Establishing a Machinery Industry Is a Shariah Obligation that Prevents Harmful Dependence on Colonialist States and their Companies: Pakistan as an Example

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Dawn Newspaper reported on 5 June 2026, "The foreign exchange reserves of the State Bank are inching close to the target of $18 billion for current fiscal year (FY26), but a widening trade deficit threatens to erase the growth in reserves and remittances." (Dawn). In Pakistan, every year, decade after decade, the issue of the trade deficit is prominent in both the pre-budget and post-budget discussion. Throughout the existence of Pakistan, the costs of imports have vastly exceeded what Pakistan earns from exports. Citing the trade deficit as a major component of the budgetary deficit, the government announces a budget, where it takes even more loans to bridge the budgetary deficit. It then increases taxation to prevent default on loans, so that it is able to spend on interest payments.

In fact, Pakistan has a continuous trade deficit, regardless of the government, whether it is civilian, military or hybrid. Each year, without fail, the debt of Pakistan grows, as does its interest payments and taxation. Each year, the cycle worsens with more and more suffering, with people fleeing the country for relief, whilst fleeing misery is not a solution for the entire population. Clearly, under the current economic system in Pakistan, there is no way out of this cycle. However, this annual spectacle is now being questioned by many Muslims, who are looking for a way out of this vicious cycle. To break the cycle requires examining the reality of the trade deficit from a special angle, which is the Shariah Law of Allah (swt).

Regarding the reality upon which the Shariah rulings are to be applied, a close review of the annual figures published by the State Bank of Pakistan reveal a glaring, long-term flaw in the industry of Pakistan. In the Financial Year 2025, the total import bill was $58.7 billion, whilst the total exports earned only $31.4 billion. The large trade deficit is obvious, when the two figures are compared. On the import side, the largest item is "Mineral Fuels, Oils and Their Distillation Product" which cost $15.9 billion. Then there is the item of "Machinery and Mechanical Appliances" which cost $8.4 billion. Then there is the item of "Vehicles, Aircraft, Vessels and Associated Transport" which costs $2.16 billion. As for the export side, the largest earner is "Textiles and Textile Articles" which earned $17.4 billion.

Many disturbing questions arise regarding this reality. How is it that after nearly eight decades, the agriculture of Pakistan still depends on machinery and vehicles from abroad? Pakistan is blessed with ingenious and hardworking people, who succeeded in acquiring nuclear weaponry and export brilliant brains every year to the most advanced industries. So, how has it been unable to produce heavy machinery and vehicles locally? Why does the textile industry of Pakistan still depend on imported machinery and parts, often leading to disruption in production when machinery breaks down? Pakistan has an abundance of raw materials and sources of energy, including Rare Earth Elements (REEs) which are essential for advanced microchip and battery production. Why does Pakistan depend on the machinery of Western companies to survey, extract and refine its own treasures?

Pakistan is only able to export low value textiles, which is a basic form of industry. Why is it still unable to produce high value exports such as vehicles, engines, machinery and advanced electronics to earn handsome amounts in exports? These disturbing questions have a single alarming answer. There is a deep, decades-long structural flaw within the manufacturing base of Pakistan- the absence of machinery industry. It is the machinery industry that makes and maintains machines for consumers, industry, and most other factories and companies in the economy.

The absence of a machinery industry is not an accident, but by deliberate design. It is a manifestation of economic colonialism, which ensures that machinery industry is confined to the colonialist powers, so that it exploits the raw materials, low value products and huge consumer markets of the Third World. This economic colonialism is undertaken by all the major colonialist powers, the US, China, Russia and Europe, wherever they find an opportunity. This is why dependence on the American machinery industry, and its companies, is as dangerous as dependence on the Chinese machinery industry. This dependence can never be a game changer or build an independent powerful economy. Here, the reality of Pakistan is similar to that of South America, or Africa, or the Middle East. A study of the data from the central state banks, and various ministries, confirms the same reality for any Muslim country.

The design of economic colonialism includes the model of development that the International Monetary Fund (IMF) and the World Bank (WB) impose on the Third World, including the Muslim World. The colonialist development model permits the building of rails, roads, storage depots and ports to help the export of low value local products and raw materials, as well as imports of expensive foreign products. However, this model prevents the building the key to sustained development, industrial independence and emerging from poverty- the machinery industry. The machinery industry alone enables a country to reduce expensive imports of machinery and vehicles by making its own. It enables a country to survey, extract and refine its own raw materials without surrendering its resources to foreign companies. It allows a country to develop a complete, secure military infrastructure, without dangerous dependencies on foreign powers, which are liabilities that can be exploited by them during hostilities. This is why the blind, unquestioning implementation of the Western development model has worsened the situation in Pakistan every year and every decade. It has occurred even though some of the implementors shake their heads in despair, after spending years implementing the advice of the Western experts and officials to the letter, but the situation of their country worsens.

