

الغرفة الإسلامية للتجارة والتنمية
Islamic Chamber of Commerce and Development
Chambre Islamique de Commerce et de Développement

UNLOCKING THE UK HALAL ECONOMY

A Strategic Outlook for Ethical
Growth and Global Positioning



Executive Summary

The United Kingdom is positioned to become a pivotal player in the global Halal economy, leveraging its young and diverse Muslim community, rapid growth of ethically conscious consumers, and long-standing reputation for quality and innovation. However, progress is limited by the lack of a unified national strategy, resulting in a fragmented landscape that prevents the UK from fully achieving its potential as the top Western hub for Halal trade and thought leadership.



Paradoxical Position

Although UK is a World leader in high-value sectors like Islamic finance and modest fashion design, yet lacks cohesive national strategy for foundational Halal food sector.



Deep-Rooted Authenticity

Grassroots origins dating to 1950s community-led initiatives provide strong story of trust and authenticity.



Demographic Dividend

Young, tech-savvy, wealthy British Muslim demographic sets trends worldwide and drives future demand.



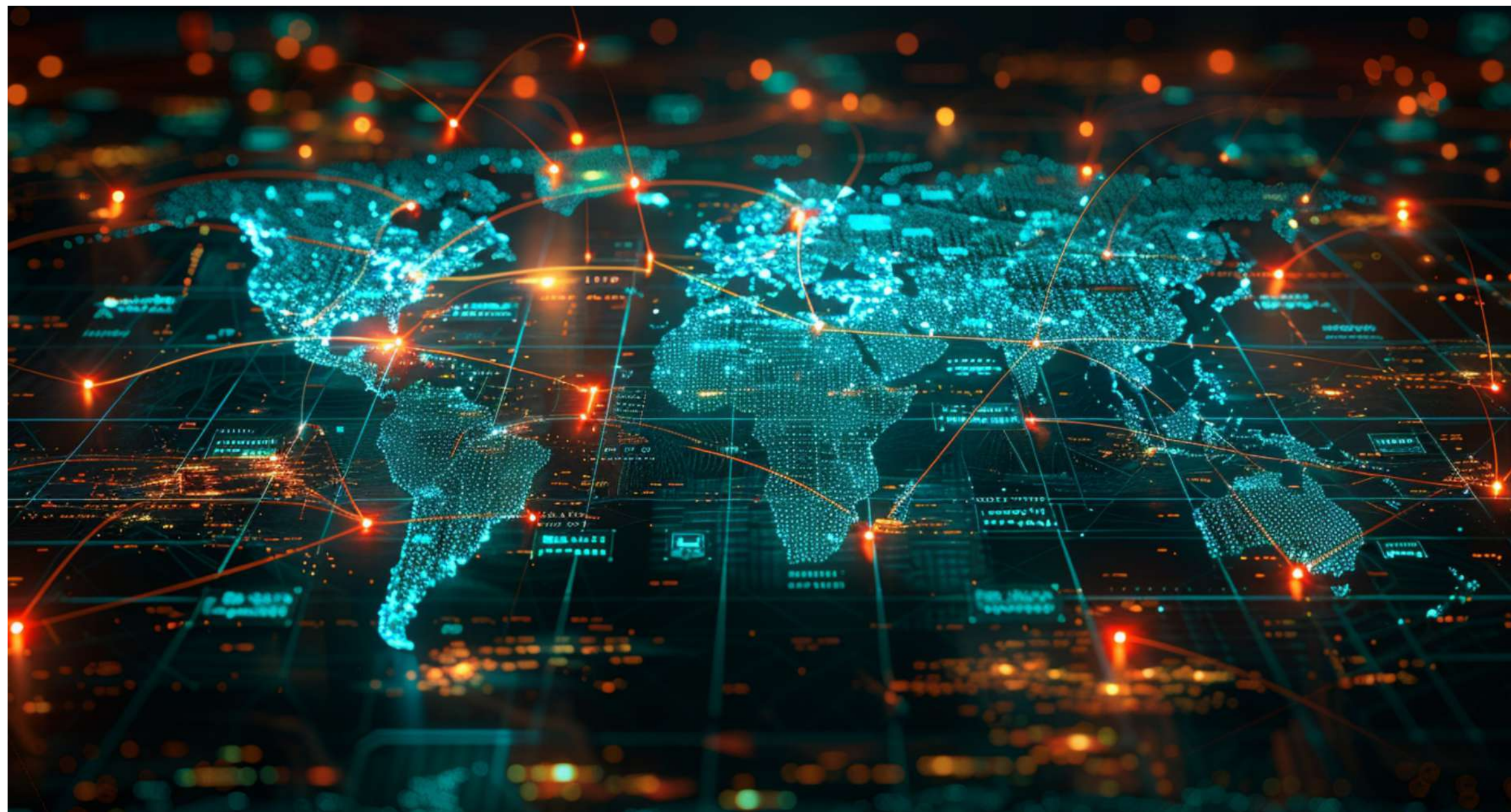
Sectoral Strengths & Weaknesses

The Halal food sector faces a **"certification trilemma"** that fragments the market.

The UK's Global Standing

The UK ranks **14th overall** in the Global Islamic Economy Indicator (GIEI), making it one of only two non-OIC countries in the top 15. This high ranking signals significant "soft power" advantage, with competitive edge in sophisticated ecosystem for creating high-value brands, services, and creative content.

The UK excels in lifestyle-focused sectors: ranking **2nd globally in Media & Recreation**, **6th in Modest Fashion**, and **8th in Pharmaceuticals & Cosmetics**. This consistent high performance indicates mature consumer base and developed industry infrastructure.



14

Overall GIEI Rank

2

Media & Recreation

6

Modest Fashion

8

Pharmaceuticals
& Cosmetics

Market Scale and Growth Trajectory

The UK Halal economy represents a substantial and rapidly expanding component of domestic economic landscape. While precise consolidated figures remain elusive, individual sector valuations point to a multi-billion-pound industry with considerable future growth potential.



\$ 89.5B

Halal Food Market 2024

Projected to reach \$193.5B
by 2033 at 8.94% CAGR



\$ 7.25B

Islamic Finance 2023

UK positioned as premier
Western hub



£ 12.5B

Modest Fashion 2025

Forecast value demonstrating
sector strength

The Demographic Engine


British Muslim Consumer

The **2021 Census** recorded **3.9 million Muslims in England and Wales, constituting 6.5% of the population.** Demographic projections suggest this figure could rise to **13 million by 2050.**

This community is notably youthful, with one in ten Gen Z consumers identifying as practising Muslim.

British Muslim consumer behaviour is characterised by higher-than-average expenditure in key areas. The average Halal shopper reports **weekly meat spend of £49.20**, more than double the UK average of **£19.46.**

The seasonal **“Ramadan Economy”** injects up to **£1.3 billion** into the UK annually through heightened spending on food for Iftar gatherings and Eid celebrations.



3.9M



6.5%



£49.20



£1.3B

Muslim Population

England and Wales 2021

Population Share

Growing rapidly

Weekly Meat Spend

Halal shoppers vs £19.46 UK average

Ramadan Economy Impact

Seasonal UK spending during Ramadan & Eid
Driven by Iftar gatherings and Eid celebrations
Up to £1.3 billion injected annually into the UK economy.

