

# PHILIPPINE HALAL INDUSTRY DEVELOPMENT STRATEGIC PLAN

## 2023 – 2028



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# ACRONYMS

**BARM** – BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

**BG** – BANGSAMORO GOVERNMENT

**BIMP** – EAGA – BRUNEI DARUSSALAM–INDONESIA–MALAYSIA–PHILIPPINES EAST ASEAN GROWTH AREA

**BIR** – BUREAU OF INTERNAL REVENUE

**BSP** – BANGKO SENTRAL NG PILIPINAS

**CAGR** – COMPOUND ANNUAL GROWTH RATE

**CEPA** – COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT

**CITEM** – CENTER OF INTERNATIONAL TRADE MISSIONS AND EXPOSITIONS

**CREATE LAW** – CORPORATE RECOVERY AND TAX INCENTIVES FOR ENTERPRISES

**DA** – DEPARTMENT OF AGRICULTURE

**DFA** – DEPARTMENT OF FOREIGN AFFAIRS

**DOH** – DEPARTMENT OF HEALTH

**DOST** – DEPARTMENT OF SCIENCE AND TECHNOLOGY

**DOT** – DEPARTMENT OF TOURISM

**DTI** – DEPARTMENT OF TRADE AND INDUSTRY

**FIA** – FOREIGN INVESTMENT ACT

**GMTI** – GLOBAL MUSLIM TRAVEL INDEX

**HAB** – HALAL ACCREDITATION BODY

**HC** – HALAL CERTIFIED

**HCB** – HALAL CERTIFYING BODY

**IB** – ISLAMIC BANK

**IBMM** – INBOUND BUSINESS MATCHING MISSIONS

**IBU** – ISLAMIC BANKING UNITS

**IC** – INSURANCE COMMISSION

**IPA** – INVESTMENT PROMOTIONS AGENCY

**IPPA** – INVESTMENT PROMOTION AND PROTECTION AGREEMENT

**MEA** – MIDDLE EAST AND AFRICA

**MF** – MUSLIM FRIENDLY

**MINDA** – MINDANAO DEVELOPMENT AUTHORITY

**MOC** – MEMORANDUM OF COOPERATION

**MSME** – MICRO, SMALL, AND MEDIUM ENTERPRISE

**MTIT** – MUSLIM TRAVEL INTENT TRACKER

**NCMF** – NATIONAL COMMISSION ON MUSLIM FILIPINOS

**NCR** – NATIONAL CAPITAL REGION

**OBMM** – OUTBOUND BUSINESS MATCHING MISSIONS

**OIC** – ORGANIZATION OF ISLAMIC COUNTRIES

**P/POC** – PHILIPPINE BUREAU OF CUSTOMS

**PAB** – PHILIPPINE ACCREDITATION BUREAU

**PDIC** – PHILIPPINE DEPOSIT INSURANCE CORPORATION

**PHTTE** – PHILIPPINE HALAL TRADE AND TOURISM EXPOSITION

**PPTC** – PHILIPPINE TRADE TRAINING CENTER

**R&D** – RESEARCH AND DEVELOPMENT

**RA** – REPUBLIC ACT

**RTLA** – RETAIL TRADE LIBERALIZATION ACT

**SME** – SMALL AND MEDIUM ENTERPRISE

**TWG** – TECHNICAL WORKING GROUP

**UNWTO** – UNITED NATIONS WORLD TOURISM ORGANIZATION

**US** – UNITED STATES

**USD** – UNITED STATES DOLLAR







# EXECUTIVE SUMMARY

## PHILIPPINE HALAL INDUSTRY IN NUMBERS

### #Winner

Philippines won the Emerging Muslim friendly Destination of the Year for Non-OIC



### #7

Among top 20 non-OIC destinations in the Global Muslim Travel Index or GMTI



### HALF A MILLION

Islamic Tourists in the Philippines in 2023



### \$1 BILLION



Philippine Sukuk or Shariah-compliant bond debuted in 2023 (4.9x oversubscribed)



### 1ST

First Islamic Banking unit license granted

Source: BSP



First Halal Kitchen Certification Awarded to Manila Doctors Hospital

Source: Manila Times, Business Mirror, media reports



### PHP 5 MILLION

Worth of animals for distribution in areas covered by the halal multiplier farms

Source: DA

### MSMEs-focused



Partnership with the BARMM for MSMEs in Marawi to obtain Halal certification

### \$50.6 Million

Halal-related sales generated at the Gulfood 2023

Source: CITEM



### 3,000



Current halal output in the Philippines

Source: combined data from EMB, NCMF, DOT, DOST, DA



### 289

Muslim-friendly establishments

Source: DOT

### 17

recognized halal and organic agriculture enterprises

Source: DA



### 237

Muslim-friendly restaurants

Source: DOT



## 1. EXECUTIVE SUMMARY: INTRODUCTION

This Philippine Halal Industry Development Strategic Plan 2023-2028 built on the approved Philippine Halal Export Development and Promotion Board (Halal Board) roadmap in November 2017.

This Plan is a result of a series of consultative meetings, workshops, and conferences, which took place between November 23, 2023, until January 10, 2024.

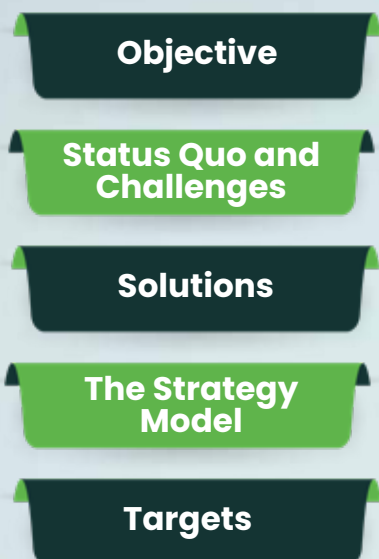
The Department of Trade and Industry (DTI) engaged the members of the Halal Board (an inter- agency body created by R.A. 10817)1a, other relevant government agencies, halal certifying bodies (HCBs), academe, religious and private sector representatives in two-day strategic planning, from December 14 and 15, 2023, to review and upgrade the Philippine halal industry strategic framework/plan 2018-2022.

The workshop and strategic planning included interviews and discussions with the goal of identifying challenges faced by the Philippine halal sector and developing solutions that will remove the barriers to the growth of this sector.

Together with participants from the different organizations, the following have been initiated:

- Legal Framework Review
- Achievements
- Identification of the Problems
- Proposed Solutions
- Proposed Strategy (Mission, Approach, Strategic Goal, Strategic Outcomes)
- Key Metrics of Success
- Recommended Actions

## EXECUTIVE SUMMARY: THE 2023–2028 STRATEGY



### OBJECTIVE:

To boost regional and national competencies; upsize Micro, Small, and Medium Enterprises (MSMEs) through knowledge management and upskilling; strengthen consumer awareness and protection; foster a healthy supply and demand ecosystem; enhance domestic food security; and promote both domestic and international trade and investment.

### STATUS QUO AND CHALLENGES:

During the strategy-setting sessions in 2017, three core strategies were set for the period from 2018–2022, namely: Develop halal standards for priority sectors and update existing standards, Work for recognition by target markets of the Philippine Halal Certification Scheme; and Ensure convergence of efforts to address gaps in the halal value chain.

Since the drafting of this strategy, a substantial number of achievements have been made – from halal exports and investment promotions, sales generation, Philippines’ first sukuk raising to a major halal tourism award and many more.

There have been many strides in the Philippine halal industry development thanks to the enthusiasm

of both the public and the private sectors. This is reflected in the number of roadmaps and initiatives from various government agencies, which have helped in the promotion of halal as a concept and as a business. The promotion of halal can be further enhanced with more decisive coordination.

The foremost challenge the Philippines faces is the relatively low number of halal-certified goods, services, and companies in the Philippines. Despite having Southeast Asia’s third-largest Muslim population, the country’s halal production lags that of non-Islamic countries like Singapore and Thailand. Last year alone, the Philippines imported halal products worth USD 120 million, indicating a substantial market that the country could satisfy domestically.

In line with President Ferdinand Marcos Jr’s top-down mandate to invigorate halal industry development in the Philippines, the Philippine Halal Board, led by the Department of Trade and Industry, aims to boost the Philippine economy by enhancing halal domestic consumption and exports, thereby stimulating business expansion, attracting investments, and creating employment opportunities.

To achieve this, this strategy document aims to outline strategies and solutions to boost regional and national competencies; upsize Micro, Small, and Medium Enterprises (MSMEs) through knowledge management and upskilling; strengthen consumer awareness and protection; foster a healthy supply and demand ecosystem; enhance domestic food security; and promote both domestic and international trade.

Notably, the Philippine Halal Certification Scheme has remained unenforced since its inception because of the stand-off between Accreditation Bodies (AB) and Certification Bodies (CBs).

The halal value chain, which includes activities such as farming, warehousing, procurement, transfers, product handling, inventory, order, and logistics management chain, remains incomplete or lacking.

Global data underscores the growing significance of Halal products and services. The halal market is indeed a sunrise industry. The world's Muslim population, currently stands at approximately 1.9 billion, constitutes around 25% of the global

population. This number is projected to grow to 2.8 billion by the year 2050. In line with this demographic trend, the Halal market is poised for remarkable growth, expected to reach a staggering USD7.7 trillion by 2025—a more than twofold increase from USD 3.2 trillion in 2015.

It is crucial that the Philippines as a nation collectively work together under the visionary leadership of President Ferdinand R. Marcos Jr. toward a 'Bagong Pilipinas'—New Philippines.

Growing the Philippine halal industry means economic prosperity for all. But at the heart of this initiative as well is the Philippines' nation's diverse and inclusive spirit. It is a testament to the country's respect for cultural diversity and religious beliefs and underscores the Philippines' relentless pursuit of excellence and underscores the Philippines' relentless pursuit of excellence.

## Status Quo and Challenges

**1. Restrictive regulation.** The Philippines has a lower halal output for domestic consumption and exports compared to other non-Islamic economies because of unresolved legal setbacks and long-standing stand-off between halal accreditation bodies (HABs) and halal certification bodies (HCBs).

Currently, only Philippine products certified by Philippine-accredited Halal certifying bodies are allowed for export. According to Section 11.6 of the IIR of RA 10817 otherwise known as the 'Philippine Halal Export Development And Promotion Act of 2016, no product promoted or branded as halal can be exported unless they have been certified by PAB- accredited halal CBs or PAB-recognized foreign certification bodies. Philippine HCBs are having challenges in complying with the requirements of ISO 17065, an international conformity assessment guideline confirmed by the DTI's Philippine Accreditation Bureau. Hence, the Halal Export Board issued two consecutive moratoriums on the implementation of this regulation. Springing from this issue are questions and confusion in the market, which throws doubts about the halal integrity of Philippine products.

**2. Fragmented approach.** Another challenge is the tendency of government agencies to operate in silos. A fragmented approach with lack of clear collaboration can cause market confusion and duplication of efforts. Despite successful partnerships, there's a need for enhanced inter-agency collaboration to unify roadmaps and strategies for Halal development.

**3. Incomplete value chain.** The third hurdle is the gaps in the Philippines' Halal Value Chain, which cast shadows on the Philippines' Halal credibility. There is a requirement for comprehensive industry-wide effort encompassing all stages, from production to consumption.

**4. Low halal awareness and visibility.** There is a need to improve awareness and visibility of Halal products and make it easier for all consumers, including the growing number of Muslim tourists, to find and access Halal products. The Philippines is expecting to welcome even more Muslim visitors than the significant half a million in 2023 hence, overcoming these challenges is imperative.

## SOLUTIONS

**1. Solution to restrictive regulation:** RECOGNIZE FOREIGN-ACCREDITED PHILIPPINE HALAL CERTIFICATION BODIES TO FURTHER DRIVE THE GROWTH OF PHILIPPINE HALAL EXPORTS.

**Approach:** Be Customer-Centric

**Design:** Establish a mechanism for recognition of accredited HCBs. By virtue of Mutual Recognition Agreements (MRA), foreign HCBs accredited and/or recognized by the destination market can be recognized.

**Benefits:** Increased number of Philippine halal exports, increased visibility of Philippine products in foreign markets, business growth, jobs creation, investment generation

**2. Solution to a fragmented approach:** LAUNCH "HALAL-FRIENDLY PHILIPPINES" A ONE BRAND, WHOLE-OF-GOVERNMENT

**Approach:** Be Collaborative

**Design:** Drive partnerships to a higher level through an enhanced inter-agency collaboration to unify roadmaps and strategies for Halal development. This campaign, to be called "Halal-friendly Philippines," will promote the Philippines as a premium halal-friendly hub in the Asia Pacific region — a collaborative, customer-centric and competitive halal gateway and destination. This umbrella brand will bind all stakeholders to work cohesively, recognizing each part, component, or program and operating in harmony with the larger whole.

**Benefits:** Effective and efficient halal industry



development, promotion and capacity building; increased halal consumption and halal exports; increased visibility of Philippines as a halal hub and halal destination; business growth, jobs creation, and investment generation. This move will also expedite the growth of the halal industry in the Philippines as this will cover not just the halal certified products and services but also Muslim-friendly and halal-ready products, services and establishments.

**3. Solution to an incomplete value chain:** TO STRENGTHEN HALAL INTEGRITY AND CREDIBILITY, COMPLETE THE HALAL VALUE CHAIN BY DEVELOPING REGIONAL AND NATIONAL COMPETENCIES THROUGH INSTITUTIONALIZED KNOWLEDGE MANAGEMENT, SKILLS MATCHING AND UPSKILLING, INVESTMENT PROMOTIONS AND CAPACITY BUILDING.

**Approach:** Be Comprehensive

**Design:** This will require a comprehensive industry-wide effort encompassing all stages, from production to consumption. Large companies will be instrumental in this as they have the capabilities and resources that span across the entire value chain.

**Benefits:** Regional and national development; MSMEs empowerment; job creation through skills matching and upskilling, investment promotions and capacity building; increased halal consumption and halal exports; increased visibility of the Philippines as a halal hub and halal destination; business growth, jobs creation, and investment generation.

**4. Solution to halal awareness and visibility:** LAUNCH A ONE-STOP SHOP FOR ALL HALAL STAKEHOLDERS TO LOWER THE BARRIER TO ENTRY TO THE HALAL MARKET AND FACILITATE EASE OF DOING HALAL BUSINESS

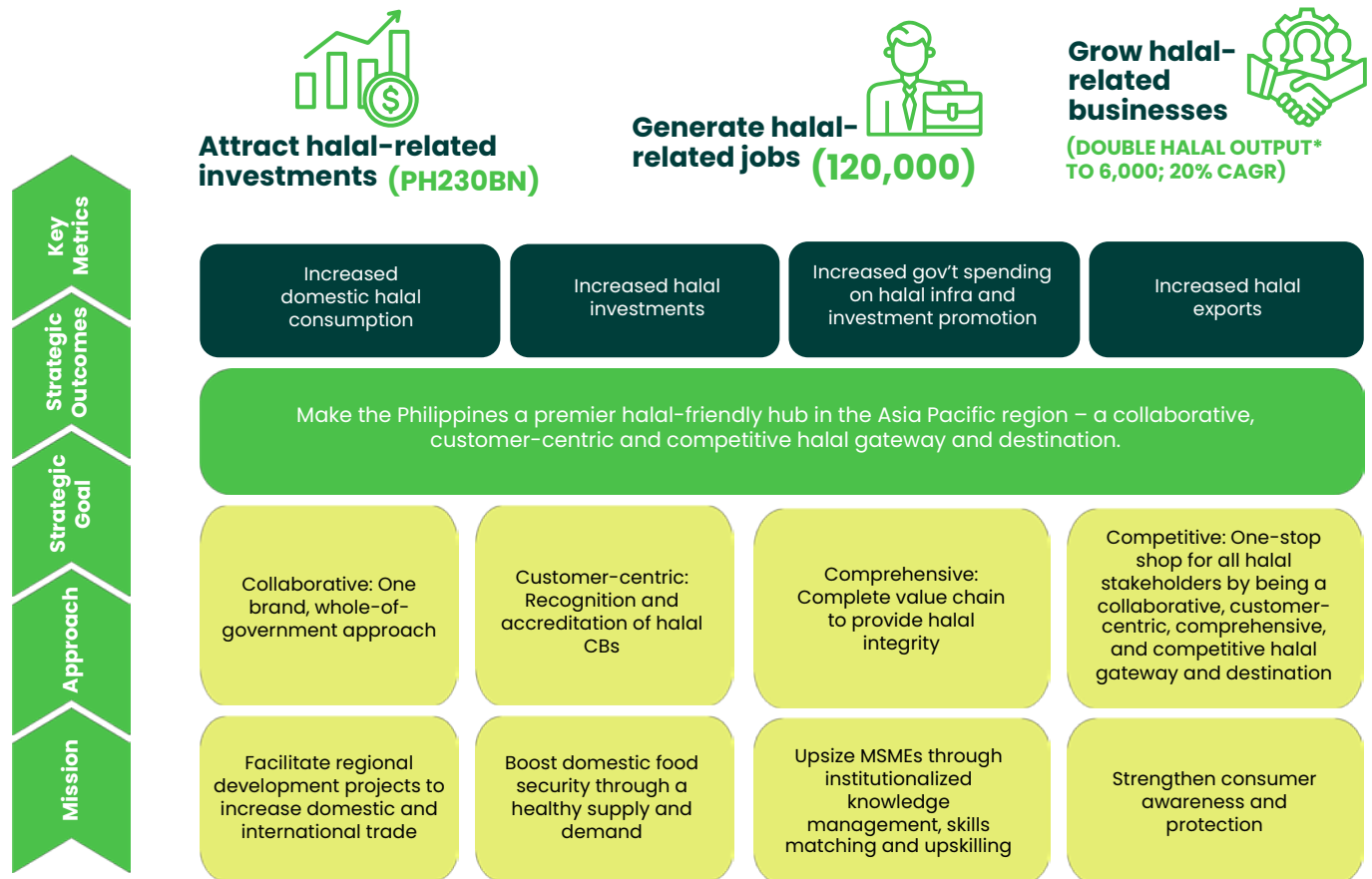
**Approach:** Be Competitive

**Design:** To be able to compete for investments, it is necessary that investors and other stakeholders can seamlessly access government agencies and halal industry players in the Philippines. The Halal Board, as highlighted by DTI Secretary Alfredo Pascual, adopts a developmental, collaborative, and progress-monitoring approach, aiming to institutionalize consumer protection and investment promotion and enhance the Philippines' global halal standing.

