

THE GLOBAL HALAL FOOD MARKET AND UPDATES ON GLOBAL HALAL STANDARDS

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HALAL FOOD PRODUCTS: THE BASIC CONCEPT

- ❑ In Islam, all types of foods and drinks are considered Halal unless it is specifically prohibited (by Quran/ Hadith/ Ijma/ Qiyas);
- ❑ Halal is a set of rules: **“Halalan Thoyyiban”**;
- ❑ Halal food must be clean and pure and made in accordance with the Islamic guidelines, which include prohibition of pork and pork by-products, blood and blood by-products, animals where the name of Allah has not been invoked during slaughter, animals which have not been slaughtered or dead before slaughtering, carnivorous animals and items containing alcohol/ intoxicant.

Halal – The Main Elements

**Adherence
to Shariah
Law**

**High Level
of Product
Quality**

**Consumer/
Product
Safety**

**Animal
Welfare
and Fair
Trade**

Halal Integrity in All Supply Chain



**MARKET DATA & THE LATEST HALAL
FOOD RESEARCH FINDINGS**



ESTIMATED GLOBAL HALAL FOOD MARKET SIZE

Region/ Year	2004	2005	2009	2010 (p)
Global Halal Food Size (USD '000,000)	587.2	596.1	634.5	651.5
1. Africa	136.9	139.5	150.3	153.4
2. Asian Countries	369.6	375.8	400.1	416.1
- GCC Countries	38.4	39.5	43.8	44.7
- Indonesia	72.9	73.9	77.6	78.5
- China	18.5	18.9	20.8	21.2
- India	21.8	22.1	23.6	24.0
- Malaysia	6.6	6.9	8.2	8.4
3. Europe	64.3	64.4	66.6	67.0
- France	16.4	16.5	17.4	17.6
- Russian Federation	20.7	20.8	21.7	21.9
- United Kingdom	3.4	3.5	4.1	4.2
4. Australasia	1.1	1.1	1.5	1.6
5. American	15.3	15.5	16.1	16.2
- USA	12.3	12.5	12.9	13.1
- Canada	1.4	1.5	1.8	1.9

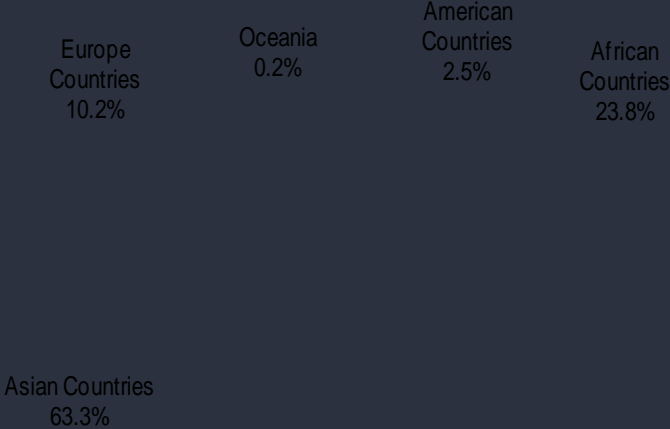
Source: WHF Secretariat/ KasehDia analysis from many institution's database and field research (copyright protected)

GLOBAL FOOD MARKET SIZE & GLOBAL HALAL FOOD MARKET SIZE, 2009*

Global Food Expenditure by Continent, 2009



Total Halal Food Expenditure by Continent, 2009



Total Global Food Market Size:
USD 3,992.2 Billion



Total Halal Food Market Size:
USD 634.5 Billion

*) Estimated Figure

ASIAN HALAL FOOD MARKET SIZE: REGIONAL BREAKDOWN, 2009 (est.)



