

MAJOR PLAYERS IN THE MUSLIM BUSINESS WORLD

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Elnur Salihovic



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IN THE NAME OF
ALLAH THE MOST
BENEFICENT, THE
MOST MERCIFUL

Introduction

A Muslim is a person who submits to Allah, and who lives in accordance with His guidance. He must work and do business in accordance with the regulations and principles given in the Qur'an, Sunnah and other sources of Islamic law. Islam regulates all aspects of a Muslim's life including exact provisions regarding how to do business. Following these rules will guide a Muslim in the main goals of his life, namely, how to be a useful and productive member of his community and in gaining Allah's satisfaction and a place in paradise (jennet). This book aims to contribute to a better understanding of the Muslim Business World and highlights some of the interesting facts about leaders in this world. Also, this book will attempt to help businessmen from other cultures and religions to find ways to cooperate with business people from the Muslim World and recognize potential partners for their business. The Muslim World is not an isolated island, as perceived by some outside the Muslim World, but rather, highly inter-connected with the "Western" business world. Where the two worlds converge, people and companies from the Muslim World usually ignore Islamic principles and do business in accordance with non-Islamic principles even if they include methodologies and ideas that are forbidden by Islamic law. Also, there are many owners, CEOs and Presidents of some of the major companies in the Muslim World who are not Muslims themselves. Due to a long period of stagnation, colonialism and decadence in the Muslim world, companies from this part of the world, usually do not have a primarily Islamic way of doing business. Rather, they follow leaders and companies from the Non-Muslim World. Global economic principles

and rules, defined by mainly Western states and business leaders, are still followed by all major global players, including companies from the Muslim World. Despite the fact that a Muslim should follow the principles of Islam in their everyday life, today we have many people who are Muslim in name only. When we state that there are 1.6 billion Muslims in the world today, we have to bear in mind that in fact, many of them are culturally Muslim, but do not live their day-to-day lives in accordance with Islamic principles. The primary goal of Islamic law is to establish a society where everyone behaves responsibly and honestly. A true Muslim believes that wealth is the property of God, and that he is merely its custodian. Recognizing the distinction between halal (things and deeds that are allowed in Islam) and haram (things and deeds that are forbidden) is crucial for understanding Islamic business principles. An economy based on Islamic principles promotes socio-economic justice, human brotherhood and the well-being of all. Essential characteristics of Muslim businessman include a strong belief in God, the Day of Judgment and the Hereafter; high moral values; and a strong commitment to working for the well-being of the entire community, rather than simple self-interest. However, many Muslim business people are guided by self-interest and aim for a better position in the global business arena, and they lose some of the characteristics described above. Today, hundreds of millions of people worldwide suffer from famine and hunger. At the same time, there are millions of wealthy people, including Muslim millionaires who spend their wealth on extreme luxury. This fact leads us to conclude that only a small percentage of rich people care about religious and moral values, socio-economic justice and the well-being of society as a whole. The major flaws in our contemporary economic system were recently revealed by the fact that 1% of the global population controls 50% of the world's wealth. The so called "invisible hand", which according to conventional economic theory, is the principal regulator of the economy, has become increasingly visible. Institutions that were founded on the basis of Breton Wood's agreement, are today garnering expected results for their founders and leaders. At the same time, the Muslim World has its own solutions to many problems, given by the Qur'an and Sunnah, but they are not adequately utilized. One

fact is particularly telling; if the majority of Muslim businessmen would pay zakat (alms giving -- one of the five pillars of Islam -- mandatory acts for all wealthy Muslims), then hunger could be eradicated in the poorest countries in Africa and Asia. The potential revenue of zakat today cannot be assessed exactly, but according to some estimates is above 1 trillion US dollars annually, not including zakat on oil, natural gas, and other resources. Bearing in mind that zakat is an annual and on-going obligation for every Muslim, this could be a funding generator for development and enrichment programs in poor and underdeveloped countries and places. In 2009, the Organization for Islamic Cooperation, headed by the Malaysian government, established the World Zakat Organization -- an agency for enabling zakat on a global level. Together with global initiatives such as the World Zakat Forum, steps are being taken to gain a better understanding of the potential zakat, and to better utilize zakat on a global scale.

