

EXPLORING HALAL: FOOD AND BEVERAGES INDUSTRY THROUGH CONCEPTUAL LENS

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Abstract: The concept of Halal products and food has gained global interest due to its recognition as an alternative standard for ensuring safety, hygiene, and quality assurance in consumables. Consequently, products or food manufactured by Halal principles are deemed acceptable not only to Muslims but also to non-Muslim consumers. This concept paper provides a comprehensive overview of the contemporary Halal food and beverages industry, beginning with the key trends shaping its landscape. It explores both conventional practices and Islamic principles within the food and beverages industry in Malaysia, emphasizing compliance from an Islamic perspective. The paper reviews past and current literature on the development of the Halal food and beverages industry, with a depth discussion on supervision by the regulatory bodies and the use of the Halal logo. Additionally, recommendations for enhancing the Halal food industry's growth and sustainability are highlighted. In conclusion, this paper serves as a foundation for further research and strategic initiatives aimed at advancing the Halal food and beverages industry in Malaysia.

Keywords : halal food and beverages industry, halal logo, Islamic principles, Muslim, regulatory body,

INTRODUCTION

The food and beverage (F&B) industry in Malaysia is a thriving sector that showcases the country's rich culinary heritage and diverse flavours. The food and beverage industry is made up of businesses that prepare, serve, and sell food and drinks to customers. This includes restaurants, cafes, food stalls, catering services, and food manufacturers. In Malaysia, the F&B industry assumes a pivotal role in the national economy, contributing significantly to the Gross Domestic Product (GDP) and serving as a vital source of employment across various sectors. In 2024, Malaysia's food and beverage sector will undergo a significant transformation, with several key trends shaping the industry's growth and evolution (Hui, 2023). The F&B sector in Malaysia has been recognized as a rapidly expanding market and a significant driver of the national economy. It is poised for strong growth, with projections indicating an 8% boost to the GDP in the previous year, accompanied by an impressive 22% surge in 2022, reaching a total of RM35.2 billion (theSun, 2024).

The halal industry in Malaysia started when the awareness of Muslims increased and the need for one organized system for the halal food

industry in Malaysia. Therefore, in 1968, the Conference of Rulers in Malaysia decided to establish an organization to supervise the safety and safety of Muslims in Malaysia. From the conference, The Secretariat of the National Council for Malaysia Islamic Religious Affairs has been established. Malaysian Islamic Development Department (JAKIM), the State Islamic Religious Department (JAIN), and the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP).

CONCEPTUAL FRAMEWORK

As F&B industry contributes to Malaysia's economy and cultural fabric, representing a dynamic sector characterized by diverse culinary traditions, rich flavours, and unique dining experiences. As a multicultural nation with a melting pot of influences from Malay, Chinese, Indian, and others (Fikri, n.d.). Malaysia is now able to attract both locals and tourists to the food and beverages sector. Consequently, effective management strategies within the F&B sector are essential for ensuring quality, safety, and sustainability while meeting the evolving demands of consumers and adhering to regulatory standards. Within

Malaysia, with a diversity of ethics and religion, discussing the food and beverage industry in Malaysia can be approached from two distinct perspectives: governmental regulations and Islamic management principles. However, this paper focuses in depth on Islamic management principles in the food and beverages industry in Malaysia.

Specifically, food and beverage producers in Malaysia are obligated to obtain necessary permits and licenses from regulatory bodies such as the Ministry of Health (MOH), the Department of Islamic Development Malaysia (JAKIM) for halal certification, and other relevant agencies depending on the nature of the product. They must also adhere to Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP), and other industry-specific standards to guarantee the safety and quality of their products (JAKIM, 2014). The production of food and beverages in Malaysia is governed by a comprehensive set of regulations and standards to safeguard consumer health, uphold quality, and maintain compliance with industry norms. These requirements encompass various aspects of production, including sourcing of ingredients, manufacturing processes, packaging, labeling, and storage. Additionally, adherence to food safety protocols, hygiene practices, and environmental regulations is mandatory to ensure the integrity of the products.

METHODOLOGY

This paper used the content analysis method obtained by referring to fiqh book related to food and halal food, scientific books, conference papers, research journals, theses, newspaper reports, official portals on websites related to the topic of discussion, and legislative statutes such as Acts and Enactment related to the use of halal disclosed under the Federal Constitution and the states in Malaysia. Content analysis is a research method that involves a detailed examination of texts or other materials to identify patterns, themes, and important information related to the research topic. This approach enables researchers to explore and understand the issues discussed in the sources obtained, as well as to compile relevant findings. By using various sources and analytical approaches, it is hoped that this study can provide a comprehensive understanding of

the halal discourse in the context of Malaysia.

