

HALAL INDUSTRY IN KYRGYZSTAN: CURRENT STATE AND DEVELOPMENT PROSPECTS

^{i,*}Niyazali Turdalievich Aripov, ⁱⁱMurat Zhuratovich Abdiev,
^{iii,iv,v}Ahmad Syukran Baharuddin & ^{vi}Mirlanbek Baidusenovich Ubaidullaev

ⁱFaculty of Theology, Osh State University, Osh, Kyrgyzstan

ⁱⁱDepartment of Accounting and Auditing, Fergana Polytechnic Institute, Fergana, Uzbekistan

ⁱⁱⁱCentre of Research for Fiqh Forensics and Judiciary (CFORSJ), Faculty of Syariah and Law,
Universiti Sains Islam Malaysia, 71800, Nilai, Negeri Sembilan, Malaysia

^{iv}International Advisory Board Member, Mejellat Al-Afaq wa Al-Maarif (JSKP), Faculty of Humanities,
Islamic Sciences and Civilization, University Amar Telidji of Laghouat, BP 37G, Road of Ghardaia, 03000 Laghouat, Algeria

^vAssociate Editor, Journal of Contemporary Maqasid Studies, Maqasid Institute, United States of America (USA)

^{vi}Department of Industrial economics and management, Osh State University, Osh, Kyrgyzstan

*(Corresponding author) e-mail: niyazali.aripov@gmail.com

Article history:

Submission date: 1 May 2024

Received in revised form: 1 July 2024

Acceptance date: 22 November 2024

Available online: 31 December 2024

Keywords:

Halal, halal industry, products, food, innovation

Funding:

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Competing interest:

The author(s) have declared that no competing interests exist.

Cite as:

Aripov, N. T., Abdiev, M. Z., Baharuddin, A. S., & Ubaidullaev, M. B. (2024). Halal industry in Kyrgyzstan: Current state and development prospects. *Malaysian Journal of Syariah and Law*, 12(3), 790-800.
<https://doi.org/10.33102/mjssl.vol12no3.874>



© The authors (2024). This is an Open Access article distributed under the terms of the Creative Commons Attribution (CC BY NC) (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited. For commercial re-use, please contact penerbit@usim.edu.my.

ABSTRACT

The halal industry in the Kyrgyz Republic faces a low level of development despite its great potential for economic growth and international market integration. The lack of adequate infrastructure, inefficiencies in the value chain, a lack of coordination among market participants (private sector, government authorities and foreign investors) and an inadequate legal framework are hindering the industry's progress. This study aims to identify these obstacles and propose solutions to promote the development of the halal industry through innovative investments and the adoption of global best practises in the Kyrgyz Republic. This study employs qualitative methodology through documentary method to collect the data and content analysis method to analyse the data. In the course of this study, factors and conditions for the low level of development of the halal industry in the Kyrgyz Republic were identified and standard regulatory frameworks were proposed. It was examined whether it is necessary to create an appropriate infrastructure, increase the efficiency of the value chain, integrate the participants of the halal market: the private sector, government agencies and foreign investors, improve the qualifications and skill of workers, introduce an automated traceability system for halal products, introduce rules for trading halal products in retail establishments and implement a control system. The subject of the study are the organisational and economic mechanisms of the halal industry in the Kyrgyz Republic where the development of the halal industry relies on the basis of innovative investments by orienting themselves on international standards. The use of theoretical and practical recommendations. The essence and content of the halal industry were determined, after studying the markets of the countries of Europe and the United States of America (USA), problems were identified and necessary mechanisms for solving problems in the release of halal products were recommended. In addition, the appropriate application of the recommendations will create the necessary conditions for a large-scale analysis of the halal industry in the Kyrgyz Republic, which in turn will solve the existing problems in this industry.

Introduction

In the modern world, one of the most promising and rapidly developing sectors of the food industry is the production of halal products, which goes hand in hand with the emergence and increasing demands of the global community for the quality and environmental friendliness of food products (Iswanto, 2023; Nor et al., 2023). The halal industry is not only the production and sale of clean products, but ultimately affects the health of the population, which in turn affects the social condition of society (Akmam Osman, 2022). It should be noted that the use of environmentally friendly products has a direct and immediate impact on the social development of society.

The halal industry in the Kyrgyz Republic remains underdeveloped despite its substantial potential for economic growth and integration into global markets. This underdevelopment is primarily due to insufficient infrastructure, inefficiencies in the value chain, poor stakeholder coordination, and a weak regulatory framework (Halal Focus, 2013; Eurasianet, 2014; AKIpress, 2024).

The lack of modern facilities, such as laboratories for halal testing, forces producers to rely on neighboring countries for essential analyses, adding costs and delays to the certification process (Halal Focus, 2013). Additionally, the absence of a unified halal standard leads to inconsistencies in production and certification, undermining consumer trust and the reliability of the value chain (Eurasianet, 2014).

