

The Global Islamic Fintech (GIFT) Report 2021 estimates the Islamic Fintech Market Size in 2020 to be \$49 billion and projected to grow by 21% annually to \$128 billion by 2025.

- *The GIFT Index ranks 64 country hubs on conduciveness for Islamic Fintech, with Malaysia, Saudi Arabia, UAE, Indonesia and the UK leading the way, and fast emerging OIC hubs Bahrain, Pakistan and Qatar in the top ten*
- *241 Islamic Fintech firms identified globally operating across 9 iFintech Service segments, operations and enabling technology verticals*
- *Survey of 100 industry practitioners identifies Lack of Capital, Consumer Education, and Finding Talent as the biggest hurdles faced by Islamic Fintechs.*
- *Payments, Deposits & Lending, and Raising Funds, as service categories continue to display high momentum, and represent low-hanging fruit for investors*

Dubai, London 17th March 2021 – DinarStandard, a leading Islamic economy management consultancy, and Elipses, a leading ethical digital finance advisory and investment firm today jointly released the Global Islamic Fintech (GIFT) Report, the most comprehensive view of the Islamic Fintech market to date encompassing a first of its kind Market Sizing of Islamic Fintech across the Organisation of Islamic Cooperation (OIC) countries, a GIFT Index assessing 64 countries on their conduciveness to Islamic Fintech activity, and an industry survey gathering feedback from industry practitioners.

The estimated Islamic Fintech market size (based on transaction volume) reached \$49 billion and is expected to grow on average by 21% annually, to reach \$128 billion by 2025. The top 5 OIC Fintech markets by transaction volume for Islamic Fintech are Saudi Arabia, UAE, Malaysia, Turkey and Kuwait, indicating a strong dominance by MENAT region countries. Collectively, the Top 5 markets account for 75% of the OIC Islamic Fintech market size, indicating high concentration of market activity among leading jurisdictions.

The GIFT index analysed 64 countries and applied a total of 32 indicators across five different categories for each country. These five categories are: Talent; Regulation; Infrastructure; Islamic Fintech Market & Ecosystem; and Capital. Categories were weighted in order to derive an overall score, with a heavier weighting given to the categories deemed to drive conduciveness to Islamic Fintech specifically. The index found Malaysia to be the top jurisdiction for Islamic Fintech. OIC countries dominate the top 10 with the UK the only non-OIC country ranked fifth.

“We are extremely proud of Malaysia’s leadership position in Islamic Fintech and MDEC will continue to work with financial regulators and industry partners from all relevant areas to further enhance our capabilities, facilities and capacities to ensure we maintain our global leadership position,” said Gopi Ganesalingam, Vice President, Digitally-Powered Businesses Division at Malaysia Digital Economy Corporation (MDEC).

Qatar ranks 10th in the GIFT Index and had an estimated Islamic Fintech Market Size in 2020 of \$849 million expected to grow by 20% annually to reach \$2.1 billion by 2025.

Commenting on the release of the report, Henk Jan Hoogendoorn, Managing Director Financial Sector Office at Qatar Financial Centre Authority said *“Islamic Fintech has great potential in and from Qatar. To bolster this, QFC is further developing as an Islamic finance hub, and together with Qatar Fintech Hub, we are actively helping Islamic Fintechs gain access to Qatar’s lucrative market and to investors.”*

The industry survey sought insight from 100 industry practitioners and discovered signals of a maturing sector with Lack of Capital, Consumer Education, and Finding Talent as the biggest hurdles faced by Islamic Fintechs today. In addition, survey respondents identified Malaysia as the jurisdiction with the most Islamic Fintech growth expectation in 2021.

Commenting on the report’s launch Abdul Haseeb Basit, Co-Founder and Principal at Elipses and the report’s author said, *“The GIFT Report 2021 shows that the Islamic Fintech sector is steadily developing with strong pockets of activity across the globe. Most encouraging are the developments in OIC countries where large target markets exist. The number of Fintechs identified is more than double the amount first identified three years ago demonstrating the rapid expansion in this sector which is set to continue growing at an accelerating pace”*.

“As digital transformations accelerate across the Islamic finance ecosystems, we have designed and geared this comprehensive benchmarking and forward-looking analysis on the fast-growing Islamic Fintech ecosystem to support its further success. We also hope this Report will contribute to Islamic Fintech’s role in driving Islamic financial ethos of equitable financing world-wide” said Tayyab Ahmed, Associate Partner of DinarStandard and Lead Analyst for the report.

The Global Islamic Fintech Report 2021 has been produced in partnership with SalaamGateway.com, the largest Islamic economy news and media platform. Strategic partners of this year’s GIFT Report include Malaysia Digital Economy Corporation (MDEC), Qatar Financial Centre Authority (QFC), Architech, DDCAP Group™, New World Group and Tayyab Islamic Digital Bank.

The full report is available for download at:

<https://www.salaamgateway.com/specialcoverage/islamic-fintech-2021>.

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