

Exploring Opportunities in the International Halal Market: Policy Guidelines for Bangladesh's Expansion

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Abstract

Bangladesh has a huge market potential for embracing halal ecosystem while this market is largely untapped and overlooked due to many challenges. This paper explores the vast potential of Bangladesh's halal market, emphasizing its opportunities and challenges in expanding globally. Despite a significant Muslim population and a natural advantage in producing halal goods, Bangladesh has yet to fully capitalize on the growing global demand for halal products. Key challenges include fragmented certification standards, inadequate technology, limited skilled labor, and logistical issues. The study highlights how halal products, valued for their cleanliness and health benefits, are gaining popularity among both Muslim and non-Muslim consumers worldwide. Bangladesh's membership in the Organization of Islamic Cooperation (OIC) further strengthens its position, offering a strategic opportunity to boost exports of halal food, beverages, pharmaceuticals, and cosmetics. The paper reviews current market trends, noting that regions like Asia Pacific dominate the global halal market. It also addresses the specific barriers Bangladesh faces, such as the need for unified halal certification, improved infrastructure, traceability, and halal-compliant financing. The study suggests actionable recommendations, including establishing an international halal certification body, creating a dedicated halal economic zone, offering fiscal and non-fiscal incentives, and upgrading branding and marketing efforts to meet global standards. By addressing these challenges, Bangladesh can unlock its full potential in the growing halal market and significantly increase its export earnings

Keywords: Halal market; Export opportunities; Market trends; Halal Certification; Challenges.

1. Introduction

“Halal,” an Arabic term, refers to what is permissible in Islam. Halal products must be free from harmful substances and adhere to Islamic laws during processing, packaging, storage, transportation, and preparation. The emphasis on cleanliness and safety has led to a rising demand for halal products, not only among Muslims but also among individuals of other faiths worldwide. This surge has resulted in the growth of halal industries globally, driven by a commitment to high-quality, compliant products.

According to a survey by the Islamic Foundation Bangladesh (2018), the global halal market is valued at approximately USD 4.7 trillion. In 2021, the world's 1.9 billion Muslims spent USD 2 trillion across various sectors, including food, pharmaceuticals, cosmetics, fashion, travel, and media/recreation, marking an 8.9% increase since 2020 (Global Islamic Economy, 2021). The halal food and beverage sector alone accounted for USD 1.27 trillion in spending, projected to rise to USD 1.67 trillion by 2025. The halal fashion market, valued at USD 295 billion in 2021, is expected to grow to USD 375 billion by 2025, while the halal media and recreation sector saw expenditures of USD 231 billion, anticipated to reach USD 308 billion by 2025. Additionally, halal tourism spending was valued at USD 102 billion in 2021 and is projected to increase to USD 189 billion by 2025. Halal pharmaceuticals are also expected to grow from USD 100 billion in 2021 to USD 129 billion by 2025. These figures highlight the escalating global demand for halal products and services.

Several countries have made significant advancements in meeting this demand, with Malaysia serving as a prime example for Bangladesh. Other nations like the United Arab Emirates, Indonesia, Turkey, Qatar, Saudi Arabia, Pakistan, South Africa, Brazil, Canada, and the United States are also emerging players. With its vast potential, Bangladesh has a unique opportunity to penetrate local and global halal markets by offering competitive, high-quality halal products and services. Reports suggest that Bangladesh could generate USD 1 billion annually by exporting halal products to various markets (Kaler Kantho, 2020).

Bangladesh has significant potential to develop a robust halal ecosystem, yet this market remains largely untapped due to various challenges. Key issues include the lack of international standards and recognition for halal certification, which complicates exports, especially for halal meat to markets like the UAE and Kuwait. Entrepreneurs in the halal sector face substantial obstacles in accessing international markets, prompting calls for government support to establish universally recognized halal certificates. Additionally, Bangladesh needs to adopt best practices in supply chain management but lacks adequate resources and skilled manpower. Weak infrastructure, inadequate ecosystems, substandard certification processes, and low-value addition hinder the country's competitive advantage in the global halal market. Addressing these challenges could unlock new avenues for foreign currency income through halal exports, contributing to Bangladesh's economic growth.

Muslims expect their food to be hygienic and free from harmful ingredients, leading global companies, including those from non-Islamic nations, to increasingly offer halal products. For instance, Korean businesses have established halal eateries and stores in Malaysia. Given the USD 107 billion domestic halal consumer market—the second-largest after Indonesia—Bangladeshi

businesses should actively promote halal products to capture a share of the global market. The halal export sector can enhance Bangladesh's agriculture and food industry, which generated USD 1.51 billion in FY 2020-21. With the global Muslim population projected to reach 2.2 billion by 2030, Bangladesh has a significant opportunity to produce safe and halal food items for international markets. However, the country currently lags in food safety protocols and halal certification, leaving a gap that this study aims to address by developing a robust halal ecosystem through policy development and improved supply chain processes.

