

State of The Market Production Standards “Halal” in Russia and Tatarstan: Hands-On Review

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Abstract: Production of goods and services by the standards of halal is the world trend. In recent years, the global food market, the share of halal products, accounting for almost 17%. If the current pace of development of this market will continue, then by 2018 it amounted to 1.6 trillion. dollars. High dynamics of development of this market is maintained by the Middle East and North Africa, East and South Asia. The leaders in this market, Indonesia (197 billion. dollars) and Turkey (100 billion. dollars). Formation of the Halal market in Russia and in the Republic of Tatarstan took place gradually, increasing the number of participants and activities, expand its range of products and sales geography. Along with these emerging issues that are typical for the global halal industry and for the domestic market. First of all, the problems associated with observance of production technology, its certification, authentication, quality and safety as well as interest at recognition of national standards. The study is devoted to analysis of the market of halal products in Russia and in the Republic of Tatarstan and the definition of the main perspectives of its development in the context of globalization of trade.

Key words: The market of products halal, halal national standards, certification of products for compliance with the precepts of Islam “Halal System (HALAL)”, food products, quality control and safety, information base

INTRODUCTION

In the process of globalization of trade separate segments of commodity markets show as table development. That segment is the production made in accordance with the requirements of halal (Bagautdinova *et al.*, 2014a). The period of formation of the organized market of halal in Russia and in the Republic of Tatarstan is about 15 years. During this period, the number of participants growing segment (producers, suppliers, customers) and the geography of sales; extended range, intensified advertising, to shape public opinion. In parallel with these processes we have problems related to the development and compliance with a single production technology, product certification, confirmation of its quality and safety, mutual recognition of national standards (Bagautdinova *et al.*, 2005). Of particular relevance has acquired the issue of participation of state structures in the formation of halal products market and the need for its regulation.

Today the market of products halal are operating producers, suppliers (local and foreign), consumers and the committee on standards of “Halal” Spiritual

Administration of Muslims of Tatarstan, government agencies, certification bodies and standardization, non-profit organizations (associations, unions, partnerships) mass media. The internationalization of trade, Russia’s accession to the WTO and the establishment of the Customs Union, the reduction of the direct involvement of the state in regulating business processes have led market participants halal in Russia and in the Republic of Tatarstan to recognize the need for a joint discussion of the accumulated problems, the search for effective solutions as well as the use of best practices of foreign countries (Safiullin and Safiullin, 2012).

Problem statement: The demand for halal products from the world’s population including 1.6 billion Muslims, is constantly growing. Experts estimate the capacity of the world market of halal products in 650 billion dollars a year. However, a single formal assessment of the capacity of the Russian market of products halal yet (Bagautdinova *et al.*, 2014b). In addition, no single interpretation of the term “halal” and common standards for the manufacture of products as well as specialized platform halal products market (including a website) in Russia, unlike other countries in the world.

Research objectives: There are the following objectives of the research: determine the condition of the market of halal products, highlight the existing problems of the market of products halal, summarize experience, determine the prospects for further development.

Literature review: Currently, the leaders of the world industry of halal products recognized as Thailand, Malaysia, Indonesia, India (Galiullina, 2011). The highest demand for the products of this industry is observed in Western countries-the United States, Brazil, Canada, Australia, New Zealand and France. The volumes of production halal markets in Asia, Africa, Europe, America (CGG, 1997).

In Europe, home to 54 million Muslims including in the EU-16 million. The technology of production of halal requires a certain set of rules and regulations to be observed in the production of meat (feeding animals feed without content prohibited ingredients and medicines, gentle treatment of animals during slaughter, the complete removal of blood in a natural way, the control over their lack of cattle diseases that can harm to human health) (Safiullin and Safiullin, 2012). Probably so, the products with the certificate "Halal" in demand not only among Muslims but also the consumers who hold other religious beliefs. Halal products worldwide consumers perceived as better quality and safety. The consumption of only halal food experts estimate approximately 67 billion. euro per year. Experts predict that by 2025 the proportion of halal products will be at least 20% of the products produced in the world and by 2030 it will grow to 25% (GHMC, 2011).

