

ANALYSIS

Halal Continues To Move Forward, Pandemic or Not

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The atmosphere at the Malaysia International Trade and Exhibition Center Kuala Lumpur that October morning was lively and cordial. Everyone was happy to see each other, many of them old friends who have known one another since the first World Halal Conference in 2008.

Considering that there is a global pandemic spreading unchecked outside, the air inside was warm and very receptive. Delegates of this year's WHC 2020 were generally understanding of the extra precautions the organisers had to take.

Held on hybrid platforms with both physical and virtual attendance from representatives around the world, the conference is proof that the halal industry never takes a break.

Despite the postponement, lockdowns and other untold challenges, organisers Halal Development Corporation (HDC) went ahead with the staging of this important annual conference, one that would set the direction of a burgeoning global industry now slightly dented from a global pandemic.

With the theme "Halal Community Driving the New World Economy", this year's WHC has proven to be not only significant, but also very timely. Because of Covid-19, several glaring issues within the industry are now laid bare, although many are the result of travel restrictions and subsequent disruptions to the supply chain.

The conference opened with the customary Ambassador's session where His Excellencies from Japan, Australia and Russia shared the halal market development in their respective countries.

Halal awareness, in general, has increased worldwide and in Japan, a five-fold increase has been recorded within the past decade alone. As pointed out by His Excellency Hiroshi Oka, Ambassador Extraordinary and Plenipotentiary, Embassy of Japan, there are now seven halal-certified companies operating in Japan, with halal beef now widely available because of this.



“For Halal brands to secure its position in the global market, the brand needs to be transparent, consistent and reliable.”

His Excellency Andrew John Lech Goledzinowski AM
High Commissioner of Australia to Malaysia

ON YOUTUBE:
A GLIMPSE OF THE
WORLD HALAL
CONFERENCE 2020
(1MIN)
<https://bit.ly/2JHRCiT>



He added that this is also a result of the cooperation and partnership between the Japan International Cooperation Agency (JICA) and Halal Development Corporation (HDC) to learn from each other. "Empowerment in halal knowledge is certainly an ongoing effort in Japan," said Hiroshi.

In Russia, halal has proven to be a viable tool to improve the negative perception to Islam. According to His Excellency Naiyl M. Latypov, Ambassador of the Russian Federation to Malaysia, the local halal community, which includes the halal meat suppliers,

the halal restaurant owners and almost every individual along the halal supply chain in Russia, have been great ambassadors for the industry and for Islam.

The Australian High Commissioner meanwhile, reiterated that the main problem with halal is actually "the absence of an international halal standard and the lack of mutual recognition between halal organisations."

"For Halal brands to secure its position in the global market, the brand needs to be transparent, consistent and reliable," said His Excellency Andrew John Lech Goledzinowski AM, the High Commissioner of Australia to Malaysia. He added that the standardisation of Halal brands could certainly increase the imports of more Australian meat into Malaysia, which would then help lower its price, which would inadvertently help to improve Malaysia's food security problems in the long run.

Amidst the ongoing crisis, among the common themes often repeated at various forums is the issue on responsible consumption and production. This was addressed in the Captains of Industry session, where Shamsul Idham Ahmad, chief executive of local healthcare giant Duopharma Consumer Healthcare, shared the challenges they faced during the recent Covid-19 lockdown.

Photos by HDC



Although the company enjoyed brisk sales especially with its health supplements, as consumers became more health-conscious, they still had to overcome border closures and the resulting hold on imports of raw materials. This was thankfully mitigated by their three-month raw material stock policy, enabling them to continue production despite the border shutdown. With export restrictions however, they had to focus entirely on fulfilling the local demands, which is well adequate for now, according to Shamsul.

A good example of responsible consumption in practice is the way how halal is perceived in Japan. According to Shinya Yokoyama of Food Diversity Inc, the Japanese in general view halal as an even healthier alternative than the existing health food movements, such as organic, vegetarian or even vegan.

“If one is considering to venture into halal business in Japan, it’s best to provide a healthier halal food, as most Japanese now are more health-conscious than ever,” said Shinya, adding that food wastage is also very minimal in Japan, where the mindset among the locals is to buy only what they can consume and nothing more.

“If you’re selling halal food in Japan, please take time to explain to the locals about the halal implementation in your company, from the raw materials used to the processes, the logistics, right up

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Shinya Yokoyama
Food Diversity Inc

to how to recycle your end products. This will lead the Japanese to have more respect for your company and buy more of your halal products,” said Shinya. “There are similarities between the Japanese culture and Islamic practice, making halal more appealing to the Japanese market,” he added.

