MYINNOHUB (MIH) was set up to create the innovation ecosystem between the academia, the industries, the government and the community as well as to commercialise the innovations from the universities.
SECTORS IN HALAL INDUSTRY

HALAL INDUSTRY

FOOD

NON-FOOD

SERVICES
VALUE OF THE GLOBAL HALAL MARKET

You Lose 60% Market Share Without Halal Cert

Source: forum.daganghalal

- US$2.77 Trillion: Total Market Value for Halal Food & Commodity Trading
- US$560 Billion: Market Value for Halal Food Global Trading
- 1.83 Billion: Estimated Global Muslim Population
- 1 Billion: Estimated Asian Muslim Population

MIH MYINNOHUB
*JAKIM is an abbreviation for the Jabatan Kemajuan Islam Malaysia or the Department of Islamic Development Malaysia*
REGULATORS IN HALAL PRODUCTS /SERVICES

• JAKIM

• As the highest body for Halal recognition

• Grant Halal certification, together with state Islamic Department, JAIN/MAIN- uses the same logo

• Only international halal certification approved by JAKIM is accepted in Malaysia

• The focus of halal certification issued by JAKIM are food and beverages, consumer goods, food premises and abattoir.
MALAYSIA AS GLOBAL HALAL HUB

Aims to become a global hub for the production and trade of halal products and services (Third Industrial Master Plan, IMP3: 2006-2020).

Strengthen the halal position: halal certificate & logo from certified body were introduced – Malaysian Islamic Development Department (JAKIM).

Malaysian Halal Standards widespread recognition for maintaining excellence in the field of halal compliance.

Malaysian halal logo is recognized and well-accepted worldwide.
KEY SCM ISSUES

• Key issues:
  • Determining appropriate levels of outsourcing
  • Managing procurement
  • Managing suppliers
  • Managing customer relationships
  • Being able to quickly identify problems and respond to them
  • Managing risk

• HALAL SCM
  • When handling SCM issues, all efforts must be made to ensure that the integrity and halal-ness is not jeopardized
Which supplier to buy from?

What? Where? How much to make?

TRANSPORTATION OPTIMIZATION
What mode to use? Fleet size & mix?

INVENTORY OPTIMIZATION
Where & How much to stock?

Which retailer to service which customers? Service level? Respond time?

DELIGHTING CUSTOMERS

MIH MYINNOHUB
HALAL INTEGRITY

Whether the Halal integrity of the food products can really be guaranteed and can the food products remain Halal, throughout the whole supply chain process in the present food trade scenario.

An optimal halal supply chain should have a strategic fit between corporate strategy, halal policy, supply chain objectives and the logistics parameters as well as an alignment between product characteristics & market requirements and the logistics parameters.
HALAL LOGISTICS

...definition

A process of planning, implementing and managing the efficient, seamless flow and storage of: *Halal* Certified products (Raw materials, semifinished or finished good) from the origin to the final consumption ensuring full Syariah compliance

(Source: Mariam 2012).
LOGISTICS IN THE HALAL SUPPLY CHAIN

**SEA & AIR FREIGHT**
- HALAL consignment from country of origin
- HALAL inbound documentation
- HALAL local authority approval
- HALAL order processing & management
- HALAL multimodal transport operator

**CUSTOMS BROKERAGE**
- At all domestic seaports, airports, land entrance and exit points
- At all international seaports, airports, land entrance and exit points

**CONTAINER HAULAGE**
- Fleet management according to HALAL logistics processes
- Road & Rail distribution
- Hazardous goods haulage
- Heavy lifts handling & transportaton
- Cross-border
- Open yard storage
- Container storage

**WAREHOUSE MANAGEMENT**
- HALAL warehouse management operational processes & procedures
- Bonded facilities
- Capacity, load & route planning
- Cross-docking
- Cargo consolidation

**SEA & AIR FREIGHT**
- HALAL consignment to country of destination
- HALAL outbound documentation
- HALAL local authority approval
- HALAL order processing & management
- HALAL multimodal transport operator
FROM HALAL FARM TO HALAL FORK
Creating an effective supply chain begins with strategic sourcing. Analyzing the procurement process to lower costs by reducing waste and non-value-added activities, increase profits, reduce risks, and improve supplier performance.

There must be:
- Trust
- Effective communication
- Information velocity
- Supply chain visibility
- Event management capability
- Performance metrics
Halal supply chains... need to be

- **EFFECTIVE** - addressing process quality as well as minimize waste
- **EFFICIENT** - low cost and high utilization of dedicated assets
- **ROBUST** - little halal rejects and high availability of halal assets
GENERAL PRINCIPLES
for halal assurance management system

Minimizing and Eliminating the Non Conformance of Halal Requirement

Emphasis on Identifying Halal Critical Points

HAMS should include:

- Effective Product Recall Procedure
- Documentation to allow Traceability
- Filing systems for halal applications, documents, procedures, and records.
INTERNAL HALAL COMMITTEE (IHC)

IHC should consists of at least FOUR members:

- TWO (2) Muslims of management level
- ONE (1) from purchasing/procurement
- Coordinator of IHC – Person responsible of halal matters
- Halal Supervisor (for abattoir) shall be IHC member

Committee members should be knowledgeable in halal standard and requirements

Effectiveness of IHC to be reviewed periodically:

- at least ONCE a year
- Immediate when controls are ineffective
- Necessary when changes happens...
  - in IHC;
  - to monitoring schedule;
  - in Supply chain/operations
TRAINING PROGRAM

Continuous training to management members and relevant employees on halal standards and certification requirements.

Periodic assessment to ensure relevant employees are trained and knowledgeable for their jobs.
FLOWCHART OF GENERAL PRINCIPLES OF HALAL ASSURANCE MANAGEMENT

1. DETERMINATION OF HALAL CRITICAL POINTS
2. DEVELOPMENT AND VERIFICATION OF FLOWCHART
3. IMPLEMENTATION OF CONTROL MEASURES
4. DEVELOPMENT OF CORRECTIVE ACTIONS
5. DOCUMENTATION SYSTEM AND MANAGEMENT OF RECORDS
6. PROCESS VERIFICATION
DEVELOPMENT OF PRODUCT RECALL PROCEDURE

For complete and timely withdrawal of non-compliance products.

Recall procedure includes:

- Notify relevant parties
- Handle recall products, including in stocks
- Taking actions in sequence
- Segregating and quarantining the recalled products
- Document the cause; report extent and results to top management
- IHC committee to verify and record the effectiveness of recall procedure.
The Halal Assurance Management System should allow **traceability throughout** supply chain.

- able to track history of location or application of items through records and documentations.
Digital Free Trade Zone (DFTZ)

- Digital Free Trade Zone (DFTZ) will facilitate SMEs to grow in economy and cross-border trade
- DFTZ provides a holistic approach key to SMEs growth by connecting them to eMarket places, government agencies, cross border logistic providers and cross border payment providers
- DFTZ will increase the SMEs goods export to USD38 billion, create over 60,000 jobs and support US$65 billion worth of goods moving through DFTZ by 2025.
- DFTZ will make Malaysia Asia’s leading transshipment Hub by 2025
- The potential products include perishable, pharmaceuticals, HALAL goods and electronics.
- DFTZ will have three components:
  - eFulfillment Hub
  - eServices Platform
  - Satellite Services Hub
CONCLUSION

Knowledge brings...

- competence in Halal good practices.

- Confidence in the Halal authenticity of INCOMING goods and ingredients & OUTGOING products.

- Ability to react in unforeseeable conditions, without compromising Halal principles.
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THANK YOU

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