



Halal Industry
Development Corporation

Halal Awareness Seminar
Gtower Hotel, Kuala Lumpur

Future Directions of Halal in Malaysia: Opportunities for Trade and Investment

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Global Overview

Challenges in Halal Economy

Halal Malaysia Agenda

Conclusion



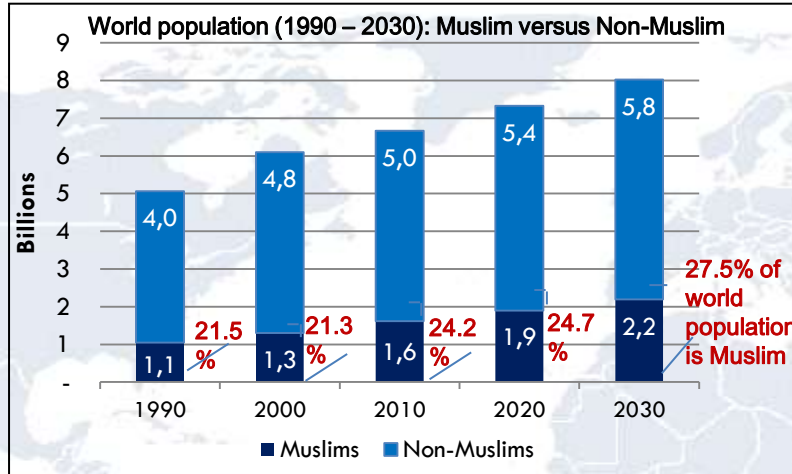
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1. Growing population of Muslim



Source: PEW Research Centre

Sizeable and growing Muslim population worldwide

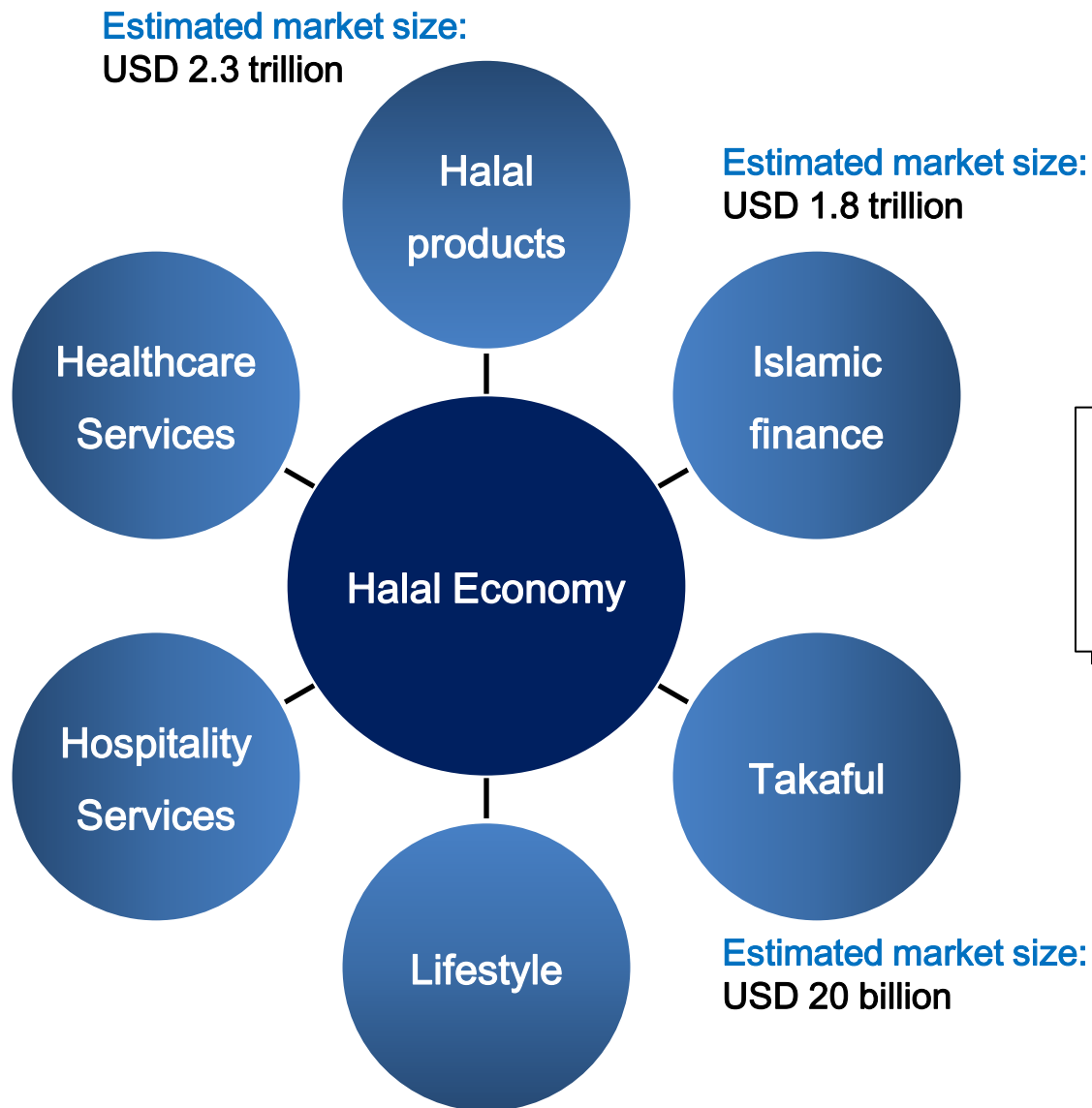
Global Muslim population is 1.8 billion (23%) and 27% of total population by 2030.

