WORKSHOP ON GCC REGULATION AND STANDARDS FOR HALAL FOODS
21-22 APRIL 2014

"HALAL – BEST PRACTICES IN MALAYSIA"

BY:
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DEPARTMENT OF STANDARDS MALAYSIA

Itinerary

Time	Description
08.30 – 10.15	Halal-Best Practices in Malaysia
10.15 – 10.30	Coffee / Tea Break
10.30 – 11.30	Halal-Best Practices in Malaysia (cont')

Objective:

Knowledge sharing on halal standards and conformance infrastructure in Malaysia and its related issues

OUTLINE

Session 1 (8:30-10:15)

Part I: Malaysia in Brief

Part II: Halal milestone in Malaysia

Part III: Halal Standards and Conformance Infrastructure

Part IV: Regional and International Platform

Part V: Challenges on Halal Implementation

OUTLINE

Session 2 (10:30-11:30)

Overview of the Malaysian Standards
MS 1500: 2009

Part I: Malaysia in Brief

GCC REGION

MALAYSIA

Geography of Malaysia

There are two distinct parts to this country, [1]Peninsular Malaysia to the West and [2] East Malaysia to the East.

Peninsular Malaysia
-South of Thailand,
-North of Singapore
-East of the Indonesian island of Sumatra.

East Malaysia
-located on the island of Borneo and
-shares borders with Brunei and Indonesia

Country Brief

|	
Location:	**Southeast Asia**
Land Area:	**330,252 square kilometres;**
	consist of 13 states and 3 Federal Territories
Population:	**Approximately 28.31 million**
Capital City:	**Kuala Lumpur**
Economy:	**Well diversified economy – services, manufacturing, Agriculture and mining**
Language:	**Official – Malay language; English widely spoken**

*Video about Malaysia

Part II: Halal Milestone in Malaysia

Halal Milestone in Malaysia

1994

1982

1974

Halal Milestone in Malaysia

2000

2002

2006
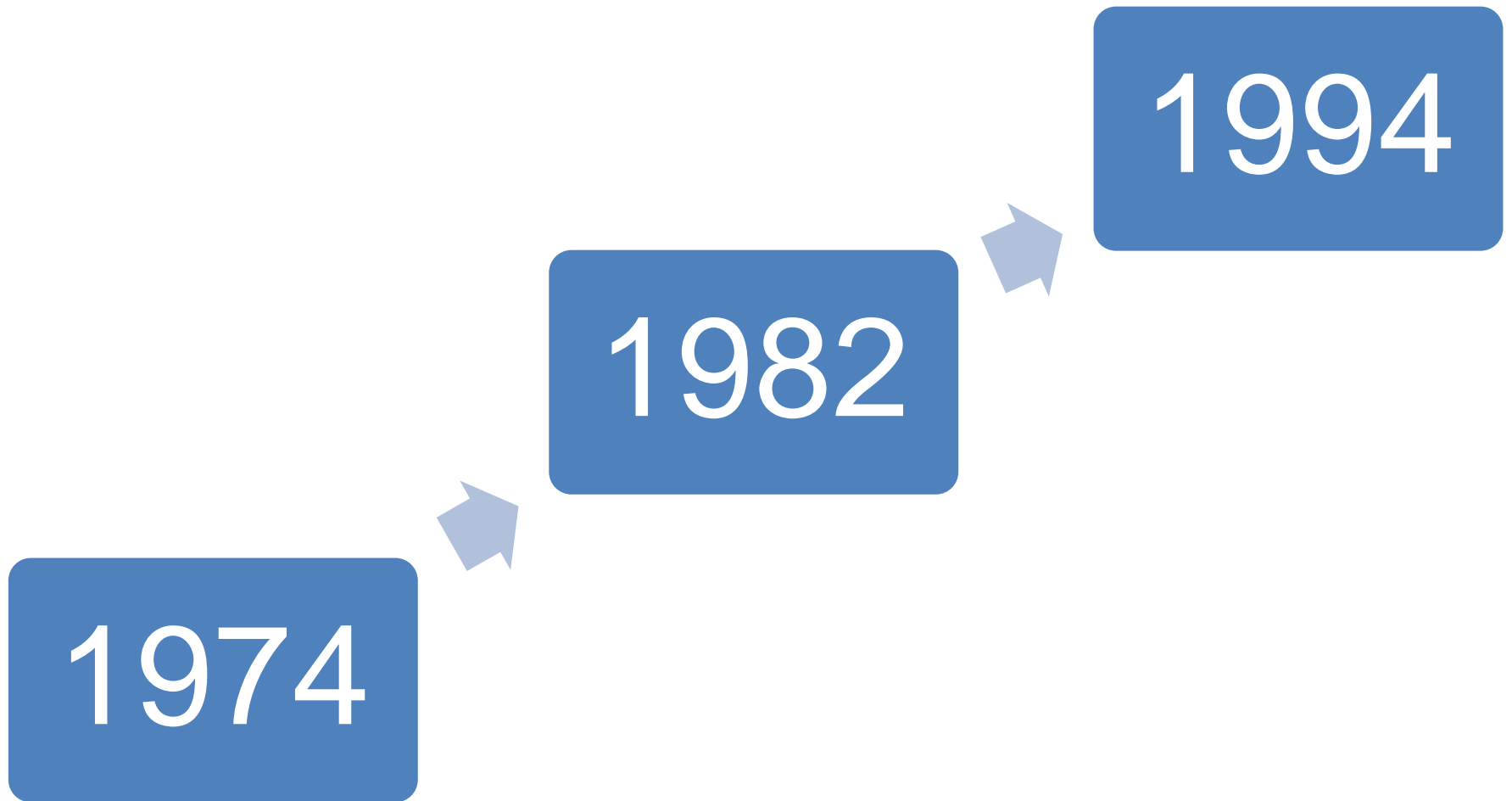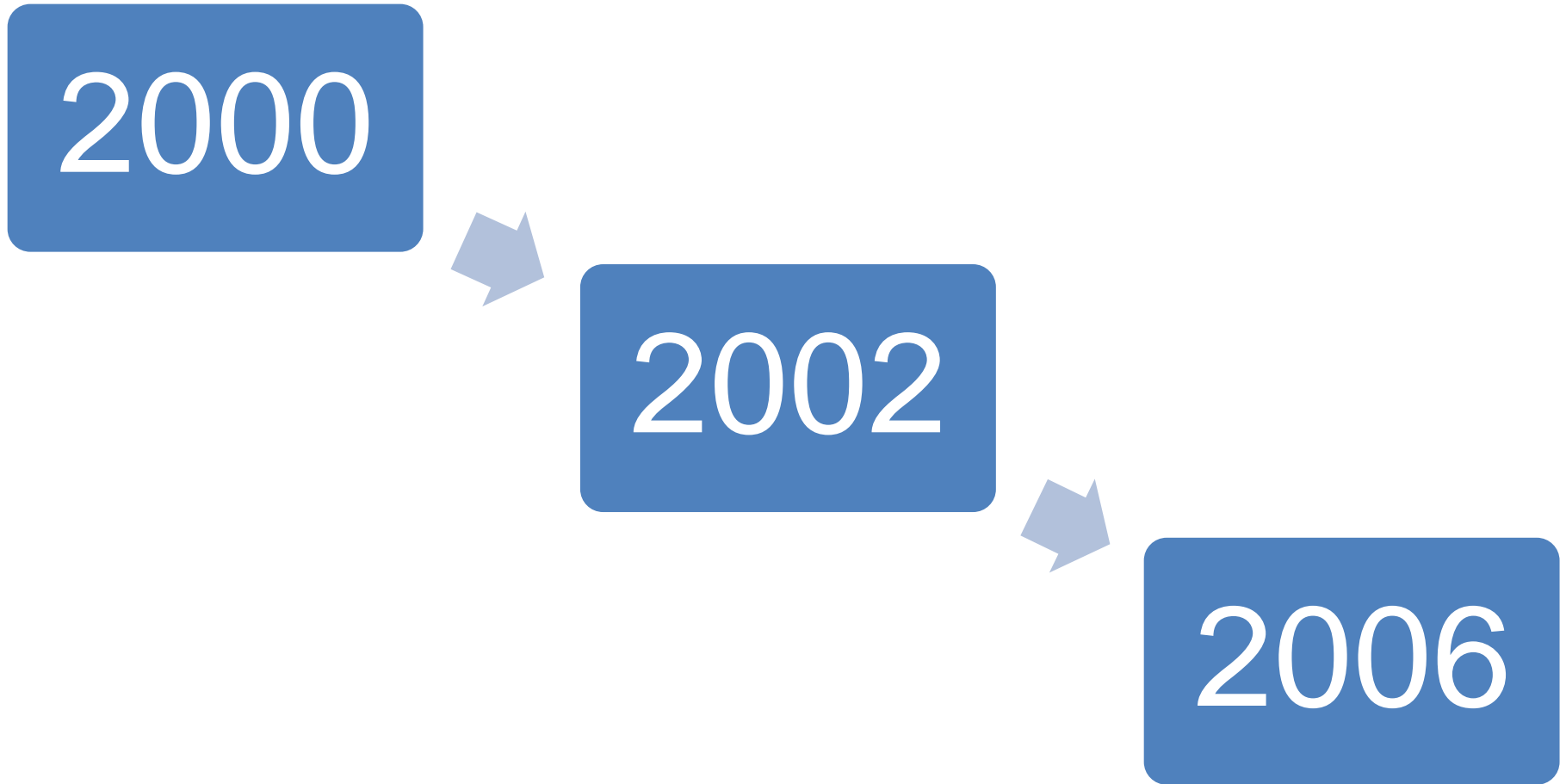
Why Halal?

