CONTRIBUTIONS OF MALAYSIA AND SINGAPORE IN THE DEVELOPMENT OF HALAL INDUSTRY IN THE ASEAN REGION

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ABSTRACT

Malaysia and Singapore are among the key players in the ASEAN region Halal industry. Malaysia’s success of halal industry is based on its status as a Muslim majority country while Singapore is due to its tourism and business location, stringent food safety laws and recognised Halal standards. Although Singapore halal industry is started relatively late compared to the Malaysia but in some matters Singapore looks ahead. Thus, this article aims to study the contributions of both countries in the development of halal industry in the Asean region. A semi structured interview has been conducted with Jabatan Kemajuan Islam Malaysia (JAKIM), Halal Industry Development Corporation (HDC) of Malaysia as well as Islamic Religious Council of Singapore or Majlis Ugama Islam Singapore (MUIS) in order to gather the required information. The research shown that both Malaysia and Singapore had significantly contributed to the development of halal industry in the Asean region. Eventhough Singapore is only consist of 15% of Muslim population but there is a demand for Halal food products in Singapore. In fact Singapore’s halal mark and standard has been globally organised by MABIM and GCC. Whereas Malaysia being the pioneer of this halal industry is keep growing rapidly and now expanding the area of halal industry not only in halal food but including halal tourism, halal healthcare, halal cosmetics and fashion. This research is significant in highlighting certain best conducts and practices of Malaysia and Singapore in order to become a future global halal hub.

Keywords: Halal Industry, Malaysia, Singapore

INTRODUCTION

Halal industry in Malaysia has grown rapidly. It has been valued as USD 30 billion and is expecting to grow up to 25% at 2015 (HDC,2010). This shows that the rapid development of the halal industry in Malaysia received an overwhelming response in the country as well as in the global market. Furthermore, Malaysian government is very committed in developing the halal industry. It can be seen with the establishment of certain bodies such as JAKIM and HDC; the bodies which are very significant in developing of the halal industry in Malaysia. The Malaysian government has also introduced the ‘Halal Parks’ in almost every state in Malaysia in order to encourage the Malaysian entrepreneurs to venture into the production of halal products and consistently hosting a yearly program namely Malaysia International Halal Showcase (MIHAS) since 2003.

The strategic location of Singapore at the heart of Asia which is surrounded by a predominantly Muslim populated region; a natural gateway to some 350 million Muslim in South East Asian are considered as some significant factors that lead to the growth of Singapore’s halal industry (Abdul Aziz, 2015). While not yet established as the Halal industry in ASEAN countries, Singapore is rapidly catching up in being a globally recognized...
Halal hub. Singapore signed its first free trade agreement (FTA) with the six-Nation-Gulf Cooperation Council (GCC) in November 2006. Qatar, Kuwait and the United Arab Emirates have agreed to recognize the Islamic Religious Council of Singapore (MUIS) Halal Certification and Halal Mark. This recognition augurs well for Singapore position as a vital trading hub and it will help boost halal trade between Singapore and the GCC countries. Furthermore, as one of the top non-Islamic destination for Muslim tourists by the Global Muslim Travel Index (Reuters, 2015), there is a demand for Halal products in Singapore from Muslim tourists and other emerging Muslim tourism markets such as Korea and Japan.

**METHODOLOGY**

An in-depth interview has been conducted with the Islamic Religious Council of Singapore or MajlisUgama Islam Singapore (MUIS) as the sole custodian of Halal certification in Singapore as well as Jabatan Kemajuan Islam Malaysia (JAKIM) and Halal Industry Development Corporation (HDC) of Malaysia. The purpose of this interview is to gather the latest information on the halal industry in Malaysia and Singapore. This analysis will discuss several important points such as halal certification, halal logo, halal certification legislation and its enforcement, halal certification guidelines, halal standards and agencies participation.

