



Muhammad Al Bashir Muhammad Al Amine. *Islamic Finance and Africa's Economic Resurgence*

London: Palgrave Macmillan, 2016, 395 Pages

Rukayya Muhammad Ahmad

Islamic Finance and Africa's economic resurgence delivers a substantial account and a solid perspective on Africa's untapped investment opportunities and pattern of economic growth. This work is a useful resource to investors, students, educators, and Islamic finance enthusiasts.

The book structure and the contents are simple and straight to the point. The author starts by educating the reader about the basic principles and concepts in Islamic finance making it much easier to understand the book even to those who are less familiar with the terms or have less knowledge of Islamic finance. In chapter one, the author tries to explore the position of Islamic finance in Africa compared to the rest of the world, and gives a general background of the study. The author also highlights some of the challenges hampering implementation of Islamic finance, general challenges facing Islamic banking industry which relate to sustainability of current growth and challenges peculiar to African continent such as perception, media propaganda and negative reporting e.g. Islamic finance supports terrorist organizations or is trying to impose shariah on non-Muslims. The author also emphasizes on the need to address such challenges in order to ensure smooth penetration of Islamic finance into African markets.

Chapter two is dedicated to explaining the basic principles of Islamic finance as well as its evolution and development in some parts of the world. This chap-

@ Bayero University Kano. rukayyamuhdahmad@gmail.com



ter also elaborates on resilience demonstrated by Islamic financial system throughout the 2008 financial crises i.e. the importance of interest prohibition beyond tackling exploitation and injustice. The implication of excessive leveraging and its negative effects are covered under prohibition of “Gharar and Maysir”. The author also explains in detail the importance of risk management, explicit disclosure and transparency in Islamic financial contracts. Prohibited activities in sharia are also discussed, such as those relating to the consumption of alcohol or pork and the development of weapons of mass destruction or any other activity that is considered harmful to health or society at large. Contractual exploitation, debt-based financing and securitization of debt are also discussed under this chapter. An account of Islamic banking’s global development and growth rate as well as growing interest and recognition by some key players is also highlighted, for instance; the issuance of Sukuk by the International Finance Corporation (IFC), several leading conventional banks offering Islamic windows such as Hong Kong and Shanghai Banking Corporation (HSBC) through their brand Amanah, Standard Chartered through Saadiq, or Citicorp Group through their full-fledged subsidiary Barclays ABN Amro, American Express Bank, ANZ Grindlays, BNP Paribas, and Union Bank of Switzerland (UBS) are pursuing this market.

In chapter three, the author tasked himself to give a comprehensive description of Africa not only in terms of economic development and investment opportunities but also its geographical, political and cultural affinities which adds enormous value to the work. Through this master piece the reader will receive first-hand information about African economic development region after region, one country after the other in each region, enticing the reader with the level of economic growth, gaps created or left by conventional financial system and consequently opportunities awaiting the risk takers. The study also supplies an in-depth analysis of opportunities and challenges that exist in various economic sectors in Africa and the risk involved in each of those sectors such as natural endowment, consumer sector, expanding labour force, infrastructure needs, healthcare needs, urbanization and foreign direct investment. The author also highlights the reason for success of Islamic finance in Africa, such as Muslim population and the need for financial inclusion and sharia compliant ways of investment.

In the later part of the work the author discusses Africa’s economic relationship with rest of the world and the reason behind their interest in Africa. China is Africa’s second largest trading partner after the USA and is on the track to move into the first place. China obtains about one-third of its total oil imports from Afri-

ca while exports to Africa have also risen as its imports from Africa, as such China has become an important driver of Africa's resource sector growth.

Another important partnership is that of Africa-India relation, new Indian corporate is establishing its presence in Africa. Indian companies have a vast and long presence in the African continent. India's economic partnership with African countries has been extending beyond trade and investment to technology transfers, knowledge sharing, and skills development. Brazil's trade with Africa increased tremendously by six-fold from 2000 to 2008, from US\$4.2 billion to US\$25.9 billion. In 2009, this volume of trade decreased to US\$17.1 billion as a result of the global crisis.

Challenges facing Islamic finance in Africa are also discussed, and the author also elaborates on how cooperation with multinationals; such as IDB, World Bank, IMF and Africa Development Bank will help curb such challenges.

The book is well structured and delivers itself successfully to the readers especially in context of investment opportunities present in different parts of Africa. Each chapter is broken down into subheadings which fit logically into the topic of the chapter. Unfortunately, the study falls short of graphics, charts or tables which could simplify some given statistics. This can also render it difficult to the reader. Each chapter has rich citations and is concluded with a thorough bibliography. The book is well-referenced, making skilful use of first-person sources.

The author also provides definitions of some key terms and abbreviations at the beginning of the work but could not find it worthy to provide a sizable preface to attract readers' interest. While editing errors and organizational incongruities were found in some of the chapters, many of the shortcomings of this first edition will likely be removed in the later editions. For example, in chapter 3-page 54 paragraph 2, "Africa as the next Islamic finance haven" instead "heaven". These problems are only a minor distraction from the main aim of the study. Although the book is systematically divided into chapters, in the table of contents there is no indication of contents of the chapters making it a bit tedious for the reader to search through the work.