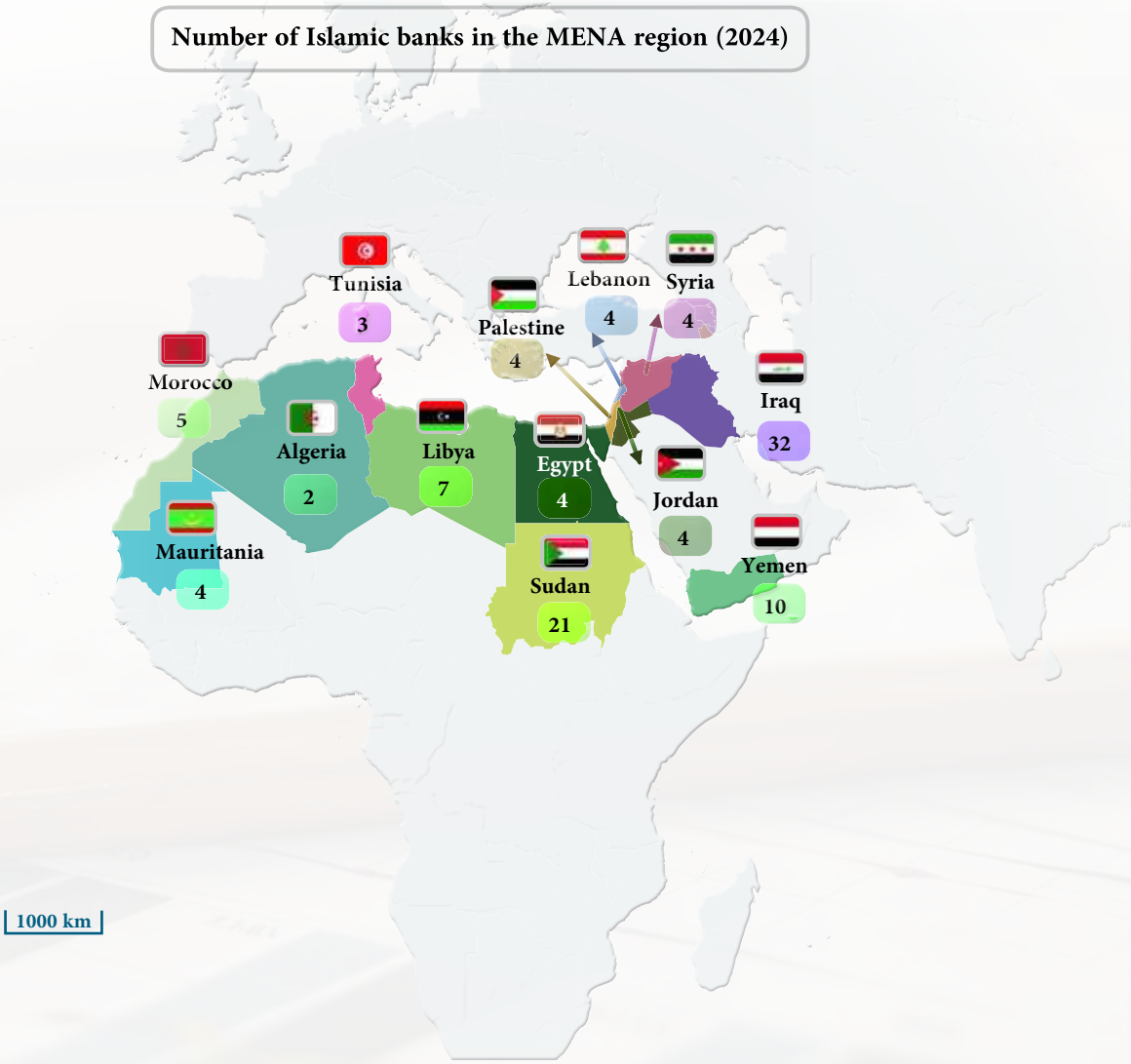
The GCC region has long been a historical hub for modern Islamic banking with the launch of the world's first Islamic bank by the United Arab Emirates in 1975. The sector has since rapidly grown, supported by a strong regulatory system and a substantial capital base, with the regional Islamic banks reaching 39 banks in 2024, some of which are considered among the largest Islamic banking entities in the world.



(1) https://database.albaraka.site/ and Mawsu'at al-Masrifiyyah al-Islamiyyah, AlBaraka Forum for Islamic Economy, 2025.

1.3.2 Islamic banks in MENA Region

The MENA region witnessed an early beginning in Islamic banking with the founding of Sudan's first two Islamic banks in 1977, Faisal Islamic Bank of **Sudan** and El Nilein Bank, followed by Jordan Islamic Bank in 1978, Faisal Islamic Bank of Egypt in 1979, and Bank AlBaraka Egypt in 1980. The sector maintained accelerated growth, reaching 103 Islamic banks by 2024, positioning MENA as the world's largest regional Islamic banking cluster.



1.3.3 Islamic banks in Sub-Saharan Africa

Since the early 1980s, the Islamic banking sector in Sub-Saharan Africa has undergone a gradual development, beginning with the establishment of the first Sharia-compliant bank in **Senegal** (1982), followed by other institutions in **Guinea** (1983) and **South Africa** (1989). It later expanded as Islamic banking networks reached countries such as **Somalia, Kenya, Nigeria, Djibouti, Uganda, Gambia, Seychelles, Niger, Ethiopia and Tanzania**, bringing the total number of Islamic banks in the region to about 30 banks by 2024.

Number of Islamic banks in Sub-Saharan Africa (2024)



1.3.4 Islamic banks in Southeast Asia

Islamic banking in Southeast Asia dates back to the 1980s when **Malaysia** introduced this financial model, with the Philippines adopting it also in the early 1990s. The industry extended to **Indonesia, Thailand and Brunei** in the 21st century, contributing to the growth in the region's Islamic banks to 33 institutions by 2024. This was driven by its large Muslim population, rising awareness of Sharia-compliant services and strong government support for the development of this sector.

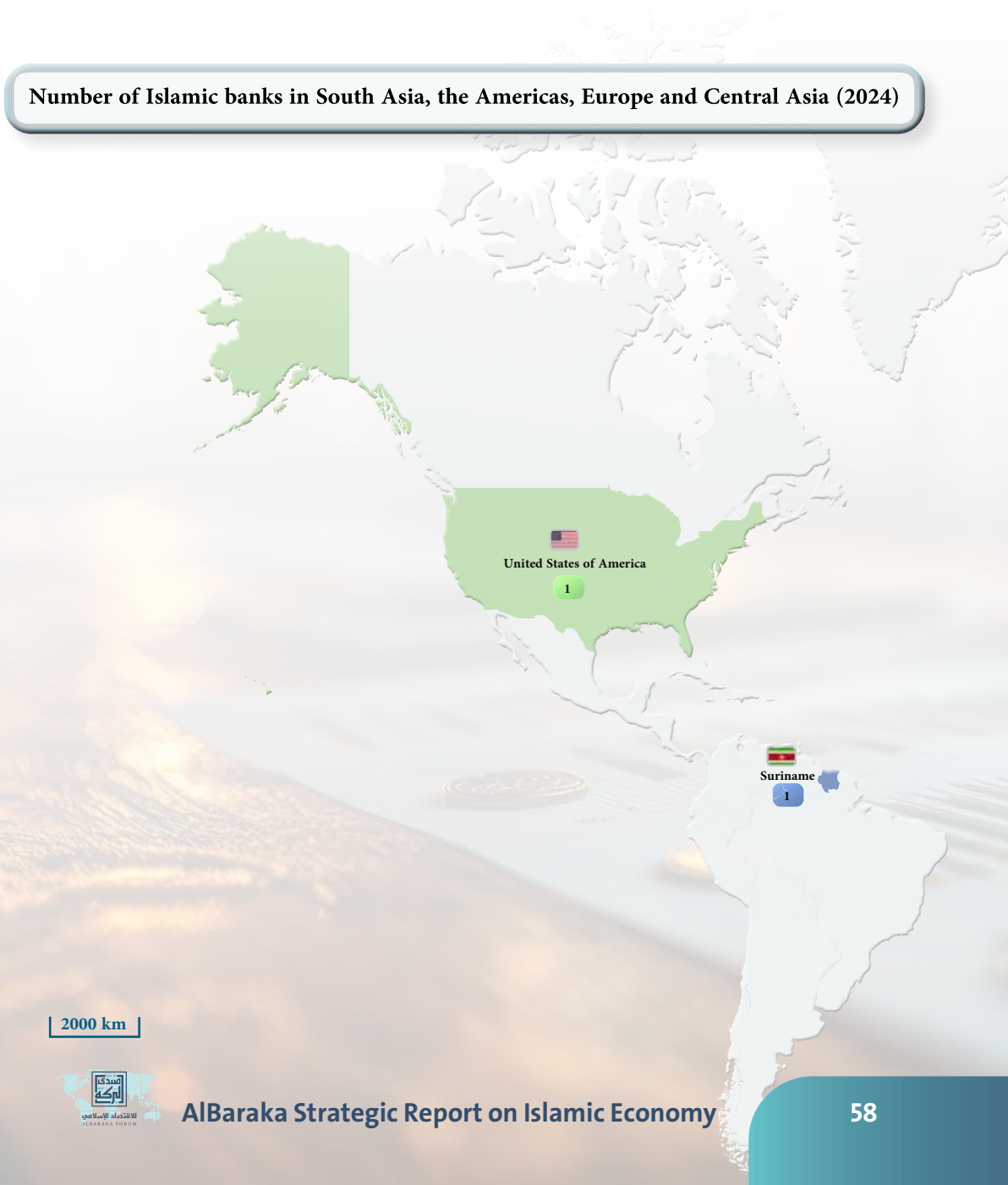
Number of Islamic banks in Southeast Asia (2024)



1.3.5 Islamic banks in South Asia

South Asia's Islamic banking took its first steps in **Bangladesh** during the 1980s, subsequently expanding to **Pakistan, Afghanistan, Sri Lanka, and the Maldives**. This regional expansion gained momentum with the establishment of most banks in the 21st century, bringing the current total to 19 banks.

Number of Islamic banks in South Asia, the Americas, Europe and Central Asia (2024)



1.3.6 Islamic Banks in the Americas, Europe and Central Asia

Islamic banks expanded globally and covered various international markets, including **Kazakhstan and Tajikistan** in Central Asia; **Turkey, the United Kingdom, Bosnia, Herzegovina and Germany** in Europe; **the United States** in North America and **Surinam**e in South America.

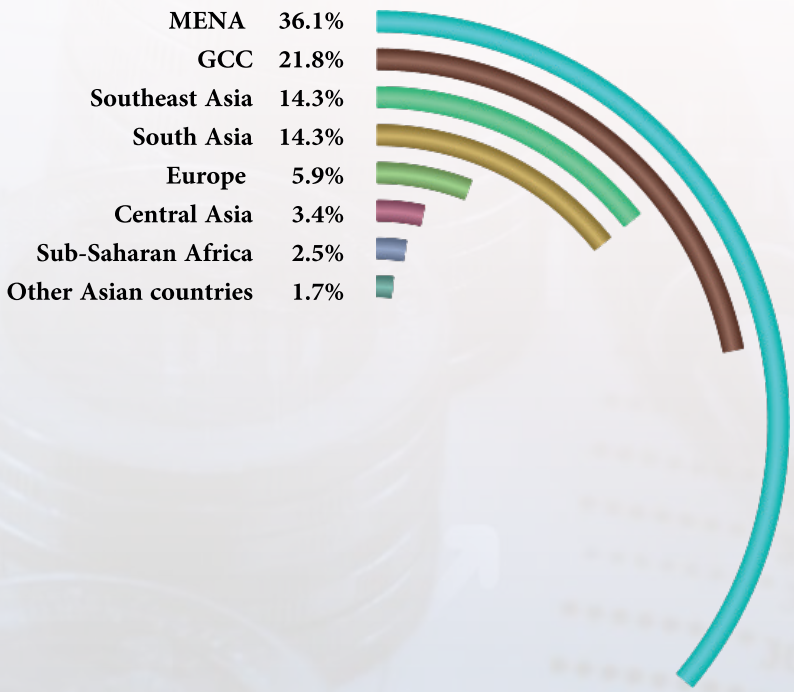


1.3.7 Number of listed Islamic Banks by Region

Data shows 119 Islamic banks listed on international stock exchanges, predominantly concentrated in MENA at 36%. GCC countries follow with 22%.

GCC countries rank second at 22%, with South Asia and Southeast Asia each at 14% (17 listed Islamic banks per region). Europe, Central Asia, Sub-Saharan Africa and other Asian regions together have only 16 banks, reflecting modest global shares of 6%, 3%, 3% and 2% respectively.

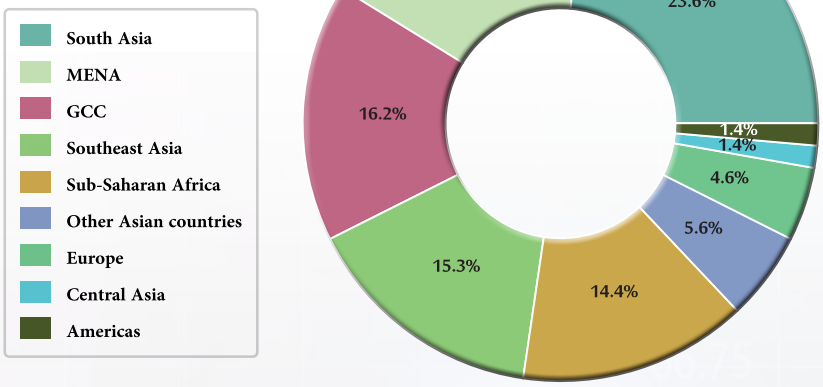
Geographic composition of the listed Islamic banks: percentage by region (2023)



2. Islamic Windows (2024)

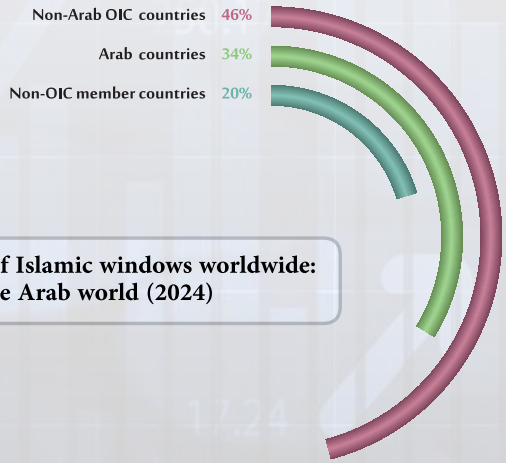
2.1 Global Quantitative Analysis of Islamic Windows

Percentage of Islamic windows worldwide by region (2024)



Indicators show that South Asia tops Islamic windows worldwide with 24% (51 windows), followed by MENA at 18% (38 windows). GCC represent 16%, Southeast Asia 15%, while Sub-Saharan Africa ranks fifth at 14% (31 windows). The remaining 28 windows span other Asian regions, Europe, the Americas and Central Asia.

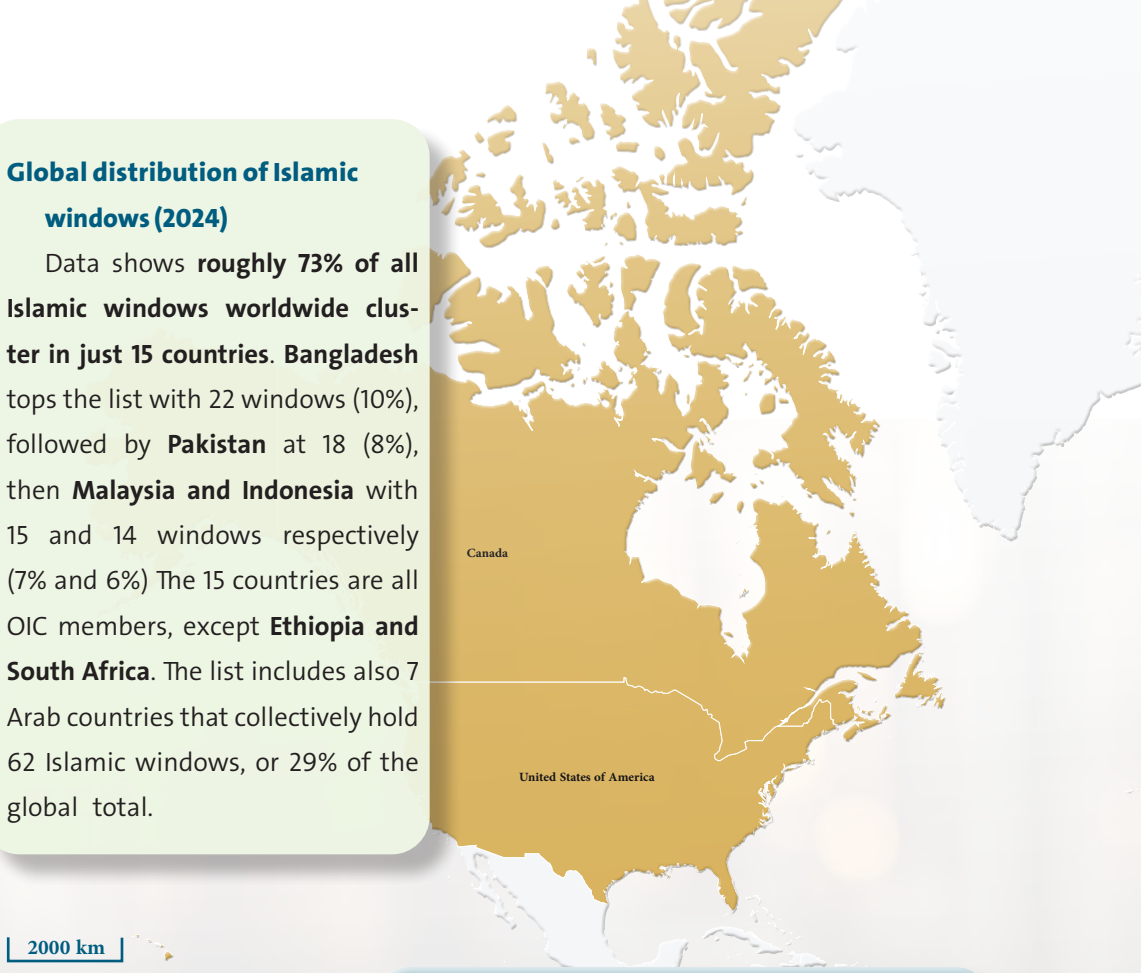
Data shows that the Arab region holds about 34% of global Islamic windows, totaling 73 windows.

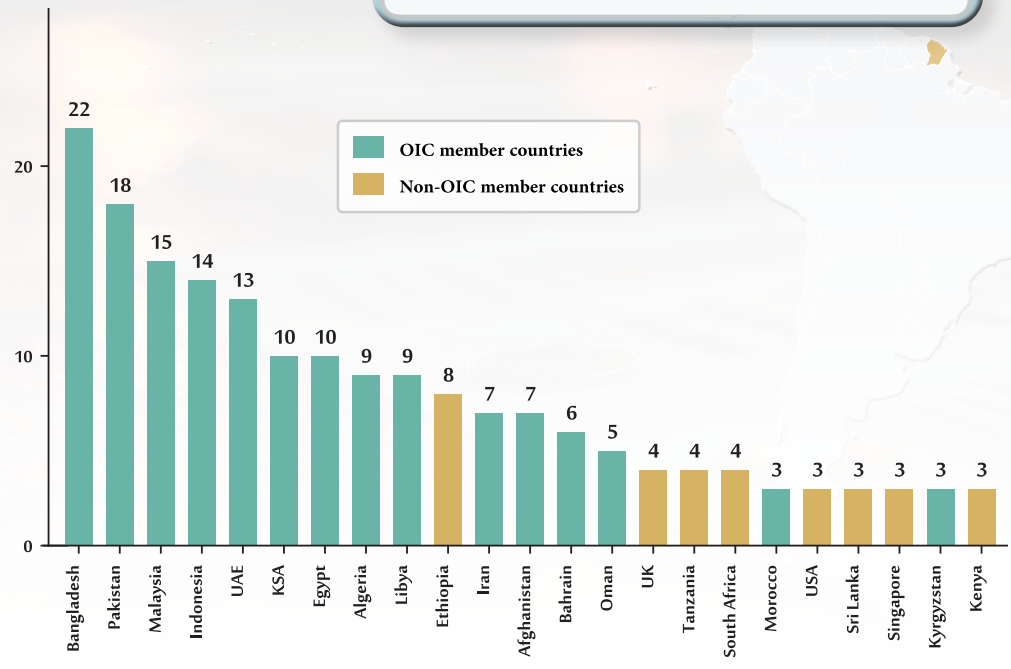


Geographic composition of Islamic windows worldwide: Percentage in the Arab world (2024)

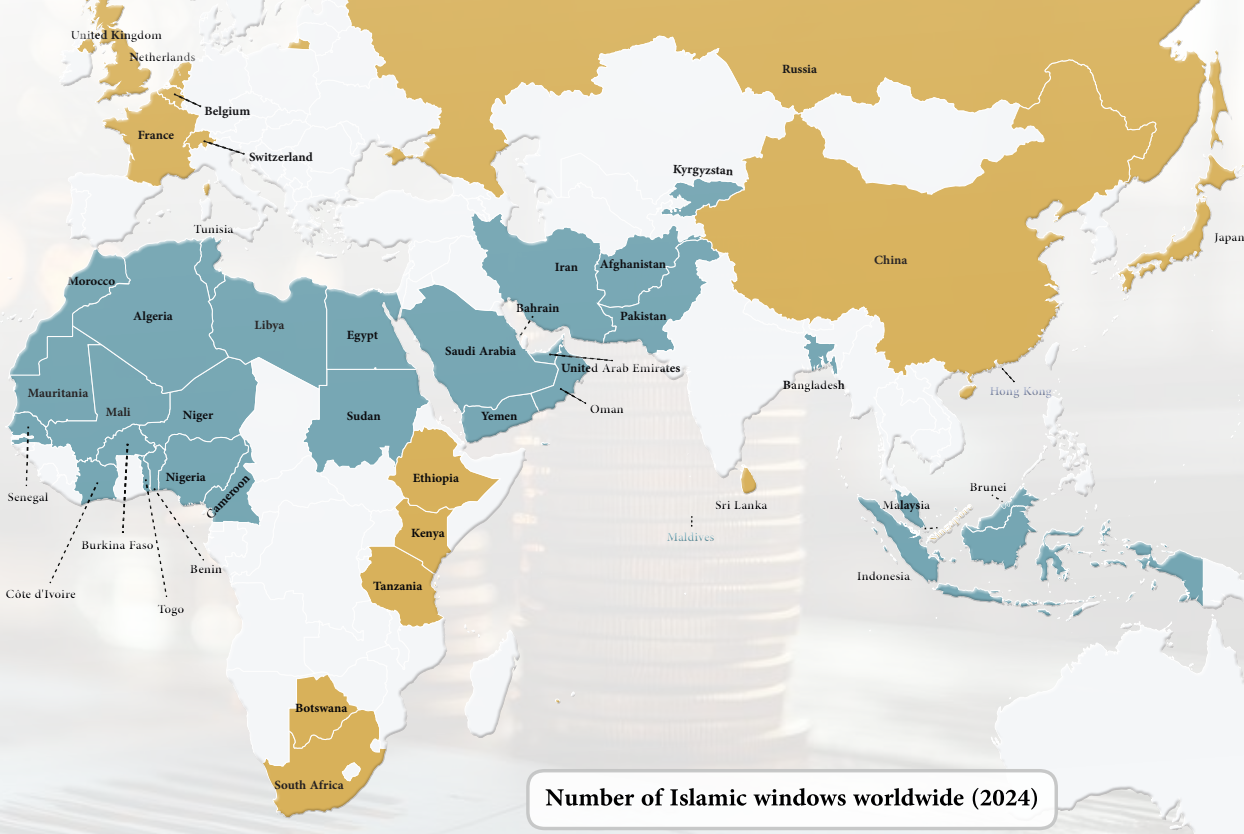
Global distribution of Islamic windows (2024)

Data shows **roughly 73% of all Islamic windows worldwide cluster in just 15 countries**. **Bangladesh** tops the list with 22 windows (10%), followed by **Pakistan** at 18 (8%), then **Malaysia and Indonesia** with 15 and 14 windows respectively (7% and 6%) The 15 countries are all OIC members, except **Ethiopia and South Africa**. The list includes also 7 Arab countries that collectively hold 62 Islamic windows, or 29% of the global total.

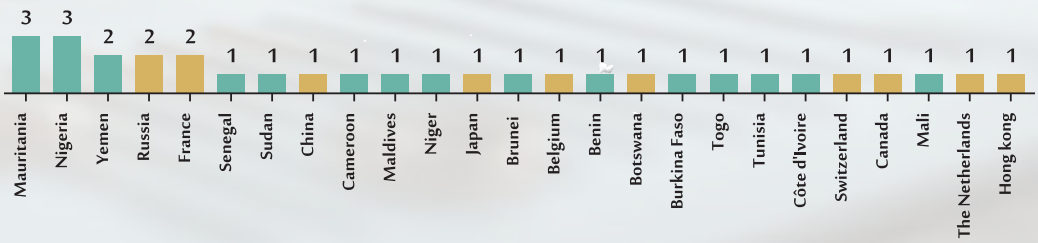




Data reveals 44 Islamic banking windows operating in 18 non-OIC countries, representing 20% of the global total and covering 37% of countries providing such services through the Islamic windows. This wide geographic penetration, including **the UK, the USA, Singapore, France, China and Ethiopia**, reflects the growing presence of the Islamic financial industry beyond the OIC member countries.



Number of Islamic windows worldwide (2024)

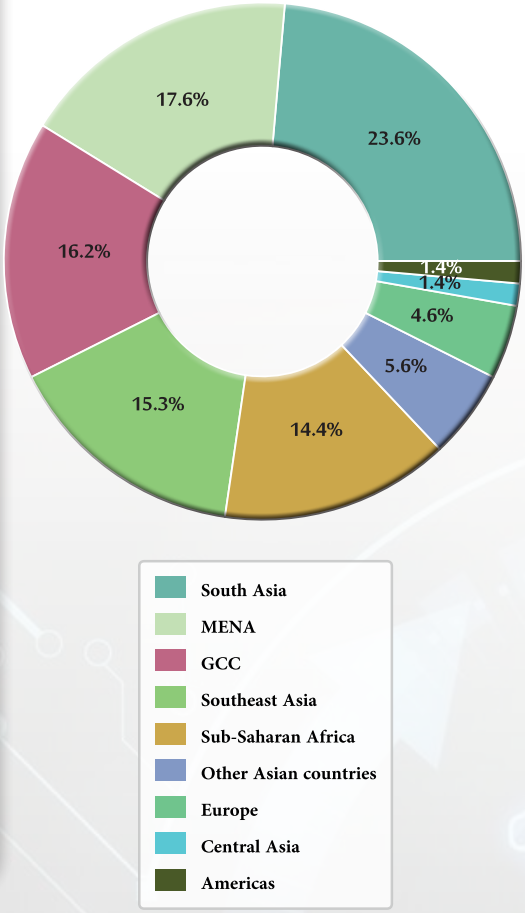


2.2 Geographical Analysis of Islamic Windows Worldwide

South Asia claims the largest share at 24% of the Islamic windows worldwide, amounting to a total of 51 windows, followed by MENA with 18% and 38 windows. GCC and Southeast Asia follow at 16% and 15%, respectively, highlighting their central roles in the field of Islamic banking windows worldwide.

In the fifth place comes Sub-Saharan Africa with 31 windows representing 14% of the global total, while 28 additional Islamic windows spread across Asia, Europe, the Americas and Central Asia.

Percentage of Islamic windows worldwide by region (2024)



Number of Islamic windows in non-OIC member countries (2024)

44 windows in **18** countrie

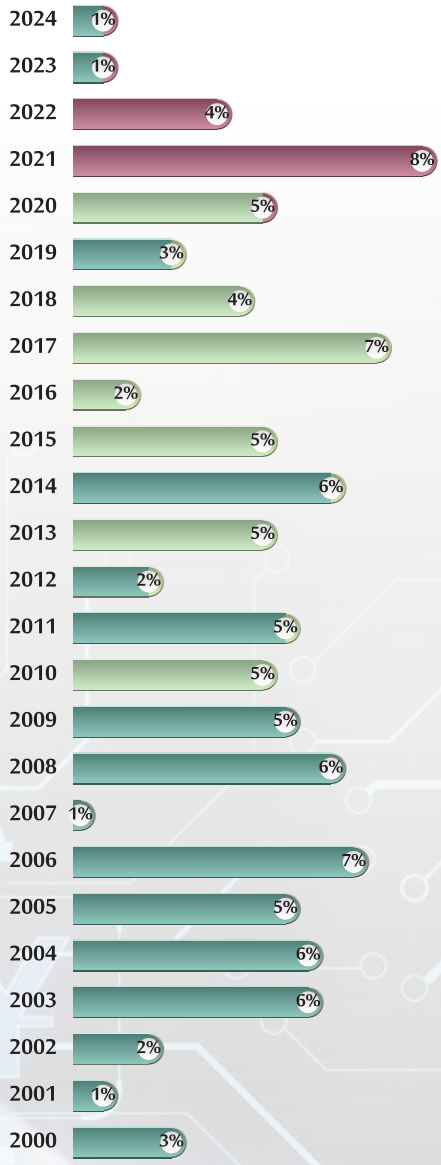
2.3 Temporal Analysis of Islamic Windows Worldwide

Statistics show that approximately 90% of all Islamic banking windows emerged in the 21st century. This further emphasizes a dramatic shift in the structure of the international banking sector as a result of an ever-rising demand for Sharia-compliant banking services.

Percentage of Islamic windows established in the 21st century

90% of Islamic banking windows

Establishment years of Islamic windows worldwide (2000-2024)



3. Key Developments in Islamic Banking (2024)

3.1 Establishment and Launch of New Entities (2024)



United Arab Emirates.. Launch of the First Islamic Digital Bank: In February 2024, the UAE launched Ajman-based **Ruya Bank** to be the first licensed local Islamic digital bank by the central Bank of the UAE[1].



Uganda.. Launch of the Country's First Islamic Bank: In March 2024, Uganda witnessed a significant transformation in its financial sector with the launch of **Salaam Bank Uganda**, the nation's first Sharia-compliant bank, following the adoption and official parliamentary approval of the regulatory framework for Islamic banking[2].



Malaysia.. The First Licensed Islamic Digital Bank: In May 2024, **Aeon Bank** was officially launched as Malaysia's first fully-fledged Sharia-compliant digital bank, under the supervision of Bank Negara Malaysia[3].

Malaysia.. New Islamic Window for Mizuho Bank Malaysia: In September 2024, the Bank announced the launch of a new Islamic banking window that offers Sharia-compliant products denominated in Malaysian Ringgit[4].



Eswatini.. In 2024, the Central Bank of Eswatini, a sovereign state in southern Africa, announced the adoption of a regulatory approach to allow the licensing and operation of Islamic banks[5].

(1) https://www.centralbank.ae/

(2) https://salaambank.co.ug/

(3) https://www.aeonbank.com.my/

(4) https://www.mizuhogroup.com/

(5) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

3.2 The Transition of the Banking Sector Toward Islamic Finance (2024)

	**Kazakhstan.. Restructuring of Al Hilal to ADCB Islamic Bank JSC:** In November 2024, ADCB Group announced the rebranding of Al Hilal Islamic Bank to ADCB Islamic Bank Kazakhstan. This move unifies the group's institutional identity for its Islamic banking branches across Central Asia[1].
	**United Kingdom – Conversion of Ahli United Bank (UK) to a fully compliant Islamic Bank:** In August 2024, KFH announced the completion of Ahli United Bank UK's conversion into a fully Sharia-compliant Islamic bank[2].
	**Egypt – Completion of the Conversion of Ahli United Bank (Egypt) into an Islamic Bank:** In August 2024, Egypt witnessed the completion of the conversion of Ahli United Bank Egypt into a fully Sharia-compliant Islamic bank.
	**Libya - Sahara Bank's Full Transition to Islamic Banking**: In 2024, the Libyan banking sector witnessed a remarkable development when Sahara bank announced its complete transition to Sharia-compliant operations, positioning itself among the country's pioneering major banks to adopt a full Islamic banking model[3].

(1) https://www.adcb.com/

(2) https://www.kfh.com/

(3) https://www.saharabank.ly/

3.3 Divestment and Merger Deals (2024)



Kuwait - Boubyan Bank and Gulf Bank Merger: In August 2024, Boubyan Bank and Gulf Bank announced a feasibility study for a potential merger, aiming to create an Islamic banking entity with assets exceeding $50 billion[1].



Kuwait Finance House's Divestment from Sharjah Islamic Bank: In August 2024, Kuwait Finance House announced the sale of its 18.18% stake in Sharjah Islamic Bank for AED 1.29 billion[2].



Iraq - Safwa Islamic Bank Announces Approval for its Merger with the Iraqi Islamic Bank: In December 2024, the Iraqi Islamic Bank announced that Safwa Islamic Bank had secured the necessary official approvals to proceed with their merger[3].

(1) https://boubyan.bankboubyan.com/

(2) https://www.kfh.com/

(3) https://www.isc.gov.iq/

3.4 Significant Regulatory and Legislative Developments (2024)



Iraq – Revocation of Bank Melli Iran's License: In early 2024, the Central Bank of Iraq decided to withdraw the license of Bank Melli Iran's branch in Iraq, due to limited operational activity and the high level of regulatory risks associated with international sanctions[1].



Australia – License Revocation of the Islamic Bank Australia: In March 2024, the Australian Prudential Regulation Authority (APRA) announced the revocation of the restricted license of Islamic Bank Australia at the bank's own request, as part of a self-assessment of its operational readiness[2].



Indonesia – New Regulatory Guidelines by the Indonesian Financial Services Authority (OJK): In October 2024, the OJK issued new regulatory guidelines for Islamic banking products, covering Mudaraba financing, restricted investment account and cash waqf linked deposit[3].



Bangladesh - New Legislative Framework to Restructure the Operations of Islamic Banking Windows: Bangladesh witnesses a remarkable regulatory change through the proposed Islami Bank Company Act-2024. The bill seeks to restructure relations between conventional banks and their affiliated Islamic windows by prohibiting conventional banks from the combining conventional and sharia-compliant banking activities within the same institution[4].



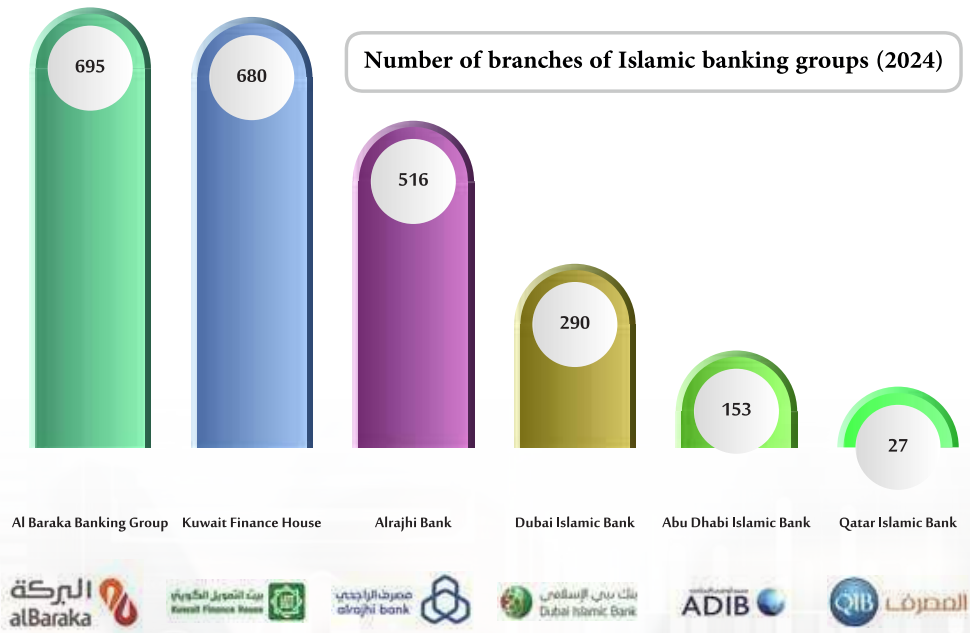
Malaysia – Updated Islamic Banking Windows Policy: In November 2024, Bank Negara Malaysia issued the updated Islamic Banking Windows Policy Document, effective January 1, 2025. It regulates the Islamic banking windows within conventional banks. This policy aims to strengthen the separation and governance between Islamic and conventional operations, while ensuring more stricter operational and regulatory standards to enhance the sector's integrity and operational efficiency[5].

(1) https://www.reuters.com/
(2) https://www.apra.gov.au/
(3) https://www.ojk.go.id/
(4) https://www.bb.org.bd/
(5) https://www.bnm.gov.my/

4. Islamic Banking Groups (2024)

Islamic banking groups represent a key pillar of modern Islamic finance structure. With regard to performance, Alrajhi Bank ranked first globally by total assets, followed by Kuwait Finance House, Dubai Islamic Bank, Abu Dhabi Islamic bank and Qatar Islamic bank. AlBaraka Banking Group topped the international expansion index with its network exceeding 650 branches in 13 countries.

4.1 Number of Branches of Banking Groups



Data reveals that the selected Islamic banking groups operate unites in 21 countries on 3 continents, delivering services through a network exceeding 2300 branches.

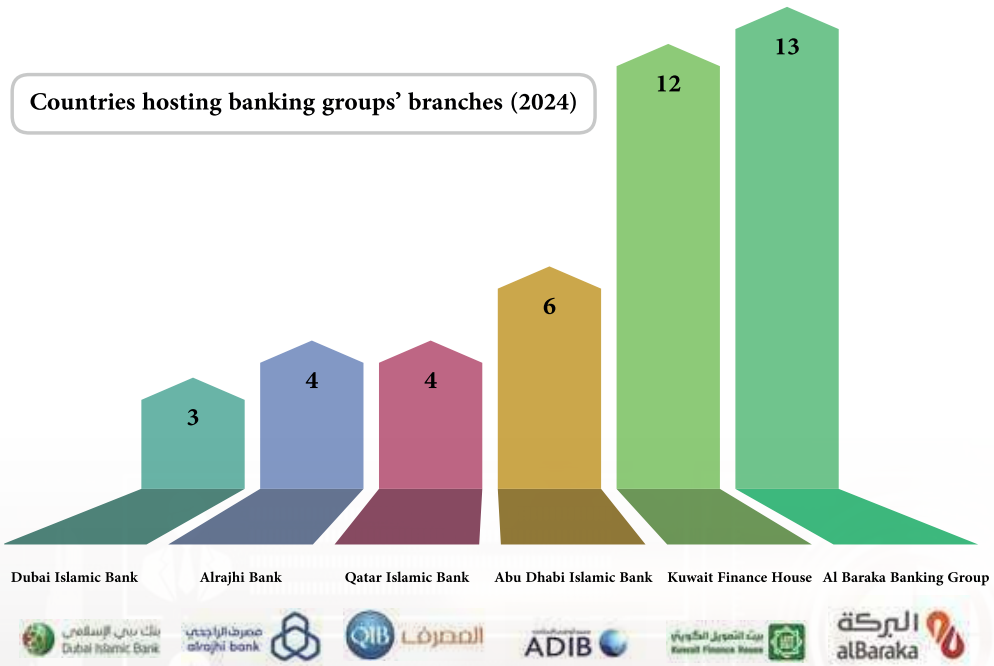
In terms of branch distribution, both AlBaraka Banking Group and KFH have the largest networks of branches, with 695 and 680 branches respectively. On the other hand, Alrajhi Bank operates a network of 522 branches, while the total number of branches operated by both Dubai Islamic Bank and Qatar Islamic Bank reaches 470 branches.

Geographically, AlBaraka Banking Group ranks first with its presence in 13 countries, followed by KFH which operates in 12 countries. Abu Dhabi Islamic Bank covers 6 countries, while both Qatar Islamic Bank and Alrajhi Bank operate in 4 countries. Dubai Islamic bank ranks fifth with operations in 3 countries.

Number of branches of Islamic banking groups (2024)

More than 2300 branches

Countries hosting banking groups' branches (2024)



4.2 Assets of Banking Groups

Al Rajhi Bank leads with total assets of 259.8 billion, while KFH ranks second with assets of $119.2 billion.

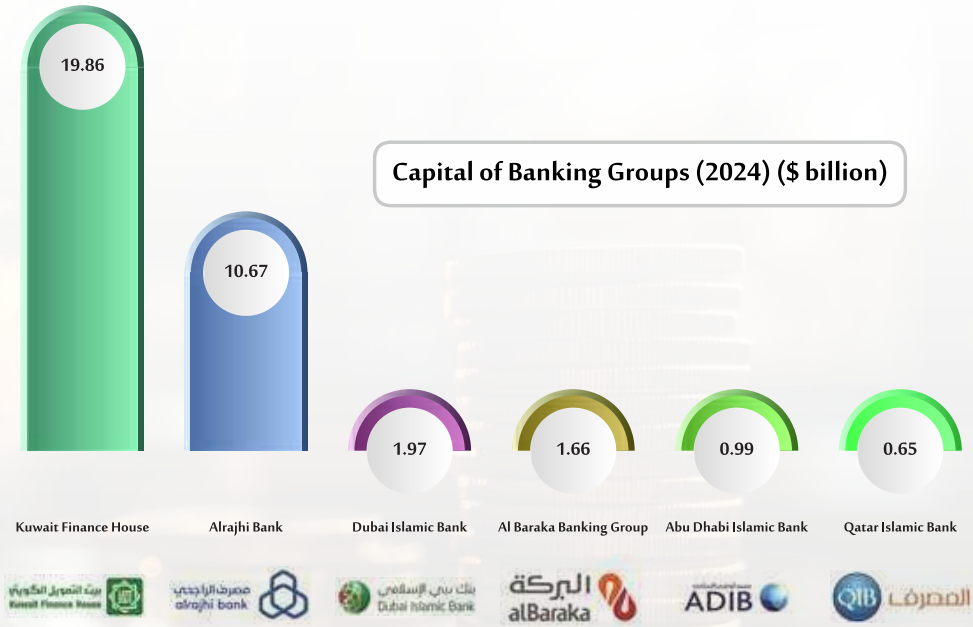
Dubai Islamic Bank ranks third with assets of $93.9 billion, ahead of Abu Dhabi Islamic Bank, with assets of $61.5 billion. Qatar Islamic Bank records assets of $55.2 billion, while AlBaraka Banking Group has assets estimated at $26.2 billion, reflecting its existing model that prioritizes wide geographical expansion over total financial volume.



4.3 Capital of Islamic Banking Groups

KFH leads the ranking with $19.86 billion in capital thanks to mergers and acquisitions which strengthened its capital base. Al Rajhi Bank follows with $10.67 billion.

Dubai Islamic Bank secures an advanced position with a capital of $ 1.97 billion, followed by AlBaraka Banking Group at $1.66 billion. Abu Dhabi Islamic Bank records around $0.99 billion, while Qatar Islamic Bank holds approximately $0.65 billion.





Third

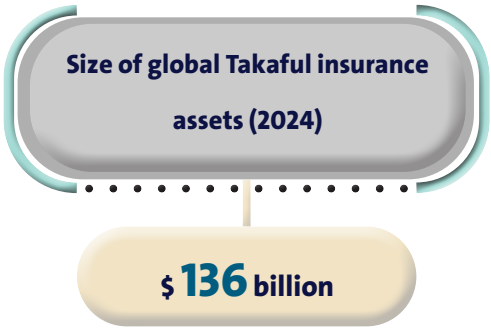
Takaful Insurance Industry

Takaful is a participatory financial model where participants' contributions are pooled into an independent fund that is financed through donations to share risks and compensate losses in accordance with Sharia rulings. This model institutionally separates the fund's assets from those of the operator who manages operations and investments as a Wakil (agent) or a Mudarib (profit-sharing partner) for a stipulated fee, all under rigorous governance and transparency rules. The Fund's ownership, surpluses and compensations remain with the participants, deficits are bridged through Qard Hasan (a benevolent loan) to be repaid from surpluses of subsequent periods, thus enhancing financial stability and establishing Takaful as an effective tool for financial protection and Sharia-compliant economic development.

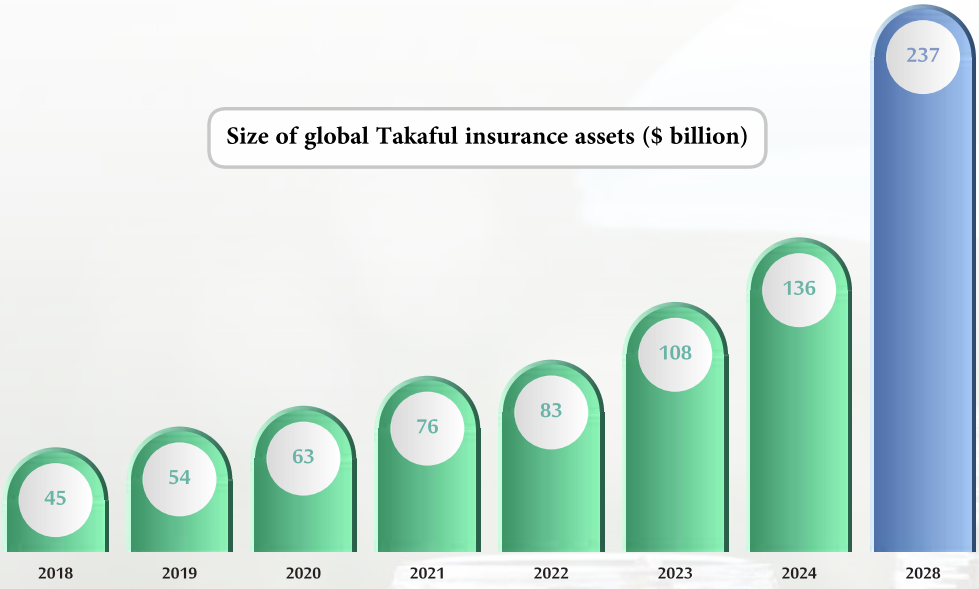
1. Takaful Insurance Assets, Written Contributions and Global Growth Rates (2024)

1.1 Global Takaful insurance Assets (2024)[1]

Takaful insurance assets grew during 2018-2024 with a clear upward trajectory. They rose from $45 billion in 2018 to $136 billion in 2024, reflecting a steady and sustained growth despite global economic volatility.



Projections indicate a greater growth by 2028, with assets anticipated to reach around $237 billion, marking the sector's transformation into a core component in the global Islamic financial industry.

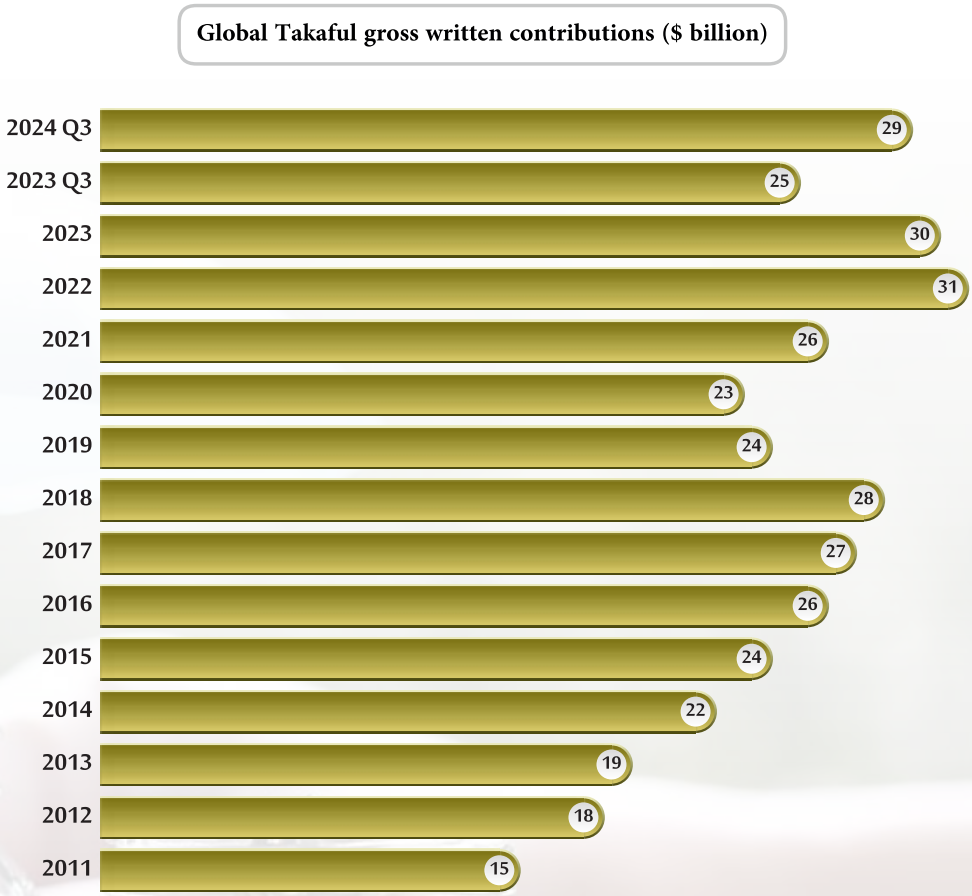


(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

1.2 Takaful Gross Written Premiums (2024)[1]

Historical trajectory of gross written contributions in the Takaful sector reflects a gradual improvement in industry performance from 2011 to 2024.

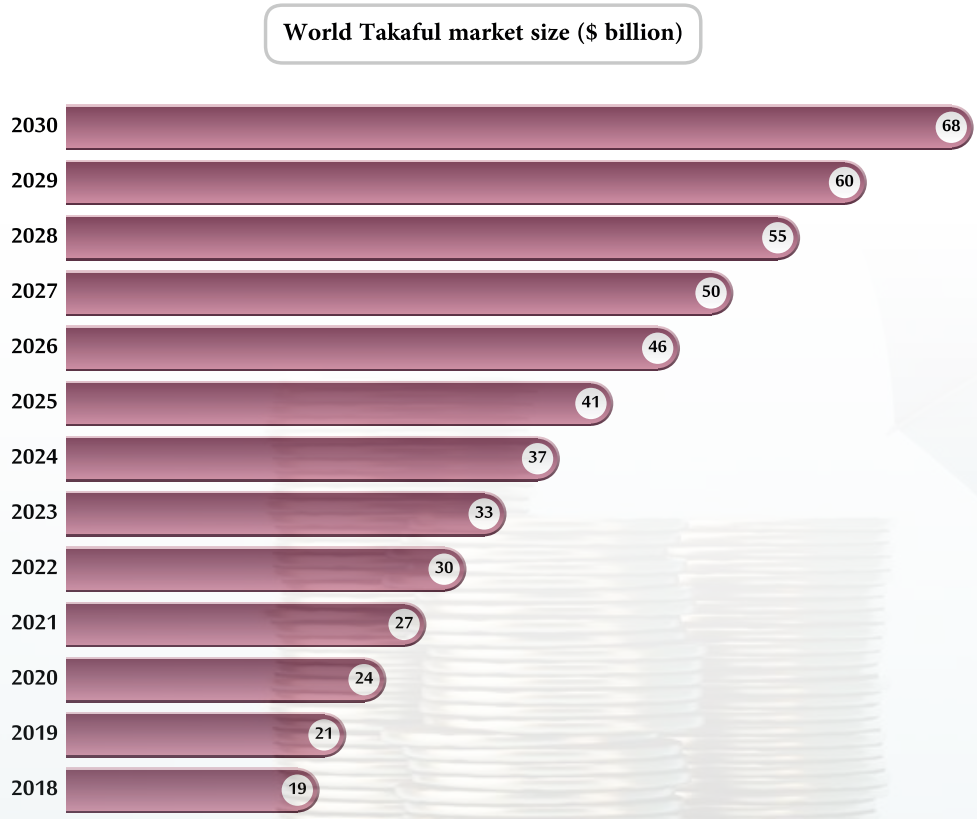
The 2024 data highlights the continued attractiveness of the Takaful market globally, as gross written contributions reached around $29 billion.



(1) Islamic Financial Services Board (IFSB) Stability Report, 2025.

1.3 Growth of the Global Takaful Insurance Market [1]

Estimates suggest that the global Takaful market continues its upward trajectory, driven by high demand on Sharia-compliant protection solutions. **Data from 2024 shows a market size reaching around $35 billion**, reflecting a sustained growth and an expansion in policyholders' base. These indicators suggest this trend will persist, with the market reaching around $70 billion by 2030.

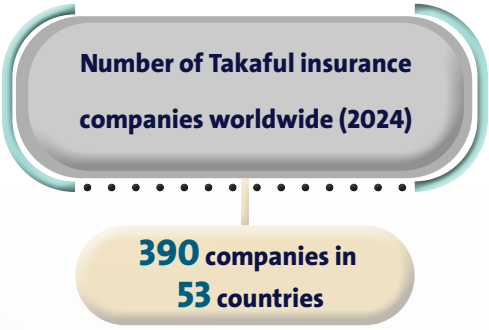


(1) Shariq Sikander, FSA, CERA, Takaful: An Alternative Approach to Insurance (SOA Research Institute: General Insurance Research Committee, 2024).

2. The Global Takaful Industry (2024)

2.1 Global Distribution of Takaful Institutions

The activity of Takaful insurance institutions extended their operations to cover more than 53 countries worldwide, encompassing more than 390 companies in 2024[1], Saleh Kamel Islamic Economy Database provides detailed information on 240 of these institutions[2]. Data reveals a remarkable concentration in the distribution of Takaful companies globally, with only 15 countries accounting for about 81% of the total market, represented by approximately 198 operating companies.



Data indicate that South and Southeast Asia lead the global Takaful landscape, with Indonesia topping the list at 48 companies, representing 20% of the total across the 15 countries covered. Saudi Arabia ranks second with 28 companies and a 12% share, followed by Malaysia with 24 companies and a 10% share, underscoring the leading role these countries play in developing the Takaful sector's legislative and operational frameworks.

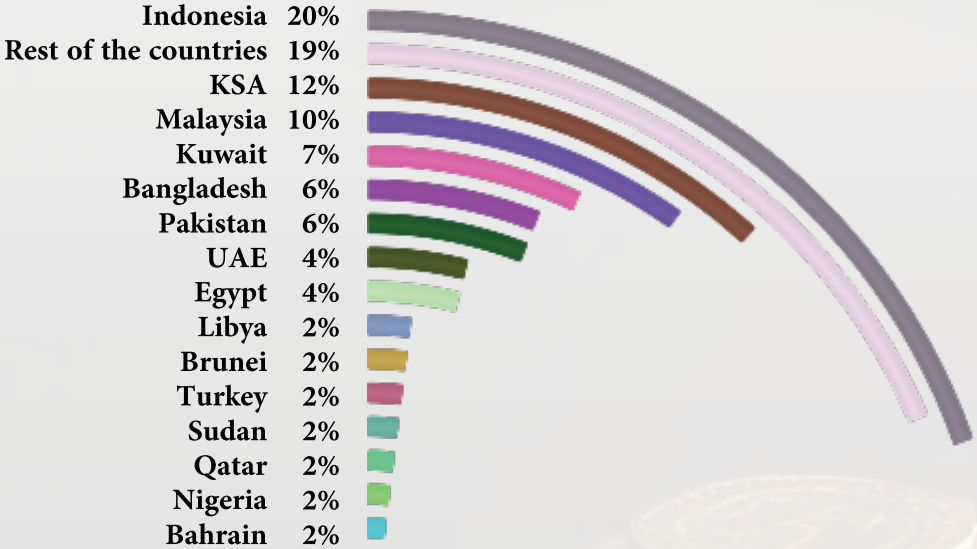
In the GCC region, Kuwait stands out with 16 companies, representing 7% of the total companies in the sample, followed by the UAE which has 8 companies (4%) and Bahrain with 6 companies (2%). These figures highlight the vast expansion of Takaful activity in the region, a development consistent with the Islamic financial sector's progress throughout Gulf markets.

On the other hand, a group of high-population countries contributes to broadening the Takaful industry's base, notably Pakistan with 15 companies (6%), Bangladesh with 14 companies (6%) and Egypt with 10 companies (4%).

(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025 .

(2) https://database.albaraka.site/

Countries' share of Takaful insurance companies worldwide

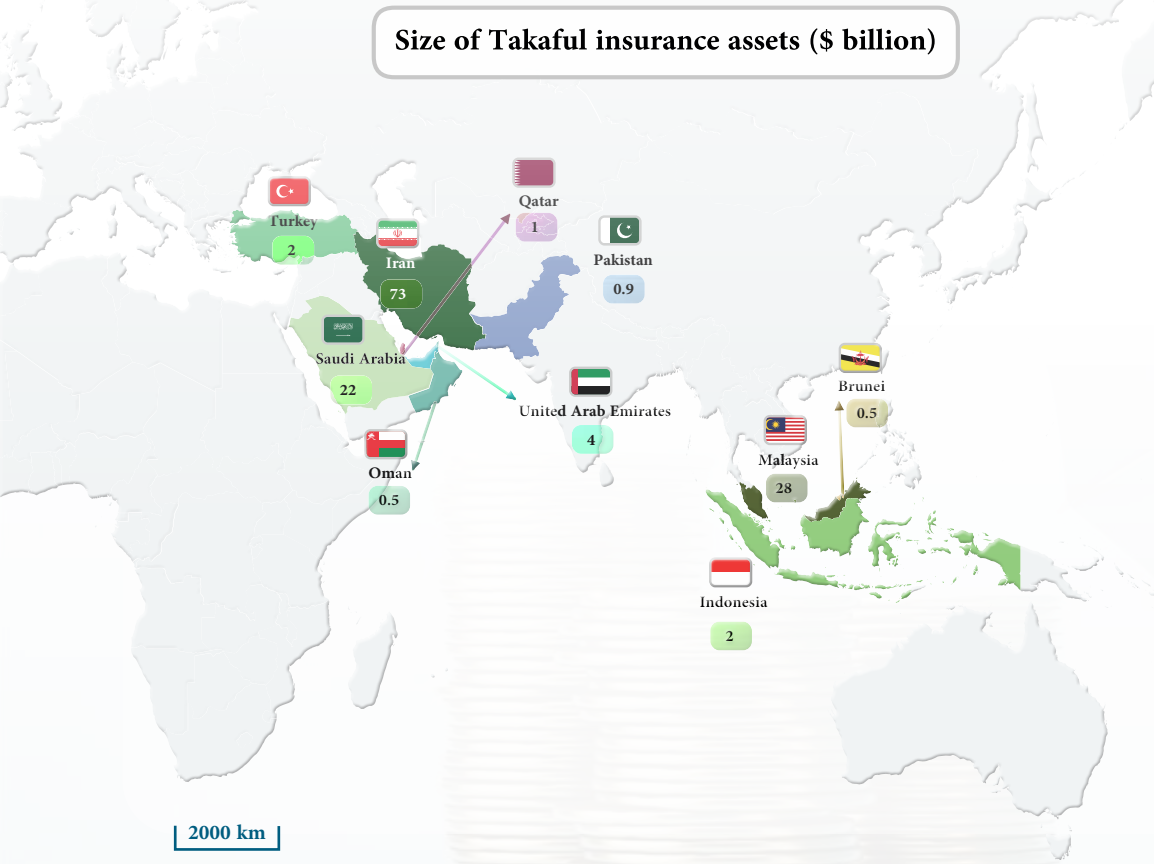


Top 15 countries in the number of Takaful insurance companies Globally



2.2 Global Takaful Insurance Assets (2024)[1]

The 2024 Takaful assets distribution data points to a significant concentration within a limited number of countries, reflecting a disparity in the operational and regulatory levels in the global Takaful industry. **Iran** tops the list with assets of about $73 billion.



Malaysia ranks second with assets of $28 billion, followed by **Saudi Arabia** in the third position with approximately $22 billion. The **UAE** records around $ 4 billion, while **Indonesia** and **Turkey** each hold assets of $2 billion.

(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

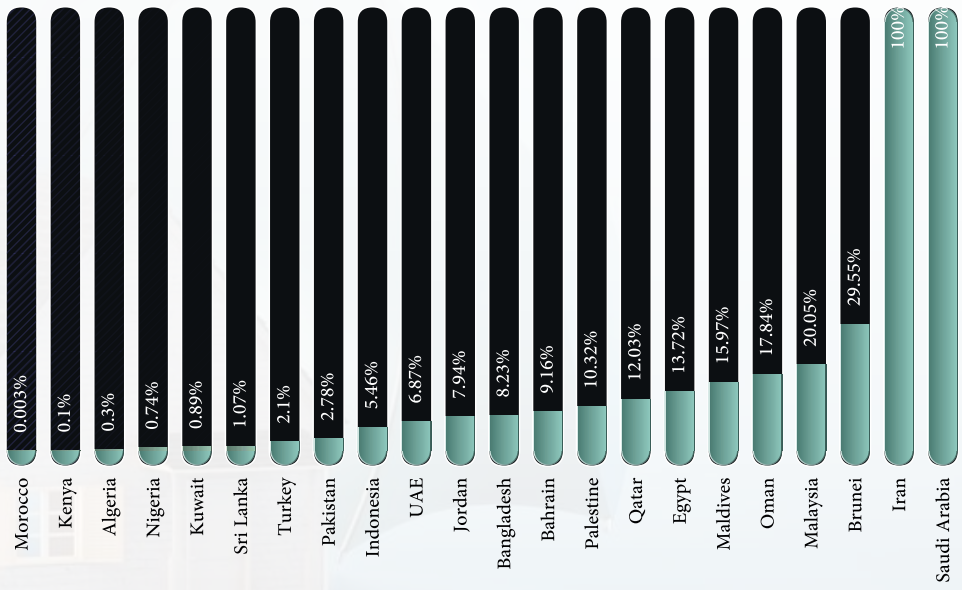
2.3 Takaful Asset Contribution to Overall National Insurance Assets[1]

Third-quarter 2024 figures reveal a marked contrast in how countries integrate Takaful insurance into their insurance system. Saudi Arabia and Iran lead with full reliance on Takaful insurance, reflecting the adoption of a comprehensive Islamic insurance model that is based on the Islamic legal framework of Takaful. This reflects a strong a regulatory role and a strategic orientation toward aligning the financial industry with the Islamic principles. This also reinforces the capabilities of Takaful companies to spearhead the entire insurance sector in these two countries.

A group of countries, such as Brunei, Malaysia, Oman, the Maldives, Egypt and Qatar, exhibits Takaful market shares ranging from 12 to 30%. This clearly shows an active Takaful sector that operates alongside conventional insurance within a dual-market framework.

In addition, another group of countries records shares between 5 and 10%, including Palestine, Bahrain, Bangladesh, Jordan and UAE.

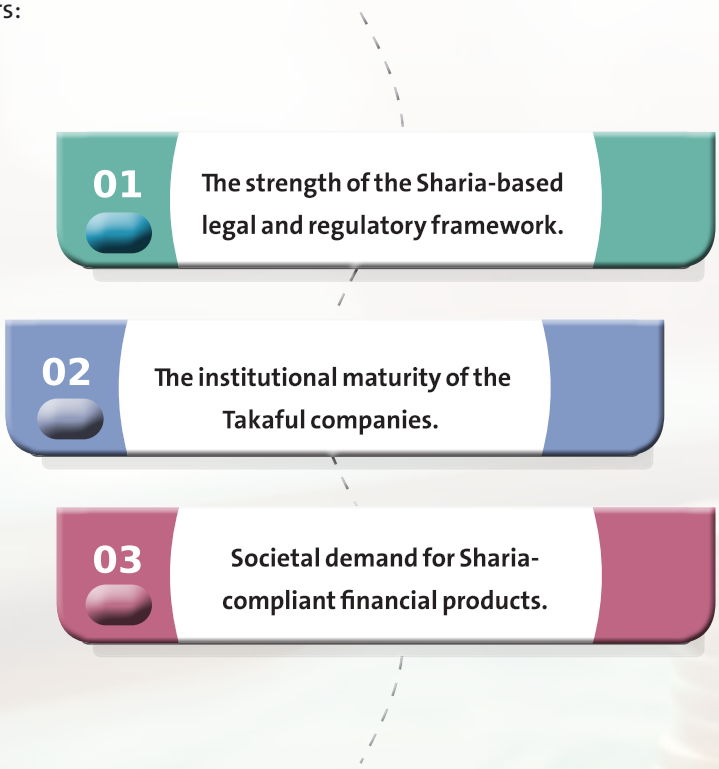
Takaful asset contribution to overall national insurance assets - Third quarter 2024



(1) Islamic Financial Services Board (IFSB) Stability Report, 2025.

Conversely, countries such as **Indonesia, Pakistan, Turkey, Sri Lanka, Kuwait, Nigeria, Algeria, Kenya and Morocco** records less figures below 5%, suggesting the Takaful sector is still at an early stage of expansion.

Such disparities suggest that the expansion of Takaful insurance is related to three main factors:



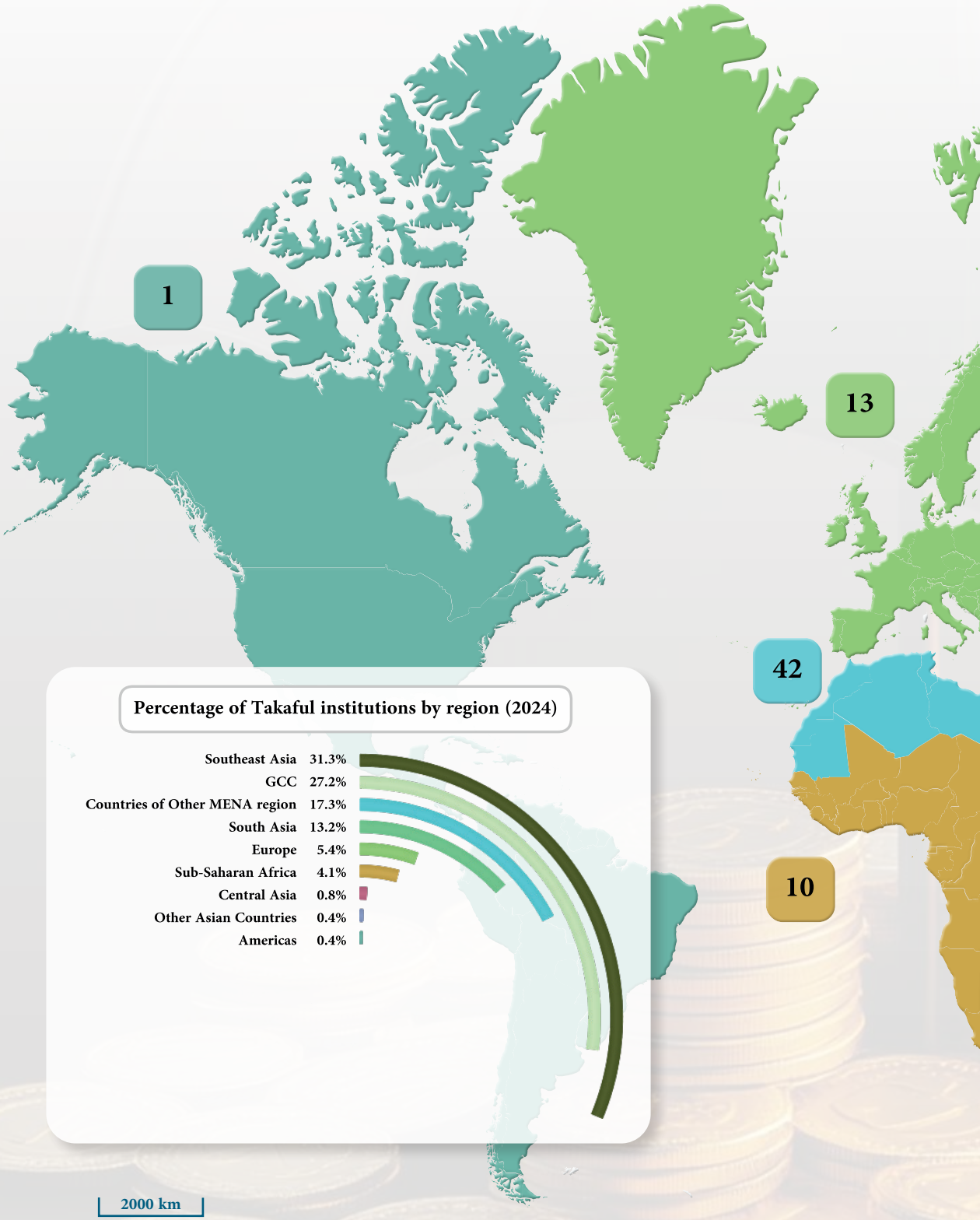
3. Geographical Distribution of Takaful Industry (2024)

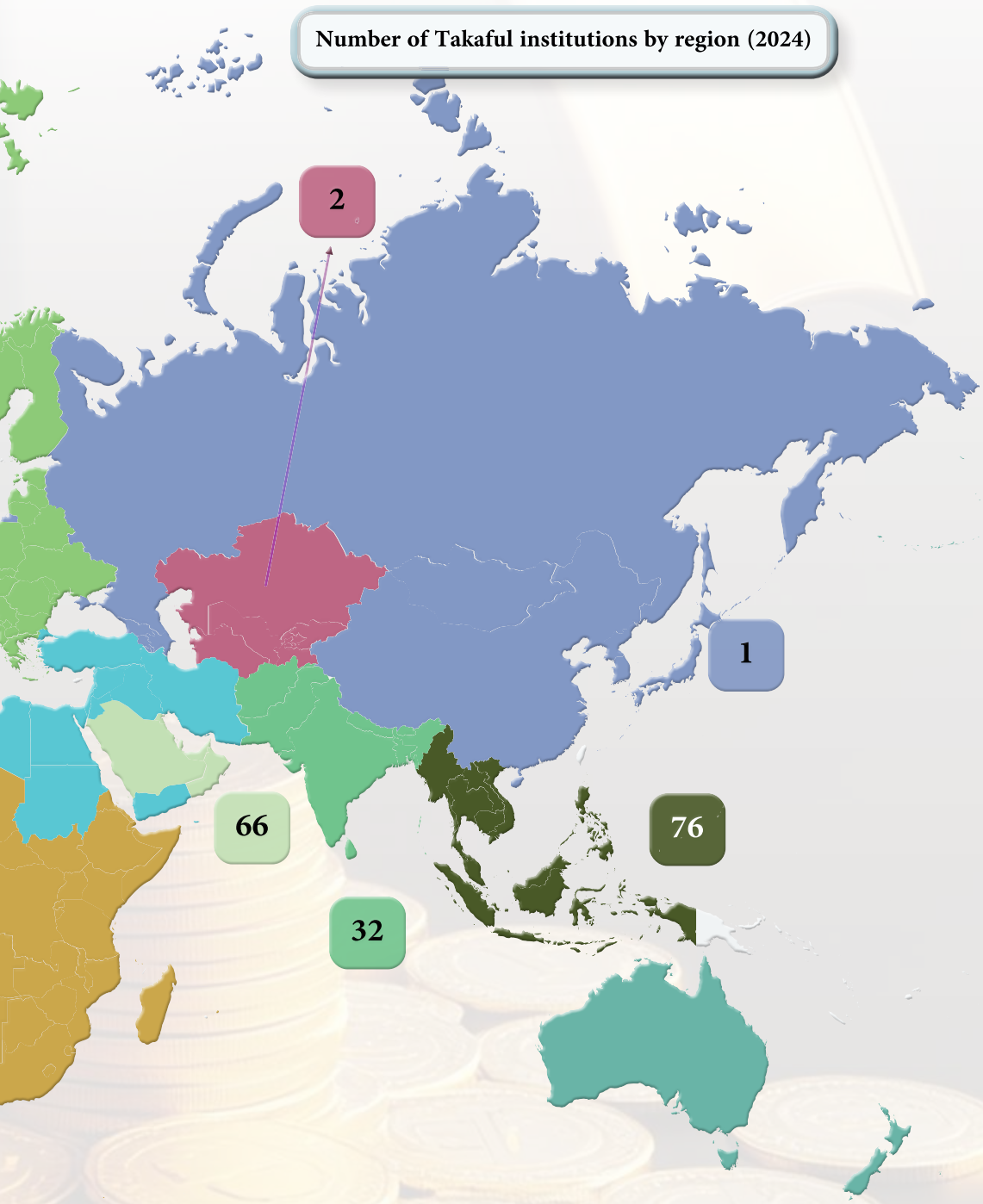
3.1 Distribution of Takaful Institutions by Region (2024)[1]

Southeast Asian countries top the list with a 31% market share represented by 76 companies, followed by the GCC countries at 27% with 66 companies. This reflects the Takaful industry's deep-rooted presence in both regions thanks to the supportive regulatory environment and the high demand for Sharia-compliant financial products.

The remaining MENA countries account for 17% (42 companies), with South Asia close behind at 13% (32 companies). On the other hand, Europe maintains a modest presence at 5% (13 companies), while the ratio declines to marginal levels in Sub-Saharan Africa, Central Asia and the Americas at 4%, 1% and 4%, respectively.

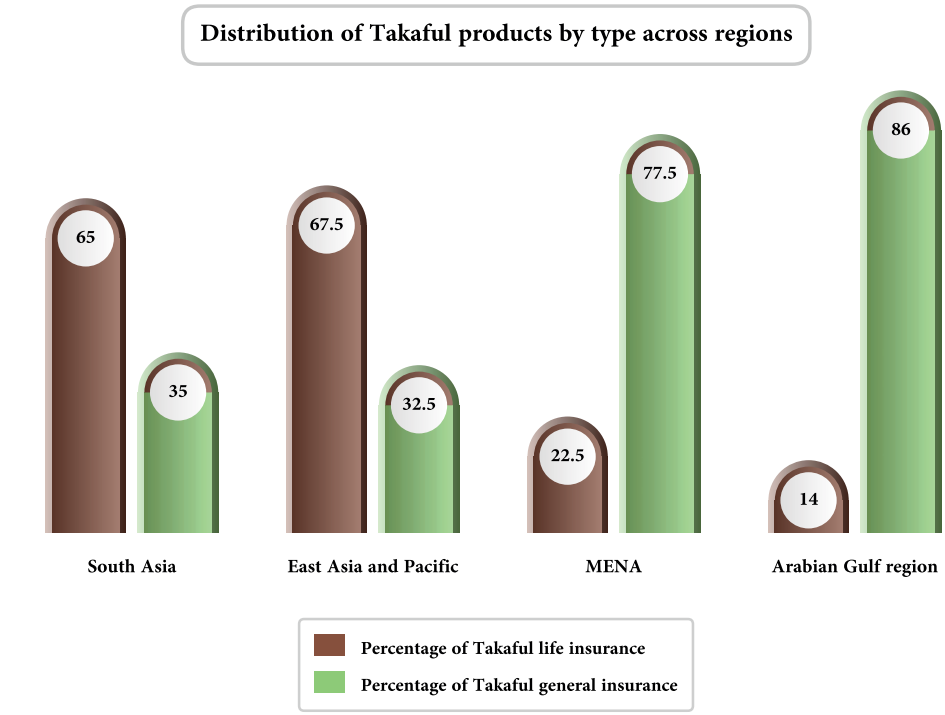
(1) https://database.albaraka.site/


1
13
42
10
Percentage of Takaful institutions by region (2024)
Southeast Asia 31.3%
GCC 27.2%
Countries of Other MENA region 17.3%
South Asia 13.2%
Europe 5.4%
Sub-Saharan Africa 4.1%
Central Asia 0.8%
Other Asian Countries 0.4%
Americas 0.4%
2000 km


Number of Takaful institutions by region (2024)
2
1
66
76
32

3.2 Regional Distribution of Takaful Insurance Products by Type[1]

A cross-regional comparison of the Takaful industry reflects a pronounced structural divergence in the nature of prevailing products, reflecting the diverse market profiles and demand dynamics characterizing each region. In Southern Asia, countries such as **Pakistan and Bangladesh** experience a dominance of **family Takaful** at approximately 60% to 70%, driven by rising household demand for savings and protection products. This dominance is mirrored in East Asia and Pacific markets, especially **Malaysia and Brunei**, where family Takaful constitutes 65% to 70%, driven by the remarkable development in savings, education and retirement programs. In contrast, non-GCC MENA markets favor **general insurance** at 70-85%, owing to obligatory nature of motor and health insurance. This dominance intensifies in GCC countries, with non-life Takaful exceeding 85%, reflecting an economic structure heavily reliant on mandatory insurance and expansive operational sectors.



