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Global Halal Fashion Industry: Predictions and Developments

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The halal fashion industry is one of the main subsectors in the global halal economy that shows significant growth along with the increasing Muslim population of the world, awareness of the halal lifestyle, and the development of creative industries based on sharia values. This study aims to predict the development of the market size of the global halal fashion industry using a time series quantitative approach. The data used is sourced from the Global Islamic Economics Report (GIER) for the period 2012–2017. The forecasting methods used include Trend Analysis, Multiplicative Decomposition, and Exponential Smoothing with Trend, with the help of POM-QM software version 3. The results of the study show that the global halal fashion industry is predicted to continue to grow in the medium term, with an estimated market value in 2019 in the range of USD 274–279 billion. Based on the Mean Absolute Percentage Error (MAPE) value, the Trend Analysis and Multiplicative Decomposition methods show a relatively better level of accuracy than Exponential Smoothing with Trend. These findings affirm the positive outlook of the global halal fashion industry and the importance of using the right forecasting methods as the basis for the formulation of business strategies and policies for the halal industry.

Keywords: Halal Fashion; Islamic Economics; Forecasting; Trend Analysis; Time Series

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INTRODUCTION

The development of the global Islamic economy in the last two decades shows a trend that is getting stronger, not only in the Islamic financial sector, but also in real sectors such as halal food, halal tourism, media, pharmaceuticals, and halal fashion (Wilson & Liu, 2011). Among these sectors, the halal fashion industry occupies a strategic position because it combines religious, cultural, and creative aspects in one industrial ecosystem. Halal fashion is no longer seen as a purely religious need, but has evolved into an inclusive and competitive global lifestyle (Yusof & Shutto, 2014).

The Global Islamic Economics Report consistently places the halal fashion sector as one of the major contributors to the world's total Islamic economic spending. The growth of the Muslim middle class, the increasing participation of the younger generation in the creative industry, and the penetration of digital technology and e-commerce are the main driving factors for the expansion of the global halal fashion market (Thomson Reuters, 2018). Countries such as Turkey, Indonesia, Malaysia, and the United Arab Emirates have even begun to position themselves as the world's halal fashion production and design centers.

The global halal fashion industry is undergoing a profound transformation, evolving from a niche cultural segment into a major economic force within the worldwide fashion market. Driven by demographic shifts, digital innovation, and changing consumer values, halal fashion — rooted in modesty and ethical production principles — is rapidly expanding its influence well beyond its traditional base.

Recent market reports estimate the global halal fashion market at over USD 407 billion in 2023, with industry analysts projecting it to reach around USD 571 billion by 2030, growing at a compound annual growth rate (CAGR) of approximately 5 percent between 2024 and 2030. This expansion is underpinned by rising consumer spending on modest apparel, footwear, and accessories. In 2023, Muslim consumer expenditure on clothing and footwear exceeded USD 300 billion, with forecasts indicating continued growth into the latter half of the decade.

At its core, halal fashion reflects a growing desire among Muslim consumers to align their lifestyle choices with religious identity and cultural values. Modest fashion adheres to Islamic principles of coverage and decency while incorporating contemporary aesthetics — a combination that appeals not only to religious buyers but also to wider consumer segments seeking comfort, ethical designs, or culturally expressive garments.

The rise of modest fashion influencers, bloggers, and digital creators on platforms like Instagram and TikTok has further accelerated this trend, showcasing how traditional garments such as hijabs, abayas, and long dresses can be integrated into modern wardrobes. Today's halal fashion landscape extends far beyond classic attire. Designers and brands are innovating with modern silhouettes, performance wear (including modest activewear), and gender-inclusive collections. Emerging sub-segments such as adaptive wear, plus size modest apparel, and eco-friendly lines are gaining traction, reflecting a broader trend toward inclusivity and sustainability.

The exponential rise of e-commerce has been pivotal for halal fashion's global reach. Online platforms have allowed designers — from small independent labels to established brands — to transcend geographical boundaries and tap into global markets with minimal barriers. Digital marketing, livestream shopping, and influencer collaborations have further democratized access to modest fashion products.