The specific objectives of this research are twofold. First, it aims to investigate the opportunities available in the international halal market, focusing on identifying potential markets and consumer preferences that can benefit Bangladeshi businesses. Second, the research seeks to design comprehensive policy guidelines that will facilitate the development and expansion of Bangladesh's presence in the halal market. By addressing existing challenges and leveraging market opportunities, this study aims to position Bangladesh as a competitive player in the global halal landscape.

2. Literature Review

The concept of "halal," meaning lawful and permissible in Islam, is foundational to understanding the halal market. Rooted in Islamic values, halal dictates that Muslims can only consume products that align with the principles established in the Quran and Sunnah (Doi, 2007; Kamali, 2013). Halal products must be free from harmful substances and adhere to specific standards throughout their lifecycle, including processing, packaging, and transportation (Wilson, 2010). This focus on hygiene and safety is increasingly important to consumers, leading to a growing demand for halal items, not just among Muslims but also among non-Muslims who appreciate the health benefits of these products (Jahan, 2014; Mostofa, 2022). The escalating interest in halal foods reflects a broader trend toward ethical consumption and food safety, which is essential for addressing consumer preferences in both local and global markets.

The halal market is significant and diverse, encompassing various sectors beyond food, such as pharmaceuticals, cosmetics, fashion, tourism, and media. The halal food and beverage sector remains the largest, with global spending by Muslim consumers reaching USD 1.27 trillion in 2021, projected to rise to USD 1.67 trillion by 2025 (Ray A., Allied, 2022). Opportunities abound for halal entrepreneurs, especially in the production of halal ingredients, organic foods, and innovative retail solutions. Similarly, the modest fashion sector, targeted primarily at Muslim millennials, offers potential for growth through online platforms and fashion events (Kader SA, 2022). The media and recreation sectors are also expanding, with Islamic-themed content appealing to the youthful demographic projected to dominate the Muslim population by 2030 (Chamberlayne, 2020).

Moreover, the global Muslim travel market is witnessing substantial growth, with spending expected to reach USD 274 billion by 2024. This sector presents opportunities for halal entrepreneurs to meet the faith-based needs of Muslim travelers through halal-friendly accommodations, transportation, and services (Shane S & Venkataraman S, 2000). The halal pharmaceuticals market is gaining traction as well, with an increasing demand for products that ensure efficacy, quality, and safety while complying with halal standards (Kuratko DF, 2016).

Similarly, the halal cosmetics industry is set to expand significantly, with Muslim consumer spending projected to rise from USD 64 billion in 2018 to USD 95 billion by 2024 (Soltanian et al., 2016).

Bangladesh stands at a crucial juncture in the halal market, currently ranked fifth in global Muslim food and beverage consumption. The country's agriculture and food sector, which exported USD 1.4 billion in FY 2018-19, has the potential to significantly increase halal product exports, especially in the lucrative Middle Eastern markets (Bangladesh Food Safety Authority, 2018). However, challenges such as inadequate halal certification processes and infrastructure development hinder Bangladesh's competitive edge in the global market. The government and private sectors must collaborate to establish an international standard for halal certification and create a supportive ecosystem for halal product manufacturers (Kayed RN & Hassan MK, 2019).

To capitalize on the growing halal market, Bangladesh needs to focus on key strategies, including developing an international halal certification process, creating a dedicated economic zone for halal manufacturers, and framing policies that support industry growth (Rahman RA & Mohamed Z, 2021). With the right infrastructure and government support, Bangladesh could transform its halal industry into a significant contributor to the global market, unlocking vast economic opportunities and establishing itself as a leader in halal products and services.

The halal certification system in Bangladesh faces significant challenges, limiting market expansion due to its complexity (Ali, 2022). As of 2021, the Bangladesh Islamic Foundation issued halal certificates to 140 companies, encompassing over 700 halal brands, including notable firms like Bengal Meat, Olympic, and Pran. However, the certification process is slow, leading to prolonged waits for many companies (Bangladesh Standard and Testing Institute).

Despite the demand for halal products, consumer trust in supply chains and traceability remains an issue, particularly regarding food imports from non-Muslim countries (Yun et al., 2020). This has led to stricter regulations for halal certification in Muslim markets. Confusion arises from multiple governing authorities and certification bodies, both local and international, creating challenges for manufacturers in navigating standards (Elasrag, 2016). The complexity of the certification process often renders it cost-prohibitive and hinders market growth (Talib & Razzak, 2013).

Additionally, the halal industry is still developing and lacks a universally recognized standard for practices (Miskam et al., 2015). To address these challenges, stakeholders must proactively engage in creating and promoting halal products globally. Research indicates that two critical factors drive Muslim consumers' choices: the halal industry's diverse offerings and the support from the Islamic finance sector in adhering to sharia compliance (Thomas & Selimovic, 2015).

