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An Assessment of Islamic Financial Institution and Investor Exposure to Maritime Assets

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ABSTRACT

The aim of this paper is to investigate the overall exposure of Islamic Financial Institutions involving retail and institutional investors to international maritime assets in order to facilitate Islamic equity finance and investment by Islamic finance institutions involving retail and institutional investors. Shipping is a strong growth industry with about 84% of global trade carried by the international shipping industry. However, shipping is a highly capital intensive industry and currently 75% of ship lending has been conducted by European banks and financed on a conventional basis. This study analyses the extent of Islamic investment and finance in international shipping. Our findings reveal that whilst Middle Eastern Islamic financial institutions have embraced financing of maritime assets, Malaysian institution have little or no exposure to international shipping. However, in terms of substance over form, Middle Eastern investors have structured debt ship-finance transactions to ensure fixed-income, rather than fully accept equity risk and returns. The significance is that Islamic equity finance, rather than structure debt finance, should increase the development of international shipping by Islamic financial institutions and investors.

JEL Classification: G11; G23; G24; G31; G32; R40.

Keywords: Islamic Finance; Investment; International Shipping; Maritime Assets.

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1. INTRODUCTION

While religious conviction is a key factor in the use of Islamic finance, consumers also identify bank reputation, service quality and pricing as being of relevance. When selecting a financial institution's products and services, business firms usually employ criteria that are more conventional, such as the cost of finance, in their decision making. There is also interest among financial institutions in supplying Islamic financial products and services, but this is mitigated by complications with firm management and a lack of familiarity with business conditions. The concept of risk sharing with borrowers serves as a substantial barrier to most financial institutions engaging in Islamic methods of finance (Gait & Worthington, 2008). Seaborne trade is fundamental to globalization: 84% of global trade, representing 11,128 million tonnes, is carried by international shipping totaling 1.75 Bn DWT, 87% of which, is carried by the primary shipping segments involving are bulkers (43%), tankers (31%) and containerships (13%): however, 75% of ship-finance is financed on a conventional basis and Malaysian Islamic financial institutions (IFIs) and investors have essentially no exposure to international ship-financing (Abdullah et al., 2016). In order to facilitate an understanding of international shipping, we begin with an overview of the importance of global seaborne trade and identifying the primary shipping segments involving bulkers, tankers and containerships (section 2). In terms of the literature, we have summarized and contextualized international shipping and sources of ship-finance (section 3). We also considered the underlying pre-requisite of market risk for income to be considered lawful in Islam, as reflected in the Islamic normative theory of profit (section 4).

In our methodology we adopted content analysis and case study research to analyze Islamic financial institutions exposure to international shipping and investment (section 5). We subsequently present our findings and discussion (section 6) and finally, we provide some concluding remarks and recommendations (section 7).

2. OVERVIEW OF SEABORNE TRADE

Essentially, growth fundamentals drive shipping investment returns. On average, since 2009 (post financial crisis) approximately 84.5% of global trade is carried by the international shipping industry (Table 1), with 2016 maintaining a constant trend at 84%, representing 11,128 million tonnes (Table 1, Figure 1), although the forecast for growth in 2017 is expected to soften slightly to 2% year-on-year (Figure 1).

