

Regulatory Framework of Halal Industry in Pakistan: Structural Issues and Challenges

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Abstract

Islam is a religion which provides guidance for a complete lifestyle. It guides Muslims to adopt good and avoid bad in every aspect of life. In other words, Halal is liked, and Haram is disliked. Islam has outlined rules for Muslims that they should consume products which are prepared through Halal methods. In the modern era, the trends in production and consumption of these products have drastically changed due to technological advancements. On the other hand, Pakistan is a country with a majority Muslim population. Thus, Pakistan is a vast Market for Halal commodities. With Muslim manufacturers, Muslim traders, and Muslim consumers, it is naturally expected that Pakistan should act as the role model for the global halal industry. But unfortunately, Pakistani share in the global halal industry is not significant. Regulatory framework of Halal Industry in Pakistan provides the foundation for the development of the Halal industry where the structural challenges and required reforms are the key issues. This research has highlighted the importance of Halal and the role of those organizations which collectively shape the regulatory framework of Pakistani Halal industry. It also explained the current structure of halal industry in Pakistan. Finally, this research has explored challenges and solutions in the regulatory framework that hinders the growth of Halal industry in Pakistan.

Keywords: Halal, Halal food Industry, Challenges, Halal Pakistan, regulatory framework

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1. Introduction

Halal is one of the key components of Islamic belief. Islam teaches Muslims to maintain a Halal lifestyle. The opposite of Halal is Haram. Halal is permissible, while Haram is prohibited. Unfortunately, many people are not aware about Halal and Haram. Muslims hold a huge portion of the world population. Global halal market is growing at a fast speed. It is no longer limited to meat or wine. Today, Halal industry operates far beyond food and includes pharmaceuticals, cosmetics, health products, and toiletries.

By living a carefree lifestyle that is indifferent to the laws of Islam, we put ourselves in trouble in many ways:

- A. In this existing world: due to consumption of haram product, Muslims deprive themselves of having any of their good deeds and prayers (in certain cases) to be accepted by the ALLAH (Al-Quran Al-Nahal, 16).
- B. In the world hereafter: by consuming Haram products, a man will suffer the greatest loss ever imaginable i.e., including (in some cases) refusal from being admitted to Paradise (Al-Quran Al-Maida, 75).
- C. Haram meat is not good for health; for example, under the guidelines of Islam, the blood should be completely drained from the animal. It is the blood that carries toxins, germs, and bacteria. When the blood is not completely drained from the animal and it is left inside the body of the animal, it could potentially make people sick. (Schulze, 2002).
- D. Governments and other regulatory bodies are making laws for the industries to encourage them to make Halal products. So, if organizations do not make their products Halal, they will face governments and other regulatory bodies' restrictions (Act 2016). In this regard, Government of Pakistan is keen to promote halal. In 2016, the National Assembly of Pakistan passed a bill about halal. According to the bill, the food companies who claim their products Halal, are not allowed to import, export, or market any product without halal certification (Act, 2016). As result to this, organizations will lose huge business if they are not Sharia compliant (A. Muhammad, 2019).

Global Halal Industry is estimated to be around 2 trillion USD and it is expected to reach 3.2 trillion USD till 2024. The demand of Halal products is continuously increasing. (Business Recorder, 2020) Following table explains the growth in various sectors of Halal Industry. Islamic banking and finance sector holds the highest share in Halal market which is 60.8% in 2020 (SESRIC, 2022). In OIC countries, Islamic finance sector is estimated to be around US\$3.32 trillion in 2020. It is expected to reach US\$4.82 trillion by 2025 at a Compound Annual Growth Rate (CAGR) of 7.8%. Iran, Saudi Arabia, And Malaysia are among the three most active markets. Still there are Millions of Muslim women who are out of the banking network. Similarly, an increased growth has been observed in Fintech solutions (OIC Halal Economy Report, 2022). This explains that there is a huge potential in Islamic banking and finance sector.

The Islamic finance and banking segment is the leading sector while Halal food sector stays next to Islamic finance sector which is (24.6%), Islamic lifestyle sector stands at 13.4%, and Islamic tourism makes 1.2% (SESRIC, 2022).