Total Asian Halal Food Market Size: **USD 400.1 Billion**



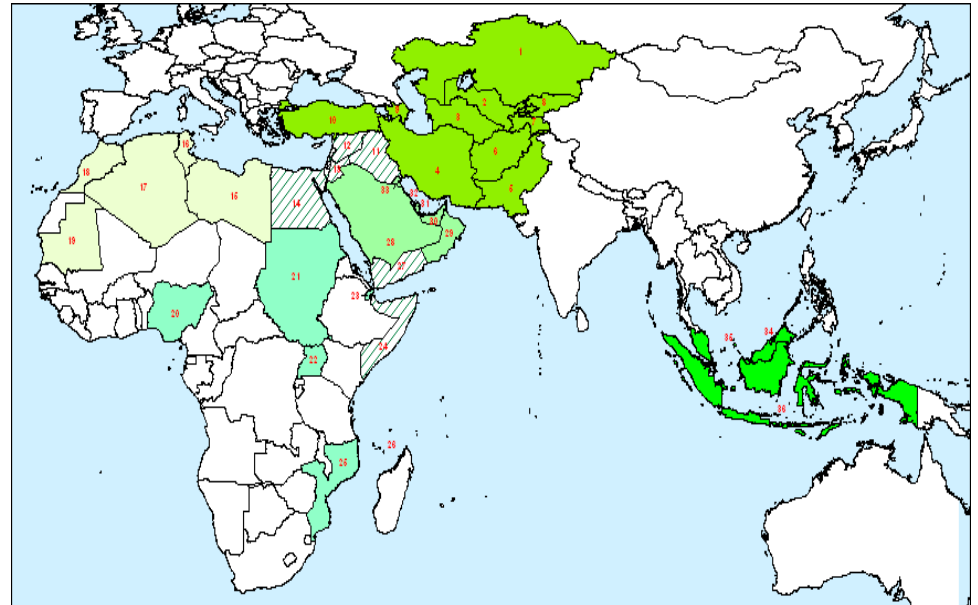
CHARACTERISTICS OF THE GLOBAL HALAL FOOD MARKET



Major Characteristics of Halal Food Market in the World: 'Fragmented Market'

It is a 'Fragmented' market:

- Fragmented by Diversity of the Meaning of Halal;
- Fragmented by Income Level
- Fragmented by Awareness Level
- Fragmented by Location
- Fragmented by Religious and Ethnicity

