



berbagai peluang tersebut beserta tantangan yang menghambatnya masih belum dipahami secara memadai. Penelitian ini menggunakan data yang bersumber dari data primer dan sekunder, yang diperoleh melalui wawancara, literatur industri, peraturan perundang-undangan, serta laporan pemerintah. Hasil penelitian menunjukkan bahwa pengaturan hukum terhadap industri halal di Nigeria berpotensi menciptakan peluang yang lebih luas dalam sektor perdagangan dan komersial, antara lain melalui peningkatan produksi pangan lokal, pembentukan keterkaitan ekonomi, pengembangan pasar ekspor, pertumbuhan sektor pariwisata dan perhotelan, serta penciptaan lapangan kerja yang signifikan. Namun demikian, sejumlah tantangan seperti keterbatasan infrastruktur, akses pembiayaan yang belum memadai, serta belum optimalnya kerangka regulasi dapat menghambat pertumbuhan industri ini. Oleh karena itu, tantangan-tantangan tersebut perlu segera diatasi. Tulisan ini menyimpulkan bahwa melalui intervensi kebijakan yang tepat serta dukungan investasi yang memadai, industri halal di Nigeria memiliki potensi untuk menghasilkan manfaat ekonomi, sosial, dan lingkungan yang signifikan.]

**Keywords:** Challenges, Commerce, Halāl industry, Nigeria, Opportunities, Trade and Investment.

**How to Cite:** Muhammad, A. A. ., Lateef, A. M. ., Ardo, A. M. ., Shahbaz, A. ., & Khaton, G. . (2026). Halal Economy in Nigeria: Examining the Legal Framework and Certification Dynamics for Sustainable Growth. *Jurnal Mediasas: Media Ilmu Syari'ah Dan Ahwal Al-Syakhsiyah*, 9(1), 26–40. <https://doi.org/10.58824/mediasas.v9i1.325>



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## INTRODUCTION

In recent years, the Halāl industry has grown rapidly, and its customs and way of life have extended to many nations across the world, including those with a majority and minority of Muslims. According to Gillani et al. (2016), Halāl is a universal measure of living conditions and product quality assurance. In Nigeria, attempts to uphold the rights of consumers, particularly Muslim consumers, are directly linked to the Halāl industry's implementation. In addition to consumer products, it also includes secondhand commodities like apparel and travel and lodging services, which many people assume are Halāl-guaranteed (Ahmad, 2019). Although many people already know that Halāl products are clean and healthful, and also associated with religious regulations. It can boost corporate actors' financial gains in addition to safeguarding consumers (Pratikto et al., 2020).

Muslims who carefully adhere to Shari'ah and abstain from unhealthy foods frequently acknowledge the idea of Halāl. According to Matthew et al. (2014), a Muslim considers a product to be Halāl if it satisfies specific standards and procedures established by Shari'ah law as directed by Allah (SWT). Allah says:

*“O people! Eat the lawful and good things out of what is in the earth” (Qur'an, Al-Baqarah, 2:168)*

And He further narrowed it down to Muslims in the same chapter of the Qur'an that mentioned

*“O you who believe! Eat of the good things we have provided you with” (Qur'an, Al-Baqarah, 2:172)*

Good and lawful items in this context refer to "Halāl products." As demonstrated by the aforementioned Qur'anic injunctions, all food products must be both Halāl and tayyiban (excellent things). These verses from the Qur'an suggest that the primary goal of

Islamic legislation regarding "Ḥalāl"ness is to safeguard people; even if there is scientific proof to support this, any food or beverage that could endanger a person's body or health is prohibited (non-halal). Allah says:

*"And make not your own hands contribute to (your) destruction". (Surah Al-Baqarah: 195)*

Apart from that, Islam provides clear guidelines on Ḥalāl food process in relation to fulfilment of Ḥalāl requirements. As stated in the Qur'ān:

*"O ye who believe! Eat of the good things that we have provided for you"*  
*(Surah Al-Baqarah: 172)*

The aforementioned phrase's definition of "good things" includes hygienic food since it indicates that it is good. A healthy body is ensured by eating food that is clean and hygienic. Thus, in accordance with Islamic teachings, it is important to prioritize cleanliness and hygiene in addition to selecting wholesome diet.

