

## Halal Procurement Procedure: (HPP): The Nigeria Outlook to the Global Demand

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Review Article

**Abstract:** Halal Procurement is the procurement of goods and services that fulfill Islamic ethical, legal, and quality requirements along the supply chain so that every step, from procurement to transportation, fulfills *shariah* standards. The *halal* industry has recently experienced phenomenal growth due to increasing demand by Muslim and non-Muslim consumers for products which are ethically manufactured and assured in terms of quality. This kind of increasing demand transcends industries such as food, pharmaceuticals, cosmetics, finance, and logistics. Nigeria, as one of the largest economies in the African region and a nation with a large Muslim populace, has enormous but unrealized potential to upgrade its procurement systems to align with evolving global *halal* standards. Yet, structural and institutional frailties preclude it from complete integration into the global *halal* market. The research explores the Halal Procurement Procedure (HPP) in Nigeria through rigorous analysis, ascertaining its adherence to global standards and ability to satisfy global demand. The research employs a qualitative case study approach, integrating Islamic jurisprudential principles, supply chain dynamics analysis, and regulatory policy analysis to examine the prevailing frameworks, institutional readiness, and operational systems governing *halal* procurement in Nigeria. The key challenges noted are inadequate standardization, ineffective certification processes, weak regulatory supervision, infrastructural deficits, and inadequate stakeholder sensitization. Notwithstanding these challenges, the study notes potential windows of opportunity through which Nigeria can emerge as a regional *halal* hub by taking advantage of its expansive economy, young population, and increasing entrepreneurial base. The paper concludes by proposing a structured architecture for institutional reforms and international cooperation to realize Nigeria's *halal* potential.

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## 1. Introduction

As important as it is to consider the right investigation of procurement systems in any business or sector, so important is it to realize that traditional procurement systems suffer from inaccuracies, inefficiency in labor, delayed information dissemination, excessive consumption of data, and, above all, substantial wastage of time and funds, as well as extreme uncertainty in most scenarios (Alsetoohy & Ayoun, 2018). Thus, the *Shariah* Procurement process is regarded as the optimum solution for business performance improvement.

Notably, nowadays, the growth of the production of *halal* goods and commodities are increasing, with demand not just among Muslims but also among non-Muslims. The reason for the increase in demand is self-evident: the increased standards of *halal* products, that is, their cleanliness and safety, as set under Surah Al-Baqarah (2:168), make them appealing. To Muslims, though, the use of *halal* is compulsory and religious-based (Khan *et al.*, 2019).

The word *halal* covers all the facets of a Muslim's life. Anything that is prohibited or banned by Islamic law is referred to as haram. *Halal* does not refer only to consumables, products, and services but also business transactions, trades, and investments. Muslims must ensure that *halal* values are applied to all walks of their lives (Khan *et al.*, 2019).

Interestingly, according to the Nigeria Market Report, Islam is the most growing religion in the world, and it has a total of 1.9 billion Muslims in 2022, which is about 25% of the world's population. In Nigeria, Muslims constitute about 80–85 million out of the total population, which is nearly 50%. Trade is a significant element of Muslim spending, especially in sectors such as food, fashion, medicine, and cosmetics, all of which are influenced by *halal* factors. Muslim consumer spending on food, clothing, media, leisure, medicines, cosmetics, and travel accounted for USUSD 107 billion, or 47% of the overall Muslim spending globally and 27% of the overall African spending. Although Nigeria is the leader in Islamic finance and largest *sukuk* issuer in Africa with USUSD 416 billion issuances, it is not yet a global leader in the *halal* sector (Dinar standard).

Pertinently, Nigeria imports 70–80% of its goods consumption. Though it exports raw materials, it imports finished products and is therefore a net importer of *halal* goods (food, pharmaceuticals, and cosmetics). Nigeria's net *halal* imports in 2021 amounted to USUSD 5.4 billion. The country's Islamic finance assets were valued at USUSD 33 billion, putting Nigeria as the second-largest *halal* procurement market in Africa after Egypt. For trade, Nigeria is the 11<sup>th</sup> largest *halal* exporter to members of the Organization of Islamic

Cooperation (OIC), exporting USUSD 379 million of *halal* products (food, pharmaceuticals, and cosmetics) (Dinar standard).

