

Halal Life Style And Global Trade

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ABSTRACT

Muslim consumers are very closed to halal matters that related to animal and its followed products. The increasing population and purchasing power of worldwide Muslim's, as well as its new modernization era reinforce the rising trend of halal lifestyle and Islamic or global trade. Syariah or law guided by God in Islam, will be practiced more and more as way of life. Halal lifestyle is seeing as new patterns for 1.6 billion Muslim population. A global market has to respond the distinctive need, preference and market orientation as well as it's economies value and trade. The development of halal market: food and beverage, pharmaceuticals and cosmetics, finance, media and communication, fashion and garments, and travel, tourism, and recreation offer a really opportunity to support growth in the regions or countries despite of low global economic growth. The expenditures of Muslim's for those sectors has been more and more increasing in the future due to some key drivers as: growing demography, growing Islamic economies, lifestyle and business practices and its focus on halal matter. Halal tourism included Syariah compliant hotel, which can be achieved more easily by poor Muslim countries, will be attractive to pull Muslim travelers with high power buying capacity lead to the growth of economy for some region or countries considered as Muslim or even halal friendly destination.

Key words: Muslim Population growth, Distinct Lifestyle, Halal sectors, Islamic Trade.

INTRODUCTION

Definition

The halal life style is vital and very important for all Muslim's in the world. It is lead to the right and unbiased way of life. The word **Halal** is Arabic refer to Qur'anic recite which means that whatever is permitted by Syariah, as briefly mentioned as allowed or lawful. Syariah is considered as the decision or law of God that transmitted to human by Ange Gabriel to Muhammad (PBUH), a prophet in Islam. This Syariah conduct human attitude in the private and their social life. It talks about faith, self-discipline, social and law, obligation as well as prohibition and interdiction, In the diet and foods for example, most of them are considered to be halal unless they are specified or mentioned in the Holy Qur'an or Hadith (saying of Prophet Muhammad PBUH), While **haram** is Arabic word which mean prohibited or unlawful as an opposite of halal. These are pork's and its by-products, alcohol, meat of dead animals, animals which has been slaughtered in the name other than Allah (God), blood, as well as intoxicating drugs. Despite these definition, it is found also in Arabic word of **Mash-booh** (suspected), or **Makrooh** (discouraged or heated) and **Zabiha** (Slaughtering according to Islamic law).

Halal sector

Narrowly, halal terminology is based on food and beverage condition. For food, it is referring traditionally to meat and poultries, especially to the method of slaughtering animals and its usage of meat. It is therefore animal products. It is forbidden to slaughter animals without citing or mentioning the name of Allah, God the Most Powerful, as well as these foods are directed to others Idols or Adorers as the Supreme Competitor of God. For beverage, specifically to discuss about a liquid causing toxic for mankind. Qur'anic recite: Al Baqarah (cow) surah 168 and 173 mention as:

“O ye people! Eat of what is on earth, lawful and good, and do not follows the footsteps of the Evil one, for he is to you an avowed enemy”.

“He hath only forbidden you Dead meat, and blood, and the flesh of swine, and that on which any other name hath been invoked Besides that of Allah”.

Generally, some alcohols are not only intoxicant to human health but also considered as impure. Rather than discussing the compounds, it is for example meat, it is produced in the farm and will be consumed on the table of consumers with halal compliance needed all the way through the food supply chain. It means that the sector involved in the halal chains included warehousing, transportation, logistics, compounds used during food and beverage manufacturing as well as finance that needed to support its economic activity and the attitude of consumers, either as tourists or sedentary people (ITC, 2015). It is all used or played together or simultaneously integrated. It is therefore that halal sectors included in: Food, travel, lifestyle, finance, clothing, media and recreation, pharmaceuticals, cosmetics and medical care (Nirwandar, 2015, Fig.1). Muslim in the world represent 1.6 billion people or 25 % of the world (Kessler, 2015), and will increase as predicted to 2.2 billion in 2030 (Fig.2). They are spread out in many regions and countries (56 Muslim majorities countries). This increasing population will represent a specific market and influence on economic scale of the world.

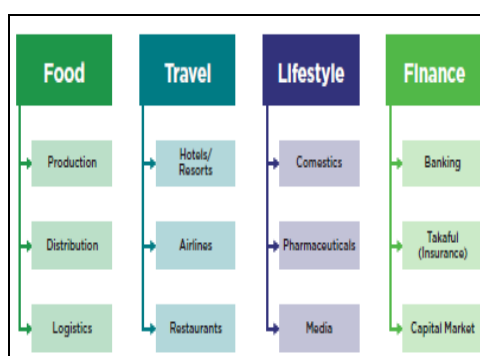


Figure 1. Some of halal sectors (Nirwandar, 2015)

Muslims are perceived as a solid and distinct consumer with high capacity or power of buying, need as consequently, specific requirement lead to a distinctive market with high economic value.

