

The role of Islamic sukuk in the development of Islamic finance in Malaysia (2007-2019)**GUETTAF Abdelkader ^{1♦}, BELARBI Mohamed ² ZAOUÏ Aïssa ³**¹ Laboratory Legal and Economic Studies, Aflou University Center (Algeria),
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a.zaoui@cu-aflou.edu.dz**Received:** 26/12/2022**Accepted:** 27/04/2023**Published:** 20/05/2023**Abstract:**

This study aims to assess the extent of the success of Malaysia's experience in integrating the Islamic financial system into its financial and banking system, whether in terms of application or practice. A semi-integrated Islamic financial system, combining Islamic banking, takaful, Islamic capital market and Islamic sukuk products.

This study also concluded that the Islamic financial system would not have succeeded without its support with the political will of the state under the supervision of the Central Bank of Malaysia and accompanying it with institutions and bodies supporting it at the level of scientific or legal research such as (isra, ifsb, inceif) and thus achieved tangible development in an environment characterized by more freedom and competition, in line with the increasing integration between the Malaysian Islamic financial system and the global Islamic financial arena.

Keywords: Islamic Finance, Financial System, Islamic Takaful, Islamic Capital Market**JEL Classification:** G23, G21.

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1. Introduction:

Islamic sukuk play an important role in financing economic development through financing infrastructure and development projects, and Small and medium-sized enterprises (SMEs), they are also one of the best ways to magnet savings, due to their ability to raise funds for financing investment projects in order to achieve development and face economic problems.

Via sukuk, financial savings existing in the hands of individuals which are unable to perform its economical function and developmental role are mobilized, resulting in their investment in economic, commercial and development activities.

Owing to the critical importance of these instruments, the rapid growth of their issuance, circulation and the proliferation of financial institutions and islamic banks operating in this new funding tool. It has become imperative to shed light on the aftermath of the use of Islamic Sukuk as a financing tool in the developmental and economic fields of the State of Malaysia and its financing and investment advantages on the Malaysian economy, which helps to improve some economic indicators, such as the Gross Domestic Product index and the Foreign Direct Investment index.

Malaysia is one of the leading countries in the use of Islamic sukuk in its financial markets, occupying the largest share of the Global Sukuk Issuance Market of 60% for the period 2001-2019, making it one of the world's most developed countries in the field of Islamic finance, due to its implementation of the Islamic economic model to the Malaysian economic and financial sectors, helped by this significant economic growth, its existence in a more free and competitive environment, in compliance with the growing integration between the Malaysian Islamic Financial System and the Islamic financial arena.

Problematic:

In light of the rising global turnout for Islamic finance products and their financial tools, which have become competitive with traditional financing devices. Based on that, the following problem can be put forth: **What is the impact of the use of Islamic Sukuk on some indicators of the Malaysian economy as a competing financing alternative to traditional financing tools?**

Study objectives:

This study aims to evaluate the use of Islamic Sukuk to finance economic as an indicator such as GDP, human development index ... Etc. and the extent to which the institutional sector and clients, islamic financial and banking institutions benefit from the use of sukuk through issuing, buying or circulating as one of the current most legal alternatives to finance real development investment projects by providing appropriate financial resources for these investments, according to the required deadlines, degree of risk, the quality of sectors and the appropriate method of financing. Wealth and actual income, as a result of real productive activities. The application of the Islamic Sukuk mechanism to mobilize savings and direct investments entails direct linking between savings and investment activities on the basis of the profit base and the real return resulting from real realized additions, and an increase in the development of real wealth and income, as a result of real productive activities.

Significance of the Study:

The significance of this study lies in recognizing the impact of the use of sukuk on the Malaysian financial and economic sectors, since these Islamic Sukuk are needed by governments to finance their large, small and medium-sized projects, whether industrial, agricultural or service projects. Islamic Financial Institutions need these Islamic sukuk for investing their funds by purchasing instruments that they may use in the case of lack of liquidity by selling them on the stock market, as needed by individuals, especially the committed ones as these Sukuk raise them legal embarrassment in dealing and investing in them.

Approach of Study:

In order to answer the raised problematic, we adopted the Descriptive Analytical Approach as an adequate and sustainable approach to such topics, where we clarified some of the theoretical aspects of Malaysia's experience in the Islamic financial industry and then we focused on studying the development of Islamic Sukuk in Malaysia, while on the applied aspect we outlined the third axis, which is a case study on the impact of sukuk financing on some indicators of the Malaysian Economy through the presentation of data and schedules supported by figures and statistics.

