

Demand grows for Pakistani Halal meat

by Dr. Noor Ahmed Memon, (Professor KASBIT)

Export of Halal meat from Pakistan increased to \$243.5 million during 2014-15, showing a 6% increase, compared to \$229.9 million in 2013-14, following promotional steps taken by the government, including a ban on commercial export of live animals.

About 80% of Pakistan's Halal meat exports go to the Middle East and Gulf countries, major destinations being Saudi Arabia and the UAE. The other potential markets for Pakistani meat are the Asia-Pacific region, North-Africa and the Far East.

In regions like Australia, Europe, and North America, the Halal market is steadily growing with the Muslim population there but is highly competitive because of high concerns for food quality and safety.

Higher per capita incomes, coupled with growing population of Muslims, have increased the demand for Halal products in the EU countries.

Pakistan ranks 22nd in the world export of Halal meat. However, more than half 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.

The world produced 59.69 million tonnes of beef in 2014. Brazil was its largest exporter followed by India (having the largest cattle stock), 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. 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, USA, Canada, Australia, New Zealand, France, Thailand 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 is an important sector of agriculture and occupies a unique position in the National Agenda of the economic development of the present government. The sector meets the domestic demand of milk, meat and eggs. It also provides net source of foreign earnings. More than 8.0 million rural families are involved in raising livestock. It is central to the livelihood of the rural poor in the country and can play an important role in poverty alleviation and can uplift the socio-economic conditions of our rural masses. Livestock contributed to agriculture value added stood at 56.3% while it contributed 11.8% to the national GDP during 2014-15 compared to 55.6% and 11.8% during the same period last year, respectively. Gross value addition of livestock has increased from Rs. 778.3 billion (2013-14) to Rs. 801.3 billion (2014-15), recorded an increase of 3.0% as compared to previous year. The livestock population for the last five years are given in Table-1.

Goat production went up to 68.4 million in 2014-15 from 66.6 million in 2013-14. Buffalo production jumped to 35.6 million from 34.6 million in 2013-14

Table 1: Live stock Population (Million Nos)

Year	Buffaloes	Cattle	Goats	Sheep	Poultry
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
2013-14	34.6	39.7	66.6	29.1	875.2
2014-15	35.6	44.2	68.4	29.4	960.6

Source: Ministry of National Food Security and Research

and 33.7 million in 2012-13. Cattle production, which was 38.3 million in 2012-13, rose to 39.7 million in 2013-14 and 41.2 million in 2014-15.

Meat Production

Poultry meat contributes 28% of the total meat production in the country. Poultry sector has shown a robust growth @ 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 \$ 210.9 million in 2011-12 to US \$243.5 million in 2014-15, thus showing an average increase of 5% per annum. Pakistan exported mutton amounting to US \$ 58.9 million and US \$ 133.5 million beef in 2013-14 to various countries. Export of Halal meat and meat preparation for the last five years are given in Table-3.

Exclusive on Meat

Table 2: Production of Halal Meat (000 Tonnes)

Year	Beef	Mutton	Poultry
2010-11	1,711	616	767
2011-12	1,769	629	834
2012-13	1,829	643	907
2013-14	1,887	657	987
2014-15	1,951	671	1,074

Source: Pakistan Economic Survey 2014-15 Government of Pakistan

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

Year	Value	% Change
2010-11	132,804	+ 36.8
2011-12	173,818	+ 30.9
2012-13	210,881	+ 21.3
2013-14	229,924	+ 9.0
2014-15	243,529	+ 5.9

Source: Trade Development Authority of Pakistan

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

Country	2013-14	2012-13
Saudi Arabia	28,157	18,135
U.A.E	41,577	43,618
Bahrain	11,528	13,234
Oman	9,980	10,497
Vietnam	8,519	1,682
Iran	6,948	4,212
Qatar	3,996	2,622
Thailand	1,685	158
Others	11,129	17,061
Total	133,519	111,219

Source: Trade Development Authority of Pakistan

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

Country	2013-14	2012-13
Saudi Arabia	30,814	32,264
Bahrain	10,166	12,883
U.A.E	7,674	10,161
Oman	3,174	3,799
Kuwait	2,483	2,774
Qatar	1,733	1,878
Afghanistan	1,135	14
Vietnam	353	109
Others	1,392	15,519
Total	58,924	79,401

Source: Trade Development Authority of Pakistan

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

Global Halal Markets

Halal meat is gaining popularity across the world due to its scientific and hygienic slaughtering and processing methods, and is spicing up the \$635 billion global Halal meat market. Globally, the Halal market that spans from food to finance and tourism is worth \$3 trillion. According to latest estimates, Halal products have two billion consumers worldwide that are growing at over 20% annually.