Increasingly, mainstream fashion houses are also responding. Global brands now feature modest collections on major runways and retail platforms, helping to normalize halal-aligned fashion within international markets and enrich its creative vocabulary. Despite its robust growth, the halal fashion industry faces several challenges. These include varying international halal certification standards, supply chain integration issues, and the need for stronger global branding that differentiates halal fashion from general modest wear. Continued innovation, collaboration across markets, and investment in sustainable production will be key to unlocking future growth opportunities. Yet the industry's momentum is undeniable. Halal fashion has transcended its roots to become a mainstream cultural and commercial trend, combining faith, identity, and global style in a market that is poised to define the next era of the fashion economy.

Nevertheless, the dynamics of the halal fashion industry are greatly influenced by global economic fluctuations, changes in fashion trends, and market uncertainty. Therefore, predictive analysis of the halal fashion market size is important, both for industry players, investors, and policymakers (Makridakis, Wheelwright, & Hyndman, 2008). This study seeks to fill this need by forecasting the market share of the global halal fashion industry using several time series methods

that are commonly used in economic analysis and operations management.

METHOD

To project future developments in the global halal fashion industry, this study employs three quantitative time-series forecasting techniques: Trend Analysis, Multiplicative Decomposition, and Exponential Smoothing. These methods are widely used in market forecasting due to their interpretability and effectiveness in identifying long-term growth patterns and seasonal dynamics.

Trend analysis is a fundamental time-series forecasting method that focuses on identifying and extrapolating the long-term movement (trend) of a variable over time. In the context of the halal fashion industry, trend analysis captures the sustained increase in market size driven by demographic growth, rising disposable income among Muslim consumers, and the mainstreaming of modest fashion.

The main advantage of trend analysis lies in its simplicity and transparency. It allows researchers and policymakers to assess whether the halal fashion industry follows a steady growth trajectory and to estimate future market levels under the assumption that historical growth patterns persist. Nevertheless, this method does not explicitly account for seasonal or cyclical fluctuations, which may be significant in fashion-related industries.

Multiplicative decomposition is a more comprehensive time-series forecasting technique that separates an observed series into distinct components. This approach is particularly appropriate for industries such as fashion, where seasonality and trend effects interact proportionally rather than additively.

This study tries to predict the market size of the industry *Halal Fashion* globally. The data used is the market share of the Industry *Halal Fashion* worldwide from 2012 to 2017. Data taken from *Global Islamic Economics Report (GIER) 2018* published by Thomson Reuters. The prediction methods used in this study are three methods *forecasting*: (1) Trend Analysis, (2) Multiplicative Decomposition, and (3) Exponential Smoothing with Trend. *Software* used as an auxiliary tool is POM-QM Version 3. POM-QM stands for Production and Operations Management -- Quantitative Methods, an operations management software developed by Pearson Prentice Hall USA.

RESULT

Based on the results of data processing that has been carried out, the results of the calculation of the prediction of the total market share of the industry *Halal Fashion* worldwide for the foreseeable future is as attached in the following table.

Table 1. Global *Halal Fashion Industry* Prediction Calculation Results (USD Billion)

	Trend Analysis	Multiplicative Decomposition	Exponential Smoothing
2012	224	224	224
2013	266	266	266
2014	230	230	230
2015	243	243	243
2016	254	254	254
2017	270	270	270
2018*	268.53	254.79	271.05
2019*	274.45	277.43	279.26
2020*	280.36	263.64	
2021*	286.28	286.89	
2022*	292.19	272.48	
MAP	*0.05*	*0.04*	*0.06*

*Prediction results

Based on table 1, in general, the market share of the *Halal Fashion* Industry around the world from 2012 to 2017 has increased significantly. If in 2012 the value was only 224 billion USD, the market share of the *Halal Fashion* Industry in the world in 2017 increased to 270 billion USD.

