EXECUTIVE SUMMARY

HALAL INDUSTRY MASTER PLAN

2030

Prominent, Visible and Globalised Halal Malaysia
INTRODUCTION

The Halal industry of today is strong and robust. There are many new and expanding opportunities for economic growth and consumers awareness on Halal products is increasing around the world. International organisations are beginning to embrace Halal values aligned with those practiced by Muslims, where the core values of Halal are consistent with the enhancement of social wellbeing, protection of the environment and ethics of business conduct.

With a comprehensive Halal ecosystem, Malaysia sets the bar globally as the reference for best practices in the development of Halal standards and business processes through nurturing growth and participation of local businesses into the global Halal market.

The **Halal Industry Master Plan 2030 (HIMP 2030)** was developed to catalyse Malaysia’s strengths towards the development of its Halal industry holistically. The theme **‘Prominent, Visible and Globalised Halal Malaysia’** depicts Malaysia’s goal to achieve socio economic development through leading the global Halal industry.

The HIMP 2030 brings together an analysis of the Halal industry trends and projections, both global as well as in Malaysia and asseses the industry developments based on focus sectors. This Master Plan lined up developmental framework for Malaysia’s Halal industry and highlights opportunities for Malaysia’s socio economic growth in order to maximize potential economic return over the next decade and beyond.
<table>
<thead>
<tr>
<th>ACRONYM</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>AIBIM</td>
<td>Association of Islamic Banking Institutions Malaysia</td>
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<tr>
<td>ASM</td>
<td>Academy Science Malaysia</td>
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<tr>
<td>DOSM</td>
<td>Department of Statistics Malaysia</td>
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<tr>
<td>DSM</td>
<td>Department of Standards Malaysia</td>
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<tr>
<td>EDA</td>
<td>Economic Development Authority</td>
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<tr>
<td>FSQ</td>
<td>Food Safety and Quality Division</td>
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<tr>
<td>GDP</td>
<td>Gross domestic product</td>
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<tr>
<td>HDC</td>
<td>Halal Industry Development Corporation</td>
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<tr>
<td>IPA</td>
<td>Investment Promoting Agency</td>
</tr>
<tr>
<td>JAIN</td>
<td>State Islamic Religious Departments</td>
</tr>
<tr>
<td>JAKIM</td>
<td>Jabatan Kemajuan Islam Malaysia</td>
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<td>JPK</td>
<td>Jabatan Pembangunan Kemahiran</td>
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<td>KIHIM</td>
<td>Konsortium Institut Halal IPT Malaysia</td>
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<td>KPDNHEP</td>
<td>Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna</td>
</tr>
<tr>
<td>MAIN</td>
<td>State Islamic Religious Councils</td>
</tr>
<tr>
<td>MAMPU</td>
<td>Malaysian Administration Modernisation and Management Planning Unit</td>
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<td>MARA</td>
<td>Majlis Amanah Rakyat</td>
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<tr>
<td>MATRADE</td>
<td>Malaysia External Trade Development Corporation</td>
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<td>MDEC</td>
<td>Malaysia Digital Economy Corporation</td>
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<tr>
<td>MHC</td>
<td>Malaysia Halal Council</td>
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<tr>
<td>MIDA</td>
<td>Malaysia Investment Development Authority</td>
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<td>MOA</td>
<td>Ministry of Agriculture and Agro-based Industry</td>
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<td>MOE</td>
<td>Ministry of Education</td>
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<td>MOHR</td>
<td>Ministry of Human Resource</td>
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<td>MPIH</td>
<td>Majlis Pembangunan Industri Halal</td>
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<td>MTA</td>
<td>Malaysian Takaful Association</td>
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<td>MTDC</td>
<td>Malaysian Technology Development Corporation</td>
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<tr>
<td>NPRA</td>
<td>National Pharmaceutical Regulatory Agency</td>
</tr>
<tr>
<td>PBT</td>
<td>local authority (Pihak Berkuasa Tempatan)</td>
</tr>
<tr>
<td>PNS</td>
<td>Perbadanan Nasional Berhad</td>
</tr>
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<td>PUNB</td>
<td>Perbadanan Usahawan Nasional Berhad</td>
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<td>SC</td>
<td>Securities Commission Malaysia</td>
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<tr>
<td>SMECORP</td>
<td>SME Corporation Malaysia</td>
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<tr>
<td>SSM</td>
<td>Suruhanjaya Syarikat Malaysia</td>
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<tr>
<td>TERAJU</td>
<td>Unit Peneraju Agenda Bumiputera</td>
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</table>
The Halal industry is a strong promoter of socioeconomic growth in Malaysia, and therefore efforts to improve governance, capacity building programmes, and promotion of the industry needs to be intensified.

