Rozaidah Idris · Mohammad Ali Tareq ·
Siti Fatimahwati Pehin Dato Musa ·
Wardah Hakimah Sumardi *Editors*

The *Halal* Industry in Asia

Perspectives from Brunei Darussalam, Malaysia, Japan, Indonesia and China

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Gadong, Brunei Darussalam
January 2025

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Abbreviations and Acronyms

3R	reduce, reuse and recycle
ABCi	Autoriti Kawalan Bangunan dan Industri Pembinaan (Authority for Building Control and Construction Industry)
ASEAN	Association of Southeast Asian Nations
BDFA	Brunei Darussalam Food Authority
BIBD	Bank Islam Brunei Darussalam
BIBD SEED	Special Underprivileged Mother Empowerment Entrepreneurship Development
BIMP-EAGA	Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area
BKMH	Bahagian Kawalan Makanan Halal (Halal Food Control Division)
BPJPH	Badan Penyelenggara Jaminan Produk Halal (Halal Product Assurance Organising Body)
BRI	Belt and Road Initiative
BruHAS	Brunei Halal Showcase
CAC	Content Advisory Council
CHEP	Certified Halal Executive Programme
DARe	Darussalam Enterprise
DEPR	Department of Environment, Parks and Recreation
DSM	Department of Standards Malaysia
ELISA	enzyme-linked immunosorbent assay
FDI	foreign direct investment
FMM	Federation of Malaysian Manufacturers
FOMCA	Federation of Malaysian Consumers Associations
FTIR	Fourier transform infrared spectroscopy
GDP	gross domestic product
GHG	greenhouse gas
GIEI	Global Islamic Economy Indicator
GMP	Good Manufacturing Practice
HADIC	Halal Digital Chain
HAS	Halal Assurance System

HDC	Halal Development Corporation
HJC	Halal Japan Corporation
HTRC	Halalan Thayyiban Research Centre
IAIN	Institut Agama Islam Negeri (State Islamic Institute)
ICHLAS	International Centre for Halal Studies
IFANCA	Islamic Food and Nutrition Council
IHAB	International Halal Authority Board
IHRAM	Institute of Halal Research and Management
IHRUM	International Halal Research University of Malaya
IIUM	International Islamic University Malaysia
IKIM	Institute of Islamic Understanding Malaysia
Industry 4.0	Fourth Industrial Revolution
INHART	International Institute for Halal Research and Training
IPPH	Institut Penyelidikan Produk Halal (Halal Products Research Institute)
ISCI	Industry Standards Committee on Halal Standards
ISO	International Organisation for Standardisation
JAHARI	Halal Research Institute for Products and Services
JAKIM	Jabatan Kemajuan Islam Malaysia (Department of Islamic Development Malaysia)
JIT	Japan Islamic Trust
KUPU	Kolej Universiti Perguruan Ugama Seri Begawan
LPH	Lembaga Pemeriksa Halal (Halal Inspection Board)
LPPOM MUI	Lembaga Pengkajian Pangan, Obat-obatan dan Kosmetika Majelis Ulama Indonesia (Research Centre of Food, Drugs and Cosmetics of the Council of Indonesian Scholars)
MARDI	Malaysian Agricultural Research and Development Institute
MCYS	Ministry of Culture, Youth and Sport
MFAR	Muslim Friendly Accommodation Recognition
MIHAS	Malaysian International Halal Showcase
MITI	Ministry of International Trade and Industry
MoRA	Ministry of Religious Affairs
MPRT	Ministry of Primary Resources and Tourism (Brunei)
MSG	monosodium glutamate
MSME	micro, small and medium enterprise
MSU	Management and Science University
MUI	Majelis Ulama Indonesia (Council of Indonesian Scholars)
MUIB	Majlis Ugama Islam Brunei (Brunei Islamic Religious Council)
MYeHALAL	Sistem Pensijilan Halal Malaysia (Malaysian Halal Certification System)
OIC	Organisation of Islamic Cooperation (formerly Organisation of the Islamic Conference)
OSPD	Outline of Strategies and Policies for Development
PCR	polymerase chain reaction

PWSBH	Perbadanan Wang Simpanan Bakal-bakal Haji (Hajj Pilgrims Savings Corporation)
RFID	radio frequency identification
SAPPHAT	International Seminar on Halalan Thayyiban Products and Services
SDG	Sustainable Development Goal
SIRIM	Standard and Industrial Research Institute of Malaysia
SME	small- and medium-sized enterprise
SWOT	strengths, weaknesses, opportunities and threats
UAE	United Arab Emirates
UiTM	Universiti Teknologi MARA
UMHRC	University of Malaya Halal Research Centre
UNISSA	Universiti Islam Sultan Sharif Ali
UPM	Universiti Putra Malaysia
WHF	World Halal Forum
YaPEIM	Yayasan Pembangunan Ekonomi Islam Malaysia (Malaysian Islamic Economic Development Foundation)

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Part I
Introduction and Background

Chapter 1
Past, Present, Future: Opportunities and Challenges for the *Halal* Industry

Rozaidah Idris, Mohammad Ali Tareq, Siti Fatimahwati Pehin Dato Musa, and Wardah Hakimah Sumardi

Abstract The *halal* industry has witnessed significant growth and development in recent years in countries such as Brunei Darussalam, Japan and Malaysia due in large part to the vast potential market of Muslims and the increasing demand for *halal* products globally. Despite this growth, the industry continues to face various challenges, particularly in the areas of quality assurance, certification and standardisation. This book aims to provide a critical review of the past, present and future challenges of the *halal* industry in Asia and offer recommendations to overcome these challenges.

Keywords Brunei Darussalam · Japan · Malaysia · *Halal* industry · *Halal* opportunities · Chapter summaries

1.1 Introduction

The word *halal* is a familiar term used by Muslims to classify something as permissible. *Halal* is an Arabic word that can be defined as 'lawful', 'permitted' and thus 'allowed' by Islamic law (Khatijah Othman et al. 2018; Muhamad Nadratuzaman and Fitriyani Lathifah 2020; Muhammad Iqmal et al. 2021). While *halal* is permitted, its opposite is *haram* which means 'non-permissible'. These two specific rules are taken

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from the Qur'an and amplified by the Hadith, the sayings of the Prophet Muhammad and his followers (Faradina et al. 2018). There are two core statements in Surah Al-Baqarah (The Cow) in the Qur'an that focus on eating habits. One reads: 'O humanity! Eat from what is lawful and good on the earth' (2:168) and this denotes the importance of halalness in what is consumed. A subsequent verse declares: 'He has only forbidden you dead meat, blood, and the flesh of swine, and that [any food, meat or not] which has been dedicated to other than Allah. But if one is forced by necessity, without wilful disobedience or transgressing due limits, then is he guiltless? For Allah is forgiving and most merciful' (2:173). This shows that there is leniency in certain situations; for instance, *haram* food can be lawful due to famine (ibid.).

Despite *halal* being predominantly linked to Islamic food choices, the *halal* rule encompasses all aspects of society and is an optimal choice of lifestyle for Muslima (Mohamed Syazwan et al. 2021; Hjh Siti et al. 2021). *Halal* can be connected to a specific activity, contact with certain animals or a general way of living. In the modern era, *halal* is especially associated with food products, pharmaceuticals, cosmetics, finance, logistics and more (Elasrag 2016; Md Siddique and Moha Asri 2020; Hjh Siti et al. 2021). As the rule of *halal* envelops several disciplines, the demand for *halal* experts and an appropriate workforce increases. Mas Wahyu Wibowo et al. (2021) state that *halal* is no longer restricted to religious motives and has expanded to the marketing domain where companies utilise it for commercial purposes. As a consequence, the *halal* industry has bloomed rapidly and continues to grow today.

The expanding *halal* industry is of interest to many countries around the world. Although *halal* is associated with the Muslim lifestyle, the industry itself has garnered the attention of both Muslim and non-Muslim countries and there has been a notable increase in *halal* products for both kinds of markets (Salman et al. 2019). Non-Muslim countries have come to acknowledge the *halal* industry as having great potential, even succeeding in several *halal* divisions (Md Siddique and Moha Asri 2020). In addition, according to several studies, non-Muslims choose *halal* products because of their hygiene, quality, safety and other factors related to health and ethics, unlike Muslims for whom *halal* consumption is primarily a religious obligation (Nisha and Iqbal 2017; Bashir 2019; Sri Budi and Wojtyla 2020). Statistically, the worldwide *halal* industry is expected to grow annually by 10.5% from 2024 to 2030, reaching a total estimated value of USD5.2 trillion by 2030 (Maximize Market Research 2023). With the rising global demand for *halal* products and the appeal to excel in the *halal* industry from various Muslim and non-Muslim countries, it is no wonder that the market for a *halal* workforce has also skyrocketed as more human resources are needed to expand and refine *halal* production, marketing and distribution in different countries.

The *halal* industries in Brunei Darussalam, Japan and Malaysia have witnessed tremendous growth over the last decade due to rising global demand for *halal* products. However, this growth is not without challenges. These troubles lie in a lack of awareness about the *halal* industry, certification and standardisation issues, which are crucial to building consumer trust, reducing the burden of fraud and enhancing the industry's credibility. This book provides a comprehensive and critical literature review of the *halal* industry's challenges in different parts of Asia, and predominantly Southeast Asia. Including a number of comparative studies, there are several chapters dealing with Brunei and Malaysia, four chapters on Japan, and one chapter each on Indonesia and China.

1.2 *Halal* and Country Profiles

Brunei is a small oil and gas exporting country located on the northwest coast of the island of Borneo with an area of 5,765 km^2 and governed as an absolute monarchy (Pg Siti Rozaidah 2021). It is among the world's most dependent economies on oil and gas, accounting for about 56% of GDP, 86% of total exports and 77% of fiscal revenue in 2019 (Ministry of Finance and Economy 2020). Developing the *halal* food industry and businesses is one of the strategies envisioned in Brunei's long-term development mission titled Brunei Vision 2035. The strength of this development lies in the strict certification system, which is recognised worldwide and has the advantage of a single accreditation body under the Ministry of Religious Affairs, as opposed to several different religious institutions involved in many other markets; the result is that Brunei's *halal* brand is considered more reliable (Izni Azrein 2016).