(1) Bank Negara Malaysia Takaful Annual Report 2023 & Islamic Financial Services Board IFSB Islamic Financial Stability Report 2023 & EY Global Takaful Industry Report 2024.

3.3 Financial Solvency of Takaful Insurance Products Across regions[1]

The data reveals subtantial disparities in financial strength and funds' capacity to fulfill their obligations during 2023 and 2024. East Asia and Pacific markets recorded solvency ratios exceeding 350% in both years. This reflects an advanced institutional development and high efficiency in the management of reserves and Takaful investments in leading markets such as **Malaysia and Brunei**.

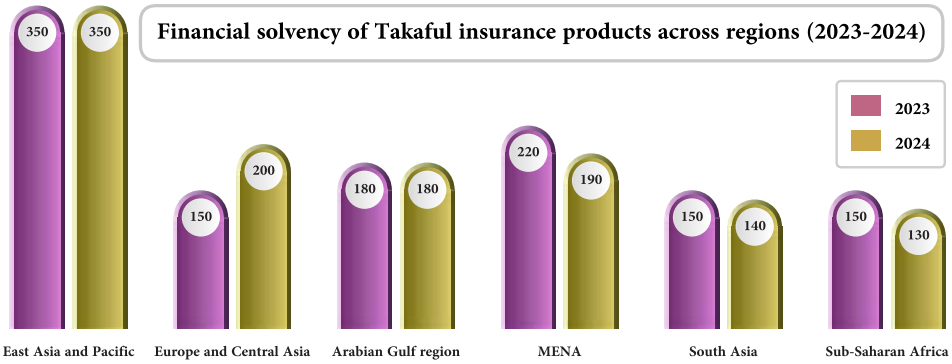
In Europe and Central Asia, figures show noticeable growth in solvency levels from around 150% in 2023 to nearly 200% in 2024. This reflects expanding assets and better risk management in a sector that is still developing its operational capabilities.

With respect to the Gulf countries, they hold steady around 180% over both periods, which clearly reflects a strong regulatory environment and an abundant cash flow from mandatory motor and health insurance, giving their funds a rock-solid financial base.

In MENA, excluding the Gulf, solvency exceeded 220% in 2023, then slightly dropped to around 190% in 2024, which still shows a steady improvement in the practices of Takaful management even with economic challenges facing some local markets.

In south Asia, solvency levels remained within the range of 150% in 2023 and 140% in 2024, reflecting a growing sector that is leaning hard on expanding those long-term family Takaful products.

In Sub-Saharan Africa, solvency margins register approximately 150% in 2023 before dropping to about 130% in 2024. These levels indicate limited asset sizes and highlight the need for capital strengthening and enhanced investment efficiency in order to support financial sustainability of these markets.



(1) Islamic Financial Services Board (IFSB) Stability Report, 2025.

4. Key Developments in Takaful Insurance Industry (2024)

4.1 Key Regulatory Updates in Takaful Insurance Sector (2024)



Kingdom of Saudi Arabia.. In 2024, the Insurance Authority in the Kingdom introduced a series of regulatory updates that reinforced the operational framework of Sharia-compliant cooperative insurance companies. These amendments include updating governance guidelines, risk management practices and financial solvency models, which in turn enhance the efficiency of the companies and their ability to comply with Sharia and regulatory standards[1].



United Arab Emirates.. In 2024, the Central bank of the UAE issued new regulatory updates for Takaful companies, focusing on solvency standards, risk management and the requirements of Sharia governance. These measures support the stability of the Islamic insurance sector while creating a more robust regulatory environment capable of accommodating the expansion of Takaful products[2].



Kingdom of Bahrain.. In 2024, the Central Bank of Bahrain updated number of regulatory rules for Takaful insurance under Volume 3 of the CBB Rulebook, including Sharia governance requirements, accounting separation and surplus management mechanisms. This enhances transparency in Takaful companies and elevates the quality of regulatory practices[3].



Malaysia.. In 2024, Bank Ngara Malaysia issued an update to the operational framework of Takaful as well as amendments to the Sharia governance rules with the aim of raising the quality of compliance and improving the risk management of Takaful companies[4].



Indonesia .. In 2024, Indonesia's Financial Services Authority (OJK) introduced updates to the regulations governing Takaful and re-Takaful insurance with a focus on raising the requirements of Sharia governance and enhancing financial solvency[5].

(1) https://www.ia.gov.sa/
(2) https://centralbank.ae/
(3) https://www.cbb.gov.bh/
(4) https://www.bnm.gov.my/
(5) http://ojk.go.id/

4.2 Key Mergers in the Takaful Insurance Sector (2024)



Kingdom of Saudi Arabia .. Salama Cooperative Insurance Company secured the approval of the Insurance Authority to proceed with its merger with Enaya Cooperative Insurance Company, pursuant to an acquisition agreement whereby assets, rights and liabilities shall be transferred and the contracts of the merged company shall be terminated in favour of Salama. The transaction remains subject to the completion of regulatory requirements[1].



Kingdom of Bahrain.. In 2024, Solidarity Bahrain completed its full acquisition of Al Hilal Life and its subsidiary Al Hilal Takaful, after obtaining all regulatory approvals issued by the Central Bank of Bahrain[2].

4.3 Key Events in Takaful Insurance Sector (2024)



Kingdom of Saudi Arabia .. In December 2024, The Global Takaful Alliance – A Shared Vision to Deliver Financial Resilience through Takaful was held as part of COP16 UNCCD event in Riyadh. It aimed to highlight the strategic role of Takaful as a financial tool that can support communities in responding to climate and economic shocks and strengthening protection for vulnerable groups. The event focused on applying the principles of mutuality and risk-sharing in Takaful models to enhance financial sustainability and support climate adaptation plans[3].

(1) https://www.saudiexchange.sa/

(2) Solidarity Bahrain B.S.C, Annual Report, 2024.

(3) https://irff.undp.org/



United Arab Emirates.. The Global Takaful and Re-Takaful Forum 2024 was held in September to discuss the current developments in the Takaful insurance industry and explore growth opportunities in Islamic markets, with emphasis on enhancing governance, solvency, risk management and developing Sharia-compliant products. The forum concluded with several recommendations, most notably the need for expanding the digital transformation in Takaful operations, enhancing the efficiency of the operational models, developing the regulatory and Islamic legal frameworks, as well as fostering the regional and international cooperation in the Takaful sector and promoting the insurance awareness[1].



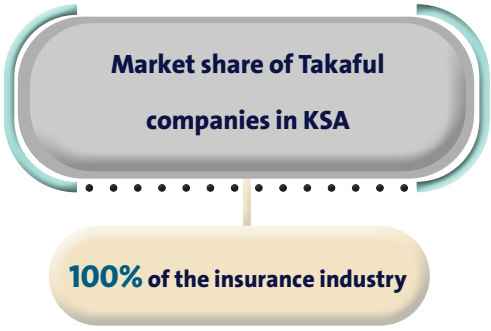
Nigeria .. The African Takaful and Non-Interest Finance Conference (ATNIF) 2024 emphasized the importance of tailoring Takaful solutions to small and medium size enterprises. The conference concluded with recommendations calling for stronger legislative frameworks, enhanced Sharia governance, product development, and deeper cooperation between regulatory authorities and Takaful companies, to help build a more sustainable financial sector in Africa[2].

(1) https://www.alhudacibe.com/

(2) https://atnif.com/

5. Takaful Insurance Market: Kingdom of Saudi Arabia as a Model[1]

The Kingdom's insurance market operates under the cooperative insurance model, which serves as the legal and regulatory framework governing the activity. Operations are carried out through licensed companies adhering to the principle of mutuality and risk-sharing in accordance with Sharia-compliant guidelines. This model forms the regulatory basis of the market structure and provides a framework that ensures the compliance of insurance practices with the requirements of Sharia and economic governance[2].



5.1 Developments in the Saudi Insurance Sector (2024)

5.1.1 Major Developments in the Saudi Insurance Sector (2024)

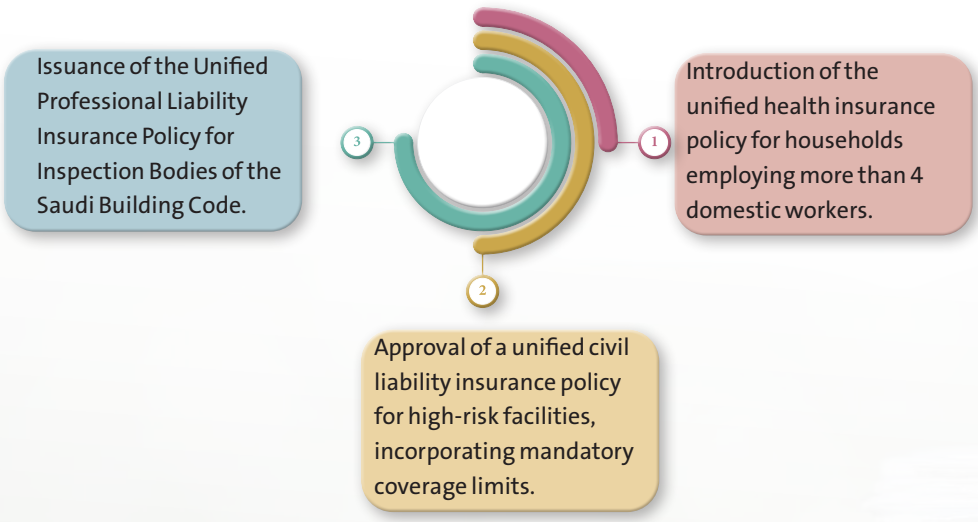
The Kingdom's insurance sector recorded a substantial economic and regulatory growth in 2024, with **total written premiums increasing to SAR 76.1 billion, registering a growth of 16.3%**, driven by expansion in health insurance and protection and savings products. Insurance penetration increased to 2.59%, reflecting the sector's enhanced contribution to the non-oil economy. Financial performance improved, with net income climbing to SAR 3.6 billion. Saudization rates rose to 85%, while a second license was granted to a foreign insurance company, reflecting market opening and improved service efficiency and services.

(1) Taqrir Suq al-Ta'min al-Sa'udi 2024, Hay'at al-Ta'min.

(2) Nizam Muraqabat Sharikat al-Ta'min al-Ta'awuni, al-Bank al-Markazi al-Sa'udi, 2021.

5.1.2 Key Regulatory Developments in the Saudi Insurance Sector (2024)

In 2024, the Saudi insurance sector witnessed regulatory reforms designed to standardize mandatory policies and elevate protection levels. These included:

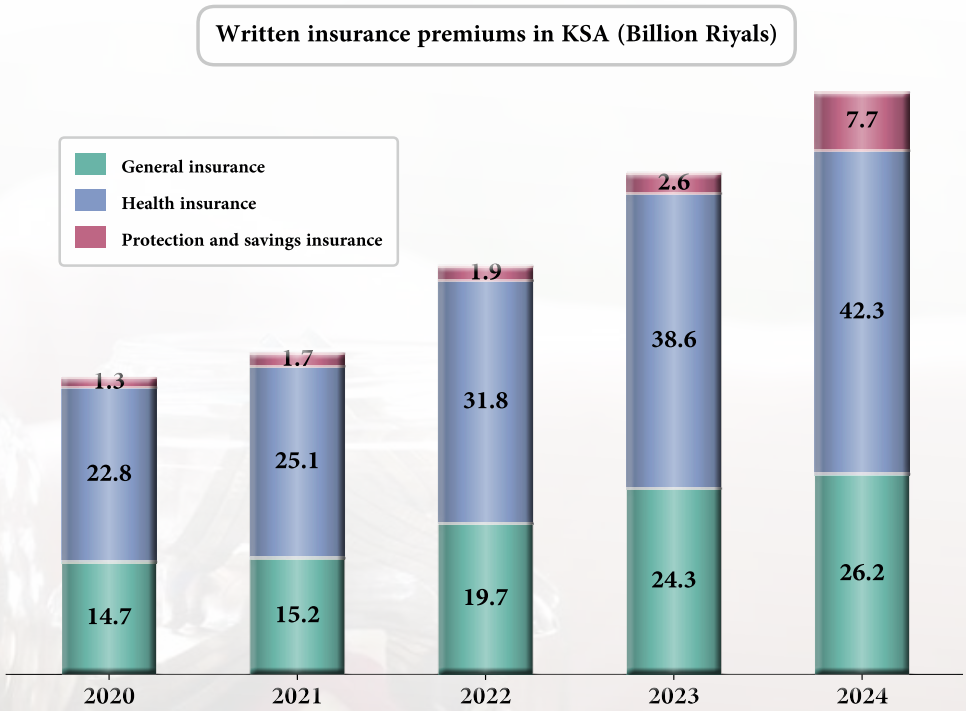


These measures represent a regulatory direction that enhances the quality of insurance products and raises the efficiency of protection and control within the market.

5.2 Performance of the Saudi Insurance Sector (2024)

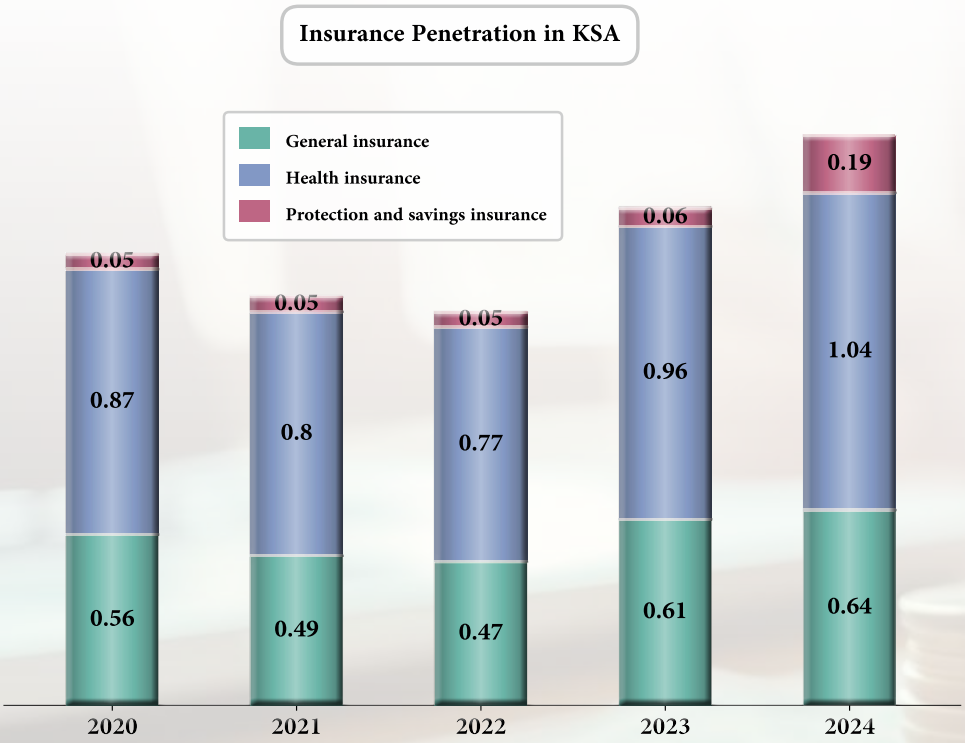
5.2.1 Total Written Premiums in the Saudi Insurance Sector (2024)

The Saudi insurance sector recorded clear growth in written premiums in 2024, with the total rising 16.3% to SAR 76.1 billion compared to SAR 65.5 billion in 2023. Health insurance retained its position as the sector's largest line, growing 9.4% to claim nearly 55% market share, while general insurance premiums increased 7.9% to SAR 26.2 billion. Protection and savings products also grew 10.1% as their share expanded to 4.3%. These indicators reflect a growing demand and an evolving market structure, which enhances the sector's economic role.



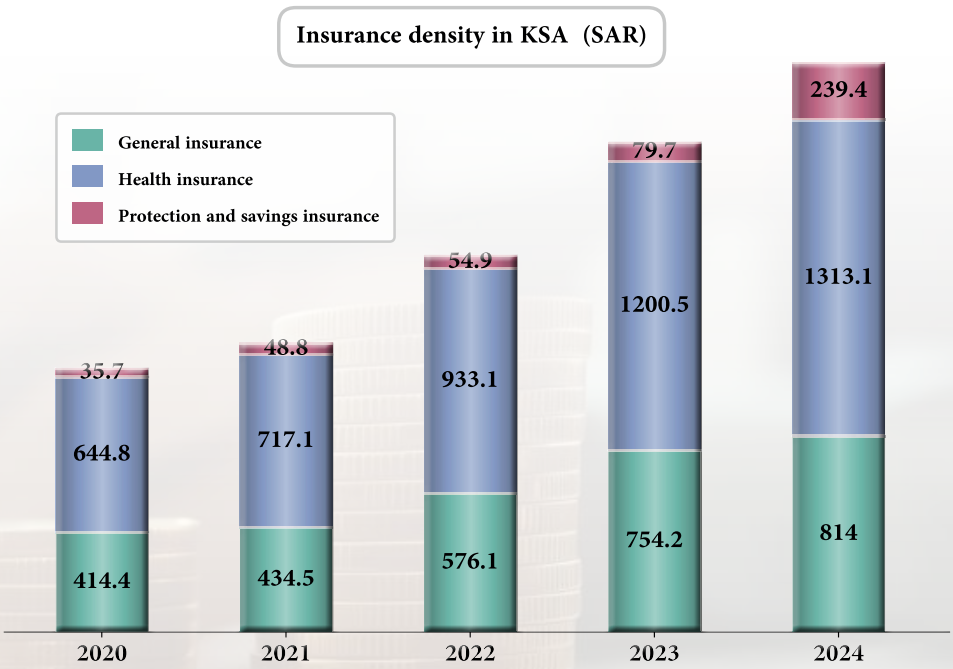
5.2.2 Insurance Penetration in the Saudi Insurance Sector (2024).

In 2024, the Saudi insurance sector recorded a tangible increase in insurance penetration reaching 1.87% compared to 1.64% in 2023, driven by the growth of health insurance, general insurance, protection and savings products. This progress reflects the sector's expanding economic contribution and strengthened role in risk management. Over 5 years, insurance penetration rose by approximately 39 basis points, indicating gradual maturation of the insurance structure. Data for 2024 shows a growth across all three insurance lines with health insurance contributing 1.04%, general insurance 0.64% and protection and savings at 0.19%, reflecting diverse and sustainable growth sources.



5.2.3 Insurance Density in Saudi Arabia (2024)

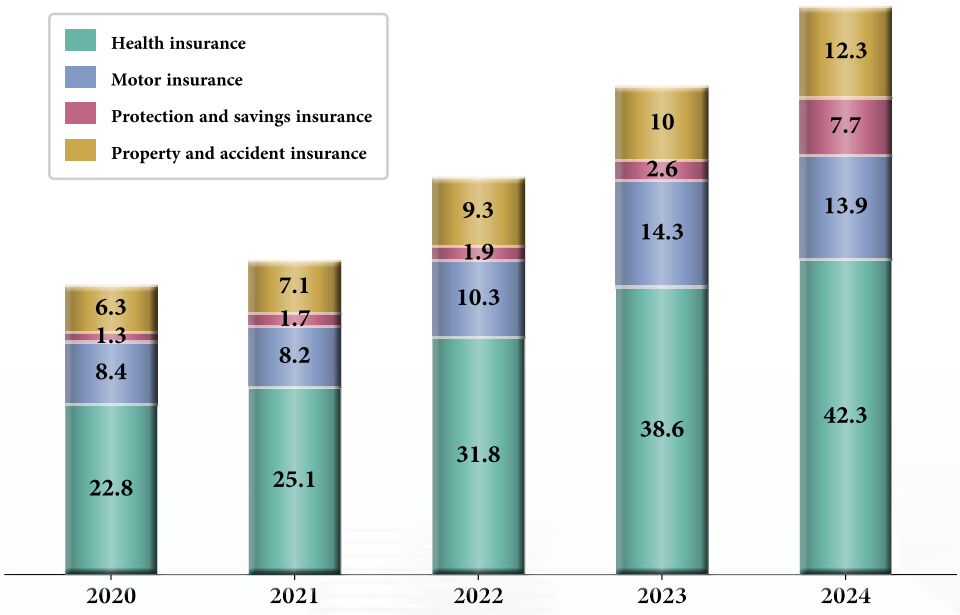
Insurance density in the Kingdom recorded a clear growth in 2024, with **average per capita spending on insurance services rising to SAR 2366.5** from SAR 2034.5 in 2023 representing a growth of 16.3%. This shift indicates a broader demand for health insurance, general insurance, and protection and savings products, with health insurance dominating most of the spending. Over five years, average compound annual growth rate of insurance density reached about 21.2%.



5.2.4 Gross Written Premiums by Line of Business in the Saudi Insurance Market (2024)

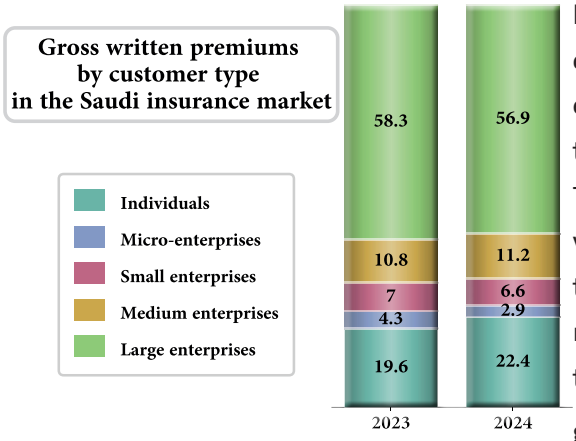
The 2024 data reveals marked expansion in the structure of gross written premiums in the Saudi insurance market, totaling SAR 76.1 billion, driven by the growth of health insurance to SAR 42.25 billion as the sector's primary driver. Property and accident insurance followed at SAR 13.89 billion and motor insurance at around SAR 12.3 billion, with notable growth in protection and savings products reaching SAR 7.7 billion.

Gross written premiums by line of business in the Saudi insurance market (SAR billion)



5.2.5 Gross Written Premiums by Customer Type in the Saudi Insurance Market (2024)

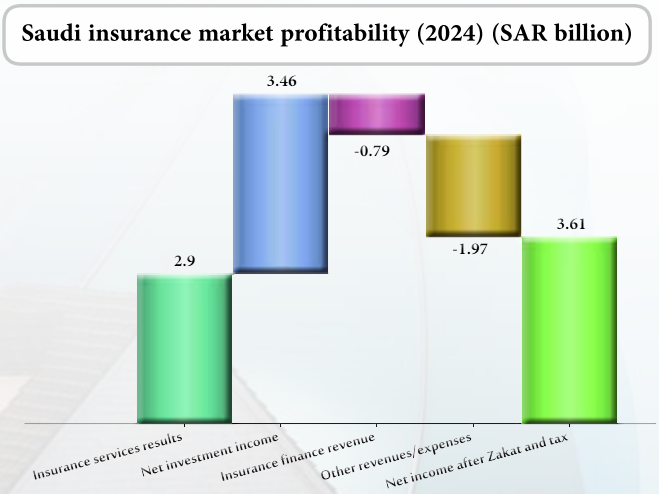
The 2024 data shows an improvement in the structure of gross written premiums by customer segment in the Saudi insurance market, as individuals accounted for 22.4% while micro-enterprises edged down slightly to 56.9%. Large enterprises recorded a limited increase to 11.2%, while the contribution of small and medium enterprises remained at stable levels that are close to the prior-year levels. This shift underscores a growing individual demand and an improved participation by large corporations in the market, fostering a more diverse customer base and more balanced sector growth.



5.2.6 Profitability of the Saudi Insurance Market (2024)

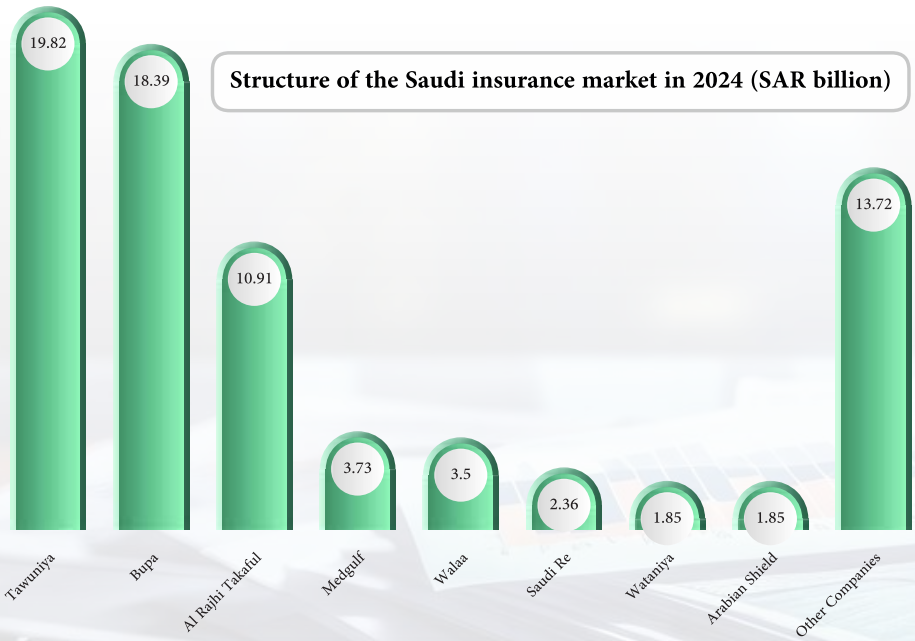
The profitability metrics of the Saudi insurance market in 2024 reflect a marked improvement in the sector's financial performance, with operating results rising to SAR 2.9 billion supported by higher efficiency in risk management.

Net investment income also rose by SAR 3.46 billion, driven by improved local market yields. After accounting for financing costs, zakat, and taxes, net income reached SAR 3.61 billion, reflecting the robust financial position of the sector and its capacity to achieve sustainable profit growth that supports its role in economic stability and risk management.



5.2.7 Structure of the Saudi Insurance Market (2024)

Based on 2024 data, the Saudi insurance market remains dominated by a limited number of major players, as Tawuniya and Bupa Arabia, which account for the largest shares with gross written premiums of SAR 19.82 billion and SAR 18.39 billion, respectively, followed by Al Rajhi Takaful, ranking third with about SAR 10.91 billion, while the remaining insurers hold comparatively smaller portions of the market.



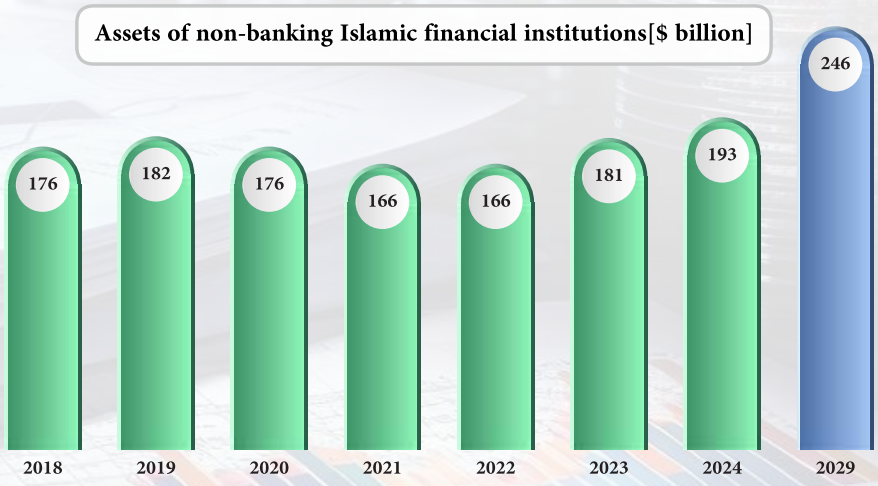
Fourth

Other Non-Banking Islamic Financial Institutions[1]

1. Other Non-Banking Islamic Financial Institutions. Overview

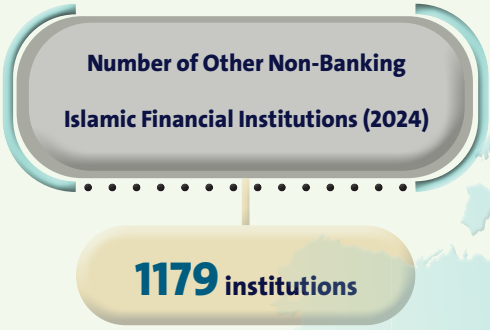
1.1 Assets Size of Other Non-Banking Islamic Financial Institutions

The 2024 data shows that the enhanced role of other non-banking Islamic financial institutions within the Islamic financial industry, as their **total assets increased to about $193 billion** with nearly 6% year-on-year growth.



(1) Entities that provide Sharia-compliant financial services without engaging in banking activities. These include Islamic finance companies, Islamic leasing companies, microfinance institutions and Sharia-compliant real estate finance companies, excluding Takaful insurance companies, which constitute an independent sector within the structure of the Islamic financial industry.
ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

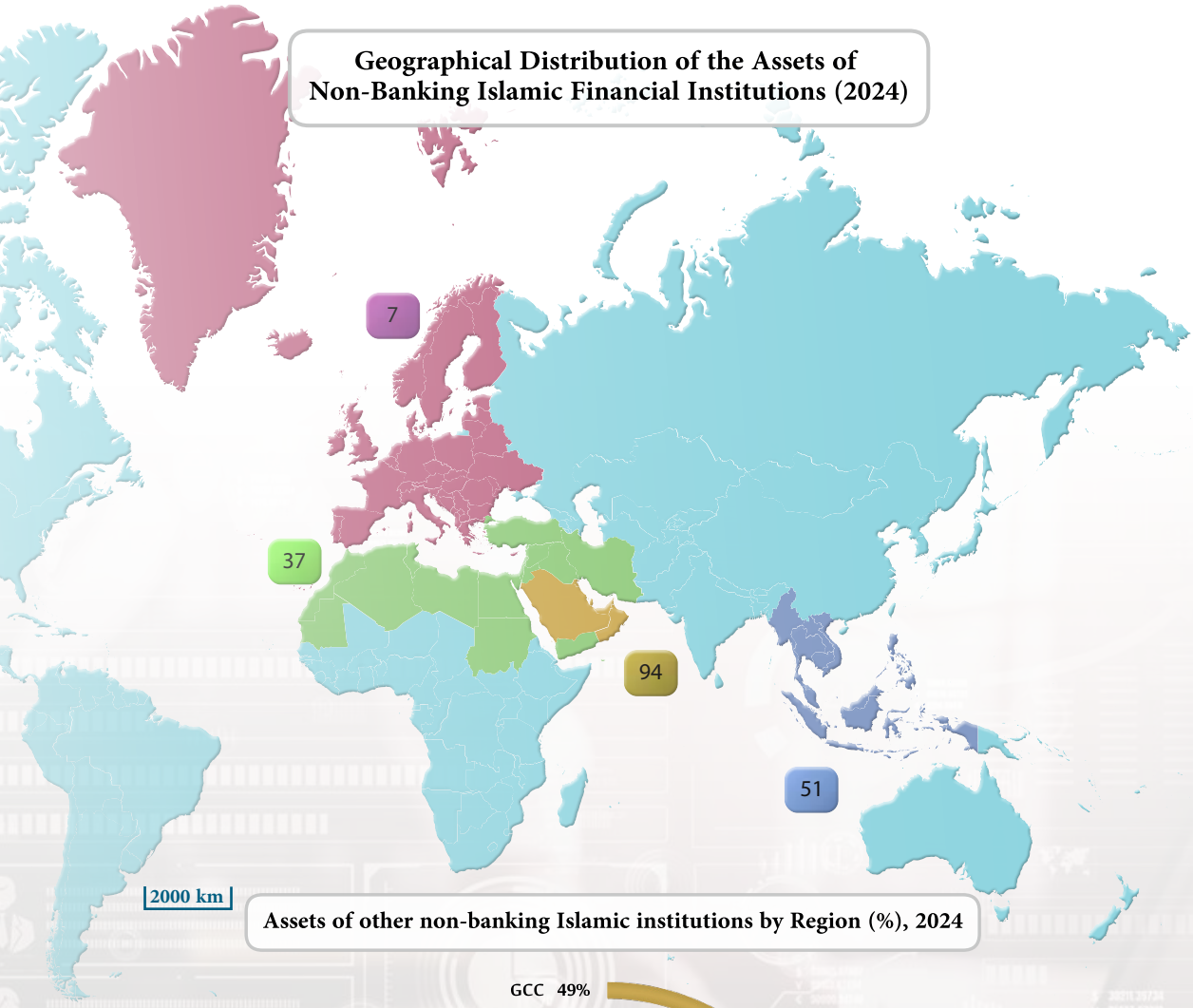
The number of these institutions reached 1179, including Islamic windows, reflecting a broadening base of Sharia-compliant financial services. This growth confirms an expansion of activities beyond the conventional banking framework and these entities' rising ability to diversify sources of funding and investment within the industry.



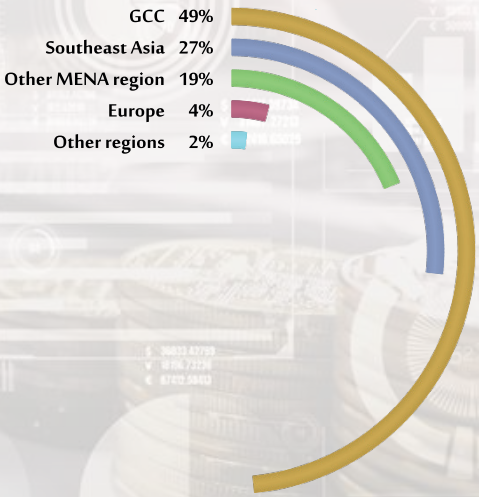
1.2 Geographical Distribution of the Assets of Other Non-Banking Islamic Financial Institutions

The regional distribution of the assets of other non-banking Islamic financial institutions for 2024 indicates a clear dominance by Gulf countries, with **GCC countries having the largest share at $94 billion**, reflecting a strong local demand and mature regulatory structures that support the growth of Sharia-compliant finance activities in the region. Southeast Asia ranks second with $51 billion in assets. Markets in the Middle East and North Africa outside the GCC recorded around $37 billion. This reflects a gradual expansion path in specialized financial institutions. In contrast, the presence of these institutions in Europe remains limited at $7 billion, while assets elsewhere barely exceed $3 billion, reflecting the varying levels of the global adoption of Islamic finance and the dependence of its growth on each market's institutional and regulatory structures.

Geographical Distribution of the Assets of Non-Banking Islamic Financial Institutions (2024)



Assets of other non-banking Islamic institutions by Region (%), 2024



1.3 Top countries by Assets of Other Non-Banking Islamic Financial Institutions

The data for 2024 reflects the dominance of several countries over the assets of non-banking Islamic financial institutions. **Malaysia** tops the list with assets of $46 billion, **Saudi Arabia** comes second with assets of $38 billion, followed by **Iran** with a total of $37 billion, and **Bahrain** with $34 billion.

Top 10 countries by assets of non-banking Islamic financial institutions (2024)



Qatar follows with $12 billion in assets, while the **UAE** and **Switzerland** record approximately $6 billion each; **Kuwait** and **Indonesia** each record about $4 billion, dropping to $2 billion in **Pakistan**. This distribution highlights varying levels of development in the Islamic non-banking financial institutions sector across countries and differences in market size and institutional depth.

2. Islamic Leasing Companies

Islamic leasing companies are "non-banking financial institutions practicing Ijarah Muntahia Bittamleek (rent-to-own) or operational Ijarah in accordance with the principles of Islamic jurisprudence, without engaging in interest-based (riba) transactions." These companies finance assets (equipment, machinery, vehicles, real estate, technological systems, logistics infrastructure...etc.) by first acquiring ownership, then leasing them to clients for fixed periodic rents. Key developments for these companies in 2024 include:



Kingdom of Saudi Arabia.. In October 2024, Al Yusr Leasing and Financing Company expanded its funding capacity within the Saudi Sharia-compliant leasing sector by signing a SAR 750 million credit facility agreement with the National Bank of Kuwait, to support leasing and financing operations for individuals and businesses[1].



Uzbekistan.. Taiba Leasing, under the Islamic Corporation for the Development of the Private Sector (ICD), continued its developmental role in 2024 by funding over 500 leasing transactions totaling more than $55 million. It targeted around 500 clients and financed over 600 projects, contributing to the creation of over 5,000 jobs[2].



Russia.. Ijara-Leasing LLC in the Republic of Tatarstan (Russia) is a company specialized in providing Sharia-compliant leasing services in accordance with the terms of Islamic Ijarah contract. Total contracts signed reached approximately RUB 330 million by end of 2023, while early 2024 witnessed the addition of new contracts valued at RUB 100 million. To broaden Islamic finance instruments and support the real sector, the company launched its first Mudarabah-based financing product in 2024 in partnership with Ak Bars Bank[3].

(1) https://alyusr.com.sa/

(2) https://taibafinance.uz/

(3) https://ijara.ru/



Australia.. Ijarah Finance is one of Australia's prominent providers of Sharia-adhering financing solutions, including real estate financing, commercial financing and asset financing through Ijara Muntahia Bittamleek. In 2024, the company achieved a qualitative expansion by launching its inaugural Sharia-compliant product tailored for Self-managed superannuation funds (SMSF), marking a pivotal step toward integrating Islamic finance into Australia's superannuation sector[1].



(1) https://ijarahfinance.com.au/

3. Islamic Microfinance Institutions (MFIs)[1]

Islamic microfinance institutions are "financial institutions that provide ultra microfinancing services targeted at low-income groups and micro-enterprises, fully compliant with Sharia principles and rulings." These institutions are prevalent across numerous countries worldwide, particularly in the GCC region, Southeast Asia and the Middle East.

Islamic MFIs in Pakistan[2].. Islamic microfinance in Pakistan ranks among the fastest-growing financial services sectors, supported by an effective regulatory framework led by the State Bank of Pakistan. December 2024 data indicates an **annual growth in Islamic microfinance assets of about 40.3% and in deposits of 65.3%.**

In 2024, Pakistan developed a distinctive institutional model, comprising three main types of Islamic microfinance providers:



Islamic Microfinance Banks: At the forefront are U Microfinance Bank and NRSP Microfinance Bank, both offer Murabaha, Ijara and investment deposit services under full banking regulatory frameworks. These operations spanned approximately 111 branches and windows in 2024.



Non-Profit Organizations: Akhuwat Islamic Microfinance leads with a qard-hasan model. It operates a network exceeding 850 branches and provided interest-free financing to nearly 6 million households through 2024.



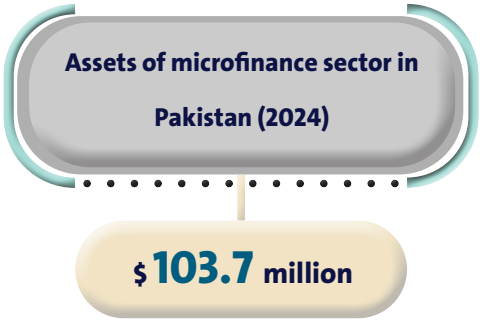
Specialized Institutions: Such as Wasil Foundation and Naymat Islamic Microfinance, which offer limited Murabaha and Ijara products for rural and low-income groups.

(1) Due to the absence of comprehensive global data on Islamic microfinance institutions, the discussion is limited to examining and analyzing the case of these institutions in Pakistan.

(2) State Bank of Pakistan – Islamic Banking Bulletin, 2024 & https://www.sbp.org.pk/

This institutional diversity represents a cornerstone of Pakistan's Islamic microfinance architecture.

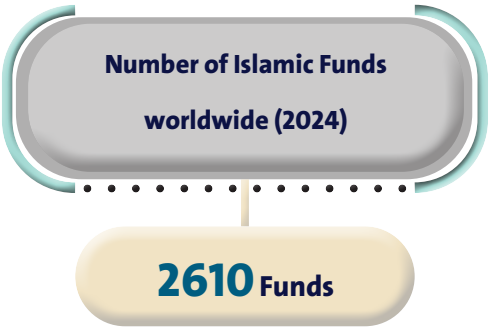
Islamic microfinance sector in Pakistan recorded strong performance in 2024, with total assets reaching approximately $103.7 million, while **Islamic deposits reached $62.8 million by year-end**. This reflects a sustained growth in demand for Sharia-compliant financial products, particularly Murabaha, Ijara, and asset financing for small enterprises. U Microfinance Bank's Islamic financing portfolio alone rose to over $21.5 million, while NRSP Microfinance Bank strengthened Islamic finance penetration in rural areas, Punjab and south of the country. The State Bank of Pakistan affirms the vital role of microfinance in financial inclusion system amid accelerating branch and client-base expansion.



In 2024, Islamic microfinance emerged as a key developmental instrument in the Pakistani economy which supported millions of beneficiaries in small trade, agriculture and household services. Official data confirms the sector's rapid expansion stems from blending the commercial Islamic financing, led by U Microfinance Bank and NRSP Microfinance Bank, with Akhuwat's qard hasan based social model. This multi-tiered system can reach underserved groups by conventional financial institutions. This integration has contributed to strengthening the financial stability and rural development in Pakistan.

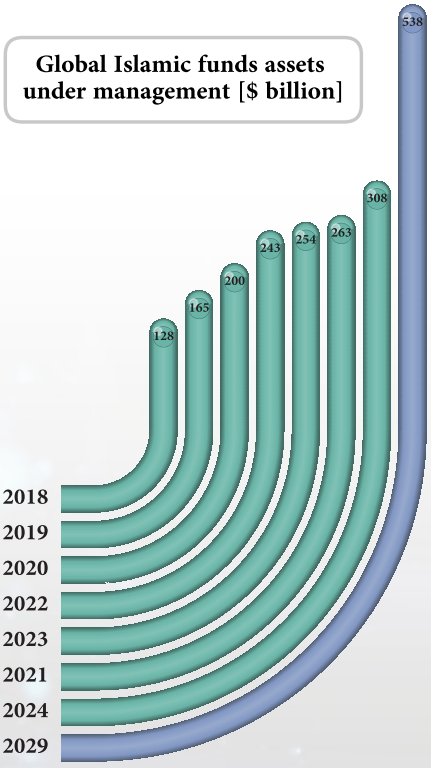
4. Islamic Funds (2024)[1]

Data from 2024 indicates the increasing role played by the Islamic funds within the Islamic finance system, with **total assets under management reaching approximately $308 billion** and an annual growth rate of nearly 21%. This reflects an expanding investor base and a rising demand for Sharia-compliant products. The number of funds worldwide also increased to 2610, which shows the diversity of their investment structure and their ability to support the financing channels and enhance the industry's financial stability.

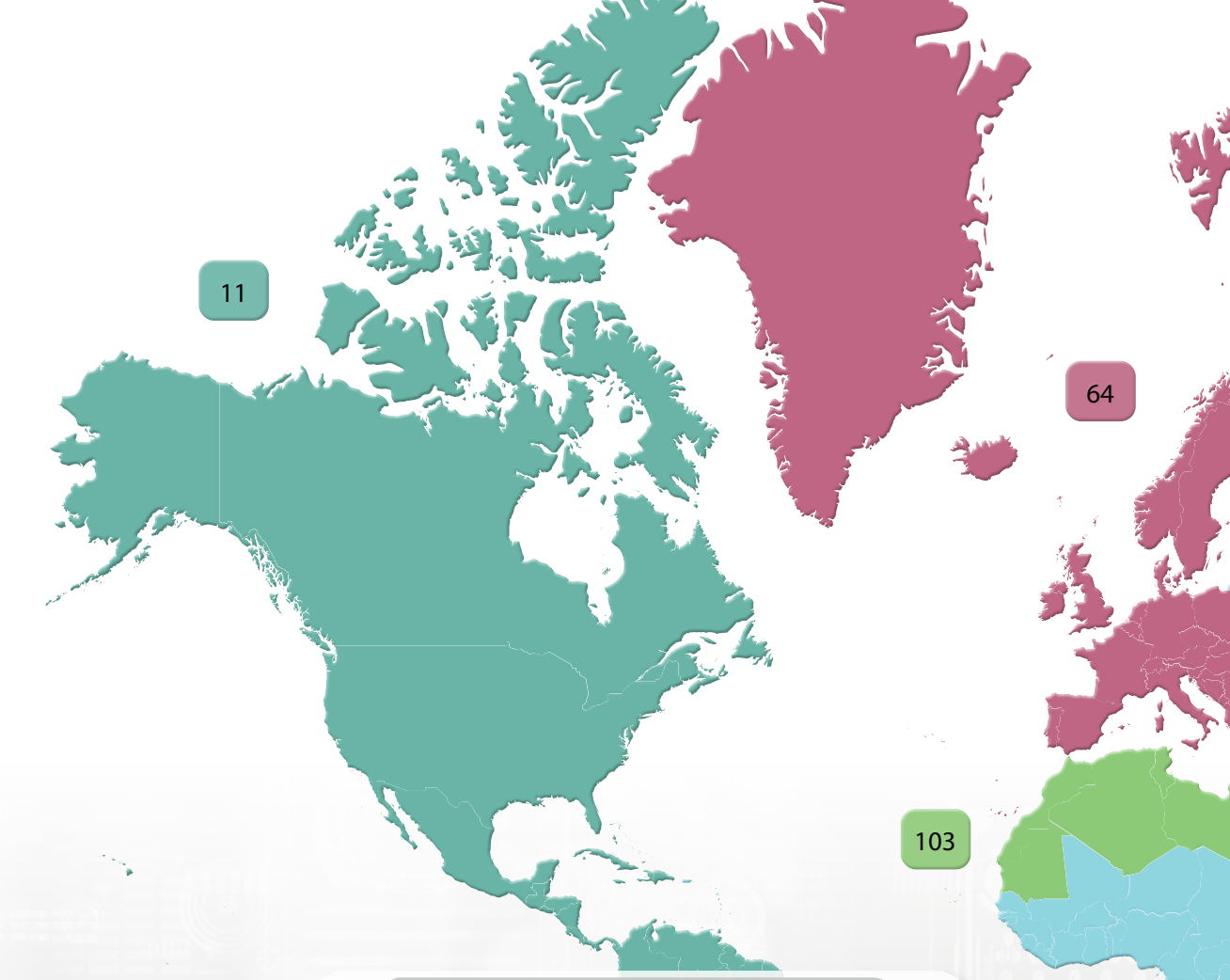


4.1 Total Assets of Islamic Funds

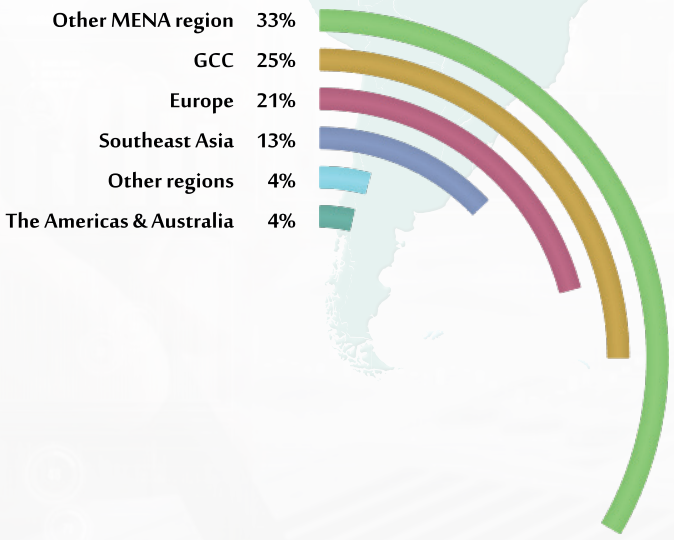
Data from 2018–2024 reveals an upward trajectory in Islamic funds' assets under management (AUM), which rose from approximately $128 billion in 2018 to $165 billion in 2019, $200 billion in 2020, and $263 billion in 2021. Following a limited decline in 2022, growth resumed to $254 billion in 2023 and $308 billion in 2024. This reflects a sustained investor appetite for Sharia-compliant products and funds' ability to attract fresh capital. Projections suggest assets could reach $538 billion by 2029, thus strengthening expansion prospects within the Islamic finance industry.



(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.



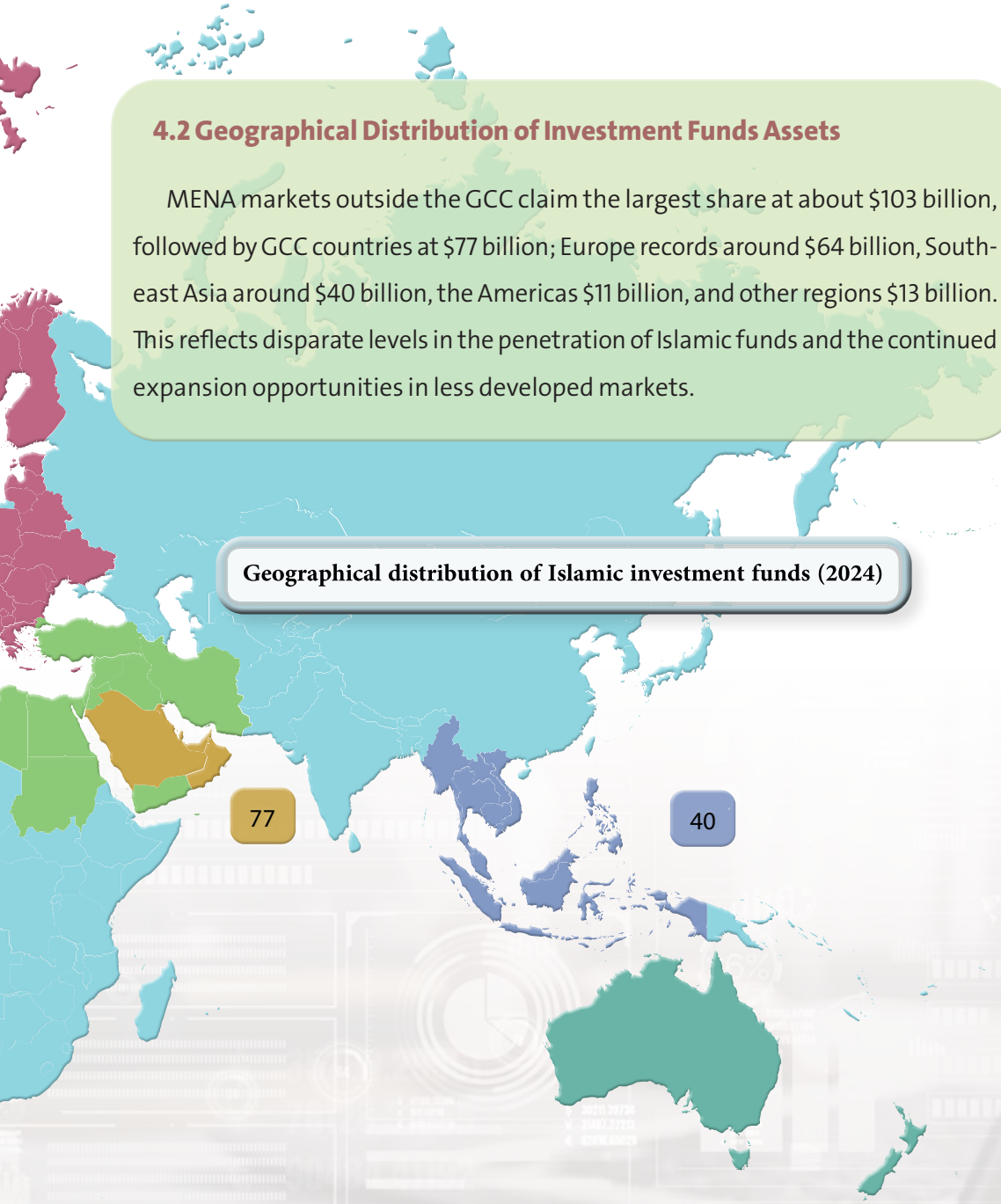
Assets of investment funds by region (%), 2024



2000 km

4.2 Geographical Distribution of Investment Funds Assets

MENA markets outside the GCC claim the largest share at about $103 billion, followed by GCC countries at $77 billion; Europe records around $64 billion, South-east Asia around $40 billion, the Americas $11 billion, and other regions $13 billion. This reflects disparate levels in the penetration of Islamic funds and the continued expansion opportunities in less developed markets.



4.3 Key Launches of Islamic Funds (2024)

Recent shifts in financial markets indicate a remarkable expansion in Islamic funds launches across new markets.

In 2024, several markets entered this field, including **South Africa** which introduced its first Islamic index tracker fund, and Kazakhstan launched the first Sharia-compliant fund in Central Asia through the Astana International Exchange. Hong Kong advanced the momentum with a fund tracking Saudi government and agencies Sukuk, reflecting its intent to strengthen its financial ties with the Middle East and expand its presence in the Islamic finance sector. In October 2024, **Saudi Arabia** also launched an Islamic fund to track Hong Kong equities, a step contributing to enhanced investment flows between both markets. These developments collectively represent an upward trend toward the internationalization of Islamic funds and their cross-border expansion(1), in addition to several other funds launched in 2024, including:



Kingdom of Saudi Arabia .. In February 2024, SNB Capital launched the **SNB Capital Oil and Gas Fund I** through its subsidiary in Dubai International Financial Centre, offering Sharia-compliant investment opportunities in the conventional energy sector. The fund allocates over $230 million indirectly to Repsol E&P, a Repsol-EIG joint venture, providing exposure to a global exploration and production portfolio with a capacity of approximately 600,000 barrels of oil equivalent per day(2).



Malaysia.. Halogen Capital launched the **Halogen Shariah Ethereum Fund**, the first investment product providing Sharia-compliant exposure to Ethereum staking returns. This initiative reflects the transition of Islamic funds industry toward integrating regulated digital assets, as the fund invests in digital assets under Sharia-compliant supervision. This launch represents a significant expansion in utilizing fintech solutions in Islamic finance(3).

(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

(2) https://www.zawya.com/

(3) https://halogen.my/



UK.. In 2024, Aviva launched its new Sharia-compliant investment strategy "Aviva Shariah Investment Strategy," tailored for the customers with retirement plans. This strategy is based on a series of Sharia-compliant lifestyle funds which offer varied risk profiles with automatic assets rebalancing mechanisms across saving stages[1].



Europe.. In January 2024, BlackRock introduced the **iShares Sukuk UCITS ETF (SKUK)** in Europe as a Sharia-compliant investment instrument that provides exposure to a broad portfolio of Sukuk through the J.P. Morgan EM Aggregate Sukuk Index[2].



United Arab Emirates.. Chimera S&P India Shariah ETF [INDI] was launched on the Abu Dhabi Securities Exchange (ADX) in 2024, as a Sharia-compliant channel allowing investors to directly access India's most liquid equities through tracking the S&P India Shariah Liquid 35/20 Capped Index. This ETF reflects a growing momentum toward diversifying the regional investment tools by linking the Gulf investors to one of the world's fastest-growing markets within a regulatory and Sharia framework that ensures distribution efficiency and portfolio diversification. It features semi-annual dividend distributions when available, reinforcing its role as an effective instrument for supporting long-term investment strategies[3].

Chimera JP Morgan Global Sukuk ETF – Income, also listed in the UAE, offers investors a low-cost avenue to investment-grade global Sukuk markets by tracking the J.P. Morgan Global IG Sukuk Index, which includes sovereign, quasi-sovereign, and high-grade corporate Sukuk issuances[4].

(1) https://www.aviva.com/

(2) https://www.blackrock.com/uk/

(3) https://etfs.lunate.com/

(4) https://www.chimerainvestment.com/



Egypt.. In February 2024, the Thndr app announced the launch of the **NM Sharia Equity Fund – Naeem Misr Fund (NMF)**, as the first Islamic equity fund to be offered through a digital platform in the Egyptian market. The fund invests in a portfolio of equities listed on the Egyptian Exchange in compliance with Sharia standards approved by a specialized supervisory board(1).



Oman.. In late January 2024, the National Bank of Oman (ahlibank) launched the **ahli Islamic Money Market Fund** as an open-ended, Sharia-compliant money market fund, listed on the Muscat Stock Exchange(2).

4.4 Key Regulatory Developments in the Market of Islamic Funds (2024)



Malaysia.. In February 2024, the Securities Commission Malaysia (SC) revised its "Guidelines on Islamic Capital Market Products and Services" which is the governing framework for issuing and managing a wide range of Islamic instruments, including Islamic funds and Sharia-compliant collective investment funds. The amendments greatly clarify the requirements of product structuring, disclosure, and Sharia governance(3).



Pakistan.. The Securities and Exchange Commission of Pakistan (SECP) issued Circular No. 25 of 2024, on the "Requirements for Investment Plans Offered Under Collective Investment Schemes," setting out rules for fees disclosure, investment plan structures, Sharia advisory fees, and other cost-and transparency-related provisions. Given that a large share of Pakistan's funds is Sharia-compliant or hybrid funds with Islamic windows, these requirements directly affect Islamic funds by strengthening investor protection mechanisms, tightening controls over Sharia advisers' fees, and enhancing risk and return disclosure standards(4).

(1) https://thndr.app/
(2) https://fsa.gov.om/
(3) https://www.sc.com.my/
(4) https://www.mufap.com.pk/

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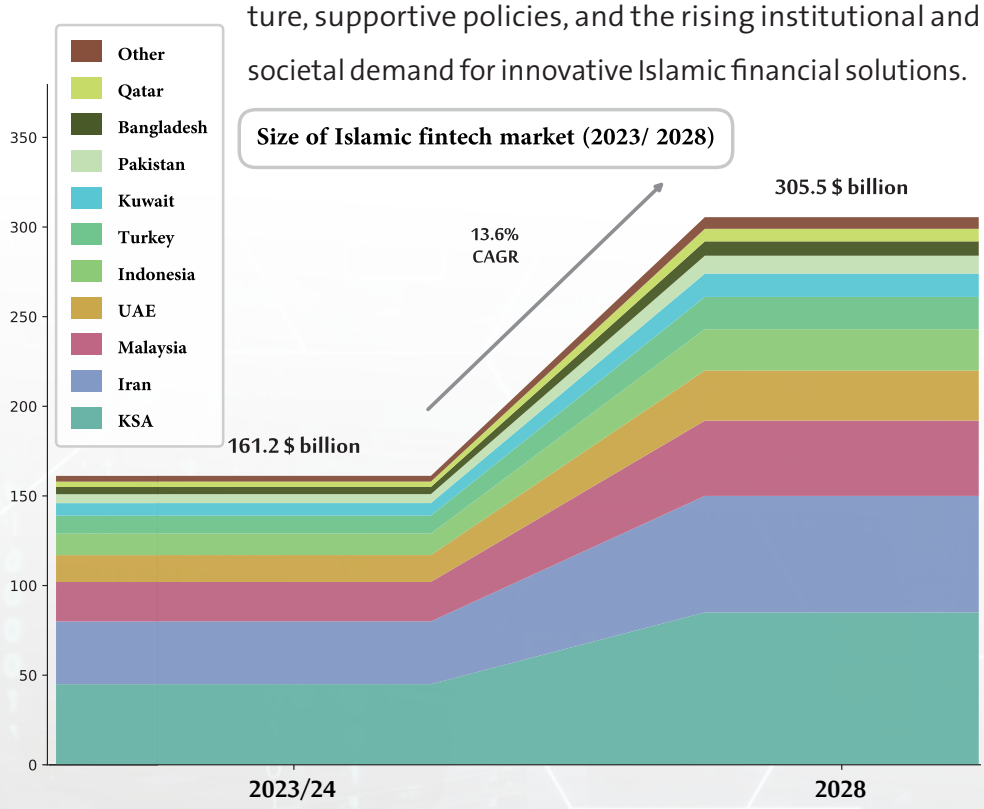
Islamic Financial Technology (Islamic Fintech)

Islamic fintech refers to "The use of innovative digital tools to deliver Sharia-compliant financial services through electronic platforms and smartphone applications." This highly promising sector offers substantial growth potentials for the broader Islamic economy, particularly in the countries lacking Islamic banking services.



1. Islamic Fintech Market in 2024[1]

Data indicates an accelerating growth in the Islamic fintech market, **reaching approximately $161 billion in 2024** and projected to climb to $305.5 billion by 2028 at an annual growth rate of around 13.6%. **The sector also encompasses about 490 companies worldwide**, reflecting the expanding base of the Sharia-compliant digital innovation. **Malaysia, UAE, Saudi Arabia, Turkey, Indonesia and the UK** emerge as leading hubs for this activity, driven by an advanced digital infrastructure, supportive policies, and the rising institutional and societal demand for innovative Islamic financial solutions.

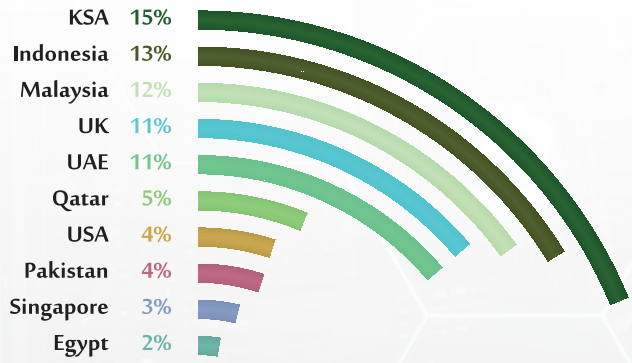


The Islamic Fintech Maturity Matrix positions **Saudi Arabia, Indonesia, Malaysia, UAE and the UK** as leading hubs in this sector though their future growth rates tend to deceleration. Despite their limited enabling environments for Islamic fintech, emerging markets demonstrate substantial local growth opportunities, driven by their market size and untapped potential.

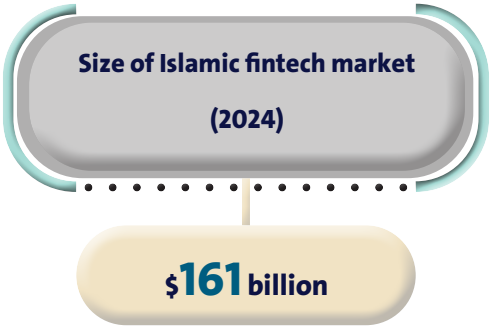
(1) Global Islamic Fintech Report 2024/25.

Data about the Islamic fintech sector shows a high level of concentration, with the top 10 countries accounting for 79% of approximately 490 companies operating globally, and about 72% of the activity is concentrated in five main sub-sectors. **Saudi Arabia** leads with 72 companies, followed by **Indonesia, Malaysia, UAE, and the UK**, affirming these markets' role as pivotal growth hubs. **Qatar, US, Pakistan, Singapore and Egypt** record smaller shares. This reflects the industry's reach across major Islamic markets and international financial centers and highlights the cross-border nature of Islamic fintech and its growing integration into the global financial system.

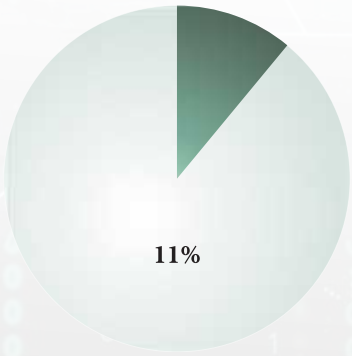
Countries' share of Islamic fintech companies (2024)



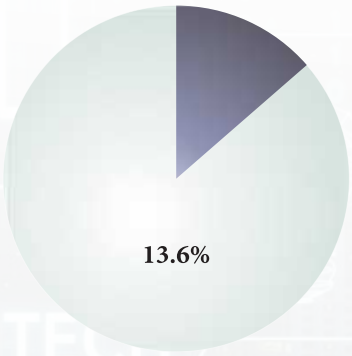
Estimates peg the global Islamic fintech market at $161 billion in 2024, equivalent to 1.4% of total global fintech based on transaction volumes and AUM. Though the sector's projected growth rate of 13.6% annually over the coming years is lower than its historical rates, it remains above the 11% compound annual growth rate (CAGR) of cconventional fintech, reflecting the sector's ens during appeal and competitive edge.



Islamic fintech growth rate vs. conventional fintech growth rate (2024)



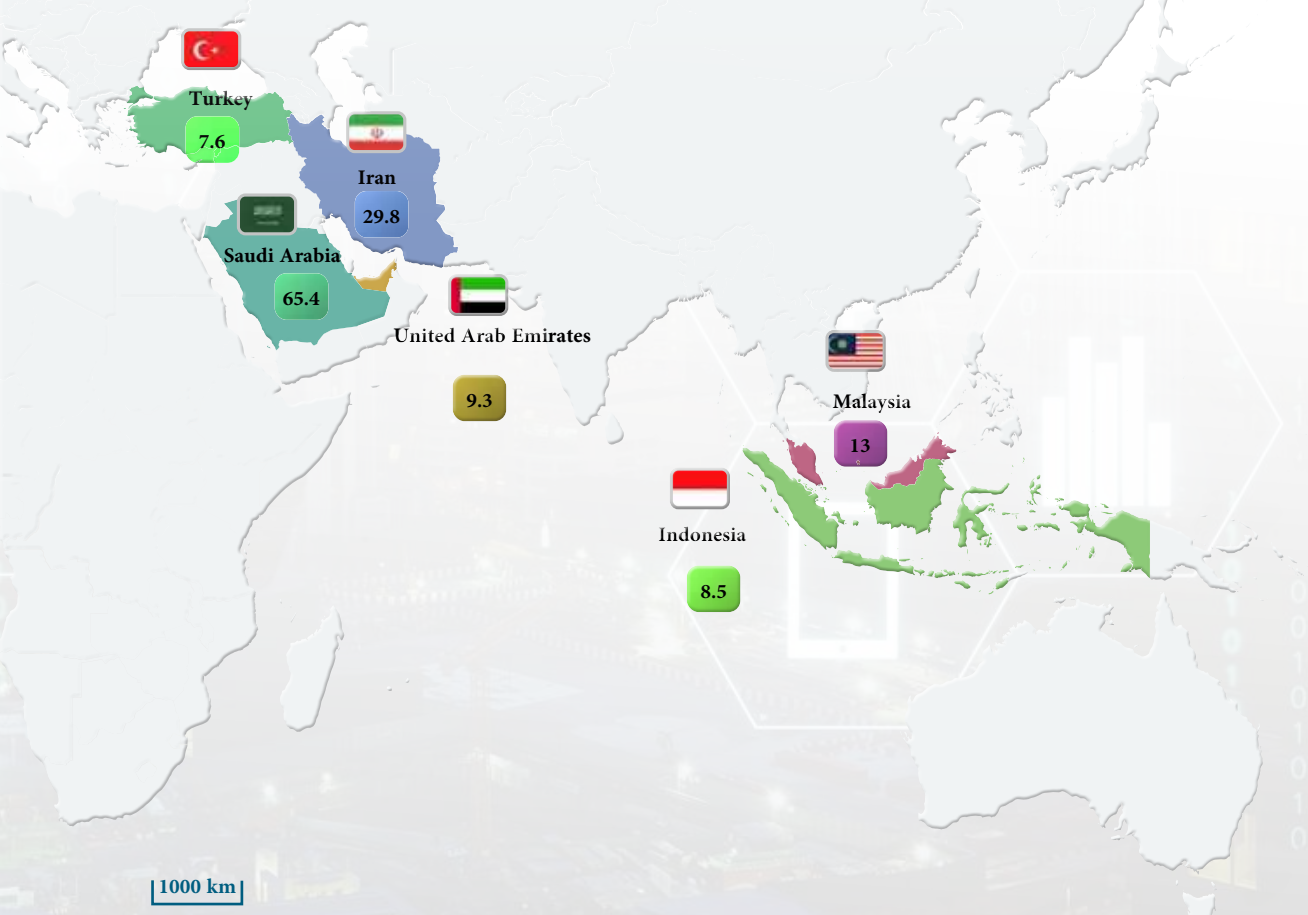
CAGR of conventional fintech



CAGR of Islamic fintech

Looking at the geographical distribution, there are six main markets in the OIC countries: **Saudi Arabia, Iran, Malaysia, the UAE, Indonesia, and Turkey**, each exceeding $7.5 billion in market size in 2024. These markets together represent 83% of the world's total, reflecting the fact that the activity is concentrated in a few regional hubs which have a highly developed infrastructure and strong institutional support.

Top 6 countries by Islamic fintech market size in 2024 ($ billion)



2. Global Islamic Fintech Categories (2024)[1]



Leaders: It includes **wealth management, deposits & lending and digital assets**. These sectors exhibit robust growth dynamics, making them the most attractive and accessible sectors for investors in terms of potential returns and expansion.



Emerging: Social finance and capital markets: Despite a comparatively reduced number of participants relative to leading sectors, they continue on a growth path and are expected to experience a substantial expansion in transactions volume in the coming period.



Maturing: Alternative finance, payments and fund-raising activities: It is characterized by a high density of companies and a decline in the influx of new entrants. They are potential candidates for mergers or diversification within the industry, offering strategic opportunities for investors and stakeholders.



Dormant: Back-office operations and insurance: These fields are characterized by low levels of activity and modest growth, reflecting an early stage of development within the Islamic financial system.

(1) Global Islamic Fintech Report 2024/25.

3. Global Islamic Fintech Initiatives (2024)[1]

Data indicates that **490 Islamic Fintech initiatives were recorded in 2024** across 12 sectors, with activity concentrated in the Middle East, the GCC region and Southeast Asia.



Alternative Finance.. It leads with 101 initiatives, predominantly in MENA-GCC (38) and Southeast Asia (34).



Payments.. The second largest sector with 69 initiatives, led by MENA-GCC (28) and Southeast Asia (17).



Wealth Management.. It ranks third with 66 initiatives, most notably in the MENA-GCC (23) and Europe (18).



Deposits and Lending.. It records 55 initiatives, with a high concentration in Europe (18) followed by MENA-GCC (12) and Southeast Asia (11).



Fundraising.. It comprises 59 initiatives, Southeast Asia (23) stands out as the highest contributor, followed by Europe (12).



Digital Assets.. 32 initiatives, led in MENA-GCC (13), Europe (8) and North America (5).

(1) Global Islamic Fintech Report 2024/25.

	**Enabling Technologies**.. 26 initiatives, led by Southeast Asia (13) and MENA-GCC (12).
	**Capital Markets..** It's limited to 14 initiatives, primarily in MENA-GCC (9).
	**Insurance..** It totals 18 initiatives, mainly distributed between MENA-GCC (7) and Southeast Asia (7).
	**Technology Providers..** 19 initiatives.
	**Social Finance..** No more than 17 initiatives.
	**Back-Office Services..** The weakest with only 7 initiatives globally.

4. Recent Developments in Islamic Fintech (2024)

Recent developments indicate an accelerating integration of digital technologies with Islamic finance instruments across global markets, reflecting a growing shift toward innovation and broader financial inclusion.

	**Switzerland..** Fiduciary Standard launched Deenar, a gold-backed stablecoin, on the HAQQ network. It's a model that combines Islamic finance principles with blockchain technology[1].
	**Malaysia..** In 2024, Kapital DX (KLDX) introduced Malaysia's first tokenized, Sharia-compliant fixed income product, valued at MYR 150 million[2].
	**UK..** Ethos emerged with plans for establishing a Sharia-compliant digital bank via partnership with Thought Machine, offering Islamic products, including Mudarabah deposits and home financing based on Musharakah and Ijara principles[3].
	**Egypt..** Bokra emerged as a Sharia-compliant digital investment platform, raising $4.6 million in a pre-seed round in 2023[4].
	**Oman..** Mamun allocated approximately $1 million through its venture arm Mamun Ventures to support Sharia-compliant startups operating in payments, microfinance, and banking technology[5].

(1) https://deenar.com/
(2) https://kldx.com/
(3) https://www.thoughtmachine.net/
(4) https://www.bokra.com/
(5) https://mamun.om/

5. Innovations of the Islamic Development Bank Institute (IsDB) in Islamic Fintech (2024)[1]

IsDBI reinforces the integration of advanced technologies with the principles of Islamic finance to enhance market efficiency and deepen financial inclusion. Its 2024 agenda is oriented toward the organizational and operational expansion, guided by a forward-looking roadmap to mainstream solutions in emerging markets and connecting innovation with flexible regulatory frameworks.

5.1 Fintech and Cognitive Governance Solutions

In 2024, the IsDBI moved toward transforming Sharia and regulatory knowledge into interoperable digital structures through trusted databases and simplified user interfaces that link end-users with vetted providers to reduce search costs and enhance efficiency of access to compliant solutions.

5.2 Smart System for Financial Stability

The IsDBI continues developing a proactive model to manage supply-demand balances in the asset markets without relying on capital reserves. Simulations showed reduced volatility and higher trading volumes, supported by a practical demonstration in collaboration with SettleMint following a pathway from a proof-of-concept to development and production.

5.3 Islamic Finance Artificial Intelligence Assistant (IFAA)

The assistant aims to bridge information gaps by summarizing content and elucidating Sharia concepts using large language models, while expanding its functions to support compliance, regulation, grant programs, reporting, and training, ultimately improving the quality decision-making.

5.4 Islamic Finance Knowledge Pavilion

The pavilion serves as a digital platform powered by a structured knowledge base whose development is led by EZ2Business since December 2023, featuring expanded operational launch in 2024 to support localization and shorten time-to-access for finance solutions.

(1) Ma'had al-Bank al-Islami li-l-Tanmiya, al- taqrir al-Sanawi, 2023.

5-5 Inclusion Initiative for Least Developed Countries

The initiative focuses on developing low-cost solutions in collaboration with the Istanbul International Center for Private Sector in Development (IICPSD) and the Indonesian Sharia Fintech Association (AFSI), with the aim of supporting economies such as **Afghanistan, Bangladesh and Djibouti** through tailored digital financial structures.

5.6 Islamic Finance Regulatory Sandbox

The initiative establishes a time-bound supervised testing framework that enables the testing of Sharia-compliant products, reduces compliance risks and supports the development of applicable standards and guidelines to accelerate the transition to licensing.

5.7 The Global Innovation Center

The 2024 studies target the establishment of an innovation center to support entrepreneurship in Islamic finance and the halal economy through developing compliant funding channels that enhance capital allocation in member countries and Islamic communities.



6. Islamic Fintech Events (2024)

In 2024, a series of international conferences were held, reflecting the growing role of Islamic Fintech in the global financial landscape.



United Arab Emirates Hosted the Global Islamic FinTech Forum 2024, where discussions covered digital payments, tokenized Sukuk and Sharia governance mechanisms for financial innovation[1].



The United States hosted the North American Conference on Islamic Finance 2024 in October in Houston to examine the opportunities and challenges of the Islamic industry in the Western markets, as well as the role of digital solutions in customer base expansion[2].



Fitch Ratings held its virtual Islamic Finance Symposium 2024 to discuss global market dynamics and the future of Islamic finance instruments amid accelerating digitization[3].



In Asia, **Malaysia** hosted the Global Business Technology & Islamic Finance Conference (BTIF 2024) in November. The conference focused on integrating AI and blockchain with Sharia principles for sustainable financial solutions[4].

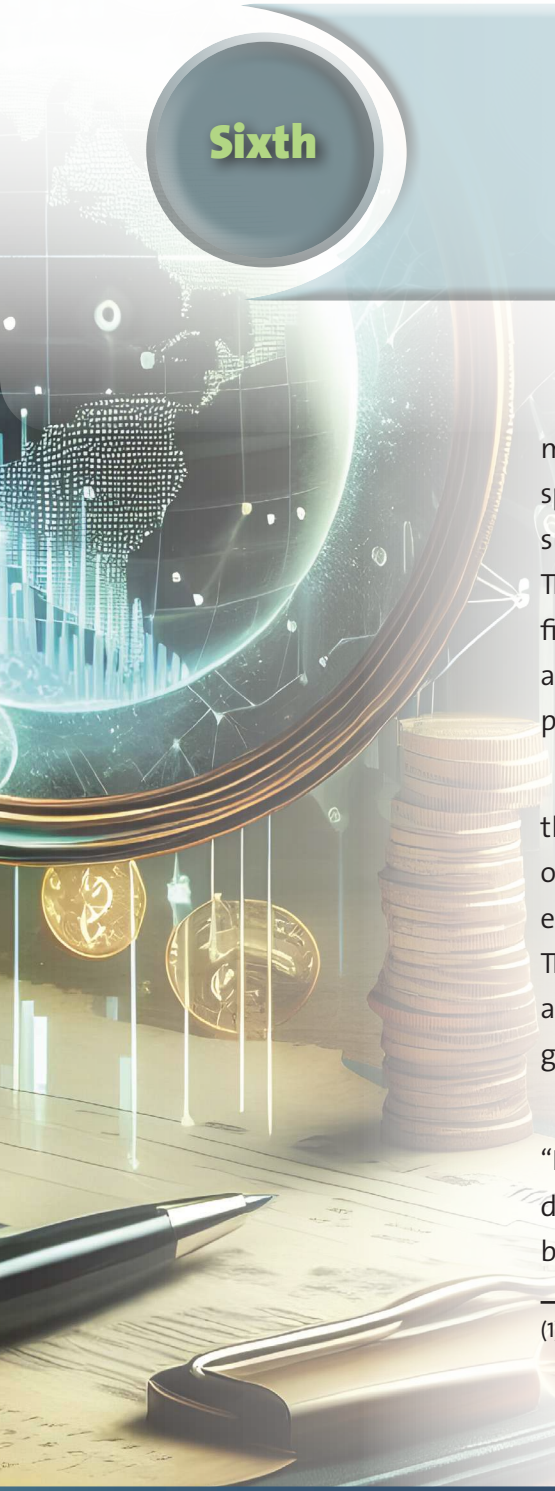


Bahrain hosted the World Islamic Finance Dialogues 2024 in November in Manama, bringing together decision-makers and academics to discuss financial innovation, Sharia governance, and the role of Islamic finance in achieving development and economic stability[5].