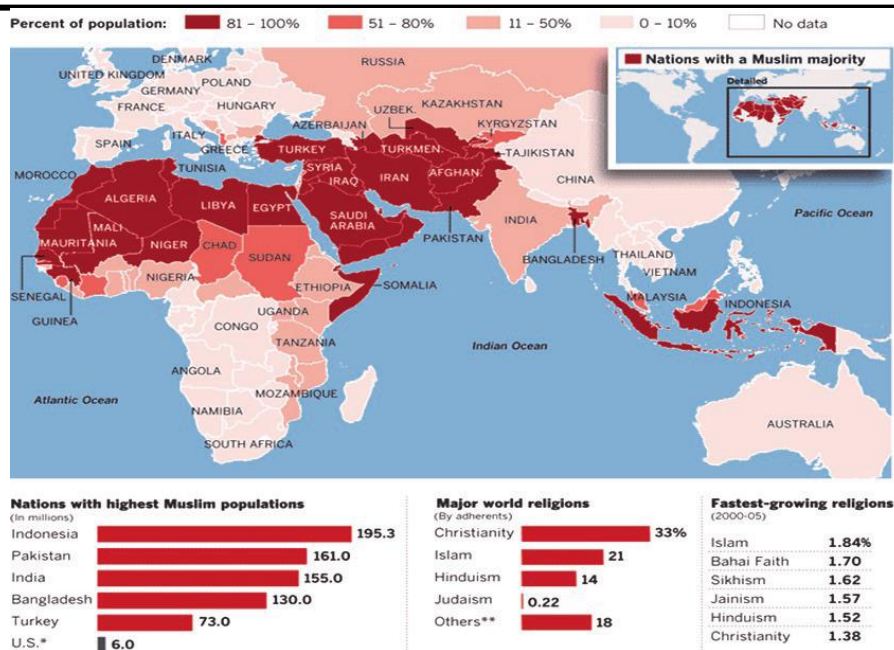


Figure 2. The Muslim world (Kessler, 2015)

The global expenditure of consumers in some Muslim countries on food and halal lifestyle of Islamic countries predicted as \$ 2 trillion at the end of 2015. Economic values of halal food, is considered as the most important with US \$ 1,292 trillion or 17.7 % of global market, followed by finance sector with US \$ 1.658 billion or 1.3 % of global assets, travel sector with US \$ 140 billion or 1.1 % of global market, clothing with US \$ 266 billion or 11.9 % of global market, Media or recreation with US \$ 186 billion or 5.2 % of global market, Pharmaceutical with US \$ 72 billion or 6.6 % of global market and cosmetics with US \$ 46 billion or 6.8 % of global market (Nirwandar, 2015). These sectors could generate mutualistic activities among the regions or countries and considered what so called as Global Islamic economy. Global Islamic Economy Report estimates that the halal food and lifestyle products sectors could grow at a rate of nearly 11 per cent a year until 2019, to reach a total market value of \$3.7 trillion. This formidable sum is not only for Muslim, but also for non-Muslim, known in Islamic term as *Rahmatin lil alaamiin*. Halal market drivers are among them: consumer awareness, food security, Eco ethical, legal and rapid distribution of information, high profile politics and regulation, supply chain integrity, social structure and relationship, technology and economies (ITC, 2015). While the market growth of specific halal lifestyle largely supported by some key drivers (Thomson-Reuters 2016/2017), i.e.:

1. Large, young and fast -growing Muslim demography, with 1.5 % annually growth rate with 29 % of them are young people (less than 25 years old)

2. Large, and fast growing global Islamic economies, with GDP of US \$ 17 trillion or 15 % of total world GDP in 2015. Its growth is still fast even in the slow global economic climate. It is notably happening in demographic rich industrial countries like Indonesia, Bangladesh, Pakistan, Uganda and Malaysia rather than oil rich Muslim countries.

3. Islamic ethos increasingly driving lifestyle and business practices. Islamic way of life as guided by the holy Qur'an and sunnah, more and more practiced by Muslim population, not only as the theory but more in practice.