3. Methodology

This study employs a mixed-method approach, integrating quantitative and qualitative data collection methods. Quantitative data were gathered through surveys, while qualitative insights came from secondary sources, observations, individual interviews, and focus group discussions (FGDs). The research team used 'KoBo Collect,' a mobile data collection tool, to streamline data

entry via tablets and smartphones. The target population includes a diverse range of stakeholders in the halal industry, such as exporters and government officials from relevant ministries. This approach aimed to capture a comprehensive view of the industry by integrating public and private sector perspectives. Various research techniques were employed to gather in-depth information about the dynamics of the halal market in Bangladesh.

For the quantitative survey, the sample size was calculated using a widely accepted statistical formula, resulting in a target of 100 respondents based on a 96% confidence level and a 10% margin of error. The sample was proportionately distributed among different beneficiary types, ensuring balanced representation across sectors involved in halal production. Simple Random Sampling was used to select respondents based on their contributions to the overall population. The qualitative component involved 20 semi-structured interviews with factory managers and mid-level managers, as well as interviews with 27 senior officials from key government organizations, culminating in a total of 47 respondents. A focus group discussion was also held via Zoom with one Managing Director and two senior managers. Data collection utilized semi-structured questionnaires and checklists designed to address the research objectives and indicators relevant to the halal market.

These instruments were developed collaboratively and piloted to ensure effectiveness. The research team used 'KoBo Collect' for efficient survey administration, with trained enumerators employing algorithms for real-time data validation, enhancing data quality and accountability. Field reports were prepared immediately after qualitative interactions to capture key insights. Data triangulation enriched the findings from both quantitative and qualitative sources. Quantitative data were analyzed using SPSS and MS Excel, while qualitative data underwent a systematic four-step analysis: preliminary analysis to identify key themes, thematic coding to categorize data, compilation of observations by themes, and selection of relevant quotations to exemplify key insights.

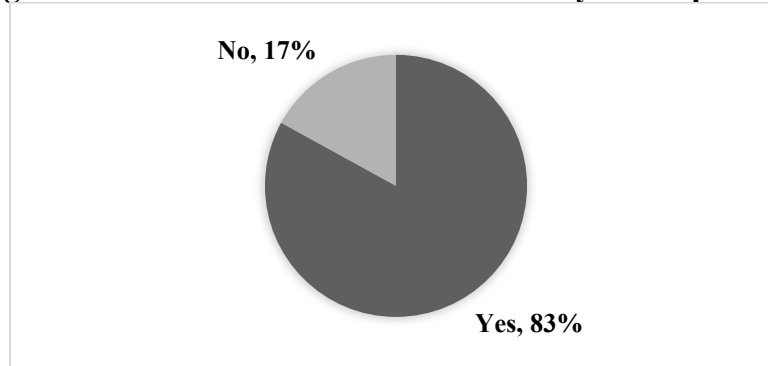
Before the research commenced, the team conducted a thorough risk assessment to identify potential challenges, secured necessary permissions, and established a contingency plan. Ethical standards were prioritized, with participants informed about the study's objectives and assured of their anonymity. Participation was voluntary, with no financial incentives offered, and consent was obtained from all participants, safeguarding the rights and welfare of respondents and researchers.

4. Results and Discussion

4.1 Awareness of halal products and position of halal certificate in the local market

This study found that people of Bangladesh are interested in purchasing items after viewing the Halal certificate. It has been asked whether they use the halal certified products or not and what kind of products have halal certification. Among the responses, most of them 83% consider halal products, while only 17% of respondents do not consider halal products when they go to the market.

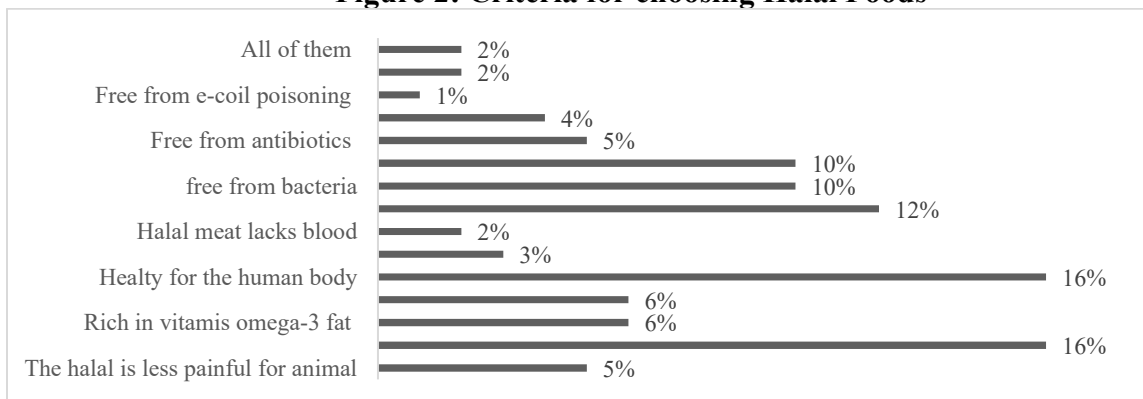
Figure 1: Consideration of Halal Products by the respondents



