



HALAL ISSUES IN THE GLOBAL AND MALAYSIA

25 Oct, 2023 [Volume 2 Issue 6](#) 51 views

By [Dr. Siti Zamanira Mat Zaiib](#), [Dr. Nurul Hafizah Mohd Yasin](#), [Dr. Nurnaddia Nordin](#), [Dr. Nurhaiza Nordin](#) & [Nik Noorhazila Nik Mud](#)

0 comments 0 likes



The halal status is a constant concern for Muslim consumers. Hence, various studies have been conducted to investigate this issue. Ireland, J., and Rajabzadeh (2011) studied concerns about halal consumption among Muslim consumers in the United Arab Emirates (UAE).

Similarly, Potluri et al. (2017) investigated the behaviour and awareness of Muslim students and Indian Muslims towards halal usage in their daily life. In the UK, the House of Commons Standard Note (2012) exposed that there is no legal requirement for food products and services to be labelled as halal. Consequently, halal products are sold without the halal label, and there is little effort to collect data on halal products (Annabi & Ibadapo-Obe, 2017).

In Pakistan, Ali et al. (2018) discovered the inter-relationships between the perceived quality of traditional and halal branding constructs. The study focused on image, trust, satisfaction, and loyalty in predicting halal brand purchase intentions among consumers in Pakistan. In Japan, the involvement of Japanese firms in the halal sector is very low compared to other countries despite challenges in the domestic market (Yusof & Shutto, 2014).

In Malaysia, the halal industry has issues with insufficient SME financing (Dagang Halal, 2018). Several halal businesses have been identified as non-shariah compliant by Shariah screening bodies, owing to their use of conventional financing facilities. There is a financing vacuum for halal companies to be filled by Islamic financial entities with Islamic financing products and services, such as liquidity management, risk management or hedging, capital, investment, working capital, trade finance, and funding (WIEF, 2015). Islamic finance is the right institution for directing surplus funds into dynamic investments and walking into the value chain within the halal economy (MIFC, 2014). Figure 1.1 below illustrates examples of financial needs among halal industry players:

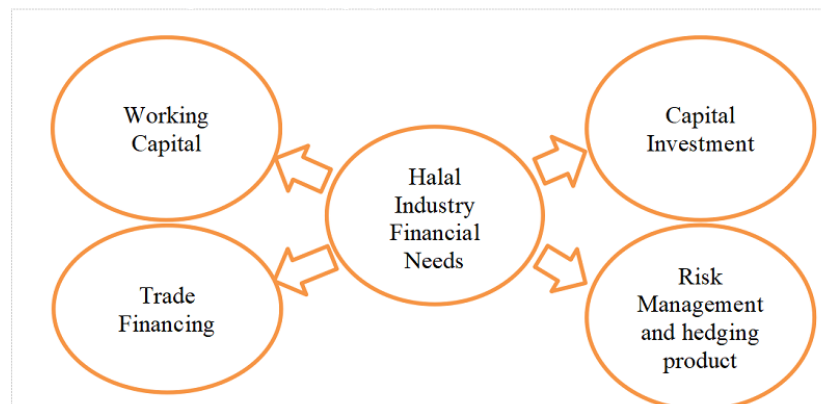


Figure 1.1: Examples of financial needs among halal industry players. Source (MIFC, 2014)





types of funding to complete this process. Trade financing for financing foreign selling operations, risk control products to mitigate international risks, and operating capital to pay for raw materials and other production costs (MIFC, 2014).

Halal businesses have been using Islamic capital markets to fulfill their funding needs. Sukuk plays a significant function as a funding mechanism for large and medium-sized halal companies to fund debt refinancing, corporate expenses, specialised projects, and acquisitions (MIFC, 2014). This situation may be seen as a capital gain for halal businesses. Shariah enforcement should be implemented in an organisation's supply chain of products and services to ensure a comprehensive halal economy.

According to MIFC (2014), Shariah-compliant financial services will guarantee end-to-end Shariah enforcement in halal suppliers' activities while supplying them with alternative and ethical financing solutions. The collaboration between the halal industry and Islamic finance will result in a win-win scenario for all parties involved (WIEF, 2015). A genuine halal business should focus on halal production and financing (Ghani, 2013). As part of the halal economy, the halal sector necessitates the incorporation of Maqasid al-Shariah into its business operations, with the primary goal of ensuring moral achievements to promote Islamic traditions rather than maximising profits (Rahman et al., 2017). Similarly, the collaboration between Islamic finance and the halal sector could improve the halal economy, particularly in Malaysia (Muhamed et al., 2014). As a conclusion, Islamic financing products should be used by halal industry players to ensure their operations are fully compliant with Shariah law from the time of raising capital to production.