Historical Foundations

The UK Halal industry possesses uniquely authentic and grassroots heritage, born from entrepreneurial spirit of post-war migrant communities rather than top-down government strategy. This history provides powerful narrative of community-driven enterprise.

1

1950s - 1970s

Pioneering post-war migration. Early pioneers like **Haji Riaz Fazl Daad** arrived, supplying Halal meat by hiring slaughterhouse facilities and performing slaughter himself.

2

1980s - 1990s

First dedicated Halal butcher shops established. Product innovation with brands like **Kebabish** introducing chicken doner in 1983 and **Noon Products** founding in 1989.

3

2007-2008

Halal products first appeared on major UK retailer shelves. Launch of first dedicated **Ramadan and Eid promotional** event at UK retailer.

4

2020s

Digital transformation. Social media platforms empower new generation of **Halalpreneurs**. E-commerce democratises choice and lowers barriers to entry.

Halal Food & Beverages: The Cornerstone



The food and beverage sector forms the **bedrock of the UK Halal market**, representing its cultural and emotional heart. It is the most visible, everyday expression of **faith and identity** for millions of British Muslims and **primary entry point for non-Muslim consumers** drawn to quality and ethical production.

£ 1.43T

Global Muslim Food Spend 2023

Projected \$1.94T by 2028 at 6.2% CAGR

£ 1.7B

UK Meat & Poultry Sector

15% of UK's total £11B meat industry

£ 810M

Halal Sheep Market

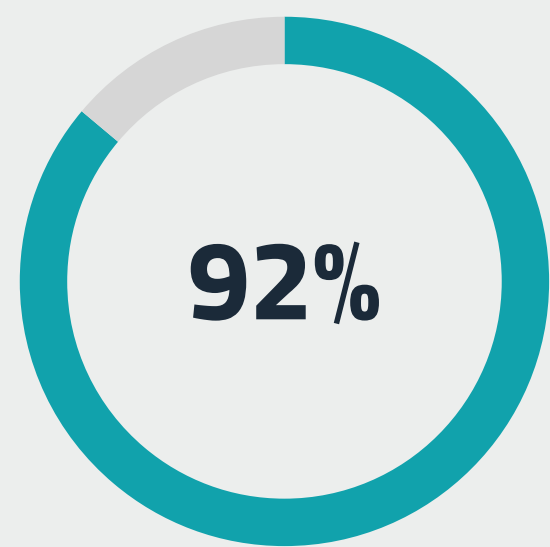
74% of entire sheep market value

Consumer Behavior and Trust

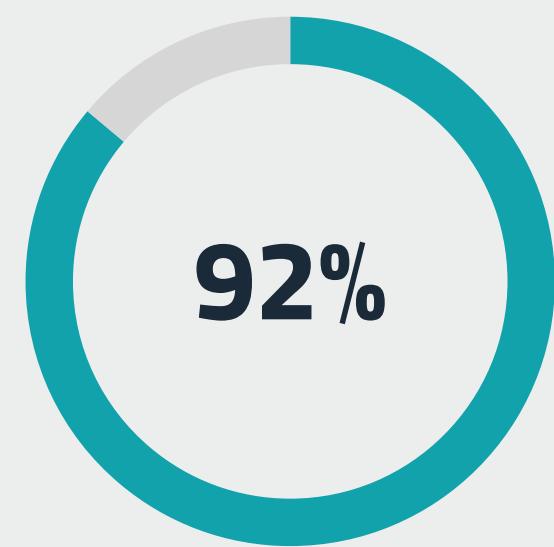
Purchasing Patterns

Research reveals **deep-seated concern for authenticity and community connection**. Specialist Halal butchers favoured by **57% of Muslim consumers**, while **48% shop at Halal counters in world food stores**. Pre-packed Halal meat from supermarkets purchased by only **35%**.

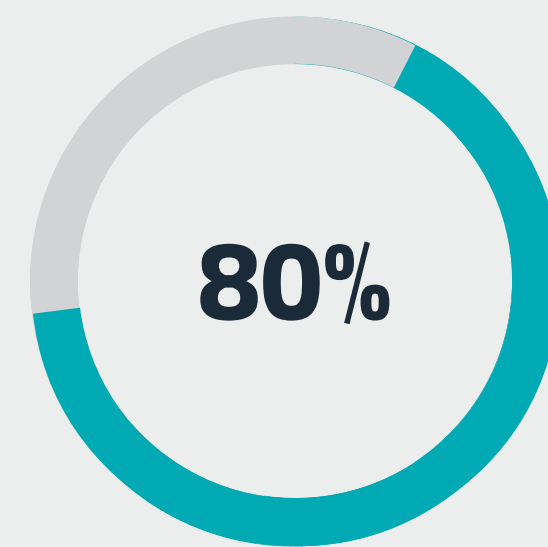
Lamb and poultry **primary proteins consumed**. Remarkable **80% of UK Muslims consume lamb weekly**, **92% consume chicken weekly**. Importance of Halal certification paramount, with **92% considering authentication crucial** when shopping.



Authentication Crucial



Weekly Chicken



Weekly Lamb



Business Landscape and Innovation

The UK Halal food market served by **dynamic ecosystem** of businesses evolved alongside customers. Established **heritage brands** built reputation on trust and consistency over decades, alongside new wave of **culinary innovators** catering to sophisticated tastes of younger generation.

Heritage Brands

Tariq Halal and **Shazans** recognised as most trusted brands. **Janan Meat Limited** key provider of British lamb and mutton.



