



Current Situation and Policy Solutions for Developing the Halal Economic and Trade Ecosystem in Vietnam

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Abstract: The Halal economy has emerged as one of the most dynamic and rapidly expanding sectors of the global economy, driven by the consumption demand of more than 1.9 billion Muslims worldwide. The Halal market has expanded beyond food products to encompass a wide range of sectors, including pharmaceuticals, cosmetics, tourism, logistics, and Islamic finance. Vietnam is considered to possess significant potential to participate in the global Halal supply chain due to its abundant agricultural resources, strong food processing capabilities, and extensive network of free trade agreements. However, the Halal economic ecosystem in Vietnam remains at an early stage of development, with limitations related to institutional frameworks, certification systems, and enterprise capacity. This study examines the current state of the Halal economic and trade ecosystem in Vietnam and identifies key challenges hindering its development. Based on this analysis, several policy recommendations are proposed to promote the sustainable development of Vietnam’s Halal ecosystem and enhance its integration into the global Halal market.

Keywords: Halal economy, Halal ecosystem, Halal trade, Halal certification, Vietnam.

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1. INTRODUCTION

In the context of globalization and deepening international economic integration, global demand for Halal products and services has been increasing rapidly. The term *Halal*, derived from Arabic, refers to products and services that are permissible according to Islamic law (Sharia). While the concept of Halal originally applied primarily to food and beverages, it has gradually expanded to a broader range of sectors, including pharmaceuticals, cosmetics, tourism, logistics, fashion, and Islamic finance.

The global Halal market has experienced remarkable growth in recent years. Muslim consumer spending on Halal products and services reached approximately USD 2.43 trillion in 2025 and is projected to exceed USD 3 trillion by 2028. This growth is largely driven by the rapid expansion of the global Muslim population as well as increasing consumer demand for high standards of quality, safety, and traceability.

Vietnam possesses several competitive advantages that enable it to participate in the global Halal supply chain. These advantages include abundant agricultural resources, strong food processing capabilities, and access to a wide network of free trade

agreements. Nevertheless, the domestic Halal ecosystem remains in its formative stage. Challenges persist in areas such as Halal certification systems, institutional frameworks, enterprise awareness, and supporting infrastructure.

Given the substantial potential of the global Halal market, a comprehensive assessment of the current development of Vietnam’s Halal ecosystem is necessary. This study therefore analyzes the existing conditions of the Halal economic and trade ecosystem in Vietnam and proposes policy recommendations aimed at fostering its sustainable development.

2. LITERATURE REVIEW, THEORETICAL FRAMEWORK, AND RESEARCH METHODOLOGY

2.1 Literature Review

The Halal ecosystem has attracted increasing attention from scholars and policymakers due to the rapid expansion and economic significance of the global Halal market. Existing studies primarily focus on the opportunities, challenges, and institutional conditions required for developing Halal ecosystems at both national and regional levels.

In the Vietnamese context, several studies have examined the development potential of the Halal sector. Le Huy Khoi (2024) analyzed the export potential of Vietnam's Halal products, particularly agricultural commodities, and proposed solutions for strengthening the Halal ecosystem. Similarly, Le Anh (2024) highlighted Vietnam's strong potential in Halal exports but noted that domestic enterprises continue to face numerous challenges, including high investment costs, limited market information, and complex certification requirements.

Nguyen Thi Quynh Hoa (2024) evaluated the prospects of Halal industry development in Vietnam and proposed several measures to promote sectoral growth. In addition, Thuy Hang (2023) emphasized the importance of ASEAN regional cooperation in facilitating the development of the Halal market.

Beyond academic studies, reports from the Ministry of Science and Technology (2024) and the Government Electronic Newspaper (2024) have also addressed the development of Vietnam's Halal ecosystem, particularly through the establishment of national Halal standards, certification systems, and supporting infrastructure.

Overall, previous studies have highlighted the significant potential of Vietnam's Halal sector. However, most research focuses on specific aspects such as market opportunities or export potential rather than providing a comprehensive analysis of the Halal ecosystem as an integrated system. Therefore, further research is needed to examine the broader structure of the Halal ecosystem and to develop appropriate policy solutions for Vietnam in the context of global economic integration.

2.2 Theoretical Framework

2.2.1 Concept of Halal

In Arabic, the term *Halal* means "permissible" or "lawful" according to Islamic law (Sharia), as stipulated in the Qur'an. The opposite concept is *Haram*, which refers to prohibited activities or products.

Initially, Halal requirements were primarily associated with food and beverages. However, in recent decades, the concept has expanded to encompass a wide range of sectors, including Islamic banking and finance, Halal tourism, pharmaceuticals, cosmetics, fashion, and other commercial services. As a result, Halal has evolved from a purely religious concept into an increasingly important global economic system.

