

Breaking records
With RM 4.3 billion in sales, MIHAS 2024 exceeded last year's figure by 34 per cent. - **P10-13**

A global gathering
Spotlighting international collaboration and market opportunities in the halal sector. - **P16-19**

@Halal

AN IDEAL RESOURCE FOR SHARI'AH COMPLIANT BUSINESS AND LIFESTYLE

EXCLUSIVE



Shaping the nation's path

Deputy Prime Minister Dato' Seri Dr Ahmad Zahid Hamidi says the Halal Industry Development Council (MPIH), which he chairs, is working to secure Malaysia's place at the forefront of the global halal ecosystem. - **p06-09**

VOL 6 | ISSUE 34 | KDN NO: PPI9477/05/2019 (035077)
9 772662 82003



Contents



@Halal says ...

From KL to Dubai



MALAYSIA'S emergence as a global leader in the halal industry is impressive, and the Malaysia International Halal Showcase (MIHAS) 2024 has certainly set the bar higher.

The showcase wrapped up with remarkable success, generating a record-breaking RM 4.3 billion in sales. With this achievement, the Malaysia External Trade Development Corporation (MATRADE) has decided to expand the showcase overseas with the debut of MIHAS@Dubai. The sales target for this is set at RM1 billion.

While MIHAS is already recognised worldwide, bringing the expo to Dubai opens up direct access to the Middle East and North Africa (MENA) region and other markets that can be challenging to tap into from Malaysia.

Not to mention, Dubai's strategic location and unmatched connectivity make the city a global trade powerhouse, with three billion people just a four-hour flight away and another four billion within eight hours.

Though not forgetting, it's MIHAS' domestic success that makes this international leap possible. Far from overshadowing MIHAS' domestic success, MIHAS@Dubai builds on it, offering Malaysian halal businesses a prominent platform on the world stage.

MIHAS@Dubai will shine a spotlight on Malaysia's strengths and innovations across a diverse range of sectors, including F&B, Beauty, Health & Wellness, Sustainable Living, Agriculture & Environment, and Halal Products & Services. This breadth of opportunities is sure to inspire and excite.

Scheduled for Nov 18 to 20, 2024, MIHAS@Dubai will feature over 200 booths, including ministries, agencies, state governments and SMEs, all within a 2,000 sqm pavilion.



10

P04

Four times the triumph!

GFH Financial Group secures US\$2 billion in final orderbook, surpassing expectations

P06-09 COVER STORY

Halal horizons: Dubai bound

MIHAS@Dubai 2024 is set to be a defining event for Malaysia's growing halal industry

P10

Sustainability through halal

Uniting stakeholders to propel halal economic growth

P11-13

Breaking records

With RM4.3 billion in sales, MIHAS 2024 exceeded last year's figure by 34 per cent

P14

Getting on the same page

SMIIC works to standardise halal certification among OIC Member States



11

P16-19

A global gathering

Spotlighting international collaboration and market opportunities in the halal sector

P20-21

Advancing halal industry with tayyib and sustainability

Madani Budget reflects government's commitment to ensuring growth of the halal ecosystem

P22

JAKIM's tough stance

To prevent misuse and falsification of halal logos, the federal and State Islamic councils will conduct monitoring regularly

Pathway to ethical growth

Halal has become synonymous with purity, cleanliness and quality



BY ANIS NAJIHA AHMAD

AND



YUMI ZUHANIS HAS-YUN HASHIM

International Institute for Halal Research and Training (INHART) International Islamic University Malaysia

THE HALAL market has become one of the most dynamic growth areas worldwide. Driven by the expanding global Muslim population and the increasing demand for ethically produced goods, this industry is no longer defined by geographic or religious boundaries.

Instead, the market is emerging as a robust model for sustainable, inclusive, and global consumerism.

GROWING MUSLIM POPULATION

With an annual growth rate of 1.8 per cent, the global Muslim population is projected to approach three billion by 2060, representing nearly a third of the world's population. This demographic shift is significant on its own, but it's the rise of younger, values-driven Muslim consumers that is truly reshaping the market landscape.

By 2030, over 50 per cent of Muslims worldwide are expected to be under the age of 30 (Pew Research Centre, 2011), and this generation is not only more religiously observant but also places a high premium on transparency, ethical sourcing, and quality.