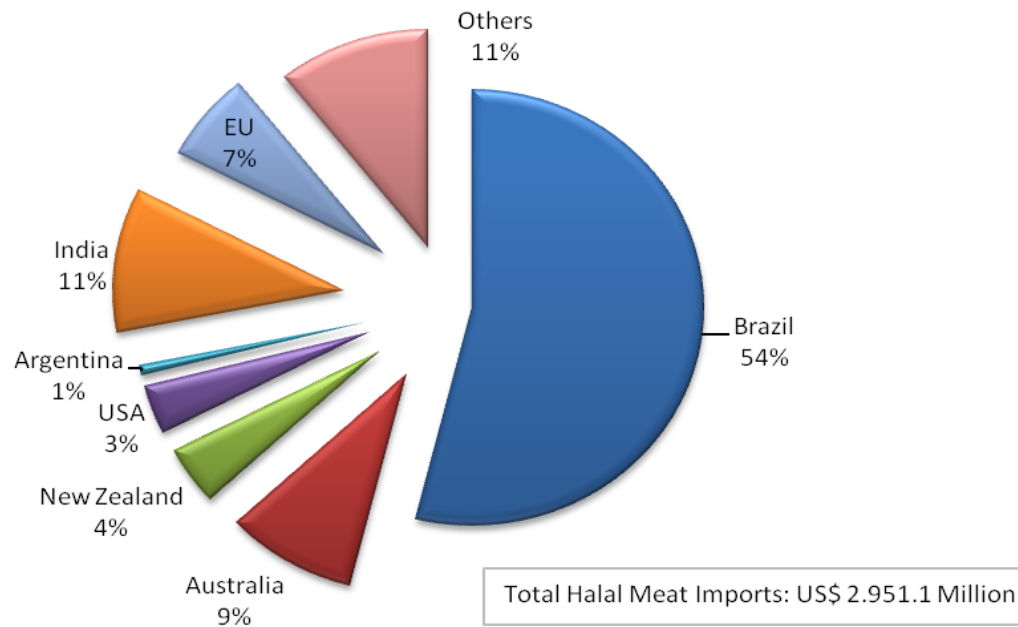




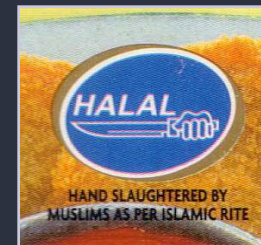
**GLOBAL TRADE OF HALAL FOOD PRODUCTS,
MARKET FACTS, ISSUES & CHALLENGES**



GCC HALAL MEAT IMPORTS: BREAKDOWN BY EXPORTING COUNTRIES



Total GCC Halal Meat Imports (2007):
USD 2,951.1 Million



CHALLENGES IN INTERNATIONAL TRADE OF HALAL FOOD PRODUCTS

1. First, is the fact that most of the current importing countries still rely on non-tradable food products that are largely supplied domestically;
2. Second, in the case of high tradable products, such as in the GCC countries, reliance on the Halal status alone simply cannot work. Halal products are already becoming mainstream products. Being Halal is necessary, but not a sufficient condition;
3. Third, as Halal products are universal products, the packaging and labelling must represent world-class standard. Most Halal products in the export markets failed due to poor packaging, poor product adaptability to suit the local taste requirement and lack of branding exercise. Brand awareness and loyalty must be built gradually and it cannot be achieved in a day. when it is gained, the pay-offs will be great.

CHALLENGES IN INTERNATIONAL TRADE OF HALAL FOOD PRODUCTS

4. Fourth, Halal markets are not similar to other markets everywhere. Each is a fragmented market by ethnicity, location, income and a few other determinants. Therefore, a one-size-fits-all strategy simply cannot work. Product adaptability in each target market needs to be considered seriously. As with the case of other food products, consumer requirements may differ across the region;
5. Fifth, in many countries, logistic situations may simply deter and make the distribution to these countries very difficult. For example, exporting Halal food products to some of the Central Asian countries can only be achieved through multi-modal transport due to the unavailability of seaports, which inevitably adds costs. Thus, integration of production and logistics into an efficient supply chain network has to be considered;

CHALLENGES IN INTERNATIONAL TRADE OF HALAL FOOD PRODUCTS

6. Sixth, total integrity in the Halal supply chain must be preserved. Once consumers lose confidence in the status of Halal, no one will buy. The case of Ajinomoto MSG product in Indonesia about a decade ago is a stern reminder to all manufacturers. Thus, it is important to get the Halal certificate from the most reputable certification body and ensure that preserving Halal status is not a game of cat and mouse.
7. Seventh, rising demand and trade in the Halal products has led to the abuse and misuse of Halal certification. In many instances, Halal certificates can be bought easily and has becomes a 'Murky Business'. Therefore, we are pushing the OIC and the global Halal stakeholders to agree on the development of the global Halal standards. The formation of IHI Alliance as part of WHF resolution 2007 and OIC General Assembly 2008 was a step towards this.



**UPDATES ON THE GLOBAL HALAL STANDARDS
AND ISSUES OF CERTIFICATION**



Global Issues of Halal Certifications

- In almost all countries, Halal is a religious issue. Hence, the state will not intervene;
- At most, Halal is regulated under the labeling law;
- Halal certification, therefore, is conducted by many agencies/ associations/ councils/ federations, etc;
- No unified Halal standard and its associated logo.