(1) https://www.alhudacibe.com/
(2) https://www.nacif.us/
(3) https://events.fitchratings.com/
(4) https://btif2024.mediu.edu.my/
(5) https://redmoneyevents.com/

Sixth

Sukuk



Sukuk are Sharia-compliant financial instruments. They represent real ownership rights in specific tangible assets or projects, funded through subscription proceeds dedicated to that purpose. They embody the practical application of linking finance to real economic activity, ensuring risk- and profit-sharing in accordance with the principles of Sharia.

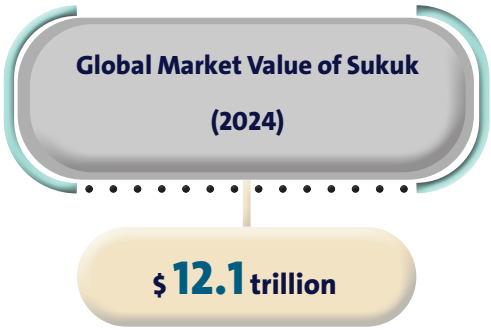
Sukuk are based on Sharia compliance through the utilization of tangible assets and prohibition of interest-based (riba) returns, providing a solid economic foundation and substantial credibility. They are based on the sharing of risks and returns among holders, while reinforcing disclosure and governance in asset management.

Many people mistakenly refer to Sukuk as "Islamic bonds," despite numerous fundamental differences between Sukuk and conventional bonds[1].

(1) To understand the difference between Sukuk and bonds .. See: Rami Muhammad Kamal. *Al-Sukuk wa Tatbiqatuha Al-Muʿasirah Badeelan ʿan Al-Sanadat Al-Taqlidiyah*. 1st ed. 2019. Cairo, Egypt.

1. Sukuk Market: Global and Regional Developments (2024)

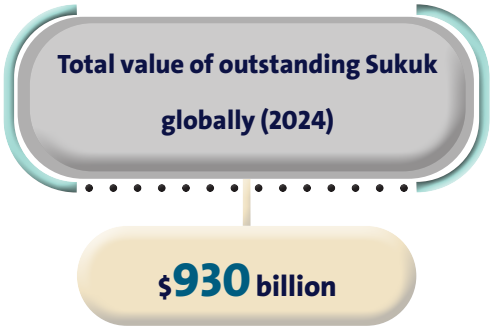
The number of outstanding Sukuk globally stood at 4712[1]. Estimates indicate the global Sukuk market value reached approximately $1.21 trillion during the same period[2].



Sukuk account for 17-26% of total Islamic financial industry, highlighting a structural shift in the role of Sukuk from an alternative financing instrument to a primary mechanism for mobilizing long-term savings and funding strategic projects, particularly in infrastructure and sovereign investments.

Data indicates a sustained expansion in the Sukuk market, both in outstanding assets and new issuances. Fitch Ratings reports that global outstanding Sukuk exceeded $930 billion in 2024[3], recording an annual growth of approximately 10% compared to 2023[4].

In the same vein, Morningstar confirmed that the outstanding Sukuk market reached approximately $930 billion by the end of 2024, compared to $863 billion in 2023, reflecting a gradual growth in this financing tool[5].



(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

(2) https://www.ifsb.org/

(3) The market value of Sukuk differs from its nominal value in both economic significance and measurement methodology. Market value reflects the current valuation in financial markets based on prevailing trading prices and is influenced by supply and demand dynamics as well as shifts in the investment environment. Nominal value, by contrast, represents the total value of outstanding Sukuk; that is, issuances that remain outstanding and have not yet been redeemed or repaid. Accordingly, market value may deviate from nominal value, either upward or downward, depending on market fluctuations, risk levels, and investor expectations.

(4) https://www.fitchratings.com/

(5) Morningstar (2024). Decoding Sukuk: An investor's guide to Islamic bonds. Morningstar, Inc.

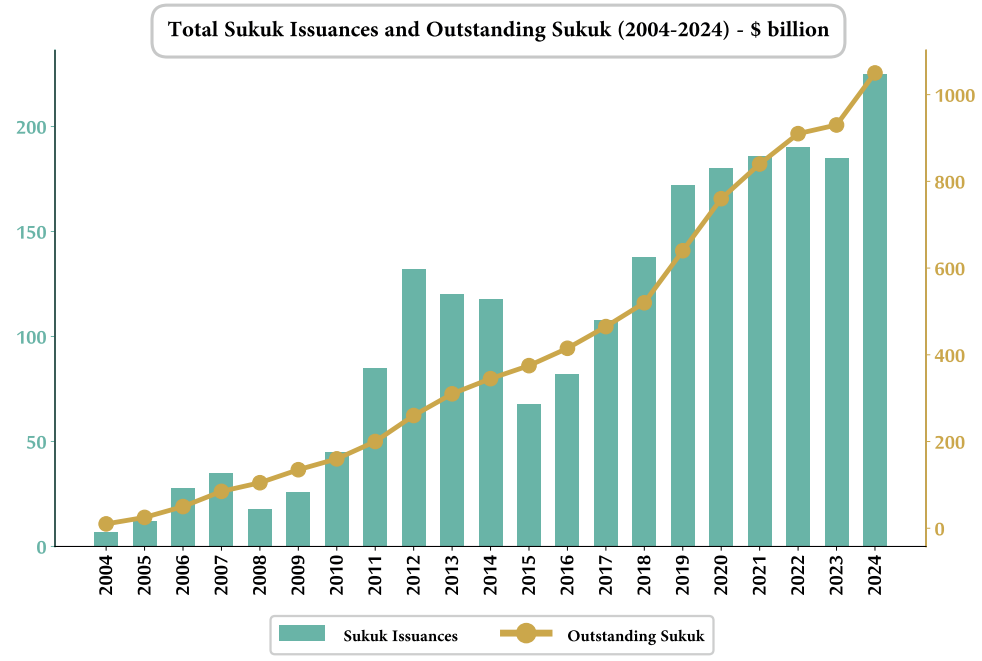
Regarding new issuances, a report by the Islamic Financial Services Board (IFSB) states a volume of approximately $230.4 billion in 2024, representing an annual increase of 25.6%[1].

Volume of new Sukuk issuances (2024)

$234.0 billion

Historical trends in Sukuk market reveal a notable upward pattern over the past two decades, reflecting an increasing reliance on this instrument within medium- and long-term financing strategies.

The World Bank estimates indicate **Sukuk issuances have multiplied several times since the turn of the millennium, totaling about $180 billion in 2024 compared to under $10 billion in early 2000s**, driven by a rising demand by governments and institutions for Sharia-compliant tools to finance infrastructure and sustainable development projects[2].



(1) IFSB Report 2025.

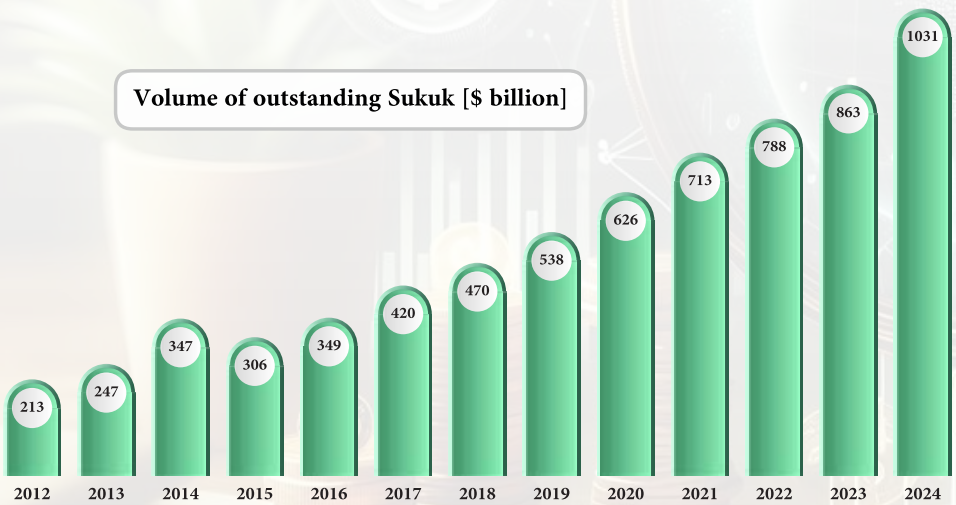
(2) https://blogs.worldbank.org/

2. Outstanding Sukuk (2024)[1]

2.1 Evolution of Global Outstanding Sukuk Volume (2024)

Outstanding Sukuk data over [2012–2024] shows a clear growth, reflecting the sector's expansion as a key long-term financing instrument in the Islamic financial industry. Sukuk volume rose from $213 billion in 2012 to **over $1.03 trillion in 2024**, representing a substantial cumulative growth that highlights an increased use of Sukuk as a Sharia-compliant financing alternative for governments and institutions.

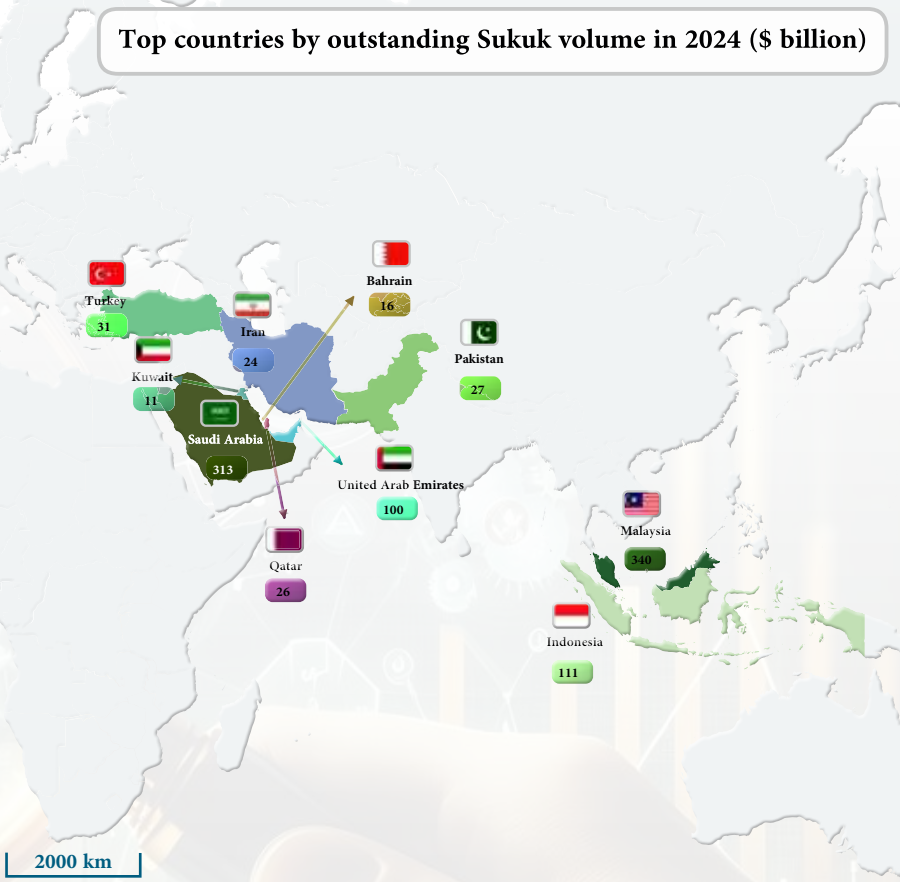
Time series data on outstanding Sukuk reveals a sustained upward trend despite some limited fluctuations in 2015, with rapid recovery and consecutive annual gains from 2016 onward. Growth accelerated more obviously after 2019, as volume rose from about $538 billion to over $1 trillion within five years, driven by a rising demand for sustainable financing tools and the expansion of government issuance programs and infrastructure financing. This upward trajectory reflects the expanding role of Sukuk in mobilizing financial resources, supporting financial stability, and meeting financing needs for countries and institutions under Sharia-compliant frameworks that enhance financing efficiency across the Islamic and emerging economies.



(1) ICD- LSEG Islamic finance development report, Islamic Corporation for the Development of the Private Sector, 2025.

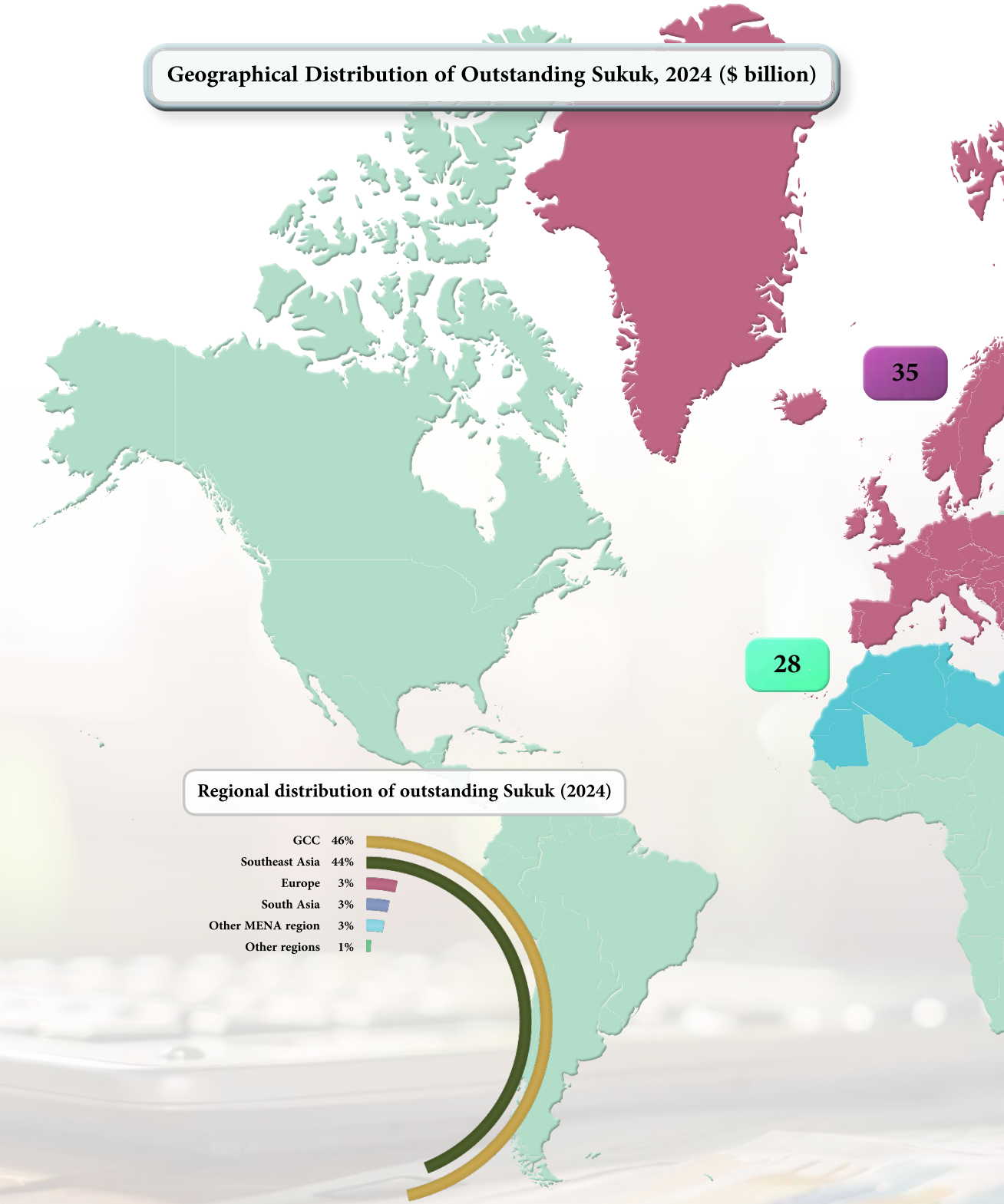
2.2 Top Countries by Outstanding Sukuk Volume Globally (2024)

Data for 2024 shows a clear dominance by a number of countries. **Malaysia** leads with outstanding sukuk volume of approximately $340 billion, followed by **Saudi Arabia** with outstanding Sukuk volume nearing $313 billion.



Indonesia and the United Arab Emirates are among the top markets, outstanding sukuk volume around $111 billion and $100 billion, respectively. **Turkey, Pakistan, Qatar and Iran** recorded levels between $24 and $31 billion, while **Bahrain and Kuwait** recorded relatively lower levels between $11 and $16 billion, which clearly indicates an obvious difference in market and their potential for growth in the region.

Geographical Distribution of Outstanding Sukuk, 2024 ($ billion)



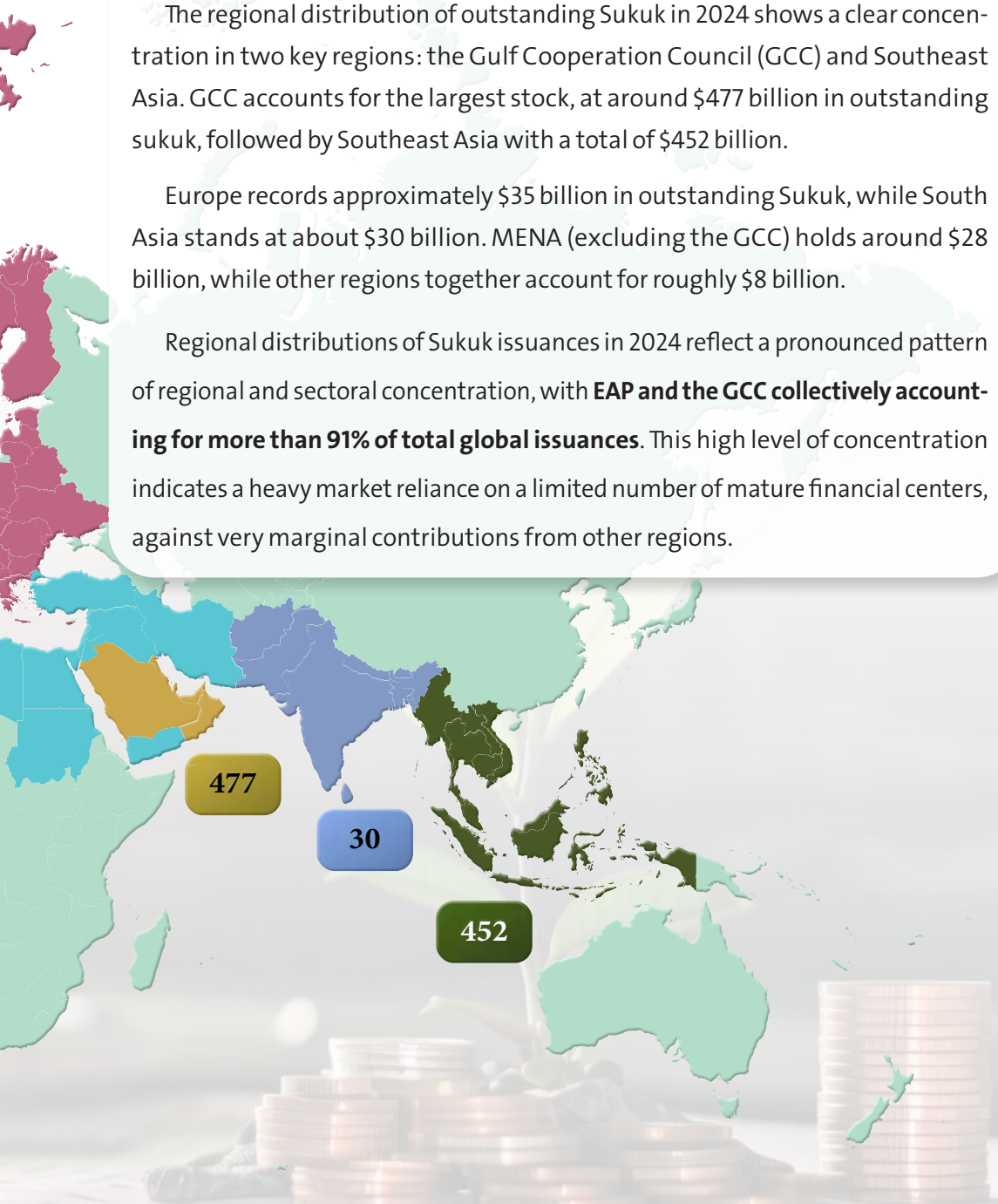
Regional distribution of outstanding Sukuk (2024)

2.3 Geographical Distribution of Outstanding Sukuk (2024)

The regional distribution of outstanding Sukuk in 2024 shows a clear concentration in two key regions: the Gulf Cooperation Council (GCC) and Southeast Asia. GCC accounts for the largest stock, at around $477 billion in outstanding sukuk, followed by Southeast Asia with a total of $452 billion.

Europe records approximately $35 billion in outstanding Sukuk, while South Asia stands at about $30 billion. MENA (excluding the GCC) holds around $28 billion, while other regions together account for roughly $8 billion.

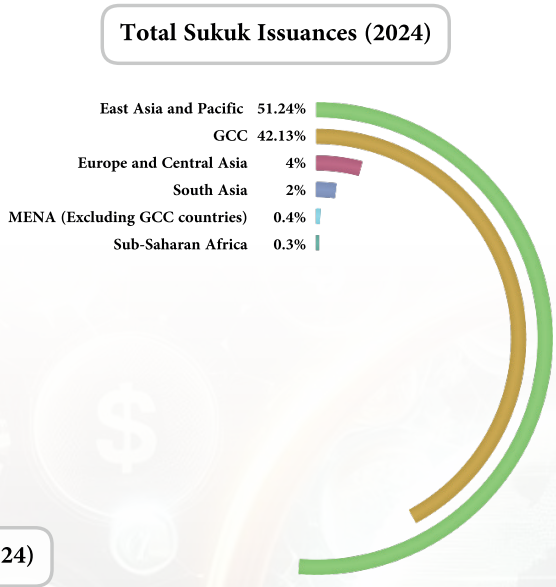
Regional distributions of Sukuk issuances in 2024 reflect a pronounced pattern of regional and sectoral concentration, with **EAP and the GCC collectively accounting for more than 91% of total global issuances**. This high level of concentration indicates a heavy market reliance on a limited number of mature financial centers, against very marginal contributions from other regions.

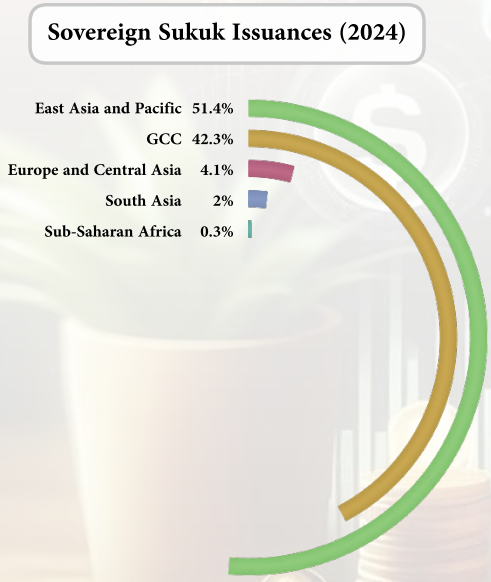


3. Sukuk Issuances (2024)

3.1 Regional Distribution of Sukuk Issuances (2024)[1]

Data for 2024 shows a pronounced regional concentration. East Asia and the Pacific (EAP) and the Gulf Cooperation Council (GCC) together account for the largest share of global Sukuk issuances at 51.2% and 42.1%, respectively, while other regions contribute only marginally.

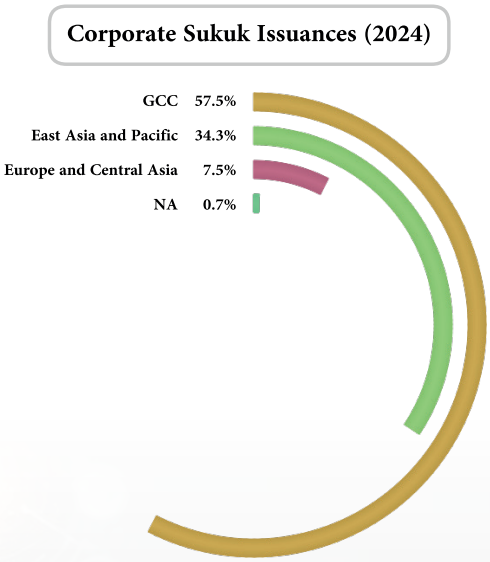




For the sovereign Sukuk, the East Asia & Pacific region lead with a 51.4% share of global issuances, followed by the GCC at 42.2%.

(1) IFSB Report 2025.

In terms of corporate Sukuk issuances, the GCC region leads corporate Sukuk with a 57.5% share of global issuances, followed by East Asia & Pacific at 34.3%, and Europe & Central Asia (ECA) at 7.5%, with other regions' contributions remaining minimal.

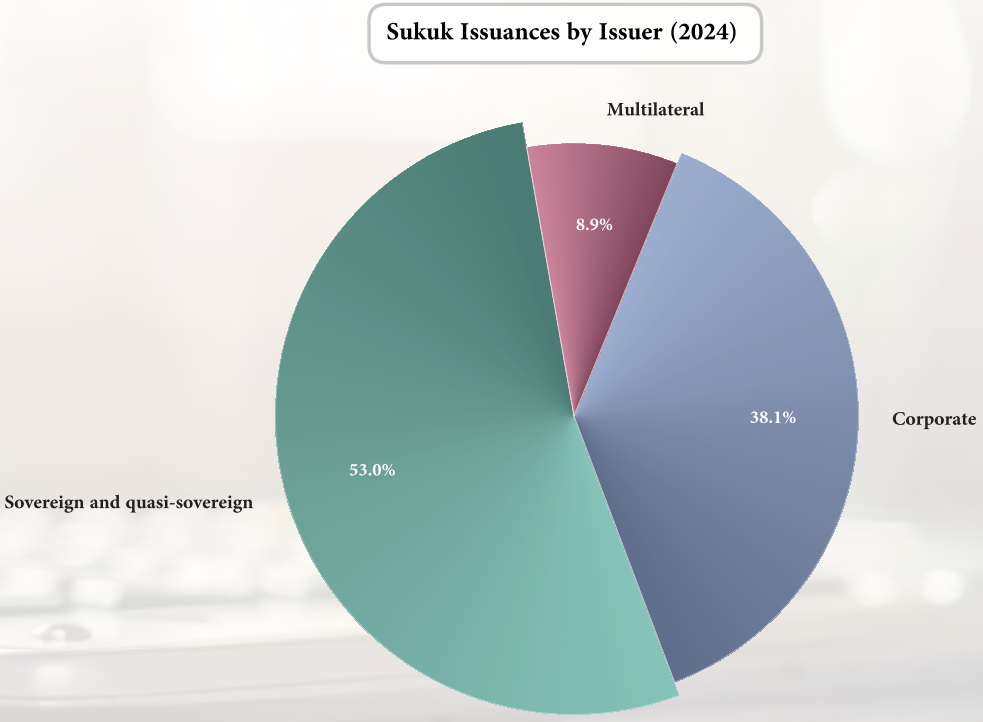


3.2 Sukuk Issuances by Issuer Type (2024)[1]

In 2024, Sukuk market recorded a notable expansion in the issuer, with a growing contribution from the private sector in the issuance activity despite the continued dominance of sovereign and quasi-sovereign entities. The latter accounted for approximately 52.9% of total issuances, reaffirming governments' central role in supporting the growth of the Sukuk market.

Corporate Sukuk issuances grew 21.2% YoY to $87.7 billion, which is clear evidence of the private sector's growing reliance on Sukuk as a flexible Sharia-compliant financing option.

Issuances by multilateral institutions, notably the Islamic Development Bank and the International Islamic Liquidity Management Corporation (IILM), also increased to over $20 billion in 2024.



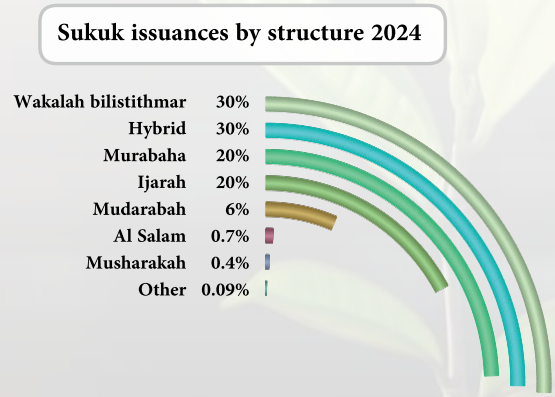
(1) IFSB Report 2025.

3.3 Sukuk Issuances by Structure 2024[1]

The Sukuk market remains notably concentrated around a limited number of Sharia structures, led by investment agency Sukuk (Wakalah bil istithmar), hybrid sukuk, and debt-based Sukuk, particularly Murabaha Sukuk.

Wakalah and hybrid Sukuk posted high usage rates, each exceeding 25% of total issuances in 2024, owing to their structural flexibility, ease of asset pooling, and execution.

On the other hand, Murabaha Sukuk maintained a similar market share of about 25%, benefiting from relative simplicity and clear Sharia compliance. However, heavy reliance on debt-based Sukuk, chiefly Murabaha, raises challenges related to thin secondary market trading, given Sharia restrictions on trading debt-based Sukuk except under strict conditions, which adversely impact liquidity.



Other equity-based and profit-sharing structures, such as Mudarabah and Musharakah, remained relatively marginal, largely due to their structural complexity, return volatility and limited investor appetite for them, particularly portfolios favoring fixed-return instruments.

This prevailing structural pattern underscores clear preference for instruments with fixed returns and easily structured Sukuk, highlighting underlying challenges to developing a deeper and more diversified secondary market in terms of Sharia structures, maturity and risk profiles.

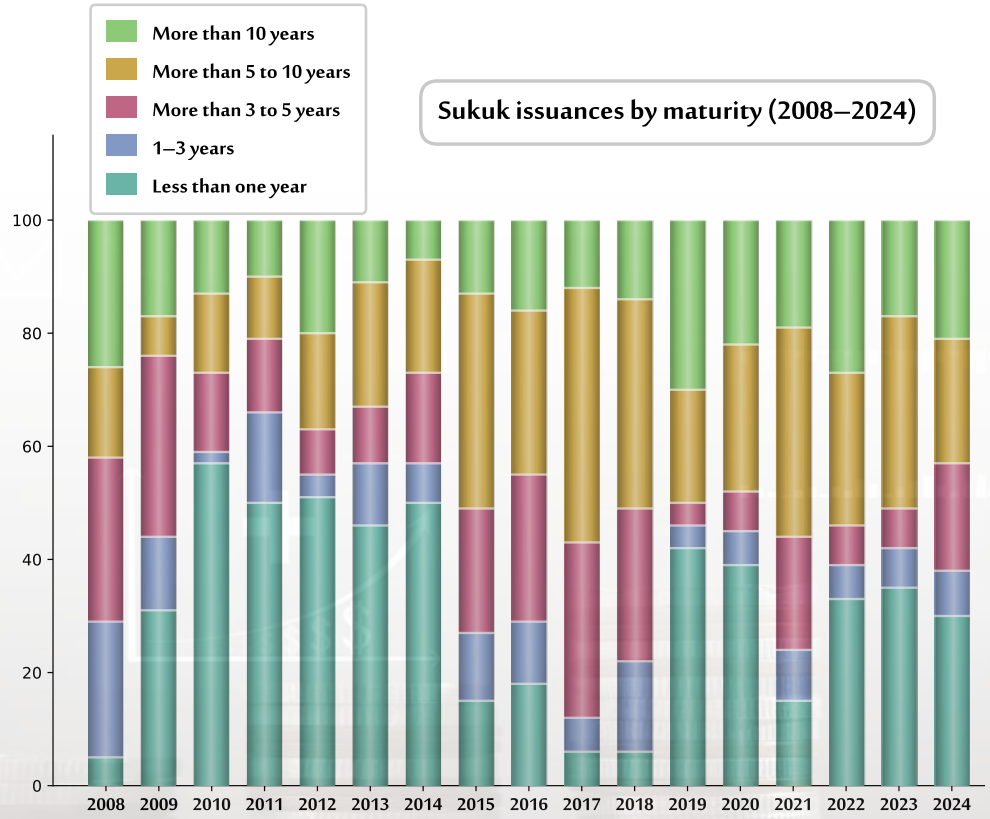
(1) IFSB Report 2025.

3.4 Sukuk Issuances by Maturity (2024)[1]

Short-term Sukuk (maturities below one year) continued to account for a significant share of total issuances, at around 30%, slightly lower than in 2023 but still elevated compared to earlier periods. This sustained presence underscores ongoing demand for liquidity management instruments and flexible refinancing options, particularly by central banks and financial institutions.

Medium-term Sukuk, particularly in the 3–5 year range, recorded a noticeable increase in 2024, reflecting rising investor ability to take on moderate tenor risk and issuers' efforts to balance funding costs with stability over the medium term.

Long-term Sukuk (maturities above five years) maintained a steady share, particularly in the GCC markets, where they are widely used in financing infrastructure and national development projects.

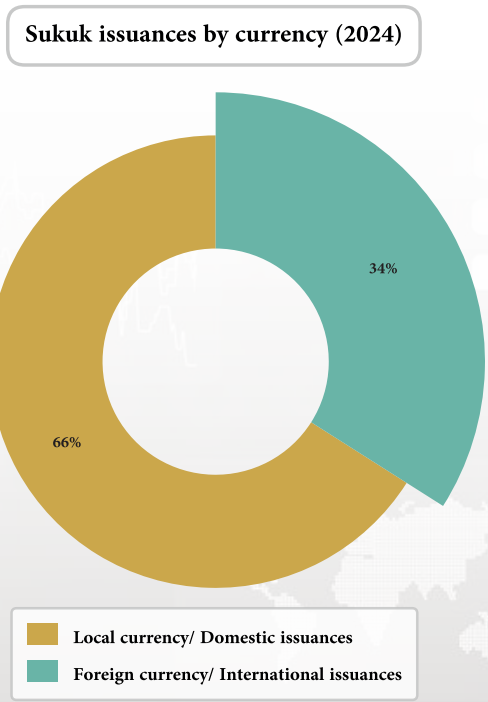


(1) IFSB Report 2025.

3.5 Sukuk Issuances by Currency 2024[1]

Foreign currency-denominated Sukuk recorded notable growth in 2024, reflecting deeper integration with global financial system and stronger ties to the international capital markets. Foreign currency-denominated issuances reached about 34% of total issuances (up from 26% in 2023), reflecting issuers' strategic shift toward diversifying investor bases, expanding beyond local markets, and tapping into global liquidity.

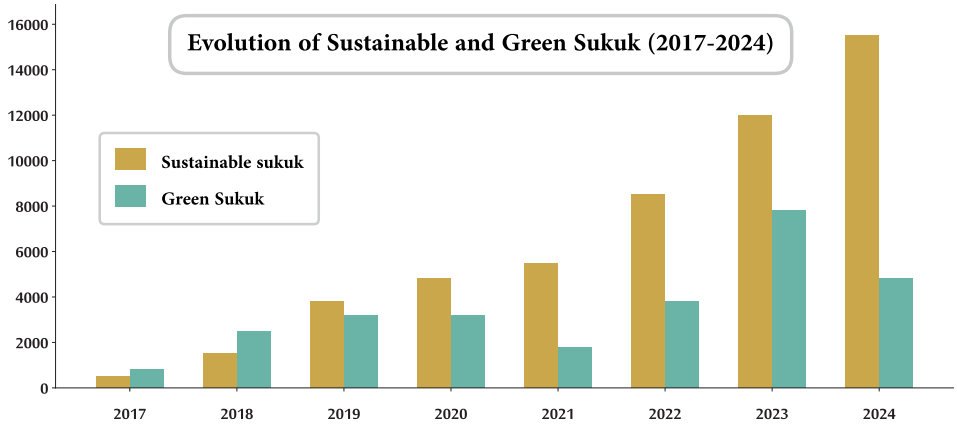
This expansion indicates the maturity of the Sukuk market and its ability to attract international capital, yet raises a number of potential risks, notably exchange rate volatility and currency mismatches between debt and operational revenues (especially for issuers relying on local currency-denominated revenues). A sharp depreciation of local currency could increase servicing costs of external debt, strain corporate and sovereign finances and negatively impact fiscal sustainability.



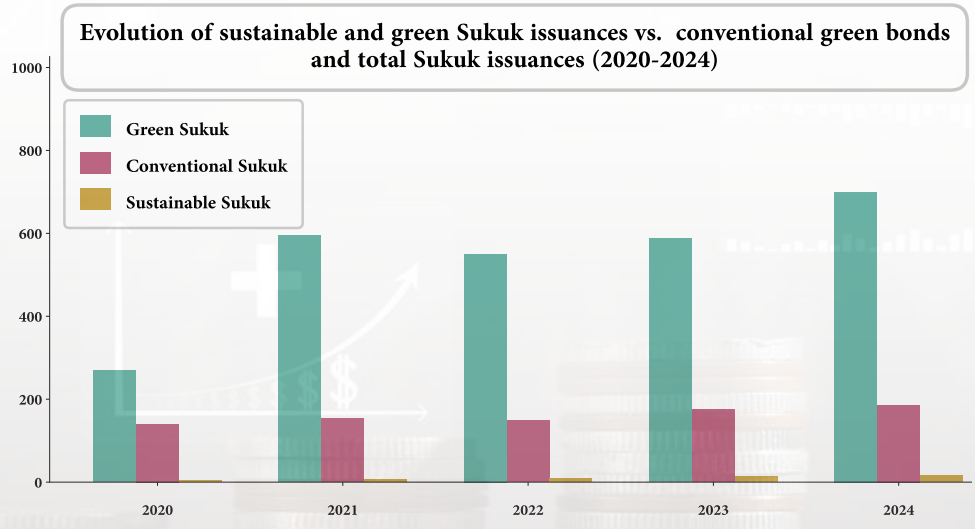
(1) IFSB Report 2025.

3.6 Green and Sustainable Sukuk Issuances (2024)[1]

Global sustainable Sukuk issuances reached approximately $15.3 billion in 2024.



Although sustainable sukuk saw notable growth in 2024, their share of the overall sukuk market remains modest at around 6%, while their proportion within the global green bond market remains low, attributed to higher issuance costs compared to conventional green bonds. This data highlights the need for further policies and incentives to better align Sukuk markets with the global sustainable finance agenda[2].

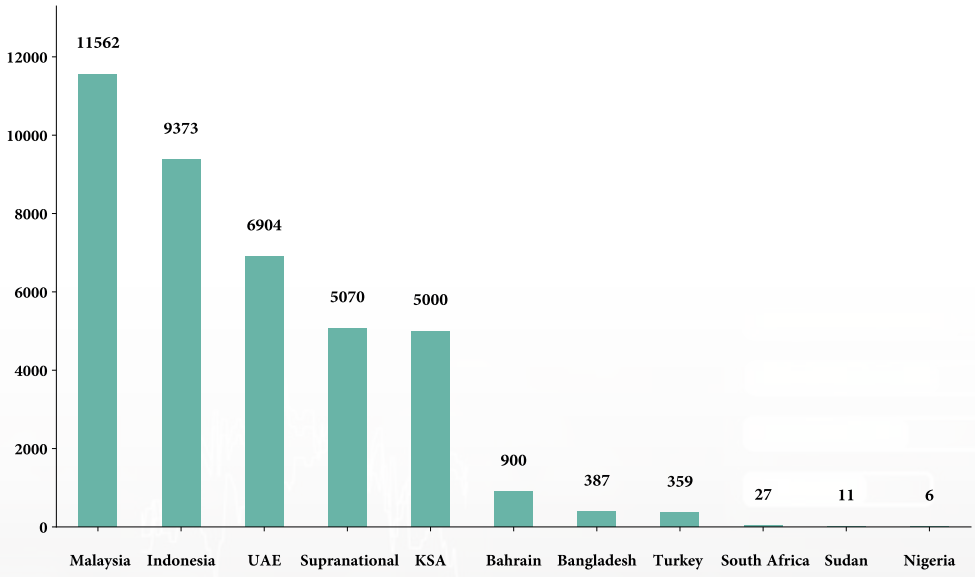


(1) IFSB Report 2025.

(2) https://blogs.worldbank.org/

Data shows that several countries lead the sustainable Sukuk, with **Malaysia** ranking first with a total of about $11.6 billion, followed by **Indonesia** at around $9.4 billion, and the **United Arab Emirates** at approximately $6.9 billion. Multinational institutions, led by the Islamic Development Bank, contributed roughly $5.1 billion in issuances, while Saudi Arabia posted nearly $5 billion. Together, these figures highlight the expanding role of Sukuk as a tool for sustainable financing across the Islamic world[1].

Geographical distribution of sustainable and green Sukuk issuances (2017-2023) - $ million



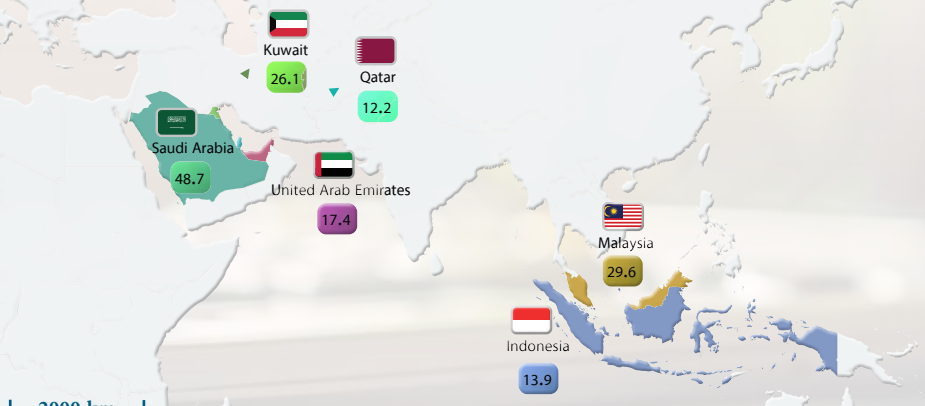
(1) IIMF Annual Sukuk report, 2024.

4. Analysis of Key Contemporary Sukuk Issuances Cases (2024)[1]

Data shows the continued dominance of a limited number of OIC member countries in the global Sukuk market, with **Malaysia and Saudi Arabia** as the primary driving forces in terms of issuance volumes.

Sukuk issuances value in leading OIC countries (2020-2024) - $1 billion						
UAE	KSA	Malaysia	Indonesia	Qatar	Kuwait	Year
12	40	45	10	9	20	**2020**
14	55	55	11	10	22	**2021**
16	60	60	12	11	24	**2022**
16	45	65	12	11	24	**2023**
17	49	70	13	12	26	**2024**

Sukuk issuances value in leading issuing GCC countries (2024) - $1 billion



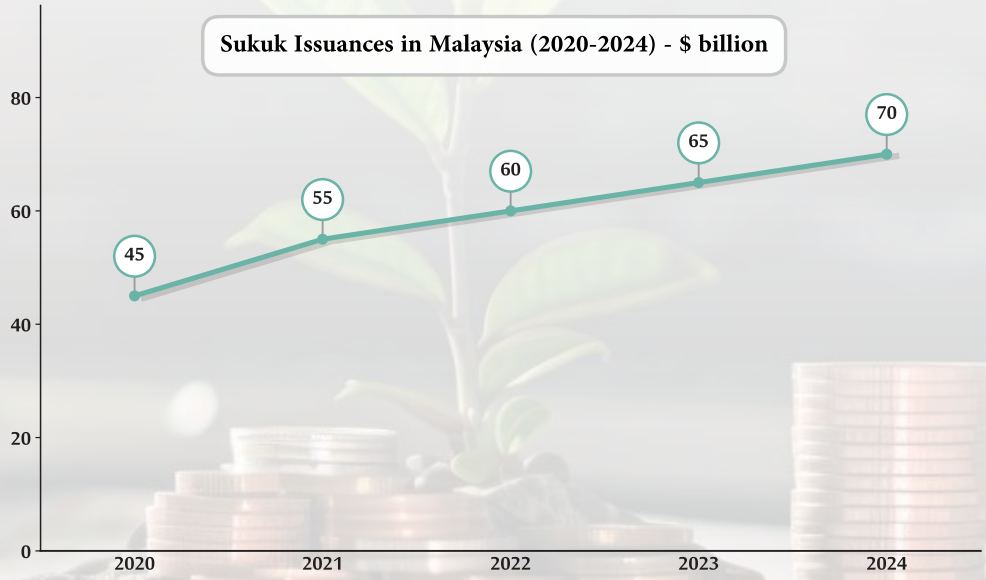
(1) https://salaamgateway.com/reports/



Malaysia: Malaysia continued to strengthen its position as one of the world's premier Sukuk hubs in 2024. The total Islamic capital market reached $ 669 billion, representing 63.04% of the overall financial market, reflecting a deep integration between Sharia principles and modern financing instruments.

The outstanding Sukuk totaled approximately $336 billion, equivalent to 50.28% of total debt instruments. Sharia-compliant equities reached MYR 1.31 trillion. In terms of issuances, Sukuk accounted for 62.56% of total new bond and Sukuk issuances, and 63.1% of total outstanding debt instruments. Corporate Sukuk accounted for 74.4% of private sector issuances, underscoring the Malaysian companies' growing reliance on this Sharia-compliant financing instrument.

Consistent with the shift toward sustainable finance, Malaysia issued 20 Socially Responsible Investment (SRI) Sukuk and sustainability-linked Sukuk in 2024. Outstanding sukuk rose to $8.77 billion (4.75% of private sector Sukuk), reflecting a growing institutional commitment to embedding sustainability goals into Islamic finance models[1].

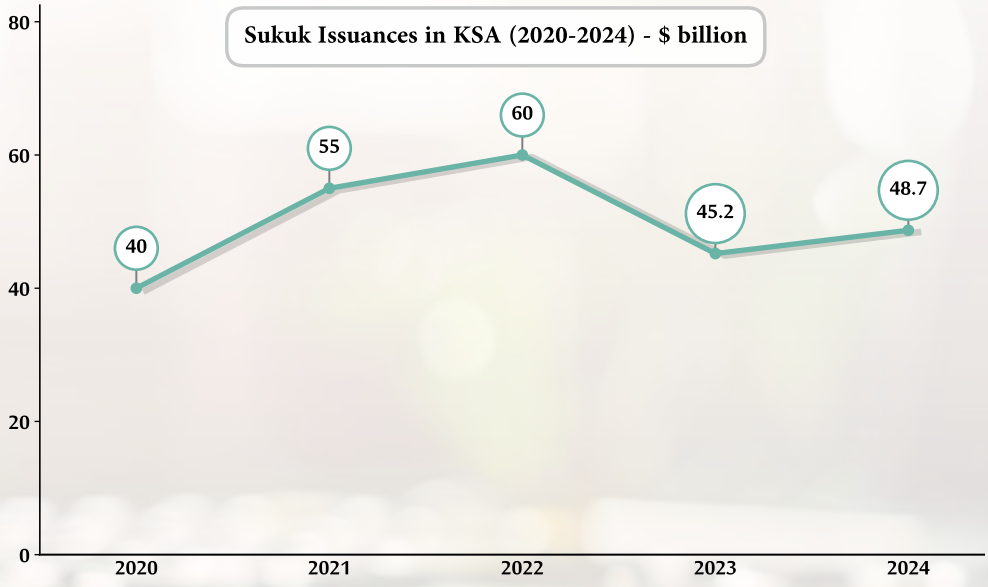


(1) Securities Commission Malaysia. (2024). Annual Report 2024.

Sukuk issuances grew steadily from $45 billion (2020) to $70 billion (2024), reflecting Malaysia's leading role in the Islamic finance market, driven by an advanced regulatory environment and a widespread adoption of Sukuk as a primary financing instrument in both the public and private sectors.



KSA Ranked second, Saudi Arabia's Public Investment Fund (PIF) executed two key international sukuk issuances in 2023-2024. The first issuance in October 2023 raised $3.5 billion in two tranches (5- and 10-year), followed by a February 2024 issuance of $2 billion for 7 years with more than 8 times oversubscription. These issuances highlight the rising stature of the PIF in global Sukuk markets and the appeal of Islamic finance to international investors(1).



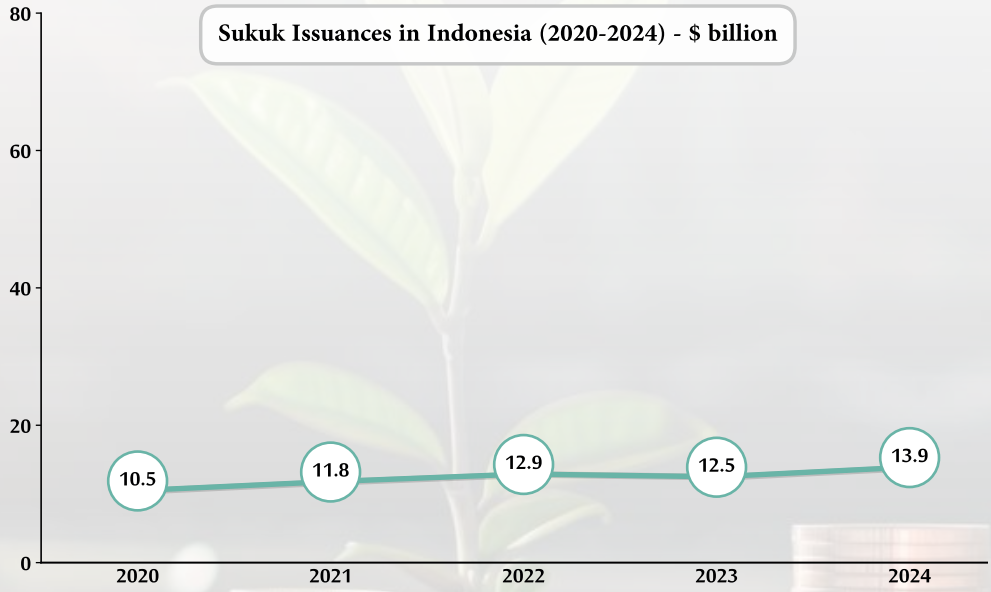
Sukuk issuances in KSA showed volatility from $40 billion (2020) to $48.7 billion (2024).

(1) https://www.pif.gov.sa/



Indonesia .. Indonesia successfully issued sovereign international Sukuk under its Global Sukuk program totaling $2.35 billion in 2024. The issuance comprised three main tranches as follows:

- $750 million, 5-year tranche.
- $1 billion, 10-year tranche.
- $600 million 30-year tranche, and this tranche was classified as a green Sukuk dedicated to financing sustainable environmental projects. This is Indonesia's longest-ever Sukuk issuance, which affirms the country's shift toward long-term financing that enhances the sustainability of fiscal policies and aligns with the sustainable development goals[1].



Indonedia witnessed a gradual growth in Sukuk issuances from $10.5 billion (2020) to $13.9 billion (2024).

(1) https://www.djppr.kemenkeu.go.id/



Turkey.. It witnessed notable innovation in 2024 with the Turkish Development and Investment Bank (TKYB) and Tarfin issuing wheat price-indexed Sukuk. This pricing issuance relies on pricing Sukuk per kilogram of wheat, with variable returns according to average prices during the phases of production and harvest, marking the world's first direct linkage of sukuk structure to the agricultural sector[1].



United Arab Emirates.. In 2024, Ministry of Finance executed its sovereign Treasury Sukuk (T-Sukuk) program (in AED) in 2024 through periodic issuances of AED 1.1 billion each, including one in Q2 and another in September of the same year. This strategic approach reflects the country's efforts to develop an active local market for the Sukuk[2].

Sukuk also advanced qualitatively through adopting blockchain and smart contracts, which enhanced efficiency, transparency, and cost reduction. In addition, the launch of digital Sukuk expanded the investor base. In this context, the RAMZ project (2022) under IDAC initiative emerges as a pioneering model for structural and trading innovation in the Sukuk market[3].

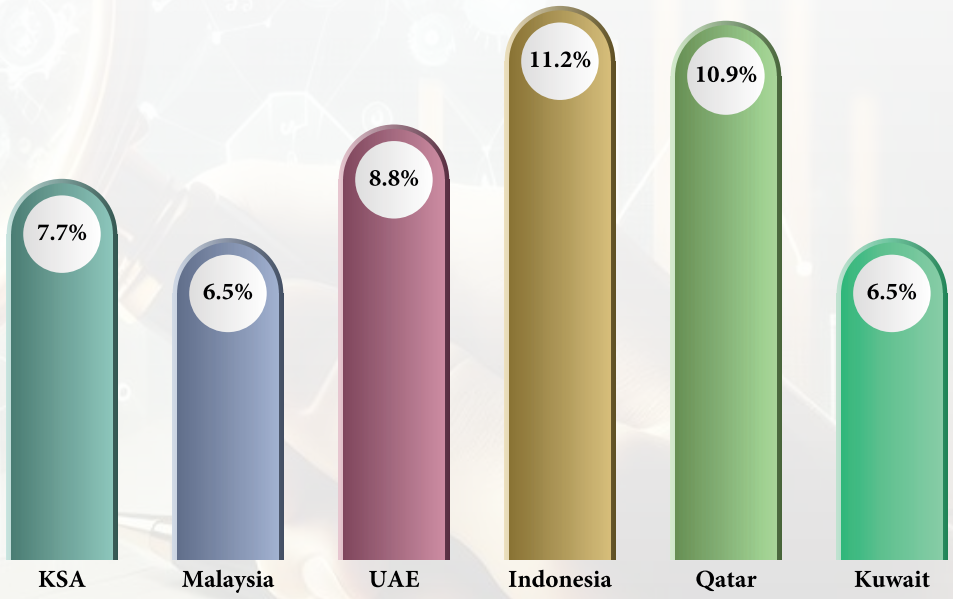
Islamic Development Bank (IsDB) issued Sukuk worth $2 billion in May 2024, then another $1.25 billion in October 2024. These issuances target funding development projects in member countries, particularly in infrastructure, renewable energy, education, and health[4].

(1) TKYB-Financial Reports/
(2) https://mof.gov.ae/
(3) https://www.labuanfsa.gov.my/
(4) https://www.isdb.org/

International Islamic Liquidity Management (IILM): In 2024, its sukuk issuances demonstrated clear expansion and growing institutional demand for Sharia-compliant liquidity tools, with total annual Sukuk issuances reaching about $13.01 billion, distributed across 42 issuance series[1].

Growth of Sukuk Markets.. Sukuk markets witnessed an accelerated expansion in 2024, driven by greater reliance on Islamic financing instruments for sovereign and strategic projects. Data indicates that the highest growth rates were recorded in **Indonesia** (11.2%), followed by **Qatar** (10.9%), **UAE** (8.8%); In contrast, **Saudi Arabia** maintained a growth rate of 7.7%, while **Malaysia** and **Kuwait** recorded a stable growth rate of 6.5%.

Sukuk issuance growth rates in the largest OIC issuing countries (2024)



(1) https://iilm.com/

5. Legislative Developments in Sukuk (2024)

Striking legislative developments took place in Sukuk in 2024, with several countries updating their legal and regulatory frameworks to enhance transparency, unify standards, and expand investor bases, reflecting the growing importance of Sukuk as a global Sharia-compliant financing instrument.

	In 2024, **Saudi Arabia** witnessed a notable regulatory development in relation to retail sukuk issuance through the "SAH" Savings Sukuk product, offered by the National Debt Management Center (NDMC) under the Domestic Debt Program. This development reflects a legislative orientation toward broadening public participation in government debt instruments by offering a Sharia-compliant savings product characterized by flexibility and ease of subscription for individual investors. The periodic (monthly) issuance mechanism, along with clearly defined issuance terms, including minimum subscription thresholds, maturity periods, and yield benchmarks linked to market indices, demonstrates an advancement in financial instrument design that balances the objectives of public debt management and the promotion of financial inclusion. This forms part of an integrated policy encompassing both fiscal and regulatory dimensions, supporting the diversification of government funding sources, enhancing the efficiency of the domestic debt market, and aligning with the Kingdom's Vision 2030 objectives for developing the financial sector[1].
	**Pakistan..** In May 2024, Securities and Exchange Commission of Pakistan (SECP) approved the Regulatory Decision S.R.O. 729 (1) /2024 in May 2024, adopting AAOIFI standards. This step seeks to unify the Islamic finance structures, develop a comprehensive framework for Sukuk issuances, thus enhancing transparency and reinforcing investor confidence[2].

(1) https://www.ndmc.gov.sa/

(2) https://www.secp.gov.pk/

	**Bahrain..** In 2024, the Central Bank of Bahrain (CBB) confirmed updates to the Ijara sukuk operational framework through its Government Securities portal, incorporating them as tradable market instruments and considered as eligible collateral in the Sukuk Liquidity Instrument. This development reflects Bahrain's push to enhance the efficiency of the Islamic debt market and expand the role of Sukuk as a financing and investment instrument in the system of financial markets[1].
	**Indonesia** .. The Indonesian Financial Services Authority (OJK) released Regulation No. 10/2024 on Sukuk in 2024, which represents an updated regulatory framework for Sukuk issuances in the local market. This legislation seeks to enhance governance and transparency in issuance and disclosure processes, standardize criteria in alignment with global best practices. This development reflects Indonesia's commitment to strengthening the market of Islamic debt instruments and supporting the role of Sukuk as a primary financing instrument for developmental and infrastructure projects[2].
	**Malaysia..** In 2024, the Securities Commission Malaysia (SCM) issued an updated version of the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors, serving as the operative regulatory framework governing offering operations in the domestic market. The revised guidelines include detailed requirements on offering mechanisms, disclosure, and Sukuk program management, ensuring enhanced transparency and investor protection[3].

(1) https://www.cbb.gov.bh/
(2) https://ojk.go.id/
(3) https://www.sc.com.my/



Section II

Halal Industry

First: Halal industry .. Overview

Second: Halal Food and Beverage Sector

Third: Halal Pharmaceuticals Sector

Fourth: Halal Cosmetics Sector

Fifth: Halal Fashion Sector

Sixth: Halal Tourism Sector

Seventh: Halal Media and Entertainment Sector

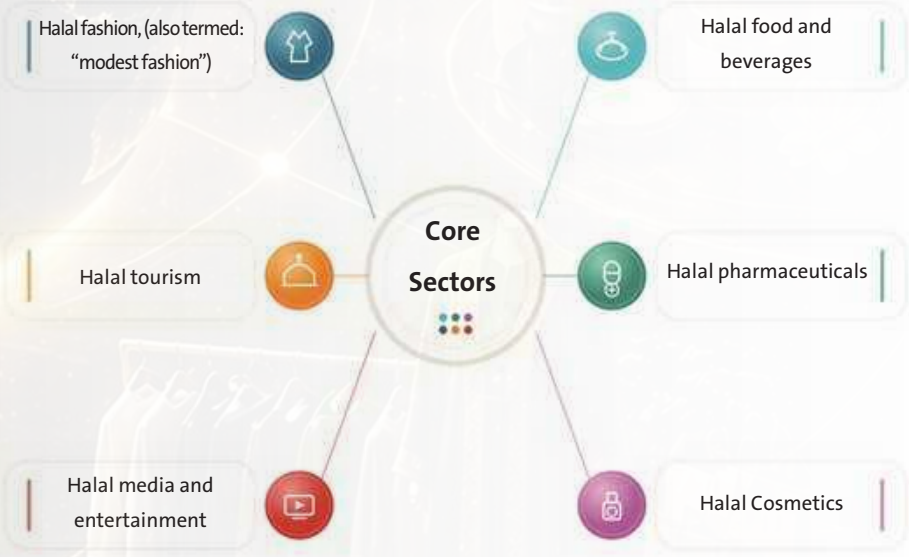


First

Halal industry .. Overview

Halal industry represents a hallmark of the modern Islamic economy. It evolved from a religious concept linked to the patterns of Muslim consumption into an integrated global economic system drawing worldwide government, institutional, and investor interest. Amid rising Muslim populations, heightened consumer awareness, and growing ethical responsibility trends, this industry emerges as one of the world's most rapidly expanding and diversified markets[1].

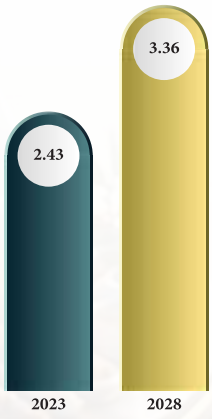
Halal sectors can be divided into two main categories: core sectors that constitute the foundation of the industry, and supporting sectors that ensure the integrity of the value chain and continuity for the core sectors:



(1) Al Sharika Al Qabida lil Ghurfa Al Islamiyya Al Mahduda. (2025). Sinaat Al Halal: Bayna Al Numu Al Alami wa Al Furas Al Waida – Min Al Aghdhiya ila Al Khidamat Al Logistiyya. Muntada Makkah lil-Halal.

- **Supporting Sectors:** These sectors play a vital role in maintaining the integrity and reliability of products and services within the core sectors, including:
  - Packaging
  - Logistics services

Muslim consumer spending on halal sectors- $ trillion



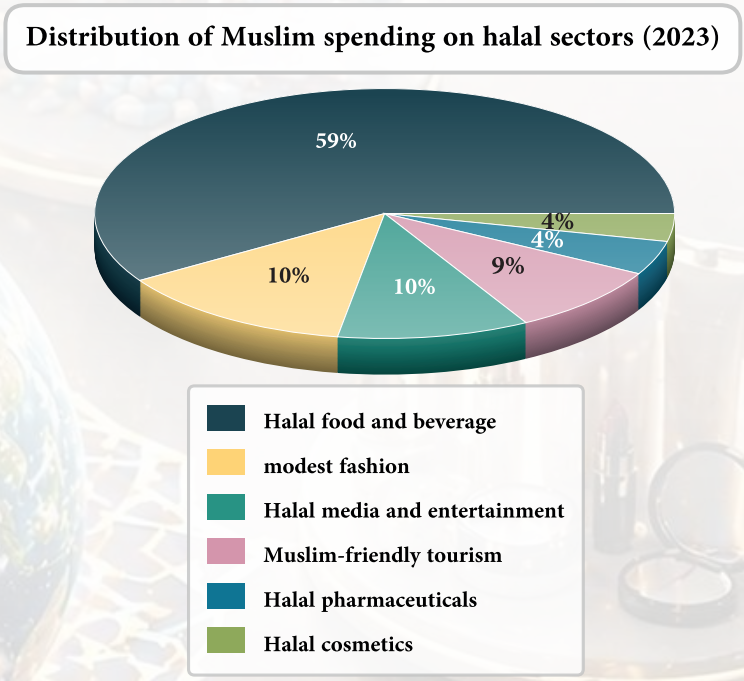
In light of this review of halal industry sectors, it becomes evident that we are witnessing a vast global economy characterized by diverse opportunities and profound untapped potentials. The industry evolved beyond its nature of being a collection of traditional activities into an integrated developmental framework capable of continuous expansion. Future trends indicate that existing core sectors are expected to absorb new sectors and functionally integrate with them in the coming years, while deepening certain current sectors through the emergence of specialized sub-activities. This will strengthen sectoral interconnectedness, raise the value added across production and supply chains, and affirm the industry's growing role as a strategic driver of economic diversification and sustainable development in national and regional economies.

1. Size and Structure of Halal Industry Spending (2024)..

Current economic indicators reflect the broad scope of the global halal industry as one of the fastest-growing sectors in the global economy. **Muslim consumer spending reached approximately $2.43 trillion in 2023**, with projections indicating sustained momentum toward $3.36 trillion by 2028 at a CAGR of 5.3%[1].

1.1 Structure of Consumer Spending on Halal Sectors..

Analysis of consumer spending structure in halal sectors reveals a clear dominance by food and beverages, accounting for approximately 59% of total Muslim spending in 2023. This underscores its centrality within the halal economic ecosystem as the sector most closely linked to the essential needs and a primary driver of consumer growth and stability. The remaining spending was distributed across modest fashion (13.4%), media and entertainment (10.7%), halal tourism (8.9%), halal pharmaceuticals (4.4%), and halal cosmetics (3.6%)[2].



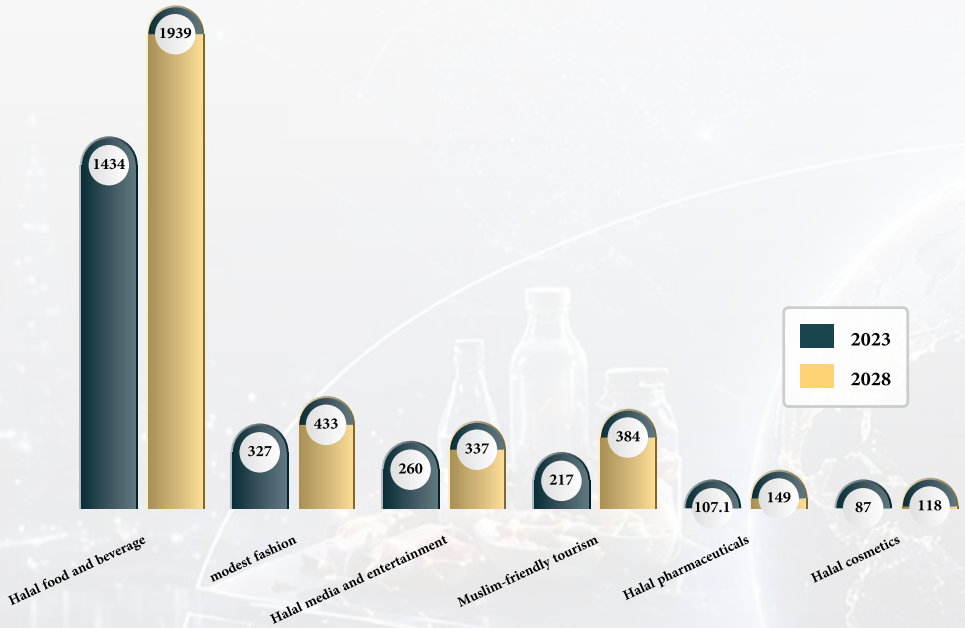
(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

(2) DinarStandard, State of the Global Islamic Economy Report 2024/25.

1.2 Halal Industry Spending and Growth Projections (2023-2028)

Economic indicators reflect strong and sustainable growth prospects for halal industry sectors during 2023–2028, with data revealing a notable spending expansion across various sectors. Halal food leads with a projected value of $1.94 trillion (CAGR 6.2%), followed by halal fashion (5.8%) and halal media (5.3%), while halal tourism records the highest rate at 12.1%. Halal pharmaceuticals and cosmetics achieve substantial growth at 6.8% and 6.3%, respectively[1].

Consumer spending on halal sectors in 2023 and growth projections for 2028- $ billion



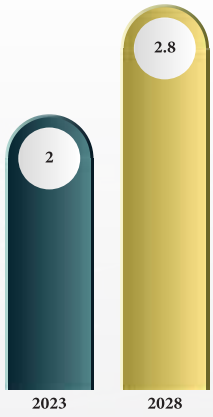
(1) Based on: DinarStandard, State of the Global Islamic Economy Report 2024/ 25.

2. Growth Drivers and Future Enablers for Halal Industry

The global transformation toward the halal industry is being driven by seven strategic forces that integrate to shape a promising future for this industry at both the Islamic and global levels[1]:

2.1 The Demographic Power of Muslims

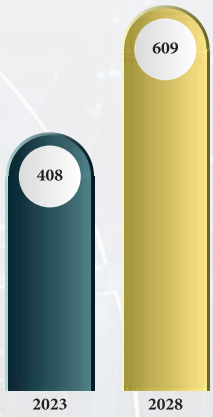
The demographic power of Muslims represents a strategic enabler for economic growth in halal sectors, as their global population exceeded **2 billion in 2023**, over one-quarter of the world's population, with projections to reach approximately 2.8 billion by 2050, constituting 30% of the global population.



2.2 The Global Scope of the Industry

Halal-related imports of the OIC member countries reached $407.8 billion in 2023, with projections for a strong rebound and a CAGR of 8.3%, bringing the import volume to $608.36 billion by 2028.

Saudi Arabia ($43.1 billion), **the UAE** ($41.3 billion), **Turkey** ($33.9 billion), **Indonesia** ($29.6 billion) and **Malaysia** ($26.8 billion) top the list of the largest importers. On the other hand, **China** ($32.5 billion), **India** ($28.9 billion), **Brazil** ($26.9 billion), **Russia** ($20.6 billion) and **the United States** ($20.2 billion) stand out as key suppliers to the OIC countries; with these five nations' exports collectively represent about 31.7% of total exports[2].



OIC imports of halal products - $1 billion

(1) Al Sharika Al Qabida lil Ghurfa Al Islamiyya Al Mahduda. (2025). Sinaat Al Halal: Bayna Al Numu Al Alami wa Al Furas Al Waida – Min Al Aghdhiya ila Al Khidamat Al Logistiyya. Muntada Makkah lil-Halal.

(2) DinarStandard, State of the Global Islamic Economy Report 2024/25.

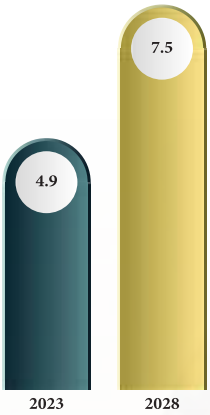
2.3 Islamic Finance

The value of Islamic finance assets reached $4.93 trillion in 2023, with projections to reach $7.53 trillion at a CAGR of 8.9%. This sector facilitates financing for halal industry companies[1].

2.4 Standards and Accreditation

Institutions, such as the Standards and Metrology Institute for Islamic Countries (SMIIC), strive to unify halal standards to reduce variances between granting bodies and promote mutual recognition. Several Muslim countries seek to develop advanced national systems, while non-Muslim nations like Japan, South Korea and Brazil now invest in establishing halal accreditation frameworks that meet the standards of Islamic markets, reflecting the global demand for halal products[2].

Global Islamic finance assets- $ trillion-



(1) DinarStandard State of the Global Islamic Economy Report 2024/25.

(2) https://smiic.org/

2.5 Digitization and E-Commerce

Halal industry is witnessing major digital leap, with the emergence of specialized halal trade platforms such as Zabihah in the US, Halal Street UK and Ummazing in the UK. B2B platforms such as Salaam Gateway and Malaysia's Dagang Halal Market, as well as the UK's Halal Extra, play a vital role in linking producers with global distributors.

2.6 Advanced Technology and Halal Industry

Blockchain technologies can contribute to enhancing transparency in halal supply chains by tracking the sources of ingredients and verifying Sharia compliance at every production stage.

2.7 Halal Industry and Sustainability

The global market witnesses a growing convergence between halal values and the concepts of environmental and social sustainability, as consumers favor products that are produced with due regard for animal welfare, reduce environmental impact, and use recyclable packaging solutions. Several governments and companies increasingly integrate ESG (Environmental, Social, Governance) standards into their halal products and services.

3. Halal Industry Challenges and Development Pathways

The Halal industry faces structural challenges related to multiple standards and accreditation difficulties, which limit market integration and raise operational costs. Among these challenges, there is also a lack of professional and consumer awareness of halal requirements, along with the prevalence of fraudulent practices, which undermines certification credibility and fair competition. The sector also suffers from limited innovation, weak investment in research and development, and underdeveloped branding, reflecting low spending on marketing and public relations.

To address these challenges, the sector requires an integrated strategic vision centered on developing regulatory and governance frameworks, supporting SMEs, and increasing investment in technology and innovation to enhance transparency and efficiency. It demands institutional coordination among governments, the private sector, and international bodies, drawing on leading experiences adapted to local contexts, to transform challenges into opportunities that contribute to strengthening the role of halal industry in the global sustainable development.

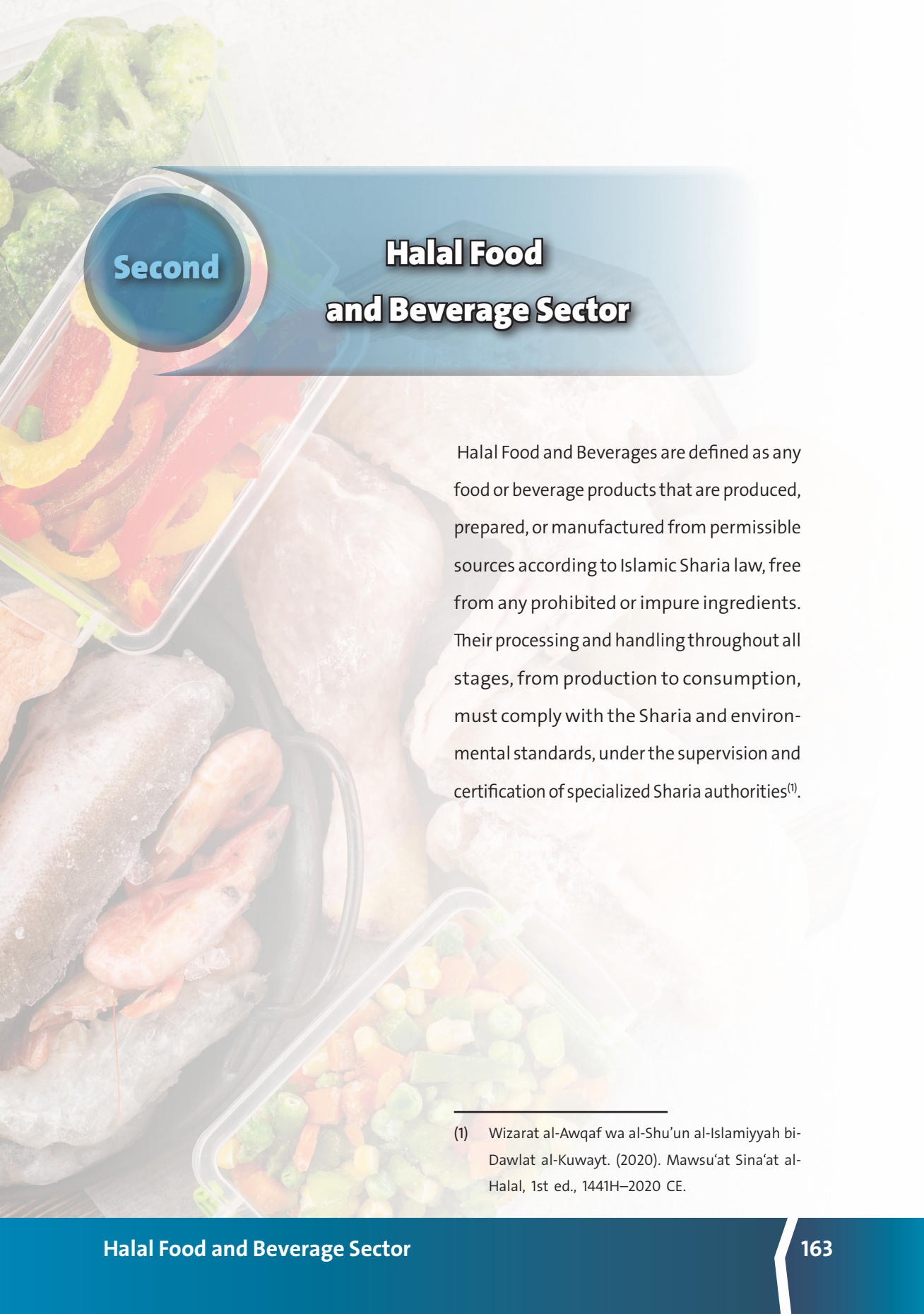
4. Halal industry Conferences, Forums and Exhibitions in 2024

2024 witnessed a series of high-profile international events that reinforced the halal sector's position within the global economy.

