

The importance of halal food industry in malaysia



**ASSIGN
BUSTER**

Malaysia is a modern Muslim nation with its cultures grown from a potpourri of ethnic mixes derived from some of the world's oldest civilization with the majority of its people embracing Islam as their religion. Despite of Islam being the country's main religion, the minority of its people are still able to practice other religions peacefully. With the fusion of rich diverse societies in Malaysia, it is perfectly understandable when issues relating to Halal food is claimed to be one of the main concerns among the people in Malaysia.

Under the Shariah law, the religion Islam provides a certain rules and regulations which revolves around the term known as Halal. According to "myGovernment" (n. d), the word Halal is originated from an Arabic word which means lawful. It refers to things permitted by the Shariah law without punishment being imposed on the doer. The term is usually used to describe something that a Muslim is permitted to engage in such as eating and drinking. To ensure that the foods, beverages and daily products consumed and used are acceptable within the Shariah law, the Malaysian government has developed a standard regarding Halal food.

According to Halal Malaysia (n. d.), the MS 1500: 2009 under the name Makanan Halal: Pengeluaran, Penyediaan, Pengendalian dan Penyimpanan developed by the Malaysian Standard Development System contains practical outlines for food industry regarding the preparation and handling of Halal food. It also serves to set up basic rules for food production and trades or food business in Malaysia. Under this standard, the usage of Halal logos and certificates are enforced to the food vendors and manufacturers by making it obligatory to place these logos and certificates on their food products and premises.

However, obtaining a Halal logo and certificates is not an easy feat as the food manufacturers and operators have to undergo and obey a series of procedures and also rules and regulations in order to get hold of both respective logo and certificates. According to Department Of Islamic Development (2011), the purpose of application falls fewer than three categories which are slaughter houses, food premises and products and the guidelines used differ according to the purpose of application.

Jabatan Agama Islam Pahang (2007) stated that in order to apply Halal logos and certificates for slaughter house purpose, one must ensure that the slaughter house is unattached to any residence and each slaughterer is only allowed to slaughter 25 cows and 2000 poultry per hour. The slaughterer must also be a sane Muslim and holds Malaysian citizenship. As for food premises purpose, selling of alcohol is prohibited and the tools and appliances must be cleaned before and after use where the usage of these items is only permitted for the preparation of Halal food only.

Each staff is also encouraged to take Food Preparation and Halal courses. However, slight additions of regulations have been made for the Hotel food premises in the terms that the hotel management has to separate Halal food preparing kitchen from the Non-Halal ones and the workers from both kitchens are not allowed to make entrance and exit in between both kitchens. As for the products, the ingredients, processed stuffs or additives should be in the state of Halal and the environment where the products are being processed should be clean and free of pollution.

The manufacturing authorities of the product also cannot receive outside contracts for the intention of processing except for Halal products only. The production of Halal logos and certificates were once in the authorities of Halal Development Industry Corporation (HDC), but on 8 July 2010, the authority of producing these items are given back to Department of Islamic Development (JAKIM) which were made effective immediately after being discussed in the Cabinet meeting (Choo, n. d.).

Working with the organization hand in hand for inspection and enforcement purposes are officers from various agencies, ministries and departments such as Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan, Ministry of Health, Kementerian Dalam Negeri, Jabatan Perkhidmatan Veterinar, KASTAM, JAIN and local authorities (Mohd. Amri, 2010) . The food business in Malaysia is one of the lucrative, valuable businesses available that contributes to the economic growth of the country.

According to Malaysian Industrial Development Authority (2007), “ the food-processing sector accounts for about 10% of Malaysia’s manufacturing output. The processed food in Malaysia are exported to more than 80 countries with an annual export value of more than RM6 billion (USD 1. 6 billion) which makes up to two-thirds of the total food exports of over RM 10 billion” (p. 1). There are several factors that contribute to the mushrooming industry.

The rapid growth of food industry in this country is mainly caused by the increase in demand for food. “ Malaysia’s current population of 26. 13 million is growing steadily at the annual growth rate of about 2. 2%. With a majority

Muslim population, Malaysia has a ready domestic market for Halal food. Recognized as a modern Muslim nation, Malaysia is well equipped to be an worldwide Halal hub food in the branding, processing, and marketing Halal food to Muslim populations.

This expanding intercontinental market is estimated at RM 560 billion (USD 150 billion) per annum” (Malaysian Industrial Development Authority, 2007, p. 3). The incentives provided by the Malaysian government for investments in this particular industry also play a role in this ever-growing industry. With “ Investment Tax Allowance of 100% for Halal food production and tax deductible expenses for Halal quality and safety certifications being some of the many rewarding incentives provided” (Malaysian Industrial Development Authority, 2007, p.), it is no wonder that investors came pouring in to invest in the Halal food industry in Malaysia. “ The country has seen a steady increase in the standard of living which contributes the boost of its purchasing power (per capita income exceeds RM 18, 100 or USD 4, 781). Lifestyle change that occurred during the years also have led to an increase in the demand of convenience and health food” (Malaysian Industrial Development Authority, 2007, p. 3).