2.

Country	Estimated Muslim Population (mil)
Indonesia	204.6
Pakistan	178.1
India	177.3
Bangladesh	148.1
China	40.0

Emergence of new market

3. Halal Economy is huge and diverse



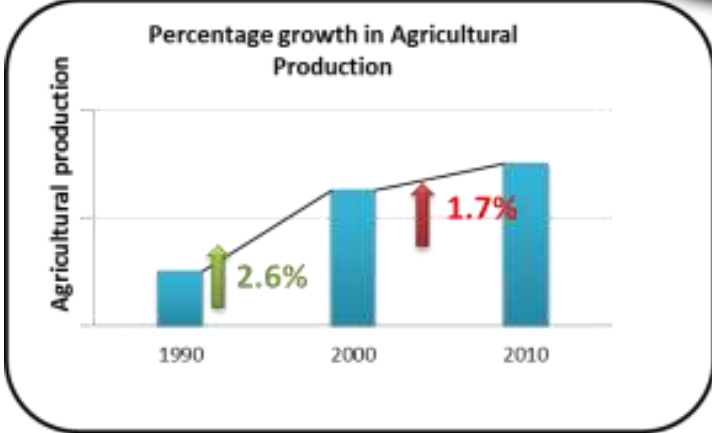
Halal is a value proposition that exists within key elements of the supply chain of the intersecting industry sectors



Demand for food by 2050:

70%-100%

Over **60%** of the world's undernourished people live in Asia, mostly Muslim-majority countries



Due to the potentials, the global interest on Halal Economy is getting stronger

Global Islamic Economy Summit (Nov 2013) – Dubai has set a clear measure of success

- Dubai is set to be the **capital for Islamic Economy**
- Islamic Economy as a **new area of excellence** for future growth
- **OIC intra-trade** especially in Halal related sector will be increased via Dubai competitiveness

“The emirate will aim to be the Sharia-compliant centre of the world. Focus will be on Islamic Banking and Halal businesses”.

*Sheikh Mohammed bin Rashid,
Vice President of the UAE and
Ruler of Dubai*

February 2013



UAE

Visioning to become the center of Islamic economy

China

Domestic Halal market is increasing by 10% per annum

Japan

Halal as key source of contributor to Japan's economy by 2020



South Korea

Visioning to become the main destination of Halal tourism

Thailand

Largest producer of Halal processed food – visioning to become the **Kitchen of the World**

Brunei

Visioning to become the **Google** for Halal

Brazil

Largest supplier of Halal poultry to Middle East

Australia

Largest supplier of Halal beef to Middle East



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1. Awareness Gaps

Religious
matter?

Standards &
Certification?