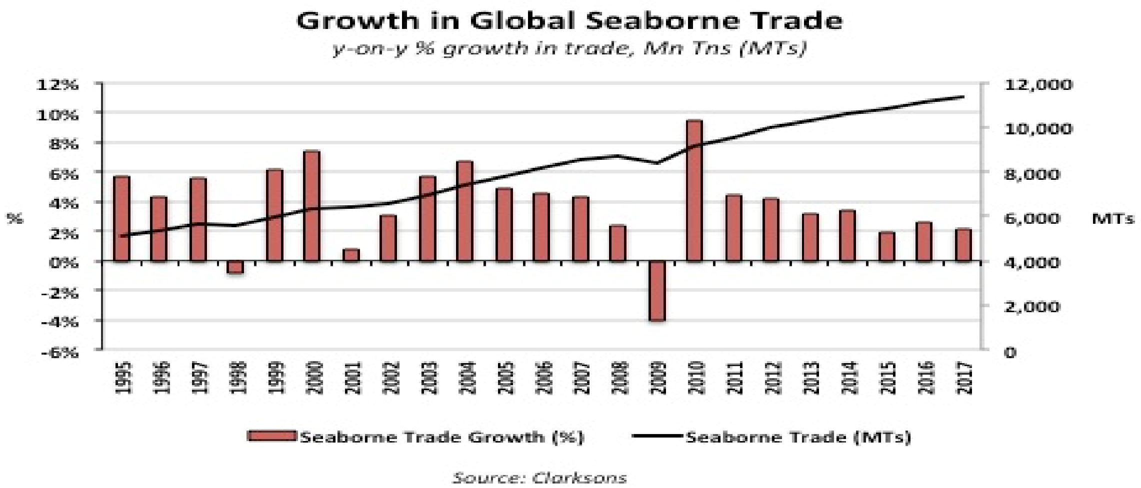


Figure 1.
Global Seaborne Trade and Growth

In any case, globalization could not succeed without the development of the maritime industry, transporting goods on the scale necessary for the modern world.

Table 1. Global Seaborne Trade and Analysis

Seaborne Trade per Capita	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
World Seaborne Trade (Mn Ts)	8,355	9,148	9,554	9,946	10,286	10,637	10,841	11,128
World Population (Mn people)	6,846	6,930	7,013	7,098	7,182	7,266	7,349	7,428
Trade, Tonnes per Capita	1.22	1.32	1.36	1.40	1.43	1.46	1.48	1.50
Bulk Trade Tonnes per Capita	0.89	0.95	0.98	1.01	1.03	1.04	1.05	1.06
Container Trade per Capita	0.17	0.19	0.20	0.21	0.22	0.23	0.23	0.24
Seaborne Trade Multipliers								
World Seaborne Trade Growth	-4.00%	9.48%	4.45%	4.09%	3.43%	3.39%	1.93%	2.65%
World GDP Growth	0.00%	5.40%	4.20%	3.50%	3.30%	3.40%	3.10%	3.10%
Seaborne Trade/GDP Multiplier	-	1.76	1.06	1.17	1.04	1.00	0.62	0.85
Industrial Production Growth	-13.3%	8.0%	2.4%	-0.1%	0.4%	2.0%	0.7%	0.2%
Seaborne Trade/IP Multiplier	0.30	1.18	1.85	-40.92	8.57	1.70	2.75	13.24
Trade (billion tonnes)								
World Seaborne Trade	8.36	9.15	9.55	9.95	10.29	10.64	10.84	11.13
World Total Trade (all modes)	9.56	10.82	11.54	11.83	12.19	12.58	12.88	13.18
Seaborne Trade as % of Total	87%	85%	83%	84%	84%	85%	84%	84%

Source: Clarksons (2016

The global population already exceeded 7.0 billion in 2011 (Table 1) and reached about 7.5 billion by 2016. Given that world seaborne trade grew to 11.1 Bn tones by then, international shipping is carrying 1.5 tonnes on average for every person in the world today, a trend that has been steadily increasing over the years.

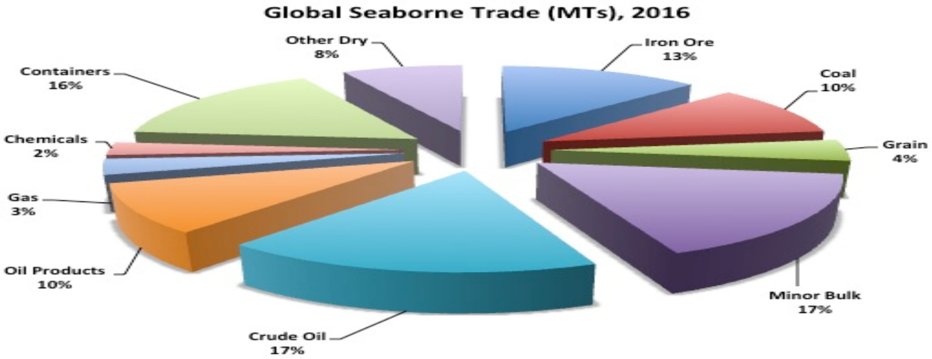
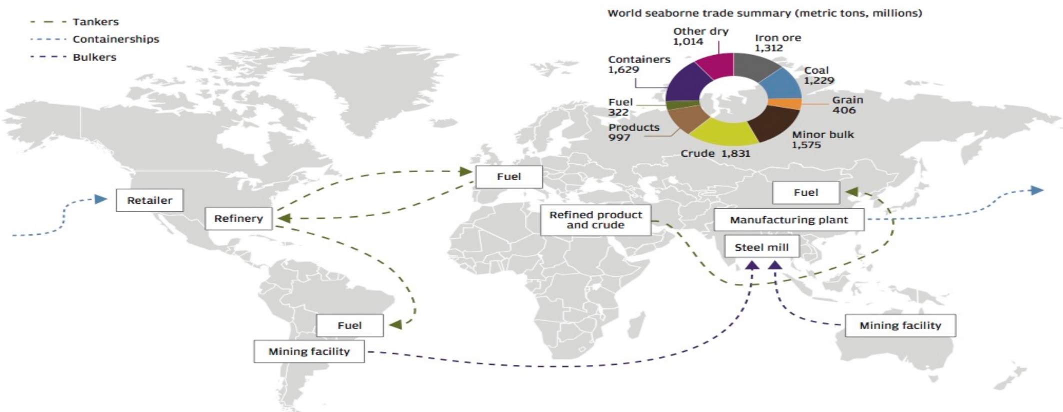