The escalating industry of Malaysia and the numerous benefits that comes along with it excites food entrepreneur, investors and operators to try their luck and have a go in this industry as it promises big profits to those who are involved in this business. Blinded by the big potential profits that may be gained, some food operators and manufacturers are willing to do just everything and even went to the extent of doing corrupt, immoral activities

such as food vendors running their businesses using false Halal certificates and logos by using different forms of the respective items.

There are many reasons as to why people tend to commit these unscrupulous activities. The majority of them opted to forge and buy the certificates and logos from corrupt officers instead of applying them legally and undergo the right, legal procedures. The reason as to why some food operators and manufacturers tend to take the easy but illegal way out is because they despise undergoing lengthy application procedures and the wait for the approval and issuance of Malaysian Halal Certificates is tiresome.

According to Department Of Islamic Development Malaysia (2011), “ the new application procedures require the applicants to fill in the application form available online on their website. Applicants should also submit all relevant supporting documents within five working days of the submission of the application form and fee payment must be paid within 14 working days of the issue of charge letter. In order for their applications to be approved, one must not be issued with non-conformance report during compliance audit.

The time taken for an application to be approved is 30 working days of payment of fees while the duration for issuance of Malaysian Halal Certificate takes 5 working days of approval from the Halal Certification Panel”. Food operators and manufacturers that are well aware that their products would most probably not pass the compliance audit as they are certain that their products contain non-Halal ingredients also tend to resort to this heinous activity.

This unhealthy activity is a serious offense that concerns most of the consumers in Malaysia as the majority of population in Malaysia is made up of Muslim people. Forging can mislead Muslim consumers in making their choices as wrong information regarding certain products were given to the consumers. Sadly, this problem is still occurring in Malaysia even though there are law enforcement agencies that keep the law in place. According to Merriam-Webster Learner's Dictionary (2011), forging is termed as the crime of falsely making or copying a document in order to deceive people.

Therefore, forging of Halal certificate means that falsifying Halal certificates with the purpose of deceiving people. The forgery of Halal certificates is a serious crime as according to Komuniti Pengguna Halal (2010), the statistic produced by Bahagian Penguatkuasaan, Kementerian Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK) states that 60% out of 66 cases regarding multiple offenses in the year 2010 involves the fabrication of JAKIM's Halal logo. The factors that contribute to the falsifying of Halal certificates include irrelevant act and lack of technology application.

Irrelevant act is one of the many reason that play a part in the forging of Halal certificates as according to Komuniti Pengguna Halal (2010), the use of Akta Perihal Dagangan (APD) under the power of Kementerian Perdagangan Dalam Negeri, Koperasi dan Penggunaan is not effective in curbing the problem as the penalties imposed to the doers under this act such as fines and imprisonment doesn't seem to affect the business of the respective offender. Lack of high technology applied in the production of Halal certificates has also made the respective certificates vulnerable to forgery.

A study by Nagiswaren (2009) found that JAKIM does not have any system for identification of legitimate Halal certificates. The method of checking the certificate's serial number for the purpose of identification is proven to be a weak one as owners and manufacturers of food premises and products sneakily crafted the method of forging Halal certificates by scanning the legitimate Halal certificate owned by others and simply change the information with theirs (Nagiswaren, 2009).

These problems are very hard to deal with especially for the Muslims as they are constantly lied to with the fake Halal certificates. This is why there should be more enforcement to curb this situation from being viral. One of the ways that can be done to solve the problem is by enforcing a complete Halal Act which comprise from the rules and regulations regarding Halal products to the penalties imposed to the offenders who go against the act. The penalties imposed on the doers should also be heavier such as longer serving time in jail and a bigger sum of fines.

Besides that, their products should be taken off the market and their business should also be closed for good. JAKIM should also introduce the use of RFID tags in the production of Halal certificates. In this way, JAKIM officers can easily recognize the legitimate certificate from the forged ones when checking for the Halal certificates. As a conclusion, the Halal food industry is one of the most important industries in Malaysia as it helps in contributing towards the country economic growth.

Despite the prosperous business of the industry, it also cannot help from having several issues which is mainly due to the unscrupulous acts of those

who are involved in the industry, tainting the integrity of the respective authorities. Therefore, consumers and the respective authorities should work hand in hand towards a better, effective approach in solving those issues in the industry, thus gaining back their integrity, respect and trusts of the consumers towards the authorities.