

# Positioning China in the Global Halal Economy: A Strategic Review of Opportunities for Growth

Zhang Yanan\* and Shathees Baskaran

Azman Hashim International Business School, Universiti Teknologi Malaysia, Jalan Sultan  
Yahya Petra (Jalan Semarak), 54100 Kuala Lumpur

\*Corresponding Author Email: zhangyanan@graduate.utm.my

DOI Link: <http://dx.doi.org/10.6007/IJAREMS/v14-i3/26372>

Published Online: 23 September 2025

## Abstract

The global halal food industry has undergone a profound transformation, evolving from religious dietary requirements into a globally recognised symbol of ethical, hygienic and sustainable consumption. This synthesis provides a review of the industry, focusing particularly on China's emerging role as a non-Muslim majority country with a large Muslim population, significant industrial capacity, and increasing demand for halal-certified products. Through the analysis of secondary data and by integrating international trends with China's specific political, industrial, and cultural context, the study concludes that China can leverage its manufacturing scale, population diversity, and involvement in cross-cultural halal brand development to play a pivotal role in the future halal economy. This study explores how China can establish a trustworthy and competitive position in the global Islamic food economy by integrating international trends with China's specific political, industrial, and cultural context.

**Keywords:** Halal Food, China, Halal Certification, Sustainable Consumption, Cross-Cultural Branding

## Introduction

The global halal food industry has experienced rapid growth in the last few years as it has expanded well beyond traditional Muslim-majority regions and gaining increasing traction in non-Muslim markets. Liaqat (2023) through State of the Global Islamic Economy Report articulated that the global halal food market was worth USD 1.9 trillion in 2022 and is estimated to grow beyond USD 2.8 trillion by 2027, reinforcing its solid and uninterrupted momentum. Furthermore, Halal certification stands out to be a critical standard that determines the distribution as well as the production of food for several Muslims across the world, the number of which is expected to be in millions (Halal Food Council USA, 2024). From being a specialized segment, halal food has become a global icon of trust, purity, and integrity. These qualities strike an emotionally powerful sentiment with modern consumers worldwide and invite demand beyond religious boundaries. Such trends are also evident in countries like China with more than 22 million Muslims population.

China has strong halal dietary tradition especially in provinces like Ningxia, Xinjiang, and Gansu (Khalid, 2025). It considers this industry to be a key player in its diversification process as it aims to increase its exports to predominantly Muslim nations. China is the world's largest food producer and exporter, having industrial capacity and a technological base strong enough to enable the production of halal food on a mass scale, reaffirming its ambition to be a global player in the halal food market. Despite these capacities, China's halal food market is still fragmented and underregulated, controlled by local certification institutions and without a single national standard, thus constraining its international competitiveness.

Hence, the aim of this conceptual review is to present a synthesis of the world's halal food industry, analyze its principal trends and strategic movements, and the potential in placing China as an emerging key player in these developments. Through the integration of international developments with China's specific political, industrial, and cultural environments, this research synthesizes how China can establish itself as a credible and competitive player in the international Islamic food economy.

## **Literature Review**

### *Halal Food*

The word 'halal' originates from Arabic, meaning what is permitted or acceptable, i.e., lawful according to the Shariah law (Azam & Abdullah, 2020). The term "halal food," which comes from Islamic law, defines what Muslims are allowed to eat. It goes beyond simple dietary prohibitions like abstaining from alcohol and pork to include the full food product lifecycle, from processing to packaging. In accordance with Islamic law, Muslims are permitted to eat or drink certain types of food and beverages. Halal, which means "lawful" or "permitted" in Arabic, refers to dietary regulations that specify what foods and beverages Muslims may consume and prepare, with a focus on hygienic practices, animal welfare, and cleanliness. From sourcing ingredients to processing and handling, these guidelines guarantee that all phases of the food supply chain comply with Islamic dietary regulations (Hanafi & Majid, 2024). The importance of halal food is firmly anchored in Islamic norms, which specify the guideline on diet that Muslims must adhere to. In addition to outlining the technique of animal slaughter: commonly known as Halal, Zabihah, which stresses a gentle approach while reciting Allah's name, these standards also list prohibited (haram) products including alcohol and pork. By guaranteeing that products fulfil these requirements, the halal certification procedure gives customers peace of mind that Islamic law is being followed (Purwaningsih et al., 2024).

