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GROWTH STRATEGY RESEARCH & ADVISORY

The *State & Future* of the **Australian Islamic Economy**



Foreword

This report arrives at a moment of global uncertainty. Geopolitical tension, supply chain disruption and economic volatility are reshaping trade and investment flows. Yet amid that instability, Muslim consumer spending continues to rise, both globally and within Australia. By 2028, global halal-related expenditure is projected to exceed \$5 trillion. In Australia alone, Muslim spending will be around \$10 billion¹.

These figures reflect demographic momentum, values-driven consumption and structural shifts in how consumers think about ethics, transparency and trust. Halal is not just limited to food. It spans pharmaceuticals, cosmetics, fashion, travel, media, finance and digital services, while intersecting naturally with ESG and impact investing.

Australia enters this landscape with genuine strengths, as a leading halal food exporter, underpinned by strong regulatory standards, traceability and animal welfare systems. It has a sophisticated financial sector, advanced research capability, creative industries with global reach and a young, diverse Muslim population that is both entrepreneurial and digitally connected.

The growth opportunity is real for Australia, however, it is not a 'sure thing'. Sustainable long-term growth in the Islamic economy will favour countries that align policy, certification, branding and industry capability. It will also favour businesses that treat halal not as a compliance task or marketing label, but as a strategic framework for value creation. In Australia, unlocking this potential will require integrating halal certification into broader investment strategies rather than treating it as a standalone requirement. At the same time, regulatory fragmentation remains a challenge. Standards vary across the Organisation of Islamic Co-operation (OIC) markets, and frameworks often lag behind private-sector innovation, leaving exporters and investors to navigate complex certification systems.

This report positions the Australian Islamic economy as part of a broader national economic strategy. The data shows clear scale and growth, while the case studies highlight real capability and opportunity. What comes next will depend on stronger alignment across sectors and more deliberate policy leadership.



CEO
Islamic Finance and Investments Association

^[1] DinarStandard. 2026. [State of the Global Islamic Economy](#).

Australia and the Global Islamic Economy

Despite ongoing geopolitical and economic instability, Australia's Muslim consumer market continues to expand. Driven by a Muslim population of more than one million people, spending is projected to exceed \$9 billion in 2026 and reach \$9.8 billion by 2028, reflecting steady growth of 4.5 percent.

Globally, the world's two billion Muslims are expected to spend more than \$4.3 trillion² in 2026, a 76 percent increase since the start of the decade. This growth is strongly shaped by Islamic ethical values and Shariah compliance.

Australia plays a significant role in the global halal economy. It is the world's 12th largest halal exporter, with exports valued at AUD 15.9 billion. Food products dominate, accounting for 97 percent of total export value. Australia's ten largest halal exports are all food items, led by wheat (AUD 3.0 billion), sheep and goat meat (AUD 1.64 billion), and dried legumes (AUD 1.49 billion).

On the import side, fashion (AUD 2.4 billion) and food (AUD 1.9 billion) lead halal imports, primarily sourced from Bangladesh, Indonesia, and Malaysia.

Food innovation and security are emerging as core investment priorities within Australia's Islamic economy. Climate pressures, evolving consumer expectations, and regulatory shifts are accelerating the need for a more sustainable food ecosystem. Investment is increasingly focused on production efficiency, waste reduction, resource optimisation, and the integration of technologies such as AI and IoT.

Clean beauty and health is another high-growth segment. Consumers, particularly younger demographics, are seeking natural, transparent, and ethically produced products. Australia's research and manufacturing strengths position it well to compete in the premium halal market.

However, regulatory fragmentation remains a key challenge. Halal standards vary significantly across OIC markets, and regulatory frameworks often lag behind private-sector innovation. Exporters and investors must navigate complex certification systems to compete globally.

Finally, halal is still too often viewed as a compliance cost rather than a strategic value opportunity. Treating halal as an integrated investment approach, rather than a checklist requirement, will be critical to unlocking its full economic potential.