The results of the calculation of the prediction of the market share of the halal fashion industry worldwide in 2018 for the trend analysis approach

decreased slightly to 268 billion USD, but increased to 274 and 280 billion USD in 2019 and 2020. The market share of the *worldwide Halal Fashion* Industry in 2021 and 2022 is predicted to increase to 286 and 292 billion USD.

The following is a graph of *the trend analysis* method (regress over time) for the global *Halal Fashion* Industry market share where the black line is the real data and the blue dotted line is the prediction data.

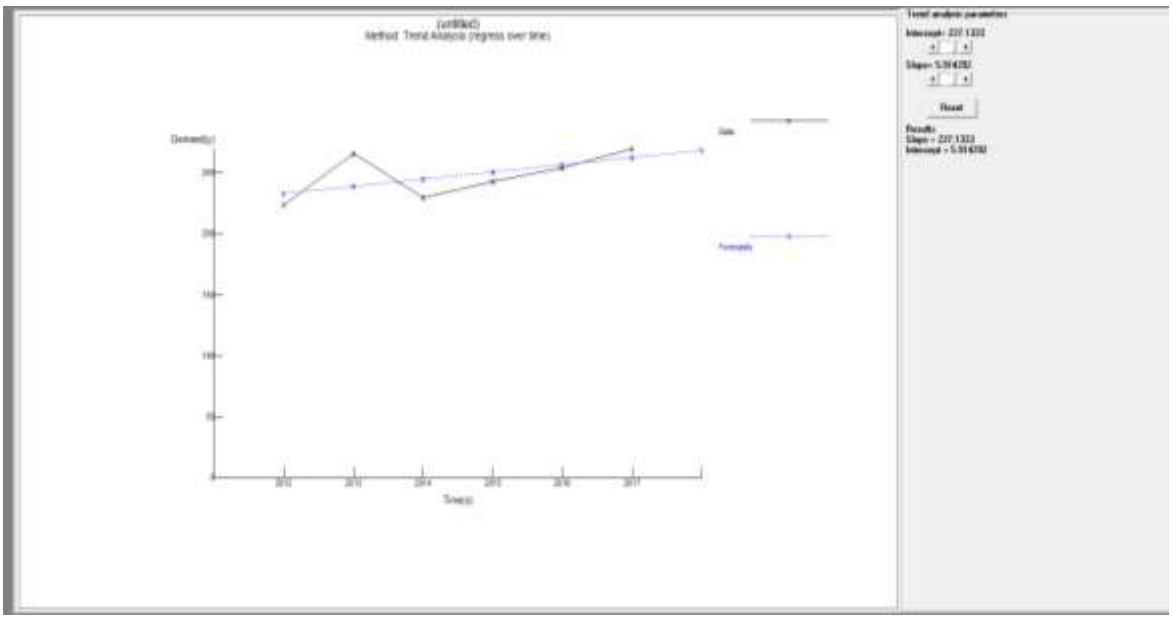

Figure 1. *Trend Analysis* Method

The results of the calculation of the prediction of the market share of the halal fashion industry worldwide in 2018 for the Multiplicative Decomposition approach have decreased to 254 billion USD, but increased to 277 billion USD in 2019 and fell back to 263 billion USD in 2020. The market share of the *worldwide Halal Fashion* Industry in 2021 is predicted to increase to 286 and drop to 272 billion USD in 2022. The following is a graph of the results of the *Multiplicative Decomposition method for the global* Halal Fashion *Industry market share* where the black line is real data and the blue dotted line is the prediction data. The red color is a *trend line*.