### *International Differences and Challenges in Halal Certification*

Halal certification is a vital process for ensuring that food and related products adhere to Islamic law (Hulwati et al., 2025). However, due to differences in religious beliefs, legal frameworks and industrial policies between countries, the implementation of halal certification and its associated standards varies significantly worldwide. Different countries and regions have distinct approaches to determining halal compliance, based on their own legal interpretations and the authority of religious institutions.

In Southeast Asia, Malaysia and Indonesia have well-established halal certification systems. Malaysia's Islamic Development Department (JAKIM) has a well-established certification system and was the first to include the pharmaceutical industry in halal certification, thereby

expanding its scope (Astiwara, 2023). Meanwhile, Indonesia's Food, Drug and Cosmetic Research Institute (LPPOM MUI) has a 'Halal Assurance System' that ensures the entire production process, from raw material procurement to product distribution, adheres strictly to Islamic law principles (Nurdiana et al. 2025). These practices enhance the systematic nature of certification and strengthen the international credibility of halal products. In the Middle East, the Gulf Cooperation Council (GCC) promotes regional standardization through its certification center, aiming to achieve uniformity and mutual recognition mechanisms among member states.

However, differences persist among countries regarding slaughtering regulations, ingredient definitions and production processes. These divergent processes (refer Table 1) complicate international trade negotiations and force exporters, particularly multinational producers, to obtain multiple certifications to meet the entry requirements of different markets. This significantly increases compliance costs and the burden on companies in terms of process management and document preparation. To address this issue, academia and industry have proposed establishing an International Halal Council or promoting mutual recognition of certification through bilateral or regional agreements. Such mechanisms are expected to reduce institutional barriers, enhance global certification consistency, and provide broader opportunities for small and medium-sized enterprises to participate in the international halal food supply chain.

Table 1

*Comparative Halal Certification Requirements*

Authority	Region/Country	Recognition	Slaughter Guidelines	Certification Scope
JAKIM	Malaysia	Global	Zabiha Only	Food, Cosmetics, Pharma
MUI	Indonesia	Regional	Zabiha	Mostly Food
GAC	Gulf Cooperation	GCC only: Saudi Arabia, UAE, Bahrain, Oman, Qatar, Kuwait and Yemen	Zabiha + Traceability	Broad
HFA (UK)	Europe	Partially	Mechanically allowed	Food only

*Halal Food Global Appeal*

Global interest in halal food indicates a deep shift from a religious-specific need to a commonly understood measure of ethical, safe, and quality consumption. Though previously catering to Muslim consumers, halal food is now growing in popularity with non-Muslim consumers worldwide due to its association with cleanliness, humane treatment of animals, and transparency in sourcing and manufacturing methods. Such growing popularity reflects a global shift toward value-based consumption, where ethical and sustainable thought is the foundation of purchasing choices (Rahman et al., 2024). This growing popularity also signifies a broader trend within global food systems, where historical dietary classifications now intersect with emerging consumer concerns such as environmental stewardship, corporate responsibility, and animal welfare. Halal food is increasingly positioned within this ethical context, gaining new layers of cultural relevance and economic significance.

Besides, the growing convergence of halal food and SDGs cannot be overlooked. Halal principles, which emphasize purity, reduction in waste, animal welfare, and decent work, harmonize well with some of the SDGs, particularly Goal 12 (Responsible Consumption and Production) and Goal 3 (Good Health and Well-being). By incorporating halal policy into global development agendas, countries are able to create new intersections between trade policy, food security, and ethical governance.

The media and online platforms are also playing a critical role in determining the global popularity of halal food. Social media influencers, halal food bloggers, and Muslim lifestyle websites have become powerful nodes in shaping consumers, propelling brand awareness, and being held accountable by producers. The democratization of halal discussions through online spaces inspires consumer participation, fights misinformation, and fosters brand loyalty, especially among younger consumers in multicultural, urban environments.

Lastly, as supply chains in the world become more and more fragmented with the effect of climate change, geopolitical changes, and post-pandemic economic recovery, halal food systems provide a sustainable and traceable option that can redefine future trade patterns. Nations that are able to position halal not only as a religious requirement but also as a strategic quality standard will be at the forefront of building tomorrow's food economy.