In the past twenty years, many Muslim economies have improved their global position and are becoming less dependent on big players in the global business arena. Today, relations between Muslim countries and the USA, EU, China and Russia are more likely to be based on cooperation instead of domination. In the past few years, Turkey has improved its economy and achieved a rise in GDP of more than 5% on an annual basis. Also, there have been improvements in the economies of the GCC states, Malaysia, Pakistan, Indonesia, and Iran. At the same time, the Arab Spring remains a story and a tool for undermining control in some Arab and Muslim states. Countries with huge amounts of natural and human resources such as Libya, Egypt, Syria, Yemen are deemed to lie in the so-called "circle of hell", and unable to find an appropriate way to end violence and establish a successful socio-economic system without discrimination. However, despite many problems and a number of disagreements between Muslim states, they will play a more significant role in coming years and decades. That is why knowledge and understanding of this part of the world can be of enormous interest to foreigners. The author hopes that this book will be a helpful tool in better understanding the contemporary Muslim Business World.

Among many, this book aims to answer the following questions: Who are the top 20 leading economies in Muslim World? How long

does it take a citizen of Niger to earn the annual income of a citizen of Qatar? Which company from the Muslim World has a net worth that is almost twelve times higher than Apple? Who are the richest Muslim businessmen who were and were not ranked on Forbes 2014 and 2015 billionaires list? Which majority Christian country has almost double the billionaires, listed on the Forbes' 2014 billionaires list, than Saudi Arabia? How did an Al-Azhar graduate become the richest Muslim business person in the world? How does one rank the "Arabian Warren Buffett"? Who is the most generous Muslim-origin billionaire and who has the most children? Who, amongst Muslim-origin billionaires, is a member of the Steering Committee of Bilderberg Meetings? Who is "the king of Russian vodka"? What is the main source of international pressure on Turkey and the recent "corruption affair"? Why has only one, out of the ten largest companies in Muslim World, been listed on Forbes' The 2000 Leading Global Companies list? Which leading companies from Muslim World were not ranked on that list? Which multinational company is the world's largest producer of halal food? Which bank is the largest Islamic bank in the world? Who are the key persons in the leading companies in the Muslim World? Are there appropriate solutions for the problems faced by the Muslim World at large, and what are the possibilities for future improvement? What is the dangerous message of Arab Spring? What is the connection between the "war on terrorism" and oil? How and for whose interests do former criminals and actual killers distort the true message of Islam?

Business in accordance with Islamic principles

Islamic business principles primarily focus on respecting the rights of partners, competitors, or customers. These principles also espouse fairness and an honest relationship between business partners, while prohibiting things and activities that do harm to one or more parties. The main goal of a real Muslim business person is not just to gather wealth for himself, but to gain wealth to be able to support and develop his community and earn God's pleasure and reward. A Muslim believes that he is only the beneficiary and custodian of wealth, and that the real owner of all things is God.

To Allah belongs all that is in the heavens and all that is on the Earth, and whether you disclose what is in yourselves or conceal it, Allah will call you to account for it. Then He forgives whom He wills and punishes whom He wills. And Allah can do all things. (284)¹

(SURAH AL-BAQARA)

The best way in Islam to purify one's soul, and to protect and increase one's wealth is by giving zakat (sadaqah). Zakat is one of the five pillars of Islam and an obligation of every Muslim whose property reaches or exceeds Nisab. Nisab is the portion of property that exceed one's basic needs, and do not include one's assets such as a house, car, land, and money for food, bills and other necessities; it is traditionally equal to 91.6 grams of gold. Zakat is a successful tool for

¹ Translation of the meaning of Qur'an by Dr. Muhammad Muhsin Khan <http://www.noblequran.com/translation/>

establishing socio-economic equilibrium and a good foundation for a welfare state. Unfortunately, the result of neglecting zakat by wealthy Muslims is hundreds of millions of poor people and underdeveloped societies. Many ayahs in the Qur'an stress the importance of zakat for the success of a Muslim in his life. Zakat is not an only obligation for a wealthy Muslim, but a precondition for improvements to one's soul, mind, health and wealth.

Take alms of their wealth, wherewith thou mayst purify them and mayst make them grow, and pray for them. Lo! Thy prayer is an assuagement for them. Allah is Hearer, Knower. (103)

(SURAH AL TAWBAH)

The importance of zakat is noted in an ayah in which the exact distribution of zakat that should be followed by Muslim leaders, states and communities who collect zakat is given:

As-Sadaqât (here it means Zakat) are only for the Fuqarâ (poor), and Al-Masâkin (endangered) and those employed to collect (the funds); and to attract the hearts of those who have been inclined (towards Islam); and to free the captives; and for those in debt; and for Allah's Cause, and for the wayfarer (a traveller who is cut off from everything); a duty imposed by Allah. And Allah is All-Knower, All-Wise. (60)

(SURAH AL TAWBAH)

There are many ayahs in the Qur'an praising those who contribute to the community, such as the following ayahs in Surah Al-Baqara:

The likeness of those who spend their wealth in the Way of Allah, is as the likeness of a grain (of corn); it grows seven ears, and each ear has a hundred grains. Allah gives manifold increase to whom He wills. And Allah is All-Sufficient for His creatures' needs, All-Knower (261) Those who spend their wealth in the Cause of Allah, and do not follow up their gifts with reminders of their generosity or with injury, their reward is with their Lord. On them shall be no fear, nor shall they grieve (262)

Those who spend their wealth in the Way of Allah and support and develop their communities, including charity, should do so because of their belief that it is the right thing to do. Charity should not be used for self-promotion and their charity should not be followed by insult or unkindness.

