

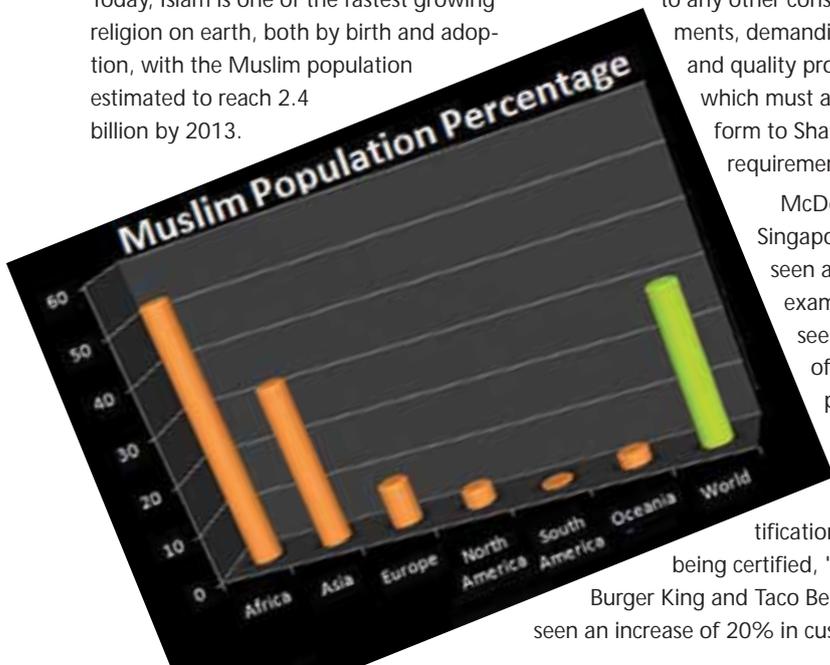
# Pakistani halal meat gaining ground in international market

by Dr. Noor Ahmed Memon

Pakistan, one of the largest Muslim populated countries, is not benefiting from the \$2 trillion halal food market, and has a negligible share in the industry. Today, Islam is one of the fastest growing religion on earth, both by birth and adoption, with the Muslim population estimated to reach 2.4 billion by 2013.

The study of consumer behaviour is vital when it comes to marketing of halal products. The fact of the matter is that Muslim consumers are very much similar to any other consumer segments, demanding healthy and quality products, which must also conform to Shariah requirements.

Halal logo has now become a symbol of quality and religious compliance and this makes it sound as the new green. Another reason for acceptance of Halal within the global population is the process of assimilation. Foreign foods in some countries as in Europe have become assimilated and local tastes are changing, encouraged by global tourism and immigrations. Curry is now the number one take away meal in the United Kingdom and kebabs are a typical German staple.



McDonald's in Singapore can be seen as a prime example; it has seen an influx of 8.0 million patrons a year after obtaining a Halal certification. Since being certified, "Halal, KFC, Burger King and Taco Bell have all seen an increase of 20% in customers".

Some countries exporting the halal brand are non-Muslims, such as Brazil, USA, Canada, Australia, New Zealand, France, Thailand and India, who are the leading countries exporting halal brands. India exported halal brand products worth \$21 billion in 2010. It is important to note that awareness about halal is higher in those countries where Muslims are in minority.

However, Muslims living outside the Sub continent and Middle East are more in need of halal products and services, which creates a big opportunity for suppliers of halal products. In Europe, the market size of halal foods is estimated to be \$66 billion, with France having the largest share of approximately \$17 billion. In the UK, halal meat sale alone is worth over \$600 million annually.

The American Muslims spend around \$13 billion on halal food products annually.

The GCC's halal food imports are worth approximately \$44 billion. Annual halal food trade in India is worth over \$21 billion. Indonesia's annual halal food expenditure is over \$70 billion.



## Global Halal markets

In Western Hemisphere, USA, Brazil, Canada, Australia, New Zealand and France are the biggest Halal suppliers.

In the East, Thailand is the biggest exporters of Halal certified products after Philippines, Malaysia, Indonesia, Singapore and India are the leading Halal products suppliers to the world.

