

# Harmony in Halal: Understanding Stakeholder Views Analyzing Products and Evaluating Policies in Malaysia

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## ABSTRACT

This study examines Malaysia's crucial role in the global Halal market, focusing on stakeholder perspectives, product analyses, and policy evaluations. Interviews with key industry players and coupled with a phone interview reveal diverse insights. Stakeholders emphasize the industry's commitment to producing lawful consumer goods and highlight challenges in community understanding. The analysis of products sold in the Muslim market, excluding meat, unveils common non-Halal elements, underscoring the intricate balance required for Shariah law compliance. A detailed examination of Malaysia's Halal industry policies, covering certification procedures, auditing, and monitoring, highlights the nation's proactive approach. The study concludes that Malaysia's commitment, invigorated by the Halal Industry Development Corporation, significantly contributes to setting high global standards. By harmonizing stakeholder views, dissecting product realities, and evaluating policy effectiveness, this research provides a comprehensive understanding of Malaysia's Halal industry dynamics. The insights gleaned are valuable for academics, industry practitioners, policymakers, and consumers navigating the dynamic landscape of the Halal market.

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## 1. INTRODUCTION

In the past two decades, Halal has undergone a notable transformation, evolving from a niche market catering exclusively to Muslim consumers into a dynamic global phenomenon, as highlighted by the [1]. The global Halal market's value was approximately USD 2,006 billion in 2016, according to the 2017/18 worldwide Islamic economy report, with a projected increase to USD 3,081 billion by 2022, as reported by [2]. Presently, the influence of Halal extends beyond the realm of food to

encompass diverse sectors such as fashion, travel, beauty products, pharmaceuticals, and media. This expansion positions Halal as one of the fastest-growing consumer segments globally.

Several factors contribute to the expansion of the Halal market and its global trade. Firstly, the rapid increase in the global Muslim population plays a pivotal role. According to the [3] estimation, the world's Muslim population stood at approximately 1.8 billion. Projections indicate that this figure is expected to surge to 2.2 billion, constituting

26% of the world's population, by the year 2030. Notably, Muslims are experiencing faster growth than any other religious group, particularly in Europe and America, attributed to higher fertility rates, migration trends, and religious shifts, as evidenced by a study conducted by [4]. Additionally, the Muslim diaspora has become widespread across all regions of the world, as highlighted by [5]. Notably, around 134 countries have a Muslim population of over 1% of their total population, as per estimates from [6]. Figure 1 shows the percentage of Muslim population around the globe.

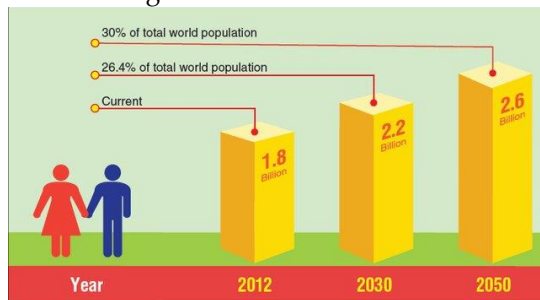


Figure 1. Global Muslim Population, (Adapted from: [7])

The second catalyst contributing to the growth of the Halal market is the increasing levels of education and economic prosperity, particularly among the newer generations of Muslims. In contrast to the global trend, where many countries grapple with the challenges of an aging population, statistics reveal a distinct demographic landscape in Muslim-majority nations. According to the [3] data, a significant 60% of the population in these countries is under the age of 30. This youthful demographic is characterized by higher purchasing power and distinctive preferences compared to their predecessors. They not only demand but can afford a diverse array of goods and services that align with their tastes and lifestyle choices while remaining consistent with their faith. This shift has reshaped the landscape of Halal product development and trade between nations, as elucidated by [8].

Furthermore, the appeal of Halal products extends beyond the realm of Muslim consumers. Recent data highlights a growing positive perception among non-Muslim

consumers, particularly in groups with health and ethical concerns. This development can be linked to the fact that Halal food items place an emphasis on the purity of its ingredients and promote the eating of foods in their most natural state. According to the findings of study carried out by [9], Halal is also integrally related with conventional principles such as fair trade, organic agriculture, animal welfare, food safety, and ecological economics.

The global market for halal products has recently arisen as a new driver in the expansion of the global economy, which is causing developed nations to come under more intense pressure. The advancement and development of the global halal business may be used to define the growth of the Islamic economic system. There is a favourable business outlook for halal products not just in Muslim nations but also in western countries, which has led to an increase in the demand for halal products year after year. This has caused the demand for halal products to increase at an even quicker rate. One report evaluated the global Halal food beverage market at RM1.37 trillion in 2014, which constituted 18% of the overall market, according to Pew Research Centre [10], [11]. Other than that, the Halal market is expanding at an estimated yearly pace that falls anywhere between 10 and 20 percent across Europe, according to [10]. In short, Halal industry relates to economics for Islamic finance because the growth of an Islamic economy system also needs to be supported from Halal industry.