Kind words and forgiving of faults are better than Sadaqah (charity) followed by injury. And Allah is Rich (Free of all Needs), and He is Most-Forbearing. (263) O you who believe! Do not render in vain your Sadaqah (charity) by reminders of your generosity or by injury, like him who spends his wealth to be seen of men, and he does not believe in Allah, nor in the Last Day. His likeness is the likeness of a smooth rock on which is a little dust; on it falls heavy rain that leaves it bare. They are not able to do anything with what they have earned. And Allah does not guide the disbelieving people. (264) And the likeness of those who spend their wealth seeking Allah's Pleasure while they in their selves are sure and certain that Allah will reward them (for their spending in His Cause), is the likeness of a garden on a height; heavy rain falls on it and it doubles its yield of harvest. And if it does not receive heavy rain, light rain suffices it. And Allah is All-Seer of (knows well) what you do. (265)

(SURAH AL-BAQARA)

In the same Surah it is emphasized that many people believe that giving some portion of their wealth will decrease their own wealth and lead them to bankruptcy. On the contrary, according to Qur'anic teaching, it is the act of giving to charity or giving to support out community that is the mark of wealth:

O you who believe! Spend of the good things which you have (legally) earned, and of that which We have produced from the earth for you, and do not aim at that which is bad to spend from it, (though) you would not accept it save if you close your eyes and tolerate therein. And know that Allah is Rich (Free of all wants), and Worthy of all praise. (267)

If you disclose your Sadaqât (alms-giving), it is well, but if you conceal them, and give them to the poor, that is better for you. (Allah) will expiate you some of your sins. And Allah is Well-Acquainted with what you do. (271) And whatever you spend in good, it is for yourselves, when you spend not except seeking Allah's Countenance. And whatever you spend in good, it will be repaid to you in full, and you shall not be wronged. (272)

One of the main characteristics of Islamic economic systems is the prohibition of riba (interest). It is forbidden for every Muslim to deal with (riba) interest:

Those who eat Ribâ (usury) will not stand (on the Day of Resurrection) except like the standing of a person beaten by Shaitân (Satan) leading him to insanity. That is because they say: "Trading is only like Ribâ (usury)," whereas Allah has permitted trading and forbidden Ribâ (usury). So whosoever receives an admonition from his Lord and stops eating Ribâ (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to Ribâ (usury)], such are the dwellers of the Fire - they will abide therein (275) Allah will destroy Ribâ (usury) and will give increase for Sadaqât (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners. (276)

(SURAH AL-BAQARA)

Particular attention is placed on debt and debtors; it is recommended to make written contracts related to debt or an individual business. Also, it is praiseworthy to give more time to debtors who are faced with difficulties in paying their debt:

And if the debtor is in a hard time (has no money), then grant him time till it is easy for him to repay, but if you remit it by way of charity, that is better for you if you did but know. (280) And be afraid of the Day when you shall be brought back to Allah. Then every person shall be paid what he earned, and they shall not be dealt with unjustly. (281) O you who believe! When you contract a debt for a fixed period, write it down. Let a scribe write it down in justice between you. Let not the scribe refuse to write as Allah

has taught him, so let him write. Let him (the debtor) who incurs the liability dictate, and he must fear Allah, his Lord, and diminish not anything of what he owes. But if the debtor is of poor understanding, or weak, or is unable to dictate for himself, then let his guardian dictate in justice. And get two witnesses out of your own men...(282)

(SURAH AL-BAQARA)

Many ayahs in the Qur'an emphasize the negative implications of covetousness and selfishness, which is one of the main causes of major economic crises and insecurities in the global business world:

The mutual rivalry (for piling up of worldly things) diverts you, (1) until you visit the graves (i.e. till you die). (2) Nay! You shall come to know! (3) Again, Nay! You shall come to know! (4) Nay! If you knew with a sure knowledge (the end result of piling up, you would not have been occupied yourselves in worldly things) (5) Verily, You shall see the blazing Fire (Hell)! (6) And again, you shall see it with the certainty of sight! (7) Then, on that Day, you shall be asked about the delights (you indulged in, in this world)! (8)

(SURAH AT-TAKATHUR)

Woe to every slanderer and backbiter.(1) Who has gathered wealth and counted it, (2) He thinks that his wealth will make him last forever! (3) Nay! Verily, he will be thrown into the crushing Fire (4)

(SURAH AL-HUMAZA)

The importance of proper measurement, fairness and honesty in business is shown in the fact that one out of the 114 Surah in the Qur'an, is called Al-Mutaffifun (those who give less in measure and weight).

