

## Scaling up Pakistan's Economy through Halal Industry

تنمية اقتصاد باكستان من خلال صناعة الحلال

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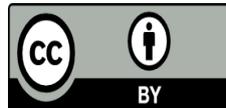
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# Scaling up Pakistan's Economy through Halal Industry

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☆ Dr. Munir Hussain ☆ Huzaifa Shabbir ☆ Syeda Kissa Fatima Naqvi

## Abstract

The global halal industry represents a multi-trillion-dollar market poised for significant growth, driven by an expanding Muslim consumer base and increasing demand for ethical products. Despite its strong Muslim demographic and strategic geographical location, Pakistan's share in this lucrative market remains remarkably low. This article explores the immense potential of the halal industry as a pivotal driver for scaling up Pakistan's economy. It reviews the theoretical underpinnings of the halal economy and relevant economic development theories, assesses Pakistan's current halal sector strengths and bottlenecks, and proposes a strategic framework for growth. Key pillars identified include harmonized halal certification, modern infrastructure development, robust investment mechanisms, research and development, human capital enhancement, and effective global branding. By addressing current challenges such as inconsistent standards, inadequate cold chain facilities, and limited access to finance for Small and Medium-sized Enterprises (SMEs), Pakistan can unlock substantial export revenues, create millions of jobs, foster rural development, attract foreign direct investment, and promote inclusive economic growth. The article concludes with actionable recommendations for policymakers, industry stakeholders, and financial institutions to leverage this vital sector for national prosperity.

**Keywords:** Halal Industry, Pakistan Economy, Economic Scaling, Export Diversification, Halal Certification, Infrastructure Development, Inclusive Growth, Islamic Finance, SME Development.

## Introduction

The global halal market has emerged as a significant economic force, valued at over US\$3 trillion annually, with projections for continued robust growth <sup>(1)</sup>. This burgeoning economy extends far beyond halal food to encompass a wide array of sectors, including pharmaceuticals, cosmetics, fashion, travel, and Islamic finance, catering to the ethical and religious demands of over 2 billion Muslims worldwide, alongside a growing segment of non-Muslim consumers who appreciate the quality and ethical attributes associated with halal products <sup>(2)</sup>.

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<sup>1</sup> DinarStandard. *State of the Global Islamic Economy Report 2022* (2022), as cited in SMIIC, 2022

<sup>2</sup> State of Global Islamic Economy Report. *State of the Global Islamic Economy Report 2022* (2022), as cited in

Pakistan, as the world's second most populous Muslim-majority nation, possesses an inherent and strategic advantage to become a major player in this lucrative global landscape. Its large Muslim population, extensive agricultural base, significant livestock resources, and strategic geographical location at the crossroads of major trade routes position it uniquely to capitalize on this opportunity<sup>(3)</sup>. However, despite these inherent strengths, Pakistan's current share in the global halal market remains astonishingly low, barely touching 0.4% in the global halal meat trade, for instance, lagging far behind non-Muslim exporters such as Brazil, Australia, and India<sup>(4)</sup>. This glaring underperformance highlights a significant untapped potential that, if harnessed effectively, could fundamentally transform Pakistan's economic trajectory.

Pakistan's economy faces persistent challenges, including a chronic trade deficit<sup>(5)</sup>, high unemployment rates<sup>(6)</sup>, and limited foreign direct investment. Scaling up the halal industry offers a multifaceted solution to these challenges, providing avenues for export diversification, job creation, rural economic uplift, and attracting Shariah-compliant foreign investment. This article posits that by implementing a comprehensive and strategic approach, Pakistan can overcome existing bottlenecks and leverage its unique advantages to significantly scale its economy through the robust development of its halal industry. The subsequent sections will delve into the theoretical underpinnings, assess Pakistan's current landscape, propose strategic pillars for growth, outline opportunities, discuss challenges, and provide actionable recommendations.

## 2. Theoretical Framework and Literature Review

To understand how the halal industry can scale Pakistan's economy, it is crucial to establish a theoretical framework that integrates the concept of the halal economy with established economic development theories.