Consumer demand

Advancement in food technology

Economic/ Industry development

Malaysia halal hub

Healthy competition

Part III: Halal Standards and Conformance Infrastructure in Malaysia

Inter Agencies Collaboration

Value Chain of Halal Management

Certification and enforcement

Standards Development & Implementation

Promotion

Enforcement

Policy

KPDNKK

KKM

DVS

Finance

SME Development

Industry Development

Key Agencies

Standards

Industry Development

Certification

Halal Standards
Agency:
Department of Standards Malaysia

Vision

- Accepted by Malaysians, recognised by the World

Mission

- To provide credible standardisation and accreditation services to enhance economic, societal and environmental well-being

TOP MANGEMENT

Director General

Fadilah Baharin

Senior Director of Policy & Standards

Ridzwan Kasim

Director of Accreditation
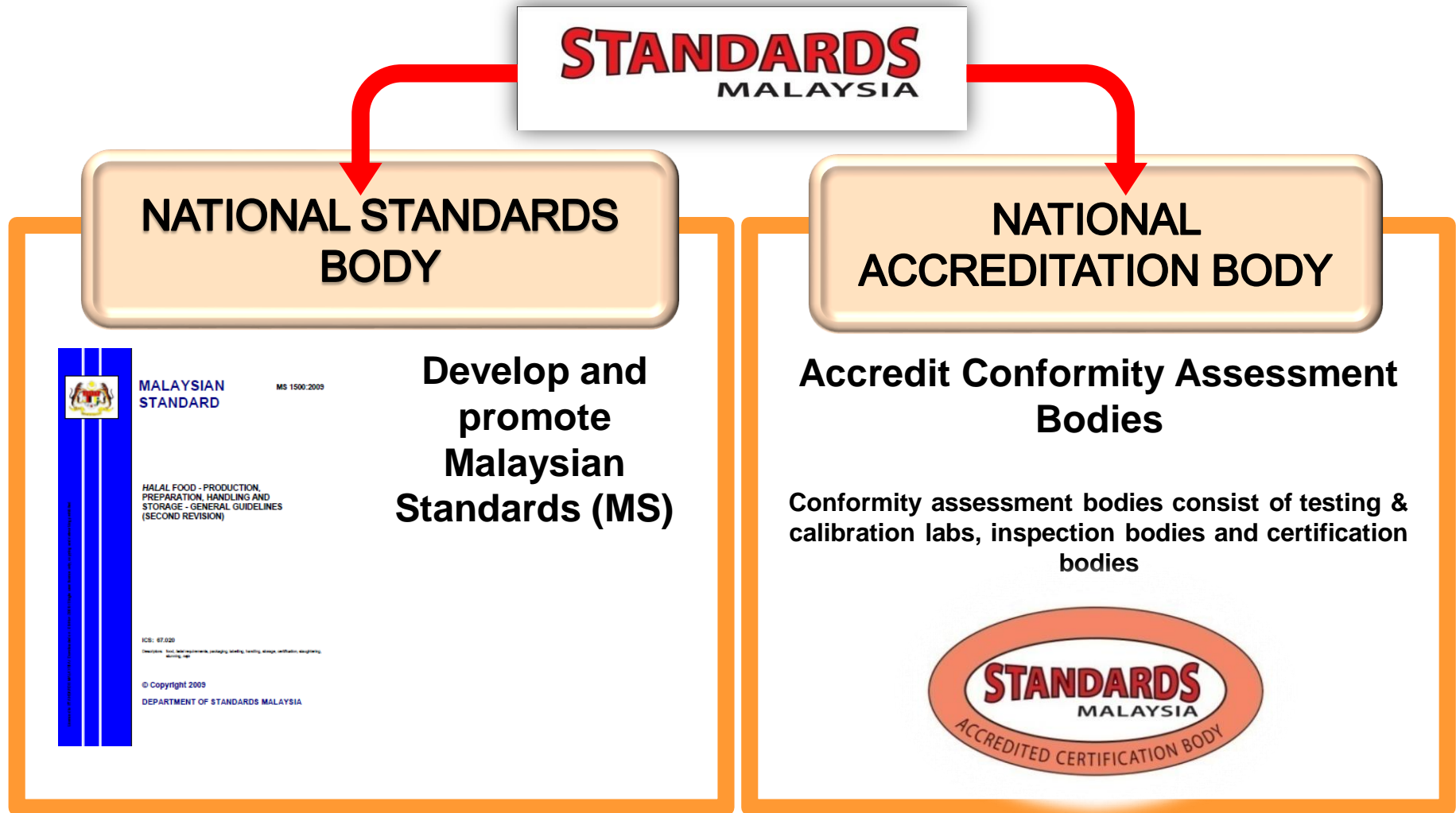
Shaharul Sadri Alwi

Director Of Management Services

Akmal Ariff Zainul Ariff

Director of Strategic Management

Hussalmizzar Hussain

Functions of STANDARDS MALAYSIA

STANDARDS MALAYSIA

NATIONAL STANDARDS BODY

Develop and promote Malaysian Standards (MS)

NATIONAL ACCREDITATION BODY

Accredit Conformity Assessment Bodies

Conformity assessment bodies consist of testing & calibration labs, inspection bodies and certification bodies

GOVERNED BY STANDARDS OF MALAYSIA ACT 1996

STANDARDS IMPLEMENTATION STRUCTURE

VOLUNTARY USE

STANDARDS MALAYSIA

↓ **Develop**

MS

Voluntary Implementation ↓

Industry/ Business/Consumers

*** Not all standard
can be made mandatory unless it affects safety
of consumers, environment & health**

MANDATORY USE

Relevant Acts of Parliament

Regulatory Body

↓ **implement**

↓ **Supported by**

Mandatory Implementation →

Technical Regulation

a) Compliance/Reference to MS
b) Conformity assessment requirements – testing, inspection & certification
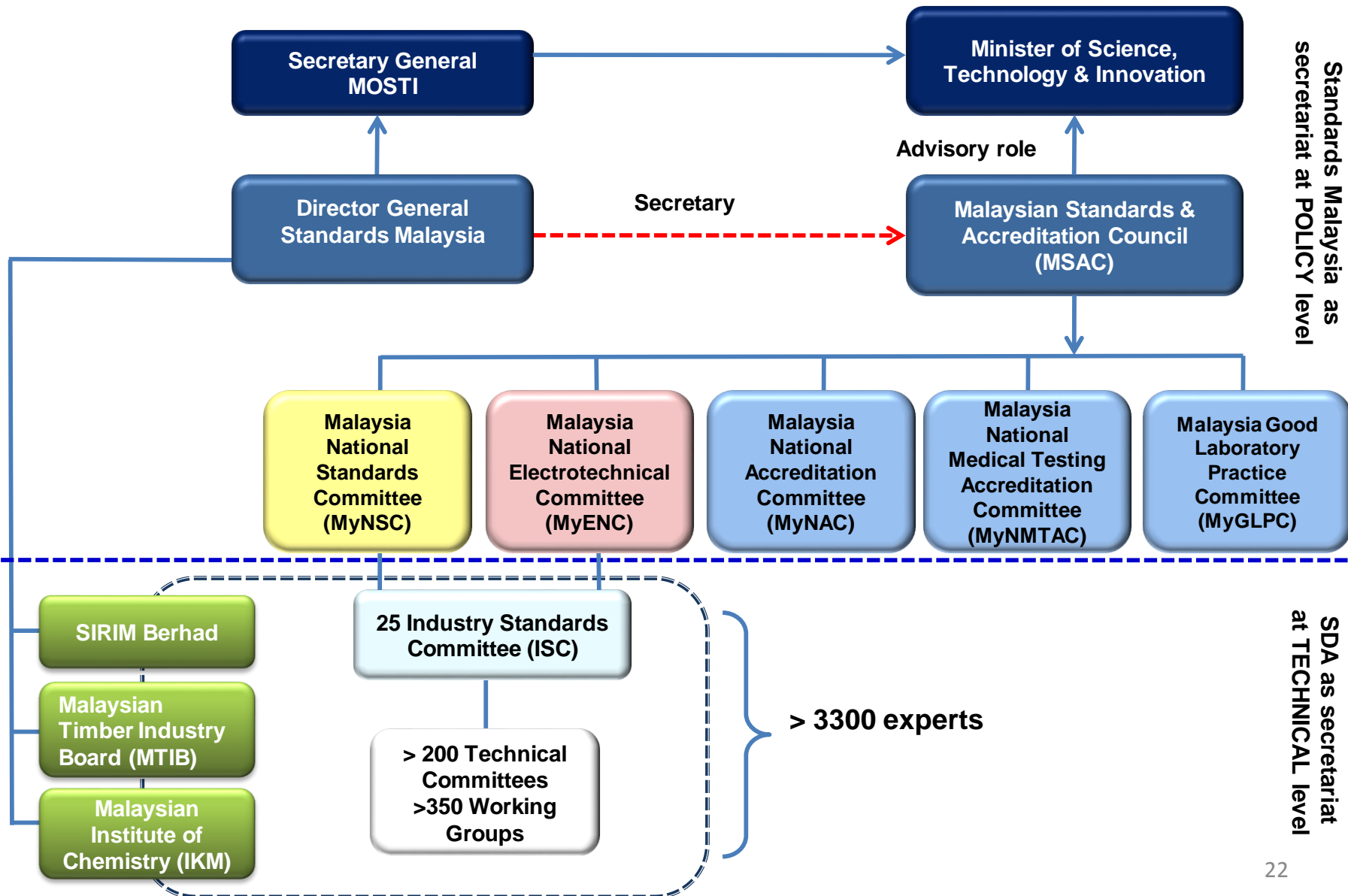c) Penalty for non-compliance

↓ **Complied by**

Industry/ Business/Government

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MOBILISING STANDARDS DEVELOPMENT WITHIN AN ORGANISED STRUCTURE

Secretary General MOSTI

Minister of Science, Technology & Innovation

Advisory role

Director General Standards Malaysia

Secretary

Malaysian Standards & Accreditation Council (MSAC)

Standards Malaysia as secretariat at POLICY level

Malaysia National Standards Committee (MyNSC)

Malaysia National Electrotechnical Committee (MyENC)

Malaysia National Accreditation Committee (MyNAC)

Malaysia National Medical Testing Accreditation Committee (MyNMTAC)

Malaysia Good Laboratory Practice Committee (MyGLPC)

SIRIM Berhad

Malaysian Timber Industry Board (MTIB)

Malaysian Institute of Chemistry (IKM)

25 Industry Standards Committee (ISC)

> 200 Technical Committees >350 Working Groups

> 3300 experts

SDA as secretariat at TECHNICAL level

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INDUSTRY STANDARDS COMMITTEES (ISC)

ISC A	Agriculture
ISC B	Chemicals
ISC C	Consume...
ISC D	Building, ...
ISC E	Generati...
ISC F	Mechanic...
ISC G	Informatio... ...a
ISC H	Petroleum and Gas
ISC I	*Halal* Standards
ISC J	Plastics and Plastic Products
ISC K	Packaging and Logistics
ISC L	Road Vehicles
ISC M	Fire Safety and Prevention
ISC N	Rubber and Rubber Products
ISC O	Organisational Management
ISC P	Metallic Materials and Semi-finished Products
ISC Q	Textiles and Apparels
ISC R	Medical Devices and Facilities for Healthcare
ISC S	Electrical and Electronics Equipments and Accessories
ISC T	Tourism, Exhibition & Hospitality Services
ISC U	Food and Food Products
ISC W	Occupational Safety and Health
ISC Y	Quality Management and Quality Assurance
ISC Z	Environmental Management

Standardisation in the field of generic Islamic perspectives including management systems, food and non-food (excluded: preparation of standards related to specific products and industry sector)

