

ISSUES, CHALLENGES AND STRENGTHS OF THE HALAL INDUSTRY IN SINGAPORE: MUIS'S EXPERIENCE

Norazla Abdul Wahab
Farah Mohd Shahwahid
Nor 'Adha Ab. Hamid

Department of Economic & Management
Faculty of Management & Muamalah,
International Islamic University College Selangor, Malaysia
norazla@kuis.edu.my, farahms@kuis.edu.my, noradha@kuis.edu.my

ABSTRACT

Singapore is one of the key player in the ASEAN region Halal industry besides Malaysia and Thailand. Eventhough Singapore is only consist of 14.3% of Muslim population but their halal industry is rapidly catching up in being a globally recognized Halal hub due to its tourism and business location, stringent food safety laws and recognised Halal standards. Thus, this article aims to study the issues, challenges and strengths of Halal industry in Singapore from MUIS's experiences. A semi structured interview has been conducted with the Islamic Religious Council of Singapore or Majlis Ugama Islam Singapore (MUIS), as a recognized body dealing with halal related matters in the development of halal industry in Singapore in order to gather the required information. The research shows that Singaporean Halal Certification is well known and highly reputable whereby Singapore halal mark has been recognized by MABIMS (the unofficial Meetings of Religious Ministers in Brunei, Indonesia, Malaysia and Singapore) as well as the GCC (Gulf Cooperation Council which comprises Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman). However, same like other countries, Singapore also faces the issues of forged Halal certificate, the use of expired Halal logo, inappropriate placement of the food product where some supermarkets are unable to separate all types of halal certified products from the non-Halal ones as well as the issues on product transparency and quality whereby certain information on the products have been hidden due to non-compliance of the halal standard. Even the Singaporean government does not directly play a role in the development of the halal industry, however it does give support and encourages the measures taken by MUIS to further strengthen the halal industry. Singapore people either Muslim or non-Muslim have a level of concern and awareness regarding the Halal concept and the importance of Halal certification. Thus, this research is significant in addressing certain issues and challenges that happen in Singapore pertaining to Singapore's halal industry as well as try to propose a solution as the rising demands for Halal products worldwide.

Keywords: *Issue, challenges, halal industry, Singapore, MUIS*

1. Introduction

Singapore is a small island state which is only consist of 14.3% Muslim population (CIA World Factbook, 2016). Among the significant factors that lead to the growth of Singapore's halal industry is its strategic location at the heart of Asia which is surrounded by a predominantly Muslim populated region (Abdul Aziz et al., 2014). Furthermore, being as top non-Islamic destination for Muslim travellers, there is a demand for halal product in Singapore from the Muslim tourists (Reuters, 2014). While not yet established as the Halal industry in neighboring ASEAN countries, Singapore is rapidly catching up in being a globally recognized Halal hub. Singapore had signed its first free trade agreement (FTA) with the Six-Nation-Gulf Cooperation Council (GCC) in November 2006 (Abdul Aziz et al, 2014; Abdul Aziz et al., 2015). MUIS's Halal Certification and Halal Mark has been recognized by Qatar, Kuwait and the United Arab Emirates (Abdul Aziz et al, 2014; Abdul Aziz et al., 2015). Significantly it boosts the halal trade between Singapore and the GCC countries (Abdul Aziz et al., 2014; Abdul Aziz et al., 2015).

2. Overview of Halal Industry in Singapore

The sole recognised Islamic body in Singapore that has been vested with the powers to administer and regulate Halal certification in Singapore is Islamic Religious Council of Singapore or Majlis Ugama Islam Singapore (MUIS). Since 1978, MUIS had issued Halal certification in Singapore (Abdul Aziz et al., 2014) due to the increasing demand for Singapore Halal-certified products and eating establishments. It shows that MUIS has played an important role as the custodian of Halal food assurance for Singapore's 14.3% Muslim population.

Singaporean Halal Certification is also well known and highly reputable (Abdul Aziz et al., 2014). It has been recognized by MABIMS; the unofficial Meetings of Religious Ministers in Brunei, Indonesia, Malaysia and Singapore as well as the GCC-Singapore Free Trade Agreement; Gulf Cooperation Council which comprises Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman (Abdul Aziz et al., 2014).