Today, 1.8 billion Muslims are living in this world which is about 24.1% of the current world population. Every Muslim need Halal products. Unfortunately, leading Halal exporting countries are mostly non-Muslim such as China, Brazil, USA, Austria, India, and Thailand (SESRIC, 2022). In this regard, India is one of the biggest Halal Meat exporters while Thailand and China are leading Halal products exporters (world Halal Expo, 2020). The market share of all Muslim countries is around 15%, in which Pakistan has 0.25% market share (Dawn, 2020)

The Islamic Republic of Pakistan is a Muslim country. It has great potential in Halal products. Following are some key figures in this regard:

- Livestock Supplies: 5th in the world (160 million)
- Milk Production: 4th in the world
- Rice Production: 4th in the world

- Wheat Production: 4th in the world
- Pakistani Mango: 8% of the world

Thus, Pakistan ranks among top producers in the world (FAOSTAT, 2020). The Country is largely a Muslim populated country. With Muslim manufactures, Muslim Traders, Muslim consumers, and exporters, it was naturally expected that Pakistan had to play a leading role in this industry, but unfortunately, our farm to fork chain is contaminated with Haram elements. One can find products containing Haram elements in different grocery stores of Pakistan (SANHA, 2020). To improve this situation, many steps have been taken at different levels. One of them is the introduction of Halal certification bodies.

Halal certification has started in Pakistan from 2005; however, approximately 600-700 companies have been certified (Faham ul Halal, 2020). This is just a small number as there are more than 2500 food companies in Pakistan. On the other hand, Halal certified restaurants, pharmaceuticals, cosmetics, healthcare products are among those segments in which Halal certified products are in very small numbers. The Pakistan Halal Authority is not fully activated yet. PHDA is not playing its primary role. Halal CBs are divided into different types such as accredited and non-accredited which lead the industry into a non-unified approach. Still today, one can find non-Halal certified products in Pakistani stores (Dawn, 2015).

One can highlight several reasons such as lack of awareness, insufficient regulatory framework, role of academic institutions etc. (AHMED, S. 2017). But the underlying issue can be explained as structural deficiency in Pakistan Halal Industry. Islamic finance can play an important role to increase the growth of Halal industry, structural reforms are required which indeed need financial assistance. Islamic finance can provide financial solutions. So, we can take this industry to a level of excellence.

This paper aims to understand the hazards in the growth of halal industry in Pakistan. This study will also help to understand major segments of the industry, which includes the role of the regulators and CBs etc. It will help Federal Ministers and governments to find a direction which can lead towards improvement of the industry. This study will also open new approaches to resolve existing structural issues and increase Pakistani market share in the global Halal industry. It will provide an opportunity to collaborate with government owned authorities such as Punjab Food Authority, Pakistan Halal Authority etc. it will also create an opportunity to get funding from international Halal bodies such as JAKIM and GAC. Finally, the study shall work as a reference point for the one who intends to take necessary steps for the betterment of the industry.

2. Literature Review

Halal is an essential part of Muslim belief which includes different segments of Muslim lifestyle. In this age of globalization, the need for halal has increased more. To ensure Halal lifestyle, researchers have worked very hard. In this regard one can find books on Halal explaining Shariah guidelines about food ingredients such as the book of Shagr (2015) titled "Understanding Halal Food" and Awan's (2017) book titled "Fundamentals of Halal Food". These books explain the basic Shariah guidance of different ingredients used in Halal industry. Many articles can be found which are related to preparation of Halal Food such as "Halal Food Production" written by Riaz, M. N., & Chaudry, M. M. (2003). In this regard, another book is written by Alam (2019) called "The Dietary Laws of the Shariah". This book discusses different ingredients and how they are made. It also

explains Sharia rulings regarding ingredients such as E-120 and gelatin. In another book, Shah (2018) explicitly explains the key critical ingredients in which Alcohol is an important factor. In his book “Alcohol Say Mutaliq Sharai Ahkam”, Shah (2018) explains types of alcohol and their usage in industry. Similarly, animal feed has been a point of concern among the Scholars. It is claimed that chickens were fed with blood and filth to fulfill their protein needs. Thus, in his book “Haiwanat ki khurak Ka Sharai Miayar”, Shah (2018) has explained different aspects of the above-mentioned Sharia issues. There are some Fatwas and books of Fatawas such as Sarfaraz (2015) “Halal Giza Jadeed Tib or Science”. This book is a collection of Fatawa released by Jamia Darul Ulloom, Karachi. This is a very important book as it has Fatawas on important Shariah issues related to ingredients such as GMOs and Gelatin etc.

