

# **Halal Training & Opportunity in Global Halal Market**

**MSD RETIRING STAFF TRAINING  
PROGRAMME, AEIC CONFERENCE  
ROOM, 2007**

# INTRODUCTION

- “Eat and drink of that which God has provided and act not corruptly, making mischief in the world” (Al-Quran 2:60)
- “O mankind! Eat of what is lawful and good on earth and follow not the footsteps of the devil” (Al-Quran 2:168)
- “O you who believe! Forbid not the good things which God has made lawful for you and exceed not the limits. Surely God loves not those who exceed the limits. And eat of the lawful and good that has God given you, and keep your duty to God in whom you believe” (Al-Quran 5:87-88)

# INTRODUCTION

- *Those who consume Halal, follow the tradition of the prophet and do not harm others **will go to paradise.*** (Tirmizi)
- *Many people put a lot of effort in worship of Allah and then spread their hands saying, "O Allah, please accept our supplication." But if their eating is Haram, their drinking is Haram, their clothing is **Haram, how would then their supplication be accepted?*** (Muslim and Tirmizi)
- *I swear by Allah in whose hands is my life. When a eats a tiny piece of an item which is **Haram, none of his deeds are accepted by Allah for forty days.** When the flesh of the body is built from Haram then his body Only **deserves the Hell Fire.*** (Muslim)

# TERMINOLOGIES

- Haram/Halal/Mashbooh(shubhah)
- HALAL in reference to food: the Islamic dietary standard, as prescribed in the Shariah Law

- **to Muslims**, it is a prescription from God meant for their physical and spiritual well-being
- **for non-Muslims** it means safe, wholesome products for the general well-being
- **for the industry**, the production of *Halal* food is not only beneficial to Muslims, but also to non-Muslim food producers, by means of an increased market acceptance of their products

# WHY HALAL FOOD?

- Muslim life guided by *Shariah* Law
- A particular food becomes *halal* or *non-halal* with reference to *Shariah* Law
- Muslims eat food that are:
  - ◆ *Halal* – *Shariah* (religious, faith, spiritual, personal choice)
  - ◆ *Toyyiban* – Wholesome (safety, cleanliness, nutritious, quality, authentic)

# ■ GLOBAL HALAL MARKET

The HALAL Market is fast becoming recognized as a vitally important emerging market sector.

It is a new market force that should not be overlooked.



# What has halal to do with Malaysian economy?

- In promoting the **agriculture sector** as the third engine of economic growth, measures will continue to be undertaken to increase investments in large-scale agriculture and commercial activities. Efforts to establish **Malaysia as a regional centre for the production of food and halal products** will also be intensified.....”

- *NEW STRATEGIES TOWARDS STIMULATING THE*
- *NATION'S ECONOMIC GROWTH (21st May 2003)*
- Economic Planning Unit
- Prime Minister's Department,
- Putrajaya, Malaysia

- ...“ The global demand for halal food is projected to increase to RM2 trillion in 2005. This vast potential must be tapped to enable Malaysia to be one of the leading producers and exporters in the world”....

An excerpt from the 2005 BUDGET SPEECH  
By THE PRIME MINISTER AND MINISTER OF FINANCE  
September 10, 2004

# WHAT IS MALAYSIA'S STRENGTH?

- Islam is the official state religion
- Active OIC country
- Malaysia is regarded/known as a model progressive Islamic state
- Political and economic stability?
- Government Policies and Initiatives – conducive for halal hub development
- Has expertise and experienced in the manufacture and trade of halal products
- Reputable halal products and services in the world
- Excellent and up to date infrastructure and infostructure
- Malaysia's halal certification is recognized in many countries

WHAT ARE THE  
OPPORTUNITIES?

- 1.6 billion Muslims-market for halal products
- Halal products and services-acceptable to non-Muslims
- Rapid development and interest in halal products and services-Malaysia and the world
- Products with halal logo=quality products
- Malaysia's multi-ethnic and multi-religious society enable diversified products
- Cost effective production/manufacturing of halal products using available raw materials in the region/neighbouring countries

# MALAYSIA'S SHARE OF WORLD HALAL FOOD MARKET

- Malaysia has less than 1% share of
- the global halal market
- Malaysia targets 5% of global Halal
- Market
- (*Datuk Ahmad Zahid Hamidi,*
- *former Deputy Minister of Tourism*)
- (*Business Times 9/6/04*)

