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HALAL TOURISM AS AN OPPORTUNITY FOR DIFFERENTIATION AND DEVELOPMENT OF THE COMPETITIVENESS OF A DESTINATION ON THE EXAMPLE OF SARAJEVO CANTON

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ABSTRACT

With the halal market being one of the fastest-growing markets today, halal tourism has become globally recognized as an excellent opportunity to enhance the competitiveness of tourist destinations. There is a growing interest among Muslim travelers and even markets which aren't typically Muslim are turning to halal certification, adapting their offerings to halal standards.

Although halal tourism is often identified exclusively with the consumption of halal food, it is a much broader spectrum of elements that make a certain market a halal friendly destination; above all, the existence of facilities for prayer and offering accommodation in line with Islamic regulations. According to the Global Muslim Index report for the year 2023, Bosnia and Herzegovina has emerged as one of the most visited halal tourist destinations in Europe.

The global tourism market has undergone significant changes, largely influenced by the COVID-19 pandemic. Mass tourism has been replaced by individual experiences, with a focus on meeting the specific needs of tourists and searching for new forms of tourism as the basis for differentiation and sustainable development. In such conditions, halal tourism emerges as an outstanding opportunity for destination competitiveness, and Sarajevo possesses the natural and social potential for the expansion of this tourist niche. With Islam as the dominant religion, numerous mosques, halal food and accommodation facilities compliant with halal standards, Sarajevo represents a kind of natural halal-friendly destination. Furthermore, one-third of the total tourist traffic in the Sarajevo Canton comes from the Gulf countries, which are the largest consumers in halal tourism.

However, halal tourism is not just an economic opportunity; it successfully changes the narrative in accepting other cultures and religions. By leveraging the full potential of halal tourism, Sarajevo can become an attractive year-round destination and further strengthen its reputation as a European symbol of multiculturalism and tolerance.

Keywords: *halal tourism, tourist niche, halal friendly destination, differentiation, competitiveness*

Methodological approach and goal of the paper work

This paper used data in the form of published scientific articles, books, media reports, conference papers and other written forms on all important aspects of halal tourism. The work is also the result of market analysis and experience in tourism.

Therefore, the primary goal of this paper is to explore the potential of halal tourism as a means to differentiate and enhance the competitiveness of Sarajevo Canton as a tourist destination. This study aims to analyze the key elements that make Sarajevo a halal-friendly destination, assess the opportunities for development, and discuss the social and economic benefits of promoting halal tourism in the region.

Introduction

In the narrowest sense, the definition of halal includes everything that is permitted in accordance with Islamic principles, that is, what is not prohibited. With the halal market, which represents one of the most dynamic and fastest growing markets today, and with the increase in the population consuming halal products and services, halal tourism as a relatively new tourist niche is gaining more and more importance. At the same time, the interest of Muslim travelers, who have considerable purchasing power, for destinations that can satisfy their specific needs, respecting Islamic principles and values, is growing. Halal tourism is globally recognized as an extraordinary opportunity for opening new business opportunities and improving the competitiveness of tourist destinations. The public and private tourism sector in Sarajevo Canton has identified halal tourism as an important specific form of tourism that forms an integral part of the tourist offer and tourist product of this destination. Taking into account the data according to the last official population census in the Canton of Sarajevo, according to which more than 80% of the inhabitants of this canton are of the Islamic faith, it is clear that this is a tourism market that has natural conditions for

the development of this type of tourism and is relatively familiar and accessible to Muslim travelers. However, even markets that are not traditionally Muslim are increasingly turning to halal certification, adapting offerings to halal standards, and exploring ways to attract new guests and differentiate themselves from the competition. For example, research conducted among producers holding halal certificates in neighboring Croatia showed that halal certification leads to an increase in product exports and has an impact on increasing income and profits, with the tourism sector experiencing the most significant benefits.

