

ECONOMIC DEVELOPMENT | BY NSUBUGA NAJIB SSEKIKUBO

## **Uganda Halal Ecosystem:** A call to move from rhetoric to action as a gateway to global Halal markets

Once the Halal Certification Bodies (HCBs) in Uganda attain accreditation, Uganda will be in a better competitive place to effectively tap into this lucrative Global Halal Economy.

> alal is a way of life. It is about ensuring consumables and non-consumables are safe, wholesome, stable, and ethical.

> The concept of Halal defines products and services that are permitted to consume in Islam in a healthy, sustainable, ethical, and responsible consumption manner as Islam prohibits doing harm to humankind and environment.

> During the recent simultaneous Global Halal Summit and Halal Expo Nov 2024 organised by the Standards and Metrology Institute for Islamic Countries (SMIIC) and the Organisation of Islamic Cooperation (OIC) convened in Istanbul, Turkey, The Summit featured several halal sectors including foods and beverages, pharmaceuticals, cosmetics, tourism, finance and banking, among others.

It was revealed that the growing global halal economy is estimated at USD8 Trillion as of November 2024 and expected to be at USD12 Trillion in the next five years. This was revealed by the Halal Summit Coordinator, Ms. Aylin Sengul.

Among the key drivers for the rocketing halal market across the globe is the ever-increasing appreciation and demand for halal products and services by the non-Muslims. This demystifies the previously held misconception that Halal is merely an Islamic issue.

The competitive advantage of halal products is the industry's commitment to high safety procedures, hygienic standards and ethical practices throughout the production value chain.

Uganda is also experiencing growing demand and interest in Halal products and services, including Halal Foods & Beverages, Islamic Banking and Finance. Uganda is strategically positioned as the only OIC member state in the East African Community (EAC) region, and, therefore, steadfast in catching up with the Halal Quality Infrastructure ecosystem is pivotal, to tap into and benefits from the growing halal market regionally and globally.

For instance, several of Halal standards in the country have been developed/adopted and harmonised by the Uganda National Bureau of Standards, (UNBS). These standards are often implemented and applied in Halal Audits Compliance in factories, tourism and manufacturing establishments by the industry players and Halal Certification Bodies in the country, which include: -

- 1. Uganda Muslim Supreme Council (UMSC)
- 2. Uganda Halal Bureau (UHB)
- 3. Halal Assurance Institute Uganda (HAIU)

As per the halal ecosystem in Uganda, Uganda Muslim Supreme Council is currently developing capacity for providing Halal Accreditation Services to Halal Conformity Assessment Bodies; (HCABs), in order to undertake the regulatory function. These include Certification Bodies, Halal Food Testing Laboratories currently established by Islamic University in Uganda (IUIU), Halal Integrity Capacity Building Network (HiCBN) is also providing training services to Halal industry to close the human capacity development gap.

Once the Halal Certification Bodies (HCBs) in Uganda attain accreditation, Uganda will be in a better competitive place to effectively tap into this lucrative Global Halal Economy.

Through exportation of Ugandan products to majorly halal consuming economies like those of the Middle East and North Africa (MENA), and the Gulf Cooperation Council (GCC) region and, therefore, import substitution; Ugandan manufacturers are encouraged to embrace the Halal services to participate in the growing global halal economy.

Notwithstanding the growing halal market across the world, Uganda is still behind, due to lack of an internationally accredited Halal Certification Body (HCB) that conforms to OIC/SMIIC guidelines.

This limits the exportation of Ugandan products to majorly halal consuming economies like those of the Middle East and North Africa (MENA), and the Gulf Cooperation Council (GCC) region.

## **Certified Products for Export**

Halal certified products for export to GCC countries

requires strict compliance and conformance to halal certification services obtained from recognised Halal Accreditation Bodies (ABs); such certifications ensures that companies, product packers, producers, manufacturers, storage facilities managers, stakeholders in logistics and supply chain fully comply with the halal quality standard provisions as referenced in GSO 2055-1:2015; (Gulf Standardisation Organisation), OIC/ SMIIC 1:2019 standard; which defines and outlines the general requirements for Halal food that shall be followed at any stage of Halal food and supply chain including, receiving, preparation, packaging, labelling, handling, transportation, distributing, storage, displaying and Halal food service.





