



UAE Positions Itself as Global Hub for Halal Products



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 **Quick read**

- The UAE is investing substantially in the halal food industry and is using internationally recognised certification standards to that end
- The new Halal National Mark will be carried on all products, services or production systems declared as Halal
- The global Halal food market will be worth \$1.6 trillion by 2018, up from US\$1.1 trillion in 2013
- The six GCC states import approximately one million tonnes of halal poultry and more than 200,000 tonnes of halal beef annually, with Saudi Arabia being the biggest market.
- A key challenge for the segment is the absence of globally accepted Halal food standards. For instance, Malaysia has 45 approved halal certification bodies, while Indonesia has 40, and the GCC countries have 52 such agencies.
- Organisations such as the International Halal Integrity Alliance are trying to develop such standards in order to boost and popularise halal food production and trade.

Introduction

The United Arab Emirates is planning to challenge Malaysia as the global hub of the halal food industry by implementing internationally recognised certification standards and encouraging the re-export of halal products through the gulf state's trading centres

Halal Products Standards

In November last the UAE's food standards authority launched a new 'Halal National Mark' to standardise Halal certification in the country. The new mark will have to be carried by any product, service or production system declared as Halal, with all products facing a testing regime designed by the Emirates Authority for Standardization & Metrology (ESMA).

The standards have already been published, however no date has been announced for implementation of the guidelines.

Global Trade of Halal Products

Dubai Exports, the emirates export promotion agency, is also signing memoranda of understanding with trade bodies from food exporting countries around the world in a bid to improve global Halal trade.



A recent report carried out by Thompson Reuters estimates that the global Halal food market will be worth \$1.6 trillion by 2018, up from US\$1.1 trillion in 2013

The goal is to create a Halal trade network using common standards for Halal products. This would allow companies wanting to export Halal compliant products to tap into a network of other producers and distributors, making it easier to sell Halal products around the world.

A recent report carried out by Thompson Reuters estimates that the global Halal food market will be worth \$1.6 trillion by 2018, up from US\$1.1 trillion in 2013. Halal food comprises almost one-fifth of the global food market and is growing at around seven percent per annum. The global market for halal foods

includes South-East, South and Central Asia; Africa; Europe and the US.

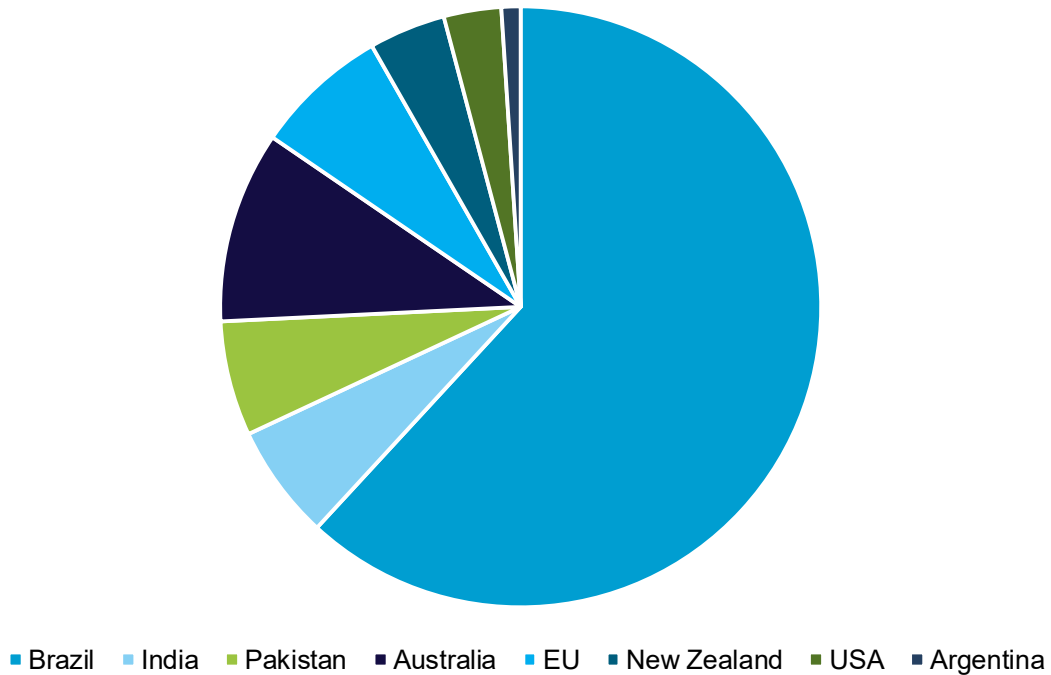
GCC Market Share

The GCC market's share of the market exceeds \$50 billion, despite the population being considerably smaller than many other regional markets. According to Halal Industry Development Corporation - a Malaysian halal standards body - the six GCC states import approximately one million tonnes of halal poultry and more than 200,000 tonnes of halal beef annually, with Saudi Arabia being the biggest market.

For its part, the UAE imports \$20 billion of halal food each year, with unpackaged meat making up 80 percent of the trade. Retail sales comprise approximately 44 percent of the market, with the food service industry making up 48 percent. Approximately half of the UAE's 314,000 tonnes of imported halal meat comes from Brazil, where more than 300 producers of food and beverages have achieved



Figure 1: GCC Halal Meat Imports by Source



Source: World Bank, Blominvest

Halal certification, through the Centre for Promotion of Islam to Latin America. The next biggest providers are the US, Australia, Pakistan, India, the EU, New Zealand and Argentina.

Several UAE companies such as Al Islami, Al Kabeer, and Al Areeshare are engaged in the re-export of Halal food.

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Global Certification

Halal food, according to the Food and Agriculture Organization of the United Nations (FAO), is defined by Islamic law as lawful food permitted for consumption. Halal food products cannot consist of or contain anything which is considered unlawful under Islamic law and there are strict criteria governing the entire supply chain - from slaughtering of animals,

processing and transportation to kitchen preparation and storage. As a general rule, any food or drink that is harmful to health is not considered halal. Currently, Malaysia is at the centre of halal food innovation and certification.

A key challenge for the segment is the absence of globally accepted Halal food standards. For instance, Malaysia has 45 approved halal certification bodies, while Indonesia has 40, and the GCC countries have 52 such agencies. Organisations such as the International Halal Integrity Alliance are trying to develop such standards in order to boost and popularise halal food production and trade.

Finally, the Islamic Chamber of Commerce’s recent commitment to enforcing a strict code on companies exporting Halal products was a step in the right direction and I look forward to seeing such a code effectively implemented. However, such an initiative requires the Islamic Chamber of Commerce to ensure they setup a transparent and enforceable process free from favouritism.



Conclusion

The six GCC states import approximately one million tonnes of halal poultry and more than 200,000 tonnes of halal beef annually, with Saudi Arabia being the biggest market. A key challenge for the segment is the absence of globally accepted Halal food standards. For instance, Malaysia has 45 approved halal certification bodies, while Indonesia has 40, and the GCC countries have 52 such agencies. The UAE is investing substantially in the halal food industry and is using internationally recognised certification standards to that end. The new Halal National Mark will be carried on all products, services or production systems declared as Halal.



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