In line with this, a one-stop shop will be launched to be managed by the Halal Board TWG. This office will facilitate an integrated and collaborative plan and rollout/implementation. This one-stop shop will also oversee an integrated marketing communication plan in collaboration with all relevant agencies, including a website that will create a database, provide access to information, contacts, and suppliers and make it easier for investors, consumers, traders and other stakeholders to enter the ecosystem.

**Benefits:** Ease of doing business; access to economic opportunities; lower transaction costs; less red tape; business growth, jobs creation, investment generation.

## THE STRATEGY MODEL







## TARGETS



**Attract**  
**PHP230 BILLION**  
**(USD 4.14 BILLION)**  
**halal-related investments**



**Generate**  
**120,000 JOB**  
**OPPORTUNITIES**  
**in the halal industry**



**Grow halal businesses**  
**(double the HALAL**  
**OUTPUT TO 6,000,**  
**growing at a CAGR of 20%)**

### BASIS FOR THE PROJECTIONS

#### Basis of investments projection:

In 2022, the Philippine total exports amounted to USD78.8 billion. Assuming 5% of that would be halal related that would USD3.94 billion (USD4 billion) economy on trade alone.

USD4 billion = PHP 223 billion

The 5% assumption is pegged similar to Thailand and Malaysia where their halal related exports contribute 5 to 10% of their total exports.

#### Basis of jobs projection:

The IMF estimates that for every USD1 million public spending, 16–30 jobs can be created in low-income developing countries.

USD4 billion (5% of USD78bn) / 1 million = 4,000

x 30 jobs = 120,000 jobs

#### Basis of halal output:

3,000 = 1,825 halal certified exports (EMB) + 500 halal certified domestic products (NCMF) + 237 + 289 Muslim friendly establishments and restaurants (DOT) + 22 halal recognized establishments (DA) + others

6,200 halal output = 20% CAGR over 4 years (2024–2028)









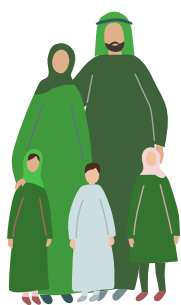


# OVERVIEW

## 2. OVERVIEW

The halal industry is one of the most promising industries in the global market today. Considering the growing Muslim population of 1.9 billion people, the global halal market is estimated to reach a staggering USD7.7 trillion in market value by 2025, up from USD3.2 trillion in 2015.<sup>5</sup>

Halal is a significant and growing industry and covers everything from food, finance, travel, fashion, pharmaceuticals, cosmetics, media and recreation, logistics, marketing, packaging, and branding.



**Muslim population of  
1.9 BILLION  
PEOPLE**

Source: The Investment Promotion Agency of Qatar (IPA Qatar), Dinar Standard, DIEDC, various



**USD7.7 TRILLION  
in market value by 2025**

Source: The Investment Promotion Agency of Qatar (IPA Qatar), Dinar Standard, DIEDC, various

Halal certification in the Muslim world offers consumers additional protection, ensuring safe and contaminant-free food purchases.

Changes in government regulations in the Asian region, as a response to the growing demand for halal products and services, will lead to greater halal certification, impacting how halal food products are produced and marketed.

Halal is also not confined to Muslims as it is preferred by many individuals because it is known to be safe, hygienic, and healthy. Non-Muslim countries are also benefiting from the Halal

economy, including Thailand, Singapore, Italy, France, Germany, Netherlands, United Kingdom, Belgium, and the USA.<sup>5</sup>

The Philippines plans to expand its participation in the halal economy by being more active in this multi-trillion US-dollar industry that is growing at a rapid pace.



## 2.1 WHAT IS HALAL?

# HALAL

Halal is Arabic for “lawful” or “permissible”.

Halal is Arabic for “lawful” or “permissible.” It encompasses not only food and drink but also all matters of daily life. Halal, therefore, is a lifestyle. As a concept, everything is “halal” unless declared “haram,” which means “forbidden.”

When you hear halal, the first thing that comes to mind is halal food. Halal food means any food that is permitted under Islamic Law and fulfills the following conditions:

1. It does not consist of or contain anything that is considered to be unlawful (haram) according to Islamic Law.

2. It has not been prepared, processed, transported, or stored using any appliance or facility that was not free from anything unlawful (haram) according to Islamic Law.

3. It has not, in the course of preparation, processing, transportation, or storage, been in direct contact with any food that fails to satisfy the above. (No contamination)

However, halal food can be prepared, processed, or stored in different sections or lines within the same premises where non-halal foods are produced, provided that necessary measures are taken to prevent any contact between halal and non-halal food (i.e. no contamination)

## 2.2 WHAT IS HARAM?

# HARAM

Haram means “unlawful” or “forbidden” under the Islamic Law.

### a). Food of animal origin

- Pigs and boars
- Dogs, snakes, and monkeys
- Carnivorous animals with claws and fangs, such as lions, tigers, bears, and other similar animals
- Birds of prey with claws such as eagles, vultures, and other similar birds
- Pests such as rats, centipedes, scorpions, and other similar animals
- Animals forbidden to be killed in Islam, i.e., ants, bees, and woodpecker birds
- Animals which are considered generally repulsive like lice, flies, maggots, and other similar animals
- Animals that live both on land and in water

such as frogs, crocodiles, and other similar animals

- Mules and domestic donkeys
- All poisonous and hazardous aquatic animals
- Blood
- Any other animals not slaughtered according to Islamic Law

### b). Food of plant origin

- Intoxicating and hazardous plants except where the toxin or hazard can be eliminated during processing

### c). Drink

- Alcoholic drinks
- All forms of intoxicating and hazardous drinks

### d). Food additives

- All food additives derived from above (1-3)

## 2.3 THE GLOBAL HALAL ECONOMY

In 2021, the Global Halal Economy is estimated to have hit more than USD7 trillion.

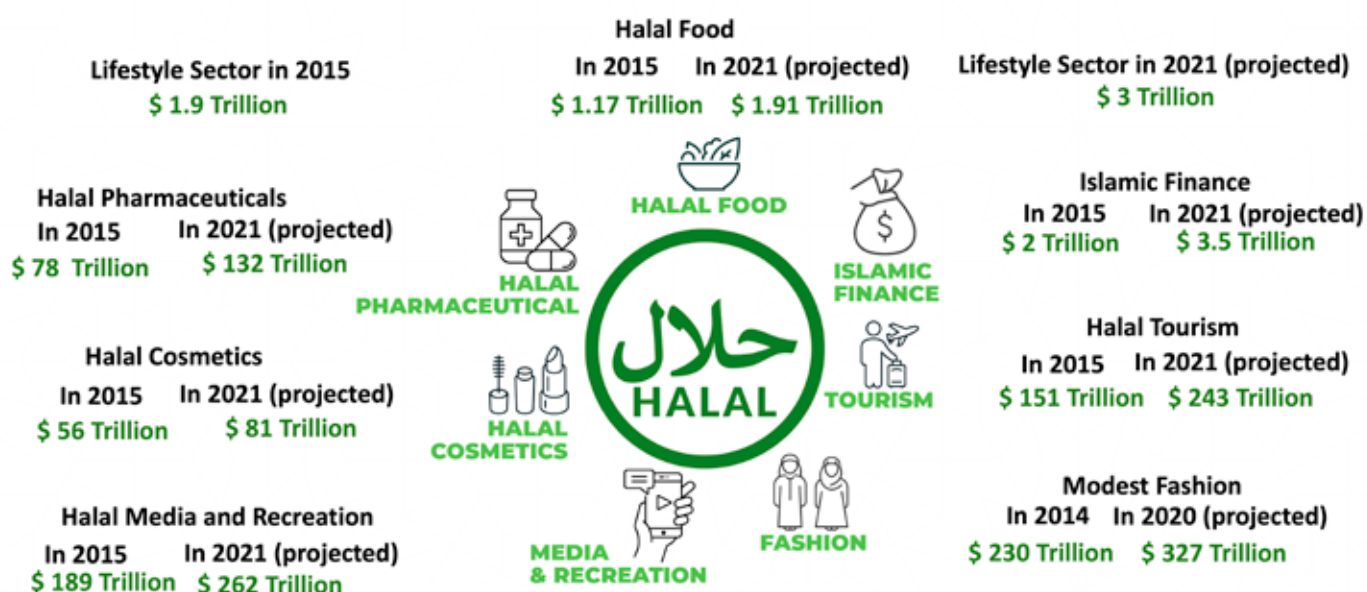
	2015	2021
<b>Halal Food</b>	<b>USD 1.17 trillion</b>	<b>USD 1.91 trillion</b>
<b>Islamic Finance</b>	<b>USD 2 trillion</b>	<b>USD 3.5 trillion</b>
<b>Halal Tourism</b>	<b>USD 151 billion</b>	<b>USD 243 billion</b>
<b>Modest Fashion</b>	<b>USD 230 billion (2014)</b>	<b>USD 327 billion (2020)</b>
<b>Halal Media &amp; Recreation</b>	<b>USD 189 billion</b>	<b>USD 262 billion</b>
<b>Halal Pharma</b>	<b>USD 78 billion</b>	<b>USD 132 billion</b>
<b>Halal Cosmetics</b>	<b>USD 56 billion</b>	<b>USD 81 billion</b>

Source: DIFC, Dinar Standard, Various

The global halal economy, which encompasses food, lifestyle, pharmaceuticals, cosmetics, Islamic finance, tourism, fashion, media, and recreation, is a multi-trillion market, according to the International Halal Accreditation Forum.<sup>6</sup>

It is broken down as follows:

### THE GLOBAL HALAL ECONOMY IS A MULTI-TRILLION MARKET.



Source: International Halal Accreditation Forum

## 2.4 INCREASING DEMAND FROM NON-MUSLIMS

Halal is also increasingly becoming popular and in demand among non-Muslim communities. Studies show that non-Muslim consumers buy or consume food labeled halal because of “safety,” “cleanliness,” “suitability for personal health,” and “hygiene.”<sup>7</sup>

# WHY NON-MUSLIMS CONSUME HALAL PRODUCTS

“Safety” “Cleanliness” “Suitability for personal health” “Hygiene”

Studies on meats and chicken have shown that the halal process can reduce the presence of some nasty microbes, like salmonella. The leaching of blood and the deveining process also help as blood is known as a good medium for bacteria.

A study published in Research Gate in 2023 states: “The transformation of halal raw poultry meat (slaughtered according to Islamic rules) into various products could result in lowering the microbial load since the processing steps include the use of high temperatures,

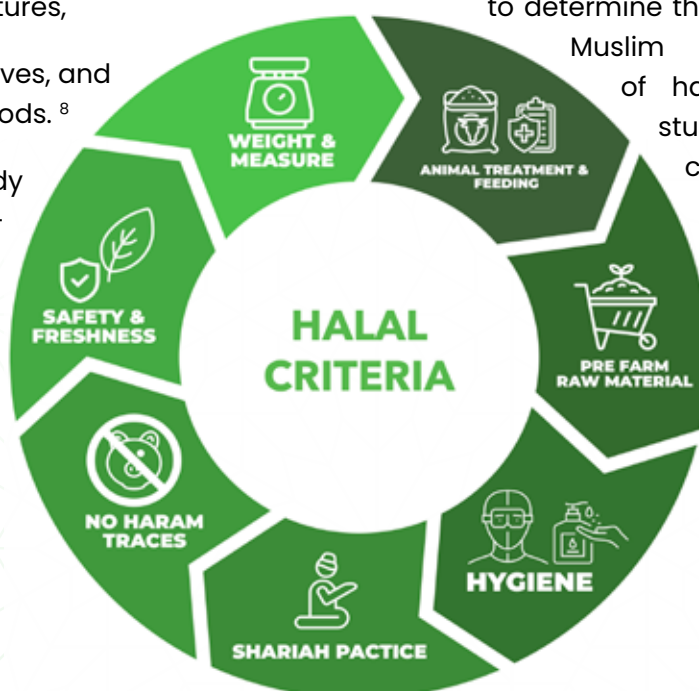
chemical preservatives, and other preservation methods.”<sup>8</sup>

Similarly, a 2020 study shows that among non-Muslim communities, there is an increasing awareness of the soundness of halal food for the body as an interpretation of

healthy living. They found that attitude significantly – and positively – impacts purchase intention. To enhance purchase intention among non-Muslim consumers, the proper processing and health safety of halal-labeled food is crucial in enhancing their purchase intention.<sup>9</sup>

This confirms the findings of an earlier study in 2011 conducted by a Malaysian team. The researchers used the concept of “Implementing Theory of Planned Behavior” (TPB) in purchasing halal food to determine the factors that affect non-

Muslim consumers’ perceptions of halal food products. The study found that perceived control (safety, cleanliness, suitability, hygiene) leads to non-Muslim consumers’ intention to purchase halal food products.<sup>10</sup>







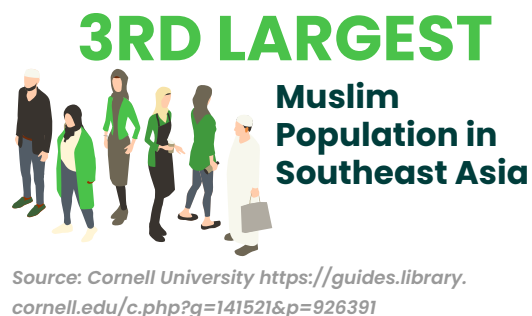
# PHILIPPINE HALAL ECONOMY'S TARGET AUDIENCE



### 3. PHILIPPINE HALAL ECONOMY'S TARGET AUDIENCE

#### 3.1 Filipino Muslims

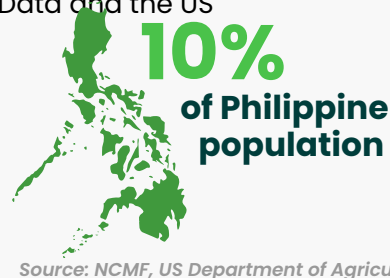
It is estimated that the Philippine Muslim population is 10 percent, or 12 million people. This makes the Philippines home to the third-largest Muslim population in Southeast Asia.



It has a similar population of Muslims of Thailand and Singapore combined. While the majority of Muslims in the Philippines reside in the Bangsamoro region, many have relocated to urban and rural areas in different parts of the country, including Metro Manila.

That is why we have to bring a more comprehensive halal infrastructure around many parts of the Philippines. Currently, there is a significant supply gap. There's a huge demand for halal products in the Philippines. For example,

the estimated value of halal food demand in the Philippines stood at USD120 million (PHP 6.67 billion) in 2022 based on Philippines' Bureau of Customs Data and the US

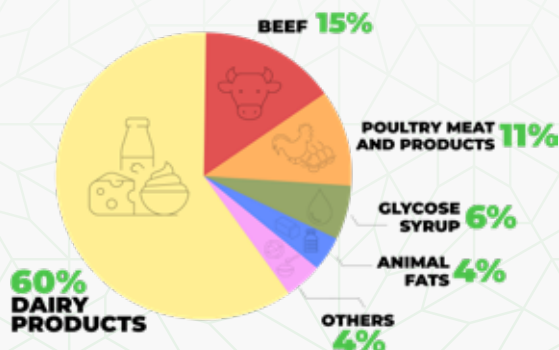


With an annual population growth of 3%, the consumption of our Filipino Muslims is a sustainable source of growth. Their family's halal consumption requirements alone are a massive market opportunity, underscoring the need to aggressively develop and expand the Philippine domestic halal industry.



The global halal industry has been expanding, and this growth can influence the availability and consumption of halal products in different countries, including the Philippines, which continues to improve regulations and certifications to ensure that products labeled as halal meet the necessary standards. As the Philippines introduces such initiatives, this could positively impact the growth of the halal market.

#### DEMAND FOR HALAL PRODUCTS IN THE PHILIPPINES



The biggest demand is dairy products (60%), followed by beef (15%), poultry meat and products (11%), glucose syrup (6%), and animal fats (4%).



### 3.2 Exporters

The Philippines' halal exports have been steadily growing over the years. Our top markets are Malaysia, UAE, Saudi Arabia, Singapore, Iran, Qatar and Kuwait.

The Philippine Exports to leading halal markets are fresh bananas (USD45 million), pineapple products (USD25 million), beauty and makeup (USD7.3 million), carrageenan (USD2.9 million), medicaments (USD2 million), crude coconut oil

(USD942,000), dried mangoes (USD97,000) and calamansi (USD34,000).

To boost exports, the Philippines has been doing outbound business matching missions, inbound business matching missions, and participation in trade exhibitions. These activities assist Philippine exporters in reaching new markets, meet buyers, networking with importers and distributors, gain insights into local consumer behaviour, and generate sales that will allow them to grow their halal businesses.