Economically, the halal sector is evolving into a mainstream global industry. In 2022, the global halal food market was valued at approximately USD 2.2 trillion, and it is forecasted to reach over USD 4.1 trillion by 2028, growing at a compound annual growth rate (CAGR) of 10.8% (IMARC Group, 2023). These projections highlight the sector's increasing relevance not only within Muslim-majority countries but also in non-Muslim regions where halal products are perceived as markers of safety, quality, and ethical integrity.

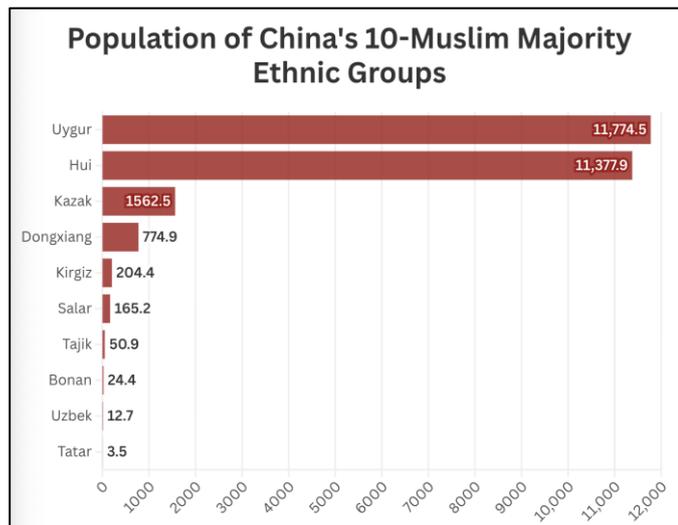
#### *Halal Food Potential in China*

As a constitutionally established multi-ethnic state, China represents a distinctive and nascent potential in the world halal food economy, according to the Council on Foreign Relations (2020). Although Muslims are a minority of the Chinese population, at a mere estimated 1.8% or more than 22 million (Khalid, 2020), they are still one of the largest Muslim populations outside of Muslim-dominated states. This population comprises various ethnic groups like Hui, Uighur, Dongxiang, Salar, and Kazakh communities, mostly settled in areas like Xinjiang, Ningxia, Gansu, and Qinghai (Refer Figure 1).

*Government-designated ethnic groups that traditionally practice Islam*

	Number of adults	% of all Muslim ethnic groups	% of all Chinese adults
Hui	8,291,749	46%	0.75%
Uyghur	7,717,361	43	0.69
Kazakh	1,094,518	6	0.10
Dongxiang	466,976	3	0.04
Kirgiz	140,601	1	0.01
Salar	101,781	1	0.01
Tajik	35,771	<0.5	<0.01
Baoan	14,703	<0.5	<0.01
Uzbek	8,766	<0.5	<0.01
Tatar	2,646	<0.5	<0.01
All Muslim ethnic groups	17,874,872	100	1.61

Note: "All Muslim ethnic groups" account for 1.61% of China's adult population. In surveys, a small share of people in these ethnic groups do not identify as Muslim and a small share of Han Chinese do identify as Muslim.  
 Source: Census of China, 2020.  
 "Measuring Religion in China"



Reginal Distribution of Muslims in China  
 (Pew Research Center, 2023)

Ethnic Group Distribution of Muslims in China  
 (Interesse, 2025)

Figure 1: Muslims in China

China's halal food industry has grown quickly due to both economic opportunities and diplomatic strategies. The cultural importance of halal food for Chinese Muslim communities has created strong demand in domestic markets, especially in western and northwestern provinces. At the same time, the arrival of students, workers, and entrepreneurs from Muslim-majority countries has strengthened halal consumption in large cities such as Beijing, Shanghai, Xi'an, and Guangzhou (Chen et al., 2019). Recognizing the potential of the halal sector, the Chinese government now treats it as both an economic driver and a diplomatic tool to strengthen international ties (Kusuma & Muttaqin, 2025).