The survey found that more than half of respondents have consumed ‘halal food. 4.9% of respondents mentioned that they use halal certified ‘personal care products while the respondents used ‘cleaning equipment’ with a number of 4.9%. 18.2% of people agreed that they use all the halal-certified ‘personal care products, food, and cleaning equipment’ while less than 1% of respondents emphasized that they use halal-certified ‘personal care products and cleaning equipment’.

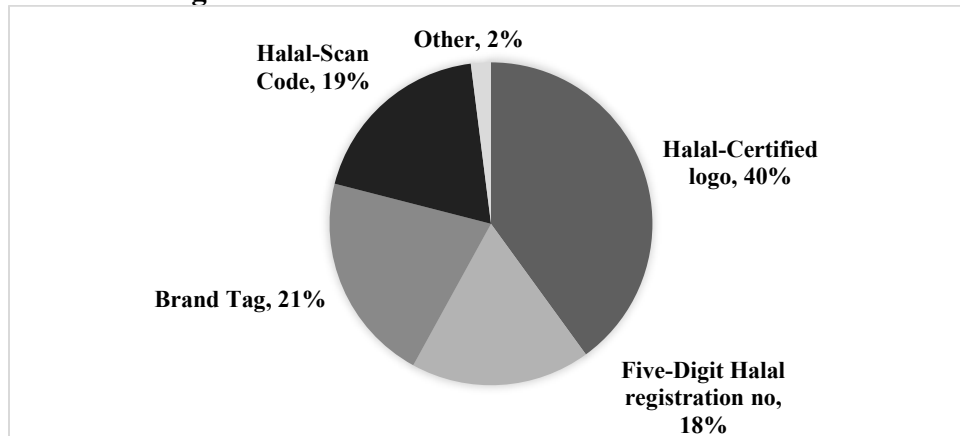
In response to the question of why they prefer halal products to other products, about 16% thought that halal food is rich in vitamins and healthy for the human body. Moreover, 12% of the respondents responded positively, and reckon that eating halal food will not be harmful to their brains, and 10% interpreted that halal food is free from bacteria and harmful substances.

Figure 2: Criteria for choosing Halal Foods



It is noticeable that 6% of people consider halal products to have enough vitamins omega-3 fat, and antioxidants and 5% thought that halal is less painful for animals, 5% thought that it’s free from growth hormones, and 5% anti-biotics free. 40% of the responders from the survey recognize that they consider halal products which only certified by the respective authority. Along with them, 21% try to find the brand tag, and 19% of customers scan their product to check whether it is halal or not. They scan through asking about the ingredient. Furthermore, 18% search for a five-digit halal registration code while buying their goods and services.

Figure 3: Verification method of Halal Products



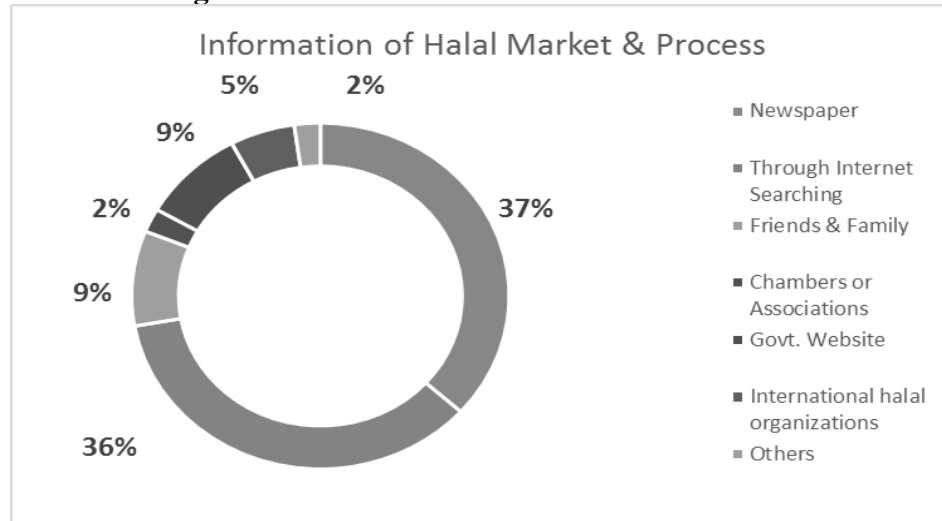
This study found that the possibility to promote consumer goods without the certificate is limited. In this case, Halal Certificates and Logos from the respective authorities can establish a local market as well as export and promote consumer goods manufactured in Bangladesh. This survey found that halal products are more expensive compared to non-halal items. The reason behind the expenses is due-diligent of producing halal items is more followed than the non-halal items. But a different view also has been identified that people thought halal items are less consider than non-halal items. Because they thought the health risk is less while using halal items which may not be in the case of non-halal items. This survey result shows that about 65% of respondents thought that halal is more expensive than normal products, while only 27% claimed halal is less costly than regular products.

