

Revisiting *Halal* Industry its Scope, Challenges and Opportunities

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Introduction

- *Halal* industry has emerged as a new growth sector in international economy which spreading fast especially in developed countries.
- Asia Middle East Europe and especially the United States presents the most promising *halal* market.
- The growth of halal industry due recognition of halal product as benchmark for quality assurance, hygiene and safety.

- Triggering increasing acceptance by non-Muslims.
- Growing Muslim population and awareness about halal.
- Accepted by Muslims as an obligation -for non-Muslim symbol of hygiene and safety.
- Provide lucrative business opportunity for Muslims and non-Muslims.
- Stringent measure required to preserve its authenticity. Compliance with shari'ah hence serving Muslim interest.

- means lawful and permitted, something required by Islamic law.
- Its opposite haram, unlawful or prohibited.
- Halal encompass a broad spectrum of human activities e.i *'ibadah*, worship to *muamalat*, transactions, and *mu'asharah* and social behaviors.
- in relation to food in the context of business it means lawful product or food and drinks.
- Its use in relation to animal means undergoing of the process of slaughtering.

- In case of foodstuff negation impure instruments and ingredient in the process of preparation and manufacturing.
- According to Islamic law all foods are halal except swine, its by products animal not slaughtered, animal killed in the name of other than God and intoxicant such as alcohol and liquid of similar characteristics.
- Prohibited things; predatory animals, birds of prey blood
- by products foods contaminated.
- Meat and poultry should undergo slaughtering process.

- Thus Halal concept. not limited to ingredient of the food it involve process of preparation manufacturing and processing.

- **Sources of *Halal***

Qur'an and Sunnah as the source of halal not human being no matter how pious or strong he might be.

- هو الذى خلق لكم ما فى الأرض جميعا...

- “*it is He who have created all that is in the earth for you*” (Qur'an, 2:29).

- Designation of halal and haram the sole right of Allah.
- **The Qur'an as the First Source of *Halal***
- Provide provision pertaining to halal
 - يَا أَيُّهَا الَّذِينَ آمَنُوا كُلُوا مِن طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِيَّاهُ تَعْبُدُونَ
- *O ye who believe! Eat of the good things wherewith we have provided you, and render thanks to Allah if it is (indeed) He whom ye worship”* (Qur'an, 2:172).

- believer should consume good foods and be grateful to God.
- Only permissible things choice of the of true believers.
- Certain foods prohibited , due to being harmful human health.
- i.e, carrion forbidden for being unfit for consumption.
- Its decaying process lead to formation harmful chemical in human body.
- In fact Islamic dietary is universally applicable
 - يا ايها الرسل كلوا من الطيبات واعملوا صالحا إني بما تعملون عليم. e.
- *‘O ye Messengers! Eat of good things, and do right, Lo I am aware of what ye do.’* (Qur’an, 23:51)

- Islam only allows a good and healthy food for its adherents to consume.
- i.e. milk is a complete being rich in protein, calcium, and vitamin A and B.
- advantage could only be attained from lawful animals during their life time.
- That is why when animal die their milk become haram
- Due to its harmfulness to human health.

• **الْيَوْمَ أُحِلَّ لَكُمْ الطَّيِّبَاتُ ۗ وَطَعَامُ الَّذِينَ أُوتُوا الْكِتَابَ حِلٌّ لَكُمْ وَطَعَامُكُمْ حِلٌّ لَهُمْ**

- This day, all good things are made lawful for you. And the food of those given the Scripture is lawful for you, and your food is lawful for them”

- يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَحْرِمُوا طَيِّبَاتِ مَا أَحَلَّ اللَّهُ لَكُمْ وَلَا تَعْتَدُوا ۚ إِنَّ اللَّهَ لَا يُحِبُّ الْمُعْتَدِينَ

- “*O ye who believe! Forbid not the good things that Allah has made Halal for you*” (Qur’an,

- The Qur’an also spells out another pertinent principle.

- يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُواتِ الشَّيْطَانِ

- “*O mankind! Eat of that which is lawful and wholesome*” (Qur’an, 2: 168).

