

A REVIEW OF ISLAMIC FINANCING OPTIONS FOR HALAL TOURISM MARKET DEVELOPMENT IN NIGERIA

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ABSTRACT

Muslim's tourists all over the world are exploring new destinations and seeking authentic, unique travel experiences that diverge from the ordinary. This desire for discovery has made Muslim travelers one of the fastest growing segments in the global travel industry and with the tourism sector in 2019 accounting for some 330 million jobs worldwide, equivalent to 10.3 per cent of total global employment and one in 10 jobs globally, where for every directly created tourism job, nearly one and a half additional jobs are created on an indirect or induced basis, there arises the need for other financing options to cater for such wide and increasing niche travelers. The study therefore, seeks to identify such halal tourism products in Nigeria, financing options, gestation and its efficacy in tourism development for the country likewise quantify its contributions to the economy vis a vis other niche tourism products offered. The study adopted a desk literature approach by systematically reviewing literatures on halal tourism products, Islamic finance options for tourism development, applicability of regulatory framework for halal tourism market in Nigeria while a cross tabular analysis of the finance instruments as used in some countries was also used with a view to making inferences of its applicability in Nigeria. Findings revealed that there is a huge market for halal tourism in Nigeria with varying range of products, instruments for Islamic financing of tourism are also available and are highly reliable being that fluctuating interest rates do not affect the tenure nor its maturity in the market. Though there is no official regulatory framework for the segment in place and the benefits accruable for the tourism ecosystem are immense for the country where the study thus recommended a government-led destination marketing through strengthening Halal food and travel services compliance ecosystem and launching of seed marketing campaigns such as innovative programs, creating joint promotions and fostering bilateral relationships with established Halal Tourism Markets like Malaysia and Turkey.

Keywords: Halal Tourism, Market, Nigeria, Islamic Finance.

INTRODUCTION

Tourism as an industry is one of the largest and fastest economic sectors receiving an irresistible support all over the world and within the past decade. Furthermore, World Travel and Tourism

Council (WTTC) report states that in 2019, the sector accounted for (directly and indirectly) some 330 million jobs worldwide, equivalent to 10.3 per cent of total global employment and one in 10 jobs globally. For every directly created tourism job, nearly one and a half additional jobs are created on an indirect or induced basis. The labor-intensive accommodation and food services subsectors alone provide employment for 144 million workers worldwide. This includes approximately 44 million own account workers and 7 million employers. A majority of tourism enterprises are micro, small and medium sized enterprises (MSME) of less than 50 employees. About 30 per cent of the total workforce is employed in firms with 2-9 employees (ILO Monitor 2020).

Islamic tourism sometimes interchangeably called Halal Tourism has been showing a positive growth and will continue to be one of the top contributors in the service sector to the national economies. Halal tourism encompassing ethically compliant food, lodging, leisure services and cultural access has witnessed robust growth in response to this demand, notably gaining traction in cultures that value religious adherence and moral responsibility (Benmehdi, 2025; Halal Times, 2025).

In recent years, Muslim travelers have emerged as one of the fastest-growing segments in the global tourism industry, propelled by an increasing desire for authentic, values-aligned and immersive experiences that diverge from conventional offerings. This desire for discovery made Muslim travelers one of the fastest growing segments in the global travel industry. Yet, it remains a relatively untapped market providing immense opportunity for all stakeholders. To seize this opportunity, hotels and tour operators need to understand and meet cultural and religious needs of Muslim travelers to create tailor-made products and services for them (Khan 2019). Furthermore, Hussain, Shahmoradi and Turk (2015) advanced that Islamic economics and finance derive from immutable principles rooted in the rulings of the Shari'ah legal code. Unlike legal systems that are limited to secular aspects of daily life, Shari'ah jurisprudence does not distinguish between religious and other aspects of life.

Globally, tourism is a major economic driver: in 2019, the tourism sector supported approximately 330 million jobs, accounting for 10.3 per cent of total global employment with every directly created tourism job stimulating nearly one and a half jobs indirectly or through induced effects. This remarkable multiplier underlines the need for diversified financing mechanisms to support emerging tourism niches, including halal tourism, particularly in economies with untapped Muslim consumers. Islamic finance, characterized by risk-sharing, avoidance of interest (riba) and ambiguity (gharar), offers a compelling alternative to traditional financing, aligning both ethically and structurally with the needs of halal tourism development (Investopedia, 2007).

