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Press Release

The consecutive collapses in Western economies need some decisive strategies to rectify the economic performance by reforming the internal structure of those economies.

The Irish Islamic Chamber of Commerce IICC emphasizes that in order to beat the recession, governments must take actions to restructure the taxation system and the infrastructure of the financial sector.

Mainly, Indirect taxes need to be removed especially the VAT, if the later removed this will stimulate the consumer spending levels and increase savings, no doubt that VAT and some other indirect taxes have a destructive role to the economy on the long run.

However; to raise level of revenue governments need to introduce Net Worth Tax and eliminates the VAT which will raise revenue and reduce the current expenditures in the budgets.

Statistically proved, that there is an inverse correlation between Tax/GDP Ratio and GDP Growth, where the ratio of Tax/GDP is higher economic growth is most likely to be lower and vice versa, therefore; currently with austerity plans and tax hike in many countries this will affect levels of economic growth and jobs which subsequently will put those economies in a vicious circle.

Financial Sector:

Conventional Banking, Conventional Insurance and Speculations in the Money Markets are another elements behind the global financial crisis, this sector must be reformed to curb speculations activities (Recent Short Selling Ban in some countries was very good step), insurance services can be offered to client without the element of uncertainty and also conventional banking services can be reformed to introduce fare, safe and profitable services.

However; Islamic Financial system is a strong candidate to be the alternative, hence the Irish Islamic Chamber of Commerce IICC established to assist private sector and government in this regard.

Recent protests in Wall Street and some European countries is a significant indication to the level of resentment and pressure in the middle and poor classes in those countries, which if not tackled may lead to further consequences.

IICC Strategy for Economic Recovery:

The Irish Islamic Chamber of Commerce Strategy for Economic Recovery in Ireland should be launched end of October, it is four years plan with aim to boost economic growth to 9% by the end of the four years and lower unemployment rate to 4% and assist government to have a balanced budget.