Contents of the study:

We divided this study into second axes:

The first axis: Malaysia's experience in the Islamic financial industry

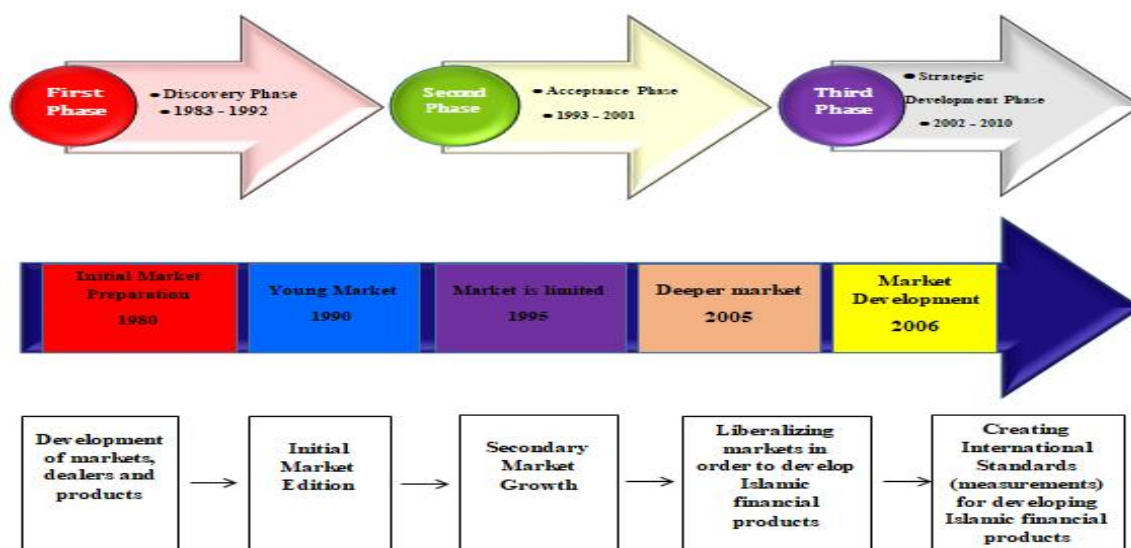
The second axis: Studying the development of Islamic Sukuk in Malaysia

2. Malaysia's experience in the Islamic financial industry

The experience of Islamic banking in Malaysia is one of the oldest, this is with the establishment of the first non-interest savings fund in 1963 called the “Pilgrim Saving Fund” (Tabong Haji), which is the first Islamic financial institution aimed at saving Malaysian Muslims monies to finance Hajj and generating returns that will help improving the affairs of Malawian Muslims, and although the beginning of Islamic Banks dates back to the mid-1970s, however, the first real start of Islamic banking in Malaysia dates back to 1983, with the promulgation of the Islamic Bank law on April 07, 1983, which is a pillar of the work of Islamic financial institutions in that country, and accordingly, the Bank Islam Malaysia was established in the same year as the first Islamic commercial bank based on Islamic law, followed by the establishment of an Islamic takaful insurance company Malaysia in 1984 after the Islamic insurance law was issued in the same year. (chikh, 2019)

In the following, we are reviewing the most important phases of the development of the Islamic Finance Industry in Malaysia through the following figure:

Figure1: The development of the Islamic finance industry in Malaysia



Source: Noura Boumediene, **Financial Markets in Islamic Countries - Milestones of Reality and Prospects for the Future** - MA: Finance and International Economics, Faculty of Economics, Business and Management Sciences, Hassiba Ben Bouali University, Chlef, Algeria, p.173.

At the beginning of 1992, the Central Bank of Malaysia managed to develop 21 Islamic banking (product) services after it succeeded in 1991 in introducing two new banking tools operating in accordance with Sharia Law (boumediene, 2015), namely the "Accepted Islamic Bill of Exchange" and "The facilities for Islamic refinancing of export credit", therefore achieve one of the three elements required for the establishment of an integrated Islamic monetary system, namely the availability of a wide variety of Islamic financial services and tools, to meet the different needs of both financial institutions and customers, and the following: A list of the names of these services or products (Malaysia, 1993)