Figure 2.
Composition of Global Seaborne Trade, 2016

Energy, electricity and steel production underpin industrial development, hence the primary need for oil, coal and iron ore (Figure 2) within the composition and patterns of seaborne trade (Figure 3).



Sources: Morgan (2015), Clarksons (2016)

Figure 3.
World Seaborne Trade

Typically, OECD industrial production is a leading indicator to global GDP and also the IMF forecasts a 3.4% growth for 2017 coupled with a firmer trend towards 2021 (Figure 4).

Figure 4.
OECD Industrial Production as Leading Indicator to Global GDP

Thus international shipping carries goods for industrial production and finished products for the consumer in an increasingly urbanized world.

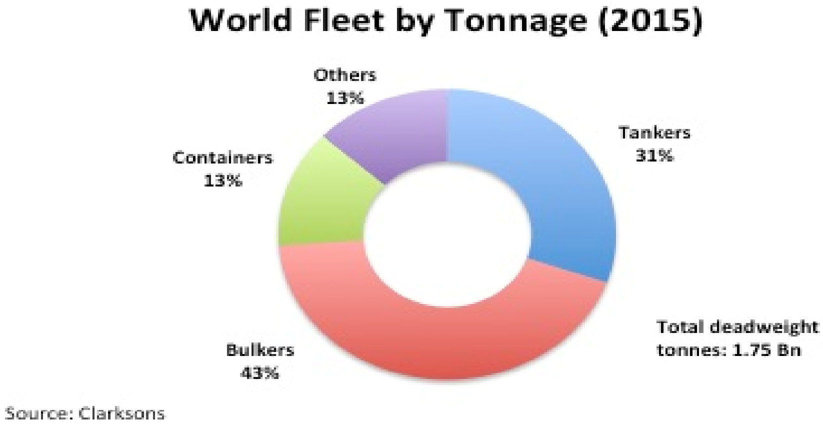


Figure 5.
World Fleet in Deadweight Tonnes (2015)

In terms of economic outlook (market demand), shipping is a growth industry and reflected in the three primary shipping segments (market supply), as ratio of the overall size of the world fleet (1.75 Bn DWT), involving bulkers (43%), tankers (31%) and containerships (13%), totaling 87% (Figure 5).

3. INTERNATIONAL SHIPPING AND FINANCE

Certainly international shipping is a highly capital intensive business, especially when we consider the size and expense of modern bulk carriers, tankers and container ships engaged in the international carriage of goods and commodities. Also earnings in all segments can be quite volatile. However, over the long term, growth fundamentals drive shipping investment returns. Asian and developed economies' infrastructure is experiencing significant investments: energy, electricity and steel production underpin industrial development, hence the primary need for oil, coal and iron ore. Moreover, the global population has now reached 7.0 Bn, of which over 50% are urbanized (World Bank, 2015). The International Chamber of Shipping estimates that 90% of global trade is carried by the international shipping industry (ICS, 2016), whilst Clarksons (2016) estimates about 85% in any case, globalization could not succeed without the development of the maritime industry, shipping the import and export of goods on the scale necessary for the modern world. Shipping is a strong growth industry, as seaborne trade continues to expand, bringing benefits for consumers across the world through competitive freight costs, given the growing efficiency of shipping as a mode of transport and increased economic liberalization. The world fleet includes over 50,000 merchant ships trading internationally, registered in over 150 nations, and manned by over a million seafarers of every nationality (ICS, 2015).