- food products must be *halal* and *tayyiban* (wholesom)
- **Sunnah as the Second Source of *Halal***
- Sunnah provide detailed rules pertaining to *halal* and *haram*.
 - عن أبي يعلى شداد بن أوس رضي الله عنه، عن رسول الله صلى الله عليه وسلم قال: إن الله كتب الإحسان على كل شيء، فإذا قتلتم فأحسنوا القِتلَةَ، وإذا ذبحتم فأحسنوا الذِّبْحَةَ، ولْيُجِدَّ أَحَدُكُمْ شَفْرَتَهُ، ولْيُرِحْ ذَبِيحَتَهُ))؛ رواه مسلم
- *Verily Allah has prescribed proficiency in all things. Thus, if you kill, kill well; and if you slaughter, slaughter well. Let each one of you sharpen his blade and let him spare suffering to the animal he slaughters”* (al-Muslim)

- The hadith provide guidance on how to slaughter animal.
- Minimal pain caused.

• رَافِعُ بْنُ خَدِيجٍ قَالَ كُنَّا مَعَ رَسُولِ اللَّهِ - صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ - فِي سَفَرٍ فَقُلْتُ يَا رَسُولَ اللَّهِ إِنَّا نَكُونُ فِي الْمَغَازِي فَلَا يَكُونُ مَعَنَا مِدْيٌ فَقَالَ " مَا أَنْهَرَ الدَّمَ وَذَكَرَ اسْمُ اللَّهِ عَلَيْهِ فَكُلْ غَيْرَ السِّنِّ وَالظُّفْرِ فَإِنَّ السِّنَّ عَظْمٌ وَالظُّفْرَ مِدْيَ الْحَبَشَةِ "

- We were with the Prophet (ﷺ) on a journey, and I said: ‘O Messenger of Allah, we are (sometimes) on military campaigns, and we have no knife with us.’ He said: ‘(Use) whatever causes the blood to flow, mention the Name of Allah and eat, but (do not use) teeth or nails, for the tooth is a bone and the nail is the knife of the Ethiopians.’ (al-Bukhari, 1984).

- Extra caution should exercised with modern method of slaughtering.
shari'ah compliant
Beside slaughtering cleanliness of the place is necessary.
Halal slaughtering should not take place at the vicinity of pigs slaughtering area.
Other rules: feeding animal and giving water as normal before slaughtering.,
Some non -halal food products mentioned in hadith
- :AZ-Zuhri said that
 - نَهَى النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ عَنْ أَكْلِ كُلِّ ذِي نَابٍ مِنَ السَّبْعِ.:
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- From preceding ayat and ahadith can be concluded.
- *halal* foods comprise all animals and birds not listed in *haram* food list, all vegetables which are not harmful to human health and foods and drinks which are pure, clean and nourishing and pleasing to the taste.
- Prohibited food include, pork, meat of dead animal not slaughtered,
- Food on which Allah name has not been mentioned.
- Blood and alcohol. Bird hunting with its claw.

General Principle pertaining halal

- Qur'an and Sunnah only provides general principles for Muslims to follow.
- 1- All things are permissible unless their prohibition is stated in the Qur'an and the Sunnah... هو الذى خلق لكم ما فى الأرض جميعا
- Nothing is haram without specific evident in Qur'an and Sunnah.
- 2- uncleanness and harmfulness is the basis of prohibition.
- This is to preserve human health. i.e. prohibition of porcine due to impurity.
- 3-prohibition of unnecessary things and substituting them with better alternative. i.e. prohibition of intoxicating drinks with permissibility ones.

- 4- the prohibition of preliminary elements of prohibited thing.
- i.e not only the user of intoxicating drinks is sinful but all those involved in its preparation, selling serving it.
- 5-the prohibition of false representation of unlawful things as lawful.
- This may happen due to contamination and transportation.
- Or due to deliberate act of misguiding consumers as to the actual contents or ingredients of food products in the market.