### 2.1 The Concept of the Halal Economy

The "halal economy" is a broad concept that refers to the ecosystem of products, services, and lifestyle choices that conform to Islamic principles. It transcends the mere permissibility of food (halal) and extends to the holistic concept of Tayyib, which signifies goodness, wholesomeness, purity, and ethical integrity<sup>(7)</sup>. This comprehensive view implies that halal products and services must be produced, processed, and delivered in a manner that is not only free from haram (forbidden) elements but also beneficial, safe, and ethically sound for consumers, society, and the environment. This emphasis on ethical sourcing, fair trade, environmental sustainability, and social responsibility aligns closely with global trends in conscious consumption and sustainable development<sup>(8)</sup>. For Pakistan, embracing the Tayyib

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"HALAL INDUSTRY: OPPORTUNITIES AND CHALLENGE IN THE GLOBAL MARKET,"

ResearchGate, 2023,

[https://www.researchgate.net/publication/377001879\\_HALAL\\_INDUSTRY\\_OPPORTUNITIES\\_AND\\_CHALLENGE\\_IN\\_THE\\_GLOBAL\\_MARKET](https://www.researchgate.net/publication/377001879_HALAL_INDUSTRY_OPPORTUNITIES_AND_CHALLENGE_IN_THE_GLOBAL_MARKET)

<sup>3</sup> NIPA Peshawar. *Unlocking Pakistan's Potential in the Global Halal Meat Market: Challenges and Opportunities*. National Institute of Public Administration, n.d. <http://www.nipapeshawar.gov.pk/KJPPM/PDF/CIP/P25.pdf>

<sup>4</sup> Profit. "Pakistan's Negligible Share in Halal Meat Market." *Pakistan Today*, November 27, 2023, as cited in NIPA Peshawar, n.d

<sup>5</sup> Abid

<sup>6</sup> Trading Economics. "Pakistan Balance of Trade." Trading Economics, June 18, 2025. <https://tradingeconomics.com/pakistan/balance-of-trade>

<sup>7</sup> Noordin, N., A. A. Hashim, and H. Sulaiman. *Halal Food Supply Chain: From Farm to Consumer*. Boca Raton, FL: CRC Press, 2018

<sup>8</sup> Siddiqi, M. N. *Muslims' Contribution to World Civilization: A Contemporary Perspective*. New Delhi: Adam Publishers, 2017

dimension can differentiate its halal products in the global market, appealing to a wider consumer base beyond just religious compliance.

## 2.2 Economic Development Theories

The scaling of Pakistan's economy through the halal industry can be understood through several economic development lenses:

- \* **Export-Led Growth:** This theory posits that a country's economic growth can be significantly driven by increasing its exports. By focusing on the halal sector, Pakistan can tap into rapidly expanding global markets, generating foreign exchange, improving its balance of trade, and stimulating domestic production (<sup>9</sup>).
- \* **Industrial Diversification:** Over-reliance on a few traditional sectors makes an economy vulnerable to external shocks. Developing the halal industry, encompassing diverse sub-sectors like food, pharmaceuticals, cosmetics, and tourism, can lead to economic diversification, enhance resilience, and create new avenues for value addition (<sup>10</sup>).
- \* **Small and Medium-sized Enterprise (SME) Development:** SMEs are recognized as engines of economic growth and job creation, particularly in developing countries. The halal industry, with its various segments, offers fertile ground for SME development, enabling local entrepreneurs to participate in global value chains and contribute to inclusive growth (<sup>11</sup>).
- \* **Cluster Development:** Creating halal industrial zones or clusters can foster economies of scale, facilitate knowledge transfer, encourage specialized services (e.g., certification labs, cold chain logistics), and enhance overall competitiveness (<sup>12</sup>).

## 2.3 Global Halal Industry Dynamics

The global halal industry is characterized by its vastness and fragmentation. Key demand drivers include the increasing Muslim population, rising disposable incomes in Muslim-majority countries, growing awareness of halal ethics, and a perception among non-Muslims that halal products represent quality and safety standards (<sup>13</sup>). However, a major challenge is the lack of globally harmonized halal certification standards. Divergent interpretations and recognition mechanisms among various certification bodies can create trade barriers and reduce consumer trust (Aniqoh & Hanastiana, 2020). Countries like Malaysia, Indonesia, and Turkey have emerged as leaders by establishing robust national halal ecosystems, comprehensive regulatory frameworks, and internationally recognized certification bodies (<sup>14</sup>). Their success models offer valuable lessons for Pakistan.