Nigeria, with over 100 million Muslims constituting a majority of its population presents immense potential for halal tourism development. Existing studies highlight the country's rich cultural diversity, tourist attractions and a growing domestic market, all conducive to the expansion of halal tourism (Yahya & Ariffin, 2021). Notably, in Kano and the broader North-East region, consumers increasingly demand halal-aligned accommodations, segregated facilities and alcohol-free environments (Buba, n.d.; Yahya & Ariffin, 2021). Yet, despite strong market demand, Nigeria currently lacks a formal regulatory framework or institutional support for the halal tourism sector, a key gap impeding its full realization.

Islamic finance offers a unique toolkit well-suited to halal tourism's needs. Instruments like sukuk, Sharia-compliant bonds are ethically structured around asset-backed returns rather than interest, enabling large-scale infrastructure funding (Halal Times, 2025; Yusuf & Mandalia, 2025). In a Nigerian context, sovereign sukuk have already financed 124 road projects across 5,820 km,

demonstrating viability and public-sector alignment (The Islamic Economist, 2024). Further empirical evidence confirms that such sukuk issuances achieved a 97.7% completion rate in nearly 1,882 km of road construction, covering 8.6% of Nigeria's federal road deficit (Baita & Bashir, 2024). Beyond sukuk, nascent models tailored to halal tourism destinations propose leveraging Islamic microfinance institutions, cooperatives, fintech platforms and productive waqf (endowments), aimed at empowering small-scale service providers and local entrepreneurs in tourism (Mahsun, 2025). Complementing these, waqf models such as cash waqf, land substitution, and cash waqf-linked sukuk, offer compelling options for financing infrastructure and improving service quality in halal tourism destinations (Yusuf, 2025).

However, halal tourism has gained academic and commercial momentum globally. Studies note its role in driving revisit intentions among Muslim travelers, mediated by satisfaction and moderated by religiosity, underscoring the critical importance of service quality, certification, staff training and accessibility in shaping demand (Benmehdi, 2025). Moreover, trends indicate rapid scholarly growth: publications on halal tourism nearly doubled from 2019 to 2021, with Malaysia and Indonesia emerging as leading contributors (Suban, Madhan & Shagirbasha, 2023). These suggests that robust research ecosystems, clarity in definition (Atilla & Akbaba, 2020) and certification standardization are foundational to advancing both academic understanding and industry practice (Atilla & Akbaba, 2020).

Despite this backdrop, Nigeria remains underexplored in academic literature concerning halal tourism and Islamic finance intersection. While studies on Sharia tourism's economic role in Nigeria exist (Trimulato et al., n.d.), there is limited exploration of financing instruments tailored to halal tourism. More critically, Nigeria lacks both regulatory clarity and institutional readiness to channel Islamic finance toward the emerging halal tourism niche. This gap underscores the significance of the study: through a systematic literature review and cross-tabular comparative analysis, will not only identifies local halal tourism products and financing options in Nigeria, but also examines gestation, efficacy and economic contribution vis-à-vis other niches.

The research will contribute in twofold: academically, it will enrich literature on halal tourism and Islamic finance in underrepresented contexts, offering Nigeria-specific insights; operationally, it will provide actionable recommendations for policymakers. These include government-led destination marketing, strengthening halal service compliance ecosystems, seed marketing campaigns and forging partnerships with established halal tourism hubs like Malaysia and Turkey. Such measures can catalyze both supply-side transformation and increase inbound and domestic halal tourism flows.

LITERATURE REVIEW

Halal Tourism (Muslim Friendly Tourism)

In 2018, it was estimated that there were 140 million international Muslim visitors and projections see it to reach 230 million by 2026 (Crescent Rating 2019). The Mastercard-Crescent Rating Digital Muslim Travel Report 2018 equally advanced that Muslim Travelers will spend USD\$180 billion by 2026 for online travel purchases while in its 2019 publication, it also predicted that more than 230 million Muslim tourists are expected to embark on travel, locally and abroad by 2026. By that time, Muslim travelers are expected to inject \$300 billion into the global economy. The tourism industry is quickly moving out of its niche status especially in Islamic tourism or as known as Muslim friendly tourism (MFT) field. Most of companies, hoteliers, restaurateurs, tour operators as well as travellers continue to open and make their presence in the services sector (Aziz 2018). In addition, he equally argued that religion and belief usually may influence the daily activities

while travelling. In Islam, there are some surahs in the al-Qur'an that encourage Muslims to travel and explore the world as well as to conserve the experience for the devotion of faith towards Allah SWT. About nine verses in the holy Qur'an have been identified by scholars to be those that encourage people to travel the world.