This study found that in Bangladesh halal products and markets have great potential. The majority of the respondents, around 87% of them expected that halal products and markets have great potential in the local market, and it can be a revenue generation through expanding the international market. 7% of the respondents do not know about the potential of the halal market and 6% of the respondents do not think the halal market has potential in the local market other than the international market.

In response to the sufficiency of halal products in Bangladesh, a mixed response came out through the study. Almost half of the respondents (44%) considered Bangladesh as a place for the halal market is expanding, 35% of respondents think that Bangladesh has less opportunity to grow the halal market and 21% of the respondents have no idea of the halal market sufficiency but they think Bangladesh have an exportable halal market which is untapped.

Most of the responders 92% considered that being a Muslim country, Bangladesh should follow the international halal certification process while 6% had a different opinion and the rest has no idea about the halal certification process. This study found that most respondents were aware of the halal certification authority. In response to the government agency providing the Halal Certificate, 81% opined that the office that provides the halal certificate is well known to them and the rest were not aware of that organization. The majority of the participants (85%) knew how to get a Halal Certificate while others showed their ignorance about it.

Figure 4: Halal Market & Process information

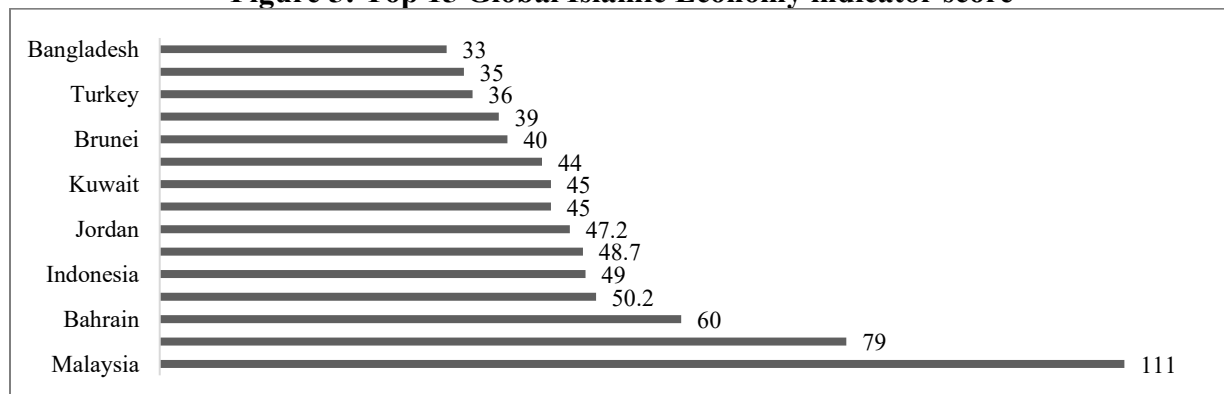


This study found that people do not get the halal market situation from the market insider other than the media. Most of the respondents, around 73% of them get halal market information from newspapers and internet browsing. People are known to halal market from their friends and family conversation which is about 9%. The government also plays a pivotal role in the dissemination of information about the halal market; about 9% depict that they found information from the government website. Furthermore, about 5% of customers gather information from the international halal organization and the rest of them said that they found information from chambers and other associations. This study found that most halal market entrepreneurs are aware of Intellectual Property Rights. Among the responders, about 71% of them were known of the Intellectual Property Rights of their products, and the rest of them were ignorant about it.

4.2 Features of Halal Industry and Position of Bangladesh

This study found that in the Global Islamic Economic index, Bangladesh ranks fifteen (15) though Bangladesh is the 3rd largest Muslim-populated country followed by Indonesia 12.7% of the world's Muslims, Pakistan 11.1%, India 10.9%, and Bangladesh 9.2%. About 20% of Muslims live in the Arab world according to the Global Islamic Economy report in 2021.

Figure 5: Top 15 Global Islamic Economy indicator score



The two most significant components of Islamic finance are banking services and the Sukuk market, which is the Islamic version of the bond market. They account for about 95% of the USD 1.8 trillion in Islamic finance assets between them. The GCC countries, which hold the great majority of assets, continue to be the most important participants. Nevertheless, the concept is also succeeding in nations like Malaysia, Indonesia, Turkey, and Pakistan.