Characteristics of halal friendly tourist destinations

Halal tourism in practice implies compliance with all steps in the chain of preparation and implementation of tourist arrangements in accordance with halal requirements. Although halal tourism is often identified exclusively with the consumption of halal food, which is undeniably a very important part of the tourist offer, given that gastronomy is an indispensable and central part of the tourist experience, it is still a much broader spectrum of elements that make a certain market a halal friendly destination. A halal friendly tourist destination is defined as a place that meets the needs of Muslim travelers by providing services and facilities that are in line with Islamic principles and values, i.e. they can offer the possibility of consuming halal food and drinks, have a sufficient number of mosques or facilities for prayer and offer accommodation in accordance with Islamic regulations. The added value that halal friendly destinations develop and offer refers to specific programs and contents that are adapted to the needs and interests of Muslim tourists. This may include tourist tours accompanied by certified guides, tourist visits to Islamic objects of historical significance, cultural, entertainment and musical programs with Islamic motifs, additional luxury facilities such as swimming pools, hammams and massages adapted to the specific needs of consumers of these services, and so forth.

The World Tourism Organization emphasizes sustainability as an imperative for the growth of the tourism sector, and halal tourism is fundamentally based on Islamic regulations that fully advocate and support the concept of sustainable development.

According to the Global Muslim Index report for the year 2023, Bosnia and Herzegovina stands out as one of the most visited halal tourist destinations in Europe, taking the fourth place, and the halal industry of Bosnia and Herzegovina is the leader in Southeastern Europe. Through the development strategy of the Sarajevo Canton, sectoral strategy, as well as individual promotional activities of the public and private tourism sectors, the Sarajevo Canton increasingly recognizes halal tourism as one of the specific forms of tourism that can provide the greatest opportunities for destination development, differentiation from the competition, enriching the tourist offer, and creating a unique experience as the prevailing global trend in tourism.

Opportunities and development potential of halal tourism in Sarajevo Canton

More than a third of Bosnia and Herzegovina's tourist traffic takes place in the Sarajevo Canton. An interesting cultural and historical heritage, the proximity of the Olympic mountains, numerous green oases, a rich gastronomic offer, vibrant festival scene and the longest siege in modern history are just some of the reasons why tourists from all over the world choose to visit Sarajevo. However, the global tourism market has undergone major changes, mostly under the influence of the coronavirus pandemic, which has completely changed the travel habits and demands of tourists. Mass tourism has been replaced by individual experiences, with a focus on understanding and meeting specific tourist needs, personalized approaches, inclusivity, and the search for new specific forms of tourism that will be the foundation for differentiation as a key for sustainable development. In such conditions, halal tourism stands out as an extraordinary opportunity for the development of the destination's competitiveness, and Sarajevo

Canton has natural and social potential for the expansion of this tourist niche.

With Islam as the dominant religion, Sarajevo Canton is a kind of natural halal friendly destination. Development possibilities and prerequisites for strengthening halal tourism stand out through:

Cultural and historic heritage. With a history and tradition of Islamic culture spanning over five centuries, the Sarajevo Canton is an exceptionally rich tourist destination, with particular value attributed to its interweaving with other religions and cultural influences.

The number of Islamic religious buildings. In Sarajevo Canton, there are more than 160 active mosques (jamaats) in all urban and suburban municipalities, which ensures maximum availability of prayer facilities for Muslim travelers. The Sarajevo International Airport also has space for performing religious duties in accordance with Islamic regulations.

Availability of halal products and services. Considering the pronounced majority of the Muslim population, the availability of halal products and services is at the highest level, including halal food, cosmetics, pharmaceutical products, health services, tourist arrangements, etc.

Halal food offer and accommodation facilities in accordance with halal standards. The basic elements of the tourist experience are accommodation and gastronomy. Traditionally, food in catering facilities in Sarajevo Canton is prepared in accordance with halal standards, and the accommodation facilities are adapted to the needs of Muslim travelers. However, the insufficient number of halal certified establishments must be mentioned as a key drawback. Increasing awareness of the importance of halal certification as a guarantee of quality and recognition is the surest way to increase tourism and hospitality traffic from the halal market.

Traditional cultural and religious events. Events such as the Ramadan festival „Visit Sarajevo – Feel the Spirit of Ramadan“ implemented by the Majlis of the Islamic Community of Sarajevo and the Tourism Association of Sarajevo Canton,

which combine a religious, touristic, cultural and entertainment character, aim to attract tourists and offer additional content for a fulfilling and extended stay. Although it cannot be classified as a typical prerequisite for the development of halal tourist destinations, the additional advantage of Canton Sarajevo are numerous green oases, natural beauty and a rich outdoor tourist offer, which is a significant factor that attracts tourists, especially from the Gulf countries.