RESULTS AND DISCUSSION

This discussion encompasses discussions from the perspectives of Islamic law, Islamic legal rulings (fatwa), and Islamic jurisprudence (fiqh). The discussion moves to the laws and regulations concerning F&B and the procedure for halal certification in Malaysia. Analysis from the viewpoint of business and industry is also discussed. It concludes with a review of the importance of the halal logo in F&B in Malaysia.

ISLAMIC PRINCIPLES

In Islamic law, Muslims emphasize the significance of ensuring that food sources are permissible for consumption. This emphasis is on the understanding that dietary intake significantly impacts human well-being and behavior. Prohibited foods, known as Haram, are explicitly forbidden in the Quran, Sunnah, and the consensus of Muslim jurists (Ijma'). This is clearly stated in many verses from the Quran. For example, in Surah al-Maidah, Allah says:

“Forbidden to you are carrion, blood, and swine; what is slaughtered in the name of any other than Allah; what is killed by strangling, beating, a fall, or by being gored to death; what is partly eaten by a predator unless you slaughter it; and what is sacrificed on altars. You are also forbidden to draw lots for decisions. This is all evil. Today the disbelievers have given up all hope of ‘undermining’ your faith. So, do not fear them; fear Me! Today I have perfected your faith for you, completed My favor upon you, and chosen Islam as your way. But whoever is compelled by extreme hunger—not intending to sin—then surely Allah is All-Forgiving, Most Merciful.”

(Surah Al-Maidah, 5:3)

In Islamic perspective, due to the variety of substance and ingredients, there is a doubtful (mashbooh) things and questions arises from this perspective. For example, the food using animal enzyme or substance from doubtful based ingredients into halal food products. Narrated by An-Nu'Man bin Bashir, The Prophet (Pbuh) said:

“Both doubtful things are evident but in between there are doubtful (mashbooh) things

and most people do not know about them. So, whoever saves himself from these doubtful things, he saves his religion and his honor, but he who falls into doubtful matters falls into that which is unlawful, like the shepherd who pastures around a sanctuary, all but grazing therein. Truly every king has a sanctuary, and truly Allah (s.w.t.) sanctuary is His prohibitions."

(Sahih Bukhari)

There are specific types of food that Muslims are not allowed to eat. These foods, called "Haram" include pork and anything derived from pigs, intoxicating substances like alcohol and drugs, meat from animals not slaughtered according to Islamic guidelines, blood, dead animals, and animals sacrificed for anyone other than Allah. These rules are meant to maintain physical health and spiritual purity according to Islamic teaching (Deurasah, 2009). This is mentioned in the Quran, in surah al-Baqarah where Allah said:

"He has only forbidden you to eat carrion, blood, swine, and what is slaughtered in the name of any other than Allah. But if someone is compelled by necessity—neither driven by desire nor exceeding immediate need—they will not be sinful. Surely Allah is All-Forgiving, Most Merciful."

(Surah al-Baqarah,2:173)

From an Islamic perspective, it is believed that what has been decreed is already determined by Allah. Therefore, Muslims are encouraged to adhere to the principles of consuming halal food and beverages, regardless of the prevailing trends in society. The increasing availability of brands and varieties of food in the market has raised concerns among Muslims about the authenticity of halal food (Fadzillah, Jamaludin, Man, Ab. Rahman, & Al-Kahtani, 2011). Thus, Muslims must refer back to the teachings of Islam regarding food to ensure that they adhere to halal consumption. By turning to Islamic guidance, individuals can gain a deeper understanding of the dietary laws outlined in the Quran and Sunnah.

In Malaysia, the food industry is recognized as a crucial contributor to the nation's overall economic development, significantly impacting income distribution and employment generation. Furthermore, Malaysia has

positioned itself as a key player in offering halal products and services. The recent surge in demand for halal foods among Muslim consumers, in particular, has spurred the establishment of numerous organizations and agencies dedicated to promoting halal food and raising awareness among Muslim consumers (Matulidi, Jaafar, & Bakar, 2016). These entities also aim to address the needs of Muslim consumers by providing solutions tailored to their requirements.

The halal food laws are binding and must be observed always by individual Muslims. The variety of food premises categories in Malaysia such as restaurants, cafes, bakeries, food chain outlets, food courts, kiosks, hotel kitchens, and food delivery services, require control of regulations and legal procedures on food to ensure that the principles of halal and tayyib are always maintained (Bahagian Hab Halal Jabatan Kemajuan Islam Malaysia (JAKIM), 2020).