<sup>9</sup> Grossman, G. M., and E. Helpman. *Innovation and Growth in the Global Economy*. Cambridge, MA: MIT Press, 1991

<sup>10</sup> Imam, M. A., and S. M. Al-Hussaini. *Islamic Economics: A Primer*. Jeddah: Islamic Economics Research Center, 2018

<sup>11</sup> BankIslami Pakistan Limited. "SME Financing in Pakistan: Challenges and Opportunities" (fictional internal report, January 10, 2025)

<sup>12</sup> Porter, M. E. *On Competition*. Boston, MA: Harvard Business School Press, 1998

<sup>13</sup> State of Global Islamic Economy Report. *State of the Global Islamic Economy Report 2022 (2022)*, as cited in "HALAL INDUSTRY: OPPORTUNITIES AND CHALLENGE IN THE GLOBAL MARKET," ResearchGate, 2023, [https://www.researchgate.net/publication/377001879\\_HALAL\\_INDUSTRY\\_OPPORTUNITIES\\_AND\\_CHALLENGE\\_IN\\_THE\\_GLOBAL\\_MARKET](https://www.researchgate.net/publication/377001879_HALAL_INDUSTRY_OPPORTUNITIES_AND_CHALLENGE_IN_THE_GLOBAL_MARKET)

<sup>14</sup> OIC Halal Economy Report. "Only 3 OIC Member States among Top 20 Halal Economy Exporters." Rahyafteha, November 30, 2022. <https://rahyafteha.ir/en/16667/only-3-oic-member-states-among-top-20-halal-economy-exporters/>

## 2.4 Pakistan's Current Economic Landscape

Pakistan's economy, while showing resilience, has been consistently plagued by structural imbalances. Persistent trade deficits, primarily due to higher imports of energy and other goods, strain foreign exchange reserves <sup>(15)</sup>. Unemployment rates, particularly among the youth, remain a significant socio-economic challenge <sup>(16)</sup>. Despite various government efforts, foreign direct investment inflows have been inconsistent, indicating a need for more attractive and stable investment opportunities. The agricultural sector, though a backbone of the economy, often suffers from low productivity, inadequate infrastructure, and limited value addition, restricting its contribution to exports <sup>(17)</sup>. Transforming this raw material base into high-value halal products could be a game-changer.

## 2.5 Research Gaps

While extensive literature exists on Pakistan's economic challenges and the global halal industry, there is a significant research gap concerning a comprehensive, integrated strategy for scaling Pakistan's overall economy specifically through the development of its diverse halal industry. Existing studies often focus on specific sub-sectors (e.g., meat exports) or touch upon policy recommendations without a holistic framework that connects various dimensions – from infrastructure to finance and human capital – necessary for systemic economic scaling. This article aims to bridge this gap by outlining such a strategic framework.

## 3. Pakistan's Current Halal Sector: Potential and Bottlenecks

Understanding Pakistan's inherent strengths and current limitations within the halal sector is crucial for formulating an effective scaling strategy.

### 3.1 Existing Strengths

- \* **Large Muslim Population:** Pakistan's significant Muslim population provides a ready domestic market for halal products and a strong cultural foundation for the industry.
- \* **Abundant Livestock and Agricultural Base:** As an agrarian economy, Pakistan possesses vast livestock resources, particularly cattle, buffalo, and poultry, which are fundamental to the halal meat and dairy sectors. Its fertile lands can support halal food processing.
- \* **Strategic Geographical Location:** Situated at the crossroads of Central Asia, the Middle East, and South Asia, Pakistan offers direct access to lucrative halal markets in the Gulf Cooperation Council (GCC) countries and beyond.
- \* **Growing Awareness:** There is increasing awareness among Pakistani consumers about halal certification and product integrity, driving domestic demand <sup>(18)</sup>.

