halal certification: Growing Demand in South Korea
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abstract

Nowadays, halal products have earned the reputation of being safe and ecologically clean in international area. Today, the halal industry is a perspective and fast-growing sector. We believe, it is of considerable interest to the modern business and has a great potential for further development in South Korea. In many countries, including non-Muslim (USA, Australia, Spain, Japan, etc.), there is a tendency of forming and developing companies operating according to halal standards, which give to South Korea a new market of Muslim neighbors who come to South Korea for traveling, studying and working. Number of them is increasing every year. Yet, there is small percentage of the supply that can meet Muslim’s need. We think with support of LG we can introduce Halal to Korean citizens as a natural product of high quality and the ecologically clean and healthy standard of halal products. Therefore, we should support further development of halal industry and not only faithful Muslims are among the consumers of halal products, but also those who just take care about their health.

In our paper we will discuss the Halal Market in Korea and show the potential growth of the popularity of the new and fast-growing market and create a different image for it and market halal food as a lifestyle choice, as new “organic products” in Korea where consumers already pay premium prices for organic foods.
The story of one family,

While we were searching for information about Halal lifestyle in Korea and locals’ attitude towards Islam and Halal, we have found out one story about a Korean family, whose father became a support to whole family.

Eid is a restaurant, which offers Halal Korean cuisine, and was one of the first who got Halal Certification. The owner is Korean, who has converted to Islam because of his older son, who was first in their family.

EID Owner - Yu Hong-Jong

“I have two sons, and my oldest son was majoring Arabic studies in university, when he started to study about Islamic culture. My son made a lot of Muslim friends at school and even invited them to our house for dinner several times. But, whenever they visit our house, he would ask my wife to not prepare any meat and, because they would bring halal meat and they will use it to cook for themselves. That was the time when we firstly knew about halal and what it is. After some time my son converted to Islam, and later our family became Muslims.

Later my son went to Malaysia for his Masters. Seeing my son studying abroad in Malaysia, as parents, I and my wife were worried about him, even though the Malaysia is a Muslim country. In the same way other parents were worrying about children, who were living here in Korea. And after retiring, I had a business idea to open a halal Korean restaurant, since majority of Halal restaurants were Turkish or Pakistani. And that actually could give Muslims an opportunity to sense Korean culture through food as well.”
introduction to halal
INTRODUCTION TO HALAL

The Islamic faith is a lifestyle, Muslims are obligated to observe the rules stated in the Quran, which makes it compulsory for all Muslim to consume and use only halal product. In general, most items are considered Halal unless proven to be Haram. The Muslim population worldwide is 1.8 billion – and growing at nearly 1.8% annually (Ross, 2018). The global Halal food trade is estimated to be $580 billion by 2022 (Statista, n.d.).

**Market value of halal foods worldwide from 2017 to 2023**

HALAL OR HARAM?

Muslims are obliged to follow Shariah law, which makes it compulsory for all Muslims to consume and use Halal products. In general, most items are considered Halal unless proven to be Haram.

In Arabic, the word “HALAL” means permissible, allowed or lawful. All foods, drinks, cosmetics and pharmaceuticals have to meet specific requirements under Islamic law in order to be certified Halal.

The opposite of Halal is “HARAM” which means prohibited, forbidden or unlawful. There are six categories of food or drink that are classified as “haram” and are prohibited for consumption by Muslims.
WHAT COUNTS AS HALAL:

- Cows, sheep, goats, chicken, ducks etc. are Halal only when the animal has been slaughtered in accordance with Islamic Law to make meat Halal, an animal or poultry has to be slaughtered in the Islamic way.

- Generally, most of the plant and mineral products are considered to be halal, with the only exception if in the process of making or storing them alcohol was used.

- NO PORK
- NO ALCOHOL

ISLAMIC RULES OF SLAUGHTERING:

- An animal should not be dead prior to slaughter.
- A Muslim must perform the slaughter in the name of Allah.
- All the flowing blood must be drained out of the carcass because it is forbidden.
- No connection with haram meat or poultry is allowed during any process of production, storage, packaging, transportation or handling of the goods.

ADDITIONALLY

- Eggs can be considered as Halal.
- Rennet and gelatin is Halal only if was made using non-animal products.
- Seafood is Halal, and do not require certification or certain ways of slaughtering.
As the globalization takes place, more and more foreigners, both Muslims and Non-Muslims, are coming to Korea with different purposes. And today with more than 200,000 Muslim Korean citizens and permanent residents (according to Korea Tourism Organization (KTO) data) the demand for Halal product and services is growing solidly and quickly. That is why, there is a rapid increase in necessity to have a Halal Certification label on food and service products.

HALAL CERTIFICATION

The halal certificate and logo not only guarantee Muslims what they purchase, or use is according to the Shariah laws but also encourages manufactures to meet the halal standards. A halal certificate is a document issued by an Islamic organization, certifying the products in convers meet the Islamic requirements. These includes that the products do not contain pork or its by-products, the product does not contain alcohol as well as prohibited food ingredients of animal origin, and the product has been prepared and manufactured on clean equipment.