MUIS also produces a set of guidelines called Halal Certification Scheme covering products, food manufacturing, storage, preparation and verification of halal products (Mohd Al'Ikhsan & Siti, 2014). Seven types of Halal certification schemes have been provided in details in order to suit the various categories of the food and food-related industry such as Eating Establishment Scheme, Endorsement Scheme, Food Preparation Area Scheme, Poultry Abattoir Scheme, Product Scheme, Storage Facility Scheme, Whole Plant Scheme and Halal Food Certification for Social Functions (Halal Certification Strategy Unit, MUIS, 2013).

Furthermore, the Singapore MUIS Halal Standards (SMHS); Singapore MUIS Halal Standard (MUIS-HC-S001): General Guidelines for the Handling & Processing of Halal Food and Singapore MUIS Halal Standard (MUIS-HC-S002): General Guidelines for the Development and Implementation of a Halal Quality Management System have been developed by MUIS in collaboration with SPRING Singapore (National Standards body). The objectives are to provide transparent religious and technical guidelines pertaining to Halal certification, to enhance consistency with regard to compliance with

MUIS Halal certification terms and conditions and to facilitate trade and other business opportunities (Halal Singapore, 2015).

In relation to the Halal industry in Singapore, SPRING plays an important role in the developing of the Singapore Halal Standards. As an agency under the Ministry of Trade and Industry, SPRING is responsible for helping Singapore enterprises to grow particularly in financing, capability and management development, technology and innovation and access to market their products and services. As the national standards and accreditation body, SPRING develops and promotes an internationally-recognized standards and quality assurance infrastructure and the safety of general consumer goods in (Singapore Spring, 2014).

Another two government bodies that involved in regulating halal industry in Singapore is the Agri-Food and Veterinary Authority of Singapore (AVA) and National Environment Agency (NEA). AVA is the national authority on food safety for both primary and processed food. It was established to ensure the food safety, a resilient food supply, safeguard animal and plant health, safeguard animal welfare, promote agrotechnology, invest in research as well as to develop and protect wildlife (Agri-food and Veterinary Authority of Singapore, 2016). In respect to the Halal industry, AVA works together with MUIS to ensure that the local and imported food products in the Singaporean market are complied with the laws and standards of the country (Munir & Abdul Rahman, 2016).

While the National Environment Agency (NEA) is responsible for improving and sustaining a clean and green environment in Singapore. Basically NEA regulates the food retail industry in Singapore in order to ensure that food sold at retail outlets is prepared hygienically and safe for consumption. The NEA conducts regular checks on food establishments in order to ensure that a high standard of hygiene is maintained for awarding of a Halal certificate (National Environment Agency, 2016).

At last but not least, Halal consultants also play an important role to support Singapore's aim to play a bigger role in the global Halal map. The Halal consultants offers the fundamental service that will educate and bring companies into the halal market by helping them to attain halal certification locally and internationally (Halal Singapore, 2015).

3. Methodology

An in-depth interview has been conducted with the Islamic Religious Council of Singapore or Majlis Ugama Islam Singapore (MUIS) as the sole custodian of Halal certification in Singapore. The purpose of this interview is to gather the latest information as regard to Singapore's halal industry, the strengths, issues and challenges faced by MUIS as a recognized body dealing with the halal industry in Singapore.

4. Discussion and Findings

4.1 Issues and Challenges Faced in the Halal Industry in Singapore

Being a secular state that involved in the development of the halal industry since 1978, there are several issues and challenges faced by MUIS and the Singaporean Muslim in halal related matters in Singapore. Among the issues are forged Halal certificate, the use of expired Halal logo, inappropriate placement of the food product where some supermarkets are unable to separate all types of halal certified products from the non-Halal ones as well as the issues on product transparency and quality whereby certain information on the products have been hidden due to non-compliance of the halal standard.

4.1.1 Forged Halal certification

Basically, Singapore's foray into halal certification came out of necessity rather than demand from their respective Muslims (Abdul Aziz et al., 2014). In Singapore, product certification is the most important prerequisite for entering the Halal market in Singapore (Munir & Abdul Rahman, 2016). Thus, it is very important for manufacturers, producers or food importers to seek certification from a recognized Islamic agency that is known by consumers in the local market (Munir & Abdul Rahman, 2016). However, same like other countries in the world, the major challenge in the Halal food market is the certification of authentication bodies (Global Halal Food Market report 2012-2016).

There are a few incidents where a fake or forged Halal certificate was used for products imported to Singapore. There also arises some confusion on whose responsibility is it to obtain the Halal certification, either the Singaporean importer or the foreign manufacturer of the product. As the body responsible for Halal certification, MUIS will proceed with investigations and take action against any offences (Munir & Abdul Rahman, 2016).