Furthermore, El-Ghohary (2016) believes that researches of Islamic tourism have conceptualized or advanced a meaning to this niche tourism through different perspectives that includes; focus on participation and participation by Muslims, Places and destinations of Islamic history, Products and services offered in terms of residential quarters, food, beverages, entertainments services.

Halal tourism is one of the emerging concepts related to Halal and has been defined in many different ways and by many different scholars. Within this regard, Halbase (2015), defines it as offering tour packages and destinations that are particularly designed to cater for Muslim considerations and address Muslim needs. As such, the fundamentals of Halal tourism include components such as: Halal food, Halal transportation, Halal hotel, Halal logistics, Islamic finance, Islamic travel packages and Halal spa (Razalli, Abdullah, & Hassan, 2012).

Halal tourism arises from the growth in the number of Muslim travelers world-wide and the rapid development of halal industry. Halal tourism is dubbed as 'the new billion-dollar travel trend. Its market worldwide is recorded to increase at an annual rate of 5%, which is more than the normal tourism industry growth of 4% (Context Consulting, 2016). In a report on the state of the global Islamic Economy of 2014/2015, which was produced by Thomson Reuters and Dinar Standard, it was argued that Muslim tourists worldwide spent 140 billion US dollars in 2013, and this figure excludes the spending on the same year on Hajj and Umrah, which were valued at 16 billion US dollars. Moreover, the amounts spent by the Muslims constitute 11.5 per cent of global expenditure and this segment is expected to add 239 billion US dollars in 2019, which represent 13 per cent of global spending. These impressive figures influence more hotels and other service providers to announce new plans and strategies to draw interest of the Muslim tourists to their Sharia-compliant hotels, restaurants, spas and travel packages.

In terms of travel destinations for halal tourism, Malaysia tops the list in the latest Global Muslim Travel Index, with Turkey and Saudi Arabia in second and third place respectively. Indonesia and United Arab Emirates rounded off the top five destinations. Meanwhile, Singapore remains the only non-OIC destination in the top 20 GMTI 2021 ranking (Crescent rating 2021). As halal themes begin to influence tourism industry, both Muslim-majority and Muslim-minority countries are seeking to capture the Muslim tourist market by providing halal foods, halal accommodation and relevant logistics to cater to the requirements of Muslim travellers. Lately, several Muslim-minority economies, such as Singapore, Japan and New Zealand, have started to promote their own brand of halal tourism (Henderson, 2016).

Therefore, Halal tourism in this study, is defined as the use or engagement of any object or action by Muslim travelers that conforms to the Islamic teachings and facilitate the practice of the religion. This definition was deduced from the works of Battour & Ismail, (2016) and Halbase (2017). COMCEC (2016) also argued that Muslim-Friendly Tourism was equated with Halal Tourism and defined as; "The activities of Muslim travelers who do not wish to compromise their faith-based needs while travelling for a purpose, which is permissible." Equally, the provision of services in terms of tour packages and travel destinations that met Muslims requirements and preferences, can include but not limited to the followings which is further explained in Figure 1.

- a) Halal food served in hotels or in-flight while travelling,
- b) Halal accommodation in regard to food and drinks served during the stay at the hotels,

- c) Halal logistics, which means foods that are properly prepared, stored and delivered,
 - d) Halal spa, especially in regard to having separated rooms or facilities for male and female clients and being served by the same gender, as well as;
 - e) Islamic finance, in which travelling is funded by halal or Sharia-compliant means.
- Therefore, the development and marketing of halal tourism services must be guided by the Islamic teachings and principles, covering all aspects of tourism activities.

It is on this premise that we believe the advancement of religious tourism should not be limited, as religion is a relatively under-researched area and an under-represented topic in tourism. Religion has long been a strong motivating factor in people's travel (Wall & Mathieson, 2006). Meanwhile, given that tourism and hospitality is a social and cultural industry, it should then closely represent the dimensions of ethnicity and religion (Stephenson, Russell, & Edgar, 2010). In responding to these developments, the tourism industry is progressively moving away from mass marketing and is instead pursuing more sophisticated approaches to segmenting tourist markets in order to address the distinct consumer psychology of a particular target market.