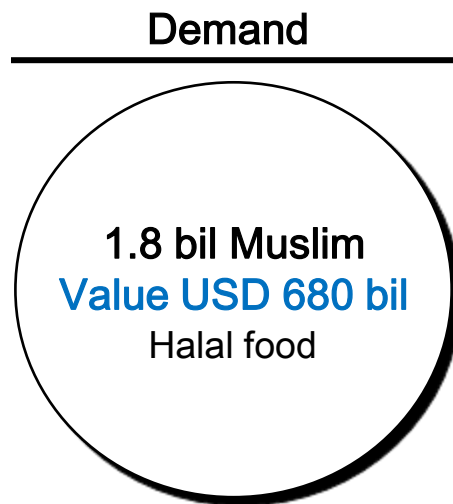
Animal
Slaughtering?

Meat / Food
only?



Non-food /
services?

2. World Demand \neq Supply



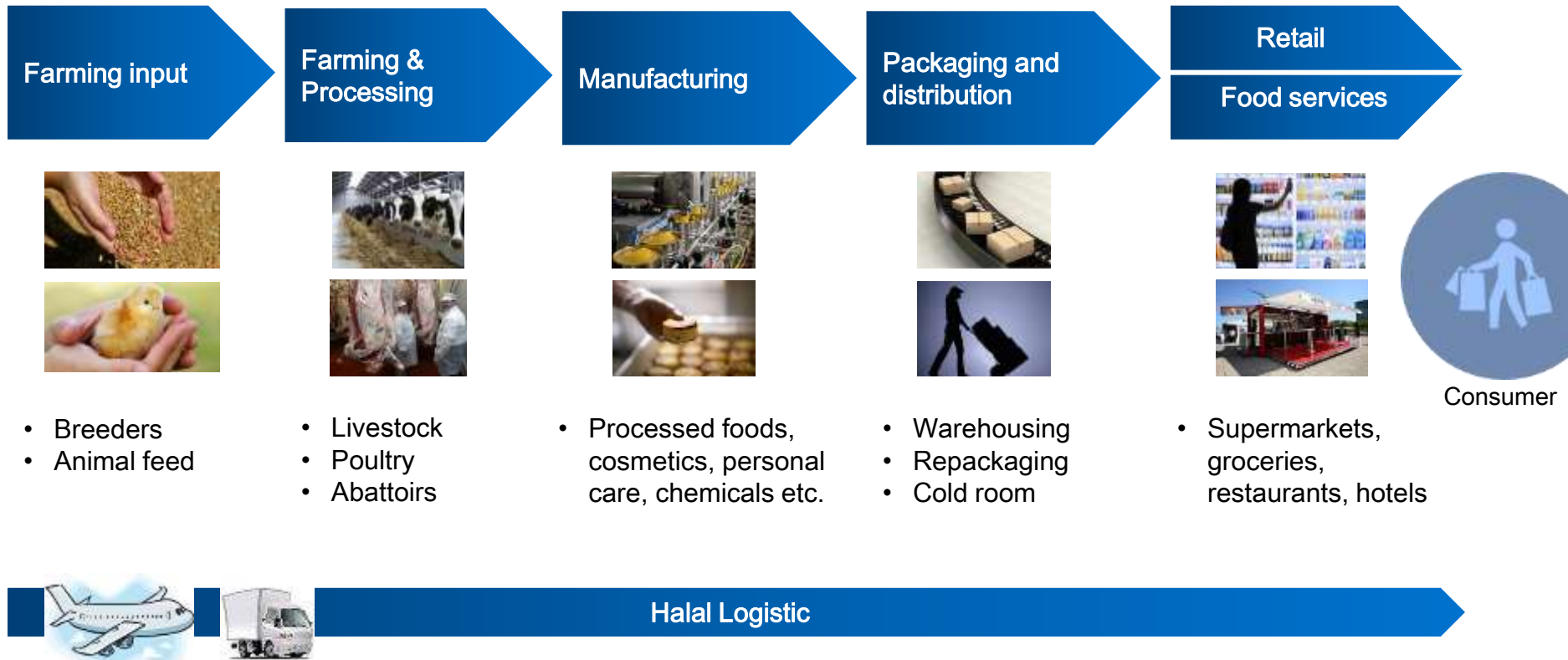
Supply

Main Players	Products
Australia	Beef
New Zealand	Lamb
Brazil	Poultry
Malaysia	Processed Food, Ingredients, Non-food
Thailand	Processed Food