There are few worldwide Halal Certification bodies, which are approved by world standards:

- Department of Islamic Development Malaysia (JAKIM)
- Majelis Ulama Indonesia (MUI)
- Association Halal Industry of Kazakhstan (AHIK)
- Emirates Authority for Standardization and Metrology (ESMA)
- The Islamic Food and Nutrition Council of America (IFANCA)
TYPES OF HALAL CERTIFICATION:
1. FULL HALAL CERTIFICATION
2. SEGREGATION OF PRODUCTION SITE

THE FIRST TYPE

There are two types of halal certification and their duration depends on regulation of the halal certification body. The first type of certificate is full halal certification (Sarsenbayev, n.d.), which states that a whole plant or factory processes should be changed to halal type.

THE SECOND TYPE

The second type of halal certificate is for specified to product quantity (Sarsenbayev, n.d.), thus companies practice partial or complete segregation of production line or area, where halal and non-halal products produced. This certificate covers a certain types of the products, which were certified by certain Certification body within one company. Such certificate may be issued for a specified type of the product destined for a particular distributor or importer, who wants to start exporting to Muslim countries.
HALAL CERTIFICATION PROCESS

Companies, who wants to target a specific country for export, the halal certification process starts with choosing a certification body that meets the needs of the market to be serviced. Almost every country has own independent certification bodies, whereas some countries like Malaysia and Indonesia have government-approved halal programs.

Through choosing certification body that is approved, recognized or acceptable in the country that company is targeting, give a higher chance for faster expansion company’s products. The process starts with filling out an application explaining the production process, the products to be certified, including specific information about the component ingredients. Certification bodies review the information and set up an audit of the facility. At this time, it would be advisable to negotiate the fees and have a clear understanding of the costs involved. During review of the ingredient information and facility audit, the organization may ask manufacturers to replace any ingredients that do not meet Halal Standard requirement. Generally, the company and the halal-certifying body sign annual agreement of manufacturing halal product under the Halal Standard and supervision by certification body.

In case if company meets all requirements and follows Halal Standard a halal certificate will be issued for one year or for a specific product. Overall, the process of halal certification is not complicated, and trust is an integral part of the whole certification process.
BENEFITS OF HALAL CERTIFICATION

There are many benefits for products that are halal certified. Generally, if a product is halal, it means that the product is lawfully made by following the Islamic Law.

The benefits are:

- The product is made in a very hygienic way with higher levels of sanitation and cleaning (Halal Certification Europe, n.d.) and consumers and be assured that the product will do them no harm.
- **Supporting Animal rights** - avoiding cruelty to animals and create less damage to the environment.
- The range of consumers also increase if the product is halal as halal certified products are not made for Muslims only and can be consumed by everyone which in conclusion raises revenue.
- If a company is seeking to expand themselves to a more international level, it will be better for the company to produce a halal certified product, so they could export it to not only non-Muslim countries but also countries like South East Asia or the Middle East which could boost their profits as Muslims make up 24% (Kreserved, n.d.) of the world’s population.
korean halal market
KOREAN HALAL MARKET

The increasing popularity of Korean Pop Culture known as “Korean wave - 한류” has brought by many tourists arriving in South Korea from many different countries. The growth in tourists has made an impact on the rapid economic growth in South Korea. With international arrivals to South Korea increase of 14,468,000 international tourist arrivals, which generated KRW 19,008 billion in visitor exports (KTO, n.d.).

In 2017, approximately 860,000 Muslim tourists visited South Korea and this year, it is expected that the number of Muslim tourists will increase to 900,000 people, so the authorities of South Korea recognized the need for changes in the tourism industry (KTO, 2018). With the high propensity to spend and also the number of Muslims worldwide, the diversification of the target market of Korea Tourism Organization (KTO) should be.

HALAL EXPORTER KOREA?

According to our research South Korea also has major potential to be a major halal food producer. The Korean government is supporting the export sector and set the goal of increasing current exports by a third, to $1.30 billion by 2019 (KIHI, n.d.).
“EXPORT-FOCUSED HALAL FOOD SECTOR”

South Korea has become one of the biggest export-focused countries by exporting from cosmetic production to electronic-mechanical production. Nowadays, Korea is applying same principles to halal food, despite only 170,000 Muslim residents (most foreign-born) in a country of 51 million people (KIHI, n.d.). Halal-related food exports have grown fast over the past 3 years, with exports to Organization of Islamic Cooperation (OIC) countries rising annually from $635 million in 2015 to $667 million in 2016, according to the latest available figures from the KIHI (Korea Institute of Halal Industry). With the high technological advances in Korean cosmetics, many companies have started to prepare to target Muslim consumers by receiving their halal certification with KMF (Korean Muslim Federation) in order to export to Muslim dominated countries.

According to KIHI (Korea Institute of Halal Industry), the estimated number of Halal certified products by Korean Muslim Federation (KMF) are 750 produced by approximately 300 companies respectively. However, local halal market is underdeveloped with barely any of these halal products sold locally. Through this, we can say that the production of halal products in the local market are for export and not made for the local market. Below are some examples of halal certified food by different halal certification bodies worldwide and the period it was certified.

Note:
“These products are made to be sold in market outside of Korea.”
TRIP

2018.08.06 - 2018.08.16

3 REGIONS
11 LOCATIONS
4 MEMBERS
1 TEAM

Korea Tourism Organization
Busan Al Fatah Mosque
New World Mart
New Saladin restaurant
Daegu Islamic Center
Korean Institution of Halal Industry
The Halal Guys
Eid Korean Restaurant
Korean Muslim Federation
Kampungku Restaurant
Halal Trade Expo 2018
Our destination on the very first day was Korea Tourism Organization headquarter, which is located in Wonju. We have interviewed the representatives of South East Asia and Middle East, Cheon Se Hwan, Jung Minjoo, and Park Jinho, Deputy Director of the South-East & Middle East Team.