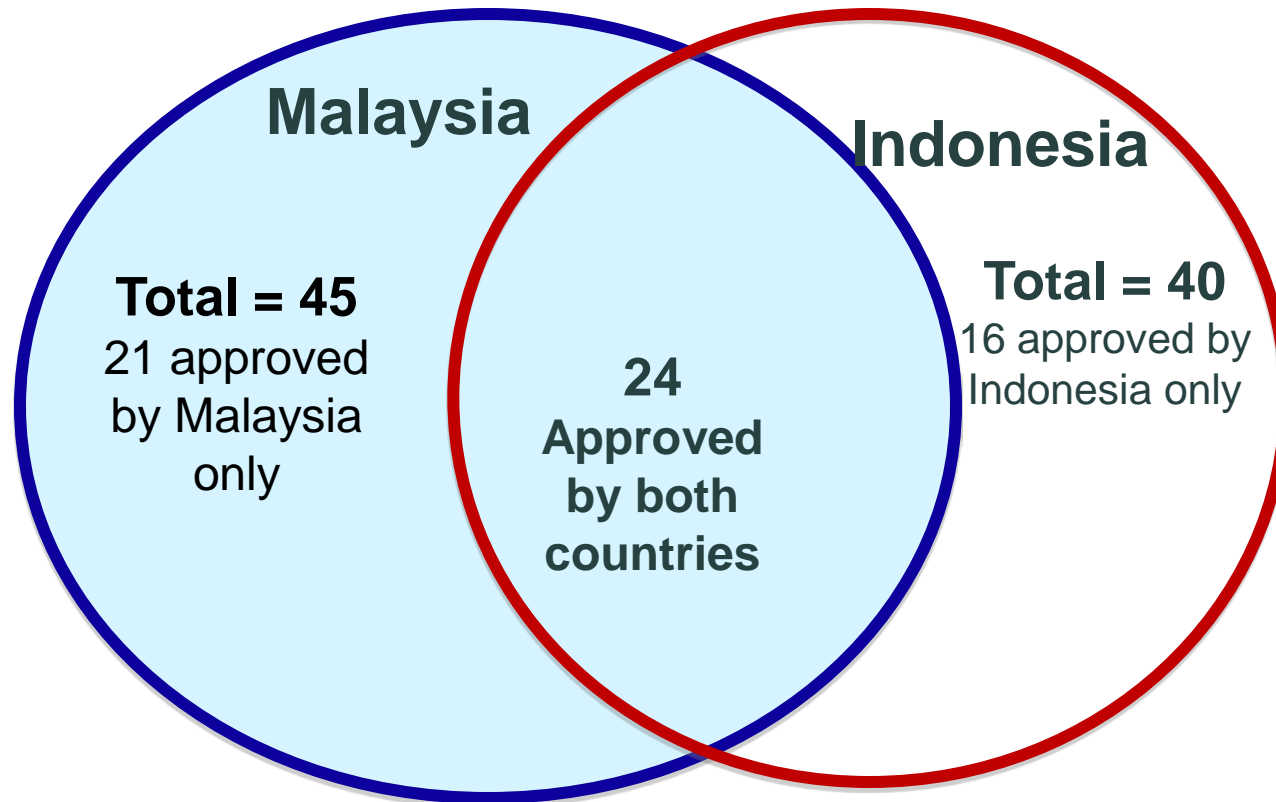


Challenges in Halal Certification: No Unified Halal Standard

- There is no unified Halal standard. Very little mutual recognition exists between certification bodies (between 150 – 200 listed Halal certification bodies)
- In many countries, Halal certification is a 'cottage' business;
- There is no global authority and no leadership. This has raised questions about integrity on the Halal certification process, issues of abuse, malpractice and gross profiteering;
- Malaysia approved 45 Halal certification Bodies, Indonesia approved 40 certification bodies while GCC countries approved 52 Halal certification bodies



