



Halal FAQ's

FOR FOOD &
BEVERAGE
EXPORTERS



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

wesgro
cape town & western cape
tourism, trade & investment



Western Cape
Government



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01 Understanding Halal

WHAT IS HALAL?

Muslims are not allowed to eat foods explicitly prohibited in Islam. These include alcohol; pig meat; meat or any products from a forbidden animal and meat or any products of an animal which has not been slaughtered in the correct manner.

Halal food is that which adheres to Islamic law (Shari'ah), as defined in the Quran. The word 'Halal' means permissible and lawful. The antonym for Halal is haram, which means unlawful or forbidden.

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The Islamic form of slaughtering animals or poultry, dhabiha, involves killing through a cut to the jugular vein, carotid artery and windpipe. Animals must be alive and healthy at the time of slaughter and all blood is drained from the carcass.

From a producer's perspective, these concepts are important to remember. Not only must the ingredients be reviewed for permissibility, but suppliers of the ingredient must also be approved as Halal. This is because many ingredients may be from a variety of sources.

A company does not have to be owned, run or operated by Muslims to produce Halal products. However, any product destined for Halal labelling must be produced under the strict supervision, assistance, counsel and participation of trained and competent Muslim production inspectors. It is the company's responsibility to find trained Muslim inspectors and to comply with the requirements. It is the marketer's responsibility to assure the reputation of the Muslim supervising organisation contracted to do the certification (J&M Food Products Company, 2000).

WHAT IS TAYYIB?

The Quran has many verses that encourage Muslims to eat food that is Halal and Tayyib (Quran chapter 2 verse 168). Tayyib (pure) means wholesome and ethical, but more than that it encompasses the spiritual and physical purity of food. The move towards Tayyib is in harmony with broader global eco-ethical movements relating to health, well-being, ecology, sustainability and fair trade. Tayyib speaks to the whole supply chain of the product and includes elements such as the type of fertiliser used, the treatment of labour, environmental concerns etc.

Within the context of the Halal market, these eco-ethical values have demonstrable market value within the food sector. Due to the high quality encouraged by Tayyib, many non-Muslims demand this food too. There are also cross-over opportunities with the growing organic food sector and tayyib products as people become more interested in the supply chain and tracing elements of their food globally.

WHAT IS HALAL CERTIFICATION?

Halal certification means that food has been subjected to an approved certification system which guarantees to consumers that nothing in the food has any forbidden components. Halal certificates are issued, for a fee, by

a certifying body. Finding and hiring a reputable Halal supervisory organisation and properly trained on-site Halal inspectors and supervisors are very important.

02 Why is Halal a Priority for the Western Cape?

The Western Cape Government aims to promote economic growth and job creation. Through strategic intervention, the Western Cape Department of Economic Development and Tourism (DEDAT) is putting in place a set of high priority, practical projects to unlock opportunities in sectors where the Western Cape has a clear but unrealised competitive advantage. The priority sectors chosen are highlighted under Project Khulisa, which, translated from isiXhosa, means "Project Grow".

In the first phase of Project Khulisa, which runs until 2019, the Western Cape Government is focusing on three areas, namely, tourism, agri-processing and the oil and gas sector.

Within the agri-processing sector Halal products are a major priority to stimulate growth. In order to promote this subsector, a Halal park initiative is being investigated and Halal exports are being promoted. In essence, there are great export opportunities for Halal products that link to the Western Cape's strategy to become a forerunner in Halal product manufacturing, processing and packaging.

MEC Winde has mentioned specifically that African demand for Halal products alone was estimated at \$750bn, but that "only \$36bn of Halal-branded products are going into that market, so there's the demand, but not the supply". Wesgro is currently involved in growing the exports of Halal products from the Western Cape as can be shown from the success of a trade mission to Senegal in 2017 which secured R100 million worth of trade.

In addition to a number of Halal-certified local and global multinational companies based in the Western Cape and who have a presence on the Continent, the region is also home to a number of home-grown success stories, including both Good Hope Meats and Excellent Meats, both Halal-certified meat manufacturers and distributors into Africa and beyond.

The Western Cape is also home to Burger King's meat patty factory, the second in the world to produce Halal patties, with the R50 million investment undertaken in 2014 a joint venture between Burger King South Africa and local Halal-certified meat manufacturer and distributor, Excellent Meats.



\$750 bn
African demand
for Halal products
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Excellent
MEAT MARKET
Committed to Excellence

The Western Cape is also home to Burger King's meat patty factory. A joint venture between Burger King South Africa and local Halal-certified meat manufacturer and distributor, Excellent Meats.



THE VALUE PROPOSITION

Ensuring that your food products are Halal not only makes them accessible to the local Muslim population, but also globally. Islam is the world's fastest growing religion, and Muslims have the highest birth rate of any religious grouping. One of the strongest drivers for the continued growth of the Islamic economy sectors is the fast growing, young, and large Muslim population worldwide. The global Muslim population is expected to grow to 2.987bn by 2060 according to the Pew Research Centre, thereby accounting

for 31% of the global population, which is projected to surge to 9.615 billion.

It is estimated that 60% of Muslims are under the age of 30. Spread out in 56 Muslim majority countries, the Muslim population has a GDP of around USD6.7trn. The Global Islamic Economy Report (2017) estimates that around USD1.17trn was spent on Halal food and beverages in 2015 and this is estimated to increase to USD1.9trn by 2021.

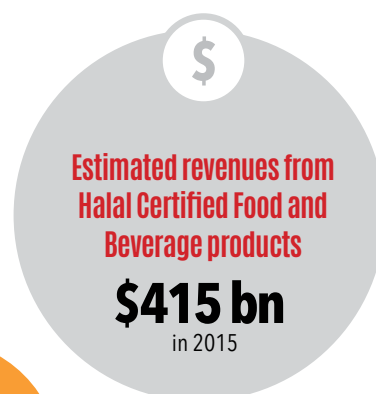
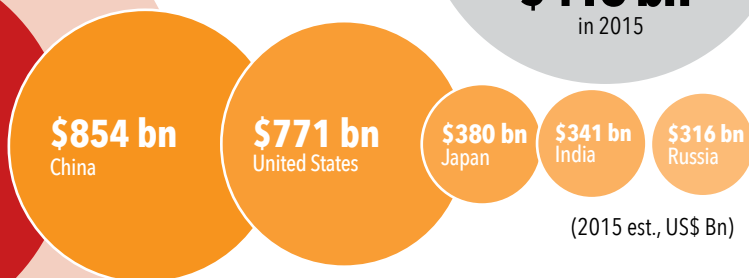
MARKET SIZE ¹

How much does the global Muslim market spend on food?



BENCHMARK

How does global Muslim spend compare to total global spend on food and beverage?



Source: Global Islamic Economy Report 2017

¹: number of Muslims living in sub-Saharan Africa forecast to increase from an estimated 280.419 million, equivalent to 16% of the global Muslim population in 2015, to 806.595 million – equivalent to 27% of the global Muslim population – by 2060

Interestingly, the regional distribution of religious groups is also expected to shift dramatically in coming decades, with the number of Muslims living in sub-Saharan Africa forecast to increase from an estimated 280.419 million, equivalent to 16% of the global Muslim population in 2015, to 806.595 million – equivalent to 27% of the global Muslim population – by 2060. This is of great significance for South Africa and specifically the Western Cape, strategically positioning local Halal producers and

manufacturers, as well as global companies looking to capitalise on the Western Cape's strategic location and comparative advantages in this sector, to tap into this market.

The Global Islamic Economy Report (2017) found that Halal food faces the strongest opportunities in healthy products and Halal ingredients, with sector development still held back by a lack of standardisation i.e. the lack of global Halal brands.

03 The Steps for a Non-Halal Company to Become Halal

In order to ensure that a product is marketable as Halal one needs to follow all the Halal requirements. Some products are naturally Halal such as fruit, eggs and vegetables, but the processing and packaging of these goods must not contaminate the food in any way. Processed foods particularly must not contain animal by-products or other haram ingredients that are forbidden.

All the suppliers, locally or internationally, including imports and by-products must be Halal certified by an Halal certifying authority. All additional ingredients, like supplements, food additives, flavourings, emulsions, enzymes, colouring, stabilisers, sweeteners, preservatives, as well as purification or cleansing agents must be pre-approved for incorporating it into the Halal certified product.

EXAMPLES OF HALAL AND HARAM FOOD

HALAL	HARAM
All fruit and vegetables	Alcohol and products containing or made from Alcohol e.g. some vanilla extract, some vinegars
All fish but not all shellfish; nor frogs, crocodiles and sharks	Pig and any products containing pig
Cows, sheep, lamb, chickens, hens, turkey, ducks, camels, goats, goose, ostrich, etc if they are slaughtered in the Halal way	Narcotics, heroin, cocaine, marijuana and any other substances which causes intoxication
Eggs (chicken)	Any animal that has died (except fish and sea creatures) before being slaughtered in the Islamic manner
Grain products such as rice, pasta or bread	All birds which have talons and carnivores with fangs
	Gelatin and shortenings made from pigs
	Blood

Source: Muslimconverts.com, 2017

Once you have researched that your product is made with Halal ingredients, the next step is to certify your products as Halal for the domestic and international market. A Halal certificate is a

guarantee that products comply with the Islamic dietary requirements. The next section will look at the certification authorities in South Africa and the services that they offer.