The main objective of this study is to know the views of industry players in halal industry in order to find out what kind of few products that contain non-Halal elements which are sold in the Muslim market exceptional of meat. Additionally, it will also examine either policy is adopted in Malaysia could be able to face with challenges in halal industry and as well as its effectiveness. In order to reach the objectives of the research, the study will use primary sources to collect the data, which consists of a series of interviews. Additionally, in this paper, the author will also use desktop research, which

consists of research papers, articles, journals, textbooks, and news reports.

The remaining part of the paper presents literature review in the second section. Section three presents the methodology and section four, five and six present findings, recommendations and conclusions, respectively.

## 2. LITERATURE REVIEW

A Muslim is an individual who acknowledges the existence of Allah as the sole creator of the universe and has embraced Islam, the message conveyed to the world by the last Prophet, Muhammad (PBUH). In their commitment to Islam, Muslims strive earnestly to align their behaviors and actions with the divine commandments of Allah, as discussed by [12]. This commitment involves fulfilling religious obligations (Wajib), ensuring that their actions and consumptions are in accordance with the permissible (Halal) and abstain from all things that are prohibited (Haram). Consequently, a profound understanding of what is considered Halal and Haram becomes an integral requirement for the Muslim way of life, as asserted by [13], [14].

The term "Halal" originates from the Arabic language, signifying what is allowable, acceptable, permitted, and/or permissible. Its scope extends beyond the realm of food, encompassing all facets of Muslim life, as discussed by [15], [16]. In technical terms, Halal denotes things or actions that align with the precepts of Shariah, being either permitted or declared lawful. Consequently, Halal food refers to food that has been purified from prohibited elements and is sanctioned for consumption by Muslims in accordance with Islamic law, as articulated by [17], [18].

Halal carries profound significance, touching upon religious devotion, cultural identity, and ethical consumption [19]. It is of paramount importance to Muslims, representing obedience to Islamic dietary laws and adherence to the tenets of their faith. Halal ensures dietary purity and cleanliness, reinforcing a sense of spiritual and cultural

identity. Moreover, the Halal industry wields economic influence on a global scale, providing opportunities and trade in various sectors [20], [21]. It promotes ethical consumption, including humane treatment of animals and sustainability, appealing to a broad range of consumers. With its inclusive nature and emphasis on cleanliness, Halal plays a crucial role in fostering social bonds and community cohesion through the sharing of food and traditions [22].

The need for Halal is multifaceted and crucial in various aspects of life. It primarily stems from religious obligation, as Halal compliance is an integral part of the Islamic faith, and adhering to Halal dietary laws is seen as a fundamental act of religious devotion [23]. Halal signifies dietary purity, adhering to ethical and moral standards, such as the humane treatment of animals and the avoidance of forbidden substances [24]. It also serves to preserve cultural and social identity among Muslims, fostering a sense of belonging and heritage. Moreover, Halal standards prioritize health and safety, ensuring food products meet strict hygiene criteria [25], [26]. In the broader context, the Halal industry offers economic opportunities and satisfies the demand of both Muslim and non-Muslim consumers who seek clean, ethically produced food. Additionally, it plays a role in strengthening social bonds and fostering a sense of community through shared meals and traditions.

## 3. OVERVIEW OF HALAL INDUSTRY IN MALAYSIA

The Halal industry in Malaysia is a robust and influential sector with a global reach [27], [28]. Rooted in Malaysia's Islamic heritage, the country has emerged as a key player in the Halal market. The government's proactive approach, led by agencies like JAKIM, has established Malaysia as a leader in Halal certification and standards [29]. The industry extends beyond food, encompassing cosmetics, pharmaceuticals, logistics, and financial services, catering to a diverse global consumer base. Malaysia's Halal products

enjoy international recognition, and the nation is a major exporter to both Muslim-majority and non-Muslim-majority countries. Halal tourism has also gained traction, making Malaysia a preferred destination for Muslim travelers [30], [31]. With investments in infrastructure, research, and innovation, the Malaysian Halal industry continues to present opportunities for growth and development, despite challenges related to compliance and global competition.

The Halal industry in Malaysia holds paramount importance on multiple fronts. Economically, it serves as a key driver of growth, contributing significantly to the country's revenue and job creation. Malaysia's position as a global Halal hub is rooted in its rigorous standards and certification processes, making its Halal products highly sought after in international markets and bolstering trade relations [32]. Culturally, the industry plays a vital role in preserving and promoting Malaysia's Islamic heritage and cultural identity, reinforcing a sense of belonging and continuity. The emphasis on Halal-friendly tourism has also bolstered the nation's attractiveness as a destination for Muslim travelers [33], [34]. Moreover, the diversity of products and government support, alongside investments in research and innovation, collectively underscore the pivotal role of the Halal industry in Malaysia's economic and cultural landscape, both domestically and internationally [35], [36].