Malaysia's *halal* industry is diverse, encompassing food and beverages, cosmetics, medicines, tourism and banking. The industry has acquired international recognition and continues to display great strength due to several factors. Malaysia has some of the most stringent *halal* certification criteria in the world, and this certification is internationally recognised and demonstrates the country's commitment to maintaining the highest levels of *halal* integrity (Rokshana 2017). Malaysia's strategic location in Southeast Asia makes it a gateway to both Muslim-majority and non-Muslim-majority countries and, as a result, it has been able to serve as a distribution hub for *halal* products, allowing it to access a variety of worldwide markets (HDC 2021). Moreover, the Malaysian government has been instrumental in promoting the expansion of the *halal* business. To encourage businesses to invest in *halal* production and commerce, it provides several incentives, enabling legislation and supportive initiatives. The formation of organisations such as the Halal Development Corporation has created a centralised platform to encourage the growth of *halal*-related businesses or what it terms 'Malaysia's integrated and comprehensive *halal* ecosystem and infrastructure' (HDC 2024; see also Sirajuddin et al. 2019). In addition, Malaysia's multicultural society is a source of strength for its *halal* business. Because of the diverse population and peaceful cohabitation of different ethnic groups and religions, a complete awareness of *halal* requirements and preferences has been developed (Fatemah and Badaruddin 2015). Because of this cultural diversity, firms can develop products and services that meet a wide range of consumer wants.

Indonesia, as the world's largest Muslim country by population, has taken various steps to support its *halal* industry development. These efforts, such as establishing a *halal* certification agency and *halal* industrial zones, have led to an increase in the value of the country's *halal* products and services from USD218.8 billion in 2017 to an expected USD330.5 billion in 2025 (Sukoso et al. 2020). Muhammad Anwar Fathoni (2020) considers the demand for *halal* food, *halal* tourism and *halal* financial sectors as the drivers for this growth. According to the *State of the global Islamic economy report 2022*, Indonesia spent USD146.7 billion on *halal* food consumption in 2020, making it the largest market for *halal* food and beverages in the world followed by Bangladesh and Egypt (DinarStandard 2022: 49). The Islamic finance sector is a key gateway to the *halal* industry and its market share of the financial industry as a whole reached 8.69% in 2019 (Fathoni 2020). Indonesia is a country that has great cultural diversity and is rich in history and religious traditions, making it a destination for travellers from all around the world. Through the Ministry of Tourism and Creative Economy, the government has developed 10 Muslim-friendly locations as certified destinations for Muslim tourists (Suyudi et al. 2020). Finally, since Indonesia's economy is dominated by small- and medium-sized enterprises (SMEs), *halal* product certification is a key ancillary for their further development (Arifin et al. 2020).

Japan, renowned for its technology and world-leading manufacturing, has faced competition from China, South Korea and Taiwan since the late 1990s, eroding its manufacturing dominance. An aging population has also contributed to a sense of economic crisis compounded by weak domestic demand and labour force shortages. As a result, to survive against Asian competitors, Japan has had to reposition itself strategically into higher-margin sectors like technological leadership and services. Tourism, which had previously been neglected, opened up to foreign talents to fill in gaps in the job market as foreign students are finding it easier to attain jobs in Japan after graduation. Japan's population is gradually becoming more heterogeneous, with greater numbers of people of different backgrounds, religions and preferences. In this regard, it has made important interventions to encourage tourists to visit Japan, such as the open sky policy to relax visa requirements. As a result, Japan's inbound tourism sector has been marked by incredible growth, with foreign visitors increasing from 8.4 million in 2008 to 31.1 million in 2018, and current figures suggest that tourism has now recovered to pre-COVID levels. Accompanying the general growth of international tourism has been the emergence of *halal* products and services from almost complete marginalisation to being an increasingly important economic sector (Sharifah 2016). Japan is a growing market for *halal* products and the government has taken steps to develop *halal* education as a way to support this sector. There is also a cultural feature that informs the Japanese production of *halal* foods to the highest quality—adherence to *omoiyari*, the notion of having sympathy and compassion towards another person. However, Japanese businesses are bogged down with one question: should they invest in facilities for *halal* manufacturing or services if the projected domestic demand for *halal* products is still unconvincing? As a result, Japan's progress in the *halal* market was relatively slow in earlier years because the *halal* concept was not translated or widely understood by the population. Gradually, Japan proactively became a first mover in implementing *halal* logistics to increase the *halal*ness of delivery and simultaneously capture the vast potential of the market. Much research on *halal* in Japan still centres around *halal* compliance, such as certification (Adidaya 2016; Smith 2016; Kitayama et al. 2018; Kodir et al. 2019). The Japan Halal Association provides *halal* certification and runs training seminars and workshops for businesses (Pg Siti Rozaidah 2024). Collaboration with key Muslim countries such as Malaysia, whose *halal* certification and awareness are among the strongest, will give an edge in developing the Japanese *halal* sector.

China, a diverse nation with an estimated 20 million Muslims categorised in 10 ethnic minority groups practising Islam, has witnessed significant growth in its *halal* food industry. The demand for *halal* food is sizable, and China is estimated to achieve a *halal* business volume of USD678 billion by 2027, by which time there will be more than 26 million Muslims (Xiong and Zhang 2021). Besides its importance for the Muslim population, non-Muslims value *halal* food for its cleanliness, quality, safety and hygienic features. For instance, in Henan province, non-Muslims have consumed *halal* food for decades as a regular part of their diet. Driven by a significant demand, the *halal* food industry is developing rapidly, leading to a substantial increase in the number of SMEs related to food production and distribution. This increase has, in turn, created the necessity for logistics and supply chains for both domestic and foreign markets. While China's domestic *halal* market is expanding, Chinese producers face challenges accessing the international market due to the absence of a recognised *halal* certification processes. Certification is important as the annual increase in trade volume related to *halal* products is leading to a consistent 10% growth with the development of the Belt and Road Initiative and greater China–Middle East cooperation.

1.3 Opportunities and Challenges for the *Halal* Industry

Before the emergence of the *halal* industry, the Muslim population in countries like Japan, Malaysia and Brunei relied on imported products, limiting their market presence. In Japan, a lack of awareness of *halal* products existed due to cultural and religious differences. In Malaysia, there was a lack of skilled labour and human capacity, and the industry had limited knowledge about *halal* standards and certification. Meanwhile, Brunei's industry was in its infancy, with few companies trading in *halal* products.

The present state of the *halal* industry has seen significant improvements, particularly in Brunei and Malaysia. The industry is now more mature and there is an increasing demand for its products. In Japan, however, the number of *halal*-certified products is still low and there is a need for greater awareness to increase consumption levels. In Brunei, the government has invested in the promotion of *halal* products. In Malaysia, the *halal* industry is well developed due to government efforts, including the Malaysian Islamic Economic Development Foundation (Yayasan Pembangunan Ekonomi Islam Malaysia, YaPEIM) *halal* ecosystem, extensive certification agencies and skilled human resources.

The challenges facing the *halal* industry in the future are imminent given the increasing demand for its products, and three are urgent. First, the industry needs to standardise and harmonise the certification process across countries to improve efficiency, reliability and compliance. Second, the industry needs to improve collaboration and partnerships among certified bodies to provide consumers with trustworthy and credible *halal* products. And third, the industry needs to develop a knowledge-based economy to create a well-skilled workforce and a culture of innovation, research and development. The *halal* industry in Asia more broadly has the potential for significant growth, but it needs to overcome these significant challenges and others. Standardising certification processes, improving collaboration and partnerships among certified bodies, and developing a knowledgeable workforce should be the way forward. Overall, these improvements will enhance consumer trust and facilitate the industry's growth and sustainability. Here we identify some of the emerging issues that are discussed at length in the book.

1.3.1 *Halal* and Society

The concept of *halal* has been a crucial aspect of Muslim spirituality and religious practice for centuries. In recent years, it has become increasingly significant in social, economic and political contexts, particularly in Brunei, Malaysia and Japan. It is important to explore the relationship between *halal* and society in these three countries and how it impacts on various aspects of life. In Brunei, *halal* certification represents a valuable economic opportunity. It is a key driver of the country's economy, providing a major source of income and employment. *Halal* food production is the primary sector that benefits from this growth although other *halal* sectors are also emerging. In terms of the wider impact on society, *halal* certification enhances Brunei's reputation as a country that respects and values Islamic traditions and principles. It also facilitates the cultural exchange between Brunei and other Islamic communities and reinforces the country's identity as a Muslim nation.

In Malaysia, the *halal* industry has undergone significant growth and development over the past decade. The *halal* industry is not just limited to food production but has expanded to encompass various sectors, including cosmetics, pharmaceuticals, banking, finance and travel. *Halal* certification plays a crucial role as a marketing tool, promoting the country as a '*halal* hub' for businesses. More importantly, *halal* certification ensures that products and services are aligned with Islamic principles and are safe for consumption or use. *Halal* practices and certification have become an essential part of Malaysian society, with the government promoting them through various initiatives.

In Japan, *halal* certification is becoming increasingly popular due to demographic changes and growing demand for *halal* products, primarily from the country's small but growing Muslim population and foreign tourists. The government has developed policies to promote the *halal* industry, and large corporations have begun to invest in *halal* certification in various sectors, such as food and hospitality. This growth has also contributed positively to the country's integration of Muslim communities and in fostering intercultural dialogue.

1.3.2 Human Resources, Education and Training Issues

The demand for *halal* products in Brunei, Malaysia and Japan has surged significantly in recent years, leading to a growing number of challenges for human resources, education and training in the region's *halal* industry. In the past, the *halal* industry in Japan, Brunei and Malaysia did not receive much attention in terms of these areas. According to Zulaipa Ruzulan et al. (2021), the lack of human resources and a skilled workforce inhibited the growth and expansion of the industry. Additionally, there were limited opportunities for *halal* education and training, with a particular struggle to merge Islamic principles with the newly established *halal* standards.

The present state of the *halal* industry in Japan, Brunei and Malaysia has seen significant advances in human resources, education and training, due mainly to increasing awareness and emphasis on the importance of *halal* compliance. To improve their global presence and competitiveness, the *halal* industry is investing more extensively in these three domains (Reezlin et al. 2021). Organisations have been keen to provide systematic and rigorous development programmes that ensure their employees' skill sets are aligned with the global *halal* industry's needs. With the industry's continuous growth and expansion, however, several challenges in human resources, education and training remain. A study by Al 'Uyuna Mohd Amin et al. (2020) notes that a majority of *halal* industry employees do not have the appropriate expertise or education to operate at an international standard. There is therefore a need to develop a more structured approach to education and training with an emphasis on building expertise throughout the industry's value chain. Furthermore, Yaty Sulaiman et al. (2018) suggest that human resource management in the *halal* industry will become more challenging in the future due to increasing pressure to improve institutional efficiency in compliance with international *halal* certification standards.

The authors in this book recommend improving documentation, training and development, and standardising human resource processes across the industry. In conclusion, the *halal* industry in Japan, Brunei and Malaysia continues to grow and evolve. The industry's past, present and future outcomes depend significantly on the human resources, education and training in place. While progress has been made, more needs to be done to address the challenges in human resource management, education and training in the *halal* industry to ensure that the industry can continue to meet the growing demand for *halal* products.