Modern research indicates that non-Muslims show similar interest in Ḥalāl products as Muslims do, appreciating them for their cleanliness, security, and quality due to adherence to the Ḥalāl assurance management system (Ambali & Bakar, 2014). The demand for Ḥalāl items has increased globally, with significant interest from non-Muslim countries such as China, Australia, and Brazil, driven by their economic contributions in nations like Malaysia and the UAE. The global Ḥalāl market is valued at approximately USD 2.3 trillion, with Malaysia as the leading exporter of Ḥalāl products to various countries (Abdullah et al., 2017). The Ḥalāl industry encompasses a range of goods, including food, beverages, and cosmetics, requiring a comprehensive assurance system that guarantees compliance from production to presentation. Recent studies suggest the industry is experiencing a 20% annual growth in market share.

The global economic landscape, particularly within the Muslim community, is undergoing significant changes in entrepreneurial practices, notably with the rise of Islamic and Ḥalāl business models. Many Nigerians, including Muslims, often misunderstand these concepts in the context of the global market (Musalmah, 2005). For instance, Malaysia's experience shows that Ḥalāl products positively impact economic growth. As Nigeria is multi religious, it could benefit from incorporating Ḥalāl practices to offer ethical and healthy products to all citizens. The Ḥalāl market has expanded beyond food to sectors like health and cosmetics, as well as various services including banking and fashion (Idris and Asnidar, 2018). This growth is attributed to increasing awareness among Muslims and interest from non-Muslims in safe and ethical products. Although there is a global trend towards Ḥalāl consumption, Africa, particularly Nigeria with a growing Muslim population has yet to fully embrace these developments.

Nigeria's Ḥalāl market presents a significant opportunity for the country to become a major force in the sector both domestically and internationally. With Muslim expenditure totaling US\$107 billion in lifestyle and Ḥalāl product categories, Nigeria ranks eighth globally. It is the eleventh-largest exporter of Ḥalāl products in Africa, with food making up 98% of total exports (Dinar Standard, 2020). Nigeria has also benefited from Sukuk bonds more than any other African country, with US\$41.6 billion, making it a leader in Islamic finance. The term "Ḥalāl" refers to any Islamic Shari'ah-compliant product or products, including food, banking, finance, tourism, cosmetics, pharmaceuticals, and employment, travel, technology, and transportation services (Global Ḥalāl Market Analysis, 2021). Despite the South Africa National Ḥalāl Authority (SANHA) certifying and standardizing

Halāl products, the certification and standardization do not protect the rights and interests of Muslims in Nigeria.

It is imperative that Nigeria establish its own Halāl regulatory body to oversee certification and guarantee the quality of Halāl products. Given the amount of Muslims in the nation, the Nigerian government stands to benefit greatly from the creation of its own Halāl authority (Muhammad et al. 2025). The reason for this is that because of the integrity and standards they have set for the items, nations with Halāl regulatory authority make a significant amount of money each year from Halāl-related products. Therefore, in order for the Halāl industry to be accepted by all Muslims, the Nigerian government urgently has to establish an institution that would give people solid and sufficient understanding about the Halāl products, logo, and execution.

Despite Nigeria's growing Muslim population and increasing interest in halal products and services, the halal economy remains significantly underdeveloped compared to countries such as Malaysia, Indonesia, and the UAE. Several interconnected legal, regulatory, institutional, and operational challenges hinder the sustainable growth of the sector. Nigeria lacks a unified national halal legislative framework that specifies standards, defines regulatory mandates, and governs compliance across the halal value chain. Multiple agencies e.g NAFDAC, SON, NESREA, state-level bodies, and private certification organizations operate without coordination, leading to overlaps, contradictory guidelines, and regulatory conflict. This fragmentation undermines the integrity and global recognition of Nigerian halal products.