### Top Philippine Exports to Leading Halal Markets



2021 EXPORTS	TOTAL IN USD
Fresh Bananas	45,024,009
Pineapple products	24,995,746
Beauty and makeup	7,325,732
Perfume and scents	1,853,434
Carrageenan	2,844,479
Medicaments	1,931,743
Crude coconut oil	941,901
Dried Mangoes	98,870
Calamansi	33,629

\*Indicative data on Halal  
\*\*\*data is from (UAE, Bahrain, Saudi Arabia & Malaysia)

### 3.3 Tourists from Islamic countries

The Middle East countries, a major chunk of the OIC countries, are among the world's top spenders. According to the United Nations World Tourism Organization (UNWTO), Middle Eastern travelers spend 6.5 times more than the worldwide average in 2017, with 40% spending more than USD10,000 per trip per capita. The average spend is USD3,250 for a typical 12-to-13-night trip abroad.<sup>11</sup>

The Philippines is increasingly becoming a popular destination for travelers from Islamic countries. In 2023, visitor arrivals from Islamic or Muslim-populated countries reached almost half a million, which is 9% of the total 5.4 million arrivals.

 **HALF A MILLION**  
Islamic tourists to the Philippines in 2023

 **9%**  
of total tourist arrivals

 Middle Eastern travelers have **6.5x higher** spending vs worldwide average

 **#1**  
The Philippines won the Emerging Muslim-friendly Destination of the Year for Non-OIC

 **#7**  
among Top 20 Non-OIC destinations

 **USD3,250 average**  
spend for 12-to-13-night trip

A major reason for this is the country's Muslim-friendly image. For example, the country received the Emerging Muslim-friendly Destination of the Year for Non-OIC (Organization of Islamic Countries) award in the Halal in Travel Global Summit 2023 last June 1, 2023, held in Singapore.<sup>11</sup>

The Philippines also rose to No. 7 among the Top 20 Non-OIC destinations, tied with Germany and South Africa, and No. 36 overall among 138 destinations, in the Global Muslim Travel Index (GMTI) 2023 by Mastercard Crescent Rating.<sup>14</sup>

Criteria include 1) ease of access to the destination, 2) internal and external communication by the destination, 3) environment at the destination, and 4) services provided by the destination. The GMTI ranking is important and is worth taking a closer look. The annual report continues to provide vital insights into the Muslim travel market. It's a segment that demonstrates robust growth and resilience in the face of global challenges.

In 2022, there were 110 million Muslim international visitors, accounting for 12% of all international arrivals. This is a considerable growth, equivalent to nearly 68% of the pre-pandemic levels seen in 2019.

The MasterCard Index predicted that Muslim

traveler arrivals would rise to 140 million in 2023, fully recovering to the pre-pandemic levels of 160 million in 2024.

The report also projects that Muslim arrivals will reach 230 million by 2028, with an estimated expenditure of USD225 billion. The 2023 report includes the Muslim Travel Intent Tracker (MTIT), a unique tool that shows the travel intentions of Muslim travelers over time.

MasterCard monitors this metric monthly to provide an overview of the Muslim traveler community's changing travel trends and preferences. Notably, part of the GMTI criteria in the rankings (table below) is service.<sup>13</sup>

In tourism, a major aspect is accommodation establishments. The DOT has been doing an aggressive campaign to encourage more tourism stakeholders to explore attracting the Islamic market.

The DOT Memorandum Circular No. 2020-010 established the guidelines governing the operations and recognition of Muslim-friendly accommodation establishments.

As of June 2023, DOT recorded a nationwide total of 289 Halal Certified or Muslim-Friendly Accommodation Establishment.

### GMTI 2023 Rankings - Top 20 non-OIC Destinations

Non-OIC Rank	Change VS 2022	GMTI 2023 Rank	Country	GMTI 2023 Scores
1	0	11	Singapore	64
2	1	20	United Kingdom (UK)	58
3	-1	28	Taiwan	53
4	-1	29	Thailand	52
5	0	30	Hong Kong	50
6	0	32	Japan	48
7	1	36	Philippines	46
7	5	36	Germany	46
7	-1	36	South Africa	46
7	3	36	Spain	46
11	-1	40	Australia	45
11	-3	40	United States of America (USA)	45
13	2	43	Bosnia and Herzegovina	44
13	-1	43	France	44
13	3	43	Georgia	44
16	3	47	South Korea	43
17	-5	49	Ireland	42
17	3	49	Kenya	42
19	2	52	Canada	41
19	-3	52	Italy	41
19	1	52	Tanzania	41

For restaurants, the nationwide total is 237. Breakdown below:

NATIONAL BREAKDOWN		MAJOR REGIONAL DISTRIBUTION			
Halal Certified (HC)	12	Region	HC	MF	TOTAL
Muslim Friendly (MF)	277	IX	2	137	139
TOTAL	289	X	0	77	77

### 3.4 Trade & Industry Investors



**USD23.95  
TRILLION**  
Combined GDP of 57  
Islamic Countries

The growth of the Philippine halal industry will attract investments from various sectors, both local and foreign. Investors, given the huge local and international halal markets, will channel funds into businesses involved in the production, distribution, and marketing of halal products.

This influx of investments can contribute to the expansion and modernization of the halal industry, further fueling economic growth. The 57 Islamic Countries have a combined GDP of

USD23.95 trillion. A lot of investors are actively looking for investment opportunities.

The GDP impact of the world's Muslim tourism sector exceeded USD138 billion in 2015, generating

4.3 million jobs and contributing more than USD18 billion in tax revenue.<sup>15</sup>

### 3.5 Islamic Bankers

On November 29, 2023, the Philippines issued, for the first time, a USD1 billion "Sukuk" (Sharia-compliant bonds) with a tenor of 5.5 years, which was oversubscribed nearly five times, demonstrating pent-up interest from investors.

There is a significant opportunity for local and international investors to expand in Islamic banking. The majority of Muslims live in the BARMM Region, yet BARMM is the most unbanked

– 110 out of 118 local government units (LGUs) or 93.2%.

### 3.6 Healthy and Safety-conscious Consumers

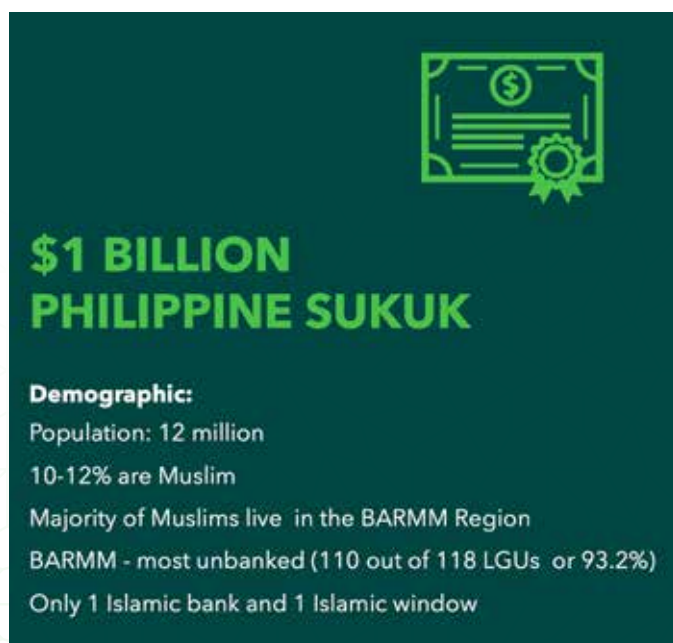
Studies show that an increasing number of non-Muslim consumers buy or consume food labeled Halal because of "Safety," "Cleanliness," "Suitability for personal health," and "Hygiene" reasons. The Halal industry is one of the most promising industries in the global market, estimated to reach a staggering USD7.7 trillion in market value by 2025, up from USD3.2 trillion in 2015. In addition to food and beverages, halal encompasses all matters of daily life, including finance, travel, fashion, pharmaceuticals, cosmetics, media and recreation, logistics, marketing, packaging, and branding.



### Investment opportunities:

- The Philippines is an emerging market for halal products due to its growing Muslim population.
- Additionally, the country is positioning itself as a halal food processing hub for export to other countries and regions with significant Muslim populations.
- In 2022, the Philippines imported USD120 million worth of halal products, including dairy products, beef, poultry meat and products, glucose syrup, and animal fats. These factors present an opportunity for investors to build manufacturing facilities in the Philippines to supply the domestic halal market.<sup>14</sup>
- Rising consumer awareness, rapid multiculturalism, and globalization, growing health and safety concerns, and proliferation of e-commerce and digital marketing.

### The First Sovereign Sukuk



**\$1 BILLION  
PHILIPPINE SUKUK**

**Demographic:**  
 Population: 12 million  
 10-12% are Muslim  
 Majority of Muslims live in the BARMM Region  
 BARMM - most unbanked (110 out of 118 LGUs or 93.2%)  
 Only 1 Islamic bank and 1 Islamic window

On December 6, 2023, the Republic of the Philippines made its successful debut in the global Islamic financial markets with the issuance of a USD1 billion sovereign Sukuk using real estate assets under Ijara and Wakala, with a Commodity Murabaha

### IPA offerings

- The Philippine Economic Zone Authority (PEZA) is currently drafting guidelines to incentivize activities related to the halal industry. PEZA also said that the first halal hub in the country could be located in Mindanao, with its proximity to Muslim-dominated countries of Malaysia, Brunei Darussalam, and Indonesia which are also being eyed as partners of the country in developing its domestic halal industry. (PEZA)
- The Zamboanga City Special Economic Zone (or ZamboEcoZone) is a special economic zone located in Zamboanga City in the province of Zamboanga del Sur in Mindanao, Philippines. It is the only economic zone located in Western Mindanao. The one hundred (100) hectares food processing complex is capable of housing prospective manufacturers of halal food and food grade products that are targeted to garner 30% market share of the USD15.9 billion in potential business. (NCMF)
- The ZamboEcoZone currently has signed a Memorandum of Agreement with the National Commission on Muslim Filipinos for the promotion and development of local halal industries.
- Other IPAs in the country are also actively exploring Halal-related investment. (NCMF)

aspect. The Philippines' 5.5-year Dollar Sukuk was also listed in Nasdaq Dubai on December 8, 2023. The landmark debut of the Philippine sovereign sukuk was preceded by the Investor Roundtable in Doha and Philippine Economic Briefing in Dubai held in September 2023, and successful roadshows held on November 27–28, 2023.<sup>17</sup>

The maiden issuance of the Philippines' sovereign sukuk marks the country's debut in the global sukuk space – a significant leap for the development of the Philippine Islamic finance ecosystem. This milestone is seen to send a strong signal that the Philippine economy is well-positioned to accommodate Islamic finance investors and players. A boost in the country's capital market is likewise expected as this would provide Islamic banking players with further means to manage their liquidity and address investment requirements.

The Philippine sovereign sukuk issuance sends a strong signal to both global and domestic investors of our country's readiness to accept Islamic banking and finance players.

## First Islamic Banking unit license

The BSP has made significant strides in promoting the development of Islamic banking and finance in the country. This started with the maiden issuances on the licensing and Shari'ah governance framework for Islamic banks (IBs) and Islamic banking units (IBUs) barely three months after the Islamic banking law took effect in September 2019.

With the aim of creating a competitive and broadly inclusive financial system, the BSP took on a progressive and flexible approach to implementing prudential regulatory reforms backed by enhanced stakeholder engagements, continuous capacity building, and innovative awareness campaigns.

The BSP granted the first Islamic Banking unit license to an incumbent conventional bank in June 2023 with an Islamic banking branch in Cotabato to start its operations in Q1 2024.

**The BSP granted the first Islamic Banking unit license to an incumbent conventional bank in June 2023 with an Islamic banking branch in Cotabato to start its operations in Q1 2024.**

## Opportunities for Investors in Islamic banking and finance

In general, investors can look forward to benefiting from various investment opportunities and financing options owing to the Philippines' open investment regime, strategic position as a gateway to the Asia Pacific, thrust for public-private partnerships, and favorable demographic profile backed by a strong, dynamic and highly educated English-speaking workforce.

On Islamic banking and finance, the Government calibrated reforms of strengthening the legal and regulatory framework on Islamic banking, including the provision of tax neutrality and the relevant legal reforms in the PDIC Charter, which will ensure comprehensive legal support in developing the ecosystem with a liberalized approach in encouraging entry of new players.

The modes of entry of foreign banks have been liberalized under R.A. No. 10641, which amended R.A. No. 7721 or the Foreign Bank Liberalization Act.

This flexibility was also adopted by the BSP in the design and delivery of key policies and appropriate prudential incentives to encourage new players to establish Islamic banking operations in the country (i.e., either as full-fledged or Islamic banking unit, which can either be in the form of a branch, unit, or department of the conventional bank) and spur the growth and development of the Islamic banking sector.

Among the key reforms implemented by the National Government to support economic liberalization of the country included the following:

- The amendments to Foreign Investments Act (RA No. 11647) which allows foreign investors to fully own SME domestic enterprises, with a paid-in capital of between USD 100 thousand to USD 200 thousand subject to certain provisions.
- Amendments to Public Service Act (RA No. 11659) which allows 100% foreign ownership of public services, including telecommunications and transport, and enables foreign equity participation of up to 40% in public utilities.
- Retail Trade Liberalization Law (RA No. 11595) which allows more foreign players in the retail market by lowering minimum paid-up capital for foreign corporations from US\$2.5 million to US\$ 500 thousand and removing the required net worth, number of retailing branches and retailing track record conditions.
- Amendments to the Renewable Energy Act of 2008 which allows 100% ownership on the exploration, development and utilization of renewable energy resources.

This flexibility is evident in its regulations on licensing of Islamic banks and Islamic banking units, liberalized modes of entry for foreign banks, and relaxation of minimum capitalization requirements of Islamic banking units. Hence, new Islamic banking players can participate in the Government through investments in strategic priority areas that are seen to further spur our nation's growth and prosperity.





2024

2025

2026

2027

2028





# OBJECTIVES

## 4. OBJECTIVES

### MISSION:

- Develop regional and national competencies to increase domestic and international trade
- Boost domestic food security through a healthy supply and demand
- Upsize MSMEs through institutionalized knowledge management, skills matching, and upskilling
- Strengthen consumer awareness and protection

### MANDATE:

Strengthen the Philippine economy by increasing halal domestic consumption and halal exports in order to drive business growth and more investments which will, in turn, result in job creation.

The significance of a top-down mandate for halal development is underscored by the robust commitment from the leadership, notably President Ferdinand “Bongbong” Marcos Jr., to invigorate halal initiatives in the Philippines.

DTI and relevant government bodies under the Halal Board, this concerted effort aims to propel halal development.

Given the substantial Muslim population in the Philippines, this proactive approach aligns with the anticipated growth in the Muslim community, subsequently fostering an augmented demand for halal products.









# STATUS QUO AND CHALLENGES



## 5. STATUS QUO AND CHALLENGES

### 5.1 STATUS QUO

During the strategy-setting sessions in 2017, three core strategies were set for the period from 2018 to 2022, namely: Develop halal standards for priority sectors and update existing standards, Work for recognition by target markets of the Philippine Halal Certification Scheme; and Ensure convergence of efforts to address gaps in the halal value chain.

Since the drafting of this strategy, a substantial number of achievements have been made – from halal exports and investment promotions, sales generation, Philippines' first sukuk raising to a major halal tourism award and many more.

There have been many strides in the Philippine halal industry development thanks to the enthusiasm of both the public and the private sectors. This is reflected in the number of roadmaps and initiatives from various government agencies, which have helped in the promotion of halal as a concept and as a business. The promotion of halal can be further enhanced with more decisive coordination.

The foremost challenge the Philippines faces is the relatively low number of halal-certified goods, services, and companies in the Philippines. Despite having Southeast Asia's third-largest Muslim population, the country's halal production lags that of non-Islamic countries like Singapore and Thailand. Last year alone, the Philippines imported halal products worth USD120 million, indicating a substantial market that the country could satisfy domestically.

Notably, the Philippine Halal Certification Scheme has remained unenforced since its inception because of the stand-off between Accreditation Bodies (AB) and Certification Bodies (CBs).

The halal value chain, which includes activities such as farming, warehousing, procurement, transfers, product handling, inventory, order, and logistics management chain, remains incomplete or lacking.

Global data underscores the growing significance of Halal products and services. The halal market is indeed a sunrise industry. The world's Muslim population, currently stands at approximately 1.9 billion, constitutes around 25% of the global population. This number is projected to grow to 2.8 billion by the year 2050. In line with this demographic trend, the Halal market is poised for remarkable growth, expected to reach a staggering USD7.7 trillion by 2025—a more than twofold increase from USD 3.2 trillion in 2015.

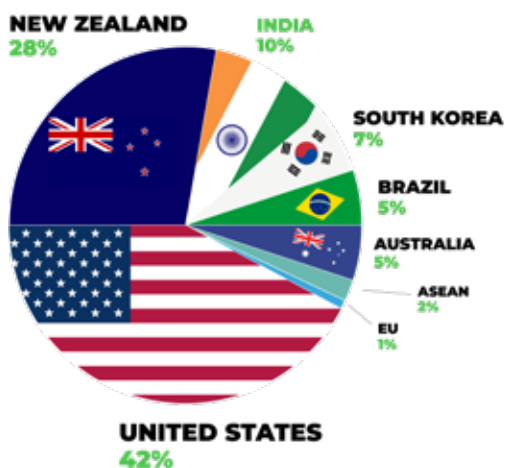
It is crucial that the Philippines as a nation collectively work together under the visionary leadership of President Ferdinand R. Marcos Jr. toward a 'Bagong Pilipinas'—New Philippines.