1.3.3 **Issues on *Halal* Certification**

The *halal* industry has faced a lack of standardisation and certification, which has led to confusion among consumers and businesses. There has also been a lack of awareness and education about *halal* products and services, which made it difficult for consumers to understand what they were buying. *Syariah* compliance was also a concern for businesses which lacked the knowledge and resources to ensure their products complied with Islamic law.

Today, the *halal* industry still faces the challenge of standardisation and certification, which can make it difficult for businesses to operate in different countries and for consumers to make informed decisions. *Halal* fraud is also a growing concern, with some unscrupulous businesses mislabelling their products or falsely claiming they are *halal*. Education and awareness regarding *halal* products and services continue to be a challenge. There is also a need for human resource development in the industry to ensure that businesses have the necessary expertise and training to operate sustainably. As the *halal* industry expands into new markets, it will face significant challenges. Adapting to different cultural contexts and appealing to new audiences will be crucial for its continued growth. In addition, innovation will be needed to develop new products and services that meet evolving consumer demands. Financial literacy is also crucial, as businesses need to understand how to operate profitably without compromising on *syariah* compliance.

Halal certification has an impact beyond the production and consumption of *halal* products. In Brunei, Malaysia and Japan, *halal* certification contributes significantly to each country's economy, improves its reputation and reinforces Islamic cultural identity. Furthermore, it facilitates a destigmatisation process, recognising Muslims' distinct practices and promoting religious tolerance and social integration. The *halal* industry and certification continue to shape and transform society, highlighting Islamic practices' distinctiveness while coexisting with diverse cultural and religious traditions.

1.3.4 Halal Marketing

The growth of the Muslim market has driven the overwhelming demand for *halal* products and services, and not just confined to *halal* food and beverages but also extending to other sectors such as tourism, media, entertainment, logistics, finance and marketing. These growing markets inevitably provide business opportunities across numerous product and service categories which signify the need for a *halal* business ecosystem. A review of the literature reveals that there is considerable scholarly attention in areas of *halal* food, tourism, logistics and finance, with many Muslim countries developing *halal* standards in these economic sectors. Despite these developments, *halal* advertising has not been discussed in any national advertising policy and there has been no attempt to develop *halal* advertising standards (Nur Hikmah and Rosmawati 2019; Aida and Sofiah 2015). This gap, therefore, presents an opportunity for scholars and policymakers alike to study and introduce advertising standards to create a comprehensive *halal* business ecosystem. The chapter related to *halal* advertising discusses the characteristics of advertising which can be used as the basis of *halal* advertising standards.

In addition, *halal* marketing entails instilling consumer confidence in the integrity of the marketing exchange system (Abuznaid 2012). While *halal* certification assures consumers, and particularly Muslims, that the ingredients used and the production processes are according to *syariah* law, there remain concerns over the integrity of *halal* products due to reported cases of unlawful practices and fake *halal* logos. In light of this, governing *halal* has become an important subject not only concerning *halal* issues but also about Islamic governance systems more generally. The chapter on *halal* governance discusses Malaysia's effort to develop and innovate the *halal* certification process through various initiatives to ensure more transparency and efficiency. The use of digital applications provides opportunities for better governance of the *halal* certification process.

1.3.5 Halal Tourism

Halal tourism is a global trend that is growing significantly across the world, driven by the growing Muslim market with more disposable income and access to travel information (Akhtar 2012). This has prompted many countries—whether Muslim or not—to introduce tourism products related to the *halal* concept or Islamic orientation. Despite the growing interest in *halal* tourism, defining *halal* tourism has been equivocal and identifying its characteristics has become an important objective of academic research on tourism (Rasul 2019; Hall and Prayag 2020). Hatem El-Gohary (2016) argues that the characteristics of *halal* tourism are not just being able to consume *halal* food but also include the provision of *halal* hotels, Islamic finance, *halal* travel packages and so on. Sureerat Chookaew et al. (2015) further suggest the incorporation of Islamic practices in tourism services, staffing, activities, infrastructure, restaurants, transport services, the availability of places to conduct religious activities as well as the ability to travel to places that do not go against Islamic principles.

The chapters in this book recognise Malaysia as a global leader in *halal* tourism and indeed the country has implemented a national policy for *halal* tourism, leading to a surge in the number of *halal*-friendly establishments (OIC 2018). Generally, Malaysia's outstanding achievement in *halal* tourism can be credited to the development of the Islamic Tourism Centre which is specifically dedicated to building an enabling environment for Muslim-friendly tourism (ITC 2024). Its regular research and monitoring of the Muslim travel market contribute to the formulation of strategies and best practices. Its focus on providing training, capacity building, standards and certification, and branding further helps empower tourism industry players to work together and cater to the Muslim tourist market. It can be concluded that Muslim-friendly facilities coupled with a conducive environment and government-backed policies and initiatives in facilitating access and promotion have strengthened Malaysia's position as the leader in the *halal* tourism industry.

The growing global demand for *halal* tourism and Malaysia's successful business model provide opportunities for Muslim and non-Muslim countries to learn and follow suit to cater for this growing lucrative market, as discussed in this book. Nonetheless, *halal* tourism is not without challenges. Among these, the lack of universal *halal* certification is seen as a major issue, which may lead to uncertainty for businesses looking to tap into the Muslim market. Furthermore, Mohamed Battour et al. (2011) caution that Muslim markets should not be considered a single homogenous entity because the lifestyles of Muslims and the way they interpret Islam can vary and therefore may lead to different expectations.

1.3.6 Halal Logistics

The growing demand for *halal* products by both Muslim and non-Muslim consumers is driving the rapid expansion of the international *halal* logistics industry. *Halal* logistics plays a vital role in ensuring the integrity of *halal* products as they move through the supply chain, from manufacturers to retailers and end-users. The *halal* industry is highly competitive, with sectors such as food and beverages, finance, tourism, media, recreation, fashion, pharmaceuticals, health care, personal care and cosmetics all vying for market share. Global spending on *halal* food and various lifestyle products generally increased by 10.8% annually until 2019, translating to USD3.7 trillion worth of spending power in the worldwide consumer market. The increasing number of *halal* consumers (Muslims and non-Muslims) therefore increases the demand and growth of the *halal* logistics industry internationally. This logistics market is projected to grow to USD642.86 billion by 2030, and service providers with global coverage will be essential to support the growing demand for *halal* products. However, there is a lack of research on *halal* logistics, and more attention is needed to understand how logistics firms achieve *halal* certification and protect the integrity of *halal* products.

The understanding of *halal* logistics is a relatively new concept that requires careful consideration. Managers are particularly concerned with how *halal* logistics can give their firms a competitive advantage. According to Noorliza Karia and Muhammad Hasmi Abu Hassan Asaari's research (2016), *halal* encompasses religious requirements, innovative products or processes, service excellence, competitiveness, benefits for humankind and the universe, and blessings from Allah. Despite its importance, the topic of *halal* logistics has not been extensively discussed or researched. It goes beyond merely avoiding contamination risks and segregating *halal* and non-*halal* products. Noorliza Karia et al. (2016) provide an intellectual perspective on *halal* logistics, defining it as the innovative delivery of *halal* products or services, compliance with *syariah* regulations, and the movement of *halal* materials, goods or information/documents. Innovation in service delivery includes a *halal* service portfolio or added values to improve the process, practices, operations and management.

The chapters related to *halal* logistics systems consist of discussions on transportation, warehousing, order processing, inventory management, materials handling and packaging as well as on the development of *halal* logistic systems in China. These chapters involve topics on how the system plays a significant role in maintaining the integrity of *halal* products, starting from the sourcing of raw materials to the distribution of finished products to the end-users, across the entire logistics and supply chain, including procurement, manufacturing, retailing, supplying and customer service.

1.4 The Way Forward: *Halal* Industry Strategies

The future of the *halal* industry will continue to see growth and innovation. One of the key drivers of this growth is the increasing demand for *halal* products among non-Muslim consumers, who are drawn to the quality and ethical standards associated with *halal* certification. As the *halal* industry continues to expand, it is likely to become even more diverse and dynamic, with new products and services emerging to meet the needs and preferences of consumers. Among the key *halal* industry strategies identified in Part IV of this book are incorporating sustainable practices in the *halal* industry, embracing digitalisation in the *halal* industry, and introducing a *halal* legal framework for the *halal* industry.

1.4.1 Incorporating Sustainable Practices in the *Halal* Industry

In recent years, *halal* has no longer been viewed as a mere religious obligation for Muslims but is considered the standard of choice for Muslims as well as non-Muslims worldwide (Nur Aniza Quantaniah et al. 2013). There is now an emerging trend to incorporate *tayyiban*, which can be translated as 'good, clean and wholesome', into all stages of *halal* production and assurance. The expectation of *halal* credence quality and its perception has extended to include the principle of *tayyiban* instead of the global concerns of sustainable issues (Raheem and Demircib 2018). The *halal–tayyiban* concept is seen as a more comprehensive system that aims to accomplish international standards compliance, making it universally acceptable. Implementation of *tayyiban* in food industries takes into account the protection of health, food safety, animal rights, the environment, social justice and welfare in food production.

Golnaz Rezai et al. (2015) find that most consumers report that *halal* food production can effectively promote sustainable farming and agriculture. They add that food safety, environmental friendliness, fair trade and animal welfare are the most likely determinants associated with *halal* principles and production to support sustainable agriculture. For their part, Mohd Helmi Ali and Norhidayah Suleiman (2016) provide evidence that compliance with environmental standards can go hand in hand with meeting other production standards.

Agricultural production generally is the largest contributor to the life-cycle impact of food, typically greater than half of the environmental footprint. Jawad Alzeer et al.

(2020) recommend using good agricultural practices to comply with sustainable practices and *halal* standards for agricultural production. These practices are used globally as a general principle to ensure that agricultural products meet legal prerequisites for safety and quality. In the context of poultry, for example, the aspects of animal welfare and *halal* animal feed are taken into account in the *tayyiban* concept. Apart from animal welfare, the *halal–tayyiban* concept is comprehensive, covering nutrition, quality, cleanliness and safety. The examples above show how *tayyiban* is integrated into the supply chain and would bring about improvement in the standard of *halal* as a symbol of good practice, safety and health not only for consumers but also for the environment and the economy as a whole.

Incorporating sustainable practices in the *halal* supply chain provides an opportunity to improve the many aspects of *halal* production, thus contributing towards a more sustainable and secure food future. *Halal* is no longer simply an expression of contested forms of production and consumption. It is part of a rapidly expanding, globalised market that is starting to bring the concerns of Muslim and non-Muslim consumers closer together (Kurokawa 2011; Apnizan 2018).