**Korea Tourism Organization (KTO)** is Korean government investment agency, which is working on behalf of Ministry of Culture, Sports and Tourism. One of the main missions is to foster all domestic and inbound tourists of the tourism industry through providing the most suitable infrastructure for the foreigners during their stay in Korea.

The South-East Asia and Middle East department try to expand Muslim infrastructure around Korea. For example, provide praying rooms in public places and brochures for tourists. In order to obtain the budget for these infrastructures,
the team sends a report to the supporting company that is located in Seoul and asks them about the demand and supply needed plus their budget. This funding contributes to the nationwide infrastructure. At the end of the year, KTO (Korea Tourism Organization) does an annual checkup on the current situations of the infrastructure nationwide and try to constantly update them. One of their newest innovations and plans were to install a pair of movable praying rooms in Muslim friendly spots.

KTO (Korea Tourism Organization) stated that in the last 3 years, the number of Muslim tourists has been increasing steadily each year on an average of 860,000 averagely per year. The amount increased 6.6% based on last year’s statistics.
Mr. Park Jinho said that in order to increase awareness and reduce stereotypes the best way is **education**. The KTO (Korea Tourism Organization) is now trying to provide training for government officials, where they teach them about Islam first due to the lack of understanding and prejudice of Koreans, then educate them about the market and show them the potential that these group of people have to boost the economy.

**NOTE:**

“Apart from guides and prayer rooms, KTO (Korea Tourism Organization) has developed four categories to describe a restaurant and promote to Muslim citizens and tourists.”

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**Muslim-friendly Restaurant Categories**

- **Halal Certified**
  - Restaurant certified by Korea Muslim Federation (KMF).
- **Self Certified**
  - All foods are halal. Restaurants are certified as halal by Muslim restaurant owners themselves.
- **Muslim Friendly**
  - Some halal dishes are provided but alcohol is sold.
- **Pork Free**
  - Contains meat but no pork

Pictograms: In each category, the following pictograms were used to show detailed restaurant information.
KOREAN INSTITUTION OF HALAL INDUSTRY

Our next main destination is the Korean Institution of Halal Industry in Seoul.

Korean Institute of Halal Industry (KIHI) is a leading Korean Halal Industry

2014 as a corporate entity approved by the Ministry of Agriculture, Forestry and Rural Affairs (“MAFRA”). We have met with two representatives of KIHI - Bella Kim, Halal Professional Consultant and Dr. James Noh, one of the founders of KIHI.

RESEARCH.

Since the establishment, KIHI conducted 25 research projects with government regarding Halal industry, and was the main research body in 15 of them.

EDUCATION.

in 2014, KIHI and IIUM (International Islamic University Malaysia) signed memorandum of understanding (MOU) and introduced first Malaysian halal training course in Korea. Although, it was the first time introducing this type of education, this program was very successful, because Korean government demonstrated initiative to promote halal industry among Korean companies. Moreover, KIHI has own program “Halal Consultant Program”, which was held with 200 trainees.
HALAL CERTIFICATION CONSULTING.

KIHI is not halal certification body, but they provide halal certification consulting programs for Korean companies, who want to start export. Thus, KIHI build very strong relationship with global certification bodies such as AHIK (Kazakhstan), JAKIM (Malaysia), MUI (Indonesia), ESMA (UAE), and Ifanca (USA). While developing their trainings and consultation, KIHI use common requirements for halal certification.

Through consulting they help with bureaucracy, as well as audit. KIHI does the consultation with companies, who are preparing for export activities to countries with predominantly Muslims population. KIHI are playing the role of bridge between Korean company, who want to get their product and start operating in the foreign market, and Global Halal Certification Body, recognized by worldwide standards. KIHI main function is reduce communication barriers between Korean and Global companies. Even though KIHI is working with Korean companies, they do not have official relationships with Korean certification body – Korea Muslim Federation (KMF).
KOREA MUSLIM FEDERATION

Korea Muslim Federation (KMF) was the most important destination of ours, since it is the main certification body in Korea. That is why we wanted to ask how the certification process goes in Korea. We interview the Director of Halal Certification Committee – Ahmad Cho

Since Korean people are not widely aware about halal, the main goal of KMF is to reduce misunderstanding between Muslims and Koreans and raise awareness.

Korea Muslim Federation (KMF) is a Muslim organization established in 1967 in South Korea (Wikipedia, n.d.). KMF has been providing halal information in Korea, based on a strong Muslim network including Halal Hub Malaysia and many other countries. KMF provide customers with not only halal certification and consulting service but also exhibition marketing and seminar for the occupying 1600 million Muslim market.
KMF - HALAL CERTIFICATION BODY

As was written before, KMF is the company that provide certification to products manufactured in Korean, such as Shin Ramyun, which got the certification in 2011 (Lee, 2016).