Malaysia has emerged as a trailblazer in the global Halal industry, boasting a robust Halal ecosystem supported by comprehensive and proactive policies, particularly in Shariah compliance. Recognized by the United Nations as an exemplary benchmark for Halal food, Malaysia aligns itself with the Codex Alimentarius Commission's guidelines, which were adopted in Geneva in 1997, as detailed [37], [38]. The implementation of a single Halal standard across the nation, as highlighted in the Small and Medium Enterprises Annual Report (2016/17), has positioned Malaysia's standard as the cornerstone for the global development of Halal food industries. This success is underscored by the widespread international

acceptance of Malaysia's Halal Certification, facilitated by the concerted efforts of the Department of Islamic Development Malaysia (Jabatan Kemajuan Islam Malaysia - JAKIM) and the Halal Industry Development Corporation (HDC). Table 1 shows the size of the Halal industry and its expected growth.

Table 1. Halal industry size and its expected growth

Sector	The amount of spending or assets (2018) and its expected growth in 2024		
	2018	2024	CAGR
Halal Food	\$1.37 trillion	\$1.97 trillion	6.3%
Islamic Finance	\$2.52 trillion	\$3.47 trillion (finance assets)	5.5%
Halal Travel	\$189 billion	\$274 billion	6.4%
Modest Fashion	\$283 billion	\$402 billion	6.0%
Halal Media and Recreation	\$220 billion	\$309 billion	5.8%
Halal Pharmaceutical	\$92 billion	\$134 billion	6.5%
Halal Cosmetics	\$64 billion	\$95 billion	6.8%

(Source: Adapted from, [39])

In the present context, the Halal food and product sector has evolved beyond its initial role as an industry solely catering to religious requirements for approximately 60 percent of Malaysian Muslims. It has now transformed into a formidable economic force, wielding influence both domestically and on the global stage. The aspiration for Malaysia to establish itself as a Halal hub has been extensively discussed in recent years. As elucidated by [40], the Third Industrial Master Plan (IMP3) places the onus on the Malaysian government to materialize this vision in the coming years. Despite governmental initiatives dating back to 2006, there remains significant work to be done in enhancing awareness among Muslim consumers regarding the Halal and Shari'ah compliance of the products they consume, a point emphasized by [40].

#### 4. METHODOLOGY

In qualitative research, interviews play a crucial role in delving deeply into

participants' thoughts, experiences, and perspectives, allowing for a comprehensive exploration of their unique narratives, particularly beneficial for giving voice to marginalized groups [41]. Phone interviews, as a research methodology, offer distinct advantages in terms of accessibility, cost-effectiveness, and convenience. They facilitate a wide geographic reach, maintain participant anonymity, and reduce social desirability bias. Moreover, phone interviews allow for real-time probing and recording, saving time and offering scheduling flexibility. However, their suitability may vary based on research objectives, target populations, and data collection needs, particularly in studies reliant on nonverbal communication or requiring the physical presence of the researcher [42].

In line with these considerations, the methodology for this study incorporated both face-to-face and phone interviews to achieve the following objectives:

**Objective 1: Understanding the Perspectives of Key Industry Stakeholders in the Halal Industry:**

Face-to-face interviews conducted with Premium Taste PLT, Technerd Lab Sdn. Bhd., and the Department of Management and Humanitarian Department, Universiti Teknologi PETRONAS, Malaysia.

Phone interview with Tajuddin Akash, a member of the National Pharmaceutical Control Bureau, Ministry of Health, Malaysia.

These interviews sought to gain insights into the diverse perspectives within the Halal industry, emphasizing the viewpoints of key stakeholders.

**Objective 2: Identifying Non-Halal Elements in Selected Products Sold in the Muslim Market:**

Utilizing interviews and secondary data to identify and analyze non-Halal elements in various products available in the Muslim market, excluding meat.

This objective aimed to shed light on the presence of elements such as Gelatin, Carmine, and Ethyl Alcohol, providing

valuable information about consumer products.

**Objective 3: Assessing the Policies and Effectiveness in Malaysia to Address Challenges in the Halal Industry:**

Examining the policies adopted in Malaysia for the Halal industry, including Certification, Application Procedures, Auditing, and Monitoring/Enforcement.

Assessing the effectiveness of these policies in addressing challenges within the Halal industry.

This objective focused on evaluating the regulatory framework and its impact on the industry's overall functionality.