Figure 1: Products and Services of Halal Tourism. (Source: COMEC (2016))

Halal Tourism products and services Ecosystems for financing

Muslim tourists like other consumers are not homogenous in choice of products and services which arises based on rapid pace of technological innovation, rising fervor of social activism and changing demographics of travelers worldwide. Therefore, to better engage with Muslim travelers in this new climate amidst the fourth industrial revolution, it is important for destinations and services to connect with the market on a deeper level. This requires the synergy of both smart technologies, such as artificial intelligence (AI), and skilled hospitality professionals familiar with the needs of Muslim travelers within the halal tourism ecosystems where there is a changing global profile of

Muslim travelers and the globe. It is on this premise that the Crescent Rating in 2019 identified the following Muslim traveler products and services

Muhammad and Yakasai (2022) in a study on impact of Islamic finance towards halal product development and patronizing halal SMEs in Nigeria, argued that Nigerian Halal market is estimated to be more than two trillion, and has the capacity to create a platform where investors tap from it as many people are eager to use such market. Furthermore, the market increases the halal market and enhances the country's economy by improving the Gross Domestic Product (GDP) and providing certified Shariah product thus increasing opportunities for the Muslims communities' in-country (Danjuma, 2021). The growing demand for Shariah-compliant goods and Halal movement traction that will ginger the market to become viable. The interest-free market is relatively matured and addresses Muslim consumers and Shariah-compliant demand, which consist of food processing, pharmaceuticals and logistic industries, personal care, cosmetics and other lifestyle offerings. Though the level of awareness is currently low as not much sense the Halal products but most consider hygiene (Muhammad and Yakasai 2022)

Furthermore, El-Ghohary (2016) believes that Halal tourism organisations, providers and practitioners should be able to provide products and services that fit in with halal tourism principles or requirements for their customers in respective of religious affiliations of which he highlighted the followings as set examples.

- i. Cultural and Heritage tourism products such as monuments, Heritage sites, Cultural routes, Festivals,
- ii. Hotels and Restaurants that provide accommodation, feeding and Halal refreshments
- iii. Travel Agency Business
- iv. Tour Operating Firms and companies
- v. Car Rental, Coach and other transport rental companies
- vi. Amusement and Recreational Parks and Gardens
- vii. Wildlife Safari Parks and Resorts
- viii. Tourism MSME's such as souvenir shops, crafts and materials shops.
- ix. Tour guiding
- x. Event Planning and Management Firms

Islamic finance

Islamic finance has become a global system spreading as far as Asia, the Middle East and the Western world. Islamic banking is not limited only to the Muslim nations in the Middle east but is also in existence in developed economies such as USA, Europe, and the Far East. Today, more than four hundred and fifty (450) Islamic banks are operating from China to USA, having assets in excess of one trillion US dollars. Conventional foreign banks (e.g., Standard Chartered Bank, Grind lays, Citibank, etc.), are dealing in Islamic products through their Islamic Units in U.K, Germany, Switzerland, Luxembourg (Olaoye, Dabiri and Kareem 2013)

Islamic banks now have a presence in more than 60 countries under 14 jurisdictions. Moreover, Islamic Banking may present itself either in the form of a full-fledged Islamic bank or as Islamic Banking windows in the conventional banks. Thus, the Islamic banks face competition from other Islamic banks and the conventional bank, which also offers Islamic financial products and services (Ratnasari, Hati and Chalid 2021).

Islamic Finance/ Banking in Nigeria

The Fitch rating of 2023 indicated that Islamic banking referred to as non-interest banking in Nigeria is growing swiftly from a low base on the back of strong financing push (including from newly-established Islamic banks), a growing capital base, and government's more lax prudential requirements compared with conventional banks. Challenges include a limited Islamic banking footprint and low public awareness of Islamic products. The size of the Nigerian Islamic finance industry is estimated at USD2.9 billion at end-2022, with outstanding sukuk being the largest segment at 57%, followed by Islamic banks at 42% (total assets), and the remaining 1% between Islamic funds (total assets) and takaful (total contributions). The long-term potential is significant as Nigeria has the largest Muslim population in Africa with a large unbanked population.

The rating further explained that Islamic banking assets increased 71% year-on-year in 1H22. However, it held only a 0.8% market share by total industry assets. With only three full-fledged Islamic banks (Jaiz, Taj and Lotus) and two Islamic windows (In Stanbic IBTC and Sterling Bank) are operating in Nigeria with all having small capital bases and a limited distribution network. Islamic banks' deposit collection was limited with a 0.4% share of industry deposits, while the financing share was higher at 0.7% of industry loans.