After the encouraging performance of Bank Islam, the Malaysian government set its goal of Malaysia to be one of the world's most important Islamic banking centres. So in 1993, Nigara Malaysia Bank (Central Bank of Malaysia) provided a dual banking system called the Islamic Banking Scheme (IBS) or "Islamic Branch System of Conventional Banks" in order to accelerate the deployment of Islamic banking products to local customers in the shortest possible time, and as a result allowed traditional banks to participate in the provision of Islamic banking products through their existing facilities. Twenty four (24) conventional banking systems responded to provide Islamic banking products and services through its 1,663 branches (Saad, 2004)

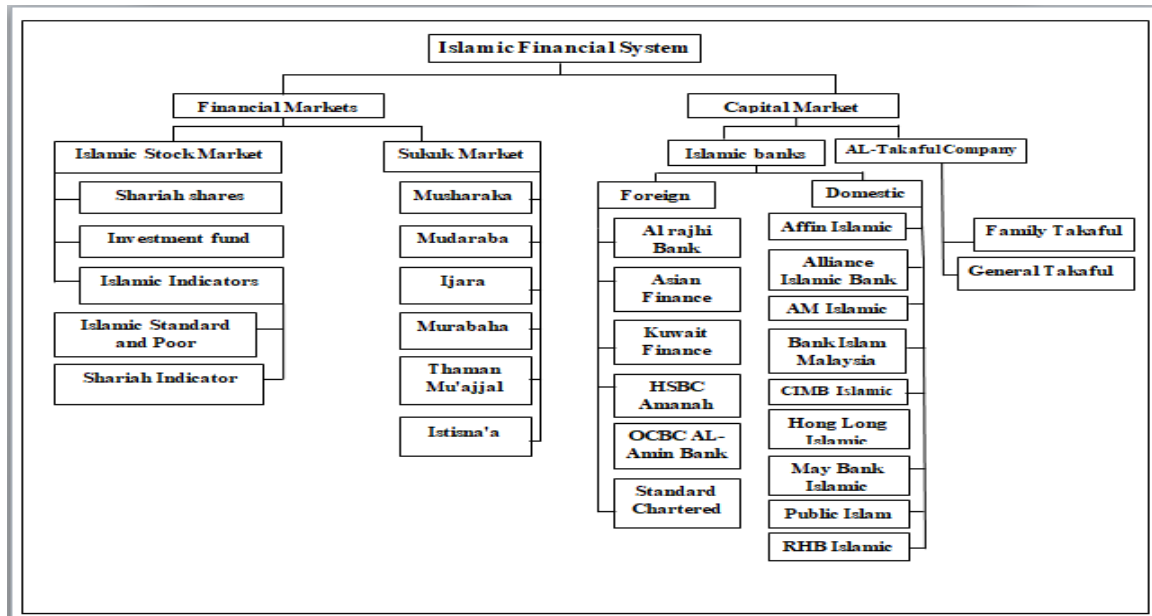
After the 1997 Financial Crisis, and the changing of the supportive environment for Islamic banking services in Malaysia, the Government allowed the establishment of a second Islamic bank, "Bank Muamalat Malaysia" in 1999 to accelerate progress in the Islamic banking industry, followed by the financial sector scheme presented in 2001, and the Central Bank of Malaysia began to close Islamic branches and encourage them to become full Islamic banking entities.

In the early nineties (1990s), Islamic financial institutions were highly positioned among many individual and corporate traders and investors who supported their investment activities through financing tools in Islamic financial institutions,

reinforcing their role in the Malaysian Financial Market. (tomas, 1996) This breakthrough contributed to the emergence of Islamic windows in traditional commercial banks known as the Larboy Banking System in 1993, which was supported by the Malaysian Government as the Central Bank of Malaysia allowed Traditional Riba-based Banks to introduce Sharia-Compliant Services.

2.1 The following is a chart for the structure of the Islamic Financial System of Malaysia:

Figure2:The structure of malaysia's Islamic financial system



Source: Sami Obaid Mohammed, Adnan Hadi Jaaz, The Financing Role of Islamic Banks (Sukuk Finance), Malaysia Experience, Economic Science Supremo, Issue 38, Volume 10, March 2015, Faculty of Economics and Management, Basra University, p. 123.

The following is a table showing the evolution of the number of Islamic banks compared to conventional banks in Malaysia in the period (2007-2017).

Table 1. Evolution of the number of Islamic Banks compared to Traditional Banks in Malaysia In the period (2008-2017)

Years Banks	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of institutions	54	54	55	56	56	55	54	54	54	54
Commercial (traditional) banks	22	22	23	25	27	27	27	27	27	27
Investment banks	15	15	15	15	13	12	11	1	11	11
Islamic banks	17	17	17	16	16	16	16	16	16	16

Source: Compilation and estimation of islamic finance statistics: the malaysia’S experience, Workshop on Islamic Finance in the National Accounts Department of Statistics Malaysia, Beirut, Lebanon 24 – 26 October 2017.p11.