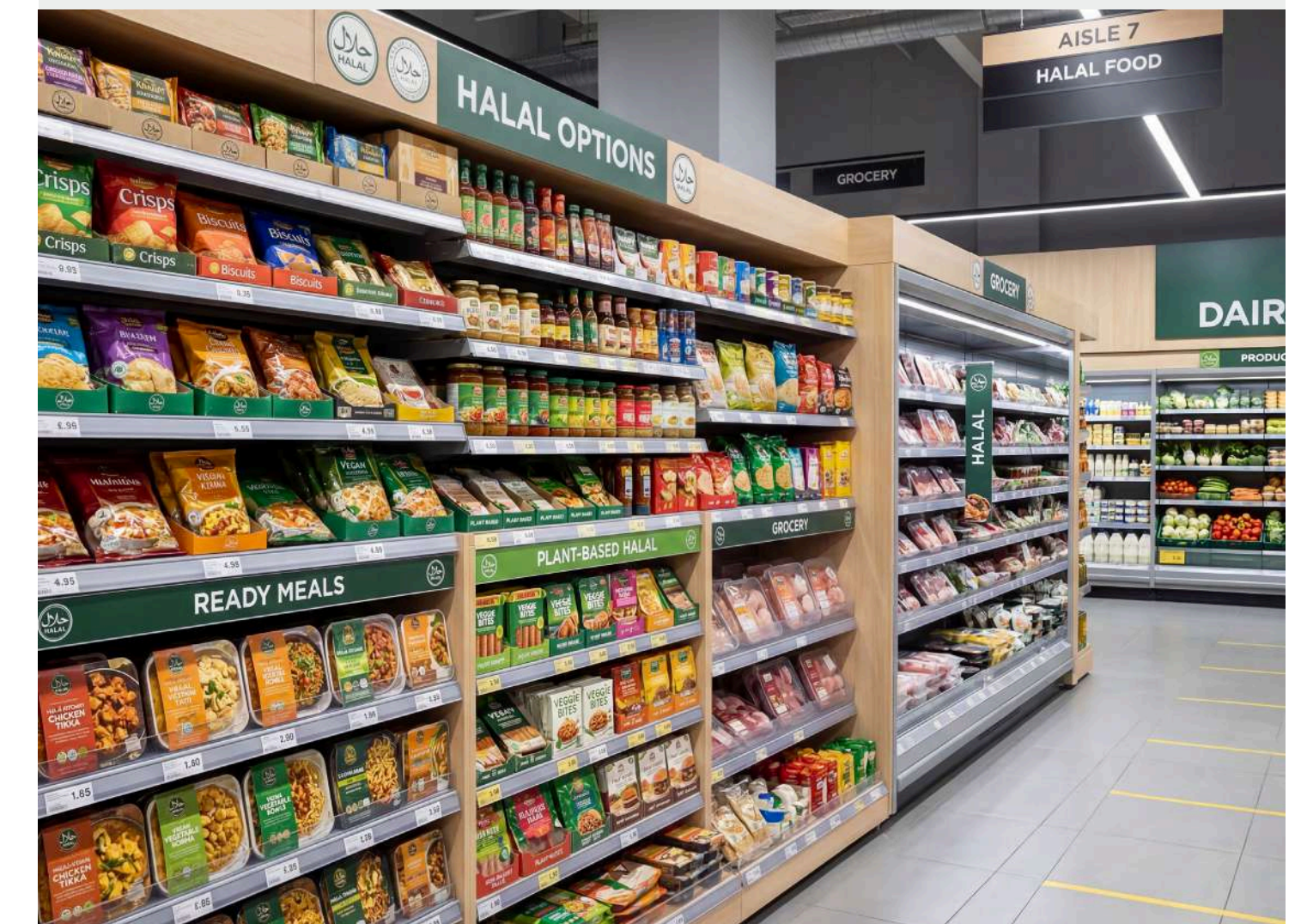
Culinary Innovators

Legends Burgers redefining Halal fast food with fusion flavours and gourmet plant-based options.



Product Diversity

From ready meals by **Spice Time** to growing availability of plant-based alternatives.



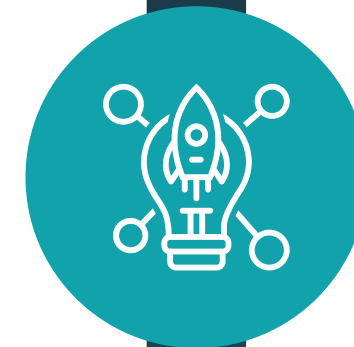
Strategic Pathways Forward

Despite promising growth, UK Halal economy faces persistent challenges requiring **coordinated action from industry, government, and civil society**. Strategic framework built on **four key pillars** to unlock full potential.



Establish Cohesive Governance

Create government-supported **UK Halal Economy Council** to unify standards and coordinate strategy.



Foster Enterprise Innovation

Launch targeted financial support for Halal SMEs and fund R&D in high-growth areas.



Drive Global Trade

Implement proactive export strategy and promote UK as top destination for FDI.



Develop People

Invest in skilled workforce and launch national campaign to shape positive perceptions.



Islamic Finance: The UK as a Premier Western Hub



A Deliberate Ascent to Global Leadership

The United Kingdom's position as the **premier Western hub for Islamic finance** was not an accident; it was the result of a **concerted, decades-long effort** to create a **welcoming and robust regulatory environment**.

\$4.93T

Global Assets 2023

Islamic finance assets valued at US\$4.93 trillion in 2023

\$7.53T

Projected 2028

Expected to reach US\$7.53 trillion by 2028

8.9%

Annual Growth

Robust CAGR of 8.9% projected

UK Market

Leadership and Growth

European Dominance

The UK commands an estimated **85% of all European Islamic banking assets** (excluding Turkey), and the London Stock Exchange holds around **35% of the global share of US dollar-denominated Sukuk** with approximately **\$80 billion outstanding**.

Market Expansion

The **UK Islamic Finance market** was valued at **USD 7.25 billion in 2023** and is projected to reach **USD 9.85 billion by 2033**, growing at a **CAGR of 3.11%**. **UK Islamic banking assets grew by 26% in 2023**, reaching **\$8.2 billion**, with projections to rise to **\$15 billion** in the medium term.



Anatomy of a Dynamic Market

The sector is anchored by established, fully **Shari'ah-compliant institutions** like **Gatehouse Bank**, **Al Rayan Bank**, and **the Bank of London** and **The Middle East (BLME)**, which provide a range of services from property finance to savings and wealth management.



Established Institutions

Many financial institutions provide Islamic finance products, including **five fully Shari'ah-compliant banks**.



Takaful Insurance

Developing market for **Islamic insurance products**.



Islamic Funds

Nest Shari'ah fund attracted over **£180 million by 2024**.

Fintech Innovation **Leading the Way**

The UK is a recognised leader in the **Global Islamic Fintech Index**, with a new generation of innovators **reshaping how financial services are delivered**. This fusion of **established banking integrity** with **disruptive technological innovation** defines the **UK's modern Islamic finance market**.