Morgan (2010) in its Global Maritime Investment Fund pitch book to institutional investors highlighted that for ship owners, a drop in asset values has exposed significantly over-levered balance sheets: for companies that purchased vessels prior the crisis, would have experienced covenant breaches on high ship-value debt, leading to payment defaults and asset repossession by banks. For ship lenders, as ship owners default, banks become owners and experience lending constraints: ship lenders are experiencing bank distress in terms of systemic funding challenges with deleveraging as well as increased regulation and capital requirements as collateral protection margins erode, thus as ship owners default, banks face a significant influx of repossessed assets. For ship yards, the affect of reductions in bank capacity are having a tremendous affect on the current order book, which is collapsing due to the significant reduction in bank origination (Morgan, 2010, 2014).

Whilst, conventional ship finance involves a risk free transaction, where "the bank lends and the borrower secures the repayment of the loan by mortgaging his ship to the bank. Invariably there will be other security".

Table 2. Financing Options for International Shipping

Method of Raising Funds	Structure of Finance	Features of Structure	Malaysian Ship Finance Market
Private Funds	Own Funds	Equity finance provided by owner or private investors for shares in a privately held company	Limited funds for international shipping as compared to Greece, Norway, Hong Kong with maritime background.
	Private Investment	Equity or loan arranged privately with retail or HNWIs	
Commercial, Investment Bank Finance	Mortgage Backed Loan	Term loan provided by bank, secured against mortgage of ship(s). Large loans may be syndicated between several banks.	Tenure 5-7 yrs for second-hand vessels, max 10 yrs for newbuildings. Margin: 50%-70%. *i*-Financing available, but as with conventional financing, scarce and expensive.
	Corporate Loan	Loan secured against the company's balance sheet	Available both from conventional and IFIs.
	Shipyard Credit	Loan provided or guaranteed by government or agency to assist domestic shipyards in obtaining orders.	Finance from Development Bank and Exim Bank. Construction subsidies. Tax & depreciation allowances.
	Mezzanine Finance	Financing containing elements of both equity and debt, e.g. debt with an equity warrant	Conventional high-yielding debt (preference shares & equity warrants).
	Private Placement	Sale of equity or corporate debt to one or several investment institutions. Avoids lengthy public offering process.	Government VC and smaller PE & VC available but funds finite. Increasing interest from IFIs and Pension & Investment institutions in shipping funds.
Capital Markets	Public Offering	Offering of shares and sold by subscription on a stock exchange: subsequently traded on a secondary market.	Larger shipping companies are listed (MISC, MBC, Halim Mazmin, Alam Maritim etc.)
	Bond Issue	Long term securities issued in the capita market, usually with interest payments every 6 months and principal paid on maturity.	Conventional bonds & *Sukuk*. Coupon rates higher than interest rates, more hybrid bonds (zero coupon, equity-linked)

Table 2 (Cont.)

	Special Purpose Company (SPC)	Shares in a special purpose company sold privately by individuals or may be listed on a stock exchange.	Available on-shore and off-shore in Labuan
	Limited Partnership	Limited liability partnerships set up as a vehicle for financing ships. Equity provided by private investors and debt by bank, e.g. Norwegian K/S and German K/G.	Malaysian S/B limited liability co.s on-shore. LLPs for 100% foreign ownership off-shore in Labuan.
Special Purpose Vehicles (SPVs)	Finance Lease	Long-term tax efficient finance based on sale of ship to company which benefits from tax allowances and leases ship back to user.	Corporate finance structures. Structured *al-Ijarah* leasing from IFIs.
	Operating Lease	Short-term lease, generally less than 7 years, which does not have to be shown on the lessee's balance sheet	Off-balance sheet & capital cost reduction. Malaysian registered ships are tax-exempt.
	Securitization	Financing structure designed to separate assets from company management	Available with conventional and Islamic asset backed securitization.

Sources: Stopford (2009); Khalid (2005, 2008, 2009)

The Maritime Institute of Malaysia (MIMA) argued that Malaysian financial institutions need to boost their understanding of shipping to assess risk and thus price transactions better, and in particular alter the high risk / low return perception of shipping (Khalid, 2008) as well as financing options in international shipping (Table 2).