Furthermore, secondary data for this study was sourced from a variety of online databases, journals, official websites of the Department of Islamic Development Malaysia (JAKIM) and Halal Industry Development Corporation (HDC), as well as guidelines and manuals from JAKIM and other relevant sources.

## 5. FINDING OF THE STUDY

### *Research Objective 1: Understanding the Perspectives of Key Industry Stakeholders in the Halal Industry*

According to information provided by the [43], it is projected that by the year 2030, the global Muslim population will rise to approximately 27 percent of the world's total population, constituting a demographic of around 2 billion Muslims. Recently, halal industry has attracted people around the world including Thailand, Japan, China, United Kingdom and Australia. With an estimated global Muslim population of 1.83 billion, the demand for halal products has experienced a notable surge, leading to increased acceptance of halal standards even among non-Muslims. From the methodology employed in this study, some of interviews have been conducted in getting the views of industry players in halal industry.

According to Premium Taste PLT, halal industry is the manufacturing halal food or other consumer goods such as cosmetics to ensure that all materials used are lawful in terms of legislation and provision of products

carried out hygienically. In Malaysia, Halal Certification is certified by Department of Islamic Development Malaysia (JAKIM) given to producers seeking to comply with all the requirements and needs of JAKIM's Halal Guidelines. Premium Taste PLT states that its products involve the process of ensuring kosher before entering the market especially the products produced by factories involving raw materials such as chicken and beef. In addition, Premium Taste PLT also states the Company always shares information with its clients and those who ask about halal industry because there is lack of understanding of Halal Certification in the community. Further, Technerd Lab Sdn Bhd says that the products that it sells involve the process of checking whether food or shampoo or anything can be used or not, whether it is halal or not in order to help the Company to review the ingredients of its products. Meanwhile, Dr. Raja Ahmad Iskandar Yaacob has his own perspective of halal industry, he says that halal industry is the industry that develops food and other foods products such as cosmetics and Shariah-compliant accessories and do not involve illegal or illegal use of liquids based on syarak.

Moreover, as outlined by Tajuddin Akasah, specific criteria must be met to certify a product as halal. In the case of pharmaceutical products, adherence to Shariah law is imperative, ensuring that the ingredients used are permitted, devoid of any non-halal animal parts, and sourced from animals slaughtered in accordance with Shariah principles. Additionally, the product must be free from najas, and according to Tajuddin Akasah, the preparation, processing, or manufacturing of medicine should not involve equipment contaminated with najas.

Meanwhile, according to Sheikh Nur Hadi, President of Durdur Halal Baker and Grocery Inc., the good that we consume in producing products are either plant based or animal based. The animal-based foods are the main issue when it comes to halal or haram. What makes animal-based food Shariah non-compliant is either that the animal in question is originally among the forbidden species or

that it was not slaughtered according to the provisions of the Shariah rituals. Sheikh Nur Hadi also says that their business rely on halal certifiers, such as American Halal Foundation (AHF) and as well as Food and Drug Administration (FDA) to approve the kind of products they buy as a distributor of halal products in Minnesota, United States.

### ***Research Objective 2: Identifying Non-Halal Elements in Products Sold in the Muslim Market***

In accordance with Research Objective 2, which focuses on the identification of non-Halal elements in products available in the Muslim market, this study delves into several key findings pertaining to items containing non-Halal elements, excluding meat. To fulfill this research objective comprehensively, the investigation is segmented into four distinct elements: (1) discerning the types of non-Halal elements widely utilized in various products, (2) examining non-Halal elements within food products marketed to Muslims, (3) analyzing non-Halal components present in medicines and health products accessible in the Muslim market, and (4) scrutinizing non-Halal elements found in beauty and cosmetics products targeted at the Muslim consumer base. This structured approach enables a nuanced understanding of the diverse product categories affected by non-Halal elements, contributing to a comprehensive assessment of the challenges faced by Muslim consumers seeking genuinely Halal options.

(1) Discerning the types of non-Halal ingredients widely utilized in various products

In the contemporary landscape, maneuvering through the intricacies of food processing, pharmaceuticals, cosmetics, and beauty products poses a multifaceted challenge for Muslims, given the prevalent use of ingredients derived from animals, including those considered haram. When a product is unequivocally identified as haram, it is mandated to carry a label explicitly stating "for non-Muslim only" to avert potential confusion among Muslim

consumers. The criteria for classifying items as halal or haram are rooted in the principles of moderation, where halal signifies excellence, and any deviation from this standard is deemed as non-Halal. The market reality unveils numerous examples of widely employed non-halal ingredients, rendering them unsuitable for Muslim consumption. Notable instances include:

1) Ethyl Alcohol: Regarded as haram by Islamic scholars, this type of alcohol is prevalent in various cosmetics, including aftershave lotions for men and perfumes for women. The absorption of ethyl alcohol through the skin raises concerns, as any quantity of intoxicants is prohibited in Islamic teachings.