MEMBERSHIP OF ISC I

Department of Islamic Development Malaysia

Department of Standards Malaysia

Federation of Malaysian Manufacturers

Halal Industry Development Corporation Sdn Bhd

Institute of Islamic Understanding Malaysia

Institute of Quality Malaysia

International Islamic University of Malaysia

Ministry of Health Malaysia

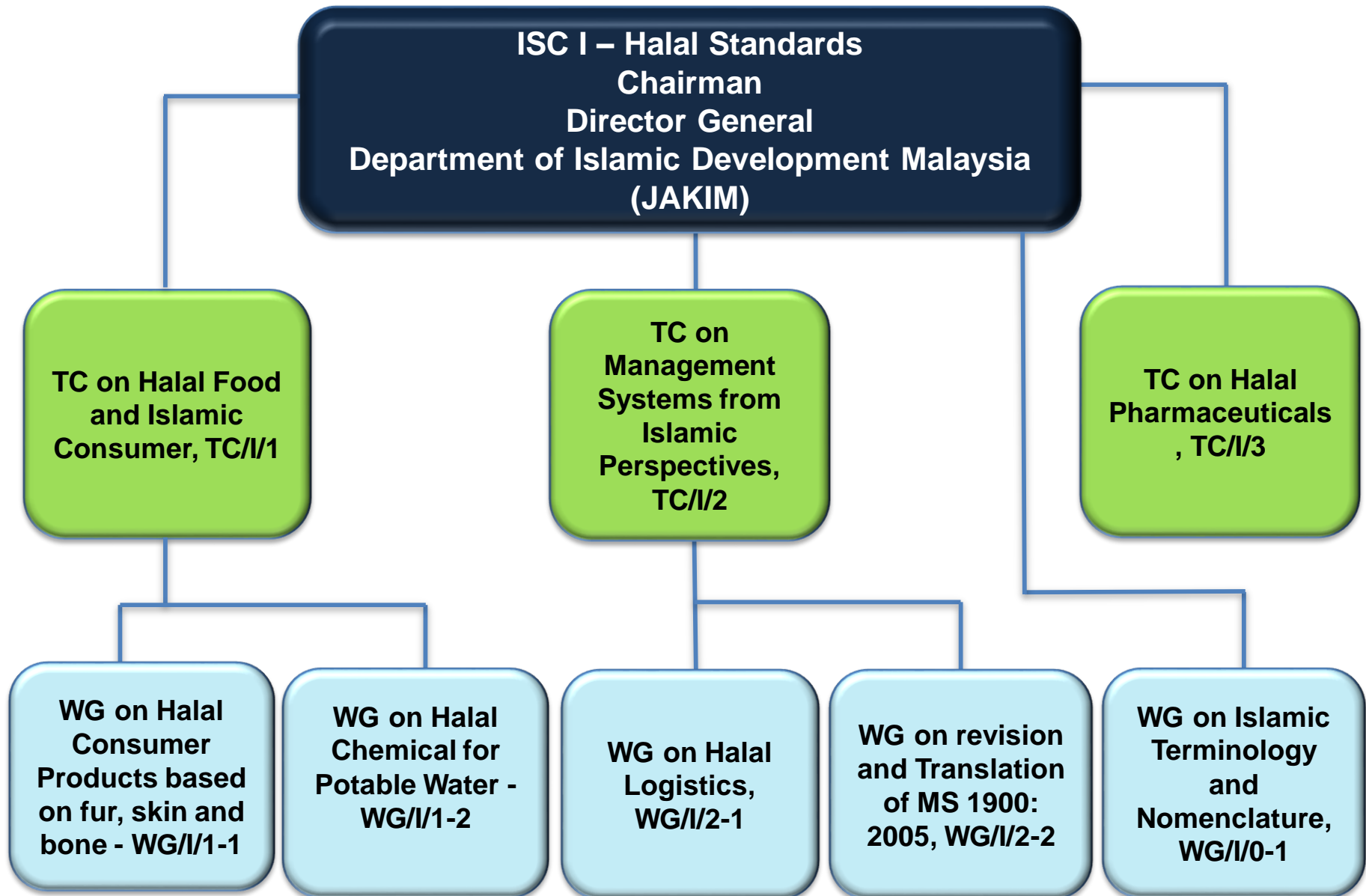Malaysian Agricultural Research and Development Institute

Malaysian Association of Standards Users

Ministry of Domestic Trade, Co-operatives and Consumerism

Ministry of International Trade and Industry Malaysia

Muslim Consumer Association

ISC I – HALAL STANDARDS STRUCTURE

ISC I – Halal Standards
Chairman
Director General
Department of Islamic Development Malaysia
(JAKIM)

TC on Halal Food and Islamic Consumer, TC/I/1

TC on Management Systems from Islamic Perspectives, TC/I/2

TC on Halal Pharmaceuticals, TC/I/3

WG on Halal Consumer Products based on fur, skin and bone - WG/I/1-1

WG on Halal Chemical for Potable Water - WG/I/1-2

WG on Halal Logistics, WG/I/2-1

WG on revision and Translation of MS 1900: 2005, WG/I/2-2

WG on Islamic Terminology and Nomenclature, WG/I/0-1

MEMBERSHIP OF TC ON HALAL FOOD AND ISLAMIC CONSUMER

Department of Islamic Development Malaysia
Department of Agriculture
Department of Fisheries Malaysia
Department of Veterinary Services
Federal Agricultural Marketing Authority
Federation of Malaysian Consumers Associations
Federation of Malaysian Manufacturers
Halal Industry Development Corporation Sdn Bhd
Institute of Islamic Understanding Malaysia
Malaysian Agricultural Research and Development Institute
Ministry of Agriculture and Agro-Based Industry Malaysia
Ministry of Domestic Trade, Co-operatives and Consumerism
Ministry of Health Malaysia
Ministry of International Trade and Industry
Mufti Wilayah Persekutuan
Muslim Consumer Association
Royal Malaysian Customs Department
SIRIM QAS International Sdn Bhd
Universiti Kebangsaan Malaysia
Universiti Putra Malaysia
Universiti Teknologi MARA

Back

Malaysian Standards (MS)

Consensus documents at national level
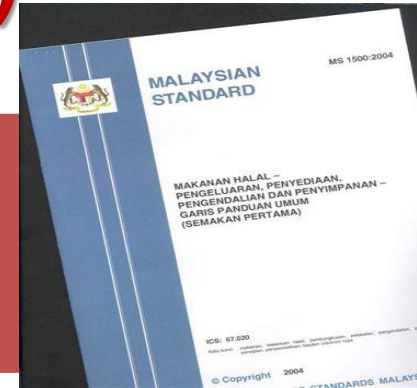
Developed by standards development committees under the Malaysian Standards development system. Public comment is part of transparency process

Approved by the Minister of Science, Technology and Innovation, in accordance with the Standards of Malaysia Act 1996.

Principle for MS development are based on Annex 3 to WTO/TBT Agreement, ISO/IEC Guide 59 & ISO/IEC Guide 21

MS STATUS AS OF 6 JANUARY 2014

ISC	Description	Cumulative MS developed	Aligned MS		MS in BM only	MS translated to BM
			IDT	MOD		
A	Agriculture	195	45	0	0	16
B	Chemicals and Materials	716	241	3	0	0
C	Consumer Interests	1	1	0	0	0
D	Buildings, Construction and Civil Engineering	385	54	2	0	0
E	Power Generation, Transmission and Distribution of Energy	607	398	52	0	3
F	Mechanical Engineering	357	217	5	0	0
G	Information Technology, Communications and Multimedia	691	616	0	0	0
H	Petroleum and Gas	250	81	4	0	0
I	Halal Standards	14	0	0	1	2
J	Plastics and Plastics Products	375	187	13	0	0
K	Packaging and Logistics	126	52	0	0	0
L	Road Vehicles	248	139	3	0	0
M	Fire Safety and Prevention	88	28	2	0	0
N	Rubber and Rubber Products	166	97	6	0	0
O	Organisational Management	11	6	0	0	0
P	Metallic Materials and Semi-Finished Products	286	192	10	0	0
Q	Textiles and Apparels	310	204	4	0	3
R	Medical Devices and Facilities for Healthcare	383	321	5	0	0
S	Electrical and Electronics Equipments and Accessories	460	360	23	0	0
T	Tourism, Exhibition and Hospitality Services	13	10	0	0	0
U	Food and Food Products	464	137	15	1	3
W	Occupational Safety and Health	226	164	4	0	0
Y	Quality Management and Quality Assurance	106	100	0	0	1
Z	Environmental Management	97	63	3	0	0
TOTAL		**6575**	**3713**	**154**	**2**	**28**
% OF ALIGNMENT TO INTERNATIONAL STANDARDS		**58.81%**				

ISC	Regulators	Total	Net Total
A	Federal Agricultural Marketing Authority	42	
	Malaysia Palm Oil Board	1	46
	Department of Agriculture	1	
	Malaysian Cocoa Board	2	
B	Ministry of Domestic Trade, Co-Operatives and Consumerism	7	
	National Water Services Commission	1	9
	Ministry of Health	1	
D	Fire and Rescue Department of Malaysia	7	
	Construction Industry Development Board	29	
	Department of Town and Country Planning	2	57
	Ministry of International Trade and Industry	3	
	Local Government Department	16	
E	Fire and Rescue Department of Malaysia	7	
	Construction Industry Development Board	2	
	Malaysian Communications and Multimedia Commission	3	86
	Energy Commission	74	
F	Fire and Rescue Department of Malaysia	3	
	Construction Industry Development Board	13	
	Ministry of Domestic Trade, Co-Operatives and Consumerism	1	20
	Ministry of International Trade and Industry	1	
	Department of Occupational Safety andHealth	2	
H	Fire and Rescue Department of Malaysia	4	
	Air Division, Department of Environment	2	
	Road Transport Department of Malaysia	1	8
	Construction Industry Development Board	1	
J	Fire and Rescue Department of Malaysia	1	
	National Water Services Commission	5	6
L	Road Transport Department of Malaysia	17	17
M	Fire and Rescue Department of Malaysia	38	
	Department of Town and Country Planning	1	39
N	Fire and Rescue Department of Malaysia	1	1
P	Fire and Rescue Department of Malaysia	1	
	Construction Industry Development Board	41	54
	Ministry of International Trade and Industry	12	
R	Energy Commission	1	1
S	Ministry of Domestic Trade, Co-Operatives and Consumerism	1	
	Energy Commission	88	89
U	Federal Agricultural Marketing Authority	1	1
W	Fire and Rescue Department of Malaysia	2	2
Z	Air Division, Department of Environment	2	2
	GRAND TOTAL		**438**

MALAYSIAN STANDARDS (MS) DEVELOPMENT PROCESS

Request for new standards

ISC approval of NP

Funding & Prioritisation

Draft Malaysian Standard (DMS)