4. ISLAMIC NORMATIVE THEORY OF PROFIT

In terms of income earned from international shipping, market risk is a pre-requisite of lawful profit in Islam. In analyzing substance over form in determining a valid transaction in Islam. Abdullah et al., (2017) believed that "Every increase which is without an equal counter-value ('iwad) is riba", and the components of 'iwad are; (1) risk (ghunm), (2) liability (daman), and (3) earnings (kasb) (Ziaul, 1995; Rosly et al., 1999; Rosly, 2005, 2001).

As reflected in Figure 6, the necessary components of 'iwad must be present for profit (ribh) to be lawful (halal), and if any of the components of 'iwad are not present in a transaction then the income is unlawful (haram). In terms of risk (ghunm) it refers to market risk; earnings (kasb) implies to strive to earn or gain wealth, thus implying work and effort (amal); whereas, liability (daman) includes ownership (milkiyyah).

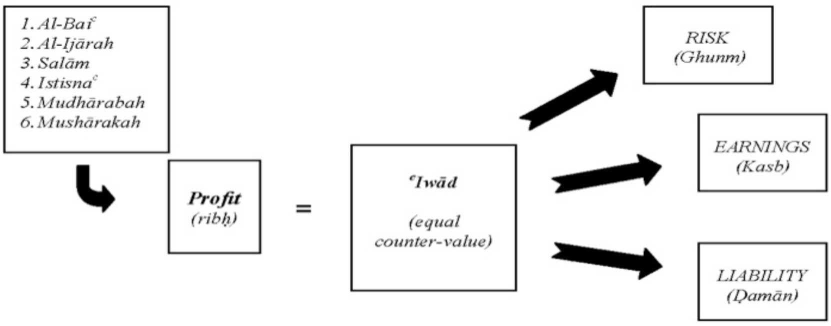


Figure 6.
The Islamic Theory of Profit

The Majallah (2001) reaffirms this with a number of important maxims: "reward begets risk" (al-ghurm bi al-ghunm), "benefit begets liability" (al-kharaj bi al-daman), and "burden is proportional to benefit, and benefit is proportional to burden".

5. METHODOLOGY

The research adopts a qualitative approach involving library research and document analysis, which involves a systematic procedure for reviewing or evaluating documents including both printed and electronic material (Bowen, 2009). It requires that material and data be examined and interpreted to gain meaning and understanding, in order to develop empirical knowledge (Corbin and Strauss, 2008). Published material has been recorded without our intervention. The documents are readily available, providing stable, reliable and sufficient material and data for the purposes of this study, which was culled in a manner that was efficient, since the data was selected and not collected.

The systematic evaluation adopted in this study comprised an analysis of actual transactions, which served to support the overall study, although we have not relied on previous interpretation or description within our findings and discussion (Bowen, 2009). Moreover, this study yields excerpts, quotations and selected passages that required discovery, selection, appraisal and clarification, which were organized through content analysis (Labuschagne, 2003).

6. RESULTS AND DISCUSSION

In the context of international shipping, Islamic finance has experienced some success, but all of the deals to date are essentially structured finance (debt) transactions, via funds or sukuk, that ultimately avoid market risk, even though the Islamic legal maxim states, "reward begets risk" (al-ghurm bi al-ghunm) (Majallah, 2001). The first structured finance deals were reported by the Islamic Banker (2005). The first one was in the form of a USD 150 Mn fund, Al-Islami Oceanic Shipping Company Limited ("AOSC"), owned by Dubai Islamic Bank PJSC ("DIB"). AOSC was launched in 2004 and promoted by DIB and Tufton Oceanic Finance Group Ltd, who were the investment managers, and structured as a musharakah with investors. The first acquisition conducted by AOSC was a VLCC from Pacific Star (PacStar) lnternational Holding Corp., which is owned by Saudi Aramco. The vessel was then leased back to Vela lnternational Marine Ltd, also a wholly owned subsidiary of Saudi Aramco. AOSC has now invested in three vessels, which have been leased out to shipping companies for periods up to 6 ½ years at pre-determined bareboat charter rates. The prices the vessels are purchased by each lessee, at the end of the lease, are pre-agreed, which provides certainty of income and redemption. The bare-boat lease involves a fixed income investment comprising quarterly rental payments providing a yield of 8.5% p.a. (AOSC, 2017).

