



09th and 10th June 2026.
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STRATEGIC FINANCIAL MANAGEMENT IN THE FUNCTION OF LONG-TERM SUSTAINABLE DEVELOPMENT OF THE HALAL INDUSTRY IN THE CONDITIONS OF DIGITALIZATION AND ARTIFICIAL INTELLIGENCE

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INTRODUCTION

- The halal industry represents one of the fastest-growing global sectors.
- The sustainable development of the halal industry requires not only compliance with religious and ethical standards, but also the application of modern strategic financial management tools capable of responding to the challenges of a dynamic business environment.
- The integration of artificial intelligence-AI and digital technologies contributes to greater efficiency, transparency, and sustainability of halal enterprises.
- ESG criteria play a significant role in improving the sustainable operations of halal enterprises.



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FINANCIAL ASPECTS OF THE HALAL INDUSTRY AND THE ROLE OF STRATEGIC FINANCIAL MANAGEMENT

- The global halal economy was valued at 7.36 trillion USD in 2023, with a projected growth to 10.89 trillion USD by 2028.
- The halal food sector is recording strong growth – from 1.97 trillion USD in 2025 to an expected 3.66 trillion USD by 2030.
- Islamic finance holds assets of approximately 6 trillion USD, while the halal sector plays an important role in the economic development and employment of OIC countries.
- Growth is driven by demographic expansion, income growth, digitalization, and increasing demand for ethical and sustainable products (SESRIC, 2025).



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- Strategic financial management in the halal sector encompasses three key activities:
 1. financial planning and budgeting,
 2. investment decisions and
 3. financing decisions
- The halal industry faces regulatory challenges, limited technology adoption, and difficult access to financing.
- Halal enterprises must align their sources of financing with Sharia principles and the practical needs of their operations.



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ARTIFICIAL INTELLIGENCE-AI AS A TOOL OF STRATEGIC FINANCIAL MANAGEMENT IN THE HALAL INDUSTRY

- The application of artificial intelligence enables halal enterprises to improve financial planning, optimize business processes, and increase the efficiency of risk management.
- Machine learning algorithms are capable of analyzing large amounts of data in real time, recognizing patterns, and assisting in making more informed business decisions.
- IBM demonstrated in a 2024 report that companies which implemented artificial intelligence for cash flow forecasting reduced errors and increased accuracy by up to 95%.



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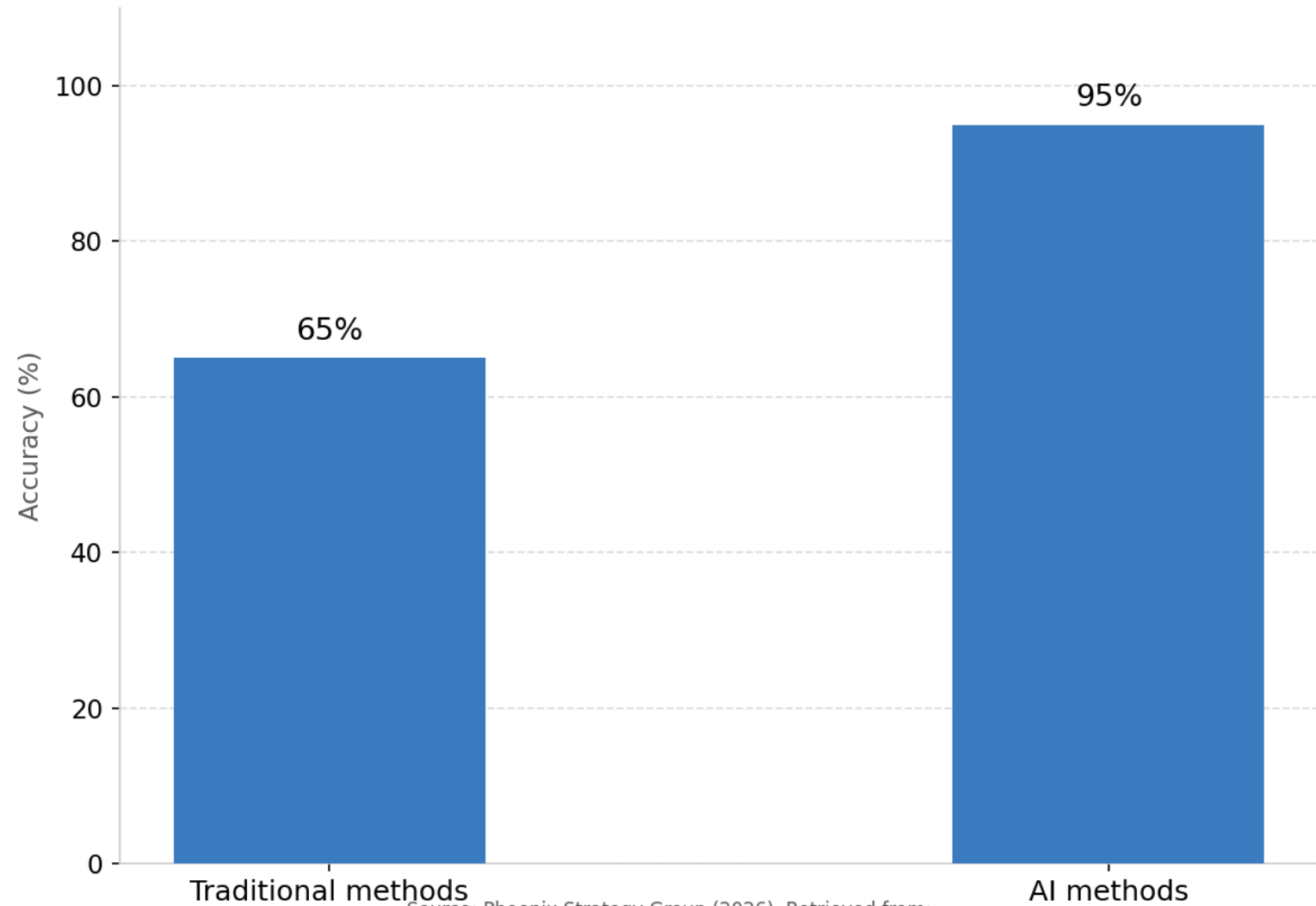