As special opportunities in the development of halal tourism, congress tourism and the MICE industry, i.e. business events with the halal label, which are on the rise with the increase and strengthening of the halal market, should be considered. Another interesting sub-sector of halal tourism can be solo female travelers who recognize Sarajevo as a safe and friendly destination. Halal tourism and standards can be easily and successfully combined with all other specific forms of tourism, such as gastro tourism, outdoor and adventure tourism, health tourism, etc. The most important feature of halal tourism is that it does not have to be a limiting factor in any case; quite the opposite – applying the halal standard only opens up additional benefits and opportunities for all participants in the supply chain.

Challenges for the development of halal tourism in Sarajevo Canton

The development of halal tourism may face several challenges and requires a coordinated approach between governments and the private sector to provide the best experience for halal tourists.

While many destinations face problems such as insufficient infrastructure, lack of standardization, mistrust of halal certificates or cultural differences that can be a source of problems and a challenge that is very difficult to overcome, Sarajevo Canton does not have these difficulties. However, it is important to identify the specific challenges this destination faces in order to overcome or mitigate them.

Prejudices and stereotypes. Halal tourism, even in a Muslim-majority society, sometimes can be

misunderstood or stereotypically represented. General ignorance about the concepts and practices of halal tourism and linking halal tourism with restrictions can lead to a poor experience for tourists.

Insufficient number of businesses in tourism that have a halal certificate. This is a situation where an advantage threatens to become a disadvantage. Given that halal as a principle is literally considered a lifestyle in Sarajevo Canton, many carriers of tourist infrastructure and offers do not possess a halal certificate, even though they have all the necessary conditions and apply halal standards in their business. Awareness of the importance of halal certification in terms of confirmation and guarantee of quality is unfortunately at a low level.

Lack of staff training. It is necessary to educate tourism workers about the specific needs of halal tourists, including cultural sensitivity and specific services required.

Economic issues. Implementing halal standards can be expensive, which can be a financial challenge for smaller businesses. Service providers may be concerned about the uncertainty of return on investment in halal tourism.

Insufficient promotion. Halal tourism offer of Sarajevo Canton is not sufficiently promoted in the global market. Promotion on the markets of the Gulf countries, Malaysia, Singapore and Turkey through tourism fairs and roadshow campaigns has been implemented for several years thanks to the Tourism Association of Sarajevo Canton, which gathers co-exhibitors and key stakeholders, but it is necessary to systematically develop a long-term and short-term strategy for adequate and more intensive promotion through offline and online promotional channels.

Social and economic benefits of halal tourism

The halal market has seen continuous growth in supply and demand year after year, and the current value is estimated at 3 trillion US dollars, with almost two billion users. Even in the conditions of the pandemic and the global economic crisis, this market recorded an increase.

It is estimated that hundreds of millions of Muslim tourists travel annually and are generally considered good consumers. The most important emitting halal markets are the Gulf countries, Turkey, Indonesia, Iran, and countries from Southeast Asia and Western Europe.

The advantage that Sarajevo should take advantage of is the statistical data that a third of the total tourist traffic generated in the Canton of Sarajevo comes from the markets of the Gulf countries, which are the largest consumers in halal tourism, and approximately 15% of tourists visiting the Sarajevo Canton come from another significant global halal market – Turkey. When these figures are combined with the respectable markets of Malaysia and Western European countries, halal travelers from Great Britain, but also the Islamic diaspora that visits the Canton of Sarajevo and whose annual current transfers are measured in billions of convertible marks and contribute to the stability of the domestic economy, it becomes evident that investing in halal tourism in the Sarajevo Canton can open up numerous opportunities to increase tourist traffic and tourism revenue.

The economic aspects of halal tourism, in addition to the increase in income from tourism, are also reflected in the increase in employment and opportunities for the active involvement of the local population, local suppliers and small craftsmen in the creation of a complete offer that includes different profiles of products and services. It is estimated that products and services classified as halal can have up to 40% higher prices than products and services that do not meet halal standards, and consumers are found not only in individuals who practice halal lifestyle, but also in general among all lovers of a healthy lifestyle. Consumers are increasingly demanding products that are high-quality, natural and certified, which further supports the demand for halal products of all kinds. However, halal tourism is not only an economic and social opportunity, but also a means of promoting religious tolerance because it is one of the most representative tourist niches that successfully changes the narrative in accepting other cultures and religions. This type of tourism provides

visitors with the opportunity to learn about new cultures and customs, as well as to explore traditions, architecture, gastronomy, art and other cultural aspects of the destination, which ultimately contributes to the preservation and promotion of local heritage. Halal tourism fully supports the concept of sustainable tourism and can be a significant factor for the sustainable development of a tourist destination.