Stakeholders, including private businesses, government bodies, and foreign investors, often operate without proper collaboration, resulting in overlapping responsibilities and missed opportunities for industry advancement (AKIpress, 2024). Furthermore, the regulatory environment is fragmented, with multiple organizations issuing conflicting certifications, which creates confusion and diminishes confidence in halal products (Eurasianet, 2013).

Efforts to address these issues, such as the development of a cohesive halal industry strategy, have faced challenges in implementation and enforcement, hindering the industry's ability to capitalize on its economic and market potential (The Edge Markets, 2024). Collaborations with countries like Malaysia are being pursued to develop halal standards and certification processes, reflecting a commitment to integrating into the global halal market (The Edge Markets, 2024).

Currently, the halal industry is one of the most profitable and fastest growing industries in the world. Providing food and achieving its ecological purity has always been the main problem of humanity (Uzenbaev et al., 2019), which is described in detail in a scientific article by M. Abdiev (2020). Moreover, in his research, M. Abdiev (2020) pays special attention to the export potential of manufacturing companies when it comes to this issue. In other words, the resource principle is implemented by the presence of the following factors in the Kyrgyz Republic: raw materials for production; prospects for the development of transport and industrial infrastructure in connection with the accelerated economic development of the Kyrgyz Republic and surplus labour resources (Uzenbaev et al., 2019; Mamasadykov et al., 2019; Abdiev, 2020).

Also, T.Sh. Abdyrov and K.A. Atyshov have focused their attention on the development of the food market of the Kyrgyz Republic through the development of a classification system and the development of domestic environmentally friendly products (Abdyrov & Toktogulov, 2017; Atyshov, 2022). Halal (Arabic: permitted) - "everything that is permitted and permissible in Islam". The Holy Quran clearly states what is permissible and what is forbidden for a devout Muslim (Surah al-Baqarah, 2:173; Surah al-Maidah, 5:3; Al-Muliki, M. S. M., & Omar Al-Ahdal, A. O., 2024).

This also applies to food. It is forbidden to eat pork, meat from carnivores, meat from dogs, blood and alcohol (Baharuddin, A.S. et al., 2022). Burying the inedible parts of a sacrificed or otherwise slaughtered animal is a precept of health and environmental protection, but it can also be given to animals such as cats and dogs as long as it does not pollute the environment. The above list of restrictions is useful not only for Muslims, but also for people who profess other religions. Islam has laid down some rules to protect people from all kinds of material and spiritual harm, and it has forbidden all things that are filthy and abominable (*khabaith*) and can harm people; it has also made pure, beautiful and useful things (*tayyibat*) halal (Surah al-Baqarah, 2:168; Surah al-Araf, 7:157). Abstaining from harmful substances is recognised as one of the general principles of Islam. In accordance with the above objectives and principles, Islamic

scholars have attempted to determine, individually or in groups, through *ijtihad*, which animal meat is halal or haram.

There are also characteristics of halal - the animal must be strictly destined for slaughter; their consumption is not permitted if they have died a natural death or have been killed by unauthorised methods. The animal must be slaughtered in the name of the Allah (a special prayer is recited) (Surah al-An'am, 6:121).

Basically, the halal industry is a field of activity that complies with Islamic principles and includes a range of methods, processes and materials aimed at the production, service and operation of halal products within the specified requirements of halal standards. The leading producers of goods and services according to the halal standard are Islamic countries. At the same time, the halal industry is actively developing in other countries where there are developed global distribution networks.

The production of halal products specifically in Kyrgyz Republic follow the guidance of:

- (a) The holy book of Muslims - the Quran;
- (b) Statements and actions of the Prophet Muhammad - Sunnah;
- (c) Shariah principles;
- (d) Resolutions and recommendations of the Council of the Islamic Academy of Jurisprudence (fiqh);
- (e) Current legislation of the Kyrgyz Republic;
- (f) Regulations on the procedure for the organisation of production, trade, control of production and trade in products approved for consumption by Muslims - "HALAL" PPT-SMR.

The most important principles for the production of halal products are:

- (a) Application of international or regional/national standards for halal products;
- (b) Compliance of halal products with the requirements of technical regulations (Law of the Kyrgyz Republic, 2024; Resolution of the Government of the Kyrgyz Republic, 2015; Decree of the President of the Kyrgyz Republic, 2021b).

Based on the foregoing, it can be said that the production of halal products - the industry is not only the release of pure products, but also the achievement of a higher and more valuable not only in material but also in spiritual terms aspiration. This study seeks to examine these challenges and recommend strategies to advance the development of the halal industry in the Kyrgyz Republic through innovative investment initiatives and the implementation of global best practices.

Methodology

The theoretical and methodological basis of the study was formed by the work of foreign and domestic researchers dealing with the halal industry. The informational, empirical and legal framework was formed by legal and administrative regulations and decisions of the Kyrgyz Republic, data of the National Committee for Statistics of the Kyrgyz Republic, the Ministry of Economy and Commerce, materials published in domestic and foreign scientific journals and periodicals, as well as internet sources. This study uses economic-statistical (comparison of statistical data for different periods, taking into account their advantages and disadvantages), monographic and comparative-analytical (development trends or deviations from plans due to various internal and external influences) method as approaches in content analysis methods. The above-mentioned methods make it possible to achieve the objectives due to their specific characteristics as well as their simplicity and accessibility in application. Plus, the suggested framework was being applied to a selected company that involved in halal industry as a case study.