1.4.2 Embracing Digitalisation in the *Halal* Industry

To remain competitive, the *halal* food industry must incorporate the use of digital technology like the internet of things and blockchain technology. The internet of things is a network of wirelessly connected devices such as radio-frequency identification tags, sensors, actuators and smartphones, usually transferring data through internet connectivity for storage on cloud servers (Karim et al. 2022). These managed cloud services can enhance safe data-sharing activities, realise significant profitability via business efficiencies and expedited decision-making processes, and decrease waste and operational inefficiencies (Lynn et al. 2020). The emergence of the internet of things such as the use of interconnected devices, sensors and technologies to coordinate, monitor and optimise supply chain procedures can lead to innovative potentials for the *halal* food supply chain. The internet of things offers five major benefits for these supply chains: the traceability of products, empowerment of supply chain efficiencies, assisting livestock management, authentication of foods' *halal* status and the monitoring of *halal* certifications (Rejeb et al. 2021). By incorporating the internet of things, *halal* integrity can be sustained in *halal* food supply chains.

Another technology that may improve *halal* integrity is the use of blockchains, which allow traceability in production procedures. This may help to raise confidence in the integrity and origin of the ingredients (Haleem et al. 2021). The use of blockchains could identify the substance and acuteness in the *halal* food supply chain traceability and genuineness problem. The traceability system has made production more effective. The networks have made it feasible to track the raw materials' quality and hold instant countermeasures if safety issues are reported (Allata et al. 2017). The *halal* traceability system is one that allows for the recognition of products and ingredients such as the tracking history, the area that is being categorised by the

International Organisation for Standardisation and the sequence of identifications stored. Traceability also has the competency to follow and store the history of a product, such as determining all the processes and practices of a product's documentation, and being accessible to consumers or other supply chain stakeholders to view (Sutawijaya and Nawangsari 2019).

According to Nizamuddin Zainuddin et al. (2020), the functions and advantages of the traceability system in *halal* food supply chains are fourfold: (1) to improve transparency in the supply chain, resulting in the growth of consumers' trust in food safety and empowering food safety levels due to an expansion in the amount of information and amplified information flow about products' origins, production procedures, food or product safety control, animal living conditions and the usage of supplements; (2) to decrease the risk of liability claims in which an appropriate traceability system is an forceful strategy for companies to counterattack liability claims and retrieve claims from other participants in the supply chain; (3) to upgrade recall more efficiently as a sufficient traceability system improves the quality of recalls, thereby decreasing costs and empowering the image of the supply chain; and (4) to empower the control of livestock epidemics as a traceability system delivers discernment into animal movements.

1.4.3 Introducing a *Halal* Legal Framework for the *Halal* Industry

As the *halal* industry continues to grow, it becomes increasingly necessary to develop a legal framework to ensure that all aspects of the industry comply with Islamic law and international standards. A legal framework for the *halal* industry would provide a clear set of rules and regulations to guide businesses, governments and consumers. This would help ensure that *halal* products and services are produced, traded and consumed in a manner that is consistent with Islamic principles, which include ethics, hygiene and safety. Additionally, a legal framework would help protect consumers from fraudulent or deceptive practices, such as mislabelling non-*halal* products as *halal*. A legal framework is also necessary to facilitate international trade because the lack of harmonisation in *halal* standards across different countries creates trade barriers. A standardised legal framework for *halal* certification and labelling would make it easier for businesses to trade products across borders. This in turn would increase the availability of *halal* products and services worldwide, which is particularly important for Muslim consumers who live in non-Muslim majority countries.

1.5 Organisation of the Book

The book is divided into four parts, including Part I which consists of this chapter providing an introduction to the opportunities and challenges facing the *halal* industry and the ways forward for the industry to continue to thrive.

Part II explores some of the major challenges facing the *halal* industry in the context of the wider society, with a focus on the importance of education, human resource development, *syariah* compliance and financial literacy. Chap. 2 discusses the importance of addressing the gaps and challenges of human resource development in the *halal* industry in Brunei, emphasising that this is a critical factor in the industry's development and future prospects. Chap. 3 focuses on how the dual nature of *syariah* compliance and diversity of *halal* standardisation can be a challenge for businesses operating in *halal* markets in Japan and Malaysia. Adhering to *syariah* compliance while navigating the multiple *halal* certification bodies and standards underscores the importance of businesses staying informed and compliant with the latest industry developments. Chap. 4 offers a comparative examination of how *halal* education varies in Brunei, Malaysia and Japan due to differences in culture, regulatory frameworks and market demand. Chap. 5 provides a general review of the potential of entering into the market for those the authors identify as halalpreneurs, especially young Muslims. It explores halalpreneurship in Brunei and Malaysia and highlights the importance of strengthening of this entrepreneurial ecosystem. Chap. 6 discusses the challenges of *halal* certification from the perspective of owners of *halal* stalls (*gerai*). This chapter offers practical and beneficial insights into the *halal* certification process for these stallholders. Chap. 7 highlights the importance of *halal* literacy among students in Brunei, referring to financial products and services that are compliant with Islamic principles and guidelines. This aspect is becoming increasingly important as the *halal* finance industry grows globally. The analysis reinforces the point that students with knowledge of *halal* finance will be able to make informed financial decisions, particularly in their personal finances and professional lives.

Part III comprises seven chapters that focus on *halal* marketing, tourism and logistics. Chap. 8 explores the extent to which Brunei's advertising code of practice adheres to the *halal* principles. It also examines *halal* advertising from the perspective of Muslim consumers in Brunei and its influence on their purchasing intentions, highlighting the importance of understanding the centrality of Islam when developing advertising packages to best attract Muslim consumers. Chap. 9 explores *halal* tourism in Malaysia and Brunei based on the four Global Muslim Travel Index (GMTI) criteria: access, communications, environment and services. The analysis offers practical advice for tour operators or destination marketers in developing their tourism services or sectors to attract Muslim tourists. Chap. 10 explores the concept of *maqasid syariah*—which provides precise instructions and a framework for objectives or purposes behind the Islamic law and human interests—and its application in *halal* tourism. The chapter emphasises the importance of considering *maqasid syariah* when creating policies, guidelines or frameworks for *halal* tourism to ensure the protection of religion, life, dignity, intellect and property. Chap. 11 uses a bibliometric analysis to examine Japanese *halal* tourism-related publications. The chapter provides a comprehensive understanding of the current state of research in the field and describes trends, challenges and opportunities that have emerged. Governing *halal* has become an important topic of discussion not only in terms of *halal* concerns but also in understanding the Islamic governance more generally. Both thematic and content analysis is used in Chap. 12 to explore how customer interest and satisfaction drive *halal* governance innovations, as well as how these innovations changed *halal* governance practises and effectiveness in Malaysia, including the advances made in the *halal* certification process from 2017 to the present. Chap. 13 covers various topics related to *halal* food, including the effects it has on the human body, mind and soul based on teachings from the Qur'an and emphasises the importance of consuming high-quality *halal* food. In addition, the chapter deals with the challenges and obstacles faced by logistics companies in the *halal* industry, such as increasing costs, issues with compliance, infrastructure, equipment and facilities, as well as digital and organisational limitations, integrity, visibility and talent shortages. The focus of Chap. 14 is on the rise of *halal* logistics and supply chains in China in order to meet the growing demand for *halal* food products. The discussion offers recommendations for developing *halal* food logistics and supply chains in China, including investing in infrastructure projects, promoting e-commerce, creating *halal* logistics networks by consolidating existing demand and establishing *halal* industry parks to pool resources.

Part IV is dedicated to *halal* industry strategies and contains five chapters. Chap. 15 makes use of a strengths, weaknesses, opportunities and threats (SWOT) matrix analysis to determine the standing of Brunei's *halal* industry in relation to the United Nations' Sustainable Development Goals (SDGs). This study highlights the importance of leveraging the *halal* industry to achieve sustainable economic growth while advancing the SDGs. Chap. 16 looks at the emerging trend of incorporating *tayyiban* into all stages of *halal* production and assurance in Brunei. The analysis highlights that *halal* and *tayyiban* food security is not only about accessibility and availability of food but also about ensuring that the entire supply chain (farm to table) conforms to *halal* standards and practices. Chap. 17 explores the *halal* food ecosystem in Brunei by describing the current state, challenges and recommendations for the country's *halal* industry. Chap. 18 analyses Indonesia's legal framework and its effectiveness in promoting the *halal* industry and protecting consumers, emphasising the importance of developing a comprehensive legal framework for the growth and success of the industry. Chap. 19 recommends the use of a traceability system to ensure the *halal* integrity of pharmaceuticals through a comparative study of Malaysia, Japan and Brunei. A traceability system enables the identification of products' and product ingredients' *halal* status along the production chain and can also act as a communication tool to ensure that information related to *halal* products is available along the supply chain.

1.6 Conclusion

The *halal* sectors in Brunei, Malaysia, Japan and elsewhere have witnessed remarkable expansion and evolution, propelled by the escalating global demand for *halal* commodities. Nevertheless, the industry grapples with obstacles relating to quality validation, accreditation, standardisation and the cultivation of human capital. Looking ahead, it is vital for the *halal* industry to concentrate on harmonising accreditation procedures, enhancing cooperation among accredited entities and fostering an informed workforce to bolster consumer confidence and guarantee enduring growth. Moreover, the integration of sustainable methods, the adoption of digitalisation and the introduction of a comprehensive legal structure will be pivotal for the industry's ongoing prosperity. By tackling these hurdles and executing strategic initiatives, the *halal* industry can further consolidate its position as a significant participant in the international market, catering to the requirements and predilections of both Muslim and non-Muslim consumers.

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Part II
Halal and Society

Chapter 2
Addressing Gaps and Issues of Human Resource Development in the *Halal* Industry in Brunei Darussalam

Rozaidah Idris

Abstract *Halal* (lawful) human resource development (HRD) is crucial in meeting the growing demands of *halal* industries worldwide. Brunei Darussalam, one of the leading *halal* producers, has initiated several HRD programmes to improve the industry's workforce. While the programmes are essential, some persistent gaps and challenges must be addressed. This chapter aims to identify and address these gaps and challenges through an extensive literature review culminating in recommendations to improve the HRD process. The *halal* industry in Brunei is expanding exponentially, ensuring job creation and the growth of production, and providing new opportunities within the market, all of which clearly benefit the people of Brunei. Although the initiatives from the government are commendable, gaps have emerged most notably in employee training, knowledge and skills acquisition, among others. The rapid pace at which the industry is expanding calls for a well-rounded and fully functional HRD system.