Growing the Philippine halal industry means economic prosperity for all. But at the heart of this initiative as well is the Philippines' nation's diverse and inclusive spirit. It is a testament to the country's respect for cultural diversity and religious beliefs and underscores the Philippines' relentless pursuit of excellence and underscores the Philippines' relentless pursuit of excellence.

## 5.2 CHALLENGES

### 1. LOW HALAL PRODUCT OUTPUT

#### SOURCES OF IMPORTED HALAL PRODUCTS



Compared to other non-Islamic economies, such as Thailand and Singapore, the Philippines has low halal output for domestic consumption and exports. This is due largely to the unresolved legal setbacks and long-standing stand-off between AB and CBs.

(a) In 2022, the Philippines had a demand of USD120 million (PHP6.67 billion) worth of Halal products. 17

(b) The Philippines has the third-largest Muslim population in Southeast Asia, with a similar size of Muslim population to the combined Muslim population of Thailand and Singapore. But the Philippines' halal output (est. 3,000\*) is dwarfed by other non-Islamic countries. PH's halal output is only 5% of Singapore's (55,000) and only 2% (174,000) of Thailand's. \*Estimates only, as the Philippines is yet to have a database to track its halal output.

(c) Non-Islamic economies such as Thailand and Singapore have a single halal certification body. The Philippines, on the other hand, has around eight (8) HCBs accredited by NCMF and PAB that are operating in the country. Yet, compared to Thailand and Singapore, the Philippines still has a lower number of halal output compared to these countries.

(d) As Per R.A. No. 10817, only Philippine products certified by PAB-accredited HCB can be exported. However, Philippine HCBs face challenges in

Remarkably, there is zero halal certifying body (HCB) currently accredited by the Philippine Accreditation Bureau (PAB). To continue Philippine exports, the Halal Export Board issued two (2) consecutive moratoriums on the implementation of Sections 11.6 and 13 (b) of the IRR namely, the Board Resolution 03 Series of 2019 and Board Resolution 01 Series of 2020. This moratorium expired at the end of December 2023

complying with the requirements of ISO 17065, an international conformity assessment guideline conformed by PAB. Remarkably, there is zero HCB currently accredited by PAB. To continue Philippine exports, the Halal Export Board issued two (2) consecutive moratoriums on the implementation of Sections 11.6 and 13 (b) of the IRR namely, the Board Resolution 03 Series of 2019 and Board Resolution 01 Series of 2020. This moratorium expired at the end of December 2023.

(e) Some CBs are citing that there is a jurisprudence setback due to a Supreme Court decision in 2003 highlighting the church and state separation.

(f) No single database exists to track PH halal output whether halal-certified or Muslim/Halal-friendly. Other kinds of halal acceptance have been instituted such as "Muslim-friendly" under DOT. DA has also recognised 22 halal enterprises.





*There is a lack of information on halal slaughterhouses or halal logistics services in the country, leading to concerns about potential contamination and credibility issues.*

## 2. FRAGMENTATION

Philippine government agencies operate independently, lacking collaboration. Each agency has its roadmap, manuals, and calendar, leading to duplication, inefficiency, and market confusion, hindering the promotion of halal.

There is a lack of information on halal slaughterhouses or halal logistics services in the country, leading to concerns about potential contamination and credibility issues.

## 3. UNDERDEVELOPED HALAL VALUE CHAIN

The underdeveloped halal value chain lacks clear integrity and credibility. The Halal Value Chain (HVC) should encompass input, production, distribution, marketing, and consumption, with an assurance mechanism for halal production. Currently absent, this value chain requires development. The lack of data on halal slaughterhouses and logistics services, raises concerns about contamination and credibility.

Notably, certain critical components are missing in the Philippine halal value chain, such as the halal feed production.

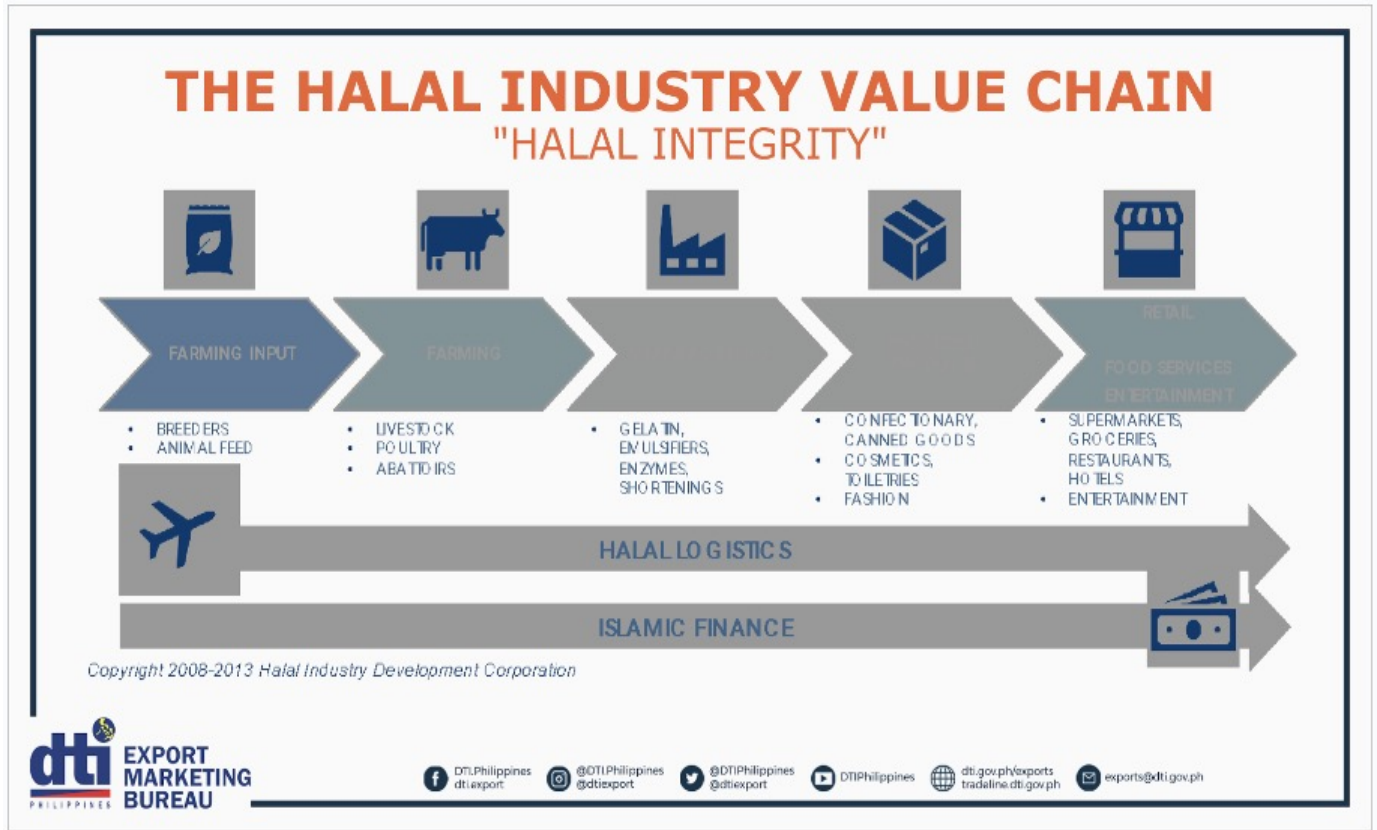
**THE HALAL VALUE CHAIN CAN  
BE DEFINED AS THE WHOLE  
ACTIVITIES OF HALAL PRODUCT  
DISTRIBUTION ACROSS THE SUPPLY  
CHAIN IN ORDER TO PREVENT ANY  
CONTAMINATION AND TO OBSERVE  
THE ISLAMIC RULE, STARTING FROM  
PRODUCTION AND DISTRIBUTION,  
AND FINALLY TO THE CUSTOMERS.**

TIEMAN, 2013, ZAILANI ET AL., 2017,  
SCIENCE DIRECT



There is also a lack of halal slaughterhouses. According to the Department of Agrarian Reform, there are 277 slaughterhouses in the country – with

an “unknown” number of halal ones. In addition, there is also a lack of halal logistics and distribution companies.

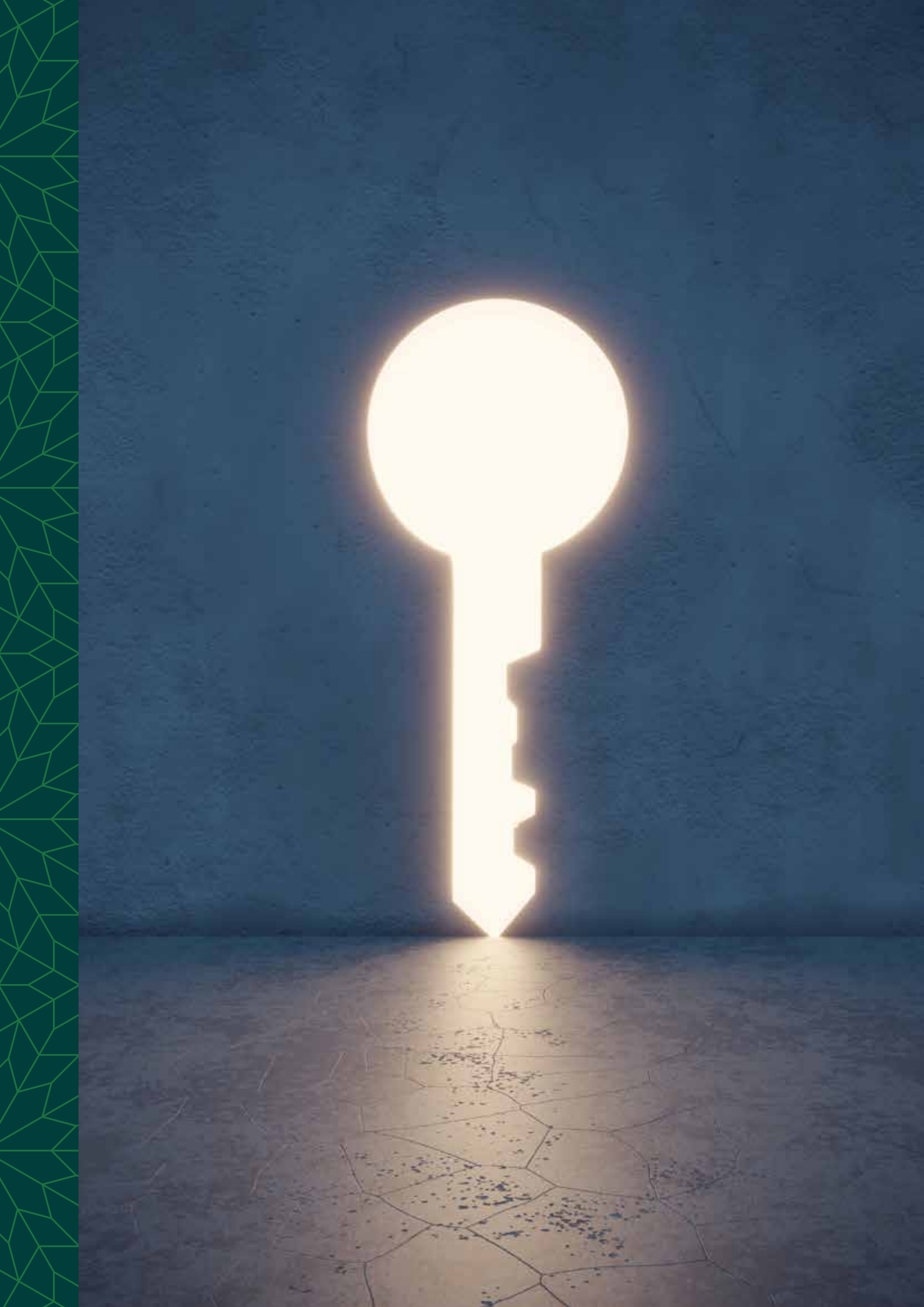


#### 4. LOW AWARENESS

There's a need to raise halal awareness and market visibility. Filipino Muslims and Muslim tourists are having a difficult time looking for halal products and halal sections in marketplaces. Non-Muslim consumers buy or consume food labeled halal

because they are deemed safe, clean, suitable for personal health and hygienic. While these are outstanding unique selling points (USPs) for halal, there is low awareness in the domestic market of the benefits of halal. This is mostly because there is less market visibility both in actual merchandising, product displays, and promotion.







# SOLUTIONS

## 6. The Solutions

1	Challenge:	The Philippines has low halal output for domestic consumption and exports compared to other non-Islamic economies because of unresolved legal setbacks and long-standing stand off between AB and CBs.
	Solution:	Roll out and strengthen the recognition of halal CBs (Customer-centric)
		<p>Issue a Board Resolution to approve the “Guidelines for the Recognition of Halal Certification Bodies”</p> <ul style="list-style-type: none"> <li>• Increase the number of HCBs in the Philippines through the process of recognition, in addition to accreditation.</li> <li>• In the mid-term, review the law (R.A. 10817) to explore making it voluntary rather than mandatory, recognizing its current challenges in enforceability.</li> </ul>
2	Challenge:	The Philippine government agencies are fragmented and currently operating independently, lacking clear collaboration causing market confusion and duplication of efforts.
	Solution:	One brand, whole-of-government approach (Collaborative)
		<p>Launch a one brand, whole-of-government national brand that will promote the Philippines as premium halal-friendly hub in the Asia Pacific region – a collaborative, customer-centric and competitive halal gateway and destination— under the campaign, “Halal-friendly Philippines”</p> <p>The one brand, whole-of-government national brand, will promote the Philippines as one of the fastest-growing and premium halal-friendly hubs in Asia Pacific region – a collaborative, customer-centric and competitive halal gateway and destination.</p> <ul style="list-style-type: none"> <li>• This umbrella brand will bind all stakeholders to work cohesively, recognizing each part, component, or program and operates in harmony with the larger whole.</li> </ul>



3	<b>Challenge:</b>	The Philippines' halal value chain is underdeveloped, which throws doubts in halal integrity and credibility.
	<b>Solution:</b>	Complete the halal value chain to provide halal integrity(Comprehensive)
		Develop regional and national competencies through institutionalized knowledge management, skills matching and upskilling, investment promotions and capacity building.
4	<b>Challenge:</b>	There is low low halal awareness and market visibility and market policing.
	<b>Solution:</b>	Launch a one-stop shop for all halal stakeholders to lower the barrier to entry to the halal market and facilitate ease of doing halal business (Competitive)
		<ul style="list-style-type: none"> <li>• Create a one-stop shop that will be manned by the Halal Board TWG, developing an integrated marketing communication plan on collaboration with all relevant agencies including a website that will create a database, provide access to information, contacts, suppliers and make it easier for investors, consumers, traders and other stakeholders to enter the ecosystem.</li> <li>• The Halal Board, as highlighted by DTI Secretary Alfredo Pascual, adopts a developmental, collaborative, and progress-monitoring approach, aiming to institutionalize consumer protection, investment promotion, and enhance the Philippines' global halal standing.</li> </ul>





# THE STRATEGY MODEL



## 7. THE STRATEGY MODEL

### STRATEGIC GOAL:

*“Make the Philippines a premier halal-friendly hub in the Asia Pacific region — a collaborative, customer-centric and competitive halal gateway and destination.”*

### THE APPROACH: 4CS

- Customer-centric: Recognition and accreditation of halal CBs
- Collaborative: One brand, whole-of-government approach
- Comprehensive offerings: Complete value chain to provide halal integrity
- Competitive: One-stop shop for all halal stakeholders

## Customer-Centric

A customer-centric approach to halal focuses on meeting the diverse needs and expectations of consumers within the Muslim community, both domestically and internationally. This extends beyond merely providing products and services that comply with halal standards; it emphasizes understanding and catering to the holistic experience of Muslim customers.

Under this approach, the Philippines will adopt mechanisms that will provide the halal products and services of each country, based on their own requirements. For example, only Philippine products certified by Philippine-accredited Halal certifying bodies are allowed for export. By recognizing foreign-accredited Philippine Halal certification bodies, the country will be addressing the unique needs of each customer and will, at the same time, be driving the growth of Philippine Halal exports.

In a customer-centric halal framework, businesses prioritize transparency and authenticity in their halal offerings. This involves clear communication about sourcing, processing methods, and adherence to halal certification standards.

Companies that are customer-centric in the halal space often go the extra mile to build trust with their consumers, providing detailed information about the entire supply chain.

Understanding the cultural and religious nuances of diverse Muslim communities is essential. Customer-centric halal businesses

recognize the diversity within the Muslim population, acknowledging differences in dietary preferences, cultural practices, and regional variations. This approach involves tailoring products and services to accommodate these diversities, ensuring that the offerings resonate with a broad spectrum of Muslim consumers.

## Collaborative Approach

- **Partnerships:** Foster collaborations with local and international stakeholders, including businesses, government bodies, and halal certification authorities.
- **Knowledge Exchange:** Establish platforms to share expertise, research, and innovations within the halal industry.
- **Cultural Exchange:** Encourage cross-cultural collaborations to enhance the understanding and appreciation of diverse halal practices.
- **Quality Assurance:** Implement rigorous standards for halal products and services, ensuring authenticity, adherence to global standards, and meeting the expectations of halal-conscious consumers.
- **Consumer Education:** Develop awareness programs to educate local and international consumers about the significance and benefits of halal products.
- **Responsive Services:** Tailor services to the specific needs and preferences of halal consumers, enhancing overall customer satisfaction.

