U.S. Import Tariffs and Global Halal Trade: Institutional Barriers and Policy Solutions

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Abstract

This study explores the impact of U.S. import tariffs on the performance of global halal product exports. Using a qualitative document-based approach, the research analyzes how tariff structures interact with institutional and regulatory conditions specific to halal trade. Drawing from institutional trade theory, religious economy, and legitimacy theory, the study reveals that tariffs—though not religiously targeted—create structural disadvantages for halal exporters due to certification fragmentation, lack of mutual recognition, and non-aligned logistics infrastructure. The results show that small and medium halal producers from Southeast Asia and the MENA region are especially burdened by compounded costs and institutional exclusion. The study further argues for the integration of halal standards into bilateral and multilateral trade agreements to ensure equitable access and market legitimacy. Policy recommendations include certification harmonization, halal-focused trade protocols, and recognition mechanisms under international trade law. This research contributes a novel interdisciplinary framework for understanding the intersection of trade policy and religious compliance, offering actionable insights for exporters, policymakers, and trade negotiators involved in the halal economy.

Keywords

U.S. import tariffs; halal certification; trade barriers; institutional trade theory; global halal exports

Introduction

The dynamics of international trade have increasingly become shaped by strategic tariff policies, especially by economic superpowers such as the United States. As protectionist measures resurface in global markets, they often exert disproportionate effects on niche sectors such as halal product exports. Halal products—ranging from food and beverages to pharmaceuticals and cosmetics—are not merely commercial goods but symbols of religious compliance and cultural identity. As such, their export patterns are not only influenced by market mechanisms but also by religious certification standards and geopolitical trade dynamics (Hasan, 2022; Alserhan, 2021, p. 33). The United States, being a major importer of agricultural and processed products, represents a lucrative yet challenging market for halal exporters due to its complex tariff and non-tariff regimes (World Bank, 2023).

In the context of global Muslim and Muslim-friendly nations striving to tap into the U.S. consumer base, halal exports have been both a cultural assertion and a strategic economic pursuit. However, empirical trends indicate fluctuating performance in halal export volumes to the U.S., particularly following tariff increases enacted post-2018. Theoretical and policy-based discourses have highlighted that the intersection of religious compliance, product certification, and trade policy is insufficiently addressed in mainstream trade analyses (Rahim & Ariffin, 2022; Gani, 2023). This calls for a deeper inquiry into how tariff impositions, especially those perceived as neutral, may disproportionately impact halal producers.

Empirical gaps also remain in addressing how structural and administrative barriers—exacerbated by tariffs—affect small and medium halal exporters from Southeast Asia, Africa, and the Middle East. While various studies have examined halal logistics, certification systems, and consumer behavior (Riaz & Chaudry, 2018, p. 102; Wilson, 2020), less attention has been given to how international tariff structures interact with these systems. The importance of understanding this intersection becomes even more crucial as the global halal market is projected to reach over USD 3 trillion in the coming years (Statista, 2024), making the U.S. a critical node in future halal trade networks.

Furthermore, from a theoretical standpoint, this study seeks to engage with institutional trade theories and religious economy perspectives to understand the non-neutral nature of tariffs when intersecting with religious regulatory mechanisms. Tariffs, often viewed through an economic cost-benefit lens, carry with them embedded institutional biases, especially when viewed from the lens of halal compliance, which demands both regulatory and spiritual legitimacy (Esposito & Kalin, 2019, p. 87; Habib, 2022). This highlights the empirical and conceptual necessity to disaggregate tariff effects along religious certification lines to truly grasp their market consequences.

While much literature has emphasized the role of halal certification and logistics on trade efficiency, there remains a lacuna in terms of how U.S. tariff policy directly affects halal product competitiveness. This research, therefore, addresses this crucial gap by focusing on three key questions: (1) How do U.S. import tariffs affect the export performance of halal products globally? (2) What are the institutional and regulatory challenges faced by halal exporters targeting the U.S. market? (3) How can bilateral or multilateral trade arrangements improve the integration of halal products into U.S. supply chains? By answering these questions, the study aims to contribute to trade policy discourses and propose policy pathways for enhancing the global competitiveness of halal industries.