Issues: Food Insecurity

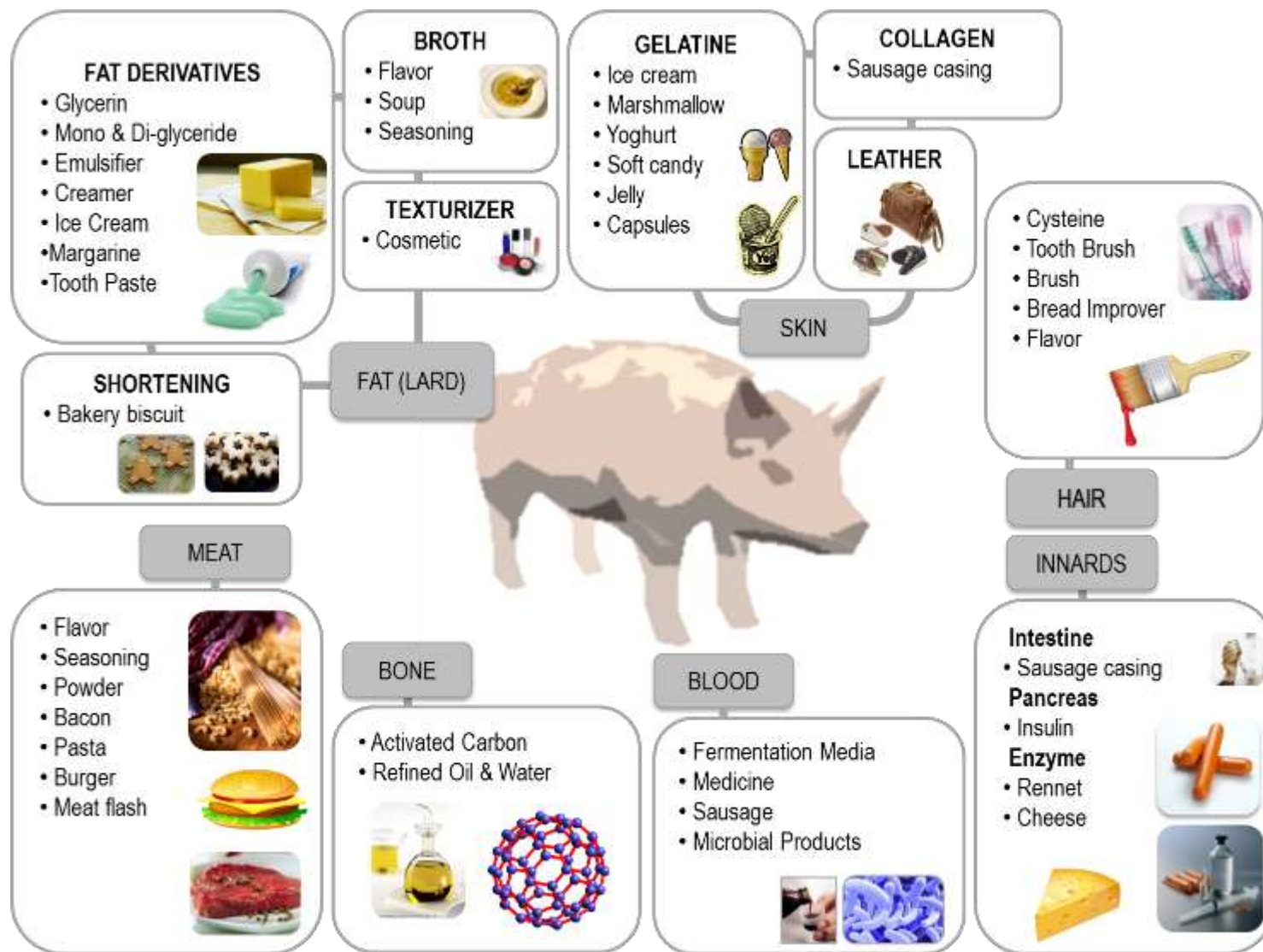
- Global supply chain
- Trade (especially intra-OIC is less than 15%)