	**Saudi Arabia..** In its first edition in 2024, **Makkah Halal Forum** stood out as a pivotal global platform that brought together industry leaders and experts from various countries to exchange insights and explore innovative financing solutions that support the growth of halal economy(1).
	**Malaysia..** The **14th Global Halal Summit** (GHAS 2024), focused on enhancing the integrity of certification bodies, raising the efficiency of auditors, and supporting the halal slaughter industry, while calling for the adoption of blockchain technologies to enhance transparency(2).
	**Indonesia** .. **The H20 2024 Forum** resulted in the signing of 52 mutual recognition agreements between BPJPH and international halal bodies(3).
	**Qatar..** The **Qatar Halal Forum 2024** convened with the aim of fostering integration among halal industry bodies and institutions(4).
	**MABIMS Halal Summit 2024**, bringing together **Malaysia, Indonesia, Brunei and Singapore**, held during the Global Halal Summit. The summit focused on aligning regional standards, addressing shared challenges, and exploring prospects for mutual recognition among the member states(5).

(1) https://ic-halal.com/
(2) https://www.islam.gov.my/
(3) https://bpjph.halal.go.id/
(4) https://ifanca.org/
(5) https://www.islam.gov.my/





Second

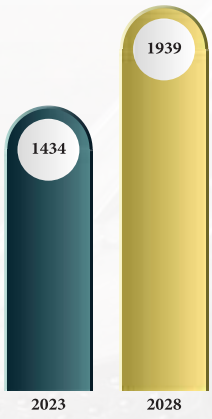
Halal Food and Beverage Sector

Halal Food and Beverages are defined as any food or beverage products that are produced, prepared, or manufactured from permissible sources according to Islamic Sharia law, free from any prohibited or impure ingredients. Their processing and handling throughout all stages, from production to consumption, must comply with the Sharia and environmental standards, under the supervision and certification of specialized Sharia authorities[1].

(1) Wizarat al-Awqaf wa al-Shu'un al-Islamiyyah bi-Dawlat al-Kuwayt. (2020). Mawsu'at Sina'at al-Halal, 1st ed., 1441H–2020 CE.

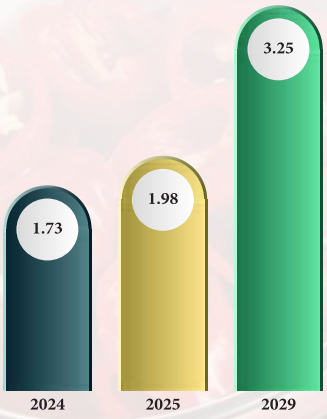
1. Global Halal Food & Beverages Market Size (2024)

Estimates of the size of the global halal food and beverage market vary according to the methodologies and analytical parameters, but data based on Muslim consumer spending serves as a key indicator for measuring the direct purchasing power of this demographic. It is estimated that Muslim food spending reached approximately $1.43 trillion in 2023 and is projected to reach $1.94 trillion by 2028 at a CAGR of about 6.2%. This reflects a sustained growth in the global food and beverages market[1].



Muslim spending on halal food and growth projections - $1 billion

Other estimates indicate that the size of the halal food market reached about $1.73 trillion in 2024, with expectations that it will rise to reach 3.25 trillion by 2029[2].



Total halal food market size - $ trillion-

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

(2) Business Research Company. (2025). Halal Food Market Report 2025.

Some market research companies provide more comprehensive estimates of the size of the global halal food market, taking into account the consumption of these products by non-Muslims, given their association with quality, safety, and ethical standards. In this context, data indicates that the **size of the global halal food market reached about $2.55 trillion in 2024,** with expectations that it will increase to $4.93 trillion by 2031, at a CAGR of 9.9%[1].

Total halal market size and growth projections ($ trillion)



(1) Cognitive Market Research. (2025). Halal Food Market Report 2025. Global Edition.

2. Regional Map of Halal Food & Beverages Market (2024)

	**Asia-Pacific Region:** The Asia-Pacific region dominates the global halal food market, accounting for a share ranging between 40% and 50%, and an estimated value of $1.32 trillion in 2024, and is projected to reach $4.30 trillion by 2034 at a CAGR of 12.53%, driven by large Muslim population in Indonesia, India, Pakistan and Bangladesh(1).
	**MENA Region..** The region accounts for approximately 40% of the global halal products market(2).
	**North America..** Halal food market in North America is experiencing accelerated growth, driven by rising Muslim populations and the increasing preference of non-Muslim consumers for the halal products due to their quality. The market was estimated at approximately $59.4 billion in 2022, and it's projected to reach $88.9 billion by 2026(3).
	**Europe:** processed halal meat market stood at approximately $13.7 billion in 2023, and it's expected to reach $29 billion by 2033 with a CAGR of 7.9%(4).

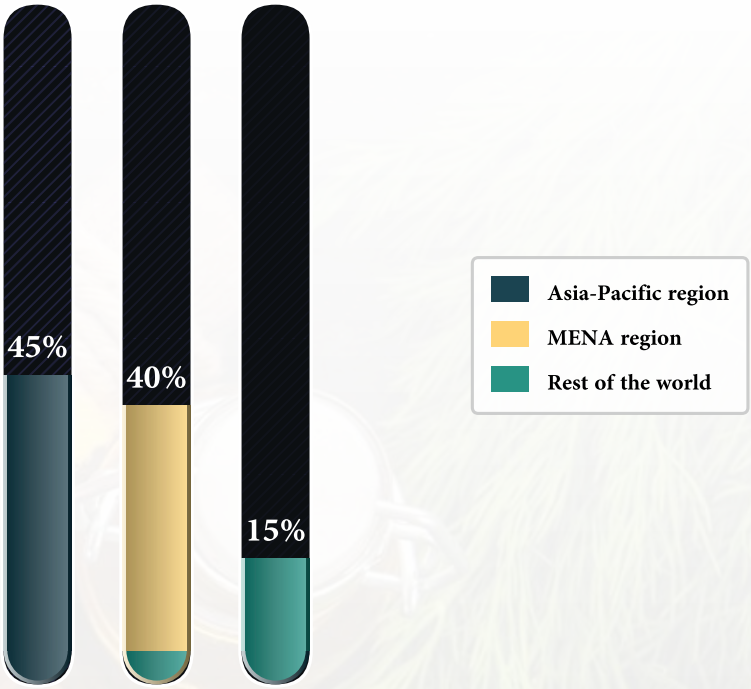
(1) Precedence Research. (2025). Halal Food Market Size, Share and Trends 2025 to 2034. Last Updated: 06 Apr 2025.

(2) Straits Research. (2025). Market Research Report. Halal Food Market Size, Share& Trends 2025 to 2034.

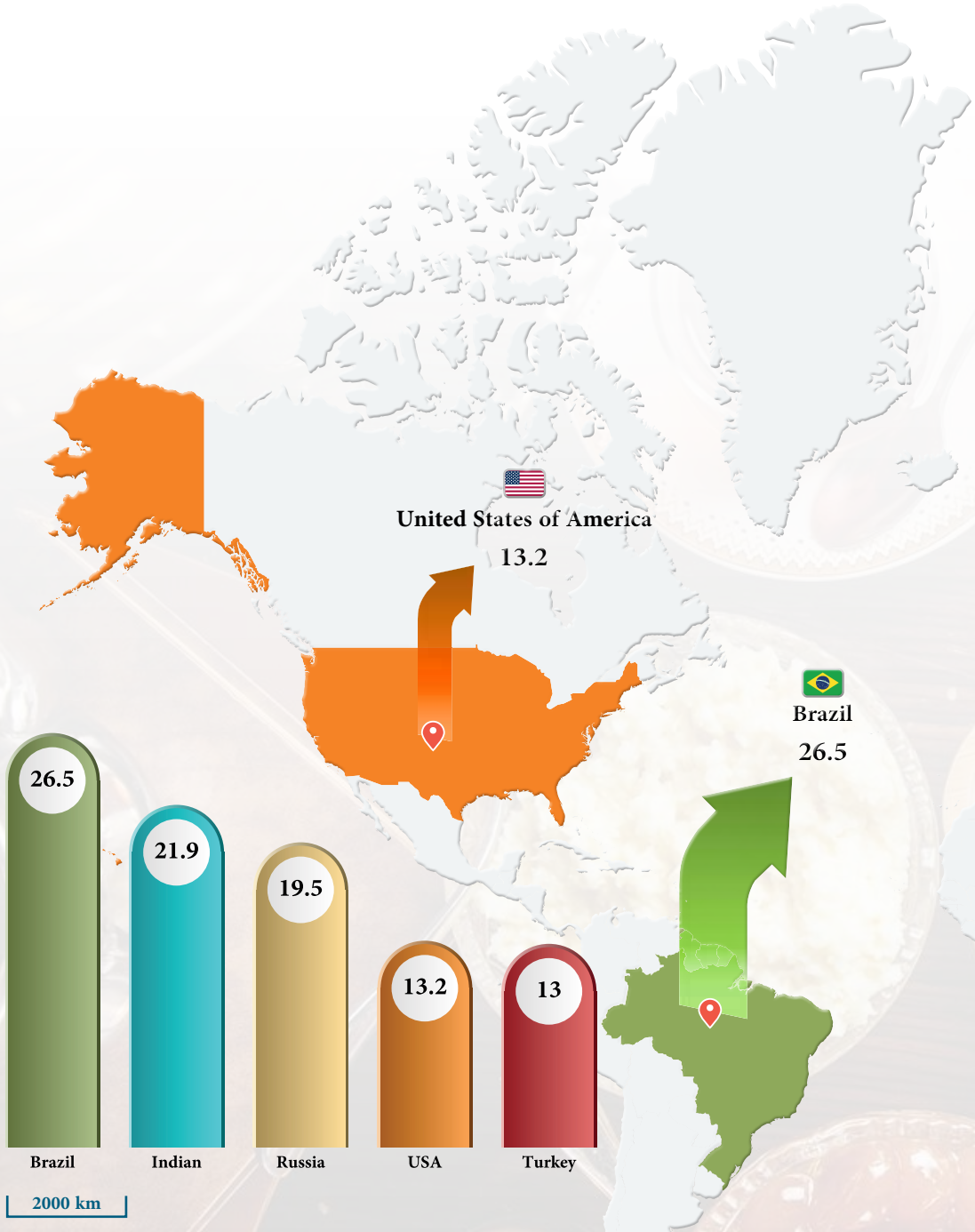
(3) IFP.Info. (2025). Global Halal Food Market: Growth, Trends, and Future Prospects. March 3, 2025.

(4) Market.us. (2025). Europe Processed Halal Meat Market. Published Date: Feb 2025.

Estimated regional map of halal food and beverage market

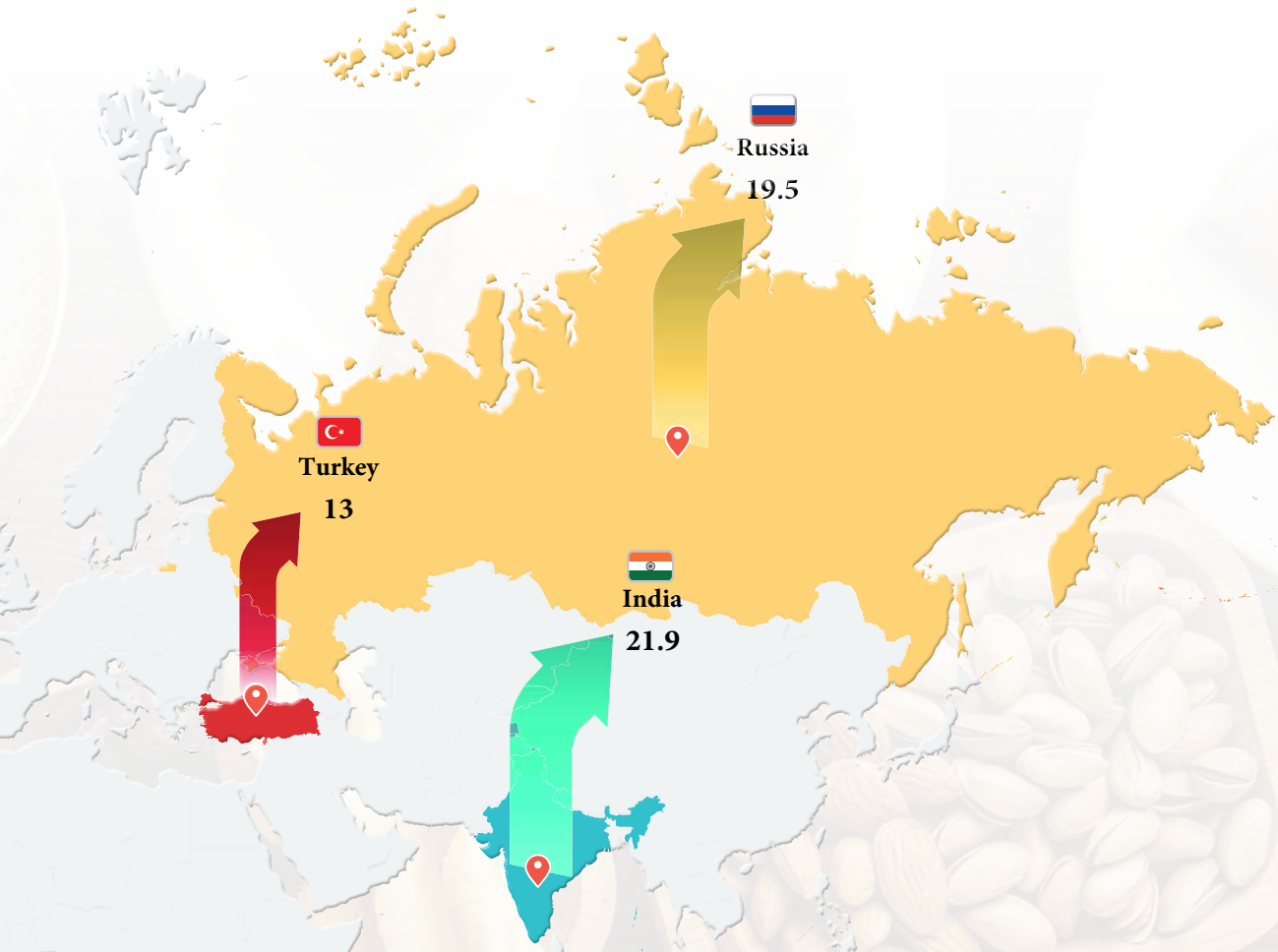


Top 5 halal food exporters to OIC countries (2023) - $1 billion

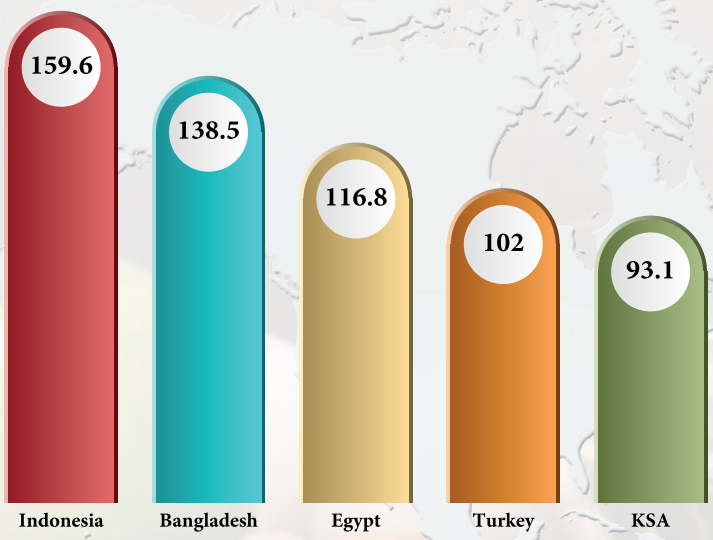


3. Leading Global Halal Food Exporting Countries (2023)

Data reveals that **Brazil, India, Russia and the United States continue to top the list of exporters**, thanks to their production capacities and advanced infrastructure, while **Turkey** joined the list of top five exporters(1).



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

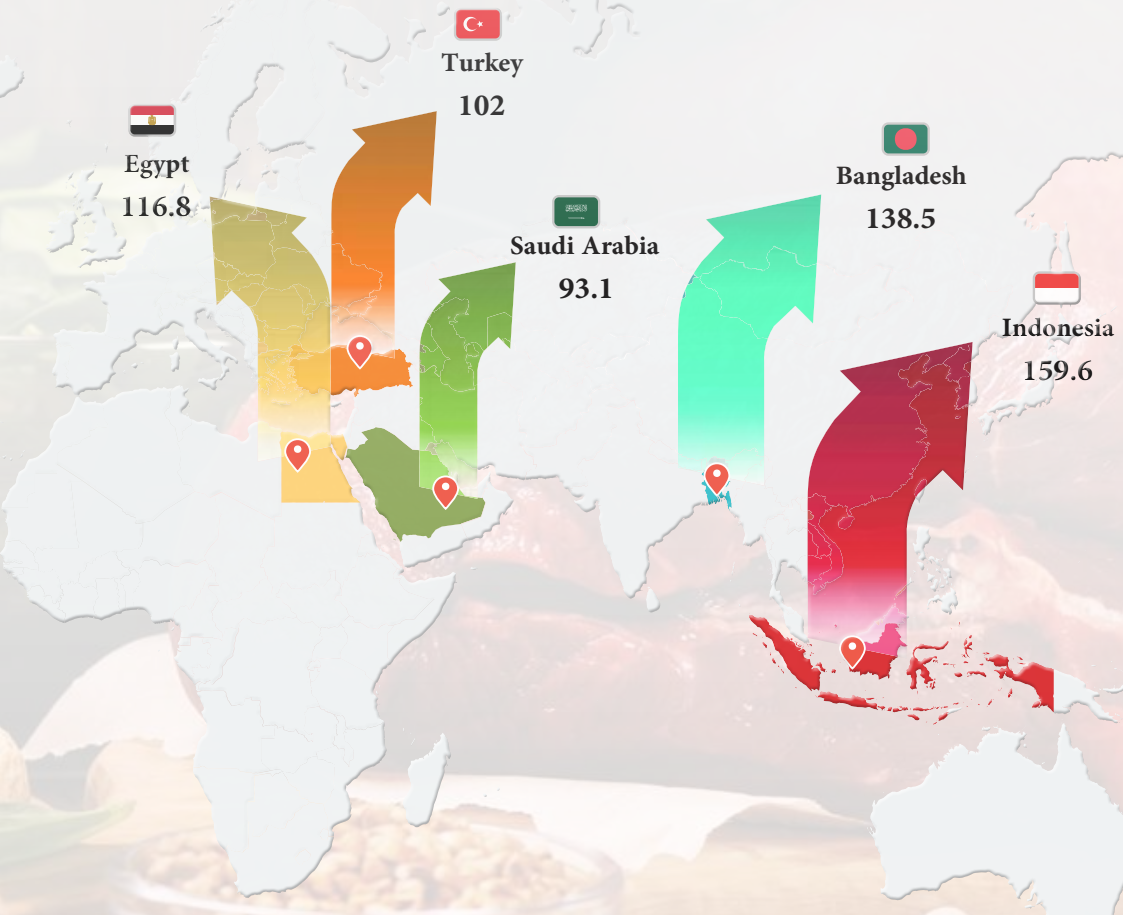

159.6
138.5
116.8
102
93.1
Indonesia
Bangladesh
Egypt
Turkey
KSA

2000 km

4.Top Halal Food Importing Countries

Data from 2023 highlights the dominance of Asian and Middle Eastern markets, with **Indonesia** continuing to lead as the largest global market for halal food imports thanks to its vast population, followed by **Bangladesh, Egypt, Turkey and Saudi Arabia**(1).

Top 5 halal food and beverage consumer markets (2023) - $1 billion



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

5. Mergers, Acquisitions and Closures in the Halal Food Industry (2024)



The year 2024 witnessed some instances of closure and setbacks in the halal food sector, most notably the Egyptian company "Halal", which was established in 2019, but faced monopoly allegations. This led the Egyptian government in December 2024 to reassign regulatory authority over meat imports and exports to the National Food Safety Authority[1]. Other reports also recorded closures of food establishments for regulatory reasons, including cases in Allegheny County in the United States, highlighting the importance of adhering to regulatory standards to ensure sustained operations in this sector[2].



In 2024, the halal food sector witnessed several M&A deals. In December 2024, the General Assembly of the Egyptian company Juhayna Food Industries approved the merger of four subsidiaries in the parent company without a capital adjustment[3].

Isla Délice, a French halal meat company owned by the investment firm Perwyn, acquired the British brand of Takul in September 2024[4].

(1) https://www.alaraby.co.uk/
(2) https://www.alleghenycounty.us/
(3) https://www.cnbcarabia.com/
(4) https://www.globenewswire.com/

6. Developments in Halal Food Industry Specifications and Standards

2024 featured remarkable developments in the system of halal standards and specifications at both the international and regional levels:



At the international level, the Technical Committee (TC1) on Halal Foods, affiliated to the **Standards and Metrology Institute for Islamic Countries (SMIIC),** worked on the preparation of a new standard entitled "Halal Food Prepared by Bioprocessing Techniques"[1].



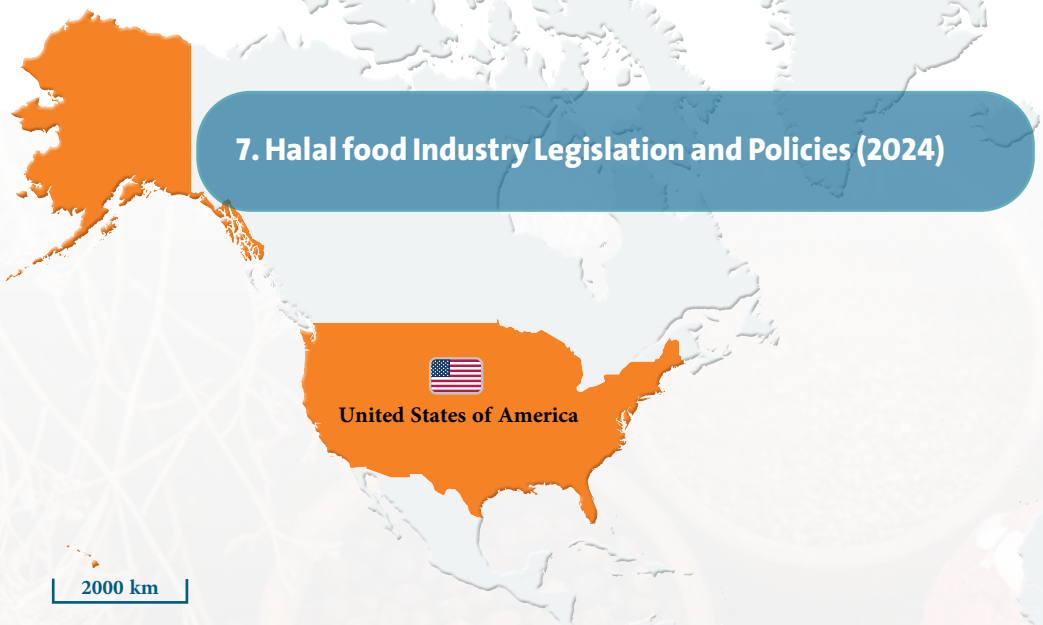
At the regional level, the **GCC Standardization Organization** (**GSO)** adopted three key new Gulf standards for halal industry:

- Specification: «Halal supply chain management system - warehousing - general requirements», which ensures the safety of products during warehousing operations.
- Specification «Chemicals for use in potable water treatment - halal requirements», to ensure that chemicals comply with the provisions of Islamic Sharia[2].
- Specification: «Halal Profession - General Requirements», which sets the professional standards for workers in the halal sector[3].

These specifications reflect a shift toward a comprehensive approach that covers the various stages of the halal value chain, from production and storage to supporting services, in line with the "farm-to-table" concept[4].

(1) https://www.comcec.org/
(2) https://www.gso.org.sa/
(3) https://bsmd.moic.gov.bh/
(4) https://www.scribd.com/

7. Halal food Industry Legislation and Policies (2024)



	**Saudi Arabia..** Saudi Arabia's Halal ecosystem has witnessed a notable digital advancement, as the Saudi Food and Drug Authority (SFDA), through its Saudi Halal Center, launched, as of October 2024, a comprehensive electronic platform for the registration, accreditation, and issuance of Halal certificates, as well as the management of certification bodies, as part of broader digital transformation efforts aimed at enhancing the regulatory oversight of food products.(1).
	**Indonesia ..** Implementing Mandatory halal certification from October 2024 for food and beverage products, raw materials and slaughter products for medium and large enterprises, with application to imports deferred until October 2026(2).
	**Jordan..** In 2024, Jordan Food & Drug Administration (JFDA) initiated a project to automate its services for streamlining end-user transactions(3).

(1) https://www.sfda.gov.sa/
(2) https://bpjph.halal.go.id/
(3) https://www.jfda.jo/





United States.. The State of New York enacted the Agriculture and Markets Law (E-201/2024), which regulates the packaging and labeling requirements for halal products, and mandates the registration of certifying bodies' information with the relevant regulatory authority to ensure transparency and credibility in the halal products market(1).



In terms of global regulatory updates, December 2024 witnessed a series of developments, including **China**'s approval of the use of new halal food additives, **South Korea's** review of its halal food labeling regulations, and **Japan**'s proposal to amend the standards of halal food labeling(2).

(1) https://law.justia.com/

(2) https://www.chemlinked.com/

8. Halal Food and Beverage Market Development Policies (2024)

	**Saudi Arabia..** Saudi Arabia's halal ecosystem has undergone gradual regulatory development, with the Saudi Food and Drug Authority (SFDA), through the Saudi Halal Center, strengthening the regulatory framework governing the food and beverages market. This has been achieved by mandating halal certification for imported products, issued by officially recognized and accredited bodies. Additional requirements have also been introduced, most notably the Halal Shipment Certificate, to ensure compliance with approved standards prior to market entry and customs clearance, as part of broader efforts to enhance product quality and strengthen market competitiveness both domestically and internationally [1].
	**Malaysia**[2]**..** Malaysia adopted an advanced national halal system through the application of the unified standard MS1500 and a halal certification system under the supervision of the Halal Development Corporation (HDC). Additionally, Malaysia also developed the halal industrial parks and enhanced research and development in halal-related technologies and logistics.
	**Indonesia**[3]**..** Indonesia adopted the Halal Industry Master Plan (MPIHI 2023–2029) and began implementing the mandatory halal policy in 2024 under the supervision of the Halal Product Assurance Agency (BPJPH), with the aim of unifying the regulatory framework and enhancing the credibility of the national certification system. The country also embraced advanced digital solutions by integrating artificial intelligence and blockchain technologies into the SiHalal platform, which contributed to expediting accreditation processes and improving the efficiency of the halal product control system[4].

(1) https://www.sfda.gov.sa/

(2) bin Syed Agil, S.O, & Nor, M.Z.B.M. (2012). Positioning the Halal food industry: The case of Malaysia. NIDA Case Research Journal, 4(2), 157-174.

(3) https://halalmui.org/

(4) Azwar, A.,& Usman, A.H. (2025). Artificial intelligence in the halal industry: Trends and global research opportunities. International Journal of Halal Industry, 1(1), 46-67.

	**United Arab Emirates..** The UAE adopted the UAE Halal System and Emirates National Accreditation System (Enas) under the supervision of the Emirates Authority for Standardization and Metrology (ESMA)[1].
	**Thailand**[2]**..** Food Innopolis was established as a national model for consolidating research, development and innovation in the food sector, while encouraging investment in cutting-edge technologies associated with halal and sustainable production.
	**Brazil**[3]**..** Brazil empowers its halal meat exporting companies through initiatives such as the Halal do Brasil Project, which aims to expand the presence of Brazilian products in the Islamic markets and enhance their competitiveness.

(1) https://www.moiat.gov.ae/

(2) Cheumar, M., Yunita, P., Salleh, F., Ayuningtyas, R. D., & Fauzi, M. (2025). Halal Food Business and Industry: A Case Study from CPF (Thailand) Experiences. International Journal of Academic Research in Business & Social Sciences. Vol 15, Issue 2.

(3) https://datamarnews.com/


Canada
2000 km

9. Consumer Behavior Trends in the Halal Food Market (2024).. Canada as a Case Study[1]

Nourish Food Marketing's *2024 Halal Shopper Study*, conducted in collaboration with the Islamic Research and Information Center (IRIC), uncovers striking structural shifts in the behavior of Muslim consumers within the halal food market in **Canada**.

The annual study aims to analyze purchasing patterns, consumer trends and explore growth opportunities and regulatory challenges in this growing sector.

Based on a digital field survey of more than 1,000 halal consumer respondents across various Canadian provinces, the report provides quantitative and qualitative data that reflects the shifts in demand behavior and food spending distribution.

In 2024, the study detected a shift in demand patterns in the halal food market, as consumer interest grew to include new product categories.

The study also showed a notable increase in reliance on digital channels, with nearly **60% of Canadian halal shoppers relying on e-shopping** to fulfill their food requirements.

The **Canadian halal food market was valued at approximately CAD 1 billion, with an annual growth rate of approximately 13%**[2], reflecting the prosperity of this sector and the expansion of its investment prospects.

The report noted some ongoing regulatory challenges, particularly the multiplicity of halal certification bodies and their varying standards, resulting in reduced transparency and declining consumer confidence in some products.

Based on these findings, the Canadian market may be regarded as an advanced model for integrating the religious values with modern trends in marketing and food consumption, reflecting a mature convergence between cultural and religious identity on the one hand and global economic transformations on the other.

(1) https://iric.org/

(2) https://canadiangrocer.com/



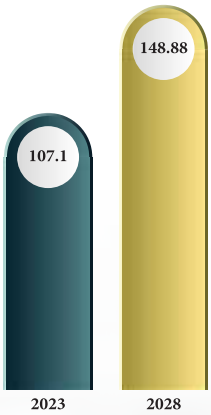
Third

Halal Pharmaceutical Products Sector

Halal pharmaceuticals products are defined as medicinal preparations, drugs, supplements and vaccines, which are produced and traded under Sharia-compliant controls and in accordance with global pharmaceutical quality and safety standards, in a framework that integrates the principles of "pure and wholesome halal" with good manufacturing practices (GMP), ensuring purity of ingredients, safety of processes and ethical commitment in research and development.

The halal pharmaceutical production system is based on an integrated framework that combines Sharia compliance with technical standards, including the implementation of Halal GMP, prevention of cross-contamination, the activation of the halal assurance systems, the adoption of traceability mechanisms, the selection of verified raw materials, as well as compliant packaging, storage, and transportation to preserve drug quality and its halal status throughout the supply chain.

1. Global halal pharmaceuticals market size (2023-2028)[1]



Muslim spending on the pharmaceutical sector reached approximately $107.1 billion in 2023, with growth expected to continue to reach $148.9 billion by 2028, at a CAGR of 6.8% during the mentioned period, reflecting the surging global demand for Sharia-compliant medicinal products.

Muslim spending on pharmaceuticals products (2023) $1 billion

In addition to these figures, which reflect the total spending of Muslims on pharmaceuticals products, there are other estimates that focus more specifically on the market for "halal-certified pharmaceuticals", valued at approximately $570 million in 2025, and is expected to reach $1.02 billion by 2030, with a CAGR of 12.58% over (2025-2030)[2].

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

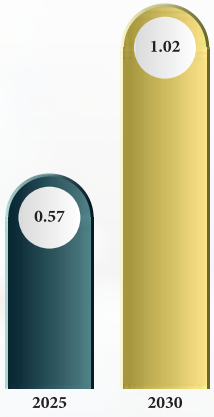
(2) Mordor Intelligence. (2025). Halal Pharmaceuticals Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030).

Market estimates for halal pharmaceuticals show a significant variation in the size of the Halal pharmaceuticals market, due to different measurement methodologies and variation in adopted market scope, with some estimates based on total Muslim pharmaceutical spending and others limited to products officially certified as halal.

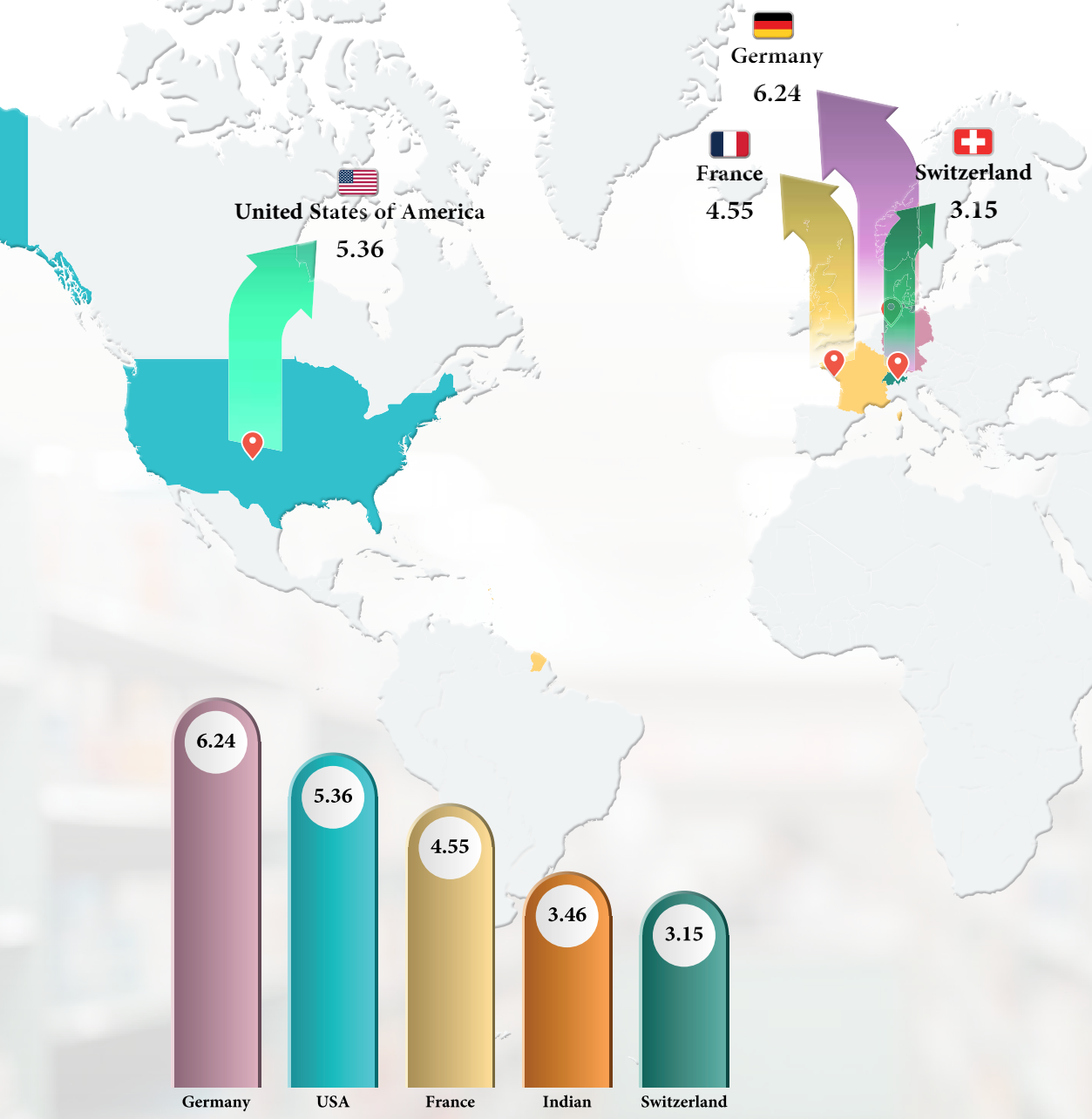
Halal-certified pharmaceuticals products market size ($ billion)

Muslim spending on the pharmaceutical sector (2024)

$107 billion



Top pharmaceutical exporting countries to the Islamic world (2023) $1 billion



2. Leading Exporters of Halal Pharmaceuticals products Worldwide[1]

Data for 2023 indicates that most pharmaceutical exports to OIC countries come from non-OIC countries, reflecting heavy import reliance and limited local manufacturing capacities. **The imports of OIC countries totaled about $49.4 billion**, with **Germany** leading with exports of about $6.24 billion, followed by the **United States** with about $5.36 billion, **France** $4.55 billion, **India** $3.46 billion, and **Switzerland** $3.15 billion. This geographical concentration of exports reflects the OIC markets' structural dependence on external sources to secure their pharmaceutical needs. Although much of these imports lack formal halal certification, they reflect the growing demand for Sharia-compliant medicines.



The continued dominance of non-OIC countries in supplying pharmaceuticals to OIC member countries points to a profound deficit in the local manufacturing capacity medicines across the Islamic world. This heavy dependence on imports not only makes Islamic countries vulnerable to global price fluctuations and supply chain problems, but also limits their ability to ensure the sustainable availability of Sharia-compliant medicines to their citizens. There is, therefore, an urgent need to develop effective strategies to localize the halal pharmaceuticals industry, not only as an economic necessity to conserve hard currency and create jobs, but also as a strategic imperative for health and religious security.

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

3. Localization and Development of Halal Pharmaceutical Industry in the Islamic Countries in 2024

Throughout 2024, Islamic countries sustained efforts to localize the halal pharmaceuticals industry and reduce reliance on imports, particularly in critical areas such as vaccines and biological medicines, with the aim of enhancing health security and achieving self-sufficiency, creating jobs and facilitating technology transfer.

	**Saudi Arabia..** Companies, such as SaudiVax, continue their efforts to lead in the halal vaccines and biopharmaceutical manufacturing(1). PIF-owned Lifera also launched initiatives to develop local biomanufacturing capabilities, including the production of biopharmaceuticals and vaccines(2). In 2022, the Kingdom also launched the fully PIF-owned Halal Product Development Company (HPDC), dedicated to localizing the halal pharmaceuticals industry through supporting research and development, enhancing local manufacturing capabilities, and scaling production for global markets(3).
	**Malaysia:** Companies such as Duopharma and Pharmaniaga continue developing innovative halal products, with Duopharma receiving the first halal certification for oncology medicines(4), while Pharmaniaga is working on commercializing the first halal anticoagulant drug(5).
	**Indonesia:** The locally produced IndoVac COVID-19 vaccine, which received halal certification, was launched(6).

(1) https://saudivax.com/
(2) https://lifera.com.sa/
(3) https://www.pif.gov.sa/
(4) https://duopharmabiotech.com/
(5) https://www.bernama.com/
(6) https://halalfoundation.org/

4. Halal Pharmaceuticals Industry Conferences and Forums (2024)

While dedicated halal pharma events remain limited, interest in the sector has begun to increase within the major events related to the halal industry or the global pharma sector:

	Events such as **the OIC Halal Expo**, the **World Halal Summit** and the **Makkah Halal Forum** featured discussion sessions and exhibition zones for halal pharmaceuticals, providing platforms for networking and knowledge exchange among manufacturers, regulators and investors.
	Major global pharmaceutical exhibitions and conferences, such as CPhI, Interphex and AAPS PharmSci 360, attract companies focused on developing and marketing halal medicines and halal pharmaceutical ingredients.
	Conferences by international halal accreditation bodies, such as IFANCA traditionally focused on food, contribute to expanding discussions to include pharmaceutical aspects, leveraging the overlaps between the requirements of the two sectors in some ingredients and standards.



Fourth

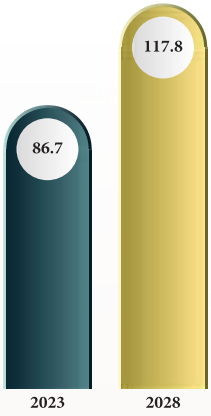
Halal Cosmetics Sector

Halal cosmetics are products manufactured and traded under Sharia guidelines and in accordance with safety and quality standards, ensuring that they are free of prohibited ingredients and not exposed to cross-contamination.

This sector has evolved beyond mere religious compliance to embracing the concepts of clean, ethical and sustainable beauty, in line with the principle of "pure and wholesome halal", which enhances its attractiveness as a field that combines religious values, health quality and environmental responsibility in global markets.

1. Global Halal Cosmetics Market Size (2023-2028)[1]

Data indicates that **Muslim consumer spending on halal cosmetics reached $86.7 billion** in 2023, with momentum expected to drive it to $117.8 billion by 2028 at a CAGR of about 6.3% over the 2023–2028 period.



Muslim spending on cosmetics (2023) - $1 billion

Various estimates by market research companies indicate the varying size of the global halal cosmetics market, reflecting the variation in methodologies and scope of analysis used in this sector. For instance, one company reported a market size of $40.17 billion in 2023, forecasting growth to $94.2 billion by 2030, with a CAGR of 13.95%[2]. Another company valued it at $45.3 billion in 2024, expecting it to reach $135.54 billion by 2033, with a similar CAGR of 12.95% during the 2025-2033 period[3]. A third company estimated the market size at $36.25 billion in 2024, with growth expected to reach $72.33 billion by 2033, achieving a CAGR of 7.87% over the same period[4]. These discrepancies reflect the data-related challenges in the halal industry; however, they generally affirm strong global market growth momentum.

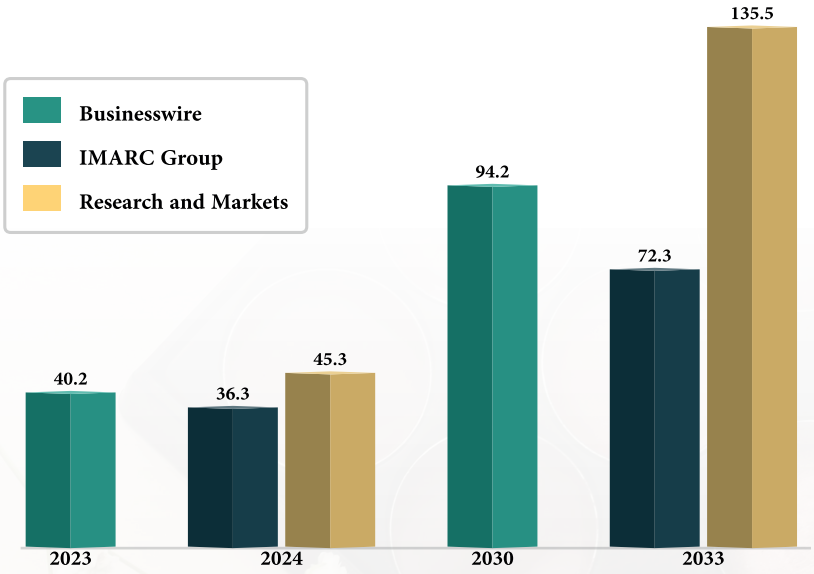
(1) DinarStandard, State of the Global Islamic Economy Report 2024/25 & MarkNtel Advisors. Halal Cosmetics Market Forecast 2025-2030.

(2) Businesswire. (2024). Global Halal Cosmetics Analysis Report 2024-2030.

(3) Research and Markets. (2025). Halal Cosmetics Forecast Report 2025.

(4) IMARC Group. (2025). Halal Cosmetics Market Size, Share, Trends and Forecast by Type, Distribution Channel, and Region, 2025-2033.

Halal cosmetics market size estimates and growth forecasts - $1 billion

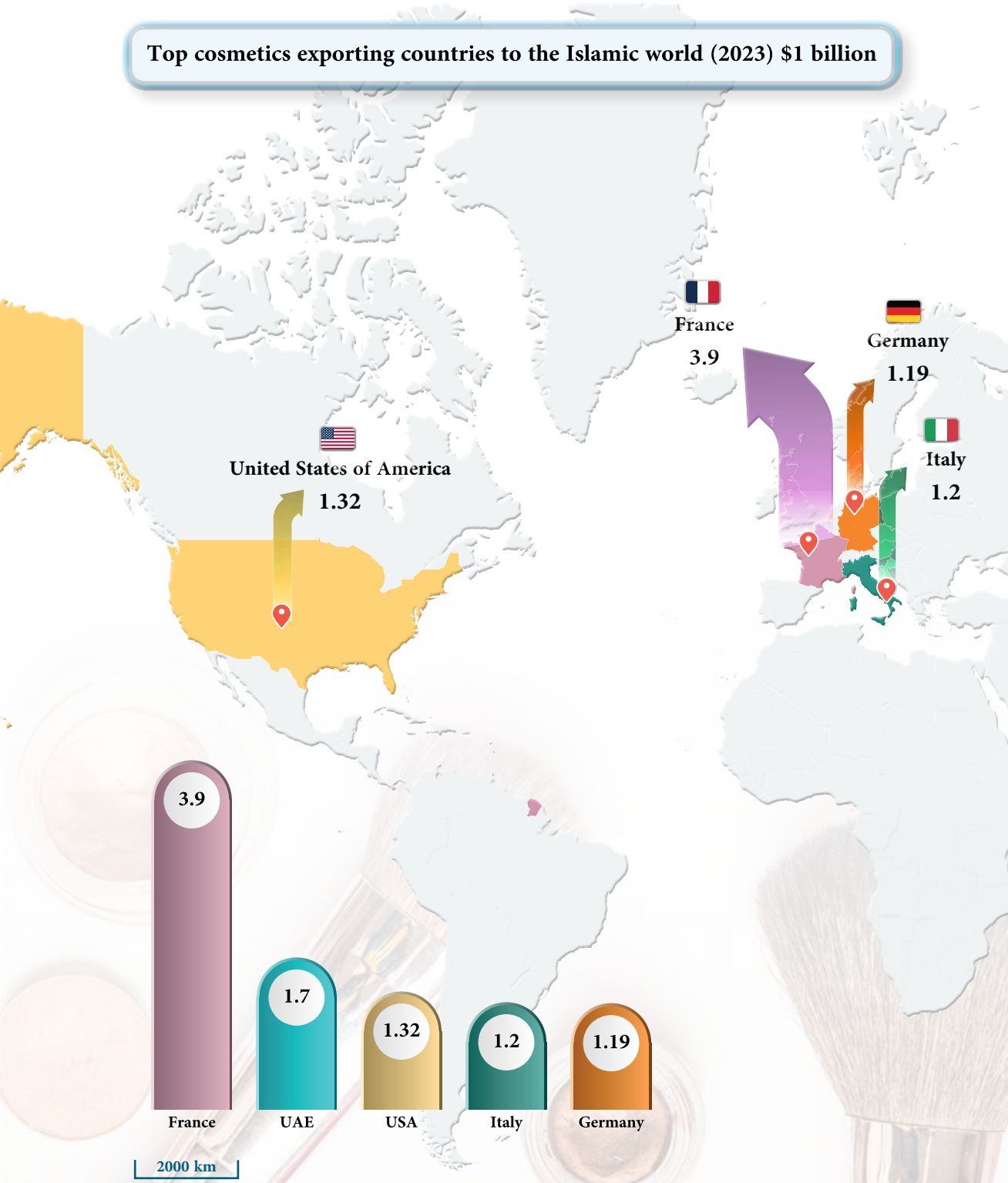


The exponential growth of the Halal cosmetics market, as evidenced by high CAGRs, reflects increased awareness and demand for products that are compatible with Islamic values and contemporary lifestyle, not just an expansion in the Muslim population. This growth stems from the convergence of demand for "halal" with global trends toward clean beauty, plant-based and sustainable products, enhancing the appeal of these products to Muslim and non-Muslim consumers seeking safe cosmetic options.

Muslim consumer spending on halal cosmetics (2024)

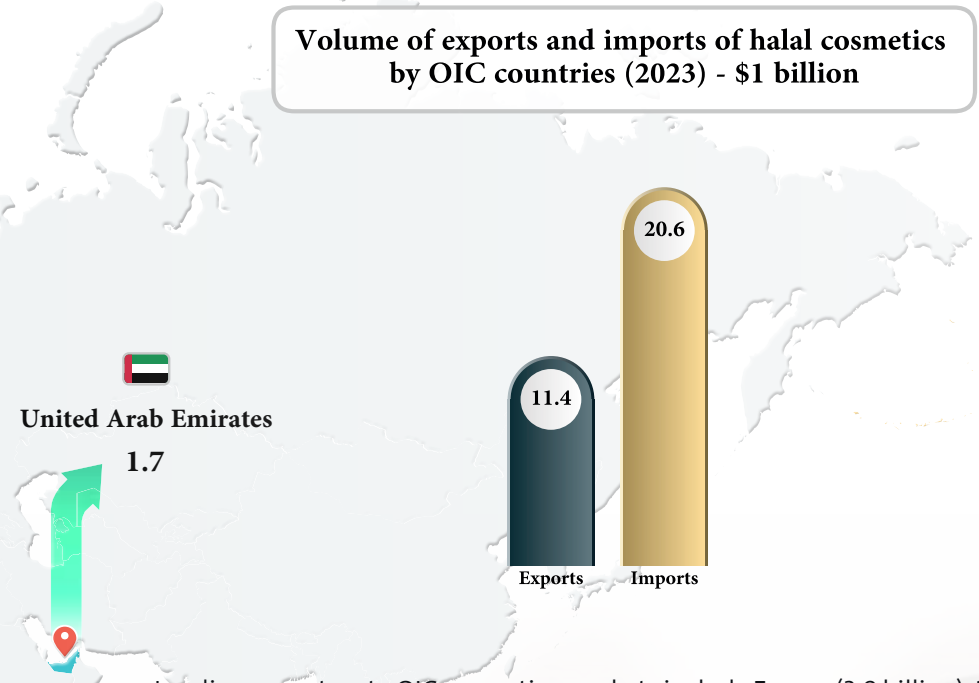
$86.7 billion

Top cosmetics exporting countries to the Islamic world (2023) $1 billion



2. Leading Exporters of Halal Cosmetics Worldwide[1]..

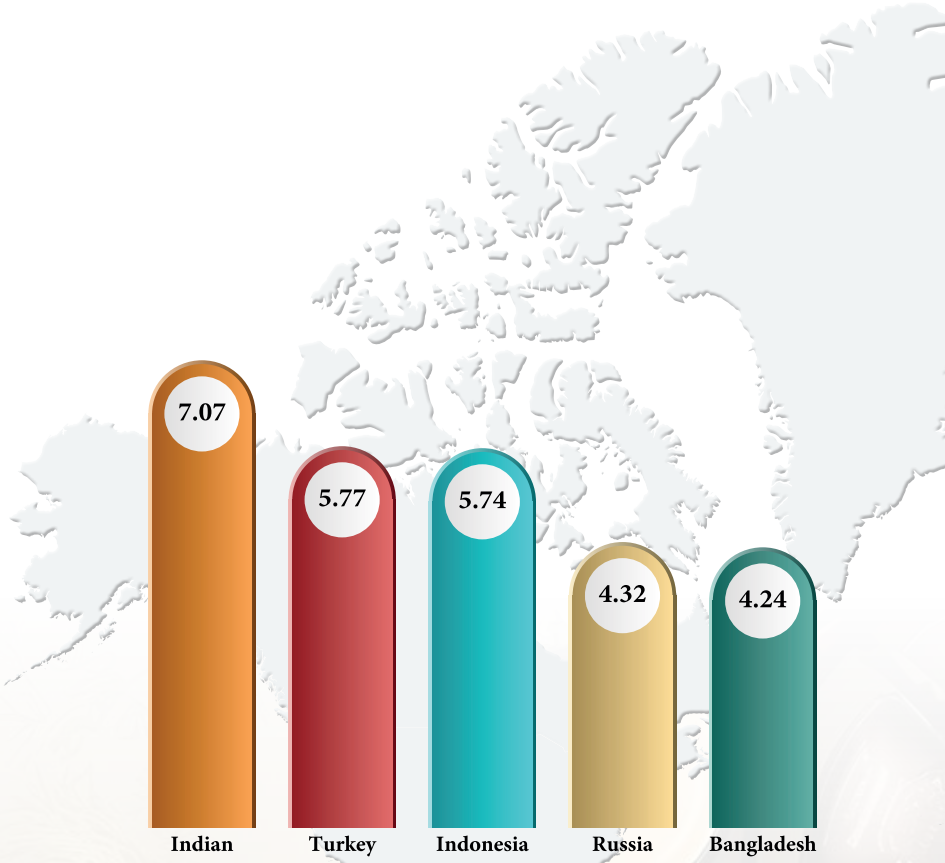
In 2023, **OIC countries imported cosmetics of about $20.62 billion, while their exports didn't exceed $11.4 billion,** reflecting a persistent trade deficit in this sector.



Leading exporters to OIC cosmetics markets include **France** (3.9 billion), the **United Arab Emirates** (1.7 billion), the **United States** (1.3 billion), as well as **Italy and Germany** (1.2 billion each).

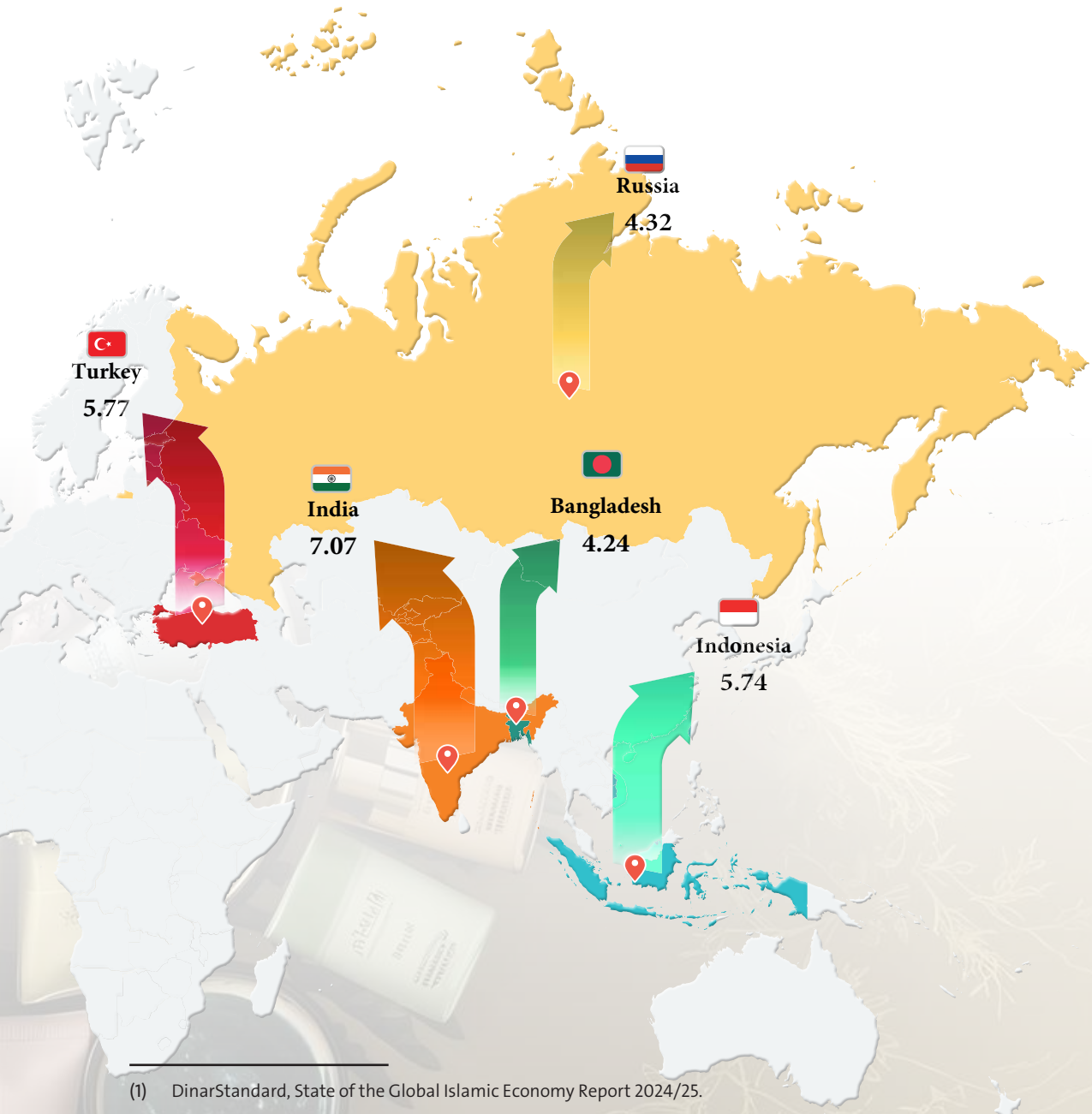
(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

Major consumer markets for halal cosmetics (2023) - $1 billion



3.Top Halal Cosmetics Importing Countries[1]

Data from 2023 reveals concentrated Muslim spending on halal cosmetics in five key countries: **India, Turkey, Indonesia, Russia and Bangladesh**, followed by **Malaysia, Egypt, Kazakhstan, Iraq and Iran**.



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

4. Halal Cosmetics Partnerships and Investments (2024)

Local and global brands continue expanding their presence in the halal cosmetics market to capitalize on growing opportunities.

	**Saudi Arabia:** The Halal Product Development Company (HPDC), fully owned by Saudi Arabia's Public Investment Fund (PIF), announced the signing of a strategic investment agreement to acquire a stake in the Singaporean company Believe Pte Ltd, a halal-compliant cosmetics and personal care company. The deal, concluded in May 2024, aims to relocate Believe's headquarters from Singapore to Saudi Arabia, establish a regional hub for global halal exports, and set up manufacturing facilities in Saudi Arabia to localize the cosmetics and personal care industry(1)
	**Korea:** Kolmar Korea, a leading cosmetics manufacturer, announced plans to expand into the UAE market by launching halal-certified products(2).
	**Singapore:** Believe partnered with the Indian Iba Cosmetics and invested $10 million to strengthen its retail presence in the GCC countries and Bangladesh(3).
	**Indonesia:** Paragon Technology launched the Kahf, a halal personal care brand for men.

(1) https://www.pif.gov.sa/
(2) https://www.kedglobal.com/
(3) https://yourstory.com/

5. Halal Cosmetics Industry Conferences (2024)

In 2024, the halal cosmetics market witnessed a positive momentum, reflecting its growing vitality through standout participation in major industry events, where global exhibitions specialized in the beauty sector emerged as key venues for showcasing the latest halal product innovations. For instance, international exhibitions began to dedicate increased spaces and more discussion sessions to the halal beauty sector[1]:

It is noteworthy that some of these events integrate the halal concept into broader trends, represented in the principles of "Clean & Conscious Beauty", positioning halal certification as part of the ethical practices related to supply chains and production processes[2]. This reflects the increasing demand for halal products and their penetration into the depth of the industrial value chain of this sector[3].

Some of the major international halal industry events are also showing a growing interest in this sector, most notably the Makkah Halal Forum, which highlights its economic importance as a high-growth promising sector, particularly in innovating and developing new brands that are fully compliant with halal standards.

(1) https://beautyworld-middle-east.ae.messefrankfurt.com/

(2) https://beautyworld-middle-east.ae.messefrankfurt.com/

(3) https://www.klbdkosher.org/



Fifth Halal Fashion Sector

The concept of halal fashion goes beyond modest fashion to form a comprehensive economic and value system spanning the entire value chain. It involves the design, production and distribution of clothing and accessories in accordance with Sharia principles, including the purity of raw materials, the integrity of manufacturing processes, work ethics, and environmental sustainability.

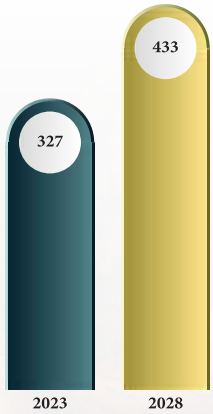
This sector hinges on interrelated dimensions, including the use of Sharia-permissible raw materials, upholding the workers' rights and production ethics, adopting sustainable environmental practices, and ensuring that financial and commercial transactions comply with the provisions of Sharia. The industry is also governed by the Sharia guidelines aimed at achieving a balance between beauty and modesty, the most important of which are covering the private parts (awrah), avoiding transparent and tight clothing, avoiding imitation of men, avoiding extravagance and ostentation, and excluding prohibited elements.

It is worth mentioning that the halal fashion market, in practice, is still largely confined to women's modest clothing, yet the holistic concept of halal fashion should go beyond this narrow perception to include all halal-compliant products in the fashion sector for women, men and children alike. This conceptual deficiency reveals promising growth opportunities for Muslim entrepreneurs in general, especially designers, through innovation and the development of integrated brands that respond to the requirements of local and global markets.

1. Global Halal Fashion Market Size (2023-2028)[1]

Muslim spending on clothing and footwear reached approximately $327 billion in 2023, and is expected to increase to $433 billion by 2028, with a CARG of 5.8%[2].

These figures reflect not only the size of current demand, but also the promising future



Muslim spending on clothing and footwear - $ billion

potential of the sector. This steady growth stems from several factors, most notably the expanding Muslim population, the rising awareness of Islamic identity among young people and the growing global embrace of modest fashion as a stylish and modern choice.

Muslim spending on clothing and footwear (2023)

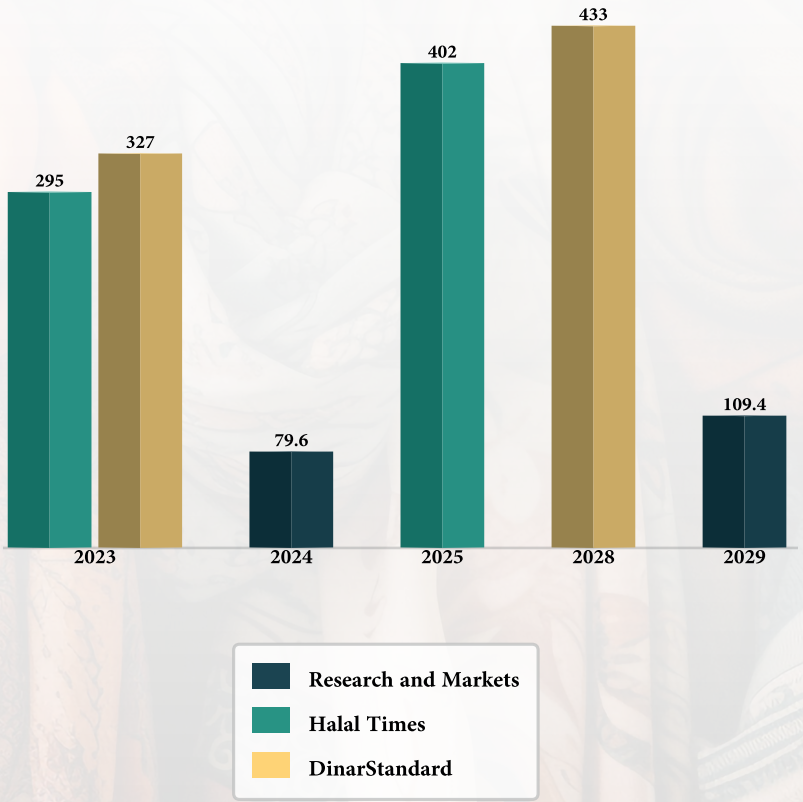
$327 billion

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

(2) Grand View Research. (2024, September).

Market research companies offer varying estimates for the halal fashion market size. One company estimated the size of the global Islamic clothing market at about $79.6 billion in 2024, predicting it to reach $109.4 billion by 2029 at a CAGR of 6.6%[1]. Another company valued the modest fashion market at $295 billion in 2023, with projections to reach $402 billion by 2025[2].

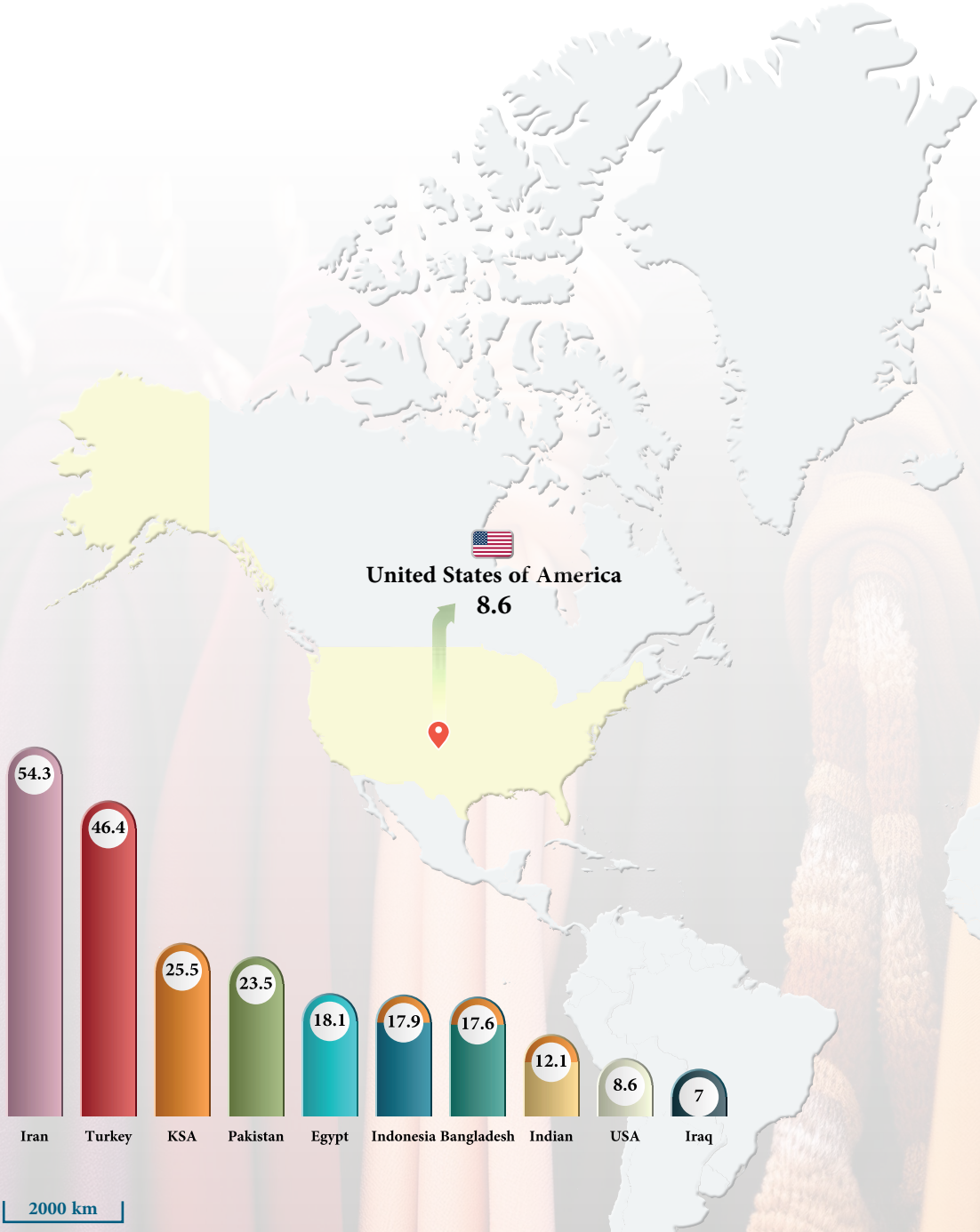
Halal fashion market size estimates and growth forecasts - $1 billion



(1) The Business Research Company. (2025). Islamic Clothing Global Market Report 2025.

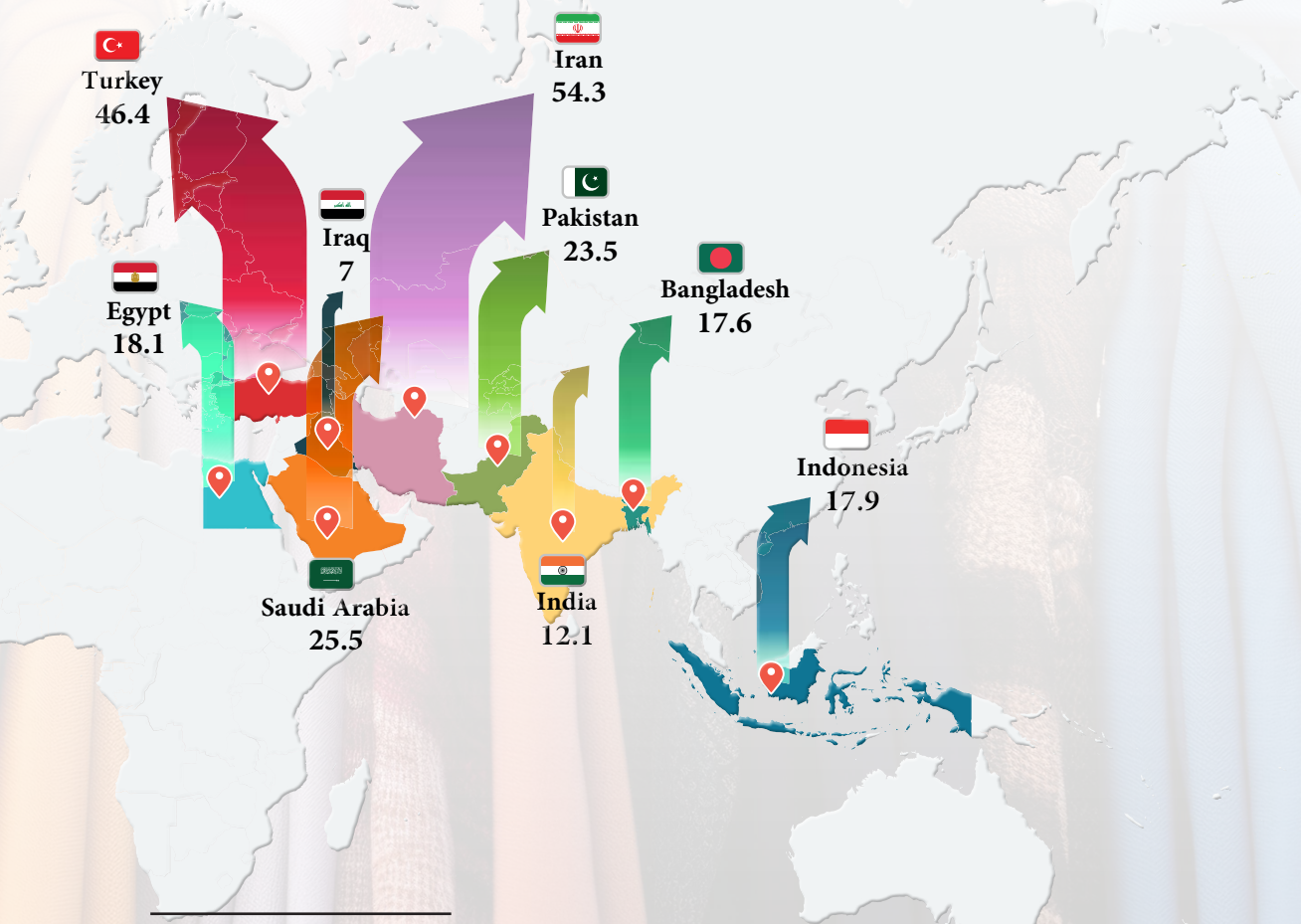
(2) Halal Times. (2025). Modest Fashion Market Outlook 2024–25.

Top countries by modest fashion spending (2023) - $1 billion



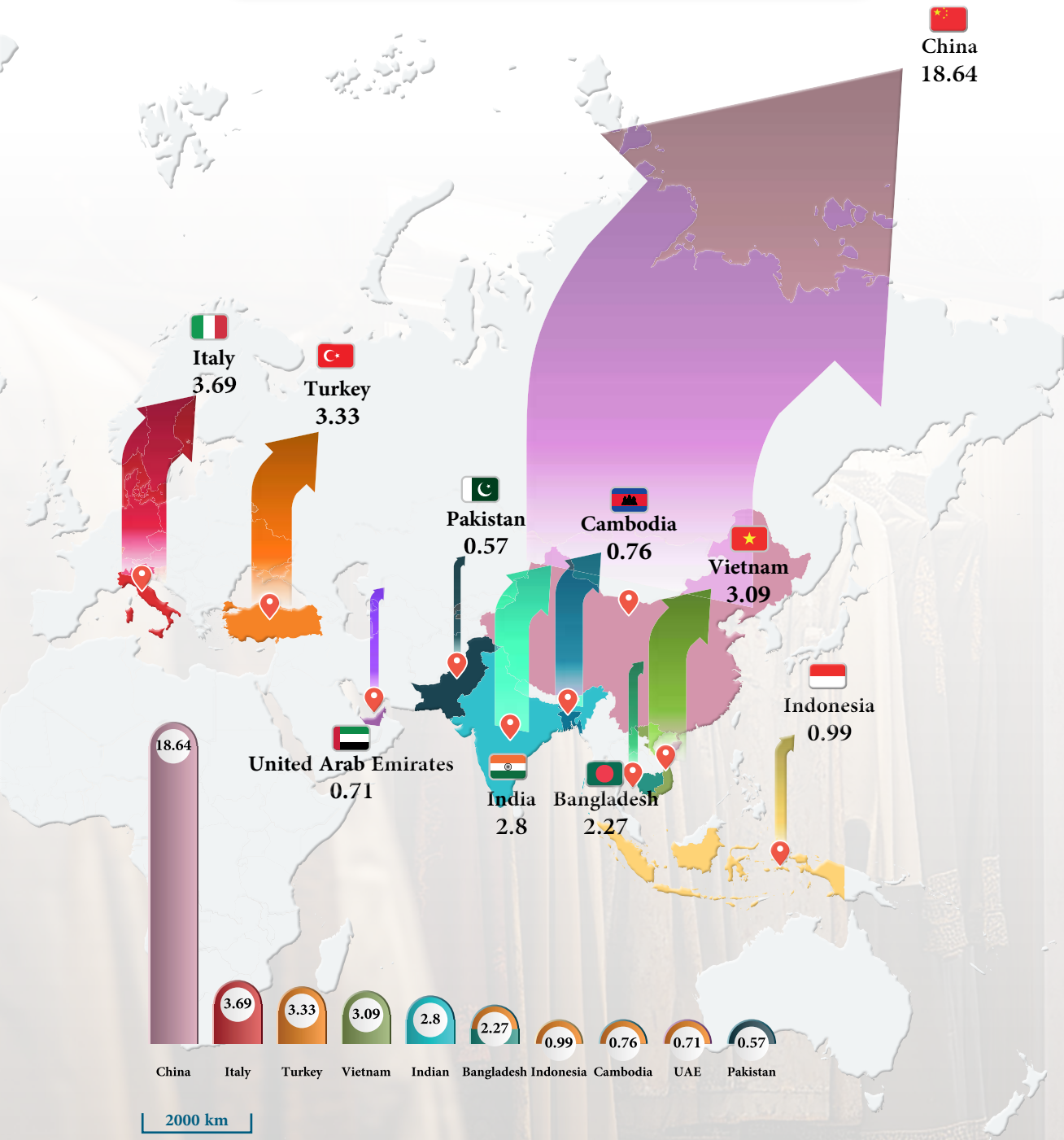
2. Major Consumer Markets for Halal Fashion[1]

Iran leads the halal fashion market with a spending of $54.28 billion, driven by dress code traditions, followed by **Turkey** at $46.42 billion as a major consumer market and a global design and production hub, and **Saudi Arabia** ranks third with a spending of $25.46 billion, benefiting from high incomes and demand for luxury and traditional attire. Other major consumer markets include **Pakistan** ($23.47 billion), **Egypt** ($18.14 billion) and **Indonesia** ($17.86 billion). It also shows demand from non-Muslim countries such as **India** ($12.14 billion) and the **United States** ($8.61 billion), suggesting the market is expanding to include Muslim minorities with high purchasing power.



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

Top halal fashion exporters to OIC countries - $1 billion



3. Leading Exporters of Halal Fashion[1]

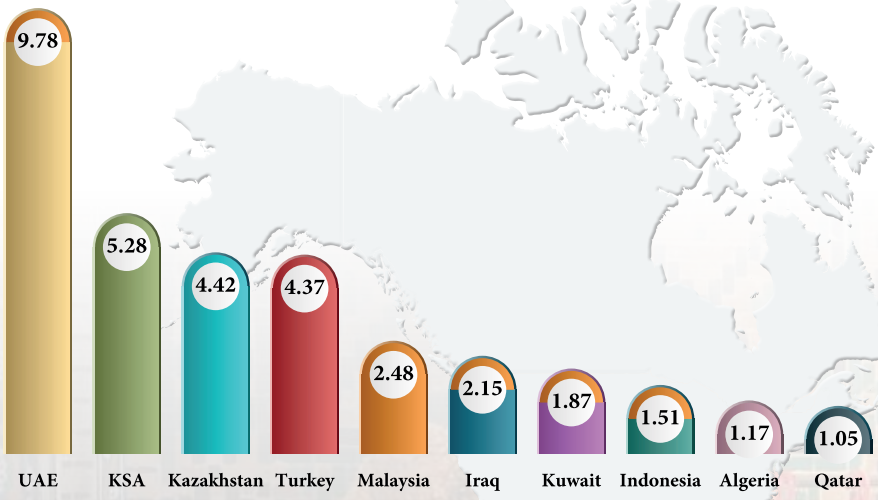
China dominates with exports estimated at about $18.64 billion, far ahead of other exporting countries. This lead stems from its vast manufacturing scale, competitive production costs, and the efficiency of global supply chains, savvy use of cross-border digital platforms to access key Islamic markets.