This is the pitiful reality of industry in Pakistan, and what results from the failure to produce machinery, engines, vehicles and microchips. It results in an import bill that is permanently much larger than money earned from exports. More and more loans retaken to bridge the gap, which in turn results in rising taxation to keep up with growing interest payments. In its Country Report No. 26/101, released on 14 May 2026, the IMF targeted Pakistan’s federal revenues at Rs17,145 billion for 2026-27, whereas the revenues were Rs 619 billion for 2001-2002. As for the Shariah rulings which are to be implemented by the Khilafah (Caliphate) soon, by the Permission of Allah (swt), they collectively provide a complete treatment to this problem. These rulings represent the only escape for Muslims from the misery of economic colonialism. These Shariah rulings are not merely nice ideas, or options amongst options, or alternative models amongst models. They are commands and prohibitions from the Creator of all of humanity, Allah, which are to be obeyed and implemented, using the ingenuity, dynamism and resolve that the light of Iman generates within souls. Taken together, they provide a complete solution to the absence of machinery industry, including its funding.

Firstly: Establishing the Machinery Industry:

It is a Shariah obligation from the angle of maintaining material superiority over the apparent enemies, potential enemies and the concealed enemies. Allah (swt) said, ﴿وَأَعِدُّوا لَهُم مَّا اسْتَطَعْتُم مِّن قُوَّةٍ وَمِن رِّبَاطِ الْخَيْلِ تُرْهِبُونَ بِهِ عَدُوَّ اللَّهِ وَعَدُوَّكُمْ وَآخَرِينَ مِن دُونِهِمْ لَا تَعْلَمُونَهُمُ اللَّهُ يَعْلَمُهُمْ﴾ **“And prepare against them whatever you are able of power and of steeds of war by which you may terrify the enemy of Allah and your enemy and others besides them whom you do not know [but] whom Allah knows.”** [TMQ Surah Al-Anfal: 60]. Indeed, the peak of industry is military industry, and its innovations drive the progress of the regular industry. Establishing a machinery industry is also a Shariah obligation from the angle of preventing the harm of dependency on the enemies of Islam and Muslims. The Messenger of Allah (saw) said, «لَا ضَرَرَ وَلَا ضِرَارَ» **“There must be no harming and no reciprocating harm.”** And he (saw) said, «مَنْ ضَارَّ أَضَرَّ اللَّهُ بِهِ، وَمَنْ شَاقَّ شَاقَّ اللَّهُ عَلَيْهِ» **“Whoever harms, Allah will harm him. Whoever causes hardship, Allah will cause hardship upon him.”** The entire Muslim World has suffered harm due to dependence on the machinery industry of foreign powers. These foreign powers dominate the markets, and resources of the Ummah. The Khilafah Rashidah (Rightly Guided Caliphate) will focus immediately on building a machinery industry. Depending upon the Shariah revenues, and ending the expenditures that Shariah forbids, the Khilafah will attract the world’s best minds, of which many are Muslims, to establish a machinery industry at a rapid pace.

Secondly: Non-Payment of Interest Accrued on Debts because it is Riba (Interest):

Allah (swt) said, ﴿يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنتُم مُّؤْمِنِينَ﴾ **“O you who have believed, fear Allah and give up what remains [due to you] of usury, if you should be believers.”** [TMQ Surah Al-Baqarah: 278]. Allah (swt) said, ﴿فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ ۖ وَإِن تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ﴾ **“But if you do not, then be informed of a war against you from Allah and His Messenger. But if you repent, you may have your principal—[thus] you do no wrong, nor are you wronged.”** [Surah Al-Baqarah: 279]. The current situation is that most of the revenues of the states of Muslims are spent on debt servicing, which is paying the interest and premiums on loans. This aspect is so prominent that the State Bank of Pakistan divides expenditure into Interest Expenditure, and Non-Interest Expenditure (NIE). In the Financial Year 2025, the total expenditure was 21.5 billion Rupees, whilst the Federal Mark-up payments, which is interest payments, was 15.7 billion Rupees. Interest payments increased from $1.99 billion in FY2022 to $3.59 billion in FY2025, representing an increase of 80.4 percent. Yet, the foreign and domestic debt of Pakistan continuously increases, year after year, decade after decade. Riba (interest) is a wound that is bleeding profusely. It weakens the body of the economy so that it is not able to undertake the essential work for repair, radical reform and economic independence.

