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# LETTERS



Visitors at Malaysia Halal Expo 2019 at KLCC, Kuala Lumpur. The event leverages the country's reputation as a global halal hub. FILE PIC

SMEs

## GET HALAL STAMP AND GO GLOBAL

**C**ONSUMING halal food is an order of Allah. According to the Global Islamic Economy 2017/18 report, the Islamic economy will be worth US\$3 trillion (RM12.3 trillion) by 2021, comprising halal food, halal travel, modest fashion, halal media and recreation, halal pharmaceuticals, cosmetics and Islamic finance.

The value of the halal industry in Malaysia is estimated at RM37.7 billion ([www.hdc.gov.my](http://www.hdc.gov.my)), which should be capitalised by small- and medium-sized enterprises (SMEs).

Halal is a sector that cannot be ignored, especially for companies with an eye on global business.

Food companies such as McDonald's and Nestle have extensively implemented halal food certification in their operations and productions.

Halal has become a realm of business and trade, food safety, sustainability and environmental friendliness.

To promote the halal industry and to make Malaysia the global halal hub for production and trade in halal goods and services, the government has provided incentives for halal businesses.

Malaysia is one of the pioneers in promoting halal products in the world and is well poised to play a leading role in boosting the halal industry.

The halal industry consists of clusters, such as cosmetics, personal care, agriculture, pharmaceutical, branding, packaging, Islamic finance, fashion, logistics, hospitality and travel.

The introduction of the halal logo has generated awareness among Muslims on the importance of consuming products or

engaging services that follow Islamic guidelines and principles.

Halal certification is a common strategy and a marketing tool used by manufacturers to convince and notify their consumers that their products are halal and syariah-compliant.

In Malaysia, the halal logo by the Malaysian Islamic Development Department is the label consumers can rely on in determining the halal status of a product and whether it is fit for consumption according to Islam and prepared in compliance with Islamic rules and guidelines while satisfying consumers' needs and wants.

What should SMEs do to explore and capture new business opportunities?

Despite rising demand for halal products and services, it is reported that almost 90 per cent of SMEs owned by Bumiputeras op-

erate without a halal certificate.

The annual trade value of the halal global market is US\$2.77 trillion.

So, it is vital for Malaysian SMEs to get halal certificates to capture the opportunity offered by the global halal market.

SMEs should be innovative, proactive, opportunist, risk-takers and customer-oriented to achieve wider market opportunities in the halal industry.

Studies on the attributes of halal certification among food and beverage operators reveal that food products with halal certification signify trust and safety.

Having a halal certification as well as competitive pricing, product and quality will help SMEs tap into the potential offered by the global halal industry.

Themed "Malaysia to Japan for 2020 Olympics", the Malaysia

Halal Expo 2019 is leveraging on the country's worldwide reputation as a leading global halal hub, aiming to provide an avenue for network and platform for business matching with international buyers from Japan and large corporations.

The event is expected to promote Malaysian halal products and services at the Olympic and Paralympic Games Tokyo 2020.

If halal SMEs do not try to capture the global market demand for halal products and services, other companies will.

Going global is no longer an option for SMEs — it is a necessity.

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