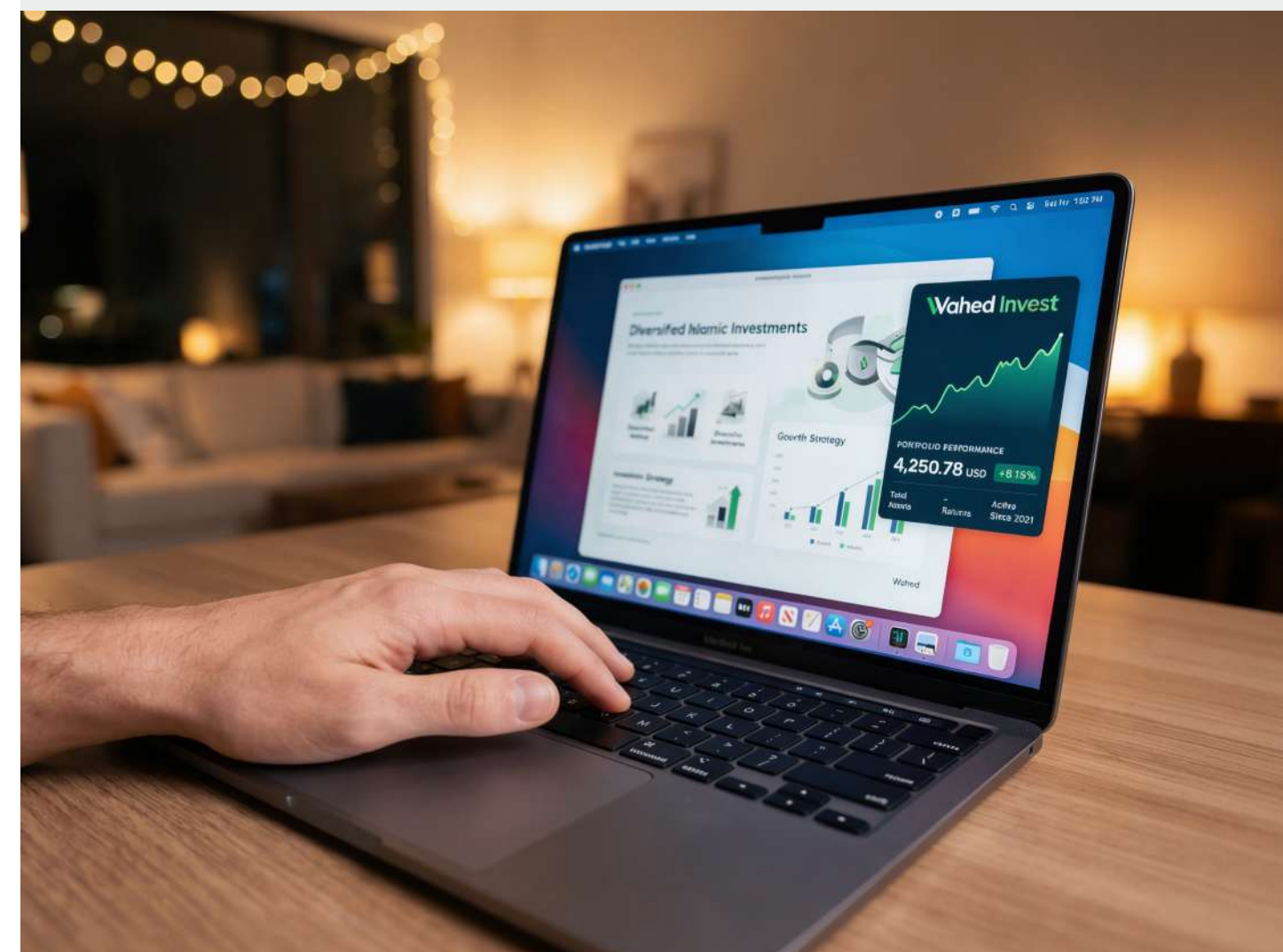
StrideUp

Islamic digital platform for **home finance**, named among **top 20 fastest-growing UK start-ups for 2025**.



Wahed Invest

Online **Halal investment platform** serving **global markets**.



Ayan Capital

Recently secured **£25 million in financing for expansion**.



Forces Shaping the Future

Despite promising growth, UK Halal economy faces persistent challenges requiring coordinated action from industry, government, and civil society. Strategic framework built on four key pillars to unlock full potential.



Fintech Innovation

Cross-border collaborations and new digital banking solutions driving relentless pace of innovation.



Green Finance

Alignment between Islamic finance and sustainable finance movement, with Gatehouse Bank's green home finance offerings