In Africa, Nigeria and Egypt are amongst the top 10 *halal* economies globally. Nigerian Muslim consumer spending is greater than that of Algeria, the third-largest Muslim consumer base in Africa. Muslim consumer spending on food only by Nigeria was estimated to reach USUSD 93 billion in 2022. However, despite all the achievements, Nigeria has yet to reach its full potential to modernize its procurement processes in line with evolving global *halal* standards. This paper aims to shed light on the reasons behind this gap.

## **2. Materials and Methods**

This paper adopts a qualitative approach by analyzing existing data on the status of *halal* procurement in Nigeria. The method of analysis combines the descriptive and prescriptive approach.

## **3. Results**

The result of the research shows that Nigeria has tried in promoting *halal* industry through the government inauguration of the technical committee to draw the roadmap for Halal Industry in Nigeria. However, the *halal* procurement in Nigeria is still lagging the global trust, and this is where the country needs to put more efforts.

### *3.1. Unveiling the Concept of Halal Procurement*

Procurement is a generic and a common routine activity involving the exchange of money for want. Moreover, buying is less tedious or simple as it involves individuals or groups, making choices and payment for such choice as may be agreed by the parties involved. Technically, procurement is used mainly when the activities involve a scientific approach in acquiring or buying goods and services. It may sometimes involve data gathering and analysis on what to buy. Thus, it is a critical business function responsible for identifying, accessing, and managing external resources needed to meet strategic objectives. It aims to maximize benefits by efficiently using resources while minimizing costs. Strategic procurement methods and techniques are crucial for business success. This, however, requires certain level of education and training to understand the use of statistics, accounting, finance, legal and management skills in carrying out the activity. Hence, procurement can be viewed from different perspectives such as function, process, link in the supplier or value chain discipline and profession.

*Halal* procurement involves activities like supplier management, quality checks, and ensuring compliance with *shariah* practices. Establishing a *halal* procurement procedure is essential to align purchasing activities with *shariah* practices. Supplier management is crucial in the development of *halal* procurement practices. The integration, evaluation, and selection of suppliers are key activities in *halal* procurement (Tieman, 2020).

It is interesting to know that the concept of *halal* procurement is relatively new, with the first study conducted by Tieman and Ghazali (2013) mentioning *halal* purchasing. The study found that *halal* significantly affects purchasing and procurement strategies. Then, in 2020, Tieman *et al.* did a focus group discussion with food industry players. The focus was to determine the best *halal* procurement strategy that can be implemented. Their study also discusses that a strict *halal* policy would reduce the likelihood of *halal* risks becoming out of control in the supply chain. *Halal* practices can provide a competitive advantage to companies, improve business performance and fulfill customer satisfaction.

### *3.1.1. Principles of procurement in Islamic law*

*Shariah* is universal and applies to all matters in accordance with time and place. In their own view, Shahbaz *et al.* (2018) submit that to boost overall productivity and efficacy in procurement practice, implementing a constructive supply chain is considered the most effective approach.

There are various ways to increase productivity and efficacy, as stated by Shahbaz *et al.* (2018). He emphasized transparency, supplier engagement and risk management as the vantage point principles and policies to breed effective productivity:

#### *3.1.1.1. Transparency*

Transparency in Islamic business cannot be underestimated. The Hadith of the Prophet that denounces anyone with deception in business transaction is an indication of the importance of transparency. Ensuring transparency throughout the procurement process is crucial for building trust and confidence in *halal* compliance, according to traditions traceable to the glorious Prophet of Islam. It is reported by Muslim from Abu Hurairah (May Allah be pleased with him) that the Prophet said, "Whoever deceives us is not part of us". Abu Hurairah reported that the Messenger of Allah said that Allah has declared that: I am the third (partner) of two partners as long as one of them does not cheat on his companion, but when he cheats, I depart from them (Abu Dawud). This procedure includes:

- a. Labelling which includes expiring date, weight, size, logo, details of ingredient, net quantity
- b. Coding: (*Halal, haram, shubhah*) E542 –Edible bone phosphates (doubtful),
- b) E-470a sodium, potassium and calcium salts of fatty acids (Doubtful)
- c) E-100 Cucurmin (*Halal*); E-102 – Tartrazin FD&Z yellow (*Halal*)
- a. Packaging: To avoid contamination and harzadous.
- b. Marketing and Promotion.