Brazil exports one million frozen Halal chickens per annum to 100 countries and 300,000 tonnes of Halal beef products to Saudi Arabia, GCC, Egypt and Iran.

France exports 750,000 tonnes Halal frozen chickens annually to Saudi Arabia, Kuwait, UAE and Yemen.

United States is the third largest beef exporter in the world and more than 80% of its frozen beef is Halal.

New Zealand is the fourth largest beef exporter in the world and 40% of its beef products exports are Halal.

Pakistan's strength is a 100% halal production base from a Muslim country, with over 170 million consumers within Pakistan and a direct access to a grand total of 470 million halal consumers in Afghanistan, Central Asia and the Middle East.

Halal industry experts believe the size of total global halal market (including all halal food, non-food products and services) ranges from a minimum of \$1.2 trillion to \$2 trillion per annum.

More than 80% of the world halal trade is done by non-Muslim countries, both in the West and East, which, by utilizing halal branding and

concepts to their economic benefit.

As a result, today in many Muslim countries, Halal poultry, meat, dairy products and other foods are predominantly imported from Europe, Australia, New Zealand, and America. And the consumers are happy because they are not only getting Halal food, but also high quality food.

Easily recognizable Halal accreditation labels will promote the religious compliance for the Muslims; however it needs to appear with a forward-looking font to differentiate it from other trademarks. Stylized Arabic fonts very much associated with Islam can be incorporated into the labels.

The reason for this vast thriving market goes hand in hand with halal products being widely recognized for their quality assurance and the halal label to become a symbol of good quality product.

Pakistani halal meat are gaining ground in international halal market therefore the government

Table 1: Growth Live stock Population (Million Nos)

Year	Buffaloes	Cattle	Goats	Sheep	Poultry
1990-91	17.8	17.7	37.0	26.3	146.9
1991-92	18.3	17.7	38.7	27.4	156.2
1992-93	18.7	17.8	40.2	27.7	182.6
1993-94	19.2	17.8	42.0	28.3	250.0
1994-95	19.7	17.8	43.8	29.1	318.8
1995-96	20.3	20.4	41.2	23.5	350.0
1996-97	20.8	20.8	42.6	23.7	382.0
1997-98	21.4	21.2	44.2	23.8	276.0
1998-99	22.0	21.6	45.8	23.9	278.0
1999-00	22.7	22.0	47.4	24.1	282.0
2000-01	23.3	22.4	49.1	24.2	292.4
2001-02	24.0	22.8	50.9	24.4	330.0
2002-03	24.8	23.3	52.8	24.6	346.1
2003-04	25.5	23.8	54.7	24.7	352.6
2004-05	26.3	24.2	56.7	24.9	372.0
2005-06	27.3	29.6	53.8	26.5	433.8
2006-07	28.2	30.7	55.2	26.8	477.0
2007-08	29.0	31.8	56.7	27.1	518.0
2008-09	29.9	33.0	58.3	27.4	562.0
2009-10	30.8	34.3	59.9	27.8	610.0
2010-11	31.7	35.6	61.55	28.1	663.0
2011-12	32.7	36.9	63.1	28.4	721.0
2012-13	33.7	38.3	64.9	28.8	785.0

Source: Ministry of National Food Security and Research

should expedite measures to start certification to give required boost to this trade in the world trade.

Pakistan's export had increased from zero-level in the last five years, but it was still negligible, as the government is not providing any help or initiative.

## Livestock Population

Pakistan's livestock provides net source of foreign earnings. Historically livestock has been dominated by small holders to meet their needs of milk, food security and cash income on daily basis. Moreover, livestock is considered a source of employment generation at rural level, helping to reduce income variability. It is central to the livelihood of the rural poor in the country and can play an important role in poverty alleviation and keep in uplifting the socio-economic condition of our rural masses.

Almost 35 to 40 million rural populations are dependent on livestock.



It contributed approximately 55.4% to the agricultural value added and 11.9% to national GDP during 2012-13, against 55.3% and 11.9% during the same period last year.