3. Protecting Halal integrity throughout the supply chain *“From farm to fork”*



Halal Logistics is the process of managing the procurement, movement, storage and handling of materials, parts, livestock and finished/semi-finished inventory both food and non-food through the organization and the supply chain **in compliance with the general principles of Shariah Law.**

Towards zero contamination with non-halal materials / ingredients along the supply chain





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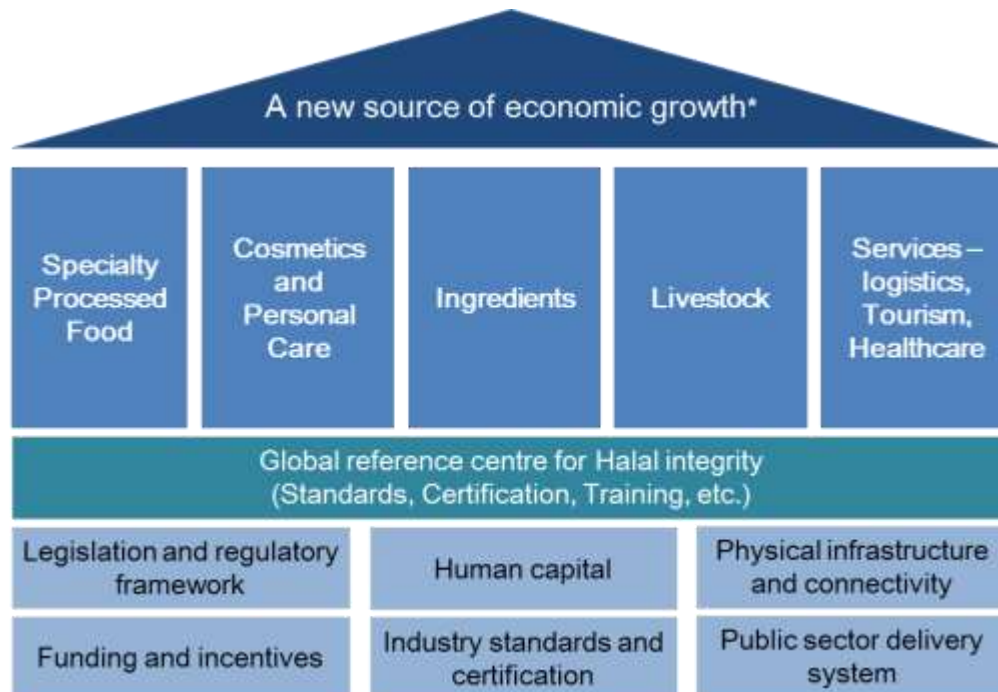
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Halal Industry Master Plan (2008 – 2020)

Outcomes by
2020

Objectives

- Malaysia as the global reference centre for Halal integrity know-how
- Malaysia as the global leader in the innovation, production and trade of a number of halal-related sectors



- Contribution by Halal related industry to GDP increased to 8.7%
- Halal export increased to RM50 billion
- Halal exporters increased to 1,600 companies
- 330,000 employment opportunities in Halal industry

Malaysia's Halal ecosystem - various halal sectors co-exist and supported by proper certification system, infrastructure and human capital development program

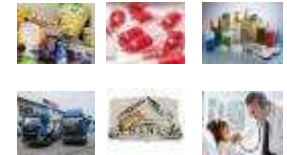


- Advisory centre
- Datawarehouse
- Knowledge dissemination tools
- Business and market intelligence

Reference Centre

Production and Services

- Halal food & beverages
- Halal cosmetics & personal care
- Halal Ingredients
- Halal services (logistic, banking, takaful, healthcare & tourism)



Halal as the
new source of
economic
growth

*Source: Economic Planning
Unit, Prime Minister's
Department*

Human Capital



- Halal Talent Development Program
- Halal Knowledge Workers
- Halal Executives & Auditors
- Syllabus in universities & colleges

Infrastructure

- Halal Industrial Parks
- Halal R&D – testing lab
- Traceability system
- Standard & certification



Government Support



- **Ministry:** Ministry of International Trade and Industry
- **Industry Development:** Halal Industry Development Corporation
- **Certification:** JAKIM
- **Standards Development:** Standards Malaysia
- **Enforcement:** Ministry of Domestic Trade