Studies have shown that Halal slaughter methods protect consumers from a number of diseases, which is not possible with the conventional methods used in many countries.

Ahead of the key Halal conclave in Sharjah, experts declared that the Halal slaughter of animals has a great role in preventing infectious diseases, and is seen as one of the main reasons for the popularity of the product even among non-Muslims.

Higher per capita incomes coupled with growing population of Muslims have increased the demand for Halal products in the EU states. The Muslim population stands as the second-largest population and the fastest growing religion globally in 2015, and is projected to increasingly claim a bigger share of the world's consumer spending. By 2030, Muslim consumers are expected to reach 26% of the global population, according to a new study. Many non-Muslims have also developed likeness for this food in the west. The religious obligation that Muslims must consume only Halal food, drink and medicine has stimulated the demand and created a market for Halal products across the world which ensures a captive market for Halal meat and prod-

ucts. Leading retail outlets like Walmart, Tesco, McDonald's, KFC and Nestle have added Halal food to their line of products.

In Western Hemisphere, USA, Brazil, Canada, Australia, New Zealand and France are the biggest Halal suppliers. In the East, Thailand is the biggest exporter of Halal certified products after Philippines, Malaysia, Indonesia, Singapore and India are the leading Halal products suppliers to the world.

Brazil exports 1.0 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 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.

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 is gaining ground in international Halal market therefore the government 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.

The United States is the largest producer of beef in the world followed by Brazil & the European Union. The United States, Brazil and the European Union produce almost half of the world's beef. The United States produces roughly 19% of the world's beef. Brazil produces roughly 17% of the world's beef. Pakistan produces nearly 2.85% of the world's beef. World top 10 beef producing countries are given in **Table-6**

U.S. beef exports set a new value record in 2014 of \$7.13 billion, a year-over-year increase of nearly \$1 billion. The world's top 11 exporters – Australia, India, Brazil, U.S., New Zealand, EU-28, Canada, Paraguay, Uruguay, Argentina and Mexico – shipped a record 7.7 million tonnes in 2014. This was a 10% increase from the previous year, even though global production was relatively flat. Export value increased an estimated 18% to \$36.6 billion – a figure that has doubled in just the past five years.

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.

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.

Halal meat market is growing rapidly throughout the world and its demand is increasing day by day. Pakistan ranked 18th 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 can play pivotal role in this growing market, it has more than 160 million quality livestock including 71 million Cattles & Buffalos and 89 million goats & sheep. 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.

The government could help raise Halal food exports by formulating sound policies in collaboration with the private sector. The existing exports are no match to the country's annual output of Halal meat or its export potential. Local businessmen estimate potential of Halal products at US\$ 5 to US\$ 6 billion, if incentives are provided by the government to encourage export of good quality food products. One may note that India, not a majority Muslim country, is also an active player in the Halal food market and its exports have reached \$23 billion per annum.

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,

Table 6: World top 10 Beef Producing Countries

(Tonnes)

Rank	Country	2014	% of World
1	United States	11,230,000	19.08%
2	Brazil	9,920,000	16.85%
3	European Union	7,580,000	12.88%
4	China	5,760,000	9.79%
5	India	4,000,000	6.80%
6	Argentina	2,900,000	4.93%
7	Australia	2,240,000	3.81%
8	Mexico	1,820,000	3.09%
9	Pakistan	1,675,000	2.85%
10	Russia	1,380,000	2.34%
	Others	11,185,000	17.58%
	Total World	59,690,000	100%

Source: FAS / USA

Oman, Qatar, Kuwait, Bahrain and Iran. However, exporters of Halal food products complain of a few hardships. They demand they should not be subjected to unjustified taxes and prolonged gas and power load shedding and be freed from bureaucratic hassles.

Pakistani exporters should also ensure that their products fully comply with the strict safety codes of meat importing countries. Many companies suffer from lack of technical know-how in processing, storing, transporting and marketing of Halal meat and its products. It is for this reason that Halal Research Council (HRC) was recently established and empowered to issue Halal certification and assurance programme.

References

1. European Super Market Magazine- 2015
2. FAS/USDA
3. Halal Congress-Middle East, December, 16-18, 2013
4. Khaleej Times- July 21, 2013
5. Ministry of National Food Security and Research, Government of Pakistan
6. Pakistan Bureau of Statistics, Government of Pakistan.
7. Pakistan Economic Survey-2014-5, Government of Pakistan
8. Trade Development Authority of Pakistan
9. The Halal Journal- August 2015 ♦