Issue for public comment

Review public comment

ISC acceptance of final draft

Verification by Standards Malaysia

Approval by MOSTI Minister

SDA's role

Standards Malaysia's role

MOSTI's role

Publication
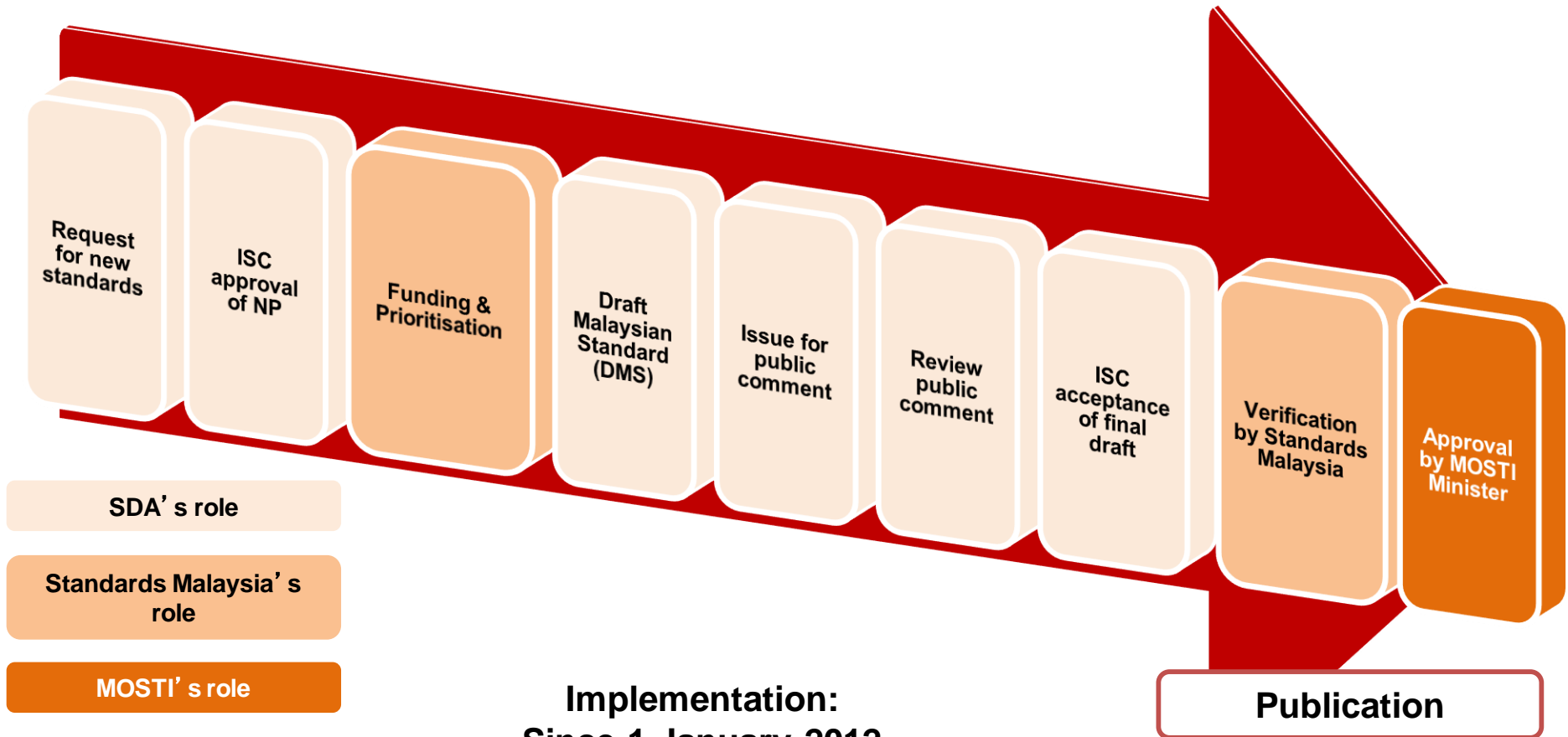
Implementation: Since 1 January 2012

Adoption: 4 – 9 months (previous : 9-12 month)

Indigenous: 1 – 1½ Years (previous : 2 ¾ - 3 Years)

MS 1500:2009 (E & M), Halal Food - Production, preparation, handling and storage - General guidelines (Second revision)

MS 1900:2014, Shariah-based quality management systems - Requirements with guidance(First revision)

MS 2300:2009, Value-based management system - Requirements from an Islamic perspective

MS 2393: 2013, Islamic and halal principles - Definitions and interpretations on terminology

MS 2424 : 2012 Halal pharmaceuticals - general guidelines

MS 2565:2014,Halal Packaging – General Guidelines

MS 2400 - 1:2010, Halalan-Toyyiban Assurance Pipeline - Management System Requirements For Transportation Of Goods and/or Cargo Chain Services

MS 2400 - 2:2010, Halalan-Toyyiban Assurance Pipeline - Management System Requirements For Warehousing And Related Activities

MS 2400 - 3:2010, Halalan-Toyyiban Assurance Pipeline - Management System Requirements For Retailing

MS 2200-1:2008 (E & M), Islamic consumer goods - Part 1: Cosmetic and personal care - General guidelines

MS 2200-2:2013 (E & M) - Islamic Consumer Goods - Part 2: Usage of Animal Bone, Skin and Hair - General guidelines

How to obtain MS ?

MS IS CREDIBLE ; WHY?

MS Development system is similar with ISO at all level

STANDARDS MALAYSIA prescribing to the principles laid by WTO for standards development; e.g. consensus, transparent

Various group of stakeholders are consulted & actively participate in the development process

Refer to the best practices, guidelines & standards of the world as stated by WTO & ISO

Developed to suit the requirement & need of the country

Use of MS on Halal

By Industry

- Industry complies to halal MS to obtain certification for their business.

By JAKIM

- Department of Islamic Development Malaysia (JAKIM) is the competent authority being responsible for halal certification.

National Standards Compliance Programme (NSCP)

Background on NSCP

STUDY BACKGROUND

ITEM	DETAILS
Project	SRI-CSL Focus Group 2
Start Date	28 February 2013
Report Accepted	9th May 2013

STUDY OBJECTIVE

To develop a **National Standards Compliance Programme (NSCP)** that will assist companies (especially SMEs) to increase their market competitiveness, in order to further penetrate global & domestic markets successfully by meeting standards requirements of products and services

KEY CONSIDERATIONS IN THE STUDY

1 **Understanding existing programmes**

2 **Learning from global best practices**

3 **Identifying key sectors with respect to standards**

4 **Designing national standards compliance programme**

Key Findings - Standards adoption is currently facilitated through several institutions

Institutions with standards compliance programmes[1]

STANDARDS MALAYSIA
- Provides knowledge sharing seminars, awards and tax benefits to encourage standards usage

SIRIM Bhd
- Provides training, information and advisory services on compliance with standards

Malaysia External Trade Development Corporation
- Provides export training and consultation to raise competitive-ness of Malaysia-made products

SME Corporation
- Provides overall support to SMEs, including assistance in branding

Malaysia Investment Development Authority
- Provides tax incentives for standardization in some sectors

Halal Industry Development Corporation
- Provides training, tax incentives, etc. to encourage recognized halal certification

Inland Revenue Board (LHDN)
- Provides tax incentives for standardization activities

Council of Trust for Indigenous People (MARA)
- Provides advisory and financial assistance to boost SME competitiveness

Malaysian Agricultural Research and Development Institute
- Provides quality assurance recognition

Malaysian Palm Oil Board
- Provides financial assistance for palm oil certification

Malaysian Rubber Export Promotion Council
- Provides financial assistance for standardization activities of rubber products manufacturers

Malaysian Timber Certification Council
- Provides assistance in certification of forest and timber products

Construction Industry Development Board
- Provides seminars, training and levy exemption for IBS certified companies

CyberSecurity Malaysia
- Provides publications and training for ICT Common Criteria certification

Standards Users
- Provides awareness events and campaigns targeted at consumers and SMEs

1) Not exhaustive

Key Findings - The existing standards compliance programmes are categorized into 4 main areas – strong focus on knowledge sharing and advisory

13 — Knowledge sharing & advisory

- Knowledge sharing seminars/ workshops
- Education on standardisation
- SMART Partner Programme
- WTO/TBT enquiry point
- Export Alert!
- Quality training and certificate programmes
- Groom Big Programme
- SME Competitiveness Rating for Enhancement (SCORE)
- Exporter Training Program
- Halal Training
- Standards Users awareness programme
- Business advisory services scheme
- MyCC Scheme

5 — Branding

- Users of Malaysian Standards award
- National Mark of Malaysian Brand
- Halal Featured Companies Program
- MARDI Quality Assurance System (MQAS)
- 1-InnoCERT

6 — Financial assistance

- Business Accelerator Programme (BAP)
- Skills Upgrading Programme
- Malaysian Rubber Export Promotion Council (MREPC) Incentive Programme
- Malaysian Timber Certification Scheme (MTCS)
- Business Standards Development Programme
- Roundtable on Sustainable Palm Oil (RSPO) Fund

5 — Fiscal incentives

- Tax deduction for international standardization activities
- Investment Tax Allowance for production of Halal food
- Double deduction for expenses for quality systems and standards and halal certification
- Halal Development Council (HDC) incentives for Halal industry players
- Industrialised Building Systems (IBS) certification reward and levy exemption

Key Findings - The most challenging issues for SMEs in standards compliance are awareness, understanding and resource constraints

Key challenges SMEs face in standards compliance

1 Awareness
- Lack of awareness on available and relevant standards

2 Competency
- Lack of understanding on concepts, principles and purposes

3 Cost
- Standard compliance takes up a large proportion of expenditure

6 Maintenance
- Difficulty to maintain standards after implementation from resources and effort perspective

5 Low perceived value
- Low priority placed on standards

4 Other resources
- Lack of human capital, infrastructure, etc. for implementation of standards

35%
30%
22%
13%

Legend:
- Awareness and competency
- Ressources (funds+others)
- Low perceived value
- Maintenance

Key Findings - Key learnings for the NSCP are from the perspective of ensuring awareness, effectiveness, centralised and comprehensiveness

Key weaknesses across existing programmes

Lack of industry awareness about programmes	• Industry players and consumers alike, are often not aware of the existence of programmes • Companies cannot participate if they are not aware
Limited tracking of effectiveness of programmes	• Most programmes (except a few) do not have monitoring mechanisms or feedback loops; There is no way to gauge effectiveness of programmes • Even when parameters are tracked, there is no further analysis to determine effectiveness and assist with targeted measures
Lack of programmes that address funding issues	• There are very few programmes that provide financial assistance specific to standards
Programmes are fragmented across agencies	• Companies must go through the various agencies to for different programmes
Lack of coordination and collaboration among agencies	• There is little coordination and collaboration across agencies that provide standards-related programmes, resulting in asymmetry in information among agencies
Not suited for companies that are not "ready"	• Some programmes are very stringent in nature and only suited for companies that have the capabilities to comply to stipulated standards

Implications for NSCP design

- **Develop targeted promotion of programmes** to ensure awareness of programmes

- Ensure that **monitoring mechanisms are developed and implemented**
- Ensure that **tracking mechanisms are utilised to further improve programme**

- Ensure standards compliance programme includes adequate funding mechanisms to facilitate compliance

- **Develop a coordinated centre** for all programmes across agencies so that users deal with one agency

- **Develop a coordinated centre** for all programmes across agencies so that relevant information is captured

- **Ensure standards compliance programme encompasses all stages of company readiness**

Key Findings - Common successful elements are found across benchmarks with regards to standards promotion and adoption initiatives

Elements	Malaysia	Singapore	South Korea	Germany	Thailand	Indonesia	Europe
Involvement in stages of standardisation process[1]	Understanding, access, usage	Understanding, access, usage, development	Understanding, access, usage, development	Understanding, access, usage, development	Understanding, access, usage	Understanding, access, usage	Understanding, access, usage, development
Types of initiatives	Advisory, funding, fiscal, training, education	Mainly funding	Advisory, funding, training, education	Advisory, funding, training	Advisory, funding, training, education	Advisory, training, education	Advisory, training
Measure to track effectiveness	Low	High	High	Medium	Low	Low	High
Involvement of trade associations	Medium	Very High	Low	Very high	Low	Low	High
Dedicated SME initiatives & a one-stop center	No	Yes	Yes	Yes	Yes	No	Yes
Utilisation of tools (IT, targeted comms)	Low	High	Medium	High	Medium	Medium	High

1) Understanding, access, usage, feedback, standards development

Key Findings – Focus sectors

Conclusions on focus sectors

These sectors are focus sectors for promotion of standards and targeting respective trade associations; however, all sectors are eligible for any assistance recommended under the NSCP components

Based on options analysis

- High economic value of the sector for Malaysian SMEs
- High importance of standards for the economic growth of the sector
- Lower current usage rates of voluntary standards in the sector in Malaysia

+

Based on benchmarks & local specificities

- New emerging sectors in the global economy
- High importance of standards with the objective of achieving economical and environmental sustainability
- Specific local sectors where Malaysia enjoys competitive advantage

Wholesale & Retail

Electrical & Electronics

Machinery & Equipment

IT & comm.