2) Gelatin or Non-Halal Gelatin: Gelatin derived from non-zahiba beef (animals not slaughtered in accordance with Shariah) is considered as haram by many Islamic scholars. Furthermore, if sourced from pork, it also becomes categorically haram. Thus, any foods or vitamins containing non-halal gelatin as an ingredient are deemed non-halal for Muslims unless derived from fish gelatin.

3) Carmine or Cochineal: This natural red colorant is produced from red female beetles in South America. According to the Hanafi fiqh, all insects, excluding locusts, are considered haram.

## **(2) Examining non-Halal component in food products**

The list on what Muslim individuals cannot consume is limited. It is agreed by almost all schools of thoughts that all types of food are acceptable, except for those which are specifically stated in the Quran and in the sayings of the Prophet Muhammad (PBUH). Among the types of foods that contain non-halal elements in their ingredients that are widely sold in the Muslim market are:

1) Vanilla Extract, natural vanilla or natural vanilla flavour as most of the alcohol is used in its extraction that is prohibited even a very small amount of the alcohol is used.

- 2) Sunsweet Plum Smart, this is one of the Sunsweet products that are widely sold in the market that is using alcohol as the extracting solvent in their ingredients.
- 3) Kikkoman Soy Sauce 20 Fl Oz. This type of soy sauce is made like wine containing 2 to 3 per cent of alcohol. It is a normally brewed soy sauce.
- 4) Milano Milk and Dark Chocolate Cookies. The presence of Vanilla Extract that contains the alcohol extract.
- 5) Potato Chips by Pringles. According to Kellogg's Company (as cited in [45]), for their Pringles Potato Chips products, alcohol may be used in flavours as a processing aid.
- 6) Langers Fruit Punch and Raspberry Lemonade. Due to presence of alcohol in natural flavour.

Moreover, it is imperative that food preparation adheres to stringent guidelines, ensuring that the same manufacturing equipment or utensils are not utilized for substances derived from animals prohibited by Islamic law. Additionally, caution must be exercised to prevent cross-contamination, such as avoiding the contact of halal foods with those deemed unacceptable for consumption, such as cooking eggs on the same grill as bacon. Essential to this process is the assurance that the prepared food is entirely devoid of any alcoholic traces, with chefs refraining from adding alcohol, excluding fermented foods like yeast, cheese, and bread. Hygiene is a paramount consideration in food preparation, demanding free from any potential hazards to human health. This comprehensive approach underscores the commitment to halal principles in the preparation of food products.

## **(3) Non-Halal ingredients in health products and medicines**

As individuals adhering to the Muslim faith, it is imperative to recognize that the materials employed in the production of medicines must align with Islamic principles. This involves ensuring that the components are not only clean but also devoid of elements

explicitly forbidden by Allah (S.W.T).

It is crucial for all parties to emphasize the significance of comprehending halal and haram medicines, aligning health practices with Islamic teachings. In Malaysia, the Department of Islamic Development Malaysia (JAKIM) and State Islamic Department (JAIN) serve as the authoritative bodies overseeing matters related to the halal status of medicines and health products. JAKIM plays a pivotal role in introducing the Halal Certification for pharmaceutical products, following the world's first Halal Pharmaceuticals Standard, MS2424:2012. This underscores the importance of ensuring that health practices adhere to Islamic principles, with JAKIM taking a lead role in establishing standards for halal pharmaceuticals.

The following are examples of medicines and health products widely available in the Muslim market, each raising specific considerations:

**Nestle's Nido Fortificada Milk for Kids:** Notably, this product lacks both Halal and Kosher symbols on its packaging, raising concerns about the potential inclusion of undisclosed Haram ingredients, including vitamins lacking Halal or Kosher certification. Consumers are advised to exercise caution when considering this product due to the absence of explicit certification for adherence to Halal standards.

**Sudafed Pe's Children Sudafed Pe Cold & Cough:** This product deserves attention due to the presence of glycerin, a substance derived from either pork or beef fat. Of particular note, the company is unable to specify the animal source, introducing ambiguity regarding its Halal status.

**St. Joseph Low Dose Aspirin 81 Mg by St. Joseph Pharmaceuticals:** This Aspirin product contains stearic acid, which can be derived from either pork fat or beef. The lack of clarity on the specific source raises concerns regarding its adherence to Halal standards and warrants careful consideration by consumers.

Additionally, the inclusion of alcohol in the flavor further raises considerations for individuals seeking products in line with specific dietary or religious preferences.