Thirdly: Payment of the Debt Without Paying the Interest (Riba):

The correct way for ending debt is to place its responsibility upon all of those corrupt rulers and officials who participated in governing, during the period of plunging Pakistan into the bottomless pit of riba (usury) debt. In Shariah Law, those who assume the position of ruler are not permitted to engage in any commercial financial activity. Their only financial entitlement is their monthly allowance. If they become wealthy during their term, they are held accountable. The Prophet (saw) used to account the governors and ‘aamils on their earnings and said in this regard, «من استعملناهُ على عملٍ فرزقناه رزقاً فما أَخَذَ بعد، فهو غُلُول» **“Whomever we appointed in his post and we provided him some funds, so whatever he took unduly would be ghalool (misappropriation).”** It is reported of ‘Umar bin Khattab (ra) that he used to account the properties of the ‘aamils before appointing them, as well as after their terms were completed. He would take away any unreasonably extra wealth found with them. He also accounted the possessions of some the governors and took away part of wealth of others, because of suspicion about the means of their earning such wealth, such as exploiting their position and influence. He would take possession of such wealth and put it in the Bait ul-Maal (State Treasury).

Fourthly: Rejecting New Loans with Conditionalities that Bring Harm to the Ummah:

The loans come with conditionalities based on the colonialist model of development. It maintains dependency on the machinery industry of foreign powers, opens the doors for foreign dominance of the raw materials and markets of Muslims. The Messenger (saw) says, «لاَ ضَرَرَ وَلاَ ضِرَارَ» **“There must be no harm nor reciprocation of harm.”** So, the Khilafah will not take loans from the London Club of commercial banks and the Paris Club of state donors, ending the destructive cycle of dependence.

Fifthly: Dependence on the Shariah Revenues:

All of war booties, jizyah tax, kharaaj tax on agricultural production, fifth of the buried treasure (rikaz), state properties including state machinery industry, as well as custom tax taken from the covenanted and legally belligerent, profits resulting from public property which includes minerals and power sources, inheritance funds of those that have no heir, misappropriated funds taken from corrupt rulers and state officials, illegal earned funds, funds of fines, funds of apostates, and taxation on a temporary, basis from those who are neither poor nor indebted, and are wealthy.

In addition, the Khilafah will supervise the expansion of foreign markets for the products of agriculture and industry, with the many states of the world that are not actively at war with Islam and Muslims. Moreover, the Khilafah can contact foreign states that are not belligerent, and major companies to obtain credit facilities. This entails importing machinery, tools, and materials necessary for production projects for a deferred price, upon the condition that it is by a sales transaction where a higher price is agreed, and it is not by a riba (interest) transaction.

Sixthly: Unleashing Huge Funds from the Public Ownership of Power and Minerals:

The Messenger of Allah (saw) said, **«الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ فِي الْمَاءِ وَالْكَلَإِ وَالنَّارِ وَثَمَنُهُ حَرَامٌ»** **"Muslims are partners (shurakaa) in three: In water, pasture and fire."** And Anas (ra) narrated from Ibn Abbas (ra) who added, **«وَثَمَنُهُ حَرَامٌ»** **"And its price is haram."** The term 'fire' is a kinayah (metaphor) for fuel (wuqood), here includes all forms of power used as fuel in industry, machines and plants, as well as the plants which use gas and solar power as fuel. All of these are under the public ownership category. The Prophet (saw) refused Abyadh ibn Hammal ownership of a salt-laden land on the grounds that this land contained an abundant quantity of minerals. Here the abundant means a source that is so abundant it does not diminish. This category includes all minerals whether they are solids like copper, iron, gold or Rare Earth Metals (REEs). It includes liquid, like petrol, or gaseous material, like natural gas. They are not private property where their price is taken as profit by the owners of companies. It is also not state property where the price is taken by the state to spend as it wishes. It is a public property where the Khilafah state alone manages and supervises their extraction, sale and distribution, spending their profit upon the needs of the community (jamaa'ah) of Muslims. Moreover, the unification of the lands of Muslims under the Khilafah will allow the pooling of resources, and ending expensive imports between Muslim countries, generating a powerful stimulus for an Ummah-wide industrial revolution.