Healthcare

Food, beverages & tobacco

Basic & fabricated metals

Construction

Rubber & plastic products

Business services

Environment mgmt

Halal

Palm oil

Green technology

Energy efficiency

Component of NSCP

	COMPONENT	OBJECTIVE
National Standards Compliance Programme	1 Information dissemination	To generate awareness on standards and the benefits of standardisation
	2 Advisory	To provide advisory services for companies interested in adopting standards
	3 Tools	To provide a one-stop online information centre for both national and international standards to improve accessibility and simplify usage
	4 Reward and recognition	To encourage standards users to demonstrate achievements from successful implementation of standards
	5 Fiscal assistance	To provide tax deductions on costs incurred during standards compliance for SMEs
	6 Enablers	To provide enablers for SM and trade associations to effectively carry out their tasks

Implementation on NSCP – Phase 1 (2013-2014)

STANDARDS MALAYSIA

NATIONAL STANDARDS COMPLIANCE PROGRAMME (NSCP)

SME CORP MALAYSIA

ORC ONE REFERRAL CENTRE *Your Business Meeting Point*

NSCP One-stop centre

Advisory on standards compliance

NSCP COMPONENTS

1. Information dissemination
2. Advisory

Information on standards compliance

Portal on NSCP

Industries and public
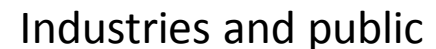
Implementation on NSCP – Phase 2 (2015 onwards)

Increase the competitiveness of Malaysian product and services, marketability in domestic and foreign market and organisational efficiency and productivity through standards compliance

Increase awareness, buy in and adoption of standards by industries

NATIONAL **STANDARDS** COMPLIANCE PROGRAMME (NSCP)

Collaboration on standards compliance

SME CORP MALAYSIA

and other implementing agencies such as

MREPC
CyberSecurity MALAYSIA
MPOB
MIDA
CIDB MALAYSIA
mtcc

Portal on NSCP

Information on standards compliance

ORC ONE REFERRAL CENTRE
Your Business Meeting Point

SME CORP MALAYSIA

FrontDesk SERVICES

Advisory on standards compliance

Industries and public

NSCP COMPONENTS

1 Information dissemination

2 Advisory

3 Tools

4 Reward and recognition

5 Fiscal assistance

6 Enablers

Planned Activities for 2014

Industry Capacity Building

- Business Matching
- 6 Regions (Central, Southern, East Coast, Northern, Sabah, Sarawak)
- 25 Sessions
- Popular Standards – MS ISO 9001, MS ISO 14001, MS 1722, MS ISO 27001, Halal Standards

Collaboration with implementing agencies

- SME Corp. Malaysia
- MIDA
- GreenTech Malaysia
- MIDF
- MARA
- SME Bank
- CyberSecurity
- MoH
- MoA
- Economic Corridors

Promotion

- Content Management
- Participation in Major Events
- Official Launch
- Media coverage – Mains stream TV, Radio, Business Write-up

NSCP OSC

- Advisory on Standards
- Appliication of Accreditation
- Sales of MS

CONCLUSION

- All MS on Halal are highly regarded at the national and international level as the development are according to the principles laid by the WTO and ISO.

- Development of MS on halal is transparent through balance representation of interest, i.e. government, certifier, professional body, academia, consumer, NGO, subject matter expert

Malaysia Halal Certification
Agency:
Department of Islamic Development Malaysia (JAKIM)
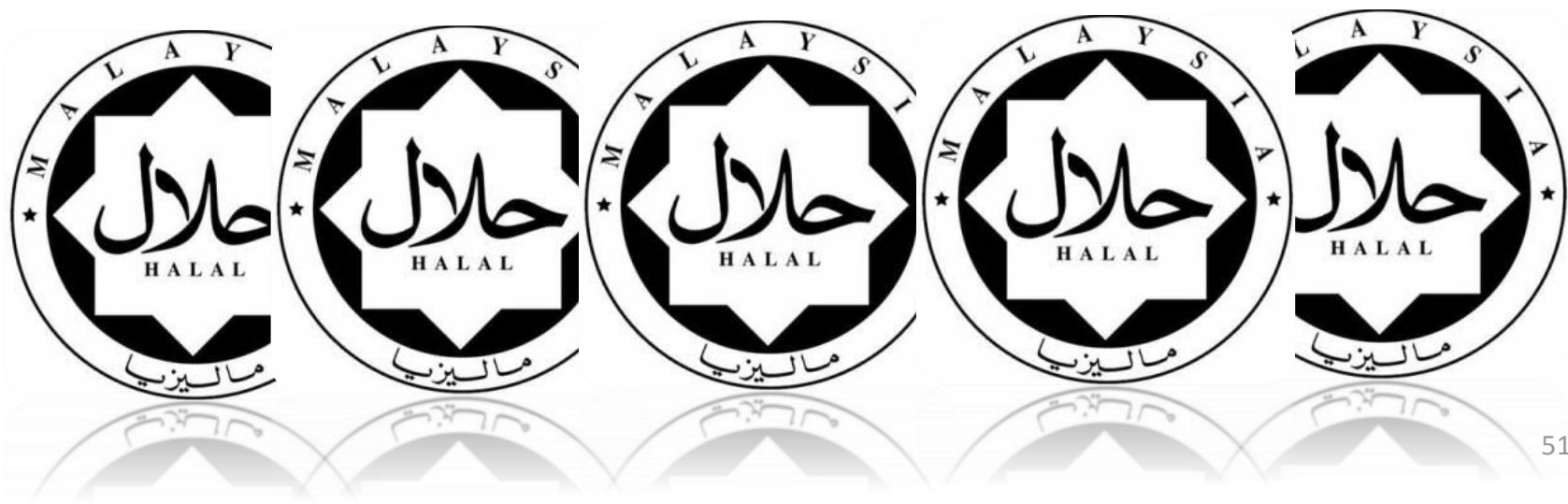
Jakim: An Introduction

- Jabatan Kemajuan Islam Malaysia (Jakim) (*Eng.: Department of Islamic Development Malaysia*)

- is a government body under the purview of The Prime Minister's Department

- administers and manages the Islamic Affairs and Muslim welfare in Malaysia

- Halal Hub Division is a division under Jakim besides another 20 divisions.

http://www.islam.gov.my/en/about-jakim

Source: JAKIM

Jakim: An Introduction (cont.)

THE PRIME MINISTER'S DEPARTMENT

National Council of the Islamic Affairs — Fatwa Council

Jakim

Steering Committee on Halal Certification

Advisory Committee

Halal Hub Division

Source: JAKIM
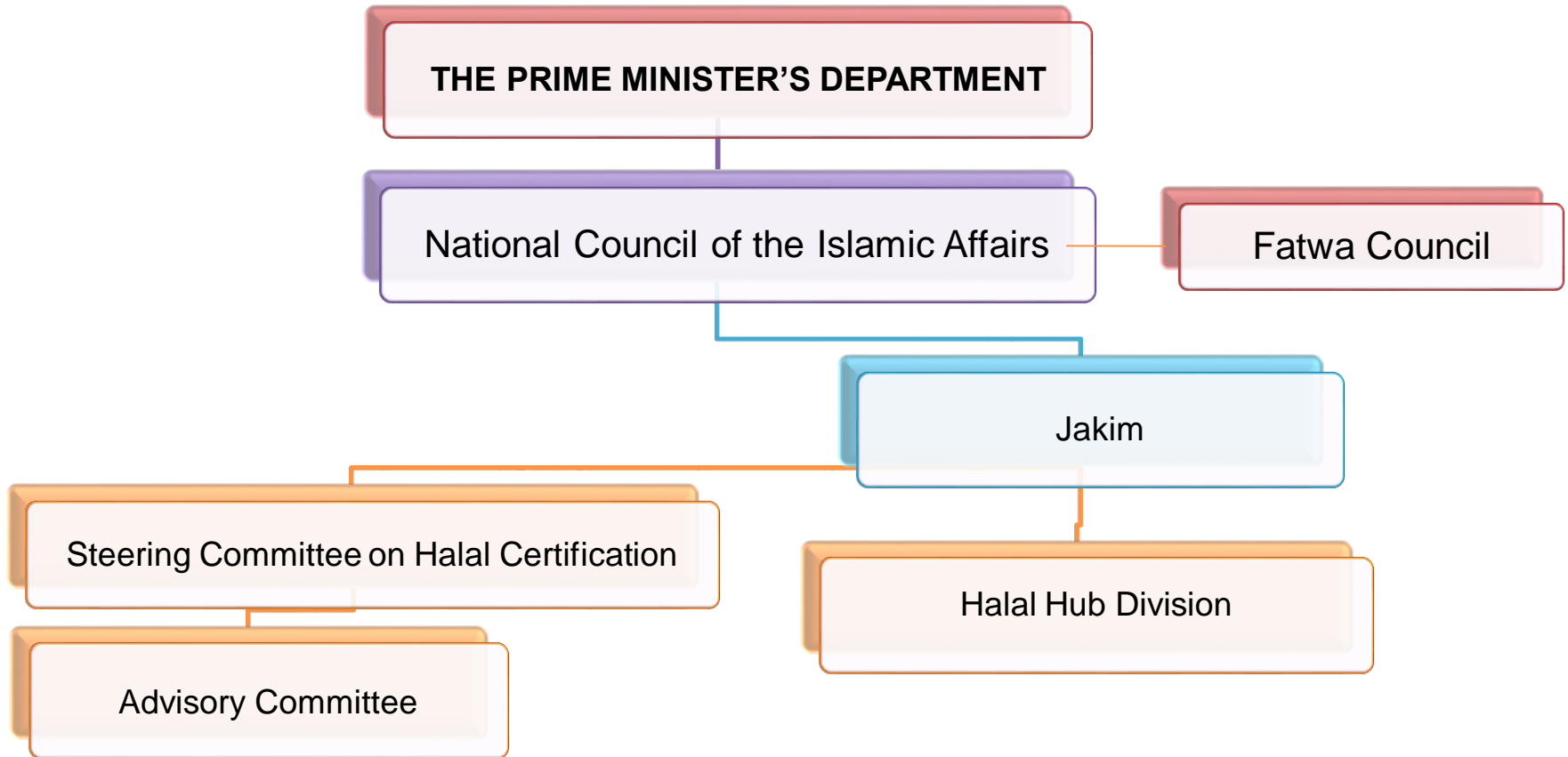
Halal Hub Division: Functions

