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**GLOBAL HAJJ**  
**PERSPECTIVES**

**Past, Present and Future**

Editor  
**RISYAWATI MOHAMED ISMAIL**



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# 3

## Unrecognized Malaysia Halal Logo: The Role of Authorities in Protecting Consumer's Rights

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Mohammad Aizat Jamaludin &  
Nurrulhidayah Ahmad Fadzillah*

### Introduction

Halal has become the lifestyle of Muslim consumers across the world, and especially so in Malaysia. As the Muslim global population increases, awareness on halal consumption has also risen correspondingly. In Malaysia, halal food certification and management are given a lot of attention by consumers, food manufacturers and regulators. Halal not only covers food consumption but also non-food products such as cosmetics, toiletries, pharmaceuticals, leather products, perfume and fragrances and brushes. Services such as banking, entertainment, tourism, and logistics are also related to halal requirements.

### Consumers

Halal logo is very significant in determining Muslim consumers' daily food consumption. The halal logo is a trusted label that gives Muslim consumers the confidence in deciding food products which are halal for consumption before purchasing. Back then, Muslim consumers typically depended on the halal logo issued by the government authority like the Department of Islamic Development Malaysia (JAKIM), the State Islamic Religious Department (JAIN) or other reputable private companies before they purchased or consumed food products (Abidin, 2016).

Thus they would search and ensure that the halal logo was on the food products before purchasing, since they had no time to check or acquire the necessary information on the halal status of the products. Therefore, the halal logo was a label that they could rely on as it assured them that the food products were halal, fit for human consumption and prepared in compliance with Islamic rules and guidelines (Zakaria, 2008).

Zakaria (2008) found that consumers have a high level of awareness on halal issues (Zakaria & Abbas, 2013). The introduction of the halal logo and certification by JAKIM has generated more awareness among Muslims on the importance of consuming manufactured products or engaging services that follow Islamic guidelines and principles (Ambali, & Bakar, 2014). In general, Muslim consumers in Malaysia look for the authentic halal certification issued by JAKIM, which is within the purview of the Ministry in the Prime Minister's Department.

### **Food Manufacturers**

Manufacturers and marketers use halal certification and logo as a way to inform and to reassure their target consumers that their products are halal and shariah-compliant (Shafie & Othman, 2006). This certification grants companies the use of the halal logo for printing on their products' packaging or for display at their premises. Halal food has attracted a larger world food market. Halal is no longer just a religious obligation, but is also considered as the standard of choice for Muslims. Consumer demand for halal food is increasing not only in Islamic countries but also in Europe and America. It is estimated that the demand for halal food will be at US\$150 billion a year with an increase in the world Muslim population to an estimated 2 billion people (Abidin, 2016).

As the business of halal food grows, stiff competition is inevitable. In order to survive and remain in the business, some companies have gone beyond existing laws and left their moral and ethical obligations behind (Abidin, 2016). For instance, there were some manufacturers who misused the halal logo upon acquiring

the business besides using expired halal compliance certificates. The worst fraud came from companies that did not obtain halal certification, but instead used forged ones (Halim, Mohd, Yalawae, Omar, Ahmad, & Kashim, 2014).

## Regulators

Malaysia established the halal hub in 2006 as a response to the significant growth of the global halal business (Ambali & Bakar, 2013). Malaysia's plan was to be a global halal hub by 2018. Given the global growth of the halal business, hence halal food products are no longer an industry that simply complies with religious requirements but it has become an economic force, domestically and globally (Ambali & Bakar, 2013).

The rapid growth of the halal industry in Malaysia has not only led to the development of halal technologies and innovations, but also the improvement of halal related laws. With the full support provided by the government, Malaysia has developed halal certifications using prescribed Islamic laws as the basis in all of its related operations (Wibowo & Ahmad, 2016). Furthermore, the amendments of the Trade Descriptions Act 2011 (TDA, 2011) gave JAKIM absolute authority in issuing halal certifications and logos. In addition, JAKIM conducts halal monitoring and carries out enforcement on traders or food manufacturers who abuse the use of the halal logo in their products.

## Jakim as Halal Custodian in Malaysia

### Halal Certification and Logo

The basic principles of halal certification are that a particular food or goods must be halal (permissible) and *toyyiban* (wholesome). These two principles are based on Allah's sayings in Surah Al-Baqarah verse 168. *Toyyiban* means of good quality, safe, clean, nutritious and authentic (Noordin, Hashim & Samicho, 2009). Plus, halal and *toyyiban* themselves, portray the symbol of

intolerance in the hygiene, safety and quality. Thus, the halal certification will only be issued by JAKIM if these basic principles are met by halal certificate applicants in producing their products.

