

Islamic banks are becoming resourceful. Some institutions have raised project-specific funds or special pools of funds which are deployed for project financing. Some are planning to set up unit trust or mutual fund types of investment vehicles aimed at longer-term investors.

International and regional institutions are cooperating with Islamic finance and are contemplating the introduction of various products and syndication to enhance project finance. The IFC has executed several transactions in the Middle East and Pakistan that conform to Islamic principles. Ultimately, securitization might prove to be the most appropriate solution. Banks will be in a position to take a lease on a project and issue paper that will be priced. With the expansion of securitization, the customer base of Islamic financial systems will grow as institutional investors, with access to broader maturity structures, are attracted to the market; and asset/liability management will become a reality.

The Canadian banking industry, and Canadian business in general, will need to quickly adapt to this trend at the risk of being left out of a lucrative sector and probably a major mode of financing in a market (Islamic banking) expected to reach \$100 billion by 2000.

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