SELECTED SOUTH AFRICAN CERTIFICATION AUTHORITIES

Once you have applied for Halal certification, an initial inspection and assessment of the facility will be conducted by an official. The applicant will have to comply with any adjustments, changes or additions to the facility in order to render it conducive for Halal compliance.

There must be no exchange or mixing of commodities, crockery, cutlery, cooking utensils and equipment in the

Halal and non-Halal sections, whether in preparation, production, processing, collection, washing/cleaning, drying, receiving, or storing.

The table below shows a list of selected South African Halal certifying bodies, their contact details and international markets that are not compatible with certain certifiers.

SELECTED SOUTH AFRICAN HALAL CERTIFYING BODIES			
NAME	WEBSITE	INTERNATIONAL MARKETS THAT PRESENTLY DON'T RECOGNISE THE CERTIFICATION	CONTACT
Muslim Judicial Council (MJC)	http://www.mjchalaaltrust.co.za	N/A	info@mjchalaaltrust.co.za
National Independent Halal Trust (NIHT)	http://www.Halal.org.za	N/A	nihtcpt@Halal.org.za
South African National Halal Authority (SANHA)	http://www.sanha.co.za	N/A	Western Cape: Tel: 021 633 4145 Email: applications-cpt@sanha.org.za Contact Person: Shareef/ Marzuq
SHURA	http://www.shura.org.za	Currently not registered with any international certification bodies. Mainly a local certifier but looking to expand in the future	021 691 1040 or info@shura.org.za
Islamic Council of South Africa (ICSA)	http://www.islamiccouncil-sa.co.za	N/A	021 691 2456 or operations@icsaHalal.co.za

Source: various Halal certifying authorities, 2017

Disclaimer: this information has been provided by the respective certification authorities, please check this information with the relevant parties before choosing a certifying agent.

Companies can also certify their products directly with countries or international certifying agencies that are recognised in other countries. For example, ESMA in the UAE is parallel to the accreditation process for the certification bodies in South Africa.

SELECT COUNTRY SPECIFIC HALAL CERTIFYING BODIES			
NAME	WEBSITE	DETAILS	ESTIMATED FEES
Jakim, Malaysia	http://www.islam.gov.my/	-	JAKIM is USD2,100 per application for non-ASEAN countries.
ESMAw, UAE	http://www.esma.gov.ae/en-us	-	10 products it will cost around \$8,000 to be certified, as per the UAE.S 2055-1

Sources: <http://aksetlaw.com>; <http://www.salaamgateway.com>; respective certifying bodies, 2018

International certifiers such as the Halal World Institute are also available. In order to promote and expand Halal culture, the Halal World Institute was established in 2007. Their website also offers more information on Halal standards and regulations: <http://www.Halalworldinstitute.org/home?lang=en#.WRq7OVWGPct>



04

Cultural Business Considerations in Muslim Countries

BASIC PRINCIPLES ARE THE FOLLOWING:



CONTRACTS should be fair to all parties. Partnership is preferred over hierarchical claims.



It is crucial to employ an **AGENT** who can lead you to the correct partnerships and speeding everything up.



Having a senior contact in a company or organisation is imperative to penetrating the industry, so if you lack one of these, consider employing an intermediary, or someone commonly known as a "**CONTACT-SPONSOR**" to guide you to the right person.



Personal contact and **FACE TO FACE COMMUNICATION** is key. Avoid trying to do business over email or telephone and instead **make the effort to organise a physical meeting.**



BUSINESS CARDS are par for the course in the Arab world, so make sure to get yours printed in **both Arabic and English.**



The **PACE OF NEGOTIATION** is often **much slower** in the Arab world, so stay patient and do not try and rush your counterparts into a deal.



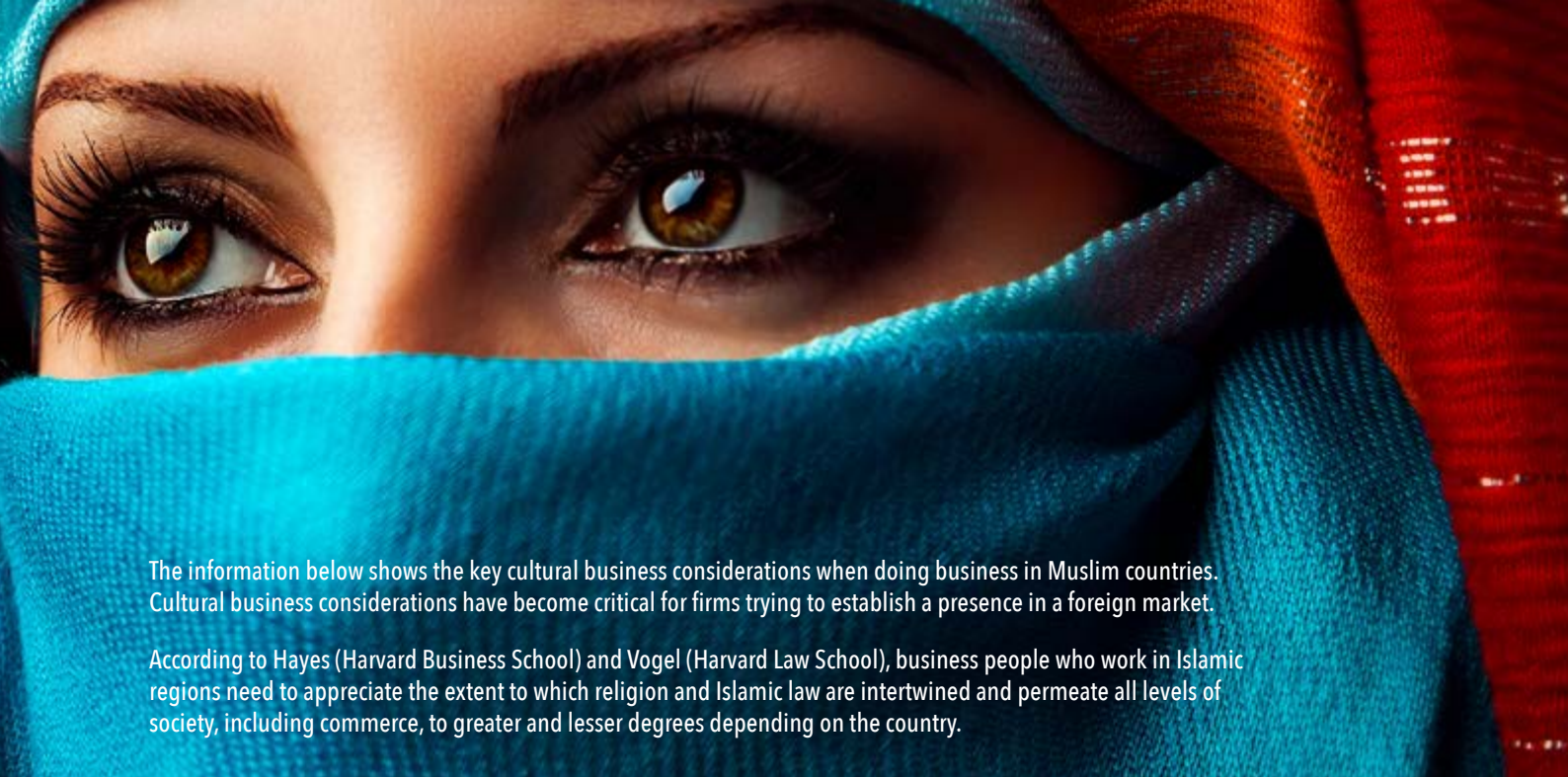
One of the most important things to remember when doing business in the Middle East is that many Arabs find it extremely **shameful to be seen to lose face in public** at any point. They will therefore go out of their way to save face, be it their own or that of those around them. Try **NOT TO DIRECTLY DISAGREE** with or contradict anyone during the meeting.



STATUS is very important in the UAE, and so the correct titles of either "**Sheikh**" or "**Sayed**" ("**Sheikha**" or "**Sayeda**" for a woman) should be used.



Middle East has a **DIFFERENT WORKING WEEK**. Friday is the holy day in Islam, and congregational prayers are held at noon. Therefore, the weekend in most Middle Eastern countries falls on Friday and Saturday, although there are some exceptions.



The information below shows the key cultural business considerations when doing business in Muslim countries. Cultural business considerations have become critical for firms trying to establish a presence in a foreign market.

According to Hayes (Harvard Business School) and Vogel (Harvard Law School), business people who work in Islamic regions need to appreciate the extent to which religion and Islamic law are intertwined and permeate all levels of society, including commerce, to greater and lesser degrees depending on the country.