In contrast, countries such as **Italy, Turkey, Vietnam, India and Bangladesh** contribute relatively smaller shares, indicating limited geographical diversity in the import sources of halal fashion. This pattern reveals the marked structural reliance of OIC countries on a single external supplier, which exposes supply chains to risks of geopolitical volatility and shifts in global trade policies. The data thus underscores the strategic need for supportive industrial policies to develop integrated regional hubs for the halal textiles and clothing industry to enhance supply security, reduce concentration risks and support value added within the economies of the OIC countries.

The sharp rise in imports from China also reflects that the halal products market remains largely unbranded. This opens major investment avenues for launching and developing halal brands, particularly by Muslim fashion designers. This will promote innovation and strengthen competitiveness in this promising sector.

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

Top importers of halal fashion in OIC countries - $1 billion

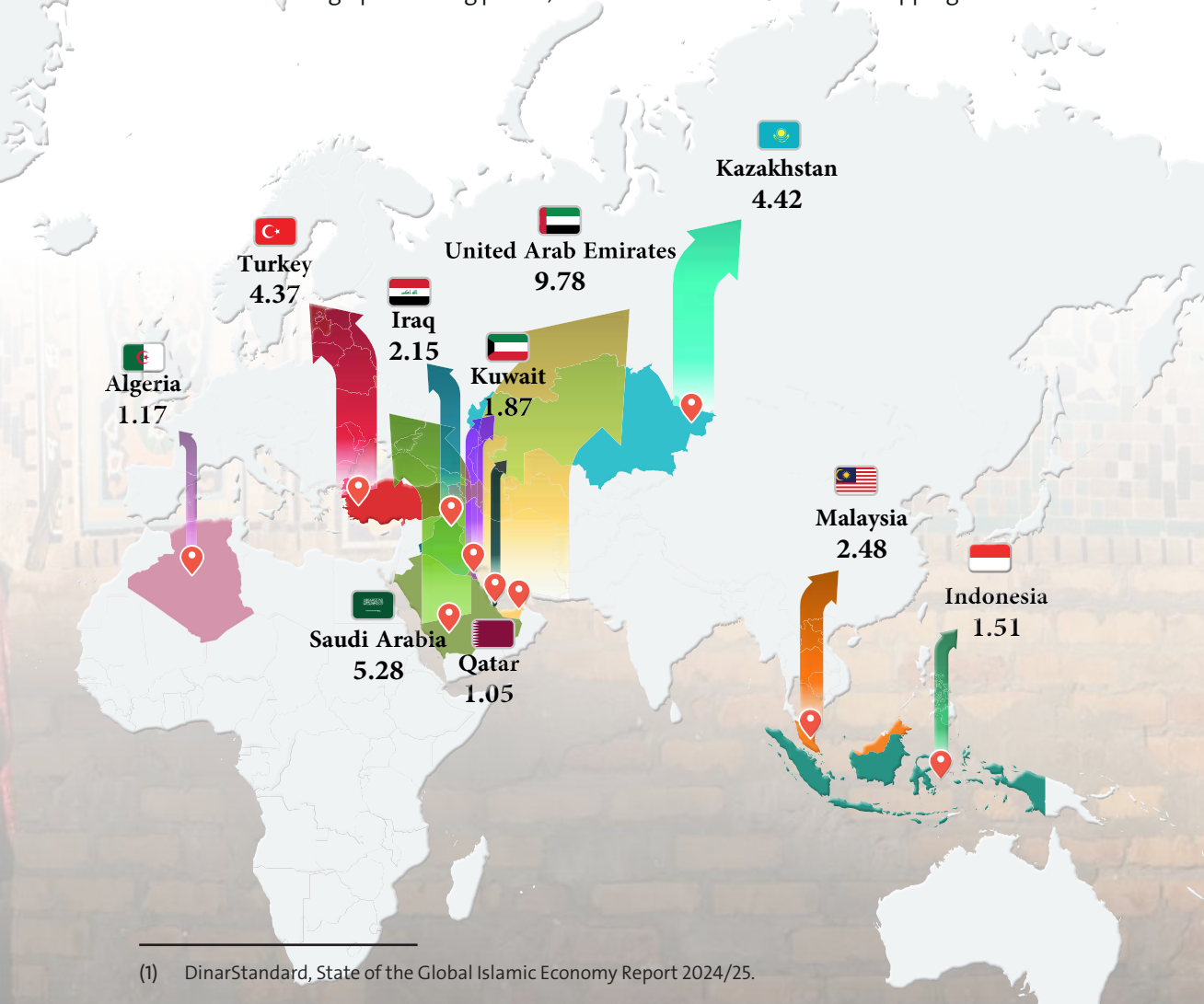


2000 km

4.Top Halal Fashion Importing Countries[1]

Data indicates that the **total imports of the OIC countries of fashion amounted to $44.15 billion in 2023**. However, this is the only sector within the halal economy that achieves a trade surplus, as this surplus amounted to $71.35 billion, mainly thanks to the strong export capabilities of countries such as **Bangladesh, Turkey, Pakistan and Indonesia**, which serve as key global manufacturing hubs for clothing.

Data on the largest OIC importers points to demand concentration in a limited number of markets with high purchasing power, with **the UAE and Saudi Arabia** topping the list.



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

5. Halal Fashion Industry Investments (2024)

	**Saudi Arabia:** The Saudi Fashion Commission signed an MoU with Adidas to develop sportswear for Saudi women(1). Leem is a Saudi modest fashion brand under Fawaz Alhokair Group, which opened a pop-up store at Westfield London as part of a strategy to test the British market and strengthen its international presence.
	**Bangladesh:** Elaf Al Dubai launched its operations in Dhaka(2).
	**Kuwait:** New specialized brands, such as Qynda, entered the market.

(1) https://www.spa.gov.sa/

(2) https://www.thedailystar.net/

6. Halal Fashion Conferences and Events (2024)



Turkey: Istanbul Modest Fashion Week 2024: Istanbul Modest Fashion Week is an international event that aims to promote diversity and creativity in the fashion industry. Designers and brands from several regions participated, including Sineen from Palestine, Buttonscarves from Indonesia, Mishah from South Africa and Mirah from Canada, reflecting the global nature of the event[1].



Indonesia: Jakarta Muslim Fashion Week 2024 (JMFW): JMFW is a national initiative to strengthen Indonesia's presence in the global fashion market. The event highlighted traditional textiles, featuring prominent designers and direct government support[2].

(1) https://www.modestfashionweeks.com/
(2) https://www.instagram.com/

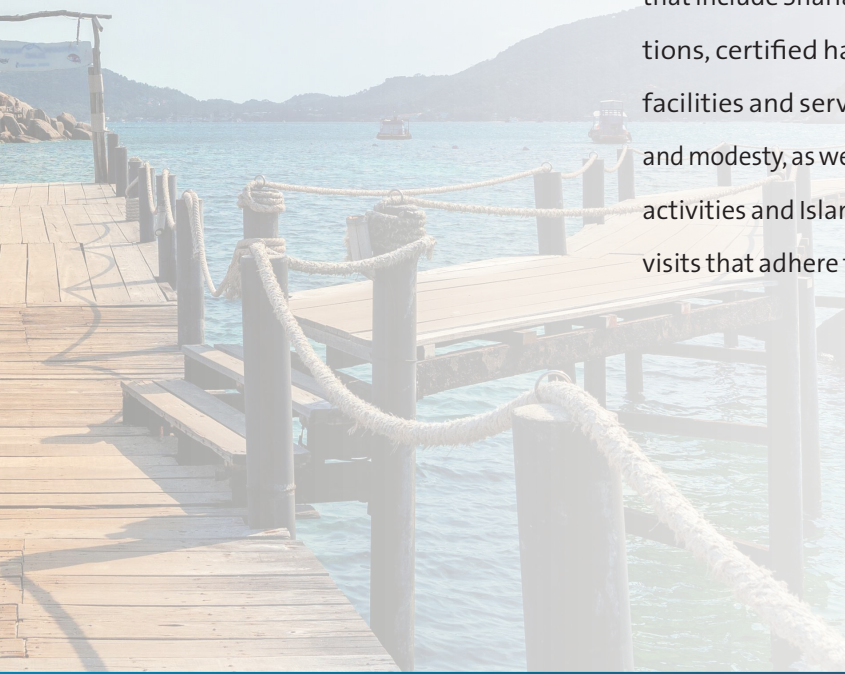


Sixth

Halal Tourism Sector

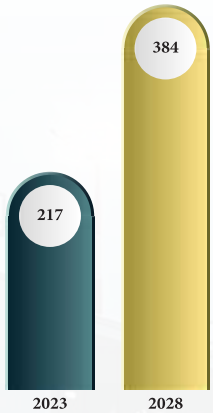
Halal tourism is defined as an integrated system of travel products and services designed in accordance with sharia rulings, allowing Muslim tourists to enjoy a travel experience that aligns with his religious and cultural requirements.

This system is based on core components that include Sharia-compliant accommodations, certified halal food and beverages, facilities and services that respect privacy and modesty, as well as family-friendly leisure activities and Islamic cultural and historical visits that adhere to Sharia guidelines.



1. Global Halal Tourism Market Size (2024)

Demand-side data shows that the Muslim consumer spending on travel reached about $217 billion in 2023, with expectations that it will increase to $384 billion by 2028, at a CAGR of 12.1%[1].



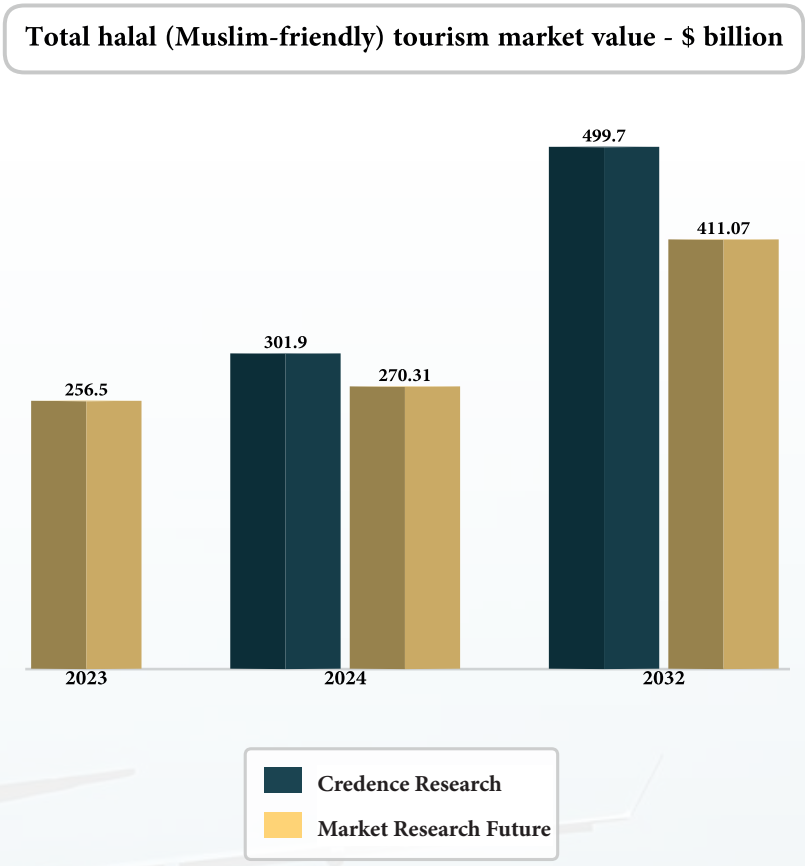
Muslim consumer spending on travel - $ billion

On the supply side, the total market value for halal tourism shows variance across research companies due to different measurement methodologies and scope of coverage. The **total value of tourism services carrying the "halal" designation or classified as "Muslim-friendly" is estimated at approximately $301.9 billion in 2024, with** a projected increase to $499.7 billion by 2032 at a GACR of 6.5%[2]. Other estimates value the market at $270 billion in 2024, projected to rise to about $411.07 billion by 2032 at a CAGR of 5.38% [3].

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

(2) Credence Research. (2025). Halal Tourism Market. Retrieved from: https://www.credenceresearch.com/report/halal-tourism-market.

(3) Market Research Future. (2025). Halal Tourism Industry Overview Market. Retrieved from: https://www.marketresearchfuture.com/reports/halal-tourism-industry-overview-market-26388



Total market value of halal tourism services (2024)

$302 billion

This divergence in estimates reflects the different measurement methodologies on the supply and demand sides and does not imply a contradiction in itself. Demand-side figures represent actual spending by Muslim travelers, serving as a direct indicator of the interests of airlines and destinations, whereas supply-side estimates represent the total potential market value of services classified under halal tourism.

2. Leading Countries in Halal Tourism Sector (2024)[1]

Malaysia leads the global scene, followed by **Indonesia, Saudi Arabia, the UAE, and Turkey**, reflecting the dominance of Southeast Asia and the Middle East. Non-OIC **Singapore** is also a successful model, thanks to its advanced infrastructure and integrated Muslim-friendly services.

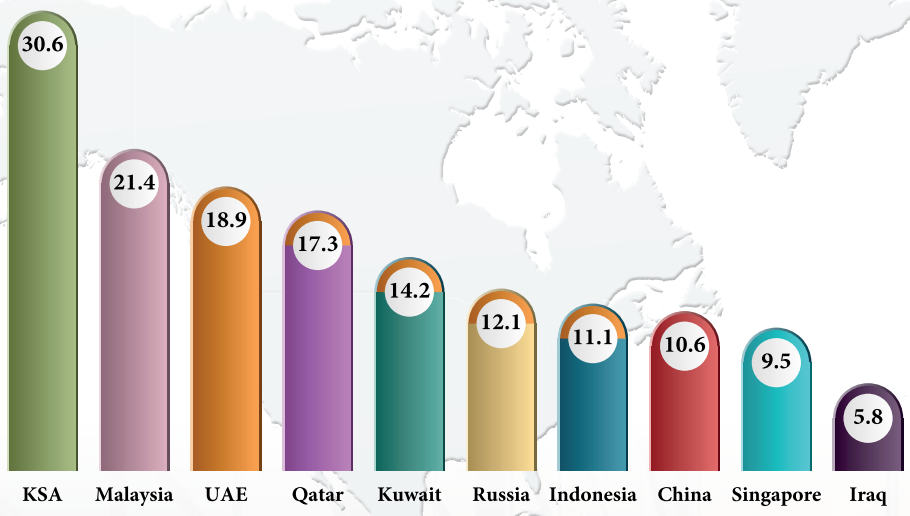
The analysis shows that advanced performance is linked to the adoption of structured national strategies. **Malaysia**'s leadership is due to long-standing institutional efforts through the **Islamic Tourism Center (ITC)**, while the progress of the **Kingdom of Saudi Arabia** reflects the impact of **Vision 2030** programs. This confirms that halal tourism excellence is based on strategic planning and targeted government investment, not just on geographical or demographic factors.

	**1- Malaysia:** Integrated system, long-standing govern-ment support through (ITC), and mature infrastructure.
	**2- Indonesia:** The largest Muslim population market, cultural diversity, and growing government support.
	**3- KSA:** Religious tourism hub, huge investments (Vision 2030), and the development of new destinations.
	**4- UAE:** World-class infrastructure, excellent air connectivity, and a premier shopping and entertainment destination.

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

	**5- Turkey:** A unique Islamic-European heritage blend, and diverse tourism products.
	**6- Tunisia:** A competitivecost Mediterranean destination, and proximity to the European markets.
	**7- Bahrain:** Accessibility, an open business environment, and a focus on family tourism.
	**8- Morocco:** Rich cultural heritage and investments in tourism infrastructure.
	**9- Jordan:** Important historical and religious sites, and regional stability.
	**10- Kyrgyz Re-public:** Stunning nature, and an emerging destination for ecotourism and advenure.

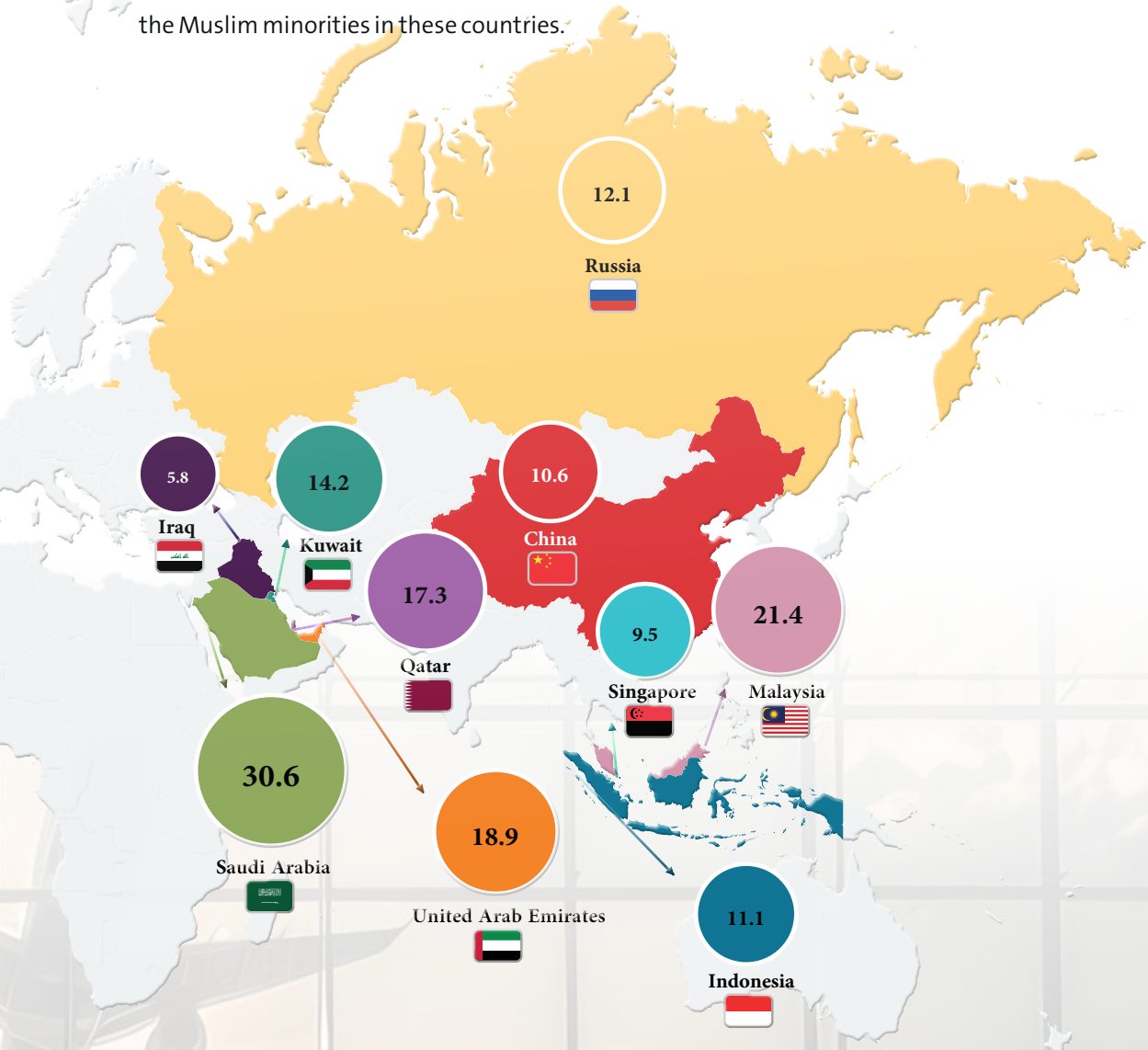
Top 10 countries by Muslim travel spending (2023) - $1 billion



2000 km

3. Major Consumer Markets for Halal Tourism[1]

As per the data, **Saudi Arabia** led in 2023 with $30.6 billion in Muslim travel spending, followed by **Malaysia, the UAE, Qatar and Kuwait.** Non-Islamic countries such as **Russia, China, and Singapore** also rank high, clearly indicating the growing purchasing power of the Muslim minorities in these countries.



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

4. Mergers, Acquisitions and Transformations in Halal Tourism Industry (2024)[1]

The halal tourism sector experienced a remarkable investment rebound after the slowdown that followed the COVID-19 pandemic, with about 17 investment deals, including mergers and acquisitions, totaling $1.37 billion.

	A $150 million investment by the International Finance Corporation (IFC) in Indonesia's GoTo.
	The launch of AROYA Cruises as Saudi Arabia's first cruise line, marking a shift from simply adapting Western models to creating authentic Arab-Islamic travel experiences[2].
	Major operators such as Resorts World Cruises began to include certified halal items, providing religious spaces and customized services[3].

(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.
(2) https://spa.gov.sa/N2213808/
(3) https://www.travelweekly-asia.com/

5. Halal Tourism Industry Legislation, Policies, and Agreements (2024)..

	The adoption of a Unified Tourist Visa across the **GCC countries**, expected to be fully implemented by the end of 2025 and modeled after the Schengen system, will facilitate multi-destination travel and enhance the integration of regional tourism offerings[1].
	The Comprehensive Economic Partnership Agreements (CEPAs) concluded by the **United Arab Emirates** with a number of countries include clauses for cooperation in the halal sectors[2].
	The resolutions of the Islamic Conference of Tourism Ministers affirmed the facilitation of visas and the activation of the "Strategic Roadmap for the Development of Islamic Tourism", in order to support the harmonization of regulatory frameworks and improve the efficiency of access to halal tourism services[3].

(1) https://www.argaam.com/
(2) https://www.moet.gov.ae/
(3) https://new.oic-oci.org/

6. Digital Transformation and Halal Tourism Industry (2024)

	HalalTrip uses artificial intelligence to deliver predictive content, tailored recommendations, and real-time analytics to Muslim travelers.
	Singapore Tourism Board began developing AI-powered itineraries to cater to the needs of Muslim tourists such as providing updated information on halal restaurants[1].
	Launched in 2024, Nusuk Wallet is the first international digital wallet for Hajj and Umrah pilgrims. It enables secure and seamless management of funds and expenses. The app evolved from a booking portal to an app that covers the entire journey of Hajj and Umrah, from applying for an e-visa, and making hotel and flight reservations to launching the Nusk Wallet[2].

(1) https://www.crescentrating.com/

(2) https://www.nusuk.sa/

7. Halal Tourism Conferences, Forums and Exhibitions (2024)

	**Singapore:** Hosted the 4th Halal in Travel - Global Summit 2024[1].
	**Malaysia:** Convened the 4th World Islamic Tourism Conference (WITC 2024) in September 2024, bringing together over 1,000 policymakers, industry leaders and experts. Key outcomes included three strategic MoUs: Harmonizing and aligning Muslim-friendly tourism standards between **Malaysia and Russia**; strengthening academic partnerships between the Islamic Tourism Centre (ITC) and University Sultan Zainal Abidin (UniSZA); and expanding tourism collaboration with **Indonesia** through the Association of Indonesian Tours and Travel Agencies (ASITA)[2].
	**Indonesia:** The 6th International Halal Tourism Summit (IHTS) was held as part of the Indonesian Islamic Economic Festival (ISEF). The summit was organized by several key Indonesian institutions, most notably **Bank Indonesia, Halal in Tourism Association (PPHI) and the Ministry of Tourism and Creative Economy**. The summit unveiled the latest findings of the Mastercard-CrescentRating Global Muslim Travel Index (GMTI), which provides essential insights into the trends and needs of Muslim travelers, highlighting its implications for the Indonesian market[3].

The halal media and entertainment industry is defined as "an economic system for pro-

(1) https://www.halalweekly.com/
(2) https://www.halaltimes.com/
(3) https://www.halalweekly.com/



Seventh

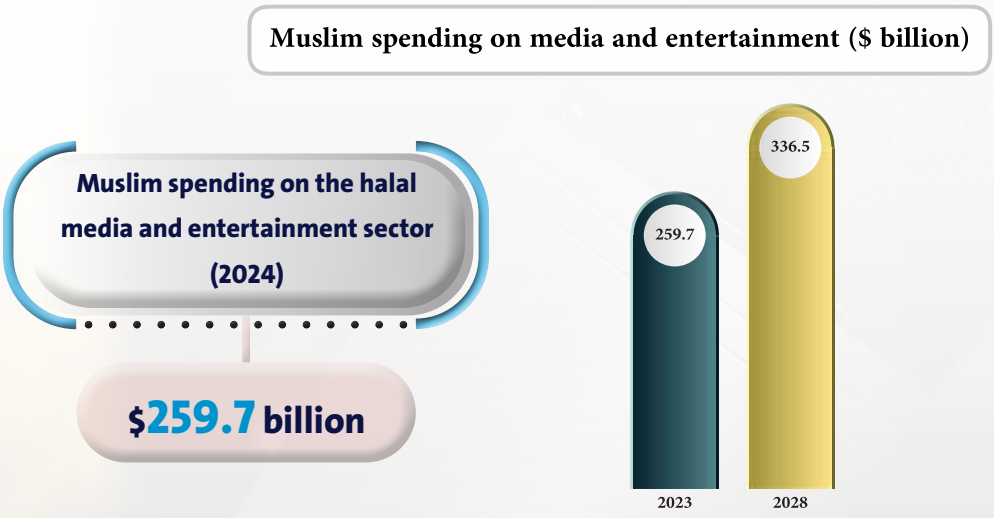
Halal Media and Entertainment Sector

ducing and distributing media and entertainment content that is compatible with Sharia objectives and its ethical guidelines, where the content is evaluated mainly according to the values and contents rather than the material components."

The industry aims to provide meaningful content and permissible entertainment that promote awareness and values, while adhering to honesty, objectivity and respect for human dignity. The activities of the sector include visual, auditory and digital content, games and applications, publishing, and halal advertising based on transparency and avoiding taboos.

1. Global Halal Media and Entertainment Market Size (2023-2028)[1]

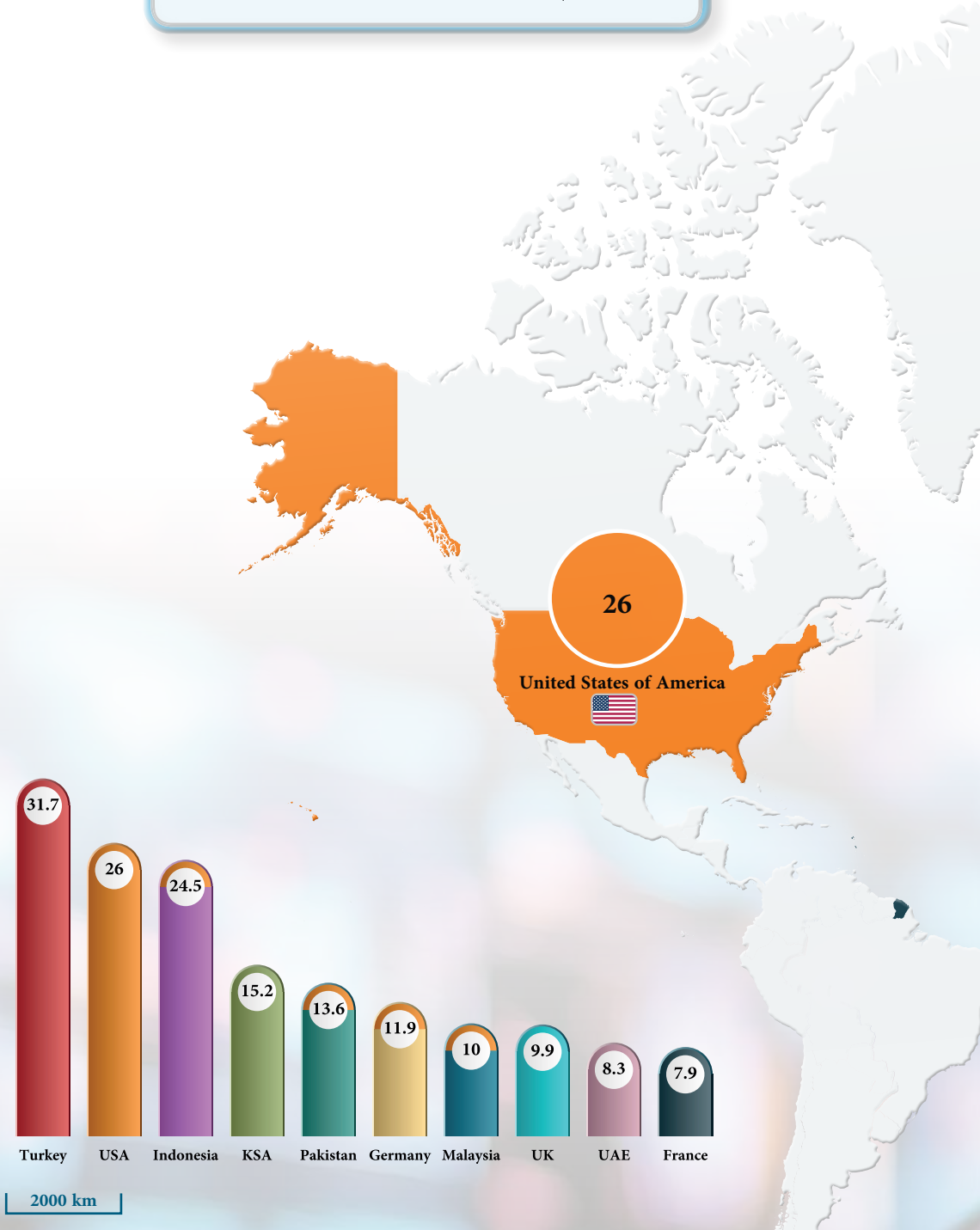
Muslim consumer spending on the halal media and entertainment sector reached $259.7 billion in 2023, and is projected to rise to $336.5 billion by 2028, with a CAGR of 5.3%.



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.



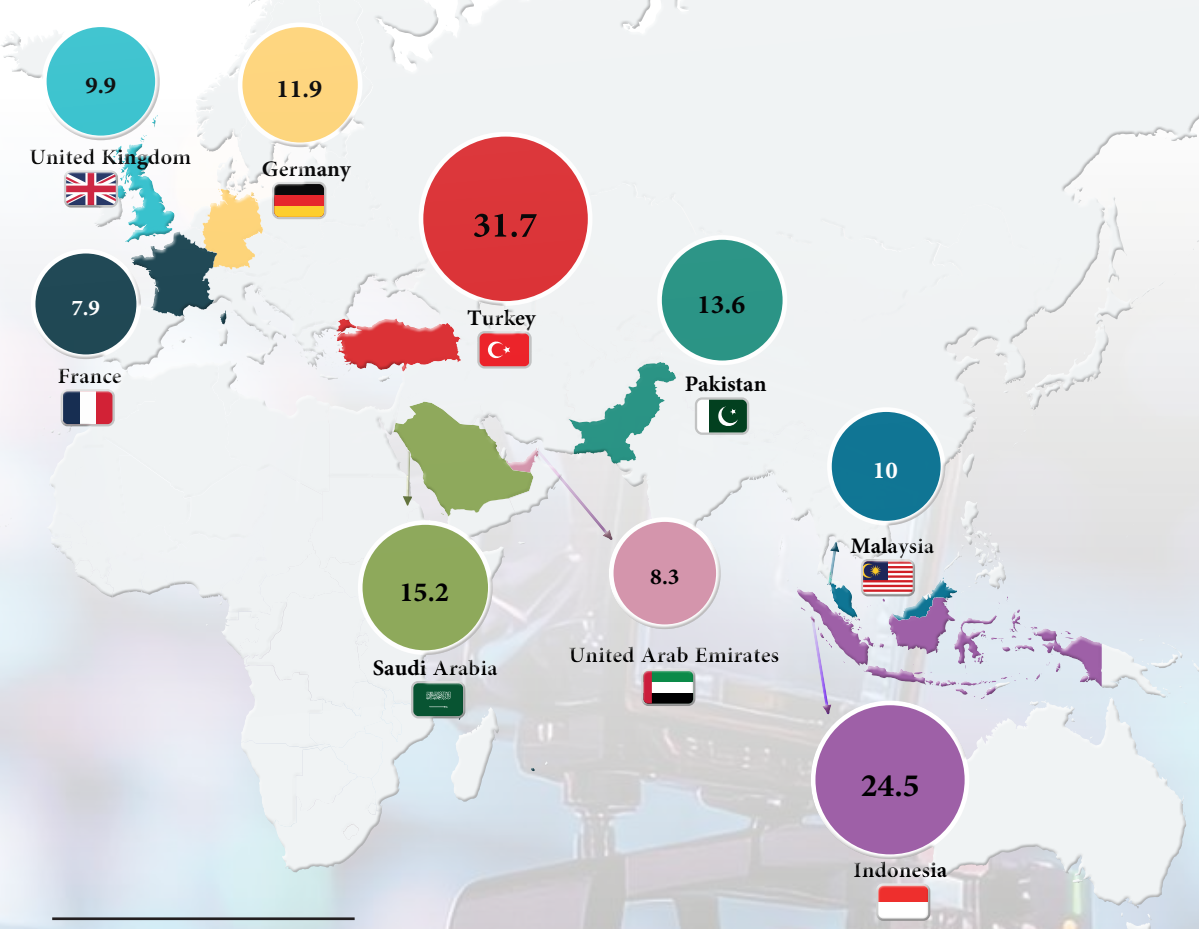
Top 10 countries by Muslim spending on halal media & entertainment - $1 billion



2. Major Consumer Markets for Halal Media Industry[1]

Data for 2023 shows **Turkey** topping the list of the highest-spending countries with $31.7 billion, followed by the **United States** at about $26.0 billion, and **Indonesia** at $24.5 billion. The list also includes other influential countries such as **Saudi Arabia, Pakistan and Germany**, reflecting the growing global spread of the Muslim consumers and their increasing influence in shaping demand trends in the halal media and entertainment market.

This distribution reflects the dual nature of the halal media and entertainment market, bringing together Muslim-majority markets such as Turkey and Indonesia, and other Muslim minorities possessing high purchasing power and consumer awareness such as the United States and Germany. This necessitates the adoption of differentiated content and marketing strategies that respect the cultural specificities of each market.



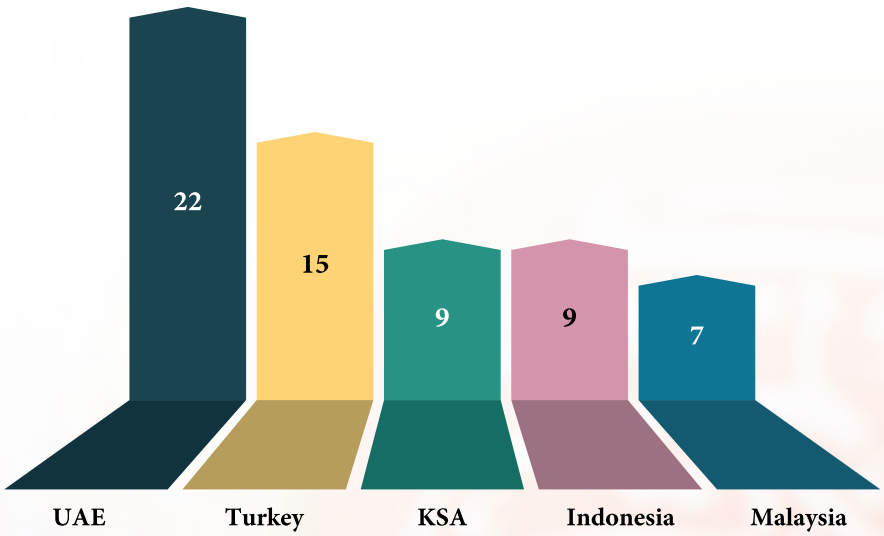
(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

3. Mergers, Acquisitions and Investments in the Halal Media Industry (2024)[1]

The halal media sector experienced an unprecedented investment boom during 2023-2024, reflecting investors' increasing confidence in its growth potential. The **sector recorded 87 investment deals** with a **total disclosed value of $451.3 million**.

These investments are predominantly concentrated in the **UAE** (22 deals valued at $147.1 million), **Turkey**, and **Saudi Arabia** (9 deals), followed by **Indonesia** and **Malaysia**. The capital is clearly directed toward the interactive entertainment sectors, streaming platforms, gaming, and AI-based content tools.

Number of deals in halal media and entertainment sector (2024)



(1) DinarStandard, State of the Global Islamic Economy Report 2024/25.

2024 also witnessed mega investment deals that reshaped the sector landscape:

	The Turkish company Spyke Games received an investment of $50 million, reinforcing Turkey's position as a regional hub for the development of halal smartphone games and its attractiveness to global capital[1].
	The Saudi social learning platform "Noon" raised $41 million in a funding round. This reflects the growing investor interest in the Edutainment sector, which provides the educational content in a halal and attractive entertainment format[2].
	Streaming platforms for Muslim audiences continued to expand through strategic partnerships that enhanced content diversity and appeal. Qalbox by Muslim Pro expanded its library to exceed 10,000 hours through agreements with children's content providers such as NoorKids and Durioo+[3].
	Majid TV partnered with TwelveP Animation to deliver family animated series that support halal Arabic content for children[4].
	The emergence of the "phygital" phenomenon, most notably the Muslim Blocks, a construction toy featuring building sets inspired by famous Islamic landmarks such as the Prophet's Mosque. It achieved global reach as both an educational and entertainment tool, reinforcing children's connection to their cultural and religious heritage[5].

(1) https://investgame.net/news/
(2) https://www.wamda.com/
(3) https://www.arabnews.com/
(4) https://www.broadcastprome.com/
(5) https://www.noon.com/

4. Halal Media Industry Legislation, Policies, and Agreements (2024)

	**Saudi Arabia:** The Kingdom launched the AI Center for Media to support the automation of the production of content that is compatible with Islamic values(1).
	**United Arab Emirates:** It carried out Implemented the broadest media legislation review in four decades, imposing fines up to AED 1 million for religious-related violations, as well as regulating the influencers' activities and adopting a comprehensive age-classification system for content(2).
	**Malaysia:** It adopted a new regulatory framework mandating licensing for major digital platforms starting from January 2025, in parallel with the passage of the Cyber Security Act 2024(3). Launch specialized language models such as IslamGPT 1.0 to provide reliable responses from Islamic sources(4).

(1) https://gcam-website.s3.amazonaws.com/
(2) https://viewpoints.reedsmith.com/
(3) https://conventuslaw.com/
(4) https://www.cilecenter.org/





Section III

Islamic Social Finance Sector

First: Zakat Institutions

Second: Waqf Institutions

Third: Qard Hasan Institutions



First Zakat Institutions

Zakat is a cornerstone of the Islamic economic system, functioning as an institutional tool to achieve social solidarity and economic justice through the collection and distribution of funds to eligible recipients. While Islamic governance in early Islamic history operated sophisticated zakat administrative systems through dedicated bureaus (diwans), the contemporary political and economic shifts weakened this role. Recognizing the developmental impacts of zakat in reducing social disparities and enhancing economic stability, many Islamic countries tended to establish official institutions to manage it such as zakat funds and authorities, with the aim of reactivating it as an effective tool for supporting growth and social justice.

Dozens of community initiatives were also launched to activate the role of zakat through establishing zakat funds and institutions designed to serve the same purpose.

1. The Contemporary Reality of Societies' Relationship with Zakat (2024)

The relationship between society - through its various components - and the zakat obligation can be determined through four main institutional models:

1.1 Mandatory Governmental Institutions:

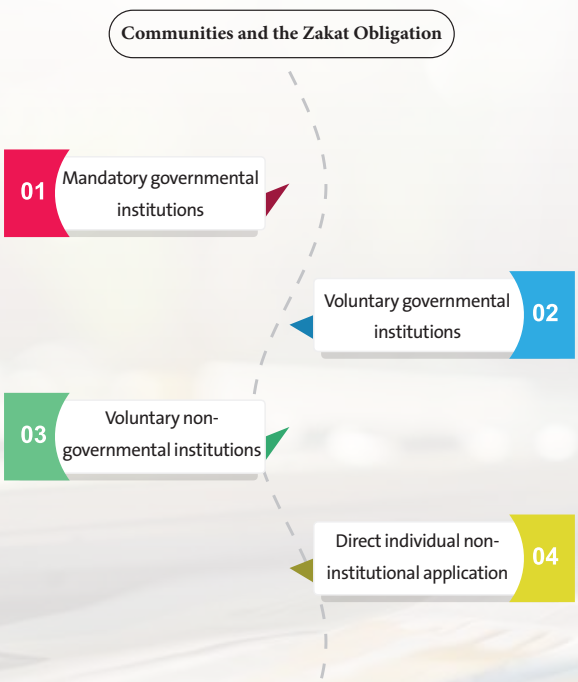
Official government authorities that compulsorily collect some of the zakat funds from zakat payers and then redistribute them to the eligible recipients in accordance with the Sharia rulings, ensuring mandatory compliance and equitable implementation.

1.2 Voluntary Governmental Institutions:

Government bodies that facilitate voluntary zakat contributions from individuals, channeling funds to the Sharia-prescribed recipient classes, which enhances the regulatory role of the state without legal obligation.

1.3 Non-Governmental Institutional Application:

It's managed by civil or philanthropic associations and organizations, which collect and distribute zakat funds based on the Sharia framework. This reflects the role of civil society in the management of this obligation.



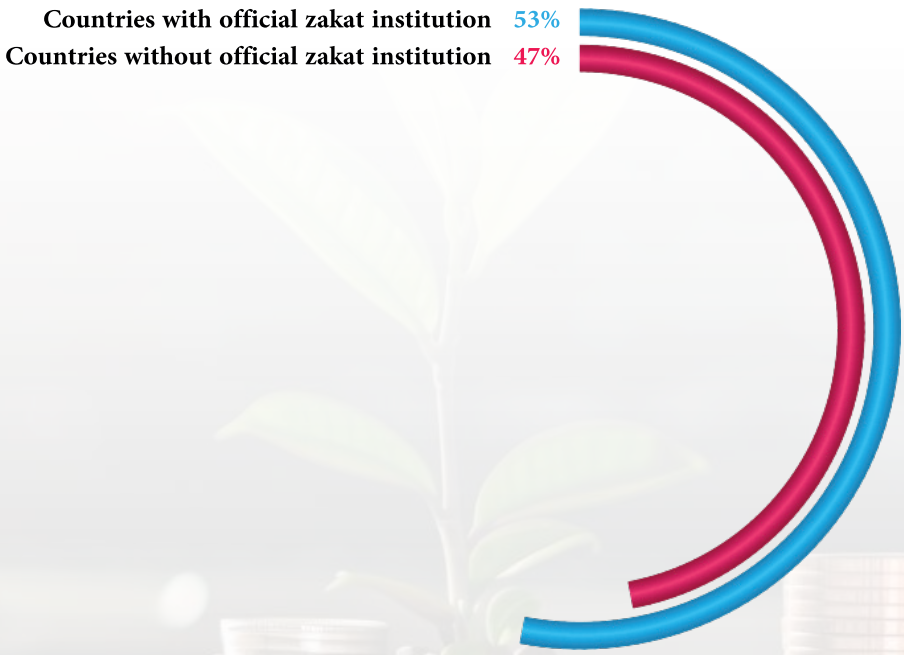
1.4 Direct Individual Application:

Individuals commit to disbursing the zakat on their wealth themselves and paying it directly to eligible recipients, without having any organized institutional framework overseeing the process.

2. Monitoring and Evaluating Patterns of Zakat Application in the OIC Member countries (2024)

An examination of the zakat application across the OIC member countries reveals that **53% of the OIC countries (30 countries) established specialized official institutions for zakat management**, while 47% of the countries (27 countries) lack such institutions, indicating that nearly half of the Islamic countries still manage zakat outside the official institutional framework. This discrepancy highlights the varying levels of the institutional organization of zakat across the Islamic world, with direct repercussions on the efficiency of collection and distribution and achieving the obligation's economic and social objectives.

Percentage of Islamic countries with official zakat institutions (End of 2024)

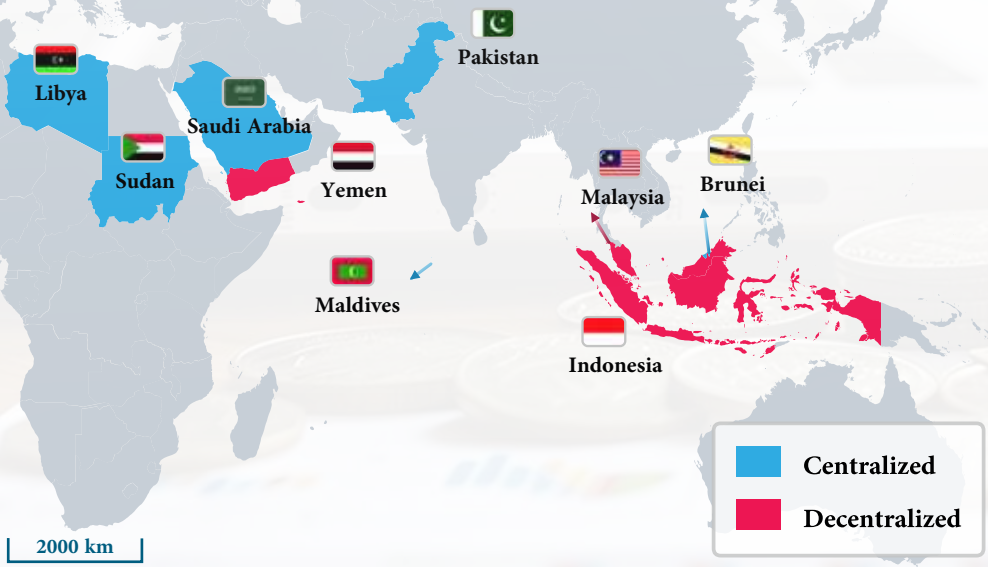


The experiences of the OIC countries reflect a significant diversity in the mandatory governmental frameworks for zakat application, through two main models:

1- Centralized System: As in **Sudan, Saudi Arabia, Pakistan, Libya, Brunei and Maldives**, where a single national institution handles zakat collection and distribution at the national level. This model is characterized by unified policies, easy control and high efficiency of management.

2- Decentralized System: It is applied in countries such as **Yemen, Indonesia and Malaysia**, where zakat collection and management duties are distributed among local authorities or branches. This model offers greater flexibility in reaching beneficiaries, but poses challenges related to standardization of criteria and ensuring effective institutional oversight.

Geographic distribution of zakat institutions: centralized vs. decentralized



3. Legislative Developments in Zakat Institutions in Islamic Countries (2024)

	**Saudi Arabia..** The Zakat, Tax and Customs Authority issued the new Implementing Regulations for Zakat (Ministerial Decision No. 1007), which clarify all matters related to zakat collection, facilitate zakat collection procedures across all business sectors, in a way that contributes to raising the level of voluntary compliance among zakat payers[1].
	**Jordan..** The Cabinet approved amendments to the administrative system of the Zakat Fund, introducing new units to enhance performance and expand the scope of services[2].
	**Indonesia**.. The Ministry of Religious Affairs issued Regulation No. (19), which granted the Ministry the authority to issue licenses for Zakat Collection Institutions (LAZ), a function previously held by the National Board of Zakat (BAZNAS)[3]
	**Albania..** The Muslim Community of Albania (KMSH) discussed a strategic plan (2024–2029) that included the development of zakat management[4].
	**Iraq..** Promulgation of a law that organizes the Sunni Endowment Diwan and its Competencies (No. 7 of 2024)[5].

(1) https://zatca.gov.sa/

(2) https://www.govreform.jo/

(3) https://sulteng.pikiran-rakyat.com/

(4) https://www.kmsh.al/

(5) https://www.moj.gov.iq /

	**Bangladesh..** The passage of the Zakat Fund Management Act 2023, which regulated the structure of the board of directors and exempted donations made to the Fund from taxation[1].
	**Kenya..** The Kenya Revenue Authority (KRA) issued Legal Notice No. 105 of 2024 which provides for income tax exemption on donations made for poverty relief, including zakat[2].
	**Singapore..** The Administration of Muslim Law Act (AMLA) underwent amendment in February 2024, stipulating the assignment of zakat management duties to the Islamic Religious Council of Singapore (MUIS)[3].
	**United States**.. Tax exemption for donations and zakat provided to non-profit organizations, with the IRA charitable donation limit for seniors raised from $100,000 to $105,000 in 2024 under Section 501(c)(3) of the tax code[4].

These developments highlight the growing trend toward consolidating the legislative framework of zakat and activating it as a financial and social tool that supports justice, solidarity and economic development.

(1) https://thefinancialexpress.com & https://mora.portal.gov.bd/
(2) https://www.kra.go.ke/
(3) https://www.mccy.gov.sg/
(4) https://www.irs.gov/

4. Institutional Framework for Zakat in Non-Muslim Countries (2024)

Some non-Muslim countries witnessed, by the end of 2024, the emergence of specialized institutions for managing zakat funds, reflecting the role of Muslim communities in building institutional frameworks for Islamic charitable work. However, this reality does not apply to all countries. Most of such countries still lack specialized zakat institutions, and there are no public charitable entities tasked with zakat collection. Prominent examples include:



South Africa.. The South African National Zakah Fund (SANZAF) has played a pivotal role in institutionalizing zakat work within the context of a non-Muslim country since its establishment in 1974, where it contributed for decades in providing ongoing support for groups facing dire living conditions. SANZAF pursued a proactive approach, engaging in welfare and social development, education, emergency relief and providing food aid and shelter to those in need. Thanks to its stable institutional structure and collaborative efforts, SANZAF contributed to improving the living conditions of thousands of beneficiaries. It maintained a clear commitment to promoting public awareness of the Zakat rulings and objectives through specialized educational and outreach programs. It is also distinguished by strong compliance and governance practices, which earned it a prestigious position and broad community trust, and enabled it to operate as a religious, social and educational institution dedicated to empowering families in need through the efficient collection of zakat and other charitable funds, and their careful allocation to impactful projects that take into account the principles of shared dignity and responsibility. Accordingly, SANZAF stands among the most institutionally established and well-documented zakat organizations in non-Muslim countries. It's a reliable reference model in comparative academic studies on the institutionalization and developmental utilization of zakat[1].

(1) https://www.nzf.org.za/



United Kingdom.. Numerous Islamic charitable associations are actively engaged in the collection and distribution of zakat funds.

In addition, the Muslim Charities Forum (MCF) in the UK serves as an umbrella platform encompassing more than 300 Islamic charitable and community organizations[1].



United States.. Zakat is managed by several institutions.



Australia.. A group of civic associations emerged to collect and distribute zakat.



Singapore.. Zakat is collected centrally through Zakat Singapore, a strategic unit operating under MUIS[2].

These experiences highlight the diversity in the institutional structures of zakat in non-Muslim countries and underscore its role in promoting social solidarity and expanding the scope of Islamic philanthropy across varied contexts.

(1) https://muslimhands.org.uk/

(2) https://www.muis.gov.sg/ & https://www.zakat.sg/

5. Accounting Developments in Zakat Institutions (2024)

	**Gabon..** The Organization for the Harmonization of Business Law in Africa (OHADA), an organization of which Gabon is a member state, adopted the unified Accounting System for Non-Profit Entities (SYSCEBNL) effective 2024. This encompasses charitable associations and mosques managing zakat funds under tax compliance obligations, as part of broader legislative efforts aimed at regulating the financial resources and strengthening transparency in the nonprofit sector[1].
	**Pakistan..** SECP issued SRO 240(I)/2024, mandating non-profit organizations to make accounting disclosures regarding zakat funds in their financial statements[2].
	**Singapore..** Under its 7th MUIS 3-Year Plan (7M3YP) from 2022 to 2024, MUIS worked on developing the financial disclosure portal and expanding digital payment channels, reflecting an institutional orientation toward enhancing transparency and maximizing zakat's developmental impact[3].
	**Malaysia..** In 2024, Malaysia finalized Phase 4 of the Islamic Accounting Standards for Baitulmal, Zakat and Waqf (PPIBZW), published by the Accountant General's Department of Malaysia (AGD). The standards aim to standardize financial reporting and ensure consistency across reports covering assets, revenues, expenses, liabilities, and other disclosures, supporting transparency and governance in the management of Waqf and Zakat resources[4].

(1) https://gabonmediatime.com/

(2) https://www.brecorder.com/

(3) Majlis Ugama Islam Singapura (MUIS). (2023). Muis Sustainability Report 2023. Retrieved in June, 2025, from https://isomer-user-content.by.gov.sg/ – P.18.

(4) https://www.anm.gov.my/

6. Technological Developments in Zakat Institutions (2024)

	**United Arab Emirates..** The General Authority of Islamic Affairs, Endowments and Zakat strengthened its digital infrastructure, integrating zakat services with banking applications and digital government platforms such as Tam and Dubai Now[1].
	**Saudi Arabia..** Electronic payment services through Zakati platform expanded and zakat declarations were linked to the Ehsan platform and the electronic invoicing system, which helped improve the efficiency of collection[2].
	**Egypt..** Payment applications such as InstaPay were adopted for the payment of zakat[3].
	**Malaysia..** Zakat can now be paid using cryptocurrencies. It also launched the EZakatPay platform and established the Zakat Index that helps investors evaluate companies based on their Sharia and financial compliance[4].
	**Turkey..** An automated system for calculating zakat was developed[5].
	**Oman..** Oman incorporated AI and Internet of Things (IoT) technologies into the electronic management of zakat[6].

(1) https://dubaitimes.com/

(2) https://www.zatca.gov.sa/

(3) https://www.bankygate.com/

(4) https://salaamgateway.com/ & https://www.businesstoday.com & https://ecentral.my/ezakatpay/

(5) https://zekathesapla.tdv.org/

(6) https://www.oman.om/en/

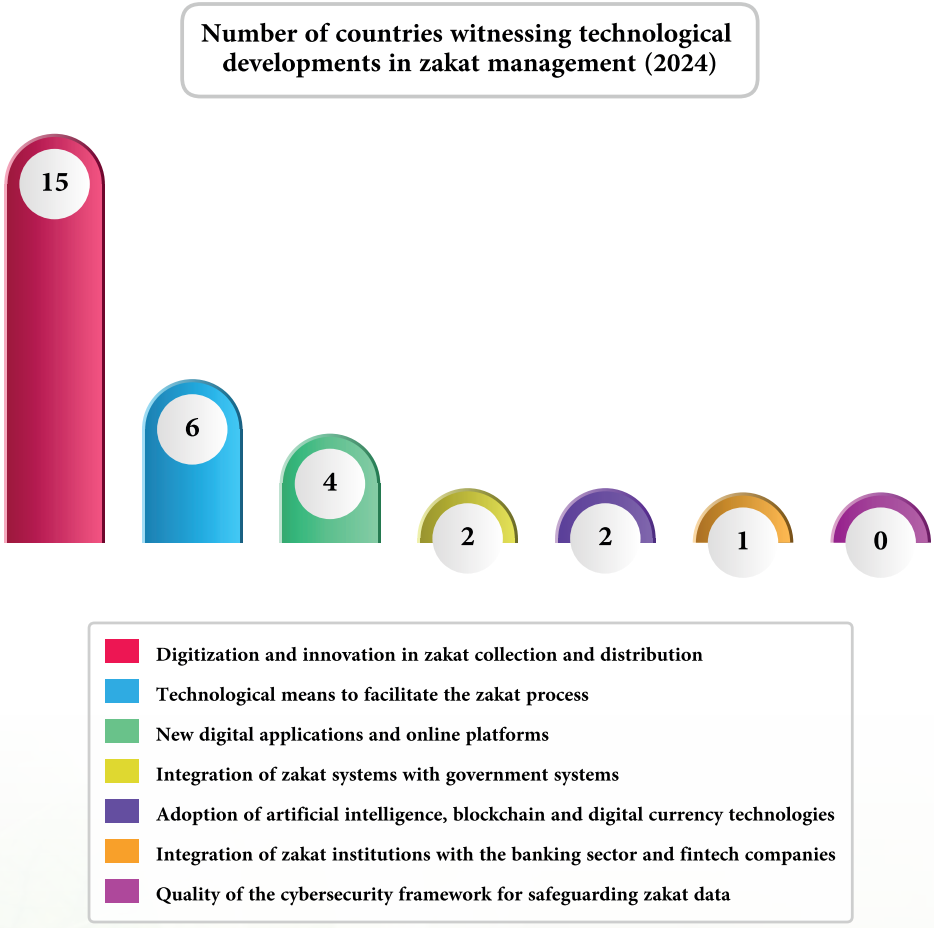
	**Tunisia..** A zakat payment service via text messages has been activated[1].
	**Palestine..** A national electronic zakat platform was launched[2].
	**Mali..** The digital platform Zakatelmaal was introduced[3].
	**Bosnia and Herzegovina..** Payment service via the Uplate platform was made available[4].
	**Algeria..** Facilitated zakat payments via the application of BaridiMob[5].
	**Brunei..** In collaboration with the Ministry of Religious Affairs, Brunei Islamic Religious Council (MUIB) launched the eZakat platform to facilitate digital zakat fulfillment as part of the government's digital transformation strategy[6].

(1) https://www.tekiano.com/
(2) https://www.jawwalpay.ps/
(3) https://zakatelmaal.com/
(4) https://uplata.islamskazajednica.ba/
(5) https://rb.gy/
(6) https://thebruneian.news/

	**Argentina..** The Islamic Center facilitated zakat al-Fitr payment through bank transfers[1].
	**Portugal..** Several associations introduced electronic channels for zakat payment[2].
	**Spain..** Several institutions launched dedicated digital platforms for zakat collection[3].
	**Germany..** The discontinuation of Giropay payment system in mid-2024 adversely affecting charitable organizations that depended on it for zakat collection, yet this shift prompted them to develop independent payment systems on their own websites, ultimately enhancing efficiency and technological autonomy[4].
	**Ireland..** Charities pressed ahead with digitizing zakat using a range of electronic payment methods[5].

Data indicates that digitization emerged as a key driver in developing zakat management, with about 15 out of 70 countries recording remarkable progress in adopting innovative digital tools of collection and distribution. 6 countries embraced modern technologies to facilitate zakat processes, while 4 countries developed new electronic platforms and applications to support this trend.

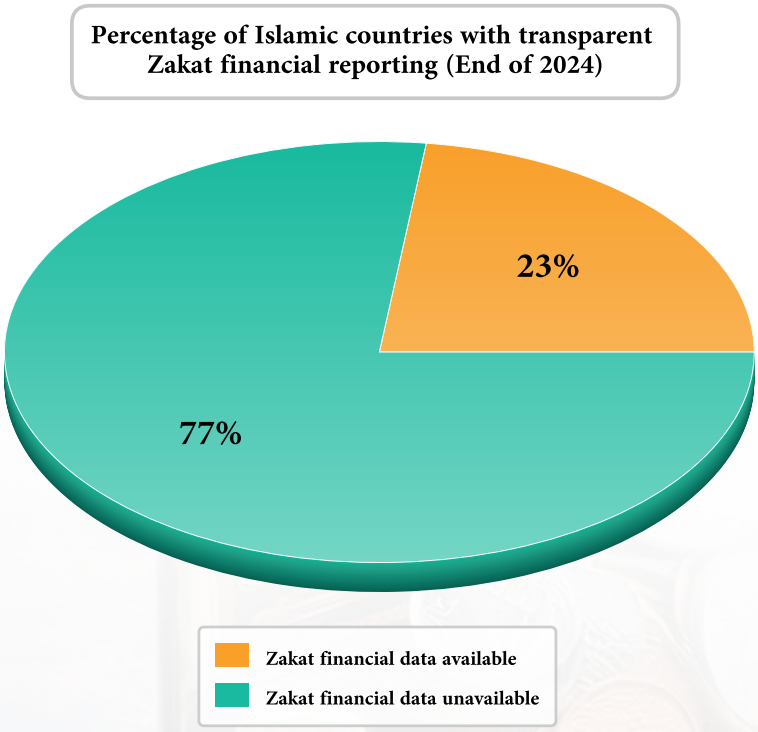
(1) https://www.instagram.com/
(2) https://www.comunidadeislamica.pt/
(3) https://humanappeal.es/
(4) https://www.aboutpayments.com/
(5) https://islamicfoundation.ie/adverts/zakat/



However, the uptake of advanced tools remained limited. The use of artificial intelligence and cryptocurrencies was limited to just two countries, and integration between zakat systems and government platforms was observed in just two countries. Only one case was recorded in which zakat institutions were integrated into the banking sector or fintech companies. No cybersecurity initiatives specifically designed to protect zakat data were recorded, which reflects a pronounced gap in the technological infrastructure required to enhance the efficiency and transparency of this sector.

7. Financial Transparency in Zakat Institutions (2024)

Monitoring results reveal that financial disclosure remains limited in zakat institutions in the OIC member countries. Only 23% of countries regularly publish financial data, while 77% lack transparency. This reflects a scarcity in the available information and constrains the evaluations of the economic and social impact of zakat.



8. Zakat Proceeds (2024)

8.1 Zakat Proceeds in Islamic Countries (2024)

2024 brought a noticeable difference in the proceeds of zakat across the Islamic countries, in addition to varying levels of disclosure and transparency.

	**Jordan..** In 2024, the combined revenues of the Zakat Fund and zakat committees amounted to approximately JD 24.9 million, or approximately USD 35 million[1].
	**Algeria..** By the end of 2024, the total collection of Zakat al-Mal amounted to approximately 858.49 million dinars, equivalent to USD 6.6 million, while Zakat al-Fitr reached 791.02 million dinars, equivalent to $6.1 million[2].
	**Sudan..** The budget of the Sudan Zakat Chamber (SZC) for 2024 was estimated at about SDG 212 billion, equivalent to USD 352 million[3].
	**Kuwait..** The Zakat House aimed to collect KD 38 million in 2024, equivalent to USD 35 million. By the end of October, it had successfully collected KD 123 million, equivalent to $114 million[4].
	**Indonesia**.. Zakat and alms revenues reached IDR 40.5 trillion, equivalent to USD 2.4 billion, marking a 25.3% increase compared to 2023[5].

(1) https://zakatfund.gov.jo/
(2) https://www.onwz.dz/
(3) https://sudalina.news/
(4) https://marketsar.com/
(5) https://www.puskasbaznas.com/

	**Iran..** The zakat proceeds for 2024 was estimated at about IRR 2,699 billion, equivalent to USD 2.2 million[1].
	**Bangladesh..** The Center for Zakat Management (CZM) reported collections of about BDT 794.6 million in FY 2023-2024, equivalent to USD 6.6 million[2].
	**Malaysia..** Total proceeds amounted to MYR 4.855 billion, equivalent to USD 1.2 billion[3].
	**Egypt..** Nasser Social Bank reported zakat collections of EGP 1.548 billion for FY 2023-2024, equivalent to USD 33 million[4].
	**United Arab Emirates.. No data for 2024 was released, however, the Zakat Fund recorded revenues of about AED 208 million in 2023, equivalent to USD 56.6 million**[5].
	**Bahrain..** No data for 2024 was published, but the balance reported in March 2023 exceeded BHD 1.1 million, equivalent to USD 2.9 million[6].

(1) https://www.mehrnews.com/
(2) https://en.apa.az/
(3) https://baitulmal.jawhar.gov/
(4) https://nsb.gov.eg/
(5) https://www.wam.ae/ar/article/
(6) https://www.albiladpress.com/l/



Qatar.. No precise zakat figures were disclosed, however, but data from 2023 indicates more than QAR 235 million, equivalent to USD 64.9 million[1].



Senegal.. The cumulative zakat proceeds for the period 2009–2024 reached about XOF 367 million, equivalent to USD 661,000[2].

8.2 Zakat Proceeds in Non-Muslim Countries (2024)

Data for 2024 reveals a remarkable zakat collection activity in several non-Muslim countries through local and international institutions, with variations in the level of disclosure and management approaches.



Singapore.. The zakat proceeds in 2023 reached about USD 69.5 million, reflecting an annual increase of 7%[3].



United Kingdom.. In 2024, Muslim Aid raised approximately GBP 2.9 million, equivalent to USD 3.9 million[4].



India.. According to the AMP Zakat Fund report, INR 1.8 million, equivalent to USD 20,000, were collected in 2024, while the Zakat Centre India recorded approximately INR 6.2 million, equivalent to USD 68,500[5].

(1) https://qna.org.qa/
(2) https://lesoleil.sn/
(3) https://isomer-user-content.by.gov.sg/
(4) Muslim Aid. (2024). Zakat funds report 2024 (p. 10).
(5) https://ampindia.org/ & https://zakat.unhcr.org/



United States.. Total donations (including Zakat) received by the Zakat Foundation of America reached approximately USD 27.3 million in the fiscal year ended June 2023[1].



Canada.. Islamic Relief Canada collected substantial funds in 2024, enabling it to finance 154 projects. Meanwhile, the National Zakat Foundation Canada reported more than $4.5 million in zakat and donations in 2023[2].

These indicators confirm that the proceeds of zakat in non-Muslim countries have become a growing resource managed through extensive networks of charitable institutions and Islamic bodies. This reflects the expanding institutional reach of zakat beyond traditional Muslim-majority countries.

(1) Zakat Foundation of America. (2023). Audited Financial Statements 2023 (p.4).

(2) https://www.islamicreliefcanada.org/ & https://cdn.prod.website-files.com/

9. Zakat Disbursement Categories (Masarif al Zakat) (2024)

It is noted that there is a lack of sufficient and comprehensive data providing a clear breakdown of zakat disbursement categories. Below is an analytical overview based on the available data that could be identified and compiled for 2024:

9.1 Zakat Disbursement Categories in Islamic Countries (2024)

Zakat disbursement categories across Islamic countries in 2024 spanned social, developmental, and humanitarian domains, reflecting the diversity of institutional and legislative frameworks governing zakat management across countries. Despite a notable gap in data on the volume of funds disbursed across these categories, the available data for 2024 can nonetheless be reviewed.

	**United Arab Emirates..** Zakat funds are directed toward supporting the poor and needy, settling the debts of indebted individuals, providing medical care for the sick, assisting financially disadvantaged students, supporting low-income families, and delivering humanitarian aid and relief projects[1].
	**Jordan..** It focused on relief programs for indebted women, small-scale projects, and providing monthly salaries for the most vulnerable groups[2].
	**Bahrain..** Expenditure was directed to low-income families and seasonal programs such as student winter clothing[3].

(1) https://www.awqaf.ae/
(2) https://jordantimes.com/
(3) https://zakafund.bh/

	**Sudan..** The Sudanese Zakat system places clear priority on supporting the poor and needy, settling the debts of indebted individuals, and financing healthcare, education, housing, and productive enterprise programmes[1].
	**Yemen..** Zakat disbursements focus on supporting the most vulnerable groups, particularly the poor and needy as well as settling the debts of indebted individuals, providing healthcare, supporting education, assisting widows and orphans, and financing selected relief and development project[2].
	**Egypt..** The main zakat disbursement channels include supporting the poor and needy, assisting indebted individuals, providing healthcare for low-income patients, supporting widows and orphans, funding education and healthcare, and financing selected small-scale projects and social relief programmes[3].
	**Qatar..**Zakat is distributed in accordance with the eight Sharia-designated categories, with a focus on supporting the poor and needy, settling the debts of indebted individuals, and providing assistance to the sick, as well as implementing relief programmes and delivering humanitarian aid[4].

2.9 Zakat Disbursement Categories in Non-Muslim Countries (2024)

Non-Muslim countries showed notable activity in directing zakat funds to diverse areas, reflecting the humanitarian and social dimension of this obligation in non-Muslim environments.

(1) https://zakat-chamber.gov.sd/
(2) https://gzye.gov.ye/
(3) https://www.nasserbank.gov.eg/
(4) https://www.zf.org.qa/

	**Singapore..** Zakat funds were disbursed to provide direct financial aid to eligible families, in addition to allocating funds for seasonal programs such as supporting families during Ramadan[1].
	**United Kingdom..** In practice, Zakat is primarily directed toward supporting the poor and those in need, settling the debts of indebted individuals, and providing food, housing, and educational assistance[2].
	**United States..** The Zakat Foundation of America and other Islamic bodies focused on funding diverse local and global charitable activities, including relief, education, and health projects[3].
	**Russia..** Zakat funds are directed toward supporting families in need, settling the debts of indebted individuals, providing food and medical assistance, and supporting education and social relief initiatives[4].

Although this data doesn't offer a comprehensive view of zakat disbursement categories, it clearly highlights the diverse areas of expenditure, reflecting the commitment of these institutions to directing zakat resources to match the needs of local communities, with a marked trend toward spending on emergency aid.

(1) Majlis Ugama Islam Singapura (MUIS). (2023). Muis Annual Report 2023 (p. 28).
(2) https://nzf.org.uk/
(3) https://www.zakat.org/
(4) https://kazanforum.ru/

10. Zakat Cooperation (2024)

10.1 Local Zakat Cooperation (2024)



Indonesia.. BAZNAS collaborated with Bank Syariah Indonesia (BSI) to develop a Green Zakat framework which integrates the environmental sustainability values into zakat management and using it as a tool for sustainable development(1).



Kenya.. Premier Bank partnered with the Zakat Kenya to help feed 5,000 families, with donations enabled through electronic platforms for individuals and institutions(2).



Lebanon.. Makhzoumi Foundation signed an MoU with the Zakat Fund to cooperate in serving the most vulnerable groups, particularly in education, health and social development. The agreement included expertise exchange and training workshops on modern fields such as artificial intelligence(3).



Egypt.. Zakat and Charities Fund partnered with Banque Misr to issue prepaid cards for the recipients of monthly subsidies, in a move that reflects digital transformation and easier beneficiary access to support(4).



Algeria.. The National Office of Endowments and Zakat concluded several agreements with community institutions, most notably the General Union of Algerian Merchants and Craftsmen, with the aim of raising awareness of zakat and improving the efficiency of its collection and distribution(5).

(1) https://baznas.go.id/
(2) https://premierbank.ke/
(3) https://makhzoumi-foundation.org/
(4) https://www.youm7.com/
(5) https://www.annasronline.com/

These models reflect the growing importance of local partnerships in enhancing the effectiveness of zakat institutions and expanding their developmental and social impact.

10.2 International Zakat Cooperation (2024)

The year 2024 witnessed a notable expansion in international cooperation in the field of zakat, marked by the signing of agreements and memoranda of understanding, as well as the provision of financial and technical support aimed at reinforcing the role of zakat as a tool for sustainable development and humanitarian solidarity.



Jordan and Indonesia.. Jordan's Ministry of Awqaf, Islamic Affairs, and Holy Sites signed a MoU with the Indonesian Ministry of Religious Affairs to share expertise in religious moderation, zakat, and waqf[1].



Kuwait.. A memorandum of understanding was signed between Zakat House Kuwait and the Islamic Development Bank aimed at enhancing the role of zakat in driving economic and social development[2].



Uganda.. House of Zakat and Waqf Uganda (HoZWU) received a $120,000 grant from the Islamic Development Bank to fund the "Islamic Finance Grant Program to build a Sustainable Islamic Social Finance Ecosystem Uganda"[3].



Mauritania and Oman.. They signed a MoU to enhance joint efforts in the areas of endowments, mosques, zakat and digitization, reflecting a move toward balanced bilateral partnership[4].

(1) https://en.antaranews.com/

(2) https://www.zakathouse.org.kw/

(3) https://hozwu.org/

(4) https://www.fm.gov.om/



Mali.. Zakat Foundation of America partnered with the Ministry of Religious Affairs in Mali to distribute food aid during Ramadan[1].



Japan.. Japan Islamic Trust (JIT) partnered with Syrian Hands to provide zakat, charitable donations, and in-kind support to Syrian refugees and orphans[2].

These initiatives reflect a growing international dimension of zakat cooperation, linking governments, Islamic institutions and international organizations in ways that enhance complementarity in charitable work and multiply the developmental and humanitarian impact of zakat.

(1) https://www.zakat.org/

(2) https://www.islam.or.jp/

11. Zakat Conferences (2024)



Saudi Arabia: The **"Third Zakat, Tax and Customs Conference"** was held in Riyadh in December 2024, organized by the Zakat, Tax and Customs Authority (ZATCA). The conference brought together local and international government and private entities, and focused on the integration of tax and zakat systems while enhancing transparency and digital transformation[1].



Indonesia.. BAZNAS organized **the 8th International Conference on Zakat** (ICONZ 2024) in Bandung in December 2024. The conference focused on the role of zakat in sustainable development, strengthening regional partnerships, and examining governance and innovation issues in zakat collection and distribution[2].



Malaysia.. National Zakat Muzakarah 10th Edition 2024 was held in June in Putrajaya, with the participation of 102 entities and institutions[3].



Maldives... In November 2024, the capital Malé hosted **the International Zakat Conference (INZAC 2024): Paving the Way for Sustainability and Social Impact**[4].

(1) https://zatca.gov.sa/
(2) https://zatca.gov.sa/
(3) https://www.usim.edu/
(4) https://mbr.mv/13615/

12. Dynamics of Institutional Development in Zakat: Establishment and Closure (2024)..

Data from 2024 indicates that the global zakat sector was characterized by a degree of institutional stability, with only limited cases of establishment, closure, or suspension recorded. This broadly reflects the stability in the institutional structure of zakat, though some experiences remained subject to local political and economic conditions.

	**Sudan..** The repercussions of the war directly affected the zakat system, with collection suspended in 11 states, highlighting the fragility of sustainable collection in conflict-affected environments[1].
	**Pakistan..** Administrative failures brought 1,666 zakat committees in Rawalpindi, Punjab, to a standstill, adversely affecting some 10,000 beneficiary families[2].
	**France..** Tax authorities moved to suspend Zakat France, a development that lays bare the legal and regulatory challenges facing the Islamic institutions in Western environments[3].
	**United States..** Palestine HEAL was founded in January 2024 to collect zakat and charitable donations in response to the humanitarian toll of the war in Gaza, adopting a comprehensive approach to the rehabilitation of affected children[4].

(1) https://zakat-chamber.gov.sd/
(2) https://tribune.com.pk/
(3) https://zakatfrance.fr/
(4) https://www.healpalestine.org/



Egypt witnessed growth in the establishment of new charities that manage the collection and distribution of zakat funds[1].



Nigeria.. The Katsina State Zakat and Waqf Board commissioned local committees to collect and distribute zakat, to improve efficiency and reach more deserving recipients[2].

(1) https://sis.gov.eg/

(2) https://dateline.ng/

13. Initiatives to Establish National Zakat Institutions (2024)..

Tracking data points to concerted institutional efforts across several OIC member countries toward establishing national zakat authorities, though not all have materialized into enforceable legal frameworks.



A proposal was put forward to create a national zakat fund[1].



The Tunisian Association for Zakat Sciences submitted a proposal for the establishment of an independent national zakat institution. These collective efforts point to a growing trend toward establishing institutional frameworks for zakat that enhance its developmental and economic efficiency[2].



Work is underway to establish a unified national zakat authority under the supervision of the Ministry of Finance and the Ministry of Awqaf, drawing on the input of jurists, financial specialists and economists[3].

(1) https://www.hespress.com/
(2) https://www.atz.tn/
(3) https://reussirbusiness.com/



It seeks to establish a national fund dedicated to collecting zakat and charitable donations managed through the Somalia Disaster Management Agency (SoDMA) and in coordination with the Supreme Council of Somali Clerics[1].



Work is advancing toward establishing an independent zakat authority tasked with merging the resources of the Zakat Fund and the Social Welfare Fund into a unified system[2].

(1) https://sodma.gov.so/

(2) https://www.alayyam.info/

14. Leading Zakat Institution.. Zakat House Kuwait as a model[1]

Zakat House Kuwait is an independent public authority established under Law No. (5) of 1982, issued in Rabi' Al-Awwal 1403 AH, as a body of legal personality operating under the supervision of the Minister of Awqaf and Islamic Affairs.

Establishing Zakat House was a strategic step toward reviving the zakat obligation and organizing its fulfillment in accordance with Islamic law, through the development of effective mechanisms for collecting and distributing zakat and charitable donations through legally permissible ways responsive to the needs of society and attuned to its rapid developments. Since its establishment, Zakat House Kuwait has contributed to strengthening the social dimension of solidarity and entrenching the role of institutional charitable work in supporting deserving groups and advancing community development.

14.1 The Revenue Structure of Zakat House Kuwait

The revenue structure of Zakat House Kuwait in 2023 reflects a notable diversity of funding sources, which enhances its capacity to achieve financial sustainability and support its social and humanitarian programs. **Zakat revenues, both mandatory and voluntary, constituted the largest source, amounting to KD 19.2 million, or 41% of total revenues,** affirming the institution's continued reliance on this Sharia-compliant resource as a primary funding base.

