

*China's halal food exporters struggle with ideological, trade barriers—Global Times: (By Liang Chen 2014-11-26)*

## Halal Food in China is Expected to Expand Overseas

- A Halal Food Company Ningxia Hui Autonomous Region plans to expand to Dubai in the United Arab Emirates (UAE).
- Halal, an Arabic word meaning "lawful" or "permitted," is used to refer to food that fulfills Muslim's religious dietary requirements.
- The foundations are scheduled to be laid early next year.

## The Challenges and Obstacles

- Small Scale and Less Developed
  - The 23 million Muslims in China, a tiny fraction of the 1.6 billion Muslims worldwide, live all over the country, which is difficult to reach many consumers in one region.
  - Most halal food companies are small- or medium-sized, supplying only the local market mostly.
  - Halal food industry in China lacks national household names and leading companies.
  - To compete with worldwide Muslim food companies, halal food manufacturers need to modernize their production facilities, but cannot afford to do so.
  - The introduction of new technologies was key to this transformation.
- Distrust and doubt
  - For political and geographical reasons, China's Muslims were alienated from the worldwide Muslim community.
  - The cultural differences between Chinese Muslims and Muslims, including ritual and customary differences, might make it harder for Chinese halal food manufacturers to be seen as "authentic."
  - Ideological differences between the Chinese government and the Muslim world is another hurdle.
  - The difficulty of adapting your product to a different kind of customer is still one of the largest problems for companies which expand abroad.

## The Road to Mecca

<sup>1</sup> <http://www.globaltimes.cn/content/893789.shtml>

- Mecca, the most sacred city in the Islamic world, has become the target market for Chinese halal food manufacturers looking to expand abroad.
- If a Chinese brand could become part of the Hajj food supplier, they could gain the trust of Muslims around the world.
- The lack of a nationwide halal food certification system, has become a major hurdle for Chinese halal food companies looking to go global.
- Since the 1970s, most Muslim countries have had a sound certification system for halal food, which are mutually recognized.
- Ningxia established China's first halal food certification center-the Ningxia Halal Food International Trade Certification Center in 2009.

### Help to Jump Hurdles

- The authorities in Yinchuan have introduced measures to help its halal food manufacturers go global:
  - setting up the Desheng Industrial Zone, which aims to be the center of Islamic industries in Ningxia.
  - it has launched preferential policies such as tax breaks for halal food manufacturers looking to expand abroad.
- Halal food industry expansion plan is in line with President Xi Jinping's "One Belt and One Road" development strategy that aims to encourage Chinese companies to expand abroad, especially into central and western parts of Eurasia.