Halal food certification refers to the examination of food processes comprising its preparation, slaughtering, ingredients used, cleaning, handling, processing and storage, as well as food transportation and distribution. Halal certification can only be obtained when the food has been verified as nutritious and prepared from permissible ingredients in a clean and hygienic manner (Badrudin, Mohamed, Sharifuddin, Rezai, Abdullah, Abd Latif & Mohayidin, 2012). JAKIM has been involved since 1974, in the verification of the status of halal food products and consumer goods for the sake of Muslims in Malaysia (Soraji, Awang, Nasir & Yusoff, 2016). In order to pledge the status of halal food products, JAKIM has been providing halal certification procedures and guidelines as reference for industry players to obtain halal certification successfully. Besides, JAKIM has been constantly reviewing and updating their halal certification requirements to ensure that their halal certificate standard is relevant with the contemporary halal industry.

Despite this, there have been some irresponsible food manufacturers who use fake halal certificates and logos to deceive Muslim consumers to purchase their products. It is not a really huge problem if the products are indeed halal, but it is bad when the products are actually not halal for Muslim consumption. The negligence in using fake halal logos is a result of the issuance of halal certificates and logos that were previously not limited to JAKIM only. Due to the events regarding the wrongdoings committed by some manufacturers, consumers became more anxious and they started questioning the authorities on whether they could still trust the halal logo before buying or consuming food products. Therefore, a new halal logo was introduced in 2003 for the purpose of coordinating the use of a uniform halal logo at national and state levels. The new halal logo has been registered under the Trade Mark Act 1976 and Trade Mark Regulations 1997 (Abidin, 2016). JAKIM service quality is extremely important for attracting manufacturers and for ensuring the industry actively participates in



the Halal Hub aspiration (Badrudin et al., 2012). Musalmah (2005) stated that the Malaysian Standard Halal Food (MS1500:2004) has been cited by the Codex Alimentarius Commission of the United Nations, a responsible international agency for the regulation of food preparation as the best example in the world in terms of justifying halal food (Badrudin et al., 2012).

### **Halal Monitoring**

JAKIM halal certificate and halal logo are recognized worldwide not because of its strict halal certificate requirements alone, but also due to JAKIM's stringent rules towards halal certificate compliance. To prevent violation of the halal certificate and logo, JAKIM constantly monitors and inspects the premises of halal certificate holders to ensure their compliance to the guidelines set. Audit sites such as manufacturing factories, food premises or abattoirs will be inspected by JAKIM officers at least twice before the date of expiry on halal certificates (Abidin, 2016). Using the Malaysian Halal Standard together with the Manual Procedure for Malaysia Halal Certification as the guideline, the audit involves physical inspections on all aspects of operations, be they documents, processes, handling of raw materials and ingredients, processing aids and tools, storage, sanitation system and cleanliness, waste disposal management, packaging and/or labelling (JAKIM, 2014). To make the inspection and monitoring effective, JAKIM also employs the use of food technology in matters such as detecting microscopic haram substances in processed food products (Abidin, 2016).

There are four types of monitoring and inspections carried out by JAKIM officers. Firstly, scheduled inspections where continuous and planned inspections are conducted on Malaysia Halal Certificate holders to verify compliance to certification requirements, use of logo and halal standard. Second inspection is an enforcement inspection conducted by JAKIM/ MAIN/JAIN together with other enforcement agencies as a result of a public complaint(s) or from scheduled inspection activities. Next, is a follow-up inspection which is an inspection on any company which fails to comply with halal certification procedures based on an earlier inspection(s). Lastly, an inspection will be conducted

based on a public complaint(s) pertaining to abuse of the halal logo or certificate or doubts on products and consumer goods, food premises, slaughterhouses, logistics or companies which have been awarded the Malaysia Halal Certification, use of logo or halal term (JAKIM, 2014).