The chart below shows the steps that Korean company should follow in order to get certificate from KMF. According to Mr. Ahmad Cho, before the Shariah board, KMF has the group of experts (who sometimes not a Muslim), who check and confirm all documents and site production according to the list of rules followed by Islam. However, if in the case if all documents were approved by experts, but the member of Shariah (Imam) as a last step did not approve, the company cannot get the certificate and need to go through process again. The whole procedure usually takes 2 month until company gets the certification.
CERTIFICATION PROCESS

1. Formal request for Halal Certification
2. Application for Halal Certification
3. Fee payment
4. Plant visit & additional audit
5. Document inspection and audit by KMF expert
   - Incomplete documents
   - Approval or Non-approval
     - Yes: Final audit report
       - Shariah Board
         - Approval or Non-approval
           - Yes: Issue of Halal Certificate
           - No: Non Halal Certificate
         - No: Corrective actions
           - Issues detected
             - Documents return
               - Approval or Non-approval
                 - Yes: Issue of Halal Certificate
                 - No: Non Halal Certificate
               - No: Non Halal Certificate
DRAWBACKS
Even though KMF certified products are exported abroad, and more than 600 KMF certified companies supply products locally in Korea, they are not officially recognized by big certification bodies, such as JAKIM Malaysia. Therefore, production with the KMF logo on it cannot be exported easily. For instance, KMF certified products cannot be exported to Malaysia, Indonesia and other ASEAN countries. Hence it is hard to expand the market.

The most important point for KMF today – is being recognized by worldwide standards to start export abroad.

MUSLIM-FRIENDLY KOREA
As was written before in the report, the Korean Tourism Organization created 4 categories of Muslim-friendly restaurants in Korea. But KMF does not recognize them, since “Products or store is either halal or not, there is no in-between…” - said Ahmad Cho, director and chairman of Halal committee. There cannot be any pork, alcohol involved or else the company will not be certified.

<table>
<thead>
<tr>
<th>Food Sector (to be recognized by KMF)</th>
<th>Halal meat – Brazil, Australia, Halal Slaughtering house Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner should be Muslim, or at least be interested in Islam and Halal lifestyle</td>
</tr>
<tr>
<td></td>
<td>No pork, alcohol or animal ingredient</td>
</tr>
</tbody>
</table>

That is why most of the restaurant written in the KTO brochures are not recognized by Korea Muslim Federation except 14 places that were officially certified.

Note:
KMF Halal Certification (Left) On Product (Right) For Restaurant
HALAL TRADE EXPO 2018

The last destination in our trip was Halal Trade EXPO 2018, which was held by partnership of different companies, such as KIHI, KMF and others. During the EXPO we have seen different companies, Korean and International, which were Halal Certified by different bodies, and are seeking for business opportunities in Korea and other countries. The most of the booths belonged to food companies, both Korean and Foreign, which were presenting their production, with the aim of targeting the potential of Korean Halal Market and Korean customer. There were also conferences regarding rising demand of Koran Cosmetics, and its potential and popularity it could gain in a worldwide market.

“Bridge for Korean Halal Market”

The Halal Trade EXPO was designed in order to explore the opportunities of development Korean Halal Market in different industries, such as food, cosmetics, service etc. During 3 days of an event, there were seminars regarding various industries of manufacture and service, with the main focus on development of Korean Beauty products sector. There were several speeches and presentation made by Dr. Noh, the co-founder of Korean Institution of Halal Industry, regarding the development of K-Beauty sector.
As was written before, the Korea Muslim Federation Certification is not approved by the world-wide certification bodies that is why in most of the cases the Korean Manufacturing companies, who want to start exporting, get the Halal Certification from Foreign Companies with the help of KIHI (Korean Institution of Halal Industry). However, as a move towards promotion of Korean Food and Beauty Products, there were few companies certified by Korea Muslim Federation.

Companies, such as Somyun (Spicy Ramyun), and ForCell (Cosmetics), said in the interview that they are exporting to the countries, which do not require strict regulation of the Certification, but still require the Halal Logo on the products.

Global companies that were part of the Halal Trade EXPO Korea, shared with us their ideas towards seeking opportunities and working in a Korean market environment. Most of the companies were looking for partnership with local companies, due to rising number of tourists in Korea.

One company from Bangkok – DUCK – had their booth with the aim of introducing their products to a potential partner in Korean market. As they said in the interview, one of their main goals in to become a supplier for a Local Korean company, since there are increasing number of visitors from Middle East countries, who require Halal certified meat.
RESTAURANTS AND MOSQUES

Generally, we can divide our analysis to the cities that we visited, Busan, Daegu, and Seoul. As the population and type of Muslims are different in each city, the demand and supply also differ. In smaller cities like Busan and Daegu, the main reasons for the opening of Halal foods or stores was mainly due to religion or culture than business.

BUSAN

In Busan, the owner of the New Halal Mart originally came to Korea, as his wife is Korean and realized that living in Busan really tough as there were barely any stores that sold halal foods. He opened store for his fellow Muslim friends or family and wanted to make a change in Busan. Now, he has the biggest halal mart in Busan and many of the consumers there are Muslims seeking for halal ingredients.
There are also Koreans that visit the store which come to find foods from different countries as the halal mart contains a very diverse line of foods and ingredients.

According to the Busan mosque, the average number of visitors is about 100-200 people during praying sessions, which is relatively less than Seoul, which receives about 1000 visitors during their weekly praying sessions. However, according to our observation, the number of Muslim residents and visitors are bound to increase due

**DAEGU**

In Daegu, it was generally very similar. We visited the owner of New Saladdin restaurant and she was married to a Pakistani Chef, which gave her the inspiration to open her store. Her main consumers were laborers in Daegu and similar to Busan, there were not many tourists so her main intention was not to target the Muslim market, but to help the small-scale community by creating a couple of stores and trying to expose Koreans to different types of foods.