The **mandatory zakat collected under the Zakat Law**[2] contributed **24% of revenues, amounting to KD 11.56 million**; a figure that speaks to the effectiveness of the legislative framework in strengthening societal commitment and expanding the official collection base.

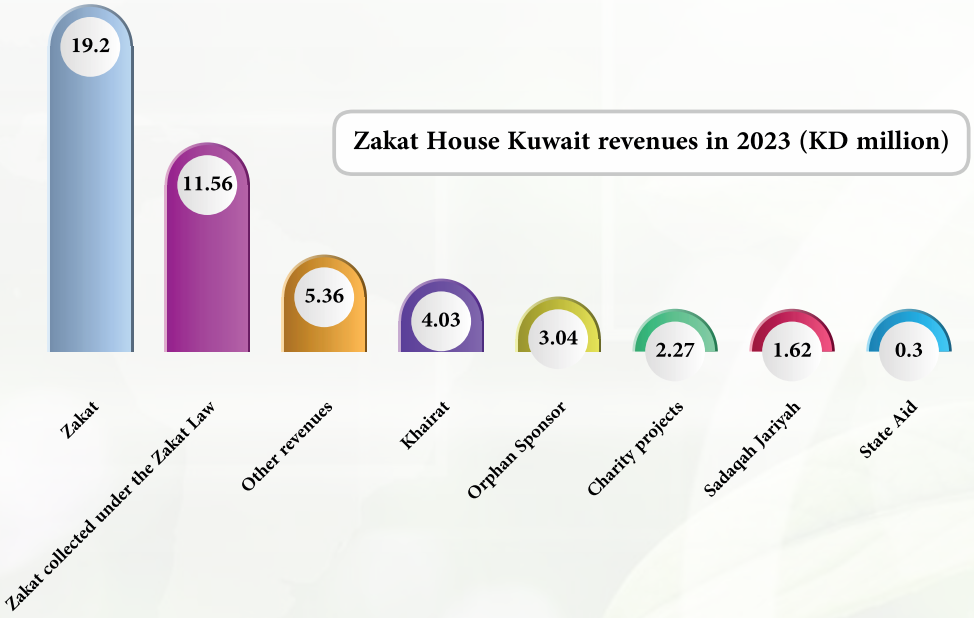
Beyond zakat revenues, "**Other revenues**" made a tangible contribution to total revenues in 2023, reaching approximately KD 5.36 million (11%), reflecting the institution's capacity to grow alternative resources through investment and operational activities. In the same

(1) https://www.zakathouse.org.kw/

(2) Corporate zakat in Kuwait is governed by binding legal provisions integrating it into the state's financial framework. Law No. 46 of 2006 on Zakat and the Contribution of Public and Closed Shareholding Companies in the State's Budget mandates that Kuwaiti public and closed shareholding companies pay 1% of their annual net profit as zakat, collected and remitted to the Ministry of Finance. https://www.mof.gov.kw/

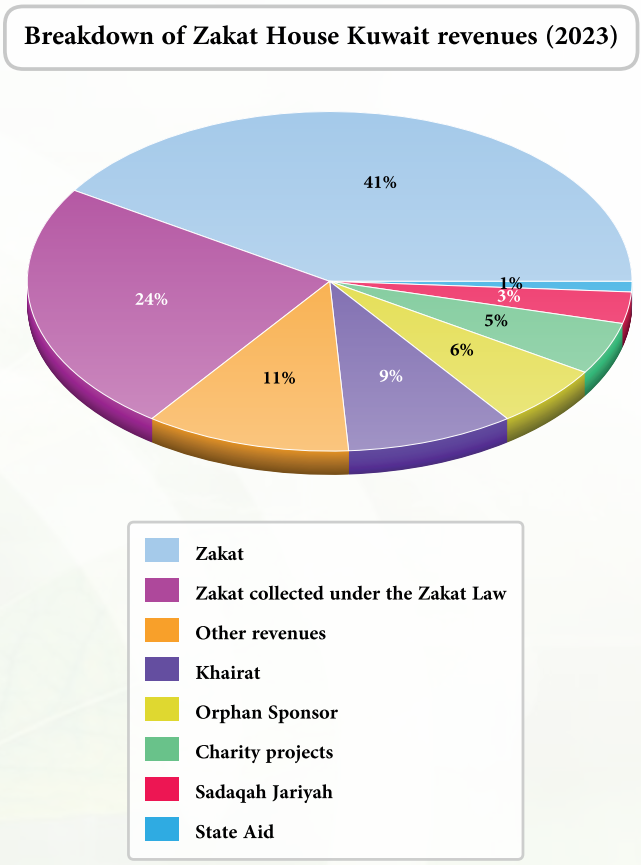

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vein, the **Khairat Program** generated KD 4.03 million (9%), while the **Orphan Sponsor Program** contributed KD 3.04 million (6%), which attests to the sustained societal inclination toward sustainable solidarity initiatives.



The Charity Projects Program recorded approximately KD 2.27 million, while Sadaqah Jariyah (Ongoing Charity) reached around KD 1.62 million. State Aid, by contrast, amounted to just KD 0.3 million, which shows that the Zakat House Kuwait is primarily relying on its self-generated revenues.

Economic analysis of the data reveals that Zakat House Kuwait operates on a well-balanced funding base, combining Sharia-compliant revenues, zakat in its various forms, with revenues driven by community initiatives and operational activities. The substantial volume of zakat and zakat collected under the Zakat Law affirms that the institution functions within an effective legislative system that promotes sustainable collection. The relative weight of programs such as the Orphan Sponsor and Charity Projects points to a growin societal awareness of the role that regular charitable giving plays in financing social programs. The distribution of revenues demonstrates the institution's ability to cope with financial volatility by diversifying sources of income, enhancing the resilience of charitable work in Kuwait and ensuring its long-term sustainability.



14.2 The Expenditure Structure of Zakat House Kuwait

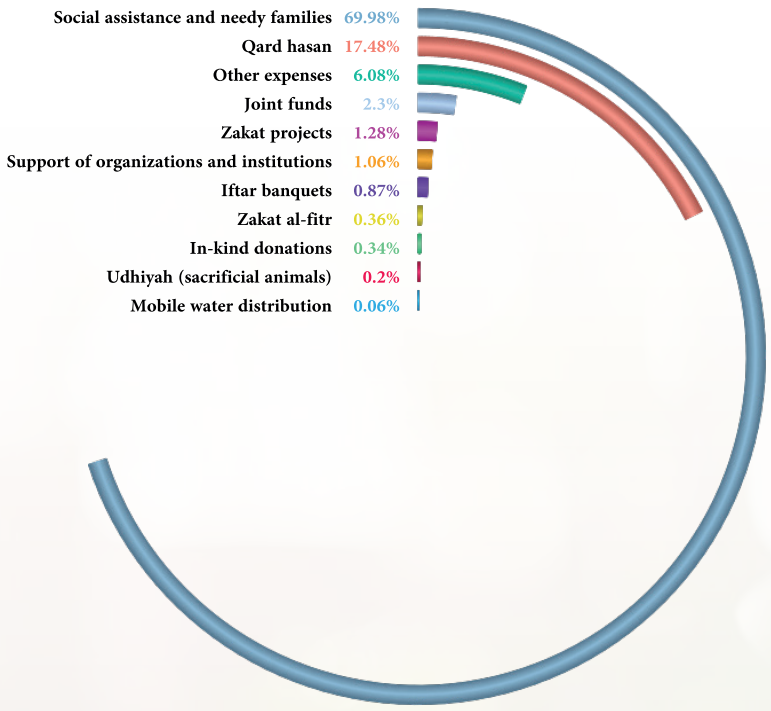
14.2.1 Local Spending Structure

The local spending structure of Zakat House Kuwait for 2023 reflects a clear focus on strengthening social safety nets and supporting the needy families, with **"Social assistance and needy families" claiming the largest share of expenditure at approximately 70%, amounting to KD 18.54 million**. This affirms the institution's central role in addressing subsistence gaps and promoting social stability.

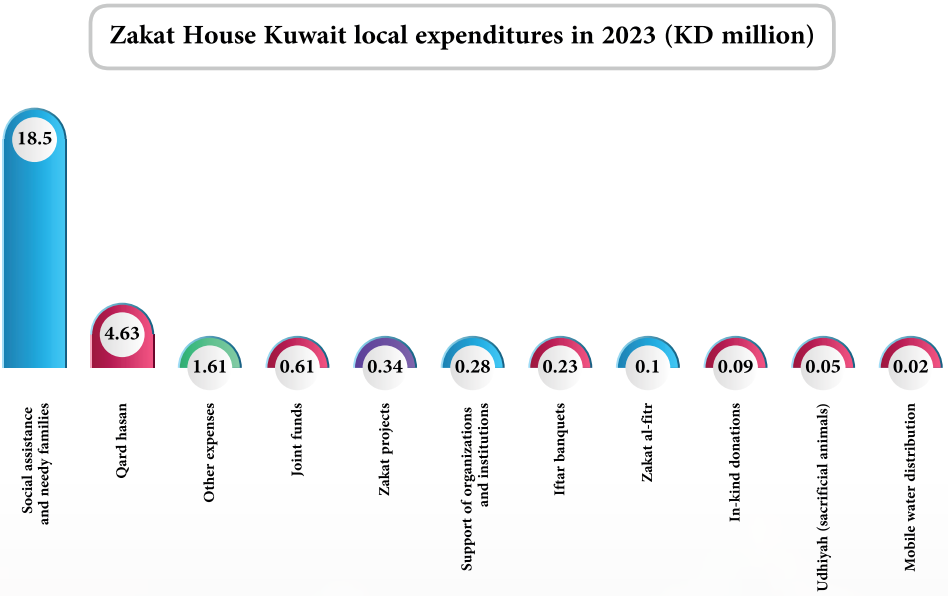
Qard hasan represented the second largest expenditure line at 18% (KD 4.63 million), reflecting the commitment of Zakat House Kuwait to providing non-profit financing that empowers individuals and improves their capacity to navigate financial hardships without incurring the burdens of conventional debt.

Other expenses reached KD 1.61 million (6%), covering operational costs and a range of service programs. Spending on **joint funds** stood at approximately KD 0.61 million (2%), while **zakat projects** accounted for around KD 0.34 million (1%). Both lines attest to the institution's continued support for developmentally oriented zakat projects.

Breakdown of Zakat House Kuwait Local Expenditures (2023)



Additional allocations went to organizations and institutions (KD 0.28 million), Iftar banquets (KD 0.23 million), and zakat al-Fitr (KD 0.095 million), with smaller amounts channeled to in-kind donations (KD 0.09 million), Udhiyah (KD 0.052 million), and mobile water distribution (KD 0.015 million). Modest in value, these lines represent targeted programs with direct impact during specific religious seasons and occasions.



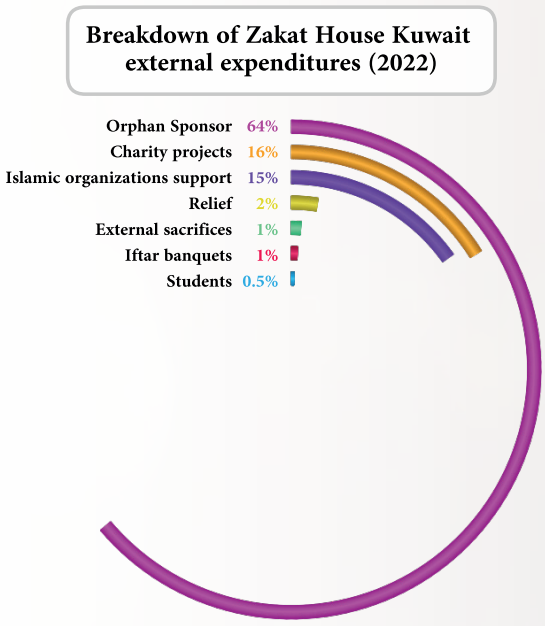
Total local expenditure for 2023 exceeded KD 26.5 million, reflecting a balanced spending structure that combines direct social support with developmental contributions. This reinforces the strategic role of Zakat House Kuwait in the Kuwaiti charitable sector.

14.2.2 External Expenditure Structure

The role of Zakat House Kuwait extended well beyond domestic programs to systematic external expenditure[1] that reflects its cross-border humanitarian mission. In 2022, the institution carried out a broad range of charitable projects outside Kuwait, with **Orphan Sponsorship** taking the largest share at KD 5.39 million (64% of total external expenditure), highlighting priority support for the most vulnerable groups.

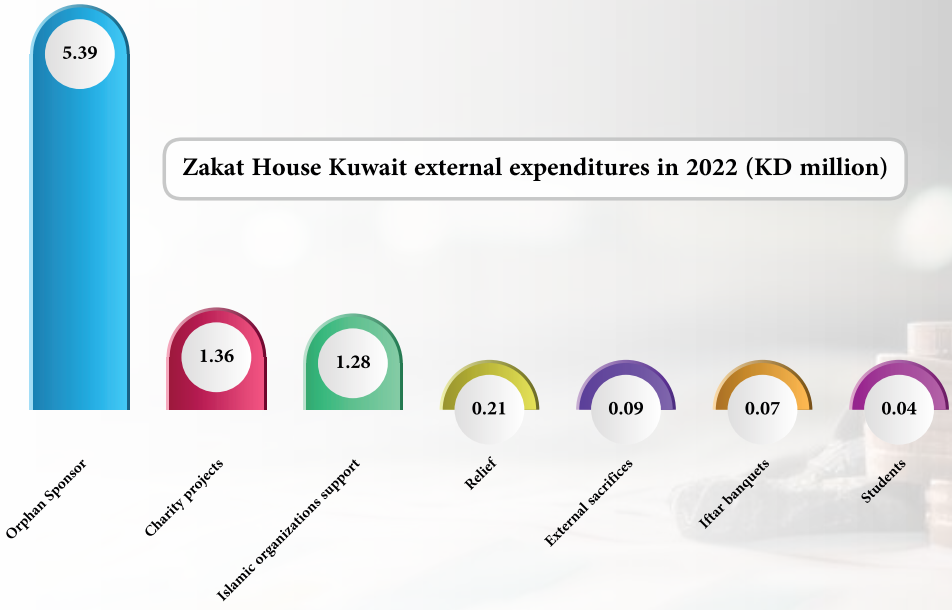
Charity projects ranked second at KD 1.3 million (16%), indicating a focus on sustainable developmental initiatives that improve the basic services and community infrastructure in beneficiary countries. A further KD 1.379 million went to the **Islamic organizations** (15%), enhancing their capacity to deliver its developmental and relief programs on the ground.

(1) Kuwait Zakat House. Annual Report 2022. State of Kuwait: Zakat House, 2023.



External expenditure further covered seasonal and emergency programs: **Relief** at KD 709.6 thousand (3%), **external sacrifices** at approximately KD 84.9 thousand, **Iftar banquets** at KD 70.2 thousand, and **student support** at KD 34.96 thousand, reflecting the institution's commitment to human capital development.

Total external expenditure in 2022 reached approximately KD 8.43 million, attesting to the broad scope of humanitarian activities executed by the Zakat House and the diversity of its financial intervention instruments across varied social and developmental contexts. This performance speaks to the effectiveness of the institutional model in directing the financial resources to maximize the impact of Kuwaiti charitable work internationally, while delivering sustained developmental and social returns.









Second Waqf Institutions

Islamic endowments (waqf) represent one of the most important civilizational institutions in the Islamic history, playing a pivotal role in preserving societal identity and promoting its social and economic development. Since their inception in the earliest era of Islam, this system has entrenched the concept of collective responsibility and embodied principles of mutual support and solidarity in the Muslim community.

Waqf impact extended internationally, forming extensive networks of social, cultural and economic ties that strengthened unity among Muslims within the Islamic world and beyond. Thus, endowments became a practical expression of the Ummah's unity and cohesion, serving as a fundamental factor in building the Islamic civilization and sustaining it.

1. Size of Waqf in Islamic Countries

Estimating the actual scale of the global waqf sector is a complex undertaking, owing to the institutional fragmentation of endowments, varying registration and oversight bodies across countries, and the fact that a significant portion of assets remain unrecorded in national registries. The challenge increases due to the wide diversity in waqf asset types, divergent valuation methodologies, real estate pricing in particular, and their vulnerability to economic cycles. Absence of standardized valuation criteria, coupled with a scarcity of comprehensive studies, pushes international estimates closer to conjecture than calculation.

Despite these challenges, the estimates of the World Bank place **the global value of Islamic waqf assets somewhere between $100 billion and $1 trillion**, which is a gap that highlights the significant disparities in available data. Waqf literature indicates that **70–80% of total waqf assets take the form of real estate**, while the remainder is invested in Sharia-compliant financial instruments, typically through regional financial institutions and investment funds. **Cash waqf is estimated at approximately $35 billion**[1].

Thus, the sector of Islamic waqf emerges as one of the world's largest non-profit financial pools in the Muslim world, representing a substantial economic and investment reserve with high potential that can be harnessed to support social and economic development pathways.

1.1 Saudi Arabia

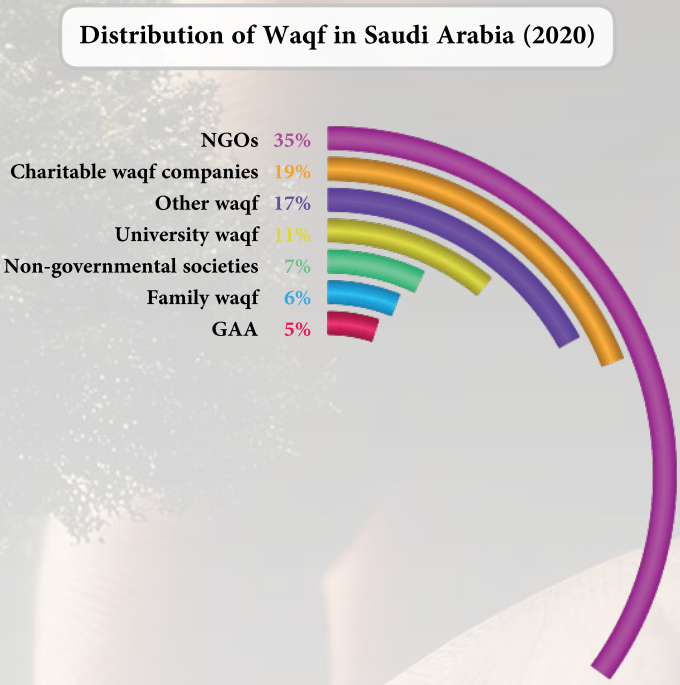
According to a press release, total waqf assets in Saudi Arabia reached approximately $63 billion by end-2022, and they were managed through some 113,489 waqf organizations. While these figures do not derive from a detailed official statistical report, they offer a broad indication of the sector's scale and the breadth of its institutional base during the period in question[2].

1.1.1 Distribution of Waqf in Saudi Arabia

Non-governmental organizations hold the largest share of waqf assets at 35% of the total sector, followed by charitable waqf companies at 19% and other waqf at 17%.

(1) World Bank Group, INCEIF, & ISRA. (2020). Maximizing Social Impact Through Waqf Solutions. World Bank Global Knowledge & Research Hub in Malaysia.

(2) https://www.alyaum.com/



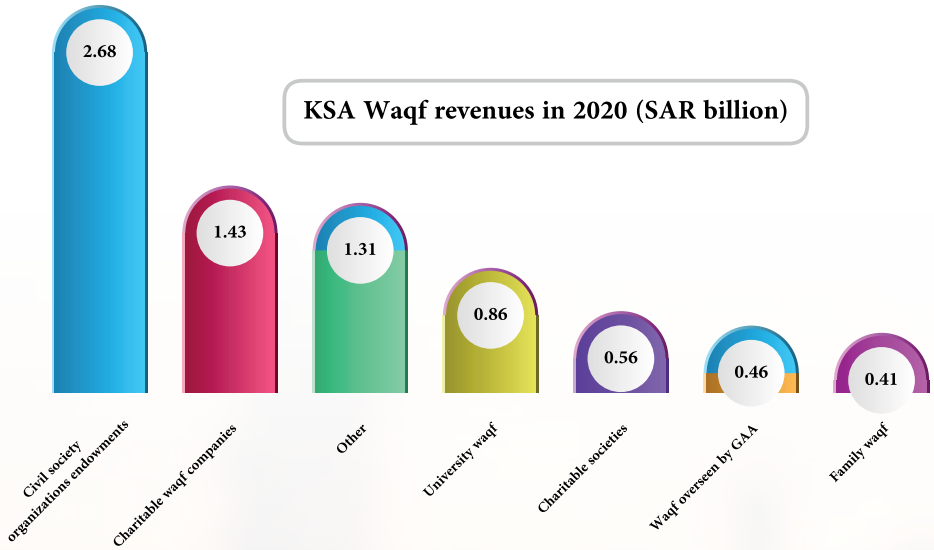
University waqf accounts for 11%, non-governmental societies for 7%, and family waqf for 6%, with the General Authority for Awqaf (GAA) overseeing the remaining 5%[1].

1.1.2 Waqf Revenue Structure in Saudi Arabia

Civil society organizations endowments recorded the highest revenues among all categories, totalling approximately SAR 2.68 billion ($714 million). Charitable Waqf companies ranked second, generating SAR 1.43 billion ($381 million).

University endowments recorded revenues of SAR 859 million ($229 million), followed by GAA-administered endowments at approximately SAR 459 million ($122 million), and family waqf at around SAR 406 million ($108 million).

(1) Islamic Financial Services Board & Saudi Central Bank. (2021). Saudi Arabia Islamic Finance Report: Excellence and Leadership.



Revenues from other waqf amounted to SAR 1.31 billion, equivalent to $349 million, bringing total waqf revenues to approximately SAR 7.70 billion, equivalent to $2.1 billion.

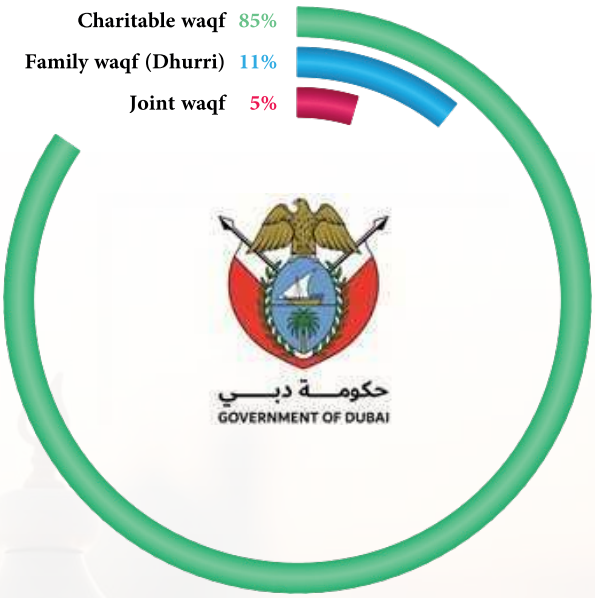
These figures indicate that waqf sector in Saudi Arabia is experiencing increasing diversification in revenue channels and expansion in managed assets, with civil societies and waqf companies emerging as the main drivers of returns.

1.2 UAE

The waqf sector in Dubai witnessed significant qualitative development in 2024, with total waqf assets reaching AED 11.1 billion ($3 billion), reflecting an estimated annual growth of 9% compared to 2023.

According to official data, **the total number of registered waqf endowments stood at 1,043**.

Share of registered waqf categories in Dubai



1.2.1 Categories of Registered Waqf in Dubai

Registered endowments are distributed across three main categories:



Charitable waqf: 882 endowments (84%), with assets valued at AED 6.9 billion ($ 1.9 billion).



Family waqf (Dhurri): 113 endowments (11%), with assets valued at AED 3.1 billion ($844 million).

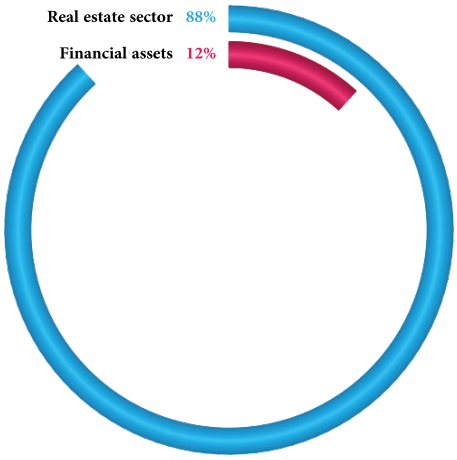


Joint waqf: 48 endowments (5%), with assets valued at AED 1.1 billion ($299 million)

1.2.2 Types of Registered Waqf in Dubai

Real estate has the largest share of waqf assets, valued at approximately $2.7 billion across 921 endowments (88%), including lands, residential units, commercial premises, and investment buildings. This enhances renewable returns directed toward charitable and developmental causes.

Share of registered waqf categories in Dubai (2024)



By contrast, financial assets, including equities and commercial licenses, were valued at approximately AED 1.1 billion ($299 million), distributed across 122 endowments (12%).

The data also revealed remarkable growth in Emirati women's contribution to the waqf sector; women's waqf assets reached AED 1.3 billion ($ 354 million) in 2024[1].

1.3 Kuwait

Data from Kuwait's Awqaf Public Foundation highlights the investment strength of the waqf sector. The market value of managed waqf assets exceeds KWD 1.47 billion ($4.8 billion). Revenues in 2022 reached approximately KWD 48 million ($156 million), allocated in accordance with each waqif's stipulations across multiple development fields, primarily community development. **The Awqaf Public Foundation also ranks as the second-largest real estate owner in the country, with real estate investments of approximately KWD 726 million ($2.4 billion)**, distributed across various governorates[2].

1.4 Arab Republic of Egypt

Waqf assets in Egypt comprise approximately 114,000 endowments, with an estimated aggregate value of around EGP 180 billion ($3.8 billion). The Egyptian waqf system

(1) https://www.protocol.dubai.ae/

(2) https://alseyassah.com/

holds nearly half a million feddans of agricultural land, including about 65,000 feddans dedicated to fruit farms and orchards, in addition to ownership stakes or investments in approximately 20 companies and banks, and around 120,000 residential and administrative units. Annual waqf returns amount to approximately EGP 800 million ($17 million), while annual waqf investments reach about EGP 1.7 billion ($36 million), reflecting the growing economic weight of Egyptian endowments and their capacity to support development and financial sustainability[1].

1.5 Turkey

Official data from Turkey's Directorate General of Foundations reveals the breadth of the country's waqf infrastructure and the depth of its historical and economic role. **Turkey is home to approximately 6,295 active waqf institutions and more than 60,000 historical waqf assets** including mosques, educational facilities, and service establishments. This scale places Turkey among the largest waqf systems in the world, both in terms of the number of institutions and the value of managed assets.

2021 asset value was estimated at about $11 billion, with total revenues for the same year around $152 million. This reflects the capacity of these assets to generate sustainable income that supports the state's social and service activities. Waqf investments in Turkey are concentrated primarily in real estate and banking, as wee as the commercial operations of the Directorate's affiliated companies, with holdings of approximately 4021 independent real estate units including villas, apartments, shops, and commercial offices.

Driven by growing financial resources, the Directorate General of Foundations invested more than $1 billion between 2003 and 2020 in developing, maintaining and maximizing the returns of waqf assets. Data indicates that the Directorate holds approximately 65,000 waqf properties across the country, among them some 9,000 endowments of cultural significance[2].

(1) Islamic Development Bank. (2010). Awqaf Properties Investment Fund: Ninth annual report & https://www.youm7.com/

(2) https://www.vgm.gov.tr/ & https://www.icnl.org/ & https://iiiw.org/

1.6 Indonesia

The waqf sector in Indonesia is experiencing a rapid growth, reflecting its transition into a more present and impactful phase in the national economy. Data from the Waqf Information System of the Ministry of Religious Affairs for 2022 points to an expansive base of tangible waqf assets, encompassing approximately 440,000 sites across various regions, covering a total area of around 57,200 hectares. These figures speak to the entrenched position of waqf as one of Indonesia's most vital sustainable development resources.

Financially, the latent funding potential of cash waqf stands out as a significant contributor to development programmes. The Indonesian Waqf Index (BWI) recorded sustained growth in cash waqf mobilization, with collections reaching approximately IDR 1.4 trillion ($83 million) by March 2022, surpassing the $51 million collected over the entire four-year period from 2018 to 2021. This ongoing rise reflects growing public awareness of modern waqf mechanisms, as well as institutional development and supportive legislation driving the sector's expansion[1].

(1) https://www.bwi.go.id/

2. Key Legislative and Regulatory Developments in Waqf (2024)

2.1 Saudi Arabia

In 2024, the Council of Ministers issued a decision granting the General Authority for Awqaf the power to invest funds from endowed real estate properties held in its custody that were expropriated for the public benefit, or over which a competent court approved disposition. This decision represents a significant regulatory advancement, transforming expropriation compensation from frozen funds into investable assets, channeling them toward the benefit of waqf and maximizing its developmental impact.[1].

2.2 Turkey

The Directorate General of Foundations issued a regulatory decision setting the minimum asset limit for the establishment of a new waqf in 2024 at TRY 500,000 ($11,1 thousand)[2].

2.3 Pakistan

The Implementing Regulations of the Islamabad Capital Territory Waqf Properties Act, 2020 saw significant developments, with the Senate Committee on Delegated Legislation deliberated in July 2024 on the waqf rules that had been drafted and approved by the Islamabad Capital Territory Administration in February 2024. These rules focus on regulating the management of waqf properties falling under the federal law, representing a regulatory update to the application of existing waqf law rather than being a new legislation in its own right[3].

(1) https://web.awqaf.gov.sa/

(2) https://www.vgm.gov.tr/

(3) https://www.pakistantoday.com.pk/

3. Key Waqf Events (2024)



Malaysia.. The International Waqf Conference 2024 (IWC2024) was held in Kuala Lumpur, organized by Universiti Kebangsaan Malaysia in collaboration with Yayasan Waqaf Malaysia (YWM) and the Department of Awqaf, Zakat and Hajj (JAWHAR), under the theme **"The Empowerment of Waqf for Economic Sustainability and Knowledge Development."** The conference reviewed the latest research and practices in waqf empowerment and advancing its contribution to sustainable development(1).



Indonesia.. The **Global Waqf Conference 2024** was held in Malang to examine modern trends in waqf sector development, emphasizing its role in economic and social advancement(2).

The 13th Annual Meeting of **the World Zakat and Waqf Forum (WZWF 2024)** was held in Jakarta in November 2024, hosted by the Indonesian Ministry of Religious Affairs in partnership with Bank Indonesia, and in cooperation with the National Board of Zakat (BAZNAS) and the Indonesian Waqf Index (BWI)(3).



Turkey.. In Istanbul, the 11th International Forum on Waqf Issues was held in November 2024. The forum themed "Emerging Issues and Sharia Foundations," was jointly organized by Kuwait's Awqaf Public Foundation, the International Islamic Charity Organization, and Turkey's Presidency of Religious Affairs (Diyanet). The event forms part of broader efforts to institutionalize waqf practice through the examination of emerging issues and their juridical grounding in Sharia, with a view to enhancing the effectiveness of waqf legislation and policy across the Islamic world(4).

(1) https://www.ukm.my/
(2) https://globalwaqfconference.org/
(3) https://wzwf2024.wzwf.ai/
(4) https://www.awqaf.org.kw/



4. A Case Study of the Performance of an Endowment Authority in 2024: The General Authority for Awqaf in the Kingdom of Saudi Arabia[1]

Financial performance data for the Saudi General Authority for Awqaf (GAA) in 2024 reveals notable progress in governance and operational efficiency across the waqf sector. **The GAA registered 13,256 endowments as part of its ongoing efforts to survey and digitally document waqf assets**, reflecting a systematic expansion in the portfolio of officially managed waqf properties.



13256

registered endowments

The GAA achieved a 4.45% return on real estate assets, reflecting the effectiveness of its investment policies and capacity to utilize waqf properties in sustainable value-generating activities.



4.45%

Return on real estate assets

The revenues of Waqf investment exceeded SAR 1 billion, more than SAR 500 million in 2023, following the addition of five new funds, bringing the total to 34 waqf investment

(1) Al-Taqrir Al-Sanawi lil-Hay'ah Al-Ammah lil-Awqaf (2024) & https://www.awqaf.gov.sa/


200 km

funds, and reflecting the effectiveness of waqf portfolio management and enhanced investment efficiency.



SAR 1 billion

Revenues of Waqf investment

Total waqf expenditure across beneficiary channels reached SAR 445 million, amplifying waqf's social impact through direct support for beneficiaries and relevant developmental programs.



SAR 445 million

Total expenditure of the Authority's Awqaf across all beneficiary channels

Number of volunteers in non-profit organizations under the supervision of the GAA reached 19,021 individuals.



19021

volunteers in non-profit organizations under the supervision of the GAA

The GAA recorded contributions exceeding SAR 2.8 billion through partnerships with governmental and non-governmental entities across waqf expenditure channels and sustainable development projects, affirming its pivotal role in channeling waqf resources toward developmental roles with long-term impact.



SAR 2.8 billion

Total contribution by partners to waqf expenditure channels and the sustainable development goals

Performance data shows that the Authority oversaw 490 specialized developmental and waqf programs in 2024, reflecting its expanding role in advancing waqf initiatives and enabling it to have a direct economic and social impact.



490

specialized developmental and waqf programs

These combined indicators highlight clear progress in the Authority's performance and a growing capacity to amplify the contributions of waqf sector to the national economy. This is consistent with the sustainable development goals and Saudi Vision 2030.

5. Islamic Endowments: Saleh Al Rajhi Endowment as a Model[1]

Since its establishment in 1417 AH/ 1997 CE, Al Rajhi Endowments represents a pioneering model of institutional waqf practice in Saudi Arabia and the wider Islamic world. The Waqf operates across three integrated main sectors: the agricultural and real estate sectors serve as the commercial and investment arms of the institution, while the charitable sector classifies waqf expenditure channels and directs spending on them in accordance with the endower's conditions and developmental objectives.

The waqf draws on a broad investment base of real estate assets and agricultural projects that rank among the largest of their kind in the Kingdom.



More than 5,000

residential, commercial and industrial units

At the real estate level, it owns 11 properties encompassing more than 5,000 residential, commercial and industrial units that form the primary sources of the endowment's sustainable financing. **At the agricultural level, the waqf manages three large-scale date palm projects that stretch across 6,256 hectares, with more than 250,000 palm trees**, effectively supporting national food security through the production and marketing of premium-quality dates.



More than 47 countries

Global impact of Al Rajhi Endowment

This solid investment structure enabled Al Rajhi Endowment to build a large-scale philanthropic system, with **total assets exceeding SAR 13 billion, and a developmental impact extending to 47 countries, through programs that touched the lives of more than 54 million people.**

(1) https://www.rajhiawqaf.org/

More than 54 Million

beneficiaries

This achievement confirms the endowment's capacity to achieve financial sustainability and expand the scope of charitable giving, reflecting the endower's vision of institutionalizing charitable work and amplifying its local and global impact.





Third Qard Hasan Institutions

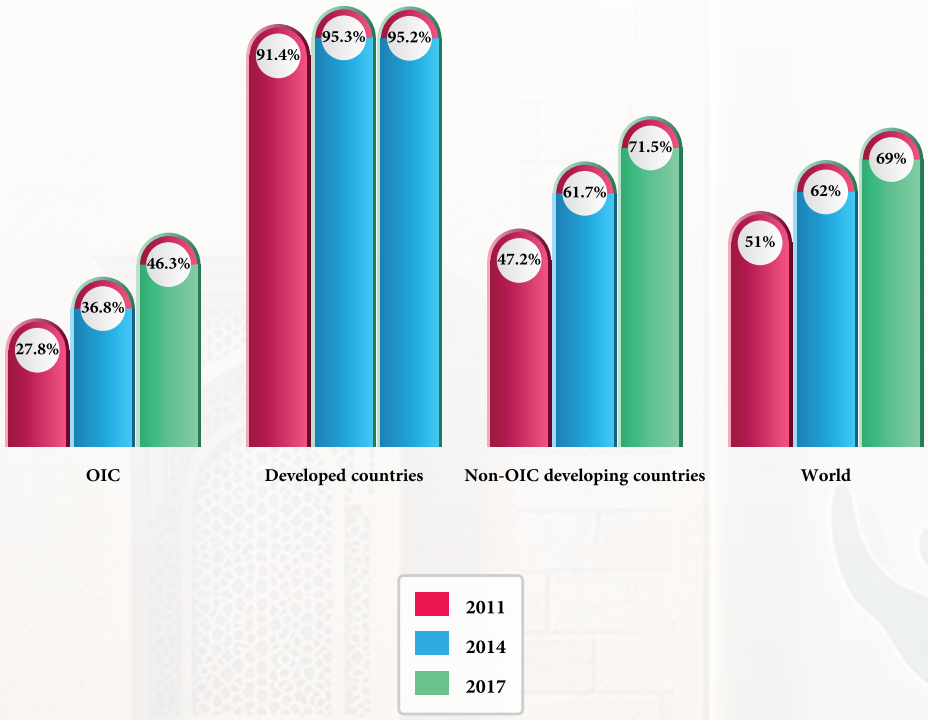
Qard hasan stands as one of the most pivotal financing instruments for supporting development, particularly in environments where individuals and communities struggle to access finance. Islamic tradition attests to both the merit and social efficacy of qard hasan, as reported in the Prophetic hadith: **"A man entered Paradise and saw written on its gate: Charity receives a tenfold reward and giving a loan receives an eighteen-fold reward"**(1). The significance of this form of lending continues to grow across Muslim countries, given their pressing need for accessible financing mechanisms that ease financial burdens and support small and medium economic activities.

Data on the possibilities of accessing finance in OIC member countries shows marked development during 2011-2017, with clear disparities across country groups. OIC countries' access rate rose from 27.8% in 2011 to 46.3% in 2017, yet this improvement remains well short of levels recorded in developed countries, which maintained rates exceeding 91% in 2011 and reached 95.2% in 2017. Non-OIC developing countries achieved notable progress over the same period, rising from 47.2% to 71.5%, while the global average increased from 51% to 69%.(2).

(1) Narrated by Ibn Majah, and graded Hasan by al-Albani, see: Al-Targhib wa Al-Tarhib li Al-Mundhiri, tahqiq: Muhammad Nasir al-Din al-Albani, Maktabat Al-Ma'arif lil-Nashr wa Al-Tawzi', Al-Riyadh, 1st ed., 1424 AH, vol. 1, p. 390.

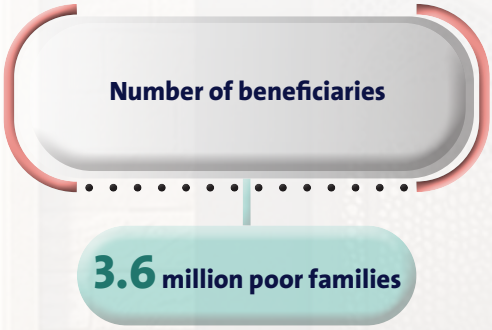
(2) World Bank Global Findex Database 2018, cited in: SESRIC, OIC Economic Outlook 2018: Challenges and Opportunities towards Achieving the OIC-2025 Programme of Action (SESRIC, OIC, Ankara, Turkey, 2018), p. 74.

Access to finance in OIC member countries compared to the rest of the world



1. Akhuwat Foundation — Pakistan

Akhuwat **is the world's largest interest-free microfinance program**, establishing itself as a pioneering model in applying the principles of solidarity-based Islamic finance to serve those most in need. As of 2024, the Foundation has extended more than IDR 366 billion ($1.3 billion) in developmental loans to some 3.6 million poor families across Pakistan. Figures that speak to the scale of the socioeconomic impact of its programs and their reach across the country.



The data reflects the Foundation's ongoing expansion, **with 369,343 extended loans**.



The foundation achieved an exceptional 99.93% recovery rate, reflecting the strength of its social capital and the effectiveness of its trust- and solidarity-based lending model. Its operations reach across 449 cities through a network of 865 branches and a staff of 3,383, positioning it as a key player in advancing financial inclusion in Pakistan.



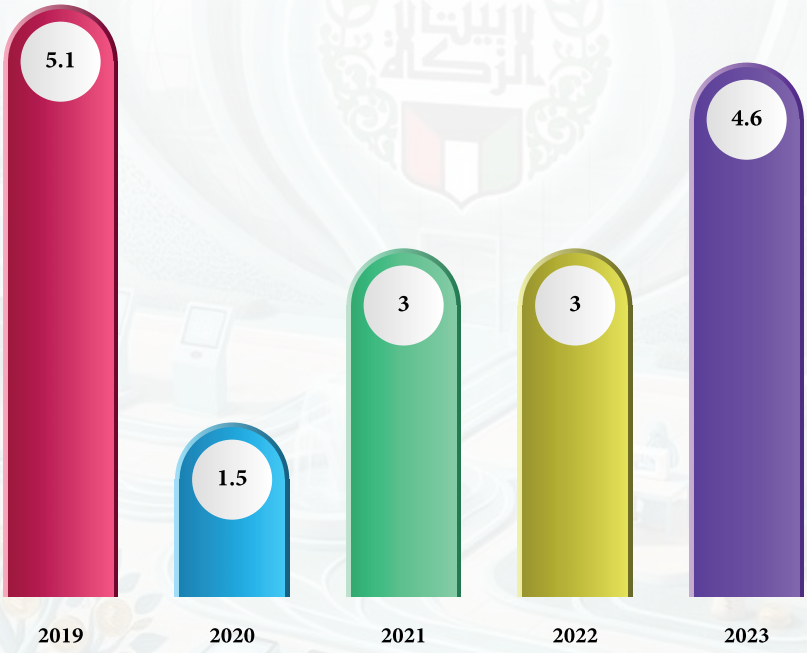
Akhuwat's impact reaches well beyond finance into social empowerment and public service. The Foundation launched Pakistan's first fee-free university, Akhuwat University, alongside other initiatives in education, community development and inclusion of marginalized communities. This multi-dimensional role highlights the capacity of qard hasan to combine the economic efficiency with social impact, offering an alternative developmental model that can help in reducing poverty, supporting the economic participation and building sustainable social capital to enhance the resilience and growth potential of local communities[1].

(1) https://akhuwat.org.pk/

2. Zakat House Kuwait - Qard Hasan Program

Qard Hasan represents one of the disbursement mechanisms adopted by Zakat House Kuwait to support those in need. Data from Zakat House Kuwait on the Qard Hasan programme over the period 2019–2023 reveals a fluctuating disbursement pattern. Total disbursements in 2019 amounted to approximately KWD 5,050,260 ($16.4 million), the highest level recorded over five years, before declining sharply to KWD 1,523,370 ($5 million) in 2020 amid the challenges posed by the COVID-19 pandemic. Following this downturn, the program resumed a gradual upward trajectory, reaching KWD 2,959,340 ($9.6 million) in 2021 and KWD 3,008,925 ($9.8 million) in 2022, **before posting strong growth in 2023 at KWD 4,631,160 ($15.1 million)**.

Projects under the Qard Hasan program [Zakat House Kuwait] million dinars



This data highlights the role of the program as an effective social financing tool that contributes to alleviating the financial burdens suffered by individuals and families.

3. Sudan Zakat Chamber - Qard Hasan Program

The Chamber identified a pressing problem among farmers in one of Sudan's states: despite dire need, many refused to accept zakat. In response, the Chamber's General Directorate of Projects devised the concept of "**revolving capital**" based on the principle of qard hasan drawn from zakat funds. It established a loan fund to finance agricultural projects in the state in a phased and structured manner, covering the costs of agricultural inputs.

The initiative proved a success. The total financed and cultivated land reached approximately 21,500 feddans, benefiting more than 8,000 farmers. It created jobs for over 6,000 agricultural workers, and enabled the revived projects to support a livestock population of 450,000 heads.

Among outcomes of this qard hasan**, about 13% of farmers returned to their farms after abandoning them**. These projects also led to an increase in the zakat proceeds from this state, and all the people of the state cooperated with the Zakat Chamber in collecting zakat[1].

(1) Abdelqader Ahmed Al-Sheikh Al-Qadani, waraqa manhajiyya "Tamweel Al-Mashruat bi-Diwan Al-Zakat", Al-Ma'had Al-Ali li-Ulum Al-Zakat, Khartoum, Sudan.

4. Jana Center.. Sulaiman Al-Rajhi Foundation for Development Finance - KSA..

Jana Center was established in 2010 as one of the specialized programs of Sulaiman Al-Rajhi Foundation for Development Finance. A socioeconomic initiative at its core, the Center provides qard hasan services to women seeking to establish commercial ventures that enable them to improve their income and play a more active role in society. The importance of the Center lies in its dual identity as an economic project with deep social dimensions, targeting women, particularly the unemployed and those seeking to work and produce, through lending services, fostering a culture of productivity and self-reliance. In doing so, it creates self-employment opportunities, contributes to reducing poverty and unemployment, while empowering women socially and economically through viable, income-generating projects.

The Center provides integrated services, including financing, training, and empowerment and marketing. These services are designed to sustain the sustainability of projects and deliver developmental impact.



Financing: It covers two main tracks: individual financing, including programs such as Wa'ida, Baraka, Social Security, Technical Loan, and Bidaya; and group financing, encompassing the Productive Families Loan, Takamul, and Bidaya (Group) programs.



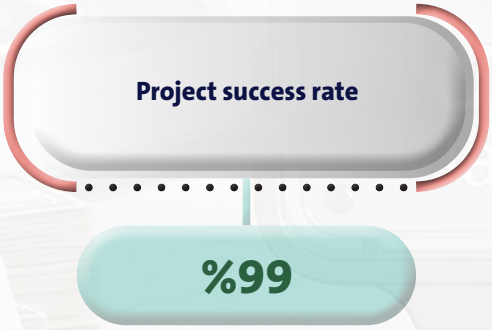
Training: It follows a three-stage progressive model: the first stage equips trainees with foundational management skills and basic feasibility analysis; the second prepares them for entrepreneurship through developing a business model; and the third qualifies clients to enter the market through the preparation of detailed feasibility studies.



Empowerment and Marketing: the Center provides empowerment and marketing support services designed to enhance project quality, success rates and sustainability.

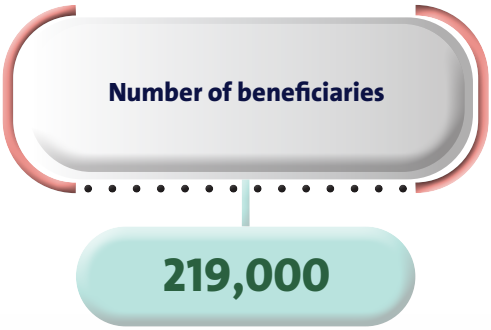
The Center is one of the leading supporters of development projects targeting productive families. It delivers a range of key initiatives, including: licensed kiosks for productive families to curb informal street vending and stimulate local economic activity and tourism; Yamam Cafe initiative in partnership with the Social Development Bank to establish permanent retail outlets within government entities and universities; heritage markets to support national crafts and industries and reinforce cultural identity; and school canteens managed in cooperation with education directorates to create sustainable employment opportunities. Additional efforts include training beneficiaries in productive industries such as natural soap manufacturing in accordance with defined quality standards. It also developed digital marketing tools including the Jana Card app, which offers discounts and expanded promotional opportunities for productive families across the Kingdom.

The Center's quantitative performance indicators reflect a high level of efficiency and effectiveness in delivering its developmental programs, with a project success rate of approximately 99%, a figure that speaks to the quality of its selection, monitoring and support mechanisms.



A total of 6,562 clients benefited from the training programs, reflecting the broad scope of capacity-building efforts.

Financially, the data indicate that the Center's active financial portfolio amounted to about $170 million, while the cumulative lending portfolio reached about $667 million, serving nearly 219,000 beneficiaries.



This financing scale reflects the economic impact achieved by the Center's programs in supporting small and micro enterprises and productive families and enhancing their ability to continue and contribute to local development[1].

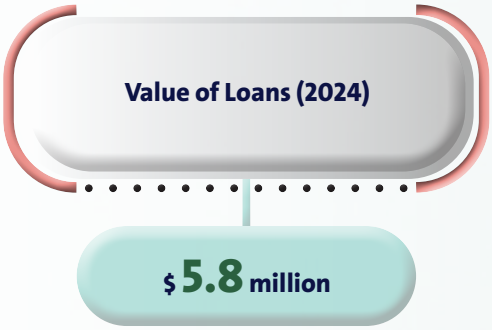
(1) https://jana-sa.org/ & https://rdf.org.sa/

5. Jordan Islamic Bank - Qard Hasan Program

The bank, as part of its strategic priorities, provides interest-free loans to individuals in pursuit of a range of social and humanitarian goals: education, medical treatment and marriage.

The total number of beneficiaries since its inception through end-2024 amounted to about 607,000 customers.

The Bank continued these efforts, providing interest-free loans to achieve the basic social goals, which include education, medical treatment and marriage. **The total value of these loans amounted to about $5.8 million in 2024, benefiting approximately 2,475 customers**.



The bank also continued to receive deposits into its Qard Hasan Account from clients wishing to lend it through the bank as interest-free loans. The balance of this account amounted to about $3.1 million at end-2024. Through this mechanism, the bank undertakes to manage the deposited amounts and channel them in the form of qard hasan loans, provided that the principal amounts are returned to the depositors when the beneficiaries repay their loans[1].

(1) Taqrir Al-Bank Al-Islami Al-Urduni 2024; and Nabih Allah Yusuf Jabi, Muassasat Al-Qard Al-Hasan wa Dawruha fi Mu'alajat Mushkilat Al-Faqr: Dirasah Tahliliyyah, Risalat Doctorah, Kulliyat Al-Dirasat Al-Ulya, Jamiat Al-Ulum Al-Islamiyyah Al-Alamiyyah, Jordan.


البنك الإسلامي الأردني
عضو مجموعة البركة



Section IV

Economics of Religious Institutions and Rituals in Islam

First: Economics of Mosques

Second: Economics of Hajj and Umrah

Third: Economics of Islamic Seasons and Festivals

Fourth: Economics of Islamic Educational Institutions



First Economics of Mosques

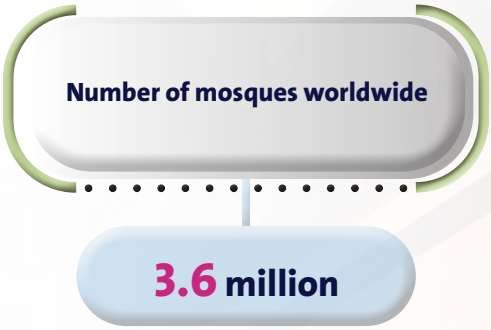
Mosques constitute a pivotal component in the Islamic social economy, fulfilling religious, developmental, and cultural functions that extend well beyond worship to bolstering social capital and the stewardship of waqf and charitable resources. This role has been firmly established since the emergence of the early Islamic state, when the mosque served as a center of governance, education and public consultation.

In contemporary literature, the term "economics of mosques" is used to refer to the study of patterns of mosque financing, management and resource sustainability, covering governmental and waqf funding sources, donations, and operational expenditure.

In fiqh terminology, mosques are among the established legal assets recognized by various Islamic schools of jurisprudence, with permanent jurisprudential and financial implications. This legal standing confers high economic value and institutional permanence on the waqf assets associated with mosques. The presence of these institutions extends beyond Muslim communities in the Islamic world to Muslim communities across the world, lending mosque-linked waqf assets a truly global and enduring character.

1. Mosques Worldwide: A Contemporary Statistical Estimate

The global number of mosques is estimated at approximately **3.6 million**, as cited in studies published in peer-reviewed journals, including



"Sustainable Futures" International Journal of Technology (2018)"[1].

Estimates indicate a considerable variation in the number of mosques across the Muslim world, reflecting disparities in population density and levels of religious organization[2].

(1) Olanrewaju, A. L., Tan, S. Y., & Kwan, L. F. (2018). Adoption of the systematic facilities management approach to the sustainable performance of mosques. International Journal of Technology, 9 (7), 1394–1404.
This figure is used as a broad descriptive indicator, without the support of a detailed statistical methodology. While it remains the most widely cited estimate in contemporary literature, it lacks the backing of a unified global census or official database. It is accordingly used in economic and demographic analyses as a "reference estimate" of religious infrastructure across the Muslim world.

(2) The following countries rank among the largest globally by mosque count.



Top 10 countries with the largest number of mosques in the world[1]:

1. Indonesia: Indonesia tops the global list with about 744,000 registered mosques as of July 2025, according to the Indonesian Ministry of Religious Affairs through the National Mosque Data Portal (SIMAS). This figure shows that Indonesia has the world's largest Muslim population worldwide and the local decentralized nature of mosque construction, with mosques spread across both urban and rural areas. Istiqlal Mosque in Jakarta stands as one of the most prominent architectural and religious landmarks, embodying both national symbolism (independence) and contemporary Islamic identity.

2.India: India ranks second with about 300,000 mosques. Despite its non-Muslim majority, India hosts over 200 million Muslims. Mosque architecture ranges from grand historical landmarks to simple local structures, blending Persian, Turkish and Indian influences with the use of red sandstone and white marble, as evident in the arched patterns, floral and geometric decorations.

3. Bangladesh: Mid-2025 data indicates that Bangladesh has about 152,241 active mosques. This figure reflects Bangladesh's dense Muslim majority and its deeply rooted community traditions of mosque construction. Mosques there serve prominent educational roles, often functioning as Quranic schools, which strengthens their institutional role within local communities

4. Egypt: According to the data from the Central Agency for Public Mobilization and Statistics (February 2025), Egypt hosts approximately 151,194 active mosques. Mosques in Egypt play a central role in preaching, education and social services, with Al-Azhar Mosque standing as one of the world's most prominent religious and academic centers, representing a far-reaching historical and educational legacy that transcends national boundaries.

5. Pakistan: The country is estimated to have between 100,000 and 110,000 mosques, spread across major cities and rural areas. Faisal Mosque serves as a striking example of modern Islamic architecture, reflecting the fusion of national identity and religious symbolism in Pakistan.

6. Sudan: The country has approximately 78,100 active mosques. They predominantly feature the traditional local architectural styles, deeply integrated into the community's social and spiritual fabric, particularly in major cities like Khartoum and Omdurman.

(1) https://middleeastyouthsummit.com/

7. Iran: The number of mosques in Iran is estimated to range between 55,000 and 75,000, given the absence of precise official data. The historical architectural significance of mosques such as Jameh Mosque of Isfahan and Sheikh Lotfollah Mosque is particularly notable, exemplifying the evolution of Islamic architecture during the Safavid era.

8. Turkey: There are approximately 41,883 active mosques in Turkey, according to mid-2025 data. Hagia Sophia exemplifies the remarkable cultural convergence of Byzantine and Islamic architecture, embodying Turkey's distinctive historical identity.

9. Morocco: The number of mosques in Morocco is estimated to range between 51,000 and 52,000 mosques, with a significant concentration in rural areas. The Moroccan architecture is distinguished by the Almohad and Marinid styles, as exemplified by Hassan II Mosque, which combines religious significance with national symbolism.

10. Nigeria: The country is home to tens of thousands of mosques, especially in the predominantly Muslim northern states. The National Mosque in Abuja is one of West Africa's most prominent Islamic landmarks, embodying the region's rich and diverse Islamic architectural heritage.





2. The Economic Dimensions of Mosques

An economic reading of mosques in Islam reveals a complex system of financial flows, fixed investments and operational activities with far-reaching impacts on national and local economies.

2.1 Investment in Religious Fixed Assets

Mosque construction sector represents one of the largest forms of investment in non-profit real estate assets. Taking an average construction cost of approximately $60,000 per mosque as a baseline[1], the total potential investment in this sector **exceeds $216 billion** worldwide.



This value includes land, structural works, mechanical and electrical systems, as well as furniture and permanent fixtures. This capital spending helps activate local sectors such as the construction sector, building materials, and engineering industries.

2.2 Operations and Labor Market

The operation of mosques is a component of the religious and service labor market. It creates a sustained demand for religious, administrative and technical personnel. Based on an average of three direct jobs per mosque, the sector supports an estimated 10.8 million positions worldwide, with maintenance, energy, and logistics adding a further layer of indirect employment, which reflect a positive impact on stimulating the local labor market and supporting activities.

2.3 Operational Expenditure

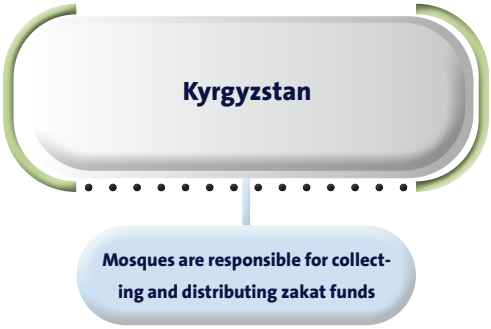
The operational expenses of mosques are a component of ongoing expenditure within the religious economy, covering energy, water, maintenance, and supporting services. With aver-

(1) Costs vary widely by size, location, and country. According to a company specializing in the construction of mosques, the average cost of building a 170-square-metre mosque in Europe exceeds EUR 500,000. https://www.mosquebuild.com/

age annual expenditure estimated at approximately $7,000 per mosque, amounting to a global total of nearly $25.2 billion annually. This level of expenditure represents a tangible and sustained demand for utility and supply services, feeding positively into local economic activity and stimulating the energy, services, and maintenance sectors within the macroeconomy.

2.4 Social Expenditure

The social expenditure of mosques is a pivotal element of the economic fabric of Islamic societies. Through their zakat and charitable activities, mosques contribute to income redistribution and strengthen the purchasing power of low-income groups, generating a multiplier effect that supports local demand and market stability.



Mosques possess a high institutional capacity to reach marginalized groups with precision and at minimal administrative cost, while also serving as financial and social intermediaries in the management and Sharia-compliant channeling of zakat. This is particularly evident in Kyrgyzstan, where mosque imams, working under the supervision of Spiritual Administration of Muslims of Kyrgyzstan (SAMK) and Council of Ulemas, collect and distribute zakat and charitable funds, embodying the mosque's role as an institution for managing sustainable social finance(1).

Some mosques also contribute to financing small enterprises, supporting productive families, and delivering vocational training. These efforts foster community entrepreneurship, create sustainable local jobs, and establish mosques as economic actors in the non-profit economy and long-term development.

2.5 Local Economic Impact and the Service Sector

Mosques stimulate local economic activity by contributing to the increased demand for

(1) www.muftiyat.kg/

nearby goods and services such as foodstuffs, transportation, religious attire, and Islamic literature. In historic cities, landmark mosques play a significant role in promoting tourism and culture, positively affecting the hotel industry, the transportation sector, and the restaurant sector. Data from countries such as Turkey, Morocco, and Egypt indicates that the direct and indirect tourism revenues generated by historic mosques account for a significant share of religious and cultural tourism income.

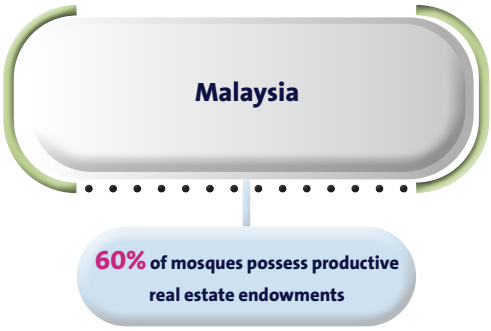
Mosques also fulfill an important social and service function through a range of community services, reflecting their developmental and religious roles. Examples include the burial services provided by mosques in Saudi Arabia, and the hosting of social occasions in the Egyptian mosques.

2.6 Social and Human Capital

Mosques play a complementary role in building social capital by providing free religious and cultural education, which contributes to the development of human capital. These intangible outputs constitute an essential component of sustainable economic development.

2.7 The Implications of Waqf Financing of Mosques on the Economic Activity

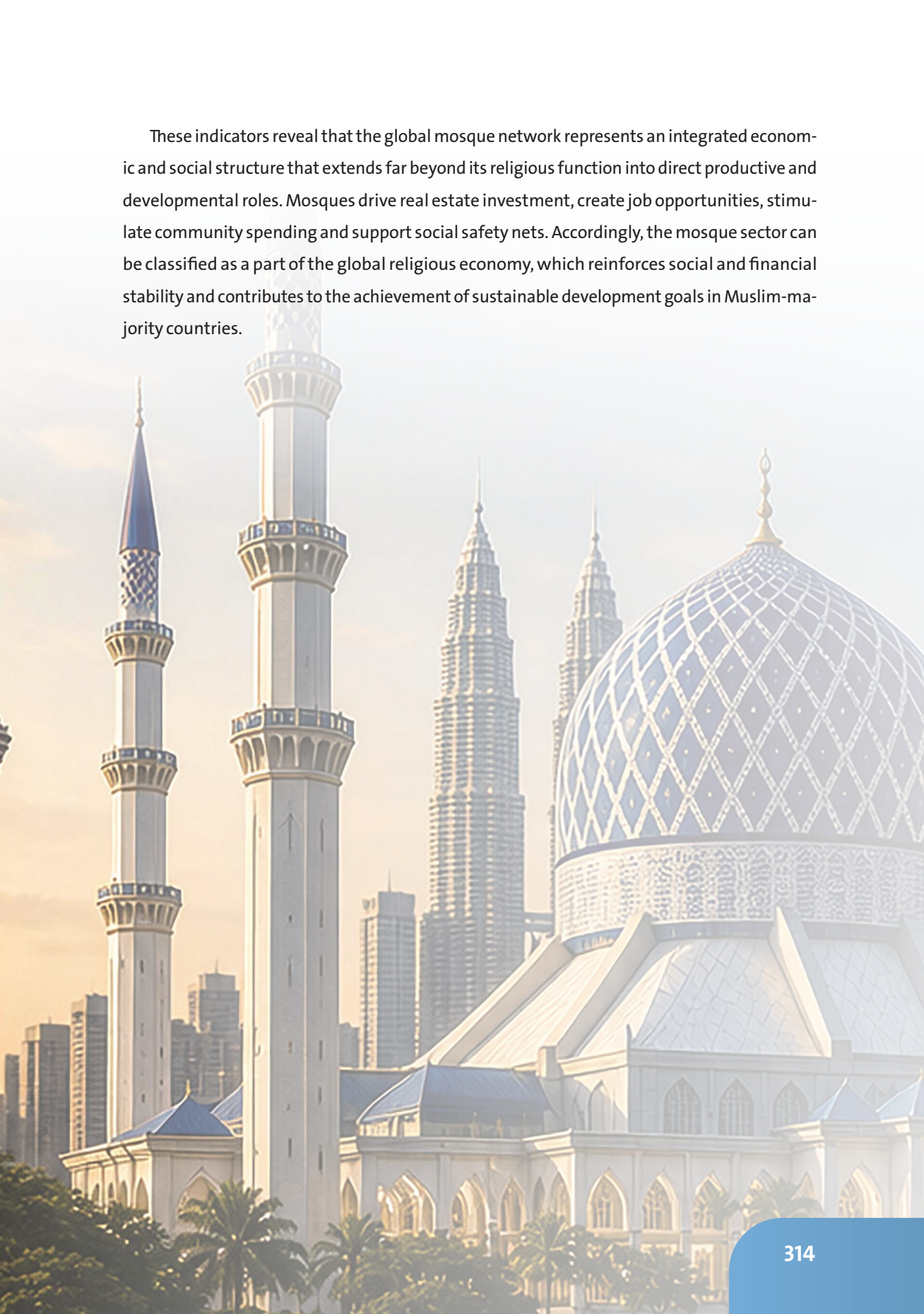
Endowments are a key component in the economic structure of mosques. Similar to land, commercial and residential real estate, they represent productive fixed assets whose proceeds are invested in financing the religious, operational and service activities of mosques. This model serves a dual purpose: Securing the financial sustainability of religious institutions on one hand, and creating a positive economic impact on the other, through stimulating real estate markets and the services related to management, maintenance and investment.



Available data indicates that over 60% of mosques in **Malaysia** possess productive real estate endowments[1].

(1) Adil, M. A. M., et al. (2024). Financial Management Practices of Mosques in Malaysia. Global Journal Al Thaqafah, 3 (1), 23–29.

These indicators reveal that the global mosque network represents an integrated economic and social structure that extends far beyond its religious function into direct productive and developmental roles. Mosques drive real estate investment, create job opportunities, stimulate community spending and support social safety nets. Accordingly, the mosque sector can be classified as a part of the global religious economy, which reinforces social and financial stability and contributes to the achievement of sustainable development goals in Muslim-majority countries.



3. Economic Impact of Mosques.. The Federal Territory Mosque in Malaysia as a Model

The Federal Territory Mosque is located in the Jalan Duta, covering an estimated 47,000 square meters, with a capacity of around 17,000 worshippers at a time. Officially inaugurated in 2000 at an estimated construction cost of MYR 255 million, it was fully funded by the federal government. Blending Ottoman and traditional Malay architecture, the mosque stands as a premier religious, tourist, and cultural landmark in Kuala Lumpur, overseen by the Federal Territories Islamic Religious Department (JAWI).

The mosque operates as a comprehensive hub with dedicated units for worship, Islamic outreach, education, social services and takaful financing.

- **Worship Unit:** Organizes religious rituals and seasonal programs.
- **Outreach Unit:** Oversees seminars and community awareness campaigns.
- **Education Unit:** Manages the Quran Academy and courses for adults and children.
- **Social Services Unit:** Provides family and religious counseling.
- **Bait al-Rizq Program:** A channel for supporting low-income families.
- **Mosque Facilities:** These include several prayer halls, educational centers, multipurpose halls, and small commercial facilities.
- **Guided Tours Program:** Open to local and international visitors.
- **Funeral Management Services:** Delivered within an integrated institutional framework [1].

(1) https://www.masjidwilayah.gov.my/

The mosque represents a fully integrated institutional model of a productive mosque that combines devotional, educational, social, and service functions within a coordinated economic and social structure. **Its operational units contribute to generating added value in the local economy** through operational expenditure, mobilizing resources, stimulating service demand, and activating social capital.

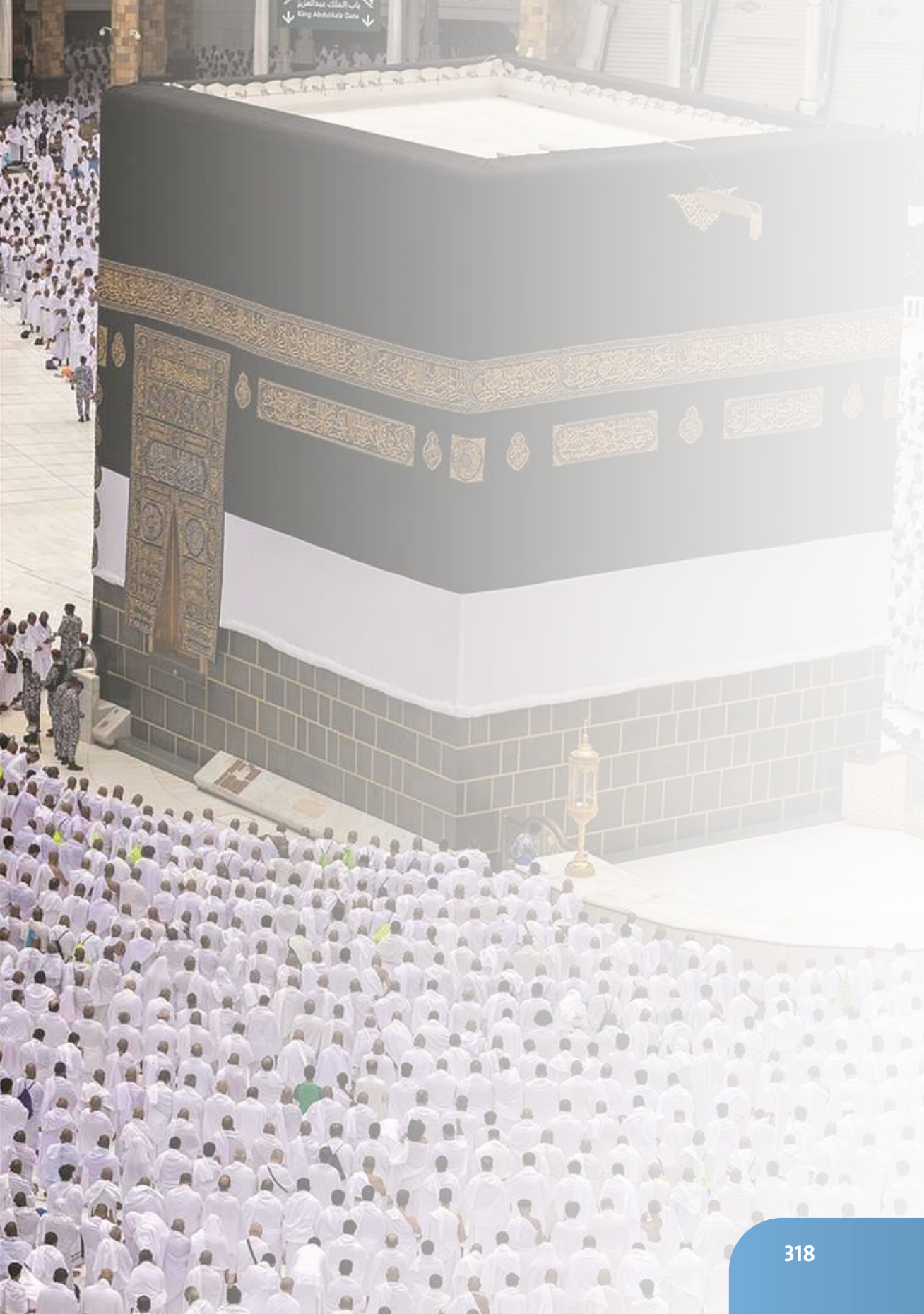
The Worship Unit generates a steady sustained operational expenditure through organizing daily and seasonal religious rituals, requiring human resources and logistical support services. This, in turn, stimulates the local economic cycle and creates permanent and temporary job opportunities. **The Outreach Unit** builds effective social capital through awareness and volunteer programs that reduce public service costs and strengthen community solidarity. **The Education Unit** develops human capital through academic programs and Quranic courses for adults and children, in cooperation with the International Islamic University and waqf authorities, raising the community's intellectual competence and overall productivity.

The Social Services Unit plays a complementary economic role by providing counseling and family support, alleviating pressure on government welfare systems and contributing to family stability. **Bait al-Rizq Program** serves as a practical model of Islamic social finance, redistributing food resources to low-income families, strengthening food security, and stimulating local consumption.

The Mosque Facilities constitute a small-scale economic ecosystem that generates their own revenues and creates service and administrative jobs, reinforcing the mosque's financial sustainability. **The Guided Tours Program** also contributes to the cultural economy and religious tourism by attracting thousands of local and international visitors annually, generating additional expenditure across the hospitality, transport, and cultural services sectors. **Funeral Management Services** is a part of the mosque's service-based economic activity, as it provides direct employment opportunities and supports the community and healthcare sectors.

Thus, the Federal Mosque represents a miniature economic system that contributes to employment, human development and the equitable distribution of resources, and offers a practical model of a sustainable religious economy.

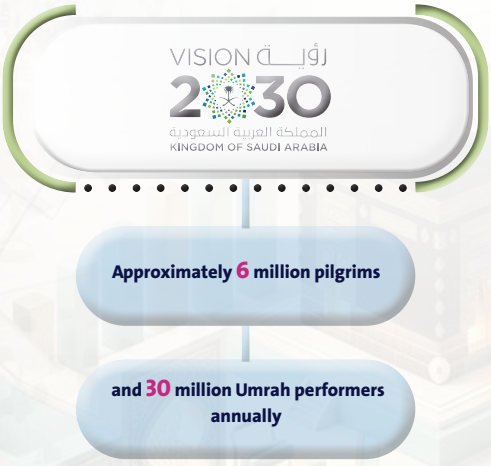



باب الملك عبدالعزيز
King Abdulaziz Gate

Second

Economics of Hajj and Umrah[1]

The Quranic verse from Surah Al-Hajj **"Call all people to the pilgrimage. They will come to you on foot and on every lean camel from every distant path, so they may obtain the benefits in store for them, and pronounce the Name of Allah on appointed days..."** (Al-Hajj: 27–28), embodies the comprehensive objectives of Hajj in its economic, social, and religious dimensions, affirming the integration of worship and sustainable development. Based on this concept, **Saudi Vision 2030 serves as a strategic framework for harnessing the Hajj and Umrah as a major source of economic and developmental growth that reinforces the Kingdom's standing as a global Islamic hub**.



Under its first pillar[2] "Saudi Arabia as the heart of the Arab and Islamic worlds," Vision 2030 targets raising capacity to receive approximately 6 million pilgrims and 30 million Umrah performers annually, through developing the infrastructure, transportation, and smart services such as the Haramain High-Speed Train and the Nusuk digital platform.

(1) This section draws on official data published by the Saudi General Authority for Statistics in Saudi Arabia and the official website of the Saudi Ministry of Tourism: https://mt.gov.sa/

(2) Saudi Vision 2030.. Official Vision Document (2016).

1. The Economic Concept of Hajj and Umrah

Hajj and Umrah constitute an integrated economic system that extends well beyond their religious framework to become major contributors to both the local and global economy. Hajj, as an intensive short-term seasonal activity, creates high but temporary demand for resources and services due to the arrival of millions of pilgrims within a limited period. This requires substantial investment in infrastructure and supporting sectors such as security, transportation, healthcare, accommodation, and catering, driving up operational expenditure and expanding the volume of both public and private spending during the season.

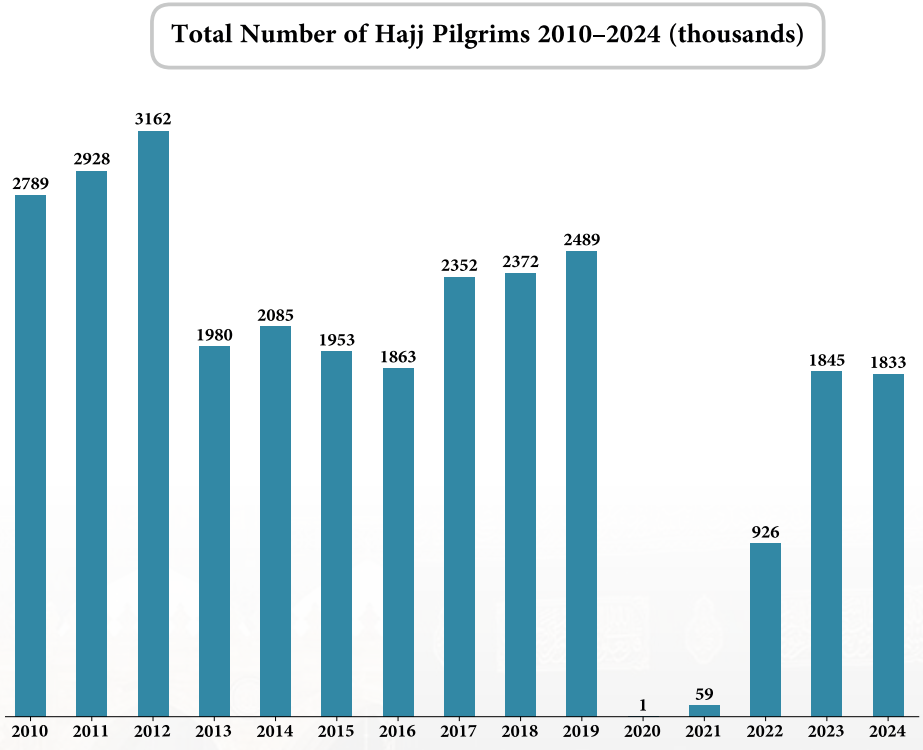
Umrah, by contrast, is a year-round religious activity that features temporal continuity and broad economic scope. This regularity generates stable financial flows and enhances the efficiency of asset and facility utilization, leading to increased sustainable economic returns.

Within the framework of Saudi Vision 2030, developing the Hajj and Umrah sectors forms a strategic pillar for diversifying non-oil revenue sources. This expansion stands to create permanent job opportunities and stimulate investment in the sectors of housing, transportation, and supporting services.

Official annual data published by the published by the relevant Saudi authorities allows for a clearer picture of the national economic impact of the Hajj season. Beyond the Kingdom's borders, however, the available data falls well short of what would be needed to map Hajj economics in other countries or trace its impact on the global economy.