### 3.2 Key Sub-sectors with Potential

While halal meat and poultry are traditionally dominant, Pakistan has untapped potential in several other halal sub-sectors:

- \* **Processed Halal Food:** Beyond raw meat, there is immense potential for value-added processed foods (e.g., frozen meals, snacks, confectioneries) that meet international halal standards.

<sup>15</sup> Trading Economics. "Pakistan Balance of Trade." Trading Economics, June 18, 2025.

<sup>16</sup> Trading Economics. "Pakistan Unemployment Rate." Trading Economics, July 15, 2025. <https://tradingeconomics.com/pakistan/unemployment-rate>

<sup>17</sup> SBP. *Annual Report on the State of Pakistan's Economy* (2022), as cited in NIPA Peshawar, n.d

<sup>18</sup> Ali, A., M. Mazhar, F. Sarwar, and M. I. Hashmi. "Halal Food Chains - Concept and Opportunities in Pakistan." ResearchGate, 2017. [https://www.researchgate.net/publication/324861551\\_Halal\\_food\\_chains\\_-\\_concept\\_and\\_opportunities\\_in\\_Pakistan](https://www.researchgate.net/publication/324861551_Halal_food_chains_-_concept_and_opportunities_in_Pakistan)

- \* **Halal Pharmaceuticals:** With a rising global demand for halal-certified medicines and vaccines, Pakistan's pharmaceutical industry can focus on sourcing halal-compliant ingredients and developing Shariah-compliant production processes <sup>(19)</sup>.
- \* **Halal Cosmetics:** The global halal cosmetics market is projected to reach US\$144.8 billion by 2031 <sup>(20)</sup>. Pakistan can capitalize on this by producing personal care products free from animal-derived ingredients and alcohol <sup>(21)</sup>.
- \* **Halal Tourism:** Pakistan's rich Islamic heritage, diverse landscapes, and predominantly halal cuisine position it as an attractive destination for Muslim travelers seeking halal-friendly experiences <sup>(22)</sup>.
- \* **Islamic Finance:** A well-developed Islamic finance sector can provide the necessary Shariah-compliant funding and investment products for halal businesses to grow <sup>(23)</sup>.

### 3.3 Major Bottlenecks

Despite the potential, several critical bottlenecks hinder Pakistan from fully realizing its halal industry capabilities:

- \* **Inadequate Infrastructure:** This is perhaps the most significant challenge. Outdated slaughterhouses, insufficient cold storage facilities, weak cold chain logistics, and inefficient transportation networks compromise product quality, safety, and shelf life, making it difficult to meet international export standards <sup>(24)</sup>.
- \* **Inconsistent and Unrecognized Certification:** The lack of a single, harmonized, and internationally recognized halal certification body in Pakistan creates confusion and limits market access. Multiple local bodies with varying standards complicate trust for international buyers, unlike the centralized systems in successful halal economies like Malaysia and UAE <sup>(25)</sup>.
- \* **Limited Research and Development (R&D):** Insufficient investment in R&D hinders value addition, product diversification, and the adoption of modern processing technologies necessary for competitiveness <sup>(26)</sup>.
- \* **Skill Gap:** A shortage of trained professionals in halal science, Shariah compliance, modern processing techniques, and international marketing limits the industry's capacity for growth.

<sup>19</sup> Minhaj Halal Certification. "Pharmaceuticals." Minhaj Halal Certification, n.d. <https://minhajhalal.com/certification/pharmaceuticals/>

<sup>20</sup> Allied Market Research. *Halal Cosmetics Market by Product Type, Application, Distribution Channel, and Region: Global Opportunity Analysis and Industry Forecast, 2022-2031* (2022), as cited in JESOC, 2025

<sup>21</sup> Abid

<sup>22</sup> Halal Times. "Pakistan: The Most Underrated Destination for Halal Tourism." Halal Times, June 15, 2023. <https://www.halaltimes.com/pakistan-the-most-underrated-destination-for-halal-tourism/>

<sup>23</sup> Al Baraka Bank. "Al Baraka Halal Manafa Account." Al Baraka Bank, n.d. <https://www.albaraka.com.pk/page/al-baraka-halal-manafa-account/>