The Uganda Muslim Supreme Council (UMSC), Islamic University in Uganda (IUIU), and Uganda Halal Bureau (UHB) have signed a groundbreaking cooperation agreement aimed at scaling up the Halal certification ecosystem to meet world standards established by the Organization of Islamic Countries (OIC).

The Uganda Bureau of Standards (UNBS) has done a central job in adopting and localising several of SMIIC standards for HCBs and the halal industry as well.

> Apparently Ugandan manufacturers who intend to export to the halal markets are required to outsource accredited Halal Certification services from abroad to obtain reliable export certificates.

This is not only expensive, but extremely bureaucratic to get together. Realising this negative balance of trade as a major limitation and growth to our foreign exchange earnings reserves; through importation of accredited certification services, the Government of Uganda initiated a campaign for the standardisation of Uganda Halal Ecosystem.

In May 2024, the Government signed a Memorandum of Understanding with the Uganda Muslim Supreme Council (UMSC), Islamic University In Uganda (IUIU) and the Uganda Halal Bureau (UHB), to spearhead the development of the Halal standardisation and certification services in the country. Under this arrangement, UMSC was charged with the accreditation of Halal Certification Bodies (HCBs), IUIU to offer Halal testing laboratory services (which is in progress) and UHB to carryout certification of halal products alongside other Certifying Bodies, CBs.

## Spurring Economic Growth through Exports

If well implemented (Halal Ecosystem), this is a great interchange that will see Uganda tap into the booming halal economy in the Gulf region.

This is more pertinent now, considering Uganda's current good relations with countries from MENA/GCC region.

Nevertheless, it is important to note that the government should be fully engaged and invest in the process of developing a comprehensive halal standardisation and certification infrastructure.

The Uganda Bureau of Standards (UNBS) has done a central job in adopting and localising several of SMIIC standards for HCBs and the halal industry as well.

Now that we have the standards, the

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government of Uganda, as the key beneficiary from the export markets, should visibly invest in the realization of the Uganda Halal Ecosystem, as this venture has a multiplier effect of boosting export innovation, ample currency liquidity, creating employment opportunities, reducing trade deficits and ultimately improving the country's gross domestic product (GDP) thus fostering economic growth.

The Government should also support the UMSC, to develop the necessary expertise and systems to internationally qualify them for accrediting HCBs. This requires benchmarking from economies outside the Gulf region with internationally recognised and developed halal systems and infrastructures like the UAE; United Arab Emirates, Qatar, Saudi Arabia, Turkey, Malaysia, Thailand, Singapore, New Zealand and others halal economies.

Moreover, the subject of halal certification should be given more publicity both at the policy making and implementation levels.

The Government should formulate clear policies that guide and support halal standardisation and certification services as well as actively participating in their implementation and enforcement.

There is also a need to interest and support the establishment of more Halal Certification Bodies (HCBs) in other sectors like hospitality, lifestyle, Tourism, pharmaceuticals, Finance and Banking, if Uganda is to effectively cover the growing manufacturing and service industry and other businesses in the country. The entry of more players in halal certification service engagement will also hype the industry as a result of heightened activities from those different players.

Similarly, Uganda, being the only member of the OIC, in the East African Community, should effectively exploit this opportunity to become the leading halal economy in the region.

If at all the UMSC successfully secures the international recognition for accrediting HCBs, it will not only accredit HCBs in Uganda, but also for those in other EAC member states; likes of Kenya, Tanzania, Rwanda, Burundi, Congo, South Sudan.

Ugandan accredited HCBs could as well be outsourced regionally and globally to carry out and offer credible halal certification services for product and management systems compliance. The Memorandum of Understanding signed to establish the Uganda Halal Ecosystem, is a critical step towards tapping into the lucrative global halal economy. All players in halal certification and conformity assessment sectors should work towards its success.

However, as we wait for its implementation, Halal Assurance Institute Uganda has already embarked on a process for securing Halal Accreditation and recognition of its certification services from GSO and GCC accreditation Bodies.

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