Keywords Brunei Darussalam · *Halal* industry · Human resource development · Knowledge

2.1 Introduction

Brunei Darussalam is recognised for observing Islamic principles and law and has a competitive position in the global *halal* (lawful) market (Nor Surilawana et al. 2021). The *halal* sector in Brunei is not administered by one body. Raihana Mohd Raffi (2019) explains that the food import and export division is managed by the Royal Customs and Excise Department under the Ministry of Finance and Economy; *halal* certification is authorised by the Halal Food Control Division under the Ministry of Religious Affairs; and cosmetics and pharmaceutical products are solely under

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the purview of the Ministry of Health. With multiple departments under various ministries in charge of the *halal* industry, and several other private sector organisations being involved in the market, Brunei needs local *halal* experts and the development of a *halal* human resource department in order to nurture the domestic industry and export trade. With that in mind, this chapter addresses the gaps and issues regarding human resource development (HRD) in the *halal* industry.

2.2 Defining Human Resource Development

To address these issues, it is crucial to understand the function and value of HRD in the *halal* industry. The following section describes the concept of HRD, its roles in *halal* HRD and the significance of training in developing *halal* HRD.

The term human resource development was first used by Frederick Harbison and Charles A. Myers (1964) in the context of human capital theory. Both were economists who believed that HRD was necessary for national development. Theodore W. Schultz's (1961) human capital theory suggests that organisations receive economic value for their employees' knowledge, skills, competencies and experience, and that human capital can be increased by training and education. Attempts to define HRD were subsequently dominated by academics from the United States, with the majority focused on the link between HRD and organisational performance. Over time, definitions expanded to incorporate organisational development. British, Irish and European reports have focused more on the link between HRD and the individual, taking the perspective that learning lies in the hands of the individual and that this is the main outcome of HRD activities (McGuire et al. 2005). A search of academic journals and books for over 50 years yields at least 20 to 30 definitions of HRD. These can be broadly divided into individual, organisational, societal and multilevel definitions (Carbery and Cross 2015).

Many theorists and researchers are calling for a broader philosophical framework for HRD within management practice. The concept of workplace spirituality has received significant attention in this context. Muhammad Burdbar Khan and Naeem Nisar Sheikh (2012), for example, discuss the role of Islam in filling this need for a spiritual and philosophical framework and highlight the lessons that can be learned from Islamic traditions. They underline that HRD is a concept of human resources that forms part of the broader concept of socioeconomic resources. They further assert that HRD relates to and evolves from the fundamental premise of the *shuratic* process in the Islamic worldview. The *shuratic* process considers human resources not just as a form of human capital, such as education, training, personnel development and skills. Rather, it advances the view that the services needed to sustain humankind as social beings in society—enabling them to enjoy their existence in the social milieu—are part of this broader domain of human resources.

Other than human capital, the term human resources can be linked to intellectual capital. According to Agus Ariyanto and Rifal Dahlawy Chalil (2017), human capital is a fusion of expertise and intelligence retained by workers who can later generate character and added value for the company, such as value creation of products and services, indicating the human resource element. They define intellectual capital as 'the brain and the future of every company' (ibid.: 282), while Nick Bontis (1998) identifies human capital as one of the main integrants of intellectual capital. It is clear from these statements that human resources are fundamental in building value as they play a leading role in the development of a company.

2.3 Methodology

The methodology employed for this research includes an extensive literature review, textual analysis, expert interviews, and a compilation and comparison of works previously done. Primary data were obtained through interviews conducted by way of questionnaires sent to the *halal* industry workforce in Brunei. This study aims to identify the gaps in developments in the Brunei *halal* industry and to investigate the potential for the industry to become a sustainable, integrated and dynamic one. A narrative literature review has therefore been chosen to address the main research questions—what are the issues, challenges and gaps in studies on *halal* in Brunei from its inception until now? To answer this question, the chapter applies a narrative review. The review is limited to the gaps, specific areas of improvement, challenges and issues in studies on Brunei *halal* using a web-based search engine. Only Scopus electronic databases have been selected. Search terms have been used to identify publications that contain '*halal*' and 'Brunei' in the title, abstract and keywords. No limits were established regarding the year of publication. The search terms were tested and refined through several rounds of paper identification.

In the management literature, gap analysis involves the comparison of actual performance with potential or desired performance. If an organisation does not make the best use of current resources or forgoes investment in capital or technology, it may produce or perform below an idealised potential. This concept is similar to an economy's production being below the production possibilities frontier. Gap analysis involves determining, documenting and improving the difference between business requirements and current capabilities. Gap analysis naturally flows from benchmarking and other assessments. Once the general expectation of performance in an industry is understood, it is possible to compare that expectation with the company's current level of performance. This comparison becomes the gap analysis. A gap analysis can also be used to analyse gaps in processes and the gulf between the existing outcome and the desired outcome. This step process can be illustrated by the example below:

- Identify the existing process: fishing by using fishing rods;
- Identify the existing outcome: we can manage to catch 20 fish per day;
- Identify the desired outcome: we want to catch 100 fish per day;
- Identify and document the gap: a difference of 80 fish per day;

- Identify the process to achieve the desired outcome: we can use an alternative method such as using a fishing net;
- Develop the means to fill the gap: acquire and use a fishing net;
- Develop and prioritise: requirements to bridge the gap.

A gap analysis can also be used to compare one process to others performed elsewhere, often identified through benchmarking. In this usage, one compares each process side by side, and step by step, and then notes the differences. One then analyses each deviation to determine if there is any benefit to changing to the alternative method. The results of this analysis (in the context of the benefits and detriments of changing processes) may support the maintenance of the current process, the wholesale adoption of an alternate method or a fusion of different aspects of each method.

2.4 *Halal* HRD and the Different Roles of Employees

According to Muhammad Irhammudin Ibrahim et al. (2022), HRD is one of the crucial attributes required for the *halal* industry to prosper. Workers need an adequate amount of knowledge, comprehension and training for *halal* HRD to grow (Pg Siti Rozaidah 2024). There are many *halal* sectors involved in *halal* supply chain management and the following discussion reveals the most significant positions. It is my contention that the Brunei government may want to emphasise these roles in order to enhance and increase the local *halal* workforce and establish an effective *halal* ecosystem.

2.4.1 Slaughterhouse Workforce

The human resource category in slaughterhouse operations requires a *halal* management crew of healthy, well-trained and *baligh* Muslim workers—those who have reached maturity and have full responsibility under Islamic law (Artadita and Lestari 2019). The notable positions in the *halal* management crew of a slaughterhouse are slaughtermen, supervisors, stunner operators and checkers (ibid.; Gaznur et al. 2020; Hjh Siti et al. 2021). Regarding slaughtermen, workers must be Muslims who comprehend Islamic principles (Gaznur et al. 2020). However, a verse in the Qur'an—'This day [all] good foods have been made lawful, and the food of those who were given the Scripture is lawful for you, and your food is lawful for them' (Al-Maa'idah 5:5)—signifies that meat obtained from animals slaughtered by 'People of the Book' (*Ahl al-kitāb*) is also made lawful for Muslims to consume (Aghwan and Regenstein 2019). The act of slaughtering *halal* meat is a religious deed known as *dhabihah* for all meat except seafood (Aghwan and Regenstein 2019; Hjh Siti et al. 2021). The Muslim slaughterer must mention Allah's name before performing the act, using a sharp knife and letting the blood drain completely (Aniqoh and Hanastiana 2020). According to Sherly Artadita and Yuliani Dwi Lestari (2019), a qualified Muslim worker performing the slaughtering process is more practicable as they are generally aware of *halal* norms.

2.4.2 Auditors

In a study on auditors and the challenges in managing *halal* certification, Muhammad Arif (2018) elaborates on the specifications of a *halal* auditor. An auditor or officer is a significant individual responsible for an audit before the products or services can be certified as *halal*; the person must have either an Islamic background or knowledge of food technology to qualify for the position. *Halal* auditors are also responsible for inspecting several aspects, such as the company's profile, *halal* assurance system, the raw materials or ingredients as well as the equipment used, raw material storage, labelling and packaging, processing flow, logistics, premise cleanliness, employees and sanitation (ibid.). A study conducted by Mohd Zabiedy Mohd Sulaiman et al. (2016) on the *halal* certification system in Malaysia reveals that the skills and experience of the auditor can influence the inspection process.

In Brunei, the *halal* certification process requires certified and appointed *halal* auditors (Baharudin et al. 2016). When a company applies for *halal* certification, the auditors conduct a compliance audit through an allotted site visit to the production facilities; they inspect the health and hygiene condition of the kitchen or the manufacturing area and, if found unsatisfactory, have the authority to release a corrective action request for the companies to amend (Azli 2017). The Brunei Darussalam Halal Food Standard (PBD 24:2007) covers several guidelines for *halal* auditors, which include guidelines for certification, guidelines for audit and compliance, guidelines for certification of compliance audits and guidelines for surveillance audit (Nurdeng 2020). It is crucial to note that a scarcity in the number of *halal* auditors can lead to the ineffectiveness of certification (Mohd Zabiedy et al. 2016). Developing the human resources for *halal* auditors is therefore essential for the local certification system to become more effective.

2.4.3 Executives and Supervisors

To be qualified as a *halal* executive, an individual must be a Muslim and have an Islamic education background or its equivalent (Fazilah et al. 2018). Muhammad Najib Mohd Mokhtar (2021) elaborates on the functions of a *halal* executive. This position was created to lessen companies' dependency on *halal* certification bodies for implementation and management at the operational level. Being the company's manager and handler of all matters concerning *halal*, executives guarantee the reliability of *halal* status while maintaining it at the highest degree. A *halal* executive is also considered the eyes and ears of certification agencies, ensuring that companies adhere to Islamic law, specifically to the rules governing *halal*.

The requirement for *halal* executives depends on the size of the company. They are required at companies of multinational scope and medium size; smaller companies, on the other hand, would appoint a *halal* supervisor, while micro-sized companies only require a Muslim worker to oversee the application for *halal* certification (Fazilah et al. 2018). The duties of *halal* supervisors comprise overseeing the company's product process, determining corrective and preventive measures, aiding auditors during their investigation for *halal* certification application, offering recommendations to regulators of *halal* product assurance and disseminating awareness on *halal* lifestyle to the wider society (Pratikto et al. 2021).

2.4.4 Logistics Expert

A *halal* logistics expert is an essential component in the implementation of the supply chain, which consists of storage, warehousing, transportation process, management and packaging, together with documentation of the entire process (Faradina et al. 2018; Haleem et al. 2021). According to Faradina Ahmad et al. (2018), these activities must be carefully executed by the *halal* standards so as not to disrupt the logistics chain. To accomplish this, appointing qualified *halal* logistics experts or service providers is essential. By offering logistics services, experts can assist in upholding the *halal* value or integrity of the manufactured products (Mohamed Syazwan 2020; Yusrizal et al. 2020). They can give customers assurances of the purity of the products by segregating them from non-*halal* commodities during the manufacturing process and preventing contamination (Rohana et al. 2017; Haleem et al. 2018).