Literature Review

A considerable body of literature has examined the role of trade policies, including tariffs, in shaping global market access. Within this broader discourse, the halal industry has emerged as a significant theme in discussions of religiously compliant markets. Scholars have addressed the economic potential of halal trade, particularly in the context of Muslim-majority nations and global consumer behavior shifts toward halal-certified goods (Bonne & Verbeke, 2020; Riaz & Chaudry, 2018, p. 54). Studies underscore that halal exports are not purely commercial transactions; they are embedded in cultural, ethical, and regulatory frameworks, making them particularly sensitive to policy changes like tariff hikes or certification misalignments (Alserhan, 2021, p. 21).

Research on U.S. trade policy has historically centered around its impact on macroeconomic balances and bilateral trade flows, with limited attention to sector-specific or religiously significant markets. However, the literature on trade barriers has begun to evolve to include non-tariff measures, including certification and compliance costs, that disproportionately affect exporters from developing regions (Gani, 2023; WTO, 2024). This literature becomes particularly relevant when assessing halal exports, which require compliance with religious standards that are often regulated by non-state bodies or through decentralized certification regimes (Esposito & Kalin, 2019, p. 66). This fragmentation complicates global trade patterns, especially in navigating U.S. regulatory systems that may not prioritize halal-specific frameworks.

More recent contributions have attempted to integrate religious economy theories with global trade policy analysis. For instance, Rahim and Ariffin (2022) argue that halal certification systems function not only as quality control measures but also as instruments of institutional legitimacy in international markets. The lack of mutual recognition agreements between halal certifiers and U.S. authorities creates a trade friction akin to a non-tariff barrier. Additionally, literature on global supply chain management notes that halal logistics remain underdeveloped in North America, posing challenges for exporters even when tariffs are not a direct barrier (Wilson, 2020). Despite these insights, few studies systematically analyze how tariff structures themselves intersect with halal trade conditions.

The present research thus positions itself at the confluence of these debates, filling a critical gap in existing scholarship. By focusing explicitly on the relationship between U.S. import tariffs and halal exports, the study contributes to a more nuanced understanding of how economic policies interface with religious compliance frameworks. It builds on both trade theory and the growing literature on the global halal economy, offering an integrative approach to understanding institutional and market barriers.

Theoretical Framework

The theoretical underpinning of this study is grounded in institutional trade theory, which emphasizes how formal rules and informal norms shape international trade flows. Unlike classical trade models that rely heavily on price and productivity differentials, institutional trade theory recognizes the embeddedness of trade within broader regulatory and cultural frameworks (North, 1990, p. 84). This approach is particularly relevant in the context of halal product exports, where religious compliance acts as both a market differentiator and a regulatory necessity. Institutional theorists argue that trade outcomes are not merely market-driven but also institutionally mediated, especially when policies such as tariffs interact with decentralized and culturally specific standards (Rodrik, 2018).

Another key theoretical lens applied in this study is the theory of religious economy, which treats religious behaviors and institutions as economic variables that affect and are affected by market conditions. Esposito and Kalin (2019, p. 74) assert that halal certification represents more than compliance—it is an articulation of religious capital that carries transactional value in international trade. Within this framework, tariffs can act as instruments that disrupt not just economic flows but also the religious legitimacy of products in specific consumer contexts. This interaction becomes especially problematic in non-Muslim markets like the U.S., where halal certification is often treated as an optional rather than essential attribute.

The theory of regulatory capture also provides a useful conceptual entry point to examine how dominant market actors, including domestic food lobbies or non-halal producers, might influence tariff structures to their advantage. According to Stigler (1971), regulatory environments often serve the interests of the most powerful economic actors, who can shape policies in ways that marginalize smaller or foreign producers. In the context of U.S. tariffs on agricultural imports, this may manifest in protectionist measures that indirectly disadvantage halal exporters, particularly those from the Global South (Baldwin, 2020).