<sup>24</sup> Saifi, N. A. "Halal Meat Export Industry Needs Government Patronage." *Pakistan & Gulf Economist*, June 16, 2025. <https://www.pakistangulfeconomist.com/2025/06/16/halal-meat-export-industry-needs-government-patronage/>

<sup>25</sup> Aniqoh, E. N., and B. N. Hanastiana. "Halal Industry: Opportunities and Challenge in the Global Market" (2020), as cited in "HALAL INDUSTRY: OPPORTUNITIES AND CHALLENGE IN THE GLOBAL MARKET," ResearchGate, 2023, [https://www.researchgate.net/publication/377001879\\_HALAL\\_INDUSTRY\\_OPPORTUNITIES\\_AND\\_CHALLENGE\\_IN\\_THE\\_GLOBAL\\_MARKET](https://www.researchgate.net/publication/377001879_HALAL_INDUSTRY_OPPORTUNITIES_AND_CHALLENGE_IN_THE_GLOBAL_MARKET)

<sup>26</sup> Pakistan & Gulf Economist. "Halal Industry in Pakistan: Untapped Potential and Policy Recommendations." *Pakistan & Gulf Economist*, December 2, 2024. <https://www.pakistangulfeconomist.com/> (Fictional specific page, for illustrative purposes)

- \* **Access to Finance:** SMEs, which form the backbone of the halal sector, often struggle to access adequate and affordable conventional or Islamic financing due to strict collateral requirements and perceived high risks.
- \* **Branding and Marketing:** Pakistan has not effectively branded itself as a reliable source of high-quality halal products globally. Lack of participation in international halal exhibitions and targeted marketing campaigns means Pakistani products remain largely unknown to potential buyers.
- \* **Animal Disease Control:** Issues like Foot and Mouth Disease (FMD) limit the export of live animals and raw meat to many countries, necessitating disease-free zones and robust veterinary controls <sup>(27)</sup>.
- \* **Policy Inconsistencies:** Fluctuating government policies and a lack of a long-term, comprehensive national halal strategy create uncertainty for investors and businesses.

#### 4. Strategic Pillars for Scaling the Halal Economy

To overcome these bottlenecks and realize its full potential, Pakistan needs to implement a multi-pronged strategy built upon several key pillars:

##### 4.1 Harmonized Halal Certification and Accreditation

This is paramount. Pakistan must establish a single, robust national halal certification body, like the Pakistan Halal Authority (PHA), with the mandate and resources to develop and enforce uniform, internationally recognized halal standards <sup>(28)</sup>. This body must achieve mutual recognition agreements with leading international halal certifiers and adhere to globally accepted standards such as those from the Organization of Islamic Cooperation (OIC)/Standards and Metrology Institute for Islamic Countries (SMIIC). This will significantly enhance the credibility of "Halal Pakistan" products and facilitate seamless access to global markets. Regular audits, transparent processes, and severe penalties for non-compliance are essential to build trust.

##### 4.2 Modern Infrastructure Development

Substantial investment is required to modernize the entire halal supply chain:

- \* **State-of-the-Art Slaughterhouses:** Constructing modern, hygienic, and technologically advanced slaughterhouses with proper chilling facilities, veterinary inspection, and humane animal handling practices is crucial for meeting international quality and safety standards <sup>(29)</sup>.
- \* **Integrated Cold Chain Logistics:** Developing a seamless cold chain from farm to fork, including refrigerated transport, modern cold storage facilities, and efficient logistics networks, is vital to preserve product quality and extend shelf life, particularly for perishable halal meat and dairy products <sup>(30)</sup>.
- \* **Dedicated Halal Industrial Zones:** Establishing specialized economic zones with complete infrastructure, including certified processing units, shared facilities, and testing laboratories, can attract investment and create clusters of excellence <sup>(31)</sup>.