Therefore, the study examines Nigeria's halal economy, focusing on legal frameworks, institutional functionality, and certification processes for sustainable growth. It aims to identify gaps in existing regulations, analyze the roles of certification bodies, assess challenges in implementation, and benchmark against leading halal economies like Malaysia and Indonesia. The study proposes a comprehensive framework to enhance halal regulation, drive economic growth, and recommend policy reforms for a unified governance ecosystem.

## **METHOD**

### ***Type of Research***

This study adopts a mixed-method research design, combining qualitative and quantitative methods to achieve a comprehensive understanding of the halal economy in Nigeria. The quantitative component helps assess the level of awareness, perception, and compliance among stakeholders, while the qualitative component provides deeper insight into legal, institutional, and certification dynamics that underpin the halal sector.

The research is primarily descriptive and exploratory:

1. Descriptive because it describes the existing legal framework, institutional structures, and certification processes.
2. Exploratory because the halal economy in Nigeria is still emerging, requiring an exploration of new perspectives, policy gaps, and practical challenges.

### ***Research Approach***

This study employs a convergent mixed-method approach, in which qualitative and quantitative data are collected simultaneously, analyzed separately, and integrated at the interpretation stage. This design enables a more comprehensive understanding of halal certification dynamics from both normative and empirical perspectives.

The quantitative component is utilized to measure the level of awareness and perceptions of producers and consumers regarding halal certification, to identify the challenges faced by business actors in achieving halal compliance, and to assess the degree of trust in existing certification bodies. Quantitative data are collected through a structured questionnaire designed using a graded attitudinal scale to systematically capture variations in responses.

The qualitative component focuses on examining legal and regulatory gaps, institutional roles and relationships, potential overlaps of authority, certification dynamics, and operational challenges in practice. Qualitative data are obtained through in-depth interviews, document analysis, and a review of halal regulatory frameworks in Nigeria, with comparative insights drawn from Malaysia, Indonesia, and Gulf region countries. The integration of these two approaches strengthens the validity of the findings and provides a holistic perspective on halal governance structures and their policy implications.

### ***Research Location and Subjects***

The study focuses on the Nigerian halal ecosystem, with fieldwork carried out in key states with significant halal-related activities. These include: Lagos State that serve as Nigeria's commercial hub and key location for halal food production, cosmetics, pharmaceuticals, and exports; Kano State that serve as a major agrarian and agro-processing hub with large Muslim populations and traditional halal practices and Abuja (FCT) that serve as a location of national regulatory agencies (NAFDAC, SON, and CPC) and major certification bodies.

The research involves the following stakeholder groups:

1. Regulatory Agencies like NAFDAC, Standard Organization of Nigeria (SON), Consumer Protection Council (CPC)
2. Halal Certification Bodies like Nigeria Halal Certification Authority (NIHA), Halal Standard Development Council and State-level Islamic councils
3. Producers/Businesses which include Food and beverage companies, Meat/poultry processing firms, Cosmetics and pharmaceutical producers, SMEs seeking halal certification
4. Consumers like Muslim and non-Muslim households, Halal-conscious consumers and Retail market participants

### ***Data Collection Method***

The study employs multiple data collection methods to ensure robustness and triangulation.

1. Quantitative Instruments: Structured Questionnaires

A structured survey questionnaire is administered to producers and consumers. The questionnaire is divided into sections like Demographic characteristics, Awareness of halal certification, Perceptions of halal compliance, Challenges in obtaining certification, Trust in existing regulatory agencies, Assessment of halal market potential

Sampling is done using stratified random sampling to ensure representation across different sectors.