# IMP3: 2006-2020 Chapter 21 – Development of the Halal Industry



- Global Market size & Development of Halal Products and Services
- 2) Development of Malaysia's Halal Products & Services Industry
  - - investments
  - - exports
  - - imports
  - - institutional support:
    - \* incentives
    - \* standards
    - \* certification
    - \* market development & promotion

# CHALLENGES

- increasing regional competition
- supply of raw materials
- expanding product range to meet consumer demand
- development of halal compliant services

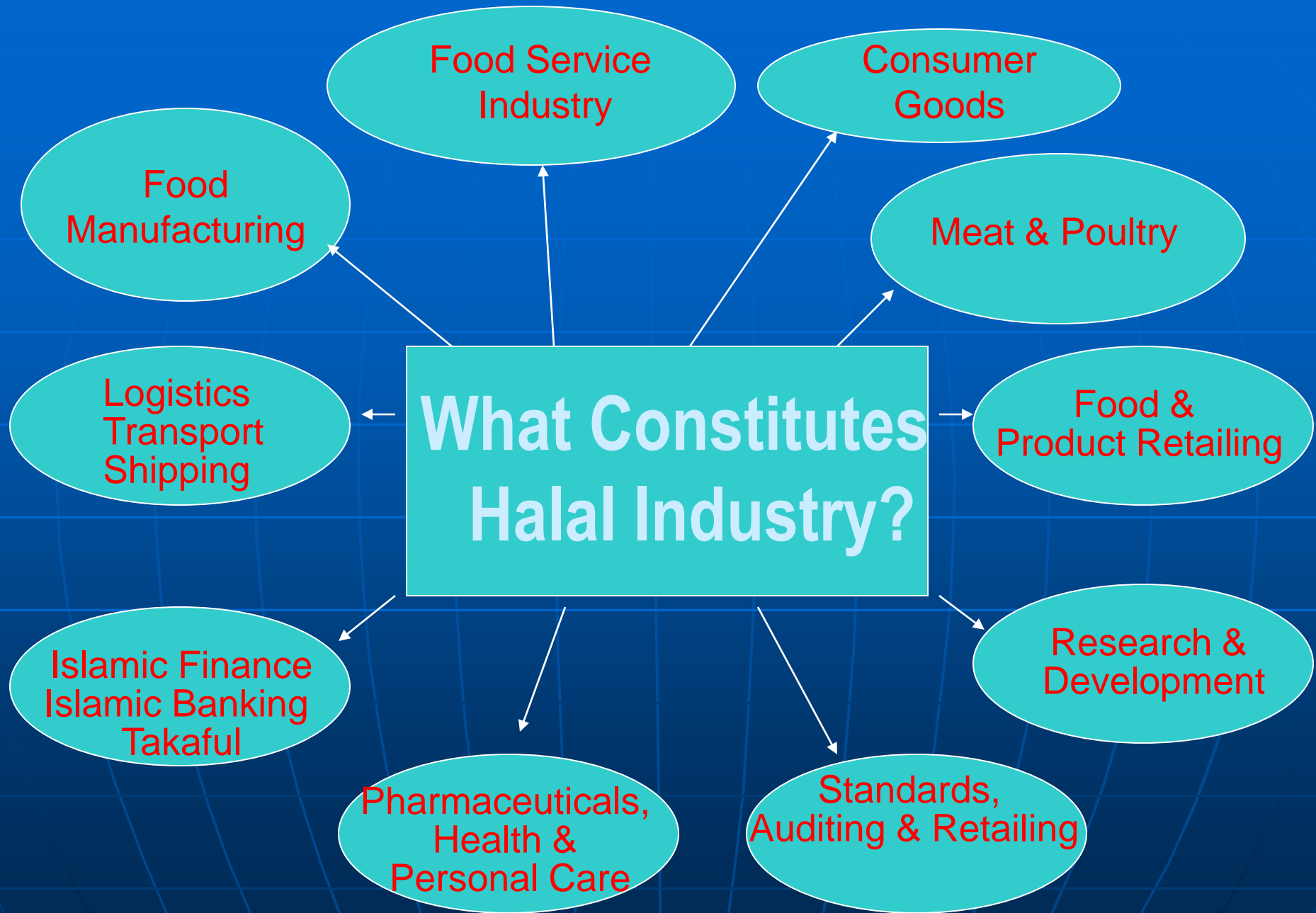
# CHALLENGES...