2.4.5 Other Important Roles

Naturally, many other positions are available in the industry which could play a vital role in *halal* production. As the *halal* industry continues to grow in relevance and demand, more and more jobs will be established to manage the *halal* division. *Halal* consultants are an example of such a role since they provide professional services to organisations and businesses by offering advice regarding the inner and outer mechanisms of the *halal* ecosystem. The Tourism Development Department also requires personnel working in the *halal* sector who would be required to undergo regular training on the practice of *halal* services and religious speeches on *halal* products and services. Even if workers are not Muslim, they are required to comply with *syariah* law when offering services (Junaidi 2020).

Further, pharmaceuticals is one of the many sectors in the broader *halal* industry (Moha Asri and Md Siddique 2020). These companies produce drugs that are obtained from *halal* and *tayyib* (clean or pure) sources (Saha et al. 2019). During the manufacturing process, *halal* pharmaceutical products must not be mixed with other pharmaceutical products that contain ingredients beyond the *halal* or *tayyib* status (Tajuddin 2013). Similar to employees in the Tourism Development Department, *halal* pharmacists need to participate in specific training. According to Alina Abdul Rahim et al. (2013), there is a rising demand for *halal* training and certification in the pharmaceutical industry, though development in this area is slower compared to the food sector.

2.5 *Halal* Training

Today, those working in different fields, such as in the roles already discussed, require specialised *halal* training and development to enhance business competitiveness (Sariwati 2014, cited in Nur Hafizah et al. 2021). According to Md. Mamin Ullah (2017, cited in Mohd Shahril and Md Mahfujur 2021), *halal* training and development refer to employees being taught how to manage in a way that would eradicate waste, amplify resource efficacy, preserve energy and alleviate environmental corrosion. *Halal* training is also regarded as a crucial element in *halal* human resource management (Mohd Shahril and Md Mahfujur 2021). It is needed to increase the effectiveness of *halal* employees. As noted by Roziana Baharin et al. (2020), education qualifications and skills are among the factors that can influence workers to attain high productivity.

Examples of *halal* training include the Institute of Halal Research and Management (IHRAM), a science institute in Malaysia that provides *halal* courses, training programmes and services; and the Certified Halal Executive Programme (CHEP) run by the Malaysia-based Halal Development Corporation (HDC), which specialises in *halal* certification training programmes (Alina et al. 2013). Training can be extended to a future workforce that is interested in pursuing a career in the *halal* industry. This can be done by providing *halal* education or courses in colleges or universities. Currently, Brunei has Universiti Islam Sultan Sharif Ali (UNISSA) which offers *halal* programmes ranging from bachelor's degrees to a doctoral level (UNISSA 2024). There are three categories of *halal* training and education: food and beverages; non-food products such as healthcare products, pharmaceuticals, cosmetics, medical devices and toiletries; and services, namely logistics, marketing, packaging, travel and tourism, printing and electronic media (Nur Hafizah et al. 2021).

2.6 *Halal* Knowledge Learning and Development

Halal education is essential to ensure the uptake of *halal* certification standards in Brunei. It encompasses both theoretical and practical aspects, including an understanding of Islamic principles regarding food and non-food products. However, there are gaps in the *halal* education system which prevent it from functioning at maximum capacity.

One of the primary issues highlighted in the academic literature is the limited number of *halal* education institutions in Brunei. There is a need for expansion in such institutions in order to ensure that *halal* concepts are adequately conveyed to the public, entrepreneurs and employees. A second critical gap in the *halal* education system is the lack of standardisation in the *halal* curriculum. As noted by Fatkul Anam and Nurul Istiq'faroh (2021) in a study of an Indonesian university, different institutions offer different levels of *halal* education which may lead to confusion and inefficiencies. Additionally, varying levels of *halal* education among the population can lead to the compromise of *halal* standards in the market. Third, the implementation of *halal* education in Brunei is still inadequate and not reaching the general public. A study by Baharudin Othman et al. (2016) reveals that the public lacks an understanding of *halal* certification requirements and standards. This lack of understanding leads to consumer scepticism and mistrust in the *halal* products offered, ultimately limiting the growth and globalisation of the Bruneian *halal* industry. The fourth issue identified is the lack of qualified *halal* educators and trainers. According to Hjh Siti Noradi Hidayati et al. (2021), educators must be adequately trained to provide quality *halal* education. Entrepreneurs must also provide sufficient training for their employees to ensure continuity in the *halal* certification processes.

Like most countries, Brunei struggles to enhance *halal* awareness and knowledge application. Lack of standardisation, inadequate implementation, insufficient academic institutions, and a shortage of qualified educators and trainers are some of the issues that need addressing. It is therefore necessary to establish a comprehensive *halal* education system that encompasses all aspects of production, distribution and certification. This system should be standardised and given adequate resources to bring the public and employees up to date with *halal* certification requirements and standards.

2.7 Results and Discussion

As we have seen, the *halal* industry has been gaining more attention in recent years and has become an essential component of the Bruneian economy. As a result, HRD issues and challenges have emerged and need to be addressed to ensure the continued success of the industry.

One of the most critical HRD issues is the shortage of skilled labour. According to Hjh Siti et al. (ibid.), the Brunei *halal* industry lacks skilled workers who possess specialised knowledge related to *halal* production and dissemination. This shortage is a significant challenge facing human resource developers in the industry, as training and development of a skilled workforce are essential for continued growth in the industry.

Another HRD issue also highlighted is the lack of awareness and understanding of *halal* standards among the workforce (ibid.). To ensure that *halal* standards are met throughout the production process, employees must possess the necessary knowledge and skills related to *halal* production. It therefore becomes the responsibility of HRD professionals to incorporate *halal* education and training to equip employees with the necessary knowledge about *halal* standards.

The third challenge that the Bruneian *halal* industry is facing is the need to implement effective on-the-job technical training programmes to facilitate the integration of new workers into the industry. Hjh Siti et al. (ibid.) suggest that several employers in the *halal* industry rely on informal training methods. The implementation of structured on-the-job training programmes is therefore necessary to ensure that workers are adequately trained and up to date on *halal* production processes.

Brunei's *halal* industry continues to grow and expand globally. However, the HRD challenges that it faces are critical factors that need addressing to ensure its continued success. In such circumstances, it is the responsibility of HRD professionals to develop better programmes to overcome the shortage of skilled labour and to increase awareness of *halal* production and dissemination standards. Additionally, structured on-the-job training should be implemented to ensure that workers are capable of meeting the *halal* production requirements. These challenges are not insurmountable, and with the right HRD interventions Brunei can continue to grow as a leading exporter of *halal* products and services.

The study has found key challenges affecting Brunei's HRD in the *halal* industry—including an inadequate number of experts, insufficient funding and resources, inadequate knowledge about *halal* certification and inadequate knowledge about *halal* compliance. Other challenges involve the availability of technology and language and communication barriers with foreign *halal* certification bodies. However, these challenges also present opportunities for companies and the government to invest in training employees and to encourage higher levels of education and certification in *halal* management systems. It is recommended that Brunei HRD initiatives emphasise a blend of formal and informal training methods that incorporate contemporary instructional technologies, such as computer-based training and classroom learning, as well as workshops, mentoring and coaching, job rotation, cross-functional teams and internships that tap into the knowledge and experiences of high-potential employees.

2.8 Conclusion

This paper has explored the gaps and issues in human resource development in the *halal* industry in the Bruneian context. Human resource development was first used to illustrate human capital theory. From this theory, HRD can be associated with employees' skills, knowledge, competencies and experience, all of which can be enhanced via training and education. There are several roles available in the *halal* industry, such as slaughterer, auditor, logistics expert, executive and more. All these roles have individual tasks that contribute to the *halal* sector.

The *halal* industry in Brunei is growing rapidly and requires proper HRD mechanisms to keep up. Despite the inadequacies, the establishment of *halal* certification systems is a step in the right direction. As such, the government and the private sector should focus on investing in training and education as well as resources and infrastructure to ensure that developmental programmes upskill the *halal* industry's workforce successfully. Furthermore, a collaboration between the private sector, universities and government agencies can result in the development of innovative and customised instructional programmes that meet the *halal* industry's current and future learning requirements. By addressing these various gaps and implementing the recommended solutions Brunei can continue to lead the way in *halal* production while maintaining its Islamic culture and values.

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Chapter 3
The Dual Nature of *Syariah* Compliance and the Diversity of *Halal* Standardisation: A Comparative Study of Malaysia and Japan

Midori Kirihara

Abstract This chapter scrutinises the issues related to the *halal* industry, *halal* standards and halalisation, with special attention given to the nature of Islamic law (*syariah*) compliance in two contrasting countries, Malaysia and Japan. The former is a Muslim-majority country while the latter has a tiny Muslim population. The analysis opens with a discussion of contemporary *syariah* having a dual nature—one dimension being statutory law and the other possessing ethical and legal force in society. *Halal* standards have been discussed in the literature as part of governmental regulations in Muslim countries, notably the authority scholars (*ulama*) who are recognised as having specialist knowledge of Islamic sacred law and theology, as exemplified in the case of Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia). In Japan, the Muslim demand for *halal* food and other products has met with a response that reflects the commercial needs of the country, in which the government and local authorities favour fostering the *halal* industry to welcome Muslim visitors as part of the global tourism boom. Here the second nature of *syariah*, as a social force, plays a positive role. The comparison between Malaysia and Japan generates significant implications for understanding the nature of halalisation and *halal* standards in contemporary industrial and social contexts.

Keywords Malaysia · Japan · Islamic law (*syariah*) · *Halal* food · *Halal* industry · *Halal* certification

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3.1 Introduction

Over the past three decades, the *halal* industry has grown in the food, finance, travel, media and recreation, pharmaceutical, cosmetics and other sectors, and *halal* certification standards regulating what *halal* should signify have also developed. In terms of the global scope of these standards, which transcend individual countries, it can be said that international standardisation should be pursued, as is the case with the standards set by the International Organisation for Standardisation (ISO). Despite calls for universal *halal* standardisation, there is considerable diversity in *halal* certification and verification between countries and regions (Abdallah et al. 2021). Such diversity is partly caused by the traditional differences among schools of Islamic law (*syariah*)—there are four primary Sunni schools, Hanafi, Shafi'i, Maliki and Hanbali, while Jafari is the predominant Shi'ah school—with varying methodologies for legal interpretation. While *syariah* is broadly unified on the basis of legal sources deemed divine by its adherents, specifically the Qur'an and the Sunna, it is marked by 'unity in diversity', and the diversity of *halal* standards should therefore be seen as an outcome of these different traditions. When we examine the actual process of *halal* standardisation in the Arab Gulf countries and Southeast Asia, for example, we recognise competing leaderships among Muslim countries which may be a significant cause of diversity or a lack of unity. This chapter focuses on *syariah* compliance that derives from state authorities and the sense of responsibility for implementing *syariah* in society and by individuals.