**IMPORTANCE OF HALAL INDUSTRY**

**Malaysia, Pioneer of the Halal Industry**
More than 40 years of experience in the development of the Halal industry

**Increasing Domestic Demand**
Malaysia is still a net importer of various products, including Halal products

**Huge Global Halal Market Potential**
There is an estimated 80% gap between demand and production of global Halal products

**Malaysian Welfare**
The Halal industry provides broader job opportunities and increases the safety of products

**Economic Welfare**
Halal gives added value, promotes trade and investment
By 2030, the global Halal market is expected to grow to USD 5.0 trillion, while domestic growth is estimated to reach USD 113.2 billion. With a comprehensive Halal ecosystem, Malaysia is endowed with a competitive advantage to fully capitalise this timely opportunity.

Notes:
Based on the proportion consumption of the total Halal market by the Muslim population.
Notes:
Based on the proportion consumption of the total Halal market by the Muslim population
1 Includes relevant/ emerging sectors (e.g. modest fashion, medical devices, medical tourism)
The Halal Ecosystem is a network of components involved in growth cycle and delivery of Halal products or services contributing to the overall socio-economic development. Each component in the ecosystem has its own unique activities that are interrelated with each other, creating a constant evolving relationship towards sustainability.

MALAYSIA’s HALAL ECOSYSTEM

The HIMP 2030 focuses on strengthening and internationalising Halal ecosystem in Malaysia by re-evaluating and improving existing initiatives, as well as introducing high impact initiatives in line with the Government’s direction.
WHY HIMP 2030?

- Re-evaluate and improve existing plans
- Address unsettled issues and challenges
- Re-align with aspirations of the Malaysian Government
- To achieve a more substantial contribution to Malaysia’s socio-economy

Achievements to Date
as of December 2018

- Contribution towards Gross Domestic Output: 7.8% vs. 8.7%
- Halal Export Value: RM 40.8 bil vs. RM 50 bil
- Number of SME Halal Exporters: 1,401 vs. 1,600
- Number of Jobs Created: 350,000 vs. 330,000
- Investments Value in Halal Parks: RM 13.3 bil vs. RM 15 bil

With a foundation built on the strength of Malaysia’s Halal ecosystem, the goals of the HIMP 2030 are both realistic and achievable.
7 Strategic Thrusts of HIMP 2030 aim to encourage quality, innovative and competitive Halal industry offerings; develop high-performing home grown enterprises; and spur sustainable, balanced and inclusive socio-economic growth.

**VISION:**
MALAYSIA AS THE GLOBAL LEADER OF THE HALAL INDUSTRY

**MISSION:**

1. Enhancing Halal Industry-friendly Policy and Legislation
2. Creating New and Bigger Market Spaces for Malaysia’s Halal Products and Services
4. Enhancing Quality and Integrated Infrastructure Development
5. Fostering Thought Leadership
6. Producing More Home-grown Halal Champions
7. Facilitating More Competitive Bumiputera Participation In the Halal Industry

**KEY OUTCOMES:**

- PROMINENT
- GLOBALISED
- VISIBLE

**PROMINENT GLOBALISED VISIBLE**
Emerging opportunities in the Halal industry include new economic sectors which are increasingly embracing Halal values in their operations.

- **Modest Fashion**
- **Medical Tourism**
- **Medical Devices**

Malaysia’s Halal industry must aspire to move into higher-value sectors by continuously pushing the boundaries of knowledge, exploring new frontiers and influencing consumer trends, with a strong willingness to invest in innovation and new product development.
Key enablers are put in place to support smooth implementation of HIMP 2030

**KEY ENABLERS**

**Halal Traceability Services**
Strong focus of encouraging Halal innovation through the technological advancement of IR 4.0, IoT, Blockchain, FinTech and Big Data to ensure Halal products go through an entirely verified supply chain.

**Talent Development / Upskilling Services**
Competent Halal professionals and Halal experts to support comprehensive and future developments of the Halal ecosystem through the alignment of the Halal occupational framework.

**Standards, Accreditation and Certification Services**
Robust standards, accreditation and certification services ensuring the integrity of the Halal supply chain, in addition to ensuring global trust in Malaysia’s accreditation and compatibility with Halal emerging markets.

**Islamic Finance**
Accessibility to financial support for players in the Halal supply chain encouraging and supporting participation growth in the Halal industry through the innovation and promotion of a hybrid Islamic financing structure.