#### (4) Non-Halal ingredients in cosmetic and beauty product

Cosmetics extend beyond makeup for the face, encompassing a range of products such as shampoo, perfume, lotion, powder, lipstick,

moisturizer, hand sanitizer, aftershave, deodorant, and more, all of which become integral to our body upon application. The Muslim market offers various cosmetics, but some widely sold products contain non-halal elements in their ingredients:

**Neutrogena Makeup Products – Carmine:** Neutrogena incorporates Carmine in about 56 products, including popular items like Neutrogena Healthy Skin Blush, Rosy (Blusher), Nourishing Eye Liner, Cosmic Black (Eye Liner), and Moisture Shine Lip Gloss. Carmine, derived from insects, raises concerns for individuals adhering to halal standards.

**Avon Makeup Products:** While some Avon products are halal, others contain pork fat, and some incorporate Carmine Red Colour in their ingredients, rendering them non-halal.

**The Body Shop Products:** The company's acknowledgment of using gelatin, sourced from either pork or non-zabiha beef, and Shellac, which may be dissolved in alcohol, has garnered attention. The Muslim Consumer Group advises against using The Body Shop products for Muslims based on these considerations.

**Revlon Ultra HD Lipstick (Rose and Primrose):** Deemed non-halal due to the inclusion of Carmine Red Color extracted from an insect source, these variants pose concerns for individuals observing halal dietary standards, as all insects, except locusts, are considered haram.

**Olay Skin Care Facial Products:** Oil of Olay skin care products are made with pork fat, presenting considerations for individuals mindful of adhering to halal dietary principles.

**Dove Men Care Cool Silver Stick:** This product, which is manufactured by Unilever, causes cause for worry due to the fact that the manufacturer admits to employing the use of either vegetable or animal fat, including swine fat, or substances based on synthetic compounds throughout the production process. Because of the versatility of the ingredient choices, it is necessary to give special regard to the needs of customers who have certain dietary or religious requirements.



Table 2. Policies and requirements for Malaysia Halal Certification.

No.	Policy Description	Requirement	Example
1	Register with the Companies Commission of Malaysia (SSM) or Malaysia Cooperatives Societies Commission or other government agencies.	Provide documentation of registration with SSM or relevant government agencies.	Submission of SSM registration certificate.
2	Hold a business license from the Local Authorities or testimonial from a government agency.	Present a valid business license issued by Local Authorities or a testimonial from a government agency.	Submission of Local Authorities business license.
3	Be in full operation before an application is made.	Demonstrate that the business is fully operational.	Provide evidence of the business's operational status.
4	Produce or handle only halal products and comply with the specified halal standard.	Ensure that all products adhere to the specified halal standard.	Compliance with JAKIM's specified halal standard.
5	Ensure sources for ingredients are halal and choose suppliers who supply halal materials or have obtained recognized halal certificates.	Verify that ingredients come from halal sources, and suppliers are Halal-certified or have recognized halal certificates.	Documentation of halal sources and supplier certificates.
6	Apply for all types of products or menu produced by the factory or premise.	Submit applications for certification for all products or menu items produced by the factory or premise.	Comprehensive application covering all relevant products.
7	Applications for repacking must be accompanied by a recognized halal certificate for the said products.	Include a recognized halal certificate for products involved in repacking processes.	Provide halal certificates for repackaged products.

***Research Objective 3: Assessing the Policies and Effectiveness in Malaysia to Address Challenges in the Halal Industry.***

In fulfilling the research objective 3, there are some findings found from the methodology employed in this study. In this part, it discusses a few policies which are adopted in Malaysia in order to cope with challenges

**1) Policy in Getting Malaysia Halal Certification**

The JAKIM has set some policies in getting Malaysia Halal Certification in which compulsory to be fulfilled by applicant or manufacturer. According to the [44], an applicant or manufacturer must (1) register with the Companies Commission of Malaysia

facing in halal industry which consisting of (1) policy in getting Malaysia Halal Certification, (2) policy on application procedures in getting Malaysia Halal Certification, (3) policy on auditing of Malaysia Halal Certification and (4) policy on monitoring and enforcement. Further, it also discusses the effectiveness of these policies in facing with challenges in halal industry in Malaysia.

(SSM) or the Malaysian Islamic Affairs Commission (JAKIM).

To qualify, entities must meet specific criteria: (1) registration with the Cooperatives Societies Commission or other relevant government agencies, (2) possession of a valid business license from Local Authorities or a testimonial from a government agency, (3) demonstration of full operational status prior

to application, (4) exclusive production or handling of halal products in adherence to prescribed halal standards, (5) confirmation of halal sources for ingredients and engagement with suppliers holding recognized halal certificates, (6) comprehensive application covering all products or menu items produced by the facility, and (7) inclusion of recognized halal certificates for repackaged products in applications. Table 2, provides a breakdown of each policy, the corresponding requirement, and an example of how the requirement might be fulfilled. It can serve as a reference for understanding the steps and documentation needed to obtain Malaysia Halal Certification.