Figure 6: Top 10 Countries of Global Islamic Finance, Halal Food and Muslim Friendly Tourism



This study found that, though Bangladesh is the 3rd largest Muslim-populated country not on the list of top 10 countries of global Islamic finance, halal food, and Muslim-friendly tourism.

Figure 7: Top 10 Countries of Global Islamic Modest fashion, media and recreation, pharm & cosmetics



The position of Bangladesh is seventh in the top ten Muslim-friendly modest fashion but not in the media and recreation, pharm & cosmetics. Malaysia is leading the global halal market and

UAE is in the second position. The other players on the list include Bahrain, Saudi Arabia, Indonesia, Oman, Jordan, Pakistan, Kuwait, Qatar, Brunei, Sudan, Turkey, Iran, and Bangladesh, respectively. Interestingly, Brazil has ranked third position in the halal Food and beverage industry. Additionally, some other non-Muslim countries have also made their positions in the top 10 list of the Global Islamic Economy report in 2021. This data shows that Bangladesh couldn't progress in most of the halal industries but in 2021 Bangladesh expanded sukuk bond facility in its financial sector. There are some other interventions and initiatives by the government and private sector has been taken place which are as follows:

4.3 Government interventions for halal products and market expansions

This study found that Bangladesh exported halal products including food and cosmetics, worth about USD 1 billion in the 2020-21 fiscal year, 70% of which went to the Middle East. Exporters have opportunities to send their domestic halal goods to the international market which is worth USD 107 billion. According to the study, Bangladeshi halal-certified food is overwhelmingly red meat, poultry, and processed poultry food products. The study reveals that the manufacturers who are seeking to export meat products are struggling with the limited certification capacity of Bangladesh which is now expanding. The study also found that only Islamic Foundation Bangladesh had been issuing halal certificates since 2007. Meanwhile, the Islamic Foundation has submitted a draft Halal Certificate Policy 2021, which will enhance the capacity of the foundation, and subsequently leads to better certification for large-scale exports.

4.4 Status of Halal certification and issuing Halal certification

A study on the status of Halal certification in Bangladesh reveals that the Islamic Foundation's Halal Certificate Division has issued certifications for 1,663 products across 140 industries, including food, pharmaceuticals, and cosmetics. The Islamic Foundation plays a central role in ensuring Halal compliance, with Shariah experts reviewing products based on lab tests. However, the Foundation lacks a full-fledged laboratory, relying on external testing until the Islamic Foundation Halal Diagnostic Laboratory was launched in 2017. It has been recommended that certification processes involve a stronger committee comprising Islamic scholars such as Muftis and Muhaddis to ensure more rigorous verification.

The Halal industry is a rapidly growing global sector, vital for both Muslim and non-Muslim markets. Despite this, the Islamic Foundation is constrained by insufficient laboratory resources, limiting its capacity to fully support the growth of the Halal industry in Bangladesh. Halal certification is critical to Bangladesh's Halal economic development, with the global market for Halal products valued at over USD 3 trillion. Initially, Bangladeshi products were barred from international markets due to the lack of certification. In response, the Islamic Foundation began issuing certificates, allowing local exporters to enter the global Halal market. The Bangladesh Halal Expo in 2017 further promoted Halal-certified products internationally. Currently, 57 companies export over 30,000 Halal-certified items to markets in the Middle East, Europe, and North America.

The Bangladesh Standards and Testing Institution (BSTI), under the Ministry of Industries, joined the Halal certification process in 2022. BSTI's involvement complements its existing role

in product quality certification and standardization. As a member of the Standards and Metrology Institute for Islamic Countries (SMIIC), BSTI adopted international Halal standards and began issuing Halal certificates in line with these requirements. This certification covers areas like food processing, hygiene, storage, and labeling, which are crucial for ensuring compliance with Islamic dietary laws. Although BSTI has expanded its Halal certification for food products such as beverages, jams, and milk, its capacity to certify other industries remains limited due to logistical challenges and insufficient laboratory support. For example, while BSTI conducts quality tests on a variety of food products, it lacks the resources to certify Halal fashion and other non-food items.

BSTI has established itself as a credible agency for food certification and is accredited by the Bangladesh Accreditation Board for textile testing. However, logistical constraints limit BSTI's ability to expand its Halal certification services beyond certain food items. Additionally, BSTI does not conduct independent research and relies on external labs for some certifications, which undermines its authority in certain sectors. In 2021, BSTI updated its regulations to include Halal certification for processed foods, valid for three years before requiring renewal. This move opened new opportunities for Bangladeshi exporters, particularly in the Halal food sector, by meeting international standards and boosting the country's presence in global markets.