Furthermore, this study employs global value chain (GVC) analysis to assess how halal products integrate into the U.S. trade system. GVC theory emphasizes the fragmentation of production across countries and the role of lead firms in setting standards and controlling market access (Gereffi & Fernandez-Stark, 2016). For halal exports, entry into U.S.-based GVCs is complicated by a lack of standardization in certification, higher compliance costs, and logistical incompatibilities. Tariffs can exacerbate these entry barriers by increasing the total cost of compliance, thus limiting the ability of halal producers to compete on equal footing.

Lastly, the legitimacy theory supports the argument that halal exports are subject not only to economic scrutiny but also to socio-political evaluations. This theory posits that businesses seek legitimacy through alignment with socially accepted norms, including religious observance in the case of halal goods (Suchman, 1995). However, the absence of halal-specific considerations in U.S. tariff policy may delegitimize halal products by imposing structural disadvantages. This creates a feedback loop where limited access reinforces marginalization in mainstream economic systems.

By integrating these theoretical frameworks—institutional trade theory, religious economy, regulatory capture, GVC analysis, and legitimacy theory—this study builds a comprehensive lens for analyzing the multifaceted effects of U.S. tariffs on global halal exports. Each framework highlights a different dimension of the problem, collectively supporting a holistic understanding of trade beyond conventional economic models.

Previous Research

In a 2018 study, Riaz and Chaudry investigated the evolution of the global halal industry, focusing on certification systems and their international alignment (Riaz & Chaudry, 2018, p. 71). Their work illustrated the fragmentation within halal regulatory bodies and how this affects the credibility and scalability of halal exports, particularly in markets like the United States. While they did not directly address tariffs, they provided foundational insights into institutional barriers that intersect with trade mechanisms, underscoring the complexities that exporters face when targeting non-Muslim markets.

Bonne and Verbeke (2019) explored consumer trust in halal labels across various Western countries, revealing how inconsistent certification standards reduce consumer confidence and limit market expansion. Although their research concentrated on the demand side, it indirectly pointed to the regulatory disconnects that increase compliance burdens for exporters. The findings imply that any additional trade costs—such as tariffs—can exacerbate these market entry challenges by inflating price points and reducing competitiveness.

Rahim and Ariffin (2020) turned their focus to Southeast Asian exporters, examining how the lack of mutual recognition agreements between halal certifying bodies and foreign regulators leads to repeated inspection costs. Their research emphasized non-tariff barriers but concluded that the institutional friction arising from unaligned regulations functions similarly to economic tariffs, a key point relevant to this study's focus on structural disadvantage.

In a more recent analysis, Wilson (2021) provided a detailed assessment of halal logistics infrastructure in North America, identifying gaps in cold chain compliance and halal-certified warehousing. His study revealed that even in the absence of tariffs, logistical incompatibilities can hinder halal product exports. When combined with tariff regimes, these challenges create compounded trade disadvantages for exporters aiming to penetrate the U.S. market.

Gani (2022) assessed the effects of U.S. protectionist trade policies on agricultural exporters from the MENA region. While not halal-specific, his study found that tariff increases disproportionately affected small-scale exporters due to their lower capacity to absorb additional costs. His conclusion aligns with the present research's proposition that tariffs—while seemingly neutral—can have asymmetric impacts, especially when applied to culturally and religiously distinct sectors like halal products.

Habib (2023) conducted a mixed-method study examining how geopolitical shifts in trade partnerships influence the visibility and prioritization of halal sectors in trade negotiations. His findings suggested that while the halal sector is gaining traction globally, it remains underrepresented in bilateral and multilateral trade arrangements involving the United States. This omission limits the sector's ability to influence tariff dialogues or certification reciprocity frameworks.

Together, these studies provide a fragmented but insightful picture of the intersection between halal compliance and international trade. However, none have comprehensively assessed the role of U.S. import tariffs in shaping the global halal export landscape. This research seeks to bridge that gap by explicitly investigating how tariff policies affect halal export performance, particularly through the lenses of institutional misalignment and regulatory friction. It builds on the previous literature by integrating economic and religious dimensions of trade policy, thereby responding to the growing need for cross-disciplinary approaches in understanding global trade complexities.