According to Daegu Islamic Centre, most of the Muslims in Daegu are laborers, residents, and students. The number of Muslims in Daegu is smaller when compared to Busan, resulting in a small number of tourists visiting the region. Since Daegu and Busan do not have a big population of Muslims living in them, they do not intentionally target the Muslim market, but began their Muslim friendly stores purely...
Nevertheless, in Seoul, we visited Kampungku and The Halal Guys. As we interviewed them, there were a few differences that we realized when compared to Busan and Daegu. In Seoul, the main reasons for the owners to run halal business was a demand driven by a growing Muslim population in Korea. The owner of Kampungku is a Malaysian Muslim and he saw increasing of tourist and students from Malaysia, Indonesia and Brunei, who were seeking for home food. According to the latest data from KTO only for 2018, there are 22,113 visitors from Malaysia and 17,034 people from Indonesia. Same time he found out that there is no any Malaysian cuisine in Seoul, so it gave me an opportunity to promote Malaysian food visitors and locals. As owner is a Muslim he decided to make Halal restaurant, moreover most of halal restaurants in Seoul are Turkish, Pakistani or Arabic, he wanted to introduce to locals other option of halal food and cuisine.

However, Koreans are still a bit fearful to try halal food as Muslims in Korea still faces some prejudice and there is not much exposure for them in order to reduce it so, in order to reduce the discrimination, Kampungku had a straightforward way to promote it subtly which was through food. Kampungku serves Korean cuisine in a halal manner, which appeals to Muslims who have a hard time trying Korean food, as most of it is not halal but also show Koreans that their food, which any Korean can eat, can be halal too.
For the Halal Guys, the owner is not Muslim and was not aware on what was halal initially. And the way he actually got familiar with the Halal Guys itself was because the original cart of the Halal Guys chain was right in front of the office building where we was working, and at that time the Halal Guys has already had a huge success in NYC as a fast food chain. For the people of NY it was a regular meal, that everyone was eating any time of a day, and it was a part of a food culture. For him starting Halal Guys meant simply – food. Because he understood is a daily necessity, everyone loves food, he loved food and the brand, so he believed that the Halal Guys could become a part of Korean food culture.

With business background owner was well informed of rising demand from Muslims, as population and tourist of Muslims in Korea is increasing annually. So, he decided to open his first store in Itaewon area as one of hot spot among foreigners and locals. Even though, the brand name was well recognized by foreigner consumer, it was hard to introduce halal to Koreans, as generally, Korean people either wouldn’t know what it was or thought that it was only for Muslims. But in order to break this perception, he decided that halal should not be promoted as a type of food for Muslims, but as common food with a higher standard of preparation of food as the way halal foods are prepared, they are thoroughly check from the beginning of the process to the end. He wanted to show Koreans that halal food is not only limited to Turkish or Indian food, but can be absolutely any type of food.
In conclusion, we can see a slight difference between the smaller regions and the larger regions of Korea. In the smaller regions like Busan and Daegu, generally restaurant and storeowners begin their store firstly not due to the market but because of religion or more culture issues. While in Seoul, there are some companies targeting the Muslim market as it has a stable increase in demand and expanding throughout the years.

After the retaliation of the Chinese in 2017, South Korea had been looking for methods to promote their country and due to the reduction of Chinese tourists (Kwack, 2017), there was an opportunity for Korea to promote and appeal themselves to people of other countries, which they have successfully done. The Muslim market, after the Chinese market, is one of the biggest market South Korea currently has ranging from countries such as Malaysia, Indonesia, Saudi Arabia, and so on.
problems
PROBLEMS

“Low recognition about what is halal and what products can be halal, and Islam.”

Halal can cover not only food but many prospects of our life. It is the actions that we do, the products that we consume, or the food that we eat. This covers for the Muslims of course however it could be applied to everyone. To Koreans who are not aware of what is halal, they believe that halal could only be related to food. Of course, halal food is more popular compared to other prospects, but it is important that they know halal is not “vegetarian” or only “no pork and no alcohol”. Halal can be so many things and it is actually more reliable if a product has halal certification as they check the supply chain of the products, the quality of the ingredients they use and ensure that they do not use harmful products to the body.

It really saddens us at the low recognition and low tolerance to the introduction of a new culture, whether it be bad or good here in Korea. We have conducted a survey regarding halal food and halal products, however the result we found that 5 out of 19 Koreans understand the right definition of halal, despite above 50% of them mentioned that they have basic knowledge about halal. Above you may find an attachment of what Koreans have described halal as.
"Negative feelings towards Muslims: Stereotypes of Muslims as ISIS, terrorists and unfriendly"

Throughout the all the interviews, we have collected the fact that Koreans have strong negative feelings towards Islam, Muslims and wrong perceptions of who Muslims are. To prove that, below are the comments that we have read regarding Islam or Muslims on a video created by a Korean Youtuber to introduce his Muslim friend. Reactions to the video were negative. Despite her trying to just explain about her religion, many of the comments we targeted at her religion and the religious group. Some were positive however there were many negative comments that we could not pass by.