USD8 billion investment *

- Including over USD3 billion investment in Halal Parks



USD13 billion export

- Contribution by over 1,000 exporters
- Largest exporter of Halal ingredients



250,000 employment

- Including over 10,000 Halal skilled workers



Global Reference Centre

- 1st in the world and referred by people from 150 countries



Analysis Centre, Research & Development

- Malaysia Halal Analysis Centre (MyHAC)
- Technology Park Malaysia (TPM)
- Halal Products Research Institute (HPRI)

Global Brand

- World Halal Week
- Halal @ CNBC, CNN and Bloomberg



HALMAS is an accreditation given to Halal Park operators who have successfully complied with the requirements and guidelines stipulated under the HDC designated Halal Park Development.

Special incentives for operators and players:

- 100% income tax exemption for 10 years;
- Exemption on import duty on cold room equipment;
- Double deduction on qualifying expenditure

Key Achievements

Total Investment:
USD3.0 billion

Investors:
27 MNCs & 105 Local Co.'s

Total Employment Opportunity:
8,000

Data as of February 2016

Investment - Malaysia is a home for various international brand that adopting Halal standard to penetrate Halal market

1. Halal Food and Beverages



- Make Malaysia as Halal Centre of Excellence for Nestle world wide.
- Biggest Halal Producer in the world

Other famous brand manufactured in Malaysia



2. Halal Ingredients



- Taking full advantage of abundant halal raw materials (palm oil based) in Malaysia – serve 70 countries



3. Halal Cosmetics, Personal Care & Pharmaceuticals



- Regards Malaysia an important Hub for Halal distribution to South East Asian market



4. Halal Industrial Chemicals / Materials



- Regards Malaysia an important Hub for Halal distribution to South East Asian market



ASEAN Economic Community



Ten countries in Southeast Asia are attempting to launch a single market for goods, services, capital, and labor, which has the potential to become one of the largest economies and markets in the world



4 things to know

“The center of global economic gravity is shifting toward Asia. Within Asia, it is shifting toward the two giant economies of the People’s Republic of China and India”.

Source: ADBI. 2014. ASEAN 2030: Toward a Borderless Economic Community

“If ASEAN were one economy, it would be seventh largest in the world with a combined gross domestic product of **\$2.4 trillion in 2013**. It could be fourth largest by 2050 if growth trends continue”.

Source: Speech by ADB Vice-President Stephen Groff. 2014. Berlin, Federal Republic of Germany



“ASEAN is one of the most open economic regions in the world, with **total merchandise exports of over \$1.2 trillion** - nearly 54% of total ASEAN GDP and 7% of global exports”