To advance this argument, we take the cases of two contrasting countries at opposite poles: Malaysia, a Muslim-majority country known for contributing to the international diffusion of *halal* certification systems, and Japan, which has an extremely small Muslim presence compared to other highly developed countries. In its constitution, Malaysia claims to hold Islam as the religion of the country. In contrast, while Japan upholds a secular form of governance, it nonetheless enthusiastically provided *halal* food to Muslim athletes competing in the Tokyo Olympics and Paralympic Games in 2021 and there has also been a growth in the availability of *halal* restaurants at least in larger cities. The analysis establishes an argument for the dual nature of *syariah,* which plays a positive role in creating and maintaining *halal* standards, by first examining the Malaysian case followed by the Japanese case. By comparing the two, we clarify how the diversification of *halal* certification standards occurs and what factors contribute to the differences.

3.2 The Dual Nature of *Syariah* Compliance after the Islamic Revival

3.2.1 State-supported Law and Socioethical Reality in Muslim Life

With the advent of modernity in the late nineteenth and early twentieth centuries, various parts of the Islamic world experienced the introduction of modern Western laws, whereas *syariah* had dominated these societies in the premodern era. With the modernisation of the legal system, *syariah* came to be concerned mainly with the realm of religious obligations, family law and dietary regulations. To capture this in a popular image, Muslims pray towards Mecca daily, get married among themselves or to converts, and avoid pork and alcohol by observing what *syariah* dictates in their lives. This state of affairs has generated two parallel legislative systems in many modern Muslim countries—the dominance of contemporary statute law over the government and its administration, on the one hand, and the persistence of Islamic rules in society and people's lives, on the other. *Syariah* has a dual nature as statute law when the state adopts its rules and as a societal binding force, even if the state does not intervene in these affairs. The so-called Islamic revival or Islamic resurgence of the 1970s engendered a more potent application of *syariah* in society. De-Islamisation caused by modernisation seemed to be turned upside down. With stronger loyalty to *syariah* principles and practice among people, many Muslim governments accommodated this tendency. Malaysia, as discussed below, is one such country. As a result, the dichotomy between statute law and *syariah* has become blurred.

The term '*syariah* compliance' was coined after Islamic banks flourished in the 1980s and subsequent decades. The term was used to describe compliance with *syariah* rules, such as avoidance of transactions involving interest or usury in business and trade (*riba*) and is often referred to in Islamic finance (Shamsiah 2010). It can be used in other domains as strict adherence to Islamic rules. Here again we find the dual nature of *syariah.* The avoidance of *riba* started as a consumer preference and the financial institutions created comparative advantage by responding to such tendencies. In dietary affairs, *syariah* compliance is more a result of consumers having decision-making power about what they eat, unlike in finance where the choices are limited to what banks offer. In accommodating people's preferences, Malaysia later developed *halal* standards, which the government now enforces. Even so, the dynamic behind such a development was people's insistence of safeguarding what they see as a *halal* life. *Halal* issues must therefore be understood through the dual nature of *syariah*—*syariah* for the government and *syariah* for the people.

3.2.2 The Islamic Revival and the Return of *Syariah* in Modern Muslim Life

It was once presumed that, with the modernisation of society, secularisation would advance and religious affiliation and piety would lose their social significance. In the first half of the twentieth century this presumption seemed quite convincing. However, in the 1970s and 1980s international society, especially its Western members, was startled by the return of religion in the social and political spheres. The Islamic Revolution in Iran (1979) was epoch-making in this context. Commentators quickly adopted such terms as ‘Islamic fundamentalism’, ‘political Islam’ and later ‘Islamism’. However, scholars in Japan opposed such terms as riddled with the ‘threat perceptions’ of the Western countries and alternatively proposed such terms as ‘Islamic revival’ or ‘Islamic revival movements’. One of these scholars, Yasushi Kosugi, argues that the Islamic revival could encompass the economic domain, notably through Islamic banks, which started in 1975 with Dubai Islamic Bank as the first bank in the world to have incorporated the principles of Islam in all its practices. In Kosugi’s view, if we realise that this bank was established before the political upheaval in Iran then we can see that the revival is not necessarily threatening or political in nature (Kosugi 1994: 137–139, 141–144). When it comes to the economic domain, so-called Islamic economics has been dominated by Islamic financial institutions. Mehmet Asutay (2012: 98–99) calls this the ‘financialisation of Islamic economics’ (see also Kawamura 2021: 32–35). Echoing such arguments, Shinsuke Nagaoka (2015), a pioneer of Islamic economic studies in Japan, promotes not only analyses of Islamic finance but also studies of endowments made by Muslims to religious, educational or charitable causes (*waqf*). Nagaoka (2012, 2018) also bridges Islamic law and Islamic economic affairs and clarifies Islam’s unique economic thought. Since the Islamic revival has been accompanied by the return of *syariah*, legal studies must be utilised if we are to understand its economic dimensions. *Halal* studies, which include studies on industries, production, distribution and consumption, must be dealt with as economic phenomena and should therefore be promoted as part of Islamic economic studies.

In sum, for ordinary Muslims Islam is embodied in *syariah*, so the Islamic revival inevitably brought *syariah* back into social life and it is manifested in politics, the economy and socioethical relations. Islamic economies should be understood in the broadest sense, encompassing not only finance but also social welfare—*waqf*, the annual tax on Muslims to aid poor people in the community (*zakat*) and voluntary charity (*sadaqah*)—and industries, including the *halal* industry.

The return of *syariah* did not occur as a simple replication of what had once been there. Islamic banks have not been bringing back traditional Islamic finance as there were previously no banks of the modern kind. Rather, this development represents the Islamisation of modern financial institutions based on the Western model. Similarly, *halal* food today is not just food that is *halal* by *syariah* criteria, as existed in premodern Muslim societies. *Halal* issues became a social problem in the 1970s and the 1980s when international food trade increased in volume and the various processed foods manufactured in non-Muslim countries poured into Muslim markets. This happened not only in Muslim countries but also in Western countries where Muslim migrants found access to *halal* foodstuff problematic. So *halal* food is a new phenomenon in modern circumstances. Muslims, and Muslim governments, found a need to Islamise foodstuffs to meet consumer demand in their societies. With the establishment of the *halal* market, the entry of *halal* certification standards has transformed the international food market. Following Johan Fischer (2008: 31–32), we can call this process 'halalisation', which 'signifies a powerful and growing preoccupation with the proliferation of the concept of halal in a multitude of commodified forms'. Fischer notes that *halal* food produced through halalisation has a different context when compared to *halal* food in traditional societies. In the halalisation process, *halal* standards are proposed as an instrument for guaranteeing *halal* criteria for modern dietary productions, while *halal* criteria in premodern Muslim societies relied on legal rules stipulated by Islamic scholars. Today, *halal* standards ought to rely on modern criteria, exemplified in the ISO standards, even if they are ultimately based on a traditional school of Islamic law.

At his point it is helpful to turn to a detailed definition of the term *halal*. Mohammad Hashim Kamali (2021: 1), the eminent scholar of Islamic law and jurisprudence, states, 'the permissible (halal, *mubah*, *ja'iz*), the prohibited (*haram*, *mahzur*, *mamnu'*), and that which may fall in between, including the gray areas (*al-mashbuhat*) that are not evaluated in the existing data of shariah, and are therefore open to fresh research and *ijtihad*, such as issues concerning food additives, preservatives, genetically modified organisms, and chemical enhancers'. Kamali (2013: 9) also emphasises the nature of *syariah* rules as the results of scholarly interpretation: 'In all of these, an opportunity may arise for fresh interpretation and *ijtihad*, which should be attempted and an effort should be made to secure that which is in the public interest and *maslaḥah*'.

3.3 Malaysia and Japan

Malaysia is a Muslim-majority country, with Muslims numbering approximately 20.6 million (63.5%) of the total population of 34 million. The Federal Constitution states that 'Islam is the religion of the Federation', and 'Parliament may by law make provisions for regulating Islamic religious affairs' (AGC 2020: Art. 3). At the same time, non-Muslims are guaranteed freedom of worship. Issues related to *syariah*, especially after the Islamic revival, may stimulate sensitivity among non-Muslim nationals, but *halal* standards have been well managed in this context.

Japan had a similar experience to other Asian countries in the modernisation and Westernisation of law and society. However, when it comes to religion, traditional religions stay firmly within a syncretic composition. According to the government's Agency for Cultural Affairs (2023), the two traditional religions—Shinto, the national creed, and Buddhism, which came to Japan from India through China—each claim more than half of the population as adherents, resulting in a syncretic combination known as *shinbutsu-shūgō*.

After the Second World War, Japan adopted a constitutional order that separated state and religion, guaranteeing freedom of faith. At the same time, the secularisation of society progressed rapidly as Japan developed as an industrialised country from the 1950s to the 1980s. In these circumstances, Muslims have been protected under the principle of freedom of faith along with all other religions. This principle also means religions are treated as private affairs, and religious rules have, as a result, lost their social force. As a result, ordinary Japanese often find it odd when they encounter a Muslim who insists on Islamic rules. For them, it is challenging to understand *syariah* as a social force to impose religiously ordained regulations even in foreign countries. In reality, the number of Muslims in Japan is insignificant, and they hardly constitute a political or cultural threat. As of 2022 Muslims numbered around 230,000 out of the total population of 126 million, with the overwhelming majority of them being of foreign origin. However, as elaborated below, the tourism boom has brought about a more visible, if temporary, Muslim presence. This matters for the tourism industry and the government which backs it.

We turn now to reflect on how the dual nature of *syariah* works in *halal*-related issues, first in Malaysia and then in Japan.

3.4 Malaysian Initiatives for Promoting Islamic Economics and the *Halal* Industry

3.4.1 The Beginning of Islamisation in Malaysia

While Malaysia is a Muslim-majority country, it is at the same time multiethnic, multireligious and multicultural. After the independence of Malaya from British colonial rule in 1957, a gradual process of the Malayisation of the legal and political system was instituted. As already noted, Islam was constitutionally established as the religion of the country at this time and Islam came to be increasingly articulated as the core of Malay consciousness and identity.