## Comprehensive Offerings

- **Products and services across the halal value chain:** Complete products and services across the entire halal process from halal product distribution across the supply chain, starting from production and distribution, and finally to the customers.
- **Diverse Product Range:** Encourage the development of a wide spectrum of halal products, spanning food, finance, cosmetics, pharmaceuticals, fashion and more.
- **Tourism Initiatives:** Integrate halal-friendly tourism offerings, including accommodations, attractions, guides, and experiences, to attract halal-conscious travelers. Ramp up DOT halal-friendly drive across food outlets and destinations.
- **Halal Certification Services:** Streamline and enhance the halal certification process, ensuring efficiency and reliability for businesses in the industry.

## Competitive Halal Gateway

- **Global Trade Connectivity:** Strengthen trade links and agreements with key players in the halal market, facilitating the smooth flow of halal goods and services.
- **Investment Incentives:** Offer attractive incentives to local and international investors entering the halal sector, fostering economic growth and innovation.
- **Technological Advancements:** Embrace technology to enhance production processes, distribution, and traceability, positioning the Philippines as a technologically advanced halal hub.
- **Developmental:** Encourage more participation in the halal ecosystem from local and international stakeholders, increasing investment and consumption, protecting consumers and boosting the country's overall global stature.



## STRATEGIC OUTCOME:

This strategy has the following anticipated outcomes:

- **Economic Growth:** The Philippines becomes a magnet for halal-related investments and infrastructure build-up, contributing significantly to economic growth, as measured by gross domestic product (GDP) increase. The standard computation of GDP is as follows:

GDP = CIGEx (Consumption + Investment + Government Spend + Net Exports)



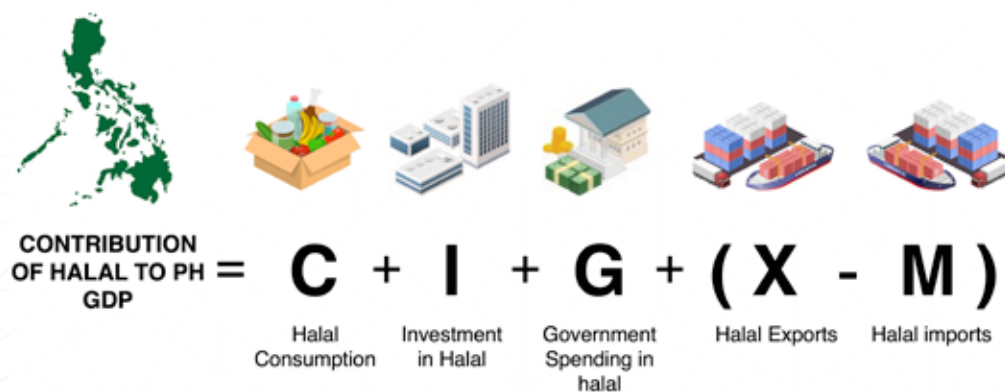
$$\text{GDP} = \text{C} + \text{I} + \text{G} + (\text{X} - \text{M})$$

Consumption    Investment    Government Spending    Exports    Imports

GDP, a key economic indicator, quantifies the total value of goods and services produced within a country over a specific period. This encompasses private consumption, government spending, investments, and net exports.

It is a crucial gauge of a country's economic health and living standards. Policymakers rely on GDP to assess economic trends, identify potential threats, and formulate appropriate strategies. Investors leverage GDP growth rates to adapt asset allocations and make informed investment decisions.

To calculate the contribution of Halal to the country's GDP, the formula is modified, as per below.



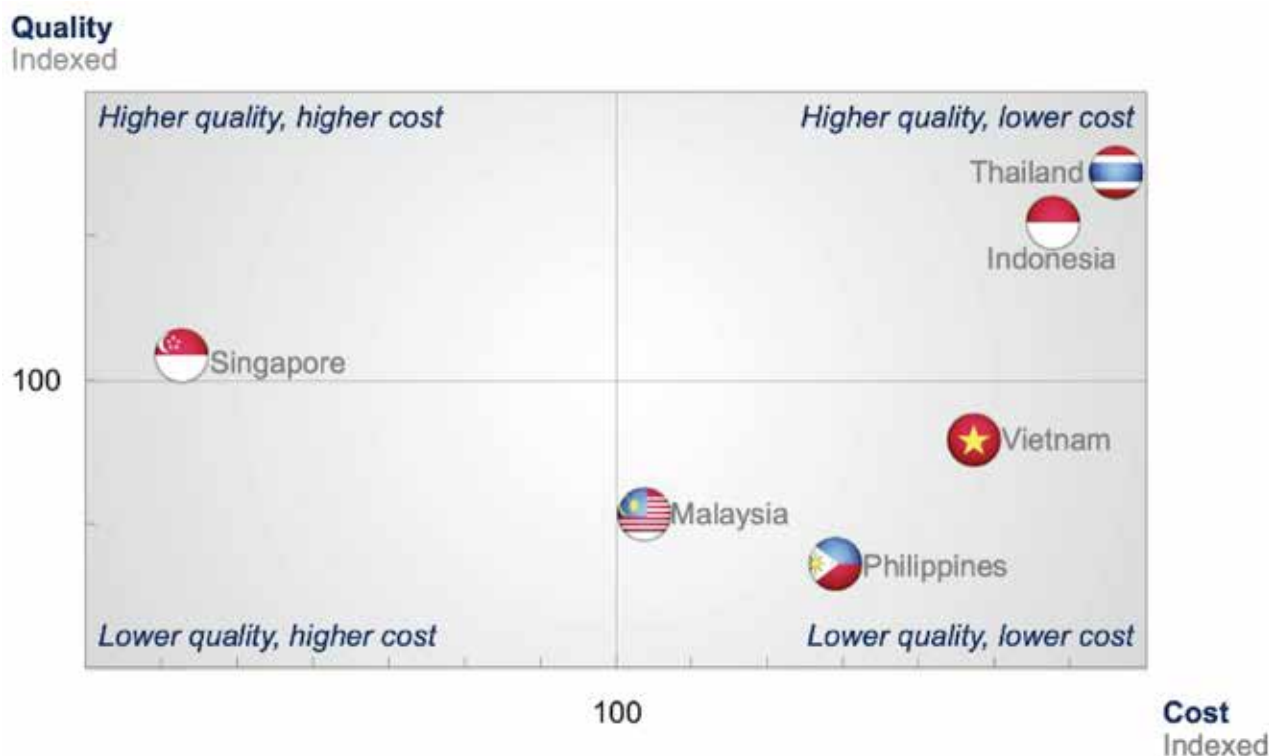
$$\text{CONTRIBUTION OF HALAL TO PH GDP} = \text{C} + \text{I} + \text{G} + (\text{X} - \text{M})$$

Halal Consumption    Investment in Halal    Government Spending in halal    Halal Exports    Halal imports



To achieve the long-desired upper middle-income economy status (those with a GDP per capita between USD4,256 and USD13,205 (2023), the Philippines must scale up manufacturing.<sup>2</sup>

Among ASEAN nations, food and beverages manufacturing in the Philippines currently stands in the lower-quality, lower-cost quadrant, a McKinsey & Co. study shows.<sup>3</sup>



This “GDP run-to-the-middle” (income) challenge is one that’s worth taking in the short and medium term and is one of the expected outcomes of this strategy.

- **Tourism Boost:** Halal-friendly tourism flourishes, attracting visitors seeking authentic and inclusive experiences.<sup>4</sup>
- **International Recognition:** Gains recognition as a credible and competitive halal gateway, fostering trust and reliability in the global halal market.

- **Inclusive Prosperity:** The vision results in job creation, entrepreneurship opportunities, and overall prosperity, benefiting communities across the nation.

By embodying these principles, the Philippines aims to not only meet the growing demand for halal products and services but also emerge as a distinctive and influential player in the Asia Pacific halal industry.

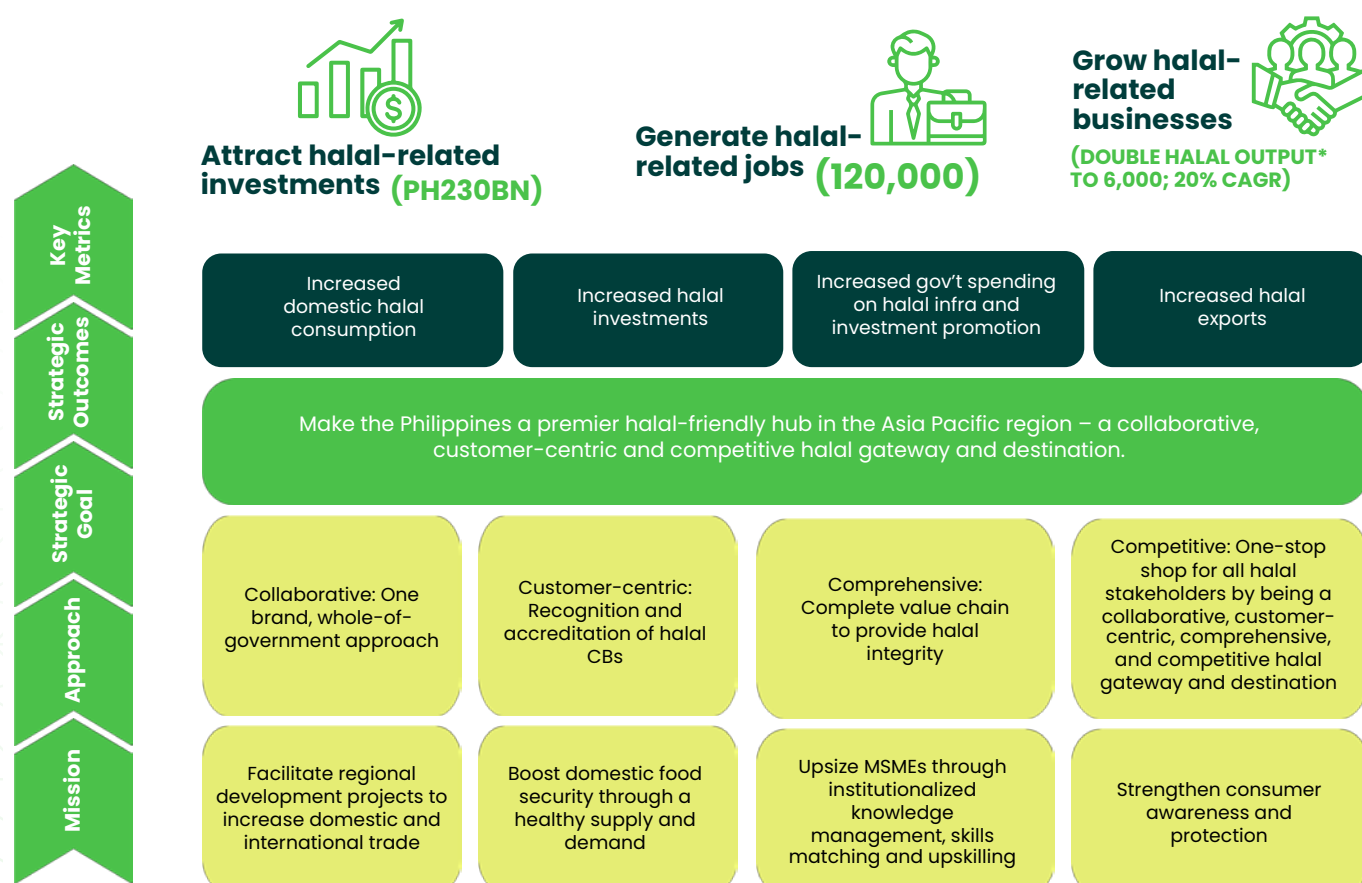
## SPECIFIC OUTCOMES:

Under this strategic plan, the following are the specific expected outcomes:

- Increased domestic halal consumption
- Increased halal investments
- Increased halal services
- Increased halal production/manufacturing
- Increased govt spending in halal infra and investment promotion
- Increased halal exports

## KEY METRICS:

- Attract halal investments (PH230 billion)
- Generate halal-related Jobs (120,000)
- Grow halal businesses (double halal output\* to 6,000; 20% CAGR)





### A WHOLE-OF-GOVERNMENT NATIONAL HALAL BRAND

“Halal-friendly” Philippines is an umbrella brand, a whole-of-government national campaign that will promote the Philippines as one of the fastest growing and premium halal-friendly hubs in Asia Pacific by being a customer-centric, collaborative, comprehensive and competitive halal gateway, and destination.

This is in line with the national goal to strengthen the Philippine economy by increasing halal domestic consumption and exports in different halal sectors to drive business growth, attract more investments and boost job creation.

Halal-friendly is a broader term that generally indicates a product, service, or establishment. It is considered suitable for individuals following Islamic principles, even if it may not have formal halal certification. It covers products, services, or establishments that are certified as halal, registered as Muslim-friendly or halal-friendly, or recognized as Shariah-compliant. Adopting halal-friendly practices is a strategic move for emerging countries, such as the Philippines, in offering economic, cultural, and trade-related benefits. It not only addresses the needs of Muslim consumers but also positions the Philippines as an inclusive and globally competitive player in various industries, locally and globally.

#### Logo Rationale

The ‘Halal-Friendly Philippines’ logo is composed of 3 parts. The first part is the Arabic text for the word ‘Halal’. The second part is the combined word ‘Halal-Friendly’, and the third part is ‘Philippines’. The color Green was chosen for the Arabic text and the words Halal-friendly as it connotes purity, healthfulness and adherence to natural standards. The colors used for the logotype ‘Philippines’ are taken from the Red and Blue colors of the Philippine flag. It is added on as interlocking wave elements on a darker blue for its base.



**President Ferdinand “Bongbong” Marcos Jr.’s enthusiastic commitment, alongside the leadership of the Department of Trade and Industry (DTI) as the chair of the Halal Board, underscores a dedicated top-down effort to propel Halal development in the Philippines.**











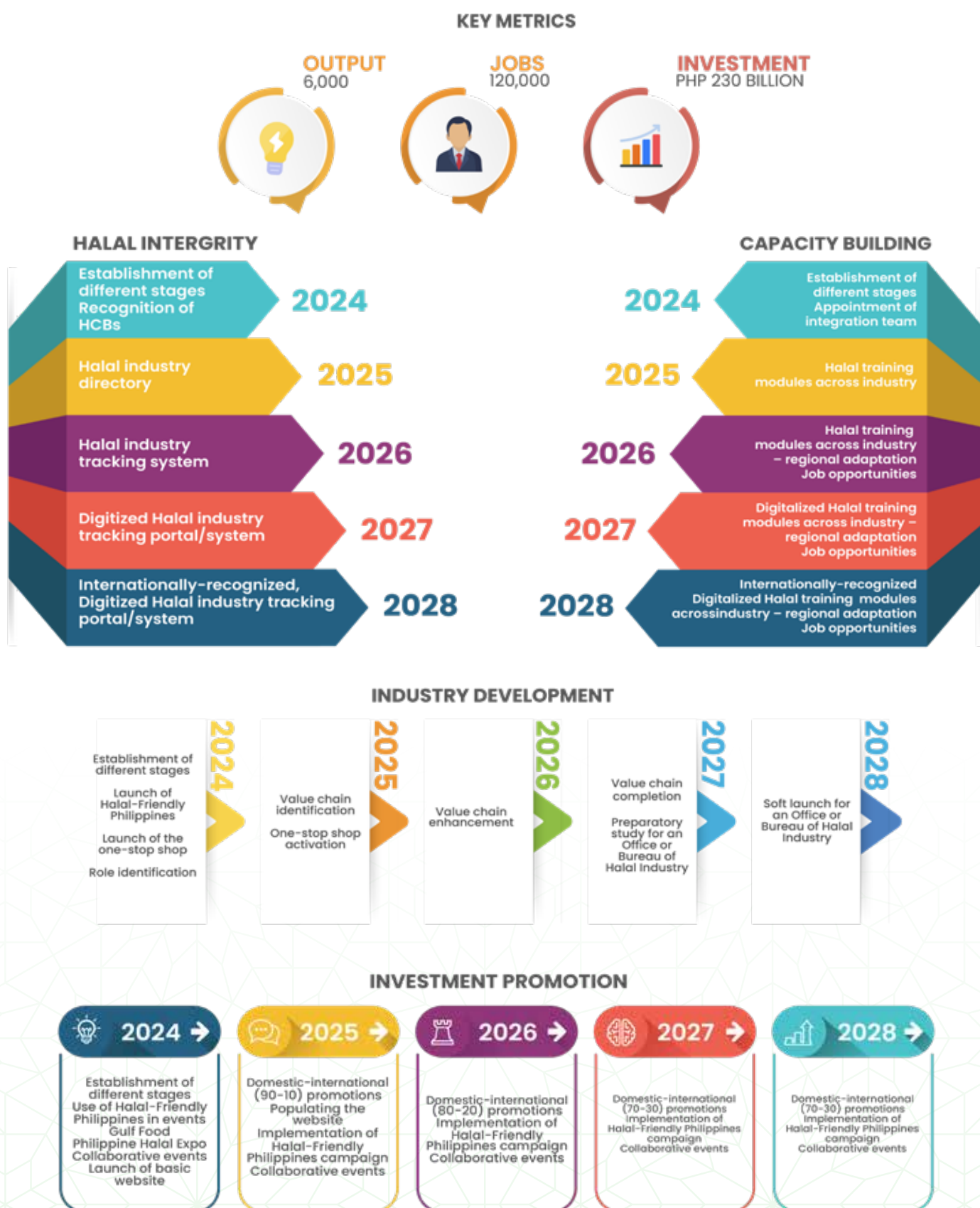




# TARGETS



## 8. TARGETS



## STRATEGIC INITIATIVES

The following strategic initiatives have been identified to reach the desired strategic outcome, that is to make the Philippines a premier halal-friendly hub in the Asia Pacific region – a collaborative, customer-centric, and competitive halal gateway and destination. These strategic initiatives have been devised to achieve key metrics of success of this strategy: 6,000 halal-related output, PHP 230 billion worth of halal-related investments, and 120,000 halal-related jobs by the end of 2028.