Woe to Al-Mutaffifun (those who give less in measure and weight). (1) Those who, when they have to receive by measure from men, demand full measure, (2) And when they have to give by measure or weight to (other) men, give less than due. (3)

*Do they not think that they will be resurrected (for reckoning),
(4) On a Great Day, (5) The Day when (all) mankind will stand
before the Lord of the 'Alamîn (mankind, jinn and all that exists)*

The consumption of alcohol, drugs, pork and offal are all strongly forbidden to Muslims, as is all trade and production of such products.

It should be noted that the Messenger of Allah, Muhammad (saws)² was one of the most respected traders in Mecca, recognized by others for his honesty and insight, even before he received his Revelation. Also, there are hundreds of instructions in the Sunnah (practice and sayings of Muhammad (saws)) regarding proper business behavior that every Muslim business person should follow in their everyday life.

We have mentioned only a few instructions given to Muslims. However, many Muslim businessmen today, do not include all or even part of these instructions in their business and behavior.

The importance of proper business behaviour and a good economic system in society is noted in the theoretical discussions of a number of Muslim scholars. Centuries before the founder of conventional economic theory, Adam Smith (1776) outlined his philosophy, there were Muslim scholars such as Abu Yusuf (798), Abu Ubaid (898), Mawardi (1058), Ibn Miskawaih (1030), Al Ghazali (1111), Ibn Taimiyyah (1328), Ibn Qayyim (1350), Al Maqrizi (1442) who wrote about economic theory. They discussed the issues of money as a tool for trade exchange and a standard of value, monetary policy, the theory of prices, the gold standard, the theory of demand and supply, etc. Abu Yusuf considered the impact of taxes on public resources, while Abu Ubaid and Mawardi dealt with the issue of the state's income sources, and Maqrizi promoted the idea of the gold standard. Al Ghazali considered the function of money as a tool for trade exchange and as a measure of value. In contemporary literature the considerations of Maqrizi regarding the quality of money in the market, can be found labeled as Gresham's Act.³ Ibn Taimiyyah discussed the issues of the free market and the necessity of control-

2 *sallâ llahu 'alayhi wa salaam --* an Arabic phrase meaning "peace and blessings be upon him"; an Islamic mark of respect to Prophet Muhammad

3 *Readings in Islamic Economic Thought, AbdulHasan M. Sadeq, Aidit Ghazali, Longman Malaysia Sdn Bhd 1992 pg.20*

ling monopolistic behavior in the market. Ibn Miskawaih considered issues of monetary policy and the function of money in the trade exchange. He, together with some of his followers, also promoted the gold standard. Ibn Khaldun promoted lower taxes and greater public expenditure during a recession, which many today believe is an idea from Keynes's General Theory. With sorrow it can be observed that in last three centuries, with the appearance of "contemporary", conventional economic thought, fewer Muslims have been counted among the leading economists of the world.

Global Muslim Economy

It is hard to give a proper answer on the size of the global Muslim economy today. Firstly, due to the fact that this economy does not exist as a united entity, and secondly because of a number of differences between Muslim countries. Despite the cooperation of many of them within OIC, it is not enough to consider and classify them as a united market. However, analyzing the economic power of Muslim countries and gathering data may give us a picture of the potential global economic power of the Muslim world. According to the Annual Economic Report on OIC countries in 2012⁴ prepared by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), the total GDP of 57 OIC member countries in 2011 amounted to US\$8.9 trillion. That is to say, 10.9% of the world total GDP, based on PPP. In the same year, the average GDP per capita of OIC member countries was US\$5,507. The report revealed that top 5 exporting countries (Saudi Arabia, UAE, Malaysia, Indonesia and Turkey) contributed more than 53% of the total exports of OIC member countries. Saudi Arabia, with US\$300 billion worth of exports in 2011 and a 15.5% share of the total exports, was the leader. The total exports of OIC member countries in 2011 amounted to US\$2.1 trillion, while total imports amounted to US\$1.77 trillion. According to the IMF, 19 of the OIC member countries are classified as fuel exporting countries. In 2011, according to World Bank data, 19 OIC member countries were classified as low-income countries, 31 as middle-income countries and 7 as high-income countries. It should be noted that there are two coun-

⁴ Annual Economic report on OIC countries in 2012, Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)

tries with a majority Muslim population -- Bosnia and Herzegovina and Kosovo -- that are not OIC member countries and were not included in these statistics. Prior to estimating the economic power of the Muslim World, it would be instructive to show some data about the Muslim population worldwide.