Gross value addition of the livestock sector at constant cost factor has increased from Rs.735 billion (2011-12) to Rs.756 billion (2012-13); showing an increase of 2.9 % as compared to previous year. Growth of livestock population is given in Table 1.

### Role of Foreign Aid Agencies

Foreign aid agencies of two developed countries are assisting Pakistan's two major provinces to develop their livestock sector on sound lines. These are Japan International Cooperation Agency (JICA) and the United States Agency for International Development (USAID).

JICA has signed an agreement with Sindh government to help revive its livestock potential under a five-year project. The project marks the beginning of implementation of a livestock development master plan jointly worked out by the provincial government and Japanese experts. The plan will cover the period until 2020, based on the scrutiny carried out from 2011 to 2012.

The USAID has helped the Punjab government by preparing a draft of a new law called Punjab Animal Welfare Act, 2013, on behalf of the livestock and dairy development department.

Livestock statistics show that Sindh has 6.92 million cattle, 7.34 million buffaloes, 3.96 million sheep, 1.26 million goats and 278,000 camels while the accumulated livestock holdings of the province stands at 21% of the country.

Most of the livestock production system in Pakistan is age-old and subsistence oriented. Sire (bull) is being bred with low genetic potential. The breed with best potential such as Sahiwal cow and Nili-Ravi buffalo are rarely found on the farms of small and middle-class farmers who contribute a bigger share of cattle-heads.

According to Japanese experts, the huge size of Pakistani animal population is a significant sign of the great potential

<b>Table 2: Production of Halal Meat</b> (000 Tonnes)			
Year	Meat		
	Beef	Mutton	Poultry
1990-91	665	151	48.1
1991-92	713	169	49.3
1992-93	763	265	50.5
1993-94	817	296	51.7
1994-95	875	308	53.1
1995-96	587	355	38.1
1996-97	602	387	38.3
1997-98	617	284	38.5
1998-99	633	310	38.7
1999-00	649	322	38.9
2000-01	666	339	39.2
2001-02	683	355	39.4
2002-03	702	370	39.7
2003-04	720	378	39.9
2004-05	739	384	40.0
2005-06	554	512	40.1
2006-07	566	554	40.6
2007-08	578	601	41.0
2008-09	590	652	41.5
2009-10	603	707	42.0
2010-11	616	767	42.5
2011-12	629	834	43.0
2012-13	643	907	43.6

Source: Ministry of National Food Security and Research

for the livestock development in terms of high production capability. The population of cattle was the largest at 38.3 million during 2012-13 of buffaloes it was 33.7 million, of sheep 28.8 million and of goats 64.9 million.

### Future Plans

The future plan of the Federal Ministry of livestock and dairy development sector is to achieve 5% growth in meat and 8% in milk production, which are currently around 3%, by discouraging subsistence livestock farming and encouraging market-oriented and commercial farming covering the entire value chain from farm to plate. Besides, the Ministry plans to promote diversification of livestock products, help the sector play a

leading role in the global halal food market and control trans-boundary animal diseases of trade and economic importance.

Meanwhile, a land measuring 2,500 acres has already been earmarked in district Thatta, about 230 kms from Karachi, for setting up Bhambhore dairy and meat processing zone by Sindh's livestock department. Sindh Board of Investment in collaboration with the department would undertake the investment part of the project. The government has started giving some attention to this sector but no big investment, much less from abroad, has been seen in dairy, beef, mutton sub-sectors of livestock.

The Punjab government has allocated a sum of Rs 7.2 billion for agriculture and livestock sectors in its ADP for 2013-14. Of this, Rs1.7 billion has been allocated for livestock sector. The break-up shows that Rs 739 million has been set aside for new schemes in livestock sector and Rs 261 million allocated for ongoing schemes.

The budget documents say that livestock is a newly emerging economic sector with high potential in terms of profitability. Farmers earn about 30% to 40% of their income from livestock. Some government initiatives planned in livestock sector are aimed at enhancing production and marketing of livestock products in Layyah, Mianwali, Khushab and Bhakkar, restructuring and re-organization of breeding services and strengthening of Buffalo Research Institute at Pattoki.

