

Pakistan ranks 22nd in the world export of Halal meat

by Professor Dr. Noor Ahmed Memon, Dadabhoy Institute of Higher Education.

Export of Halal meat (Beef and Mutton) from Pakistan decreased from \$243 million in 2015-16 to \$192 million during 2016-17, thus showing decline of 21%. A major reason for Pakistan's failure to capitalize on the global Halal meat industry is the lack of effective enforcement of Halal standards. About 80% of Pakistan's Halal meat exports go to the Middle East and Gulf countries, major destinations being UAE, Saudi Arabia and Kuwait.

Pakistan ranks 22nd in the world export of Halal meat. However, more than 85% of Pakistan's meat exports consist of beef. On the other hand Pakistan is the 9th largest producer and consumer of beef. According to a recent report, an average Pakistani consumes three times more meat than an Indian.

Brazil was its largest exporter followed by India, Australia, the US and New Zealand. The largest importer was Russia and the US was the biggest producer as well as consumer of beef.

As far as the Middle East is concerned, a major advantage that Pakistan has is proximity to the region than any of its rivals, Australia, Brazil and India, who pay higher shipping costs. However, they still control this market.

Table 1: Live stock Population (Million Nos)

Year	Buffaloes	Cattle	Goats	Sheep
2012-13	33.7	38.3	64.9	28.8
2013-14	34.6	39.7	66.6	29.1
2014-15	33.6	41.2	68.4	29.4
2015-16	36.6	42.8	70.3	29.8
2016-17	37.7	44.4	72.2	30.1

Source: Ministry of National Food Security and Research

Brazil commands 39% of the region's beef imports and dominates the meat market in Iran. Some countries exporting the Halal brand are non-Muslims, such as Brazil, Australia, New Zealand, and India, who are the leading countries exporting Halal brands. It is important to note that awareness about Halal is higher in those countries where Muslims are in minority.

Livestock Population: Livestock contributed approximately 58.3% to the agriculture value added and 11.4% to the overall GDP during 2016-17 compared to 58.3% and 11.6% during the corresponding period last year, respectively. Livestock has an important and crucial role in rural economy and rural socio economic development. Nearly 8 million families are involved in livestock rising deriving more than 35% income from

livestock production activities. It is central to the livelihood of the rural poor in the country. It is a source of cash income, providing a vital and often the only source of income for the rural and most marginal people. It can play an important role in poverty alleviation and foreign exchange earnings for the country.

Pakistan has immense potential to get big share in global

Halal market because Pakistan is an agriculture state with more than 184 million heads of quality livestock with 82 million cattle and buffaloes and 102 million sheep and goats. Livestock populations are shown in **Table-1**.

Meat Production: Poultry meat contributes 31% of the total meat production in the country. The commercial layer, breeders and broiler stocks showed estimated growth of 7.0%, 5.0% and 10% respectively while rural poultry developed @ 1.5% when compared to 2015-16. The poultry has contributed 1.4% in GDP during 2016-17 while its contribution in agriculture and livestock value added stood at 7.1% and 12.2% respectively. The poultry value added at current factor cost has increased from Rs. 151.1 billion in 2015-16 to Rs. 162.8 billion in 2016-

Exclusive on Halal Meat

17, showing an increase of 7.7% compared to the same period last year.

As per government statistics the average growth of livestock in Pakistan was 2.5% as compared to human population that is growing at the rate of about 2.0% annually. As a result, the prices of beef and meat in Pakistan are much higher than prices in India, Bangladesh, Nepal, and Sri Lanka. Pakistan is producing 1.276 million tonnes Chicken meat, 2.085 million tonnes Beef, 701,000 tonnes Mutton meat every year. Productions of Halal meats are shown in **Table-2**.

Export of Halal meat: Pakistan exported mutton amounting to US \$ 30.28 million and US \$ 162.59 million beef in 2016-17 to various countries. Major international markets for Pakistani mutton and beef are UAE, Saudi Arabia, Bahrain, Kuwait, Oman and Qatar. Country-wise export of mutton and beef from Pakistan are given in **Table-3** and **Table-4**.

Pakistan has a great opportunity to get a big share in the global Halal market and in Pakistan here completely halal production base and direct access consumers in Central Asia, Middle East and Europe.

Global Halal markets

There are about 1.8 billion Muslims around the world, most of whom only consume halal meat. Halal meat is gaining popularity across the world due to its scientific and hygienic slaughtering and processing methods.

The Halal-certified food and beverage industry is valued at US\$ 415 billion. Eight of the 10 largest suppliers of global halal meat are non-Muslim majority countries, with Brazil, Australia and India at the top. Halal food represents close to 20% of the entire global food industry. With expected increases in both population and income of Halal consumers, and coupled with the expected increase in demand for food by more than 70% by 2050, the future demand for halal food is strong. Many food economists posit that the halal food industry will become a major market force in the near future.