- 6-good intention does not make the unlawful action or things acceptable. Thus it is not allowed to use *haram* means for achieving one's goals.
- i.e. accumulation of wealth through forgery and cheating, gambling. Hence donating it.
- 7- Avoidance of doubtful things. lawful and unlawful are clearly mentioned in the Qur'an and Sunnah. Between them there are certain things which are doubtful.
- should be avoided not to impinge on the boundary of *haram*. **إِنَّ الْحَالَ بَيْنَ بَيْنٍ، وَالْحَرَامَ بَيْنٍ، وَبَيْنَهُمَا مُشْتَبِهَاتٌ لَا يَعْلَمُهُنَّ كَثِيرٌ مِنَ النَّاسِ، فَمَنْ اتَّقَى الشُّبُهَاتِ فَقَدْ اسْتَبْرَأَ لِدِينِهِ، وَعِرْضِهِ، وَمَنْ وَقَعَ فِي الشُّبُهَاتِ وَقَعَ فِي الْحَرَامِ**

- 8- necessity removes restrictions. offshoot of the legal maxim; “Necessities renders prohibited things permissible”
- in a life-threatening situation, Muslims are permitted to consume forbidden food in order to survive. يُرِيدُ اللَّهُ بِكُمُ الْيُسْرَ وَلَا يُرِيدُ بِكُمُ الْعُسْرَ
- **Hygiene and Safety as the Characteristic of *Halal* Food**
- In the context of halal, hygiene cover physical aspect, clothing, instrument and the working premises where food and beverages are served.
- This to ensure safety of food hence avoid hazard to human health.

- halal food does not remain within religious compliance only.
- Become world-wide market phenomenon, attracting increasing
- interest from both Muslims and non-Muslims.
- To enhance food safety producer should comply with Good Manufacturing Practice (GMP) and Good Hygiene Practice (GHP)
- GHP the combined application of manufacturing and quality control procedures by producers to make sure that their products manufactured in accordance with their specifications and *halal* prescriptions provided by *halal* certification agencies.

- In Malaysia, the Codex General Principles of Food Hygiene and the Malaysian Standard MS1514 is used in hygiene practice to ensure food hygiene.

- **Scope of *Halal***

- Halal is a multi-dimensional concept and cover a large spectrum of activities.
- Include major source of derivation of food animals, plants, natural materials, chemicals and microorganisms.

elements from 'biotechnology used in food productions

- There are four major segments of halal industry.
- 1-Foods and beverages.
- 2-pharmaceutical and health products.
- 3- cosmetics.
- 4-tourism and travel services.

Food and Beverages (F&B)

- constitute the major segment of the *halal* industry.
- Not limited to meat and poultry, include confectionary, bakery products, canned and frozen food, dairy products, organic food, beverages and herbal products.
- Wide range of food due to changing life style, increased purchasing power of the consumers.
- Supplementary, food traditionally contained non-*halal*, ingredients such as pork gelatin and alcohol. Has to be modified.

- Yogurt, biscuits chocolates, need to modify and made *shari'ah* compliant.
- Demand for halal F&b is continuously on rise globally.
- According to Global Islamic Economy Report 2015/16, Muslim consumer's expenditure reached to \$ 1,128 billion 17% of total expenditure on F&B worldwide.
- Over all Global expenditure on F&B was \$6,755 billion in 2014
- Further growth expected to reach to \$1,585 billion by 2020. 16.9% of global Expenditure on F&B.

- Estimated expenditure of Muslims country on (F&B)
- 1- Indonesia - (\$158 billion). At the top of the list
- 2- Turkey - (\$110 billion) 2nd .
- 3- Pakistan- (\$100.5 billion)
- 4-Iran-(\$59 billion)
- Geographically non-OIC member countries, constitute 16% of Muslim food consumption.
- shows a constant success of ‘*halal*’ food market across different cultures and continents.

- Factors contributing to the emergence of halal industry as the most lucrative and influential market place.
- 1-Increased Muslim population, UN report 6.4% annual increase rate.
- 2-Increase in income of the Muslim community due to increase of affluent Muslims.

- 3- expected future increase in demand for halal food.
- By 2050 it will increase up to 70%.
- There are some challenges, halal accreditation and standardization. And ban on slaughtering in some western countries. Slowing the growth of halal market.
- Halal industry player should device Proper measures to remove the misconception and bias against Muslim culture hence safeguarding HI.