2.2.2 The Halal Ecosystem

The Halal ecosystem refers to the integrated system of economic activities related to the production, processing, distribution, and consumption of products

and services that comply with Halal standards. Key components of the Halal ecosystem include:

Halal supply chain:

The Halal supply chain encompasses all stages of production, from raw materials and manufacturing to processing, packaging, and distribution, ensuring compliance with Halal standards throughout the entire process.

Halal certification:

Halal certification is a crucial requirement for accessing Muslim markets. Certification is typically issued by recognized Halal authorities such as the Department of Islamic Development Malaysia (JAKIM) and the Indonesian Council of Ulama (MUI).

Technology and innovation:

Technological applications such as blockchain and digital traceability systems can improve transparency, enhance supply chain efficiency, and strengthen consumer trust in Halal products.

Government policies:

Government support plays a crucial role in developing the Halal ecosystem through the establishment of legal frameworks, national standards, enterprise support programs, and infrastructure development.

2.2.3 Role and Importance of the Halal Ecosystem

The Halal ecosystem plays a significant role in global economic development

First, it helps meet the consumption needs of Muslim consumers while also attracting non-Muslim consumers due to the high standards of quality, safety, and hygiene associated with Halal products.

Second, the Halal market promotes international trade. With a global value of several trillion US dollars, the Halal economy creates substantial export opportunities for many countries.

Third, it generates new business opportunities by enabling firms to expand markets, diversify products, and strengthen brand value.

Finally, Halal standards emphasize ethical production, safety, and traceability, thereby contributing to sustainable development and responsible business practices.

2.3 Research Methodology

This study employs several research methods.

Secondary data analysis: Secondary data were collected from sources such as the General Statistics

Office of Vietnam, the Ministry of Industry and Trade, and various export reports to assess the scale, opportunities, and challenges of the Halal market in Vietnam.

Document analysis: Relevant reports, academic studies, and policy documents related to the Halal ecosystem were analyzed. These include reports from international organizations, national policy documents, and case studies from leading Halal countries such as Malaysia and Indonesia.

Comparative analysis: The study compares Vietnam's Halal ecosystem with those of leading countries in the region, particularly Malaysia and Indonesia, in order to identify strengths, weaknesses, and potential lessons for Vietnam.

3. RESULTS AND DISCUSSION

3.1 Current Development of the Halal Ecosystem in Vietnam

3.1.1 Export Market

According to a report by the E-commerce and Digital Economy Agency under the Ministry of Industry and Trade (2024), the global Halal market is expanding rapidly and represents a significant segment of the global economy. The global Muslim population currently stands at approximately two billion people, accounting for 24–25% of the world's population, and is projected to reach 2.8 billion by 2050. Correspondingly, the global Halal economy is estimated to reach USD 7–7.7 trillion in 2025 and could grow to USD 10 trillion before 2028, encompassing sectors such as food, pharmaceuticals, cosmetics, tourism, and Islamic finance.

According to the Organisation of Islamic Cooperation (OIC), Muslim consumer spending on Halal products and services reached approximately USD 2.43 trillion during 2024–2025 and is projected to increase to USD 3.36 trillion by 2028, reflecting an annual growth rate of approximately 6–8%. Within Southeast Asia alone, the Halal food market is estimated to be worth approximately USD 230 billion, highlighting the region's importance in the global Halal supply chain.

In Vietnam, the Muslim population is relatively small compared with other Southeast Asian countries, with approximately 90,000 Muslims living in 14 provinces and cities as of 2025. Nevertheless, Vietnam possesses several advantages for participating in the Halal market, particularly its abundant agricultural resources and strong export capacity in products such as seafood, rice, coffee, fruits, and spices.

Despite these advantages, the Halal ecosystem in Vietnam remains underdeveloped. Currently, only around 1,000 enterprises have obtained Halal

certification, and the number of Halal-exported product groups remains limited, with approximately 20 product categories, mainly consisting of primary or semi-processed agricultural and seafood products. Although Vietnam is among the top 20 food-exporting countries globally, it has not yet been recognized among the top 20–30 major Halal food suppliers worldwide. This indicates that the country's participation in the global Halal market remains limited relative to its potential, suggesting considerable opportunities for future expansion.

3.1.2 Infrastructure of the Halal Ecosystem

Infrastructure plays a crucial role in the development of the Halal ecosystem, as it supports the production, certification, distribution, and governance of Halal-compliant products and services. The key components of Halal infrastructure include: (i) Halal certification systems, (ii) Halal standards, (iii) Halal supply chains and (iv) international cooperation mechanisms.