Even as a non-Muslim, it saddens me as they are not able to understand a new culture before leaving negative comments. The motive of the video was to introduce Islam and how Muslims live in Korea but disregarding the fact that it could just be new information for them, they left negative comments.

After visiting a few places during our research period, we found that Muslims are highly disrespected in the Korean society. The owner of Eid Halal Korean Restaurant mentioned: “One of our part timers we had before explained to me that she had her hijab pulled off by a Korean woman in the subway. The lady asked her ‘Why are you wearing this it is so hot’ and went on with pulling off her hijab.
Other stories include the **large opposition of religious groups and local communities**. The owner of New Saladin, Daegu said: “There was a plan to hold a halal expo here in town few years ago, but there were so many people who were against it they had to cancel their plans and close it down.” Whereas Abdul Malik, an employee from the Busan Mosque took time to explain about how the cancelation of the prayer rooms for the Pyeongchang Olympics were partly cause by the opposition of people from their religions and local communities, and due to their large number, it is hard to develop a halal infrastructure here in South Korea.

**“Undeveloped halal market: No halal logo city”**

Almost all products in Korean supermarkets are not halal certified or even if they are certified they are not labeled. We were able to find few products in the Korean marts that were halal certified but most of them were imported from other countries. There are many products in Korea that are halal certified, just like Shin ramen from Nongshim, they have halal certified products that they export to other Muslim countries but not to sell in the local market.

It was easier to find foreign marts where they sold halal certified products in larger cities like Seoul and Busan. Even for restaurants, there is a higher possibility that you will find halal certification restaurants. We could spot many restaurants that place the halal signage at the famous tourist spot Haeundae Beach in Busan, despite the fact we know if it is really halal or not, there were many to our surprise. During our time in Daegu, there were not as many halal restaurants that we could spot. There were many located in a short distance away from the Daegu mosque however other than that area, there were not any halal restaurants we have spotted.
“Not being able to find a source of meat”

Many Muslim students enter Korea to further their studies or learn about a new language and culture. What we have learnt from them is that they did not have many sources of food while in school. Some of them end up skipping meals as they could not find anything fit for them around campus. Many students from campus would travel all the way to Itaewon, where most halal meat is sold to purchase the meat they use in their food.

AISHAH JAILANI / Exchange student

"Since it's hard to find halal food nearby campus, I would always opt for seafood, eggs and vegetables. When I eat outside, I would be extra careful and ask if the menu I wanted included any meat. If possible, I would ask them to remove any sources of meat such as bacon, ham, or beef."

Same for tourists, many tourists travel to Korea in expectation to learn a new culture and experience a new country, and everyone would know that food is a very important aspect of culture. However, Muslims are unable to try most Korean food due to not only their non-halal (haram) nature but also the unavailability of halal options. Many of them would do research to find any halal options they could actually eat throughout the time they will be here in South Korea.

SARSENBAYEVA ALFIYA / International student

In my freshman year at my university it was hard as I could not find any halal food around my area. So I was cooking my own food and bring it with me to campus. Whenever, I was going out with my friend it was always hard to find food for me, so I was going for vegetarian or vegan option, whereas Korea doesn't have much option in vegetarian food too.
analysis
ANALYSIS

In order to analyze problems and find solutions, we have decided to utilize PESTEL model for Korean Market, and SWOT of the Halal production.

PESTEL

| POLITICAL | • Democratic country | • Reconciliation relationship with the North | • Stabilized political situation after change in power | • Involvement in world events (ex. Olympics, World Cup etc.) |
| TECHNOCAL | • Shipbuilding industry is highly developed | • Updated equipment in medical industry | • Innovation and advancements in Information Technology |
| ENVIRONMENTAL | • Many activist groups that look into different categories | • Animal protection – Korea Animal Rights Advocates (KARA) | • Environmental protection – Korean Environmental Preservation Association (KEPA) |
| ECONOMICAL | • Current economy is slowly picking up after the plummet in balance of trade in 2017 | • Diversifying trading partners | • Prices slowly rising |
| SOCIAL | • Popularity of Hallyu worldwide | • Local interest in foreign languages (ex. English, Mandarin, Japanese etc.) |
| LEGAL | • Legal system: Supreme Court, appellate courts & constitutional court (without jury system) | • Korean Tourism Organization (KTO) takes the role in providing a better environment for tourists |

SWOT

Nowadays the most popular Korean products among foreigners are Ramen, Kimchi and cosmetics, and Korean manufactures predominantly export only traditional products. However, we have found out that more and more new product categories and items that are manufactured in Korea, are popular among foreigners. First of all, looking at the Korean market, the confectionary industry is in increase, which is why Korean companies need to consider this
sphere as a potential for their products. Since chocolate and other sweets also need to be certified, Korean companies must consider Muslim populated countries as a target for their export. For instance, not so long time ago Lotte Company acquired one of the biggest confectionary companies in Kazakhstan – Rakhat and started to sell Lotte products in Kazakhstan. However, there is one big obstacle – there is no Halal logo on the products. That is way, based on the fact that a lot of Korean manufacturing companies want to start exporting, they should consider Halal certification. And we have decided to develop a SWOT table of Halal product that Korean firm could merge with reference to Korean Market Analysis above.