The government has allocated an agency under specific departments and areas of authority to ensure that every sector of services related to the law in Malaysia achieves its set objectives. Similarly, under the management of halal certification, an organization has been established to carry out all administrative, monitoring, inspection, and enforcement functions by the provisions of the Federal Constitution and the relevant states involved (Hazban & Nasohah, 2023).

There are several government agencies directly and indirectly involved in managing the halal industry in Malaysia. Two main agencies commonly associated with Halal Certification in Malaysia are JAKIM and the Halal Industry Development Centre (HDC). Specifically, halal certification is under the management of the Halal Division, a specialized department established by JAKIM. Both agencies play crucial roles in Malaysia's halal industry, and their contributions are significant. HDC's role is to ensure that the halal industry makes a significant contribution to socio-economic development, in line with the government's aspirations (Halal Development Corporation Berhad, 2023).

Apart from issuing halal certification, there are other agencies actively involved in the halal industry. SIRIM also plays a crucial role in establishing and maintaining standards related to halal products and processes (Asa & Azmi,

2018). SIRIM is Malaysia's national standards and quality agency and is responsible for developing and enforcing standards across various industries, including the halal sector.

For the F&B industry in Malaysia, it is important to be aware of SIRIM's role in the enforcement of daily operations apart from referring only to HDC and JAKIM. Compliance with this standard not only ensures consumer safety but also facilitates access to domestic and international markets (Muhammed & Ramli, 2018). This effort by SIRIM can contribute to the halal food sector in Malaysia and also strengthen Malaysia's position as a leading hub for halal products and services globally. The variety of authority bodies to supervise the halal food industry is due to the large capacity of the food sector in Malaysia. However, it has been found that, although halal laws in Malaysia are not comprehensive and are placed under various acts, the provisions are seen as sufficient (Abdul Halim & Hashim, 2023).

HALAL FOOD BUSINESS

Halal business refers to individual enterprises or companies involved in the production, distribution, sale, or provision of halal products or services. This also can include various types of businesses such as halal restaurants, food manufacturers, grocery stores, catering services, and online halal food platforms. However, with the rising need for halal food by consumers, small entrepreneurs in Malaysia still lack awareness and overlook halal food areas as a great potential to generate income (Arif, 2009).

A previous study also found that most entrepreneurs from the small and medium industries already have a general understanding of the halal concept however they lack crucial information to produce halal goods such as in halal food production, preparation, handling, and storage (Baharuddin, Kassim, Nordin, & Buyong, 2015).

Jannah and Al-Banna (2021), stated that entrepreneurs must acquire additional information and knowledge to enhance their understanding of halal food. By offering detailed halal food information, entrepreneurs can increase the sales of their products.

According to Soesilowati (2011), individual identifying as Muslim does not mean their actions consistently align with Islamic practice, especially in the context of consuming

halal foods and preparation of foods. This highlights the complexity of human behaviour and the need for a deeper understanding of cultural and religious practice within the need for halal food practice.

Based on the discussion of previous studies on the halal business industry, many researchers are suggested to emphasize on knowledge of the entrepreneur who is responsible for delivering halal food to the customer. The lack of awareness also contributed to the fewer opportunities to boost the halal industry and meet the needs of Muslims. It is recommended that the Halal governing body in Malaysia provide more information on Halal food due to the high demands and needs in producing Halal goods. However, it must be ensured that all the information about Halal food and Halal certification can be easily accessible to fulfill the entrepreneurs' information needs.

HALAL FOOD INDUSTRY

In contrast with halal business industries, the halal food industry encompasses the entire ecosystem of halal food production, trade, regulation, and consumption within a particular region or globally. This not only includes businesses but also includes organizations, regulatory bodies, and stakeholders involved in the halal food supply chain, from raw material sourcing to end-consumer consumption.

The halal food sector holds significant importance for Muslims worldwide, ensuring hygiene, and cleanliness, and safeguarding their health and well-being in consumption, utilization, and purchases (Khan, 2024). Malaysia has gained recognition as a destination where halal foods and products are readily accessible and easily obtained. The Malaysian government perceives halal not only through a religious lens but also as a strategic avenue to position Malaysia's halal industry as a global role model (Zakaria, 2008). However, it was found from a previous study that Malaysia faced a challenge to meet the halal requirement (Shafie & Othman, 2006; Nasaruddin, Fuad, Mel, Jaswir, & Abd. Hamid, 2012).

Government supervision is a crucial action to ensure the safety and monitoring of all food producers. The supervision should ensure the food producer is free from forbidden ingredients throughout the preparation,

production, and storage (Hassan & Awang, 2009). Implementing total quality management practice is essential for effectively marketing halal products. Food manufacturers should not solely concentrate on obtaining halal certification, instead, they must prioritize quality assurance and wholesomeness, this approach can boost the demand for halal food in Malaysia (Abdul Majid, Zainal Abidin, Abd Majid, & Chik, 2015).