Products and options of Islamic Finance for Tourism

According to Achkrojon (2022); Mehmood, Oganisjana and Lace (2022), advanced that Islamic banking (IB) provides a variety of products and services to its customers in order to meet a variety of financial and investment needs. IB financing products are mostly for home finance, particularly for customers looking to purchase homes, vehicles, and other personal belongings. IB deposit products are designed to meet the needs of people of various income levels and ages. For example, current and saving accounts are for low-income individuals; safekeeping (Wadi) saving accounts are for children under the age of eighteen; and insurance (Takaful) presents different kinds of insurance to individuals. These accounts are provided with credit or debit card services. IB business products are aimed primarily at the business sector. Business products allow a company to purchase or lease goods. IB trade financing includes a letter of credit granted by IB to business suppliers, working capital provisions, and export credit facilities; it is available to firms who want to undertake trades and support their operations.

They further added that the products can be categorized according to their characteristics as outlined below

- i. The contract "Al-Wadiah" (safekeeping) means property/good (Amanat in Urdu & Arabic) of a customer. In "Al-Wadiah" principle, the bank receives the deposit, and the depositor authorizes the bank to use the deposit in Shari'a compliant modes at the risk of the bank. The bank is liable to return the principle sum of the deposit to the depositor on his demand.
- ii. IB contract "Qard al-Hasan" (benevolence loan) is an interest-free and in some countries also collateral free loan intended to help an individual in need of money; each country has its own loan regulation procedure. Since the borrower is only required to repay the principal amount, this loan does not give any financial benefit to IB
- iii. The contract "Modaraba" (profit and loss sharing) is based on the concept of sharing profit and loss (PLS). This contract finances businesses. Businesses provide services and IB offers interest free capital. If a loss occurs, IB takes the responsibility for it provided that the businesses have no intention to cause it while the profits are shared according to a pre-agreed ratio; the ratio might be 70 (IB):30 (businesses) or 80 (IB):20 (Businesses). Another characteristic aspect of a "Modaraba" contract is the absence of fixed annual payment to IB for the capital used by businesses. According to the "Modaraba" contract, the financier has no involvement in how the business is managed by a company or an individual.

- iv. A “Musharakah” (partnership) is a contract for joint business organized by IB and other partners. The first characteristic aspect of a “Musharakah” contract is that all the parties invest money, and the earnings are split according to a pre-defined agreement, instead of preserving the same proportion of the amount of the money invested by each of them. However, in case of a loss, the loss is splitted proportionally to investment by each partner. The second characteristic element is that all the partners participate and control investment management. Thirdly, IB is authorized to audit the company's accounts and oversee its operations.
- v. A “Murabaha” (cost-plus-profit margin) is a contract in which an IB buys an asset on behalf of an individual or a company and resells it to the customer at a defined price. This pricing comprises the asset's cost as well as an agreed-upon profit margin. Under this arrangement, payment to IB is paid in the time period agreed, either in a single payment or in installments. In case of a “Murabaha” contract, IB immediately registers the ownership of the product to the individual or the company.
- vi. The contract “Ijarah” (lease financing) is the process of IB purchasing assets like cars or real estate on behalf of a company or an individual allowing them to use these assets for a pre-determined rental period. Like in the case of CB, also “Ijarah” implies that the assets ownership remains with IB until it is transferred to the company or the individual when all the lease payments have been made.
- vii. Bai Salam” (advance payment) is a contract in which its sellers pay in advance for products that will be delivered to them in the future date. “Bai Salam” was widely used in the Arab agricultural production even before the arrival of Islam. This product is perfectly suited to meet the financial needs of agricultural and industrial sectors of in Islamic economy. The terms and circumstances of “Bai Salam” contract, like the price, quantity, and quality of goods to be delivered to the contract sellers, must always be clearly defined according to Shariah, without any aspects of interest, uncertainty and hidden charges.
- viii. The contract “Takaful” (insurance) is a sort of Islamic insurance in which members pool their funds to protect each other against loss or injury, and mutual risk is shared amongst the participants. Takaful insurance is based on Shariah law which explains how individuals must cooperate and protect one another. Health, life, and other forms of insurance are covered under Takaful policies.