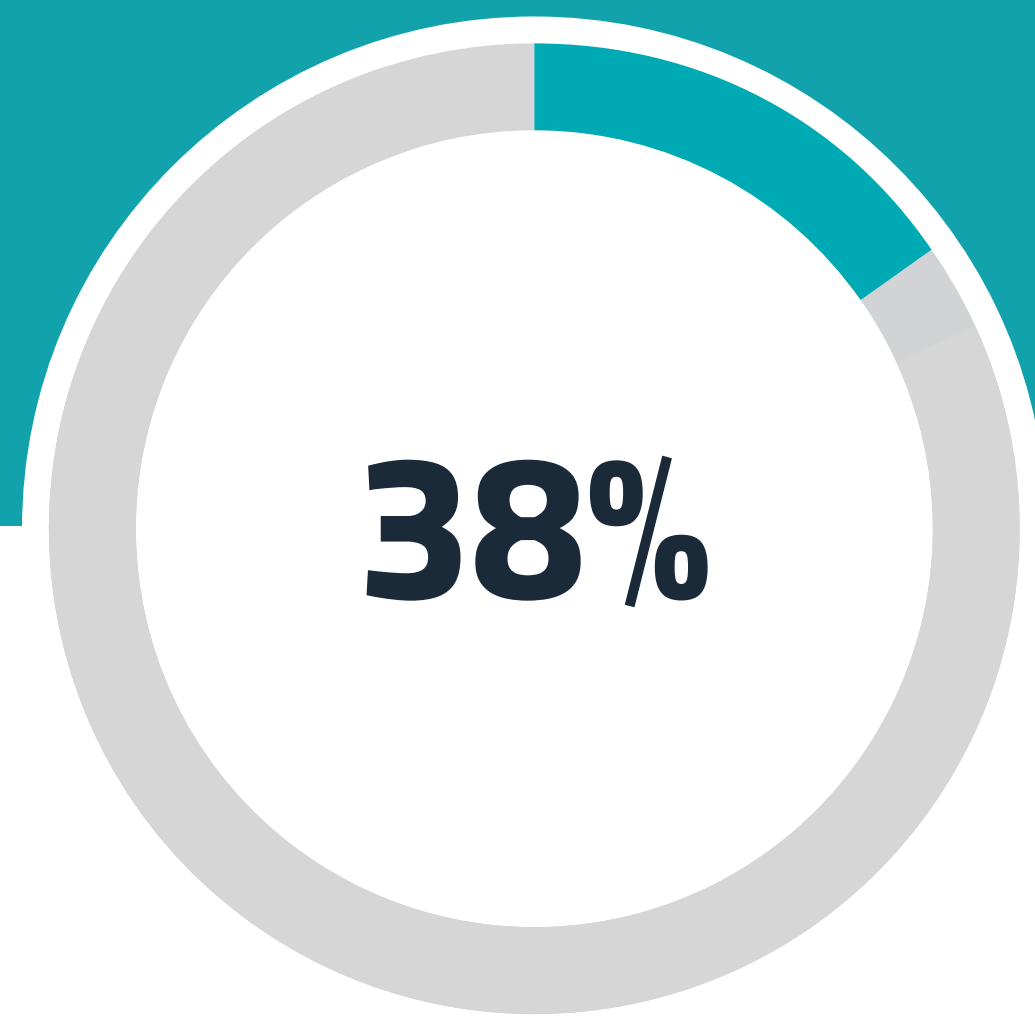
Generational Shift

Younger generation driving values-based finance adoption



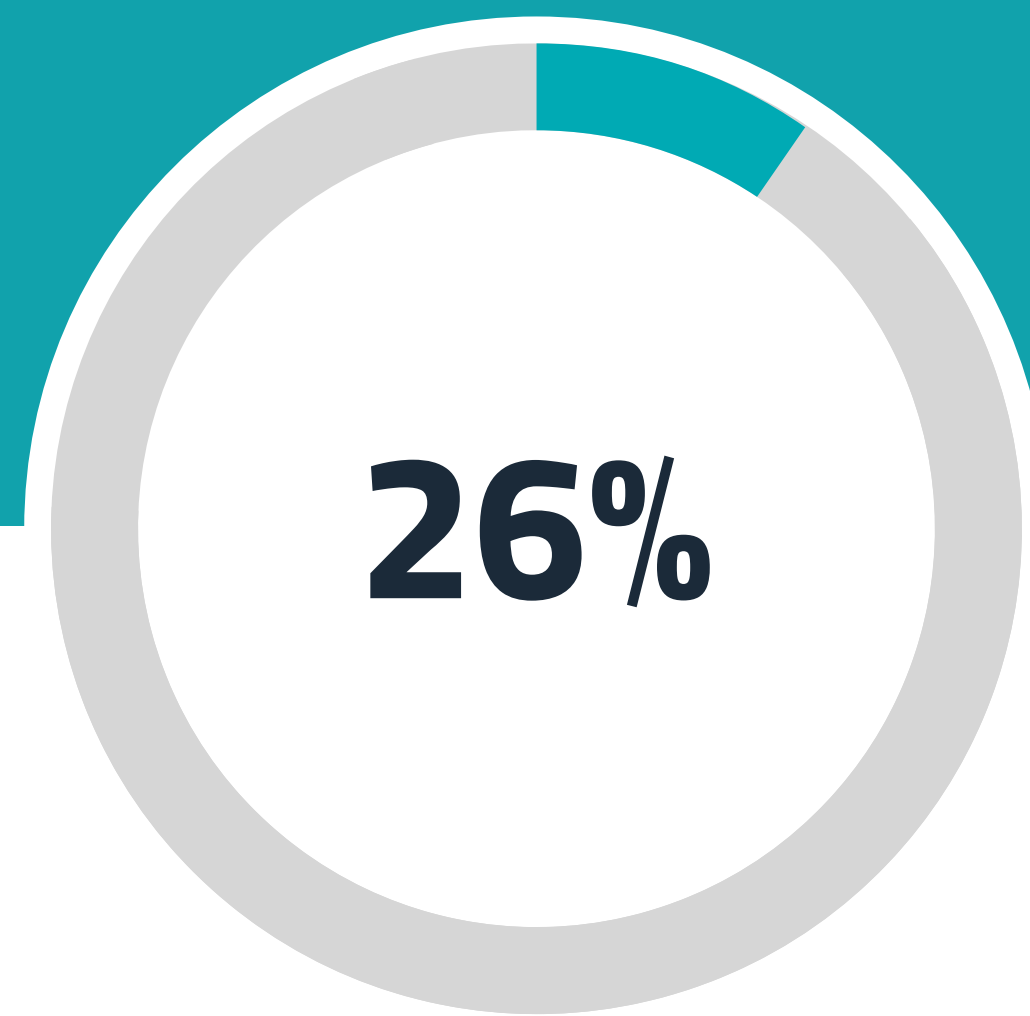
Generational Awareness Gap

The 2025 Gatehouse Bank Islamic and Ethical Finance Consumer Report highlights widespread awareness of Islamic finance across the UK population, but with a striking generational gap that reveals significant untapped market potential.