During the month of Ramadan business hours are often significantly reduced and it is wise to avoid doing business or organising meetings during this month.



Handshakes are the typical form of physical greeting in the Middle East. If you are a man greeting an Arab businesswoman, wait for her to extend her hand as particularly conservative women may choose to not shake hands with men. In a similar vein, if you are a businesswoman meeting Arab businessmen, wait for them to initiate the handshake.



You may also encounter the system commonly known as *wasta* during your time in the Middle East. *Wasta* follows that well-known Western maxim of, "It's not what you know but who you know". A system of borrowed and returned favours is also prevalent.



The first thing to note when getting into the nitty-gritty of meetings in the Arab world is that the concept of punctuality can be very different. Do not be surprised if your counterpart is up to half an hour late, sometimes longer. Having said that, it is advisable that you as the visitor show up on time as a sign of respect to your host.



Also remember in the realm of body language that pointing and the thumbs up sign are considered rude in many Arab cultures, as is crossing your legs when sitting and displaying the sole of your shoe to someone.



Businessmen visiting the Middle East can expect to dress very similarly to usual. A smart business suit will suffice (although dark colours are recommended). In general when travelling in the Middle East, however, avoid wearing shorts and short sleeved shirts as the idea of modesty in dress applies to men as well as women in many societies.



Businesswomen visiting the Middle East should always make sure to dress conservatively, covering arms at least to the elbow, legs to the ankles, and avoiding displaying any cleavage. The exact dress code for women depends greatly on the country.



Owing to the large expat population in the UAE, many companies conduct business here almost entirely on Western terms, so it is important to have no preconceptions as each business will be merging local and international values in its practices.



Avoid bringing up the royal family, politics in the Western Sahara or Algeria and drugs in conversation as these are all taboo topics.

05 Wesgro Strategic Markets for Halal 2018

Wesgro has chosen strategic Halal markets:

Senegal

Nigeria

UAE

Thailand

China

Malaysia

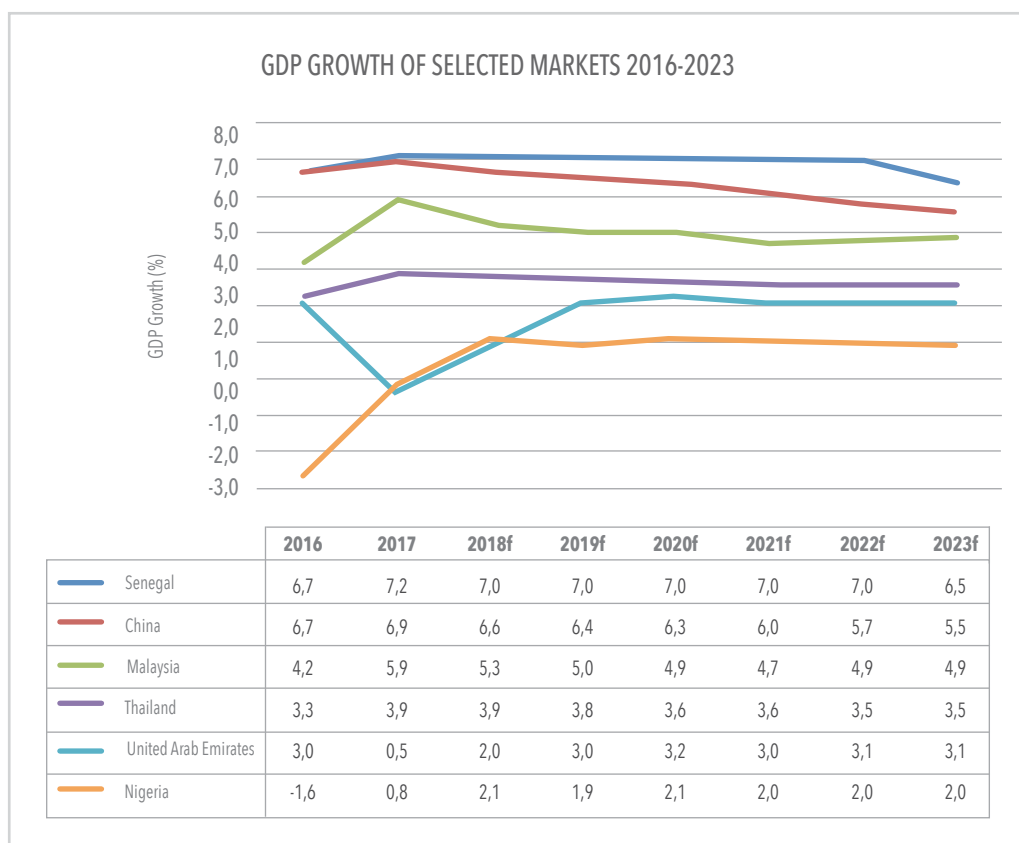
Market intelligence and research has shown that these markets selected offer the greatest immediate potential and demand for Western Cape products. These markets also offer Western Cape companies preferential access into the markets / supermarkets through Wesgro networks. Wesgro has also established solid government and business channels in these markets. These markets will be reviewed and extended into the future, however, the chosen markets offer greater access at the moment for companies working with Wesgro.

The table below shows some economic indicators for the selected countries. It shows that while China has the highest population of 1.39bn people, and highest GDP ranking, Senegal has the highest GDP growth forecast for 2018-2022.

ECONOMIC INDICATORS FOR STRATEGIC MARKETS, 2018				
MARKET	POPULATION (MILLION)	GDP RANKING PPP (2017)	GDP GROWTH 5 YR FORECAST (2018-2022)	WC DESTINATION MARKET RANKING 2017
China	1390.08	1	6.18	7th
Malaysia	32.05	27	4.94	24th
Nigeria	188.69	24	2.02	27th
Senegal	15.86	114	7.01	57th
Thailand	69.10	21	3.70	65th
UAE	10.14	33	2.86	8th



7.01%
Senegal has the highest GDP growth forecast for 2018-2022.



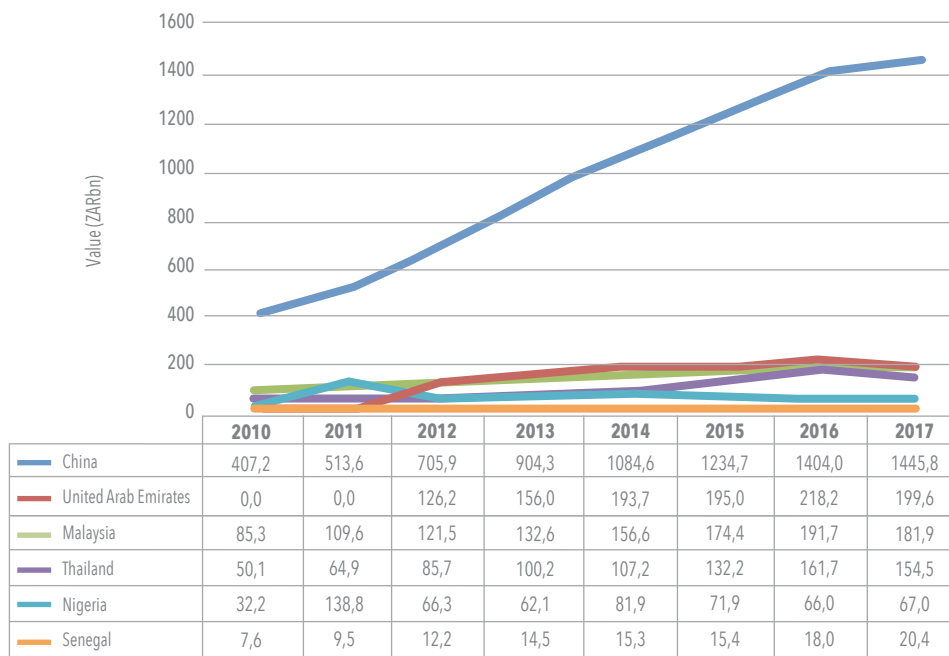
The graph left shows GDP growth over time, from 2016 and forecast into 2023. Senegal's growth is said to outpace China's from 2016 onwards, however, this is from a lower base. Senegalese GDP in 2017 is recorded at 43.2bn international dollars (I\$) PPP, whereas China's GDP PPP is 539 times that figure at I\$23.159bn.

Source: IMF, 2018

“These markets will be reviewed and extended into the future, however, the chosen markets offer greater access at the moment for companies working with Wesgro.”