One can also find a large portion of literature which is related to consumer awareness such as the article “An exploratory study for measuring consumer’s awareness and perceptions towards halal food in Pakistan” which is written by Salman, F., & Siddiqui, K. (2011). Similarly, another article titled “Consumer purchase intention towards Halal cosmetics & personal care products in Pakistan” written by Majid M. B. Sabir, I. & Ashraf T. (2015) explains the consumer preference for Halal products and their level of awareness about Halal o Haram. Some articles explain different aspects of Slaughtering such as “An insight of the meat industry in Pakistan with special reference to halal meat: a comprehensive review” written by Sohaib, M. & Jamil F. (2017). Some articles discuss financial potential in Halal Industry and its relation between different Halal sectors such as role of Islamic financial institutions in promotion of Pakistan halal food industry and factors reinforcing Pakistan Halal Food Industry to be the World Halal Food Hub. Both articles are written by Gillani, S. Ijaz F. & Khan, M. M. S. (2016).

There are some books available on the structure of halal certification like Shah’s (2018) Book “Halal Certification in lights of Sharia”. The book also explains the issues and challenges faced by Halal certification bodies. Halal Certification services are an important segment of Halal industry. It provides the authenticity for Halal products. Unfortunately, the available literature in this segment is very little in comparison with other segments of Halal lifestyle. In this regard, Dr. Haleem (2016) explained concepts of Halal, Halal certification, and Halal Accreditation system. He concluded that Halal Certification Bodies do not have the required competency to fulfill the needs of the food industry. Thus, improvements are required for Halal supply chain and dedicated logistics for the authenticity of the products. On the other hand, Halal certification services in food ingredients and additives can play an important role (Dr. Haleem,2016). Razzaq (2015) has explained the sharia dimensions of the Halal Certification. In his book “Halal certification in Pakistan”, he explains the process of Halal certification, similarly, it explains different aspects of Halal certification considering Sharia. He says that Halal Certification is like a witness considering sharia interpretation. He also explained that the owner of Halal certification should be a Muslim otherwise the authenticity of the certificate of such a body is questionable.

There are standards that have been developed by different countries. In this regard, Pakistan Standards for Quality and Control have developed different standards on Halal. PS-4992 is one of these standards. This standard provides the structure for Halal CB to get accreditation from PNAC. Most of the clauses are general clauses which are there for other types of accreditations. But, there are a few clauses which clearly explain Sharia Requirements. The last two Annexures of Standard are important as one explains the requirements for Shariah experts and the other explains

requirements for industry experts (PS-4992). PS-3733 is the most important standard. This is a standard which is developed by PSQCA. The standard provides structural requirements for an organization to make its process Halal and Shariah compliant. It is divided into four parts. Part-1 Explains vocabulary, Part-2 explains requirements of Halal Supply chain, Part-3 explains Animal Slaughtering, and Part-4 explains slaughtering and Packaging.

There are some books and standards that explain issues and challenges in the development and sustainability of Halal industry such as the book of Raazaq (2019) titled “Halal Miyarat May Ikhtalaf”. The book explains key differences among different Halal standards such as usage of bugs, alcohol, mechanical slaughtering etc. The above-mentioned literature explains different aspects of Halal industry but none of them discuss structural deficiencies and required reforms in Pakistan. Pakistan is a country of largely Muslim population. One can highlight several reasons such as lack of public awareness, insufficient regulatory framework, role of academic institutions etc. Thus, every aspect of the Pakistani halal industry needs drastic reforms. The role of government owned institutions, competency of Halal Certification bodies, and availability of degree programs in education sector are some of the key points. But the underlying issue can be explained as Structural deficiency in Pakistan Halal Industry. The above-mentioned areas of Halal industry of Pakistan are partially discussed in the available literature. There is a need to explore these areas and highlight their gaps. Thus, comprehensive research is required that will work as a reference point for the one who seeks to resolve these issues. This research will play a vital role to take this industry onto a level of excellence.