“There is imported chicken that is halal and non halal. We don't control that. It is a free market basically. So they can import whatever they want to import. But if the chicken is halal certified, it must have a halal logo. If they have a halal logo on it but don't have a halal certificate or halal logo, it means there is a breach of the Sale of Food Act. MUIS can bring them to court.”

(Munir & Abdul Rahman, 2016).

“One company imported items from Vietnam, one of them is cup noodles, pork flavoured cup noodles, and it did have a halal logo on it, we received public feedback and we investigate so when we ask the retail shop owner for halal certificate but it not have. So it is a breach under Sale of Food Act. And then we ask the importer, they say they never certified the product. We sent the product to lab test, the importer claim that it is a misprint basically the product has no pork in it. When we check in the lab the test was positive for pork, so, we immediately prosecute.”

(Munir & Abdul Rahman, 2016).

Basically, the authority to administer and regulate Halal certification in Singapore (Ahmad Nizam, 2012) is stipulated in section 88A(1) and (5) of Administration of Muslim Law Act (AMLA) (Mohd Al'Ikhsan & Siti, 2014). Section 88A(1) provides that the Council can issue halal certificates in respect of any product, service or activity and make regulations for halal certificate holders to ensure that conditions in Islamic law are met during production, processing, marketing or advertising of products and provision services performed in these activities (Mohd Al'Ikhsan & Siti, 2014).

The amendment to AMLA has widened the enforcement authority and prosecution powers to MUIS (Munir & Abdul Rahman, 2016). MUIS can prosecute the companies which is inconsistent with the said provisions at the Singaporean Courts (Munir & Abdul Rahman, 2016). There are several types of offences regarding the usage of Halal logo. Among the cases that have been brought to the MUIS's attention are the use of fake or forged Halal logo, use of expired Halal logo and the use of Halal logos issued by other bodies that are not recognized by MUIS. Normally, MUIS will conduct investigations if they receive any report of non-compliance from the public and also conducting random visits to certified establishments to ensure its compliance (Munir & Abdul Rahman, 2016).

“It is misuse on halal logo sometimes the display expired of halal certificate. There was one case of forgery...where they tampered with the date of halal certificate.”

(Munir & Abdul Rahman, 2016).

“if the premises with halal certified have breach the requirement our condition then we can suspend. If they are not halal certified but it shows otherwise, then we can prosecute them to the court.”

(Munir & Abdul Rahman, 2016).

4.1.2 Inappropriate Placement of the Food Product

Another challenge for halal food products in Singapore is the appropriate retail placement of the food product. Basically, the Singaporean Muslim purchases the halal food products from retail supermarket chains which carry Halal products or Muslim Halal butchers as they feel more confident that the meat is Halal and there is no risk of cross-contamination. Some supermarkets provide separate chillers or freezers for Halal products which are clearly marked with the MUIS halal mark and a written notice stating that Halal and non-Halal goods are properly separated. However, due to space constraint, there are some supermarkets that are unable to separate all types of halal certified products from the non-Halal ones (Munir & Abdul Rahman, 2016).

4.1.3 Product Transparency and Quality

Singapore uses a voluntary approach to certification, whereby producers or business owners who are interested to have their products or establishments certified will apply for it. It is not mandatory to have halal certification for the products to enter the Singapore market. There will be a few cases where the applicants are dishonest or hide certain information regarding their product or commit certain non-compliance. In order to counter this matter basically MUIS will conduct unannounced random inspections and testing on

its certificate holders. MUIS also welcomes feedback and reports from members of the public if they are suspicious on the Halal-ness of the products or establishments (Munir & Abdul Rahman, 2016).

4.2 The Strengths of Halal Industry in Singapore

Even the Singaporean government does not directly play a role in the development of the halal industry, however it does give support and encourages the measures taken by MUIS to further strengthen the halal industry. Among the strengths of the halal industry in Singapore are the Singaporean people have a level of concern and awareness regarding the Halal concept and the importance of Halal certification as well as their tolerate approach to others particularly to non-Muslims.