Halal certification

Halal certification is a fundamental requirement for enterprises seeking to participate in the global Halal supply chain and access markets with more than two billion Muslim consumers worldwide. As of 2025, nearly 1,000 Vietnamese enterprises have obtained Halal certification, primarily operating in sectors such as seafood processing, processed foods, beverages, confectionery, and pharmaceuticals. On average, approximately 40–60 enterprises receive Halal certification each year.

Several major Vietnamese companies have actively participated in the Halal market, including TH True Milk, Trung Nguyen, Vinamilk, and Vissan. These companies have begun integrating Halal requirements into their production and export strategies to expand their presence in Muslim markets.

An important institutional development is the establishment of the Vietnam National Halal Certification Center (HALCERT) in 2024, which represents a significant step toward developing a domestic Halal certification system. The creation of this institution helps reduce dependence on foreign certification bodies and provides greater support for domestic enterprises. However, the number of Halal certification organizations in Vietnam remains limited, resulting in relatively high certification costs and procedural complexity for businesses.

Halal standards

Vietnam has also taken steps to establish a national Halal standards framework. To date, the country

has developed six national Halal standards (TCVN), including:

1. **TCVN 12944:2020** – Halal Food: General Requirements
2. **TCVN 13708:2023** – Good Agricultural Practices for Halal Production Facilities
3. **TCVN 13709:2023** – Halal Animal Feed
4. **TCVN 13710:2023** – Halal Food: Requirements for Animal Slaughter
5. **TCVN 13888:2023** – Conformity Assessment: Requirements for Halal Certification Bodies
6. **TCVN 14581:2025** – Halal Food: Requirements for Food Service Establishments

The development of these standards represents an important step toward establishing a regulatory foundation for the Halal industry in Vietnam. These standards also support enterprises in meeting international Halal requirements and facilitate their access to global Halal markets.

Halal supply chain

Vietnam has gradually integrated into the global Halal supply chain through several key product groups. These include seafood (particularly pangasius and shrimp), rice and rice-based products, fresh and processed fruits, coffee, tea, spices, confectionery, canned foods, pharmaceuticals, and natural cosmetics.

These product categories leverage Vietnam's comparative advantages in agricultural production and food exports. Consequently, they offer promising opportunities for expanding Vietnam's presence in Muslim-majority markets across the Middle East, Southeast Asia, and parts of Africa.

International cooperation

In recent years, Vietnam has actively strengthened trade cooperation with member states of the Organisation of Islamic Cooperation (OIC). During the period 2024–2025, total trade turnover between Vietnam and its ten largest OIC trading partners reached approximately USD 50–52 billion. Several markets in the Middle East and Africa, including Nigeria, Côte d'Ivoire, Türkiye, and the United Arab Emirates (UAE), have recorded particularly strong growth in trade with Vietnam.

Furthermore, Vietnam is promoting broader economic cooperation frameworks with Islamic countries. For example, negotiations on a Comprehensive Economic Partnership Agreement (CEPA) with the UAE are expected to further strengthen trade relations. In addition, Vietnam continues to expand economic cooperation with countries such as Malaysia, Indonesia, Türkiye, and Iran, thereby creating more

favorable conditions for Vietnamese enterprises to access global Halal markets.

3.1.3 Enterprise Awareness of the Halal Ecosystem

Despite the significant potential of the Halal market, awareness among Vietnamese enterprises regarding the Halal ecosystem remains relatively limited. Many businesses, particularly small and medium-sized enterprises (SMEs), have insufficient understanding of Halal standards, certification procedures, and the cultural and religious requirements associated with Muslim markets.

In many cases, enterprises still perceive Halal requirements as applying solely to food products. In reality, however, the Halal ecosystem extends far beyond food and includes sectors such as pharmaceuticals, cosmetics, tourism, finance, and logistics.

Moreover, the exploitation of opportunities within the Halal market has not yet matched its potential. Many enterprises have not yet incorporated Halal development into their long-term business strategies. Consequently, investments in production process upgrades, Halal product development, and distribution networks targeting Muslim markets remain limited.

Although enterprise awareness has gradually improved due to government initiatives and support programs from related organizations, significant gaps remain. To participate effectively in the global Halal supply chain, Vietnamese enterprises need to enhance their understanding of Halal standards, strengthen market research capabilities, and improve international networking and partnerships.

3.2 Comparison with Leading Countries

The Halal ecosystem represents a promising development area for Vietnam, particularly when compared with leading countries in Southeast Asia such as Malaysia and Indonesia, which have established comprehensive Halal development strategies and institutional frameworks.

Several key differences can be identified in terms of regulatory frameworks, certification systems, market scale, and government support policies. These differences highlight both the development potential and the existing gaps within Vietnam's Halal ecosystem.