3. Methodology:

To achieve the objectives of research, the study selected qualitative research methodology. This is the most appropriate approach (Sekaran & Bougie, 2016) to fulfill the requirements of this research. As qualitative research explains events, people, and processes in the most appropriate way (Miles & Huberman, 1984), this research is based on news reports, websites, and Government Acts which are supported with the authors’ personal observations. The authors have experience of years in the Halal Industry of Pakistan. During this time, several issues were observed. These issues have helped in conducting this research. It is also notable that qualitative research properly addresses the questions of how and why (Freeman & Cavusgil, 2007). In qualitative research, the researcher has the liberty to understand how people interpret their experiences and give them meanings (Merriam, 2009). Thus, this research has raised questions of why, how, who and what that lead to understand the current structure of Halal industry in Pakistan along with those factors which are hindering the growth of regulatory bodies. Based on the personal observations, the authors raised multiple questions against the issues they faced. In return, feedback from the industry helped the authors in resolving these issues in a way which can be acceptable for other stakeholders. This research collected secondary data which includes research articles, Government Acts, reports, news reports, websites and books related to Halal. Thus, through content analysis and personal observations, this research tries to achieve the research objectives.

4. Industrial overview:

Pakistani Halal Industry is a combination of government and private sector organizations. Government organizations play a role of regulator while in private sector Halal certification bodies

act as enforcers. After the 18th amendment in the constitution of Pakistan, Halal industry was divided into two sections: federal and provincial.

4.1 Federal Halal Structure:

Mainly major federal stakeholders of Halal industry work under the Ministry of Science and Technology which Includes:

- **Pakistan Standards and Quality Control Authority (PSQCA)**
Pakistan Standards for Quality and Control Authority (PSQCA) is an organization which develops standards on different topics such as Quality Management. For Halal, they have played an instrumental role by developing Halal standards. Till today (September 2023), they have developed 12 different standards on Halal. HALAL Food Management System, also known as PS-3733, is an important standard developed by PSQCA. Latest revision of PS-3733 was launched in 2019. Now this standard is divided into four parts which covers different aspects of Halal. Mostly Halal Audits are conducted under this standard by Halal certification bodies (PS-3733, 2019). Similarly, PS-4992 is another important standard which provides rules for a regulator to control Halal certification bodies. Thus, on the bases of this standard, Halal accreditation has started in Pakistan.
- **Pakistan National Accreditation Council (PNAC)**
Pakistan National Accreditation Council (PNAC) has started offering accreditation of Halal Certification Bodies under PS-4992. Till November 2021, PNAC had Accredited eight CBs (pnac.gov.pk, 2022).
- **Pakistan Halal Authority (PHA)**
Due to the Pakistan Halal Authority Act, an authority was created. Although the authority is not fully active (till today February 2023), yet the Act of the authority explains interesting recommendations such as three years of imprisonment and Rs. 1 million fines for violations. The act was also focused on import/export, marketing of items which are without Halal logo/description (Business Recorder, 2015). The authority will also develop strategies and plans to promote Halal Trade. It will also recommend Halal standards for adoptions and notification by the national standards body (PHA Act, 2016).

4.2 Halal Provincial Structure:

After the 18th constitutional amendment, provinces established food authorities including Sindh Food Authority, Baluchistan Food Authority, Punjab Food Authority, Khyber Pakhtunkhwa Food Safety and Halal Food Authority. These authorities are primarily responsible for food safety and Halal food related issues in their respective provinces. While Punjab Food Authority (PFA) is working as food Authority only and for the affairs of Halal, there is another agency called Punjab Halal development Agency (PHDA).

On the academic side, the universities are offering diplomas and courses on Halal. While at the level of certification bodies, there are different Halal Certification bodies some of them are PNAC Accredited and some of them are not Accredited Halal certification bodies. All of them are offering

Halal certificates. Thus, one can find development in every segment of Halal industry of Pakistan but unfortunately, besides all mentioned efforts Pakistani food chain is contaminated with Haram elements.

5. Issues and challenges:

The growth of Halal industry is not up to the required level. It is mainly due to the factor that the industry needs a positive environment that will help the industry to grow. While the regulatory framework provides the structure, in this regard, following are few challenges and issues of this industry:

5.1. Political commitment

Pakistan is a politically unstable country. It has a long history of military coups and puppet governments. It is rare to find a prime minister and his cabinet, who have completed their terms. As a result, one party comes with a vision to take this industry in a certain direction, but before they could be able to apply their vision the ministers or prime ministers were removed. The new administration comes with another plan which could be completely different from the previous government's plan. Or they are not motivated to complete the previous government's projects. Such was the case of the bill of Pakistan Halal Authority Act. The bill was approved, and the Authority was suggested by the government of PML N and their political allies. But under the new regime of PTI, the direction for the authority was changed. Similarly, after another regime change, the approach for authority was changed again. It is also noted that the rapid change of ministers had an impact on the vision of this Authority. Since the approval of the bill in 2016 to date (May 2024), more than 8 ministers had taken the ministry in just around 8 years. Most of them were very different to each other in terms of their approach for the Authority. For example, minister Tanveer Hussain followed an aggressive policy for the development, scope, and operations of the Authority, which was mainly based on religious motivation¹, while minister Fawad Chaudhary followed a different policy which was motivated by financial benefits rather than religious motivation². Thus, these differences are creating issues for the overall direction of the regulatory framework of the Halal industry.