References

- Ali, A., Xiaoling, G., Sherwani, M., & Ali, A. (2018). Antecedents of consumers' Halal brand purchase intention: an integrated approach. *Management Decision*. <https://doi.org/https://doi.org/10.1108/MD-11-2016-0785>
- Annabi, C. A., & Olajumoke Ibidapo-Obe, O. (2017). Halal certification organizations in the United Kingdom: An exploration of halal cosmetic certification. *Journal of Islamic Marketing*, 8(1), 107–126. <https://doi.org/10.1108/JIMA-06-2015-0045>
- Dagang Halal. (n.d.). Islamic Finance Must Lead the Halal Industry - Halal Articles. Retrieved March 1, 2018, from <http://www.daganghalal.com/HalalInfo/HalalArticlesDtl.aspx?id=319>
- Ghani, B. A. (2013). The CEO CIMB Islamic Speaker Note In The World Halal Forum and World Halal Research Summit. Kuala Lumpur.
- Ireland, J., & Rajabzadeh, S. A. (2011). UAE consumer concerns about halal products. *Journal of Islamic Marketing*, 2(3), 274–283.
- MIFC. (2014). The halal economy: Huge potential for Islamic finance.
- Muhamed, N. A., Ramli, N. M., Aziz, S. A., & Yaakub, N. A. (2014). Integrating Islamic Financing and Halal Industry : A Survey on Current Practices of the Selected Malaysian Authority Bodies. *Asian Social Science*, 10(17), 120–126. <https://doi.org/10.5539/ass.v10n17p120>
- Potluri, R. M., Ansari, R., Khan, S. R., & Dasaraju, S. R. (2017). A crystallized exposition on Indian Muslims' attitude and consciousness towards halal. *Journal of Islamic Marketing*, 8(1), 35–47. <https://doi.org/10.1108/JIMA-01-2015-0005>
- Rahman, F. K., Tareq, M. A., Yunanda, R. A., & Mahdzir, A. (2017). Humanomics Maqashid Al-Shari'ah-based performance measurement for the halal industry. *Humanomics*, 33(3). <http://www.emeraldinsight.com/doi/pdfplus/10.1108/H-03-2017-0054>
- WIEF. (2015). When halal meets Islamic finance. <https://wief.org/wp-content/downloads/2016/05/NL14.pdf>
- Yusof, S. M., & Shutto, N. (2014). The Development of Halal Food Market in Japan : An Exploratory Study. *Procedia -Social and Behavioral Sciences*, 121(121), 253–261. <https://doi.org/10.1016/j.sbspro.2014.01.1126>

0 Comments

 Login

Newest ▾





Share your thoughts about that



Become the first to comment

Your experience on this site will be improved by allowing cookies [Cookie Policy](#)





[HASIL KAJIAN](#)**THE CONCEPT OF THE HALAL INDUSTRY**25 Oct, 2023  [Volume 2 Issue 6](#)  163 views

As highlighted by Malaysia's halal certification, halal encompasses all facets of sanitation, health, and protection, including the supply chain in line with the definition of halalan thoyyiban (halal with purity).

[HASIL KAJIAN](#)**DECIPHERING BUSINESS TRANSACTIONS FROM POINT PROCESS AND TIME SERIES PERSPECTIVES**25 Oct, 2023  [Volume 2 Issue 6](#)  48 views

Point process and time series models are powerful analytical tools offering distinct approaches to understand and model events over time. In this article, we will delve into the nuances of both approaches and explore their applications in the realm of business transactions.

[HASIL KAJIAN](#)**CIRCULAR ECONOMY STRATEGIES: CATALYSTS FOR SUSTAINABLE ECONOMIC GROWTH**25 Oct, 2023  [Volume 2 Issue 6](#)  30 views

The notion of a circular economy has surfaced as a ray of hope in a world where the linear 'take-make-dispose' model is showing itself to be unsustainable and harmful to the environment. This novel strategy not only shows promise for a more sustainable future but also works as a potent stimulant for economic expansion.

Follow us Facebook Twitter Instagram Pinterest**Categories**

Pendapat	(64)
Hasil Kajian	(16)
Berita	(4)
Kreatif	(3)

Lastest PostYour experience on this site will be improved by allowing cookies [Cookie Policy](#)









PENDAPAT

DILEMA PELAJAR: BELAJAR ATAU BERNIAGA?

01 Sep, 2022 👁️ 263 views



PENDAPAT

HALA TUJU USAHAWAN ISLAM MALAYSIA MASA KINI

01 Nov, 2022 👁️ 462 views



BERITA

ESPORT: SUKAN GENERASI SIBER

01 Nov, 2022 👁️ 416 views



PENDAPAT

PERANAN DIGITAL TEKNOLOGI KEPADA PERUSAHAAN MIKRO, KECIL DAN SEDERHANA (PMKS)

20 Aug, 2023 👁️ 211 views



PENDAPAT

KESAN GANGGUAN RANTAIAN BEKALAN GLOBAL TERHADAP EKONOMI

19 Aug, 2023 👁️ 386 views

Tags



Recently Viewed Posts



PENDAPAT

MEMUPUK KEPUASAN KERJA DALAM KALANGAN AHLI AKADEMIK: KUNCI KECEMERLANGAN SEORANG AKADEMIA

02 Nov, 2023 👁️ 80 views

About us

Caknawan menjadi platform kepada penulisan popular ilmiah hasil sumbangan artikel-artikel daripada pensyarah-pensyarah institusi pengajian tinggi di Malaysia.

Address

Fakulti Keusahawanan dan Perniagaan, Kampus Kota, Pengkalan Chepa, 16100 Kota Bharu, Kelantan

Phone

+6097717127

Popular Posts



EKONOMI GIG DI MALAYSIA : PROSPEK DAN CABARAN

26 Jan, 2023 👁️ 3,229



TREND MEDIA SOSIAL: PELUANG PENTING BAGI PERNIAGAAN UNTUK BERKEMBANG MAJU

29 Sep, 2022 👁️ 1,759

Your experience on this site will be improved by allowing cookies [Cookie Policy](#)





Quick links

[Homepage](#)

[Contact](#)

Tags

[Blog](#)

[About](#)

[Usahawan](#)

[Kesihatan Mental](#)

[Self-Exciting](#)

[UMK](#)

[Buah Fikiran](#)

Newsletter

Subscribe to Our Newsletter

Enter your email



©2022 Caknawan | Fakulti Keusahawanan dan Perniagaan

[Homepage](#)

[Contact](#)

[Blog](#)

[About](#)