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>⇒ Popularity among young generation – Healthy lifestyle</td>
<td>⇒ Low awareness in Korea, and existence of stereotypical thinking</td>
</tr>
<tr>
<td>⇒ High quality of products – preparation standards using new technologies and traditional knowledge</td>
<td>⇒ Limitation of facilities ready to use as a Halal production plant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>⇒ Wider market coverage for companies, as number of tourists rises</td>
<td>⇒ Competition with local and global companies, based on the worldwide Halal standards and products</td>
</tr>
<tr>
<td>⇒ Access to foreign markets – getting the certification and starting export abroad</td>
<td>⇒ Trade barriers – limits for import of Halal meat</td>
</tr>
<tr>
<td>⇒ With rising popularity of Hallyu opportunity to promote Korea Halal products to Middle East customers</td>
<td></td>
</tr>
</tbody>
</table>
SOLUTIONS

As was written before we have four main problems that are linked together. Therefore, throughout our trip we have come up with two main solutions or suggestions for promotions.

1. HALAL CAMPAIGN

To begin with, since our main goal is to raise awareness of halal and halal certification, we want to suggest implementing campaigns about halal, but without focus on it from the religious point of view.

Based on our research, we have found out that Korean population are health conscious and have one of the longest life expectancy (9th in the world ranking). From this information we may conclude that Korean citizens are trying to follow healthy ways of living starting from food. Korean food does not contain lots of fats and chemicals, almost everything is plant-based. Moreover, because of the Western influence, Korean citizens become more aware about organic products, and prefer to buy a product with organic label on it, and are open to pay more for taste and quality. That is why, our point is promoting Halal as Healthy lifestyle. And there are few reasons why:

![Graph: South Korea - Life expectancy](image)

Source: World Bank
People who are conscious of consuming healthier products or are eco-friendly can consider halal meat as a better option when compared to regular meat. According to the Islamic law, before the animal is sacrificed, it has to live its best life. Furthermore, due to the laws of the sacrifice, the animal’s blood is removed from the meat and according to them, the blood contains all the contaminants that can harm the human body, so halal meat is very clean and invulnerable to diseases or harmful substances. As the meat and halal foods are contamination free, it allows the body to develop a stronger immune system which allows one to have a well-developed body and also a stronger mind.

Halal foods are always being monitored from start to finish of the production line, so consumers do not have to worry about the quality of the products. If the product is to be halal, it has to be separated from other production lines, especially from pork, and any tools and machinery used in slaughtering for pigs must be separated from the halal slaughtering line.
Therefore, our solution for increasing the awareness is to conduct **Halal Campaign** in partnership with Halal companies, such as Korean Institution of Halal Industry or Korean Muslim Federation, who have available resources and information. Campaigns are good tool to educate wide amount of people and work as a **Communication tool** with the public, which can be done in two ways – Online through SNS and Offline through festivals and halal seminars. As the part of the campaign, we believe that the easiest visual way of distributing information is to provide the brochures, with **information about Halal Lifestyle as a Healthy Lifestyle**. As an example, we have designed the brochure, with does not focus on Halal as a region and part of Islam but focus on Halal Lifestyle.

The brochures could be provided during different events, in both Korean and English languages, along with some activities involving Halal lifestyle.

Information about industries of Halal features utilization
Currently the business opportunities in the halal market are rising. According to an article, there are approximately 1.6 billion Muslims around the world, making it the second-largest religion in the world after Christianity (Masci, 2017). A large majority of these Muslims live in the Asia-Pacific region, including countries like Indonesia and Singapore, whom we have learnt throughout our interviews are high consumers of Hallyu and Korean culture products. As the owner of Eid Halal Korean Food Mr. Yu Hong-Jong explained, most of his customers were Muslims from Southeast Asia, more specifically Malaysia and Indonesia. Both countries have 18.88 million and 228.27 million Muslims in those two countries prospectively according to a Muslimpopulation.com. Both countries exceed 50% of Muslims among their total population and are attractive markets for Halal food and beverage businesses, domestically and internationally.

⇒ HALAL F&B BUSINESS:

The most basic need of every person, would be food and water. For Muslim people, according to the Quran they must eat clean food as those become their flesh and blood, and unhealthy food deteriorates not only your health but also your mind. In Islam, a healthy mind is placed as a priority, therefore they pay a lot of attention to what they actually eat.
Aside from the religious side, halal is actually a healthy option of food for everyone. Halal certification places emphasis on how they slaughter animals, how they control the use of pesticides and preservatives on their products, how they handle the product during the production, how they check the production facility from any contaminants and finally up to how they transport the final product. Therefore, we can conclude that halal certification and the presentation of the halal logo is actually another method to check the purity and cleanliness of the product.

Halal corners in major supermarkets could be an amazing opportunity to not only be a source of food for Muslims but for the supermarkets itself. The segregation of a halal section in a supermarket would give a place for Muslims to go to other than the highly priced foreign markets here in Seoul. Many Muslims are traveling to Itaewon, the location in Seoul where most foreigners and locals consume different foreign cuisines. Itaewon is also the home to many halal restaurants and marts, where most Muslim purchase their source of food. However, if the supermarket near their accommodation has a halal section dedicated to halal products, they would save the time and money to travel and might even pay a premium for it, according to our research. Malaysia is a multicultural country, with a strong 60% of the population being Muslim. Due to this majority, most of the large markets sell all halal products as it could be consumed by anyone. However, to cater to special needs of the other races in Malaysia, there are non-halal sections where they display and sell non-halal products. They have a separate cashier, with different carts or baskets to put in products. This system could be implemented into several large supermarkets as well.
HALAL SERVICE INDUSTRY

According to the Korean Tourism Organization (KTO), the number of Muslim tourists is constantly rising year by year. Through the short economic recession last year, rather putting emphasis on one group of tourists, they have decided to diversify and expand to make Korea more comfortable for a wider range of tourists than before. As mentioned before, Muslims take up approximately 25% of the world, it is an attractive market to target and approach.