On world markets are currently halal certification of products is generally recognized standards of Malaysia and Indonesia-Indonesian of Ulama (MUI), Malaysian Halal Standards (JAKIM).

Parallel to their own national standards are in various states (Kazakhstan, Azerbaijan, Lithuania, United Kingdom, Germany).

European standards are under development. They are working on it, in particular Halal Authority Board (HAB) and Cert ID Europe, together with Hedschas-Gruppe and others. Analysis of the major aspects of the halal market in Europe dedicated to the book, published by the publishing house Bucker Fachverlag «Ethnic food-Der-markt 2012 Europe is the Halal.

Experience shows that due to the lack of uniform interpretation of the term "halal" there is a variety of Halal standards. International Organization for Standardization quality and ethics of agricultural and food products Codex Alimentarius since 1997 includes the development of Islam and kosher products-overall policy guidance from

the 1997 FAO/WHO Codex Alimentarius Commission (a set of international food standards adopted by the International Commission of FAO/WHO Code for the implementation of standards and regulations for food General Guidelines for Use of the Term «Halal» CAC/GL-24-1997).

United official assessment of the capacity of the Russian market of products halal yet. According to some reports, the Russian demand for the products halal standards is increasing annually by 30-40% and in recent years it has grown three times. In Russia, the major manufacturers of standard products are halal "Priorskoye" (Belgorod region), "Maikoppoultry", "Chelny-Broiler" (Naberezhnye Chelny), "ElinarBroiler" (Moscow), LLC "SAFA" (Moscow) Ltd. "Halal Ash" (Moscow). The largest Russian producer of halal beef company is "MOS-ET" is letting the meat under the brand name "Ecole".

In the past 10 years has increased significantly the volume of output of the standard halal many Russian companies, "Trinity cannery", "SAFA", "Halal Ash" Kazanpoultry, "Lisko Broiler" and "Euro Meath", "Product of St. Petersburg" Rostovsa usage factory "Tavria". For example, by 2013, some companies announced the following annual volumes: "Tsarina" (>4000 tons of sausage products), "Chelny Broiler" (>7900 tonnes), "Ecole" (>6500 tons of meat of cattle and small ruminants).

The Republic of Tatarstan public market statistics halal products (production, import/export, sales, certification, quality management) is under development. It is not generated sufficient information base to make long-term forecasts. But some estimates already exists. However, wholesalers, retailers and of course, for consumers, it is clear that this segment has a high growth potential and in volume and value terms. In the consumer market is expanding the range of products halal, the number of its producers and traders (Galiullina, 2011).

MATERIALS AND METHODS

In the process of halal products market research following methods were used: the traditional methods, the comparative system analysis, empirical studies, tabular method.

RESULTS AND DISCUSSION

According to some experts in the Republic of Tatarstan, the market capacity of halal products is estimated today at about 100 billion. rubles. Rate the existing potential segment of halal products is possible

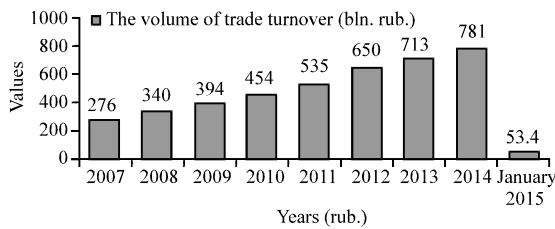


Fig. 1: Dynamics of retail trade turnover in the Republic of Tatarstan in 2007 and 2014 and January 2015 (bln. rub.)

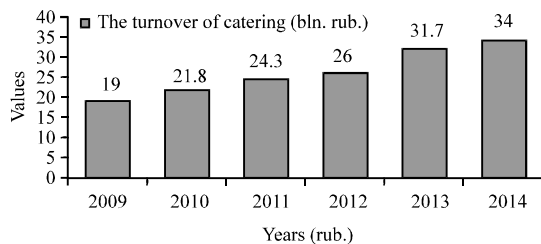


Fig. 2: Dynamics of catering in the Republic of Tatarstan in 2009-2014 (bln. rub.)

