Q1: TITLE OF CASE STORY

Say cheese: halal certification helps Egyptian dairy group quadruple sales to Malaysia, find new markets

Q2: CASE STORY ABSTRACT

Egyptian food is by definition halal. However, lacking halal certification has up till now prevented Egyptian food from being exported to countries with strict halal certification requirements. ITC through its Enhancing Arab Capacity for Trade (EnACT) programme, funded by the Government of Canada, has helped many Egyptian food companies acquire the required knowledge to obtain the certificates needed to export Halal products to Malaysia. As a result, the number of halal-certified companies more than doubled from 21 to 52 and the presence of the Egyptian food-processing sector in the Malaysian market has increased by 30%.

In its comprehensive approach to support the growth of Egyptian exporting sectors ITC also assisted Egypt in identifying burdensome non-tariff measures faced by the country's exporters and importers, developing an electronic-commerce strategy and enhancing the competency of a network of trade support institutions in logistics and export quality management.

Q3: LONG DESCRIPTION OF THE CASE STORY

Mohamed Abd El-Wahab had never given a passing thought to halal certification.

'I have worked in the food industry all my life. In Egypt nobody is interested in halal certificates,' said Abd El-Wahab, Export Manager of the Greenland Group for Food Industries. 'Egyptian food is by definition halal.' That was two years ago. Since Abd El-Wahab's participation in the International Trade Centre's (ITC) Enhancing Arab Capacity for Trade (EnACT) programme, funded by the Government of Canada, Greenland has quadrupled its sales to Malaysia, a country that operates one of the strictest halal labelling schemes in the world. It has also found several new markets, including Azerbaijan, Indonesia and Singapore. Sales of halal-labelled products now make up a quarter of the exports of Greenland, which is Egypt's largest dairy company. 'This growth is all thanks to certification,' Abd El-Wahab said.

'Once producers are certified, halal labelling turns from a technical obstacle to a trade enhancer,' said Sadiq Syed, ITC's focal point on the halal sector.

ITC and its Egyptian counterparts identified Malaysia as a beachhead in the Asian market for Egypt's processed food exports because of its transparent and rigorous halal labelling and certification regime, which is recognized in many other countries, Syed said.

Egypt had traditionally exported halal products to North American and European markets, which – while growing – are much smaller than markets in South Asia, Southeast Asia and the Middle East. It is estimated that there are over 1.7 billion customers for halal products worldwide, an increasing number of them middle class with growing purchasing power. Yet Egyptian exporters have secured only a small share of the Asian halal market so far, due in part to a lack of halal certification, branding and packaging.

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The Egyptian food-processing sector strengthened its presence in the Malaysian market following the ITC project, increasing exports by 30% since 2011, according to figures from the country's Food Export Council. 'This is just the start,' said Manal Karim, the Food Export Council's Executive Director. 'We expect that an increasing number of food processers will succeed in the market in Malaysia and the wider region following halal certification.'

Halal certification to the fore

As part of the project, a new halal unit was established at the Egyptian Organization for Standardization and Quality Control, supporting the development of an increased halal-certified export base. The number of halal-certified companies more than doubled from 21 to 52.

In October 2012, ITC brought together over 120 food-processing companies at the Cairo Halal Forum and invited specialists from Malaysia and Turkey to share best practices in audit and certification processes. Halal dietary guidelines are not limited to meat products, but also include other processed foods such as confections, snacks, beverages and chocolates, which could contain non-halal ingredients like pork-based gelatin. The use of alcohol during the production process also renders products non-halal.

'Certifying and branding their products as halal is an important marketing tool and enables Egyptian companies to capture new markets,' said ITC's Syed.

Seven of the enterprises participated in a study tour to Malaysia, where they visited food-processing companies and met with potential clients. Several companies, like Greenland, were able to address issues with labelling, production, storage and distribution that were limiting their sales to Malaysia, and they have subsequently seen their exports grow.