### 3.1.1.2. Supplier and Buyer's Engagement

Engaging with suppliers to ensure they adhere to *halal* requirements is important for maintaining *halal* integrity in the supply chain. The buyer-Supplier relationship goes beyond making profits in Islam. It is a fraternal relationship. It establishes brotherhood and communal action from which someone earns the pleasure of Allah. The Quran (4:29–32) and (26:181–183) have justifiably ascribed permissibility to a contract sealed with a mutual consent. The Quran Says:

O you who believe! Do not devour your property among yourselves by unlawful means, except you earn by trade with mutual consent. And do not kill your people. Surely Allah is merciful; to you. Whoever does that by way of transgression and injustice, We shall cast him into Fire; and that is easy for Allah (al-Quran 4:29-32).

Give full measure, and do not be among those who give less. And weigh or measure with a true balance. And do not diminish the things (the property) of people. And do not make mischief (bribery and corruption) in the land (al-Quran 26: 181-183).

Islam denounces any contractual deal that emerges from coercive measures. In *Hadith* reported by al-Bukhari and Muslim from Abdullah bn Umar and others, the Prophet said, “The two contractual parties have the right of opinion in as much as they have not departed...” Indeed, managing customer relationships and meeting their expectations regarding *halal* compliance is an essential element for the success of any *halal* business.

### 3.1.1.3. Risk management (*Mu'khatara*)

The third element of Halal Procurement Procedure is to identify and manage risks related to *halal* compliance to prevent issues in the procurement process. Risk management in *halal* procurement procedure represents the Shariah Critical Points Controls (SCCP). Thus, Halal

Critical (control) points in *halal* industry are sensitive stages in processing or production of food where the origin of a *halal* product can be lost through mishandling or cross-contamination. So, such critical points are expected to be critically sketched out, adhered with and controlled to ensure that the final products maintain trustable *halal* status (Muhammad Hussain, 2025).

Regarding the identification of *halal* threats in every production, potential threats should be identified, and the point of production where such threats can occur should be controlled from the first point of production to the last stage of supply chain. This includes the supervision of supply of raw materials, ingredients, equipment and packaging materials. Including the selection of the supplier of *halal* materials (Muhammad Hussain, 2025).

Appositely, knowledge of Islamic Injunctions on the products to determine the level of risk is so important to save the integrity of the company and reduce the loss of both the supplier and the buyer. The industry must well be familiar with the HCCP of each product. What is HCCP in meats may not be in other foods (grains, etc.). The level of the critical point must be known and mastered by the producers otherwise, the global consumers may not trust the producer's identification of the levels of *haram*, *makruh* and *mushtabiha* are imperatively important in certification of Halal Products. Any unverified code of ingredients should be classified as *mushtabih* (Johan, 2025). The certification of *halal* products can be classified as Halal Compliant (HC), Non-HC (Non-Halal Compliant) or Non-Shariah Compliant and Opportunity for Improvement (OFI).

Thus, to be more accepted in the *halal* global competition, the *halal* industry must be sensitive about the *shariah* requirement and align with its dictate (Muhammad Hussain, 2025).

### 3.1.2. Halal market globally

There are 1.8 billion Muslims in the world (representing 28.26% of the total world population). The Global Halal Market (GHM) is estimated at USD 7.2 trillion (2020) and is expected to reach USD 11.2 trillion in 2028 (Adroit Market Research). Sales of *halal* products were recorded at USD 2 trillion each for 2020 and 2021, years in which the world was burdened by the pandemic of COVID-19. The growing interest in *halal* products (food, beverages, pharmaceuticals, hospitality) is attracting the attention of countries, both Muslim and non-Muslim alike, to produce *halal* products and services. Brazil, a non-Muslim country, is the world's largest exporter of *halal* protein. India and Thailand are also major exporters of *halal*. Quality, health, hygiene, and pure ingredients content, all key elements in *halal*, are

increasingly attracting non-Muslim consumers to *halal* products. For millions of *halal* consumers across the world, nowadays, *halal* food is not only about religious restriction, but also about lifestyle, a choice just like organic, vegetarian and vegan. (Puri-Mirza, 2025)

*Halal* insists on natural products. In practice, it is concerned with origin, content, purity, health, and tailored logistics that cover the entire supply chain. Product integrity, and reliability of *halal* certification is crucial for success in the Global Halal Economy (GHE), and these require intensive laboratory analysis. GHM is without borders, thus creating opportunities for producers and suppliers around the world. Nigerian businesses stand to gain from our huge domestic market as well from the GHE. The major players in Halal Industry are:

- a) Nestle S.A. (Vevey, Switzerland)
- b) Unilever (London, U.K.)
- c) Tahira Foods Ltd. (London, U.K.)
- d) Cargill, Inc. (Minnesota, U.S.)
- e) American Foods Group, LLC (Wisconsin, U.S.)
- f) Saffron Road (Connecticut, U.S.)
- g) BRF S.A. (State of São Paulo, Brazil)
- h) Al Islami Foods (Dubai, UAE)
- i) QL Foods Sdn. Bhd. (Perak, Malaysia)
- j) Dagang Halal Group (Kuala Lumpur, Malaysia) (Global Market Insights, 2025)

### 3.1.3. *Halal products and services*

*Halal* products range from food to beverages, pharmaceutical cosmetics, hospitality, tourism, finance, and education.

#### 3.1.3.1 *Food*

The *halal* marketplace is emerging as one of the most profitable and influential market arenas in the world food business today. The *halal* food market has grown strongly over the past decade and is now worth an estimated USD 667 million. *Halal* food represents close to 20% of the entire global food industry. With expected increases in both population and income of *halal* consumers, coupled with the expected increase in demand for food by more than 70% by 2050, the future demand for *halal* food is very strong. Please see Table 1, Table 2 and Table 3.

**Table 1.** Potential Growth Sectors

Clusters	Potential Value for the Halal Market (USD) (based on 5% of Global Halal Trade)
Cosmetic / Personal Care	177 billion
Agriculture	41.5 billion
Pharmaceutical	30.3 billion
Islamic Finance	25.0 billion
Logistic	0.17 billion
Travel Industry	0.13 billion
<b>Total Value for <i>halal</i> new Growth Clusters</b>	<b>274.1 billion</b>

Source: *Halal* Industry Development Corporation, (2023)

**Table 2.** Global Halal Food Market Size by Region (USD).

Region/Year	2009	2010	2021	2024	2025
Asia	400 billion	418.1 billion	495.491 billion	929.5 billion	138.968 billion
Middle East/Africa	150.6 billion	155.9 billion	464.719 billion	51.0 billion	623.386 billion
Europe	66.6 billion	69.3 billion	338.91 billion	764.54 billion	462.994 billion
Americas	16.1 billion	16.7 billion	659.399 billion	1.019 trillion	951.399
Australia/Oceania	1.2 billion	1.6 billion	29.779 billion	14.38 billion	43.169 billion
<b>Total market size</b>	<b>634.5 billion</b>	<b>661.6 billion</b>	<b>1.988.298</b> <b>trillion</b>	<b>2.77842</b> <b>trillion</b>	<b>2.22 trillion</b>

Source: Cognitive Market Research (2024). (This is the available data for Global Halal Food Market Size by Region as reported by Cognitive Market Research)

**Table 3.** Markets with High Potentials for *Halal* Food

Largest Muslim Population		Highest Purchasing Power	
Indonesia	China	Saudi Arabia	UAE
Pakistan	Ethiopia	Turkey	US
India	Algeria	Iran	Algeria
Bangladesh	Morocco	Malaysia	Singapore
Turkey	Sudan	Qatar	Indonesia
Egypt	Afghanistan	Russia	Egypt
Iran	Iraq	France	Netherlands
Nigeria		Libya	

Source: Economist Intelligence Unit

### 3.1.3.2 *Pharmaceutical and health products*

Pharmaceutical and health products are also large growth areas in the global halal industry. Demand for *halal* pharmaceutical, generic medical, wellness and healthcare products are estimated to be about USD 555 billion in Muslim-majority countries. The main concern among Muslims is the use of non-compliant substances such as animal derivatives and animal-based gelatines in these products. The global market growth for pharmaceuticals increased by 4% in 2009 to a value that exceeded USD 820 billion, offering vast potential opportunities for the *halal* pharmaceutical industry to tap into (Halal foundation, 2023)

### 3.1.3.3 *Cosmetics*

Growth in the *halal* cosmetics market is mirrored by a growth in consumer knowledge about the ingredients used and product awareness, fuelled by social networks. The global *halal* cosmetic industry is estimated at USD 13 billion with an annual growth rate of 12%. At present, the *halal* cosmetic market constitutes 11% of the total global *halal* industry. The emerging *halal* cosmetic and personal care market is seen by analysts as next in line for growth after the lucrative *halal* food sector. The main driver for this huge demand in *halal* cosmetics and beauty products stems from the demographic of young, religiously conscious, and dynamic professional Muslim population (Fortune Business Insight, 2023)

### 3.1.3.4 *Tourism*

Traditionally, *halal* tourism has been commonly associated with pilgrimages, *Hajj* and *Umrah*. The growing affluent middle class Muslim consumers, and the increase in the degree of interconnectivity which has made traveling a part and parcel of everyday life, are gradually changing the tourism preferences of Muslims from traditional destinations such as Mecca to top holiday destinations and resorts.