Halal Certification Policy

Halal Certification Activities

Monitoring and Enforcement

Validation/ Accreditation of Certifying Bodies and Slaughterhouses

Source: JAKIM
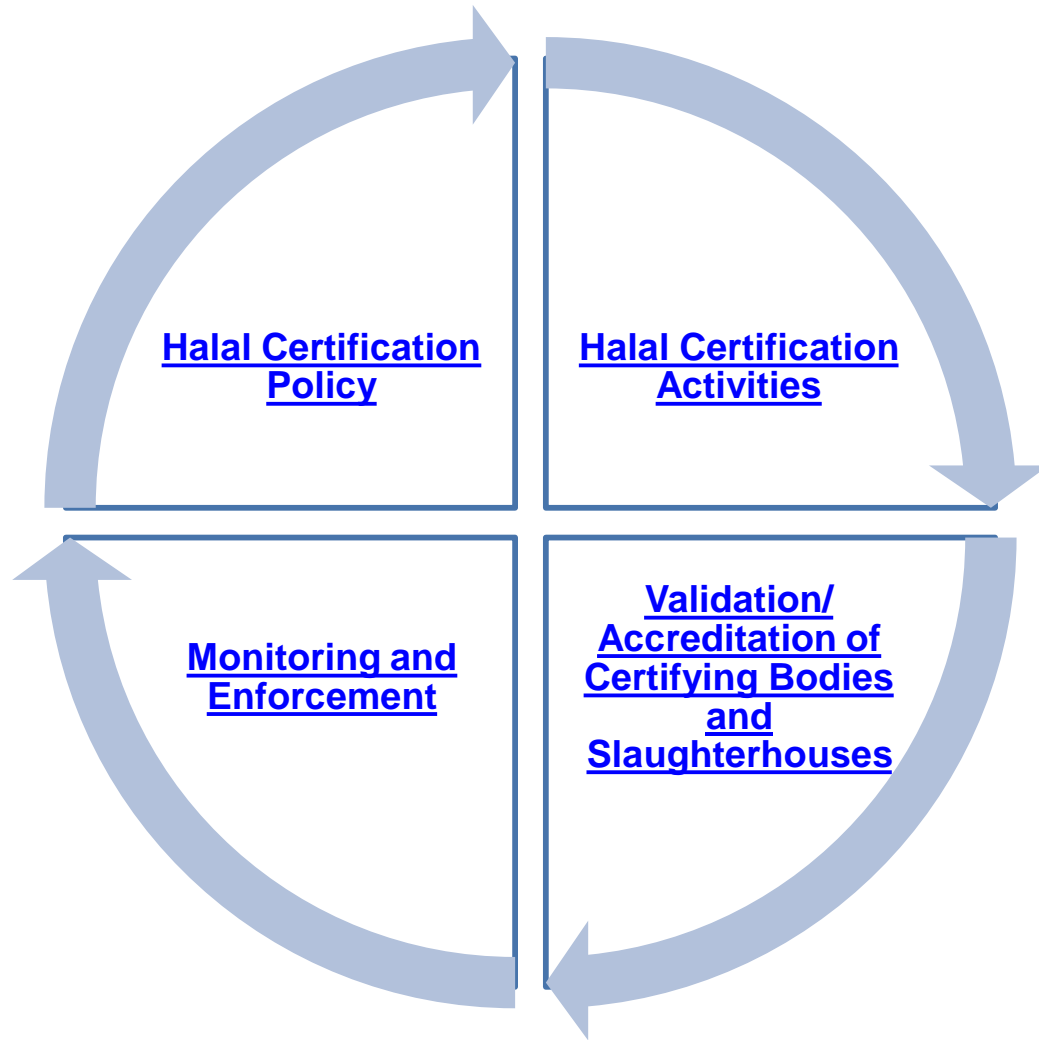
1. **Halal Certification Policies**

❑ involves policy formation and endorsement through various committees, i.e Halal Steering Committee; Halal Advisory Committee and Halal Certification Panels;

❑ policy formulation & committees involve Syariah & Food Science/ Technology expertise, officials and Fatwa Committee Representatives; Industry Representatives, NGO's or Consumer Associations' Representatives

Source: JAKIM

2. Halal Certification Activities

Issuance of halal certificate to the industry upon compliance of standards and requirements of the Manual Procedures of the Malaysia Halal Certification;

Scope of requirements:

❑ Raw materials and ingredients
❑ Processing
❑ Equipment and processing aids
❑ Hygiene and sanitation
❑ Workers
❑ Packaging
❑ Storage
❑ Transportation

Source: JAKIM

3. Monitoring and Enforcement

Involves monitoring the use of halal logo among industries through Trade Description Act (TDA) 2011:

- ***Trade Descriptions (Definition of Halal) Order 2011***
  (defines <u>halal and other related expressions</u> to halal; defines an <u>offense</u> for deceiving or misleading consumers pertaining to halal, defines <u>penalties</u>);

- ***Trade Descriptions (Certification and Marking of Halal) Order 2011***
  (defines Jakim and MAIN/ JAIN as the <u>competent authorities</u>; <u>illegalize self-declaration</u>; all <u>halal declared</u> products/ consumables <u>must obtain halal certification</u>, imported products bearing halal logo must be <u>recognized by Halal CB accredited by Jakim</u> and creates <u>offenses and penalties</u>);
  http://www.federalgazette.agc.gov.my/

Source: JAKIM

4. Validation/ Accreditation of Certifying Bodies and Slaughterhouses

❑ material used in local food production are mostly imported products which requires the appointment of reputable and reliable foreign halal certification bodies to monitor the Halal status (more at: http://www.halal.gov.my/v3/index.php/en/guidelines/international-islamic-bodies)

❑ involves abattoirs/ plants audit process;

❑ started in 1982, concerned of halal focused on imported meat;

❑ close co-operation with the Department of Veterinary Services (DVS) Ministry of Agriculture and Agro-based Industry;

❑ the plants must be inspected and approved by Jakim and DVS;

❑ all meat and meat based products (including poultry) imported to Malaysia must be halal certified by the recognized Certifying Bodies/ Islamic organization;

❑ applies Malaysia Protocol for Halal Meat and Poultry Productions 2011 - http://www.halal.gov.my/v3/index.php/ms/garis-panduan/malaysia-protocol-for-halal-meat-and-poultry-productions-2011.

Overview: Halal Certification

Voluntary basis

Value added to the products (food and consumables)

facilitating halal trade and services

Source: JAKIM

Source

Transportation

Production

Processing & Packaging

Storage

Retail
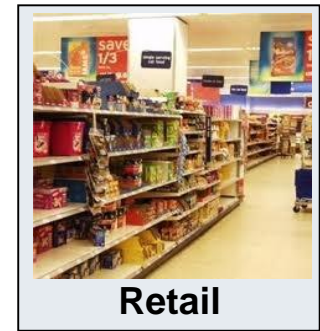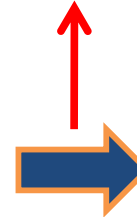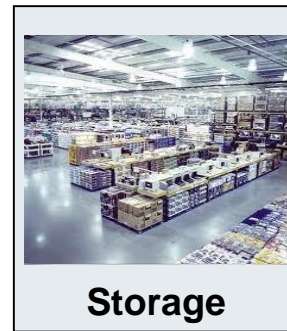
Overview: Halal Food Chain

CONSUMERS
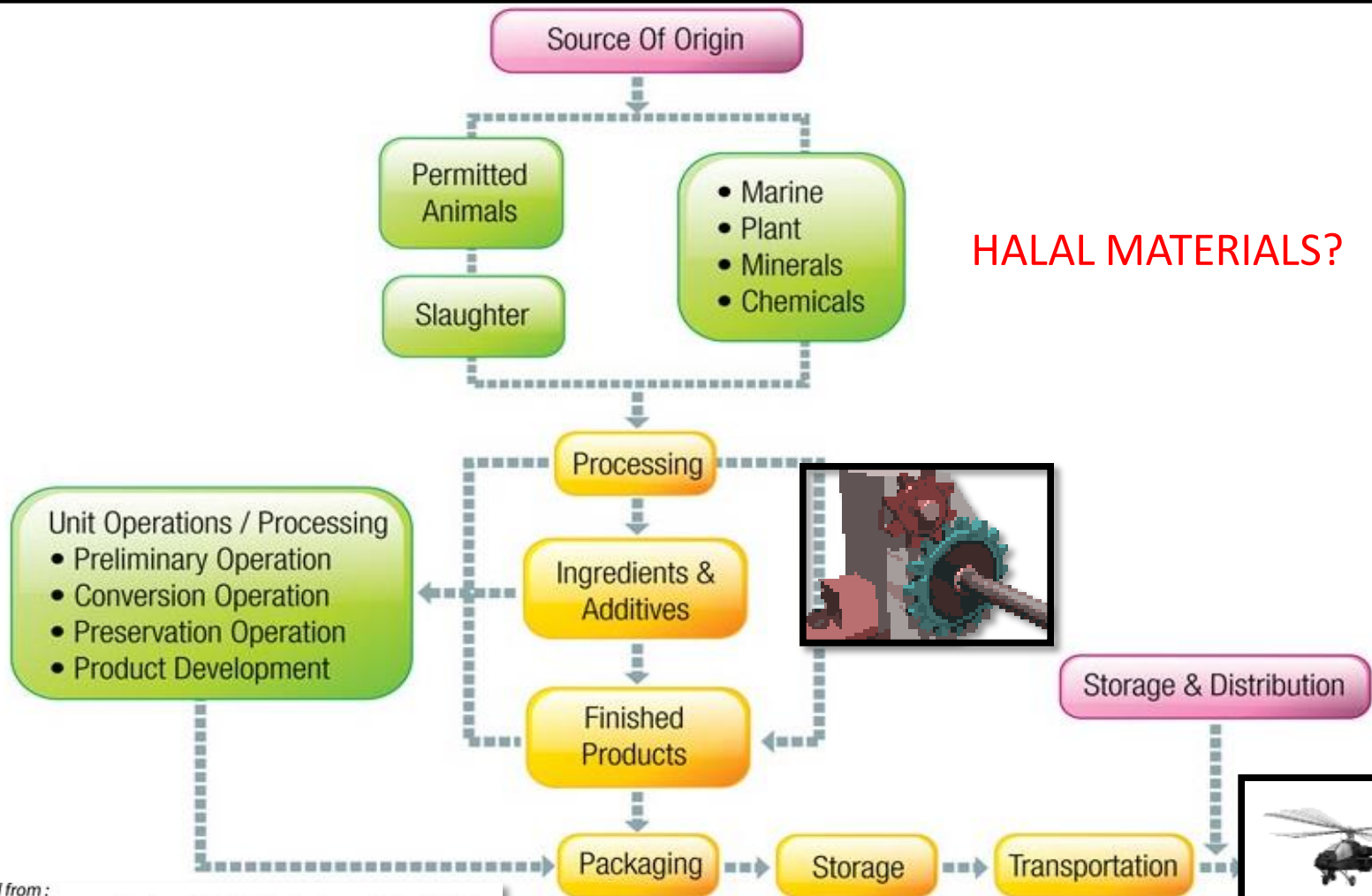
Overview: Halal Food Chain

Source: JAKIM

Overview: Malaysian Government's Roles on Halal

Ensure Muslims Get Their Right For Halal Food
- Rules and Regulations
- Halal Certification
- Monitoring and enforcement