^[2] All \$ figures throughout the report are in Australian Dollars unless otherwise specified

Australia and the Global Islamic Economy

- This year the world’s two billion Muslims are expected to spend more than \$4.3 trillion on the halal economy.
- Australia’s Muslim consumer market will contribute to this growth driven by a population of more than one million people, whose spending is projected to exceed \$9 billion in 2026 and reach \$10 billion by 2028.
- Growth in Australia’s halal pharmaceutical, cosmetics and fashion sectors have outpaced the global averages since 2020.

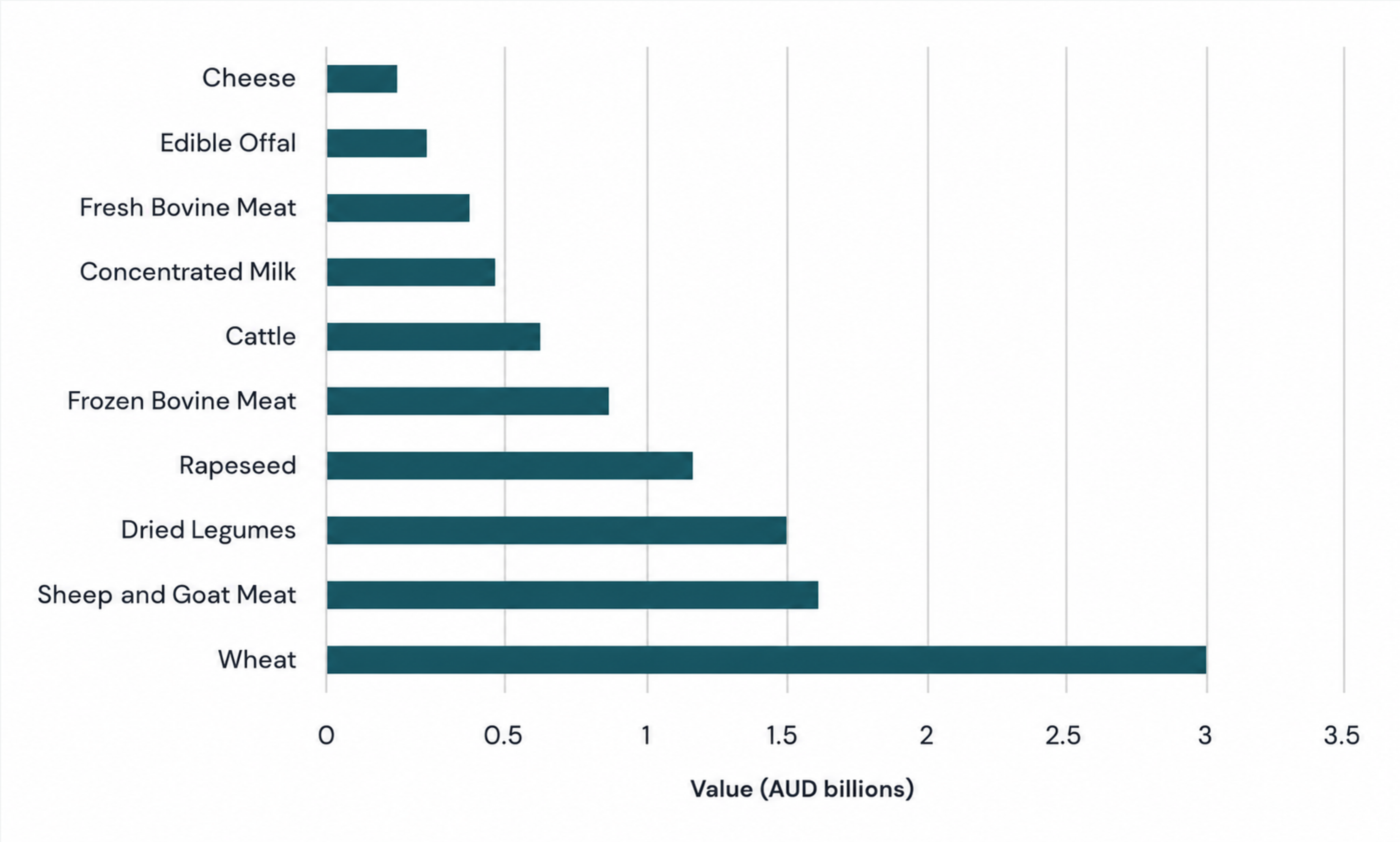
Growth of global Islamic economy by sector (\$bn)