**DISCUSSION AND FINDINGS**

**Halal Certification**

Basically, Halal certification application in Malaysia and Singapore is voluntary and not mandatory for the manufacturers or the industry involved. The main regulatory and recognised body which produces halal certification in Malaysia is the Islamic Development Department of Malaysia (JAKIM) and the State Islamic Religious Department (JAIN) (Puziah,2009) or State Islamic Religious Council (MAIN) (Harlida & Elias, 2014). The Malaysian halal certificate that issued by JAKIM is known worldwide and is a trusted halal logo at the international level (Ahmad & Zulzaidi, 2012). As far as halal certification is concerned, an application of the same for a product to be marketed in the country can be made to the JAIN, while for products that marketed internationally or nationally, such application must be made to JAKIM (JAKIM,2005).

Halal certification process led by JAKIM as somewhat protracted because they want to ensure that food companies meet halal standards set, and this includes an examination of the premises, the workers and the raw material used (Golnaz et al., 2012). If the company meets the requirements of the food product, JAKIM will verify it with the halal logo and certificate so that the buyer can use it without any doubt or misgivings about the legality of the logo. Compared with Malaysia which requires a period of approximately 6 months to issue the certification, the process of issuing the Halal certification by MUIS normally will take a month (Zurina, 2012). The halal standard principles are also a concern among non-Muslim food manufacturers as there is a vast potential market for exports to other Muslim countries (Ariff, 2004). Among the recipients of the halal certificate are manufacturers, product manufacturers, distributors, sellers, sub-contract manufacturers, re-packaging, food premises and slaughterhouses, which include hotels and restaurant kitchens that are also categorized as food premises (HDC 2010).

As far as the halal industry in Singapore is concerned, being the sole recognised Islamic body in Singapore, only MUIS is vested with the powers to administer and regulate Halal certification in Singapore as stipulated in Section 88 of AMLA (Munir & Abdul Rahman,2016). MUIS’ Halal certification services were formally started in 1978. The move...
to set up its Halal Certification Strategic Unit was driven by the increasing demand for Singapore products and eating establishments being Halal-certified as well as the development of the Singaporean Halal industry.

There were 9,264 halal certificates issued by the MUIS in the year 2009 (Singapore Halal Directory 2012/2013). In 2011, the number of halal-certified premises stood at 3,000. MUIS then certified more than 2,900 premises at 2014 and this number is set to grow to 5000 premises in 2015 (Abdul Aziz, 2015). The halal products approved by MUIS went up seven times from 2,240 to 15,600 in the last decade (Dr. Yaacob Ibrahim in the interview at Channel News Asia, 9th October 2011). It shows that MUIS has played an important role as the custodian of Halal food assurance for Singapore’s 15% Muslim population. Furthermore, the burgeoning Halal food industry with the availability of many halal-certified eating establishments also helped to foster social interaction between individuals from diverse racial, cultural and religious backgrounds.

Halal Logo

Picture 1: Malaysia Halal logo

Picture 2: Singapore Halal logo

The Malaysian halal logo as stated in picture 1 is the logo issued by JAKIM or JAIN or MAIN and it contains of an eight-pointed star in the middle circle; the Arab word "حلآل" in the middle of the star; followed by the word "HALAL" in the Latin alphabet; a circle logo that contains the word "Malaysia" in Latin alphabets and in Arabic the word ماليزيا; and two small five-pointed stars is placed to separate the Roman and Arabic words.

Whereas picture 2 is the Singapore halal logo which this Singapore halal mark has been recognised by MABIMS (the unofficial Meetings of Religious Ministers in Brunei, Indonesia, Malaysia and Singapore) as well as the GCC-Singapore Free Trade Agreement (GCC refers to the Gulf Cooperation Council which comprises Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman).

Halal Certification Legislation

In Malaysia, the provisions of the legislation, policies and standards outlined based on the principles and halal concept in the Quran and the Sunnah as well as venerated Muslim cleric (Ahmad & Zulzaidi, 2012). Among the legislations relating to the halal aspect is the Trade Descriptions Act of 2011 and Food Act of 1983 (Harlida & Alias 2014). Parliament has replaced the Trade Descriptions Act of 1972 (Act 87) with the new law namely the Trade Descriptions Act of 2011 (Act 730) in order to improve the enforcement of the halal certificate and logo (Ahmad & Zulzaidi 2012). It takes into force on January 2011 whereby through section 28 and 29 of the Act 730, three orders have been created, namely the Trade Descriptions (Halal Certification and Labelling) 2011, the Trade Descriptions (Definition of Halal) Regulations 2011 and Trade Descriptions (Halal Certification and Labelling fee) 2011. Among others, these new orders has described the definition of halal in its truly meaning, especially from the point of Sharia compliance.

