

cover story

Halal Market – Branding Malaysia as Global Halal Hub : Call to Action

Halal is not confined to just Muslims anymore, because with an estimated halal food market worth anywhere between US\$500 billion to US\$2.3 trillion annually, halal is the new global market force and the world is taking notice.

Meat exporting countries such as the United States, Europe, Australia, New Zealand and Canada have taken a serious view of this lucrative market and are making necessary adjustments to halal procedures to assure Muslim consumers.

Mandatory halal certification requirements for meat imports has become the norm with its MS 1500:2004 ‘Halal Food: Production, Preparation, Handling and Storage – General Guidelines’, that comply with the Syariah and meets international health and safety standards.

Prime Minister YAB Dato’ Seri Abdullah Ahmad Badawi proclaimed halal as the new benchmark for safety and quality assurance with halal food sought by people from diverse races and religions looking for clean and pure food.

Initiatives such as the Halal Industry Development Corporation (HDC) under the National Implementation Task Force (NITF), chaired by the Prime Minister expedite Malaysia’s role as a leading halal hub.

The HDC’s tasks include developing halal standards, audit and certification procedures training for halal producers and service providers as well as promoting and marketing Malaysia’s Halal brand to the world.

With an estimated two billion Muslims scattered around the world, Malaysia’s vast experience in the halal industry including non-food products and services has gained recognition by the Organisation of Islamic Conference (OIC).



OFFICIAL LAUNCH... MIHAS 2006 was launched jointly with the World Halal Forum in March by Minister of International Trade and Industry YB. Dato’ Seri Rafidah Aziz. Looking at Rafidah sign the plaque are Chairman of the Islamic Dakwah Foundation Malaysia Datuk Mohd. Nakhaie Ahmad (middle) and World Halal Forum Chairman Khairy Jamaludin (left).

As the current Chairs of both the OIC and the Non-Aligned Movement (NAM), Malaysia has taken the world by storm with its aggressive promotion of halal and acceptance that halal is also good for non-Muslims.

When British supermarket chain Tesco announced buying RMI billion worth of Malaysia-produced halal food for its London stores, the news made headlines around the world as the supermarket operates in 12 countries in Eastern Europe and South East Asia.

As part of their strategic plan, Port of Rotterdam, Netherlands initiated partnerships with Malaysian and Indonesian companies to explore the logistics aspect of the halal trade to more than 30 million Muslims in Europe.

Among Europe’s busiest ports, Port of Rotterdam’s new 13 million euros warehouse with separate facilities for halal handling and storage will position it as a gateway for halal products to enter the European market.

The setting up of the Port of Rotterdam Halal District elicited special mention by Prime Minister Dato’ Seri Abdullah during the launch of the hugely successful Third Malaysian International Halal Showcase (MIHAS) 2006 in Kuala Lumpur.

“Even branding and advertising can be geared towards spurring downstream business opportunities. Creativity and innovation in product and service development are also key levers in pushing the halal brand further.”

– Prime Minister YAB Dato’ Seri Abdullah

VAT Logistics (Rotterdam) BV Senior Business Development Manager for logistics, Capt. Kees J. Weststrate talk on "Rotterdam-The Gateway into Europe for All Your Halal Products" at MIHAS 2006 received tremendous response.

MIHAS is co-organised by the Ministry of International Trade and Industry (MITI), Malaysian External Trade Development Corporation (MATRADE), Ministry of Entrepreneur and Cooperative Development (MECD) and Islamic Dakwah Foundation Malaysia (YADIM).

The world's largest showcase of halal products and services, MIHAS 2006 attracted 27,523 visitors from 60 countries with 505 booths taken up by participants from 20 countries including Malaysia.

With 12,511 trade visitors, mostly from Singapore, China, Indonesia, South Africa and Philippines and 164 trade buyers from 26 countries flown direct sales of RM168.3 million was recorded over the five-day event.

In his speech, the Prime Minister said MIHAS has brought together not only Muslim nations in trade and commerce, but also like-minded economies that wish to pursue further development of the global halal market.

He said "I believe that the opportunities in the halal marketplace are abound as the halal concept encompasses the entire value chain, beginning with the production and manufacturing of products to shipping, logistics, exporting and retailing.

"Even branding and advertising can be geared towards spurring downstream business opportunities. Creativity and innovation in product and service development are also key levers in pushing the halal brand further."

MIHAS Chief Executive Officer Mohd. Shukri Abdullah said "Malaysia has been leading the Global Halal industry for almost four decades. However, a void exists when it comes to facilitating the selling and sourcing of Halal certified products.

"MIHAS was created to provide solutions for this situation. It aims to serve the global Halal consumer markets through this vital trade platform.

"Today, as the world's largest Halal trade show, MIHAS 2006 provides the best venue for international Halal certified consumables, product manufacturers and international buyers to capitalise from.

"We all have the same objectives and goals in mind, to make sure that the halal products and services are able to gain their rightful place in the world," he added.