The *halal* tourism market represents 12.3% or USD 126.1 billion of the total global outbound tourism market and is growing at 4.8% compared to the global average of 3.8%. In 2011 alone, Muslim travellers spent about USD 126 billion. This figure is expected to reach USD 419 billion in the coming years (Halal Industry Development Corporation, 2016).

### 3.1.4. *Key halal markets and operators*

The global *halal* market has emerged as a new growth sector in the global economy and is creating a strong presence in developed countries. The most promising *halal* markets are the fast-growing economies of the Asia, Middle East, Europe, and the Americas. With a growing consumer base, and increasing growth in many parts of the world, the industry is set to

become a competitive force in world international trade. The *halal* industry has now expanded well beyond the food sector, further widening the economic potentials for *halal* (Elasrag, 2016). See Table 4 and Table 5.

**Table 4.** Value of Halal Markets in Selected Regions

<b>Selected Regions</b>	<b>Value</b>
Asia	USD 586 Billion
Middle East & Africa	USD 51 Billion
Australia	USD 25.73 Billion
Europe	USD 765 Billion
Central & South America	USD 127 Billion
North America	USD 1,019 Billion

Source: (Cognitive Market Research, 2024)

**Table 5.** Exports of *Halal* Products

<b><i>Halal</i> Products</b>	<b>Percentage</b>
Ingredients	46.3%
Food & Beverage	35%
Palm Oil Derivatives	19%
Industrial Chemical	5.8%
Cosmetics & Personal Care	5.1%
Pharmaceuticals	0.80%

Source: (Fortune Business Insight,2024)

According to Hasan and Awang (2009) nearly all *halal* food exporters are from countries with Muslims as the minority, such as: Australia, Canada, France and New Zealand. Having Muslims as the majority citizens and inhabitants, Nigeria and other developing Muslim dominating countries have potential of becoming not only leading *halal* consumption but also exporting centers.

### 3.1.5. Nigeria outlook to the global demand of halal products

Findings revealed that Nigeria has a lot of opportunities to venture into the *halal* industry. Its potential flow is quite unparalleled, as it has a huge target market, and not to mention its *halal* resources such as poultry, livestock, and other agriculture products (Onwuem, 2014). However, due to lack of full government intervention in regulating and authenticating the *halal* industry in Nigeria, most of the local manufacturers have no clear directions, especially in terms of certifying their products with *halal* authorization.

#### 3.1.5.1 Food Safety issues in Nigeria: The Roles of Halal

Food safety and *halal* are two things that cannot be thought of separately. This is because *halal* demands safe, wholesome (*tayyib*) and hygienic properties, like food safety objectives. Besides fulfilling the *shariah* law, which is a must for Muslims, the food safety factor is a significant contributor in determining the *tayyiban* such as: safe, clean, nutritious, quality aspects of the food. Therefore, *halal* food is food for all regardless of religion.

In Nigeria, more than half of all food-borne illness outbreaks in the country are associated with poor food handling by restaurants, banquet facilities, schools, and other institutions according to the Global Centres for Disease Control and Prevention's Environmental Health Specialists Network Surveillance for Food-borne Disease Outbreak. No one is immune to the problem. Fast-food chains across the country are hot spots for food outbreaks involving different food-borne illnesses. Amid the crisis, these restaurant's stock prices are suffering daily due to issues ranging from, but not limited to food poisoning, and other food-borne illnesses. The submission below is apt to substantiate the corresponding argument. Says Akanji:

For the fear of losing their job, food workers' experiences with and beliefs about working while ill with vomiting can transmit germs, diarrhea, and food-borne illnesses from themselves to the food they prepare. People who eat that food can then get sick. This is an equally important cause of food-borne illness outbreaks. And so, restaurant and food chain operators need to learn more about factors that influence restaurant workers' decisions to work while sick. (First HACCP Limited, Lagos, 2016)

