Issues of Halal Food Implementation in Malaysia

Mohd Aliff Abdul Majid1, Izhar Hafifi Zainal Abidin1, Hayati Adilin Mohd Abd Majid1, Chemah Tamby Chik2

Faculty of Hotel and Tourism Management
1Universiti Teknologi MARA, Dungun, Terengganu, Malaysia
2Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia

Received: February 26, 2015
Accepted: April 30, 2015

ABSTRACT

This paper attempts to review the issues and challenges of halal food implementation in Malaysia. Concepts of halal have been discussed in terms of definitions, and scopes have also been established. Istihalah is a new concept worth being debated in the context of halal food implementation and certification. Other issues such as halal certification and using logo to rectify halalness have also been extensively reviewed. Halal assurance system has been found to be a wholesome system that ensures other systems such as Good Hygiene Practice (GHP), Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) which has been established and incorporated together. It was found that consumer still has sceptical attitudes towards halal logo and certification, even though industry has found that the logo and status can be a marketing tool for business expansion. Halal governance hinders the process of certification, and thus has made it difficult for small and medium enterprise to establish halal status. Halal validity and traceability need to be established via research and development process. However, it is still under development and in need of support from universities and research centers. Additionally, there are still many areas need to be explored in implementing halal especially in hospitality sector. It is suggested that all public and private sectors to work together to overcome the issues and challenges of halal implementation in Malaysia.

KEYWORDS: Halal and Haram, Halal Food, Halal Issues, Halal Challenges, Halal in Malaysia.

INTRODUCTION

In today’s global market, regardless of industry, organizations are surrounded by competitors. Approximately, the global population of Muslim has reached about 1.8 billion [1] which creating global interest from food producers worldwide. In Malaysia, food businesses consist of 172,252 food services entities and 5,565 food manufacturers [2] where Muslims dominate the country’s population. Thus, the Muslims will have a significant buying power and subsequently will affect the demand of halal foods. Halal is necessary to meet the quality and wholesomeness of the food produced. Halal is derived from Arabic word that means legalized or legitimate, while in the English definition, it can commonly be interpreted as “allowed” or “permissible [3]. Haram is the opposite of halal that means prohibited or unlawful.

In other words, haram means forbidden where the products contain of pork or its by-products, prohibited food ingredients of animal origin, alcohol and the product that has not been prepared and manufactured on clean equipment [4]. Halal and haram are general terminologies that can be applied to every aspect of life. As Muslims occupy quarter of the world's population, it shall derive as no shocker that halal begin to have a significant and lucrative impact on international markets. Halal trade is developing as one of the most influential and leading markets in the world [3].

Globally, the market for certified halal food and products is rising strongly. Halal products receive worldwide recognition as a scale for food safety and quality assurance. In Malaysia, halal products are the absolute key for consumption where Muslims are the majority population in Malaysia [5]. In [6] indicated that food products that are certified with halal certification are assuredly acceptable by Muslim consumers as well as non-Muslims consumers. It further added that this approval is due to the whole concept of halal which covers the Shariah requirement from the aspect of Islam as well as the hygiene, sanitation and safety aspects. Hence, this review seeks to investigate the issues and challenges as well as the current situation concerning on halal in Malaysia.

LITERATURE REVIEW

Concept of Halal

It is imperative for Muslims to search for halal products e.g. foods and medicines, to obtain pleasure and worship Allah SWT. In point of fact, the acceptability and wholesomeness of the products could enhance bodies and souls. In Malaysia, consumers are offered with extensive choice of products and services nevertheless, the pursuit of halal is an ultimate key consumption to [5]. According to [7], there is rise of awareness among consumers on doubtful and questionable ingredients in food, non-food products and pharmaceutical products However, the consumers knowledge on halal food is scarce as they fail to understand that when halal food is prepared and served in unsafe and unhygienic condition, the food is no longer halal [8].

Corresponding Author: Mohd Aliff Abdul Majid, Faculty of Hotel and Tourism Management, Universiti Teknologi MARA, Dungun, Terengganu, Malaysia, E-mail: mohdaliff@tganu.uitm.edu.my
Regularly, when publics talk about halal, there is a component missing which is tayyib. According to an interview conducted by [9], halal and tayyib have been emphasized in which both concepts need to be applied together. It further added that it is necessary to educate Muslim and non-Muslim consumers on halal and tayyib concepts that relates to safety, dietary content and aesthetic appeal of halal products. In addition, according to [10] concepts of halal and tayyib were described by the wholesomeness of the food in which covers the permissible requirements of the law of Islam. Failure in any of the concepts would harm the wholesomeness concept of halal food. Positively, Muslim consumers have given an increase response to halal [3] and it was a favourable improvement in Islamic beliefs and practices.