In addition, the inaugural World Halal Forum preceding MIHAS, gathered world business leaders to deliberate on issues affecting development of the entire global Halal supply chain and how to regulate and promote the booming industry.

The Forum was organised by Kasehdia Sdn. Bhd., publisher of the award winning "The Halal Food Guide Series" and "The Halal Journal" Malaysia's first trade and business publication serving the global halal marketplace.

MIHAS has an able champion in Minister of International Trade and Industry, YB. Dato' Seri Rafidah Aziz, who vigorously promotes the event in all trade missions that her Ministry conducts around the world.

Seen as a moderate and progressive Muslim nation, Malaysia is poised to play a leading role as matchmaker in the supply and demand for halal products and services by introducing nations wanting to export to those looking to import.

"Malaysia has been leading the Global Halal industry for almost four decades."

- Mohd. Shukri Abdullah, MIHAS CEO

On a recent tour of Beijing, Shanghai, Hong Kong and China organised by Malaysia External Trade Development Corporation (MATRADE), YB. Dato' Seri Rafidah called on Chinese entrepreneurs to hop on the halal bandwagon.

A deal signed between BIZ Link Global Sdn. Bhd. and two Chinese companies has paved the way for Malaysian halal products to enter supermarkets in Shanghai, advancing a step closer to the 1.3 billion strong Chinese market.

Malaysia's Halal Certification, the setting up of Halal Industrial Food Parks in several States, halal dedicated logistics and supply Chain Control Management Services and "One-Stop" Halal Free Trade Zones are exciting developments.



FOOD DEMO.... many exciting activities were organised during MIHAS 2006 such as food demonstrations by the exhibitors.

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The setting up of a distribution centre in Dubai, United Arab Emirates to market Malaysian small and medium entrepreneur' (SME) products to the Middle East is a big boost for halal trade.

In Saudi Arabia, Bernama reported that Dato' Seri Rafidah Aziz invited investors to join hands with Malaysia to explore potential halal areas such as tourism, education, healthcare, construction, investments in equities and Islamic financing.

She urged Saudi investors to also look beyond food, into Syariah Islamic funds, stocks, bonds and conduct fund-raising or listing exercise using Syariah approved instruments through the Labuan International Financial Exchange.

Malaysia's Islamic financial system with products and services such as Islamic banking, Takaful and the Islamic Capital Market is well positioned to become internationally integrated with the International Islamic Financial System.

Much has been done by both the Government and the private sector to create awareness on the halal sector and to promote Malaysia as the Global Halal Hub. It is now up to Malaysian entrepreneurs to rise to the challenge. ■



quickfacts

Quickfacts About MATRADE

MATRADE (Malaysia External Trade Development Corporation) is the national trade promotional agency that assists Malaysian companies to develop and expand their export markets. Assisted by a network of 23 offices located in major commercial cities around the world, MATRADE provides a wide range of services and assistance to all Malaysian exporters.

HOW MATRADE HELPS FIND BUYERS ABROAD?

MATRADE receives trade enquiries mainly through the network of the Malaysian Trade Commissioners overseas. These trade enquiries are then channelled to the Malaysian manufacturers and exporters. MATRADE registers, maintains and periodically updates the Foreign Importers Database and the Exporters Database.

DOES MATRADE ASSIST IN TRADE FAIR PARTICIPATION?

Participation in trade fairs is one of the most important marketing tools in the business of trade. Realising its importance, the government allows participating companies to have their expenses deducted under the double tax deduction scheme. MATRADE manages Malaysia's participation in overseas trade fairs and international promotion booth.

CAN THE EXPORTER JOIN THE TRADE MISSION?

MATRADE together with MIDA and MITI also organise trade and investment missions aimed at introducing Malaysian products to the overseas market, following up on earlier contacts and encouraging joint ventures in countries visited. MATRADE also assists in-coming buying missions from all over the world to evaluate business opportunities with Malaysian suppliers and manufacturers.

WHO CAN ATTEND WORKSHOPS AND SEMINARS?

MATRADE organises a series of workshops and seminars for the benefit of local exporters and manufacturers to educate them on facets of international trade. National and Regional level workshops and seminars are held throughout the year around the capital city and other state capitals.

WHAT ARE THE ASSISTANCE PROGRAMMES OFFERED BY MATRADE FOR SMEs?

Market Development Grant (MDG) and Brand Promotion Grant (BPG) are the two main assistance programmes offered by MATRADE to assist Small and Medium Enterprises (SMEs) to undertake activities for the development of export markets.



Under the MDG, companies can obtain a 50% matching grant on the approved cost of the eligible activities subject to a maximum of RM100,000 per company.

As for BPG, the grant is divided into 100% reimbursable grant for the development and promotion of brand subject to maximum grant of RM 1 million for SMEs and 50% reimbursable grant subject to maximum grant of RM 2 million for non-SMEs.

HOW DO I BECOME A MATRADE MEMBER?

Malaysian exporters or export ready companies are welcome to become MATRADE member by registering online. Please visit www.matrade.gov.my for details. Registration with MATRADE is free. ■

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