4.5 Key Challenges related Halal Market and its certifications

The study revealed that despite Bangladesh's significant potential in the Halal food, meat, and beverage markets, the country has yet to penetrate the global market effectively. One of the major constraints is the lack of unified authority to issue Halal certificates for export. The existence of multiple Halal certification bodies, along with the lack of recognition of certificates from one country to another, adds to the complexity, increasing both costs and time for businesses. Entrepreneurs in the Halal industry is calling for government support to develop policy guidelines, including a universally recognized Halal certification that would enable Bangladesh to secure a portion of the global market. While Halal certification is essential, it alone is insufficient to make products appealing to Muslim consumers, as there are concerns about the credibility of certificates issued by Bangladeshi authorities. Furthermore, the country has not been able to fully exploit opportunities in the Middle Eastern market due to limited infrastructure. Technological know-how and financial cooperation are needed to set up joint-venture Halal certification and testing institutes. Additionally, the absence of bilateral and multilateral FTAs with Middle Eastern countries has exacerbated trade imbalances.

Traders and industry stakeholders have been urging the government to provide policy support, including universal Halal certificates, which could unlock access to international markets. The current lack of a system for issuing export health certificates restricts the export of several items, and addressing this issue could significantly boost export earnings. Other challenges include a lack of awareness about Halal issues, the inability to develop proper Halal standardization, a shortage of qualified human resources to maintain Halal standards, poor promotion of Halal products, and the absence of adequate Halal infrastructure. Moreover, the study found that the acceptance of one country's Halal certificate by another is often problematic, adding further barriers to global trade. For meat exports, particularly, the biggest hurdles lie in compliance with disease-free cattle rearing and the strict monitoring required for pre- and post-slaughter processes.

At present, only a few companies, such as Bengal Meat, have managed to export beef products to the Middle East by meeting stringent Halal standards. However, other companies have struggled to meet these compliance and hygiene requirements, limiting their overseas sales. There is considerable potential in exporting items such as bovine omasum and cow liver to the Middle East, but the market has been undermined by black-market exporters. Additionally, manufacturers lack sufficient knowledge about Halal marketing, as there is no comprehensive study on this aspect, and many agree that Halal certification is more useful for exports than for domestic sales.

The Halal certification landscape in Bangladesh is further complicated by the presence of numerous certifying bodies, both government and private, as well as regional and international organizations like ASEAN, GSO, and SMIIC. This makes it difficult for producers to determine which certification is valid for a particular market. Furthermore, the global Halal business lacks an effective system for accrediting Halal Certification Bodies (HCBs), with most Halal food being produced in non-Muslim majority countries under the supervision of independent HCBs with minimal government oversight. Greater cooperation between these bodies is essential to avoid excessive duplication and competition.

Bangladesh's Halal food sector also faces several other challenges, including a lack of government policies, poor promotion strategies for Halal products and difficulties in securing Shariah-compliant financing. In sectors like pharmaceuticals and cosmetics, there are rising concerns about the use of synthetic biology and the need for proper Good Manufacturing Practices (GMP). Additionally, varying standards for alcohol usage and hazardous substances in cosmetics pose further obstacles. Limited funding for research and development in Halal-related topics also hinders progress in this sector. As Bangladesh looks to expand its Halal industry, addressing these challenges is critical for tapping into the lucrative global market.

4.6 Un-tapped opportunities and Way forward for Halal Products of Bangladesh

Halal certification is essential for making products attractive to Muslim consumers, but it is only a starting point. To truly penetrate the global Halal market, businesses must adopt an end-to-end supply chain perspective. The use of blockchain technology, which enhances trust through transparency from "paddock-to-plate," offers a strong solution for expanding the Halal industry. For Bangladesh to claim a greater share of the Halal food market, policies need to be developed to ensure the issuance of a high-quality, universally recognized Halal certificate. The study also highlights the untapped potential of partnering with non-OIC countries, like China, South Korea, and South Africa, which are already collaborating with OIC countries like Malaysia and the UAE to enhance their Halal capabilities.

Bangladesh, as a Muslim-majority country, has significant potential in the Halal market, but the current barriers, such as complicated advertising and export regulations, hinder its growth. Streamlining export and import laws, alongside government support, could help develop a sustainable market. Another challenge is ensuring supply chain integrity, which could be addressed by developing tracking technology to trace raw meat and food ingredients back to their source. Moreover, there is growing demand for hormone-free meat, presenting an opportunity for Halal market expansion, despite ongoing debates about the safety of hormone-treated meat.

The study also emphasizes the need for a centralized Halal authority in Bangladesh. Despite efforts by the Islamic Foundation and BSTI, the absence of such an authority has limited the country's ability to fully tap into high-demand markets like the Gulf states and Southeast Asia. Affiliation with recognized international Halal certification bodies, such as Malaysia's JAKIM, could boost credibility and market access. Furthermore, global demand for organic and natural food, particularly among younger Muslim consumers, presents an opportunity for Bangladesh to develop premium organic product lines, including Halal-certified seafood.