In the context of halal implementation and certification, istihalah has been the new concept debated. Istihalah is originated from the Arabic word that defines as changing one state to another condition such as the modification from perpendicular to horizontal state [11]. In other words, istihalah from the point of the terminology means to change totally a fact to another fact until it is no longer the same as its original characteristic [12] such as colour, taste and odour. According to [13], the concept of istihalah is acceptable in Islam and it is the view of the majority of Muslim jurists. It further added that most of the disagreement on the concept of istihalah is the usage and the presence of pig and its derivatives in food processing and other consumer products. Any presence of doubtful substances in food products threatens the safety of Muslim food consumption, thus uncertainty sources need to be clearly stated as justified in Islamic law.

Today, the halal concept is across-the-board and opposing to the general belief that the term halal is only applied or employed on food products or consumables. In fact, halal concept has an extensive range of application starting from clothing, trade and financial services to investments, interrelationship and manner, social and business transaction, or any others which is parallel to the guidance that indicated by Islam [7].

**Halal Certification**

A halal concept is applied through certification for food products in Malaysia. In Malaysia, halal certificate is a document issued by an Islamic organization, which is Malaysia’s Department Islamic Development (JAKIM). It certifies the products which have follows and covers the Islamic dietary guidelines. The certification is only valid for 2 years, and the food operator needs to renew the certificate once it has expired. Seemingly, halal certification induces acceptability of Muslim consumers as well as consumers from other religions on the certified food products. Therefore, Muslims could consume such products without any doubt concerning its halalness [14]. In [7] stated that Malaysia is the only country whose halal certification is issued by the government, contrasting with other countries in which their certifications are endorsed by respective Islamic associations. They further added that in 2004, the introduction of the Malaysian Halal Standard MS1500: 2004 had fostered the commitment of Malaysia’s government to the foundation of definite and concrete procedures for halal compliance. Expectantly, this new standard will strengthen Malaysian halal certification [3].

**Halal Logo**

As soon as organization has received certification, a logo stated the products is halal can be use on their products packaging or stated at their premises. Malaysia is successful in being a model Islamic nation to contribute to ever-increasing halal industry. Being a member of the Organization of Islamic Conference (OIC) and promoting halal hub, Malaysia is pushing its halal certification, the only logo in the world that is supported by its government, as an international standardized logo to be used for all the Muslim nations [15]. Globally, JAKIM’s halal logo is among the well-known symbols of halal compliance [16]. Hence, manufacturers must take advantage of the reputation and credibility of the halal certification and logo, and Malaysian halal standards that has received a worldwide recognition [6]. However, for Muslim consumers, products that carry halal logo have more meaningful and more important than those carrying other similar certifications [5]. Therefore, it implies that halal logo plays a vital role for Muslims to purchase halal products in the market.

As the growing demand of halal products, the halal industry players believe that halal label products will provide a better choice for the Muslim. As stated by [9], other requirements such as the Good Hygiene Practice (GHP), Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) are critical points for the Malaysian halal certification in which confirms the products are safe, nutritious and high quality. In addition, the consumption of halal product is not due to religion motivation alone but also in relation to issues such as health, hygiene, environmental friendliness and respect for animal welfare which influence public perception towards halal principles [17].

**Halal Assurance System**

The implementation of halal assurance system is essential in order to ensure the effective and efficient production of halal products. In [3] described that halal assurance system is developed based on three zero’s concept, which are zero limit (no haram material used in the production), zero defect (no haram product is produced) and zero risk (no disadvantageous risk should be taken by the producer or company). Consequently, the structure for halal assurance systems plays a vital role in integrating the processes that assist the establishment of value within firms and across the supply chain. Halal assurance systems should be organized within the organization of the supply chain in order to “fit” the entire supply chain strategy [18]. Higher levels of supply chain difficulty and uncertainty contribute to greater investments in halal assurance system integration [19], thus helping the entire chain to produce safe and nutritious food products as justified by Islamic law.
HALAL ISSUES

Halal issue is starting to get the place and attention in the market, and it is very influencing in marketplace particularly in most Islamic countries. Among halal issues that arisen are including improper hygienic practice at processing premises and also the expiration of halal certification. At the same time, halal logistics capabilities are critical in ensuring that the halal integrity of the supply chain works from farm to fork [20]. Since 2003, halal issues has been discussed and obtained highly attention by the Prime Minister of Malaysia [2].