Findings and Discussion

In the modern world, halal has ceased to be a purely religious issue and has extended to the field of business and commerce. It is becoming a symbol of a guarantee of quality, a lifestyle choice and is becoming a kind of postulate on how people should live, eat and behave. Strong economic growth and rising per capita income have contributed to an increase in demand for various halal products around the world, leading to higher consumption and more opportunities for halal product manufacturers. They are not only in demand among the Muslim population but are also attracting the interest of other consumers who want to buy halal products because they rightly consider them healthy and safe.

From 1 January 2024, the number of Muslims in the world will be almost 2.2 billion people, representing almost 36% of the total population of the planet. Such a large market means equally large opportunities for halal product manufacturers. The growing number of consumers of these products, both Muslims and non-Muslims, is creating a global demand for essential products and services that are in line with Islamic principles and values. Muslims who live by Islamic norms are endeavouring to use halal products in all areas of life, from food, beverages and medicines to clothing. Several multinationals such as Tesco, McDonalds and Nestlé have been quick to recognise this and have expanded their production lines for halal products. It is estimated that these companies control a significant portion of the global halal market (Abdul Aziz et al., 2015).

Therefore, various companies offering such goods and services aim to attract consumers who are willing to pay a certain price premium for halal products, which are traditionally of higher quality than haram as they are subject to strict requirements. It turns out that citizens who have sufficient income and are concerned about a healthy lifestyle are also the target group of industrial companies, regardless of their religious beliefs (Bondarenko, 2016).

Today, the global halal food market has grown from \$1.3 trillion in 2022 to \$1.5 trillion in 2023, with a compound annual growth rate of 15.4%. This was reported in a study on the halal industry in the world. In addition, the number of Muslim populations in the world is increasing every year, and according to expert forecasts, the share of halal products will be at least 20% of all products manufactured worldwide by 2025, and by 2030 it could be as high as 25% (Gul et al., 2022; Myaso Portal, 2024).

At the same time, this market is experiencing continuous annual growth. This is not least due to the fact that this type of product and service is constantly increasing in the consumer categories. A significant proportion of halal consumers today are people who do not profess Islam but choose halal because of its high quality. As a result, the halal industry has left the strictly religious framework and has confidently entered the global market for products and services, firmly occupying its niche.

The main types of halal food are meat, poultry and seafood, fruit and vegetables, dairy products, cereals and legumes, oils, fats and waxes, and confectionery. The situation in Russia and Ukraine has led to economic sanctions against several countries, rising commodity prices and supply chain disruptions, resulting in inflation in goods and services and affecting many markets around the world. This is due to the liberation of the consumer goods market in Russia. The Russian market is one of the largest markets in the world and Eastern Europe, which in turn allows the introduction of new companies to produce halal products, which will directly increase the volume of products. The halal food market is expected to grow at USD 14.5 to USD 2.5 trillion by 2027 (Baharuddin A. S., et al., 2023).

The main consumer demand of interest to manufacturing companies is concentrated in economically developed countries: the USA and several European countries. In these countries, respect for the interests and rights of consumers in relation to the halal industry has traditionally been strong. The issue of customer confidence in product quality is very important and practically crucial here, and additional legal protections are put in place for consumers. For example, California, Illinois, Minnesota and Michigan (USA) have a special law for halal products that protects consumers from counterfeiting (Bondarenko & Dzutsoeva, 2016). Some companies supply food to military personnel and are inspected by representatives of a special Islamic committee.

In Europe, for example in Kiel, companies that produce halal products have reached an agreement with the Islamic Union of Germany and obtained the right to label their products with the "halal" mark, which certifies their quality, and to supply them to interested sections of the population.

The companies involved in the production of halal products undergo a voluntary inspection to ensure compliance with the existing strict requirements, as poultry meat and artificially fed domestic animals may not be used for the production of halal products. The animals must be reared under certain conditions (Uzgenbaev et al., 2019; Martuscelli et al., 2020). Such measures contribute to the growth of consumer confidence and the development of this market.

In recent years, sales of halal meat by many large American companies such as ConAgra, Tyson, Oskar Mayer, etc. have increased by 70% (The halal times, 2024). The product range is expanding and semi-finished products are actively being offered (Qotadah et al., 2022). In Detroit, some McDonald's restaurants have added halal options to their menus to appeal to an audience that is interested in halal food and enjoys fast food.

In Indonesia, the largest Muslim country in the world (population as of 1 July 2024 - 283,488,000), the volume of halal products in 2023 was USD 163 billion. In Turkey - 114 billion US dollars, in Pakistan - 103.5 billion US dollars, in Egypt - 78.5 billion US dollars, and in Russia it is 37 billion US dollars (Coordinating Ministry for Economic Affairs of the Republic of Indonesia., 2022).

