



Market Opportunities for Halal Pharmaceutical Products and Turkey's Experience to Enter Asian Muslim Countries Market

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Abstract:

Nearly ¼ persons in this world is Muslim by birth or geography, and by 2030, 79 countries are expected to hold millions of Muslim residents, as is the case 72 countries for now. Religion is an important factor affecting the human nature and their functions in daily life. The Muslims in general also adhere strongly to religious principles and increasingly become more sensitive over the halalness of their goods and other commodities used in daily life, especially for foods, medicines, cosmetics etc. The largest opportunity within the Halal market is undoubtedly for foods, then we could conclude that the prospective halal market is enormous for all daily needs or supplies. Currently, total expenditure of the Muslims around the world for halal products is around \$1.4 trillion and expected to be \$1.86 trillion in 2023.

“Halal” is an Arabic term meaning lawful or permitted, “Halal Food” refers to the food that has been prepared according to Islamic dietary rules, defined in the Koran that is free from pork products, alcohol and some other unlawful ingredients. In Turkey, recently a “Halal Accreditation Authority” (HAK) was established under the law no: 7060 and published in the Turkish Official News Paper on November 2017. The HAK now is affiliated with the Ministry of Economy and is expected to be only body authorized to provide halal accreditation services. Again, Turkey advocates the establishment of SMIIC (Standards and Metrology Institute of Islamic Countries) standards, although currently Halal certification has been a voluntary process in the country. On the other side, Halal Food and the other daily conveniences and supplies have been gaining importance among the consumers and as well as local and foreign trade sectors in Turkey over the past 10 years. Halal certification focus is driven mostly by Turkey's turn toward the Middle East, Asian and African Muslim countries as new trading partners where Halal certification is usually required. For example, new Muslim tourists usually look for Halal labeling while they are visiting Turkey. Another factor is Turkey's growing domestic conservative, religious population would like to see a Halal label on some products and are skeptical for the goods produced by multinational companies that may not be strictly observing Halal.

Halal pharmaceuticals refer to medicines that do not contain any parts of unlawful animals (pig, dog, mouse, insects etc), alcohol and other materials that not permitted under the Shariah law. The market share of halal pharmaceuticals is around US \$90-100 billion in the world according to the State of Global Islamic Economy Report 2018/19, and Turkey's share in this sector is estimated between % 8 - 10, which is around US \$10 billion. As far as halal pharmaceuticals production and marketing concern, Turkish pharmaceutical companies have no short-term plan to enter Asian Muslim countries' market in near future. Because there has been a general opinion or fatwa that medicinal products might be exempted from halal concern as long as a doctor prescribed that is critical for life. However, currently majority of devout scholars in Turkey have been trying to invalidate this opinion that was informally issued during the strictly secular periods. Consequently, Turkey made great advancement in

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terms of halal issue, and it is expected that the production and marketing of halal pharmaceuticals in Turkey will soon start and develop rapidly to have a great market share in the world.