- - increasing regional competition
- - supply of raw materials
- - expanding product range to meet consumer demand
- - development of halal compliant services
- - leveraging Malaysian Halal standard to differentiate Malaysia's halal products
- - awareness of Malaysia as Centre for Halal products and services
- - product quality assurance and food safety
- - harmonization of halal certification process
- - coordinating agencies involved in development & promotion of the halal industry
- - institutional and human resource capacity

## ■ Strategies and Policies

- - enhancing awareness of Malaysia as Centre for Halal products and services
- - managing increasing regional competition
- - leveraging upon outward investments to gain access of raw materials & enhance competitiveness
- - enhancing R&D and leveraging upon technological developments
- - developing halal-compliant services
- - using and leveraging upon Malaysian Halal standard to differentiate Malaysia's halal products
- - product quality assurance and food safety
- - undertaking systemic development of halal parks
- - harmonizing the certification process
- - enhancing coordinating among agencies
- - strengthening institutional and human resource capacity

# ■ HALAL MARKET & ITS PROSPECTS



# Dynamics Driving the Global Halal Food Market

Muslim Population  
Growth

Increasing demand  
for halal and  
wholesome food in  
primary markets



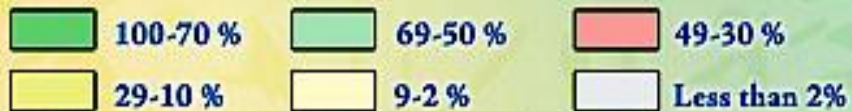
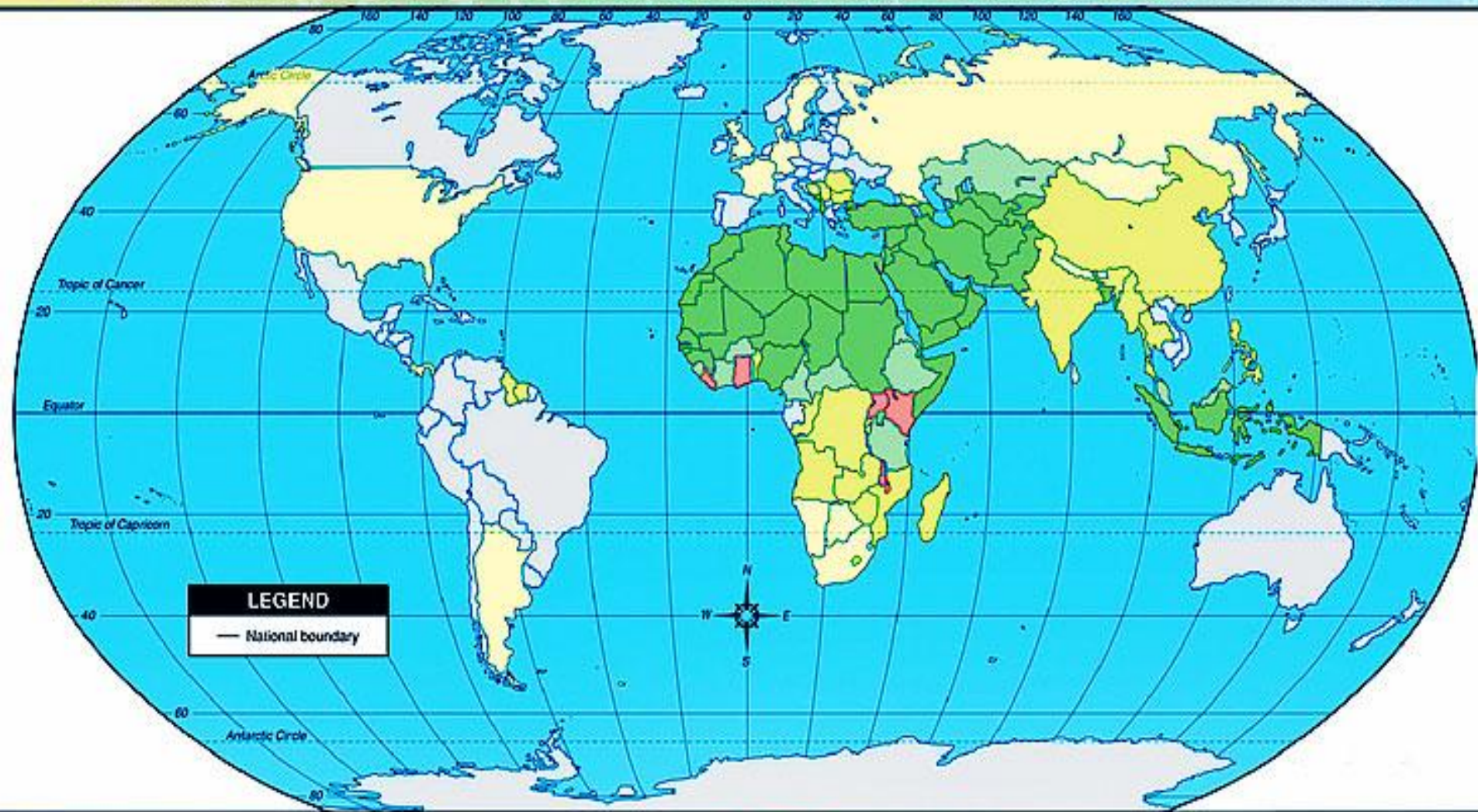
Increasing demand  
for genuine halal  
products