4.2.1 Reputable and Demand of Halal certification

“Trusted, Reliable, Widely Accepted”! The motto of the Singaporean Halal Certification is really make sense once it is widely acknowledged by MABIMS as well as the Gulf Cooperation Council (GCC) which comprises Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman (Abdul Aziz et al, 2014). Many business entities, even those whose core customer are not Muslims have decided to get Halal certification (Munir & Abdul Rahman, 2016). They realize that by getting certified will make their business available to a wider customer base. Most businesses that are certified can see an increase in profits when their business is Halal certified.

“Here companies quite confident about certification system. And they see the need for halal certification because they are growing industry, growing market and everything.”

(Munir & Abdul Rahman, 2016).

“The Muslim here feel that halal certification is essential. And at the same time they are quite number of Muslim owned restaurant. Some of them also have applied for halal certificate, there are some Muslim company also with halal manufacturer product even they are applying halal certification for export and even in local market. So there is a demand for it and they want to be able to cater to the demand. That is one of reason people apply that certification.”

(Munir & Abdul Rahman, 2016).

“Because here people more comfortable with this certification and they come back with lots of question and enquiry all of the things. They don’t take things for granted.”

(Munir & Abdul Rahman, 2016).

Furthermore, the process of getting the said halal certification does not take a long time which only takes one month for approval (Zurina & Wan Siti Khadijah, 2012). Basically an application for such halal certification can be done through online application via MUIS eHalal system. One of a unique feature of the Singaporean system is that if an

establishment applies for Halal certification, MUIS requires all outlets to be Halal certified. This is to prevent customer confusion on the Halal status of the establishment.

“All kfc, mcdonald, pizza hut here is halal. Based on our policies, if the parent company apply, all branches must apply. If you apply for one branch, you must apply for all.”

(Munir & Abdul Rahman, 20 January 2016).

4.2.2 Tolerate Approach Towards Halal Related Matters

Enforcing Halal in a Muslim minority country requires a different approach. MUIS must ensure that steps are taken to ensure compliance to Syariah principles but at the same time respecting the culture and practices of other Singaporeans (Ahmad Nizam, 2012). MUIS always welcomes both Singaporeans Muslim and non-Muslim to debate on the issues and challenges facing by Muslims in Singapore (Charlene Tan,2007). The Singaporean Muslims need to balance with their dual identity as Singapore Muslims and citizen in a multi-religious country (Charlene Tan,2007).

“The Singapore approach is good where you are concerned about it being Halal but sensitive to tolerate the others.”

(Munir & Abdul Rahman, 20 January 2016).

MUIS has undertaken several approaches to increase awareness and knowledge on Halal related matters. Among steps taken by MUIS for raising awareness and education purposes include printed media campaigns explaining on the meaning and scope of Halal products, public awareness campaigns by conducting talks in community centers, schools and other public places, holding special training classes at the *madrasahs* (religious schools) which are specially catered to the students and young audience (Munir & Abdul Rahman, 2016). Sometimes, those attending the awareness campaigns will include non-Muslims who genuinely are interested to know about Halal requirements as well as other matters related to Islam (Munir & Abdul Rahman, 2016).

“We are creating awareness because most of audience is non-muslim. When we are doing sessions in community centers for them maybe not very keen to know about ingredients. we customize our presentation. because for them, they are more interested to want to know about. For examples: if I have a Muslim friend coming over, what can he eat?”

(Munir & Abdul Rahman, 20 January 2016).

The approach of each campaign is unique and will differ according to the topic to be discussed and also looking at the audience for such session (Munir & Abdul Rahman, 2016). This could be one of the reason that Muslims in Singapore have a level of concern and awareness regarding the concept of Halal and the importance of Halal certification.

4.2.3 Consumer Concern and Awareness About Halal in Singapore

Another approach taken by MUIS is the usage of social media via Twitter named halalSG as a means of reaching out to concerned consumers especially from the younger generation who prefer to obtain and trust information from the internet. The MUIS twitter approach is effective as it allows fast and instantaneous communication between the MUIS administrator and the curious members of public.

“MUIS does it because people also want to hear from us, from the authority, so one of thing we do is we use Twitter. The person behind that must be lively person, friendly and very fast response”.

(Munir & Abdul Rahman, 20 January 2016).

Generally, the Singaporean Muslim community is very aware on Halal related issues. If there is any new issue, they will seek clarification and answers from MUIS. Capitalizing on the popularity of social media, MUIS often responds to queries regarding Halal status of products through Twitter. Besides that, if there is a query from the public, MUIS will communicate with the local producer or importer asking them to clarify the issue. MUIS also has their own Standard of Procedure (SOP) in responding certain issue as regard to halal matters.