Research Methods

This study employs qualitative, textual data as the primary form of evidence, focusing on document-based sources rather than numeric datasets. Qualitative data, particularly in the field of international trade policy and religious certification, allows for in-depth analysis of institutional dynamics and interpretive meanings (Creswell & Poth, 2018, p. 95). Textual data includes published academic literature, government policy reports, trade organization briefings, and certification guidelines. These materials offer rich descriptions necessary to understand how trade policies, particularly tariffs, influence halal export patterns and institutional behaviors across exporting nations.

The data are sourced from multiple credible repositories, including international peer-reviewed journals, World Trade Organization (WTO) documentation, United States

International Trade Commission (USITC) policy briefings, halal certification agency manuals, and books from reputable academic publishers. These sources were selected based on their authority, publication date (no later than 2024), and relevance to the overlapping domains of trade policy, halal certification, and institutional economics. By diversifying the data sources across academic and policy-oriented literature, the study ensures triangulation and increases validity (Silverman, 2020, p. 123).

Data collection was carried out through structured document analysis. This method enables a systematic examination of existing materials to identify patterns, concepts, and discrepancies (Bowen, 2009). Textual elements such as legislative language, policy justifications, and certification narratives were examined to trace how the U.S. tariff regime intersects with the global halal export system. Special attention was given to identifying both explicit trade policies and implicit institutional barriers affecting halal exporters.

The analytical technique employed is thematic analysis, a method well-suited to qualitative inquiries focused on identifying, analyzing, and interpreting patterns across textual data (Braun & Clarke, 2019). Codes were developed to categorize recurring themes, such as “tariff-based restrictions,” “halal compliance challenges,” “institutional misalignment,” and “non-tariff barriers.” This technique facilitated the creation of a conceptual map showing the relationship between U.S. import policies and global halal export performance.

Conclusion drawing followed Miles and Huberman’s model of qualitative data analysis, which involves data condensation, data display, and conclusion verification (Miles, Huberman, & Saldaña, 2020, p. 108). Insights were derived by interpreting thematic clusters in relation to the theoretical frameworks laid out earlier. The synthesized findings were then mapped against the three core research questions to ensure coherence between empirical evidence and theoretical propositions. This structured yet flexible method allows the research to remain grounded in real-world institutional practices while offering interpretive depth.

Results and Discussion

The interplay between U.S. import tariffs and halal product exports reveals a multi-dimensional policy terrain shaped by both economic imperatives and institutional dynamics. As highlighted by institutional trade theory, formal tariffs are not merely cost mechanisms; they become instruments of embedded structural power when interacting with decentralized certification systems such as halal compliance regimes (Rodrik, 2018). While previous literature has extensively discussed halal certification fragmentation (Riaz & Chaudry, 2018, p. 71; Bonne & Verbeke, 2020), few studies have explicitly engaged with how tariff regimes intensify these certification challenges by inflating export costs and distorting market entry incentives. This study extends existing knowledge by positioning tariffs as indirect institutional filters that reinforce trade asymmetries against halal-exporting nations.

Furthermore, this research contributes to the global halal economy literature by incorporating perspectives from regulatory capture and legitimacy theory. While Wilson (2021) emphasized logistical barriers, and Rahim and Ariffin (2020) highlighted certification misalignments, this study reveals how tariffs, though ostensibly neutral, disproportionately burden halal producers—particularly small and medium enterprises in the Global South. These exporters often lack the institutional leverage to influence tariff negotiations or enter bilateral recognition frameworks. This condition echoes Habib's (2023) concern over the marginalization of halal interests in trade diplomacy.

The findings also underscore the need to treat halal exports as embedded within global value chains where religious compliance standards compete with economic efficiency (Gereffi & Fernandez-Stark, 2016). U.S.-based importers often overlook halal-specific logistics or impose unilateral compliance measures that increase entry costs. In this context, the lack of institutional reciprocity in halal certification—combined with tariff differentials—creates a compounding disadvantage for exporters. This observation contributes a new lens to value chain analysis by factoring in religious legitimacy as an operational variable rather than an externality.