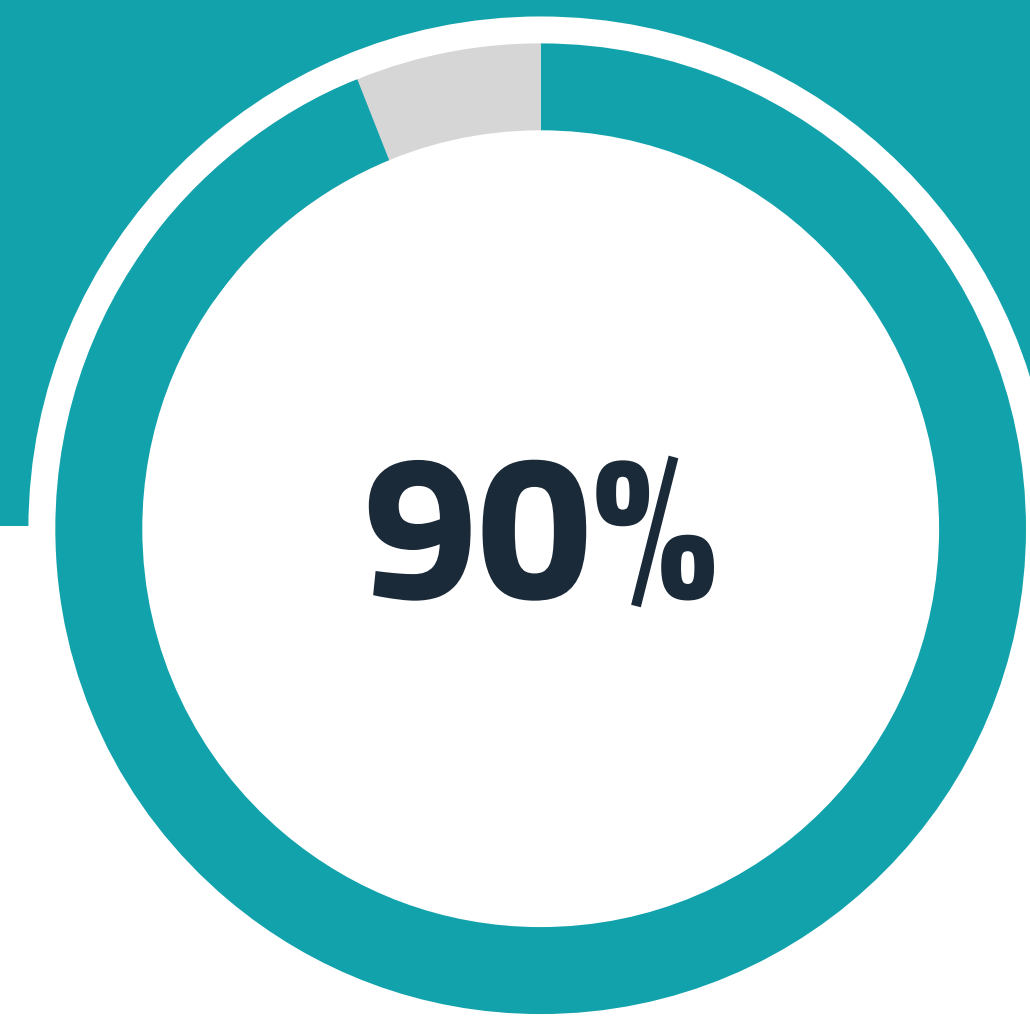
Aged 18-24

Familiar with Islamic finance



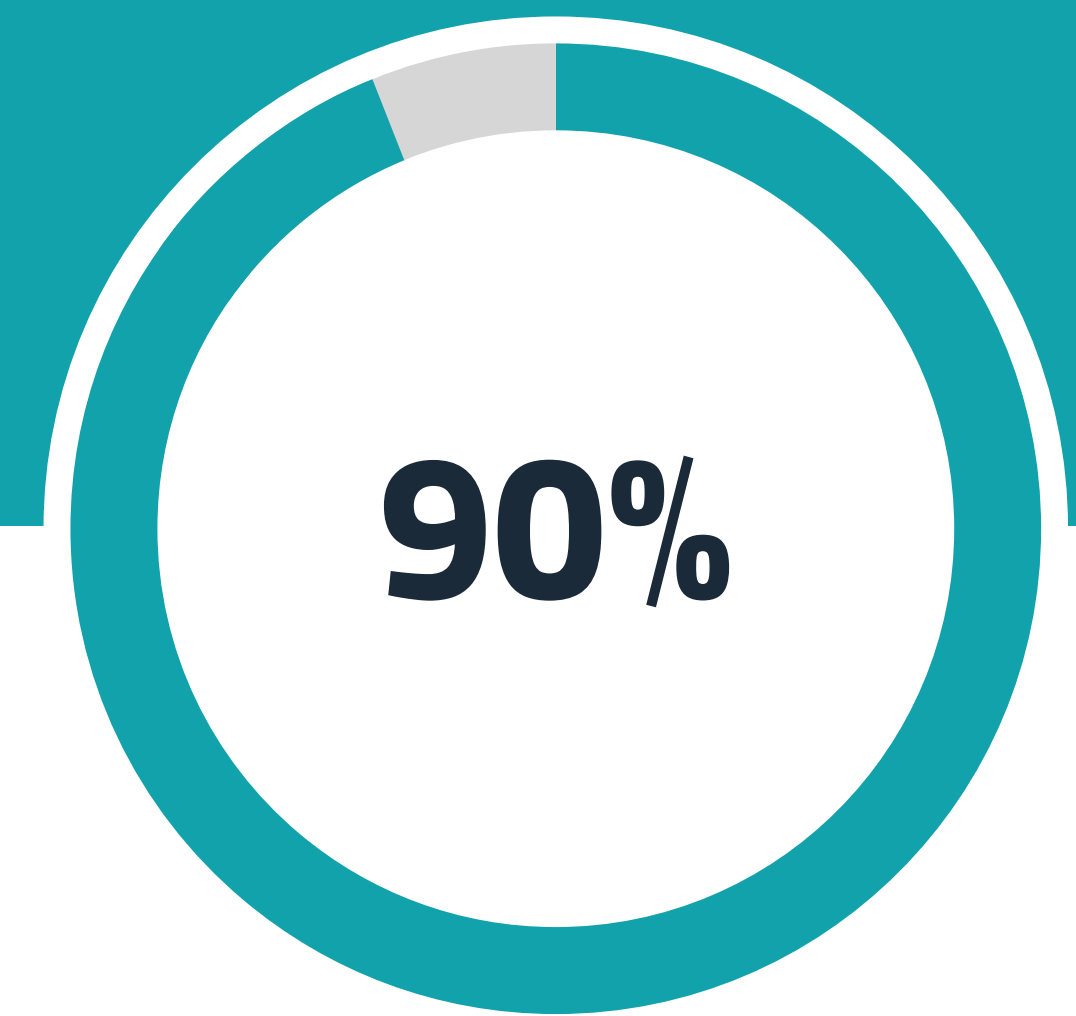
Aged 55+

Familiar with Islamic finance



Muslims

Reported awareness



Non-Muslims

Expressed willingness to switch

Strategic Pathways Forward

Despite promising growth, UK Halal economy faces persistent challenges requiring coordinated action from industry, government, and civil society. Strategic framework built on four key pillars to unlock full potential.



Government Action

Establish dedicated Islamic Finance Taskforce, actively promote UK as global hub, address regulatory friction points, expand Bank of England liquidity facilities.



Industry Campaign

Launch coordinated marketing and education campaign reframing Islamic finance as "ethical finance for all", targeting younger values-driven consumers.



Global Collaboration

Support UK fintech firms to pursue global partnerships, cementing position as world's leading hub for Islamic finance innovation.



Halal Pharmaceuticals & Nutraceuticals



The Halal pharmaceuticals and nutraceuticals sector represents a deeply personal intersection of **faith, ethics, and modern science**. It is an **emerging pillar of the UK Halal economy**, driven by a **non-negotiable demand** for products that are not only effective but also **pure in their composition and provenance**.

\$107B

Global 2023

Muslim spending on pharmaceuticals worldwide

\$149B

Projected 2028

Expected growth at **6.8% CAGR**

7.6%

UK Growth

Halal nutraceuticals **CAGR 2025-2032**

Halal Cosmetics & Modest Fashion

Halal Cosmetics

Muslim spending reached **USD 87 billion in 2023**, projected to reach **USD 118 billion by 2028** at **6.3% CAGR**. UK brands like PHB Ethical Beauty lead with **100% natural, vegan, and Halal-certified products**.

Modest Fashion

Global Muslim spending reached **US\$327 billion in 2023**, projected to grow to **US\$433 billion by 2028** at **5.8% CAGR**. UK market valued at **£12.5 billion in 2025**, with brands like Aab Collection and Inayah leading innovation.



Halal-Friendly Tourism: Tapping into the Faith-Conscious Traveller

Travel is one of the most personal and aspirational of human experiences. For the faith-conscious individual, it must align with core values, transforming a simple holiday into a journey that is both enriching and spiritually comfortable. Halal-friendly tourism is the global response to this deeply felt need, and it has become one of the fastest-growing and most lucrative segments of the international travel industry.



A Global Journey with Local Potential

The economic scale of **Halal-friendly tourism** is immense. **Global Muslim spending on travel** reached **US\$217 billion in 2023** and is on a steep upward trajectory, projected to surge to **US\$384 billion by 2028**, at a remarkable **CAGR of 12.1%**.

\$217B

2023 Spending

Global Muslim travel
expenditure

\$384B

2028 Projection

Expected growth at
12.1% CAGR

245M

2030 Arrivals

International Muslim
travellers

The 2025 Mastercard-CrescentRating Global Muslim Travel Index projects that international Muslim arrivals will rise **from 176 million in 2024 to 245 million by 2030**, with traveller expenditure reaching USD 235 billion in the same year.



The UK's Growing Market

The UK is already a **significant player** in this space. The **domestic religious tourism market**, which encompasses Halal travel, generated an estimated **USD 21.0 billion in revenue in 2024** and is forecast to more than double to **USD 47.4 billion by 2030**, growing at a **CAGR of 14.9% from 2025 to 2030**.

In 2024, the UK accounted for **7.3% of the global religious tourism market**. Crucially, Islam is identified as **the fastest-growing segment** within this market.

A notable trend is the rise of the "**staycation**", with a growing number of **British Muslim families exploring the UK's own rich landscapes**, from the **Lake District** to the **Cotswolds**, creating a powerful **internal engine for growth**.

Key Growth Driver

The increasing preference among British Muslim families for domestic holidays presents a significant and stable market for UK destinations.