Table 2. Evolution of the number of Islamic Banking Agencies compared to Traditional Banks in Malaysia In the period 2009-2017

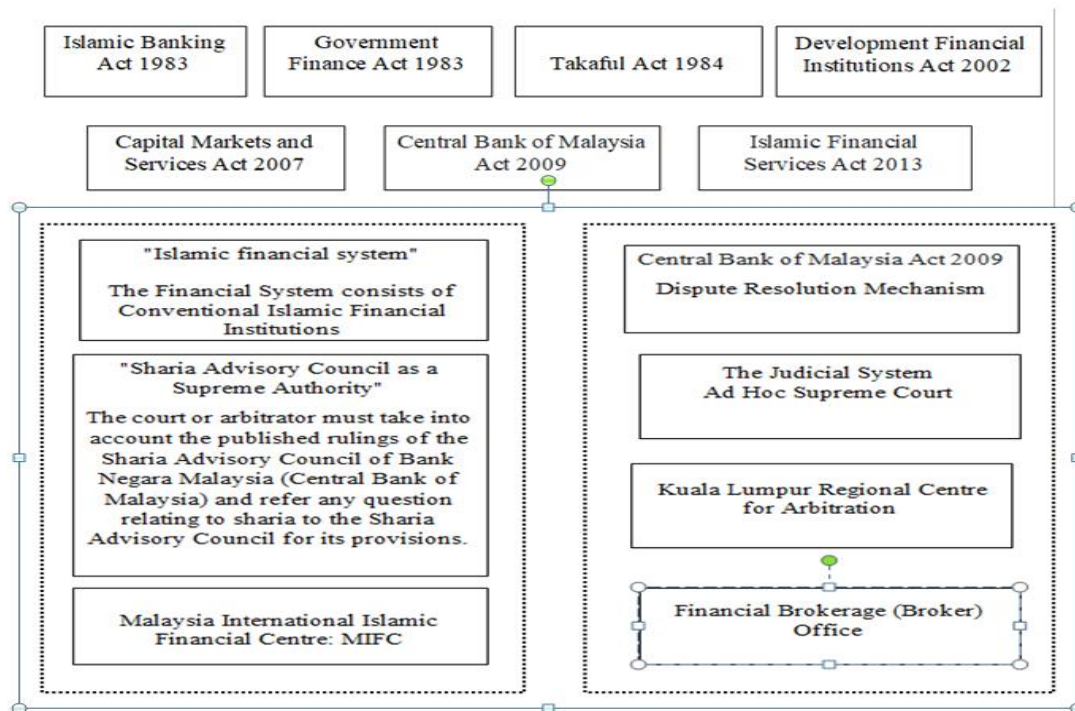
Years	2009	2010	2011	2012	2013	2014	2015	2016	2017
Banking Agencies									
Total number of agencies	2298	2312	2435	2481	2479	2494	2500	2498	2494
Conventional banking agencies	1999	2006	2050	2056	2029	2045	2048	2019	2019
Investment banking agencies	131	133	133	148	135	135	119	130	130
Islamic banking agencies	2087	2102	2147	2171	2171	2192	2206	2197	2196

Source: Compilation And Estimation of Islamic Finance Statistics: the Malaysia's Experience, Workshop on Islamic Finance in the National Accounts Department of Statistics Malaysia, Beirut, Lebanon 24 – 26 October 2017.p11

We note through the table (1.2) that the number of Branches of Islamic Banks in Malaysia witnessed a remarkable development during the period (2009-2017) where the number increased from 1272 to 2196 banking agencies, an increase estimated by 924 bank branches, which represents an increase of 72% in the number of branches of conventional commercial banks during the same period from 1968 to 2019 by a conventional banking agency, an increase of 51 agencies, representing an increase of 2.5%, this is the vast difference between the growth of Islamic bank branches (72%) and the growth of traditional bank branches (2.5%) reaffirms the Malaysia's annual remarkable development in the Islamic financial industry through the growing number of sharia-compliant financial institutions and banks, allowing the Islamic financial intermediary to recover by mobilizing savings and employing them to serve the Malaysian economy.