Meanwhile, on his part, the Minister of Agriculture, Audu Ogbeh expressed worry over the unhealthy packaging of food that causes ailments and the rejection of food products in the foreign market. The Federal Government says it is currently pushing for food safety and a quality bill that seeks a healthier approach towards handling Nigerian foods for local consumption and exportation. (Minister of Agriculture, Audu Ogbeh, 2017)

### 3.1.5.2 Prospect of Halal Industry in Nigeria

Nigeria is the largest country in Africa with a population of over 180 million in 2015. Preliminary research by the Pew Research Centre in 2010 abundantly showed that 48.9% of the total population of Nigeria are Muslims while Christians and other religious followers are seen within the remaining percent.

Discovery visibly shows that about 80 million Nigerians are Muslims with predominantly devoted Sunni Muslims spread across the north and the minority in southern part of the country. Therefore, if the Nigerian Muslims population can have access to *halal* and quality

product according to *Shariah* procedure and requirement, it is no doubt that the consumer's patronage and purchase of this product will be enormous. Products in this context include cosmetics, poultry products, dairy products, beef, cereals, and a lot more (Onwueme, 2014). Based on these observations, the total numbers of Muslims in many countries including Muslim-dominated countries are just a fraction of the total amount of Muslims in Nigeria. Onwueme (2014) identified *halal* products that have higher potential and profitability, such as cosmetics, poultry products, cereal, beef, dairy products, food, lifestyle and lots more. Interestingly, the non-Muslims in Nigeria are now purchasing and patronizing *halal* products.

However, the development of a robust *halal* ecosystem in Nigeria remains a work in progress. In contrast, Malaysia presents a highly institutionalized model of *halal* procurement, guided national *halal* supply-chain standards (MS 2400) and government strategies such as the Halal Industry Master Plan 2030. Oversight by JAKIM and the Halal Development Corporation ensures that *halal* conformity is an important factor in public and institutional procurement (Standards Malaysia; *Halal* Development Corporation).

Similarly, Egypt has taken significant steps by centralizing *halal* label authority in the joint-stock company ISEGHALAL established through Prime Ministerial Decree No. 35/2020. The accreditation is overseen by EGAC—measures that strengthen control over imports though links to domestic public procurement are less documented (U.S. Dept. of Agriculture, Foreign Agricultural Service; Egyptian Accreditation Council).

## 4. Discussion

### 4.1. Nigeria Halal Economy Landscape

Nigeria's *halal* economy is emerging, with growing consumer awareness, particularly in the Islamic finance sector, which includes four national Islamic banks: Jaiz Bank, Taj Bank, Lotus Bank, and Alternative Bank (Sterling Bank). The government is also exploring *sukuk* for infrastructure development. The *halal* food sector is evolving, but regulations need further development. The report by the Technical Committee of the Halal Roadmap in Nigeria should be revisited by the new Minister of State for Industry, Trade, and Investment (Nigeria Halal Market, 2024). Additionally, many consumers, especially in the north, prefer buying presumed *halal* meat from local markets. Investment in modern abattoirs is needed to ensure hygienic meat processing for export to OIC countries.

Unarguably, increasing *halal* certification could significantly boost Nigeria's economy and position the country as a Halal Hub in Africa. However, the awareness of *halal* certification among consumers and industry players is still low, and the regulatory ecosystem is

underdeveloped. As a result, sectors like *halal* pharmaceuticals and cosmetics currently lack market-leading companies (Nigeria Halal Market, 2023)

Nigeria is emerging as a significant player in the global *halal* market, besides finance sector and exploration of sukuk development. Here are some key points about Nigeria's outlook in this sector:

- a) **Market Size and Growth:** Nigeria's *halal* market was valued at USD 107 billion in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 10.7%, reaching USD 180 billion by 2027
- b) **Consumer Spending:** Nigeria is the second-largest consumer market for *halal* products and services in Africa, with substantial spending on food, cosmetics, pharmaceuticals, modest fashion, and *halal* travel
- c) **Economic Impact:** The *halal* economy is expected to boost Nigeria's GDP by USD 1.6 billion annually through incremental exports, import substitution, and foreign direct investment opportunities.
- d) **Global Position:** Nigeria accounts for 4.7% of the global *halal* market and 22.7% of Africa's *halal* market. It is also the 11th largest exporter of *halal* products within the Organization of Islamic Cooperation (OIC) countries.
- e) **Strategic Development:** To capitalize on this growing market, Nigeria is focusing on simplifying trade regulations, enhancing production competitiveness, increasing consumer awareness, and fostering partnerships.