**2) Policy on Application Procedures in Getting Malaysia Halal Certification**

In adherence to this policy, JAKIM mandates that all applications for halal certification must be exclusively submitted through the online platform, MyeHALAL, accessible at [www.halal.gov.my](http://www.halal.gov.my). Following the online submission of the application form, supporting documents are to be presented to either JAKIM or JAIN. It's crucial to note that any incomplete applications will face automatic rejection by MYeHALAL. Conversely, successfully completed applications will prompt the issuance of a letter, requesting payment for the certification fee.

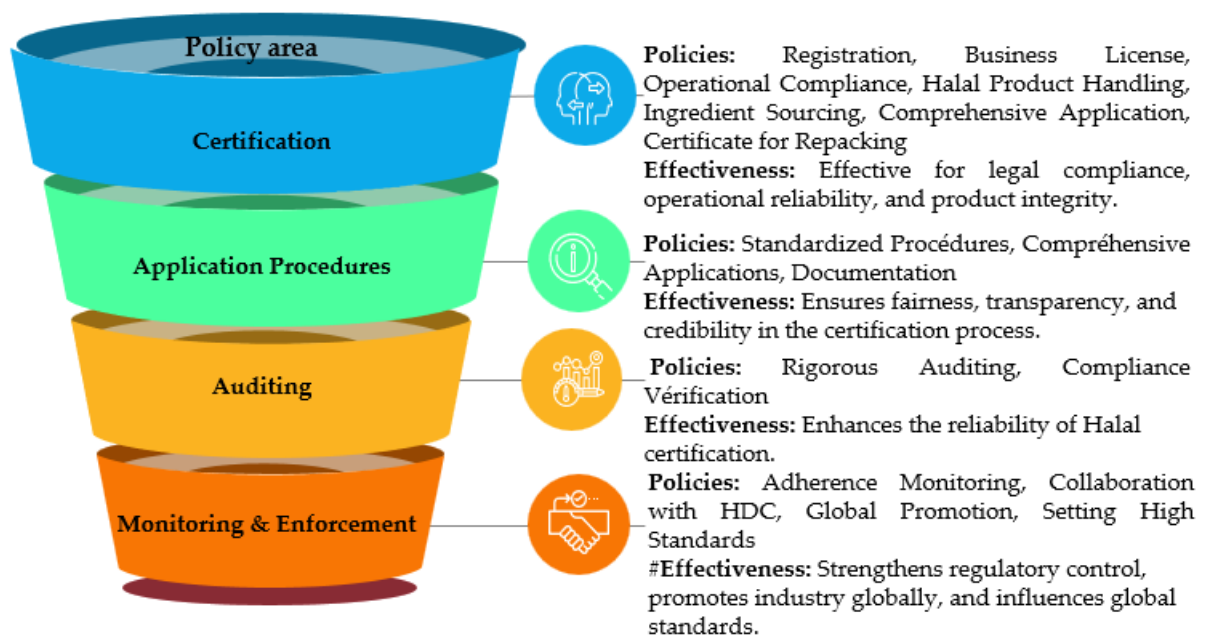


Figure 2. Key policies, their components, and their effectiveness in Malaysia's Halal industry

**3) Policy on Auditing of Malaysia Halal Certification**

Auditing will only take place once all of the necessary application procedures have been completed, which is a requirement of the policy that the JAKIM establishes regarding auditing procedures for Malaysia Halal Certification. During auditing, there are certain scopes of inspection that cover general and specific requirements of certification. These requirements include (1)

documentation and company profile, (2) an internal Halal Control System, (3) raw materials or ingredients & processing aid, (4) equipment, (5) packaging & labelling, (6) storage, (7) processing, (8) transportation, (9) workers, (10) sanitation system & premise cleanliness, (11) waste disposal management, and (12) premise compound. In the meanwhile, the on-site audit for compliance will begin with an opening meeting, followed

by the study of papers, an inspection of the site, a final evaluation, and a closing meeting.

If there is any uncertainty about a product, an auditor will take samples of the product, raw materials or ingredients, or other items with a questionable halal certification and send them for laboratory analysis in line with standard operating procedures (SOPs). It is a requirement that the laboratory analysis be carried out at government labs that are accredited on ISO/IEC 17025 for the analytical scope that is relevant to the analysis. According to the JAKIM (which was referenced in the Manual Procedure for Malaysia Halal Certification, 2014), the official laboratory for Malaysia Halal Certification is located within the Malaysian Department of Chemistry.