SECTOR	2020	2024	2026	2028	% INCREASE (2020 vs 2028)
Halal Food	\$1,766	\$2,268	\$2,557	\$2,890	64%
Halal Pharma	\$139	\$170	\$194	\$222	59%
Halal Cosmetics	\$110	\$137	\$155	\$176	59%
Modest Fashion	\$416	\$514	\$575	\$646	55%
Muslim Friendly Travel	\$99	\$361	\$453	\$573	480%
Muslim Media and Recreation	\$321	\$407	\$451	\$501	56%
TOTAL	\$2,851	\$3,858	\$4,385	\$5,006	

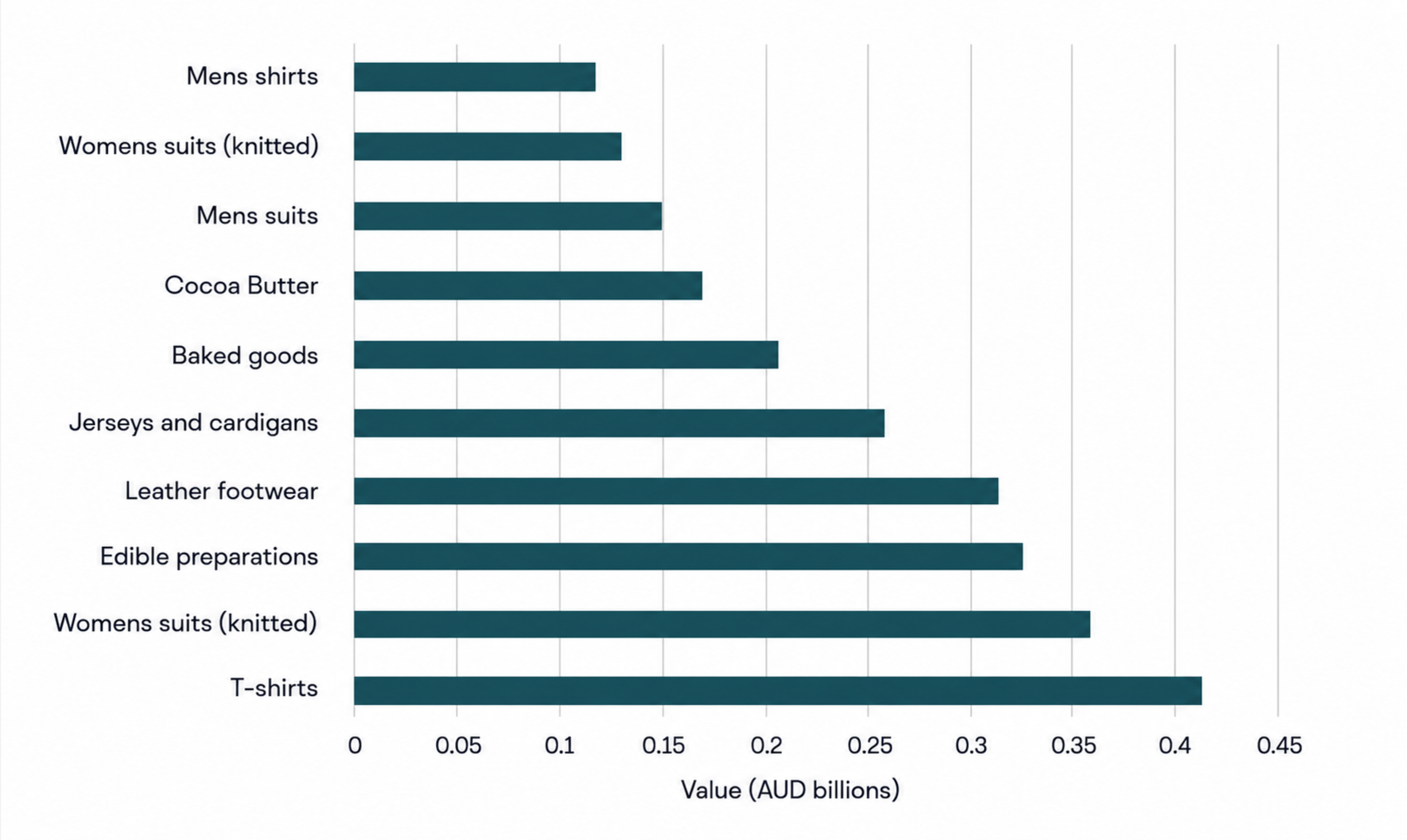
Growth of Australian Islamic economy by sector (\$bn)