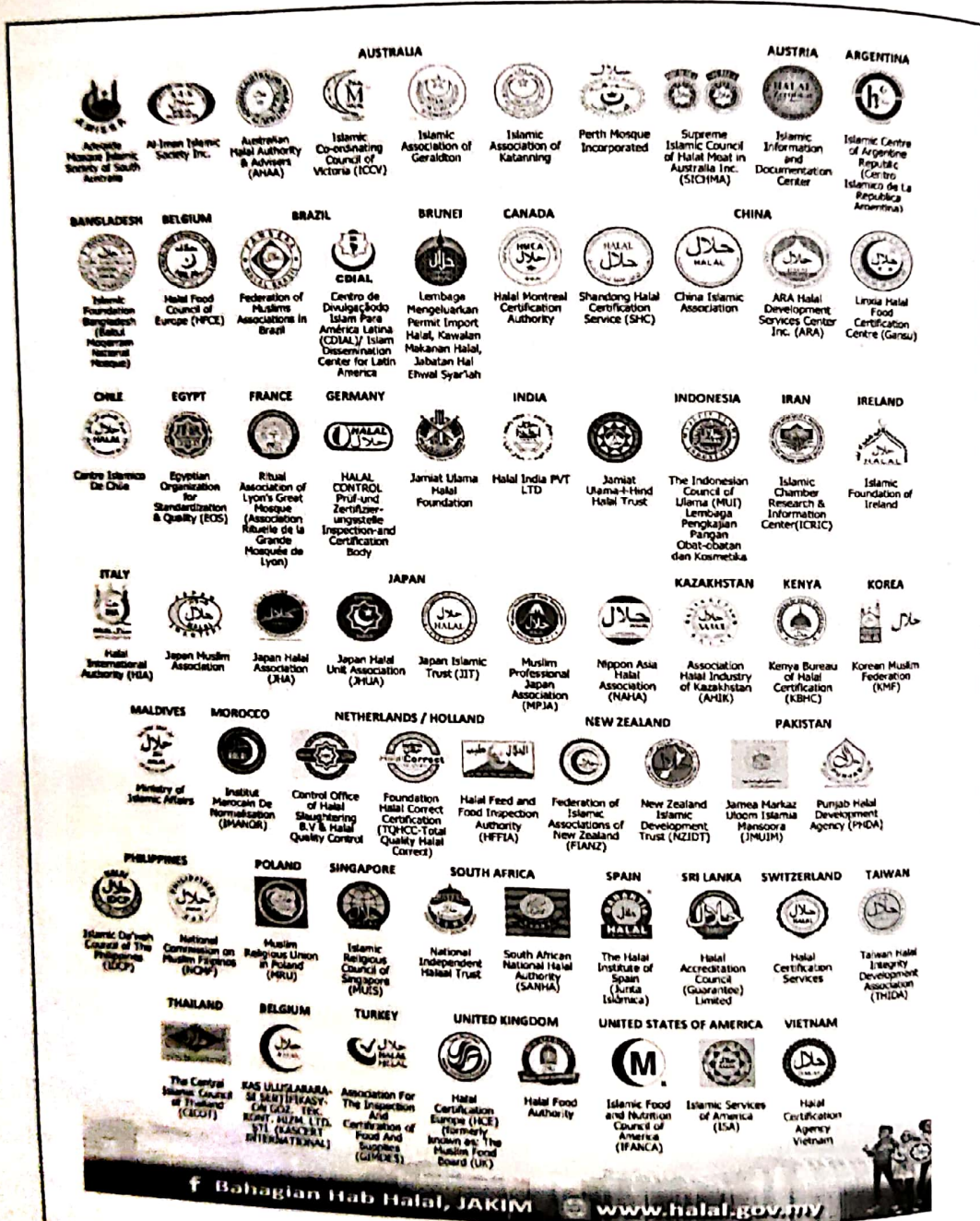
## **JAKIM Recognized Halal Logo**

Undoubtedly, JAKIM has the authority to issue halal certificate and logo for food products produced locally. However, the halal industry nowadays is really huge and has become more complex and challenging not only to consumers and industry players, but also, the halal authority body. Therefore, JAKIM through its initiative is cooperating with foreign certification bodies in recognizing each other's halal certification. To facilitate Muslim consumers, JAKIM has a list of recognized foreign certification bodies in their website and constantly updates its information for consumers. As of 14th April 2017, there are 66 foreign certification bodies from 40 different countries across the world. Figure 3.1 shows the recently recognized foreign halal certification bodies as listed by the Halal Hub Division of JAKIM.