5.2. Litigations

The above-mentioned organizations are public sector organizations. Thus, allegations of corruption and favoritism are very common. Which can easily lead towards litigation. Some of these allegations are right and some of them are wrong. But it is up to the courts to decide. Unfortunately, this procedure takes a lot of time which causes further delays. For example, after the approval of the Pakistan Halal Authority Act, the ministry of science and technology asked many times to hire resources for the Authority. In this regard, ads were published for the job, interviews were conducted, and selections were made. Later on, a DG was appointed, but it was found that he was appointed against a rule, and he is facing an inquiry as per August 2021³. Afterwards, another

¹ Halal authority to start working in two months February 22, 2016 10/26/21 (1:36 am)

² Halal food industry to be promoted: Fawad Ch September 10, 2020 <https://www.thenews.com.pk/print/712732-halal-food-industry-to-be-promoted-fawad-ch> 26-10-2021 (1:40 am)

³ Halal authority DG being probed for scrapping recruitment process <https://www.dawn.com/news/1583081> Malik Asad Published October 4, 2020 data collected 27-10-21 (1:00 am)

procedure of hiring was adopted. As a result, this procedure took a lot of time which caused further delays.

5.3 Shortage of Funds

It is found that when most of the regulatory projects are planned, they are promised a certain amount of funds to help these projects run smoothly. In many cases, it is noted that these funds are Promised on an annual basis. Unfortunately, those committed funds never come for the projects. There are multiple reasons behind that. It could be due to the poor economic conditions of the country, or it could be a lack of political motivation. such was the case of Pakistan Halal Authority. It is said that the required funds to establish the Authority were not available due to political commitment and the poor economic condition of the country. There was a need for funds on two sides; one is the establishment of the Authority and the second is the need for infrastructure to enforce the rules of the Authority. Both need a good amount of funds. Similarly, the Punjab Halal Development Agency was created to act as a regulator but today it is operating as a certification body. It is said that one of the main reasons is lack of funds. To work as a regulator, the agency needs lots of funds which are not available.

5.4 Harmony Among Different Stakeholders

Pakistan is a nation of different religious communities with different Sharia opinions on issues related to Halal and Haram. On the other hand, currently, there are two federal organizations PNAC and PSQCA who are particularly working for Halal, while provincial organizations such as PFA, PHDA, SFA are working independently. Similarly, there are different Halal standards practiced in Pakistan and these standards hold hairline differences with huge industrial applications. It is important to create a system which is equally acceptable for all stakeholders including regulators, Halal Certification bodies, manufacturers, and consumers.

The standard for PNAC accreditation is created by PSQCA. This standard is called PS-4992. Under this accreditation, there are several issues such as the issue of Muslim owner of Halal CBs. It is said that CBs should be owned by Muslims. It is important to know that no clause is found in PS-4992 which explicitly explains that CB should be owned by a Muslim. However, it is reported that PNAC had canceled accreditation with CBs called SGS because of this issue. This opinion has been largely adopted by Mufti Yousuf Abdur Razzaq which has been explained in the literature review. Interestingly, this issue is debatable among scholars. Although many scholars believe that the CBs should be owned by Muslims, yet there are scholars who does not agree with this point of view. They believe that Muslim ownership is not mandatory, instead it is mandatory to ensure that decision making regarding Halal must be taken by Muslims. On the other hand, CBs complain that by raising the issue, a huge number of CBs are forced to stop offering Halal Certification.