SECTOR	2020	2024	2026	2028	% GROWTH (2020 vs 2028)
Halal Food	\$2.1	\$2.4	\$2.5	\$2.7	29%
Halal Pharma	\$0.4	\$0.5	\$0.6	\$0.7	75%
Halal Cosmetics	\$0.3	\$0.5	\$0.6	\$0.6	100%
Modest Fashion	\$0.7	\$1.0	\$1.0	\$1.1	57%
Muslim Friendly Travel	\$0.3	\$1.2	\$1.4	\$1.7	467%
Muslim Media and Recreation	\$2.1	\$2.7	\$2.8	\$3.0	43%
TOTAL	\$5.9	\$8.3	\$8.9	\$9.8	

Australia’s top 10 exported halal product categories



Australia’s top 10 imported halal product categories



- Australia is the 12th largest supplier in the world for halal products and lifestyle goods, with exports valued at \$16 billion.
- All of Australia’s ten largest exported products are food items, led by wheat (\$3 billion), sheep and goat meat (\$1.64 billion), and dried legumes (\$1.49 billion).
- Australia’s largest imports from Islamic countries are fashion (\$2.4 billion) and food (\$1.9 billion) with the majority of products supplied by Bangladesh, Indonesia and Malaysia.

Australia's Islamic economy sector analysis

Halal cosmetics and pharmaceuticals

Over the last five years Australia's halal pharmaceutical and cosmetics industries have grown at almost twice the pace of the global average, and are expected to maintain that momentum. Most notably vitamin and supplement companies such as Blackmores, have secured extensive halal certification, including approval from Malaysia's JAKIM³, enabling access to high-growth Southeast Asian markets.

Global supplement manufacturers are increasingly using Australia as a production base for halal-certified health and wellness products, in doing so positioning Australia as a potential regional hub for halal pharmaceuticals, nutraceuticals and cosmetics manufacturing, supported by strong regulatory standards and established export infrastructure.

At home, demand for halal-aligned fast-moving consumer goods is expanding. Mariam El Houli, Founder of Eve's Skin, a vegan Australian-made skin care company comments that halal is no longer viewed solely through a religious lens, but rather increasingly associated with ethical sourcing, cleanliness and transparency, attracting a broader consumer base beyond Australia's Muslim community.

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“Halal is now seen beyond religious context, it represents trust, purity and quality.”

— *Mariam El Houli* **Founder, Eve's Skin**

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The sector however, is not without its challenges. Mariam views the domestic halal certification landscape as “fragmented, with limited government oversight and inconsistent standards.” This environment creates confusion for producers and buyers alike, and risks undermining trust in international markets. At the same time, rising tariffs and escalating shipping costs are compressing export margins, particularly for small and medium-sized enterprises.

^[3] Bernama, “Blackmores Secures JAKIM Halal Certification, Expanding Accessibility For Muslim Consumers” 2025.