4. OIC economies growing halal market development focus. Various sectors of halal lifestyle have been choosing to be developed in focus by countries members of Organization of Islamic Cooperation, OIC based on opportunities for their economic development. Most of them have been starting to initiate some adaptation on law and regulation on food, drugs,

cosmetics, travel accommodation, transportation, logistics, finance, clothing and garment industries, tourism as well as other sectors that appropriate to Syariah law. Some countries have started these initiation as Malaysia with Trade Description Act 2011, which followed by 3 orders explaining: definition, certification and marking halal, and fees. In USA, it is found Halal Food Consumer Protection in New jersey as well as Halal Food Act in Illinois on August 17 2001. Pakistan also has Pakistan Halal Authority Act 2015, while Indonesia has also Assurance on Halal Product laws no 33/ 2014. Despite of non-existence on halal law, Australia has been presenting a guide on halal certification conducted by some halal certification bodies, approved by The Department of Agriculture and water resources. While halal food law in Middle East, North Africa and Turkey will be discussed in November 28-29, 2017. Halal certification has been doing by LPPOM MUI since 1989.

Halal Food Sector

Muslim consumers have been calculated to spent for food and beverages of US \$ 1.17 trillion or 17 % global spending on food. From those, of Muslim food, is represent US \$ 405 billion categorized as halal-thayyib certified food. Indonesia is become top Muslim country on food expenditure market with US \$ 154.9 billion, followed by Turkey with US \$ 115.5 billion (Fig. 3). It is predicted will be more and more, and regarded could be reached the size of 190 US \$ billion, followed by Turkey, Pakistan, Iran, Egypt, Bangladesh, Saudi Arabia, Nigeria, Iraq and Algeria with for each as: 168, 108, 97, 95, 60, 53, 38, 35 and 35 US \$ billion, respectively (ITC, 2015) .

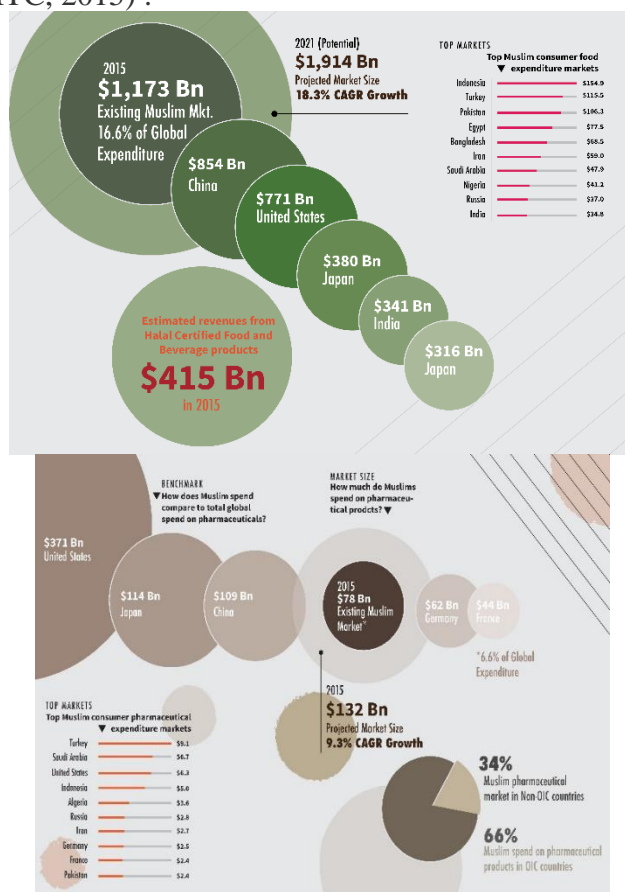


Figure 3. Halal food and pharmaceutical sector (Modified Thomson-Reuters, 2016/2017)

Halal Pharmaceuticals and cosmetics sectors

Islam teach its followers to see not only their soul, but also their body. The human body has right to be health and comfort as well as pure. It is there for they should keep healthy life and take care of body with nutraceuticals included cosmetics. Muslim in the world estimated in 2015 has used US \$ 134 billion for pharmaceuticals and cosmetics included vaccine for preventing Meningitis during pilgrimage, perfumeries and nail polish. France, Swiss, and Germany take the opportunity to sell their pharmaceuticals to OIC members as size: 4.68, 4.38, and 3.99 US \$ billion respectively. While for cosmetics France, Germany and USA are becoming exporter to IOC members at the size of 16.64, 11.17, and 11.05 US \$ billion respectively.

Halal Fashion sector

Halal fashion sector has been noted indicating a new era on fashion. Modest fashion, included hijab, garment and its accessories, that has been brought by woman Muslim, estimated in 2015 as high as US \$ 44 billion. Regarding halal garment, it has been studying and investigating possible transformation of lard, which contain poly un saturated fatty acid, to become poly carbon that will be used to as raw materials for fabricating fibrous or coarse clothing. Muslims are also encouraged to wear good quality clothing so as to celebrate the blessings bestowed upon them by God. Its therefore during praying Friday, it is suggested to wear good cloth.