The second deal reported by the Islamic Banker (2005) was the USD 26 Mn Al Safeena ijarah sukuk structured finance transaction, which was concluded in 2005. It combines Islamic structured finance within a senior conventional debt transaction for the same asset, the VLCC called the Venus Glory (Figure 7). The sukuk was arranged, structured and jointly underwritten by London-based ABC International Bank (ABCIB) subsidiary, Islamic Asset Management Ltd (IAM) and Abu Dhabi Commercial Bank (ADCB). The sukuk involves a lease financing of the Venus Glory, which is also owned by PacStar and chartered under a bare-boat charter back to Vela Marine (both companies are subsidiaries of Saudi Aramco). The tenor was for 5 years with a yield of 6%, payable on a quarterly basis, with the repayment of principal to be realized from the sale of the issuer's interest in the bare-boat charter. The repayment is either through exercising put-options by the issuer in the event of non-renewal of the charter by Vela, or at maturity of the facility, such that the USD 26 Mn does not amortize, but balloons at the end of the 5-year period. Upon maturity of the sukuk, the ownership of the vessel was transferred back to Saudi Aramco.

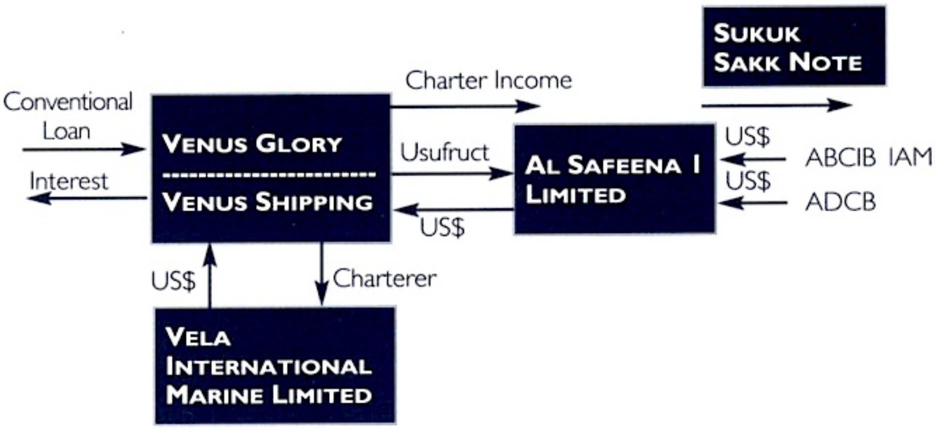
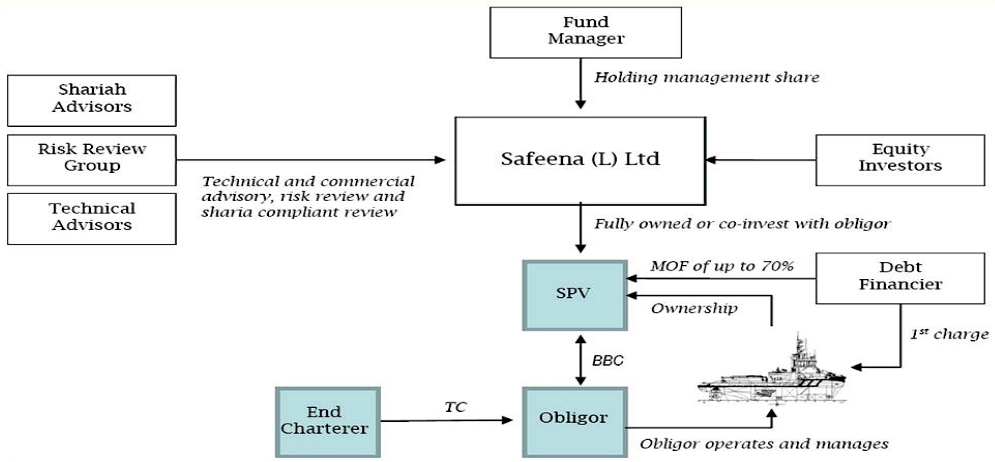


Figure 6.
Al-Safeena 1 Ltd Ijarah Sukuk Structure

Indeed, Asian Finance Bank (owned by Middle Eastern financial institutions) and Amanah Raya Investment Bank (owned by the Malaysian government) committed USD 50 million of their bank equity to Malaysia's first shipping fund, the Safeena shipping fund, which was launched in April 2008. Its first and only transaction also involved Islamic structured financing and the fund initially posted a net yield of 10.2% p.a. (Tradewinds, 2009).