Halal food

Australia is firmly established as a global leader in halal food production, ranking among the world's top three halal meat exporters, alongside Brazil and India, with \$12.1 billion in halal food exports to OIC countries⁴. The country is the leading supplier of halal red meat and a wide range of food products to OIC markets, exporting billions of dollars' worth of halal-relevant goods each year.

Australia's advantage lies in its reputation for premium production, strict food safety standards and traceability. This creates a natural point of differentiation in markets where quality and reliability are increasingly valued.

However, competitiveness is not determined by product quality alone, as Ahmad Fettayleh, CEO of Fettayleh Foods, Australia's premier halal meat and small goods provider and manufacturer says, trust, both domestically and internationally, plays a decisive role. Ahmed believes that with strong domestic confidence in halal certification and production standards export success will be the result.

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“When credibility is established at home, it strengthens Australia's position in key overseas markets. In this sense, ‘one feeding the other,’ with domestic trust acting as a foundation for global growth. Australian meat is among the best in the world. The opportunity is there, we just need to build trust.”

— *Ahmad Fettayleh* **CEO, Fettayleh Foods**

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Areas for improvement remain. Inconsistent certification frameworks and questions around standardisation continue to affect perceptions in some international markets. Competing exporters have, in many cases, developed clearer and more centralised halal assurance systems, which can simplify trade relationships and build buyer confidence. For Australia, aligning certification practices more closely with international expectations will be critical.

^[4] DinarStandard analysis based on ITC TradeMap data.

Modest fashion

Australia is well placed to emerge as the Southern Hemisphere's design hub for modest fashion and athleisure. Positioned between Southeast Asia's Muslim-majority markets and global fashion capitals, creating a platform for Australian designers to serve regional demand while remaining visible within international fashion circuits.

Modest fashion is no longer confined to niche retail spaces. It is increasingly present on mainstream runways and in national media. Sydney-based label Asiyam was among the first modest-focused brands to feature at Australian Fashion Week, signalling growing industry recognition of inclusive design. Its visibility reflects a broader shift in Australian fashion toward diversity, identity and values-driven branding.

A similar growth trajectory is evident in Hijab House, founded in Sydney in 2011. What began as a local boutique has evolved into a global modest fashion brand with a substantial e-commerce platform and stores across multiple markets. Its cultural and commercial impact has been acknowledged by Museums Victoria, underscoring the brand's role in shaping contemporary Australian fashion and Muslim representation.

These examples illustrate a scalable model. Australian modest brands are moving beyond diaspora-focused retail into wider ethical and inclusive fashion segments. Digital commerce, strong brand storytelling and collaborations with mainstream retailers are enabling this transition. Sustainability narratives and identity-driven marketing are resonating with younger consumers who value transparency and purpose in fashion.

Domestic demographics further strengthen the opportunity. Australia's Muslim population is largely urban, diverse and relatively young, providing a stable and expanding customer base for modest fashion brands and retail concepts, with the potential to serve both domestic demand and high-growth export markets.



Muslim media and recreation

Ethical consumer activism is reshaping segments of the Islamic economy in Australia. Well-organised boycotts of international brands perceived to be misaligned with Muslim values have gained traction, particularly online. At the same time, new digital applications are helping consumers identify values-aligned alternatives. Together, these trends are increasing demand for Muslim-authored media, independent platforms and culturally grounded storytelling.

Australia has already produced examples with global reach. OnePath Network, a Sydney-based Islamic media organisation, demonstrates the scale that locally produced content can achieve. Its rapid growth shows that Australian Muslim creators can compete in the global digital marketplace while maintaining a clear values-based identity.

Similarly, the growth of Australia's leading multicultural news platform, the Australian Muslim Times (AMUST) points to the power of digital storytelling. Founder and editor of AMUST, Zia Ahmed believes that independent media is not only shaping how Islam is understood in Western contexts but is strengthening identity and belonging among younger Muslims navigating complex cultural environments.

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“Digital distribution of our content is essential and will allow us to reach people nationally and internationally within seconds.”