Provide Proper Guidelines
- Halal Standards
- Halal Assurance System*

Public Awareness
- Campaign
- Halal Expo
- Media

* http://www.halal.gov.my/v3/images/stories/pdf/HAS/halalassurancesystem.pdf
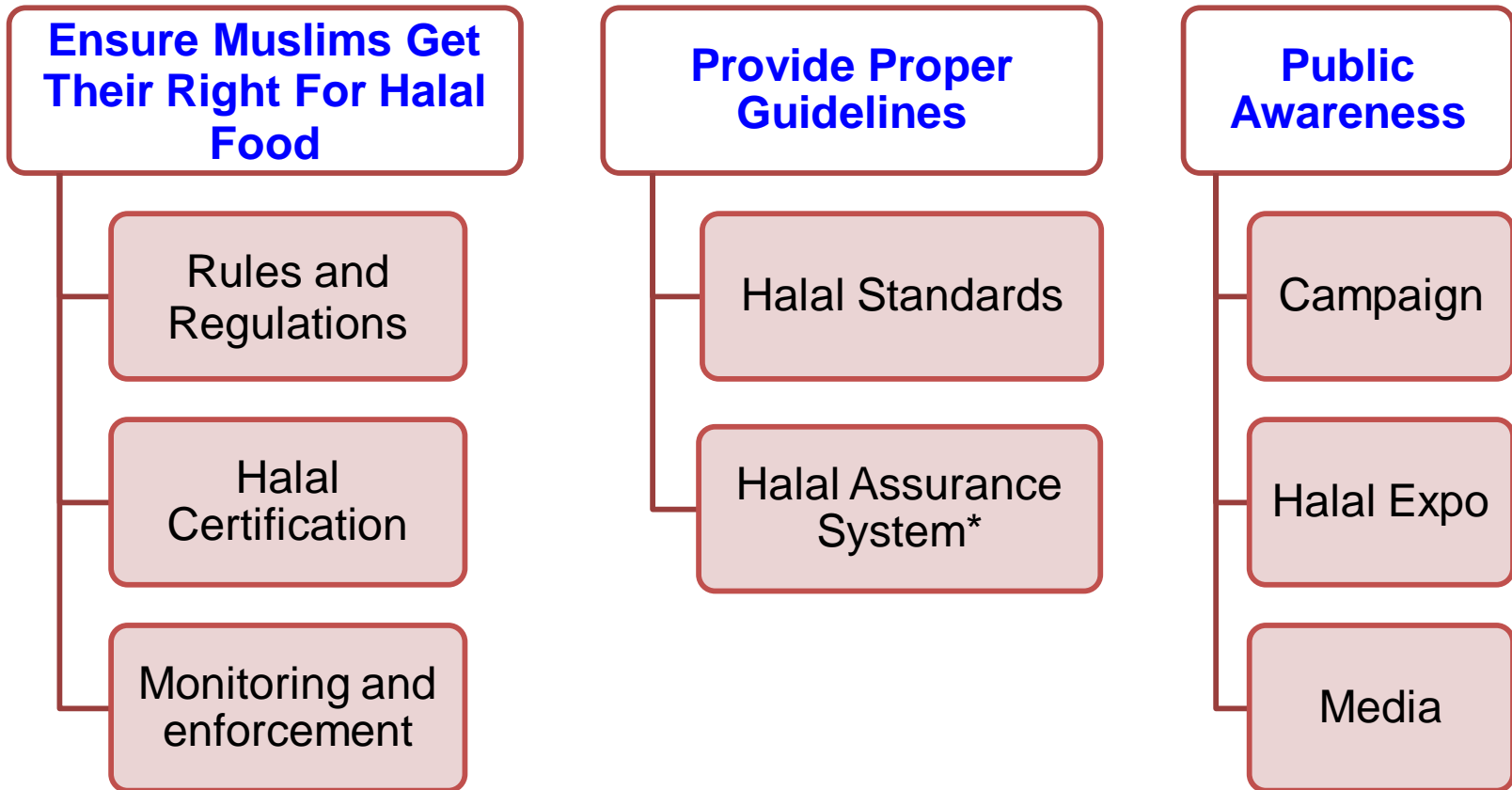
Source: JAKIM

Malaysia Halal Certification: Halal Standards

Practical guidelines for the halal industry on the preparation and handling of halal product and to serve as a basic requirement for food product and food trade or business in Malaysia.

Applied by Jakim for Halal Certification.

Syariah requirements are incorporated in the Halal Standards.

Source: JAKIM

Malaysia Halal Certification: Schemes

1) Food/ drinks/ supplements

2) Food premises/ Restaurant/ Kitchen (Hotel)/ Catering

3) Consumable/ Consumer goods

4) Cosmetics and toiletries

5) Slaughterhouses

6) Pharmaceuticals

7) Logistics

Source: JAKIM

Flow Process of Halal Certification

APPLICATION PROCESS

AUDIT PROCESS

APPROVAL PROCESS

REGISTER ONLINE-
CREATE ID & PASSWORD

VERIFY ACCOUNT WITHIN
24 HOUR (1 DAY)

FILL IN THE APPLICATION FORM

SUBMISSION OF
SUPPORTING DOCUMENT
WITHIN 5 WORKING
DAYS AFTER
THE APPLICATION
IS POSTED ONLINE

NO

DOCUMENT COMPLETED?

YES

ISSUE INVOICE LETTER

PAYMENT
WITHIN 14 WORKING DAYS

THE RECEIPT WILL BE ISSUED
WITHIN A DAY AFTER PAYMENT IS RECEIVED

RE-SUBMISSION

AUDIT PROCESS TO THE PREMISE

NO

NCR ?

YES

CORRECTIVE
ACTION

REPORT

CERTIFICATION
PANEL

APPROVED?

NO

YES

THE APPLICANTS
WILL BE
NOTIFIED BY
AN OFFICIAL
LETTER IF THEY FAIL

HALAL CERTIFICATE WILL
BE ISSUED WITHIN
5 WORKING DAYS

MONITORING &
ENFORCEMENT

APPLICANT
PROCEDURE

JAKIM
PROCEDURE

Source: JAKIM

Malaysian Protocol of Halal
Meat and Poultry Productions 2011

- The Malaysian Protocol prescribes practical guidelines for abattoirs/ slaughterhouses on slaughtering, stunning method, further dressing process, storage and transportation of halal meat, poultry and their products.

- The Protocol is a supplement requirement for the existing Malaysian Halal Standard (MS1500: 2009 Halal Food - Production, Preparation, Handling And Storage - General Guidelines (Second Revision)).

- The Department of Islamic Development Malaysia (Jakim) and the Department of Veterinary Services (DVS) must inspect each plant prior to listing before making any recommendation for listing.

Source: JAKIM

Malaysian Protocol of Halal
Meat and Poultry Productions 2011 (cont.)

Establishments applying for Malaysian approval shall comply with:

- this Protocol;
- MS1500: 2009 Halal Food - Production, Preparation, Handling And Storage - General Guidelines (Second Revision); and
- the import requirements under the Animal Rules 1962, Animals Act 1953 (reviewed 2006).

http://www.halal.gov.my/v3/index.php/ms/garis-panduan/malaysia-protocol-for-halal-meat-and-poultry-productions-2011

Real also: Implementation of Inspection Services at Foreign Abattoirs and Processing Plants for Export of Meat and Products of Animal Origin to Malaysia

http://www.dvs.gov.my/documents/10157/95bd5091-9592-4bb5-9ae3-d6f049ede111

Source: JAKIM

RECOGNISED HALAL BODY*

Institut Marocain de Normalisation (IMANOR) - The Moroccan Standards Institute
(Moroccon Ministry of Trade and Industry)
Angle Avenue
Kamal Zebdi et Rue Dadi
Secteur 21, Hay Riad
MA-10100 Rabat

Tel: +212 537 5724 43/ 49/ 50
Fax: +212 537 7117 73
E-mail: imanor@mcinet.gov.ma
Web: www.imanor.ma

*based on the visit by Mr Abderrahim TAIBI, the Director of the Moroccan Institute of Standardization (IMANOR) to Halal Hub Division on 20 January 2014

IMANOR
Institut Marocain de Normalisation
المعهد المغربي للتقييس

CERTIFICAT HALAL
nb LH/2012/002-2

Moroccan Institute for Standardization certifies that the following products:

- Fruit compotes
- Meals with vegetables and meats
- Meals with vegetables and fish
- Fruit drinks for babies
- Preparations based on cereals

Manufactured by the company:

AGRO FOOD INDUSTRIE

102, Route de Safi-Quartier Industriel Sidi Ghanem – Marrakech – MAROC

Comply with the Moroccan Standard related to Islamic Rules for Halal Food.

This certificate is valid until the 06th of September 2015.