*Economic Perspective*

From an economic standpoint, China has promoted halal industry centers in regions with large Muslim populations such as Ningxia and Xinjiang. These regions are encouraged to act as production bases, supported by government policies that aim to attract investment and expand halal-certified production. Such measures not only support regional development but also prepare China to serve as a strategic player in the global halal market.

Beyond Muslim consumers, growing health awareness and ethical consumption trends have increased halal food's popularity among non-Muslim Chinese. For these consumers, halal products symbolize hygiene, safety, and high quality (Arslan & Aydin, 2024). This shift allows producers to reach mainstream markets while also leveraging China's strong manufacturing capacity to supply international demand. However, the halal convenience food segment remains underdeveloped. While many certified companies exist, they mostly focus on traditional items or regional specialties rather than pre-prepared meals, which are increasingly in demand globally.

At the same time, international food corporations have recognized the potential of China's halal market. In 2021, China was valued as the leading producer of halal goods at \$57 billion, involving 40 member states of the Organization of Islamic Cooperation (OIC) (Yaqub, 2024).

Companies like Heinz, Kraft, CP Group (Zhengda), and Bama (Baimai) now supply halal products in China, ranging from meat processing to snacks, bakery goods, and convenience foods. While multinational firms dominate high-end non-meat halal products, traditional halal foods are still produced mainly by domestic companies. This dual structure creates challenges but also opportunities for Chinese firms to modernize and expand their product lines.

#### *Diplomatic Perspective*

Diplomatically, halal industry development supports China's engagement with Muslim-majority countries. The government has used halal trade as part of broader cooperation under initiatives like the Belt and Road Initiative. Such activities strengthen political trust while also encouraging trade and investment links in the halal sector.

Moreover, by combining its industrial scale with cultural understanding of halal practices, China positions itself as a partner for Muslim nations that seek reliable halal trade relationships. This allows China to use the halal industry as a soft power tool, improving international cooperation and projecting an image of inclusivity and respect for cultural diversity.

China's halal food industry shows both economic promise and diplomatic value. Domestically, changing consumer preferences and regional production centers provide a strong foundation for growth. Globally, multinational participation and cooperation with Muslim countries highlight China's emerging role as a key halal producer. By investing in certification systems, product innovation, and export-oriented supply chains, China could become a leading force in the global halal economy and strengthen its ties with the wider Islamic world.

#### **Conclusion**

The global halal food industry is undergoing a major transformation, evolving from a niche market driven by religious adherence into a globally recognized sector that embodies ethical, hygienic, and sustainable consumption values. As halal-certified products gain traction among both Muslim and non-Muslim consumers, the market has expanded rapidly across geographical and cultural boundaries. China, despite being a non-Muslim-majority country, is uniquely positioned to emerge as a meaningful actor in the halal food ecosystem. With its large Muslim minority population, cultural diversity, and industrial strength, China has the demographic and manufacturing capacity to serve both domestic halal needs and global halal markets. Government support through supportive policies, infrastructure and halal industrial parks, combined with growing consumer interest in clean-label, health-oriented food, provides fertile ground for expansion. However, current engagement remains limited, particularly in the underdeveloped halal pre-prepared food segment. Chinese firms must invest in international-standard halal certification, product R&D, and expansion strategies to move beyond traditional halal markets. Partnerships with Muslim-majority countries, targeted export programs, and the cultivation of globally credible halal brands will be vital in this effort.

#### **Future Research Directions**

To ensure the long-term growth of the halal food industry in China and worldwide, future research should focus on several important areas. First, it is necessary to understand

consumer behavior by studying how cultural, generational, and religious differences shape people's views of halal products and affect their buying choices. Second, the halal supply chain needs to be improved by developing systems that make logistics more efficient, reduce costs, and strengthen traceability while meeting halal compliance requirements. Third, digital halal governance should be explored, particularly how technologies like blockchain, artificial intelligence, and the Internet of Things can be used to support halal certification and enforcement. Fourth, policies and trade agreements at both bilateral and multilateral levels should be reviewed to see how halal standards are recognized internationally and how trade barriers can be reduced. Fifth, more research is needed on cross-cultural marketing strategies to identify the best ways of communicating halal brand values in societies that are secular or multi-faith. Overall, the halal food industry now stands at a turning point where its future success will rely not only on religious standards but also on its ability to align with global trends in health, sustainability, technology, and transparency. For China in particular, the challenge is to balance tradition with innovation and combine domestic strengths with international expansion.