2. Evolution of Hajj and Umrah Pilgrim Numbers (2010–2024)

Total Hajj pilgrims in 2010 stood at approximately 2.79 million, rising steadily through 2012 to reach 3.16 million, which is the highest level recorded over the period. Numbers then declined temporarily due to expansion works at the holy sites, falling to 1.86 million in 2016, before recovering to 2.49 million in 2019 prior to the COVID-19 pandemic.



In 2020 and 2021, health and regulatory restrictions due to the COVID-19 pandemic limited Hajj to small numbers of domestic pilgrims to safeguard public safety.

Recovery began to take shape in the post-pandemic period, with pilgrim numbers reaching 0.93 million in 2022, rising to 1.85 million in 2023, and stabilizing at approximately 1.83 million in 2024.

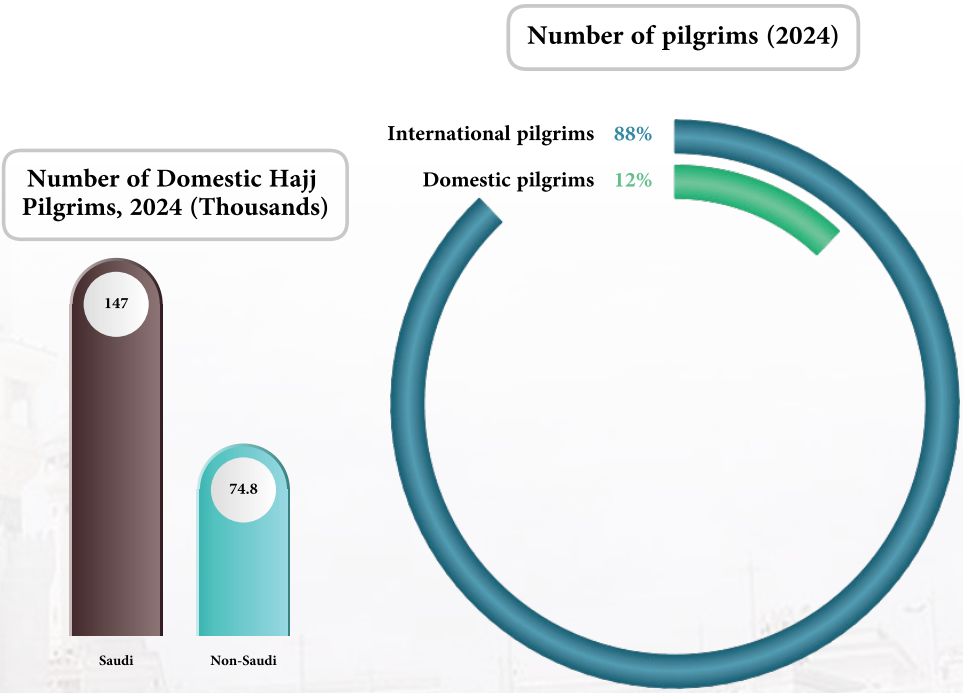
3. Hajj and Umrah Statistical Indicators (2024)

The Hajj season of 2024 **recorded a total participation of 1,833,164 pilgrims from 171 countries**.

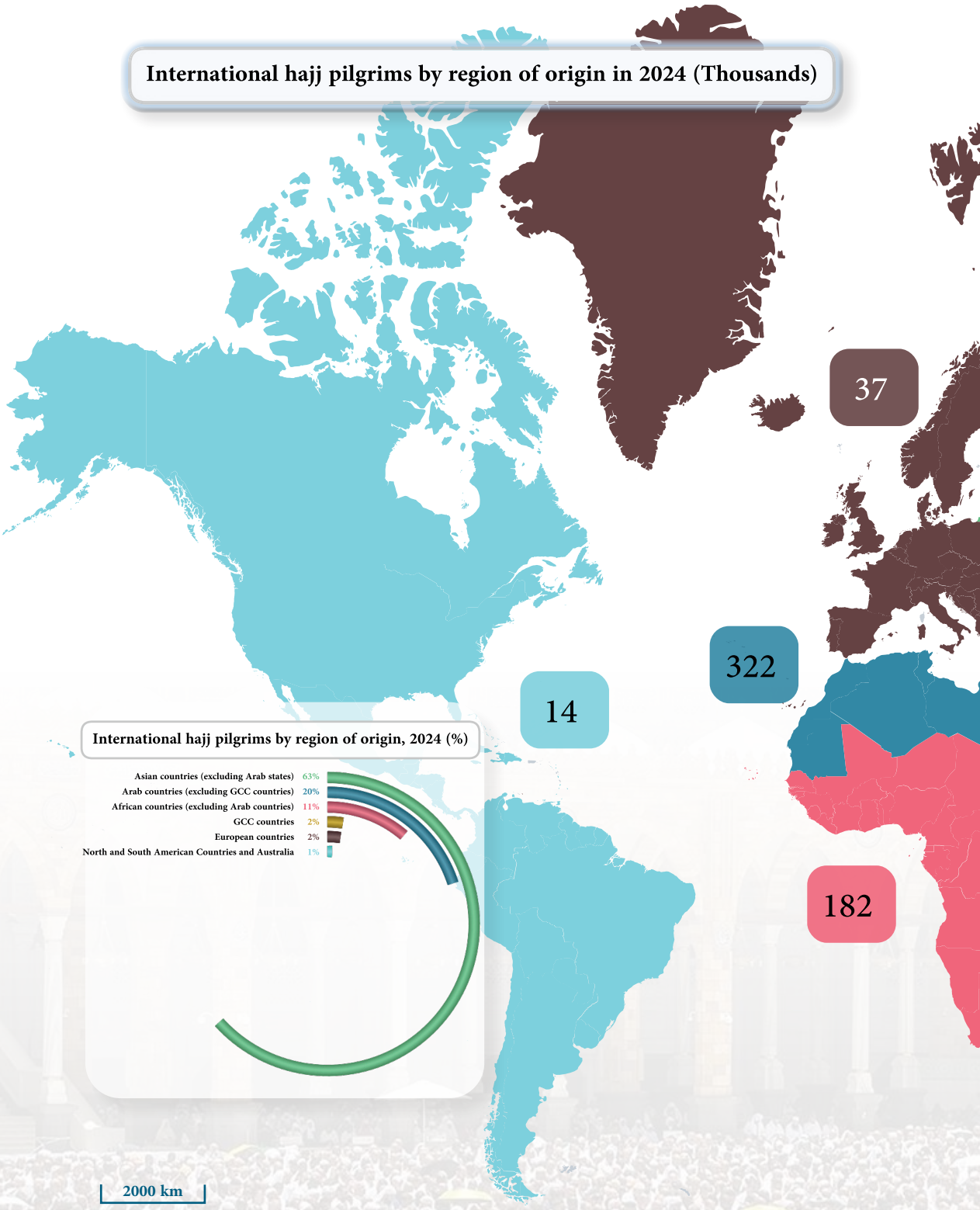


The number of pilgrims from inside the Kingdom reached 221,854 (12%), while pilgrims from outside the Kingdom accounted for 1,611,310 pilgrims (88%).

Data shows that Saudi nationals represented 66% of total domestic Hajj pilgrims, numbering 147,021, compared to 74,833 non-Saudi residents within the Kingdom.



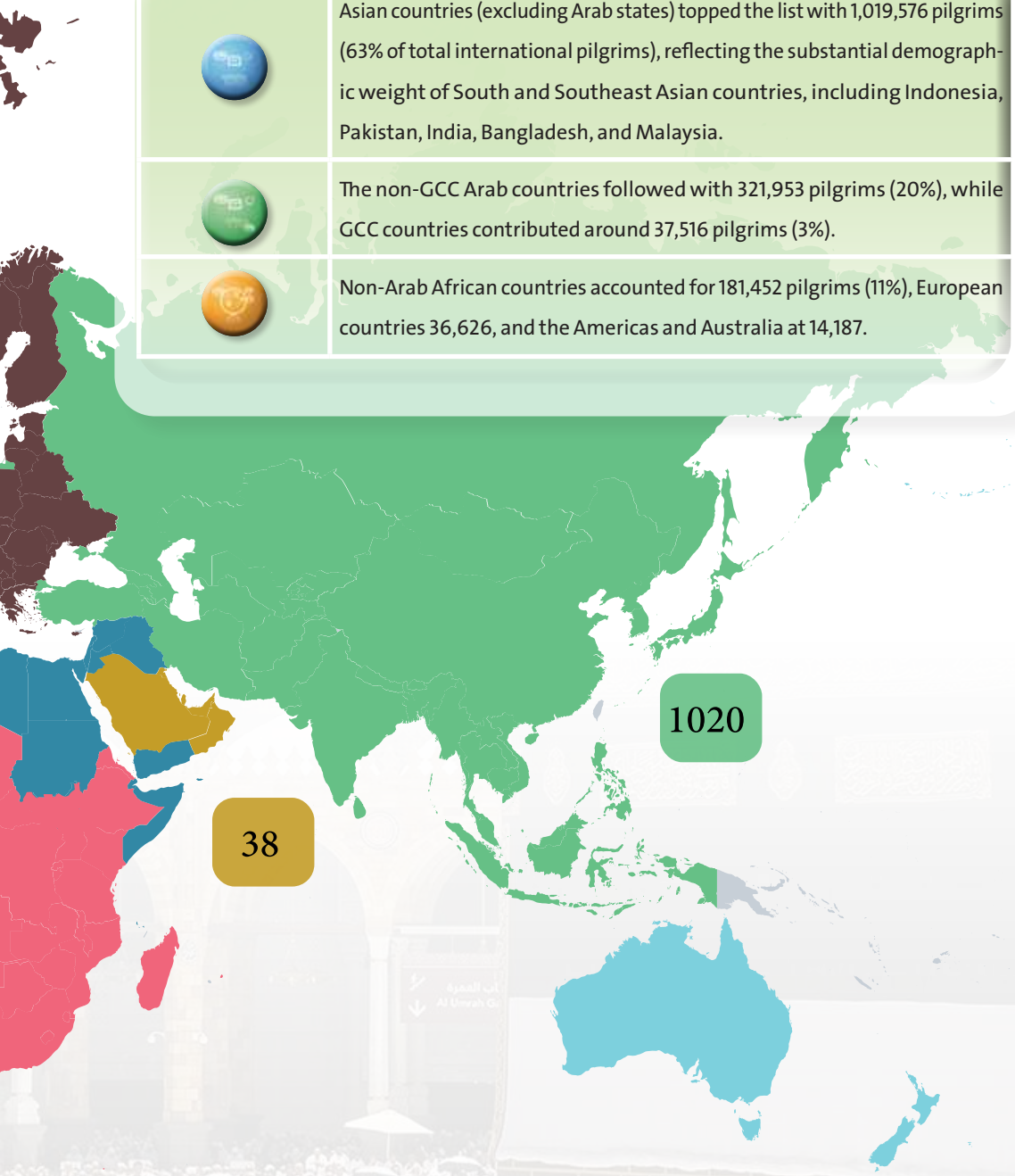
International hajj pilgrims by region of origin in 2024 (Thousands)



International hajj pilgrims by region of origin, 2024 (%)

International pilgrims numbered 1,611,310, distributed across country groupings as follows:

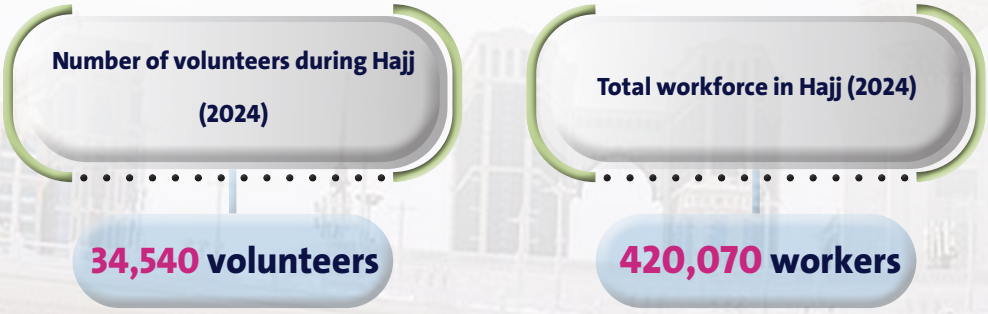
	Asian countries (excluding Arab states) topped the list with 1,019,576 pilgrims (63% of total international pilgrims), reflecting the substantial demographic weight of South and Southeast Asian countries, including Indonesia, Pakistan, India, Bangladesh, and Malaysia.
	The non-GCC Arab countries followed with 321,953 pilgrims (20%), while GCC countries contributed around 37,516 pilgrims (3%).
	Non-Arab African countries accounted for 181,452 pilgrims (11%), European countries 36,626, and the Americas and Australia at 14,187.



This distribution reflects the broad geographical dimension of Hajj, creating diverse economic opportunities in air transport, logistics, accommodation, insurance and healthcare.

The most recent Hajj season saw intensive operational activity which reflected the growing economic and organizational significance of Hajj system in Saudi Arabia. **The total workforce engaged in pilgrim services, inside and outside the holy sites**, across public and private sectors including security agencies, **reached approximately 420,070 workers**.

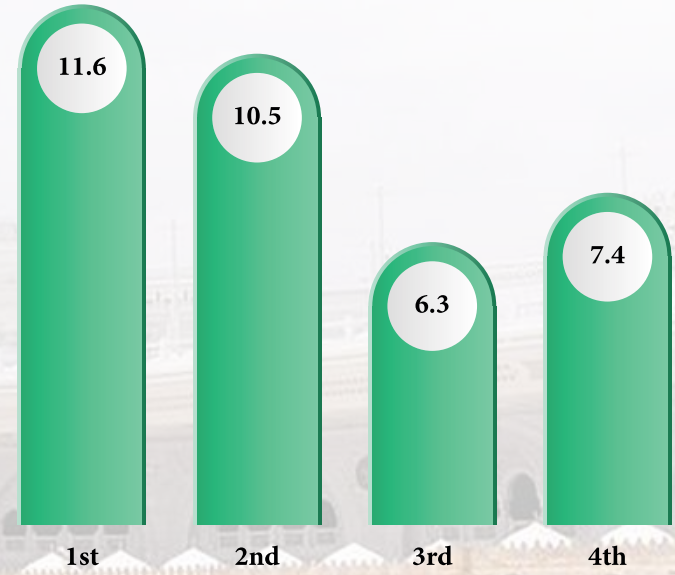
Male and female volunteers in the holy sites numbered 34,540, contributing approximately 2.13 million volunteer hours over the season, marking a notable qualitative development in the role of philanthropic human capital in the service system.



Total Umrah performers reached nearly 35.8 million in 2024, including 4.75 million Saudis and 31 million non-Saudis, underscoring the growing international dimension of the Umrah sector and its vital role in stimulating the religious and service economy in the Kingdom.

Activity concentrated in the first half of the year: 11.6 million in Q1 and 10.5 million in Q2, versus 6.3 million in Q3 and 7.4 million in Q4, reflecting the seasonal demand patterns and the flexibility of Umrah system in managing variable flows.

Number of Umrah performers in 2024 - quarterly distribution (million)



4. The Institutional Framework of Hajj and Umrah

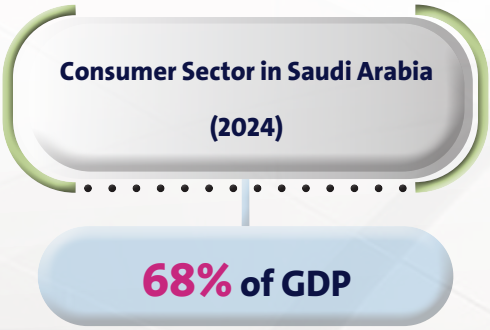
The Hajj and Umrah system embodies an advanced model of governmental institutional coordination, enhancing economic and administrative efficiency in managing one of the world's largest human gatherings. This is achieved through the integrated roles of relevant entities in policy formulation, security and transportation management, healthcare provision and infrastructure development, aligning with the concept of cooperative government economy. This model practically applies Saudi Vision 2030 objectives by improving the efficiency of services, promoting economic sustainability and diversifying national income sources.



5. The Economic Impact of Hajj and Umrah on GDP (2024)

5.1 Aggregate Demand

5.1.1 Consumer Activity[1]



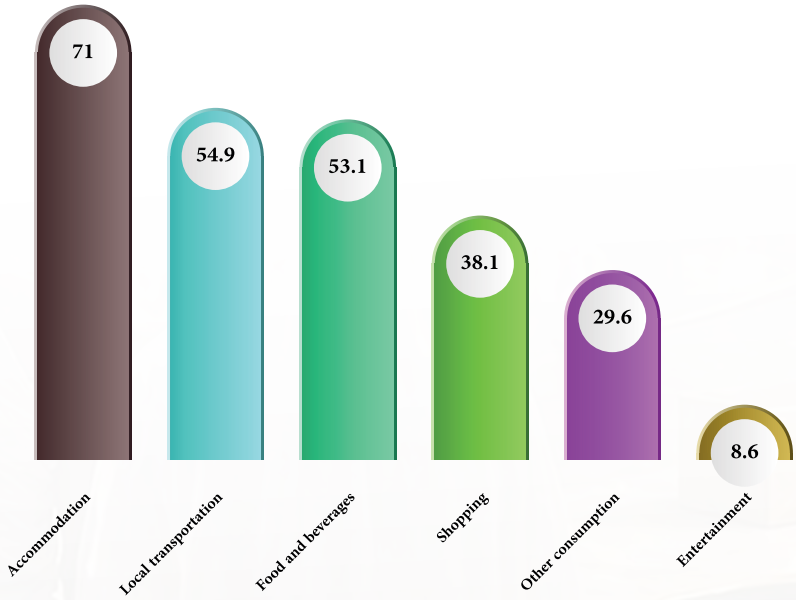
In Saudi Arabia, consumption is a primary driver for economic growth, comprising roughly 68% of GDP in 2024. This highlights its central role in fueling aggregate demand, stimulating production and creating jobs through the consumption multiplier effect. In this context, tourist expenditure reached approximately SAR 255 billion, underscoring the growing contribution of tourism to economic activity.

The sector of Hajj and Umrah stands out as one of the most important seasonal drivers of consumption, as it leads to sharp rise in demand for food and beverages, logistics services, and goods related to Hady and Udhiyah. Data indicates a daily provision of around 4.5 million meals by over 185 companies, projected to increase to 877 by 2030. In addition, over 440,000 livestock heads were slaughtered, with more than 100 million meals distributed across the holy sites.

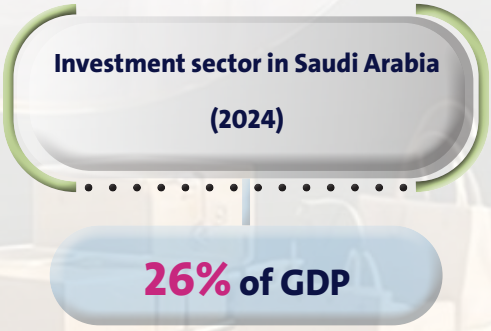


(1) https://datasaudi.sa/ & https://mt.gov.sa/

Tourist Spending in Saudi Arabia, 2023 (SAR million)



These indicators reveal the profound economic impact of Hajj and Umrah seasons in activating supply chains and enhancing value added across the sectors of food, transport and religious services.

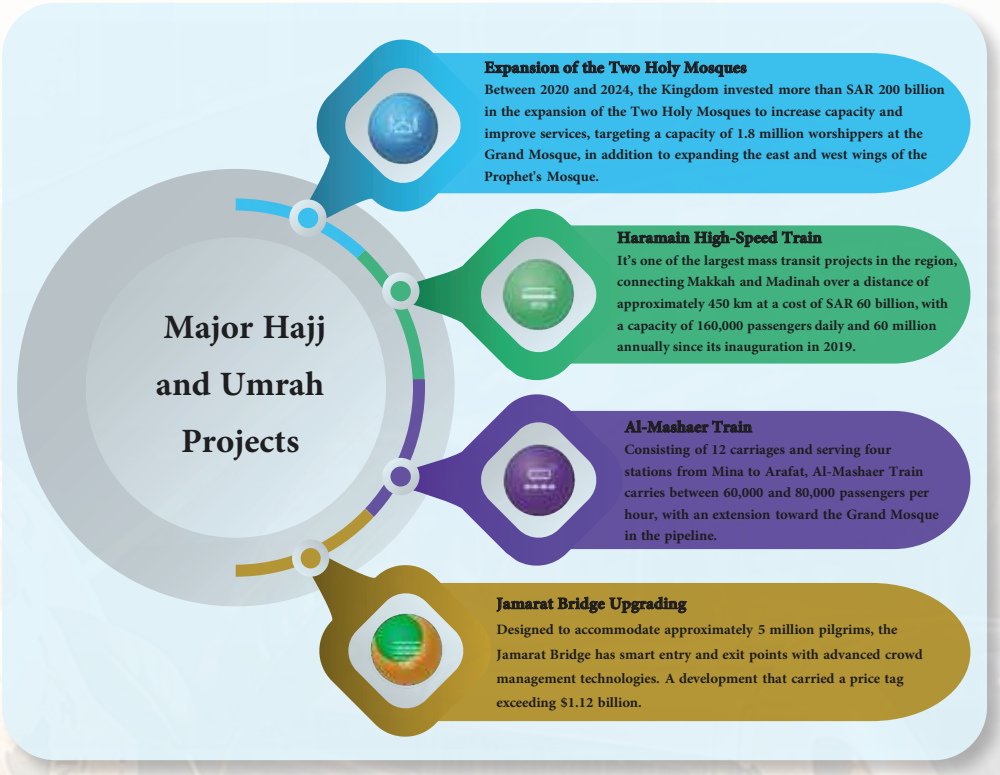


5.1.2 Investment Activity[1]

Investment represents a cornerstone of Saudi Arabia's economic growth, accounting for more than 26% of GDP and playing a central role in elevating productivity, expanding operational capacity, stimulating innovation, and creating jobs, with its impact amplified through the investment multiplier.

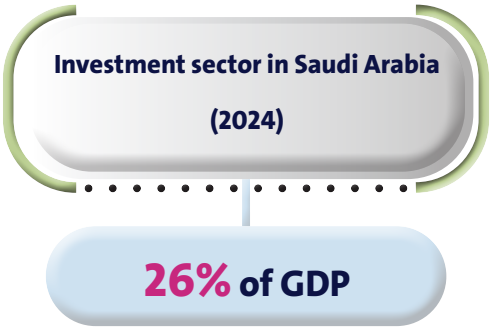
(1) Wizarat Al-Istithmar, Taqrir al-Bi'ah al-Istithmariyyah li-Qita' al-Hajj wa al-Umrah (2023).

Data reflects this direction, with investments exceeding SAR 500 billion in the infrastructure projects by 2030 (housing, airports and roads), in addition to nearly SAR 200 billion for the Two Holy Mosques expansion projects. The transport and logistics sector witnessed the rollout of an integrated network: the Haramain High-Speed Train handling up to 60 million passengers a year, Al-Mashaer Train moving up to 80,000 pilgrims per hour, and the upgraded Jamarat Bridge built to serve more than 5 million pilgrims.

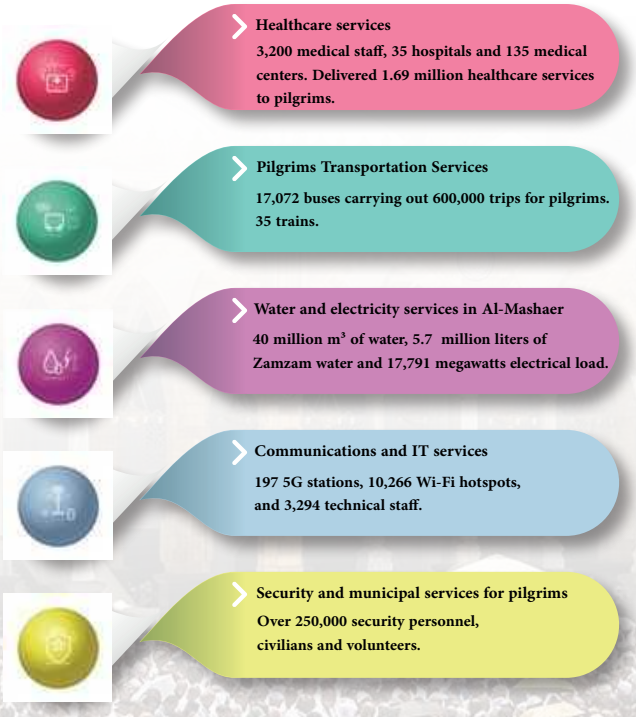


5.1.3 Government Expenditure

Government spending is a cornerstone in supporting the Hajj and Umrah system, accounting for approximately 26% of GDP in 2024, reflecting its pivotal role in stimulating the economic activity and enhancing the public service quality. Significant budget allocations went toward upgrading the infrastructure and operational services for the Guests of Allah, including healthcare, transport, water, energy, telecommunications, as well as security and municipal services.



Data highlights the scale of this effort, with 35 hospitals and 135 health centers serving about 1.69 million pilgrims; 17,072 transport trips were carried out, and 35 trains were put into service within the modern transportation network. Some 40 million cubic meters of water were supplied; 17,791 service sites were operated; more than 10,000 communication points established; and a combined force of approximately 250,000 security personnel, civil workers, and volunteers were mobilized.



5.1.4 Exports



Exports represent a bedrock of the Saudi economy, with goods and services comprising about 29.2% of GDP in 2024, with a pronounced dominance by oil exports, reinforcing their role in the current account balance and foreign currency inflows.

Within services exports, Hajj and Umrah emerge as vital sources of foreign revenues through direct foreign spending in the Kingdom, supporting foreign reserves and improving the balance of payments. Estimates indicate that a pilgrim's average spending reached approximately $1,700, generating a total expenditure of nearly $3.1 billion for the season of Hajj in 2024 and highlighting the sector's growing role in income diversification and non-oil export enhancement.

5.2 Aggregate Supply

5.2.1 Tourism Sector[1]

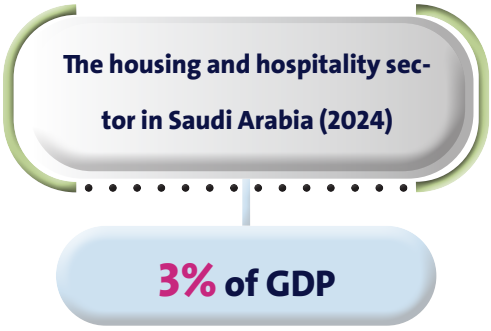


The tourism sector stands as one of the primary drivers for diversifying the Saudi economy, in line with Vision 2030 objectives. The National Tourism Strategy seeks to increase religious visits to 37 million and raise the sector's share to 10% of GDP. This direction relies on the tourism multiplier effect to stimulate investments and create around 1.6 million direct and indirect jobs, enhancing resource utilization efficiency and deepening economic diversification in the long term.

(1) https://mt.gov.sa/

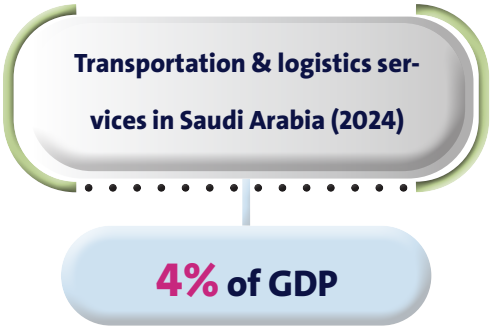
5.2.2 Housing and Hospitality Sector[1]

The housing and hospitality sector is a vital component of the Saudi economy, contributing around 3% to GDP and serving as a fundamental pillar during Hajj and Umrah. In Q2 2024, it recorded high occupancy rates of 74.8% for hotels and 48.7% for furnished residential units, reflecting the strength of seasonal demand associated with the religious tourism. The total occupied room nights reached approximately 560.23 million, underscoring the sector's growing role in supporting service and tourism activities and enhancing the economic returns.



5.2.3 Transportation & Logistics Services

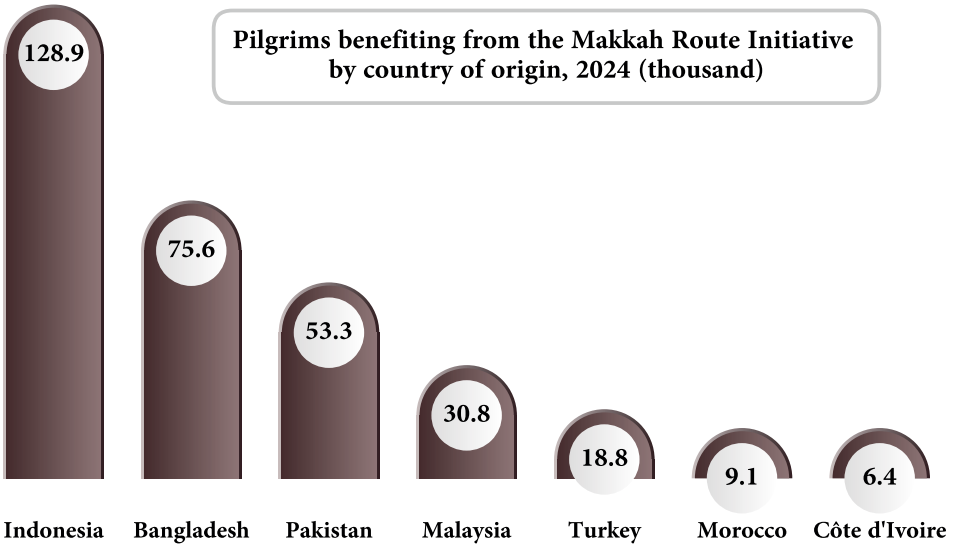
The transportation and logistics sector serves as a strategic pillar supporting the Hajj and Umrah system, contributing around 4% to GDP and directly connected to the efficiency of movement and mobility. The National Transport and Logistics Strategy focuses on developing the infrastructure of airports to serve approximately 95% of Hajj and Umrah pilgrims through a network of modern airports; notably, King Abdulaziz International Airport in Jeddah aims to increase its capacity from 30 to 80 million passengers annually by 2035.



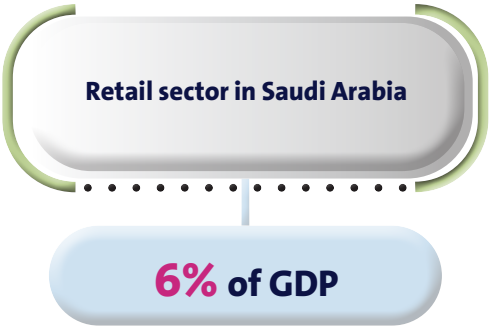
In 2024, the sector executed 32 tech trials in the transport system (the high-speed train, air taxis), in addition to the expansion of ports, airports and bus fleet. It launched also qualitative initiatives such as Makkah Route (serving around 323,000 pilgrims from 7 countries through

(1) https://www.spa.gov.sa/ & https://mt.gov.sa/

1444 AH) and the EYAB Initiative for streamlining pilgrim baggage procedures, reflecting Saudi Arabia's orientation toward digitalizing services and improving the efficiency of logistics.



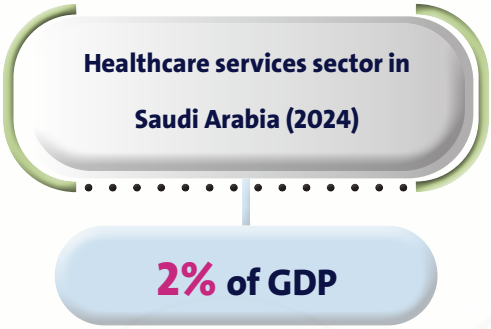
5.2.4 Retail sector



Retail sector plays an increasing role in supporting the Saudi economy, registering notable sales growth during the 2024 Hajj season fueled by the rising numbers of Hajj and Umrah pilgrims. The sector is expected to continue growing at an annual rate of nearly 6%, supported by an increasing demand for goods and services by international visitors.

5.2.5 Healthcare Services Sector

The healthcare services sector ranks as the third largest in government spending, contributing around 2% to GDP.



Saudi Arabia continued enhancing pilgrim healthcare services provided to pilgrims through modern technologies to improve prevention and treatment quality. During the Hajj season, 511 ambulances and 6 air evacuation aircraft were made available, as well as over 25,000 healthcare personnel and 264 emergency teams. Efforts also included the comprehensive medical insurance initiative for pilgrims, reinforcing the efficiency and sustainability of the healthcare system.

5.2.6 Electricity and Energy Sector

The electricity and energy sector contributes to enhancing sustainability and service efficiency for pilgrims by upgrading the power grid, replacing mobile generators in the holy sites, and automating the distribution system to improve the reliability of power supply. A pilot project for hydrogen fuel cell-powered vehicles was also launched to support the shift toward clean energy.

5.2.7 Communications Sector

The communications sector serves as a key technological pillar supporting the Hajj and Umrah system, encompassing mobile communications, fixed-line telephony, internet services, and smart technologies that enhance service efficiency and pilgrim experience through navigation systems and congestion avoidance.

During 2019 Hajj season, 7.4 million SIM cards were distributed, with internet speeds increased by 51%, raising the average daily per-person data consumption to 352.5 MB which is 180 megabytes above the global average.

6. Economic Impact of Hajj and Umrah on Pilgrims' Countries of Origin: Indonesia as a Model[1]

Hajj and Umrah is one of the most prominent religious activities with cross-border economic impact, generating extensive financial and investment flows whose effects extend from host countries to those dispatching Hajj and Umrah pilgrims. **Indonesia** is a leading model, **globally ranks first in the number of Hajj and Umrah pilgrims**, making the Hajj and Umrah system a structural component of its national economy and a key driver of aggregate demand, productive and service sectors.



(1) https://bpkh.go.id/

6.1 Macroeconomic Significance



Hajj and Umrah represent high-intensity economic activities for Indonesia in terms of spending, consumption and investments connected to preparation, travel and logistics. In 2024, Indonesian pilgrims reached 241,000, the largest quota among Islamic nations, while nearly 1.2 million Umrah performers were recorded according to the Ministry of Foreign Affairs data.



This activity contributes to stimulating the local demand through an integrated service ecosystem encompassing air and land transport, insurance and Islamic banking finance, supporting growth across multiple sectors and elevating value added through the national supply chains.

6.2 Institutional and Regulatory Framework for Hajj Fund Management[1]

The management of Hajj funds in Indonesia rests on a comprehensive legislative architecture designed to ensure efficient, transparent and sustainable utilization of financial resources in line with the principles of Islamic law. These include:

(1) Munira, M., & Astuti, S. B. (2019). Indonesian Hajj Fund Management: An Overview. Afro-Asian Journal of Finance and Accounting, 1 (1), 1–9.



Pursuant to these regulations, the Agency adheres to a set of governing principles, including:

- Strict compliance with the Islamic Sharia rulings in all activities.
- Application of prudence and caution to safeguard capital.
- Serving the public interest by directing returns to serve pilgrims and improve religious infrastructure.
- Upholding financial transparency and accountability throughout all operations.
- Not to pursue direct commercial profit; rather, the returns are utilized to achieve social justice and reduce the cost of Hajj for individual pilgrims.

6.3 Investment Framework and Placement Mechanisms

Law No. 34 of 2014 and Government Regulation No. 5 of 2018 clearly delineate Hajj fund management procedures, with Article 10 authorizing the investment or placement of Hajj funds subject to the approval of the Supervisory Board, while Article 24 empowers the Agency to invest funds in accordance with sharia principles by taking into account security and fair returns.

According to the implementing regulation, investment categories are distributed as follows:

	Islamic banking products (e.g., deposits, savings accounts): up to 50% in the first three years of the Agency's establishment, subsequently reduced to 30%.
	Islamic securities issued by the government, Bank Indonesia or companies under the supervision of the Financial Services Authority.
	Gold may not exceed 5% of the investment portfolio, provided it is domestically produced or held in licensed Islamic financial institutions
	Direct investment of no more than 20% of total assets, through Sharia-compliant domestic or international business partnerships and capital investments.



This asset diversification balances liquidity and safety against returns and sustainability, positioning the Hajj Fund Management Agency (BPKH) as an advanced model in Sharia-compliant financial management.

6.4 Financial and Economic Impact



The implementation of this model resulted in $690 million in investment returns for 2024,

easing pilgrims' financial burden by reducing their direct contributions to Hajj costs while maintaining service quality.

The system also contributed to stimulating the supporting sectors such as air and land transport, takaful insurance, logistics, preparatory industries of clothing and religious supplies, as well as the digital tech sector through applications such as Smart Hajj, which enhanced monitoring and service efficiency.

The Indonesian model reflects an evolution in the management of religious funds toward an institutional investment framework that reinforces the concept of Hajj and Umrah economics as a component of the national economy. BPKH succeeded in achieving a balance between Sharia compliance and economic efficiency through transparent and sustainable fund utilization, fostering the non-oil development and economic resilience. This experience offers a replicable blueprint for Islamic countries to establish prudently managed financial funds for Hajj and Umrah, achieving sustainable socioeconomic benefits.



Third

Economics of Islamic Seasons and Festivals

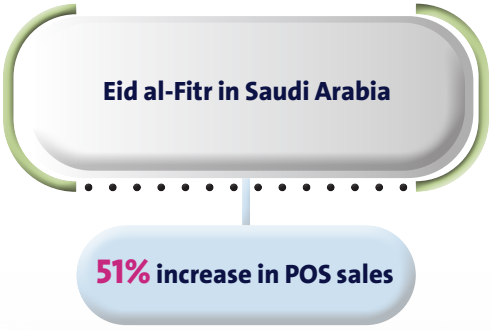
Islamic seasons and festivals represent an effective socioeconomic force, forming seasonal catalysts that activate the economic cycle through the interplay of the religious values with the consumption and production behaviors This is most evident during **Ramadan** which sees increased consumer spending and expanded charitable activity, followed by **Eid al-Fitr** which stimulates markets through Zakat al-Fitr. The economic activation reaches its peak in Eid al-Adha with sacrificial animal markets stimulating agriculture, food and services sectors.

From an economic perspective, these seasons drive local demand, create seasonal jobs and enhance income redistribution through social solidarity instruments. Accordingly, the economics of Islamic seasons and festivals is intended to "study the consumption and production patterns associated with religious events and analyze their impacts on different markets and sectors, in a way that inform the formulation of more balanced economic policies consistent with the objectives of Sharia and sustainable development."

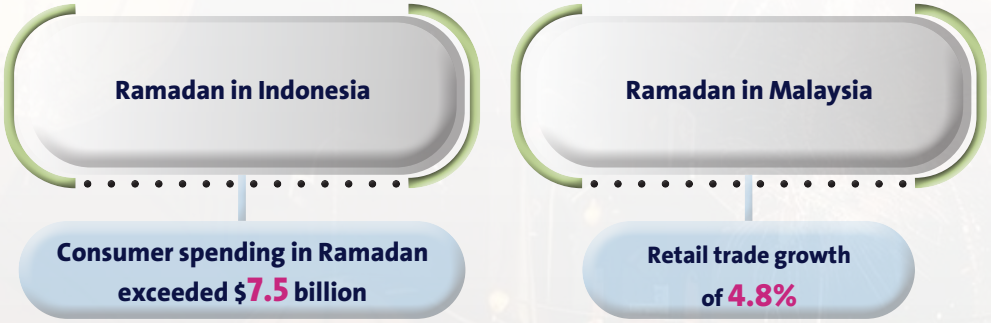
1. Economic Impact of Islamic Seasons and Festivals

Islamic religious seasons and festivals represent seasonal economic cycles that invigorate markets and service sectors, stimulating local demand and income redistribution through zakat and solidarity mechanisms to foster balanced growth.

1.1 Rising Consumer Expenditure and Expanding Commercial Activity[1]



Islamic economies witness a rise in household spending during Ramadan, Eid al-Fitr and Eid al-Adha, driving a growth in retail sales and consumer goods. **Saudi Arabia**'s General Authority for Statistics recorded a 51% increase in POS sales during the week of Eid al-Fitr 2025 compared to the annual average, while the Department of Statistics **Malaysia** (DOSM) reported 4.8% quarter-on-quarter retail trade growth in Ramadan 2024. In **Indonesia**, consumer spending in Ramadan exceeded IDR 120 trillion (approximately $7.5 billion).



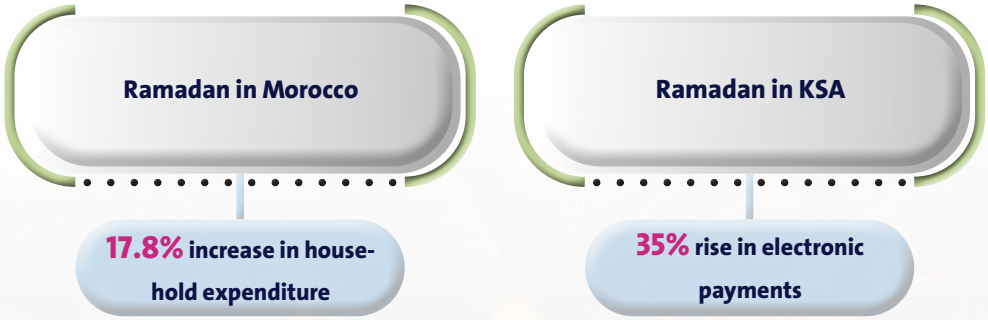
(1) GASTAT (KSA, Retail Trade Indicators 2025) - & DOSM Malaysia (Monthly Wholesale & Retail Trade Statistics, 2024)- & Bank Indonesia (Ramadan Economic Report, 2024).

1.2 Revitalizing Service and Tourism Sectors[1]

Religious seasons lead to an increase in demand for internal transport and tourism services. In **Malaysia**, internal travel increased by 21% in Ramadan 2023 and recorded a hotel occupancy rate of 74.8%, while **Indonesia** recorded over 20 million land and air trips during Eid al-Fitr. Hotel bookings in **Saudi Arabia and Egypt** also increased by about 15% for both Eids.

1.3 Economic Cycle Stimulation and Capital Turnover[2]

Seasonal increases in spending accelerate capital turnover and expand effective demand in the local economy. The **Saudi** Central Bank reported 35% rise in electronic payments above the annual average during Ramadan 2024, while **Morocco** a 17.8% increase in household expenditure during the same month.



(1) DOSM (Tourism and Labour Bulletin 2024) - & Ministry of Transportation Indonesia (Mudik Report 2024)-& Ministry of Tourism Egypt (Domestic Travel Survey 2024).

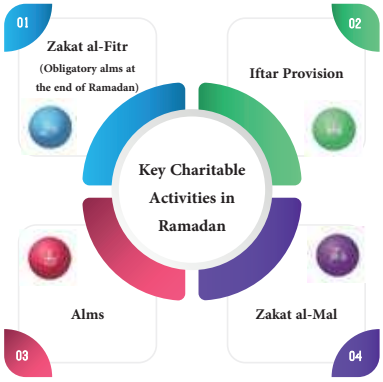
(2) SAMA (Payments and E-Commerce Indicators 2024)- & HCP Morocco (Note de Conjoncture, Ramadan 2024).

1.4 Income Redistribution[1]

Seasonal charitable spending instruments in the Islamic world are effective non-market mechanisms for income redistribution and promoting social justice, as their resources are directly directed to low-income and vulnerable groups. These mechanisms are most visible during major charitable spending seasons, most of which are concentrated in two specific annual periods.

1.4.1 Holy Month of Ramadan

The pinnacle of charitable activity, chann+eled through key economic and social channels, including:



1.4.2 The First Ten Days of Dhul Hijjah:

This season have come to constitute an independent and growing charitable spending cycle, particularly in light of the expanding role of NGOs, through:

	Sacrificial animals (Udhiyah) and meat distribution to low-income families.
	Cash and in-kind alms accompanying the Hajj season.
	Seasonal support programs associated with religious and social occasions.

(1) BPKH Indonesia (Annual Zakat and Hajj Finance Report 2024)- & Zakat House Kuwait (Financial Statement 2024).

This pattern of structured seasonal charitable spending contributes to tangible economic impacts, such as alleviating transient poverty, improving the consumption capacity of low-income families, enhancing social cohesion, as well as supporting local demand during specific periods of the year.

Reports by the **Indonesian** BPKH and Zakat House Kuwait indicate that zakat returns are channeled into social support programs during Ramadan, stimulating local demand and easing public fiscal pressures through community solidarity mechanisms.

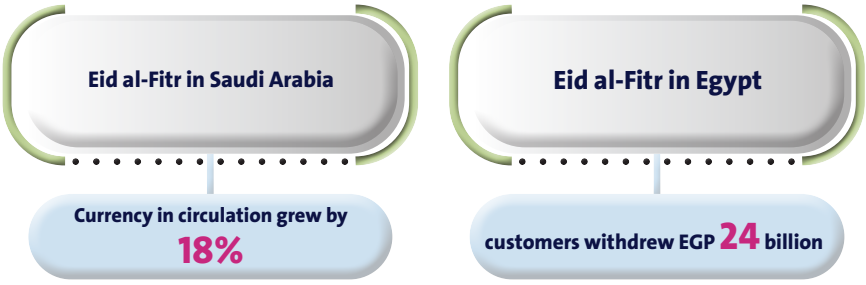
1.5 Boosting the Informal Economy[1]

Reports by DOSM **Malaysia** and BPS-Statistics **Indonesia** indicate that informal activities increased by 4% and 5% during Ramadan and Eid, through Ramadan bazaars and pop-up markets that absorb seasonal labor and generate new incomes. In **Saudi Arabia**, the sales of SMEs rose by 25% during Ramadan 2024.



1.6 Rising Demand for Cash and Liquidity[2]

Central banks record a seasonal surge in cash withdrawals ahead of both Eids. In **Indonesia**, Bank Indonesia injected approximately IDR 152 trillion into the market during Eid al-Fitr 2024, while the Central Bank of **Egypt** reported that customers withdrew EGP 24 billion during the Eid week in 2025. In **Saudi Arabia**, currency in circulation grew by 18% in the final week of Ramadan. These patterns highlight the impact of religious seasons on liquidity structures and cash management.



(1) DOSM (Informal Sector Survey 2024)- & BPS (Labour Force Update Ramadan 2024)- & GASTAT (SME Indicators 2024).

(2) Bank Indonesia (Currency Circulation Release 2024)- & Central Bank of Egypt (Monetary Bulletin 2025)- & SAMA (Weekly Monetary Aggregates 2024).

1.7 Sectoral Productivity Shifts[1]

Industrial sector productivity declines during Eid holidays while service and retail sectors record increases. Industrial production in **Malaysia and Turkey** recorded a decline ranging between 1.2% and 1.8% during Eid periods, while the service sector grew approximately 3%. This highlights a shift in economic activity toward immediate consumption and commercial services.

1.8 Impact on Food Prices and Temporary Inflation[2]

Data from DOSM **Malaysia** and the High Commission for Planning (HCP) **in Morocco** shows that Ramadan is accompanied by a rise in food prices ranging between 5% and 18% as a result of the increase in immediate demand, but inflation typically decreases in the following month.

1.9 Impact on Supply Chains and Regional Trade[3]

Regional trade between Muslim countries is expanding significantly during the holy month of Ramadan and Eid al-Adha, driven by rising seasonal demand for staples. This surge peaks particularly during Ramadan owing to the sharp rise in food consumption, especially dates, which are heavily imported from Muslim producing countries, in addition to other food commodities associated with the Ramadan consumption patterns. In **Indonesia and Malaysia,** imports of meat and grains rose by about 12% during Ramadan 2024, while the Gulf countries recorded an increase in demand for the livestock coming from **Sudan** and East Africa ahead of Eid al-Adha. These dynamics contribute to strengthening the integration of Islamic markets and halal supply chains.

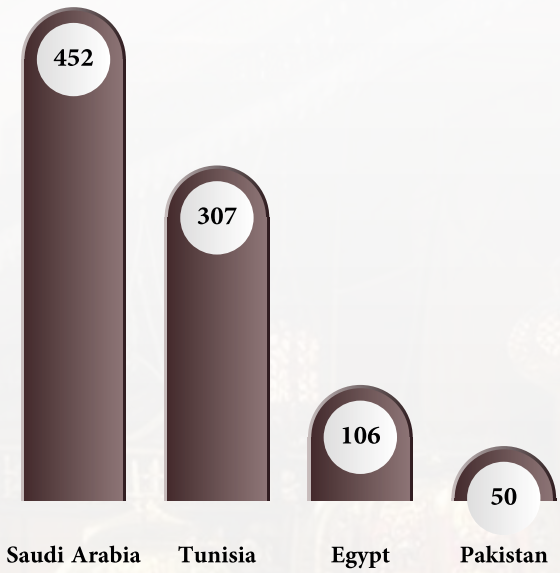
(1) TÜİK (Industrial Production Index 2024)- & DOSM (Quarterly Economic Indicators 2024).

(2) DOSM (Consumer Price Index April 2025)- & HCP (Food Price Bulletin 2024).

(3) Ministry of Trade Indonesia (Monthly Trade Statistics 2024)- & DOSM (External Trade Indicators 2024)- & Organization of Islamic Cooperation (OIC, Halal Trade Report 2024).

Dates exports have been an increasingly important economic resource for a number of Muslim producing countries, with export values reflecting the product's standing within agricultural and food trade structures. In 2024, date exports reached about $452 million in Saudi Arabia, followed by Tunisia with exports estimated at about $307 million, then Egypt at $106 million, while Pakistan at approximately $50 million[1].

Top Islamic countries by volume of date exports, 2024 ($ million)



(1) https://wits.worldbank.org/



2. The Economic Impact of Udhiyah in Pakistan: A Reading of 2024 Indicators[1]

2.1 Udhiyah within the Seasonal Economic Cycle

Total value of the Udhiyah-linked economy in Pakistan (2024)

$2.9 billion

Udhiyah (sacrifice rite) in Pakistan is a large-scale seasonal economic activity blending religious motives with the productive and consumer dynamics. The 2024 data from the Pakistan Institute of Development Economics (PIDE) indicates that the total value of the Udhiyah-linked economy reached approximately PKR 839.2 billion (around $2.9 billion - equivalent to 1% of annual GDP), reflecting the significance of this rite as a short-term economic driver with direct impacts on national expenditure and consumption.

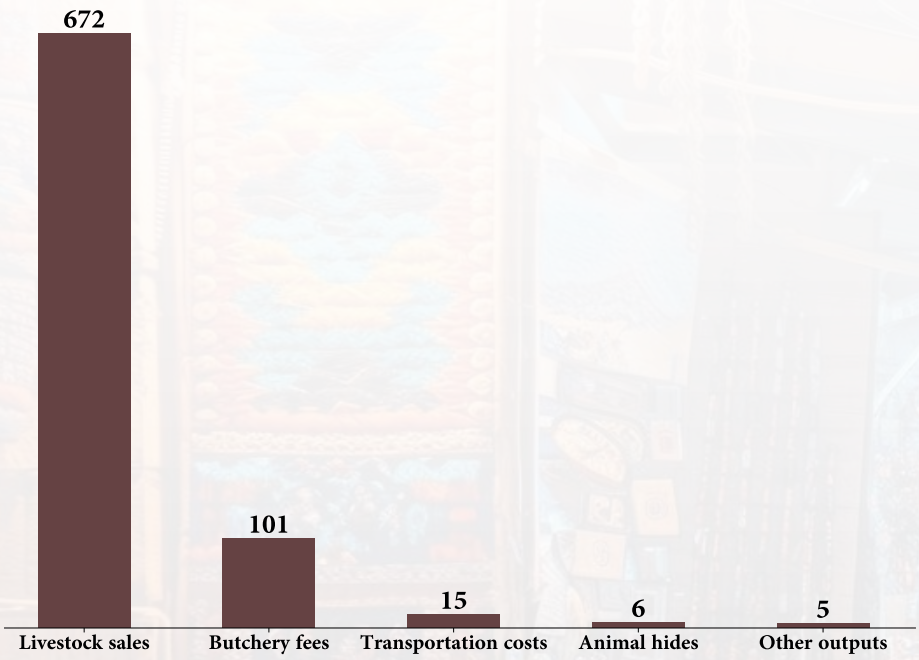


(1) Pakistan Institute of Development Economics (PIDE). The Economy of Sacrificed Animals, 2024. https://pide.org.pk/research/the-economy-of-sacrificed-animals.- & https://www.mnfsr.gov.pk/

2.2 Structure of Expenditure and Udhiyah-related Economic Activities

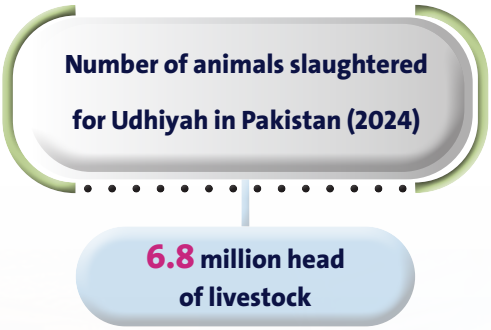
Udhiyah-related economic activities in Pakistan are characterised by a high degree of concentration in the livestock trade sector, which accounts for the largest share of total economic value at approximately PKR 672 billion ($2.4 billion), representing the core of the seasonal financial cycle. Butcher fees amounted to approximately PKR 101 billion ($362.4 million), reflecting the direct impact on the artisanal services sector and temporary employment. Transportation costs reached approximately PKR 15.3 billion ($54.9 million), due to wide-spread livestock and products transport. Animal hides were valued at approximately PKR 6 billion ($21.5 million), serving as a key input for the domestic leather industry. Other outputs, including packaging, distribution, and ancillary by-products, amounted to approximately PKR 5 billion ($17.9 million).

Economic impact of Udhiyah-related Activities in Pakistan, 2024 (PKR billion)



These figures reveal how the Udhiyah rite in Pakistan contributes to invigorating the value chains across the agriculture, services and manufacturing sectors, strengthening short-term economic activity and supporting rural incomes within an integrated seasonal cycle.

2.3 Contribution of the Rural Sector to Meeting Domestic Demand



In 2024, the number of animals slaughtered for Udhiyah reached approximately 6.8 million head, including cattle, goats, sheep and camels, with 95% sourced domestically from rural areas. This underscores the pivotal role of the agricultural sector in supporting the domestic supply and generating income for livestock breeders. Livestock sales account for 84% of total seasonal expenditure, resulting in direct financial flows to the rural areas and raising the average income of rural households by an estimated 15–20% during the Udhiyah season, reinforcing the development balance between urban and rural areas.

2.4 Industrial Impact and Value-Added Chains

The economic benefits of Udhiyah extend well beyond the agricultural sector into manufacturing activities. **The estimated value of Udhiyah hides amounts to approximately PKR 16.8 billion ($60.3 million). These hides supply around 30% of the raw material inputs to the national leather industry**,supporting leather exports, which reached $0.86 billion in 2022/ 2023 period.

2.5 Stimulating Service Sectors and Temporary Employment

The impact of Udhiyah season extends to the service and logistics sectors, where **expenditure on transportation, refrigeration, and distribution services is estimated at approximately PKR 42 billion ($ 15.7 million).** This activity contributes to the creation of temporary job opportunities for more than 700,000 workers across butchery, transportation, marketing and abattoir services, which reinforces labour market flexibility and the absorption of seasonal labour.

2.6 Udhiyah Industry as a Lever for Rural and Social Development

The Pakistani Udhiyah practice offers a practical model of the integration between the religious economy and sustainable development. This ritual invigorates the rural economy, stimulates local production, and distributes income through interconnected economic networks that include livestock breeders, traders, workers and consumers. This seasonal cycle stands as a clear illustration of the ritual's capacity to strengthen the social and economic stability through mobilizing resources and renewing domestic demand on a recurring basis.

3. The Economic impact of Ramadan and Eid al-Fitr (2023): Malaysia as a Model[1]

Official data from DOSM reveals a marked rise in spending, employment and informal sector activities during Ramadan.



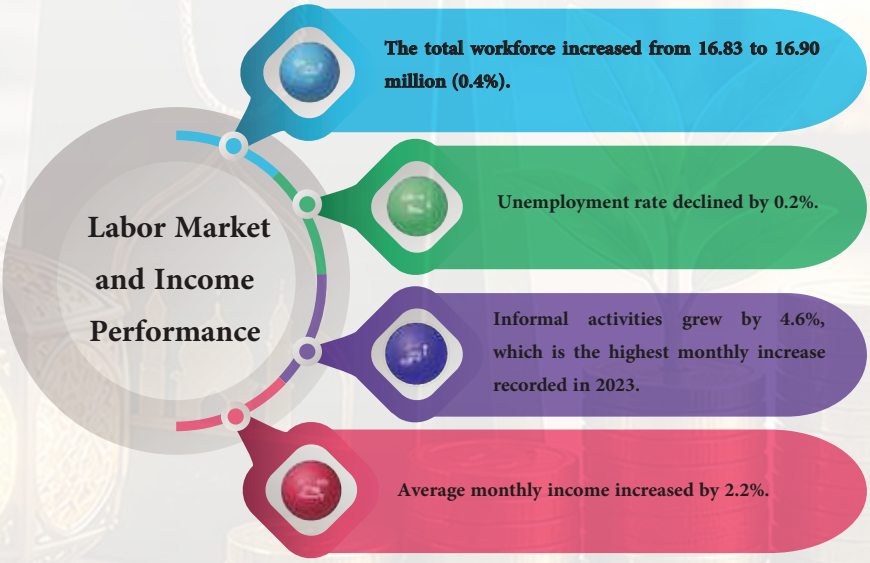
(1) Department of Statistics Malaysia (DOSM). Labour Force Report, Malaysia, Putrajaya: 2023.

3.1 Seasonal Economic Activities

During Ramadan and Eid al-Fitr, Malaysia experiences a broad economic activity, represented in hosting thousands of Ramadan bazaars across states. These markets serve as a primary platform for supporting small, medium and micro enterprises, contributing to:

	Expanding local business activity in food and beverage, clothing and consumer goods sectors.
	Creating temporary job opportunities for seasonal labor and vendors.
	Encouraging entrepreneurship and the emergence of new projects, especially among the youth and women.
	Supporting and stabilizing household income through the expansion of informal activities.

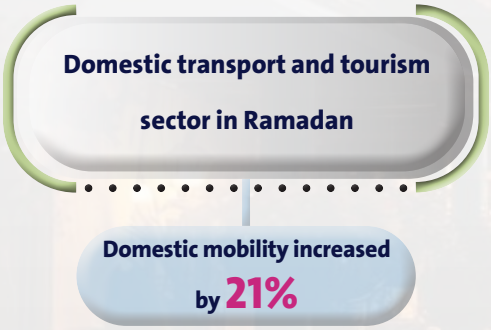
3.2 Labor Market and Income Performance



3.3 Sectoral Analysis of Economic Impact



Retail Trade and Food Services: The sector recorded a quarterly growth of 4.8%, driven by higher demand for food commodities, clothing and gifts. Over 35,000 SMEs participated in Ramadan bazaars, and their average daily sales increased by 25% compared to normal months. Demand for restaurant and catering services also increased by 18%, contributing to the creation of about 22,000 temporary jobs.



Transport and Domestic Tourism: The Eid period witnessed an increase in domestic mobility by 21% compared to the average of the previous months, driven by the phenomenon of returning home (Balik Kampung). The term refers to the phenomenon of mass return to hometown during holidays, especially Eid al-Fitr. This broad seasonal mobility contributes to stimulating local demand and raising spending on transport, consumption and services. Hotel occupancy rates increased by about 15% in the main cities, in addition to increasing fuel consumption and logistics services.



Small and Medium Enterprises: Ramadan contributed to stimulating entrepreneurship, with approximately 13,000 new small ventures entering the market, 64% of them led by youth and women.

Informal Economy: Informal sector activities expanded by 4.6%, bringing the total number of workers in the sector to approximately 2.9 million, enhancing employment and contributing to a reduction in unemployment.

3.4 The Overall Impact on National Economy

The Department of Statistics Malaysia estimated that the Ramadan and Eid al-Fitr season of 2023 added approximately MYR 1.7 billion to the GDP through direct and indirect consumer spending, equivalent to 0.1% of annual GDP.

Ramadan and Eid al-Fitr season in Malaysia may accordingly be regarded as a practical model of sustainable seasonal economics, one that balances spiritual values with economic returns and supports balanced local development within a framework that reflects the principles of the Islamic economy that is based on solidarity, sustainability and distributive justice.

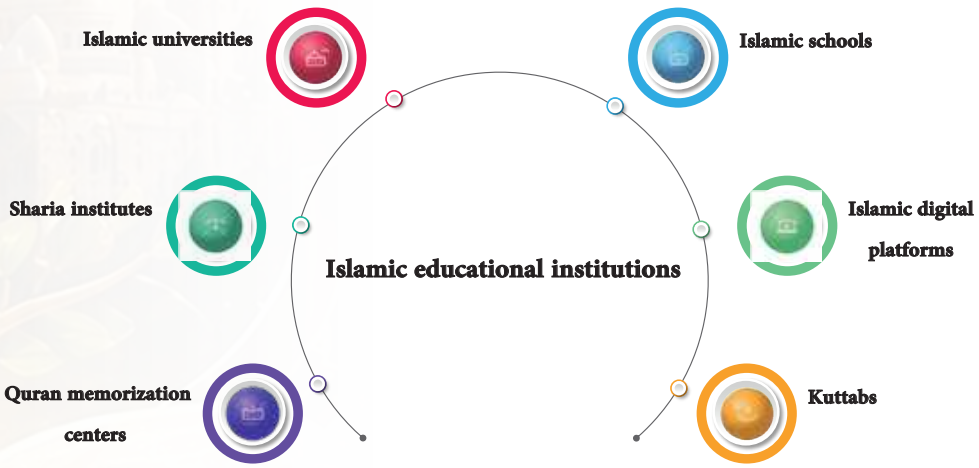


Fourth

Economics of Islamic Educational Institutions

Islamic education institutions are one of the foundational pillars of human and societal development, bringing together religious sciences and modern knowledge while reinforcing civilizational identity and strengthening social cohesion. Their role extends well beyond the religious dimension to encompass economic and social dimensions through the development of human capital and the creation of job opportunities.

These institutions include kuttabs (Quranic schools), schools, institutes, universities, Quran memorization centers, and digital platforms, together forming an integrated educational ecosystem that makes the study of the economics of Islamic education an important entry point for understanding its contribution to sustainable development.



1. Economic Dimensions of Islamic Educational Institutions

The economic dimensions of Islamic educational institutions provide an analytical framework that highlights their developmental role that extends well beyond their educational and religious function to encompass contributions to the economic and social development, including:



Mobilization of financial resources through endowments, donations and grants, which contribute to achieving sustainable financing.



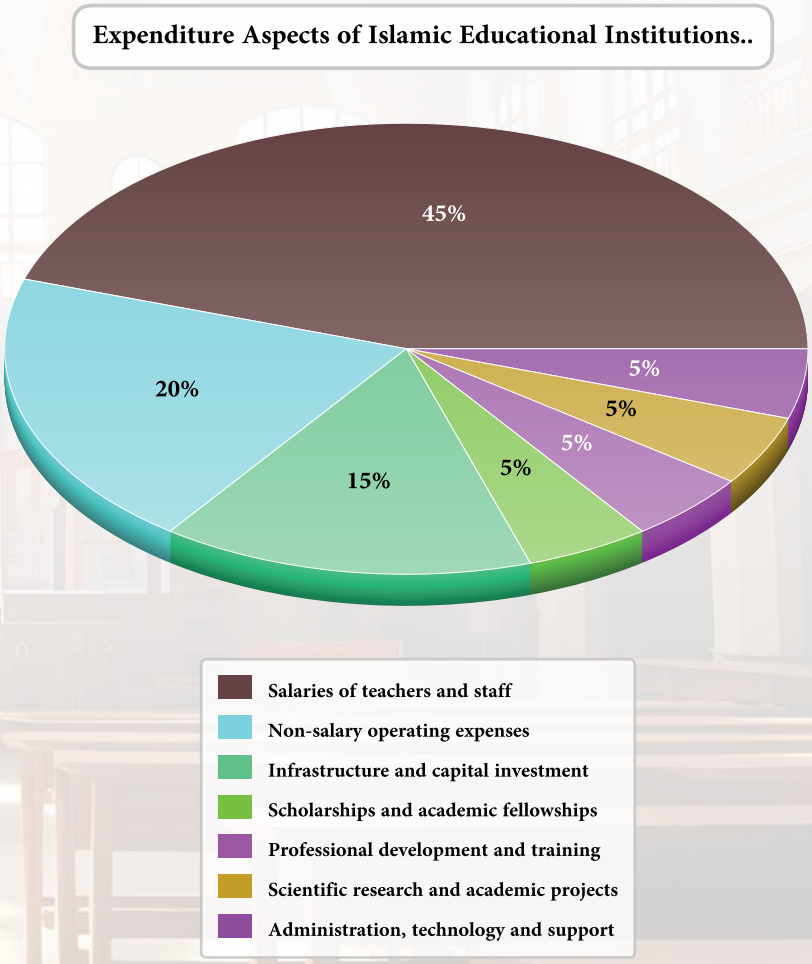
Developing advanced educational infrastructure which contributes to job creation and economic activity.



Redistribution of wealth and achieving social justice through providing educational opportunities for the underprivileged groups and strengthening community solidarity.

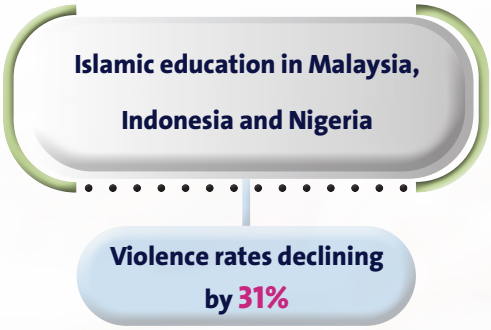
2. Expenditure Aspects of Islamic Educational Institutions

The expenditure distribution of Islamic educational institutions reflects the allocation of 45% to salaries of teachers and staff, 20% to operations and maintenance, 15% to infrastructure development, 15% to scholarships, training programs, and research and administrative activities, and 5% to investment in technology and research and development. This expenditure pattern reflects an orientation toward balancing the religious mission with the requirements of quality and knowledge development, reinforcing the role of these institutions in innovation and the building of a knowledge society that integrates authenticity with modernity.[1].



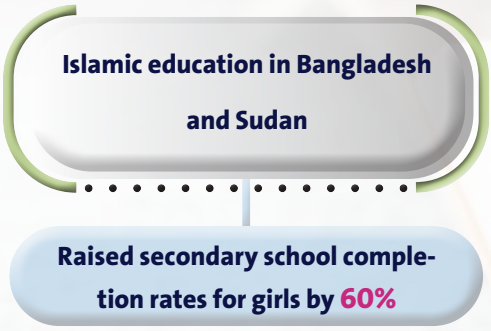
(1) http:Islamicmarkets.com/

3. Social Return on Investment in Islamic Educational Institutions



Recent studies indicate that investment in Islamic educational institutions generates returns that extend well beyond the economic to encompass broad, multi-dimensional social returns. A study conducted in **Malaysia, Indonesia and Nigeria** found that the Islamic schools contributed to strengthening community ethical values, with violence rates declining by 31% and measurable improvements recorded in discipline, honesty and tolerance.(1).

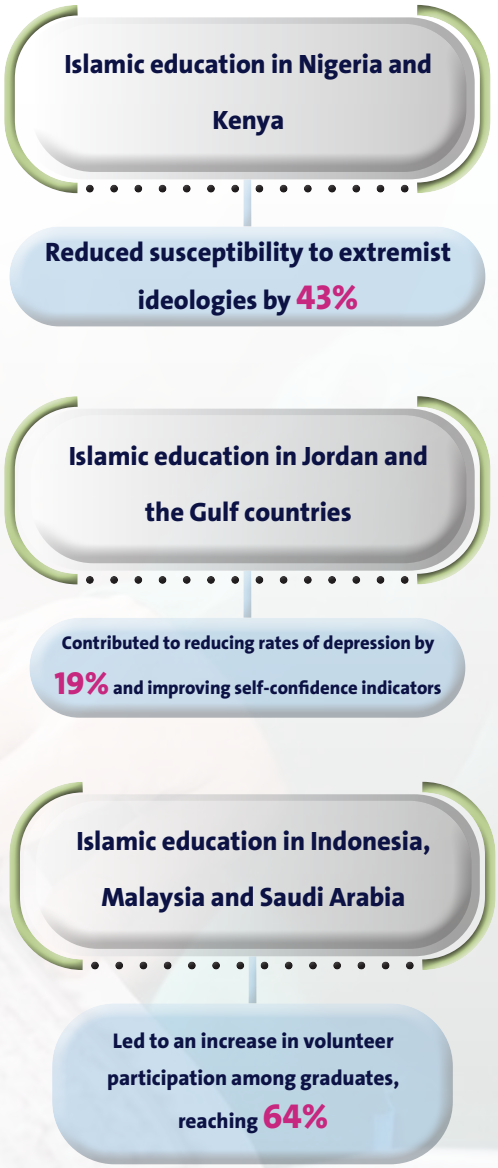
UNESCO research findings indicate that Sharia institutes in **Morocco and Pakistan** contributed to strengthening the cultural and religious identity by reducing cultural alienation among urban students by 40%(2).



The significance of Islamic education is equally evident in the empowerment of vulnerable groups: a study conducted in **Bangladesh and Sudan** found that religious education for girls raised secondary school completion rates by 60%(3).

Regarding social cohesion, waqf-funded community education initiatives in **Egypt, Turkey and Malaysia** demonstrated a 17% improvement in social cohesion indicators across diverse population groups(4).

(1) Ramzy & Hussien, 2021.
(2) UNESCO, 2021.
(3) Islamic Relief, 2020.
(4) IIIT, 2019.



In terms of combating extremism, a study examining Quranic memorization schools and formal schools in Nigeria and Kenya found that sound religious education reduced susceptibility to extremist ideologies by 43%(1).

Concerning mental health, a study conducted in **Jordan and the Gulf countries** found that early Islamic education contributed to reducing rates of depression by 19% and improving self-confidence indicators(2).

The role of Islamic universities in fostering community engagement is equally notable. A study spanning Indonesia, Malaysia and Saudi Arabia revealed that 64% of Islamic university graduates actively participate in voluntary community work, compared to only 42% of public university graduates(3).

Accordingly, Islamic education appears to yield a compound social return that reinforces ethical values, strengthens cultural identity, empowers marginalized groups and fosters social cohesion and stability, all of which support the goals of sustainable development.

(1) Brookings, 2020.

(2) Al Zaytoonah Univ., 2021.

(3) Sonita et al., 2023.

4. Number of Islamic Educational Institutions (2024)

The country-level distribution of Islamic educational institutions reflects a broad supply base that varies considerably in scale.



Pakistan.. Approximately 43,600 religious schools (madrasas), forming the backbone of the country's traditional Islamic learning system[1].



Indonesia.. Around 42,000 Islamic schools on the island of Java alone[2].



Egypt.. A centralized model led by Al-Azhar Institution through approximately 10,000 Azhari institutes, in addition to Al-Azhar University and its affiliated branches[3].



Turkey.. A specialized educational bloc comprising around 4,300 Imam Hatip schools, in addition to religious-oriented waqf universities[4].

Economically, this vast reach generates returns through two distinct channels:

- **The first is the accumulation of a foundational human capital** through the sizeable school base in densely populated countries.
- The second is the deepening of specialized human capital through universities and higher institutes that feed into the religious, financial and legal sectors[5].

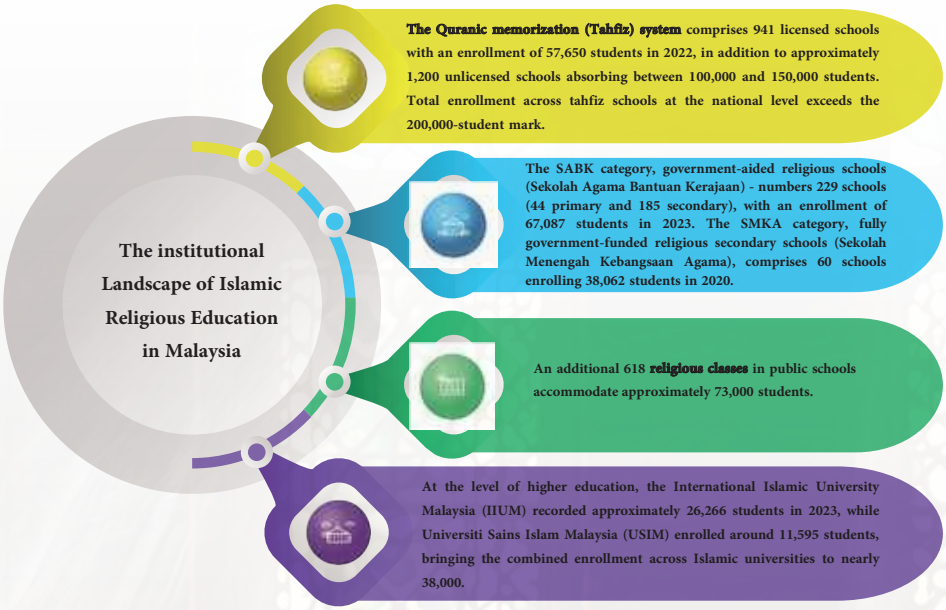
(1) https://pie.gov.pk/
(2) https://databoks.katadata.co.id/
(3) https://mtrl.azhar.gov.eg/
(4) https://www.ilkeanaliz.net/
(5) UNESCO (2023) "Religious Education in Muslim Societies".

5. Islamic Educational Institutions in Malaysia (2024)

The population of Malaysia in 2024 is estimated at 34.2 million, of which Muslims make up about 65%. The mainstream education system includes more than 5.2 million students at the primary and secondary levels, while **total enrolment across the various Islamic schools doesn't exceed 182,000 students**, which is equivalent to approximately 3.5% of the overall student population, according to the statistics of the Ministry of Education and OIC-SESRIC reports (2022). At the tertiary level, total enrollment exceeds 1.1 million students, of whom approximately 300,000 are enrolled in Islamic universities, representing roughly 3.3% of total higher education enrollment.



5.1 The institutional Landscape of Islamic Religious Education in Malaysia



From an economic perspective, this expansion generates a dual stream of returns, manifested in the expansion of the religious human capital base through schools and tahfiz institutions, as well as in the deepening of specialized human capital through universities, with direct alignment to the needs of the Sharia and Islamic finance sectors.

5.2 Funding Sources of Islamic Educational Institutions in Malaysia

The Islamic education system in Malaysia draws on a diverse mix of funding sources:

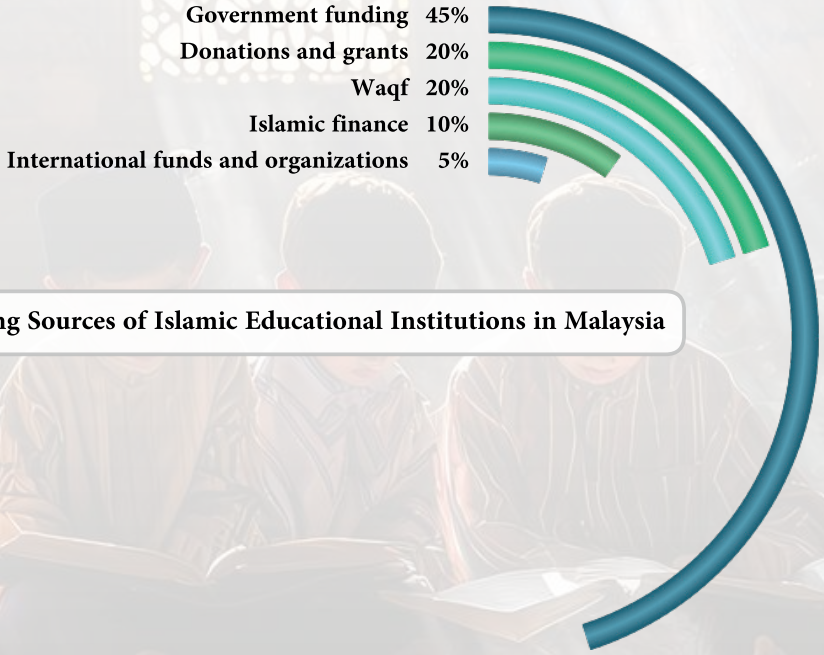
Government funding
It constitutes between 40–45% of the total funding allocated to public religious schools.

Waqf (Islamic Endowments)
It covers approximately 15–20% of the budgets of non-governmental religious schools and some universities.

Islamic finance
It contributes about 10% through instruments such as sukuk and zakat funds.