Rabat, on the 16th of September 2013

Director of IMANOR

Signed by: Abderrahim TAIBI

SAMPLE

Source: JAKIM

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Issues and Challenges on Halal Certification

- Harmonising Halal Certification among states
- Competency of industry personnel
- SME development
- Sufficient audit resources

Industry Development Agency:
Halal Development Corporation (HDC)

HALAL ECOSYSTEM IN MALAYSIA
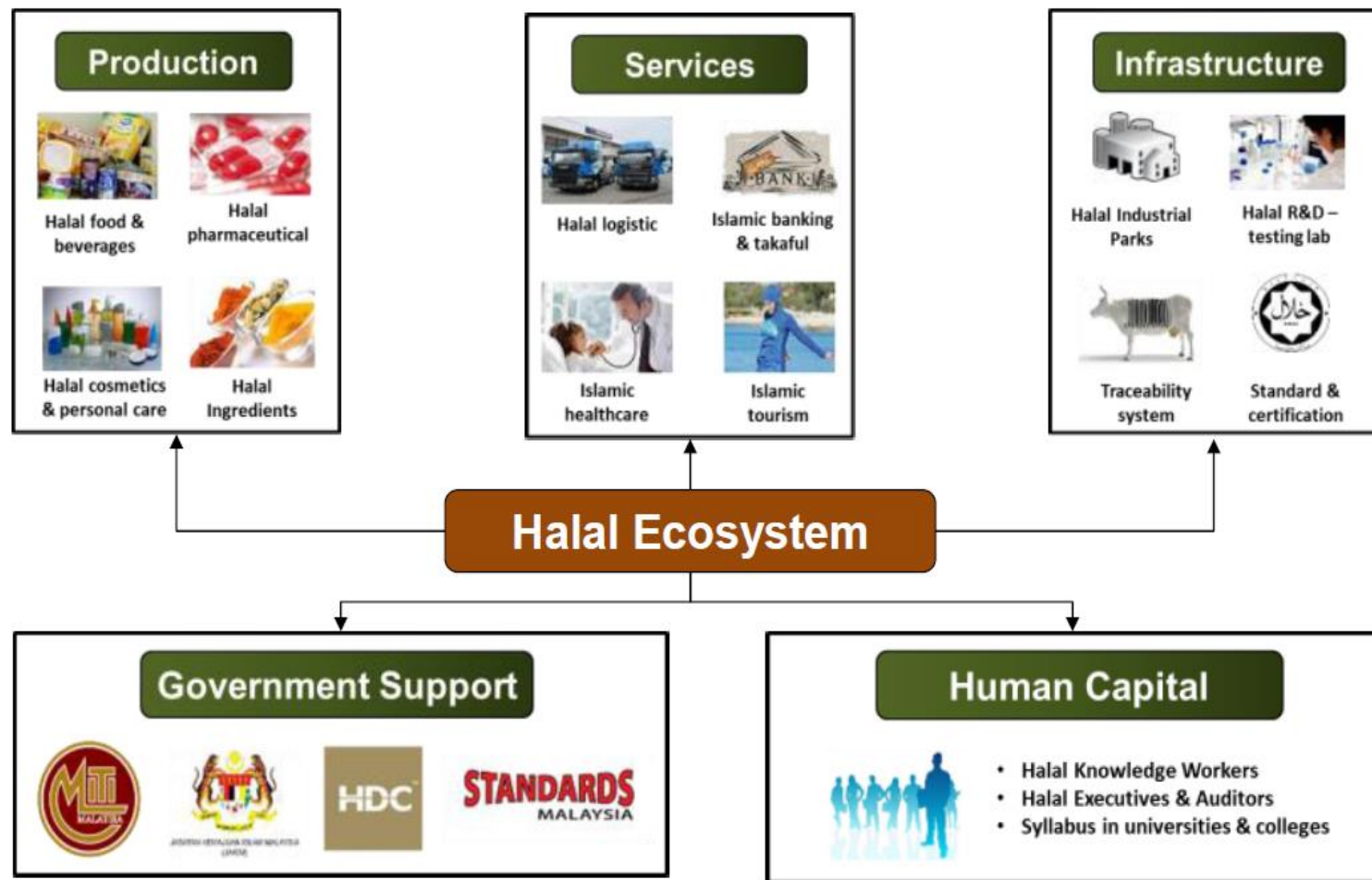
"Halal as the new source of economic growth"

Source: HDC

A Statement by the Economic Planning Unit, Prime Minister's Department

Industry Development

Sectors	Current Situation	Weaknesses
Processed food	• 321 from 743 companies exporting	• Small and fragmented • Very few with HACCP and GMP compliance • Low value products
Cosmetics / Personal Care	• 40 from 743 companies exporting • All companies are GMP certified	• Restricted market access • Lack of product innovation • Lack of branding
Meat / poultry / fish / agriculture	• Self sufficient production of poultry • Good knowledge on contract farming	• High cost (30-150% higher) • Non-compliant to EU requirements • Not FMD-free (except East Malaysia).
Ingredients	• Lead by large corporations and multinational companies • Active R&D in palm oil / oleo chemical	• Lack of supply - >80% imported • High technology – high cost of production – low commercialization rate

Source: HDC

1	**Capacity Building**
	• Halal Best Practices • Halal Business Mentoring • Halal Premium
	>700 companies facilitated; >RM500 million sales generated

2	**Global Halal Support Centre**
	• Knowledge Gathering • Knowledge Analysis • Knowledge Dissemination • One Touch Point
	>14 million visitors utilization p.a from >120 countries

3	**Training and Consultancy**
	• Industry Training • Human Capital Training • Technical Consultancy
	>10,000 people trained p.a; >100 new halal companies p.a

HDC

4	**Investment Facilitation**
	• Halal Industrial Parks • Halal Incentives • Customized facilitation
	>RM1 billion FDI to Halal Industrial Parks p.a

5	**Trade Facilitation**
	• Export Promotions • Market Access • G to G Collaborations
	New market for exporters; product acceptance in >10 countries

6	**Branding and Positioning**
	• World Halal Research • Halal @ CNN / CNBC • International Magazines
	>600 million viewers in CNN and CNBC

Source: HDC

Capacity Building

Halal training and Professional Development

Primary objective

-To promote Halal knowledge and increase competency of industry players

-To create supply and increase readiness of Halal industry players

- To increase capacity of Halal talent programme

Source: HDC

Capacity Building

Halal training and Professional Development

Targeted Areas

-Development of training modules in relation to Halal talent programme

-Provision of training on the fundamentals of Halal and halal auditing for local ad international public and industries

-Provision of customized advisory services on Halal to numerous local SMEs and MNCs on its readiness in halal certification

Source: HDC

Halal Talent Development

- **Background**

Initiation of Halal Development HDC-PEMANDU Lab

- **Objectives:**

-to increase capacity of halal knowledge training in achieving the Halal Industry Master Plan 2008

-to increase employability of Halal workers to support the halal industry players

Source: HDC

Halal Business Transformation

Scope	Description
Halal Best Practices	Companies will be guided to apply best manufacturing practices through the adoption of recognised standards and cerifications in the Halal industry
Halal Success Stories	Selected successful companies will be promoted via effective branding initiatives and facilitation via the development of new business opportunities and / or expansion plans
Halal Business Monitoring	Participating companies will be facilitated in setting up of new marketing channels including business and sales opportunities into the domestic and global Halal markets

Source: HDC

SME Mentoring Programme

Contents

- **State of the Halal Industry: Current Perspective & Future Growth and Halal Standards**
- **What is the Malaysian Food Regulation?**
- **The Best Halal Practices**
- **Increase Productivity**
- **Nestle's Sales & Marketing Tips**
- **What it takes to supply to MNCs**
- **What's available for SMEs?**

OBJECTIVE

- Enhancing the understanding and knowledge in the aspect of production, sales & marketing in regards of Halal Certification through the knowledge sharing by Nèstle

IN COLLABORATION WITH:

SMECORP MALAYSIA

Nestlé

HDC
Halal Industry Development Corporation

Source: SME Corp

Halal Parks

MALAYSIA AS CENTRE OF HALAL PRODUCTION
ANCHORED BY DESIGNATED INDUSTRIAL AREAS

HDC

> **Halal Parks**

Dedicated industrial estates for the production of halal products

Main Halal Parks in Malaysia

Biotech Halal Cluster (Negeri Sembilan)

Agriculture Cluster (Sarawak)

Halal Industrial Cluster (Selangor)

SME Halal Cluster (Melaka)

Incentives

halmas

An accreditation given to the Halal Park Operators who complied with the requirements under the HDC Designated Halal Park Development Guidelines

Incentives for Halal Park Operators

- 100% tax exemption for 10 years or capital expenditure for 5 years
- Exemption on import duty on cold room equipments

Incentives for Halal Companies Operating within Halal Park

- 100% tax exemption on export revenue for 5 years or capital expenditures for 10 years
- Double deduction for obtaining international certification

Incentives for Halal Logistic Operators

- 100% tax exemption for 5 years or capital expenditures for 5 years
- Exemption on import duty on cold room equipments

Achievements

Total Investment
RM 7 billion

Total Employment
4,500

Total MNCs
18

Total SMEs
104

16

Source: HDC

MALAYSIA AS CENTRE OF PRODUCTION
SUCCESS STORIES

Nestlé

- Make Malaysia as Halal Centre of Excellence for Nestle world wide.

- Biggest Halal Producer in the world

- Exports its products to more than 50 countries, imports from 85 Nestle factories

- Spur the development of local halal vendors

Cargill

- Regards Malaysia as an important Hub for Halal to serve its customers in more than 70 countries

- Taking full advantage of abundant halal raw materials (palm oil based) in Malaysia

- The refinery is located in Halal Park PKFZ

Other Major Players in Malaysia

Coca-Cola   PureCircle   F&N pure enjoyment . pure goodness   oleon A NATURAL CHEMISTRY

AJINOMOTO   TAISHO   ccm CHEMICAL COMPANY OF MALAYSIA

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Global Halal Support Centre

1ST IN THE WORLD!
GLOBAL HALAL SUPPORT CENTRE

HDC | GHSC

13.7 MILLION VISITORS' (PHYSICAL & ON-LINE) UTILIZATION
ON GHSC'S PRODUCTS AND SERVICES
130 COUNTRIES

221 INTERNATIONAL DELEGATES
33 COUNTRIES

Services Offered:-

Knowledge Gathering
Knowledge Analysis
Knowledge Dissemination
One Touch Point

*Video on GHSC

Source: HDC

Part IV: Regional and International Platform

Regional and International Platform

Platform	Cooperation Bodies
Sub-regional	Indonesia –Malaysia-Thailand (IMT) Growth Triangle Working Group on Halal Products and Services
Regional	ASEAN Working Group on Halal Food
International	Standards and Metrology Institute for Islamic countries (SMIIC)

Conclusion/Recommendation

Use of standards that are credible and according to international practices

Transparent criteria and documentation

Supported by technological advancement

Inter-agency collaboration

Halal model controlled by Government is seen to be successful in developing and promoting halal industry

Main Contacts

AGENCY	CONTACT DETAILS
Department of Standards Malaysia	**Century Square, Level 1 & 2, Block 2300, Jalan Usahawan, 63000 Cyberjaya, Selangor Darul Ehsan, MALAYSIA** **Tel : +603-8318 0002 Fax : +603-8319 3131** **http://www.jsm.gov.my/**
Department of Islamic Development Malaysia (JAKIM)	**Halal Hub Division** **Department of Islamic Development Malaysia (Jakim)** **Level 1 & 3, PjH Tower** **No. 2, Jalan Tun Abdul Razak** **Presint 2** **62100 Putrajaya** **Tel: 03-8892 5000 ; Fax: 03-8892 5005** **http://www.halal.gov.my/**
Halal Industry Corporation (HDC)	**Halal Industry Development Corporation (HDC)** **5.02, Level 5,** **KPMG Tower, First Avenue,** **Persiaran Bandar Utama,** **47800 Petaling Jaya,** **Selangor Darul Ehsan,** **Malaysia.** **http://www.hdcglobal.com/**

Website : www.standardsmalaysia.gov.my
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