Halal Certification Bodies Worldwide Which Are Approved by Malaysia & Indonesia



Total Identifiable Halal Certification Bodies in the world: 200 Bodies

GLOBAL HALAL LABELING STANDARD: CODEX

1. There is no globally-accepted Halal Standard in the world. Codex Alimentarius General Guidelines for the Use of the Term “Halal” states that:
 - The Codex Alimentarius Commission accepts that there may be minor differences in opinion in the interpretation of lawful and unlawful animals and in the slaughter act, according to the different Islamic Schools of Thought.
2. Issue of stunning vis-à-vis not stunning the animals prior to slaughtering;
3. Issue on the use of mechanical slaughter machine;
4. Issue on the definition of ‘Ahlul Kitab’; whether slaughtering by Christians and Jews are accepted as halal;
5. Issue on the “*Bismillah*” (In the name of God) recitals prior to slaughtering of each animal (animals)

International Halal Integrity (IHI) Alliance: Global Halal Authority



- Registered on the 30th April 2007, as an international, non-profit, non-governmental, private-sector business association;
- Created to serve as a platform for providing services to its members, representing their interests and to liaise with governments, organizations and business communities, including in advising on Halal certification & related matters (further info: www.ihialliance.org)
- Signed partnership agreement with Islamic Chamber of Commerce & Industry under the leadership of it's President, Sheikh Saleh Abdullah Kamel from Saudi Arabia on 12 May 2008.

IHI Alliance as an Active Body of OIC Under Islamic Chamber of Commerce & Industry (ICCI)



*OIC/ ORGANISATION OF ISLAMIC CONFERENCE



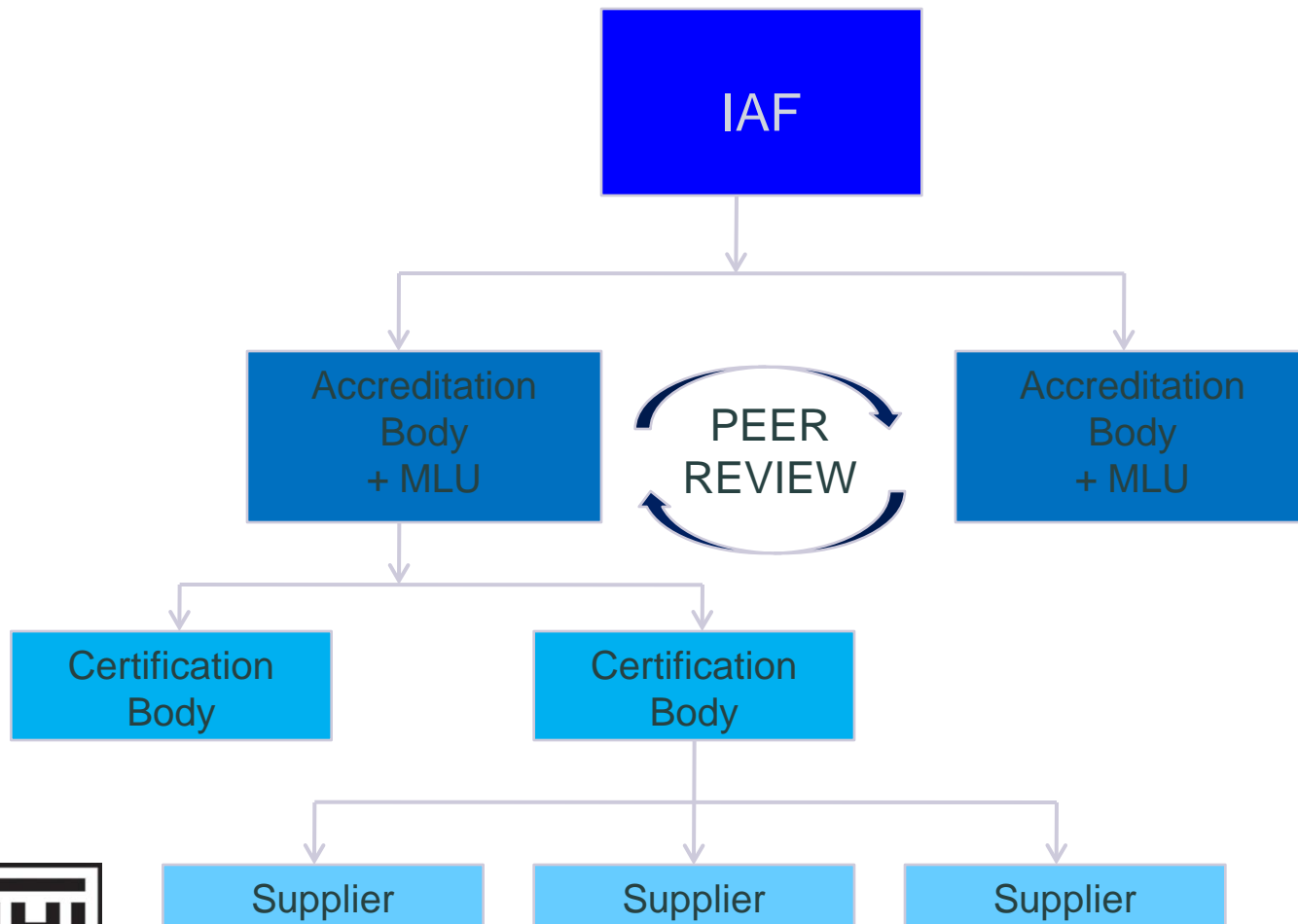
الغرفة الإسلامية للتجارة والصناعة
Islamic Chamber Of Commerce & Industry
Chamber Islamique de Commerce et d'Industrie