### Meat Population

Poultry meat contributes 26.8% of the total meat production in the country. Poultry sector has shown a robust growth @ 7-8% annually which reflects its inherent potential.

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. The production of halal meat is given in Table 2.



## Export of Halal Meat

Export of halal meat and meat preparation from Pakistan increased from US \$ 70.9 million in 2008-09 to US \$210.9 million in 2012-13, thus showing an average increase of 39% per annum. Pakistan exported mutton amounting to US \$ 79.4 million and US \$ 111.2 million beef in 2012-13 to various countries. Export of halal meat and meat preparation for the last five years are given in Table-3.

Major international markets for Pakistani mutton and beef are UAE, Saudi Arabia, Iran, Kuwait, Oman and Qatar. Country-wise export of mutton and beef from Pakistan are given in Table-4 and Table-5

## Future Prospects

Halal meat market is growing rapidly throughout the world and its demand is increasing day by day, Pakistan ranked 18<sup>th</sup> in the production of Halal meat market and its volume is only 2.9% of the global halal meat production which is very low.

Pakistan could play pivotal role in this growing market because Pakistan have more than 160 million quality livestock including 72 million cattle and buffalos and 94 million goats and sheep. It is important to note that there is no Muslim country included in the list of first ten Halal meat exporters, although Pakistan, Sudan and other Muslim countries have big potential of exporting halal meat globally.

Pakistan is still developing its own halal standards and there is no official halal certification body in Pakistan. The countries with Muslims majority are the

**Table 3: Export of Halal Meat and preparations form Pakistan (Value: US\$ 000)**

Year	Value
2008-09	70,926
2009-10	97,029
2010-11	132,804
2011-12	173,818
2012-13	210,881

Source: Trade Development Authority of Pakistan

most obvious target market for halal products especially for meat and meat products.

Halal Development Council is the only NGO in Pakistan dedicated to the development of halal economy. It is registered with the government to facilitate the suppliers and exporters by providing platform for halal awareness, compliance, standards, certification, branding, marketing, research, trade development, updates, investment promotion and Halal industry development.

It made its mark by organizing the first Global Halal Congress in Karachi last month jointly with co-organizer, TDAP, which was attended by more than 28 representatives from International Halal certification bodies, scientists and prominent figures from 17 countries. With the theme, 'Discover Pakistan's Halal Potential', the congress introduced the leading halal industry experts, global halal agenda promoters and international halal certifiers.

**Table 4: Country-wise Export of Mutton (Value: US\$ 000)**

country	2011-12	2012-13
Saudi Arabia	25,916	32,264
Iran	23,088	15,452
Oman	2,804	3,799
Kuwait	1,736	2,774
Qatar	1,636	1,878
Vietnam	109	--
Singapore	48	--
U.A.E	9,543	10,161
Bahrain	5,435	12,883
Others Countries	86	190
Total	70,229	79,401

Source: Trade Development Authority of Pakistan

Malaysian State Minister for Religious Affairs and Domestic Trade Haji Abdul Malik Kassim has said Pakistani halal products were fast gaining ground in international halal market therefore the government should expedite measures to start certification to give required boost to this trade.

Speaking at Halal Food Exporters Conference organised in connection with Lahore Shopping Festival 2013 by Lahore Chamber of Commerce and Industry (LCCI) in collaboration with Punjab government Malik Kassim said Malaysia is playing vital role in the expansion of Halal food industry and taking all possible measures for the promotion of halal products. Promotion of halal products is our national agenda. He expressed the optimism Pakistan could triple halal food exports by formulating and implementing policies in consultation with private sector.

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**Table 5: Country-wise Export of Beef (Value: US\$ 000)**

country	2011-12	2012-13
U.A.E	35,097	43,618
Saudi Arabia	13,461	18,135
Kuwait	10,347	15,708
Oman	8,429	10,497
Bahrain	6,819	13,234
Iran	3,122	4,212
Qatar	1,322	2,622
Afghanistan	488	852
Thailand	158	--
Malaysia	81	162
Vietnam	44	1,682
Others Countries	53	497
Total	79,315	111,219

Source: Trade Development Authority of Pakistan