— *Zia Ahmed*

**Founder and Editor,
Australian Muslim Times**

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Australia's broader creative capabilities reinforce this opportunity. The country has established strengths in film, animation, gaming and digital production. With the right investment and coordination, Australia can position itself as an English-language content hub within the global Islamic economy, focused on high-quality educational programming, family-oriented entertainment and values-driven media.

The opportunity also extends to documentaries, children's programming, podcasts, lifestyle media and interactive digital experiences that reflect Muslim perspectives while appealing to wider audiences. As demand for ethical and identity-conscious media grows, Australia has the creative talent, technical infrastructure and multicultural depth to meet it at scale.

Muslim travel and tourism

Australia's Islamic economy is expanding into travel and tourism, with Islamic travel (Muslim travelers to Australia) spending projected to reach \$1.7 billion by 2028, growing at an estimated 8.7% compound annual rate, the fastest growth of any other category analysed in this report⁵. This growth signals a clear opportunity, Muslim travellers represent a high-growth segment that aligns naturally with Australia's strengths in food production, safety standards and nature-based experiences.

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“Australia is just beginning to understand the scale of halal travel. Muslim-friendly tourism isn't a niche, it's a – global market worth billions. We're seeing the early stages of a serious shift toward halal tourism.”

— Amer Yassine

**Managing Director,
Lakemba Travel Centre**

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Globally, Muslim travellers are no longer looking only for halal-certified meals. They are seeking end-to-end Muslim-friendly experiences. As Yassine notes, “halal food isn't a bonus, it's essential,” but it sits alongside other core needs. These include reliable access to halal food, clean and accessible prayer facilities, family-oriented attractions, privacy considerations and culturally aware service. In practice, “access to prayer spaces can define the entire travel experience,” says Yassine.

National and state agencies have begun to respond. Tourism Australia, along with several state tourism organisations, has developed targeted outreach to Muslim-majority markets such as Indonesia and Malaysia. Initiatives include partnerships with Muslim-friendly travel agents, operator training on halal requirements and tailored campaigns promoting halal dining options, prayer facilities and family-friendly destinations. These efforts reflect a broader shift, with growing recognition that “Muslim-friendly tourism isn't a niche but a scalable, global opportunity.” Yassine adds.

However, growth will depend on consistent delivery at ground level. While major cities often offer adequate halal restaurants and mosque access, gaps remain in regional areas and secondary destinations. Prayer spaces in airports and attractions are uneven, and staff awareness and cultural sensitivity training vary widely. For Muslim travellers, these ‘last-mile’ details shape the overall experience. As Yassine notes, “safety and respect are not secondary considerations, they are central to whether a destination feels truly welcoming.”

^[5] DinarStandard analysis based on UNWTO and ICP data.

Islamic finance

Australia's Islamic finance sector remains modest in size but strategically significant. In 2026, it holds approximately \$1 billion in Islamic financial assets and funds. While small relative to the conventional financial system, the sector is evolving, with innovation focused on digital access, cross-border structuring and alignment with ethical investment trends.

Growth is increasingly centred on digital distribution, with online investment portals lowering barriers to entry, particularly for younger investors. At the wholesale level, practitioners are exploring cross-border liquidity solutions through sukuk issuances and syndicated facilities, positioning Australia within regional Islamic capital markets.

Integration with ESG and impact frameworks is another area of convergence. Shariah-aligned investment principles, which prohibit excessive leverage and certain industries while emphasising asset-backing and ethical screening, naturally intersect with values-based and sustainability-focused investing. Islamic superannuation products and halal investment funds are emerging as accessible entry points for both Muslim investors and ethically minded non-Muslims.

Industry feedback, however, highlights structural constraints. As Mas Harris, Head of Investments and Product, Salaam, notes, "Australia's regulatory framework is neutral rather than enabling, this means that Islamic financial products must be engineered within conventional legal and tax settings, often increasing transaction costs and complexity. In some asset-backed structures, issues such as double stamp duty can arise, reducing competitiveness relative to conventional alternatives."