The primary objective of the TDA 2011 is to promote good trade practices by prohibiting false trade descriptions and representations, control false or misleading practices with regard to the supply of goods and services, and to provide for matters connected therewith. The Act highlights a very important change that is the appointment of JAKIM and MAIN as the only
authority for halal certification, while private entities that used to issue halal certificates before are no longer to do so (Liziana & Mariam, 2014; Zalina & Siti, 2014).

Apart from that the Food Act of 1983, The Food Regulations of 1985 and the Food Hygiene Regulations of 2009 are the legislation relating to food hygiene, that covers processes and practices. The Food Act of 1983 empowers the Ministry of Health in relation to labelling, hygiene and food safety. The objective of the existence of the Act is to protect people from any form of health hazards and fraud in the preparation, sale and consumption of food or any matter connected therewith (Noor ʿAshikin et.al, 2011; Mustafa et.al, 2014; Harlida & Alias, 2014). Even halal aspect is not clearly mentioned in the Act, however implicit, it is also relevant when taking into account the aspect of cleanliness, purity, health and food quality expected (Harlida & Alias, 2014).

Whereas in Singapore, the authority to administer and regulate Halal certification in Singapore is stipulated in section 88A(1) and (5) of Administration of Muslim Law Act (AMLA). Section 88A(1) provides that the Council can issue halal certificates in respect of any product, service or activity and make regulations for halal certificate holders to ensure that conditions in Islamic law are met during production, processing, marketing or advertising of products and provision services performed in these activities (MohdAl'Ikhsan & Siti, 2014).

Most prosecutions are done under the Sale of Food Act which makes it an offence for false labelling on food product. According to Munir & Abdul Rahman (2016), the custodian for Sale of food Act is the Agri-Food and Veterinary Authority of Singapore (AVA). However, the amendment to AMLA has widen the enforcement authority given to MUIS. For example, MUIS can use any particular clause on halal to prosecute the companies which is inconsistent with the said provisions.

**Halal Laws Enforcement**

In Malaysia, the enforcement agencies are composed of the KPDNKK, JAKIM, JAIN, Ministry of Health (MOH), Department of Veterinary Services (DVS), Customs and local authorities. They need to enhance the mutual understanding and cooperation in the enforcement of Halal law under the law provisions of their respective agencies. Regulatory control of the legal system at all levels should be strengthened by reviewing the provisions of the existing law under the jurisdiction of the Federal, State and Local Government. Prior to the amendments made on the TDA, the jurisdiction of JAKIM as a halal certificate issuer was limited to monitoring the activities of the Malaysian halal certificate holders only. JAKIM had no jurisdiction over the products that are not registered or parties who were using fake halal logos (Zulkifli, 2007; Liziana & Mariam, 2014). As a result, the power of JAKIM was very limited and seemed less effective as they have to rely on other agencies. It requires cooperation with the KPDNKK; the only body that has the power to seize, compound and prosecute owners who violate related laws.

As far as enforcement of laws is concerned, JAKIM will be given a power to make an inspection on the halal product but the prosecution is conducted by the ministry in which these measures are less effective because they are conducted by the two parties differ. As for the enforcement relating to premise, food or product hygiene the operations should be done jointly with the enforcement officers of the Ministry of Health, while cases relating to the Animal Act that will include the Department of Veterinary Services (Liziana & Mariam, 2014).
Through the 2011 TDA, JAKIM and MAIN/JAIN was authorized to conduct enforcement against manufacturers and entrepreneurs who abuse the halal logo on their products. JAKIM and MAIN / JAIN Officials are appointed as Assistant Controller of Trade Descriptions and are given an authority card by the ministry. With this authority card JAKIM and MAIN/JAIN officers have the same powers as the ministry's enforcement officers (Tun Abdul Hamid, 2015). Basically, the prosecution is done in the civil courts based on the provisions in the 2011 TDA and other provisions related to these products. As for the offenses that are classified as Shariah offense (under the provisions of the state), the power to prosecute rests with the Chief State Prosecutor (Zulkifli, 2007; Liziana & Mariam, 2014).