In 2013, this sector witnessed an important development enhancing the regulatory and regulatory framework for the Islamic financial industry in Malaysia with the adoption of the Islamic Financial Services Act (IFSA), which came into force on 30 June 2013 and the aim of this law was to pave the way for the development of a framework for the legitimate and integrated compliance of the work of Islamic financial institutions in Malaysia (kamel cherayat, 2018).

Figure3: Legal structure of Islamic finance in Malaysia



Source: Préparé par chercheur à partir d'un article Ahmad hizzad baharuddin, **Malaysia's experiences in the development of islamic finance**, practical seminar: advantages of islamic banking and insurances business model in rusia, moscow 4 december 2009.

It is clear from the above that the establishment of Islamic banking in Malaysia was based on the state that took the reins and contributed to its development after it felt an "economic need" for its existence, in response to the needs of a segment of its citizens. Unfortunately this role is missed in the majority of other countries, whose Islamic banking institutions suffer not only from the neglect of the state, but also from its hostility.

3. Studying the Evolution of Islamic Sukuk in Malaysia

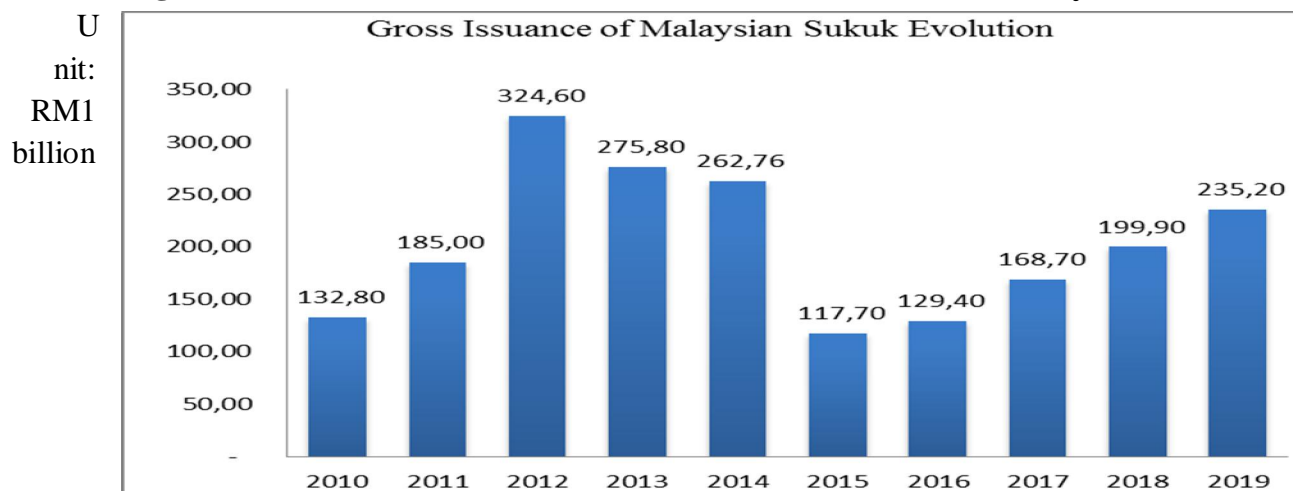
Malaysia occupies the largest share of the Global Sukuk Market with a global volume of 53% for 2017, (Market, 2018) making Malaysia the world's number one issuer (excluding 2007 and 2008 was the Arab Emirate's leading company) and the aim of these releases was to finance the construction and development of several mega projects in infrastructure and development projects such as airports, the petrochemical industry, real estate and others.

According to the latest statistics, Malaysia maintained its dominance in the Global Sukuk Market, accounting for about 50.5% of Total Global Sukuk Insurance until the end of October 2018, followed by Saudi Arabia (19.9%), Malaysian issuance included an increase in corporate insurance across a wide range of sectors as well as an increase in the volume of short-term Islamic treasury bills issued by the Central Bank of Malaysia, which encouraged Malaysia to open the bond and sukuk markets to traders and retail investors, and to license Green Sukuk Issues of concern to the environmental side (IIFM, 2019).