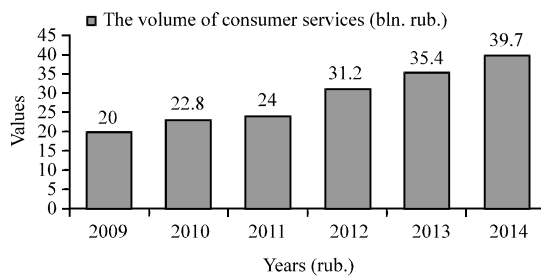


Fig. 3: Dynamics of consumer services in the Republic of Tatarstan in 2009-2014 (bln. rub.)

only on the basis of data on the dynamics of consumption in the republic of Tatarstan. For example, Fig. 1 shows the performance of the dynamics of retail trade turnover in the Republic of Tatarstan for the period from 2007-2015 year (Safiullin and Safiullin, 2012).

Retail trade turnover in 2014 amounted to 782 billion rubles or 102.3% over the same indicator of 2013. In the structure of retail trade turnover the share of food products including drinks was 43.5% (against 42.7% in 2013). Figure 2 shows the dynamics of catering. Figure 3 shows the dynamics of the volume of paid services to the population.

According to the latest census the population of the Republic of Tatarstan amounted to 3,786,000 people, of which 53.2%-Tatars (212,000 persons) (Safiullin and Safiullin, 2012).

The system of voluntary certification of products and services to meet the canons of Islam "Halal System

(Halal)" (registration number ROSSAPRU.K 555.04.THEIR00-01-2009) was first registered in the Russian Federal Agency for Technical Regulation and Metrology of the Republic of Tatarstan.

Its developers-Standards Committee "Halal" Spiritual Administration of Muslims of Tatarstan and Republican Methodical Center Certification "Test-Tatarstan". In addition the Federal Agency registered the mark of conformity of products halal which is actively used by all enterprises for marking and positioning of the product on the market. This system is focused on the formation of a civilized market and prevent unfair competition. Services Tatarstan certification bodies are companies from the regions of Russia (Saratov, the Republic of Mari El).

Requirements for the production, manufacture, processing, storage and sale of halal products that is the standard and a special mark which is placed on the packaging of products, approved April 20, 2011 by the Council of Muft is of Russia (a centralized religious organization of Muslim countries).

Currently, in the Republic of Tatarstan is not limited to market halal food market (animal) as it was in the beginning of its formation. Logo "Halal" today firmly entered the lives of the consumers of the country. Organizations and enterprises with the title of "Halal" arouse the interest of consumers and are increasingly gaining their preference, regardless of religion. A growing number of not only cafes, shops under the guise of "Halal" schools, kindergartens and spa facilities with catering halal but also expands the range of different services halal standard. For example, opened a halal industrial park "Baltacha". When you start it used the experience of Malaysia. The park "Baltacha" is >4 ha. Its residents-manufacturers of meat and cosmetic products.

At the beginning of 2014 in the register of enterprises and organizations with halal standard (according to the Standards Committee "Halal" at Spiritual Administration of Muslims of the Republic of Tatarstan), there are 65 enterprises and organizations that produce more than 400 kinds of products halal standard.

Among the most notable trends in the Republic of Tatarstan, have occurred over the last 10 years on the market of products halal is necessary to note the growing number of manufacturers of these products, expanding its product lines and sales positions.

Today, the standard of halal products-it's not only food but also commodities such as cosmetics, pharmaceuticals, household chemical products, leather products, various services including banking, financial, logistical, educational (warehouses, delivery halal-products), hotels, resorts.