Moreover, by directly addressing how institutional bias manifests through trade policy, this study aligns with and expands legitimacy theory (Suchman, 1995). Halal exporters, despite their compliance efforts, face de facto delegitimization when regulatory frameworks in the importing country fail to account for their certification standards. U.S. tariff policies, particularly on agri-foods and semi-processed products, have been found to indirectly act as gatekeeping mechanisms, especially when paired with strict labeling and safety requirements that ignore halal dimensions. The result is a subtle yet persistent structural exclusion of halal goods from mainstream trade flows.

Finally, the general narrative of this research reorients trade policy analysis by highlighting the intersectionality between religious economy and institutional trade barriers. Previous research largely siloed halal certification issues from macroeconomic trade structures. By embedding these factors within a coherent theoretical and empirical framework, this study not only addresses the identified research gap but also offers a more integrative approach to understanding the challenges and opportunities within global halal trade. This transition now enables a deeper thematic exploration of each research question in the subsequent sections.

1. Tariff-Induced Constraints on Halal Export Performance

The first research question of this study explores how U.S. import tariffs affect the export performance of halal products worldwide. As revealed through the thematic analysis, the imposition of tariffs by the U.S. has disproportionately constrained halal-exporting nations, especially in sectors like agri-foods and processed goods. While the tariff rates themselves may appear standardized across import categories, their economic impact diverges based on the structural vulnerabilities of halal producers (Gani, 2022). For instance, exporters in Indonesia, Malaysia, and Turkey, which serve as halal manufacturing hubs, face higher relative costs when tariffs are layered atop halal-specific logistical and certification expenses (Habib, 2023).

The interaction between tariff policies and institutional certification systems further deepens this trade barrier. Unlike conventional exporters, halal producers must bear dual compliance costs: adherence to international trade norms and religious legitimacy via halal certification (Riaz & Chaudry, 2018, p. 83). When U.S. tariffs are introduced—especially on agricultural inputs or animal-derived products—the compounded compliance cost lowers the price competitiveness of halal goods. For small exporters, this often results in reduced export volumes, lower profitability, or complete market withdrawal (World Bank, 2023).

Another key insight is the indirect manner in which U.S. tariffs alter halal export dynamics. These tariffs seldom target halal products explicitly, yet their effect is magnified when paired with customs delays, label scrutiny, and storage incompatibilities in U.S. ports that are not optimized for halal handling (Wilson, 2021). Consequently, exporters face an environment where the tariff is merely the beginning of a cascade of obstacles. Institutional trade theory helps frame this scenario, explaining how neutral policies become discriminatory in fragmented regulatory contexts (Rodrik, 2018).

Moreover, value chain disarticulation is a frequent consequence of these compounded constraints. Gereffi and Fernandez-Stark (2016) argue that successful integration into global value chains depends on efficient regulatory coordination and recognition. For halal exporters, U.S. tariffs not only disrupt pricing logic but also fracture the integrity of halal-compliant supply chains by introducing delays or re-routing necessities. This in turn reduces trust among Muslim consumers in the U.S. and disrupts long-term trade relations (Alserhan, 2021, p. 47).

In terms of regional differentiation, MENA exporters appear more resilient to tariff pressures due to stronger bilateral agreements with the U.S. compared to their Southeast Asian counterparts (Gani, 2022). However, even in these contexts, the absence of halal-specific considerations in trade policy creates structural blind spots. While tariff exemptions exist for some perishable goods, halal exporters seldom benefit due to the lack of certification reciprocity. This echoes findings in Rahim and Ariffin's (2020) study on the institutional void that exists between halal certifiers and U.S. customs authorities.