In today’s global market, the concept of halal can no longer be restricted to simply meaning food that is ‘pork free’. In [6] noted that it covers a multitude of forms such as emulsifiers and other food contents e.g. gelatine, enzymes, lecithin and glycerine as well as additives such as stabilizers, flavourings, colourings, breadcrumbs etc. These contribute to food that has been enhanced or added by doubtful substances or animal enzymes in to halal food products and questionable in Islamic law.

Besides, in [6] further added that genetically modified (GM) food is the one that has been given the most attention in recent development in food technology. In [21] has stated that GM is a biotechnology that transfer particular feature to be isolated that move from one organism to another. In addition, GM food means the food is derived from a GM organism that contains protein through modification. Consumer attitudes toward GM foods are related with risk and benefit perceptions. In [22, 23] support this notion by stating that science, knowledge, trust, education and values are profound to the consumer perceptions of risk and benefits. GM food can contribute to the halal issues since customers are more conscious of the ingredients that were used in order to modify or add into the food. Therefore, GM labelling is the main priority since it affected on consumer’s purchasing decision [24].

Other issues include the slaughtering of poultry and meat produces in a manner inconsistent with the rites of Islam and food ingredients intermixed with non-halal materials. According to [6], it is difficult to verify the halalness of food or other groceries especially when they come pre-packaged or processed. For instance, it is difficult to trace a chicken that has not been slaughtered appropriately when it has already cut into pieces. Hence, the chicken is forbidden for the Muslims for consumption.

Presently, it is apparent that many companies are practicing putting halal mark on their products and premises. Even though some as mentioned by [6], they do not understand the actual concept of halal as if they are doing it just for the sake of gaining confidence from the Muslim consumers. This is corresponding with the study by [16] which discovered the abusing of halal logo by the producer. This issue instilled the doubtness and uncertainty among Muslim consumers when they are intending to purchase food products. The problems arise due to the local food manufacturers that did not comply with the Malaysian Halal Standards as well as they cannot prove any documents indicating that their product can be labelled as halal. For instance, the issue of products that use fake halal logo on noodle products made in Malaysia [25]. This related issue could trigger chaotic consequences among consumers, especially Malaysian Muslims. In Islam, searching for halal is compulsory. As the chain reaction, this issue can halt the process of making Malaysia as one of the important halal hub across the globe.

Initially, the idea of using halal logo is to help Muslim consumers to be sure of their products selection. The only halal logo that is permitted by JAKIM is the one that has the word Malaysia. In [26], the introduction of this halal logo and the transformation made by JAKIM is to better coordinate, to improve the efficiency of halal certification process and to avoid disarray amongst international community. Due to this, Halal Industry Development Corporation (HDC) in their research discovered that there is growing credence towards halal products among both Muslims and non-Muslims.

Basically, halal almost related to the way of slaughtering of animals for Muslim’s consumption. However, halal issue also attracted non-Muslim consumers’ awareness and needs since it related to the highest quality of products and services that they consumed or used. Halal principles are not isolated to the religious only but appeal as healthy and hygienic cuisine style as people become more health-conscious. According to the [27], there are strong demands for halal product in non-Muslim countries. They chose to eat halal food due to the perception that it is a healthy choice. Due to lack of knowledge and insufficient information on the benefits of halal process, they are not practicing it on their daily lives [28].

According to [6], Muslims regard foods and products with halal logo as permissible to be used or consumed in accordant with Islamic law. Thus, those that abuse the use of halal logo and certificate have really struck the sensitivity of Muslims. This has created dubiousness amongst them, and consequently affected their food and product selection.

The higher demand for halal food products influenced the increased supply for halal certificate and logo [26]. Halal certification is becoming another issue of halal [29], where the manufacturers or food producers still use the same halal certificate even though the certificate is already expired. This might be due to some of the manufacturers were not aware that their halal certification has expired or they refuse to renew it. Halal certificate is valid for only 2 years [2], and it is difficult for them to always renew the halal certificate since it costs money and time. Furthermore, it is costly to repurchase the halal certificate and requires strict process to renew the certificate.