The following section presents a comparative analysis of Vietnam's Halal ecosystem with those of leading countries in the region.

Table 2: Comparison of the Halal Ecosystem in Vietnam and Leading Countries

Criteria	Vietnam	Malaysia	Indonesia	Thailand
Legal framework and Halal certification system	System still under development; six national Halal standards (TCVN) issued; establishment of HALCERT (2024); many certifications still issued by foreign organizations	Most developed Halal system globally; JAKIM certification widely recognized internationally	Halal certification mandatory for many products; managed by BPJPH	National Halal system well developed; managed by the Halal Science Center and CICOT
Size of Muslim population	>90,000 people (about 0.1% of the population)	Approximately 20 million people (around 60% of the population)	About 230 million people (largest Muslim population in the world)	Approximately 5–6 million people
Number of Halal-certified enterprises/products	>1,000 enterprises	>7,000 enterprises	>60,000 enterprises and millions of certified products	Around 10,000 Halal-certified enterprises/products
Halal export value	Approximately USD 20–25 billion annually (mainly agricultural and seafood products)	Approximately USD 40–50 billion annually	Approximately USD 15–20 billion annually	Approximately USD 30–35 billion annually
Ranking in the Global Islamic Economy Indicator (GIEI)	Not ranked in the Top 30	Ranked No.1 globally for many consecutive years	Ranked among the Top 3–5 globally	Ranked approximately 10–15 globally
Key Halal products and services	Agricultural products, seafood, coffee, rice, spices	Food, cosmetics, pharmaceuticals, Halal tourism, Islamic finance	Halal food and beverages, Sharia-compliant finance	Processed Halal food and Halal tourism
Government support policies	Implementation of the national Halal industry development program to 2030	Halal recognized as a strategic national economic sector	Strong government promotion; mandatory Halal certification policy	Government promotes Halal exports and develops Halal science centers

Source: Compiled by the authors based on the *State of the Global Islamic Economy Report*, reports from the Ministry of Industry and Trade of Vietnam, and regional Halal reports (2024–2025).

Overall, Vietnam demonstrates significant potential for developing a Halal ecosystem, particularly in the area of export-oriented industries. However, when compared with leading countries such as Malaysia, Indonesia, and Thailand, Vietnam's Halal ecosystem remains relatively underdeveloped. The current system lacks institutional coherence, well-established certification mechanisms, and comprehensive policy

support. These limitations indicate that although Vietnam possesses favorable production capacity and export potential, further policy coordination and institutional development are necessary to enhance its competitiveness in the global Halal market.

4. CONCLUSION AND POLICY IMPLICATIONS

4.1 Conclusion

The Halal economic and trade ecosystem in Vietnam is currently facing several structural challenges, including limited infrastructure, an underdeveloped certification system, and relatively low levels of awareness among domestic enterprises. Despite these constraints, Vietnam possesses significant advantages, including abundant agricultural resources, strong food processing capabilities, and growing trade relations with Muslim-majority countries.

Given its strategic geographic position and export-oriented economy, Vietnam has the potential to become an important production and export hub for Halal products in the Southeast Asian region. However, achieving this objective requires a more coordinated development strategy aimed at strengthening institutional frameworks, enhancing enterprise capacity, and promoting integration into the global Halal supply chain.

4.2 Policy Recommendations

The development of the Halal ecosystem in Vietnam can be considered a strategic pathway for leveraging the expanding global Halal market, particularly in the context of Vietnam's deepening integration into the global economy. Several policy recommendations can be proposed to support the development of the Halal ecosystem in Vietnam.

First, Vietnam should strengthen the domestic Halal certification system. In addition to existing organizations such as the Halal Certification Authority (HCA), the government should encourage the establishment of additional Halal certification bodies that meet international standards. Expanding domestic certification capacity would help reduce both the cost and time required for enterprises to obtain Halal certification while improving accessibility for small and medium-sized enterprises.

Second, it is essential to enhance awareness of the Halal ecosystem and develop human resources capable of supporting its growth. This can be achieved through the organization of training programs, workshops, and professional courses aimed at improving enterprises' understanding of Halal standards, certification procedures, and market opportunities in Muslim-majority countries.

Third, the government should introduce financial and policy support mechanisms for enterprises investing in the Halal sector. Such measures may include preferential tax policies, financial incentives, and dedicated funding programs designed to support Halal

production, product development, and certification processes.

Fourth, international trade promotion activities should be strengthened in order to enhance Vietnam's presence in the global Halal market. This includes increasing participation in international Halal exhibitions and trade fairs, promoting Vietnamese Halal brands, and strengthening trade partnerships with Muslim-majority markets.

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