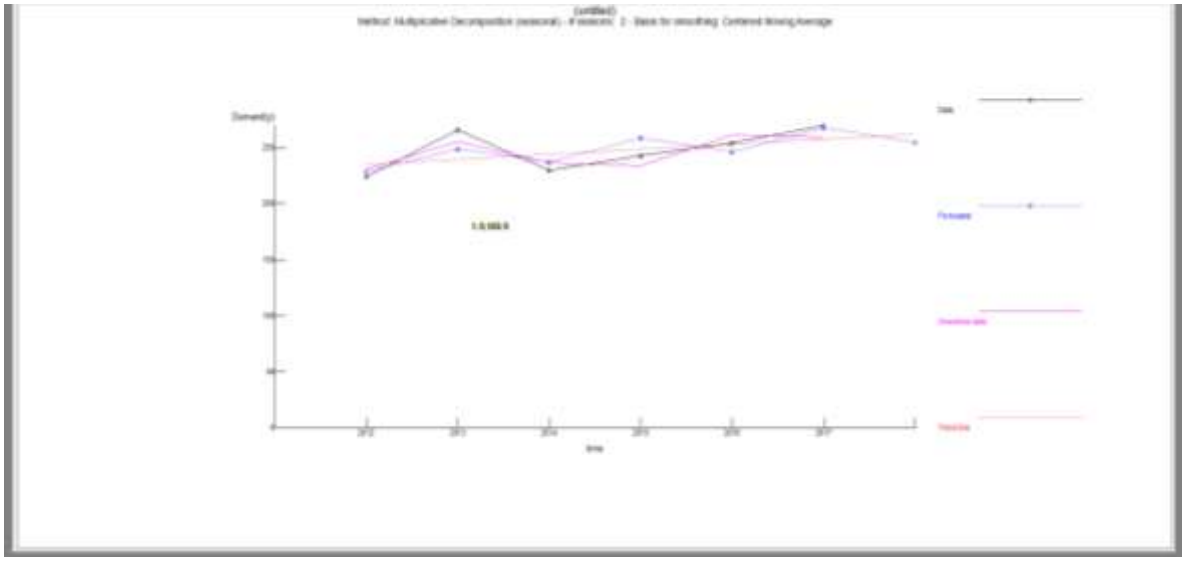

Figure 2. *Multiplicative Decomposition* Method

Finally, the results of the measurement of *the Exponential Smoothing with trend method*. The results of the calculation of the prediction of the market share of the halal fashion industry around the world for the Exponential Smoothing approach with the trend only covers 2 years, namely 2018 and 2019. In 2018, the

global *halal food* market share is predicted to increase to 271.05 billion USD, and increased again in 2019 to 279.26 billion USD. The following is a graph of the *Exponential Smoothing with trend method for the global* Halal Food *Industry market share* where the black line is real data and the blue dotted line is the prediction data.