Brands worldwide are increasingly recognising the growing demand for halal products. Countries like Japan, South Korea, and Thailand have proactively entered the halal market, investing in certification processes to serve Muslim consumers.

Companies in these non-Muslim-majority countries understand that halal is more than just a label; it represents a commitment to quality, safety, and ethical standards that resonate with this expanding consumer base.

THE UNIVERSAL APPEAL

The principles of halal are deeply holistic, encouraging consumption that is both halal (lawful) and toyyib (good). These principles extend beyond religious boundaries, encompassing health, ethics, and integrity. In the Quran, God says:

"O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy." (Quran, Al-Baqarah, 2:168).

In addressing "mankind" rather than any specific group, the verse highlights the universal relevance of these guidelines. Initially rooted in religious practices, halal certification is now attracting a broader audience, resonating with quality-conscious and ethically-minded consumers worldwide.

Halal has become synonymous with purity, cleanliness, and quality – aspects increasingly valued in industries like food, cosmetics, and pharmaceuticals. For many, halal certification signifies safety and ethical sourcing, meeting the demand for transparency in today's markets.

For businesses, halal certification offers more than just market access; it provides a way to differentiate on a global stage. Companies meeting halal standards demonstrate a commitment to quality, integrity, and inclusivity, making them appealing to both Muslim and non-Muslim consumers who prioritise ethical standards and premium quality.

NON-MUSLIM MAJORITY COUNTRIES

The growth of the halal market is reshaping consumer landscapes in non-Muslim-majority countries. As globalisation persisted and Muslim tourists travel widely, halal-certified

products are becoming increasingly common in places like Thailand.

Known as the "kitchen of the world", Thailand has long embraced halal certification across its expansive food industry. In 2022 alone, Thailand's halal exports surged, driven by its strong reputation for quality and rigorous certification standards.

Furthermore, in July 2024, the Thai government launched a four-year halal industry action plan (2024 – 2027) aimed at promoting Thai products and enhancing industry standards. This ambitious initiative seeks to boost Thailand's halal industrial sector, targeting a 1.2 per cent GDP increase, which translates to an annual growth of 55 billion baht and the creation of 100,000 new jobs each year (The Government Public Relations Department Thailand, 2024).

Similarly, Japan is making substantial investments to meet halal standards for Muslim travellers, recognising that halal certification not only fulfils religious requirements but also enhances Japan's reputation for inclusivity on the global stage.

As the number of Muslim visitors increases - driven in part by Japan's popularity as a travel destination and events like the Tokyo 2020 Olympics - numerous Japanese businesses and local governments have adopted Muslim-friendly practices.

These include offering halal food options in restaurants, providing prayer spaces in public areas, and training hospitality staff on cultural sensitivities. In particular, major cities such as Tokyo, Osaka, and Kyoto have led this shift, with halal restaurants, prayer spaces, and hotels offering services tailored to Muslim travellers.

By embracing halal standards, these non-Muslim-majority countries demonstrate how inclusivity and respect for diverse consumer needs can open doors to new markets and support global growth.

“By embracing halal standards, these non-Muslim-majority countries demonstrate how inclusivity and respect for diverse consumer needs can open doors to new markets and support global growth.”

INTERNATIONAL HALAL MARKET

However, as halal brands and certification bodies work to build trust, they must confront the specific perception that halal-certified products are niche and not universally sellable. This perception creates barriers to acceptance among potential consumers who might otherwise embrace the ethical and quality standards associated with halal.

In South Korea, despite government initiatives to increase and promote halal production, most certified products are still produced for export, while domestic versions of the same products often lack halal certification. This may partly stem from prevailing

social attitudes, which are not always welcoming toward Muslim people and Islamic culture.

A clear example of this export-focused approach is Samyang Foods, one of South Korea's leading food manufacturers. Samyang exports halal products to 78 countries, including its wildly popular "Buldak Ramen" instant noodles, which have gained a substantial international Muslim consumer base.

In 2022, sales of Samyang's halal-certified products reached \$200 million, accounting for about 45 per cent of the company's total exports. Ironically, Muslims residing in South Korea often find themselves re-importing these "made-in-Korea" halal-certified noodles to satisfy their cravings.

Misunderstandings about halal—such as perceiving it as religiously exclusive rather than inclusive, ethical, and hygienic—may lead some South Korean consumers to view it as "foreign" or unnecessary.