3.1 The Evolution of the total volume of sukuk issuance in Malaysia (2010-2019):

Malaysian Sukuk Issuance has reached their highest value in 2012 at 131.2 billion dollars, mainly due to Malaysia's emphasis, in the first, on financing infrastructure development projects and has invested in promoting many investment projects, and 2012 recorded the largest issuance volume for reasons we will review after the following figure:

Figure4: Evolution of the total volume of sukuk issuance in Malaysia (2010-2019)



Source: <https://www.icmr.my/global-capital-markets/sukuk/MIFC>:Malaysia International Financial Islamic

Figure.4. shows that the Malaysian Sukuk Market has recorded a relative recovery in the last four years (2016-2019), with the volume of issuance jumping from RM 129.4 in 2016 to RM 235.20 in 2019, thanks to the increasing demand for issuance of Sukuk Corporate estimated at RM 87.65 billion in 2017, and in 2015 the issuance of sukuk declined to RM 117.7 billion, while the best period of prosperity for the Malaysian Sukuk Market was in 2012-2013-2014 with an estimated volume of RM 324.6 billion, RM 275.8 billion and RM 262.76 billion respectively, due to increased demand for sukuk by dealers and companies, increased sovereign (government) sukuk issued by the Malaysian government in this period, as well as declining demand for traditional bonds in these three years.

However, in the first two years of the study (2010-2011), a recorded decline in sukuk issuance was observed due to the impacts of the 2008 Global Financial Crisis, which affected many countries, particularly South-East Asia, and the impacts of this crisis extended to the 2011 (RM 185 billion) and 2010 issuance (RM 132.8 billion).

This remarkable progress in the issuance of Malaysian Sukuk during the study period illustrates the important position of Islamic sukuk in the Malaysian stock market, where an Islamic Capital Market has been allocated and established for the purpose of using and trading Islamic financial tools, especially the sukuk method in response to the wishes of Malaysian dealers and companies who do not wish to deal with conventional financial instruments of interest prohibited in Islamic law.

3.2 Distribution of sukuk issuance in Malaysia according to type:

Islamic Sukuk vary in a way that suits different economic sectors, we find Sukuk *Al-Murabaha* suitable for business, and Salam Sukuk are best suited for financing agricultural projects, extractive industries and artisans, while Sukuk *Al-istisna'a* are

used to finance the construction sector, and here is a table showing us the distribution of Islamic Sukuk in Malaysia according to financing formulas.

Table 3: The volume of issuance of Islamic Sukuk by type has evolved in the period (2010-2015)

Statement	2010	2011	2012	2013	2014	2015
Size of sukuk approved by the Malaysian Securities Commission (RM billion)	40.33	82.4	71.09	99.63	96.07	56.83
Deferred Payment Sukuk (Sukuk Thaman Mu'ajjal) (%)	0.2	0	0	0	0	0
Sukuk Al-Ijara (%)	34	13	9	4	1.31	7
Sukuk Al-istisna'a (%)	0	0	0	0	0	0
Sukuk Al-Mudaraba (%)	0.6	5	2	0	2.63	0
Sukuk Al-Murabaha (%)	8.2	9	55	32	79.49	66
Sukuk Al-Musharaka (%)	42.1	64	19	30	8.42	12
Agency investment Sukuk (%)	0	9	8	24	3.94	10
Hybrid Sukuk (%)	14.9	0	7	10	4.21	5

Source: Securities commission of Malaysia, Annual report (2010,p: 6 54),(2011,p:6-53), (2012,p:6-62), (2013,p :135), (2014,p:144), (2015, p169).

We notice from the above table the diversity of Islamic instruments formulas exported in Malaysia, but Sukuk Al-Musharaka and Al-Murabaha remain the most widely traded in the Malaysian Islamic Sukuk Market, as illustrated by the high ratios of the two formulas of the total Islamic Sukuk Issuance for the period (2010-2015), which gives an impression of the significance of these formulas as compared to the other formulas, while the Sukuk Al-Ijara ranked third.

Accordingly, we conclude that the issuance of Malaysian Sukuk is characterized by its diversity according to the financing formulas known in Islamic Jurisprudence (Fiqh), which makes it easier for the exporters of Sukuk to choose the type according to the nature of the project, and that this advantage in diversity is aimed at financing the construction and development of several giant projects in the field of infrastructure and development projects such as airports, main roads, gas exploration, petrochemicals, real estate and others. Therefore, it becomes clear to us that the more the Islamic Financial tools vary in terms of quantity, type or time, the more the appetite of dealers or companies opens up to satisfy their financing needs for the purpose of financing their development projects or for the purpose of investing their money by purchasing these sukuk.

3.3 The capitalization of the Islamic sukuk market to the capitalization of the stock market in Malaysia:

The Securities Commission Malaysia is the highest authority in Malaysia to follow up all transaction activities, whether traditional or Islamic, follow the capitalization of the Islamic Sukuk Market and the capitalization of the Traditional Stock Market, where the Islamic Capital Market in Malaysia is dedicated to Islamic financial transactions, especially in relation to the issuance and circulation of Islamic financial tools issued by private companies in Malaysia.