**Logistics Services**
Dedicated logistics services, from sourcing of raw materials to reaching the consumer (i.e., farm to fork), to avoid cross-contamination thus ensuring the safety and quality of Halal certified products.
Out of the 42 initiatives formulated, 5 were identified as Super Catalytic-large-scale transformative initiatives benefiting industry players at all level aimed at shifting the trajectory of the Halal industry’s growth, and significantly advancing a broad cross-section of the industry.

HIMP 2030 SUPER CATALYTIC INITIATIVES

Targeted Beneficiaries:
- LLC/MNC
- SME
- MICRO ENTERPRISES
Majlis Pembangunan Industri Halal (MPIH) plays a role to improve governance structure in the development of the Halal industry by focusing on four key success areas. 1: Formulate Strategic Policy and Monitoring; 2: Certification Enhancement and Enforcement; 3: Standard Development and Traceability; 4: Industry Development and Entrepreneurial Culture.

MAJLIS PEMBANGUNAN INDUSTRI HALAL

Majlis Pembangunan Industri Halal
Chairperson: Deputy Prime Minister

Secretary
Secretary General of MEA

Secretariat

Members
• MOF • MITI • JPM (Religious Affairs) • MEA • MED • MESTECC • KPDNHEP
• MOA • MOH • MOE • MOHR • KPKT • MOTAC
• Chief Secretary General of Malaysia • Attorney General
• Chairman of State Islamic Councils

Action Committee on Certification & Enforcement
Secretariat: JPM (Religious Affairs)
Lead Agency: JPM (Religious Affairs)

Action Committee on Standard Development
Secretariat: Ministry of International Trade & Industry
Lead Agency: Ministry of International Trade & Industry

Action Committee on Industry Development & Entrepreneurship
Secretariat: Ministry of Entrepreneur Development
Lead Agency: SME CORP

Action Committee on Internationalisation
Secretariat: Ministry of International Trade & Industry
Lead Agency: MATRADE
The HIMP 2030 targets 4 major outcomes: a robust and diversified domestic Halal industry; ease of doing business; competitive business participation and internationalisation of the Halal Malaysia brand.

## HIMP 2030 PERFORMANCE INDICATOR

The Halal Industry’s contribution towards overall GDP

### GDP Indicators

<table>
<thead>
<tr>
<th>GDP Indicators</th>
<th>2018</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative HALMAS Investment</td>
<td>Phase 1a</td>
<td>Phase 1b</td>
<td>Phase 2</td>
<td></td>
</tr>
<tr>
<td>Value Add</td>
<td>RM 13.9 bil</td>
<td>RM 15.3 bil</td>
<td>RM 19.6 bil</td>
<td>RM 25.0 bil</td>
</tr>
<tr>
<td>Value to consumers</td>
<td>Phase 1a</td>
<td>Phase 1b</td>
<td>Phase 2</td>
<td></td>
</tr>
<tr>
<td>(Gross output less inputs, “economic profit”)</td>
<td>RM 59.7 bil</td>
<td>RM 76.0 bil</td>
<td>RM 126 bil</td>
<td>RM 171 bil</td>
</tr>
<tr>
<td>Halal Export</td>
<td>RM 40 bil</td>
<td>RM 46 bil</td>
<td>RM 56 bil</td>
<td>RM 70 bil</td>
</tr>
</tbody>
</table>

### Productivity Indicators

<table>
<thead>
<tr>
<th>Productivity Indicators</th>
<th>2018</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Phase 1a</td>
<td>Phase 1b</td>
<td>Phase 2</td>
<td></td>
</tr>
<tr>
<td>“Gross output” (industry revenue) earned by Halal businesses</td>
<td>RM 275 bil</td>
<td>RM 335 bil</td>
<td>RM 497 bil</td>
<td>RM 684 bil</td>
</tr>
<tr>
<td>Employees</td>
<td>Phase 1a</td>
<td>Phase 1b</td>
<td>Phase 2</td>
<td></td>
</tr>
<tr>
<td>Number of employees in the industry</td>
<td>0.35 mil</td>
<td>0.41 mil</td>
<td>0.56 mil</td>
<td>0.71 mil</td>
</tr>
</tbody>
</table>
The vast number of upcoming technology such as Financial Technology (FinTech), Internet of Things (IoT), Big Data, Blockchain and Industry 4.0 have huge potential to further improve Malaysia’s Halal Industry.

**EMBRACING MEGATRENDS FOR BRIGHTER FUTURE**

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**Benefits to Malaysia’s Halal Industry**

1. Improved traceability, authenticity, and transparency of Halal products, services and processes throughout the supply chain
2. Better hazard and contamination management
3. Optimised and faster mass production
4. Quicker adaptation from rapidly changing consumers behaviour
5. Improved supply chain integration for faster products and raw materials delivery