“Sometimes we receive emails. Usually we wait until this mainstream media, when they pick it up and then they will come toward us for statement, then we will issue a statement. sometimes we just use social media like twitter, Facebook. We generally delay official statements”.

(Munir & Abdul Rahman, 2016).

5. Conclusion and Recommendation

As a conclusion, by looking at the rising number of applicants in halal certifications, it is predicted that Singapore has a potential to be an important player in the global Halal industry. However, there are several common issues and challenges as regards to halal industry that happen not only in Singapore but all over the world such as forged Halal certificate, fake or forged Halal logo, expired Halal logo and the use of Halal logos issued by the unauthorized bodies, dishonest or hide certain information regarding their product or commit certain non-compliance.

As the rising demands for Halal products worldwide, Abdul Raufu & Ahmad Nuqiyuddin (2014) suggested that one global Halal standard for example in food standard halal needs to be developed. It is supported by Kambiz & Mohammad Reza (2011) whereby one organization with an international scope is better in dealing with the halal certification process for global market. However, it seems to be impossible because of the different cultures and understanding of the religion among the respective countries. Taking example of the steps taken by OIC whereby their Standing Committee for Economic and Commercial Co-operation (COMCEC) has finalized three documents on OIC Halal Food Standard, but all these documentation has yet to be approved by all OIC members (Mustafa & Mohd Mahyeddin, 2012).

However, certain actions can be taken for example to develop a steady structure and regular certifying process to enhance the country's recognition and reliability in the global halal network. As regard to legal enforcement, the continuous and regular monitoring process after certification has been issued to respective companies is a must (Abdul Raufu & Ahmad Nuqiyuddin, 2014).

References

- Abdul Aziz Mohamad, Aminuddin Ruskam, & Yusuf Abdul Azeez. (2014). An Overview of Halal Industry in Singapore. Conference Paper, Surabaya.
- Abdul Aziz Mohamad, Ahmad Syukran Baharuddin, & Aminuddin Ruskam. (2015). Halal Industry in Singapore: A Case Study of Nutraceutical Products. *Sains Humanika*, 4(2): 35-40.
- Abdul Raufu' Ambali & Ahmad Naqiuddin Bakar. (2014). People's Awareness on Halal Foods and Products: Potential Issues for Policy-makers. *Procedia-Social and Behavioral Sciences*, 121: 3-25.
- Ahmad Nizam Abbas. (2012). The Islamic Legal System in Singapore. *Pacific Rim Law & Policy Journal*, 21(1): 164-187.
- Charlene Tan. (2007). Islam and Citizenship Education in Singapore Challenges and Implications, *Education, Citizenship and Social Justice*, 2(1): 23–39.
- Kambiz Heidarzadeh Hanzaee & Mohammad Reza Ramezani. (2011). Intention to Halal Products in The World Markets, *Interdisciplinary Journal of Research in Business*, 1(5):1-7.
- Mohd Al'Ikhsan Ghazali and Siti Salwa Md. Sawari. (2014). *UMRAN–International Journal of Islamic and Civilizational Studies*, 1(1): 35–44.
- Mohd Munir & Abdul Rahman. (2016). Interview at Majlis Agama Islam Singapore, Singapore at 20 January 2016.
- Mustafa 'Afifi Ab Halim & Azlin Alisa Ahmad. (2014). Enforcement of Consumer Protection Laws on Halal Products: Malaysian Experience. *Asian Social Sciences*, 10(3): 9-14.
- Zurina Shafii & Wan Siti Khadijah. (2012). Towards the Traceability of Halal and Thoyyiban Application. *World Applied Sciences Journal*, 17: 01-05.

Websites

Agri-food and Veterinary Authority of Singapore website, <http://www.ava.gov.sg/> retrieved 12 February 2016.

Halal Certification Strategy Unit, MUIS, <http://www.muis.gov.sg/> retrieved 12 February 2016.

Halal Food Market Reports 2016, <http://www.reportlinker.com/market-report>, retrieved 12 February 2016.

Halal Singapore website, <http://www.halal.sg/Consumer/general.html>, retrieved 12 February 2016.

Majlis Agama Islam Singapore, <http://www.muis.gov.sg/>, retrieved 12 February 2016.

National Environment Agency website, <http://www.nea.gov.sg/> retrieved 12 February 2016.

Spring Singapore website, <http://www.spring.gov.sg> retrieved 12 February 2016.