The *halal* market presents a lucrative opportunity for Nigeria to strengthen its economy and establish itself as a leader in the global *halal* industry. Nigeria has seen several success stories in the *halal* procurement sector, showcasing its potential in the global *halal* market. Here are a few notable examples:

- a) **Boosting Local and International Markets:** The Nigerian government has been proactive in promoting *halal* certification to enhance the marketability of Nigerian products. The Minister of State for Industry, Trade, and Investment highlighted that *halal* certification has significantly boosted Nigeria's products in both local and international markets. This initiative has stimulated investment in Nigeria's agricultural sector and created wealth for the nation.
- b) **Dar Al Halal's Impact:** The 2023 Nigeria Halal Markets Report by Dar Al Halal emphasized Nigeria's growing presence in the global *halal* economy. The report noted that Nigeria's domestic spending on *halal* products reached USD 107 billion in

2022 and is expected to grow significantly. This growth is driven by strategic initiatives such as simplifying trade regulations, enhancing production competitiveness, and increasing consumer awareness. (Dar Al *Halal* Nigeria 2023)

- c) Investment Attraction: Nigeria has successfully attracted substantial investments in the *halal* sector. For instance, the country generated USD 448 million in investment in the *halal* economy in 2022. This investment is expected to further boost Nigeria's GDP and create more opportunities for local businesses. (Nigeria Halal Market Report, 2023)

## 4.2. The Gaps and Prospects of Nigeria's Halal Product Protection Strategies

### 4.2.1. Institutional commitments and frameworks

The Standards Organisation of Nigeria (SON) has formally stated, through The Guardian Nigeria, that it "is continually committed to driving initiatives that will promote the development of *Halal* products standards in Nigeria ... in line with internationally accepted standards for both domestic and foreign consumers"

In April 2023, Independent Newspaper Nigeria reported that SON held the validation meeting of the Final Draft Report on the Roadmap and Operational Framework for the Development of Halal Industry in Nigeria in Abuja, establishing a team to interface with multiple stakeholders and agencies. SON also announced the establishment of a training centre in Kano for *halal* certification training (The Guardian Nigeria).

At the federal policy level, State House Nigeria confirmed that the government signed a cooperation agreement with Saudi Arabia's Halal Products Development Company (HPDC) in February 2025, aiming to position Nigeria as a key player in the global *halal* economy valued at USD 7.7 trillion. Likewise, in September 2024, Independent Newspaper Nigeria reported that the Vice-President declared the ambition for Nigeria to become a hub of the USD 7.7 trillion global *halal* market, signalling strong political support (Independent Newspaper Nigeria)

### 4.2.2. Certification landscape and gaps

Despite these commitments, Nigeria does not yet have a single government-recognised national regulatory body solely dedicated to *halal* certification. The Halal Certification Authority (HCA), as reported by AllAfrica and Daily Trust, stated that "Nigeria currently does not have a government-recognised regulatory body specifically overseeing the *halal*

industry” HCA also noted that it had certified over 100 companies and more than 300 products in eight years of operation (AllAfrica and Daily Trust 2025)

This fragmented certification landscape allows multiple private bodies to operate independently, which may lead to variations in *halal* standards. Academic research published in Amor Fati Journal of Islamic Studies supports this finding, explaining that many Nigerian *halal* certifiers rely on imported standards or mixed frameworks rather than a unified national standard.

#### 4.2.3 Implementation challenges

While SON and other agencies mention intentions to adopt internationally accepted standards, the practical enforcement, consistency, and traceability remain underdeveloped (Independent Newspaper Nigeria, 27 Apr. 2023). SON itself acknowledged that the roadmap and operational framework are still being developed (Independent Newspaper Nigeria 2023).

Additionally, Muslim News Nigeria highlighted concerns about supply-chain integrity, audit capacity, and alignment with global *halal* assurance systems, emphasizing that these remain serious challenges for Nigeria’s *halal* product protection.

Local producers also face the dual challenge of meeting both domestic food-safety standards and international *halal* certification benchmarks, and until a comprehensive framework is in place, certification uniformity and export access remain limited (Muslim News Nigeria).