Increasing demand for  
greater variety in  
primary markets

Rising incomes in  
primary markets  
for Halal food



# Muslim Population: Potential Market



~ 1.6 billion  
~ 2.2 billion by 2010



# Muslim Population: Potential Market

## Key Potential Halal Markets in Some Non-Muslim Countries

■ India	~128 million
■ China	~26 million
■ Philippines	~10.5
million	
■ Thailand	~8.3
million	
■ Singapore	~0.75
million	
■ France	~4.5 million
■ Germany	~3.1
million	
■ Netherlands	~0.5 million
■ UK	~1.7 million

## Large Muslims in:

- African countries  
(Nigeria, Niger, Tanzania, Sudan, Kenya etc..)
- Bosnia-Herzegovina & Albania
- Central Asian Countries  
(Kazakhstan, Uzbekistan, Tajikistan, Kyrgystan, Turkmenistan)
- Russia
- Australia
- Other ASEAN countries  
(Myanmar, Cambodia, Vietnam)

# PURCHASING POWER PARITY (International Monetary Fund)

Rank	Country	Value (Int'l Dollar)	Estimates (for 2006) are based on data of:	Number of Muslims <sup>2</sup> (million)
4	United States	43,223	2006	8.79
7	Netherlands	36,937	2006	0.47
12	Canada	35,514	2006	0.48
13	United Kingdom	35,486	2006	1.63
17	Singapore	33,471	2006	0.74
18	Australia	33,037	2004	0.42
21	France	31,825	2006	4.53
23	Germany	31,390	2006	3.05
29	Brunei	25,772	2006	0.23
46	Saudi Arabia	16,505	2005	25.8
56	South Africa	13,018	2005	0.85
61	Malaysia	11,957	2006	12.5
67	Kazakhstan	9,568	2004	7.27
70	Turkey	9,240	2006	68.8
72	Thailand	9,193	2006	8.24
86	China	7,722	2006	26.0
114	Indonesia	4,356	2006	210
118	India	3,802	2005	128
132	Pakistan	2,744	2006	154
144	Bangladesh	2,130	2005	117
165	Nigeria	1,227	<a href="http://en.wikipedia.org/wiki/List_of_countries_by_GDP">http://en.wikipedia.org/wiki/List_of_countries_by_GDP</a> 2003	103 (PI per capita)

# Halal Food Market

Country	Food
India, Australia, New Zealand, Brazil, China, European countries	Meat
Thailand	Processed food