Table 4: Comparison of Sukuk Market Capitalization and Stock Market Capitalization in Malaysia During the period (2009-2017):

Capitalization	Years								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Stock Market Capitalization (RM trillion)	1.65	2.04	2.12	2.48	2.73	2.76	2.82	2.84	3.19
Sukuk market capitalization (RM trillion)	0.25	0.29	0.35	0.48	0.51	0.58	0.61	0.66	0.75
Sukuk Market Capitalization to Total Stock Market Capitalization%	15.15	14.22	16.51	19.35	18.68	21.01	21.63	23.24	23.15

Source: Securities Commission of Malaysia: report (2009, 2010, 2011, 2012, ... 2017)

From the data of this table we noticed that the value of Islamic Sukuk registered on the Malaysian Stock Market has developed significantly over the years (2009-2017), where we recorded each year a growth rate and increase in the Capitalization of Sukuk, in 2009 achieved the Capitalization of Sukuk 0.25 trillion ringgit, then in 2010, the number of Malaysian Ringgit increased to RM 0.29 trillion, an increase of 16%, and in 2011 it increased to RM 0.35 trillion, an increase of 20%. These increases lasted until 2017 achieving a capital of RM 0.75 trillion, up 13.63% from 2016, from which we conclude that the Malaysian Sukuk Market with its assets and issues is growing and developing annually due to government support represented by the Malaysian Securities Commission and the Central Bank of Malaysia for the policy of integrating Islamic financial products into the Malaysian Financial System, and on the other hand increasing the demand for sukuk transactions by Malaysian investors and companies that favour Islamic financial transactions on traditional transactions (malaysia, 2017).

Conversely, we have recorded significant growth in the capitalization of the Malaysian Stock Market annually and throughout the period (2009-2017), which shows the position of the Stock Market in the Malaysian Financial System, which pairs the Islamic and Traditional Capital Market under the same canopy and central supervision of the Central Bank of Malaysia (Bank of Nijara).

The following is another table showing a comparison between the size of the Malaysian and global Issuance in the period (2001-2017)

Table 5: Volume of Islamic Sukuk Issuance (Comparison between Malaysian and Global Issuance Volume) In the period (2011-2019)

The nature of Issuance	Number of Sukuk issued in Malaysia	Number of Sukuk issued globally	Malaysian Issuance Volume	Global Issuance Volume	Malaysia's Issuance Rate compared to Global Issuance
Issuance of International Sukuk	138	571	73	571	13%
Issuing Domestic Sukuk	6952	9287	660	957	69%
Total Issuance of Sukuk	7090	9858	733	1528	48%

Source: A Comprehensive Study of the GLOBAL SUKUK MARKET, International Islamic Financial Market, IIFM SUKUK REPORT, Kuala Lumpur, Malaysia Julayl 2020, 9th Edition, pp53-57

In table 5. it is clear that Malaysia has significantly bet on the placement of the sukuk tool to finance its economy, leading the list of countries dealing with sukuk with the figures and statistics mentioned in the above table, which indicates that the issuance of domestic Sukuk in Malaysia in the period (2001-2019) was estimated at 660\$ billion, which represents 69% of the global volume estimated at 957 US\$ billion in the same period, indicating that Malaysia is focusing, concerning the field of Sukuk Issuing, on directing the issuance of Sukuk to the Domestic Market to meet the needs of customers and private sector companies of the necessary financing.

Whereas, in the field of International Sukuk Issuance, we have recorded the value of Malaysian issues at 73\$ billion in the period (2001-2019), accounting for 13% of the Global Issuance, which was estimated at 571\$ billion in the same period.

If we value the total issuance of sukuk in the period (2001-2019), malaysia has issued an estimated 7,090 underwritten sukuk with an issue of \$733 billion, while the rest of the world has issued a number of sukuk of 9858 with a 1,528\$ billion issue, which shows Malaysia's acquisition of 48% of total global issues, which explains the strength of Malaysian Financial Markets in employing the Sukuk Mechanism to mobilize domestic and foreign financial resources to finance economic projects. On this basis, we notice that the position of Islamic Sukuk in Malaysia occupies an important place in the Malaysian Stock Market and has become a competitor and an alternative to traditional bonds, both domestically and internationally, as we see in the following table.