GLOBAL IMPORTS OF FOOD AND BEVERAGES FROM PRIORITY MARKETS

SELECT MARKETS GLOBAL F&B IMPORTS, 2010-2017

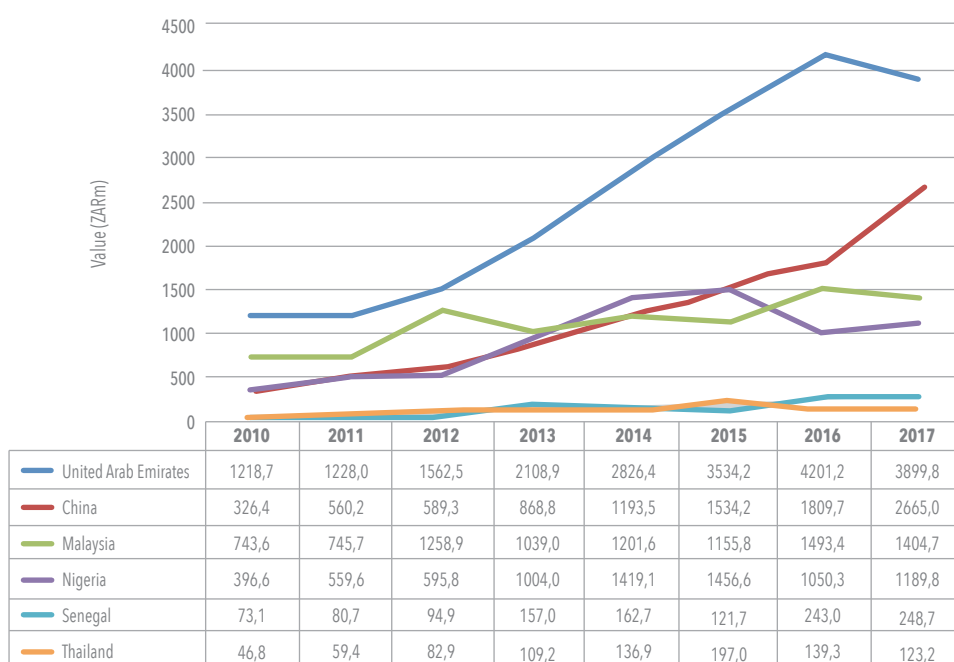


The graph left shows global imports of food and beverages for select markets from 2010 to 2017. Imports are currently the highest to China, worth ZAR1.4trn, followed by the UAE with around one seventh of China's imports, ZAR200bn, and the third largest market is Malaysia with ZAR182bn worth of imports. China, however, has the lowest Muslim population of the selected markets of around 1.8% followed by Thailand with 4.3%.

Source: Trademap, 2018

SOUTH AFRICAN EXPORTS OF FOOD AND BEVERAGES TO PRIORITY MARKETS

SOUTH AFRICAN EXPORTS OF F&B TO SELECTED MARKETS, 2010-2017



The graph alongside shows South African exports of food and beverages to certain markets from 2010 to 2017. Exports were the highest to the UAE in 2017, worth ZAR3.9bn, followed by China with ZAR2.7bn and the third largest market was Malaysia worth ZAR1.4bn.

Source: Trademap, 2018

SOUTH AFRICA'S TOP FOOD AND BEVERAGE EXPORTS TO EACH OF THE SELECTED MARKETS, 2017

The tables below show the top 10 food and beverage exports from South Africa to strategic markets, their value in 2017 and their percentage of South Africa's global exports. In the tables below the following products would need certification: meat products, fish, molluscs, waters, prepared or preserved products, sauces, juices and chocolates.

SOUTH AFRICAN F&B EXPORTS TO UAE 2017

RANK	PRODUCT*	VALUE (ZARm)	% OF SA'S GLOBAL EXPORTS
1	Citrus fruit, fresh or dried	1,501.3	8.06
2	Apples, pears and quinces, fresh	493.0	6.46
3	Meat of bovine animals, fresh or chilled	289.6	24.33
4	Grapes, fresh or dried	245.2	2.88
5	Fresh apricots, cherries, peaches incl. nectarines, plums and sloes	209.5	12.60
6	Maize or corn***	93.7	1.49
7	Prepared or preserved meat, offal or blood (excluding sausages and similar products)	85.3	13.35
8	Waters, incl. mineral waters and aerated waters, containing added sugar or other sweetening agents	67.3	3.35
9	Dried leguminous vegetables, shelled, whether or not skinned or split	50.8	12.93
10	Prepared or preserved fruits, nuts and other edible parts of plants	44.4	1.73

Source: Trademap, 2018. *non-Halal products have been excluded. ***the majority of the exported maize is likely to be GMO and therefore not Halal, however there is currently no way to distinguish GMO from non-GMO in the trade data

Muslims only eat Halal food, however non-Muslims can eat Halal food and in China the Halal certification is also perceived as a mark of higher quality food and beverages by the non-muslim consumer. In both China and the UAE citrus fruit is the highest value export from South Africa.

SOUTH AFRICAN F&B EXPORTS TO CHINA 2017

RANK	PRODUCT*	VALUE (ZARm)	% OF SA GLOBAL EXPORTS
1	Citrus fruit, fresh or dried	1,159.7	6.23
2	Fruits, nuts and other edible parts of plants, prepared or preserved	222.0	8.64
3	Cane or beet sugar and chemically pure sucrose, in solid form	154.8	4.24
4	Crustaceans**	153.2	15.97
5	Other nuts, fresh or dried, whether or not shelled or peeled	127.3	2.78
6	Grapes, fresh or dried	103.8	1.22
7	Meat of bovine animals, frozen	81.6	11.28
8	Rooibos	36.1	3.62
9	Fruit juices and vegetable juices	21.6	0.64
10	Meat of bovine animals, fresh or chilled	19.7	1.65

Source: Trademap, 2018. *non-Halal products have been excluded. **crustaceans have been included as some muslim groups eat crustaceans

In order to export to Malaysia, the Halal certification has to be recognised with the Jakim Group. In South Africa the NIHT and SANHA and MJC certification covers exports to Malaysia. The highest tariff on exports to Malaysia in 2017 were for fresh berries at 17% (International Trade Centre, 2018).

SOUTH AFRICAN F&B EXPORTS TO MALAYSIA 2017			
RANK	PRODUCT*	VALUE (ZARm)	% OF SA'S GLOBAL EXPORTS
1	Apples, pears and quinces	638.4	8.36
2	Citrus fruit	399.4	2.14
3	Grapes	198.1	2.33
4	Sauce and preparations therefor; mixed condiments and mixed seasonings	36.3	2.17
5	Apricots, cherries, peaches incl. nectarines, plums and sloes,	32.4	1.95
6	Fresh strawberries, raspberries, blackberries, back, white or red currants, gooseberries	25.5	1.47
7	Dates, figs, pineapples, avocados, guavas, mangoes	10.0	0.78
8	Prepared or preserved fruits, nuts and other edible parts of plants	8.9	0.35
9	Frozen fish (excluding fish fillets)	5.0	0.32
10	Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts & Brazil nuts)	4.6	0.10

Source: Trademap, 2018. *non-Halal products have been excluded

Nigeria and Senegal are the selected Halal markets for Africa. Top exports that are unique to Nigeria are flours and meals, soups and broths, other sugars and malt extract. These products reveal the diversity that this market brings to the exports.

SOUTH AFRICAN F&B EXPORTS TO NIGERIA 2017			
RANK	PRODUCT	VALUE (ZARm)	% OF SA'S GLOBAL EXPORTS
1	Apples, pears and quinces	404.5	5.30
2	Food preparations not elsewhere specified	230.7	8.76
3	Soups and broths and preparations thereof	72.9	8.17
4	Fruit and vegetable juices	40.7	1.21
5	Flours and meals of oil seeds or oleaginous fruits	36.9	15.29
6	Other sugars, incl. chemically pure lactose	27.6	7.80
7	Grapes	21.7	0.25
8	Prepared or preserved fruits, nuts and other edible parts of plants,	21.3	0.83
9	Sauce and preparations therefor; mixed condiments and mixed seasonings	18.9	1.13
10	Malt extract; food preparations of flour, groats, meal, starch or malt extract	12.9	1.35

Source: Trademap, 2018

*non-Halal products have been excluded

The largest tariff on top South African food and beverage exports to Senegal was seen for chocolate and food preparations with cocoa at 35% in 2017.

SOUTH AFRICAN F&B EXPORTS TO SENEGAL 2017			
RANK	PRODUCT	VALUE (ZARm)	% OF SA'S GLOBAL EXPORTS
1	Fresh apples, pears and quinces	174.7	2.29
2	Citrus fruit, fresh or dried	38.9	0.21
3	Grapes, fresh or dried	9.5	0.11
4	Fresh carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots	3.7	2.34
5	Chocolate and other food preparations containing cocoa	2.7	0.27
6	Food preparations, n.e.s.	2.5	0.09
7	prepared or preserved fruits, nuts and other edible parts of plants	2.1	0.08
8	Maize or corn**	2.0	0.03
9	Fruit juices and vegetable juices	1.7	0.05
10	Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	0.9	0.05

Source: Trademap, 2018. *non-Halal products have been excluded. **the majority of the exported maize is likely to be GMO and therefore not Halal, however there is currently no way to distinguish GMO from non-GMO in the trade data

Thailand imposes the highest tariff on citrus exports from South Africa at a high 117%, followed by prepared or preserved fruits and nuts at 44%. Beef is the 9th largest export to Thailand, worth ZAR665m, but not all of this beef would have been Halal certified.