Global Muslim Map

There are a number of data collections about Muslim population worldwide, with the most accurate appearing to be the reports of the Pew Research Centre. According to their reports, there are approximately 1.57 billion Muslims worldwide, roughly 23% of the world's population⁵.

From that report, at least 60% of the global Muslim population lives in Asia; 20% lives in Western and Northern Asia, while 20% lives in Africa. Indonesia is the world's largest Muslim country with 203 million Muslims. Second is Pakistan, with 174 million and third India, with 161 million. The report has revealed several interesting facts about the global Muslim population, including that 10.3% of the world Muslim population lives in India, and that the Muslim population in China and Russia combined is larger than the combined Muslim population of Syria, Jordan and Libya. Also, about 20% of the world's Muslims live in countries where they are a minority. Muslims are a majority in 57 countries. The most common first language spoken by Muslims is Arabic, which is spoken by approximately 20% of Muslims today. Arabic is followed by Bengali, spoken by almost 10%, and Punjabi with a share of 5%. Turkish, Urdu, Persian and Javanese are the other most spoken languages among Muslims.

⁵ Report of Pew Research Center's Forum on religion and public life, 'Mapping the Global Muslim Population: A Report on the Size and Distribution of the World's Muslim Population', www.pewforum.org

TOP 10 COUNTRIES WITH THE LARGEST MUSLIM POPULATIONS IN 2009⁶

	Estimated 2009 Muslim Population	Percentage of Population that is Muslim	Percentage of World Muslim Population
Indonesia	202,867,000	88.2%	12.9%
Pakistan	174,082,000	96.3	11.1
India	160,945,000	13.4	10.3
Bangladesh	145,312,000	89.6	9.3
Egypt	78,513,000	94.6	5.0
Nigeria	78,056,000	50.4	5.0
Iran	73,777,000	99.4	4.7
Turkey	73,619,000	~98	4.7
Algeria	34,199,000	98.0	2.2
Morocco	31,993,000	~99	~2

In most of the OIC member countries, the majority of the population is Muslim. Also, there are some countries, outside the OIC, with a majority Muslim population such as Bosnia and Herzegovina and Kosovo in Southeastern Europe. There are significant Muslim populations in regions of the North Caucasus, Idel-Ural in Russia, Crimea in Ukraine, Xinjiang and Ningxia in China and large minorities in some European, African and Asian countries. In terms of state-systems, countries with majority Muslim population can be divided into three categories: Islamic-law states, states where Islam is the state religion, and secular states. It is interesting to mention that most of the modern majority Muslim countries are officially secular states. Azerbaijan became the first secular state in the Muslim world in 1918 when it was incorporated into the Soviet Union.

⁶ Pew Research Center's Forum on Religion & Public Life • Mapping the Global Muslim Population, October 2009

Muslim countries with the highest GDP per capita

In terms of GDP at purchasing power parity per capita (PPP)⁷, the best ranked Muslim countries are the GCC countries: Qatar, Kuwait, UAE, Oman, Saudi Arabia, Bahrain. Using their IMF, World Bank, UNDP, CIA rankings, these are the ten richest countries in the Muslim World:

WORLD BANK RANKING 2013

Ranking	Country	GDP per capita (US\$)
1	 Qatar	131,758
3	 Kuwait	85,660
5	 Brunei	71,759
7	 United Arab Emirates	58,042
8	 Saudi Arabia	53,780
12	 Oman	44,052
13	 Bahrain	43,824
45	 Malaysia	23,298
47	 Kazakhstan	23,206
52	 Libya	21,397

According to the IMF's ranking for 2013, the best-ranked country was Qatar with an estimated US\$145,894 GDP per capita, which is at the same time the best ranked Muslim country. On the other hand, the worst ranked Muslim country was Niger as 182nd on the list, with a GDP of US\$984 per capita. If we compare only these two countries, the best and the worst ranked, we will see that a citizen of Qatar has an income that is 148 times that of a citizen of Niger.

⁷ The value of all final goods and services produced within a country in a given year divided by the average population for the same year.