The regulatory capture framework also offers a perspective on why halal exports remain disproportionately affected. Baldwin (2020) highlights that tariff policies often favor dominant domestic sectors—such as large agribusinesses—thereby sidelining smaller, niche exporters. In this case, halal exporters are both culturally and economically marginalized within U.S. trade preferences. These producers rarely have lobbying influence or policy presence in tariff reform dialogues, leading to exclusionary outcomes masked by neutral language.

This section demonstrates that U.S. tariffs have a multifaceted impact on global halal exports. While not directly targeting religious goods, these trade policies indirectly disadvantage halal producers by amplifying compliance burdens, disrupting certification chains, and marginalizing exporters in trade negotiations. Thus, the performance of halal exports is not simply a matter of market demand or religious compliance but is structurally shaped by trade policies that fail to account for their distinct nature.

2. Institutional and Regulatory Barriers Facing Halal Exporters in the U.S. Market

This section addresses the second research question by exploring the institutional and regulatory challenges that halal exporters encounter when attempting to access the U.S. market. Despite increasing global demand for halal products, particularly in North America, many halal producers face layered regulatory friction that inhibits their ability to compete. These obstacles are not limited to tariffs alone; they include fragmented certification recognition, inconsistent regulatory interpretations, and the absence of streamlined halal import protocols (Esposito & Kalin, 2019, p. 91). These issues render the U.S. market structurally complex for halal exporters, especially those operating from Muslim-majority countries where certification systems differ substantially from U.S. standards.

One major barrier is the lack of mutual recognition agreements (MRAs) between the United States and halal-certifying bodies in exporting countries. Unlike the European Union, where bilateral equivalence frameworks are more common, the U.S. does not formally recognize most foreign halal certification authorities. This compels exporters to either recertify their products via a U.S.-approved entity—at considerable cost—or risk rejection at port entry (Rahim & Ariffin, 2020). The absence of MRAs not only increases transaction costs but also undermines trust in the certification process, as multiple authorities issue conflicting judgments on the same product.

Another critical challenge is the regulatory ambiguity regarding halal labelling. While the U.S. Food and Drug Administration (FDA) and U.S. Department of Agriculture (USDA) oversee food labeling and safety, they do not provide explicit halal-specific guidelines. This lack of clarity leaves halal certification under the purview of private bodies, often leading to a proliferation of uncertified or self-declared halal claims that dilute market credibility (Wilson, 2021). Consequently, genuine halal exporters find it difficult to differentiate their products in a market saturated with loosely regulated alternatives, further complicating entry and expansion strategies.

Institutional theory helps explain how such regulatory gaps translate into systemic disadvantages. North's (1990, p. 98) assertion that institutions create the "rules of the game" becomes highly relevant here; when the rules ignore the specificities of halal trade, they effectively exclude it from equal participation. This exclusion is not overt but occurs through procedural indifference—halal standards are neither acknowledged nor accommodated, which marginalizes certified exporters under the guise of regulatory neutrality (Rodrik, 2018).

Compounding these issues is the logistical infrastructure in the U.S., which is not optimally designed for halal-compliant storage and distribution. Studies have shown that many U.S. ports and retail systems lack the segregation protocols needed for halal goods, risking cross-contamination and invalidation of certification (Wilson, 2021). For exporters, this means bearing additional costs to establish specialized logistics arrangements or risking market loss due to compromised certification integrity. From a value chain perspective, such logistical misalignment impairs the integration of halal products into mainstream distribution channels (Gereffi & Fernandez-Stark, 2016).

Regulatory capture also influences the limited attention given to halal-specific policy needs. Baldwin (2020) notes that trade regulations often reflect the priorities of dominant domestic industries, which may see halal imports as non-essential or niche. This perspective contributes to the persistent underrepresentation of halal interests in trade forums and policy-making bodies, leaving exporters without a formal platform to advocate for more inclusive regulations. The resulting policy inertia maintains the status quo, where halal exporters remain peripheral players in U.S. trade dialogues.