## **Muslim Consumer Rights on Determining Recognized Halal Logo**

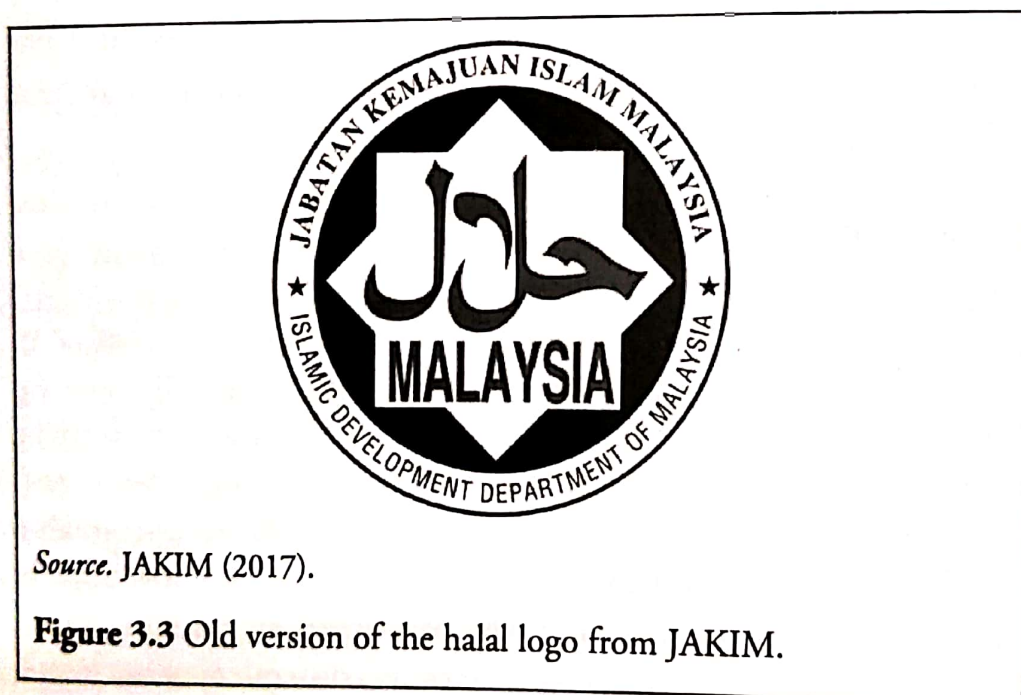
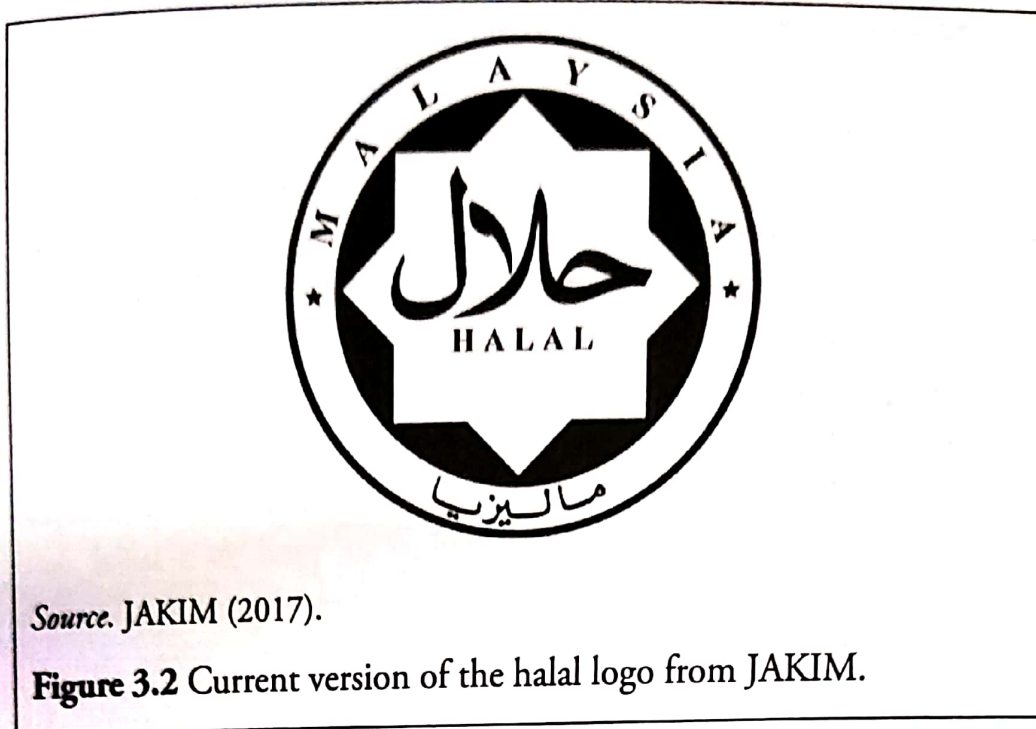
Ismail, Othman, Rahman, Kamarulzaman and Rahman (2016) in his findings showed that Muslim consumers in Malaysia are still confused about the authenticity of the halal logo and find it difficult to differentiate between the new version of the JAKIM halal logo (Figure 3.2) and the old version (Figure 3.3) (Ismail et al., 2016). The obvious reason is due to the words "Jabatan Kemajuan Islam Malaysia" used in the previous halal logo, even though this logo is no longer valid (Ismail et al., 2016). To prevent the confusion among Muslim consumers, JAKIM introduced a new halal logo in 2003 which featured the word, "Malaysia" to replace the word, "Jabatan Kemajuan Islam Malaysia" used in the old halal logo. The new halal logo offers better security features