Seventhly: Restoring Foreign Trade on the Basis of Gold and Silver, Ending the Unjust Dollar Hegemony:

The Prophet (saw) specified gold and silver as the monetary medium of cash and made these as the only benchmark to measure goods and wages of work. All transactions were based on this standard, the units of which were the ounce, dirham, daniq (1/8 of dirham), carat, mithqaal, and dinar. All of these were well known during the era of the Prophet (saw), the people used them and it is established conclusively that the Prophet (saw) approved the usage of these units. All trade, blood money and dowry were measured in gold and silver as the monetary standard. This is confirmed by the authentic ahadeeth. The weight of these was laid down on a specific system of the people of Makkah, the Prophet (saw) said, **«الوزن وزن أهل مكة»** **"the standard of weight is the standard of the people of Makkah."** In comparison to the units of cash under Islam, the units of this period are: 1 dinar = 4.25 grams of gold and 1 dirham = 2.975 of silver. Thus, the Shariah rulings have linked the monetary system to gold and silver. Under this monetary system, there was never a fiscal, crisis as opposed to the current practice where the currency of one country is tied to a currency of another country. It is ever since gold was removed as the sole monetary standard, and was then taken jointly with the US dollar as the standard under the Bretton Woods system at the end of the World War II, and then was finally replaced by the dollar as the sole monetary standard in the 1970's, that the dollar became the dominant currency of the world. As a result of this, any tremor in the US economy caused a fatal blow to the economy of all other countries. This is because most, if not all, the cash reserve of these countries is covered by the paper dollar, whose intrinsic value does not exceed much beyond the value of the paper it is printed on! The Khilafah will end the injustice of dollar hegemony, where local currencies are weakened to maintain the value of the US dollar. As a painful reminder of the extent of the problem, on 29 May 2026, the exchange rate of the Pakistan rupee to the US dollar was 278.50, whilst in the 2000s, the rupee was around Rs60 to the dollar. It will lead the world in returning to the gold standard for international trade, whilst maintaining the even more stable bimetallic gold and silver standard as a basis for its currency.

O Muslims of Pakistan! O Muslims!

With every budget, the rulers of Pakistan speak of poverty alleviation, development, game changers, breaking the beggars bowl and escaping the debt trap. However, their deeds ensure that poverty worsens, as does debt and foreign dominance of our wealth. Pakistan is not an exception in the Muslim World; it is the rule. The added tragedy in the case of Pakistan is that it is one of the strongest states in the world, in terms of military power, agricultural capabilities, human labor resource, power sources and mineral treasures. Instead of leading the Muslims away from harm, the rulers of Pakistan benefit directly from the current economic colonialism. They amass huge wealth by corruption and acquiring private ownership of what should be state property and public property. They will never bring change because they benefit from the status quo. They have no regard for the harm upon the country, and so how can it be expected that they will deliver a solution. They even describe brain drain as “brain gain,” because they can see no further than the remittances that our most brilliant sons and daughters send from the four corners of the world to their suffering relatives in Pakistan. Indeed, they can never deliver what we deserve from our Deen, the great Deen of Islam.

Change must be brought by us through our Deen. We must all strive to bring change on the basis of the Shariah rulings. We need a new system, a new constitution and a new leadership. We must strive to restore the Shariah constitution, that of the Second Khilafah Rashidah (Rightly Guided Caliphate). Change comes through us mobilizing with a leadership. The qualified leadership is of those who have spent decades studying the realities of the current systems, are fully aware of their flaws, and deeply familiar with the Shariah rulings for looking after our affairs. The capable leadership before us is that of Hizb ut Tahrir. It has prepared legions of capable Shariah politicians throughout the Muslim World, and even in the diasporas of Muslims outside the Muslim World. It remains for us to put our hands in theirs. Allah (swt) said, **﴿وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ ۖ وَلَا تَنسَ نَصِيبَكَ مِنَ الدُّنْيَا ۖ وَأَحْسِن كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ الْفَسَادَ فِي الْأَرْضِ ۖ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ﴾ “But seek the abode of the Hereafter in that which Allah has given you, and do not neglect your portion of worldly life, and be kind even as Allah has been kind to you, and seek not corruption in the earth.”** [TMQ Surah Al-Qasas: 77]**.**