However, the prosecution that made in the civil courts is broader because its jurisdiction includes both Muslims and non-Muslims and the punishment is more severe than the existing legislations of the Shariah court (Liziana & Mariam, 2014). In order to overcome these matters, Malaysia is proposing one codified act in dealing with the halal industry’s matters. The debate on the drafting of the Halal Malaysia started since 2010 for the purpose of coordinating and strengthening the legal provisions concerning the processes, procedures and controls over halal certification (Ahmad & Zulzaidi, 2012). But until today, the Act has not been tabled in Parliament to become a law (Ahmad & Zulzaidi, 2012).

The HDC of Malaysia is not involved in the law enforcement aspect. According to Jafri & Salleh (2015), the Halal issue should transcend beyond the existing laws because basically there are four key points to be considered with regards to halal food products, namely health benefits, hygiene and safety, nutrition and quality. Thus, HDC is responsible for ensuring the integrity of the halal standard, maintaining the best quality and providing solutions that will meet the demands outlined by the principles of Shariah and commercial industries.

In the other hand, MUIS is given a wider power of enforcement. AMLA gives prosecutorial powers to MUIS, where offenders will be charged under the Singaporean courts. Based on the amendment made to AMLA, MUIS are authorised to conduct investigations if they receive any report of non-compliance from the public and also conducting random visits to certified establishments to ensure its compliance (Munir & Abdul Rahman, 2016). There are several types of offences regarding the usage of Halal logo. Among the cases that have been brought to the attention of MUIS is the use of fake or forged Halal logo, use of expired Halal logo and the use of Halal logos issued by other bodies that are not recognised by MUIS. Among the sanctions that have been taken by MUIS are fine, seizure of goods and suspension of the halal certificate (Munir & Abdul Rahman, 2016).

**Halal Certification Guidelines**

Malaysian Halal Certification Procedure (MPPHM) 2011 (Second Revision) is used in the implementation of the Halal Certification Malaysia Islamic Development Department of Malaysia (JAKIM) and the State Islamic Religious Department (JAIN) in the Halal Certification Malaysia. MPPHM 2011 (Second Revision) will be the main reference in the Malaysian halal certification process and is a complement to the MS1500: 2009 and related standards by JAKIM and JAIN inspectors.

MUIS has issued a set of guidelines called Halal Certification Scheme covering products, food manufacturing, storage, preparation and verification of halal products (MohdAl'Ikhsan & Siti, 2014). At the moment, Halal certification schemes are limited to food and food related areas, as there is not yet a demand for MUIS to broaden their scope (Munir & Abdul Rahman, 2016). This could change in the future if Singapore decides to manufacture Halal products from other categories. However these scheme are considered comprehensive in term of foods whereby 7 types of Halal certification schemes has been provided in detail in order to suit the various categories of the food and food-related industry such as Eating
Establishment Scheme, Endorsement Scheme, Food Preparation Area Scheme, Poultry Abattoir Scheme, Product Scheme, Storage Facility Scheme, Whole Plant Scheme and Halal Food Certification For Social Functions.

**Halal Certification Standards**

Malaysian Halal food standards (EN 1500: 2004) is in accordance with the international standards of Good Manufacturing Practices (GMP) (good manufacturing practices in factories) and Good Hygiene Practices (GHP) (employee code of ethics and good health practices) that determine the guidelines for the food industry on the preparation and management of halal foods, which includes nutrient supplements based on the quality, hygiene, safety and conformity with the requirements of the food product and food trade or business in Malaysia (Golnaz et al. 2012).