According to the Malaysian Ministry of International Trade and Industry, Malaysia's halal exports will continue to grow in 2023, with the total export value reaching RM60.3 billion, an increase of RM23.16 billion or 63.8% year-on-year. Malaysia's halal industry is projected to grow to US\$113.2 billion (RM502.3 billion) by 2030. According to the Halal Industry Master Plan 2030 (HIMP 2030), the industry's contribution to gross domestic product (GDP) will be 8.1% by 2025 (Malaysian Investment Development Authority, 2024).

The largest manufacturer of halal products in the world is the Malaysian company Nestlé Malaysia with a turnover (according to the 2023 report) of 1.8 billion dollars. This company has been in business since 1912, when the country was still a British colony, employs 5,000 people and produces 300 types of halal products. It has been using the halal label on its own initiative since 1994 and has set up a halal centre for its quality. Last year, Nestlé spent 120 million dollars to open a coffee and catering business in Dubai. A halal and Islamic business centre was set up in Dubai, where an international exhibition for halal products has been held for three years. In 2022, 1,200 manufacturing companies took part in the exhibition, which indicates increased demand.

In European countries, halal food is now offered by the largest transnational corporations: Nestle, McDonald's, KFC, TESCO and others. Nestle, for example, produces food for Muslims in 75 of its 480 factories. It is the largest food company in the world with a turnover of 3 billion dollars in the halal sector alone. Tesco, the number one retailer in the UK and number four in the world, has included halal products in its range since 2005; by the end of 2009, halal sales had increased by 20%. The pizzeria chain Domino's and the fast-food chain KFC have also introduced halal menus in restaurants in the UK, which are predominantly located in Muslim areas. In Finland, McDonald's uses halal chicken meat, often without even advertising this fact (Gul et al., 2022).

In 2022, the French halal market grew by more than 10, and in that year the turnover of halal products reached 6.2 billion euros. Recently, there has been a trend among French Muslims to use all kinds of halal products in everyday life: from food to household chemicals, decorative cosmetics and clothing (Reshenie vernoe, 2024).

According to the analytical data provided, 88% of consumer demand comes from halal meat products. So if at the beginning of the 2000s, halal meat departments accounted for 6 to 8% of the space in French grocery shops, by 2022 this proportion will have reached 23% (Reshenie vernoe, 2024).

In Germany, sales of five billion euros per year are achieved (Reshenie vernoe, 2024), as more than 4 million Muslims live in this country and the position of German suppliers is currently not as strong as that of French companies. However, most European manufacturers are focussing on offering products that conform to the canon of Islam, as this gives them considerable value. The products on offer are also aimed at consumers in traditional Muslim countries.

The halal fast food format is mainly promoted in European countries where young people spend their free time visiting public catering establishments. The first and most numerous catering establishments in Germany to receive the halal certificate were, for example, small snack bars selling kebabs (the Turkish version of shawarma).

Halal products are offered in European supermarkets. halal products are most actively promoted in the chains in France and the United Kingdom (UK) and occupy the most favourable and visible areas in the shops. Such products are often promoted as organic and environmentally friendly, so that non-Muslim consumers associate them with a healthier lifestyle, which is welcomed by the majority of members of modern European society. The halal labelling for non-Muslim consumers has been replaced by a more understandable and acceptable ethnic food label that creates interest and associations with an environmentally friendly novelty (Bondarenko, 2016; Qadri, 2024).

Several EU bodies are involved in ensuring the quality of such products. For example, the European Committee for Standardisation (Comite Europeende Normalisation, CEN) is preparing a draft resolution on the introduction of uniform standards for the certification of different types of halal products in European Union (EU) countries (Ministry of Economics and Trade of the Kyrgyz Republic, 2024; Welle, 2012). This measure is intended to make the manufacturing process of products authorised for consumption by Muslims more transparent.

The “halal” certification, as previously defined, must be carried out according to certain standards, but this process must also be carried out by qualified specialists. According to A. Gazizov, in many “halal” certification centres there are one or two people who are not qualified and carry out the certification in violation of the regulations (Schmidt Export., n.d.). The qualification of the employees of the organisation providing halal” certification services is an important factor in the whole process. Sharing the opinion of A. Gazizov about the lack of qualified professionals, we do not exclude the possibility of errors that call into question the quality of the inspection and, consequently, the quality of the inspected product.

Studying the market of the halal industry market in European countries and the USA, we can see that the conditions for its growth are in place. These include a sufficient level of income among Muslims living in these countries and interest in these products among non-Muslims who want to lead a healthy lifestyle.

In contrast to the experience from abroad as in the Kyrgyz Republic, the natural climatic conditions are favourable for the cultivation of ecologically clean products, which applies to halal products. Recently, the development of organic farming with low use of mineral fertilisers, biohumus, animal manure, has steered the production of environmentally friendly products using fertilisers.

According to the National Statistics Committee of the Kyrgyz Republic, 80 per cent of the population of the Kyrgyz Republic are Muslims, and the demand for halal products on the food market is growing every year. The number of public catering establishments with the “halal” logo, which is very popular with a large part of the country’s population, is increasing.