PRINCIPAL REPRESENTATIVE OF OIC ON HALAL



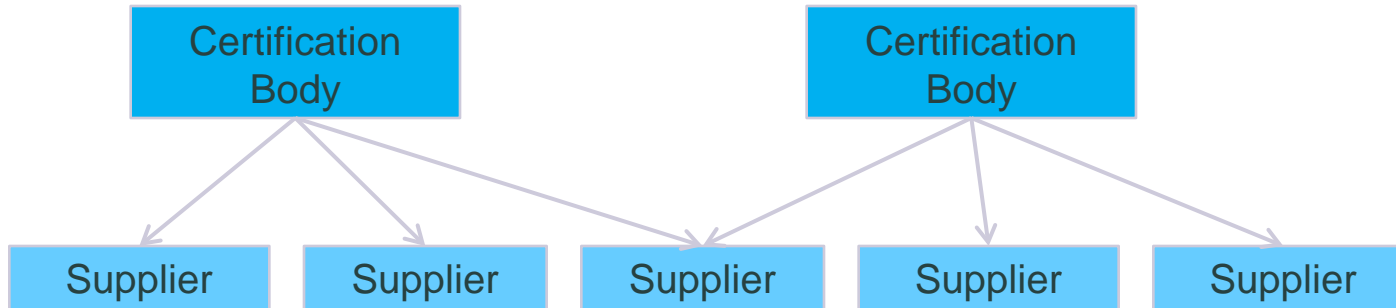
GLOBAL HALAL STANDARDS AUTHORITY

International Benchmark



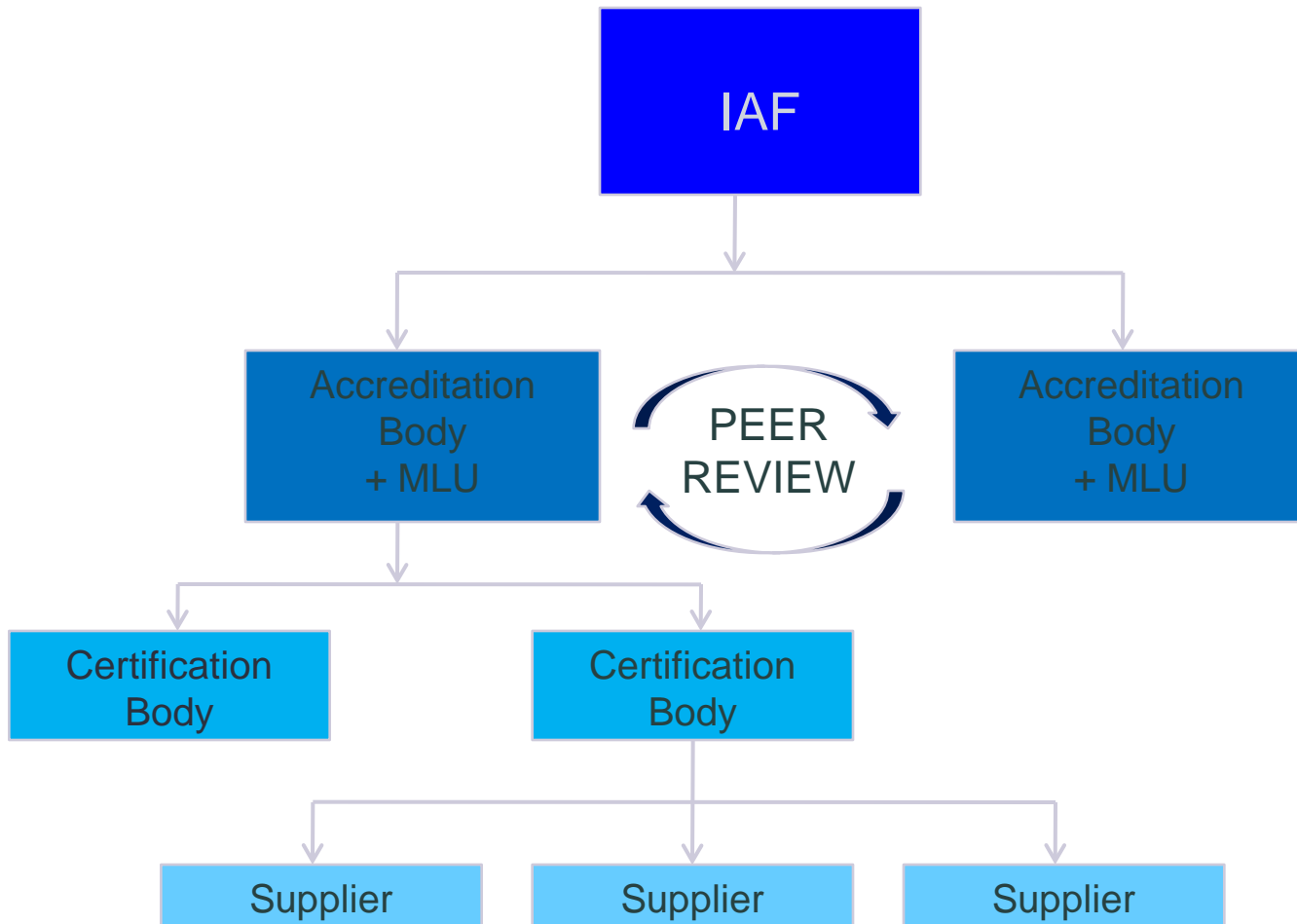
Current Scenario for Halal Certification

?



Codex ?
MS 1500 ?
GSO ?
CB Standards ?

Proposed Structure for Halal Certification



Challenges

- Getting consensus from Industry and government;
- Harmonizing certification bodies;
- Overcoming unresolved Issues;
- Sharing of basic infrastructure

THE ROAD AHEAD

Progress so far:

- Mandate obtained at OIC Islamic Summit
- Framework approved at ICCI General Assembly
- 5 modules of Global Halal Standard presented at World Halal Forum 2009 (4 - 5 May 2009)

Moving Forward:

- Remaining 5 modules to be ready by World Halal Forum '10
- Technical meeting to resolve slaughter issues in Riyadh, KSA

Collaboration with multi-lateral organizations:

- The World Bank
- Donor/development agencies e.g. USAID, UNIDO;
- World Trade Organization/ WTO;
- FAO/Codex Alimentarius Committee;
- Global Food Safety Initiative/ GFSI;
- etc

Thank You

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