The halal service industry may include many different types of services. A significant one would be food service; however, rising number of Muslim tourists are interested in Halal hotels. Muslims have to pray five times a day and for that, they would need a place to pray. The main difference between a common hotel and a halal hotel is that halal hotels can cater for Muslims needs religiously. Providing halal food, prayer facilities, non-alcoholic environments, Muslim friendly activities, and privacy levels accustomed to the halal standard, but aside from that the attitude of the employees are acculturate to a more down to earth and welcoming attitude.

As halal is becoming increasingly known for its benefits of health, the widespread of halal restaurants have been increasing as well. For example, The Halal Guys from New York and their franchise here in South Korea, and the introduction of halal Korean food restaurants like Eid Halal Korean food. The Korean Tourism Organization (KTO) has been also promoting to the Muslims by creating different labels for halal food. This proves that the Muslim population that will visit or are currently in South Korea are increasing. The introduction of halal food could also appeal to the local Koreans as a new experience or an extra option to all the different types of cuisines available to them right now as well.
South Korea is one of the most well-known and also the 8th largest cosmetics market in the world (Export.gov). With the popularity of Korean cosmetics in the world stage, increasingly people find the benefits from not only using the products but the ingredients that go into these products. A very good example is the popularity of Innisfree and the natural ingredients they use in the production of their skin care. Green tea, olive oil, and orchids are some examples of the main ingredients they use in their cosmetics and many Muslims are attracted to the fact that these are made with natural plant ingredients rather than animal products like collagen, giving an opportunity for local cosmetic businesses to bloom in other Muslim countries.

Currently, there are many Korean cosmetic companies who have received halal certification from the KMF (Korean Muslim Federation). They export their products and do not sell their products in the local market. With the benefits of halal certification and how they check the ingredients of the products, it is beneficial to everyone’s skin. With the ingredient check, production site check and the product transportation check, halal certified cosmetics ensures that the product is safe to use and makes sure that it does not harm your skin or your health.

In conclusion, halal cosmetics could be developed not only for the Muslim population but also for the local market. With the benefits of halal cosmetics being in the introduction stage of a product life cycle, there is high potential for it to grow as a cash cow in the future.
3. KOREA HALAL GUIDE APP - SALAM KOREA

Currently, there are many sources of information however they are all scattered. Blogs, information from the Muslim guidebooks by KTO, and videos are just some examples. With the increasing number of Muslim tourists entering South Korea, there is a high possibility that they will find the phone application useful. The application would have different functions that would be useful to Muslims include a halal restaurant finder, an accommodation finder, a prayer room finder and other information.

HALAL FOOD FINDER:
Shows you options of which a Muslim can get a source of halal food. Locations include restaurants, markets or any place where you can get halal food.

ACCOMMODATION FINDER:
This function locates accommodations in the area of search. Halal hotels, guesthouses and any type of accommodation that welcomes Muslim-friendly environment is listed here.

PRAYER ROOM FINDER:
As the name explains, this function is used to help Muslims locate the nearest prayer room they can use during salat. It would also show where the nearest mosque is. This function will indicate and notify the user praying times.

INFORMATION+ FUNCTION:
In this section of the app, the users of these app can leave tips or any other extra information for other travelers who might travel to Korea in the future.
For our whole research, we found out that there are many reasons that the halal and Muslim market has been a difficult market to target for Korean companies. Some of the reasons may include racial stereotypes, or some of them may include religious issues which plays a big factor in Korea as locals are very sensitive about their own religions. Koreans are generally not exposed to foreigners as they live in a monochromic world of their own. As they have been living the same life for generations, it is hard for them to suddenly accept a foreign culture and bring it into their country and it is totally understandable as we are all vulnerable to foreign things. However, the culture may be different from what Koreans usually operate, but in some ways, the Muslim market can relate themselves to the Koreans and they can provide ways for them to satisfy their needs. By travelling around South Korea and performing our research, it showed us that the halal market could be promoted as a healthier market for people who are more health conscious and want a good and clean resource of ingredients. It does not have to religious issue and it could be a good market to target for the economy of Korea. By promoting it as an eco-friendlier market, it would definitely attract not only Koreans but people from all around the world as products that are organic or eco-friendly are all the rage in the world right now. As the Muslim population has the second largest population in the world, it would be a good opportunity to target the market and allow expansion and promotion of the controversial market. The demand of permissible products has been increasing due to the increase of the population and if only companies could help satisfy this demand, the market would be more recognized worldwide and wouldn’t be as contentious as it would be today.
team introduction

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Fun Fact: Shy at first but super open once you get to know her

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Fun Fact: Basically a Korean who is pretending to be a foreigner

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Fun Fact: Halal encyclopedia

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Charts/Statistics by Korean Institution of Halal Industry (Research on Muslim population 2017)