Safeena was a 10-year closed-end fund domiciled in Labaun and was used to acquire a 19,900 DWT stainless steel chemical tanker for Berlian Laju Tankers (BLT). The transaction involved a pre-delivery construction facility and forward lease structure (an *istisna'-ijarah* structure), which was the first time such a vehicle has been used by a shipping fund. According to Ince & Co., the legal advisors to Safeena, "This type of financing - where one party requests the other to build or provide an asset and then to lease it back after that - is usually applied towards construction financing…or for home loans where the house is being built…We needed to create a *Shari'ah*-compliant structure that could fit around an existing conventional financing. As a result, more traditional forms of equity infusion could not be used" (Ince & Co, 2009). The 70:30 debt:equity structure (Figure 8) ensured that the bare-boat charter to BLT was USD 14,400 per day for 10 years for a chemical tanker that delivered in Jan. 2008, just as the global financial crisis began. As with conventional ship-finance, the lack of embedded market risk ensured that BLT defaulted on their poorly timed vessel acquisition, under the weight of their debt obligation in the presence of volatile shipping earnings post financial crisis.



Source: Asian Finance Bank

Figure 7.
Safeena (L) Ltd Fund Structure

Meanwhile, the Bank of London and The Middle East (BLME), the London based wholesale Shari'ah compliant bank, announced in June 2008 the completion of a USD 50 Mn syndicated ijarah leasing facility for Al Ghadeer Marine Shipping LLC, the Dubai based shipping company, to fund the acquisition of the 53,000 DWT doubleskinned bulk carrier, Sara V. BLME advised and arranged the financing, with Kuwait Finance House in Bahrain, Boubyan Bank in Kuwait and Capital Bank in Jordan who joined in syndication with Jordan International Bank acting as Co-Lead Arranger. BLME structured the transaction using a SPV established in the Cayman Islands, which acted as the mudarib in the transaction and holds beneficial title to the vessel. The vessel was purchased by the lessors and leased back to the Al Ghadeer under an ijarah transaction. Al Ghadeer paid periodic but fixed pre-agreed amounts as lease rentals (plus a premium) and finally purchased the vessel at the maturity date. According to BLME, "depending on the agreement, the asset may be transferred to the lessee on the expiry of the lease, either against payment of the residual value, the market value or, if the asset has been amortised completely, without any further payment. In this transaction, the asset will be transferred without any further payment. It is very similar to conventional ship financing, although in conventional financing, part of the rental is very often expressed as being the equivalent of the interest on the amount outstanding" (TFR, 2008).

Brunei Gas Carriers (BGC), a joint-venture between the Brunei government, Shell and Mitsubishi, secured financing through a syndicated Islamic ship financing transaction in July 2008 from Saadiq (Standard Chartered's Islamic finance department). Under a pre-delivery construction facility and forward lease structure (istisna'-ijarah structure), USD 505 Mn was made available to BGC to fund the construction and procurement of its liquefied natural gas (LNG) vessels (Joseph, 2015). In Nov. 2009, Qatar's largest investment bank QInvest and Fortis Bank Nederland launched a USD 100 Mn Shari'ah-compliant mezzanine shipping fund although "it diversifies and increases sources of debt funding available for the global shipping market in an environment constrained by a general lack of available capital" (QInvest-Fortis, 2009). Also SFS Group, a Cyprus-based non-banking financial institution (NBFI) and KFH Asset Management a subsidiary of Kuwait Finance House, announced a partnership to establish a USD 150 Mn private equity Global Shari'ah Shipping Fund in Dec. 2009 (SFS, 2009).

The target investors were institutional and HNWIs, however, due to the global financial crisis, investor appetite was clearly restricted and the fund agreement was terminated by mutual agreement in 2010. Subsequently, Oxford Business Group (2013) reported that Bank Islam Brunei Darussalam (BIBD) was involved in two Islamic financing facilities extended to Brunei Gas Carriers (BGC) the state-owned liquefied natural gas (LNG) shipping company. In July 2012 BGC signed an agreement with BIBD for an USD 83 Mn refinancing package for the Abadi, the firm's first LNG carrier with a capacity of 135,000 CUBM. The deal was structured as an ijarah facility, in a manner that was "similar to lease financing in conventional banking" (OBG, 2013). This refinancing package was used to fund the equity tranche for another Islamic financing deal signed a week later with BIBD, Bank of Tokyo-Mitsubishi UFJ (BTMU Malaysia), the Hong Kong and Shanghai Banking Corporation (HSBC Amanah Malaysia) and Sumitomo Mitsui Banking Corporation Europe, which raised USD 169.89 Mn in financing through another ijarah facility for the construction and deployment of a new 154,800 CUBM capacity LNG vessel, which was BGC's 4th newbuilding LNG carrier.