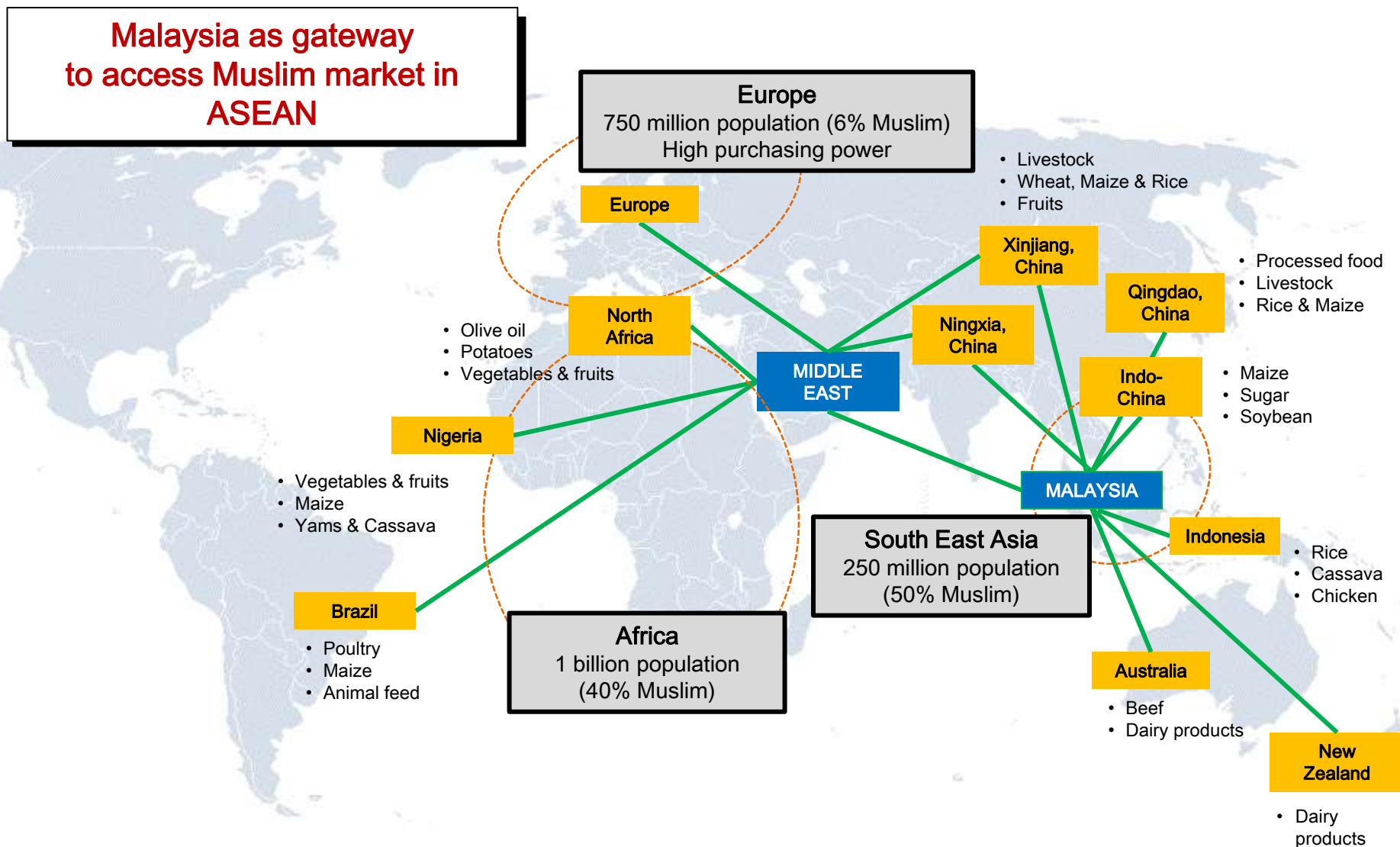
Source: ADBI. 2014. ASEAN 2030: Toward a Borderless Economic Community

“With over **600 million people**, ASEAN's potential market is larger than the European Union or North America. ASEAN has the world's third largest labor force that remains relatively young”.

Source: Speech by ADB Vice-President Stephen Groff. 2014. Berlin, Federal Republic of Germany

Halal Hub to Hub Link the Global Halal Supply Chain

1. Enabling cross border Halal trade
2. Ensuring a controlled and efficient supply of Halal products to Muslims all over the world



On-going initiative with PKFZ and Dubai Islamic Economy Development Corporation

3

Global Halal Distribution

2

Supply Chain Services

1

Sourcing Clusters



- Sourcing of Halal products from selected Agri-food clusters



- An integrated 1,000-acre Free Zone development situated in Selangor, Malaysia
- Owned and develop by Port Klang Authority based on the Jebel Ali Free Zone model
- Gazetted as Free Zone for industrial & commercial activities
- Accorded the HALMAS status and designated as the National Halal Park in 2010



- 6,900 companies
- 150 Fortunes 500 Companies
- USD 68.88 billion of Trade



Focal Point for
Halal Industry
Development

Key Roles

Industry
Development

Coordination of
Agencies

Support Function in
Halal Services

Descriptions

- 1) **Central implementation agency for key industry development initiatives**
 - Oversees implementation of development initiatives
 - Works with relevant authorities and companies to address gaps identified
 - Promotes industries and liaises with investors and other relevant parties
- 1) **Referral agency for implementation of initiatives**
 - Specifies key agencies involved and outlines roles and responsibilities of each
- 2) **Coordinates the agencies' activities**
- 1) **Branding and promotion of products/industries and of Halal**
- 2) **Training and consultancy services in Halal to support certification**



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- 1.8 billion Muslim population. Supply for Halal food and non-food products is not enough to cater the demand.
- Challenge is to develop a more robust and efficient global supply chain benefitting Muslim world
- Hence, opportunities are enormous.

Discussion / Q&A



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