### STRATEGIC INITIATIVES TO INCREASE DOMESTIC HALAL CONSUMPTION:

With a strong local demand from the 12 million Muslim Filipinos in the Philippines, it is imperative that the country produces its own halal products and services. The USD 120 million worth of imported halal products in 2022 show the unmet halal demands and indicate a substantial market that the Philippines could satisfy domestically.

Under this strategy, there will be enhanced visibility of halal products to address the demand from Muslim Filipinos, Muslim tourists, and health enthusiasts in the country. To further increase supply, clear and credible halal labels will be part of the market awareness programs for consumers to know where to purchase these products, and at the same time, safeguards will be established to ensure consumers can trust the authenticity of halal products – either they are halal certified or halal friendly.

Large multinational companies and MSMEs will be encouraged to make their products halal. Large companies, in particular, will be instrumental in this

as they have the capabilities and resources that span across the entire value chain. This will impact the retail and distribution – with a slated increase in the availability of halal products in mainstream supermarkets, grocery stores, and restaurants. Altogether, this will make halal products more accessible to consumers. MSMEs and consumer groups will be instrumental in market awareness as they, in partnership with the government, can encourage retailers to label halal products clearly and prominently to facilitate easy identification by Muslim and halal-enthusiast consumers.

Regional organizations and councils will also be developed to complement national efforts through partnerships and collaboration to foster collaboration between governments, industry stakeholders, and Islamic organizations to support the growth of the halal industry. These regional organizations and councils will also build partnerships with international halal certification bodies and exporters to ensure the quality and authenticity of imported halal products.

The halal CBs, MSMEs, consumer groups, and regional organizations and councils will all be pursuing education and awareness of Philippine halal products. This includes raising awareness of the principles of halal, their significance to Muslim consumers and the general population, the criteria for halal certification, and the positive features and benefits of halal products, such as quality assurance, ethical sourcing, and adherence to specific standards.

Under this strategy, more stakeholders will be encouraged to participate in the different stages of the value chain to provide halal integrity. MSMEs will be empowered and upsized through institutionalized knowledge management, skills matching, and upskilling.

Over the next four years, it is aimed that:

- At least five (5) Halal Certification Bodies (HCBs) have participated in the capacity-building activities conducted for them for purposes of their accreditation and/or recognition application.
- At least 100 MSMEs and consumer groups have participated in various advocacy campaigns for halal.
- At least two (2) Halal-related regional organizations and councils have been developed to support domestic production through regional road mapping and halal trade corridors for the purpose of strengthening the domestic Halal ecosystem.

By creating a marketplace that is available and visible, supported by an ecosystem that is accessible to stakeholders, domestic consumption will grow, which will result in the growth of businesses, a boost in job creation, and the generation of investments to sustain the expansion of halal-related businesses.

By the end of 2028, it is envisioned that there will be 6,000 halal outputs in the Philippines, twice today's number, a big majority of this output will be consumed domestically. This increased output would mean the need for more resources, including human resources, thus contributing to the projected 120,000 jobs by 2028.

By being customer-centric, it is envisioned that the Philippines will be a premier halal-friendly hub in the Asia Pacific region – a collaborative, customer-centric, and competitive halal gateway and destination.

### STRATEGIC INITIATIVES TO INCREASE HALAL INVESTMENTS:

The Philippines is very much ready to welcome investors in the halal industry thanks to the country's recent trade liberalization policies, including the Republic Act 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, which seeks to provide a generous and flexible tax incentive system that is performance-based, time-bound, targeted, and transparent.

The Philippines has also made amendments to the Retail Trade Liberalization Act (RTLTA), which seeks

to bring down the ceiling for the capital required of foreign-led retailers to set up shop in the Philippines. The amendments to the Public Service Act provide that telecommunications, airlines, expressways and tollways, railways, and shipping, among others, in the country will now be open to full foreign ownership. This would open opportunities in the areas of infrastructures and logistics for Halal, which could be funded through Islamic banking and finance products.

The passage of RA 10817, otherwise known as the Philippine Halal Export Development and Promotions Act of 2016, and RA 11439, or the Act Providing for the Regulation and Organization of Islamic Banks, have

paved the way for more significant participation of the country in this multi-trillion global Halal industry.

All these liberalized policies to attract halal investments will have to be told and re-told to investors, particularly to the 57 Islamic Countries that have a combined GDP of USD23.95 trillion. In parallel with these policies, the growth of the Philippine halal industry will attract investments from various sectors, both local and foreign. They can channel their funds into businesses involved in the production, distribution, and marketing of halal products. This influx of investments will contribute to the expansion and modernization of the halal industry, further fueling economic growth.

Investors will be targeted through organizing investment forums, conferences, and roadshows to showcase halal investment opportunities and facilitate networking and collaboration among investors, entrepreneurs, and industry stakeholders.

Crucial to increasing halal investments is market development. The gaps in the halal value chain offer a lucrative opportunity for investments. The halal value chain encompasses all stages, from production to consumption, and includes activities such as farming, warehousing, procurement, transfers, product handling, inventory, order, and logistics management chain.

Part of the Philippine halal strategy is the development and promotion of investment hubs or zones that offer incentives and support services to attract halal investors and businesses.

Under this strategy, it is envisioned that the initiatives to attract investments will be overseen by a one-stop shop for all halal stakeholders. This shop or office is driven by a developmental mindset rather than a regulatory one, institutionalizing progress monitoring.

The Philippines is not alone in the competition to attract investments. The ease of doing business is a critical factor influencing the decision-making process for direct investment. This office will streamline regulations and facilitate easy access to permits and licenses. Investors are more likely to choose locations where they can set up and operate businesses with minimal bureaucratic hurdles and lower transaction costs.

By streamlining processes, the country will make it easy to start and operate businesses in a bid to attract direct investment from both domestic and foreign entrepreneurs looking to capitalize on opportunities in dynamic and vibrant business halal ecosystems.

Over the next four years, it is aimed that:

- A one-stop-shop office has been instituted that will facilitate investors' needs seamlessly.
- At least five (5) prospective investors from investment promotions activities are attracted to invest in the Philippine halal industry.
- At least five (5) investment briefings, information sessions, and related activities have been conducted and/or facilitated.

By taking a collaborative and competitive approach, the Philippines will not only ensure ease of doing business, but the country will also allow access to economic opportunities; lower transaction costs; speed up business growth, boost job creation, and enhance investment generation.

At the end of the four-year strategy period, the country should have attracted PHP120 billion investments which will contribute to the projected 120,000 jobs by 2028.

By being collaborative and competitive, it is envisioned that the Philippines will be a premier halal-friendly hub in the Asia Pacific region – a collaborative, customer-centric, and competitive halal gateway and destination.

## **STRATEGIC INITIATIVES TO INCREASE GOVERNMENT SPENDING IN HALAL INFRASTRUCTURE AND INVESTMENT PROMOTION:**

As the Philippines aims to become a premier halal-friendly hub in the Asia Pacific region, strategic initiatives extend beyond market development and product diversification. Recognizing the critical role of infrastructure and investment promotion, the government is poised to amplify its efforts in increasing government spending to catalyze the growth of the halal industry.

The government has outlined specific actions to bolster investment in halal infrastructure and foster a conducive environment for halal businesses.

Over the next four years, it is aimed that:

- At least five (5) inbound or outbound activities have been conducted together or in partnership with the Halal Export Board member agencies and industry partners.
- At least two (2) activities have been facilitated for the establishment of Halal slaughterhouses in strategic locations in the country or related prospects for Shared-Service-Facility in support of the industry development

These activities will serve as platforms for networking, knowledge exchange, and the exploration of investment opportunities, thereby stimulating interest and commitment from potential investors.

Additionally, the government's commitment to facilitating the establishment of halal slaughterhouses in strategic locations across the country is essential not only for meeting domestic demand but also for enhancing the export capabilities of the Philippine halal industry. Moreover, the Shared-Service-Facility initiatives will provide vital support for industry development, ensuring efficiency and scalability in halal production processes.

Overall, the government's strategic initiatives to increase spending on halal infrastructure and investment promotion highlights its commitment to developing a thriving halal ecosystem in the Philippines. The next four years will also be crucial for the government as it aims to achieve tangible outcomes through these initiatives. It seeks to attract significant investments into halal infrastructure by leveraging collaborative efforts with industry stakeholders.



**STRATEGIC INITIATIVES TO INCREASE HALAL EXPORTS:**

The Philippine Halal Board's resolution to recognize foreign-accredited Philippine Halal certification bodies to further drive the growth of Philippine Halal exports is a milestone step in removing a major barrier to entry into this growing market. Streamlining the certification process for halal products will make it easier for businesses to obtain halal certification, and hence will make it much more conducive for them to produce halal products. The two-pronged approach of recognition and accreditation of halal CBs will therefore result in boosting domestic food security through a healthy supply and demand.

Under this strategy, the Philippines will embark on increasing halal exports through various aspects of production, certification, marketing, and trade facilitation.

In the planning stage, marketing strategies will be tailored to the specific needs and preferences of consumers in each target market, and in the implementation stage, the country will participate in international trade fairs, exhibitions, and networking events to showcase halal products and build relationships with potential buyers, distributors, and partners. There will be close collaboration with government trade promotion agencies and industry associations to access export promotion programs, trade missions, and market intelligence services.

Currently, most of the exports are raw food products. Through product diversification and innovation, it is aimed that the country will expand the range of its halal products to cater to diverse consumer preferences and market segments including products in the cosmetics, pharmaceuticals, and fashion/lifestyle sectors, among others.

Over the next four years, it is aimed that:

- At least two (2) Halal Certification Bodies have been recognized by the Philippine Halal Board.
- Export sales will have increased by 20% from the participation of DTI to outbound business missions.
- At least two (2) market access instruments have been facilitated for the exporters and would-be-exporters such as MOUs, MRAS, MOA, Market Intelligence, and similar arrangements.

By taking a customer-centric approach, the Philippines is envisioned to facilitate regional development projects to increase international trade. Through the increased number of Philippine halal exports and increased visibility of Philippine products in foreign markets, it is envisioned that exports will contribute to the doubling of halal output to 6,000 by 2028; the creation of 120,000 jobs, and attraction of PHP230 billion halal-related investments to the Philippines.

## Targets for the next 4 years

Increase domestic halal consumption	At least five (5) Halal Certification Bodies (HCBs) have participated in the capacity-building activities conducted for them for purposes of their accreditation and/or recognition application.
	At least 100 MSMEs and consumer groups have participated in various advocacy campaigns for halal.
	At least two (2) Halal-related regional organizations and councils have been developed to support domestic production through regional road mapping and halal trade corridors for the purpose of strengthening the domestic Halal ecosystem.
Increase halal investments	Instituted a one-stop-shop office that will facilitate investors' needs seamlessly.
	At least five (5) prospective investors from investment promotions activities are attracted to invest in the Philippine halal industry.
	At least five (5) investment briefings, information sessions, and related activities have been conducted and/or facilitated.
Increase government spending in halal infrastructure and investment promotion	At least five (5) inbound or outbound activities have been conducted together or in partnership with the Halal Export Board member agencies and industry partners.
	At least two (2) activities have been facilitated for the establishment of Halal slaughterhouses in strategic locations in the country or related prospects for Shared-Service-Facility in support of the industry development.
Increase halal exports	At least two (2) Halal Certification Bodies have been recognized by the Philippine Halal Board.
	Export sales will have increased by 20% from the participation of DTI to outbound business missions.
	At least two (2) market access instruments have been facilitated for the exporters and would-be-exporters such as MOUs, MRAS, MOA, Market Intelligence, and similar arrangements.







# OPPORTUNITIES FOR COLLABORATIVE EFFORTS



## 9. Opportunities for Collaborative Efforts and Roles

### HALAL INTEGRITY

- Halal Board TWG / Task Force
- Bangko Sentral ng Pilipinas
- Department of Agriculture
- Department of Health
- Department of Trade and Industry
- Department of Tourism
- Department of Science and Technology
- National Commission on Muslim Filipinos

### HALAL INVESTMENT PROMOTION

- Halal Board TWG / Task Force
- Bangko Sentral ng Pilipinas
- Bases Conversion and Development Authority
- Bureau of Investment
- Department of Agriculture
- Department of Trade and Industry
- Department of Foreign Affairs
- Investment Promotions Agencies
- National Commission on Muslim Filipinos
- National Development Company
- Mindanao Development Authority
- Philippines Economic Zone Authority
- All other Philippine Investment Promotions Agencies

### HALAL INDUSTRY DEVELOPMENT

- Halal Board TWG / Task Force
- Bangko Sentral ng Pilipinas
- Department of Agriculture
- Department of Health
- Department of Science and Technology
- Department of Trade and Industry
- Department of Tourism
- Mindanao Development Authority
- National Commission on Muslim Filipinos

### HALAL CAPACITY BUILDING

- Halal Board TWG / Task Force
- Bangko Sentral ng Pilipinas
- Department of Agriculture
- Department of Agrarian Reform
- Department of Health
- Department of Science and Technology
- Department of Trade and Industry
- Department of Tourism
- National Commission on Muslim Filipinos
- Philippine Trade Training Centre
- Revenue Operation Group
- Technical Education and Skills Development Authority









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# ANNEX I











## 11. ANNEX 1

### Department of Trade and Industry (DTI)

As DTI Secretary, Secretary Alfredo Pascual chairs the Philippine Halal Export Development and Promotions Board, created under the Halal Export Development and Promotion Act of 2016. The Halal Board is the policy-making body in charge of halal export development and crafts the Philippine Halal Development Plan.

On October 9, 2023, Sec. Pascual chaired the first face-to-face board meeting with the Halal Board after the pandemic. Although the Board has not met for more than two years, the technical working group is in constant coordination and has conducted several TWG meetings to address the pressing concerns of the industry

One of the highlights of the Board meeting is the historic signing of the Memorandum of Cooperation (MOC) between us at the Philippine Halal Export Development and Promotion Board and the Bangsamoro Halal Board on Halal Development and Promotion.

The MOC is an inter-governmental agreement that aims to utilize the expertise of the Bangsamoro on Halal to develop the domestic industry in the Philippines further in support of Halal exports.

The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) also serves as a key location to pilot Halal initiatives, as the majority of Muslim

Filipinos reside in the region. This collaborative effort is geared toward the promotion of local Halal goods and services provided by MSMEs, thereby creating a platform for these businesses to thrive.

On October 16, the MSMEs continued to be at the forefront of the Philippines' Halal initiatives with the signing of a Memorandum of Understanding with DK P.O. Fulfillment Company, Inc., which is aimed at offering non-interest financing options for the inclusion of MSMEs in Halal Development.

### REGIONAL DEVELOPMENT

The DTI is also actively supporting the organization and re-organization of the regional Halal councils to fortify the production of Halal materials to address the gap in the supply chain. In alignment with its regional development efforts, DTI has worked on the establishment of a Halal-ready slaughterhouse in CALABARZON in support of the Philippine cattle industry.

Additionally, the Philippine Trade Training Center (PTTC), an attached agency under the DTI, has already signed an agreement with entities in CALABARZON in Halal training. This endeavor underscores our commitment to equipping the workforce with the necessary skills and knowledge to excel in the Halal industry.

### INTERNATIONAL COOPERATION

The strategic Halal plan follows the bilateral talks between the Philippines and Malaysia during the three-day state visit of President Marcos Jr. in July 2023.

During the visit, the Philippines expressed its commitment to closely coordinate efforts to build capacity in the Bangsamoro Autonomous Region in Muslim Mindanao, especially in sectors such as the Halal industry, Islamic banking, and food security.

Additionally, the Department and UAE Minister

of State for Foreign Trade Dr. Thani bin Ahmed Al Zeyoudi reiterated a shared commitment to fortify and amplify Philippines and UAE economic relations. Significant steps have already been taken as a testament to this commitment. In February 2022, DTI formally signed the Investment Promotion and Protection Agreement (IPPA) during the Philippine National Expo Day at Expo 2020 Dubai.

Currently, DTI is actively engaged in ongoing deliberations regarding the Comprehensive Economic Partnership Agreement (CEPA), which underscores the Philippines' mutual dedication to further strengthening economic ties.

## **LIBERALIZING POLICIES TO ATTRACT HALAL INVESTMENTS**

On a broader scale, DTI's initiatives to strengthen and fortify trade and investment and to make the Philippine market more accessible to the global arena have been significantly bolstered by the country's recent trade liberalization policies, including the following:

The Republic Act 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, seeks to provide a generous and flexible tax incentive system that is performance-based, time-bound, targeted, and transparent.

This signifies that Philippine investors for Halal are very much welcome. They will be given the same incentives granted to any business enterprise following the country's strategic investment priority program as defined under this law.

Additionally, the Philippine Congress passed amendments to the Foreign Investment Act (FIA), which allows qualified non-Philippine nationals to do business in the country or invest in a domestic enterprise up to 100% of its capital and liberalizes the practice of professions not governed by existing special laws.