in order to avoid fraud and confusion among consumers (*Utusan Online*, 2003). In addition, the new Trade Descriptions Act 2011 (TDA 2011) gives JAKIM authority to enforce the use of the new halal logo in industry besides monitoring the misuse of the old halal logo (Che Ahmad, 2012). Based on the TDA 2011, the use of the old JAKIM halal logo is prohibited and the act of using it is considered a punishable offence.



Source. Department of Islamic Development Malaysia (JAKIM) (2017).

Figure 3.1 Recognized foreign halal certification bodies and authorities.



The characteristics of the current official halal logo issued by JAKIM shows an eight-pointed star placed in the middle of a circle. The word halal in Arabic – “حلال” is placed in the middle of the star. It is then followed by the word, “HALAL” in Roman script. The circle of the logo contains the word “MALAYSIA” both in Roman and Arabic script. Other than that, two small five-pointed stars are placed to separate the Roman and Arabic script.

### **Halal Awareness**

Halal awareness is one of the first consumer rights in determining the recognized halal logo. Without instilling halal awareness among Muslim consumers regardless of their age, level of education or their living space, it is pointless to promote the importance of the halal certificate and logo. Malaysia is the most advanced and established country in terms of its justification of halal food, development and innovation of halal technologies, and the involvement of the government, halal authority bodies and the consumers themselves. Although Malaysia is near to achieving its goal as a halal hub country, there seems to be a lack of halal awareness among Muslim consumers in relation to halal food consumption. Even though they are aware of the significance of halal foods, but not many are mindful of the authenticity of the Malaysia halal logo although it has been around for many years. Therefore, JAKIM must be more proactive to educate Muslim consumers about halal awareness (Ismail et al., 2016).

### **Halal Education**

One aspect which should be taken care of to ensure the authenticity of the JAKIM halal logo is halal education especially, among Muslim consumers. Halal education is the halal authority's responsibility and Muslim consumers' rights. Shafiq, Haque and Omar (2015) found that consumers were confused and unable to identify the right JAKIM halal logo. Lack of knowledge is believed to be the main reason why consumers are guessing about the right logo which can lead to serious consequences on brand equity (Shafiq et al., 2015). Therefore, it is vital to educate Muslim consumers about the authentic halal logo.

It is undeniable that JAKIM is in a strong position in terms of the issuance of halal certificate and logo, yet it is the opposite when it comes to halal monitoring and enforcement. For instance, if consumers themselves fail to recognize the right halal logo, it is only devastating for both consumers and JAKIM as the use or misuse of unrecognized halal logo will continue to occur.

Consequently, consumers are vulnerable to fraud as they do not really know how to differentiate between the real halal logo from a fake one.

## Conclusion

There is no doubt that Malaysia is a leading country in the halal industry in terms of its justification of halal food, issuance of halal certificate and logo, its involvement and the integrity of its halal authority bodies. Furthermore, Malaysia is often cited as an example by other countries in terms of its halal system management, halal related laws, halal monitoring and enforcement. It is clear that Malaysia holds a strong position at the international level and is leading other countries in the development of the halal industry. However, there are still many halal related issues at national and state levels which have yet to be resolved by the government and halal authority bodies. For example, the act of using unrecognized halal logo and the misuse of the old version of the JAKIM halal logo are still widespread and uncontrolled among irresponsible food manufacturers. One of the reasons is due to the lack of effective halal monitoring and enforcement. Therefore, the rights of Muslim consumers need to be emphasized so that consumers not only get to know the authentic JAKIM halal logo, but also help contribute to better halal monitoring and enforcement through their feedback/complaints to halal authorities on the misuse of unrecognized halal logos.

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