Donations and grants
It represents approximately 20% of the total funding and is mostly directed toward private and unlicensed schools.

International funds and organizations
Such as the Islamic Development Bank (IsDB). They contribute roughly 5% of total funding..



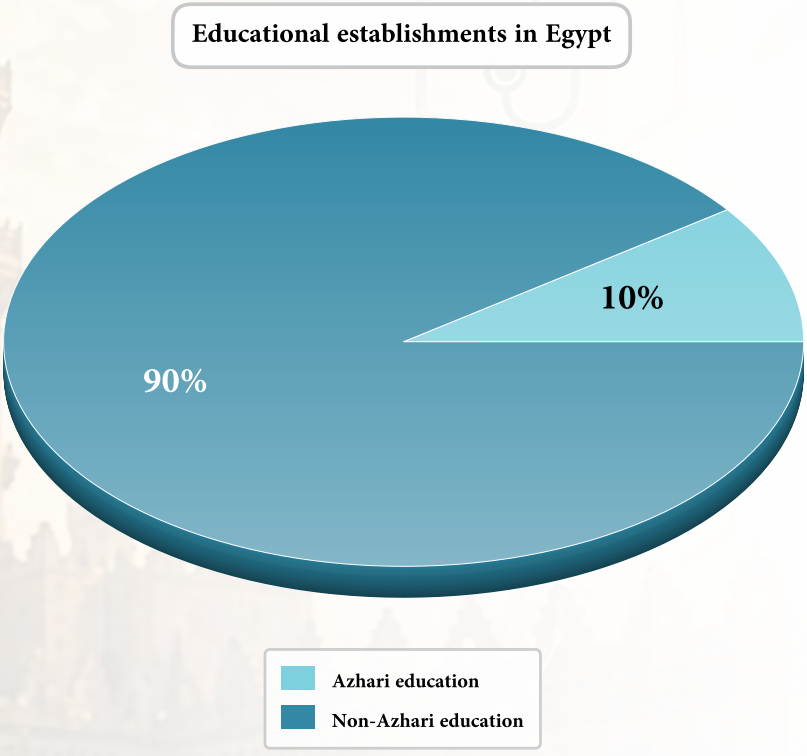
Funding Sources of Islamic Educational Institutions in Malaysia



6. Al-Azhar as a Model of International Islamic Educational Institutions: Economic and developmental Dimensions[1]..

Al-Azhar stands as a singular educational institution; one founded in 970 CE and has endured, without interruption, for well over a millennium. That extraordinary continuity lends it a depth of epistemic authority and institutional prestige, securing its place among the world's oldest universities.

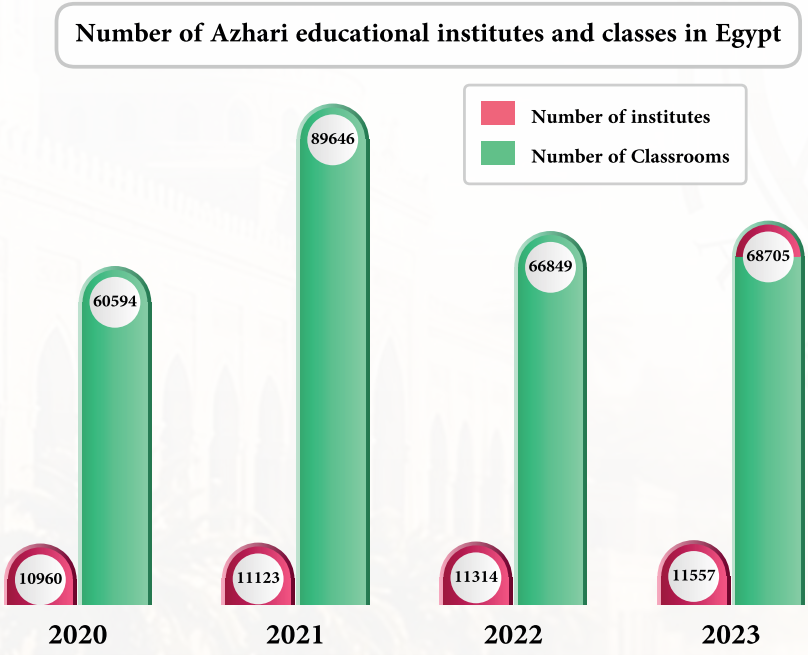
From an economic perspective, Al-Azhar accounts for roughly 10% of Egypt's entire educational system across both the pre-university and university tiers. A share that speaks to its immense absorptive capacity and its central role in shaping human capital. That reach translates into a steady pipeline of graduates versed in Sharia, scholarship and language, feeding into labour markets linked to the Islamic economy, cultural sectors and the medical and engineering professions.



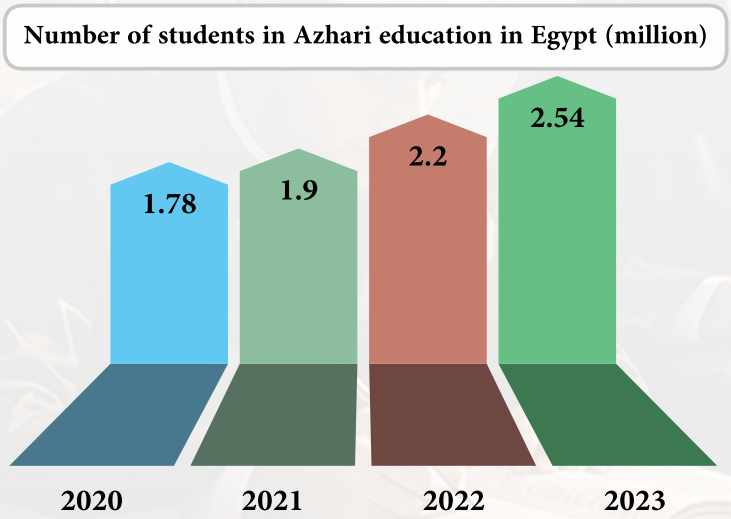
(1) https://www.capmas.gov.eg/

6.1 Al-Azhar Institutes and Basic Education (2024)

The data from 2023 reveals the considerable institutional scale of the Azhari education in Egypt. The network of Azhari institutes grew to 11,557 institutions, housing approximately 68,705 classrooms.



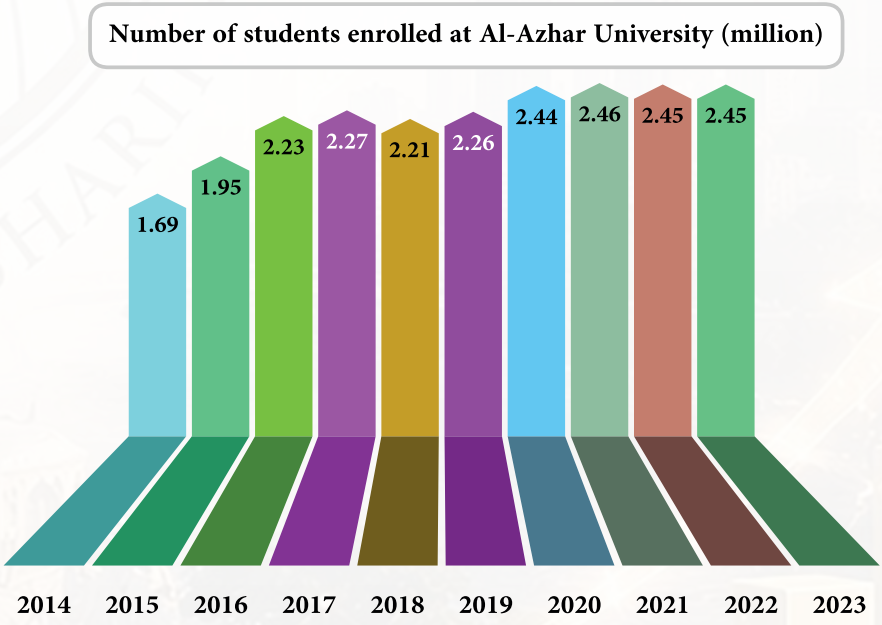
Enrolment across all pre-university levels reached some 2.5 million students, served by a teaching workforce exceeding 140,000.



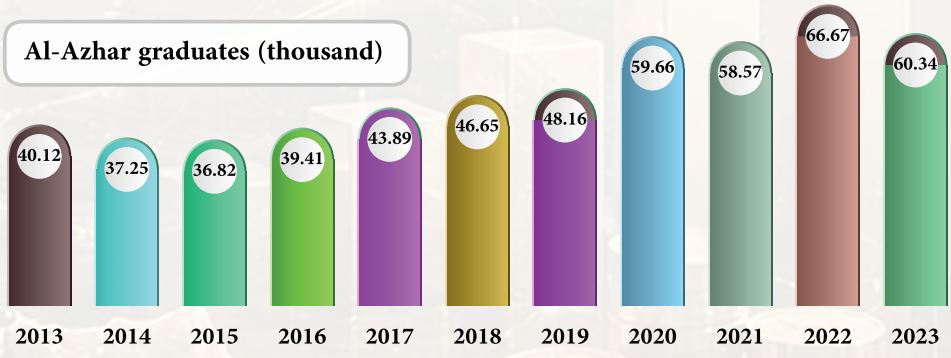
These indicators paint a picture of Azhari education as a parallel, yet deeply integrated, educational bloc within Egypt's broader schooling landscape, marked by wide geographical spread, considerable absorptive capacity, and a substantial commitment to its teaching workforce.

6.2 Al-Azhar University and Higher Education (2024)

Al-Azhar University recorded an enrolment of approximately 2.45 million students in 2023, a figure that places it among the world's largest Islamic universities by capacity.



During 2010-2023, about 538,000 students graduated from the university, an average of about 41,000 graduates annually.

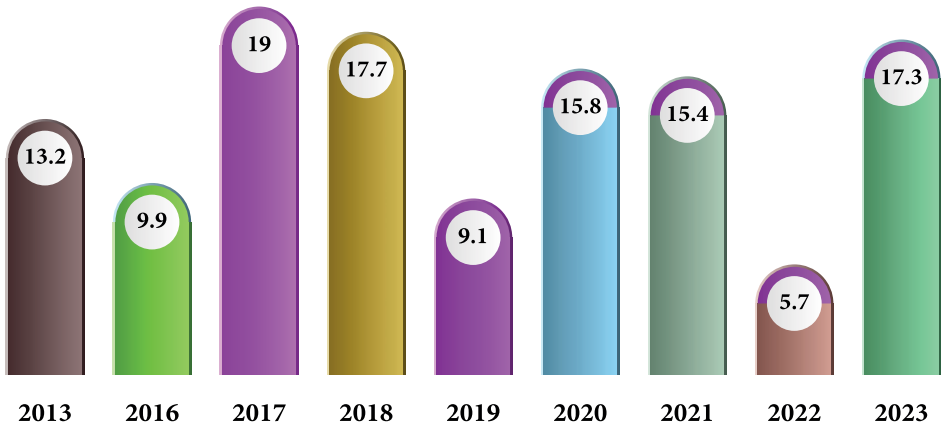


Total number of researchers enrolled in postgraduate programs at Al-Azhar University

123000

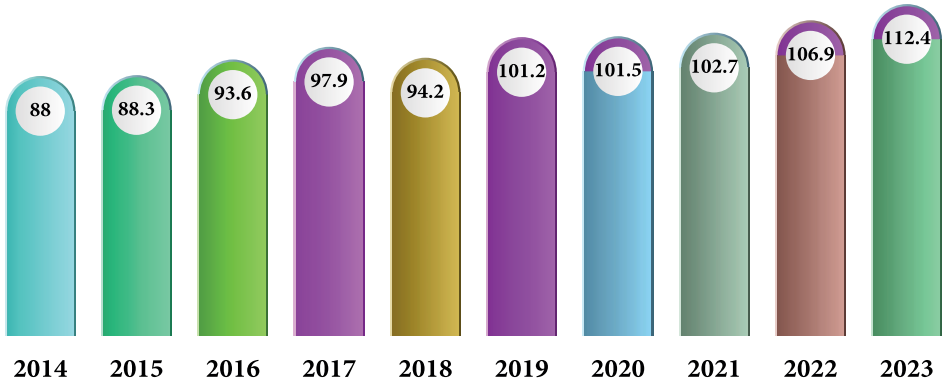
More than 123,000 researchers were enrolled in postgraduate programs (diploma, master's, doctorate), reflecting the role of the university as a center of knowledge production and scientific research, well beyond its foundational teaching mission.

Number of postgraduate students at Al-Azhar University (thousand)

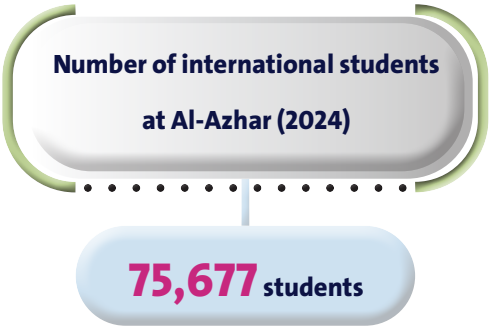


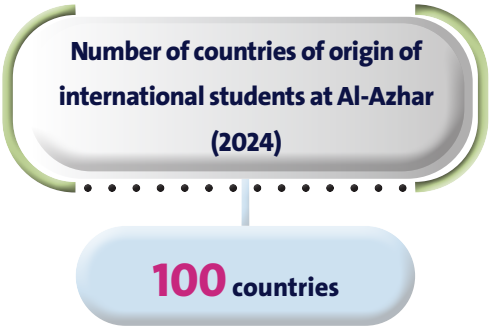
The academic staff numbered about 112,414 faculty members and their assistants in 2023, which is a remarkable figure that speaks to the University's vast institutional scale and the wide dispersal of its branches.

Number of faculty members and their assistants at Al-Azhar University (thousand)



6.3 International Students and Researchers at Al-Azhar (2024)



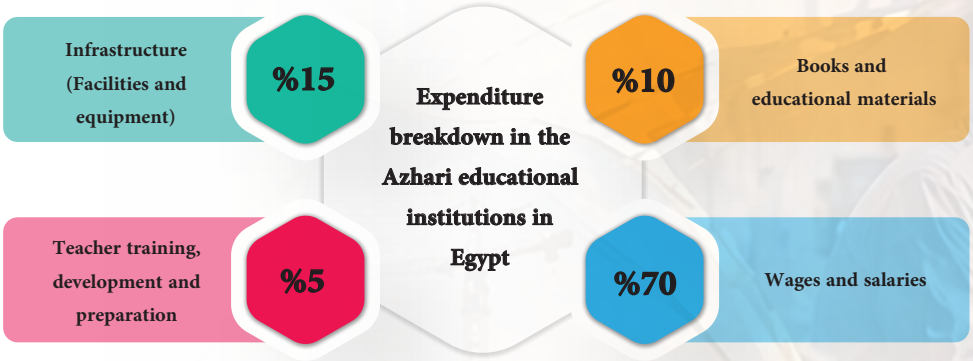


Al-Azhar is one of the most prominent Islamic educational institutions with a global presence. In 2024, the total number of international students and researchers enrolled across Al-Azhar's various sectors reached approximately 75,677 students, drawn from over 100 countries. This attests to Al-Azhar's global standing and the growing confidence in its educational mission that is built on reconciling authentic scholarship with the demands of modern age.

In terms of institutional support for its international students, Al-Azhar granted scholarships to 9,835 students in the same year, covering tuition fees and living costs, as well as a range of academic and social support services. This contributes to creating a stable and stimulating learning environment that supports students in achieving their academic aspirations and enhances dimensions of cultural and civilizational interaction.

Al-Azhar further oversees some 30 dedicated centers and institutes dedicated to serving international students, offering a wide spectrum of academic and qualifying programs alongside counselling and social services. These facilities are designed to ease students' integration into both the university setting and Egyptian society, while cementing Al-Azhar's standing as a premier hub of educational and cultural diplomacy at the international level.

From an economic standpoint, these figures make clear that Al-Azhar University commands a formidable position in the higher education market, producing steady, high-volume annual flows of qualified graduates. The sheer size of its academic faculty, moreover, points great investments in scholarly human capital, reinforcing its stature as an institution whose reach extends well into labour markets and the knowledge economy.



The expenditure breakdown across Al-Azhar's institutions reveals that wages and salaries claim the largest share, approximately 70% of the total budget, reflecting the labour-intensive nature of the education sector and its fundamental dependence on human capital. This is followed by infrastructure (facilities and equipment) at roughly 15%, indicating a sustained need for investment in the modernization and maintenance of educational facilities. Books and educational materials account for approximately 10% of expenditure, while teacher training, development and preparation receives only 5%; a figure that reveals the limited resources allocated to the building of human capacity relative to other budget lines.

From an economic perspective, this distribution reveals an expenditure structure skewed toward recurrent consumption at the expense of capital investment. This is a pattern that calls for a rebalancing in favour of increased allocations for professional development and infrastructure, with a view to achieving greater efficiency and sustained quality in the educational process.





Section V

Macroeconomies of Islamic Countries and the Institutional Framework of Islamic Economy

First: Analysis of GDP Evolution and Economic Growth Patterns in OIC Member Countries

Second: Infrastructure Organizations and Bodies of Global Islamic Economic and Financial Institutions

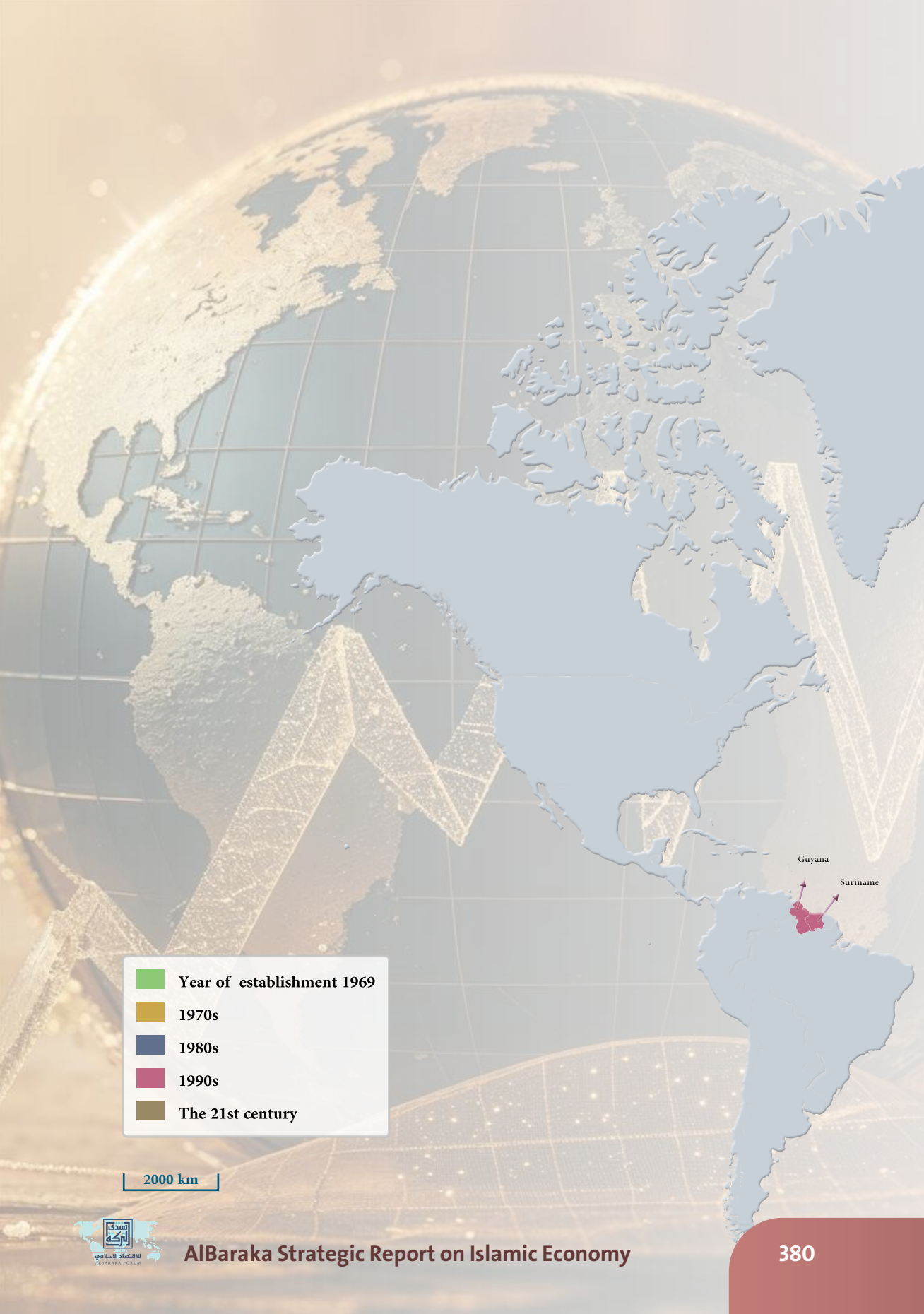


First

Analysis of GDP Evolution and Economic Growth Patterns in OIC Member Countries

The OIC is an international organization that constitutes the overarching institutional framework for the Islamic countries. With a membership of 57 countries, the Organization was formerly known as the Organization of the Islamic Conference. It serves as the collective voice of the Muslim world, endeavoring to safeguard and protect its interests at both the regional and international levels through promoting international peace and harmony among the various people of the world.

The OIC is the second largest international organization after the United Nations, maintaining consultative and cooperative relations with a number of international and regional organizations. It plays a pivotal role in championing the vital causes of the Muslim world, including working toward the settlement of conflicts and disputes involving member countries, while promoting the true image of Islam.


Guyana
Suriname
Year of establishment 1969
1970s
1980s
1990s
The 21st century
2000 km

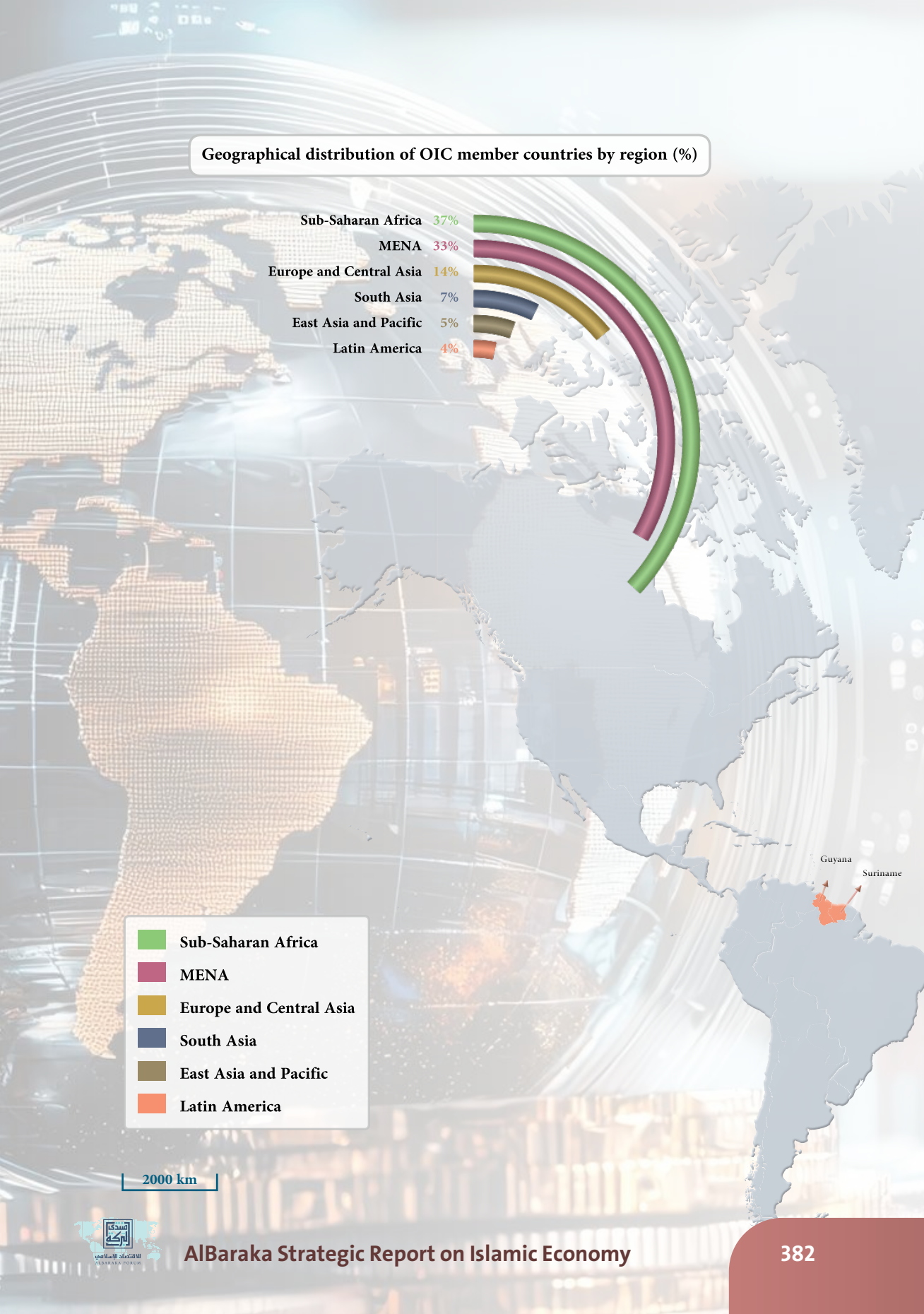
1. Member Countries

In 2024, the Organization's membership stands at 57 countries spread over four continents[1]:



(1) https://www.oic-oci.org/

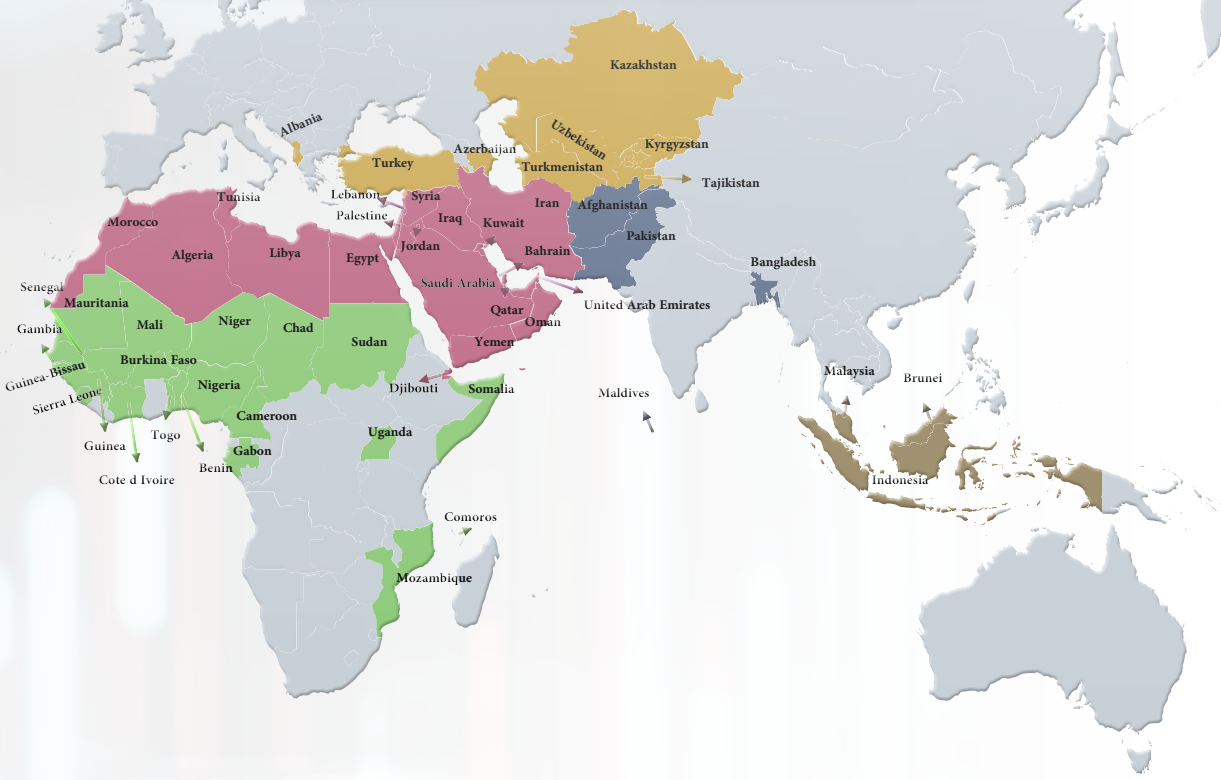
Geographical distribution of OIC member countries by region (%)



2. Classification of OIC Member Countries by Geographical Location

The 57 member countries of the OIC are distributed across a vast geographical bloc stretching through the African and Asian continents, with a complementary presence in Southeast Asia and the Balkans. This contiguous and diverse spread affords the Organization a strategically significant position along international trade routes and vital maritime corridors, while its member countries collectively hold considerable natural resources and geographically significant investments. Nevertheless, ternational institutions such as the World Bank do not treat this expanse as a unified geographical unit; rather, they classify OIC member countries across separate regions in accordance with their own geographical and economic classification methodologies, reflecting a divergence in analytical perspectives between the Organization and international bodies.

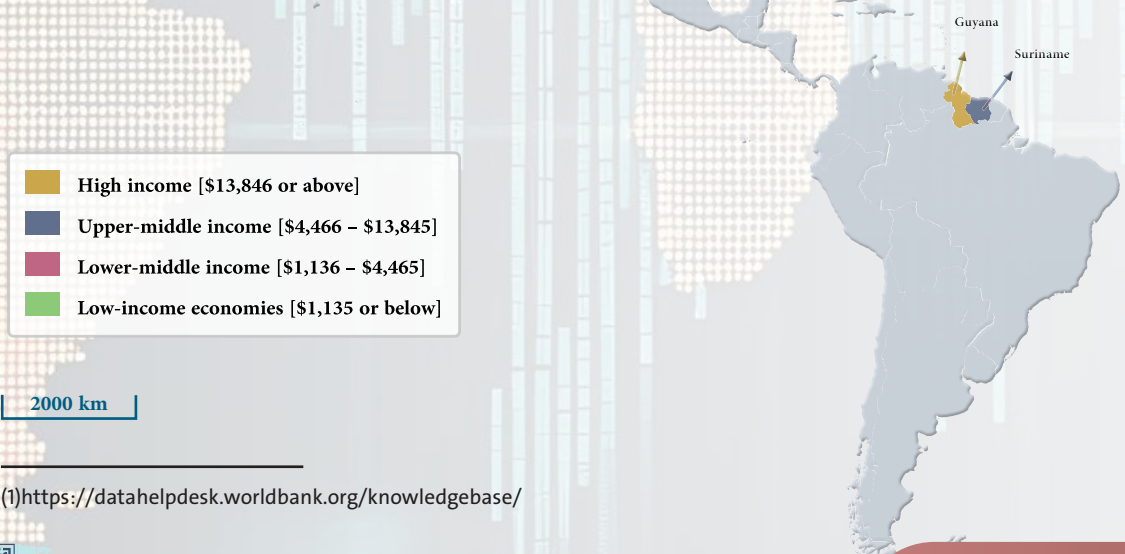
Classification of OIC member countries by geographic location (2024)



3. Classification of OIC Member Countries by Income Group[1]

The classification of OIC countries according to income level reveals an economic structure that is overwhelmingly developmental in character. Only eight states qualify as high-income economies, accounting for roughly 14% of total members. 14 states fall into the upper-middle income category, which is equivalent to some 24% of the Organization's members. A further 20 states sit within the lower-middle income category, making up approximately 36%, while 15 states are classified as low-income economies, representing close to 26% of the total.

Classification of OIC member countries by income group



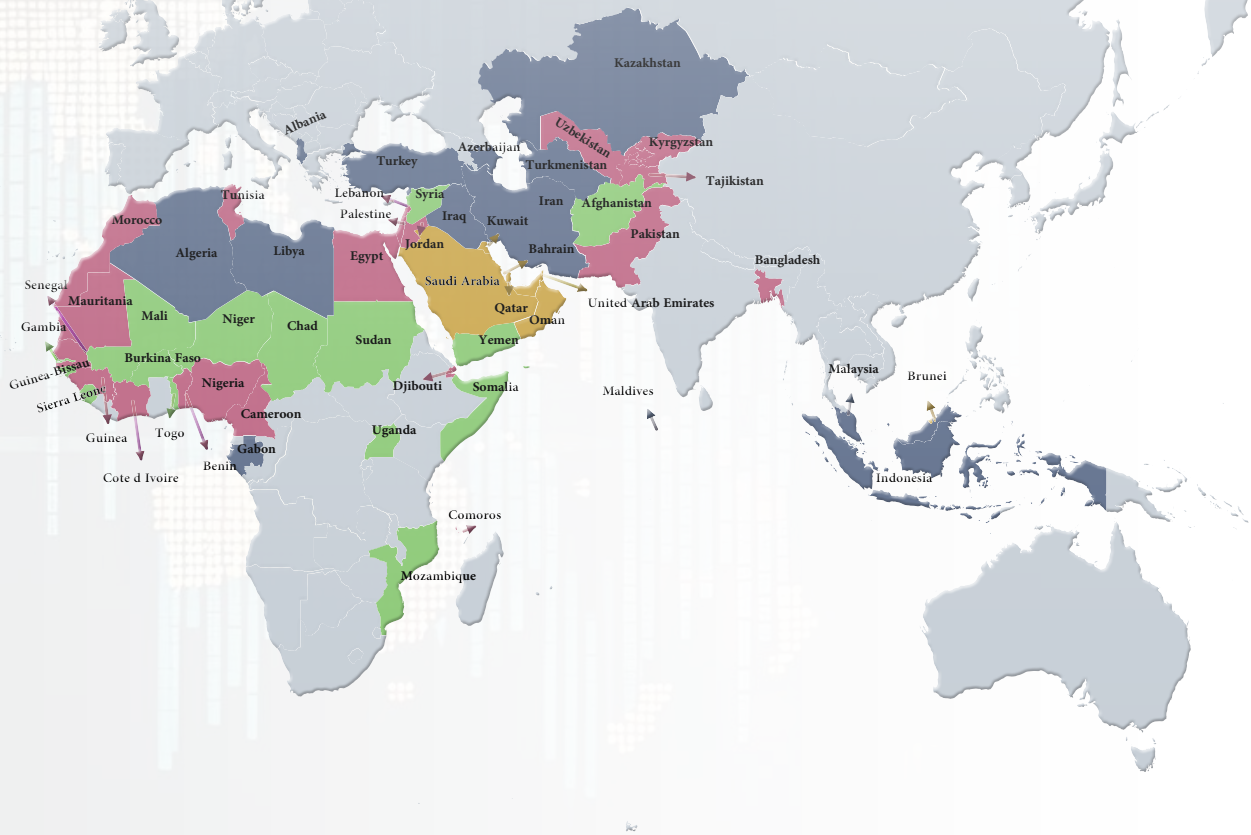
(1)https://datahelpdesk.worldbank.org/knowledgebase/

Percentage of OIC member countries among the world's economies by income group (2025)



"Lower-middle income economies" group	35%
"Low-income economies" group	26%
"Upper-middle income economies" group	25%
"High-income economies" group	14%

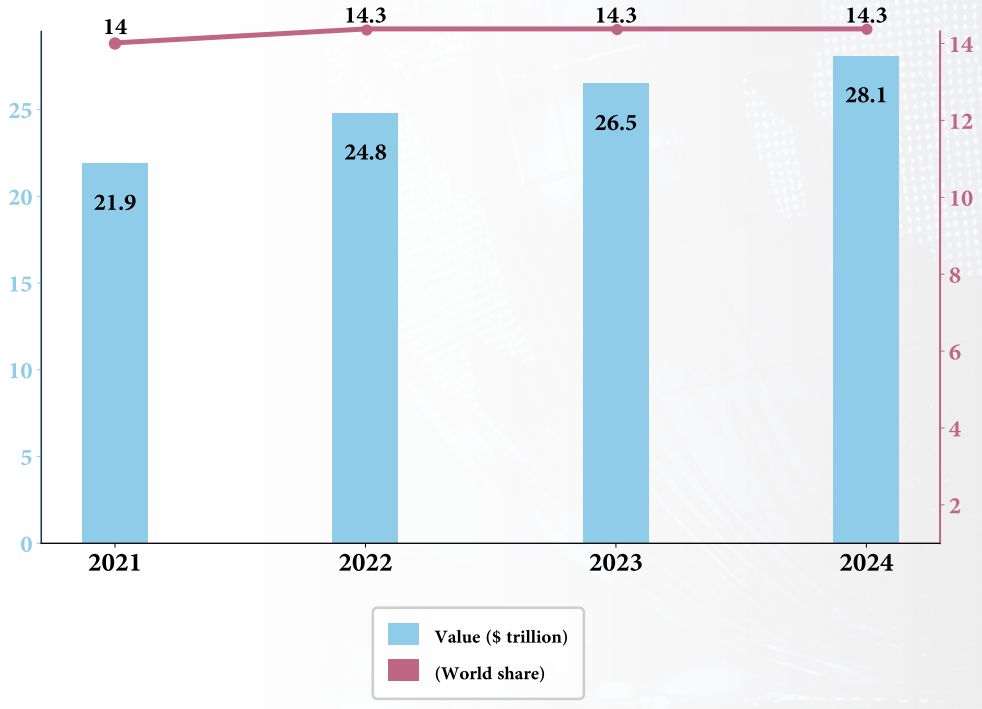
This distribution reveals that about 62% of the Organization's members are concentrated in the lower-income brackets. A reality that highlights the structural nature of the economic and developmental challenges confronting the majority of OIC member countries.



4. Size of Gross Domestic Product (GDP) - 2024

The upward trajectory of OIC member countries' GDP over the 2021–2024 period reflects the capacity of the Organization's economies to sustain steady growth, with total GDP rising from $7.6 trillion in 2021 to $9.17 trillion in 2024, driven by a relative expansion in productive and service activities. Despite this quantitative increase, the OIC's share of world GDP remained broadly unchanged, edging up from 7.8% in 2021 to 8.6% in 2022, before retreating and settling at 8.3% in both 2023 and 2024. This pattern suggests that the growth achieved was insufficient to meaningfully advance the Organization's relative weight in the global economy, pointing to a gap in growth momentum vis-à-vis faster-expanding world economies, and further highlighting the need to invigorate productive growth drivers and raise the efficiency of the economic structure in order to enhance the competitiveness of member countries[1].

Total GDP and world shares of OIC countries, 2024 [In PPP international $]

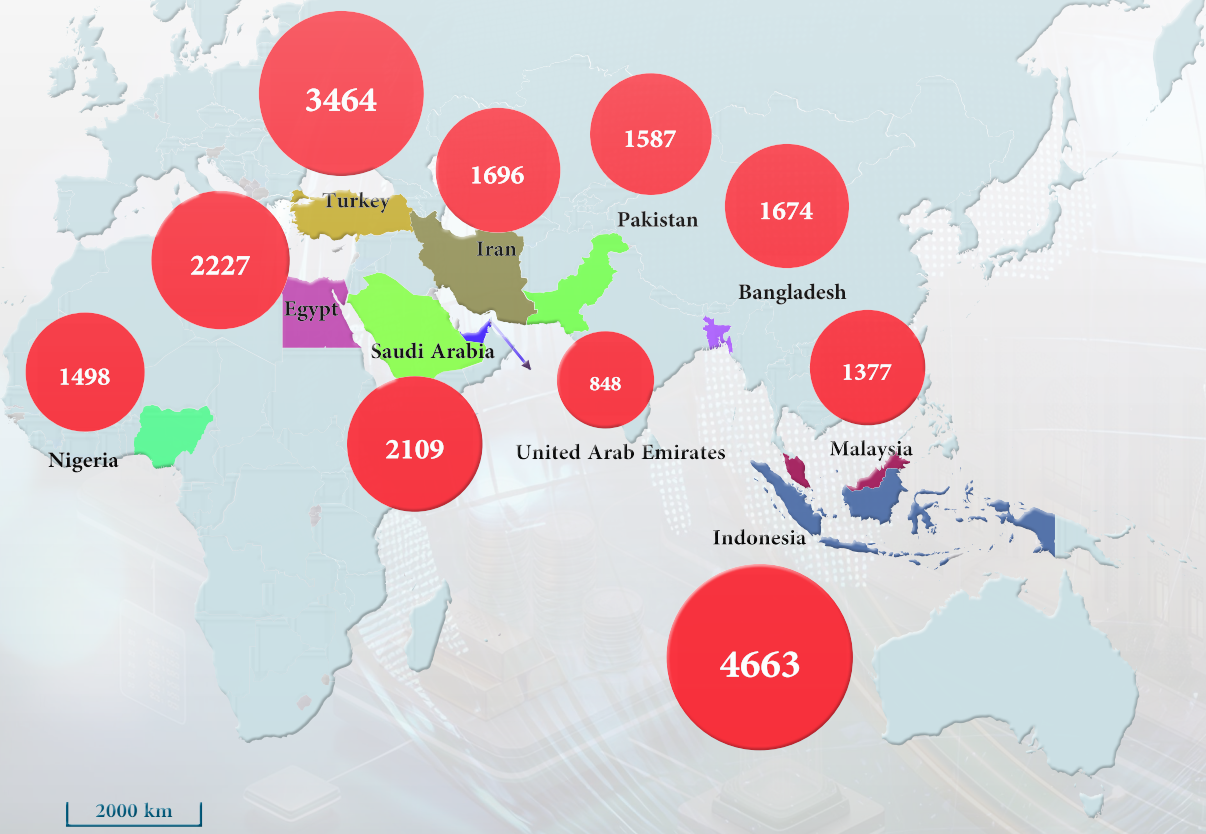


(1) The analysis of GDP development and economic growth patterns in OIC member countries presented in this section draws on: OIC Economic Outlook 2025 by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC); and https://databank.worldbank.org.



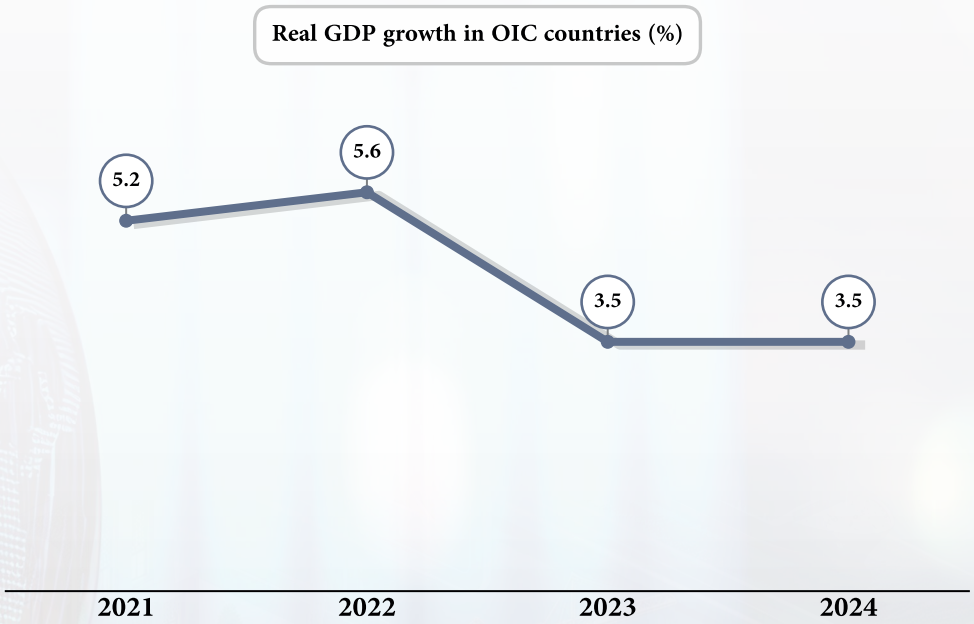
Data from 2024 reveals that OIC GDP, in PPP terms, is concentrated among a limited number of large economies. **Indonesia, Turkey, Egypt, and Saudi Arabia** top the list, each with a GDP exceeding $2 trillion, reflecting their broad productive bases and considerable economic weight within the Organization. **Iran, Bangladesh, and Pakistan** follow, with GDP values ranging between $1.5 and $2 trillion, driven by diverse industrial and service sectors. **Nigeria, Malaysia, and the UAE**, meanwhile, form a cluster of mid-sized economies, with GDP values falling between $0.85 and $1.5 trillion.

Top 10 OIC countries by GDP, 2024 [In PPP International $ (billion)]



4.1 GDP Growth in OIC Countries

Real GDP growth data for OIC member countries reveals a gradual slowdown in the pace of economic expansion over the 2021–2024 period. Following a strong growth rate of 5.2% in 2021, performance rose to 5.6% in 2022, supported by the post-pandemic recovery, increase in global demand, and improvement in commodity prices. This momentum, however, proved short-lived as growth declined to 3.5% in 2023 and held at the same level in 2024, reflecting the impact of a less favorable external environment, a cooling global economy, rising borrowing costs and structural pressures within OIC economies, including limited productivity and weak economic diversification

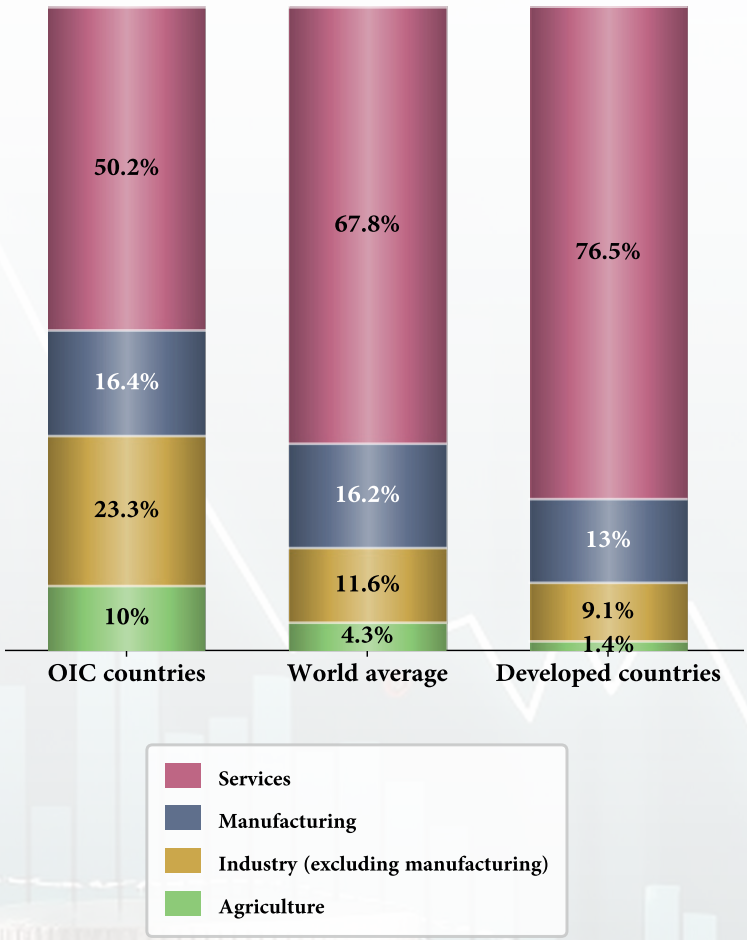


This trajectory reveals that the economies of member countries have become increasingly vulnerable to global volatility and less able to sustain higher growth rates.

4.2 GDP Structure of OIC Member Countries (2023)

The economic structure of OIC member countries in 2023/2024 follows a structural pattern broadly in line with that of developing economies, characterized by a continued relative dependence on non-manufacturing sectors when measured against advanced economies.

Structure of GDP: OIC member countries vs. global average and developed countries (2023)



The services sector accounts for just 50.2% of GDP in OIC member countries, which is well below the world average of 67.8% and the 76.5% share recorded in advanced economies. This points to the limited development of high-value service sectors, including technology, finance and professional services.

The manufacturing sector accounts for 16.4% of GDP, which is close to the world average of 16.2% and above the 13% recorded in developed countries, reflecting the continued reliance of many OIC member countries on traditional industries and a marked absence of high-technology industries.

Non-manufacturing industry, by contrast, holds a comparatively higher share of 23.3%, against 11.6% worldwide and 9.1% in developed countries, underscoring the heavy dependence on oil, gas and minerals as core components of the economic activity.

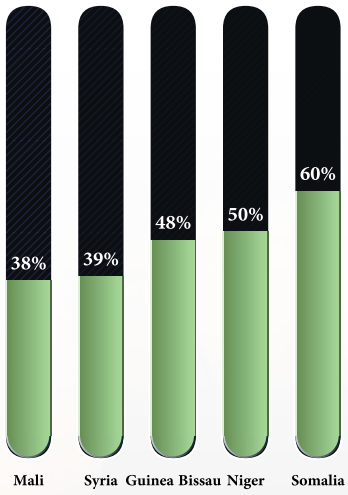
Agriculture remains higher than both the world average and that of developed countries, accounting for 10% of GDP in OIC member countries compared to 4.3% globally and just 1.4% in the developed countries. A finding that reflects the continued primary character and limited productivity of the agricultural sector across many member countries.

The comparison generally reveals that OIC economies are characterized by a low-diversity productive structure, one that relies heavily on primary and extractive sectors while remaining relatively weak in advanced services and high-value technologies. This calls for policies aimed at deepening industrialization, strengthening value chains, and developing the services sector to enhance competitiveness and foster sustainable growth.

The 2023 data on the performance of OIC member countries across key economic activities reveal a marked disparity in the sources of economic strength among member countries, reflecting varying degrees of structural development and levels of sectoral specialization within the Organization.

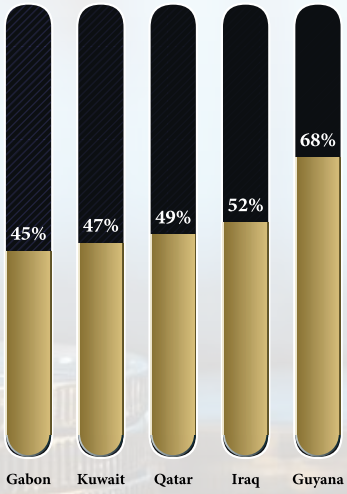
In the agricultural sector, low- and -middle-income countries led the ranking. **Somalia** recorded the highest share at approximately 60%, followed by Niger at 50%, then **Guinea-Bissau, Syria, and Mali**. A pattern that reflects the heavy dependence of these economies on agricultural activities and their role as a primary source of income and employment.

Top five OIC member countries by agricultural share in GDP (2023)



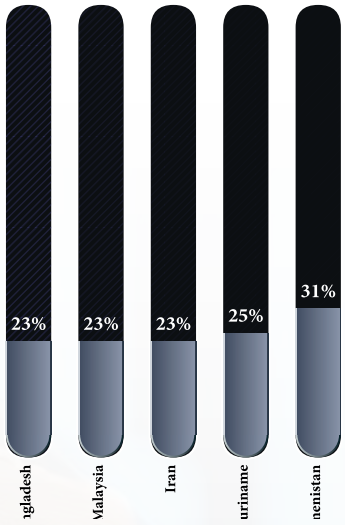
In the industry sector (excluding manufacturing), **Guinea** recorded the highest share at approximately 68%, followed by **Iraq** at 52%, then **Qatar, Kuwait and Gabon**.

Top five OIC countries by industry (Excluding Manufacturing) share in GDP (2023)



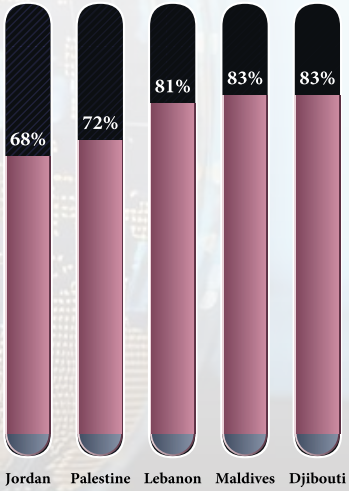
In the manufacturing sector, countries such as **Turkmenistan, Suriname, Iran, Malaysia, and Bangladesh** posted shares ranging between 23% and 31%, reflecting the reliance of these economies on manufacturing activity as a primary driver of growth.

Top five OIC countries by manufacturing share in GDP (2023)



In the services sector, **Djibouti and the Maldives** led the ranking with a share of 83% each, followed by **Lebanon** (81%), **Palestine** (72%), and **Jordan** (68%). This reflects the ability of these countries to rely on service-based activities such as tourism, logistics, and the financial sector, despite the divergent economic conditions they face.

Top five OIC countries by services share in GDP (2023)




Guyana
68%
Suriname
25%
Top OIC countries by agricultural share of GDP
Top OIC countries by industry (Excluding Manufacturing) share of GDP
Top OIC countries by manufacturing share of GDP
Top OIC countries by services share of GDP
2000 km

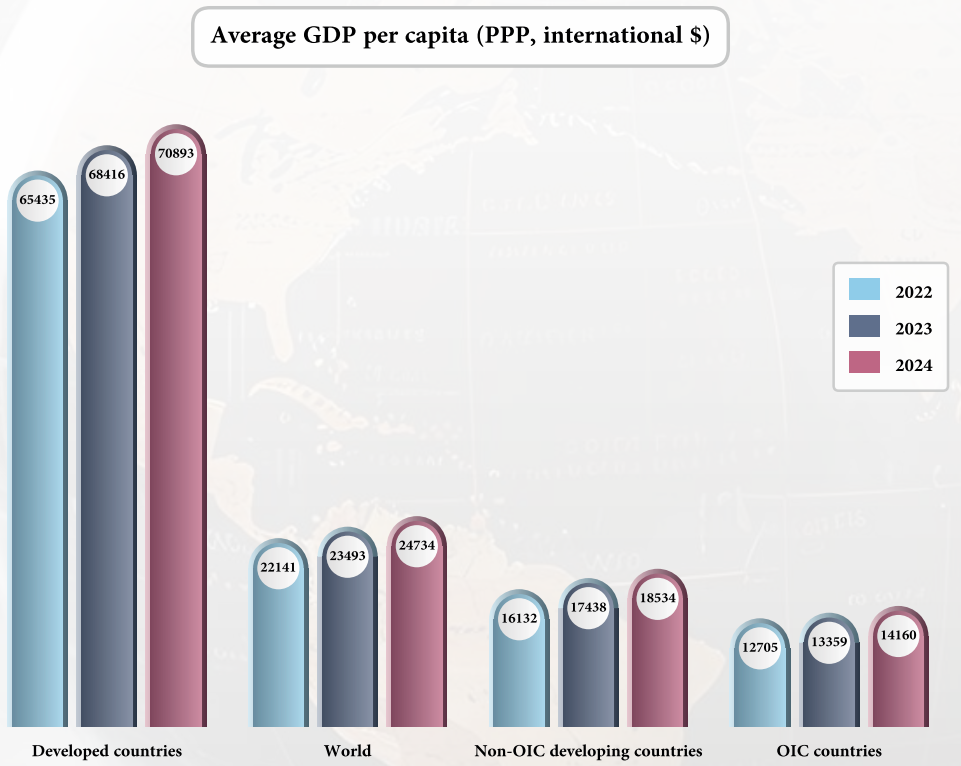
These findings, considered together, indicate that OIC member countries exhibit markedly heterogeneous sectoral structures with some heavily relying on low-productivity agriculture, others driven by manufacturing or extractive industries, while only a limited number of them depend on the services sector. This divergence highlights the critical importance of crafting targeted development policies for each category to advance economic integration and enhance diversification and productivity across the OIC.

Top OIC member countries by major economic sector share in GDP (2023)



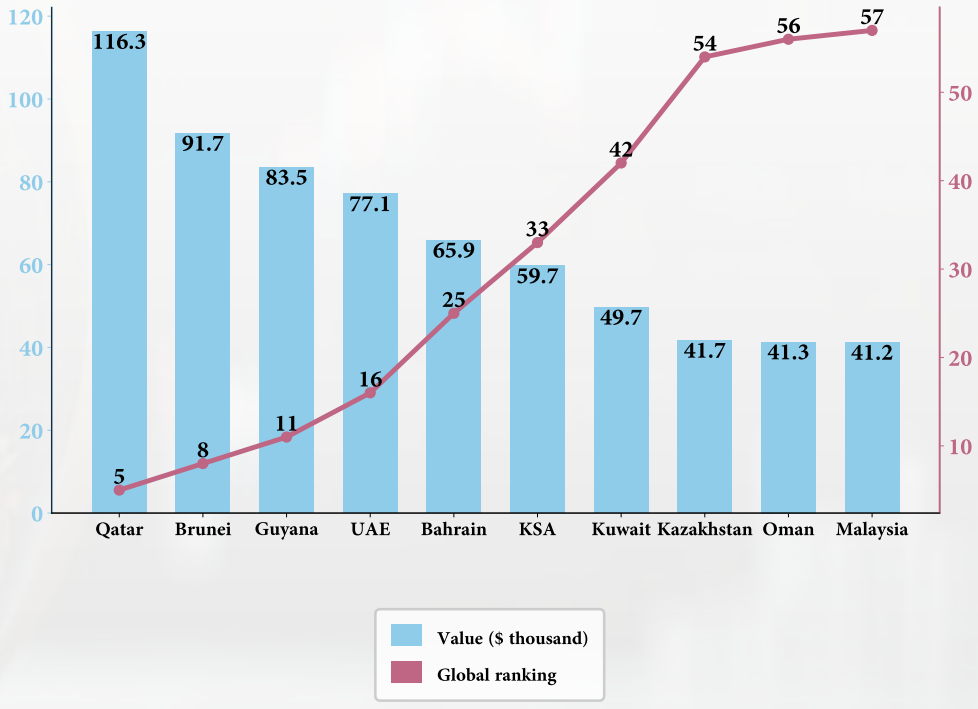
4.3 GDP Per Capita (2024)

PPP data shows that average world GDP per capita reached $24,734 in 2024, posting an annual growth of 5.3% relative to 2023. Within OIC member countries, the average rose to $14,160 over the same year, following an annual growth rate of 6.0%. However, this figure remains well below the average of non-OIC developing countries, which reached $18,534, representing a 6.3% increase. The wide gap between OIC countries and developed countries - where average GDP per capita reached $70,893 in 2024 - further attests to the persistence of deep structural disparities in income and living standards across country groups, reflecting the limited productive capacity of many OIC economies compared to the world's more advanced economies.



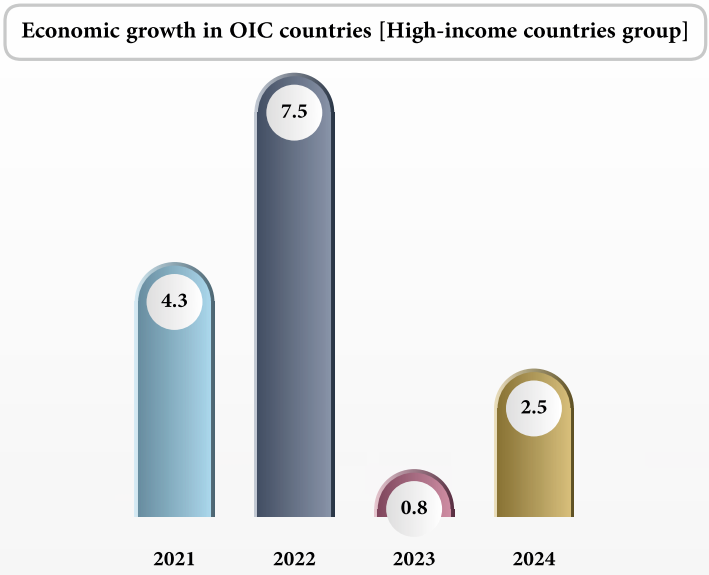
PPP-based GDP per capita data reveals a marked disparity within the OIC, with Qatar topping both the regional and global rankings at approximately $116,249 (ranked 5th globally), driven by high productivity and income levels in the hydrocarbon and advanced services sectors. Brunei follows at approximately $91,695 (ranked 8th), then Guinea and the UAE at $83,483 and $77,095 respectively, reflecting the diversity of income sources and the advanced economic structures of these countries. **Bahrain, Saudi Arabia and Kuwait** record per capita GDP levels ranging between $49,700 and $65,900, while **Kazakhstan, Oman and Malaysia** record figures of around $41,000.

Top ten OIC member countries by GDP Per Capita, 2024 [In PPP international $]

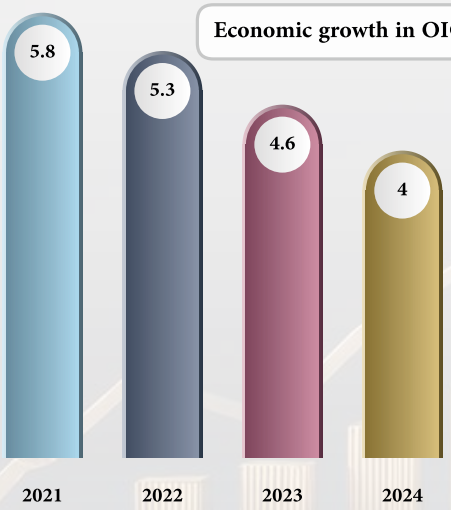


5. Economic Growth in the OIC Countries (2024)

Economic growth data for OIC member countries by income group reveals a marked degree of variation in performance over the period 2021–2024, reflecting the structural disparities among these groups.

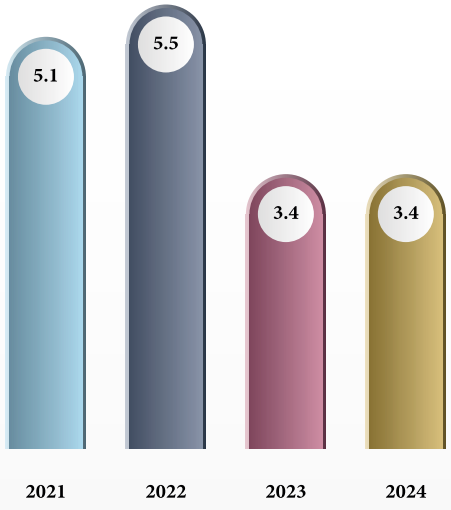


High-income countries recorded a volatile pattern with growth rose from 4.3% in 2021 to 7.5% in 2022, before slowing sharply to 0.8% in 2023, then partially recovering to 2.5% in 2024, reflecting the sensitivity of these economies to the fluctuations in energy price and swings in external activity.



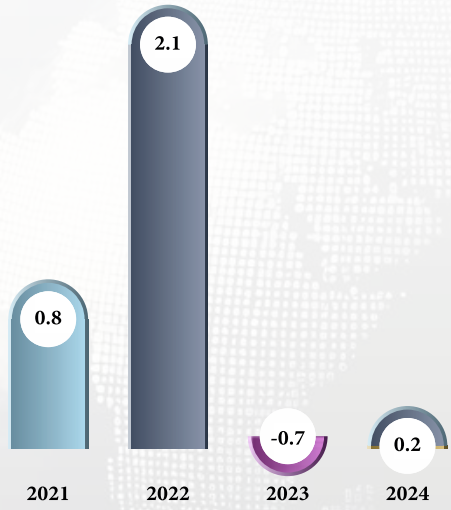
Upper-middle income countries, by contrast, achieved a comparatively more stable performance, with their growth rate declining gradually from 5.8% in 2021 to 4.0% in 2024, against a backdrop of moderating economic recovery and rising financing pressures.

Economic growth in OIC countries [Lower-middle income countries group]

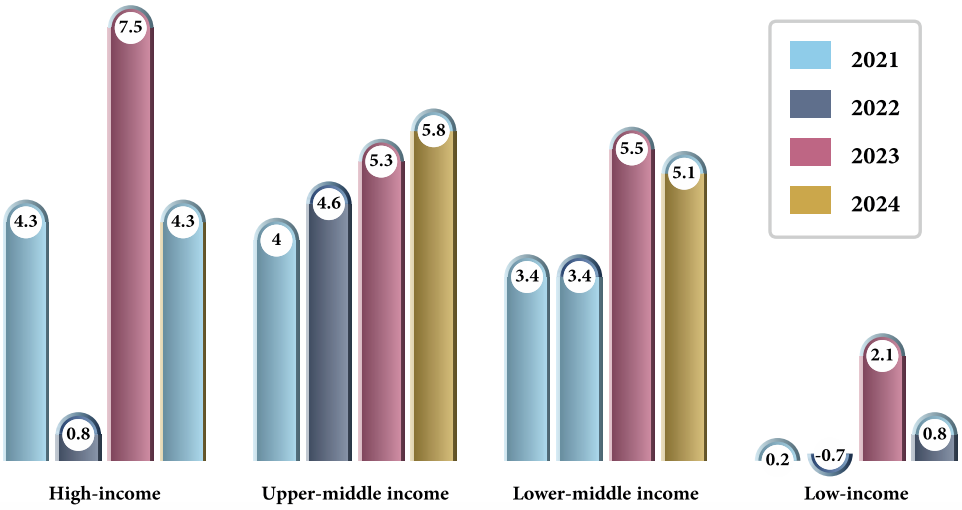


In contrast, lower-middle income countries followed a similar downward trajectory, declining from 5.1% in 2021 to 3.4% in both 2023 and 2024, reflecting their limited capacity to sustain recovery amid a slowdown in global trade.

Economic growth in OIC countries [Low-income countries group]



Low-income countries face even more acute economic challenges, as their growth did not exceed 0.8% in 2021 and 2.1% in 2022, before contracting to a negative growth rate of –0.7% in 2023, then barely recovering to 0.2% in 2024. This performance underscores the fragility of their productive structures and heightened vulnerability to external shocks, including global inflation and the rising prices of food and energy.



Looking across income groups, these trends highlight a pronounced disparity in the ability of the Organization's member countries to weather shocks and achieve sustainable growth. This, in turn, reinforces the case for pursuing economic diversification policies, widening the productive base, and fostering a more conducive investment climate, especially in lower-income member countries as an essential step toward building greater economic resilience.

The Fastest-Growing OIC Economies (2024)

The 2024 data reveals a sharp divergence in growth dynamics across OIC member countries, with **Guyana** leading the rankings at a remarkable rate of 43.6%, driven almost entirely by a rapid increase in oil production and a wave of large-scale investment into the energy and infrastructure sectors. **Niger** follows at 10.3%, fueled by a rebound in mining activity and an expansion of agricultural output, while **Kyrgyzstan and Tajikistan** posted growth of 9.0% and 8.4%, respectively, on the back of rising remittance inflows and improving regional demand.

In the mid-tier group, **Senegal** posted growth of 6.7%, drawing on notable developments in the gas and services sectors, while **Uzbekistan, Djibouti and Benin** recorded closely similar rates of 6.5%, driven by expanding public investment and logistics infrastructure. **Uganda and Guinea**, meanwhile, recorded a growth of 6.3% and 6.1%, respectively, driven by improvements in agricultural and services output.


Top-performing OIC member countries by economic growth, 2024 (%)
43.6
Guyana
6.7
Senegal
Guinea
10.3
Niger
Benin
6.1
6.5
6.5
Djibouti
Uganda
6.3
6.5
Uzbekistan
9
Kyrgyzstan
Tajikistan
8.4
2000 km



Second

Infrastructure Organizations and Bodies of Global Islamic Economic and Financial Institutions

The infrastructure organizations and bodies supporting global Islamic economic and financial institutions are numerous; key examples include[1]:

1. The Islamic Solidarity Fund[2]:

1974

Established in 1974 in Jeddah, the ISFD aims to promote inclusive development and improve the welfare of Islamic communities through a range of interventions, including: Mitigating the impacts of crises and disasters; providing educational, health and social assistance to countries and communities in need; supporting the dissemination of Islamic education and culture and the institutions serving this purpose; and promoting scientific research and the development of academic institutions.

(1) The organizations are arranged in ascending chronological order according to their respective establishment dates.

(2) https://isf-fsi.org/

2. The Islamic Development Bank (IsDB)[1]:

1974

A multilateral development bank working to improve the lives of those it serves by promoting social and economic development in member countries and Muslim communities worldwide. The Bank was established pursuant to the Articles of Agreement signed in Jeddah, Kingdom of Saudi Arabia, in 1394 AH/ 1974 CE, and formally commenced operations in 1395 AH/ 1975 CE. The Bank has 57 member countries from around the world.

3. Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)[2]:

1978

The SESRIC was founded as a subsidiary organ of the Organization of Islamic Cooperation (OIC) in Ankara, Turkey, in 1978. Its mandate is threefold: to collate, process, and disseminate socio-economic statistics and information on and for the utilization of member countries; to study and evaluate economic and social developments; and to organize specialized training programs geared to the needs of member countries and support the achievement of the OIC strategic objectives in the areas of development and capacity building

(1) https://www.isdb.org/

(2) https://www.sesric.org/

4. Islamic Chamber of Commerce and Development (ICCD)[1]:

1979

An international non-governmental organization affiliated to the OIC. It is the largest representative of the private sector in 57 Islamic countries. Its membership comprises national federations and chambers of commerce and industry of those countries, while also representing Muslim minorities in non-Muslim countries through a network of more than 67 business organizations worldwide. Formally established in 1979 in Karachi, the economic and commercial capital of Pakistan, ICCD serves as a dedicated platform for advancing trade and investment integration and strengthening the role of the private sector in economic development across Islamic countries.

Two independent entities fall under the Chamber's umbrella: the Islamic Chamber Research and Information Center (ICRIC), based in Tehran, and the OIC Arbitration Centre, based in Turkey, each complementing the other in reinforcing the knowledge and legal foundations of the economic cooperation among member countries.

(1) https://iccdglobal.com/

5. Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation [COMCEC][1]:

1981

Established in 1981 in Ankara, COMCEC serves as the principal multilateral platform for economic and commercial cooperation within the Islamic world. The Committee represents the central forum within which the common development challenges facing member states are deliberated, and through which policies and initiatives aimed at enhancing economic integration and advancing intra-OIC trade are put forward

6.Islamic Centre for Development of Trade [ICDT][2]:

1984

A specialized institution of the Organization of Islamic Cooperation (OIC), established in 1984 in Casablanca, Morocco. ICDT is mandated to facilitate and develop trade and investment among member countries through developing trade opportunities and strengthening economic ties among them. It also works to enhance the competitiveness of the trade sectors across OIC member countries.

(1) https://www.comcec.org/

(2) https://icdt-cidc.org/

7. Accounting and Auditing Organization for Islamic Financial Institutions [AAOIFI][1]:

1991

Established in 1991 and headquartered in Bahrain, AAOIFI is one of the leading international non-profit organizations that supports Islamic financial institutions. It made highly influential professional contributions, foremost among them the issuance of 98 standards in the fields of accounting, auditing, ethics, and governance.

8. Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)[2]:

1994

An international institution that commenced operations in Jeddah, Kingdom of Saudi Arabia, in August 1994. Its mission is to promote trade among member countries and support the inflow of foreign direct investment into them, helping to expand economic ties among those countries and strengthen their capacity for effective integration into the global economy.

(1) https://aaoifi.com/

(2) https://iciec.isdb.org/

9. Islamic Corporation for the Development of the Private Sector [ICD][1]:

1994

ICD is a multilateral development finance institution affiliated with the Islamic Development Bank Group. It was established in 1999 to support economic development in member countries through providing financing for private sector projects, fostering competition and entrepreneurship, offering advisory services to governments, and encouraging cross-border investment. The ICD seeks to establish, expand, and modernize the private sector through the financing of companies and projects

10. General Council for Islamic Banks and Financial Institutions [CIBAFI][2]:

1999

CIBAFI is an international non-profit organization that serves as the official umbrella for Islamic banks and financial institutions worldwide. It was established in Bahrain in 2001 at the initiative of the Islamic Development Bank, and in cooperation with a group of leading banks and institutions in the Islamic financial services industry.

(1) https://icd-ps.org/

(2) https://www.cibafi.org/



11. Islamic Financial Services Board [IFSB][1]:

2001

An international organization established in Kuala Lumpur, Malaysia, in 2002. Its mission is to promote the growth, stability, and resilience of the Islamic financial services industry. The organization does so through developing and facilitating the implementation of global prudential standards and other initiatives for regulatory and supervisory authorities concerned with ensuring the safety and stability of the industry, which is broadly defined to include banking, capital markets, and insurance.



12. International Islamic Financial Market [IIFM][2]:

2002

Established in 2002 in Bahrain as a neutral, non-profit organization, and hosted by the Central Bank of Bahrain in Manama, the IIFM is dedicated to providing specific, high-value services to the Islamic finance industry

(1) https://www.ifsb.org/

(2) https://www.iifm.net/

13.Association of Tax Authorities of Islamic Countries [ATAIC][1]:

2002

A specialized institutional framework that has its Permanent Secretariat headquartered in Khartoum, Sudan. Established in 2003, ATAIC is dedicated to strengthening professional and technical cooperation among tax and zakat administrations in member states. It provides a forum for dialogue, exchange of experiences, and supports the development of tax and zakat policies and administrations.

14. Islamic International Rating Agency [IIRA][2]:

2003

A specialized institution that commenced operations in 2005 and is headquartered in Bahrain. Its mandate is to provide independent assessments of Sharia-compliant issuers and financial instruments in accordance with the principles of Islamic finance, by doing so enhancing transparency and strengthening confidence in the Islamic financial industry. The Agency's work is centered on the development of local capital markets, especially within OIC member countries, and on supporting the global expansion of Islamic finance through providing ratings and research that raise awareness and broaden the investor base in this sector.

(1) https://ataictax.org/

(2) https://www.iirating.com/

15. International Islamic Trade Finance Corporation [ITFC][1]:

2005

The International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank Group, was established with the primary goal of promoting trade among OIC member countries, thus contributing to the ultimate goal of improving the social and economic conditions of people worldwide.

ITFC began its operations in 2008 and provided approximately $92 billion in financing to member countries of the Organization of Islamic Cooperation, making it the leading provider of trade solutions that meet the needs of these countries. In line with its mission to act as a catalyst for trade development in OIC member countries and beyond, ITFC helps entities in member countries to improve their access to trade finance and provides them with trade-related technical assistance programs, which enable them to acquire the necessary tools to successfully compete in the global market.

(1) https://www.itfc-idb.org/

16. International Islamic Liquidity Management Corporation [IILM][1]:

2008

IILM is a global institution established by the central banks of several countries and incorporated in Kuala Lumpur in October 2010 to issue Sharia-compliant financial instruments and enable effective cross-border Islamic liquidity management. It enhances cross-border investment flows, international linkages, and financial stability by creating liquid, Sharia-compliant financial instruments for offering Islamic financial services.

17. Standards and Metrology Institute for Islamic Countries [SMIIC][2]:

2010

Established in 2010 in Istanbul, SMIIC is one of the specialized institutions of the Organization of Islamic Cooperation (OIC). It aims to develop the standardization system in OIC member countries. It focuses on developing unified standards and eliminating technical barriers to trade, thus enhancing trade exchange among OIC member countries. It also works on developing conformity assessment schemes and promoting the mutual recognition of quality certificates. In addition, SMIIC aims to achieve uniformity in metrology and laboratory testing activities, while providing education, training and technical assistance programs that strengthen the capacity of member countries in the fields of standardization and metrology and support the integration of their markets.

(1) https://iilm.com/

(2) https://smiic.org/



18. Islamic Organization for Food Security [IOFS][1]:

2010

IOFS was established in the Kazakh capital Astana. Its mission is to enhance sustainable food security for the member countries of the Organization of Islamic Cooperation (OIC) through a range of coordination and support mechanisms. IOFS's Statute entered into force in February 2018, enabling the Organization to undertake its institutional mandate of developing agricultural policies, supporting food production, and strengthening crisis-response capacities in member countries. As an international platform for cooperation, IOFS seeks to address food-security challenges through an integrated approach that links the developmental and humanitarian dimensions.

Analytical data from infrastructure organizations and bodies supporting global Islamic economic and financial institutions points to a number of concluding observations, which can be summarized as follows:

First: The age of these institutions varies considerably, with some dating back to the 1970s, while others were established in the 21st century, reflecting the different historical and economic contexts in which they were founded.

Second: The geographic distribution of the headquarters of these institutions is diverse and widespread across a number of Islamic countries, which is a significant comparative advantage that can be leveraged to support the establishment and development of cross-border infrastructure projects and institutions, and to strengthen institutional and economic integration among Islamic countries.

Third: The findings reveal a marked disparity in the effectiveness and impact of these institutions. Some play vital roles with clear economic and social effects, while others have a limited, or even negligible, impact. This underscores the urgent need to reactivate these institutions and strengthen their operational efficiency, so as to achieve the intended strategic impact and maximize the developmental returns from their institutional presence.

(1) https://iofs.org/



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