In its comprehensive approach to support the growth of Egyptian exporting sectors ITC's EnACT programme also assisted Egypt in identifying burdensome non-tariff measures faced by the country's exporters and importers, developing an electronic-commerce strategy and enhancing the competency of a network of trade support institutions in logistics and export quality management.

Building on the success of the Egyptian project, ITC's new Export Development for Employment Creation programme, also financed by Canada, is exploring sales opportunities for halal exporters from Morocco. ITC facilitated the conclusion of a cooperation agreement between the Moroccan Exporters Association and the SME Association Malaysia to promote trade between the two countries.

'Malaysia could be a platform for Moroccan products in ASEAN,' said Mohammed Essaber, who heads the Export Support Division at Morocco's Ministry of Foreign Trade. As part of the project, earlier this year Moroccan food exporters participated for the first time in the Malaysia International Halal Showcase (MIHAS), one of the largest international halal food fairs.

On the ground work is being done in Morocco to prepare companies to meet Halal standards and explore new export markets. Capacities of Moroccan institutions are being built to support the development of the sector and public private forums organized. An early result of ITC's work in Morocco reflects in the recognition of IMANOR (Institution Marocain de Normalisation) standards by JAKIM Malaysia in January 2015.

Q4: Please add here web links to project/programme materials.   *Respondent skipped this question*

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Q5: YOUR CONTACT DETAILS

Name:	Sadiq Kazi Syed
Ministry/Institution/Organization:	International Trade Centre
Country:	Switzerland
Email Address:	syed@intracen.org

Q6: FUNCTION	Public sector
Q7: FUNDING PARTNER Tick the appropriate box(es)	Multilateral organization
Q8: Additional information	*Respondent skipped this question*
Q9: START DATE OF PROJECT/PROGRAMME	2010
Q10: STATUS OF PROJECT/PROGRAMME	Fully implemented
Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME	1-3 years
Q12: COST OF PROJECT/PROGRAMME	Between US$0.5 million and US$1 million
Q13: Additional information	*Respondent skipped this question*
Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME	Grant

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Q15: PROJECT/PROGRAMME TYPE	Multi-country (i.e. 2 or more countries)

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Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	*Respondent skipped this question*

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Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)	*Respondent skipped this question*

PAGE 9: C.2) ABOUT THE CASE STORY

Q18: MULTI-COUNTRY(Enter all countries or customs territories)

Arab Region (MENA)
Algeria, Egypt , Morocco, Tunisia, Jordan
Malaysia

PAGE 10: C.4) ABOUT THE CASE STORY

Q19: CASE STORY FOCUSTick the appropriate box(es)	Support for compliance with non-tariff measures (including standards)

PAGE 11: C.5) ABOUT THE CASE STORY

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)	Successful

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Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Officials trained, New conformity assessment procedures or processes , New animal health measures or processes, New food safety measures or processes, New quality assurance procedures or processes
Q22: Additional information(maximum 300 words)	*Respondent skipped this question*

PAGE 13: C.7) ABOUT THE CASE STORY

Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMMETick the appropriate box(es)	Reduction in customs clearance time, Reduction in other border agency clearance time, Reduction in customs rejections, Increase in merchandise exports, Increase in shipping volumes, New company registrations
Q24: Additional information(maximum 300 words)	*Respondent skipped this question*

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Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMMETick the appropriate box(es)	Increase in domestic investment, Increase in employment, Increase in women's employment, Export market diversification, Reduction in incidence of absolute poverty
Q26: Additional information(maximum 300 words)	*Respondent skipped this question*

PAGE 15: C.9) ABOUT THE CASE STORY

Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of alignment with national priorities, Importance of engagement by private sector, Importance of political will and commitment by project partner
Q28: Additional information(maximum 300 words)	*Respondent skipped this question*
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	M&E framework used, Project baselines set, Joint ex post evaluation conducted with partner