There are great opportunities for the halal industry in the Kyrgyz Republic to attract additional investment and innovation into the country’s economy and increase export potential abroad, as the halal industry is primarily aimed at mobilising capital for production and ensuring the flow of investment into the real sector of the economy.

In the food market of the Kyrgyz Republic, halal is at the initial stage of its development, but consumers have already begun to pay attention to products labelled “halal”, which indicates the availability of appropriate certification. According to the assessment, the Kyrgyz Republic ranks 25th out of 130 countries in terms of the presence of the halal industry in the country. The Kyrgyz Republic has adopted standards in the field of halal industry to ensure that manufacturers, consumers and representatives of relevant government authorities have a common understanding of halal standards, requirements and procedures for certification of products for compliance with the requirements of halal standards.

As of 1 January 2024, 134 companies have received halal certificate in the Kyrgyz Republic, including 62 in Bishkek, 39 in Chui region, seven in Jalal-Abad, five in Talas, five in Issyk-Kul, two in Osh region and four in Osh. Certified areas: production of bakery products and sandwiches; catering; chicken egg and egg powder; chips; snacks; slaughterhouse; sushi, rolls, pizza; dry spices and seasonings; sale of raw

meat; dairy products; soft drinks; semi-finished dough and minced meat products; lipstick; food additives and flavourings; edible oil and fat products; mayonnaise and mayonnaise sauces; meat and meat products; semi-finished meat products (minced meat); mechanised slaughtering and sale of poultry meat for fattening; pasta; mayonnaise products and tomato-based sauces; instant noodles; coffee tea; star; canned food; confectionery; complex food supplements, enzymes and spices; sausages and sausage products; potato starch; isolated soy protein; slaughtering and sale of raw meat; slaughtering and sale of poultry meat for fattening; carbonated beverages (Centre for Development of Halal Industry, 2024).

Under the halal certification system, the entire production chain (value chain) must comply with international halal standards, starting from the compliance of the funds and investments raised with the halal requirements for the establishment of a company or operation in the halal industry to the raising of funds and investments for the processing and production, sale and export of halal products and services. The participants in the halal industry market in the country are mainly represented by small and medium-sized enterprises, which characterises them as flexible economic actors capable of adapting to the most difficult conditions, such as the conditions of the COVID-19 pandemic and economic recession (Younis et al, 2023; Atkinson et al, 2020; Hidayat et al, 2022; Acioli et al, 2021; Warrington, et al, 2021).

It should be noted that the companies operating in the halal sector in the Kyrgyz Republic are developing standards and rules for companies and that there is currently no general standard in the Republic that regulates the relationship between the areas of standardisation and certification of the halal sector.

In order to create conditions for the development of the halal industry, in the Kyrgyz Republic, one of the first Commonwealth of Independent States (CIS) countries, by the decision of the Government of the Kyrgyz Republic, the “Concept for the Development of the halal Industry in the Kyrgyz Republic” dated 22 June 2015 No. 385 (hereinafter referred to as the Concept of the Halal Industry) was adopted, which indicates the priorities and strategic directions for the development of the economy of the Kyrgyz Republic in this direction (Resolution of the Government of the Kyrgyz Republic, 2015).

To implement the Concept of Halal Industry, the Centre for Standardisation and Metrology under the Ministry of Economy and Commerce of the Kyrgyz Republic became a full member of the Standards and Metrology Institute for Islamic Countries (SMIIC) in 2015. In 2017, the Kyrgyz Accreditation Centre under the Ministry of Economy and Commerce of the Kyrgyz Republic was granted full member status of the international organisation International Halal Accreditation Forum (IHAF).

In addition, the Decree of the President of the Kyrgyz Republic “On Measures for the Development of the Agro-Industrial Complex of the Kyrgyz Republic” of 8 February 2021, No. 25, was issued, which provides for the task of developing halal agricultural products (Decree of the President of the Kyrgyz Republic, 2021a).

In addition, the National Development Programme of the Kyrgyz Republic until 2026, adopted by the Decree of the President of the Kyrgyz Republic “On the National Development Programme of the Kyrgyz Republic until 2026” dated 12 October 2021, No. 435, defines support and development of the market for halal products and support for the expansion of exports to consumer countries as priority areas of the government (Decree of the President of the Kyrgyz Republic, 2021b).

In our opinion, the main factors hindering the further development of the halal industry are inadequate legislation, underdeveloped infrastructure of the halal industry and the lack or shortage of personnel with the necessary qualifications. The lack of personnel is noticeable both in enterprises producing halal products and in the quality infrastructure organisations (standardisation, certification) thus considering the following key issues in the development of the halal industry:

- (a) The need to increase the efficiency of the central value chain by reducing transaction costs and efficient logistics, improving the quality and safety of food by creating agro-logistics centres (transport and logistics centres) as part of donor assistance, facilitating the aggregation of agricultural products close to production areas, and acting as an important node in the distribution system linking farmers to markets;

- (b) Lack and insufficient level of competences and skills of specialists in this field. The main directions of support measures to improve the professional level of both agricultural producers and employees of the created infrastructure units are an integral part of the activities to organise a meat cluster in the Kyrgyz Republic. In the future, the implementation of this task will help to reduce the shortage of personnel;
- (c) Lack of certification bodies for halal products at the regional level.