The absence of a unified halal policy framework in the U.S. further exacerbates these challenges. While there are more than 40 halal certification bodies operating globally, only a few are recognized by U.S. industry stakeholders, leading to confusion and inconsistent enforcement (Alserhan, 2021, p. 55). Exporters are thus compelled to navigate a fragmented and opaque system where certification costs vary widely, and acceptance is unpredictable. This lack of institutional harmonization directly undermines efficiency and discourages market participation.

In sum, halal exporters face a complex matrix of institutional and regulatory hurdles in accessing the U.S. market. These challenges are deeply rooted in systemic indifference to religious trade frameworks, fragmented certification regimes, and logistical incompatibilities. Without formal recognition mechanisms, clear regulatory guidelines, and inclusive policy dialogues, the U.S. remains a structurally inaccessible market for many halal producers, despite its large and growing Muslim consumer base. These findings highlight the need for institutional reform and international cooperation to ensure equitable access for religiously compliant exports.

3. Enhancing Halal Integration Through Bilateral and Multilateral Trade Mechanisms

This section responds to the third research question by examining how bilateral or multilateral trade arrangements can support the integration of halal products into the

U.S. supply chain. Given the institutional and regulatory barriers discussed previously, formal trade frameworks offer an opportunity to align policy environments, facilitate certification recognition, and promote equitable market access for halal exporters. The existing literature, however, reveals that halal considerations are rarely incorporated into trade negotiations, even when involving countries with significant halal production capacity (Habib, 2023). This oversight limits the potential for halal sector expansion in high-demand markets like the United States.

Bilateral agreements provide a viable avenue for creating tailored halal integration mechanisms. For example, Malaysia and Japan have developed mutual recognition of halal certification as part of their economic partnership agreements, ensuring seamless regulatory compatibility for halal goods (Rahim & Ariffin, 2020). A similar model could be pursued between the U.S. and major halal-exporting countries. By institutionalizing certification equivalence and embedding it into tariff negotiations, such agreements can streamline compliance procedures and lower entry barriers for halal exporters.

Multilateral mechanisms, particularly through the World Trade Organization (WTO), could also play a strategic role in standardizing halal certification protocols. Although WTO regulations prohibit discriminatory practices, they allow for exceptions based on religious and ethical standards if clearly defined (WTO, 2024). Halal exporters and trade diplomats can utilize this provision to advocate for the inclusion of halal compliance language in trade dispute resolutions and trade facilitation frameworks. Such an approach aligns with North's (1990, p. 91) institutional trade theory, which emphasizes the role of rules and norms in shaping economic performance across contexts.

Integrating halal certification into trade agreements would also foster greater legitimacy, addressing the concerns highlighted in legitimacy theory. When halal standards are codified in trade law, they gain formal recognition that elevates their legitimacy in both consumer and institutional domains (Suchman, 1995). This process would mitigate current market ambiguities around halal claims, reduce counterfeit or self-declared halal labeling, and boost consumer confidence—particularly among the growing U.S. Muslim population (Alserhan, 2021, p. 59).

Another potential pathway is the formation of a global halal regulatory consortium under the auspices of international trade bodies. Such a platform could facilitate mutual accreditation, encourage data-sharing, and develop universal halal audit protocols (Esposito & Kalin, 2019, p. 93). This would not only address fragmentation within the halal sector but also allow countries like the U.S. to engage in cooperative regulation without compromising food safety or national trade policy autonomy. Collaborative governance models are increasingly recognized as effective in handling cross-border ethical standards (Wilson, 2021).

From the perspective of global value chain theory, bilateral and multilateral trade frameworks can also enhance halal participation in integrated supply chains. Gereffi and Fernandez-Stark (2016) emphasize that lead firms often determine supplier entry based on standardized compliance systems. If halal certification is embedded within trade agreements, it becomes a recognized standard rather than a niche preference, enabling deeper integration of halal producers into multinational supply networks. This inclusion enhances both vertical and horizontal linkages for exporters, improving long-term sustainability.

Furthermore, targeted financial and technical assistance clauses within trade agreements can support capacity building among halal SMEs. These measures, inspired by development-focused trade agreements, could subsidize certification costs, provide halal logistics training, and fund compliance infrastructure for producers in the Global South (World Bank, 2023). Such initiatives would democratize access to the U.S. market and counterbalance the disadvantages imposed by tariffs and institutional rigidity.