#### 4) Policy on Monitoring and Enforcement

Monitoring and enforcement of all Malaysia Halal Certificate holders, as well as individuals utilizing any halal statement, label, or logo, are rigorously implemented. The Malaysian government has established regulations governing the halal industry, and inspection procedures for monitoring and enforcement are guided by relevant laws within Malaysia. Food Act 1973 (Act 281), Food Regulations 1985, Trade Descriptions Act 2011, Manual Procedure for Malaysia Halal Certification, Good Hygiene Regulations 2009, and Trade Descriptions Act 2011 are some of the laws that fall within this category. In addition to this, the Animal Act 1952 (Revision 2006), the Animal Ordinance 1953, the Animal Rules 1962, the Animals (Importation) Order 1962, the Abattoir Act (Corporatisation) 1993, the Custom Act 1967, the Custom Order (Prohibition of Import 1998), the Local Government Bylaws 1976 (Act 171) and the Local Council Bylaws (PBT), the Act or State Administration Enactment of Islamic Affairs, and the Trade Mark Act 1976 all contribute to.

#### 5) Effectiveness of Malaysia's Current Policies in Halal Industry

The JAKIM has progressively governs on any matters pertaining halal industry in Malaysia, in which it covers a few policies such as (1) policy in getting Malaysia Halal Certification, (2) policy on application procedures in getting Malaysia Halal Certification, (3) policy on auditing of Malaysia Halal Certification and (4) policy on monitoring and enforcement. From this study, it reveals that most of policies adopted in Malaysia are effective in dealing with challenges facing in halal industry because Malaysian government also established Halal Industry Development Corporation (HDC) with an aim to promote Malaysia's halal industry throughout the world. For Malaysia, it sets the highest standards and other accreditation bodies in western countries, and they tend to adopt Malaysia's halal standards through Malaysia's halal policies. Figure 2, represented the overview of the key policies, their components, and their effectiveness in Malaysia's Halal industry.

## 6. STRATEGIC STEPS IN THE HALAL INDUSTRY

The rapid growth of the halal industry, driven by the increasing needs and expectations of the Muslim population, underscores the necessity for more robust measures to ensure the authenticity of halal products. A significant discrepancy exists between the perceptions of Muslims in Muslim and non-Muslim countries regarding the halal status of products, leading to misconceptions. Findings reveal that even in Muslim countries, not all products are entirely halal, and non-Muslim companies often market uncertified halal products using misleading logos and Arabic labels. Addressing this issue requires stricter enforcement by authorities, making it imperative to legislate that only authorized companies can issue halal certificates.

Moreover, to instill confidence among Muslim consumers, the halal industry should establish a universal set of standards applicable across diverse product categories, including meat, cosmetics, and

pharmaceuticals. Standardization of certification processes will eliminate confusion caused by varying rules among different certifying bodies. A key challenge lies in the halal industry's professionalism, particularly in the sluggish response times of halal food producers. Improving management practices and organizational efficiency is crucial for overcoming this challenge.

In non-Muslim majority countries, there is a general lack of awareness and concern about halal products. To bridge this gap, proactive promotion of the halal industry is essential. Informative campaigns, courses, seminars, and workshops can educate the public about the benefits of halal products and their significance in Islam. Scholars, through Friday Khutba (sermons), can play a pivotal role in disseminating knowledge about halal and haram. This concerted effort towards awareness and education will contribute to the success and acceptance of halal products in non-Muslim regions, fostering a more informed and inclusive global market.

## 7. CONCLUSION

In conclusion, the in-depth exploration of Malaysia's Halal industry, encompassing stakeholder perspectives, product analyses, and policy evaluations, has provided crucial insights into the multifaceted landscape of this key market. The harmony in Malaysia's Halal industry emerges from a delicate balance of stakeholder commitment, meticulous product scrutiny, and effective policy implementation. This research not only advances academic understanding but also offers invaluable

insights for industry practitioners, policymakers, and consumers navigating the dynamic landscape of the global Halal market. The findings from this study contribute to the ongoing dialogue surrounding the industry's growth and global impact. Stakeholder insights from industry players underscore the sector's commitment to producing lawful consumer goods and the challenges in fostering community understanding, emphasizing the industry's role in ensuring hygienic and lawful products. The meticulous examination of products in the Muslim market revealed common non-Halal elements, highlighting the complexities of ensuring compliance with Shariah law. The investigation into Malaysia's Halal industry policies unveiled a robust framework with stringent standards, effectively enforced by entities like JAKIM and the Halal Industry Development Corporation (HDC). Globally recognized for its high standards, Malaysia's Halal industry continues to influence international accreditation bodies. The delicate balance achieved through stakeholder commitment, meticulous product scrutiny, and effective policy implementation underscores the harmonious nature of Malaysia's Halal industry. This research advances academic understanding while providing valuable insights for industry practitioners, policymakers, and consumers navigating the dynamic global Halal market, contributing to the ongoing dialogue on the industry's growth and global impact. As Malaysia continues to shape the trajectory of the Halal industry, the findings from this study offer enduring contributions to discussions surrounding its evolution and influence.

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