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Figure 1. Traditional vs. artificial intelligence cash flow forecasting

Accuracy of cash inflow and outflow forecasting



Source: Phoenix Strategy Group (2026). Retrieved from:

<https://www.phoenixstrategy.group/blog/how-ai-predictive-analytics-improves-cash-flow-forecasting>
(accessed 18. 4. 2026.)

- Through the use of artificial intelligence, more efficient synchronization of cash inflows and outflows is achieved, along with optimization of invoicing, collection, and payments, thereby shortening the time needed to convert receivables into cash and optimizing the cash flow cycle.
- Automated financial reporting plays a significant role in the halal industry, where documentation and transparency requirements are further tightened due to complex regulatory frameworks, the need for Sharia compliance, and the preservation of halal standards integrity.
- Artificial intelligence significantly improves operational efficiency, but remains limited in the domain of long-term strategic planning.



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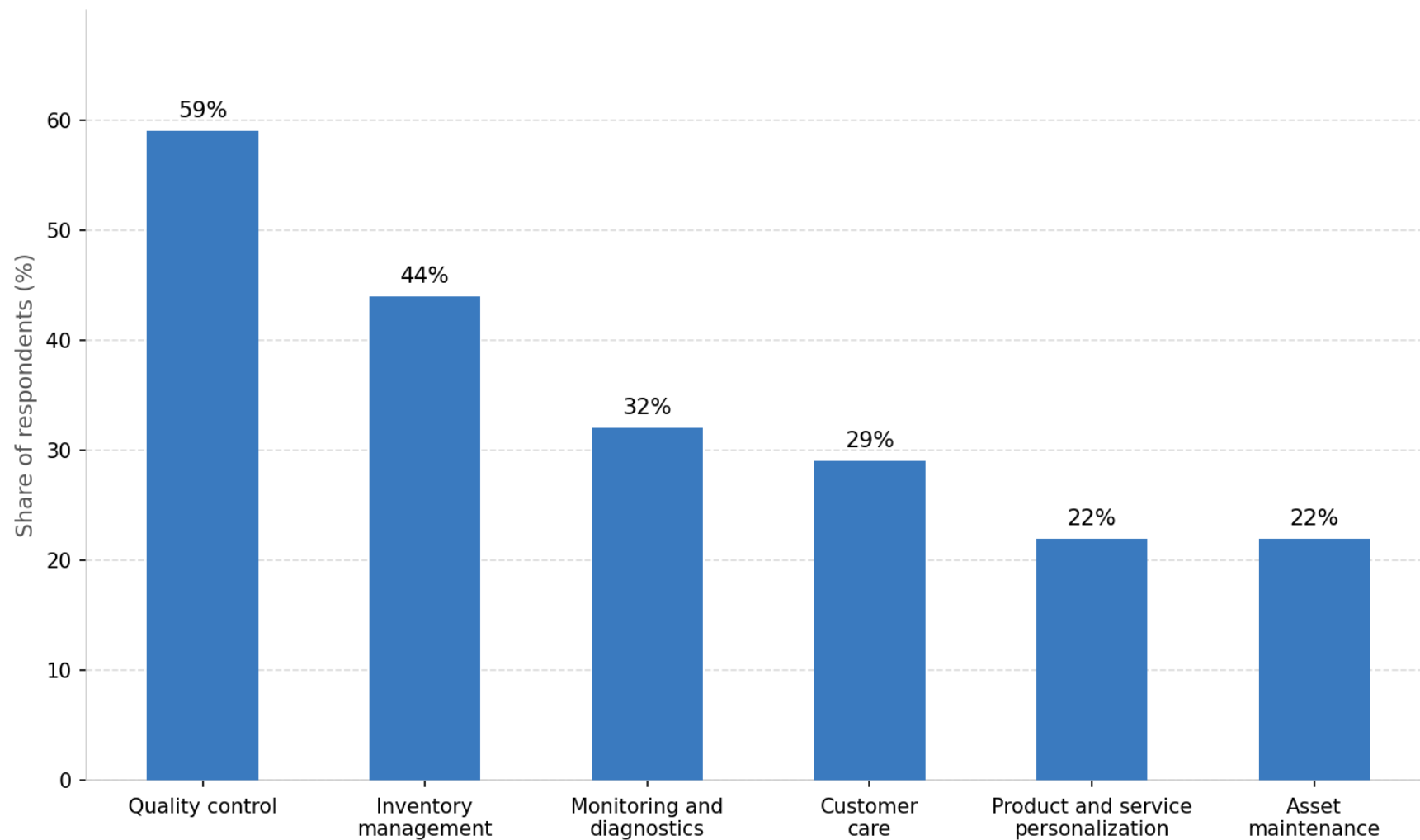
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Figure 2. Business areas in which AI software is most commonly used



Source: Liquid Web (2026). Retrieved from: <https://www.liquidweb.com/blog/ai-management/> (accessed 19. 4. 2026.)

- In practice, the application of these technologies is visible in the halal industry, particularly in developed markets such as Malaysia and Indonesia, where digital platforms and blockchain are used to enhance the tracking and verification of the halal status of products.
- AI systems enable continuous monitoring of supplier compliance, predictive analysis of potential disruptions, and cost optimization, thereby directly contributing to the improvement of strategic financial management.
- In the Islamic financial sector, AI systems are used to monitor financial transactions and manage investment portfolios in accordance with Sharia principles, thereby reducing regulatory and reputational risks and improving the long-term sustainability of operations.



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HALAL PRINCIPLES, ESG AND LONG-TERM SUSTAINABLE DEVELOPMENT