Table 1: The dynamics of the implementation of halal products of LLC “Chelny-Broiler” in 2011-2014 and by approximately 2015-2016 years

Name of product	Unit of measurement	Fact				Plan	
		2011	2012	2013	2014	2015	2016
Meat and poultry offal	tons	3 111	3 177	4 104	5 494	6 820	8 115
Finished product	tons	2 757	3 401	3 946	4 383	5 115	6 312
Total halal products	tons	5 868	6 577	8 049	9 877	11 935	14 426

The country launched advertising and information project-guide halal Guide (the halal guide). Consolidation players halal remains weak, although in some activities have been the main leaders. For example, in the production of poultry meatis-JSC “Ak Bars”, JSC “Chelny-Broiler”, semi-finished beef-LLC “Baltasinsky meat product”, confectionery products-JSC “Chelny-Bread”, JSC “BPC” and Kazan JSC “Kazan bakery” of cosmetic products-Ltd. “Myustela Talir”.

Over the period 2011-2014, the volume of production halal increased by 68.3% and by 2016 it will increase by 46.1% (Table 1).

In October of 2013, Tatarstan capital of Kazan, an exhibition-fair “EURO-ASIA EXPO2013” in the framework of a Halal Industry Forum on the topic: “Trends in the Halal industry in Russia” which discussed the results of the market of halal products and found effective solve the accumulated problems.

These events were held in the frame work of the IV International economic summit of Russia and the Organization of Islamic Cooperation. He gathered about 650 participants from 43 countries including member countries of the Organization of Islamic States, Asian and European countries.

The forum was attended by representatives of the Spiritual Administration of Muslims of Russia’s regions as well as the business community (producers, distributors), certification bodies and standardization of science and education as well as government agencies (including from Malaysia, Turkey, Dagestan, Kazakhstan, Russian Federation).

During the forum discussed the various aspects of the halal industry including the practice of the rule of law (according to the canons of Shariah) for slaughtering animals, the harmonization of national standards halal development of technologies for the production of food products.

The discussion and analysis of the further development of the segment of halal products in the Republic of Tatarstan have revealed some problems. Among them: the lack of consolidation of parties and inter-segment halal arrangements representatives of religious groups, the business community, government agencies involved in the halal market; the absence of a common information base (“site”) (Bagautdinova *et al.*, 2014a); the absence of rapid methods for assessing the

quality and authenticity of the products; lack of uniform standards and national standards need to integrate into world trade (mutual recognition); increase in the number of unscrupulous players (fake products); poor use of Internet technologies; insufficient use of opportunities for logistics in the promotion of products (for example, in the Republic of Tatarstan on the basis of industrial and logistics parks in the city of Kazan, Chistopol, Naberezhnye Cheln and in the village Baltasi).

CONCLUSION

Currently, the market of products halal is a promising industry both in Europe and in Muslim countries. More and more companies of the meat industry in Russia are seeking to increase their market share of products halal. This is not only the fact that it is home to more than 20 million Muslims but also the fact that Russia is an observer in the Organization of Islamic Cooperation.

Currently being developed “The concept of halal industry development up to 2020” provides for the certification of this industry in the Russian Federation as well as access to the international market for halal products and an increase in export volumes, especially in the Arab countries, Africa and Southeast Asia. In Africa, consumed per person is only 200-400 g of meat with an average of 25 kg per capita. Today, therefore, these countries are open to Russia.

In order to further the formation of halal industry in the Republic of Tatarstan, to increase the competitiveness of products halal standards and integration of the Republic of Tatarstan in the global trade can offer halal market participants to work in the following areas: improving the regulatory framework for the production and trafficking of halal food standards, taking into account the rules of the World Trade Organization and the Customs Union; creation of a specialized court (including a website); creation of Internet-technologies halal brand promotion; adoption of the rules (regulations) the recognition of national standards before the introduction of a single standard; introduction of methods for consumers express-diagnostics (testing) the authenticity and safety of food products. With proper activity of all participants halal segment, using the global halal industry experience have all the opportunities in the Republic of

Tatarstan for the further harmonious development of this market in accordance with the new challenges in the management of product quality.

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