In July 2011, the National Shipping Company of Saudi Arabia (NSCSA) signed a USD 219 Mn murabaha financing agreement with Saudi Arabia British Bank (SABB) and National Commercial Bank (NCB), whom together provided 80% of the funding, with NSCSA providing the balance 20%, for the construction of two 26,000 DWT general cargo ships. The deal had a tenor of 12 years, repaid in equal quarterly installments with a balloon repayment of about 30% of the contract value at the end of financing period (Joseph, 2105). More recently, the asset finance market in the Middle East has seen increasing use of Shari'ah-compliant finance to fund transactions in the oil and gas offshore support vessel (OSV) sector and in terms of international shipping. In 2016 Standard Chartered Bank (SCB) advanced a USD 350 Mn senior secured murabaha facility to the National Shipping Company of Saudi Arabia (Bahri). The facility will be used by Bahri (the exclusive shipper of oil for Saudi Aramco) to finance the construction of five VLCCs to be delivered in 2018 (Adli, 2017).

7. CONCLUSION

The aim of this paper is to investigate the overall exposure of Islamic Financial Institutions involving retail and institutional investors to international maritime assets in order to facilitate Islamic equity finance and investment by Islamic finance institutions involving retail and institutional investors. From the above analysis, it seems that Islamic banks have replicated risk-free debt ship-finance in the same manner as their conventional counterparts. According to Al-Zuhayli (2003), goods can be sold at a price either at a loss (wadi'a), at break-even (tawliya), can be sold in full or in part ('ishrak), at a disclosed profit (murabaha), or simply sold at a price without disclosure of the original cost (musawama) and are known as trust sales (Al-Zuhayli, 2003). Thus, murabaha originally meant the disclosed profit of a price that was subject to market risk and did not involve a pre-fixed or pre-determined risk-free 'mark-up' at the rate of interest. Indeed, in the case of the "profit portion" of murabaha and with ististna' (for newbuilding contracts), which mirrors the risk and pricing of murabaha, and also the rental rates under ijarah, all have been benchmarked to commercial rates such as the London Interbank Offered Rate (LIBOR), or the Euro Interbank Offered Rate (Euribor), plus a further profit margin (Khan, 2010, p.815), (Dourish and Robertson, 2006).

Indeed, musharakah partnership financing structures in shipping are now linked to a bareboat charter (ijarah) so that the ship-owner increases its partnership share and thus the ownership of the vessel (musharakah mutanaqisah). Interestingly, the Majallah (2001) emphasizes economic substance over legal form, which was the same technique adopted by U.S. authorities when they approved murabaha asset financing, declining co-ownership partnership (musharakah mutanaqisah) and financial leases in the form of ijarah wa iqtina. These products were all absent of market risk and deemed compliant with conventional (usurious) U.S. banking legislation, such that the IFIs were declared “riskless principles” by U.S. authorities (Abdullah, 2016). Meanwhile, Malaysian banks, including IFIs, have very limited exposure to shipping (Abdullah et al., 2016) and largely involves the off-shore oil and gas market, which incudes smaller product and chemical tankers, as well as the off-shore supply vessel (OSV) market: all of which, is now exposed to international competition under the auspices of the Trans-Pacific Partnership Agreement (TPPA) signed in 2016, if implemented. Conventional shipping banks dominate ship financing with a market share of 75% (Clarksons, 2016). Each of these shipping banks has dedicated transportation teams that inherently possess extensive industry knowledge of international shipping. They have similar risk, liquidity and capital requirements, but the fault line is the lack of knowledge and understanding by Malaysian banks and their asset management companies.

This lack of exposure in a highly capital-intensive industry is reflected in bank activity (figure 9) conducted by ABN-AMRO. As of 2015, there are no Malaysian banks identified in ship finance syndicates led by global shipping banks, which were supported by local institutions.

Source: Biesbroeck (2015)

Figure 9.
Active Global Syndicates of Shipping Banks by Region

Hence, the need to look at different investment and financing structures, such as private equity, that would facilitate the development of Islamic finance and international shipping from Malaysia.

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