Despite this, market receptivity is broader than just the Muslim community, as Umair Shakoore Co-Founder of HalalStocks.Co says "many non-Muslims are comfortable allocating capital to Shariah-compliant investment vehicles when positioned as values-based or ESG-aligned strategies."

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“Australia's Islamic finance sector's next phase will depend less on demand generation and more on regulatory clarity, product standardisation and policy engagement.”

— *Mas Harris*

**Head of Investments
and Product, Salaam**

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Looking forward and key recommendations

Governments and policy makers

To unlock sustained growth in the Australian Islamic economy, policy settings need to move from passive neutrality to active coordination.

1

Australia requires a clearer and more credible national halal certification framework. At present, the landscape is fragmented and inconsistently regulated, creating confusion for businesses and consumers alike. Accrediting certifiers, establishing minimum transparency and governance standards, and providing clear guidance to businesses on recognised certification marks in key export markets would strengthen trust and reduce duplication. For export-facing businesses, clarity at home translates directly into credibility abroad.

2

A targeted “Halal Economy Growth Facility” would accelerate scale and could combine competitive grants, tailored export advisory services and co-funded participation in international trade shows. This support should extend across food, health and wellness, fashion, media, tourism and adjacent sectors. The goal is not subsidy for its own sake, but structured capability-building that enables businesses to transition from niche operators to export-ready enterprises.

3

Regulatory friction in Islamic finance must be addressed in collaboration with industry bodies such as the Islamic Finance and Investments Association. While Australia’s framework is broadly neutral, neutrality alone is insufficient when structural mismatches create higher costs. Issues such as stamp duty treatment of asset-backed structures should be reviewed to ensure parity with conventional finance. At the same time, policymakers could consider innovation mechanisms similar to regulatory sandboxes used in fintech.

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“Australia hasn’t set itself up to accommodate Islamic finance because regulators often force it into conventional frameworks that don’t fit its structure. The issue isn’t special treatment, but recognition—legislation should be flexible enough to handle different financial models. A major barrier is limited understanding within government, making this largely an education problem. With better awareness, reform becomes far more achievable. Practical steps like a Treasury review or Senate inquiry could clarify misconceptions and highlight the economic upside. Current licensing and regulatory approaches also create unnecessary friction by treating Islamic finance as standard banking. In reality, it delivers similar outcomes through different structures and shouldn’t be viewed as separate. With clearer policy settings and better understanding, Islamic finance could attract new investment, expand participation, and position Australia as a regional hub with relatively straightforward changes.

— *John Hewson*

**Former Australian
Liberal Party Leader**

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Industry leaders and business associations

To move from isolated success stories to coordinated scale, the next phase of development should focus on structured collaboration, tailored finance and credible data.

- 1 A sector-specific halal export consortia should be established in priority industries such as red meat, nutraceuticals and modest fashion. These consortia would pool market intelligence, coordinate certification pathways and streamline logistics. They would also present unified, export-ready offerings to international buyers, particularly in Southeast Asia and the Gulf. For business, shared infrastructure reduces duplication and lowers the cost of compliance.
- 2 Stronger partnerships with Islamic finance providers are needed to design funding instruments tailored to Islamic businesses. Many growth-stage businesses require working capital, trade finance and asset-backed facilities that align with both Shariah principles and conventional banking regulation. Industry leaders see clear potential. Asset-backed working capital lines, export finance structures and co-investment vehicles could unlock scale for halal producers seeking to enter or expand in international markets. The objective is not parallel finance, but integrated solutions that sit comfortably within Australia's broader financial system.
- 3 Sustained growth will require deeper and more coordinated engagement with regulators and major financial institutions. Industry bodies such as the Islamic Finance and Investments Association play an important convening role, but broader participation is essential. Misunderstanding of Islamic finance structures continues to create perceived risk, even where actual risk is comparable to conventional asset-backed models.

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“When credibility is established at home, it strengthens Australia's position in key overseas markets. In this sense, ‘one feeding the other,’ with domestic trust acting as a foundation for global growth. Australian meat is among the best in the world. The opportunity is there, we just need to build trust.”