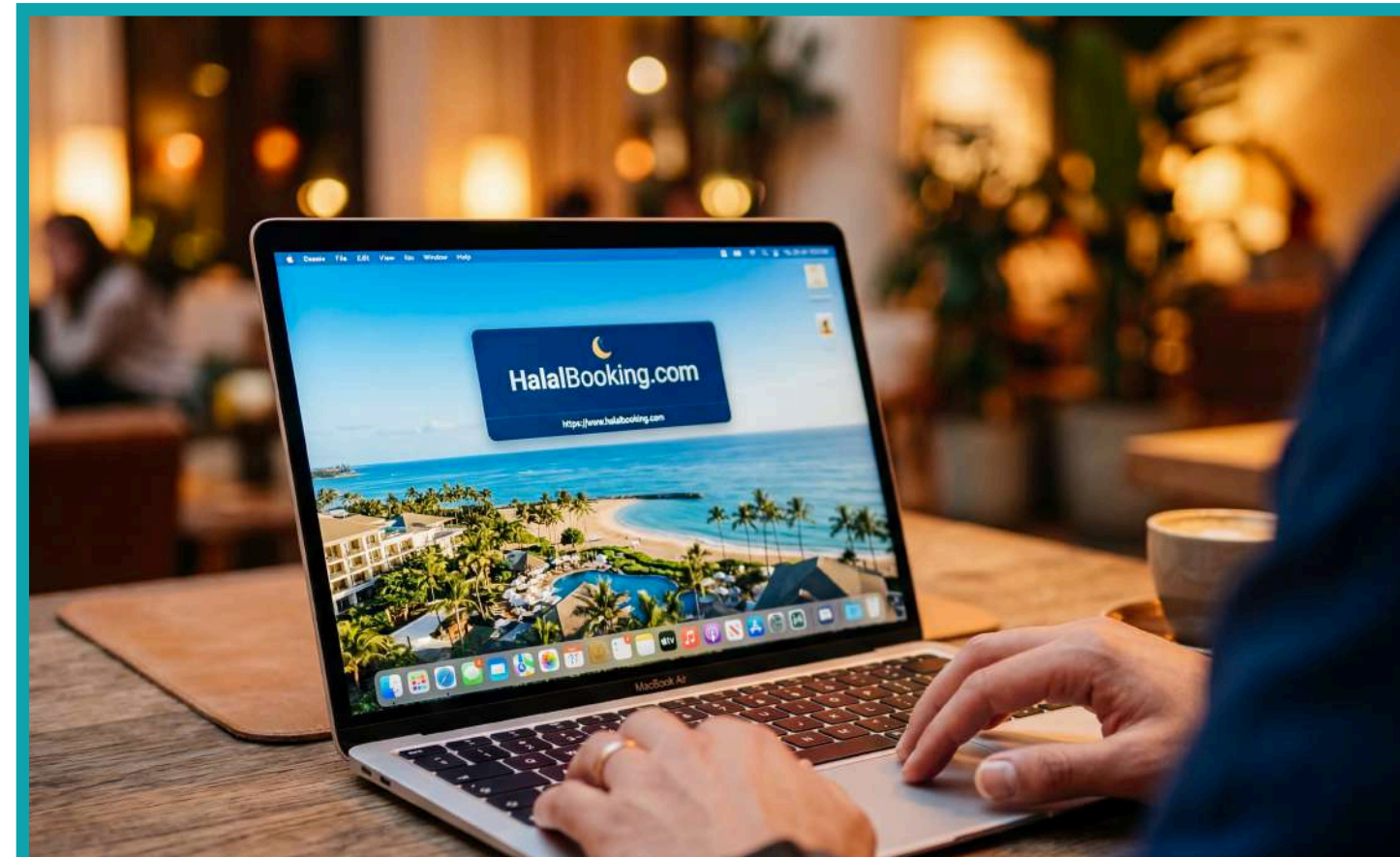
The UK's Offer: Heritage, Hospitality, and Hubs

The United Kingdom's appeal to the **Muslim traveller** is built on a strong foundation. Its major cities are multicultural hubs offering a wide variety of **Halal food options and accessible prayer facilities**, from the iconic **London Central Mosque** to community mosques across the country. This is layered upon a **world-class tourism offering of historic landmarks, museums, and stunning countryside**.



London Central Mosque

Iconic prayer facility serving as a landmark for Muslim travellers.



HalalBooking.com

World's leading online platform for Halal-conscious travellers, headquartered in the UK.



Halal Tourism Britain

Pioneering tour operator developing curated experiences of Britain's Muslim heritage.

The UK serves as the global headquarters for **HalalBooking.com**, the world's leading online platform for Halal-conscious travellers, serving over 2 million customers worldwide. This positions the UK not just as a destination, but as a central hub for the technology and innovation driving the global sector.

Strategic Pathways: From Potential to Premier Destination

Despite **clear economic potential**, there is **insufficient targeted marketing** from **national and local tourism boards** to actively attract and welcome this **valuable demographic**. Many travellers are left to rely on **word-of-mouth** or **specialist platforms**, leaving a **significant promotional gap** in the market.



KEY CHALLENGES

- Patchwork of provision and inconsistent services.
- Limited awareness and infrastructure.
- Insufficient targeted marketing.

EMERGING OPPORTUNITIES

- Britain's hidden Muslim heritage narrative.
- Resilient domestic staycation market.
- UK as global Halal travel tech hub.

STRATEGIC RECOMMENDATIONS

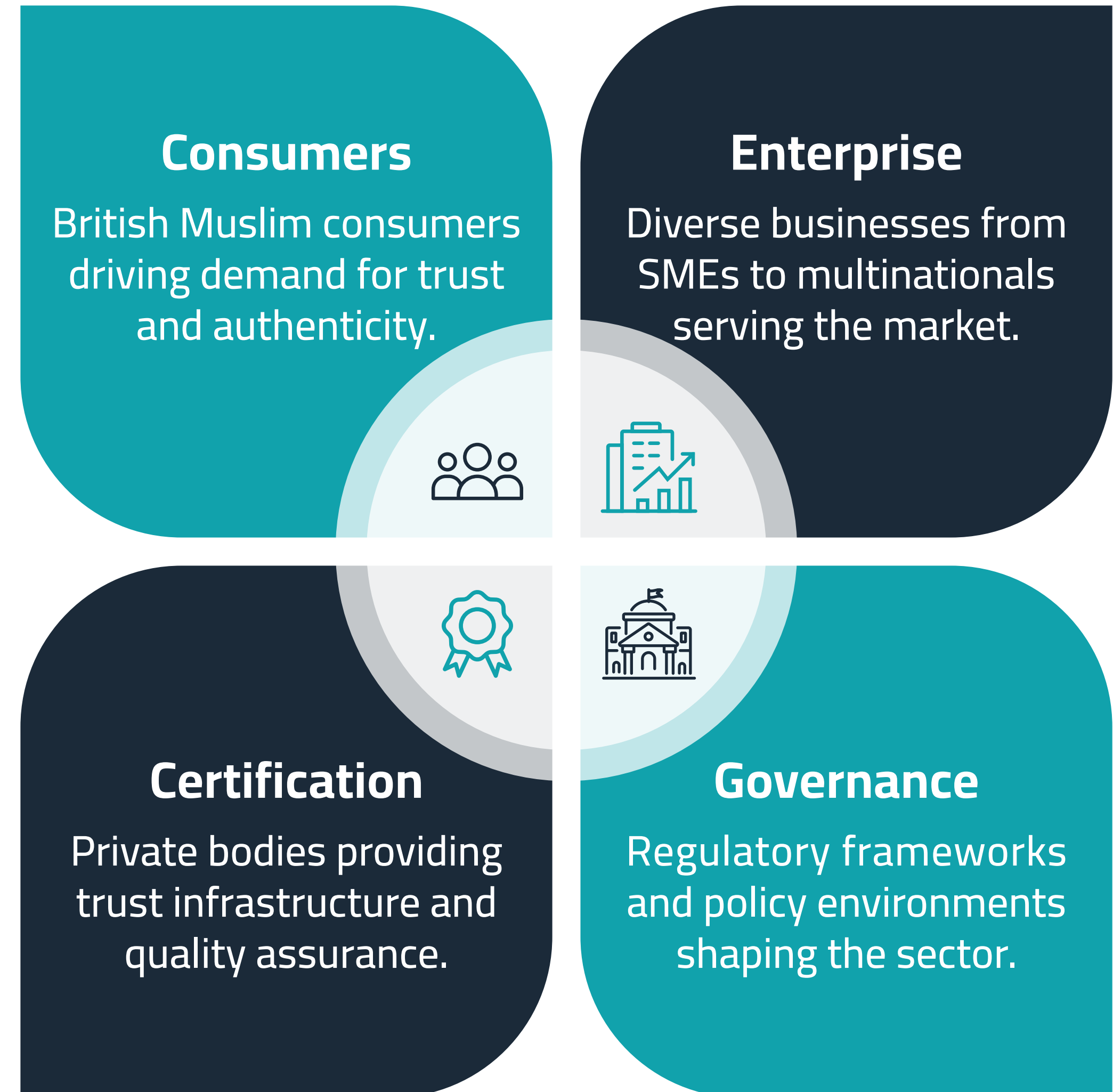
- National Muslim Heritage Trail.
- Muslim-Friendly accreditation scheme.
- Partnerships with global platforms.