# Halal Food Market

## Malaysia Major Export Markets for Processed Food

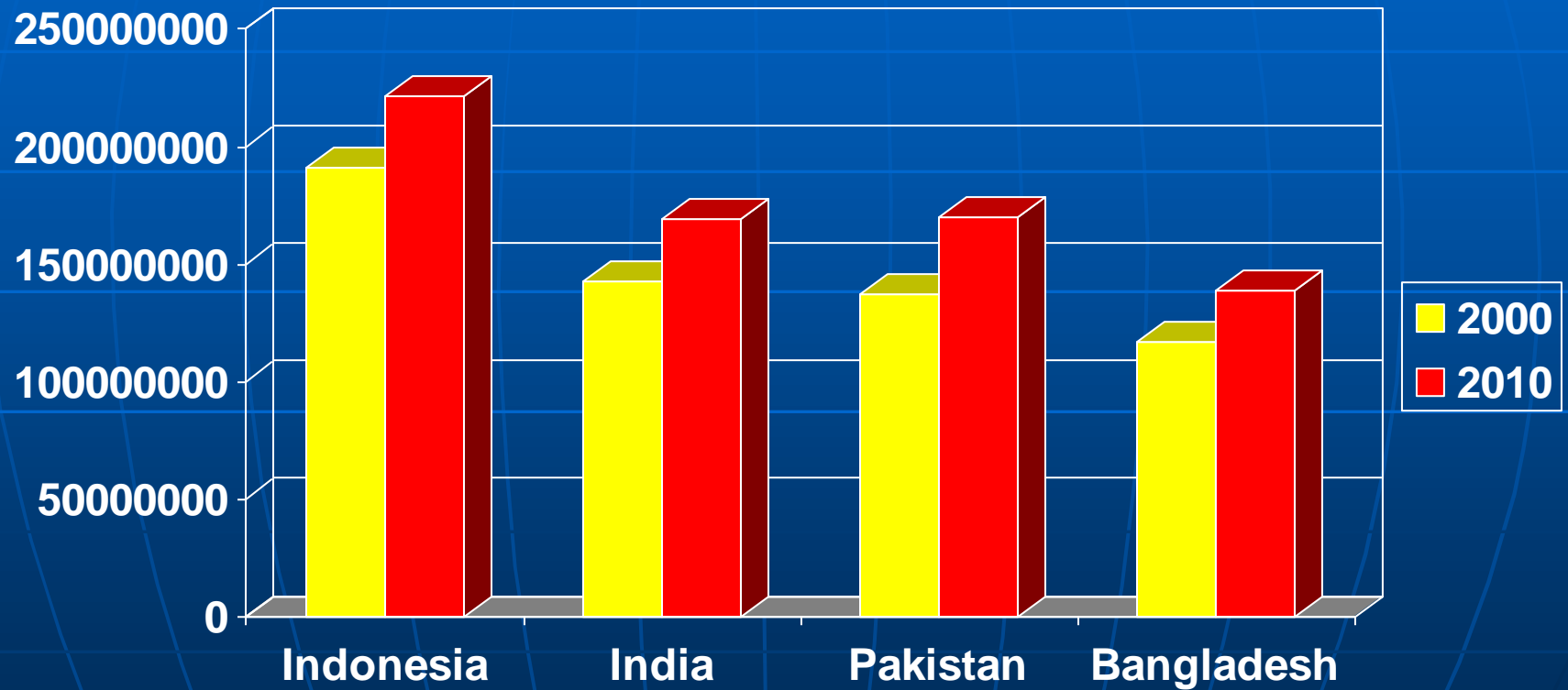
Export Destination	2006			2005	
	Value RM mil	Share %	Change %	Value RM mil	Share %
Total Export	7,254.9	100	11.1	6,529.9	100
Singapore	1,157	16	8	1,064	16
USA	597	8	3	580	8
Indonesia	586	8	- 4	613	9
Japan	364	5	15	314	4
Netherlands	339	4	51	223	3
Australia	332	4	12	296	4
Thailand	327	4	5	309	4
Hong Kong	283	3	13	249	3
Philippines	223	3	- 5	236	3
China	208	2	42	146	2

# Halal Food Market

## Malaysia Top Export for Processed Food

		2006		2005	
	Value RM mil	Share %	Change %	Value RM mil	Share %
Total Export	7,254	100	11	6,529	100
Cocoa & Cocoa Preparation	2,004	27	7	1,873	28
Prepared Cereal & Flour Prep.	936	12	3	902	13
Margarine & Shortening	845	11	24	677	10
Processed Seafood	627	8	6	581	8
Sugar & Sugar Confectionary	502	6	6	470	7

# Prospect World Halal Food Market





# Malaysia Halal Hub Initiative

## Marketing (Promotional Activities)

- MIHAS (Malaysia International Halal Showcase)
- Incoming Buying Missions
- Specialised Marketing Missions
- Trade Fairs
- International Promotion Booths
- Directory of Halal Product Exporters



# Malaysia Halal Hub Initiative

## Complementary (Supporting Endeavours)

- World Halal Forum – Platform for Industry players to interact
- National Halal Industry Forum – Platform for local industry players to discuss issues of national interest
- Halal Journal – create, maintain and increase awareness of halal
- International Networks



# ISLAM

The fastest growing religion in the world:

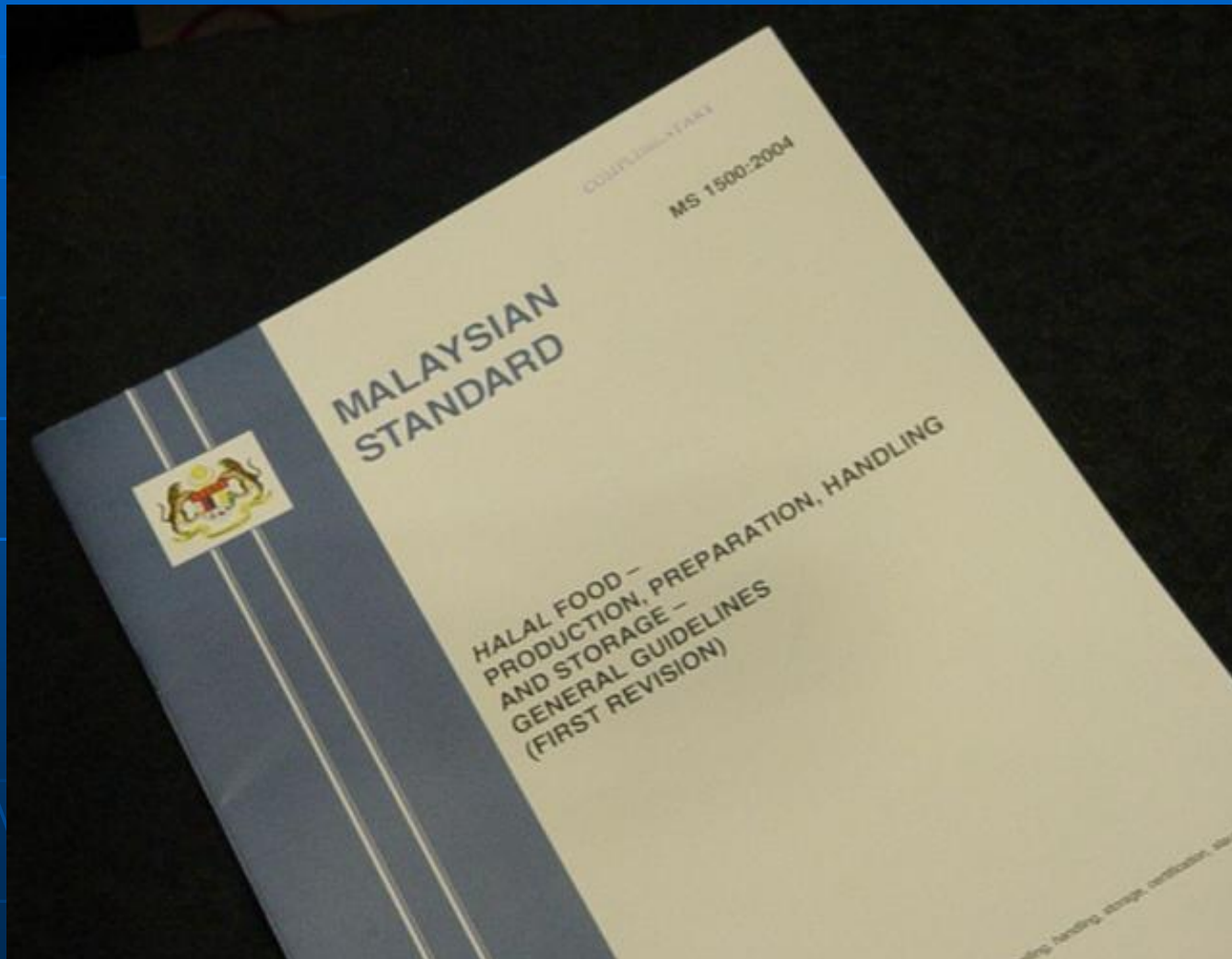
Annual Growth Rate—2.9% -

(Britanica)

ISLAM has the second largest number of followers in the world and 1 in 5 of the world's population are Muslims.

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# Other Supporting Factor



# MS 1500:2004

- Standard was developed by Technical Committee on Halal Food, consists of various designated organizations
- Draft standard was circulated throughout the world for comments and remarks, including United States and Europe
- The Prime Minister of Malaysia launched Malaysia Standard (MS 1500:2004) on 16 August 2004
- Responsibility to implement halal certification: JAKIM

# MS 1500:2004

- Practical guidelines for the food industry on the preparation and handling of halal food, including nutrient supplements
- To serve as a basic requirement for food product and food trade or business in Malaysia
- The standard should be used together with:
  - a) MS 1480:2007, *Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System*
  - b) MS 1514:2001, *General Principles of Food Hygiene*

***THANK YOU***