Investment Portfolios to Finance Halal Tourism Market and Development in Nigeria

According to Ma'Sum Billah (2016); Desai (2016), There are a number of avenues for channeling funds through Islamic investments. Some are done privately, meaning that investments are between the contracting parties while others are pooled or joint investments, which are subject to standardized rules and regulations of authorities. And they include the following methods

- i. Islamic asset securitization referred to as sukukization or taskik or even sometimes tasnid is a relatively new phenomenon that has been taking place quite recently in Islamic capital markets; and Shariah-compliant securitization is the process of issuance of tradable securities compatible with Islamic principles, mainly Sukuk, which must be backed by tangible identified assets. For a securitization structure to comply with Shariah tenets, the assets being securitized must also themselves comply with sharia principles. Equally, every Islamic securitization has an asset-backed structure where all investors or Sukuk holders own tradable investment certificates representing an undivided share (ownership) in the underlying asset or the pool of assets. Therefore, they receive a proportional share of the income generated by the asset and the repayment of the principal amount and not a fixed interest.

- i. ii. Equity Investment: in equity is a very well-known type of investment whereby investors purchase shares of companies for either capital gains or dividends distributed by the respective companies. This kind of investment can be done on individual basis, whereby a person purchasing shares of a company, or it can be done through an organisation like unit trusts or mutual funds. To invest in equity shares that are acceptable in Shari'ah, the following conditions need to be fulfilled as argued by Usmani () the main business must be halal free of riba or gharar, no borrowing of money with interest or investing surplus.
- ii. Commodity fund In this type of fund, the joint pool of funds is used to purchase commodities for the purpose of reselling them; the profits generated from the sale will then be distributed on pro rata basis among the investors.¹⁵ To ensure the alignment of this kind of investment with Shari'ah principles such as the seller must own the commodity at the time of the sale; hence, short selling of commodities is not permissible, the price of the commodity must be fixed and known to the contracting parties; this is to ensure total elimination of gharar elements in the commodity trading.
- iii. Under this type of investment, the owner or lessor of an asset (a motor vehicle or house) will lease out his assets to a user or lessee for a certain amount of money or rentals; and at the same time, the ownership of the asset remains with the lessor. The aim of this kind of investment is for the investor or owner of the asset to recover the capital cost of purchasing the asset, plus a profit margin, which are obtained out of the rental payments.¹⁷ There are basically two types of leases: the first is operating lease whereby the ownership of an asset remains with the lessor who puts up the asset for rent every time the lease period expires, and the lessor bears the risk of recession or diminishing demand for the asset; the second type of lease is lease purchase whereby the ownership of an asset will be transferred to the lessee at the end of the lease period.
- iv. Musharakah or partnership is a type of investment whereby all partners (investors) share profits of a joint venture according to a mutually agreed ratio, while losses are shared exactly in proportion to capital invested by each partner; at the same time, all partners have the right whether or not to participate in the management of the business. In relation to distribution of profits, the ratio of profit for each partner must be determined in proportion to the actual profit accrued to the business, and not in proportion of capital invested or fixing of a lump sum amount for any of the partners.
- v. Mudharabah: Just like Musharakah, Mudharabah is also a partnership, but the difference is that in Mudharabah, one partner (investor) gives money for investing, while the other partner is responsible in providing labour and skill to manage the money; the profits generated out of the investment are shared in a predetermined ratio. The profit-sharing ratio could be 50:50, 40:60, or 30:70, depending on the contracting parties. Mudharabah is one of the most well-known Islamic investments and its principles are widely adopted by Islamic banks.
- vi. Bai' Salam: A forward transaction whereby cash is paid before delivery of commodities, while at the same time the quantity, quality and delivery date of goods and services had been specified clearly. In Bai' Salam, the interest of both contracting parties are taken care of: the seller gets the money he wants in advance for the purpose of covering expenses, in exchange of his commitment to deliver the commodity at a fixed future date; and the purchaser benefits from cheap prices (normally Bai' Salam sale is cheaper than cash sale) and he is able to hedge his position against fluctuation of commodity prices.

- vii. Istisna: which is similar to Bai' Salam, is an investment whereby the investor provides the needed financing for the production of products or services. The price is determined in advance and the investor need not pay the whole amount in advance, payments can be made in instalments or it can be deferred until the time the desired product or services is delivered. An example would be the contract between a person and a housing developer: the investor provides the needed capital for the "manufacturing" of his house, which will be completed at a future date. Murabaha, a mode of financing which is widely used by Islamic banks and financial institutions involves purchasing of commodities for the benefit of clients, and then selling it to them on deferred payment basis at an agreed margin of profits added to the initial cost of purchasing the commodity. For example, when a person needs to buy equipment immediately but does not have enough money to purchase it. He then requests the bank to purchase the specific equipment and agrees to buy back the item in the future at a price, which is more than the cost incurred by the bank.