2. Qualitative Instruments: In-depth Interviews

Semi-structured, in-depth interviews are conducted with: Heads of regulatory agencies, Officials from certification bodies, Islamic scholars involved in halal jurisprudence, Industry experts and policy makers, SME owners and market operators

3. Sampling Technique

Interviews are conducted purposively, selecting individuals based on their expertise and relevance. To reach highly experienced and elusive experts, the study applies snowball sampling, where initial participants recommend other key informants.

4. Document Analysis

Documentary sources include National laws and regulations, Certification guidelines, Policy papers and circulars, International halal standards (Malaysia MS1500, Indonesia HAS23000, GCC Halal Standards), Reports from OIC, COMCEC, and Halal Development Corporations

***Data Analysis***

Quantitative data will be analyzed using Statistical Package for Social Sciences (SPSS) or Stata. Techniques include Descriptive statistics (mean, frequency, percentages), Reliability tests (Cronbach Alpha), Cross-tabulation, Regression analysis to determine factors influencing halal certification adoption, ANOVA to compare mean differences among stakeholder groups.

Qualitative data will be analyzed through thematic analysis, involving:

1. Transcription of interviews
2. Coding of responses.
3. Identification of recurrent themes such as: Legal inconsistencies, Institutional fragmentation, Certification challenges, Export barriers, Consumer trust dynamics.
4. Use of NVivo software to assist with coding and theme development

***Theoretical Framework / Conceptual Analysis***

The study adopts three main theoretical frameworks:

1. Institutional Theory to explain how regulatory institutions, norms, and organizational structures shape the development of the halal economy. It helps analyze: Institutional overlaps, Legal uncertainties, Certification authority legitimacy
2. Stakeholder Theory to illustrate how multiple actors (government, certification bodies, businesses, consumers, religious scholars) influence halal regulatory outcomes.  
Useful for evaluating: Conflicts among regulators, Consumer expectations, Trust and credibility issues
3. Public Policy Implementation Theory to highlight how gaps in policy design, resources, enforcement, and inter-agency coordination affect the implementation of halal regulatory frameworks.

This helps explain why Nigeria struggles with Non-standardized certification, Weak enforcement, and poor alignment with global halal standards. These theories guide both the analysis and interpretation of results.

### **7. Data Validity and Credibility**

To ensure the reliability and trustworthiness of the findings, the following strategies are employed which include Content validity where questionnaire reviewed by experts in Islamic economics and halal certification. Construct validity by using established constructs from previous halal economy studies. Reliability where Cronbach Alpha used to test internal consistency (threshold  $\geq 0.70$ ).

Also Triangulation by combining interviews, documents, and survey data, Member checking where key informants review and verify their interview summaries, Peer debriefing where academic panel reviews the coding and themes, and Thick description by providing detailed narratives to enhance transferability, confidentiality and anonymity assured.

## **RESULT AND DISCUSSION**

### **Demand of Halal Products in Muslim World**

Numerous articles have been written about Islamic banking and Halal products worldwide, but the main goal of this article is to highlight the opportunities and prospects for entrepreneurs to access and develop a new, developing market for Halal products, particularly in Nigeria. In the context of international business and trade, it is noted that the Halal indication tag or logo is currently used to define food in one way or another, referring to legal goods, beverages, or even services. Actually, one of the ways that many Muslims around the world are currently living or channeling their consumption pattern is through this holistic connection to permissible food. Indeed, prior research has indicated that even non-Muslim customers are becoming more receptive to the product due to its ethical, safe, and high-quality attributes (Abdullah et al., 2017; Yusuf et al., 2016).

According to an overview of the global Halal sector, the younger generation of Muslims under 30 years old is the driving force behind changes in their buying habits, since they make up around 60% of the Muslim population. Given the size of the population and the rise in the number of Muslims, numerous books have been written about how to reach the Muslim market. According to A.T. Kearney Consulting Firm (2008), the world's fastest-growing consumer markets are among Muslims. According to the survey, the Muslim consumer groups are now at saturation point as a result of their increased demand for goods and services that adhere to Shari'ah.