This environment not only reduces local demand but also discourages companies from openly marketing halal products domestically, reinforcing the perception of halal as an "export-only" label (Rashid, 2024).

In addition, the international halal market also faces a lack of unified standards and regulations where different countries and regions have varying halal standards and certification processes. For example, a product certified as halal in one country may not be recognised as halal in another. This adds to certification complexity as well as overall cost.

Other challenges include logistics and supply chain management, where the international halal market may have complex supply chains, issues in cold chain and storage, and high distribution costs. All these lead to market competition and price challenges.

Political and geopolitical factors also posed major challenges in the international halal market. For instance, there could be export and import restrictions, and countries may impose trade restrictions on halal products due to political tensions or trade regulations.

Geopolitical tensions, including political issues, particularly in regions with high Muslim populations, can also influence trade policies, making it difficult for companies to supply these markets consistently.

OVERCOMING CHALLENGES

To address these challenges effectively, a multifaceted approach is essential to cultivate a more inclusive halal market. Key strategies include:

- 1. Education and transparency:** Organise public seminars and create engaging content to educate consumers about halal principles and certification processes. Ensuring clarity in halal certification through third-party verification can build trust and credibility.
- 2. Inclusive marketing and local partnerships:** Develop marketing campaigns that reflect diverse consumer backgrounds, tailoring messages to resonate with local cultures. Collaborate with local producers to obtain halal certification and engage in joint marketing initiatives, broadening the availability of halal options.
- 3. Social media engagement and community outreach:** Leverage influencers and storytelling to share positive narratives about halal products, fostering emotional connections with consumers. Facilitate interfaith dialogues and support

OVERCOMING CHALLENGES IN THE INTERNATIONAL HALAL MARKET

A multifaceted approach for a more inclusive halal market



local charities to promote understanding and address misconceptions about halal products and practices.

- 4. Trade show participation and shared values:** Showcase halal products at international food expos to enhance visibility and connect with potential buyers. Emphasise ethical practices and quality assurance associated with halal products, appealing to health-conscious and socially responsible consumers.
- 5. Business incentives:** Provide financial support for small businesses seeking halal certification and recognise those excelling in offering halal products.

Malaysia, despite being at the forefront of halal certification and governance, recognised its limited presence in the global market, where its contribution to halal imports in Muslim-populated countries is less than one per cent (MITI, 2023.)

“Malaysia should consider implementing strategies and action plans related to internationalisation to support the development of the industry. This involves:

1. Understanding the specific requirements and preferences of different regions to meet international standards and cater to diverse consumer needs;
2. Collaborating with international stakeholders to adopt best practices from successful halal industries;

“Halal goes global: A pathway to ethical, inclusive growth” is not merely a headline; it is a call for businesses around the world to recognise and respond to the evolving needs and values of today’s consumers.

3. Encouraging local halal businesses to accelerate their growth and penetrate global markets by tapping into the rapid growth of e-commerce; and
4. Organising trade shows, expos and exhibitions (i.e. Malaysia International Halal Showcase, MIHAS) to help strengthen relations with key industry players domestically and internationally. These connections will enhance Malaysia’s global positioning and increase the distribution of

halal Malaysian products.”

Quoted from the Malaysian New Industrial Masterplan (NIMP) 2030 (MITI, 2023)

CATALYST FOR GLOBAL GROWTH

The rise of halal-certified products is more than a business trend - it’s a testament to a global shift toward inclusivity, quality, and ethical production. Halal certification has fast become a universal marker of integrity, respected by consumers worldwide. By adopting halal standards, companies are embracing the values of a diverse, quality-conscious consumer base and fostering cross-border trade.

“Halal goes global: A pathway to ethical, inclusive growth” is not merely a headline; it is a call for businesses around the world to recognise and respond to the evolving needs and values of today’s consumers.

As halal principles gain traction globally, they offer a unique opportunity to build a future where consumer values and product integrity align, creating new pathways for sustainable, inclusive growth.

Addressing challenges like the misconceptions about the exclusivity of halal products is crucial in unlocking the full potential of the halal industry. As for Muslims, it is the amanah (trust and responsibility) bestowed by Allah SWT to provide wholesome goods and services to all humanity towards living a good and worthy life. – h