The UK Halal Ecosystem: A Web of Stakeholders, Standards, and Public Perception

To fully grasp the dynamics of the UK Halal economy, it must be understood not merely as a collection of market sectors, but as a living ecosystem.

This ecosystem is shaped by the complex interplay between its core participants, the regulatory frameworks that govern it, the private infrastructure that underpins its integrity, and the often-contentious public discourse that surrounds it.



The Core Dynamic: Consumers and Enterprise

The Consumer Core

The primary driver is the British Muslim consumer, a growing, youthful, and economically influential demographic. Their purchasing decisions are governed by a deep-seated demand for trust and authenticity.

This is most evident in the food sector, where **57% of consumers favour specialist Halal butchers** over supermarkets (35%), reflecting a belief in the superior integrity offered by independent, community-focused outlets.

The importance of formal assurance is paramount, with **92% of Halal consumers** stating that authenticity is a crucial criterion when shopping.

The Enterprise Engine

The business landscape is a diverse spectrum, from the family-run SMEs that form the industry's backbone to major multinational corporations.

Key UK-based players have established strong brand recognition, including **Tariq Halal** and **Shazans** in food, **Aab Collection** in modest fashion, and **PHB Ethical Beauty** in cosmetics.

The Islamic finance sector is populated by dedicated institutions like **Gatehouse Bank** and a vibrant fintech scene featuring innovators such as **StrideUp**.

The Governance Framework:

A Tale of Two Policies

The UK government's engagement with the Halal economy is characterised by a notable fragmentation and, at times, a deep-seated contradiction. This creates a dual-track policy environment that simultaneously enables and constrains the market.



REACTIVE FOOD

DEFRA and prevailing parliamentary discourse often frame the **Halal food sector** through a **narrow and contentious lens** of animal welfare, treating it as **a problem to be managed rather than a strategic economic asset**.



PROACTIVE FINANCE

Treasury and FCA have cultivated a world-leading, supportive regulatory environment for Islamic finance, enabling **London to become the premier Western hub** for the sector.

THE PARADOX

While the Treasury and FCA have proactively cultivated a world-leading regulatory environment for Islamic finance, departments like **DEFRA** frame the Halal food sector through a narrow lens of animal welfare, creating an unstable and uncertain environment for businesses and investors.

The Infrastructure of Trust: The Certification Trilemma

In the absence of a single, state-led standard, the critical role of guaranteeing Halal integrity falls to a diverse landscape of private certification bodies. Organisations like the Halal Monitoring Committee (HMC) and the Halal Food Authority (HFA) form the essential "trust infrastructure" for the consumer.



Strict Theological Authenticity

Embodied by bodies like HMC, which generally prohibits stunning. This standard commands high trust among a core segment of consumers but can limit supply chain options.



Global Market Access

Represented by bodies like HFA, which accepts reversible stunning. This pragmatic approach aligns with standards in key export markets like Malaysia and the UAE, facilitating international trade.



Mainstream Retail Scalability

The need for large, consistent supply chains to service major supermarkets often favours the flexibility and volume offered by stun-inclusive standards.

The lack of a national framework means no single certifier can optimally satisfy all three demands simultaneously. This perpetuates market fragmentation, creates complexity for businesses, and ultimately fuels consumer confusion, representing one of the most significant systemic weaknesses in the UK Halal ecosystem.

A Strategic Blueprint for the UK Halal Economy

The 2035 Vision

For the United Kingdom to be the undisputed Western hub for the global Halal economy, it must be seen as a world leader in Halal innovation, ethical finance, and high-quality, trusted Halal goods and services.

This vision is based on a strong demographic and economic imperative. The UK's Muslim population is projected to rise **from nearly 4 million to** as many as **13 million by 2050**. This increase creates more than just a bigger consumer base; it forms a significant demographic advantage. The British Muslim community is young, tech-savvy, and economically influential, with **one in ten Gen Z consumers** in the UK identifying as a practicing Muslim.

1

Establish Cohesive Governance and Standards

Create a UK Halal Economy Council and develop a voluntary National Accreditation Framework.

2

Foster Enterprise and Innovation

Offer certification grants and enhance access to Shariāh-compliant start-up finance.

3

Drive Global Trade and Investment

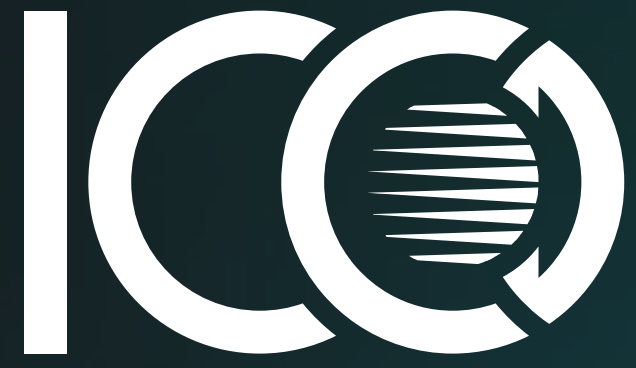
Adopt proactive export strategy prioritising Halal market access in trade negotiations.

4

Develop People and Shape Perceptions

Launch national public awareness campaign to reframe the Halal narrative.

The long-term economic benefit is significant. Based on current market values, the Halal food market is projected to reach **USD 193.47 billion by 2033**. It is entirely possible that the integrated Halal ecosystem will become an important part of the UK's GDP, contributing tens of billions of pounds each year in the coming decades.



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THANK YOU

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