SOUTH AFRICAN F&B EXPORTS TO THAILAND 2017			
RANK	PRODUCT	VALUE (ZARm)	% OF SA'S GLOBAL EXPORTS
1	Maize or corn**	34.9	0.56
2	Prepared or preserved fruits, nuts and other edible parts of plants, prepared or preserved	23.4	0.91
3	Citrus fruit, fresh or dried	12.9	0.07
4	Grapes, fresh or dried	10.5	0.12
5	Other nuts, fresh or dried, whether or not shelled or peeled	4.6	0.10
6	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes	1.5	0.31
7	Prepared or preserved fish, tuna etc	1.0	0.15
8	Sauce and preparations thereof; mixed condiments and mixed seasonings	0.9	0.05
9	Fruit and vegetable juices	0.7	0.02
10	Rooibos	0.6	0.06

Source: Trademap, 2018. *non-Halal products have been excluded. **the majority of the exported maize is likely to be GMO and therefore not Halal, however there is currently no way to distinguish GMO from non-GMO in the trade data

A man wearing a white thobe and ghutra is sitting at a table outdoors. In front of him are several items: a basket of fried food, a glass of green juice with a straw, a glass of orange juice with a straw, and a plate of salad. The background shows a blurred view of a building and some greenery.

05

Realistic Export Opportunities for Strategic Markets



“The DSM is a quantitative tool that uses trade data and various filters to determine the potential export opportunity of products into various markets based on a well-researched scientific and rigorous approach

THE TRADE-DSM (DECISION SUPPORT MODEL)

This is a quantitative tool that uses trade data and various filters to determine the potential export opportunity of products into various markets based on a well-researched scientific and rigorous approach. The global trade data enables one to review the trade flows between countries and then one is able to zoom into the trade flows of specific products, which are identifiable by international harmonised system (HS) codes.

In terms of methodology, the DSM tool has various filters, which include economic and political risk, size and growth of market, competition in the market, accessibility of a market, maturity of a market, and the ability or capacity to supply.

These filters can be categorised in broad terms as:

Filter 1:

Broad general market potential as reflected in economic size, growth, and political and commercial risk;

Filter 2:

Product-country market potential characteristics;

Filter 3:

Product-country market access conditions, including aspects such as market concentration and accessibility

Filter 4:

Categorisation of outcomes based on the revealed comparative advantage (RCA), revealed trade advantage (RTA) and 'home market' and 'target market' product-level trade characteristics.

¹ The TRADE-DSM model was developed by North West University (Potchefstroom, South Africa) see <http://www.nwu.ac.za/trade>) and TRADE Research Advisory (PTY) Ltd (see <http://www.tradeadvisory.co.za>).

The detailed outcomes per product are displayed below and are ranked in descending order based on relative size of potential. While only a few opportunities are shown in the table for each strategic market to keep the outcomes concise, more detail for these opportunities are available on request. The products highlighted in orange hold opportunities for three Halal markets, while those highlighted in green have a realistic export opportunity for more than three markets at different levels.

REALISTIC EXPORT OPPORTUNITIES FOR SOUTH AFRICAN EXPORTERS		
CHINA	MALAYSIA	NIGERIA
Ground-nuts, not roasted/othw. cooked, in shell	Crude palm oil	Albacore/longfinned tunas (Thunnus alalunga), frozen (excl. fillets)
Couscous	Extracts and essences of coffee	Milk & cream, concentrated (excl. in powder), sweetened
Tea, black (fermented) & partly fermented tea, whether or not flavoured	Tea, black (fermented) & partly fermented tea, whether or not flavoured	Chemically pure fructose
Anchovies (Engraulis spp.), salted (but not dried/smoked)/in brine	Beans (Vigna spp., Phaseolus spp.), shelled/unshelled, uncooked/cooked	Active yeasts
Milk & cream, not concentrated/sweetened, fat content by wt. >1% but not >6 ...	Gum Arabic	Maize
Bran, sharps & other residues, whether or not in the form of pellets	Asparagus, preserved. other than by vinegar/acetic acid, not frozen	Gum Arabic
Hop cones, fresh/dried, ground/powdered/in the form of pellets; lupulin	Cereal flour other than of wheat, meslin, rye, maize (corn), rice	Apple juice
Gum Arabic	Coffee husks & skins; coffee substitutes cont. coffee in any proportion	Food preparation., n.e.s.
Refined sunflower seed/safflower oil not chemically modified	Curry	Mustard seeds, whether or not broken
Apple juice	Mustard flour & meal & prepd. mustard	Buckwheat
SENEGAL	THAILAND	UAE
Non-alcoholic beverages other than waters of 2202.10 (not incl. fruit/veg juice)	Frozen albacore/longfinned tunas (excl. fillets)	Fresh/chilled potatoes other than seed potatoes
Couscous	Active yeasts	Refined sunflower seed/safflower oil not chemically modified
Coffee husks & skins; coffee substitutes cont. coffee in any proportion	Apple juice	Extracts, essences of coffee
Food preparation., n.e.s.	Anchovies (Engraulis spp.), salted (but not dried/smoked)/in brine	Apple juice
Curry	Maize	Curry
Maize		Asparagus, preserved. other than by vinegar/acetic acid, not frozen
Milk & cream, not concentrated/sweetened, fat content by wt. >1% but not >6		Active yeasts
Beans (Vigna spp., Phaseolus spp.), shelled/unshelled		Maize
Chemically pure fructose		Couscous
Gum Arabic		Bulgur wheat

Source: TRADE-DSM, 2018



06

Selected Halal Markets for the Western Cape

CANADA



TOURISM

Arrivals in the Western Cape **43 584**

9 Tourism ranking for arrivals into Western Cape



Direct flight



VISA necessary?



ECONOMY

Population: **37million**

Muslim population (%): **3.2%**

Global GDP Share (%): **1.39%**

GDP growth in the next five years
1.87%

17th largest global economy (GDP)



TRADE

20th largest destination market for exports

WC export value: **ZAR1.6bn**

WC export 5 yr growth
(2013-2017): **10.5%**

Top Halal exports:



Citrus fruit **R396m**



Grapes **R281m**



Apples, pears & quinces **R109m**



Fruit, nuts & other edible plants **R60m**



Fruit juices **R18m**

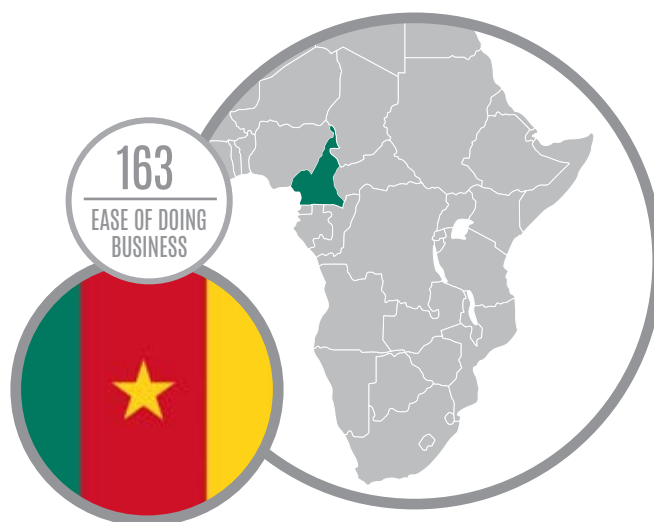
R1.27bn

Investment into the
WC in the last 10 years





R27.05bn

Investment into SA
in the last 10 years

CAMEROON



TOURISM

	Direct flight	
	VISA necessary?	



TRADE

74th largest destination market for exports

WC export value: ZAR142m

WC export 5 yr growth
(2013-2017): -14.4%

Top Halal exports:



Apples & pears R52m



Frozen fish R9m



Fresh or chilled fish R6m



Grapes R3m



Citrus fruit R3m



ECONOMY

Population: 24million

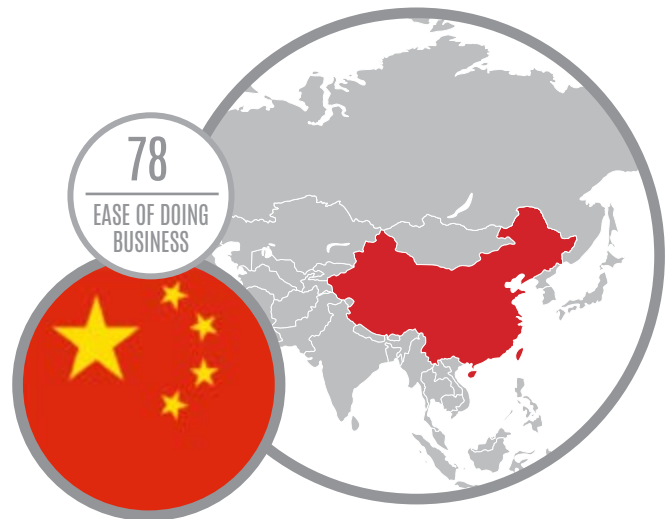
Muslim population (%): 20.9%

Global GDP Share (%): 0.07%

GDP growth in the next five years
4.78%

81st largest global economy (GDP)

CHINA



TOURISM

Arrivals in the Western Cape **37 060**(15th)



Direct flight



VISA necessary?