Despite this, the usage of swine hair for cosmetics and hide for jacket, open to slipper or shoes are forbidden but may be falsified in trade. Thus, It should be therefore halal certified



Figure 4. Halal modest fashion sector (modified Thomson-Reuters, 2016/2017)

Halal Travel sector

The Holy Quran mention and it is found in surah 29:20 “Say, travel through the earth and see how Allah did originated creation, So, will Allah produce a later creation. For Allah has power over every thing.” Muslim travelers could not be separated from Mosque as a central of activity (Kessler,2015). They belief that intention to do anything based on Guide of Allah as mentioned in sunnah Rasulullah (PBUH) ‘verily actions are by intentions, and for every person is what he intended. So, the one whose hijrah (migration) was to Allah and His Messenger, then his hijrah was to Allah and His Messenger. And the one whose hijrah was for the world to gain from it, or a woman to marry her, then his hijrah was for what he made hijrah for (Al Bukhari-Muslim cited, Battour and Ismail, 2015)

Muslim expenditures for traveling, excluding Haj and Umrah, in 2015 was US \$ 151 billion. Muslim friendly tourist site, travel, hotel and accommodation as well as recreation sites will be more and more attractive for Muslim travelers. In halal travel sector, it is found integrity of some other halal lifestyle sector such as: food, beverage, recreation site, hotel and accommodation, culture and exhibition, and transportation. Those are should be at least considered as Muslim friendly tourism. Key drive of Muslim travel included: population

growth, growing middle class, younger population and increasing an information access by population as well as increasing marketability of Muslim friendly services and facilities. It is important to note here, that for Muslim travelers, there are some key faith based need for, ncluded Halal Food, Prayer facilities, Ramadhan services, Water friendly washing rooms, No non- halal activities, and Recreation facilities and services with privacy. Hotel which their facilities in the righteous ways to give the best for Muslim population as their consumers target user will receive gain of trust from Muslim travelers (Saifuddin et al., 2015).



Figure 5. Halal travel sector (Modified Thomson-Reuters, 2016/2017) and consumers question

The services and facilities of hotel needed by Muslim travelers not only considered as Muslim Friendly Hotel but reveal to Syariah Compliant hotel which have high weightage during scoring in Global Muslim Travel Index (GMTI). Respond to consumers concerning safety, halal assurances, as well as prayer facilities are consisted of more than 80% of score. A fully Syariah compliant hotel will allow functionally space to let Muslim performing their daily obligation to pray (Fig. 6). Thank to good services for Muslim travelers, Malaysia is placed in the first ranking of GMTI , followed by UAE, Turkey, and Indonesia. .

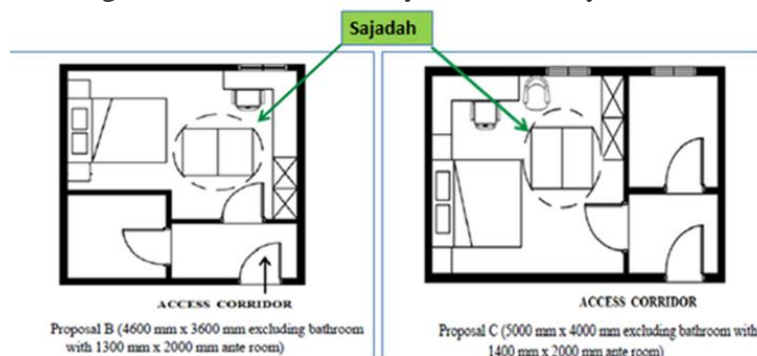


Figure 6. Muslim friendly accommodation (Saifuddin et al, 2015)

CONCLUSIONS

Despite of that the holy guide based only of food from animal products, and specific beverages containing khamer. halal means wider due to complex manufacturing process and applicable to many sectors and even becoming the important way of life of Muslim population which practice guide based on the holy Qur'an and sunnah. It seems that halal lifestyle consists of certain sectors (food and beverage, hotel and accommodation, travel and tourism sites and destination, clothing and fashion, logistic, finance). These sectors can be

played together or simultaneously integrated in global trade, lead to countries Islamic economic growth.

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*Thank you very much for giving permission citing articles for Drs (Battrou, Kessler and Saifuddin) for special used in session on Halal Food and Food Security of the International Seminar on Tropical Animal Production (ISTAP). Others have been also asked, but have no responds yet.