### **Comprehending JAKIM's Halal Food Standards and Their Consequences for Nigerian Halal Economy Regulation**

The study's findings emphasize how crucial regulatory uniformity and transparency are to creating a successful Halal ecosystem. Examining regulatory gaps in nations like Nigeria is made easier by the Department of Islamic Development of Malaysia's (JAKIM) definition of Halal food, which is one of the most authoritative standards in the world.

#### *1. Adherence to Shari'ah-Based Animal Source Requirements:*

According to JAKIM (2012), Halal food is defined as food that doesn't come from animals that aren't slaughtered in accordance with Shari'ah principles or contain any parts or derivatives of animals that are deemed non-halal. This criterion represents the traditional fiqh requirement that the basis for permitted consumption be *al-dhabh al-shar'i* (lawful slaughter) and that banned species including swine, predatory animals, and animals devoted to deities other than Allah be excluded.

Consequences for Nigeria: Nigeria does not have a consistent national slaughter and certification standard, according to the report. Low consumer confidence, parallel certifying bodies, and uneven methods are the outcomes of this divide. Nigeria's regulation system is still disjointed between private certifiers, state religious organizations, and unofficial slaughterhouses, in contrast to Malaysia.

2. *Najāsah (impurities) is absent:*

JAKIM states that any substances that are prohibited by Sharī'ah law as najis must not be present in halal meals. Blood, carrion, alcohol, and any material deemed ritually impure are all included in Najāsah.

Discussions: The Mālikī, Shāfi'ī, and Ḥanafī perspectives that ṭahārah (purity) is a prerequisite for consuming are reflected in this. These ideas are put into practice by JAKIM, which creates a comprehensive standard for ingredient verification, packaging, and certification.

Consequences for Nigeria: The Nigerian food processing industry frequently lacks traceability systems to confirm the origins of ingredients. Cross-contamination and mislabeling are made possible by lax oversight, which restricts Nigeria's access to international halal markets.

3. *Compliance with Public Health, Non-Toxicity, and Food Safety:*

According to JAKIM's definition, Halal products must be safe to eat, hygienic, and non-toxic. This is in line with the Qur'anic precept of eating what is ṭayyib (pure, healthful). This proves that halal is a foundation for public health as well as a religious necessity. According to modern academics, Halal standards incorporate quality control, ethics, and hygienic practices into food production.

Consequences for Nigeria: There isn't a specific Halal food safety law in Nigeria that combines scientific food safety procedures with Sharī'ah principles. Because of this, Nigeria's halal sector suffers significant trust issues, particularly in export markets that demand worldwide halal conformity.

4. *Preventing Cross-Contamination in Manufacturing:*

JAKIM emphasizes that equipment or machinery tainted with non-halal materials cannot be used in the processing or preparation of halal products. This state is a reflection of industrial-level Halal assurance systems (HAS), which monitor every step, from procuring raw materials to sanitizing equipment. Malaysia and Indonesia have fully institutionalized Halal logistics and manufacturing systems based on this principle.

Consequences for Nigeria: Certification is challenging since the majority of Nigerian food producers lack production lines that comply with Halal regulations. According to the study's conclusions, Nigeria will find it difficult to compete in the \$2 trillion global Halal supply chain without defined industrial Halal norms.

5. *Human Parts or Derivatives Not Included:*

The use of human parts or their derivatives in any food product is expressly prohibited by JAKIM's standards. The universal Sharī'ah judgments on human holiness (ḥurmat al-insān) and the prohibition on the use of human-derived products in food, medicine, or cosmetics are reflected in this. Despite being uncommon in the food industry, this clause is crucial given the development of biotechnology.