TRADE

7th largest destination market for exports

WC export value: ZAR4bn

WC export 5 yr growth
(2013-2017): 25.3%

Top Halal exports:



Citrus fruit R752m



Fruit, nuts, edible plants R208m



Crustaceans R152m



Grapes R98m



Beans and seaweeds R31m



ECONOMY

Population: 1.4 billion

Muslim population (%): 1.8%

Global GDP Share (%): 18.23%

GDP growth in the next five years
6.18%

The largest global economy (GDP)

R2.3m

Investment into the
WC in the last 10 years

R155.84bn

Investment into SA
in the last 10 years

EGYPT



TOURISM



Direct flight



VISA necessary?



TRADE

86th largest destination market for exports

WC export value: ZAR91m

WC export 5 yr growth
(2013-2017): 3.1%

Top Halal exports:



Grapes, fresh or dried R11m



Other fruit fresh R9m



Guts of animals R3m



ECONOMY

Population: **95million**

Muslim population (%): **90%**

Global GDP Share (%): **0.95%**

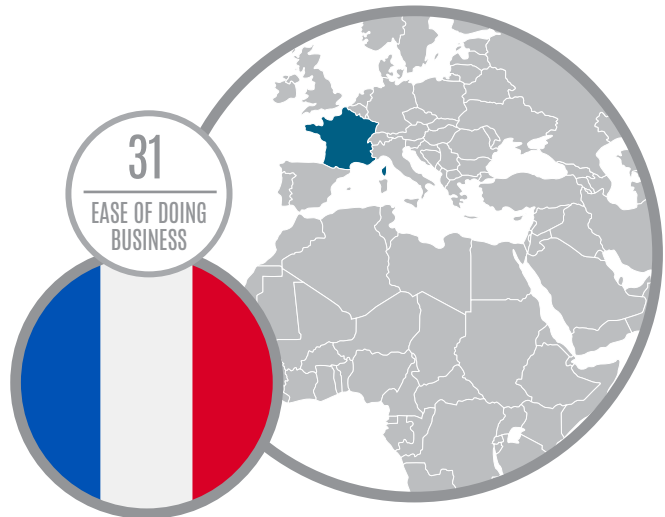
GDP growth in the next five years
5.69%

21st largest global economy (GDP)

R5.76bn

Investment into SA
in the last 10 years

FRANCE



TOURISM

Arrivals into the Western Cape **122 015** (4th)



Direct flight



VISA necessary?



TRADE

21st largest destination market for exports

WC export value: ZAR1588m

WC export 5 yr growth
(2013-2017): 13%

Top Halal exports:



Apples & pears R147m



Fish meat R83m



Grapes R66m



Citrus R66m



Fish frozen R29m



ECONOMY

Population: 65million

Muslim population (%): 9%

Global GDP Share (%): 2.23%

GDP growth in the next five years
1.83%

10th largest global economy (GDP)

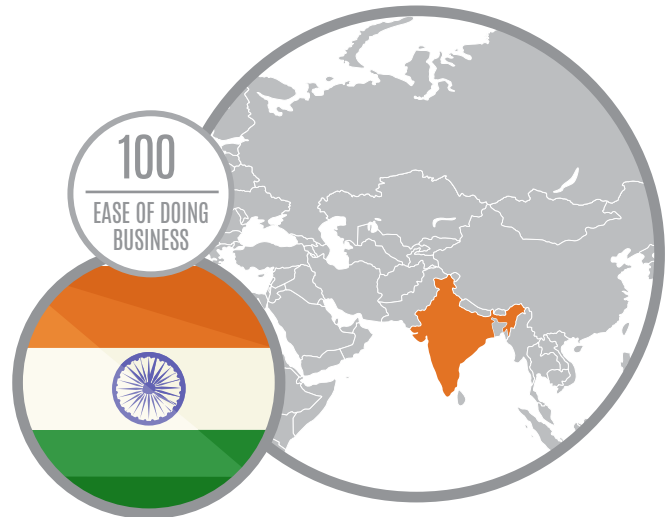
R3.47bn

Investment into the
WC in the last 10 years

R44.64bn

Investment into SA
in the last 10 years

INDIA



TOURISM

Arrivals into Western Cape **37 210**(14th)



Direct flight



VISA necessary?



TRADE

32nd largest destination market for exports

WC export value: ZAR922m

WC export 5 yr growth
(2013-2017): 2.1%

Top Halal exports:



Apples & pears R134m



Citrus fruit & fish R59m



Apricots, Peaches and Cherries R9m



Crustaceans R8m



Beans & seaweed R4m



ECONOMY

Population: 1.3bn

Muslim population (%): 14.2%

Global GDP Share (%): 17.45%

GDP growth in the next five years
7.86%

3rd largest global economy (GDP)

R2.02m

Investment into the
WC in the last 10 years





R70.62bn

Investment into SA
in the last 10 years

INDONESIA



TOURISM

	Direct flight	
	VISA necessary?	



TRADE

43rd largest destination market for exports

WC export value: ZAR482m

WC export 5 yr growth
(2013-2017): 31.1%

Top Halal exports:

-  Apples & pears R125m
-  Citrus fruit, fresh or dried R42m
-  Grapes, fresh or dried R29m
-  Fruit +nuts R19m
-  Crustaceans R5m



ECONOMY

Population: 262m

Muslim population (%): 87.2%

Global GDP Share (%): 2.55%

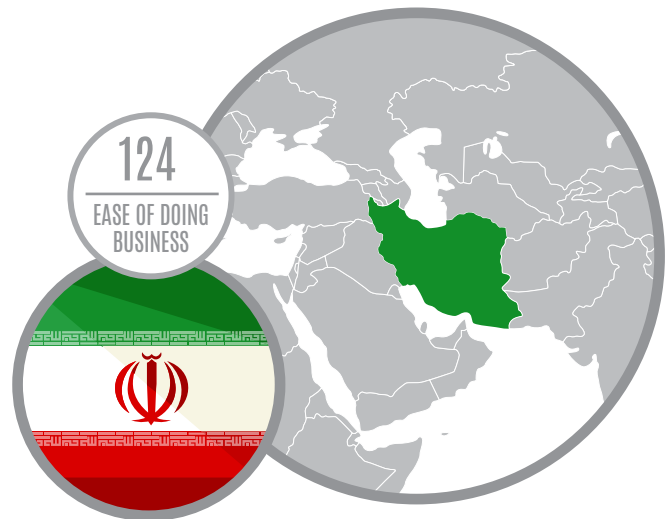
GDP growth in the next five years
5.52%

7th largest global economy (GDP)

R5.24m

Investment into SA
in the last 10 years

IRAN



TOURISM



Direct flight



VISA necessary?



TRADE

120th largest destination market for exports

WC export value: ZAR22m

WC export 5 yr growth
(2013-2017): 33.2%

Top Halal exports:



Fruit juices R2m



Nuts R1m



Frozen Fish R1m



Sauces R1m



ECONOMY

Population: 81m

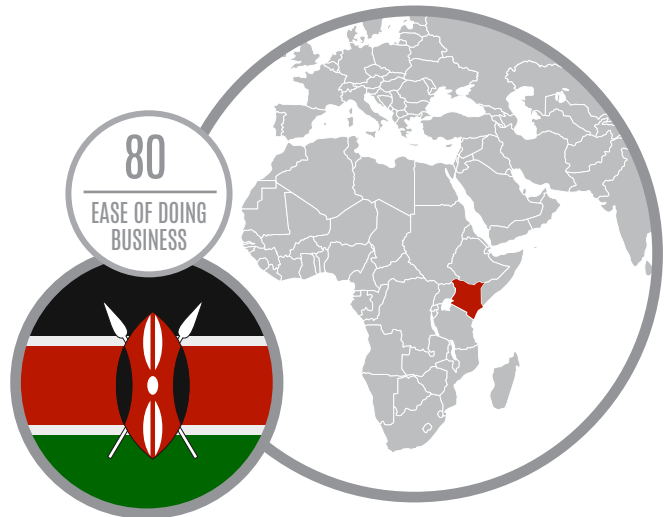
Muslim population (%): 99.4%

Global GDP Share (%): 1.30%

GDP growth in the next five years
4.14%

18th largest global economy (GDP)

KENYA



TOURISM

Arrivals into Western Cape **5 615** (42nd)



Direct flight



VISA necessary?