It is important to emphasize the strength of the Philippine domestic halal market – according to data from the National Commission on Muslim Filipinos, our nation is home to over 12 million Muslim consumers. It goes without saying that there is a substantial number of Halal export, trade and investment markets in ASEAN region alone.

Going a little farther the Gulf Cooperation Council member countries or the GCC are a huge market. Most of these economies are import-dependent nations. They rely on what we can offer and sell to them.

The Philippines made the amendments to the Retail Trade Liberalization Act (RTLA), which seeks to bring down the ceiling for the capital required of foreign-led retailers to set up shop in the Philippines. This will support the local production of Halal in the Philippines. The country is now allowing foreign-led small-time enterprises to do business in the country.

Moreover, the amendments to the Public Service Act were also enacted, which provides that telecommunications, airlines, expressways and tollways, railways, and shipping, among others, in the country will now be open to full foreign ownership. This would open opportunities in the areas of infrastructures and logistics for Halal, which could be funded through Islamic banking and finance products.

On top of these, the passage of RA 10817, otherwise known as the Philippine Halal Export Development and Promotions Act of 2016, and RA 11439, or the Act Providing for the Regulation and Organization of Islamic Banks, have paved the way for more significant participation of the country in this multi-trillion global Halal industry.

## **SPECIAL TASK FORCE DRIVES HALAL'S GROWTH**

In line with DTI's earnest effort to strengthen the Philippines' participation in this multi-trillion-dollar industry, the DTI has created a Special Task Force for the Halal Industry Development under the Office of the Secretary according to Department Order No. 23-133, series of 2023.

The DTI's approach is anchored on four pillars – Halal Integrity, Industry Development, Investment Promotions, and Capacity Building. The Task Force has a pivotal role in driving the growth of the Halal industry by coordinating a comprehensive, whole-of-government strategy to push the development of the Halal industry and enhance the Halal economy within the Philippines.



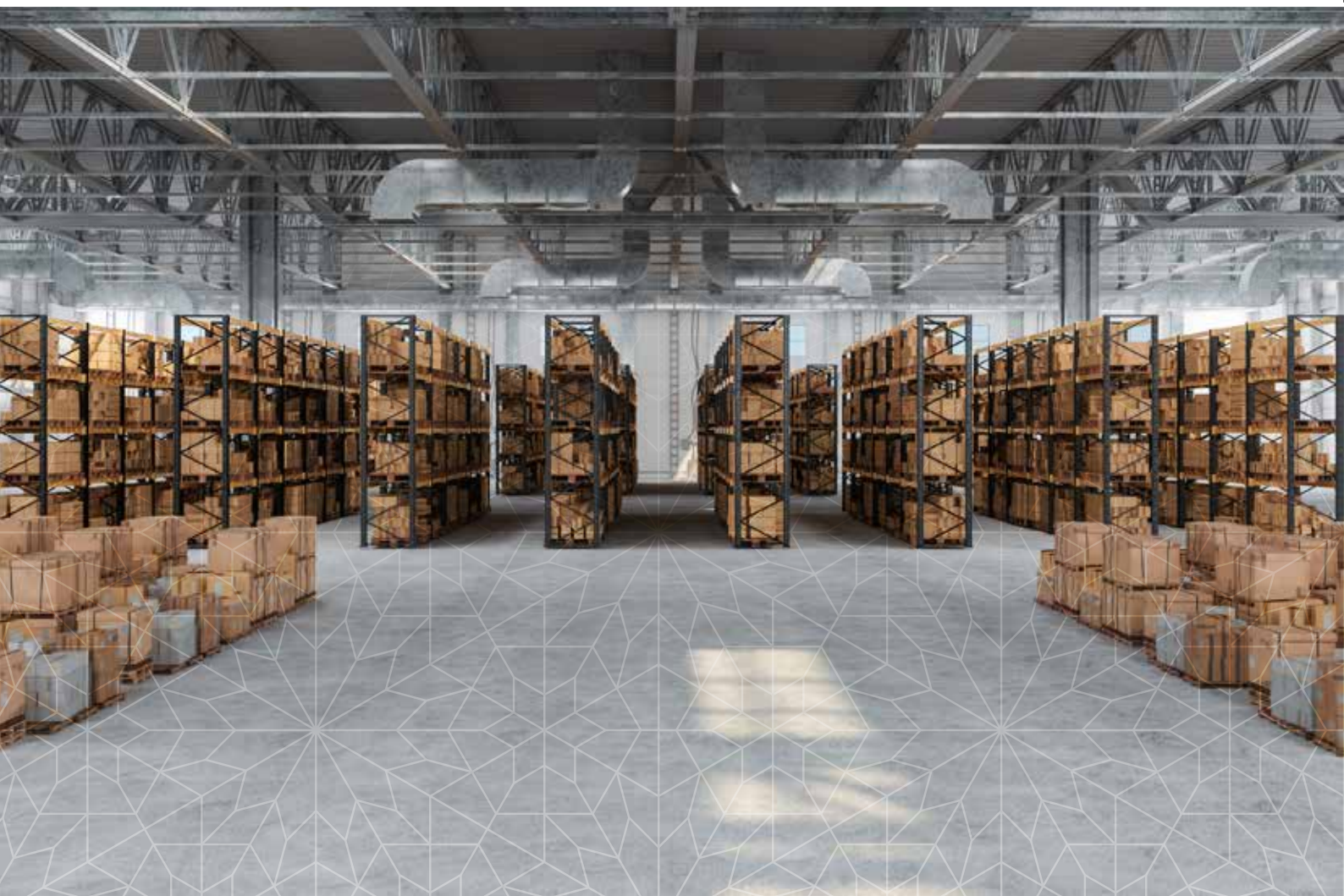
## EXPORTS PROMOTION

The Export Marketing Bureau has brought millions of halal investments since 2017. From April 2017 to Sept 2023, the agency generated USD139.95 Million sales generated across its outbound business matching missions (OBMM), inbound business matching missions (IBMM), and participation to trade exhibitions. These activities assist Philippine exporters in reaching new markets, meeting buyers, networking with importers and distributors, gaining insights on local consumer behaviour, and generate sales that will allow them to grow their halal businesses in international markets.

The Philippines has also been expanding its market share in the global halal trade by bringing top food export products to halal markets. One of these

activities is their participation at Gulfood. In 2023, the Philippines' hybrid participation was led by the Center of International Trade Missions and Expositions (CITEM) together with 18 small and medium enterprises (SMEs) with halal certification and high-value and innovative products. Gulfood, hailed as one of the world's largest food and beverage exhibitions, is vital to maintaining the Philippines' presence in the Middle East and Africa (MEA) region.

The Philippines' hybrid participation aims to bring the digital experience to the physical show, allowing some exhibitors to interface remotely with buyers onsite. In its 2023 participation, CITEM was able to facilitate sales generation of USD50.65 million and 1,050 inquiries.



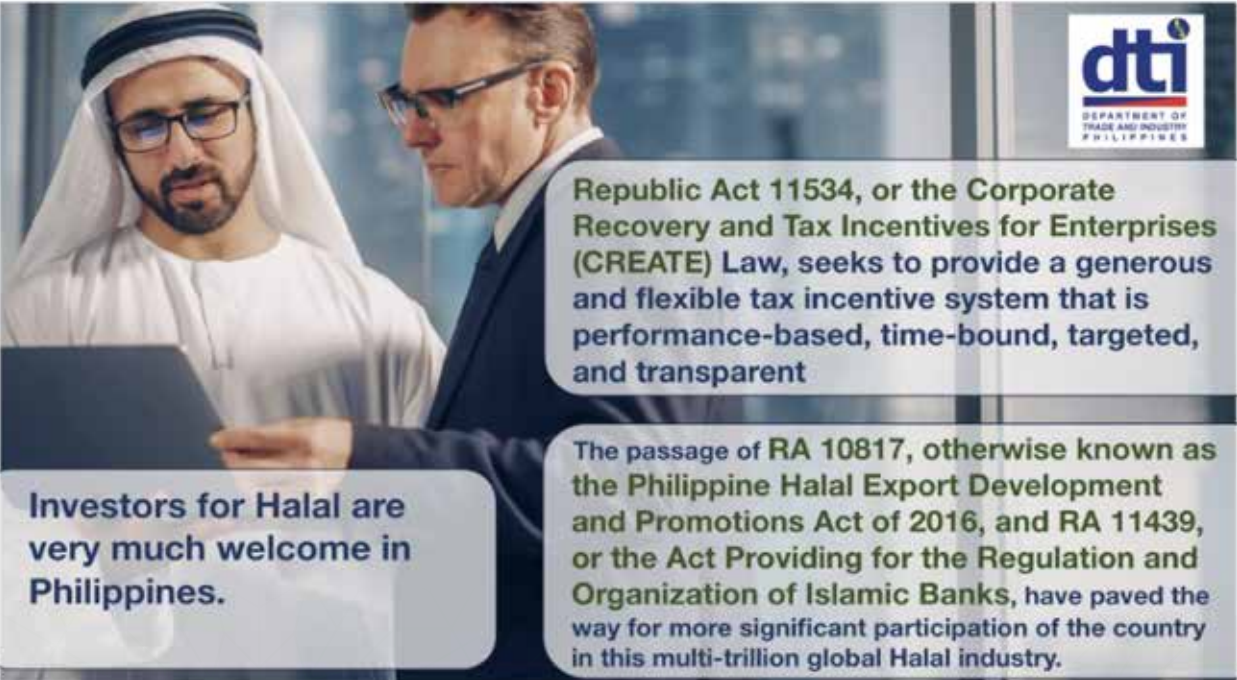
## Tax Reforms

To attract domestic and global firms to invest in strategically important sectors, the Government also instituted reforms in the Philippine corporate income tax structure and fiscal incentives. In particular, the Corporate Recovery and Tax Incentives for Enterprises (CREATE Act) reduced the corporate income tax rates to make it competitive with our ASEAN neighbors.

It also provides more flexibility in the grant of fiscal and non-fiscal incentives through a menu of incentives that is performance-based, time-bound, targeted, and transparent.

On Islamic banking and finance, the Government calibrated reforms on strengthening the legal and regulatory framework of Islamic banking, including the provision of tax neutrality and the relevant legal reforms in the PDIC Charter, which will ensure comprehensive legal support in developing the ecosystem with a liberalized approach in encouraging entry of new players.

The forthcoming Philippine sovereign sukuk issuance sends a strong signal to both global and domestic investors of our country's readiness to accept Islamic banking and finance players.



**Investors for Halal are very much welcome in Philippines.**

**Republic Act 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, seeks to provide a generous and flexible tax incentive system that is performance-based, time-bound, targeted, and transparent**

**The passage of RA 10817, otherwise known as the Philippine Halal Export Development and Promotions Act of 2016, and RA 11439, or the Act Providing for the Regulation and Organization of Islamic Banks, have paved the way for more significant participation of the country in this multi-trillion global Halal industry.**

**dti**  
DEPARTMENT OF  
TRADE AND INDUSTRY  
PHILIPPINES



**Gulfood 2023**

KPI	MAJOR REGIONAL DISTRIBUTION
# of Companies	18
# of Inquiries received	1050
Sales Generated	USD50.65M



*HALAL EXPORT PROMOTION: The Philippine team, led by the Center for International Trade Expositions and Missions (CITEM, the export promotion arm of the DTI) hit fresh milestones at the Gulfood 2023, held from February 19–24, 2023 at the Dubai World Trade Center.*

### **National Commission on Muslim Filipinos (NCMF)**

The National Commission on Muslim Filipinos (NCMF) has remarkably institutionalized two (2) major programs, which are conducted regularly by the implementing arms of the Commission.

This includes programs and projects on Islamic Banking and Finance under Republic Act No. 11439 (“Islamic Banking Act”) signed into law on August 22, 2019. The Islamic Banking Act provides for the organization, regulation, and powers of Islamic banks to be established in the Philippines.

NCMF, as the Vice-Chair of the Halal Board, oversees domestic accreditation and has 8 accredited certifying bodies. Altogether, NCMF has certified 500 halal products and establishments in 2023.

In October 2023, a “Vision 2040” was unveiled by the NCMF to address the long-standing needs of Filipino Muslims, such as living in a society free from drugs, crimes and poverty. Under this program, NCMF will focus on the development of halal agro-industrial hubs across the country to produce more halal food and non-food products for both local consumption and export. These initiatives will create jobs and livelihood opportunities for Filipinos while supporting the growth of the Philippine halal industry.

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### Department of Agriculture (DA)

The Department of Agriculture (DA) recognized 17 halal and organic agriculture enterprises that participated in the first week of the 2023 Farmers' and Fisherfolk's Month celebration.

As far as production is concerned, the Department of Agriculture has established several halal multiplier farms, involving the procurement of P5 million worth of animals for distribution in areas covered by the halal multiplier farms and technical assistance to private farms that seek to be halal certified.

DA is currently in the second phase of the DA-Halal Food Industry Development Program's 10-year halal roadmap of 2017-2027, which involves the production phase. After the second phase, they will work on the third phase of the halal roadmap, which involves the exportation phase. Guidelines have been developed for DA-assisted halal farms as they provide assistance to farms that seek to be

halal. The department is also drafting a catalogue of DA-assisted halal products. For infrastructure development, DA dedicated halal industrial zones or products required for infrastructure development, including facilities for the production, processing, storage, and transportation of halal goods.

### Department of Health (DOH)

Manila Doctors Hospital (MDH) has been accredited by the Department of Health (DOH). MDH has made history by becoming the first hospital in the Philippines to receive the first halal kitchen certification.

As the first hospital to have a halal-certified kitchen in the Philippines, every aspect of food preparation from the procurement of halal-certified ingredients to food production, meal service, cleaning, and sanitation has been and will always be carefully looked at to ensure that it is strictly segregated from the regular kitchen of the hospital.



## Department of Science and Technology (DOST)

The initiatives undertaken by DOST in the halal industry have yielded significant positive outcomes across various sectors. Job creation has been a notable achievement, with a private partner, a Cosmetics producer, embracing halal-compliant cosmetic products, leading to the employment of 13 individuals. Additionally, the DOST has supported numerous MSMEs in meeting halal requirements, thereby contributing to job creation in different regions.

The growth of domestic consumption of halal products and services is evident through the adoption of technologies such as halal-certified soap, shampoo, and lipstick. These products are now widely available both in physical and online stores, distributed across the country.

DOST's Halal Verification Laboratories have played a crucial role in offering test parameters for Porcine DNA detection and alcohol analysis, benefiting MSMEs, food service establishments, and academic researchers. Training sessions, awareness campaigns, and webinars on halal have further enriched stakeholders' knowledge and understanding.

There has been a remarkable increase in investment in the halal economy, exemplified by the cosmetics producer's monthly net income of Php600,000 and the successful retrieval of their initial investment. The assistance provided to 22 tourism establishments for halal certification and the provision of SETUP iFund to MSMEs in the halal sector, including food service facilities and cosmetics manufacturing, have contributed to economic growth.

The establishment of dedicated Halal R&D facilities, laboratories, and research centers by DOST, along with the implementation of traceability systems for halal cacao products, has led to increased expenditure in the sector. These facilities not only support research and development but also serve as training and demonstration platforms for stakeholders.



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## Department of Foreign Affairs (DFA)

As a member of the halal board, the Department of Foreign Affairs (DFA) has been supportive of the Department of Trade and Industry (DTI) with all its halal initiatives. The DFA fully supports the development of the whole industry strategic plan for 2023–2028. Its mandate, aside from being a member of the halal board, is to handle economic diplomacy.

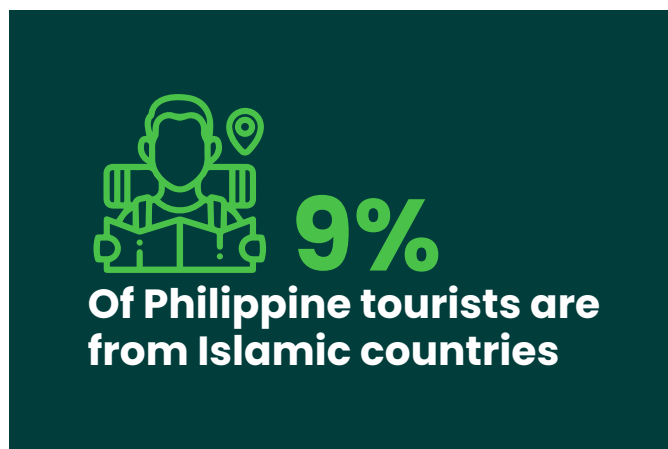
Among the areas of economic diplomacy initiatives is supporting and promoting trade and incoming investments, especially from the global market. This also includes tourism and promotion with all 94 Foreign Service posts, especially those posts without the existing Philippine Trade and Investment Center as well as Tourism Attachés involved.

As part of the state visit of the President, halal has always been part of the agenda. From the recent state visit from the Prime Minister of Malaysia and Indonesia, DFA has included halal as a talking point on the agenda of the President.

DFA provided information to the halal board on different requirements or regulations of partner countries, such as the latest export ban of seafood products in relation to halal from Qatar. Several factors affecting the ban, aside from accreditation requirements, are compliance with health and safety standards in which the DA (Department of Agriculture) can be involved.

DFA provided two essential facilitations that are anchored on the priority programs of the DTI, as well as all the rest of the agencies. One, DFA is essential in terms of all the MoUs signed that pass through the department, such as MoUs with Malaysia, Brunei, Indonesia, and UAE. Second, DFA supports all investment promotion by arranging economic missions.