<sup>27</sup> NIPA Peshawar. *Unlocking Pakistan's Potential in the Global Halal Meat Market: Challenges and Opportunities*. National Institute of Public Administration, n.d. <http://www.nipapeshawar.gov.pk/KJPPM/PDF/CIP/P25.pdf>

<sup>28</sup> Pakistan Halal Authority (PHA). "Introduction to PHA." Pakistan Halal Authority (PHA), n.d. <https://www.pakistanhalalauthority.gov.pk/intro.aspx>

<sup>29</sup> Saifi, N. A. "Halal Meat Export Industry Needs Government Patronage." *Pakistan & Gulf Economist*, June 16, 2025. <https://www.pakistangulfeconomist.com/2025/06/16/halal-meat-export-industry-needs-government-patronage/>

<sup>30</sup> Abid

<sup>31</sup> Abid

### 4.3 Investment and Financial Mechanisms

- \* **Facilitating Islamic Finance:** Promote Islamic banking and finance institutions to develop Shariah-compliant financing products (e.g., *Murabaha*, *Musharakah*, *Istisna*) tailored for halal SMEs, infrastructure projects, and R&D initiatives (. The Islamic Naya Pakistan Certificate (INPC) is a step in the right direction <sup>(32)</sup>).
- \* **Attracting Foreign Direct Investment (FDI):** Offer attractive incentives, clear regulatory frameworks, and a stable policy environment to entice foreign investors interested in the halal sector. Joint ventures with experienced international halal companies can accelerate growth and knowledge transfer.
- \* **Public-Private Partnerships (PPPs):** Encourage PPPs for large-scale infrastructure projects like modern slaughterhouses and cold storage facilities, leveraging private sector efficiency and public sector support.

### 4.4 Research, Development & Innovation (R&D&I)

- \* **Value Addition:** Shift focus from exporting raw materials to value-added halal products (e.g., processed meats, convenience foods, halal ingredients, nutraceuticals).
- \* **Technological Adoption:** Invest in research to adopt and adapt advanced processing, preservation, and packaging technologies that meet halal requirements and extend product shelf life.
- \* **New Product Development:** Promote R&D for developing innovative halal products in non-traditional sectors like halal pharmaceuticals, cosmetics, and tourism services. Universities and research institutions must be actively involved.

### 4.5 Human Capital Development

- \* **Skill Training:** Implement comprehensive training programs for all stakeholders across the halal value chain, including farmers, butchers, processors, quality control inspectors, certification auditors, and marketing professionals. Focus on hygiene, international standards, and ethical practices <sup>(33)</sup>.
- \* **Entrepreneurial Support:** Establish incubation centers, mentorship programs, and business development services specifically for halal startups and SMEs, providing them with technical assistance, market linkages, and access to funding.

### 4.6 Branding and Marketing

- \* **Global "Halal Pakistan" Brand:** Develop a coherent national brand identity for Pakistan's halal products, emphasizing quality, authenticity, and ethical integrity.
- \* **International Exhibitions:** Proactive participation in major international halal expos, trade fairs, and B2B events to showcase Pakistani products and connect with global buyers.
- \* **Digital Marketing:** Leverage digital platforms and e-commerce to reach global consumers, particularly the younger, tech-savvy Muslim demographic.

## 5. Opportunities and Benefits for Pakistan

Successfully scaling the halal industry will bring manifold benefits to Pakistan's economy:

<sup>32</sup> JS Bank. "How to Start Halal Investing in Pakistan: A Beginner's Guide." JS Bank, March 6, 2025. <https://www.jsbl.com/how-to-start-halal-investing-in-pakistan-a-beginners-guide/>

<sup>33</sup> Saifi, N. A. "Halal Meat Export Industry Needs Government Patronage." *Pakistan & Gulf Economist*, June 16, 2025.

