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SUKUK: AN INNOVATIVE FINANCIAL INSTRUMENT FOR SMES IN MOROCCO

Abstract:

Our research explores the potential of sukuk as an innovative financial instrument for financing Small and Medium Enterprises (SMEs) in Morocco. SMEs, essential drivers of economic growth and job creation, often face difficulties accessing traditional financing due to strict criteria and collateral requirements imposed by conventional financial institutions. Sukuk, aligned with the principles of participatory finance and Shariah, offer a promising alternative. These financial instruments address not only the financing needs of SMEs but also the ethical requirements of investors seeking options compatible with their religious values.

Through a comprehensive literature review and an analysis of sukuk initiatives in Africa, we'll examine the economic and financial benefits of this instrument for Moroccan SMEs. Sukuk can provide stable and diversified sources of financing, promote better resource allocation, and support the innovation and growth of businesses. However, the development of sukuk for SMEs in Morocco faces several challenges, such as regulatory issues, entrepreneurs' awareness, and financial market infrastructure. Our research identifies these specific obstacles and proposes recommendations to overcome these barriers and maximize the impact of sukuk on the economic development of Moroccan SMEs.

Keywords:

Sukuk ; SME ; Participatory Finance ; Economic Development