

## **ISLAMIC FINANCE: A Partnership For Growth**

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The book has been divided into two major parts consisting 19 chapters. The First Part deals with the theoretical and historical background of Islamic finance, which is based upon the principles of profit and risk sharing and partnership between the individual and the institutions. The Second Part is a geographic review of the various countries where Islamic financial institutions are in operation. The writer seems to have taken a simplistic view of the Islamic finance industry when he says that it is oil boom in the Arabian Gulf that paved the development of Islamic banking and finance. In fact, the theoretical development of Islamic Banking had started much before the oil phenomenon of the Middle East and the experiments in Islamic Banking had started in South Asia and Egypt as early as the mid 60s and early 70s, and both the regions cannot be considered prosperous in the financial terms. However, the financial market of Islamic banks has no doubt expanded in mid 80s when the role of surplus oil revenue of the Muslim world has played a major role and this has also attracted the, Western banks to provide Islamic financial services to their customers in the Western Europe and North America.

The author has very skilfully analysed the theoretical as well as the practical developments in the field of Islamic banking and finance. The issues discussed are; principles of Islamic finance, insurance, equity finance and project financing in the Islamic framework. While highlighting the contemporary experiences of Islamic financial institutions, he has also tried to tackle the legal problems as well as the issues related to accounting and the regulation of these Islamic banks.

In the second part of the book author has given an aerial view of the development of the Islamic Banking & Finance in different parts of the world. Each chapter has been further divided into two sections. First containing statistical information about Muslims and second dealing with the state of Islamic finance. Chapter 14 deals with Muslims and Islamic finance in India. The first part gives statistical information about Indian Muslims, however second part which deals with Islamic finance in India seems to be prepared in a hurry as the author has paid little attention towards Islamic Finance & its development in India. He has completely ignored the contribution of Indian Muslims towards the development of the subject. Much of the information provided in this part is also not correct. The author has not mentioned the giants of Islamic finance in India such as Baitun-Nasr & Barkat group of Bombay and Al-Amin Islamic Finance & Investment Corporation (AIFIC) of Bangalore.

Chapter 19 summarizes the Islamic Financial market, highlighting the problems and prospects of Islamic banking & finance. The main issues here discussed are lack of secondary market, lack of universally accepted accounting and auditing standard and the lack of communication between the Islamic and the conventional approach.

The author admits that although there are: many Islamic countries which are under banked, Islamic finance now provides the potential for growth among the non-Islamic societies and now it is the biggest emerging market in the world. The major attraction of the book is its lucid style, which even a layman, cannot ignore to read it.

**Shariq Nisar**