Consequences for Nigeria: There are presently no biotechnology-focused Halal regulations in Nigeria. Without implementing proactive Sharī'ah-compliant safety standards, Nigeria runs the risk of falling behind in terms of regulations as biotechnology develops, particularly in processed foods and medicines.

*Overall Conversation and Connection to Research Goals*

According to the analysis, JAKIM's definition of halal is multifaceted, encompassing ethical norms, production methods, safety, cleanliness, and religious compliance. The analysis discovers a significant difference between Nigeria's disjointed, ill-coordinated structure and Malaysia's institutionalized Halal regulatory scheme. These results confirm the necessity of Nigeria's national Halal Act or regulatory framework, JAKIM-like centralized Halal authority, Unambiguous certification, oversight, and enforcement procedures, and building institutional capability for sectors pursuing Halal certification.

These results directly address the study's objective of examining how Nigeria can strengthen its Halal regulatory environment for sustainable growth, improved consumer trust, and global competitiveness.

This perspective attested that the food is physically separated from any other food that does not fit the aforementioned standards, as well as from any other items that Shari'ah law has declared to be najis, during its preparation, processing, packaging, storage, or transit.

### Nature of Nigeria's Halal Industry

There is currently little history of Halal items in Nigeria. This is due in part to the nation's multi-religious and multi-ethnic makeup. It has been demonstrated that wherever there are Muslims whose beliefs are based on Halal food specifications, there should be Halal businesses, even though there are currently approximately 116 million Muslims in Nigeria, with roughly 60% of them belonging to the Sunni sect and being more aware and passionate about their Halal consumption pattern. It is clear that Nigeria's Muslim population is so large and vibrant that her government may tap into it to capitalize on the demand for Halal products among Muslims around the world (Harvard Divinity School, 2016). In this sense, the Nigerian government is expected to establish a regulatory body or agency for Halal products, which will oversee the country's efforts to gain international recognition. As a result, the GDP will generate income both domestically and externally. Nigeria currently lacks an official Halal regulatory body for both food and non-food items (Annabi & Wada, 2016).

According to earlier studies, Nigeria was one of the world's top importers of rice, thus the Federal Ministry of Agriculture and its sister ministry, the Trade and Investment Ministry, had undertaken multiple attempts to promote Halal products (FMARD, 2018; Annabi & Wada, 2016).

This indicates that although there is a large demand for Halal items in Nigeria, their production, supply, and distribution have not operated in a formal manner. Nigerian Muslims have historically had access to a wide range of Halal products, including cosmetics, chicken products, grain, meat, dairy products, food, lifestyle items, and much more, according to a study by Onwueme (2014).

It is very interesting to note that even non-Muslims in Nigeria are now buying and using Halal products, which are primarily imported into the nation and include processed and packaged meat, food, and ingredients that adhere to Islamic Shari'ah, whether or not the products have a logo. Nigeria spends more than one trillion naira a year on food imports as of 2024, even though the nation has a large amount of arable land that is underutilized and could support millions of young people working in agriculture. This shows a high purchasing power of Nigerians on many food stuffs such as rice, sugar, fish and others, if found Halal, hygienic and safe, to consume.

Western Africa is home to a sizable Muslim population, particularly in Nigeria, although the Ḥalāl market is largely underutilized. The primary reason for this is that Nigeria does not yet have Ḥalāl standards or certification. Nigeria has the potential to become the center of Africa's production and trading of Ḥalāl goods and services, hence this is viewed as a massive waste of resources for the nation.

### Ḥalāl Certification in Nigeria

Right now, a lot of goods using the Ḥalāl logo are imported into Nigeria without being certified by any reliable government agency that oversees the items' compliance with Ḥalāl standards and requirements. However, it's interesting to note that the Standard Organization of Nigeria (SON) is the only regulatory body for Ḥalāl product compliance in Nigeria. To some extent, even among the players in the Ḥalāl industry, SON is unable to determine the integrity and standard of Ḥalāl products based on their certifications and logo. Malaysia, for instance, has numerous institutions to manage Ḥalāl certification and Ḥalāl enforcement of both food goods and services, such as the Ḥalāl Industry Development Corporation (HDC), Department of Islamic Development Malaysia (DIDM) and also state religious council (Yusuf et al., 2017).