The Halal market has witnessed a universal shift in the demand and supply chains of halal food products. They are

increasingly made available in Western-style grocery stores including supermarkets and hypermarket chains. In many western countries, supermarkets and food producers are starting to reach out to Muslim consumers by offering a wider selection of Halal food products. Halal food is becoming an increasing part of the Western diet and has become a multi-billion dollar global industry involving multinationals like Tesco, Unilever and Nestle who have aggressively expanded their halal-certified product lines.

The global Halal food market is anticipated to reach US\$ 2.55 trillion by 2024 driven by the rising demand for the consumption of halal meat which is healthy and made in a hygienic manner. Thus, making it one of the fastest growing consumer segments in the world.

The Halal industry has now expanded beyond the food sector to include pharmaceuticals, cosmetics, health products, toiletries and medical devices as well as service sector components such as logistics, marketing, print and electronic media, packaging, branding, and financing. In recent years, with the increase in the number of affluent Muslims, the halal industry has expanded further into lifestyle offerings including halal travel and hospitality services as well as fashion. This development has been triggered by the change in the mind set of Muslim consumers as well as ethical consumer trends worldwide.

Table 2: Production of Halal Meat (000 Tonnes)

Year	Beef	Mutton	Poultry
2012-13	1,829	643	907
2013-14	1,887	657	987
2014-15	1,951	671	1,074
2015-16	2,017	686	1,170
2016-17	2,085	701	1,276

Source: Pakistan Economic Survey 2016-17 Government of Pakistan

Table 3: Export of Halal Meat and Preparation
US\$ 000

Year	Value	% Change
2012-13	210,881	+ 21.3
2013-14	229,924	+ 9.0
2014-15	243,529	+ 5.9
2015-16	242,791	- 1.1
2016-17	192,868	- 20.5

Source: Trade Development Authority of Pakistan

Future Prospects

Halal meat is one of the fastest growing markets in the world, contributing around 16% to the total world trade, but Pakistan's share in this is not as much as it should be, necessitating extra efforts on the part of the government to give much needed boost to this sector.

The country is focusing on modern and hygienic slaughterhouses in order to maintain the international standards for frozen or chilled red meat. In Pakistan, it is quite encouraging that nearly all the slaughter houses have either upgraded their plants or they are in the stages of total mechanization and up gradation. It means that this industry now is preparing itself for entering in harsh competition of global Halal meat trade. In Pakistan, a lot of companies have set up state of the art equipment and well trained staff under the guidance of international consultants but the industry is still a long way from reaching those levels. Pakistan is targeting for market access in Russia, China, South Africa, Egypt, Hong Kong and Indonesia besides the Middle East countries for meat and meat products.

Halal beef, mutton and chicken markets are dominated by non-Muslim economies, as most of the Middle Eastern Muslim economies import Halal food from Australia, Brazil and other non-Muslim countries.

In 2016-17, Pakistan exported US\$ 192 million of beef and mutton. The country has been producing more poultry products in the last five to seven years.

Table 4: Export of Mutton from Pakistan
(Value: US\$ 000)

Country	2016-17	2015-16
Saudi Arabia	14,947	29,828
U.A.E	9,672	11,622
Oman	1,958	3,254
Kuwait	1,150	1,799
Germany	538	--
Vietnam	271	--
Malaysia	94	--
Others	1,649	7,259
Total	30,279	53,762

Source: Trade Development Authority of Pakistan

Table 5: Export of Beef from Pakistan
(Value: US\$ 000)

Country	2016-17	2015-16
U.A.E	68,924	80,010
Saudi Arabia	35,717	37,076
Kuwait	26,579	27,781
Vietnam	11,116	17,935
Oman	8,096	8,726
Bahrain	6,278	12,535
Qatar	3,020	3,409
Afghanistan	2,127	52
Malaysia	102	10
Others	630	1,495
Total	162,589	189,029

Source: Trade Development Authority of Pakistan

However, it has not been able to market its poultry overseas because of the ban by some countries on the ground that internationally accepted healthy, hygiene and quarantine standards were either not met or otherwise not accredited by the relevant government agencies.

With the UAE lifting the ban on importing poultry and poultry products from Pakistan, the country is expanding to reach other international markets.

Friesl and Campina, Netherlands based multinational company, has taken more than 51 % of Karachi-based Engro Food Pakistan. According to the source, this is one of the biggest private sector investments in poultry industry of Pakistan, which amounts to around US\$450 million. With this, the country hopes to improve export of dairy products in key international market.

Pakistan has a 100% Halal production base and has direct access to 470 million consumers in Central Asia, Middle East and Europe. Pakistan has a great opportunity to gain a big share in the global Halal market by enhancing production and improving quality.

Lahore Chamber of Commerce and Industry claims that Halal meat exports from Punjab have made remarkable progress over the last few years owing to positive steps taken by the provincial government. The Punjab government has also started work on Halal certification which can go a long way in further facilitating exporters of Halal products. It is claimed that about 50 Halal certified companies have emerged in recent past and are now engaged in export business and that there are also state-of-the-art Halal slaughter houses in the province complying with international best practices.

Some companies are using Australian technology and their beef and mutton plants are equipped with the most updated systems available. Their main customers are from Saudi Arabia, UAE, Oman, Qatar, Kuwait and Bahrain.

References

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