Sustainability issues were also echoed by Timothy Tan, managing director of Kawan Food Bhd. According to him, the Malaysian ready-to-eat food manufacturer is always looking for new ways to reduce the use of plastics. One of the approaches taken was to explore offering pre-cooked meals, which not only makes cooking less of a hassle, but also reduces their use of plastic in their product packaging.

When it comes to funding and finance, the current focus in technology for most financial institutions is to collaborate rather than compete.

According to the chief executive of CIMB Islamic, Ahmad Shahrman Mohd Shariff, by choosing the best available technology and creating partnerships, the bank is able to concentrate on their core business and serve the market better by adopting the right technology partners.

In terms of assisting SMEs during this time of crisis, Shariman added that CIMB actually does offer capacity-building modules as part of their offerings to halal SMEs. This usually includes seminars and knowledge sharing sessions on the fundamentals of halal, as well as the ins-and-outs of manufacturing and exporting halal products to the different regions around the world, in addition to the SME financing that they offer.

Concurring with Shariman is his colleague at Standard Chartered Saadiq Berhad, Bilal Parvais, who agrees that smart partnerships are actually very crucial to the financial and banking industry, where they usually work with not one but several service providers to fulfill the needs of SMEs. He added that there have been many partnerships made along the years targeting the SMEs, “which should allow the SMEs to climb higher within their respective sectors.”

For others, it is digital adoption that will make or break SMEs post-Covid. Othman Abdullah, chief executive of Silverlake Group, a core banking



Photos by HDC

systems and financial solutions services provider, thinks the biggest lesson from this pandemic is the absolute need for businesses, especially SMEs, to go online and fulfill their supply and demand via virtual platforms such as e-commerce and e-kiosks.

"This is where Islamic digital economy comes in, and in any digital economy, five components are at play," according to Othman. They include e-commerce platforms, social media platforms, e-payment platforms, digital funding and digital investment. Despite the many options available, Othman laments the low digital adoption amongst businesses, SMEs in particular.

"SMEs need to change their overall paradigm in running their businesses," added Othman. "One of the reasons may be a lack of creativity among the SMEs. Their reluctance to change or adapt to new methods in business may also be another factor contributing to the low digital adoption."

The final session for the one-day conference was reserved for the currently trending global modest fashion market. What started as a Muslim woman's clothing needs, modest fashion has gained popularity among modern women regardless of faith and culture. International brands are now putting modest fashion in-style resulting in high demand by the global market, complemented by support of social media influencers.

Noting the huge potential of this segment, Ambassador and Advisor to the UN's Global Sustainable

"The world halal economy is an ecosystem; and if the ecosystem does not serve the purpose of poverty alleviation, promotion of trade, it is really missing a purpose."

Ms Saeeda Ahmed

Ambassador and Advisor of the UN's
Global Sustainable Development
Goals (SDGs)

Overall WHC 2020 Resolutions

At the end of the conference, five resolutions were adopted and agreed by all delegates of WHC 2020, including:


- (i) The need to form a **standardised or uniform halal body** for the world;
- (ii) The need to increase the growth of the halal economy among the **small-medium sized enterprises (SMEs)**;
- (iii) The need to create a **global halal ecosystem**;
- (iv) The need to hasten the transformation from traditional platform to **digital technology**, and
- (v) The need to ensure that the concept of halal should not be exclusively for Muslims only; to aim halal as a globally-accepted universal standard **for all mankind**.

Development Goals (SDGs) Ms Saeeda Ahmed predicted "massive prospects" to open up for modest fashion when the mainstream fashion industry finally caves in to the public demand and become more inclusive. "This will open up more room for the global fashion industry to feature more Muslim women from every corners of the globe," she said.

All in all, this year's WHC has indeed been one of the most memorable for several factors, but chiefly because it was held during a global pandemic. This factor alone opened up a host of issues and challenges previously unthought-of even by the most seasoned of industry captains.

This is indeed an interesting time to be in halal industry, and every facet and every player within the global halal economy has a role to play to support the end objective, which is to provide the purest, most sustainable and affordable halal products and services for society at large.

As rightly put by Ms Saeeda Ahmed at the conclusion of her dialogue: "The world halal economy is an ecosystem; and if the ecosystem does not serve the purpose of poverty alleviation, promotion of trade, it is really missing a purpose."

With that, the event concluded with a list of resolutions which were agreed by all WHC 2020 delegates, and capped with a *du'a* for a pandemic-free World Halal Conference (WHC 2021) next year, *insya Allah. Wallahu a'lam bissawab.* 

WHC 2020 VIDEOS

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SESSION:
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