

Demand for Halal Food Rises as Muslim Populations Grow

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This Monday, Feb. 24, 2014 photo shows a visitor talking with a representative of a halal food producer from Saudi Arabia during a halal food exhibition in Dubai, United Arab Emirates. The global halal food and lifestyle industry is estimated to be worth hundreds of billions of dollars and is multiplying in size as Muslim populations around the world grow. Producers outside the Muslim world — from Brazil to the U.S. and Australia — are eager to tap into that market. (AP Photo/Aya Batrawy)

DUBAI, United Arab Emirates (AP) — The global industry for halal food and lifestyle products — ones that meet Islamic law standards of manufacture — is estimated to be worth hundreds of billions of dollars and is multiplying as Muslim populations grow. Producers outside the Muslim world, from Brazil to the U.S. and Australia, are eager to tap into the market.

The United Arab Emirates is positioning itself to be their gateway, part of its push to become a global center of Islamic business and finance.

UAE officials announced last month that the city of Dubai has dedicated around 6.7 million square feet of land in Dubai Industrial City for a "Halal Cluster" for manufacturing and logistic companies that deal in halal food, cosmetics and personal care items.

Dubai Industrial City CEO Abdullah Belhoul said the idea to create a zone just for halal manufacturers was driven by the increased demand locally and internationally for such products.

"This industry itself, we know it is growing," Belhoul told The Associated Press. He said the industry is expected to double in terms of value within five years. "So we think there is a lot of opportunity... and we need to capitalize on this."

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The world's Muslim population is estimated at around 1.6 billion, and the majority is believed to adhere to or prefer to adhere to halal products when possible. The general understanding is that halal products should not be contaminated with pork or alcohol and that livestock is slaughtered in accordance with Islamic Shariah law. Similar to kosher practices, Islam requires the animal is killed with single slash to the throat while alive. It is intended as a way for animals to die swiftly and minimize their pain.

However, as with most issues in religion, opinions vary greatly over what is permissible and what is not. Despite attempts by international Islamic bodies, such as the World Halal Food Council, to achieve worldwide guidelines, there are no global standards for halal certifications.

Stricter interpreters of Shariah say chicken must be slaughtered by hand to be considered halal. Others say it is acceptable if the chicken is slaughtered by machine, as is the case in much of the fast-paced food industry around the world. To accommodate various Muslim consumers, several companies even specify on their packaging how the chicken was slaughtered.

Belhoul said that if halal products are manufactured in the UAE, they will need to be certified halal by the government body that oversees this. But, as with most countries, if the halal products, such as livestock or raw material, are being imported from abroad for processing in the UAE, then the stamp of approval comes from Islamic organizations in the exporting country.

This is where organizations such as Halal Control in Germany have an important role to play, said General Manager Mahmoud Tatari. He said that when the company started 14 years ago in Europe, there was little awareness or demand for halal products. Today, Halal Control has 12 Islamic scholars who offer guidance on certifications to international companies such as Nestle and Unilever who want to do business in the Muslim world.

Halal Control, which concentrates on products made in Europe, does not certify meat and poultry, but almost everything else from dairy products to food ingredients. Tatari said Muslims around the world may think they are eating halal-certified food, but that often raw materials may include alcohol or pork gelatin in candies and soups, or may have been cross-contaminated during production.

"It is a process and this will take maybe now five to 10 years (until) we can more safely eat halal," he said.

Malaysia is the global leader in developing the halal industry and putting forth the highest standards, said Tatari and others in the industry.

Malaysia exported \$9.8 billion worth of halal products in 2013, the Oxford Business Group said. That makes it one of the largest suppliers in the Organization of Islamic Cooperation, an international group with 57 members.

U.S. manufacturers, such as Kelloggs and Hershey, plan to build halal-compliant

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plants in Malaysia. The Oxford Business Group says Indonesia, with the world's largest Muslim population, plans to establish a center for the halal industry in 2015. In Thailand, more than a quarter of food factories are already making halal products.

But it is in the Gulf, where countries almost entirely rely on food imports, where the halal industry seems to have the biggest potential for growth in the coming years.

Brazil is the world's second top exporter of meat and poultry to Muslim-majority countries after the U.S. The Brasil Food Company, which is among the world's largest food companies, plans to open its first manufacturing site in the Middle East in UAE's capital, Abu Dhabi, in June. The factory will process poultry from Brazil for repackaging and shipping to other countries.

"Having the factory will allow us to be closer to the market and will allow us go to different markets that today we cannot export to from Brazil," BRF Quality Assurance Supervisor Tiago Brilhante said. The company already exports 70,000 tons of chicken to the Middle East each month, making the region its biggest export market.

Datamonitor, a company that provides market and data analysis, says halal food already accounts for about a fifth of world food trade, and the Muslim market is growing substantially. According to a Global Futures and Foresights Study, 70 percent of the world's population increase from 7 billion today to 9 billion people by 2050 will be born in Muslim countries.

Already in Muslim-majority countries, outlets like McDonald's, Subway and Papa John's pizza serve halal to their customers.

In the U.S., the family-run Midamar Corporation, based out of Cedar Rapids, Iowa, has been tapping into the halal market since 1974. Midamar exports American beef and chicken to around 35 countries.

Jalel Aossej said the company's halal certification comes from an organization his father started called the Islamic Services of America, which he says was the first of its kind in the U.S.

Today there are around 30 halal certification bodies in the U.S. and several mainstream supermarkets that carry halal food items.

Even in markets where Muslims are not the majority, there are billions of dollars to be made in the halal industry. The Islamic Food and Nutrition Council of America, a not-for-profit halal certification organization, said the domestic U.S. halal market is estimated at \$20 billion.

Mark Napier, director of the Gulfood trade show that brings together more than 4,500 food and beverage vendors from around the world to the Dubai World Trade Center annually, said producers of halal products want to serve markets where their supply is not keeping up with demand. Many Muslims in the West buy Jewish kosher

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products when their halal counterparts are not available.

"Food business is big business," Napier said. "Producers are increasingly aware of the need for halal standards and certification and bringing that to the fore of their export promotions."

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