TRADE

9th largest destination market for exports

WC export value: ZAR3bn

WC export 5 yr growth
(2013-2017): 17.9%

Top Halal exports:



Apples & pears R165m



Citrus fruit R29m



Other fruit R23m



Fruit juices R13m



Grapes R11m



ECONOMY

Population: 47m

Muslim population (%): 11.2%

Global GDP Share (%): 0.13%

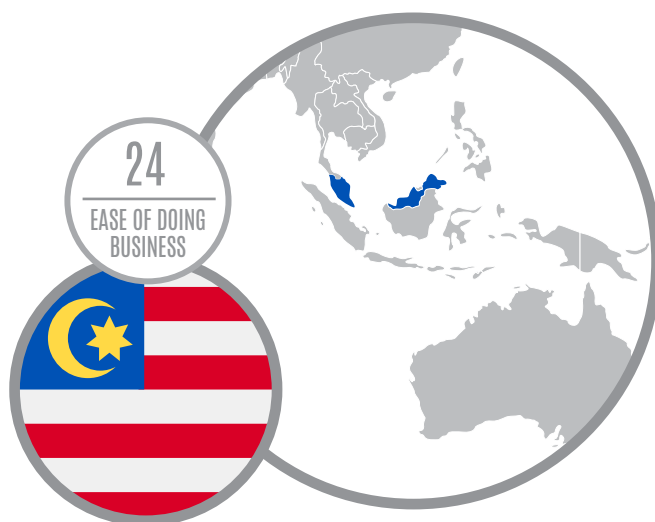
GDP growth in the next five years
6.13%

74th largest global economy (GDP)

2.69bn

Investment into SA
in the last 10 years

MALAYSIA



TOURISM

Arrivals into Western Cape **5263**(44th)



Direct flight



VISA necessary?








TRADE

24th largest destination market for exports

WC export value: ZAR1.5bn

WC export 5 yr growth
(2013-2017): -9.9%

Top Halal exports:

-  Apples & pears R623m
-  Citrus fruit R276m
-  Grapes R177m
-  Apricots, cherries, peaches R32m
-  Other fruit R23m



ECONOMY

Population: 32m

Muslim population (%): 61.3%

Global GDP Share (%): 0.73%

GDP growth in the next five years
4.94%

26th largest global economy (GDP)

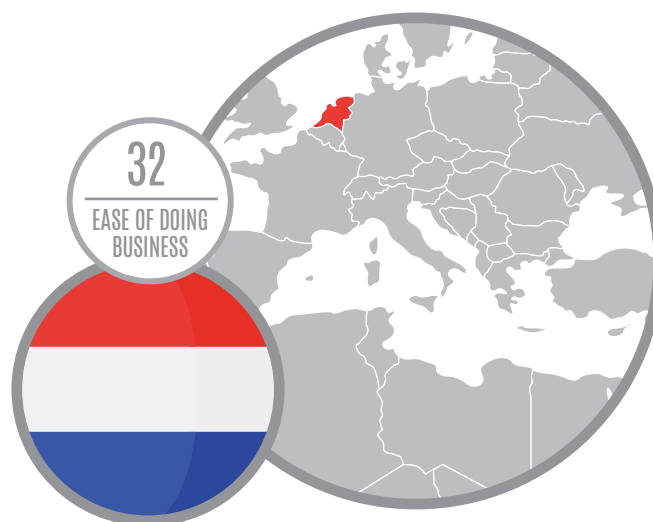
R209m

Investment into the
WC in the last 10 years

R365m

Investment into SA
in the last 10 years

NETHERLANDS



TOURISM

Arrivals into Western Cape **104 871** (6th)



Direct flight



VISA necessary?



TRADE

3rd largest destination market for exports

WC export value: **ZAR9bn**

WC export 5 yr growth
(2013-2017): **10.7%**

Top Halal exports:



Grapes **R2400m**



Grapes **R1990m**



Apples, pears and quinces **R709m**



Apricots, cherries, peaches **R473m**



Other fresh fruit **R352m**



ECONOMY

Population: **17m**

Muslim population (%): **4.9%**

Global GDP Share (%): **0.72%**

GDP growth in the next five years
2.31%

28th largest global economy (GDP)

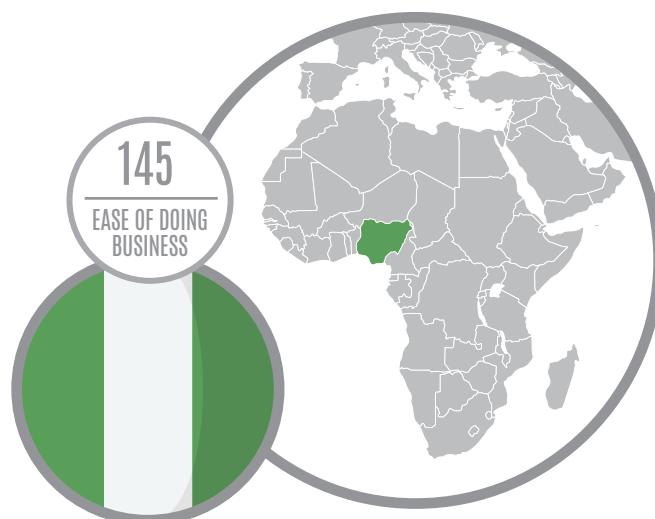
R8.52bn

Investment into the
WC in the last 10 years

R33.48bn

Investment into SA
in the last 10 years

NIGERIA



TOURISM

Arrivals into Western Cape **9624**(32nd)



Direct flight



VISA necessary?



TRADE

27th largest destination market for exports

WC export value: ZAR1.2bn

WC export 5 yr growth (2013-2017): 5.1%

Top Halal exports:



Apples & pears R315m



Food preparations R121m



Juices R39m



Fruit & nuts R21m



Grapes R18m



ECONOMY

Population: 189m

Muslim population (%): 50%

Global GDP Share (%): 0.88%

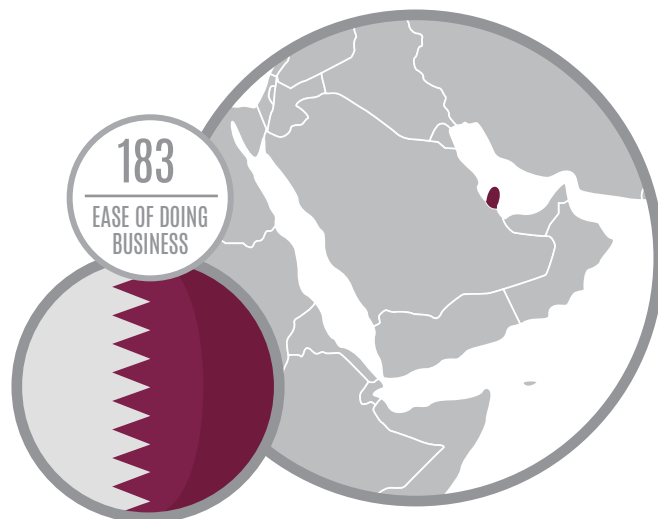
GDP growth in the next five years
2.02%

23rd largest global economy (GDP)

R3.6bn

Investment into SA
in the last 10 years

QATAR



TOURISM



Direct flight



VISA necessary?

VISA WAIVER
ON ARRIVAL



TRADE

71st largest destination market for exports

WC export value: ZAR155m

WC export 5 yr growth
(2013-2017): 28.9%

Top Halal exports:



Citrus fruit R75m



Apples, pears & quinces R8m



Juices R8m



Grapes R5m



Apricots, cherries, peaches R5m



ECONOMY

Population: 3m

Muslim population (%): 67%

Global GDP Share (%): 0.27%

GDP growth in the next five years
2.69%

52nd largest global economy (GDP)

R162.3m

Investment into the
WC in the last 10 years

R311.69m

Investment into SA
in the last 10 years

SAUDI-ARABIA



TOURISM



Direct flight



VISA necessary?



TRADE

29th largest destination market for exports

WC export value: ZAR1bn

WC export 5 yr growth
(2013-2017): 2.7%

Top Halal exports:



Citrus fruit R686m



Apples, pears and quinces R115m



Grapes R76m



Apricots, cherries, peaches R64m



Other fruit R7m



Fruit & nuts R7m



ECONOMY

Population: 32m

Muslim population (%): 100%

Global GDP Share (%): 1.4%

GDP growth in the next five years
1.99%

15th largest global economy (GDP)

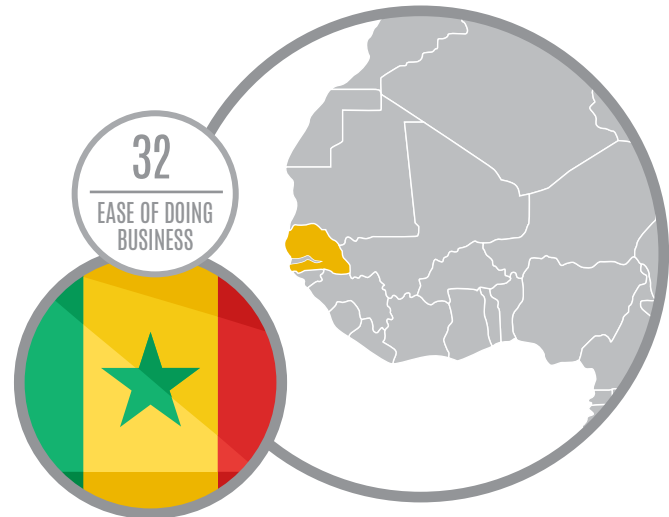
R26.19m

Investment into the
WC in the last 10 years

R20.44bn

Investment into SA
in the last 10 years

SENEGAL



TOURISM



Direct flight



VISA necessary?