Pharmaceutical And Health Products

- Is another major segment of the halal market, need for PHP stimulated by Muslim growing awareness about what they consume.
- PHP value reach to \$83 billion in 2016.
- Further 8% increased expected by 2022 hence reaching to \$132 billion .
- Initiative taken by some company to produce halal PHP, i.e. Pharmaniaga Bhd, largest pharmaceutical company in Malaysia.
- Invested 100 million to produce halal vaccine in Puchong Selangore. attained pioneering position become first halal vaccine manufacturing center.

- Provide a window of opportunity for investor to tap into the latent potential of this sector.
- **Cosmetics Products** constitute another segment of the *halal* industry.
- They are substances or products used for enhancing or modifying the facial outlook of human being or changing its fragrance and surface of body.

- Halal cosmetic gained popularity since 2013. values of its sale revenue reach to more than \$60 billion within 5-10 globally.
- Halal Cosmetic implies their ingredient are pure and derived from clean sources.
- At present halal cosmetic market constituting 11% of the total global *halal* industry

- *halal* cosmetics are the beauty and personal products produced from permissible substances.
- Which manufacturing, storing, packaging and delivery is in conformity with *Shari'ah* requirements.
- Throughout the Middle East HC recorded 2% annual growth hence its sale revenues reaching to \$12 billion.
- interest in *halal* cosmetics Markets has grown across Asia, especially in Malaysia and Indonesia. The same tendency is noticeable in European market.
- The value of HCP in Malaysia is estimated to be 10%-20% of the local cosmetic market.

- The challenges that the cosmetic products pose, are they contain gelatin collagen derived from pork.
- Therefore, there is a strong demand for halal cosmetics which ingredients are sourced from permissible source.

- **Tourism and Hospitality Services**
- Tourism and travel is another segment of halal industry.
- Halal tourism means the provision of hospitality services conform to Islamic belief and practices.

- Among the service gained popularity in HTI is the provision of shari'ah compliant Hotels.
- Which provide;
- *halal* food and alcohol free beverages, separate swimming pools, spa and leisure activities for ladies and gentlemen, prayer room, Qur'an, prayer mats signs indicating the direction of Ka'bah, 'even women-only beach area with Islamic attire, Muslims staffs and the negation of the impermissible entertainment such as nightclubs .

- *Shari'ah* compliant hotels first introduced in Middle Eastern countries years ago.
- Due to increased number of Muslims and Arab tourists and their increased purchasing power.
- According to statistics by 2020 the Muslim tourist's expenditure is expected to rise to more than 13% of whole world spending on tourism industry.
- HTI account for 12% or \$126.1 billion of the whole world tourism market value.
- It grows at the rate of 4.8 which is higher than the global average growth at 3.8%

- Muslim travelers spent \$126 billion in 2011 only. expected to reach to \$419 billion by the year 2020.
- Malaysia, Turkey and Egypt, at the top of the list attracting Muslim tourists. Favorite tourist destination.
- Australia, Singapore and France, adapted *halal* certified food outlets, become favorite Muslim tourists destination too.
- Malaysia is leading the way in promoting halal tourism hence, occupying the first place from among the top 10 country in term of
- providing *halal* friendly tourist destination in the world.

Conclusion

- The main ideas emerging from this study are that there is increasing consciousness among Muslims and even non-Muslims on the wholesomeness of food, beverages, cosmetics, medicine including services provided by tourism destinations.
- Accordingly, the Islamic concept of *halal* and *haram* underlining the significance of cleanliness, hygiene, safety and purity of both the raw materials and the end-products in the *halal* industry have led to the rise in demands for *halal* product and services in our time.
- Corporate bodies both within and outside Muslims countries have been vying for dominance, and *Shari'ah* regulatory bodies are out to ensure *Shari'ah* compliance of such things in the market.
- Nevertheless, as technological development in field of food, cosmetic, pharmaceuticals and beverage manufacturing continue to unfold, and marketing strategists enter into more intense competition to control.

- It is imperative for Muslims to be more proactive not only to tap this market but also strive to see that *halal* industry really remains *halal* and not artificially seems to be so.

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• **Thank You**

• **و بالله توفيق والهدايه**