The development policy for the halal industry should be aimed at removing the barriers to the development of this industry by creating a comprehensive information system for the traceability of certified halal products, developing effective support mechanisms, strengthening the capacity and infrastructure of the halal industry, and increasing the export of halal products to international markets.

At the same time, these are the following areas to be priorities for the further development of the halal industry:

- (a) Developing and improving the legal framework and regulations in the halal industry sector, which will serve as the basis for the design and implementation of government policies for the development of the halal industry.
- (b) Creating conditions for the development of the infrastructure of the halal industry and domestic companies for the production of halal products and equipping them with modern technical means. Improving the conformity assessment system for halal products, including conformity assessment procedures, with the aim of promoting the development of the halal industry.

Developing the infrastructure of the halal industry is necessary to establish a dialogue between the various stakeholders, including the private sector, government agencies and foreign investors.

- (a) Create the conditions for the formation of a vertically integrated industrial zone with an established full production cycle of livestock farming and processing of products of animal origin. To remain competitive, companies must review their processes, innovate, improve their productivity, seek new partners and manage their resources more efficiently;
- (b) Implement an automated traceability system for halal products. The systematic introduction of an automated traceability system will accelerate the process of digitalisation in the field of human life, which will enable consumers to trace the origin of goods and services. It will also contribute to the development of a technical infrastructure and an electronic payment system that will enable consumers of halal products to check products on site for compliance with halal standards and ultimately bring halal products to a new level of quality;
- (c) Introduce rules for trading halal products in retail outlets. In order to avoid cross-contamination of halal products, the storage, transport and sale of halal products together with products that do not meet the requirements of halal standards, najasa and other types of products is not allowed.

In modern conditions, controlling is widely used, as companies use its tools to increase their operational efficiency and create the conditions for high competitiveness of food industry companies.

Having examined the experience of foreign companies in the use of controlling, a case study with the main goals and results of the process of optimising the use of controlling potential using the example of Rikha LLC, which produces sausages in Kyrgyzstan and is the only company in the industry that has received permission to export products to the Eurasian Economic Union (EAEU). This company has elements of a controlling service that uses management accounting in its activities and has a certificate of compliance with halal standards. The main focus is on improving work with costs; the results of the comparative analysis are grouped in the form of Table 1.

Table 1. Main directions and performance indicators of controlling in Rikha LLC

No.	Controlling Directions	Expecting Results
1.	Cost controlling	Design, reduction of production costs and sales costs
2.	Controlling of goods	Improving the quality of goods, improving the properties of goods, expanding the scope of their application, reducing losses
3.	Client control	Consumers identification
4.	Operational controlling	Elasticity, adaptation
5.	Logistics controlling	Reduce inventory, improve customer service, increase shipping speed
6.	Marketing control	Optimization of sales, meeting consumer needs
7.	Process control	Optimization of certain indicators and actions of business processes
8.	Strategic controlling	Developing the company's long-term strategic direction and positioning for success

The purpose of introducing controlling is to orientate the corporate management process towards the achievement of long-term, sustainable goals. For the successful implementation of controlling in the management system of companies in the food industry, it is important to determine a standard methodology for the structure, implementation and functioning of controlling. Based on the above practice of the controlling system, it can ensure the competitiveness of food industry enterprises in Kyrgyzstan.

The implementation of controlling practises is underpinned by performance indicators, which are listed in Table 1 and highlight areas such as cost reduction, quality improvement, inventory management and long-term strategic growth. However, successful implementation requires a standardised methodology tailored to the food industry, including defining relevant performance metrics, training employees and aligning controlling objectives with overall business goals. In addition, the use of modern technologies, such as management accounting software and data analytics, can improve the efficiency and scalability of controlling systems and enable real-time monitoring and data-driven decision making.

Rikha LLC's approach to controlling provides a model for other companies in the food industry in Kyrgyzstan and shows how systematic management practises can eliminate operational inefficiencies and promote growth. By sharing insights and results, the company's practises can help establish a standardised controlling methodology across the industry, ensuring long-term sustainability and improved competitiveness in local and international markets.

Conclusion

Thus, the halal industry is a set of industries that carry out voluntary economic activities in accordance with the norms of Islam. In the context of existing trends in the growing activity of Muslims in terms of awareness of their cultural identity, this generally arouses interest in halal products and contributes to the development of the corresponding market. Non-Muslims are also showing interest in these products as part of the trend towards a healthy lifestyle. The halal industry market in the Kyrgyz Republic is gaining momentum. The industry is in its nascent stage and has good prospects for its development in the context of globalisation and economic integration. In other words, the proposals made in this scientific article provide an opportunity to further develop the production of halal products in the Kyrgyz Republic and to realise opportunities for entering foreign markets, taking into account the needs and capabilities of halal product producers in the country.