In order to obtain halal certification, food manufacturers are encouraged to meet the standards provided by the global benchmarks such as ISO 9000, Codex Alimentarius, QA, HACCP, Good Hygienic Practice (GHP) and SOPs. The Codex Alimentarius Commission which is under the United Nations and is responsible for global food supply legislature has recognized Malaysia as the best example in the world in the certification of halal food (Noordin et al., 2009) and have qualified Malaysia to become a model for the development of the halal food industry (Baizuri et al. 2012). JAKIM has also issued the Malaysian Halal Certification Procedure Manual which includes the procedures for certification application, monitoring and enforcement of halal certification (Zunnirah et al. 2010). In addition, JAKIM also introduced a number of standards including MS1500:2009 Halal Food Production, Preparation, Handling and Storage-General Guidelines (Second Revision), MS2200-1:2008 Islamic Consumer Goods Part 1: Cosmetic and Personal Care General Guidelines, MS2400-1:2010 Halalan-Toyyiba Assurance Pipeline- Part 1: Management System Requirements for Transportation of Goods and/or Cargo Chain Services and MS 2400-2:2010 Halalan-Toyyiba Assurance Pipeline-Part 1: Management System Requirements for Warehousing and Related Activities (Ahmad & Zulzaidi, 2012).

The Malaysian Standard entitled 'Halal Food: Production, Preparation, Handling and Storage - General Guidelines (MS 1500: 2009) has been developed under the System Development of Standards and is under the responsibility of the Department of Standards Malaysia (DSM), of the Ministry of Science, Technology and Innovation. Furthermore, The Malaysian Standard is one of the five initiatives of the Government in realizing the goal of turning Malaysia into a halal food hub. This standard contains guidelines that are practical for the food industry on the preparation and handling of halal food (including nutrient supplements). It is intended as a basic requirement for food products and food trade or businesses in Malaysia. It will be used by JAKIM as a basis for certification but will also be added to the many other requirements for the certification process.

Meanwhile, the Singapore MUIS Halal Standards (SMHS) have been developed by MUIS in collaboration with SPRING Singapore (national standards body). MUIS has appointed Halal standards committee which comprises of religious scholars, industry players and government officials. The objectives are to provide transparent religious and technical guidelines pertaining to Halal certification, to enhance consistency with regard to compliance with MUIS Halal certification terms and conditions and to facilitate trade and other business opportunities. It comprises of 2 components; religious and technical namely the Singapore MUIS Halal Standard (MUIS-HC-S001): General Guidelines for the Handling & Processing of Halal Food and Singapore MUIS Halal Standard (MUIS-HC-S002): General Guidelines for the Development and Implementation of a Halal Quality Management System.
Basically, this standard provides general guidelines for the handling and processing of Halal food including the making, manufacturing, producing, collecting, extracting, processing, storing, transporting, delivering, preparing, treating, preserving, packing, cooking, thawing, serving and displaying of food. It has been established for the needs of the food industry. For the purpose of qualification to the MUIS Halal certificate and/or certification mark, this document must be supplemented with the General Guidelines for the Development, Implementation and Management of a Halal System, MUI-HC-S002, as a technical reference. It is recommended that reference be made to the local hygiene and sanitation requirements and other relevant Codex standards.

Furthermore, a food is deemed as Halal if the product does not contain and/or derived from any non-Halal sources, animals must be slaughtered in accordance to the Shariah Law, the product does not contain from anything that is considered as Najis and the product is prepared, processed or manufactured by using the equipment and facilities that are free from contamination with Najis. All Halal food must be stored in a location that is segregated from non-Halal food and/or Najis items. It should be displayed and served using equipment and facilities that are free from contamination with Najis and there must be signages indicating that the food is Halal so as to prevent it from being mixed or contaminated with non-Halal food and/or Najis items.

Furthermore, all locations involved in the handling and processing of Halal food must not be involved in the handling and processing of non-Halal food and/or Najis items and they should be segregated from locations that are involved with the handling and processing of non-Halal food and/or Najis items. All the food shall be prepared, processed, packaged, transported and stored in such a manner that they are in compliance to the local hygiene and sanitation requirements and other relevant Codex standards.

