

CHAPTER

6

LEGAL AUTHORITIES' ISSUES IN ENFORCEMENT OF HALAL LOGISTICS

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6.1 INTRODUCTION

The idea of halal has transcended its religious origins, evolving into a powerful global brand embraced not only by Muslim consumers but also by those outside the faith (Azam & Abdullah, 2020). Many consumers are willing to pay a premium for halal-certified products, drawn by the assurance of safety, superior quality, nutrition, hygiene, and ethical production practices (Rahman & Razimi, 2023). Ali et al. (2022) emphasise that halal logistics serves as the backbone of this system, ensuring the integrity of the supply chain through meticulous risk management and product segregation. Similarly, Haleem et al. (2020) note that consumers value the rigorous cleanliness and ethical standards associated with halal goods, which adhere to strict compliance measures at every stage—from production to consumption.

The rapid expansion of the halal industry, along with its lucrative potential, has captured the attention of both local and international businesses. Many now seek the Department of Islamic Development

Malaysia (JAKIM)’s halal certification, recognising its significance even in logistics operations. As depicted in Figure 6.1, the halal ecosystem extends beyond food and consumer goods, encompassing logistics as a critical component. With demand spanning both Muslim- and non-Muslim-owned enterprises, halal logistics services are increasingly sought after, reflecting the high value of products moving through this specialised supply chain



Figure 6.1 Halal ecosystem (Source: Halal Industry Development Corporation [HIDC], 2020)

In Malaysia, most halal certification applications come from non-Bumiputera entities, sparking concerns about their grasp of Shariah laws and halal standards, as illustrated in Figure 6.2. To bridge this gap, applicants are required to establish an Internal Halal Committee (IHC)—a crucial safeguard ensuring strict compliance with halal regulations. Acting as the guiding force within organisations, the IHC helps prevent lapses in the halal logistics chain, reinforcing the *toyyiban*, or wholesomeness, aspect of halal-certified products.

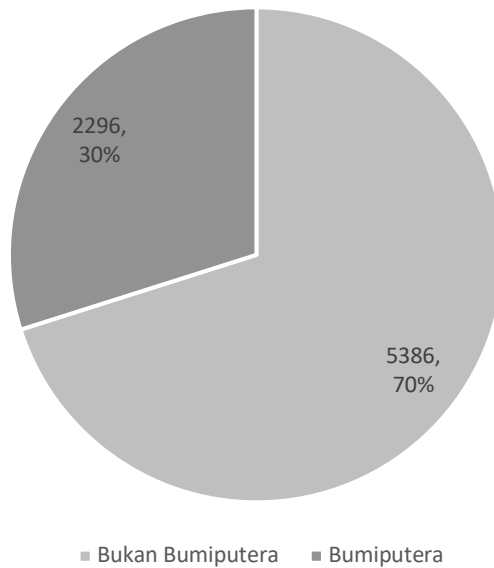


Figure 6.2 Statistics of halal certification based on category of bumiputera and non-bumiputera for year 2018 (Source: Ahmad et al., 2020)

Recognising these challenges these entities face, JAKIM's legal officers play a pivotal role in strengthening their understanding through focused training and awareness initiatives. The halal logo issued by JAKIM is more than just a certification; it is a symbol of trust, reassuring consumers and motivating small and medium enterprises (SMEs) in the food and beverage sector to seek accreditation. Regular inspections and the visible display of the logo further reinforce confidence, creating a marketplace where halal integrity is not just maintained but continuously upheld.

6.2 HALAL LOGISTICS VIOLATIONS

The increasing popularity of halal products has resulted in the misuse of halal certificates, raising concerns about the authenticity of these products (Ariffin et al., 2021). This research addresses the serious