To fully capitalize on the Halal market, both the public and private sectors must collaborate. This includes discovering potential products, improving packaging, and conducting advertising campaigns both domestically and internationally. The development of new brands and stronger branding strategies can also help differentiate Halal products in a competitive market. Investment opportunities exist in integrating the Halal food value chain, particularly for small and fragmented businesses, which could yield strong returns for investors.

There is also significant potential for Muslim scientists and investors to lead research in the Halal industry, particularly in fields like pharmaceuticals and cosmetics. Halal cosmetics, often vegan and eco-friendly, could appeal to non-Muslim consumers as well. Moreover, addressing the issue of Halal gelatin scarcity by utilizing parts from sacrificed animals during Hajj or developing vegetable-derived substitutes could provide practical solutions.

The study further suggests the need to develop a Halal Pharmacopoeia to support the Halal pharmaceutical industry, which requires fast-tracking registration processes for pharmaceutical products within Islamic countries. This would help boost the growth of the Halal pharmaceutical industry, benefiting the Ummah. To succeed, companies must focus on sourcing and manufacturing, regulatory expertise, customer insights, and consistent investment in research and development to create innovative Halal products.

5. Conclusion and Recommendations

Bangladesh is well-positioned to expand its presence in the global halal market, leveraging its strong agricultural base and large Muslim population. However, for Bangladesh to fully realize its potential, several strategic actions are required. First and foremost, the country must enhance its halal certification system to meet international standards. The adoption of blockchain technology in the supply chain can ensure transparency, reduce the risk of fraud, and build trust among consumers and international markets. This would address the gaps in trust and compliance that currently hinder Bangladesh's halal exports and improve competitiveness globally.

In addition, establishing a national halal coordination body is essential. This institution would be responsible for regulating halal certification, ensuring consistency across the supply chain, and working with international certification bodies such as Malaysia's JAKIM. This centralized body should also promote inter-agency collaboration between the Islamic Foundation, BSTI, the Food Safety Authority, and other relevant organizations, facilitating a cohesive approach to halal governance.

Creating a skilled pool of halal experts through specialized diploma and certificate programs is also critical. Educational institutions should develop academic programs focused on halal certification, product development, and regulatory compliance. This will ensure that Bangladesh has a well-trained workforce capable of meeting the demands of a growing halal sector. The promotion and marketing of halal products should be prioritized. Both domestic and international campaigns are necessary to raise awareness of the benefits of halal products, not just among Muslim consumers but also among non-Muslim populations, particularly in sectors like halal cosmetics and pharmaceuticals. Engaging in economic diplomacy to secure halal trade agreements with key markets like the Gulf states, Southeast Asia, and Europe will further strengthen Bangladesh's global reach.

Moreover, a focus on market and product diversification is vital. Bangladesh can explore new markets such as Qatar, Oman, and Saudi Arabia for agricultural exports, including halal-certified seafood and other halal products. Encouraging investments in value chain integration, from slaughterhouses to distributors, can enhance efficiency and create a more competitive halal food industry. The government should incentivize these investments by offering tax breaks and financial support to businesses in the halal sector.

The establishment of halal economic zones within the 100 special economic zones could be a game-changer, attracting both local and foreign investments focused on halal production. These zones should prioritize food safety, standardization, and quality control, ensuring that Bangladesh's halal products meet the highest international standards. Furthermore, collaboration with OIC organs like SMIIC, SESRIC, IsDB, and ICDT is essential for building Bangladesh's halal certification capacity and ensuring its halal products are recognized globally. By working with these organizations, Bangladesh can participate in fast-track registration processes and expedite halal certification for pharmaceutical and cosmetic products.

Addressing halal research and development (R&D) is another key recommendation. Bangladesh must invest in research to create innovative halal products and services, as well as new legislative frameworks that support the evolving needs of the halal industry. This could include research into alternative halal ingredients, hormone-free meat, and the production of halal gelatin from sacrificed animals. By positioning itself at the forefront of halal R&D, Bangladesh can differentiate its halal products from competitors and create a sustainable competitive advantage.

Increasing consumer awareness about the benefits of halal products through informational campaigns and public engagement is crucial. Consumers should be informed not just about the religious aspects of halal, but also the health, safety, and ethical considerations involved in halal production. The government can play a key role in this by supporting businesses with marketing efforts and simplifying export and import regulations to facilitate trade.

Bangladesh has a remarkable opportunity to carve out a significant share in the global halal market. By addressing regulatory gaps, fostering innovation, enhancing market access, and building a robust certification framework, the country can position itself as a leading exporter of halal products, benefiting from the growing global demand and supporting its economic development. These recommendations, if implemented, can help Bangladesh unlock the full potential of its halal industry and boost its standing in both Muslim and non-Muslim markets alike.

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