### **Acknowledgement**

I would like to express my deepest gratitude to Assoc. Prof. Dr. Shathees Baskaran for his invaluable guidance and constructive feedback throughout the preparation of this review. I also extend special thanks to the halal food studies research community, whose contributions have provided a strong foundation for this work. My sincere appreciation goes to my institution for providing the support and access to scholarly resources and databases essential to this review. Lastly, I am truly grateful to my family and peers for their constant encouragement and understanding during the research and writing process.

### **References**

- Astiwarar, E. M. (2023). Halal Certification Regulation on Health Products: A Global Comparative Study. *International Journal of Science and Society*, 5(3), 470-483.
- Azam, M. S. E., & Abdullah, M. A. (2020). Global Halal Industry: Realities and Opportunities. *International Journal of Islamic Business Ethics*, 5(1), 47-59.
- Chen, B., Tabassum, H., & Saeed, M. A. (2019). International Muslim Students. *Journal of International Students*, 9(4), 933-953.
- GAC. (2025). International Recognition. GAC Accreditation Center. Available at: <https://gac.org.sa/>.
- Halal Food Council USA. (2024, September 24). The Role of Halal Certification in Global Food Trade. Halal Food Council USA. Available at: <https://halalfoodcouncilusa.com/the-role-of-halal-certification-in-global-food-trade/>.
- Hulwati, H., Fadhlan, A., Zein, M. N. M., Mujiono, S., Ulhaq, M. D., & Wulandari, C. (2025). Navigating Halal Certification Standards: A comparative analysis of the food industry in Indonesia and Malaysia. *Journal of Fatwa Management and Research*, 30(1), 1-22.
- Hanafi, N. A. M., & Majid, M. N. A. (2024). Traceability of Logistics in Halal Meat Supply Chain According to Islamic Legal Maxim. *Journal of Law and Governance*, 7(1), 73-94.
- HFA. (n.d.). Who we are. Halal Food Authority. Available at: <https://halalfoodauthority.com/about/>.
- Interesse, G. (2025, July 7). Navigating China's Halal Food Market: Opportunities and Compliance for Foreign Investors. *China Briefing*, Available at: <https://www.china->

- briefing.com/news/navigating-chinas-halal-food-market-opportunities-and-compliance-for-foreign-investors/.
- Kusuma, R. P., & Muttaqin, M. I. (2025). The prospects of the halal industry in the next 10 years: Perspectives on how China can further play its role and strengthen its position. In *Atlantis highlights in social sciences, education and humanities/Atlantis Highlights in Social Sciences, Education and Humanities* (pp. 240–251). [https://doi.org/10.2991/978-94-6463-646-8\\_16](https://doi.org/10.2991/978-94-6463-646-8_16)
- Liaqat, I. A. (2023, December 26). *State of the Global Islamic Economy Report*. Dinar Standard. Available at: <https://www.dinarstandard.com/post/state-of-the-global-islamic-economy-report-2023>.
- Nurdiana, N., Parakkasi, I., Muthiadin, C., & Khaddafi, K. (2025). Halal Certification Standards (LPPOM MUI, HAS 23000, etc.). *Formosa Journal of Multidisciplinary Research*, 4(6), 2647–2660.
- Pew Research Center. (2023, August 30). *Islam*. Pew Research Center. Available at: <https://www.pewresearch.org/religion/2023/08/30/islam/>.
- Purwaningsih, P., Mustika, D. A., & Purwoto, A. (2024). Addressing Non-Compliance With Halal Product Regulations In Indonesia: Safeguarding Muslim Consumer Rights. *Kanun Jurnal Ilmu Hukum*, 26(2), 232-250.
- Rahman, M. M., Razimi, M. S. A., Ariffin, A. S., & Hashim, N. (2024). Navigating moral landscape: Islamic ethical choices and sustainability in Halal meat production and consumption. *Discover Sustainability*, 5(1), 225.
- Yaqub, A. (2024, June 3). 30 New Halal Food Facilities to be Established in China. *The Halal Times*. Available at: <https://www.halaltimes.com/30-new-halal-food-facilities-to-be-established-in-china/>