

**POTENTIAL OF LIVESTOCK TAKAFUL
IN PAKISTAN:
AN EMPIRICAL STUDY**

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**University of Management and
Technology**



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Islamic Banking**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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POTENTIAL OF LIVESTOCK TAKAFUL IN PAKISTAN: AN EMPIRICAL STUDY

Mubeen Butt

**A thesis submitted in partial fulfillment of the requirements for the
MS degree in Islamic Banking and Finance**



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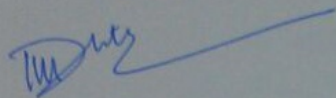


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CERTIFICATE OF APPROVAL

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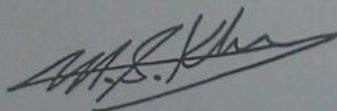
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Mr. Mubeen Butt

Date: _____

In my capacity as supervisor of the candidate's thesis, I certify that the above statements are true to the best of my knowledge.

Mr. Dr Waheed Akhter

Date: _____

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DEDICATION

I dedicate this piece of writing to my whole family specially My mother and my father without their support I was nothing, special thanks to my supervisor Dr Waheed Akhter who guided me at every door step.

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ABSTRACT

Livestock Takaful has emerged as Shariah compliant alternate to conventional livestock insurance. The focus of the study is to access the demand for the livestock Takaful in Pakistan. Livestock sector is considered the backbone of the economy and contributing 11.8% of GDP. It is engaging significant portion of population of the country. Pakistan is fifth largest milk producing country. Livestock insurance confronts with different types of risks faced by the farmers like flood, heavy rainfall, earthquake and other natural disasters. Livestock insurance is used to mitigate risk. Livestock is yet prohibited by Shariah scholars to elements of Riba, Gambling, Gharar and Qimar. A sample survey of 250 dairy farmers was conducted between January to March 2015 in the three main Areas of Punjab which have abundant of livestock Lahore, Kasur and Raiwind i.e. is to assess, to what extent farmers are willing to livestock Takaful .Descriptive statistics and Binary logistic Regression is were used to assess the potential and demand for livestock Takaful The result of a Binary logistic model indicates that Gender, Farm income, Household income and No of animals have significant positive relation with demand for livestock Takaful. Result of this study determined most of the farmers are willing to purchase Islamic livestock Takaful for Cow share is 80(55.17). Policy implication, such as the need to establish a Shariah compliant product for livestock with using different awareness programs through different media sources.

Key Words: Potential, Livestock, Shariah, Takaful, Willingness etc.

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LIST OF ABBREVIATIONS

SBP: State Bank of Pakistan

GDP: Gross Domestic Production

LDDB: Livestock and Dairy Development Board

WTP: Willingness to Pay

NICE: National Insurance Corporation of Eritrea

UNDP: United Nation Development Program

USA: United State of America

WFA: World Food Authority

WFB: World Fact Book

MPI: Multi-Dimensional Poverty Indices

NFSR: National Food Security and Risk

NSCLC: Nova Scotia Crop and Livestock commission