References

Abd Aziz, N. N., Abd. Aziz, N. A., Abd Aziz, N. A., Omar, Z., & Wan Hassan, W. H. A. (2015). A review on the emergence and growth of halal studies. *Procedia Economics and Finance*, 31, 325-332. [https://doi.org/10.1016/S2212-5671\(15\)01204-6](https://doi.org/10.1016/S2212-5671(15)01204-6)

Abdiev, M. Zh. (2020). *Increasing the competitiveness of the food industry of the Kyrgyz Republic in the conditions of economic integration*. Bishkek.

Abdyrov, T. Sh., & Toktogulov, A. K. (2017). Cluster as the main factor in the development of the regional economy. *Engineering and Construction Bulletin of the Caspian Region*, 2, 54-58.

- Acioli, C., Scavarda, A., & Reis, A. (2021). Applying Industry 4.0 technologies in the COVID–19 sustainable chains. *International Journal of Productivity and Performance Management*, 70(5), 988–1016. <https://doi.org/10.1108/ijppm-03-2020-0137>
- AKIpress. (2024). “Cabinet approves action plans for development of halal industry and halal tourism until 2027”. AKIpress News Agency. https://akipress.com/news:789307:Cabinet_approves_action_plans_for_development_of_halal_industry_and_halal_tourism_until_2027/
- Akmam Osman, R. (2022). Risk management in the halal industry: A comprehensive analysis. *AL-MAQASID: The International Journal of Maqasid Studies and Advanced Islamic Research*, 3(1), 80–82. <https://doi.org/10.55265/al-maqasid.v3i1.91>
- Al-Muliki, M. S. M., & Omar Al-Ahdal, A. O. (2024). Al-maqasid al-tashri'iyah wa al-akhlaqiyyah min ayat al-at'imah: Dirasah tahliliyyah maqasidiyyah (Legislative and ethical purposes of verses related to food: A purposive analytical study). *Malaysian Journal of Syariah and Law*, 12(1), 174–191. <https://doi.org/10.33102/mjssl.vol12no1.525>
- Atkinson, C. L., McCue, C., Prier, E., & Atkinson, A. M. (2020). Supply chain manipulation, misrepresentation, and magical thinking during the COVID-19 pandemic. *Am Rev Public Admin*, 50(6), 628–634. <https://doi.org/10.1177/0275074020942055>
- Atyshov, K. A. (2022). Development of agriculture is the basis for solving the food crisis. *Vestnik KEU*, 3, 64–68.
- Baharuddin, A. S., Amin N. S. M., Ruskam, A., & Yacob, A. R. (2022). Forensic determination of ethanol in import and local prepared vinegar for halal in accordance with Shafi'i school of jurisprudence. *Food Research*, 6(S3), 1-9. [https://doi.org/10.26656/FR.2017.6\(S3\).010](https://doi.org/10.26656/FR.2017.6(S3).010)
- Baharuddin, A. S., Wan Ismail, W. A. F., Abdul Mutalib, L., Ghazali, M. I. M., Alauddin, M. S., Shaarani, S. M., Wan Harun, M. A., & Tuan Ibrahim, T. M. F. H. (2023). Halal standards as elements in the legal framework of 3D/4D-printed food using source-composition-manufacturing and halal forensic concepts. *Food Research*, 6(S3), 10-22. [https://doi.org/10.26656/fr.2017.6\(S3\).003](https://doi.org/10.26656/fr.2017.6(S3).003)
- Bezformata. (2024). “American Muslims understand halal”. Bezformata. <http://kasimov.bezformata.ru/listnews/amerikanskie-musulmane-osmislivayut/9605829>
- Bondarenko, V. A. (2016). Trends in the development of the halal industry in the USA and a number of European countries. *Economics and entrepreneurship*, 3(1), 48-51.
- Bondarenko, V. A., & Dzutsoeva, K. A. (2016). Halal industry: Development prospects in a number of foreign countries. *Scientific and methodological electronic journal “Concept”*, 2, 361–365.
- Center for Development of Halal Industry. (2024, February). “Halal”. <https://www.halal.kg>
- Coordinating Ministry for Economic Affairs of the Republic of Indonesia. (2022). “Not only has a large domestic market, but Indonesia also has the opportunity to become the world leading halal producer”. <https://www.ekon.go.id/publikasi/detail/4969/not-only-has-a-large-domestic-market-but-indonesia-also-has-the-opportunity-to-become-the-worlds-leading-halal-producer>
- Decree of the President of the Kyrgyz Republic. (February, 2021a). “On measures for the development of the agro-industrial complex of the Kyrgyz Republic”. Minjust. <https://cbd.minjust.gov.kg>
- Eurasianet. (2014). “Kyrgyzstan: Rival halal standards mean trust with your eyes closed”. <https://eurasianet.org/kyrgyzstan-rival-halal-standards-means-trust-with-your-eyes-closed>
- Gul, M., Akbar, J., Ikramullah, M., & Raza, A. (2022). International halal industry and its impact on global halal market (a historical review and future business prospect). *Journal of Positive School Psychology*, 6(7), 5890-5907.
- Halal Focus. (2013). “Kyrgyzstan to develop halal standards”. <https://halalfocus.net/kyrgyzstan-to-develop-halal-standards/>
- Hidayat, S. E., Rafiki, A., & Nasution, M. D. T. P. (2022). Halal industry's response to a current and post-COVID-19 landscape and lessons from the past. *Journal of Islamic Marketing*, 13(9), 1843-1857. <https://doi.org/10.1108/JIMA-06-2020-0180>
- Iswanto, B. (2023). Job creation law and consequences in determining halal products: Analysis of the halal product fatwa committee. *Al-Adalah*, 20(1), 179-210.
- Kyrgyz Republic Government Resolution. (2015, June). “Concept for the development of the halal industry in the Kyrgyz Republic”. Minjust. <http://cbd.minjust.gov.kg>
- Law of the Kyrgyz Republic. (2024, June). “On the halal industry in the Kyrgyz Republic”. Minjust. <https://cbd.minjust.gov.kg/4-5345/edition/10855/ru>