4. Conclusion:

Through our study of the development role of Islamic Sukuk on the Malaysian economy, we conclude that Islamic banking with its various tools is able to lead government project financing programs efficiently, at lower cost and at different deadlines, but banks operating under Sharia law prefer to finance medium and long-term projects rather than short ones. This has been recorded in the global Sukuk Markets in recent years through several government issues to finance large projects, stimulate their economies and attract foreign investors' funds to be used in various projects that help stabilize the country's economic situation.

In this context, Malaysia has bet on the islamic Sukuk style in financing its economy, which shows Malaysia's acquisition of 50% of the total global issuances, which explains the strength of Malaysian financial markets in the field of employing the sukuk mechanism in order to mobilize domestic and foreign financial resources to finance economic projects and on this basis we note that the position of Islamic Sukuk in Malaysia occupies an important place in the Malaysian stock market, and has become a competitor and an alternative to traditional bonds, and here are a number of conclusions concluded by our study:

1. Malaysia is one of the most concerned Islamic countries in the field of Islamic banking, and it has been helped by political will or governmental support, as the Malaysian Government has fully supported the Islamic financial system in all its aspects, financial, political and legal, noting that Malaysia is the first country whose Government has recognized the Islamic financial system worldwide, even changed its laws and established governmental institutions that support it and support its development and spread;

2. The Central Bank of Negara Malaysia works hard with the governmental trends for the Islamic Financial Action Organization in all its institutions, supported by the Islamic Banking Act of 1983, which included legislation, clarifying the conditions for granting licenses in addition to the legal and administrative requirements of Islamic banks and windows, as well as the organization of the work of the Central Sharia Authority;

3. In 2013, this sector witnessed an important development in strengthening the regulatory and supervisory framework for the Islamic financial industry in Malaysia with the adoption of the Islamic Financial Services Act, which came into force on 30 June 2013 and the aim of this law was to pave the way for the development of a framework for the legitimate and integrated compliance of the work of Islamic financial institutions in Malaysia;

4. The Islamic financial industry in Malaysia has elements to support the development and growth of its Islamic financial system in its various forms and mechanisms and constitutes a supportive environment for Malaysian Islamic banking, and can play a positive role in strengthening the supervision and oversight of Islamic banks and institutions operating in the field of Islamic finance, framed and accompanied by the necessary legislation, standards and classifications applicable internationally;

5. Islamic financial transactions account for 75% of all financial transactions in Malaysia for 2019;

6. The issuance of Islamic Sukuk in Malaysia is one of the most important financing tools in attracting savings, and their proper employment has a direct positive impact on economic

development plans and investment rates, thanks to the various issuances of Sukuk, whether governmental, private or even mixed;

7. Islamic sukuk issuances account for 77% of all Malaysian financial market issuances for 2019;

8. In order to develop the sukuk sector, in 2018 the Malaysian Securities Authority liberalized its regulatory framework that allows for the access of retail Sukuk exporters to the sukuk market, allowing for the promotion and liberalization of the sukuk issuance process and making it more efficient. Starting from 2020, the same body also proposed tax incentives for exporters of Islamic Sukuk in order to reduce the cost of issuing them;

9. There is a correlation between the Issuance of Sukuk and Economic Development Indicators in Malaysia, where we have concluded that Islamic Sukuk play a major role in mobilizing financial resources to Finance Economic Development in Malaysia, as well as can be relied upon in times of crisis in the positive economy based mainly on interest, in addition to attracting a certain group of investors seeking to invest their money in accordance with Islamic Sharia (Islamic Law).

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6. Appendices :

a.liste of table's

Table 1: Evolution of the number of Islamic Banks compared to Traditional Banks in Malaysia In the period (2008-2017).

Table 2: Evolution of the number of Islamic Banking Agencies compared to Traditional Banks in Malaysia In the period 2009-2017.

Table 3: The volume of issuance of Islamic Sukuk by type has evolved in the period (2010-2015).

Table 4: Comparison of Sukuk Market Capitalization and Stock Market Capitalization in Malaysia During the period (2009-2017)

Table 5: Volume of Islamic Sukuk Issuance (Comparison between Malaysian and Global Issuance Volume) In the priod (2011-2019).

b.liste of shapes

Fig.1: The development of the Islamic finance industry in Malaysia .

Fig.2:The structure of malaysia's Islamic financial system.

Fig.3:Legal structure of Islamic finance in Malaysia.

Fig.4: Evolution of the total volume of sukuk issuance in Malaysia (2010-2019).