It is supported by [26] that operational inefficiency and halal governance are the 2 reasons that delay the process of obtaining the halal certification. The operational inefficiency is involved on both sides of food manufacturers and internal problems in JAKIM. The problem from the food manufacturers side include inadequate understanding of halal procedures, incomplete documents, defrayment of certification fee in abeyance and incognizant of information to be submitted. While the problems from the internal are lack of expertise as new staffs have little knowledge and slowing the halal certification process, unsystematic filing system, premise inspection which required more than a day and delay in receiving lab test result. Then, the lack of enforcement and no comprehensive halal act are the issues that rise under halal governance.
Another issue in halal is the authenticity issue in food ingredients and food products. Authentication is defined as a process in which a food is verified as conforming to its label description [30]. According to [31], with advanced technology in meat processing industry, fraud and adulteration have become common due to monetary benefits. The main issue is whether the halal product has been combined or mixed with other similar materials such as pork derivatives where it is cheaper and easy to obtain [32]. However, the safety of food for Muslim consumption remains in doubt.

HALAL CHALLENGES

The challenge of implementing halal in Malaysia was the objective of government to establish Malaysia as the international center of halal to foster the development of halal products and services to the world community [3]. The researchers further stated that on the other hand, strategic marketing and structured supply chain orientation thru halal assurance system must be implemented. In addition, they proposed that the Malaysian halal certification to be coherent to other qualifications like Malaysian Standard MS1500 and general guidelines on the production, preparation, handling and storage of halal foods which comply to the most widely recognized and established standard; GMP and GHP to further heightened its caliber.

According to [3], to understand the supply chain and the production process would be the fundamental to the Muslim producers. Halal value chain consists of feed and farm management, ingredients, manufacturing or processing, logistics, research and development or technology, finance and communication or branding [26]. The halal industry covers the entire value chain from agricultural up to consumption. It further stated the guidelines in implementing halal value chain strategy which includes the halal animals feed, food ingredients, monitoring and verification in manufacturing, logistics, research development, finance and communication and branding.

Malaysia has been recognized as a place that halal foods and products are readily available and easily obtained. Malaysian government is not only seeing halal from the religion aspect but also in a way to made Malaysia’s halal industry as a role model for other countries which is labelled by [6] as a very ambitious target.

Another challenge that was found in the literature is food producers’ role to meet halal requirement. It is crucial for government to monitor and supervise all food producers. According to [27], the main idea is to ensure manufactured products should be free of contamination and should not contain haram ingredients during its preparation, production and storage. According to [2], the total quality management practice needs to be applied for the purpose of marketing halal products where the food manufacturer should not only focus on methods for halal certification. Therefore, quality assurance and wholesomeness could increase the demand for such products. This is in correspondence to [33], who said that texture, taste, variation, packaging, quality, affordability, freshness and price are the influencing factors that make halal food become the most important choice in Muslim consumer preferences.

As stated by [34], lack of statistics perplex the assessment of the world halal market. There are 3 challenges that focusing on small and medium enterprise (SME). The first one is the slow loan approval process which particularly by the government linked financial institutions. This has diminished the spirit of SMEs to expand their production capacity to meet export demand. The second one is the stiff regional competition such as Thailand, Indonesia, Brunei and other Asian countries as these countries aiming to be the global halal players. For instance, non-Muslim countries such as Thailand, Brazil, Argentina, Australia and New Zealand are already actively producing halal certified meat to cater to the increasing needs of the Muslim consumers around the world [16]. Thus, the local SMEs will need guidance and assistance especially to explore new export markets. Moreover, the challenge for SMEs is to produce to international standards like British Retail Consortium (BRC).

Furthermore, there seem to be lack of supply for halal raw materials especially meat. This is where there is high percentage, about 70% of raw materials for food processing being imported. This is supported by [35] that showed the supply of raw material also becomes one of the main issues in Malaysia. The unsteady regulatory and agricultural production environment would affect the supply of raw materials. It may cause the halal food industry fails to meet the expectation and demands of consumers. Unlike the other countries which have abundant of raw materials, Penang face challenges in terms of competitive advantage. As to ensure the compliance of these raw materials with Malaysian halal standard, suppliers should always be in contact with the Malaysia’s certification body [34].