The Ḥalāl sector has achieved international recognition and confidence among Islamic countries as a result of the strong execution of the law by relevant authorities in any country. For instance, in Malaysia, the Department of Islamic Development Malaysia (DIDM) and the Malaysia Department of Veterinary Services (MDVS) must fully accredit Ḥalāl meat and poultry products before they can be exported for Ḥalāl inspection purposes in order to guarantee that the goods fulfill quality, safety, and hygiene standards (Dahlan & Abdullah, 2017).

For this reason, Ḥalāl items made in Malaysia are acknowledged by Muslim and even non-Muslim nations worldwide, including the United States of America (USA), China, Australia, Bangladesh, Saudi Arabia, Indonesia, and Turkey.

Four product certification schemes are run by the Standard Organization of Nigeria (SON) through the product certification directorate across the nation, according to statistics and conclusions on the organization's official website. These consist of the Nigerian Quality Award Scheme (NQA), the Voluntary Product Certification Scheme (VPC), the Mandatory Conformity Assessment Program (MANCAP), product type certification for export, and other pertinent Nigerian industrial standards.

A closer examination of the SON department reveals that the only certification ID kinds available under the management system certification are: NIS/ISO 9001, which defines and establishes organization quality procedures and objectives; NIS/ISO 45001, which outlines occupational health and safety responsibilities; and NIS/ISO 22000, which is a food safety management system that offers a framework for efficient management of the safety food supply chain.

According to preliminary results based on data on the SON website, the standard directorate's goals in terms of product standardization are to coordinate relations with international organizations that are involved in standardization activities, including ISO, IEC, CODEX, AFSEC, ECOWAS, WTO, and ARSO, with the exception of the World Ḥalāl Council (WHC) (Standard Organization of Nigeria, 2018).

### **Opportunities in the Halāl Business System in Nigeria**

Nigeria offers numerous prospects for investment and expansion of Halāl Products. Thankfully, a number of admirable organizations are making significant progress in this direction by using a solution-driven approach, guaranteeing that our physical surroundings and spaces provide superior Halāl products that boost competitiveness. In any case, we've highlighted a few of the fascinating prospects available in the Halāl market:

Nigeria's economy can significantly benefit from a strong Halāl enterprise by increasing exports, attracting investment, and generating jobs. The growth of the Halāl industry fosters inclusivity for both Muslim and non-Muslim consumers seeking quality and health benefits. Establishing a robust Halāl market allows Nigeria to tap into the trillion-dollar global Halāl market, enhancing export opportunities. Additionally, the thriving Halāl sector can boost tourism by attracting Muslim investors and tourists. Therefore, boosting the Nigerian Halāl sector is a strategic step towards economic progress, inclusion, and international trade rather than only satisfying religious dietary requirements. Nigeria can meet the many demands of its people and access a booming worldwide market by taking use of the prospects provided by the Halāl sector. For all Nigerians, this route promises economic growth, job creation, and a more welcoming society.

### **Challenges of Halāl Industry in Nigeria**

The Halāl sector in Nigeria, a nation with a diverse religious and cultural environment, offers a special chance for inclusivity and economic success (Khan et al., 2016). Due to the sizeable Muslim population in Nigeria, there is a high demand for Halāl goods and services. A lack of standardized certification procedures, low business awareness, and inadequate infrastructure for Halāl production and distribution are some of the issues that the Nigerian Halāl sector must deal with.