Conclusion

Although halal-friendly destinations primarily focus on Muslim tourists, religious tourism and getting to know different religions and customs are of interest to tourists of all religious affiliations. The development of halal tourism contributes to the diversification of the destination's tourist offer, which is essential for reducing seasonality and dependence on certain tourist markets. This specific form of tourism attracts investments in tourism infrastructure, which accelerates economic development and creates a more favorable business environment. Halal tourism brings significant social and economic benefits to destinations and local communities, promoting inclusive tourism that respects different cultures, religions and lifestyles and ensuring sustainable tourism growth.

This study demonstrates that halal tourism offers substantial opportunities for Sarajevo Canton to enhance its competitiveness as a tourist destination. By focusing on Muslim tourists while appealing to a broader audience interested in religious and cultural tourism, Sarajevo Canton can diversify its tourist offerings, reduce seasonality, and attract significant investments in tourism infrastructure. The findings highlight that the region's rich cultural heritage, combined with its existing halal-friendly facilities, positions it favorably in the halal tourism market.

To fully capitalize on this potential, it is crucial to increase awareness of the importance of halal certification and develop a comprehensive promotional strategy. This strategy should provide potential tourists with detailed information about the halal tourism offer available in Sarajevo Canton.

In conclusion, leveraging the full potential of halal tourism can make Sarajevo Canton an attractive year-round destination, fostering economic growth, cultural understanding, and reinforcing its reputation as a European symbol of multiculturalism and tolerance. Future efforts should focus on addressing the current gaps in halal certification and enhancing the overall tourist experience to meet the specific needs of halal travelers.

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HALAL TURIZAM KAO PRILIKA ZA DIFERENCIJACIJU I RAZVOJ KONKURENTNOSTI DESTINACIJE NA PRIMJERU SARAJEVSKOG KANTONA

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Stručni rad

SAŽETAK

S obzirom da je halal tržište jedno od najbrže rastućih tržišta danas, halal turizam je postao globalno prepoznat kao odlična prilika za povećanje konkurentnosti turističkih destinacija. Postoji rastući interes među putnicima muslimanima, pa čak i tržišta koja nisu tipično muslimanska okreću se halal certifikaciji, prilagođavajući svoju ponudu halal standardima.

Iako se halal turizam često poistovjećuje isključivo s konzumacijom halal hrane, radi se o mnogo širem spektru elemenata koji određeno tržište čine halal friendly destinacijom; prije svega postojanje objekata za molitvu i noćenje smještaja u skladu sa islamskim propisima. Prema izvještaju Globalnog muslimanskog indeksa za 2023. godinu, Bosna i Hercegovina se nametnula kao jedna od najposjećenijih halal turističkih destinacija u Evropi.

Globalno turističko tržište pretrpjelo je značajne promjene, u velikoj mjeri pod utjecajem pandemije COVID-19. Masovni turizam zamijenjen je individualnim iskustvima, s fokusom na zadovoljavanje specifičnih potreba turista i traženje novih oblika turizma kao osnove za diferencijaciju i održivi razvoj. U takvim uslovima, halal turizam se pojavljuje kao izuzetna prilika za konkurentnost destinacije, a Sarajevo posjeduje prirodni i društveni potencijal za širenje ove turističke niše. Uz islam kao dominantnu religiju, brojne džamije, halal hranu i smještajne kapacitete usklađene sa halal standardima, Sarajevo predstavlja svojevrsnu prirodnu halal-friendly destinaciju. Nadalje, jedna trećina ukupnog turističkog prometa u Kantonu Sarajevo dolazi iz zemalja Zaljeva, koje su najveći potrošači u halal turizmu.

Međutim, halal turizam nije samo ekonomska prilika; uspješno mijenja narativ u prihvatanju drugih kultura i religija. Iskorištavanjem punog potencijala halal turizma, Sarajevo može postati atraktivna cjelogodišnja destinacija i dodatno ojačati svoju reputaciju evropskog simbola multikulturalnosti i tolerancije.

Ključne riječi: halal turizam, turistička niša, halal friendly destinacija, diferencijacija, konkurentnost