- Halal principles and ESG criteria share the same fundamental values of ethical business conduct, social responsibility, and long-term sustainability.
- **This integration of halal principles and ESG factors is referred to by the term "Halal-ESG."**
- "HALAL – ESG encompasses ethical sourcing, responsible environmental management, protection of labor rights, and transparent corporate governance.
- Halal certification verifies not only the production process, but also logistical and distribution systems, which creates a natural alignment with ESG requirements for transparency and accountability in reporting.



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- From the environmental protection perspective, the halal industry promotes the use of sustainable resources, environmentally friendly packaging, and the reduction of CO₂ emissions in the food, pharmaceutical, and cosmetics sectors.
- Circularity as a long-term corporate strategy can significantly strengthen the financial position of enterprises and increase market competitiveness.
- The growing market of green sukuk, Islamic bonds whose proceeds are intended for environmentally beneficial projects, represents a concrete example of aligning Islamic finance and ESG principles in the context of sustainable financing, with total issuances that exceeded 20 billion USD by 2023. (Islamic Finance Development Report, 2023).



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CONCLUSION

- Artificial intelligence-AI is transforming strategic financial management in the halal sector through three key dimensions: predictive analytics, process automation, and intelligent risk management systems.
- The connection between halal principles and ESG criteria opens significant opportunities for positioning the halal industry as a global model of ethical and sustainable business conduct.
- The synergy of strategic financial management, digitalization, and artificial intelligence, together with the integration of ESG principles with halal values, represents a prerequisite for the long-term competitiveness and sustainability of the halal industry in the contemporary business environment.



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THANK YOU FOR ATENTION



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