According to [34], the main challenges are the enforcement by the JAKIM personnel in monitoring the usage of certified halal logo which created dubiousness amongst public. Lack of assistance from Ministry of Domestic Trade and Consumer Affairs further hamper this problem. The lack of collaboration among the world’s halal certification authorities has created doubt among Muslim consumers on the authenticity of halal certification process. In addition, the speed of issuing halal logo is another challenges faced by JAKIM. This could be due to JAKIM not having a fully-fledged research and development unit to test, analyse and doing on-site inspection. It is now being done by a third party that enables the halal application at the appointed time.

The hurdles for the halal industry to grow are due to there is no one finite halal standard that is acceptable to all Muslim worldwide since each country has its own different standard. Another challenge faced by halal industry is the mentality of Muslim consumer themselves towards halal products. According to [9], halal should come together with tayyi b concept which assures the wholesomeness of the food products and not just being ‘pork and alcohol free’ or operated and produced by Muslims.

The term traceability is highly related to the halal concept. Traceability promotes transparency as well as ensures information is accessible along the supply chain. For instance, several enforcement programs that conducted by the Malaysian...
RECOMMENDATIONS AND CONCLUSION

As JAKIM is the only main body that could certify halal food certifications, they should improve current halal practices in food industries. Halal food operators are new to the standard and need constant guidance from JAKIM. However, despite suspending or cancelling halal certificates of operators that do not comply with the halal standard, JAKIM may enforce a penalty that serves as punishment [9]. In the perspective of the value chain, the manufacturers have to play significant role in establishing halal concept. In addition, JAKIM should encourage small business especially SMEs to apply for halal certificate. Many of food manufacturers are reluctant to apply for the halal certification. However, in [37] stated that the process for halal certification of the food products is not complicated. As halal certification is important for business operators especially in food business, Malaysia could consider integrating and coordinating the processes and procedures for inspection and certification. Furthermore, to meet the halal requirement, food producers are encouraged to follow the standards that in line with global benchmarks such as ISO9000, Codex Alimentarius, QA, HACCP, GHP and Standard Operating Procedures (SOPs) [2].

Other than that, food manufacturers should be encouraged to certify their products with certified halal logo from JAKIM. This is vital as it could give an impact to their business. As stated by [5], consumers might not be able to read or even know the scientific ingredients used in the products but as it carries halal logo, they would not have doubt over the items. It further added that to the Muslim consumers, products that carry halal logo could be more important than those carrying International Standardization Organization (ISO) or other similar certifications. Seeing Muslim consumers are larger in numbers, it is important to highlight the huge potential of this particular market segment towards halal food products.

Besides that, relevant parties could consider to increase the awareness on halal to position Malaysia as international halal center. This is vital in order to ensure Malaysia is ahead from other countries in implementing halal in line with the objective of making Malaysia as halal hub. In addition, Malaysia also could be the center for halal exhibitions and forums as supported by [3] that mentioned this as the vital first step for Malaysia. Therefore, it could enhance Malaysia as a place for halal related knowledge and information. According to [38], halal consumption is influenced by the religious belief, exposure, role played by halal certification via halal logo and health related reasons. Therefore, the policy-makers should play an important role to make a strict policy for those who are involved in serving halal food such as breeders, slaughterhouses, certifying agencies, retailers, consumers and religious representatives.

This study explained on the concept of halal in Malaysia and its current situations focusing on the issues and challenges in Malaysia. Therefore, it only looks from the country’s perspective without comparing with other countries in the region. The future research could conduct on halal issue and challenges towards Muslims and non-Muslims consumers worldwide. Therefore, the generalization of the research could be applied and strengthen in the existing halal literature.

Today, the world has recognized halal products and services as a new standard for safety and quality assurance [9]. This shows that the products of halal include hygiene and sanitation in the processing. Safety and quality assurance ensure the quality and the wholesomeness of halal products. Furthermore, Malaysia has strengthened its way to ensure that we are the major player in halal industry. With that, Malaysia would be viewed as a comprehensive halal center by many countries [2]. Therefore, Malaysia is ready to move forwards in making it as the global halal hub. Despite of these issues and challenges, the producers of halal products play an important role in achieving what government has aimed. With proper procedures, the issues underlined would be eliminated and the challenge to make Malaysia as global halal hub would be achieved.

ACKNOWLEDGEMENT

The authors would like to thank Mr Zairi Ismael Rizman for his guidance and assistance in getting this paper published.

REFERENCES