In conclusion, bilateral and multilateral trade arrangements present powerful tools for promoting the global integration of halal products. By formalizing certification recognition, supporting regulatory harmonization, and embedding halal standards into trade law, these frameworks can transform the current landscape from one of exclusion to inclusion. These policy innovations are essential to resolving the structural inequities facing halal exporters and unlocking the full potential of the global halal economy.

Core Findings and Pathways Forward

This study provides an integrated understanding of the relationship between Islamic entrepreneurship and macroeconomic performance. The first research question—on the influence of Islamic entrepreneurship on macroeconomic indicators—has been addressed through evidence demonstrating that Sharia-compliant enterprises contribute positively to GDP growth, employment generation, and price stability. These outcomes are facilitated by real-sector investments, ethical labor practices, and redistributive financial mechanisms such as *zakat* and *qard al-hasan*. Unlike profit-maximizing models, Islamic entrepreneurship embeds social responsibility within economic activity, supporting broader macroeconomic objectives.

The second question focused on the mechanisms connecting Sharia-compliant practices to economic resilience. The findings show that risk-sharing contracts, ethical governance, and Islamic social finance enhance an economy’s ability to withstand shocks. These mechanisms reduce financial volatility, build community support systems, and foster institutional trust, which are essential for long-term economic stability. Through principles such as *maslahah* and *amanah*, Islamic entrepreneurs create value while reinforcing the ethical fabric of the economy.

The third question explored the challenges and opportunities of integrating Islamic entrepreneurship into macroeconomic policy. The study identified structural barriers including regulatory fragmentation, lack of standardized financial instruments, and epistemological tensions with secular economics. However, it also uncovered opportunities for innovation through inclusive finance, public-private partnerships using *waqf*, and education reform. Countries with enabling legal and institutional environments—such as Malaysia and Indonesia—offer models for effective integration.

The study's novelty lies in its conceptual synthesis of Islamic entrepreneurship and macroeconomic theory, introducing a value-laden model for economic planning. Theoretically, it expands existing paradigms by incorporating moral considerations into economic agency and macro-level outcomes. Practically, it offers a framework for governments and development agencies to harness Islamic entrepreneurship in achieving inclusive and sustainable growth. Policy implications include the design of Islamic monetary tools, incorporation of social finance in national budgets, and establishment of ethical entrepreneurship training programs.

This research contributes to academic discourse by bridging a significant gap between Islamic microeconomic practices and their macroeconomic consequences. It encourages a rethinking of economic success that balances efficiency with equity, growth with justice, and individual enterprise with societal well-being.

Conclusion

This research has examined the multifaceted impact of U.S. import tariffs on global halal product exports, revealing a complex landscape where religious compliance intersects with structural trade barriers. Key findings demonstrate that although U.S. tariffs are not religiously discriminatory in intent, their economic and institutional implications disproportionately affect halal exporters—particularly those in the Global South. These effects are exacerbated by a lack of mutual certification recognition, ambiguous labeling regulations, and an underdeveloped halal logistics infrastructure within the United States.

By aligning theoretical insights from institutional trade theory, religious economy, legitimacy theory, and global value chain analysis, this study offers a comprehensive framework for understanding how halal exporters navigate systemic exclusion. It contributes to trade scholarship by revealing that neutrality in policy design does not equate to equity in outcome—especially when religious certification standards are structurally unaccounted for.

To address these disparities, the study recommends the formal integration of halal certification into bilateral and multilateral trade frameworks. Such reforms should include mutual recognition agreements, standardized regulatory guidelines, and collaborative governance models that incorporate halal considerations into global trade law. These recommendations not only serve as practical tools for policymakers and exporters but also signal the need for future research to explore interfaith trade diplomacy, cross-cultural compliance models, and the economic role of religious legitimacy in trade relations. Bridging this gap will ensure that halal producers are not just included but equitably represented in the international trade system.

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