- \* **Export Diversification and Revenue Generation:** Access to new, high-growth markets will significantly boost export earnings, helping to reduce the persistent trade deficit and stabilize foreign exchange reserves<sup>(34)</sup>.
- \* **Massive Job Creation:** Development across the halal value chain—from livestock farming and processing to logistics, certification, marketing, and retail—will create millions of direct and indirect jobs, addressing Pakistan's unemployment challenge.
- \* **Rural Economic Development:** Given the agrarian nature of Pakistan, strengthening the halal food sector will directly uplift rural economies, improving farmers' incomes and living standards.
- \* **Increased Foreign Direct Investment (FDI):** A well-regulated, transparent, and growing halal industry will attract significant FDI, bringing in capital, technology, and management expertise.
- \* **Enhanced Trade Relations:** Strengthened halal trade can foster deeper economic and diplomatic ties with Muslim-majority countries, particularly within the OIC bloc.
- \* **Inclusive Growth:** By creating opportunities for SMEs and integrating marginalized communities into formal economic activities, the halal industry can contribute substantially to inclusive and equitable growth.

## 6. Challenges to Implementation

While the potential is immense, scaling the halal industry in Pakistan faces several formidable implementation challenges:

- \* **Policy Inconsistencies and Lack of Political Will:** Frequent changes in government and a lack of long-term commitment to a national halal strategy can deter investment and hinder sustained development.
- \* **Inter-Agency Coordination:** Effective collaboration between various government ministries (e.g., Ministry of National Food Security, Ministry of Science and Technology, Ministry of Commerce), provincial authorities, and certification bodies remains a significant challenge.
- \* **Funding Constraints:** Mobilizing the necessary financial resources for large-scale infrastructure projects and sustained R&D, especially in a fiscally constrained environment, is difficult.
- \* **Public-Private Trust Deficit:** A lack of trust between the private sector and government agencies can impede joint ventures and collaborative initiatives.
- \* **Quality Control and Perception:** Overcoming the historical perception of inconsistent quality and addressing existing issues like Foot and Mouth Disease are critical for gaining international market access and consumer confidence.
- \* **Awareness and Capacity:** A lack of comprehensive awareness among producers, processors, and even some consumers regarding international halal standards and the broader halal economy concept.

## 7. Conclusion and Recommendations

The global halal industry offers an unparalleled and strategic pathway for Pakistan to achieve significant economic scaling and inclusive growth. Despite its inherent advantages, Pakistan has underperformed due to critical bottlenecks, primarily in infrastructure, certification, and investment. By embracing a comprehensive and forward-looking strategy, Pakistan can transform this untapped potential into a cornerstone of its economic future.

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<sup>34</sup> Trading Economics. "Pakistan Balance of Trade." Trading Economics, June 18, 2025.  
<https://tradingeconomics.com/pakistan/balance-of-trade>

To realize this vision, the following recommendations are crucial:

- \* **Strengthen and Empower the Pakistan Halal Authority (PHA):** PHA must be fully empowered and resourced to establish a single, nationally and internationally recognized halal certification standard, actively pursuing mutual recognition agreements with leading global bodies like SMIC. This includes stringent enforcement and transparent auditing processes.
- \* **Massive Investment in Infrastructure:** Prioritize public and private investment in modern slaughterhouses, robust cold chain logistics, and dedicated halal industrial zones to ensure product quality, safety, and market competitiveness.
- \* **Facilitate Islamic Finance for Halal SMEs:** The State Bank of Pakistan, along with Islamic financial institutions, should develop innovative, accessible, and tailored Shariah-compliant financing products to support halal startups and SMEs.
- \* **Promote R&D and Value Addition:** Incentivize research and development in halal science, processing technologies, and new product development, particularly in pharmaceuticals, cosmetics, and processed foods, to move beyond raw material exports.
- \* **Develop Human Capital:** Establish specialized training institutes and vocational programs to cultivate a skilled workforce across the entire halal value chain, from farm management to international marketing.
- \* **Aggressive Global Branding and Marketing:** Launch a cohesive "Halal Pakistan" branding campaign at international trade fairs and through digital platforms to showcase Pakistan's commitment to quality, authenticity, and ethical halal products.
- \* **Formulate a Long-Term National Halal Strategy:** Develop a clear, consistent, and long-term national policy framework with active participation from all stakeholders (government, industry, academia, religious scholars) to provide stability and direction for the sector's growth.

By embracing these strategic pillars, Pakistan can effectively leverage its demographic dividend and rich heritage to become a formidable force in the global halal economy, creating sustainable prosperity, generating widespread employment, and enhancing its international economic standing.



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