5.5 Operational delays

It is claimed that PNAC normally responds to any request for accreditation within one month, but one source tells that they mostly delay to more than a month he explains this with his personal experience that he had submitted request for accreditation on September 2020 and till today 1 September 2023 more than 3 years had passed but PNAC have not officially responded yet. He claims that even the officers of PNAC do not officially endorse the receiving of the request for accreditation while unofficially relevant officers do accept that they had received the request. He says that he had visited the PNAC office in Islamabad, sent Emails, corresponded messages, and calls

but officers did not even give him the official receiving number by the PNAC. Thus, this delay in operation is causing unrest among the other stakeholders including CBs. The officers of PNAC answer this problem with their own problems. They say that they are facing a shortage of resources. Every single officer must work off three persons due to shortage of resources. As the workload of Halal needs bigger infrastructure.

5.6. Human Resources

As discussed earlier, PNAC is an organization that provides standards for different industries such as health, Pharmaceuticals, and the energy sector. Halal is one of the sectors which is covered by PNAC, but Halal is a huge industry which needs many human resources. It is found that only around five officers are working in PNAC, thus this is not enough. This organization needs more resources to fulfill the needs of industry. This issue is not limited to PNAC only. Revisions of Standards such as PS-3733 form PSQCA are also delayed many times. It is said that one reason is limited human resources. As members of the revision committee are not permanent employees, this created a situation where progress on revision became slower and slower. While in Punjab Halal Development Agency, it was noted that they are also facing shortage of Human resources.

5.7. Financial Cost

Halal certification is a lengthy and financially draining process whereas getting accreditation for Halal certification body is even more difficult and expensive. Although the official cost of PNAC accreditation is not high in comparison with another accreditation around the world, yet there are some undocumented expenses which increase the cost. For example, it is a normal practice that the cost of traveling and staying on the audit team is paid by the CB. It is noted that several times, the auditors are not from nearby places, rather they come from distant places. For instance, if the audit is to be conducted in Lahore, there are three options for the appointment. A member of the audit team can be from Lahore, Karachi, or Islamabad. It is understandable that the cost for a member from Lahore is very low in comparison with a member from Karachi. Unfortunately, normally members come to Lahore from Karachi or to Karachi from Lahore. Sometimes, the auditors do not come alone; they bring their spouse and families with them. Although the stay of the family is paid by the auditor himself, the CBs who have the fear of losing the audit, pay expenses of family and spouse just to make auditor happy. The official of the PNAC explains this that this practice of bringing auditors from another location is mostly done just to stay out of problem as it is noted that sometime auditors from the same city carry rivalry with the officers of CB which can raise question marks on the integrity of the entire audit.

6. Conclusion

Based on the issues mentioned above, it can be said that Pakistan is a country with huge potential in all sectors of Halal including food, pharmaceuticals, and cosmetics. It is a country with a dominating Muslim population. With Muslim manufacturers, Muslim suppliers, and Muslim traders, it is naturally expected that Pakistani share in Halal market should be highly significant. But unfortunately, Pakistan's share in global halal trade is between 0.2 to 2 per cent only. One of the major causes of this situation is overall structural deficiencies in the Pakistani industry. Regulatory framework of the country is one of the main issues. It is the backbone of the entire industry, but unfortunately it is not performing up to the mark. In this regard, harmony among the different government organizations is very important. After the 18th Amendment of the constitution, Halal related topics such as food, healthcare etc., became provincial subjects. Certain responsibilities lie with the federal administration as well. This situation where some organizations are working at

provincial level such as Punjab Food Authority, Punjab Halal Development Agency, Sindh Food Authority, KPK Food Authority and Balochistan Food Authority, and other organizations are working at federal level such as Pakistan Halal Authority, Pakistan National Accreditation Council, and Pakistan Standards for Quality and Control Authority, it is found that in some cases, the direction of these organizations are not the same. It is also noted that sometimes it happens due to political differences. But most of the time, it is due to structural issues, for example, the main role of Pakistan Halal Authority, Punjab Halal development agency is to regulate Halal industry, but their Acts also give them provision that they can work as Halal certification bodies. Interestingly, while working as certification body, they can also appoint inspectors to check halal.

It is also found that government organizations need resources to carry out their duties. But governments are not providing these required funds which causes two issues. First, in order to generate funds, these organizations have started working as certification bodies. Second, these organizations do not hire enough human resource as is required. Consequently, with limited funds and human resources, operational delays are very common. In this regard, Islamic banking sector can play an important role. They can offer financial solutions in which Islamic banks can join hands with these organizations under Musharakah. Simultaneously, these organizations can earn by imposing financial penalties for irregularities or violation. They can also offer license to different certification bodies like SPB. Islamic banks can generate their profit through the profits of these organizations.

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