TRADE

57th largest destination market for exports

WC export value: ZAR268m

WC export 5 yr growth
(2013-2017): 26.3%

Top Halal exports:



Apples & pears R136m



Citrus fruit R33m



Grapes R6m



Carrots, turnips & edible roots R4m



Juices R2m



ECONOMY

Population: 16m

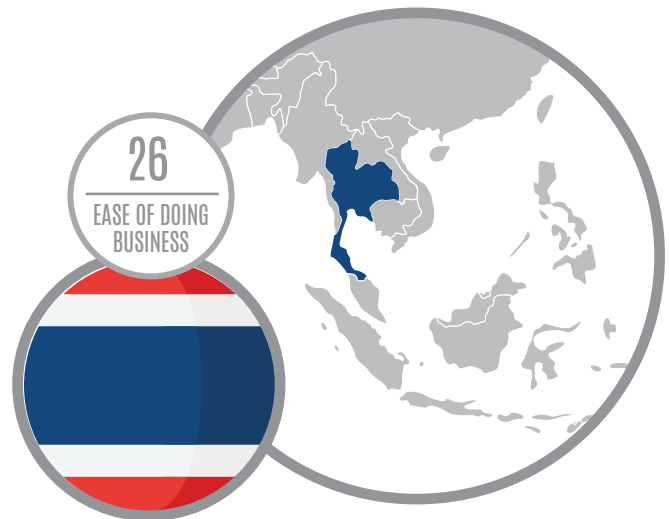
Muslim population (%): 96%

Global GDP Share (%): 0.03%

GDP growth in the next five years
7.01%

113th largest global economy (GDP)

THAILAND



TOURISM

	Direct flight	✗
	VISA necessary?	✗



TRADE

65th largest destination market for exports

WC export value: ZAR186m

WC export 5 yr growth
(2013-2017): 4.4%

Top Halal exports:

- Fruit, nuts & other edible parts R23m
- Citrus fruit, fresh or dried R5m
- Grapes, fresh or dried R10m
- Other fermented beverages R2m
- Jams, fruit jellies R2m



ECONOMY

Population: 69million

Muslim population (%): 4.3%

Global GDP Share (%): 0.97%

GDP growth in the next five years
3.7%

20th largest global economy (GDP)

R200m

Investment into the
WC in the last 10 years

R212.16m

Investment into SA
in the last 10 years

TURKEY



TOURISM

Arrivals into Western Cape **8 042** (37th)



Direct flight



VISA necessary?



TRADE

48th largest destination market for exports

WC export value: **ZAR389m**

WC export 5 yr growth
(2013-2017): **49.6%**

Top Halal exports:



Fats & oils **R19m**



Grapes **R5m**



Fruit **R2m**



Fruit & nuts **R1m**



ECONOMY

Population: **81million**

Muslim population (%): **99.8%**

Global GDP Share (%): **1.71%**

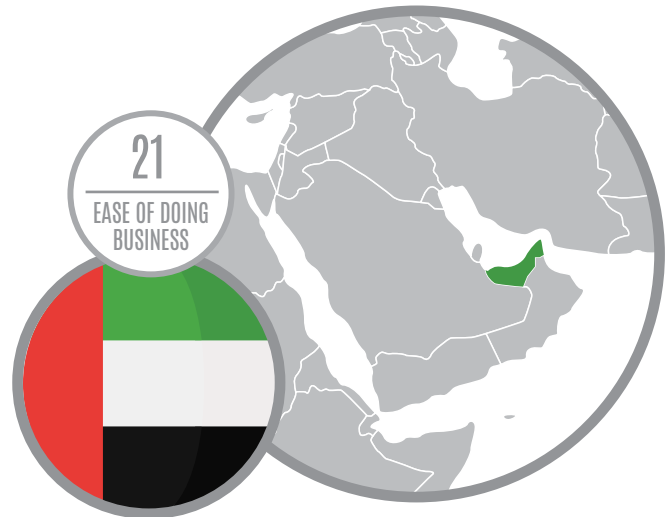
GDP growth in the next five years
3.84%

13th largest global economy (GDP)

R796m

Investment into SA
in the last 10 years

UAE



TOURISM

Arrivals into Western Cape **1 477** (51st)



Direct flight



VISA necessary?



TRADE

8th largest destination market for exports

WC export value: **ZAR3.2bn**

WC export 5 yr growth
(2013-2017): **15.3%**

Top Halal exports:



Citrus fruit **R878m**



Grapes **R200m**



Apples, pears & quinces **R443m**



Juices **R28m**



Apricots, cherries, peaches **R156m**



ECONOMY

Population: **10million**

Muslim population (%): **76%**

Global GDP Share (%): **0.07%**

GDP growth in the next five years
4.78%

93rd largest global economy (GDP)

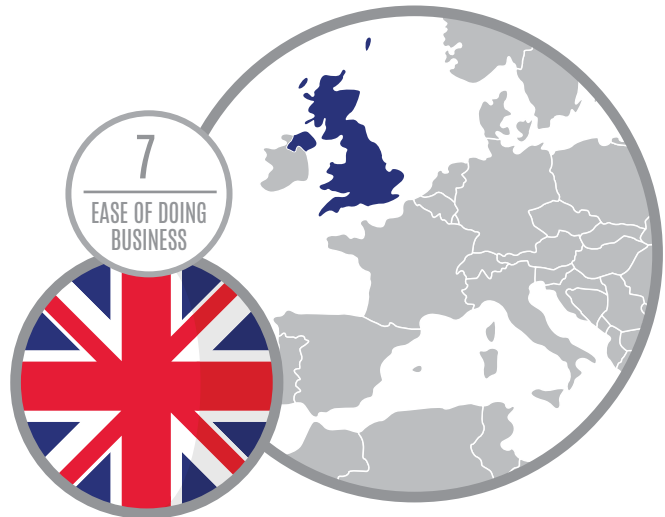
R1.18bn

Investment into the
WC in the last 10 years

R4.35bn

Investment into SA
in the last 10 years

UNITED KINGDOM



TOURISM

Arrivals into Western Cape **26 7845** (1st)



Direct flight



VISA necessary?



TRADE

2nd largest destination market for exports

WC export value: **ZAR9bn**

WC export 5 yr growth (2013-2017): **11.6%**

Top Halal exports:



Citrus **R1.3bn**



Grapes **R1.3bn**



Apples, pears & quinces **R1.1bn**



Other fresh fruit **R697m**



Apricots, cherries, peaches **R447m**



ECONOMY

Population: **66million**

Muslim population (%): **4.4%**

Global GDP Share (%): **2.29%**

GDP growth in the next five years **1.57%**

9th largest global economy (GDP)

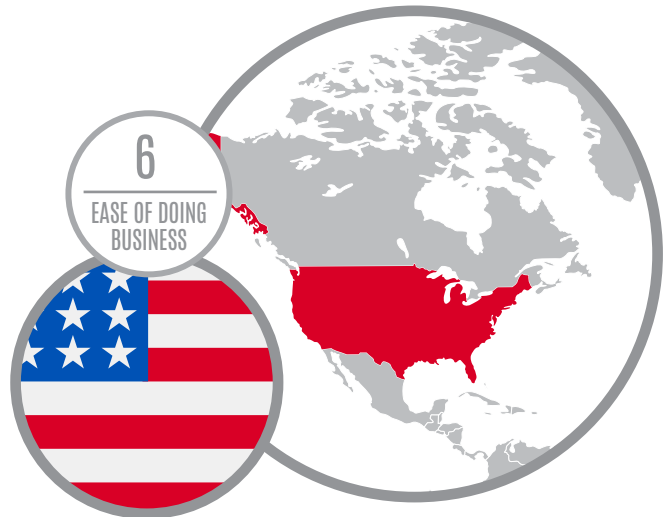
R18.6bn

Investment into the WC in the last 10 years

R178.8bn

Investment into SA in the last 10 years

UNITED STATES



TOURISM

Arrivals into Western Cape **202 056** (3rd)



Direct flight



VISA necessary?



TRADE

4th largest destination market for exports

WC export value: **ZAR8.5bn**

WC export 5 yr growth
(2013-2017): **17.5%**

Top Halal exports:



Citrus fruit **R601m**



Crustaceans **R235m**



Rooibos **R65m**



Juice **R61m**



Frozen fish **R54m**



Preserved fruit & nuts **R51m**



ECONOMY

Population: **326million**

Muslim population (%): **0.9%**

Global GDP Share (%): **15.26%**

GDP growth in the next five years
2.13%

2nd largest global economy (GDP)

R25.7bn

Investment into the
WC in the last 10 years

R151.7 bn

Investment into SA
in the last 10 years

notes



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tourism, trade & investment

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