According to economic theory, the supply of regular products is contingent upon a number of factors, such as the availability of resources, the type of production costs, entrepreneurial skill, production and technological capacity, governmental regulations, market size, and the competitiveness of the agents that supply the products. In addition, the supply of *Shari'ah* compliant products to the global *Halāl* market is also, subject to the following special conditions:

From the findings above, it is clearly seen that Nigeria still has a lot of opportunities to venture into *Halāl* industry, as it has a huge target market across the globe through its own *Halāl* resources such as poultry, livestock, natural reserves and other agriculture products. However, due to lack of government intervention in regulating and authenticating the *Halāl* product industry in Nigeria, access to interest-free loans and modes of financing, inadequate awareness and team work most of the local manufacturers have no clear directions, especially in terms of certifying their products with *Halāl* authorization and business practice. Without the proper control of *Halāl* recognition, industries in Nigeria have difficulties in growing, either locally or globally.

### **CONCLUSION**

This study examines the legal, regulatory, and certification dynamics that shape the growth of Nigeria's halal industry by drawing upon Malaysia's JAKIM standards as a

comparative reference. The analysis demonstrates that Nigeria does not yet possess a centralized and legally mandated halal regulatory authority, resulting in fragmented institutional arrangements among private certifiers, state religious councils, and informal market actors. Such fragmentation produces weak standardization, inconsistent certification procedures, and diminished trust among both domestic and international consumers.

The study further reveals that Nigeria's legal framework for halal certification remains inadequate and incoherent. There is no comprehensive federal regulation governing halal food processing, no national halal legislation, and no integrated oversight of the production, transportation, and importation of halal-compliant goods. This condition contrasts sharply with countries such as Malaysia and Indonesia, where the entire halal supply chain is regulated through comprehensive legislation, clearly defined standards, and authoritative institutions such as JAKIM and MUI.

Findings also indicate that many Nigerian companies lack sufficient understanding of Halal Assurance System standards, including requirements related to ingredient verification, safety, traceability, and the prevention of cross-contamination. Compliance is further constrained by the absence of segregated halal production lines in most food and cosmetics industries. This structural imbalance significantly limits Nigeria's competitiveness within the global halal market. Although the country possesses a substantial Muslim population and considerable market potential, the credibility and economic sustainability of halal products remain vulnerable due to low consumer awareness, skepticism toward certification mechanisms, and weak product traceability systems.

By engaging with JAKIM's holistic conception of halal, which encompasses purity, safety, lawful sourcing, freedom from contamination, and adherence to ethical principles, the study concludes that Nigeria must establish a comprehensive regulatory framework that is Shari'ah-compliant and scientifically integrated. Such a framework is essential to unlock the full potential of the halal economy and to contribute meaningfully to sustainable national development.

The study underscores that the institutionalization and long-term sustainability of the halal industry depend upon the active participation of all relevant stakeholders. Halal entrepreneurs, supply chain actors, Islamic scholars, and policymakers are expected to collaborate in strengthening institutional structures and governance mechanisms. Entrepreneurs should regard halal certification not merely as a commercial instrument but also as a spiritual and legal commitment that enhances credibility and profitability. Government authorities and legislative bodies are required to ensure that certification management systems are accessible, rigorous, transparent, and reliable. Islamic scholars play a strategic role in reinforcing sustainable halal certification by translating normative Islamic principles into operational and measurable standards. An integrated and sustainable supply chain is also necessary to support industry resilience and integrity. Ethical consciousness grounded in the principle of *taqwa* remains fundamental for all actors in the halal ecosystem to prevent misconduct and fraudulent practices.

Despite its contributions, the study acknowledges certain constraints arising from its reliance on secondary data due to limited access to certified halal facilities in Nigeria, its concentration on major urban centers without broad inclusion of rural markets, and its comparative orientation toward countries with more established halal governance systems that may not fully reflect Nigeria's specific socio-legal context. The research captures conditions within a rapidly evolving global halal industry and was conducted in the absence of a unified national halal legal framework, which presented analytical and empirical challenges throughout the study.

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