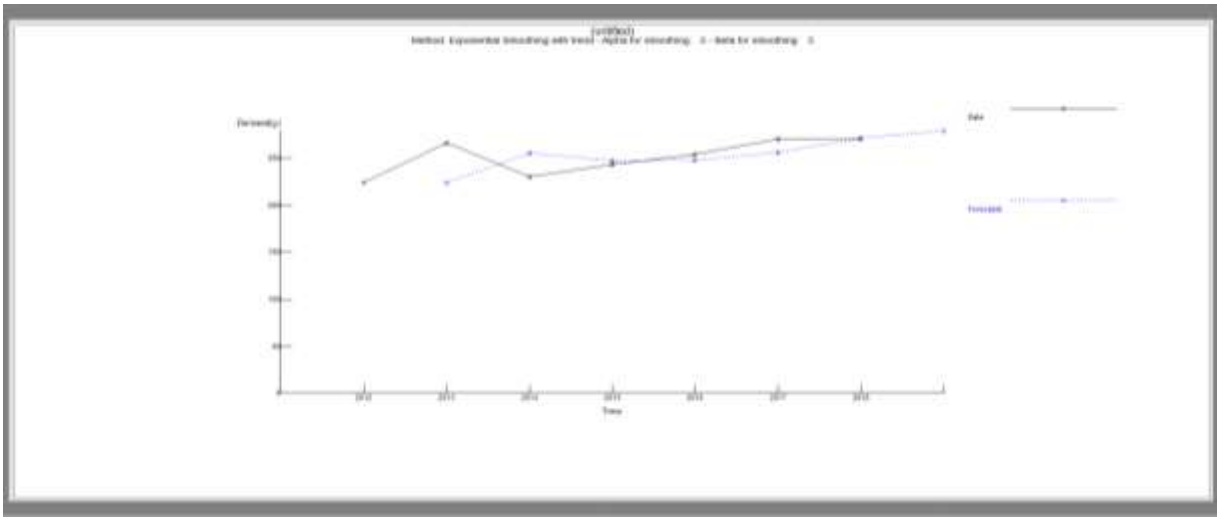

Figure 3. *Exponential Smoothing with Trend* Method

The MAPE (Mean Absolute Percent Error) value or the average error percentage value for the three methods above is 0.05 for *the Trend Analysis* and *Multiplicative Decomposition* methods, and 0.04 for *the Exponential Smoothing with Trend method*. This means that the first 2 methods are relatively better at predicting compared to the third method (Exponential Smoothing).

Based on historical data for the 2012–2017 period, the market share of the global halal fashion industry shows a relatively consistent increasing trend. The market value increased from USD 224 billion in 2012 to USD 270 billion in 2017. This increase reflects the strengthening global demand for fashion products that comply with sharia principles and the increasing purchasing power of Muslim consumers (Napitupulu et al., 2024; Thomson Reuters, 2018). In addition to demographic factors, this growth is also influenced by design innovation, the expansion of halal brands into international markets, as well as government policy support in Muslim-majority countries (Yusof & Shutto, 2014).

The results of the forecast using the Trend Analysis method show that in 2018 the value of the global halal fashion market is estimated to decrease slightly to around USD 268.53 billion, before increasing again to USD 274.45 billion in 2019 and USD 280.36 billion in 2020. In the medium term, the market value is predicted to continue to increase to reach around USD 292.19 billion in 2022. This pattern indicates that short-term fluctuations do not change the long-term growth trend of the global halal fashion industry.

The Multiplicative Decomposition method produces relatively more volatile predictions. The market value is estimated to decline to USD 254.79 billion in 2018, increase to USD 277.43 billion in 2019, then decline again in 2020. These fluctuations reflect the sensitivity of the method to seasonal components and historical data variations. Nonetheless, the direction of the long-term trend still indicates a growth trend.

The Exponential Smoothing with Trend method only produces short-term projections, namely for 2018 and 2019. The forecast results show a market value of USD 271.05 billion in 2018 and increased to USD 279.26 billion in 2019. This method tends to provide smoother results, but is less than optimal for medium- and long-term projections on relatively limited data.

The evaluation of the accuracy of the model was carried out using the Mean Absolute Percentage Error (MAPE) indicator, which is widely used in forecasting studies due to its ability to measure the relative error rate intuitively (Makridakis et al., 2008). The measurement results showed that the Trend Analysis and Multiplicative Decomposition methods had a relatively lower MAPE value than the Exponential Smoothing with Trend method. This indicates that both methods are more suitable to be used to predict the development of the global halal fashion industry market share with limited historical data characteristics but with clear trend tendencies.

CONCLUSION

This study aims to predict the development of the market size of the global halal fashion industry using a time series quantitative approach. Based on the results of the prediction in the 2019 period, it is estimated that the market share of the Halal Fashion Industry worldwide is in the range of 274.45 Billion USD to 279.26 Billion USD. From these results, the pessimistic prediction value is at 274.45 Billion USD and the optimistic prediction value is 279.26 Billion USD. Meanwhile, the realistic prediction value of the market share of the *Halal Fashion* Industry worldwide is in the range of 277.43 Billion USD. Based on the statistical value indicator, in this case the MAPE value, the *Trend Analysis (regress over time)* and *Multiplicative Decomposition* methods are relatively better in predicting the market share value of the Global Halal Fashion Industry compared to the *Exponential Smoothing with Trend method*.

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