— *Ahmad Fettayleh* CEO, Fettayleh Foods

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Islamic finance institutions and investors

The next phase of growth in Australia's Islamic finance sector will depend on product evolution, capital mobilisation and stronger institutional engagement.

- 1 Product development needs to move beyond simple Shariah screening. Future offerings should adopt multi-filter, values-based frameworks that integrate ESG metrics and, where relevant, boycott considerations. Positioned clearly, these products can appeal not only to Muslim investors, but also to a broader cohort seeking ethical and impact-aligned portfolios.
- 2 Capital deployment is a clear opportunity to develop co-investment vehicles that channel Islamic superannuation and halal wealth products into real-economy assets. These could include halal food manufacturing facilities, Muslim-friendly tourism infrastructure and creative industry ventures. Doing so would anchor Islamic finance more visibly within Australia's productive economy. Structured vehicles that meet both Shariah and mainstream regulatory standards would help close this access gap while attracting cross-border capital.
- 3 Focused dialogue through formal forums can improve regulatory literacy, clarify tax and compliance treatment and reduce structural friction. Over time, this will normalise Islamic finance within Australia's financial ecosystem, shifting it from a specialist niche to a recognised component of the country's ethical investment landscape.

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“There is clear demand for a broader range of Sharia-compliant offerings—beyond superannuation into areas like mortgages, savings, and diversified investment products—and meeting that demand will be critical to deepening participation. At the same time, mobilising capital more effectively, both locally and through international networks, will help unlock scale and bring more sophisticated opportunities into the market. Underpinning all of this is the need for stronger institutional engagement, where industry players work more collectively, engage with regulators, and build the credibility and infrastructure required to support long-term growth.”

— Mas Harris

**Head of Investments
and Product, Salaam**

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Community and grassroots organisations

Sustained growth in the Australian Islamic economy will depend not only on capital and regulation, but on people. Entrepreneurship, skills development and narrative leadership are central to building a durable ecosystem.

- 1 Targeted support for halal-aligned entrepreneurship should be expanded. Mentorship networks, incubators and structured pitch days can help early-stage founders refine business models, access capital and build confidence. Particular emphasis should be placed on ventures led by women and young entrepreneurs, who represent a significant share of emerging talent in sectors such as halal FMCG, modest fashion, digital media and ethical finance.
- 2 Partnerships with universities and vocational training providers are essential to build specialised capabilities. This includes halal supply-chain management, Islamic finance structuring, digital content production and modest fashion design. Structured pathways into these fields would professionalise the sector and reduce reliance on informal knowledge transfer.
- 3 Amplifying the achievements of Australian Muslim entrepreneurs across food, fashion, media, travel and finance helps counter narrow stereotypes and signals opportunity to investors and policymakers. Media platforms play a critical role here.

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“From my experience building businesses, growth starts with individuals who are willing to create, adapt, and build trust within their communities. There’s a real need to invest in skills and knowledge so more founders can confidently enter the market and scale sustainable ventures. At the same time, narrative leadership matters—how we position halal and Islamic-led businesses beyond a purely religious lens, and instead highlight values like quality, transparency, and ethics. When you combine capable entrepreneurs, stronger capability building, and a clearer, more compelling narrative, you create the foundation for a much more durable and inclusive ecosystem.”

— *Mariam ElHouli* Founder, Eve’s Skin

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About Salaam

Salaam represents the new frontier in Shariah-compliant wealth creation, offering Australia's one million-strong Muslim community access to inclusive wealth creation and personal finance solutions.

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About DinarStandard

DinarStandard™ is a growth strategy research and execution management firm, empowering organisations for profitable and responsible global impact. DinarStandard specialises in government innovation, the global halal/ethical economy and the social impact space.

Since 2008, DinarStandard has supported over 30 government entities, investment institutions, industry leaders, and multi-laterals from over 12 countries worldwide. Its unique value-proposition is rooted in delivering original facts and foresight-driven client impact grounded in excellence and ethics.