In terms of partnership with other countries, in 2017, the department started talks for a partnership with the US Halal Chamber of Commerce. The Department of Foreign Affairs is part of the halal board because the Philippines wants to bring in its product services outside the country and to bring in investments from halal countries to the Philippines. Primarily, DFA has been doing high-level representation wherein ambassadors are the ones who could bring up the needs of either the government or the private sector within their jurisdiction.



## Department of Tourism (DOT)

The Philippines has bagged the “Emerging Muslim-friendly Destination of the Year” award at the Halal in Travel Global Summit 2023 in Singapore and also rose to Number 7 in the world’s Top 20 non-OIC destinations in the Global Muslim Travel Index or GMTI. In the coming years, the DOT aims to enter GMTI’s Top 5 by following the ACES criteria: access, communication, environment, and service.

Visitor arrivals to the Philippines from Islamic or Muslim-populated countries have shown a spike. From January to August 2023, 9% of international arrivals or almost half a million tourists are from Islamic countries, showing great promise from the 8.41% of 2022, based on Department of Tourism (DOT) data. Overall, the country welcomed 5.45 million international visitors 2023, with receipts surging to Php482.5 billion.<sup>15</sup>

As of June 2023, the DOT recorded a nationwide total of 289 Halal Certified or Muslim-Friendly Accommodation Establishments and 237 Halal Certified or Muslim-Friendly restaurants.

In NCR alone, DOT has a total of 487 accredited accommodation establishments. Currently, Region 9 holds the greatest number of halal or Muslim-friendly accommodation establishments, while NCR has the most halal-certified restaurants across all regions.



Citing more activities, DOT has conducted the 19th Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA) Joint Tourism Development Cluster Meeting, where the department has hosted guests from the Muslim-majority countries of the BIMP-EAGA in Zamboanga City. During the event, the member countries shared updates on various programs and projects for the cluster, including air linkages, cultural preservation, and the like. This was done alongside a short familiarization trip to many of the Muslim-friendly destinations in the region.

One of the most recent and ambitious projects was “Bismillah – an evening of faith, love, and the flavors of Mindanao”. This was the first collaboration with Mindanaoan chefs to showcase Muslim Mindanaoan food in a fine dining format, which was attended by the DOT Secretary and members of the diplomatic corps.

This was a project done as an effort to exhibit the many offerings of the Mindanao Region and begin talks to lower security alert levels within the entirety of the island. In that short time, DOT has managed to get pledges from ambassadors of Russia, the Netherlands, etc., to give Mindanao a much-needed chance.

### **Mindanao Development Authority (MinDA)**

Mindanao Development Authority MinDA has been assisting LGUs, associations, and cooperatives based in Mindanao to develop their agri-fisheries sectors, and has also partnered with BARMM for the Mindanao Halal Cattle Development Program.

Apart from its inherent potential in agriculture and fisheries, Mindanao’s strategic proximity with its BIMP-EAGA neighbors also strengthens the region’s position as the country’s hub for Halal Development.

MinDA and the Philippine Halal Trade and Tourism Exposition (PHTTE) discussed various initiatives on Mindanao Halal industry development and its prospects in the BIMP-EAGA and global markets to position Mindanao as a premier Halal destination.

MinDA urged for more locally accredited Halal certifiers and a conducive environment for Small and Medium Enterprises (SMEs) in Mindanao to venture into Halal business.

As a member of the Philippine Halal Export Board, MinDA has been strengthening drivers of sustainable growth, such as the private sector and business communities, local governments, academe, and civil societies. Bringing about inclusive development through the significant inclusion of promoting, coordinating, and facilitating the active and extensive participation of all sectors and communities in Mindanao, particularly in the BIMP-EAGA cooperation.

MinDA has been developing a holistic, integrated, and coordinated halal mechanism for Mindanao, creating a vigorous Halal brand for Mindanao, and making Mindanao a reputable player in the Halal industry, not only in BIMP-EAGA and ASEAN, but also in the global market.

Mindanao-Palawan delegation headed by MinDA Secretary Maria Belen S. Acosta visited

the PDS Abattoir, Brunei's slaughtering facility for processing halal beef products, as part of the Bilateral Engagement on Halal Ecosystem and Industry Development.

The activity was MinDA's initiative to strengthen Mindanao's strategic position as the Philippines Halal Hub and take advantage of the economic benefits of this emerging market for Mindanao, particularly the Bangsamoro Region.

### **Bangko Sentral ng Pilipinas (BSP)**



*The BSP has promptly advanced Islamic banking, issuing licensing and Shari'ah governance guidelines for Islamic banks and units within three months of the RA No. 11439 (2019) being enacted into law.*

## The Legal and Regulatory Framework

The establishment of the Philippine Amanah Bank (PAB) by virtue of Presidential Decree (P.D.) No. 264, on 2 August 1973, created one of the oldest Islamic banks in the world. PAB was granted the powers of a universal bank and is now known as the Al-Amanah Islamic Investment Bank of the Philippines with the passage of RA No. 6848 on 26 January 1990.

### Islamic Banking Law

The landscape was improved with the enactment of RA No. 11439 (Islamic Banking Law or IBL) on 22 August 2019, which granted the BSP clear authority to issue a broader set of rules and regulations on Islamic banking, including the entry of other Islamic banking players in the country aligned with the policy of the BSP to provide a level-playing field for Islamic banking to thrive alongside the conventional banking system.

Other laws that complement RA No. 11439 in the promotion of Islamic banking and finance include:

- RA No. 11211, which amended the provisions of RA No. 7653 or The New Central Bank Act;
- RA No. 11054, or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao; and
- RA No. 11840, which amended the provisions of RA No. 3591, as amended or The Philippine Deposit Insurance Corporation Charter, granting the PDIC the authority to: (i) cover deposits in Islamic banks, (ii) establish a separate insurance fund and insurance arrangement given the peculiarities of Islamic banking, and (iii) extend financial assistance to Islamic banks.

The BSP has made significant strides in promoting the development of Islamic banking and finance in the country. This started with the maiden issuances on the licensing and Shari'ah governance framework for Islamic banks (IBs) and Islamic banking units (IBUs) barely three months after the Islamic banking law took effect in September 2019.

With the aim of creating a competitive and broadly inclusive financial system, the BSP took on a progressive and flexible approach to implementing prudential regulatory reforms backed by enhanced stakeholder engagements, continuous capacity building, and innovative awareness campaigns.

The BSP granted the first Islamic Banking unit license to an incumbent conventional bank in June 2023 with an Islamic banking branch in Cotabato to start its operations in Q1 2024.

The amendments, among others, authorized BSP to formulate rules on the extension of financial facilities for Islamic banks/Islamic banking units. This law included relevant provisions that supported the government's agenda to develop and expand the Islamic banking and finance industry in the Philippines. The amendment of the PDIC Charter provided PDIC with the legal authority to establish an Islamic banking insurance arrangement.

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## Prudential banking regulations

The BSP adopts a single regulatory framework for both conventional and IB/IBUs, providing relevant flexibility and continuing engagement with stakeholders for the development of a vibrant Islamic finance ecosystem.

With the objective of providing an enabling regulatory environment and level playing field, where Islamic banking can thrive alongside the conventional banking system, the BSP has to-date issued the following prudential regulatory frameworks and guidelines to implement the provisions of the Islamic Banking Law:

- Circular No. 1069 on the Guidelines on the Establishment of Islamic Banks (IBs) and Islamic Banking Units (IBUs) dated 27 December 2019;
- Circular No. 1070 on the Shari'ah Governance Framework for IBs and IBUs dated 27 December 2019;
- Memorandum No. M-2020-052 on Frequently Asked Questions on Islamic banking dated 18 June 2020;
- Circular No. 1116 or the Guidelines on the Management of Liquidity Risk by IBs and IBUs dated 25 May 2021;
- Circular No. 1139 on the Guidelines for Reporting Islamic Banking and Finance Transactions/Arrangements dated 23 March 2022; and
- Circular No. 1173 on the Modified Minimum Capitalization of Conventional Banks with Islamic Banking Unit dated 19 April 2023.

The BSP, DOF and the Philippine Deposit Insurance Corporation (PDIC) signed the implementing rules and regulations of R.A. No. 11840, or An Act Amending RA No. 3591, as amended, otherwise known as the Philippine Deposit Insurance Corporation (PDIC) Charter, and for other purposes on 30 September 2022.

These frameworks are complemented by regulations issued by the: (1) Bureau of Internal Revenue (BIR); and (2) Insurance Commission (IC) aligned with providing a level-playing field for the Islamic finance players.

## Tax neutrality Promoting Level-Playing Field for Islamic banking

The coordination among the member-agencies in the BSP-led Islamic Finance Coordination Forum (IFCF) led to the issuance by the BIR of Revenue Regulation No. 17-2022 on Tax Neutrality in August 2020 and Revenue Memorandum Circular No. 35-2022 on the Tax treatment of Profit-Disclosed Sale (Murabahah) and Commodity Murabahah (Tawarruq) in March 2022.

Meanwhile, the BIR will issue separate Revenue Memorandum Circulars to provide the specific tax treatment of other Islamic banking and finance contracts/arrangements. To encourage new Islamic banking player/s in the BARMM, any Islamic financial institution that will be registered in the BARMM may also enjoy fiscal incentives, including tax holidays pursuant to the implementing guidelines in accordance with the Bangsamoro Organic Law.

## Baseline Regulatory Framework for Takaful Undertakings

In conjunction with regulatory issuances by the BSP and BIR, the Insurance Commission has likewise issued Circular Letter No. 2022-04 on 27 January 2022, which provides the baseline regulatory framework for takaful undertakings. Subsequent issuances of the IC will deal with the details for the implementation of a framework for Takaful insurance in the Philippines.

*The maiden issuance of the Philippines' USD1 billion sovereign sukuk marks the country's debut in the global sukuk space — a significant leap for the development of the Philippine Islamic finance ecosystem.*

## The First Sovereign Sukuk

On 6 December 2023, the Republic of the Philippines made its successful debut in the global Islamic financial markets with the issuance of a USD1 billion sovereign Sukuk using real estate assets under Ijara and Wakala, with a Commodity Murabaha aspect. The Philippines' 5.5-Year Dollar Sukuk was also listed in Nasdaq Dubai on 8 December 2023.

The landmark debut of the Philippine sovereign sukuk was preceded by the Investor Roundtable in Doha and Philippine Economic Briefing in Dubai held in September 2023, and successful roadshows held on 27–28 November 2023.

The maiden issuance of the Philippines' sovereign sukuk marks the country's debut in the global sukuk space — a significant leap for the development of the Philippine Islamic finance ecosystem. This milestone is seen to send a strong signal

that the Philippine economy is well-positioned to accommodate Islamic finance investors and players.

A boost in the country's capital market is likewise expected as this would provide Islamic banking players with further means to manage their liquidity and address investment requirements.

## Shari'ah Supervisory Board in the BARMM

The BSP, DOF, Bangsamoro Government (BG) and National Commission on Muslim Filipinos (NCMF) issued a Joint Circular on 26 April 2022 that implements relevant provisions of Republic Act (RA) No. 11054 or the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (Bangsamoro Organic Law or BOL for brevity) on the creation of a Shari'ah Supervisory Board (SSB).

The SSB is tasked with the function of issuing Shari'ah opinions on Islamic banking transactions and Shari'ah products in the BARMM and has flexibility in delivering its mandate not only for stakeholders in the BARMM but for other stakeholders requesting opinion/s from the SSB, as well.

The SSB held its Inaugural Meeting on 15 December 2023, with IBSG as the SSB Secretariat, held at Dusit Thani Manila in Makati City. The operationalization of the SSB will advance the country's initiative to strengthen the Shari'ah governance framework for the Islamic banking and finance ecosystem.

*The operationalization of the SSB will advance the country's initiative to strengthen the Shari'ah governance framework for the Islamic banking and finance ecosystem.*

## Opportunities for Investors in Islamic banking and finance

In general, investors can look forward to benefiting from various investment opportunities and financing options owing to the Philippines' open investment regime, strategic position as a gateway to the Asia Pacific, thrust for public-private partnerships and favorable demographic profile backed by a strong, dynamic and highly-educated English-speaking workforce.

Among the key reforms implemented by the National Government to support economic liberalization of the country included the following:

- The amendments to Foreign Investments Act (RA No. 11647) which allows foreign investors to fully own SME domestic enterprises, with a paid-in capital of between USD100,000 to USD200,000 subject to certain provisions.
- Amendments to Public Service Act (RA No. 11659) which allows 100% foreign ownership of public services, including telecommunications and transport, and enables foreign equity participation of up to 40% in public utilities.
- Retail Trade Liberalization Law (RA No. 11595) which allows more foreign players in the retail market by lowering minimum paid-up capital for foreign corporations from USD2.5 million to USD 500,000 and removing the required net worth,

number of retailing branches, and retailing track record conditions.

- Amendments to the Renewable Energy Act of 2008 allow 100% ownership of the exploration, development, and utilization of renewable energy resources.

## Investment Roadshows

The National Government also conducted several non-deal roadshows globally. This drive aims to inform the global market of investment and partnership opportunities in the Philippines, particularly in renewable energy and infrastructure.

The commitment to maintain robust public spending in infrastructure — expected to boost productivity, improve the quality of life, and drive long-term economic growth at 5 to 6 percent of GDP annually — is embedded in the Philippines' medium-term fiscal program.

More importantly, the private sector can explore the Philippine government's 197 Infrastructure Flagship projects that are approximately worth USD155 billion and discover opportunities for public-private partnerships that can pave for better quality infrastructure and services and allow private players to get a reasonable return on their investment.



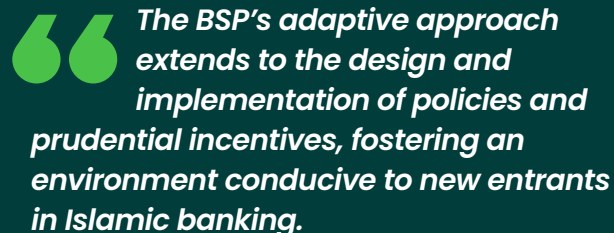
### Encouraging Islamic banking in the Philippines

The modes of entry of foreign banks have been liberalized under R.A. No. 10641, which amended R.A. No. 7721 or the Foreign Bank Liberalization Act.

This flexibility was also adopted by the BSP in the design and delivery of key policies and appropriate prudential incentives to encourage new players to establish Islamic banking operations in the country (i.e., either as full-fledged or Islamic banking units, which can either be in the form of a branch, unit or department of the conventional bank) and spur the growth and development of the Islamic banking sector.

This flexibility is evident in its regulations on licensing of Islamic banks and Islamic banking units, liberalized modes of entry for foreign banks, and

relaxation of minimum capitalization requirements of Islamic banking units. Hence, new Islamic banking players can participate in the Government through investments in strategic priority areas that are seen to further spur our nation's growth and prosperity.



*The BSP's adaptive approach extends to the design and implementation of policies and prudential incentives, fostering an environment conducive to new entrants in Islamic banking.*











# FINAL NOTE

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On 23 January 2024, the Philippine Department of Trade and Industry Secretary and Chairman of the Philippine Halal Export Development and Promotion Board Alfredo Pascual led the launch of the Philippine Halal Industry Development Strategic Plan 2023–2028.

Aligned with President Marcos Jr.'s 8-Point Socioeconomic Agenda, the Halal strategic plan aims to tap into the economic potential of the Halal industry, which is poised to double its domestic and international output by 2028.

The event also marked the launch of the 'HALAL-FRIENDLY PHILIPPINES' campaign. This national initiative aspires to establish the Philippines as a premium halal friendly hub in the Asia Pacific region.

The mission is ambitious yet within reach, encompassing a multi-faceted approach that integrates crucial dimensions of economic development. The plan addresses critical aspects of the larger economic development framework—from fostering regional growth, boosting domestic food security, supporting MSMEs, and strengthening consumer awareness and protection. Through regional and national capacity building, knowledge management, and skills enhancement, the plan recognizes the interconnectedness of these elements in fortifying and providing greater access to the Philippine Halal industry.

The Halal industry strategy is defined by 4Cs—collaborative, customer-centric, comprehensive, and competitive. The Philippine government is dedicated to:

- Engaging all pertinent government bodies and sectors;
- Prioritizing customer needs and experiences;
- Closing gaps in the Halal value chain to maintain integrity;
- And vigorously promote the industry to the world.

The goals adhere to the SMART criteria: specific, measurable, achievable, relevant, and time-bound.

These goals epitomize the Philippine government's dedication to transformation, socioeconomic benefits, and persistent development.

The government reaffirms its commitment to invest in Halal infrastructure, aiming to double the industry's output at a 20% compound annual growth rate and increase our global market share with a surge in Halal exports. Concurrently, the country will catalyze job-generating investments to invigorate our national economy.

Encapsulating inter-agency efforts, the 'HALAL-FRIENDLY PHILIPPINES' campaign aligns with the national aspiration to fortify the Philippine economy by enhancing domestic Halal consumption and exports across various sectors, fostering business growth, attracting investments, and stimulating job creation.

As the required domestic Halal consumption levels is realized, it is aimed that the Philippine Halal Industry will not only meet internal benchmarks but also signal the emergence of a robust Philippine Halal industry ecosystem ready to cater to the global multi-trillion-dollar Halal market.

The road ahead is indeed filled with challenges, but it is equally paved with vast opportunities.

Through this plan, the Philippines is envisioned as a frontrunner in the worldwide Halal sector, with a thriving Halal ecosystem, and collectively striving towards 'Bagong Pilipinas' – a nation that embodies inclusivity, sustainability, and prosperity.

INSHALLAH.





# PHILIPPINE HALAL INDUSTRY DEVELOPMENT STRATEGIC PLAN

## 2023 – 2028