Findings and Gaps identified

Key areas of public policy gaps and opportunities identified are as follows:

For the different strata of Government in Nigeria mostly in Northern Nigeria where it is predominantly Muslim and follows sharia compliant policies both in life style, culture and religion there is an absence of implementing Halal regulation/compliance policies for tourism and its allied products while also establishing Muslim friendly Tourism (MFT) bodies/committee is of paramount importance which can advise on easing visa policies, and providing subsidies for investors in such fields of business.

On the other hand, in the area of Government-led destination marketing policies through the regional, state and national destination marketing organizations, there seems to be apathy in developing brand identity while promoting/supporting marketing campaigns, launching joint promotions with airlines, creating innovative initiatives (e.g. Muslim lifestyle festival) and developing aggregate promotions are areas that they need to key in to tap from it.

Also, in the area of bilateral cooperation with countries that have established the market, the Federal government of Nigeria through its Foreign affairs ministry has not developed any bilateral tourism agreements, or even organized technical knowledge exchange, or created joint promotion for destinations in the country with similar countries.

In the area of global cooperation; Nigeria and its federating states are not engaging in Halal standards development and Islamic economy' global events. Thus, as a body it cannot lobby for Muslim travelers needs such as SME Support, training tourism suppliers, facilitating Halal certification, providing subsidies and establishing a portal for SMEs for the country.

In the food and beverages sector which forms a key component of the travel sector, the provision of Halal food credentials for food service venues is near to nothing of which if created and in existence, the benefits of Muslim-friendly meal sharing platforms through social media sites, and developing review sites for Halal restaurants in the country would have developed strong brands which would be able to attract gastronomy travelers to the country even with the abundance of exciting, and rich culinary delicacies and cuisines available in the country.

In the travel services area equally, our travel agencies do not differentiate and segment their markets on specific target groups and product offerings such as the Muslim market segments in addition to other market segments and do not provide ancillary services such as Takaful based travel insurance

and travel financing services for the Muslim tourists and travelers. In addition, the activities area, greatly needs improvement on infrastructural facilities at our heritage sites, adapt our culture-based entertainment to be Muslim-friendly, while providing clear Halal food options and prayer rooms in our malls and at attractions sites.

CONCLUSION

In conclusion, Muslim friendly tourism interchangeably called Halal Tourism in some literatures is a niche market that is growing fast and countries are cashing in on the market so as to improve their economy while also selling their country as a destination of choice for the market segment. Nigeria is a huge market that can benefit immensely if she takes this segment of the tourism market seriously and improve on her financing strategy to develop its numerous untapped tourism potentials spread across the length and breadth of the country with its abundance of rich fauna, flora, beautiful and captivating sceneries and environment, rich cultural and religious heritage and relics which dates back to the stone age area. Tapestry of religious festivities and a hoard of renowned Islamic scholars and clerics known and revered all over the world. The time is now to uncover and develop such an area that can change the narrative for self and country. And this can be achieved when policy statements, actions and strategy are all combined in a clear and holistic manner by also relying on advancements made in similar countries while also implementing actions as shown in figure 2 below outlined for Organization of Islamic Countries (OIC) of which Nigeria is a member by COMEC (2016) where to drive the market forward, government entities need to take into cognizance the relationships between the various sectors of Food and Beverage (F&B), Travel services, transportation, accommodation, activities, Destination Managing Organizations (DMO's) at various levels combine them with policy guidelines, marketing strategy private sector driven engagement etc. for effective and optimum satisfaction for all.