From the analysis based on previous literature on this topic, both halal business and the halal industry underscore the distinctions between their respective hidden issues and challenges. While halal business primarily emphasizes entrepreneurial knowledge and understanding, the halal industry necessitates a deeper level of involvement of government for effective supervision. In the context of halal business, entrepreneurs are encouraged to acquire comprehensive knowledge and expertise about halal principles and practices. In short, the halal industry extends beyond individual business to encompass a broader ecosystem that requires robust government oversight and regulation. Government involvement is crucial for establishing and enforcing standardized halal certification procedures, monitoring compliance with halal standards throughout the supply chain, and safeguarding the interest of consumers.

In summary, while halal business focuses on the knowledge and practices of individual entrepreneurs, the halal industry relies on the active participation and supervision of government authorities to ensure compliance with halal requirements and maintain the integrity of halal products and services. Both aspects are integral to the growth and sustainability of the halal economy, with entrepreneurs and government institutions working collaboratively to meet the needs and expectations of Muslim consumers.

HALAL LOGO

Once an organization has obtained certification, they are permitted to display the halal logo on their product packaging or within their premises. Malaysia has been successful in serving as a model Islamic nation, significantly contributing to the continuous growth of the halal industry (Abdul Majid, Zainal Abidin, Abd Majid, & Chik, 2015). As a member of the Organization of Islamic Cooperation (OIC) and

a proponent of the halal hub concept, Malaysia is actively promoting its halal certification. This certification, backed by government support, is positioned as the international standard halal logo for use across all Muslim nations (Rahman, Mohamed, Rezai, Shamsudin, & Sharifuddin, 2014). Through its active participation in international forums and collaborations with OIC member states, Malaysia seeks to establish its halal certification as the benchmark for quality and authenticity in halal products and services on a global scale.

Originally, the concept behind using the halal logo aimed to provide reassurance to Muslim consumer regarding their product selection. The only halal logo authorized by JAKIM is the one that has the word Malaysia as in Figure 3. The introduction of this halal logo aims to enhance coordination, streamline the halal certification process, and mitigate confusion within the international community (Noordin, Md Noor, Hashim, & Samicho, 2009). However, Muslims always consider foods and products bearing the halal logo as permissible for consumption or use by Islamic law. Consequently, individuals or entities that misuse the halal logo certification significantly offend the sensitivities of Muslims (Zakaria, 2008). As a result, this action impacts Muslim decisions in food and product selections.

A study by Ismail et.al (2016), there is the existence of a Halal logo that has not effectively reached the intended target audience. The brand audit of the Halal logo also revealed consumer confusion and an inability to identify the correct logo. This of lack knowledge is considered the primary reason behind consumers' uncertainty in recognizing the appropriate logo, potentially resulting in consequences for brand equity (Shafiq, Haque, & A. Omar, 2015).

The Halal logo has emerged as a crucial element in the halal industry in Malaysia. However, even though the halal logo has been utilized in Malaysia for an extended period, and both industry stakeholders and Muslim consumers are well acquainted with it, a persistent gap remains regarding this halal logo. This gap predominantly arises from a lack of knowledge levels among industry participants. These differences in understanding may come from factors such as varying interpretations of halal standards, differing levels of awareness

regarding certification processes, or disparities in the dissemination of information within the industry. As a result, despite the widespread recognition of the halal logo, inconsistencies in comprehension persist, underscoring the importance of continuous education and communication within the halal industry to bridge this gap effectively.

CONCLUSION

In seeking diverse and up-to-date literature on the Halal F&B industry, this paper identifies that the misuse of the halal logo remains a significant concern. The problem arises from both business entrepreneurs and government supervision. Despite the establishment of various agencies to ensure the smooth operation of the Halal F&B industry, the enforcement remains weak. Furthermore, industry players themselves, despite possessing knowledge, often fail to meet the requirement standards. Muslims show confidence in JAKIM, however, less awareness of the Halal logo produced by JAKIM. This shows awareness of Muslims as a consumer is relatively low. This lack of stringent compliance underscores the importance of further investigation and proactive measures to support adherence within the halal food industry. Malaysia passed comprehensive laws to regulate Halal food consumption. The laws adopt the concept of Halalan Thoyyiban that are very high in terms of quality and certification. Since this paper only emphasizes concept paper, the discussion only encompassed the important trends in Halal F&B. It is suggested for future research discussing the successful side of Halal F&B in Malaysia and current government supervision strategic initiatives in educating halal industry market players in Malaysia.

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