

Pakistan, Malaysia to explore Halal meat market

Agriculture ministers of Pakistan and Malaysia will explore the untapped market potential of Halal meat next week in Islamabad in an attempt to meet domestic requirements of both countries and export to neighbouring countries in the region, The News has learnt.

The Malaysian agriculture minister along with a high-level delegation of agro-based industries would meet with his Pakistani counterpart and other officials in the federal capital from Dec 14 to 17 to discuss expanding trade, particularly in Halal meat, an official of the food ministry told The News. Pakistan and Malaysia have already struck a Free Trade Agreement, but bilateral trade figures are in favour of Malaysia. Such cooperation will not only go a long way towards balancing trade between the two countries, but will also help Pakistan in fully utilising its agricultural and livestock products. Malaysia's exports to Pakistan last year totalled 5.95 billion ringgit while imports amounted to 363.3m ringgit. Out of 57 Muslim countries, interestingly only Bangladesh, Iran, Malaysia, Pakistan, Egypt, Jordan, Lebanon and the UAE are in the business of Halal meat while the rest are net importers of Halal meat from developed countries like the US, China, India, Brazil, Argentina, Uruguay, Paraguay, Australia, Thailand, Kenya, France, Singapore, Spain, the Philippines and the Netherlands. Besides deliberations on Halal meat, the official said the Malaysian delegation would also sign a memorandum of understanding with a local beverage company and hold talks with officials of the Board of Investment. Pakistan has 60 million cattle, 55 million goats and sheep and 30 million buffaloes. Besides exporting meat to the Middle East, Pakistan also exports live animals to Central Asia. Meanwhile, a high-level delegation of the Ministry of Agriculture and Agro-based Industry and Department of Veterinary Services of Malaysia is currently in Pakistan to ascertain prospects of forging strategic cooperation in the field of agriculture and veterinary services. The delegation after their arrival in Islamabad on Dec 7 has been holding meetings with representatives of the Ministry of Livestock and Dairy Development and agriculture ministry, and has also been visiting various research institutes including the University of Veterinary and Animal Sciences, Artificial Insemination Centre and Veterinary Research Institute, Lahore. The delegation will also examine world-class Halal food infrastructure, set up by the private sector and will visit the Livestock Production Research Institute, Okara, and Buffalo Research Institute, Pattoki, besides meeting officials of the Punjab Board of Investment and Trade.

There are currently some 1.5 billion Muslims in the world and within the Muslim societies meat of all kinds is presumed to be halal without any label. The problem crops up in non-Muslim countries. So, Muslims look for products labelled as halal. This has led some unscrupulous food manufacturers to label their non-halal products as halal to boost sales. This has necessitated the display of the halal certification documents.

The problem is that there is no centralised body as yet that defines the standards of halal and accredits certification organisations. The lack of a sound halal certification system has been problematic in some countries, including the Middle East, home to a significant percentage of the world's Muslim population. The US, surprisingly, has a relatively good record on halal certification, but of late, there have been problems and Muslims are now trying to make the process more systematic.

With this in mind, the World Halal Forum, which met in Malaysia in May, established the International Halal Integrity Alliance whose task is to detect and counter misuse of halal label and standardize the related regulations. The alliance works on a voluntary basis to persuade companies to adopt the IHI standards. If a halal certifier is recognized by the IHI, this will give him credibility in the eyes of a Muslim consumer.

One may note that food business is less vulnerable to effects of business cycles and that's why it remained largely unaffected by the last year's financial crisis and subsequent recession. A clear evidence of this can be seen in the fast food market, where McDonalds reported a net profit increase of 80 per cent for the year 2008, because more people turned to low-cost meals. Other fast-food companies have reported a similar increase in their sales.

But it is not just the fast food sector that made good business. Halal food also did good business and in many cases Halal options were seen out-performing their non-Halal competitors. A recent report that the US Muslims have a combined annual purchasing power of \$170 billion is a good omen for the future of the halal business.

Some poultry firms in the US, which sell high quality Halal chicken products reported increased demand in 2008. As major US retailers have by now come to realise the strength of the Halal consumers, they are all demanding quick delivery of Halal chicken, beef and lamb.

Some of the major food producers who were hit by the recession are having a serious look at the Halal option as a route to economic survival. Going Halal not only gives wider access to consumers but also opens up great export potential of these commodities.

With several Muslim countries still major importers of food and a large Muslim clientele in the West, Pakistani food producers who decide to shift to Halal business will find that they have new export markets opening up for them.

With new GCC Halal slaughter guidelines being developed and more open and collaborative accreditation procedures on the way, one can expect to see favourable developments in the international markets in the near future. So despite the gloom in some sectors, there are bright prospects of lucrative business in the Halal markets.