Agencies’s Participation

There are a number of government agencies involved directly and indirectly in the management of the Halal industry in Malaysia apart from JAKIM and HDC. These agencies are the Ministry of International Trade and Industry (MITI), the Department of Standards Malaysia, the Department of Veterinary Services, the Ministry of Health, the Royal Malaysian Customs Department and the Local Authorities (LAs). Each agency has its own role in the development of the Halal industry.

JAKIM also works together with the Department of Standards Malaysia, who is responsible for developing the standard for halal food such as the 'Halal Food: Production, Preparation, Handling and Storage - General Guidelines (MS 1500: 2009). The Veterinary Department, under the Ministry of Agriculture and Agro-based Industry, is involved with the Halal certification especially for imported meat. As it has been provisioned that slaughterhouses abroad must obtain recognition to import beef into Malaysia, the slaughterhouse will be visited by three officers from Malaysia. They are made up of veterinary officers of the department who will check the condition of the animals, officials from the Ministry of Health (MOH), who will examine the safety of animal feed and officials from JAKIM who will ensure that the slaughter procedures are in accordance with Islamic law. It is only then that all the meat imported into Malaysia is legally recognized as Halal (Jafri & Salleh, 2015).

The MOH also plays a role in confirming the safety of food products, supplements and medication. Only after receiving confirmation from the Ministry of Health, the said products may be considered for Halal certification. In addition, the Ministry of Health plays a role in confirming the safety of the overseas slaughterhouses who are seeking recognition and Halal certification. Other agencies involved include the Royal Malaysian Customs, who focus more on the issue of the importation and the entry of halal products from outside, and the local
authorities (PBT) such as the Kuala Lumpur City Hall (DBKL), State City Council and District Councils throughout the country (Jafri&Salleh,2015).

As far as the halal industry in Singapore is concerned, only MUIS is vested with the powers to administer and regulate Halal certification in Singapore as stipulated in Section 88 of AMLA (Munir& Abdul Rahman,2016). Besides that, Spring Singapore is an agency under the Ministry of Trade and Industry is responsible for helping Singapore enterprises grow and building trust in Singapore products and services. As the enterprise development agency, SPRING works with partners to help enterprises in financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognized standards and quality assurance infrastructure. SPRING also oversees the safety of general consumer goods in Singapore. In relation to the Halal industry, SPRING Singapore plays an important role in the developing of the Singapore Halal Standards.

The Agri-Food and Veterinary Authority of Singapore (AVA) was established to ensure a supply of safe food, safeguards the health of animals and plants and facilitates agri-trade for the well-being of the nation. AVA's key functions are to ensure food safety, ensure a resilient food supply, safeguard animal and plant health, safeguard animal welfare, promote agrotechnology, invest in research and development and protect wildlife. AVA is the national authority on food safety for both primary and processed food. AVA also ensures the safety of all food from production to just before retail. In respect to the Halal industry, AVA works together with MUIS to ensure that food products in the Singaporean market, both locally produced and imported comply with the laws and standards of the country (Munir& Abdul Rahman,2016).

The National Environment Agency (NEA) is responsible for improving and sustaining a clean and green environment in Singapore. NEA regulates the food retail industry in Singapore to ensure that food sold at retail outlets is prepared hygienically and thus safe for consumption. The NEA conducts regular checks on food establishments to ensure that a high standard of hygiene is maintained for awarding of a Halal certificate. At last but not least, Halal consultants play an important role to support Singapore’s aim to play a bigger role in the global Halal map. The Halal consultants offer the fundamental service that will educate and bring companies into the halal market by helping companies attain halal certification locally and internationally.

CONCLUSION

In conclusion, both Malaysia and Singapore had actively contributed towards developing halal industry in the ASEAN region. They have their own halal certification, halal logo, halal certification legislation, their enforcement of laws, halal certification guidelines and halal standards which are recognized globally. For instance the Singapore halal mark and standard has been globally organized by MABIM and GCC whereas the Malaysian Halal food standards (EN 1500: 2004) is in accordance with the international standards of GMP and GHP. Based on that, Malaysia and Singapore has a potential to be a global halal hub in future.

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