- Malaysian Investment Development Authority. (2024). “*Malaysia's halal exports reach RM54b in 2023: Tengku Zafrul*”. <https://www.mida.gov.my/mida-news/malaysias-halal-exports-reach-rm54b-in-2023-tengku-zafrul/#:~:text=Malaysia's%20Halal%20exports%20reach%20RM54b,markets%20in%20the%20halal%20industry>
- Mamasydykov, A. A., Abdiev, M. Z., Attokurova, G. M., & Abrakhmanov, O. E. (2019). Development of export potential of processing companies on the cluster basis with the help of quality management. *International Journal for Quality Research*, 13(4), 931-946. <https://doi.org/10.24874/IJQR13.04-13>
- Martuscelli, M., Serio, A., Capezio, O., & Mastrocola, D. (2020). Safety, quality and analytical authentication of ḥalāl meat products, with particular emphasis on salami: A review. *Foods*, 9(8), 1-19. <https://doi.org/10.3390/foods9081111>
- Ministry of Economics and Commerce of the Kyrgyz Republic. (2024). “*About voluntary certification and labeling of 'halal' of products and services in Kyrgyzstan*”. Mineconom. <https://mineconom.gov.kg/ru/post/4923>
- Myaso portal. (2024). “*Portal about livestock farming, meat and processing for professionals*”. Myaso. <http://www.myaso-portal.ru>
- Nor, N. F., Ahmad, H., & Ariffin, A. S. (2023). Potencies and opportunities of halal market in global industry: An empirical analysis of Malaysia and Indonesia. *Halal Reviews*, 3(1), 1–24. <https://doi.org/10.55265/halalreviews.v3i1.14>
- Qadri, H. M. (2024). *The global halal industry*. Routledge.
- Qotadah, H. A., Al Anshory, A. C., Achmad, A. D., & Syarifah, M. (2022). Cultured meat for Indonesian Muslim communities: A review of masalah and prospect. *Al-Istinbath: Jurnal Hukum Islam*, 7(2 November), 329–346. <https://doi.org/10.29240/jhi.v7i2.5476>
- Reshenie vernoe. (2024). “*How to make a child obedient*”. Info Islam. http://www.info-islam.ru/publ/jandeks_novosti/francija_zanjala_pervoe_mesto_v_evrope_po_urovnyu_potreblenija_khaljalja/35-1-0-24751
- Schmidt Export. (n.d.). “*Uniform halal standard in the EAEU*”. <https://schmidt-export.com/news/uniform-halal-standard-eaeu>
- The Edge Markets. (2024). “*Kyrgyzstan seeks international expertise to boost halal standards*”. <https://theedgemalaysia.com/node/724037>
- The Halal Times. (2024). “*Modest fashion finds: Top halal clothing brands on amazon*”. <https://www.halaltimes.com/modest-fashion-finds-top-halal-clothing-brands-on-amazon/>
- Uzenbaev, R. A., Mardaliev, L. A., Abdiev, M. Z., Umarov, S. T., & Ergeshov, K. A. (2019). Prospects for development of Kyrgyzstan’s food market in the conditions of integration in the EAEU. *Studies in Computational Intelligence*, 859–869. https://doi.org/10.1007/978-3-030-13397-9_88
- Warrington, J. S., Crothers, J. W., Goodwin, A., Coulombe, L., Hong, T., Bryan, L., Wojewoda, C., Fung, M., Warrington, G., Clark, V., Risley, L., & Lewis, M. (2021). All hands-on deck and all decks on hand: Surmounting supply chain limitations during the COVID-19 pandemic. *Academic Pathology*, 8, 1-10. <https://doi.org/10.1177/23742895211011928>
- Welle, D. (2012, December 20). “*Upakovano*”. <http://www.upakovano.ru/articles/2795>
- Younis, H., Alsharairi, M., Younes, H., & Balan Sundarakani. (2023). The impact of COVID-19 on supply chains: systematic review and future research directions. *Operational Research*, 23(3), 1-31. <https://doi.org/10.1007/s12351-023-00790-w>