#### 4.2.4. Economic opportunity and strategic direction

According to State House Nigeria, officials estimate that increasing Nigeria’s *Halal* exports from roughly 2 % to 6 % could raise GDP by about USD 540 million, while import-substitution efforts could generate USD 1 billion by 2027. The same report indicates that the partnership with Saudi Arabia’s HPDC reflects Nigeria’s drive for foreign investment, technical cooperation, and market access, especially in food, pharmaceuticals, livestock, and finance sectors.

Furthermore, BusinessDay Nigeria noted that several state governments, including Borno, have begun partnerships with *halal* organisations to bring livestock industries in line with international standards (BusinessDay).

### 4.3. Nigeria Government Efforts on Halal Global Practices

To harness the immense opportunities that exist in the global *halal* market, the former Honourable Minister of State Federal Ministry of Industry, Trade & Investment, Abuja, FCT. Ambassador Mariam Yalwaji Katagum commissioned a Technical Committee on March 22, 2022, with responsibility of preparing a framework for *halal* industry development and a road map for its implementation. Inaugurated on the 19th of July 2022, the committee was asked to prepare a report on October 11, 2022. Regarding Roadmap for *halal* industry development, five milestones were identified essential:

- a) Raising public awareness through workshops, seminars, print and electronic media campaigns and road shows
- b) Exploring the global *halal* economy through study tours, collaboration with international players, promoting our *halal* goods and marketing our *halal* services
- c) Launching the Nigeria Halal Initiative to propagate Nigeria's readiness, increase public awareness and focus the attention of manufacturers and entrepreneurs on the prospects of *halal* enterprise.
- d) Setting a National Standard that would comply with international best practice and be accepted worldwide. On this, SMICC and other globally accepted *halal* standards were proposed.
- e) Establishing a National Regulator: The committee identified NINAS, working collaboratively with SON and NAFDAC, to serve as *halal* industry regulator in the short and medium terms.

Meanwhile, from all visible indications, the report is yet to be implemented. SON, however, deserves commendation for its sustained commitment to standardization and its continuous efforts in representing Nigeria interest in the *halal* global forum (Interim Report on Road map and Operational Framework for Halal Industry Development in Nigeria, 2022)

In line with this commitment, Nigeria, in 2025, entered a strategic partnership with Saudi Arabia, as announced by the State House of Nigeria. This collaboration shows the country's growing drive to attract foreign investment, enhance technical cooperation and expand market access-particularly in the food, pharmaceutical, livestock and financial sectors.

## 5. Conclusions

Halal Industry globally is flourishing, and its momentum is enormous. The rapid growth of demand for *halal* products from Muslims and non-Muslims is a cogent factor for this apparenacy. Even though Muslims are large numbers who demand for *halal* products, their countries are the least producers of *halal*. Nigeria, as one of the OIC countries, is still

gradually witnessing a turning point among consumers. The Islamic finance sector has recorded outstanding growth. For *halal* procurement to get more acceptance in the global community, more efforts should be made to advance *halal* governance and productions beyond local practice.

Based on the findings, the following recommendations are given:

- a) The Federal Government of Nigeria must take decisive steps toward standardizing the *halal* industry nationwide. The issue is no longer a matter of religion alone; it now carries major economic, social, and public health implications.
- b) The Standards Organisation of Nigeria (SON) should adopt a more proactive communication strategy. This includes regular public updates on policy developments, transparent reporting of milestones achieved, and stakeholder engagement sessions to ensure inclusiveness and public trust in *halal* certification processes.
- c) Inter-agency collaboration must be strengthened. Agencies such as NAFDAC, NDLEA, and NCCP should jointly develop a coordinated roadmap for *halal* product regulation, monitoring, and export promotion. This collaboration will ensure consistency in standards, safety, and market readiness for both domestic and international consumers.
- d) The private sector also has a critical role to play. *Halal* business associations, manufacturers, and entrepreneurs should organize training programs, public awareness campaigns, and investment forums that showcase *halal*'s potential as a profitable and ethical market segment. In return, the government should offer tax incentives, certification support, and export facilitation programs to encourage compliance and expansion.
- e) The public needs targeted orientation and capacity-building programs. Training workshops, online courses, and community outreach initiatives can help citizens understand how to establish and manage *halal*-compliant enterprises for both local markets and international trade.

The paper employed secondary data analysis, drawing valuable insights from existing literature and documented evidence. To strengthen future findings, it is recommended that subsequent research utilize primary data by collecting firsthand information from industry practitioners, consumers and regulatory bodies.

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