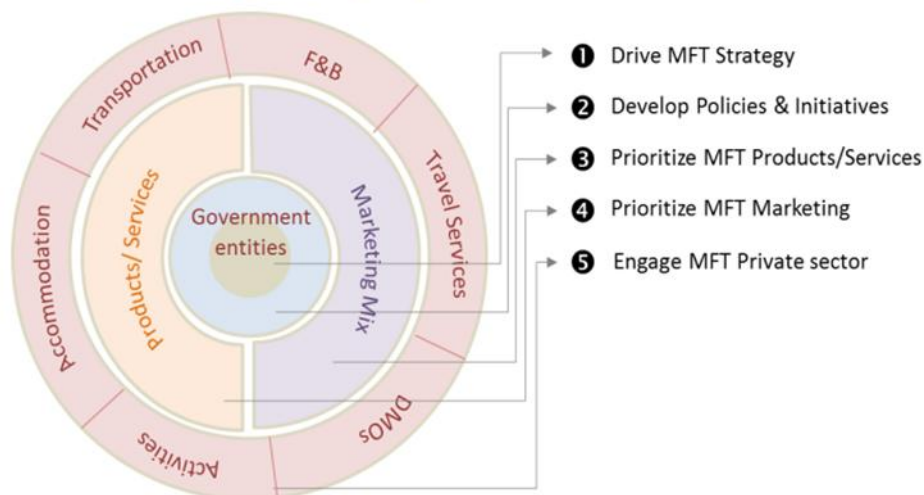


Figure 2. Actions for Halal Tourism Implementation for countries.

RECOMMENDATIONS

These recommendations are based on COMEC (2016) principles for OIC countries which is also applicable to the Tourism Ecosystem of Nigeria for Muslim Friendly Tourism (Halal Tourism) where it can boost domestic tourism having over 150 Muslims in a population of slightly above 200 million (2006 Census)

Government-led destination marketing through strengthening Halal food and travel services compliance ecosystem and launching of seed marketing campaigns such as innovative programs, creating joint promotions with airlines and aggregated promotions for the market in Nigeria.

Bilateral Cooperation with Countries such as Malaysia that have established MFT Finance systems to tap in to their successes through technical knowledge exchange as well as in jointly promoting their destinations, creating long-term joint initiatives to build and establish Partner cities or ‘Student Exchange’ programs, engaging in Halal related standards development global platform and ‘Islamic economy’ global events while developing a body to advocate for Muslim traveler’s rights.

SME Support by Facilitating Halal certification, Training tourism suppliers, establishing a mentorship program and Providing subsidies.

The Finance Instruments can sponsor the development of Products and Services Strategy Priorities through customer segment and themes prioritization such as developing vacation and beach resorts, in the over 100km stretch of beaches Nigeria has at its coastal shores, Muslim-friendly rented home sharing facilities and culturally themed hotels

In terms of Food and Beverage sector prioritization clear ‘Halal’ food credentials for food service venues (restaurants) needs to be encouraged so that visitors will experience local food hospitality while Halal’ food online reviews can be encouraged across review platforms.

As for travel financing services, the Takaful based travel insurance services should be incorporated into travel booking website/ digital platforms such as Wakanow, Hotel.com, etc. Equally, Integrated campaigns can be developed through offline and social media campaigns, launch social media influencer contests, use Cluster Marketing and distribution by MFT online travel agencies (OTAs) to increase consumer awareness in their services.

Developing, Sponsoring and promoting Islamic heritage sites in Nigeria such as Hubbare Shehu in Sokoto (Tomb of Usman Dan Fodio), The Kanem Borno Empire and other Islamic Heritage sites spread across the country, develop family friendly cultural entertainment; branded Muslim-lifestyle festivals and theme-parks such as Sallah Durbar Festivals across all the Northern States and some parts of South West Nigeria

Transportation sector prioritization. Prioritized MFT services at transportation venues (as per Gaps/ Opportunities section), Innovative transit service, cross-promotion with other Halal lifestyle sectors, visitor guides and maps, virtual reality, Influencer campaigns and cluster marketing.

Engaging the Private sector with National/State initiatives per sector of the Tourism/Hospitality industry (Accommodation, Food services, Travel agencies/services; DMO’s; Transportation) to create awareness on the opportunities available for financing product/ services development and Marketing strategy based on product per sector as it relates to Halal principles outlined earlier in the literature.

Develop key areas of MFT marketing gaps and opportunities in the country’s tourism ecosystem such as traditional advertising by developing visitor guides and creating innovative integrated campaigns that combine both traditional and digital advertising; Digital promotion through the development of online visitor guides, creating promotions based on friends and family referrals/recommendations, utilizing video blogging (V-blogging), mobile marketing, marketing videos, YouTube ads , Virtual Reality, and Halal apps.

Public relations; Through the launch influencer campaigns with our various Ulama’s, Imam’s Sheiks’ and Islamic Scholars, organizing familiarization Trips (Fam trips) and trade shows which

will go a long way in encouraging domestic and international visitors year-round while also using press releases.

Sales promotion; The various destinations and attractions need to create cross promotions exercises with other 'Halal' economy sectors such as banks, insurance houses, pension trust houses, Islamic investment organizations etc., by organizing contests and trade shows, which offer discounts.

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