With the onset of the Islamic revival in the 1980s, changes in ethical norms within the Malay community occurred and the importance of *syariah* has become more evident. While the idea of establishing Perbadanan Wang Simpanan Bakal-bakal Haji (Hajj Pilgrims Savings Corporation) had been proposed as early as 1959 and was created in 1963 (Tabung Haji 2024), the start of Islamic commercial banking in Southeast Asia can be traced to the establishment of Bank Islam Malaysia in 1983. The Islamic revival movement brought a more overt Islamisation into people's lives, including the halalisation of food. The movement in the economic and social spheres has given rise to interest-free banking, which avoids interest prohibited by Islamic law, and fostered a distinctive field of the Islamic economy, which challenges the conventional wisdom of capitalism and had become a significant feature of international finance by the early twenty-first century. In parallel, a *halal* industry has developed since the 1970s and 1980s, focusing on food and other products that emphasise being *halal*. In this context, Islamic law in Malaysia has different functions at the levels of state and society, manifesting as the dual nature of *syariah*, and the relationship between the two has become intertwined.

Malaysia's promotion of an Islamic economy and a modern *halal* industry is part of a significant growth of both sectors on a global scale. According to *State of global Islamic economy report 2023/24*, the world's 2 billion Muslims spent the equivalent of USD2.29 trillion in 2022 across the *halal* food, pharmaceutical, cosmetics, fashion, travel, and media and recreation sectors (DinarStandard 2023: 8; see also World Bank 2022). Despite the uncertainty relating to the COVID-19 pandemic and its aftermath, this spending reflects a 9.5% year-on-year growth from 2021, and the economic growth of the *halal* industry has been equally impressive (DinarStandard 2023: 9). Through the dynamics of the Islamic revival and the promotion of *halal* initiatives by the Malaysian government, the *halal* industry has spread to many parts of the world, and non-Muslim enterprises have also entered this market. *Halal* standardisation and standards have become instrumental in inviting non-Muslim enterprises to compete in this huge market.

3.4.2 Background of *Halal* Issues

As noted, interest in *halal* issues really took off in the mid-1970s, particularly when the Malaysian government prescribed the use of the term '*halal*' in legislation. Under the Trade Descriptions Act, two regulations were made—the Trade Descriptions (Use of Expression Halal Order) 1975 and the Trade Descriptions (Marking of Food) Order 1975. Before this, the rules were limited to fairly minimal guidelines that aimed to prevent misunderstandings in food consumption.

Any examination of the development of *halal* in Malaysia has to reckon with the first administration of the prime minister Mahathir Mohamad (1981–2003). After the May 1969 racial clashes and throughout the 1970s, the country faced significant problems of domestic economic and political instability, rooted in conflictual relations between Malays and Chinese. The New Economic Policy was introduced in 1971 as a two-pronged strategy for eradicating poverty for all Malaysians as well as reducing and subsequently eliminating identification of race by economic function and geographical location. In effect, this became an affirmative action policy in favour of Malays (Gomez and Saravanamuttu 2012). Not long after coming to power, Mahathir promoted a Look East policy to recalibrate the economy by imitating the development policies of countries like Japan, South Korea and Taiwan, with the intention of boosting the social status of Malays, not least by creating a Malay capitalist class. It was Mahathir who made the overt link between this model of development and parallel dynamics rooted in the Islamic world (Mahathir 2001). Beyond domestic development policy, Mahathir was instrumental in establishing the

Bank Islam Malaysia in 1983 (as noted earlier) and more broadly introducing Islamic values into the financial system.

3.4.3 Internationalisation of *Halal* Issues

As we have seen, the rise of the *halal* food system occurred within the modern framework of the revived Islamic world. The Malaysian Standard on Halal Food, first published in 2000 and currently designated as MS 1500:2019, provides comprehensive guidelines for *halal* regulations and has gone through three revisions (Department of Standards Malaysia 2021). As is common with much Malaysian legislation, there are two versions of these guidelines, in English and in Malay, and the English version was prepared first because the goal was to expand the *halal* industry globally. Malaysia's promotion of *halal* commerce and its *halal* guidelines coincided with similar advances in many other Muslim countries and in the international area. One clear example is the role of the Organisation of Islamic Cooperation (OIC, formerly Organisation of the Islamic Conference), the intergovernmental organisation founded in 1969 and now having 57 member states, with 48 being Muslim-majority countries (OIC 2024). Under the aegis of the OIC, *halal* standardisation became a common agenda. This started in 1984 when Turkey called for the establishment of standards in Islamic countries to eliminate technical barriers to trade. In 1985 the Standardisation Experts Group for Islamic Countries was established. This in turn led to the establishment of the Standardisation and Metrology Organisation of Islamic Countries whose name was changed to its current one, the Standards and Metrology Institute for Islamic Countries. Affiliated with the OIC, the SMIIC has overseen the publication of numerous *halal* standards series, now numbering 57 (SMIIC 2024).

3.5 Malaysian *Halal* Standardisation and Its International Strategies

The principles and initiatives to promote the *halal* industry have been used in Malaysia since the 1970s and 1980s to revitalise the domestic economy by building up its role as an Islamic leader and ensuring that the Islamic economy was central to its national development strategy. Industries that deal with products considered *halal* by *syariah* precepts have helped create a market that is a truly worldwide supply chain, as the holding of *halal* exhibitions and the accelerating trade in *halal* products show. In this regard, globally traded *halal* products were valued at USD359 billion in 2022 and are projected to grow at 7.6% per year and reach a value of USD492 in 2027 (DinarStandard 2023). In addition, many companies based in Muslim-minority countries have entered the *halal* food industry and are expanding globally.

In recent years, Malaysia has gained global recognition for promoting the *halal* industry and the Islamic economy and in 2022 retained the top spot in the Global Islamic Economy Indicator (GIEI), which measures the *halal* economy ecosystem, of 81 countries for the tenth consecutive year, followed by Saudi Arabia, Indonesia and the United Arab Emirates. Malaysia also came top in the categories of Islamic finance, *halal* food, and media and recreation (ibid.: 65–66).

Currently, social and economic activities are changing globally due to the development of social networking and information technology. In particular, acceptance of easy payment and meal delivery services has increased dramatically in recent years. In many cases, scientific verification of whether ingredients and additives in food products are *halal* matters much today. The combination of Islamic knowledge and scientific expertise can lead to the improvement of the industry. Using this approach, Malaysia is launching several *halal*-related activities as part of its new ambitions. These include exploring the contribution of *halal* food to food self-sufficiency.

3.6 *Halal* Issues in Japan

3.6.1 Muslims in Japan

The Japanese *halal* industry has a rather minimal track record compared to other major countries in the world. As noted earlier, Japanese religious identity is ambiguous, officially marked by the syncretic combination of *shinbutsu-shūgō*, though many people profess to not adhere to any religion. Perhaps counter-intuitively, this situation has enabled the introduction of *halal* certification systems rather than preventing them on religious grounds. Although there was some contact between Japan and the Islamic world from the late nineteenth century onwards, diplomatic relations, mainly with the Ottoman Empire, were modest and very few Japanese travelled to the Muslim heartland. As Bryan Barber (2020: 8) notes, ‘Japan’s identity in relation to Islam in particular, however, has long been filtered through other actors’. The most significant historical symbol of Islam in Japan was the construction of the Kobe mosque in 1935, with the support of the small Turko-Tatar community of traders there, and which still stands as the centre of local Muslim life. It would not be until the postwar period that a more visible Muslim presence began to emerge. In the 1960s, some international students from Muslim countries began to arrive in Japan. More significantly, the economic boom of the 1980s saw an influx of immigrants from Muslim-majority countries and these people and their descendants comprise the majority of Japanese Muslims today. This, in turn, raised the issue of *halal* consumption in everyday lives.

3.6.2 *Halal* Awareness and Certification

In Japan, the introduction of *halal* products started slowly and has then accelerated, both to meet the needs of Japan-based Muslims as well as the increasing number of Muslim tourists. The latter has received the support of institutions such as the Japan Tourism Agency and Japan National Tourism Organisation. Local government authorities interested in promoting tourism are also taking advantage of this trend. However, there is no authoritative body overseeing Islamic organisations and no nationwide organisation overseeing *halal* certification. Recently, some Japanese *halal* certification bodies have been established, but it is still difficult for them to communicate with migrant Muslims because they do not share a common language. In this context, central and local government authorities have recently started to promote and encourage *halal* food. After the Tokyo Olympics and Paralympic Games in 2021, the government and businesses are planning for the next opportunity for large-scale inbound tourism, which will be welcoming Muslim visitors and serving *halal* food, the 2025 Osaka Kansai Expo.

Among the well-known Muslim organisations engaged in *halal* certification are the Japan Muslim Association, the first Muslim congregation in Japan which was founded in 1952, and Otsuka Masjid in Tokyo. As of September 2022, there are eight major *halal* certification organisations in Japan and six of these have received recognition from Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia) (MAFF 2021). However, each uses different certification standards. These organisations include officially certified religious corporations and non-governmental organisations. An important reason for cooperating with JAKIM is that Malaysia is the closest Muslim country to Japan and is highly respected in the *halal* economy ecosystem. For example, Muslims in Japan traditionally follow Malaysia when declaring the beginning and end of fasting during Ramadan. This relationship has led Japanese Muslims to recognise the authority of Malaysia. Moreover, these organisations aim not only to secure the *halal* certification for domestic trade and consumption but also certify businesses exporting from Japan to Muslim countries. Often these businesses start by exporting to Malaysia and later use it as a stepping stone to enter other Muslim markets (Japan Islamic Trust 2024). One notable certification body is the Kyoto Council for Sharia and Halal Affairs, which deals only with domestic businesses and works with the local authority to welcome Muslim visitors to the city. According to a council member, it emphasises the facilitation of Muslim life in Japan and respects all the traditional Islamic schools of law. They have been working on restaurant menu certification and the halalisation of entire restaurants. *Halal* agencies are all non-governmental organisations because religion is a private matter in Japan. As noted, there is no central authority, so their efforts to promote *halal* are quite disjointed. Although Japan separates state and religion, the introduction of *halal* food has been officially supported as a promotional activity for inbound tourism and the export of food products.

Despite these efforts, some everyday problems remain for those Muslims who wish to fulfil their *halal* obligations. For example, the introduction of *halal* food into school meals has not made any progress since are not supposed have any religious orientation. In other words, accessing *halal* school meals has been a major problem for Muslim families with school-aged children. Currently, Muslim schoolchildren must bring homemade lunch boxes (Komura 2015: 203–204). Schoolteachers sometimes even deny such a compromise as an act of non-conformity. In response to a fairly general ignorance of Islam in Japanese society, Muslim parents often express concern about whether their children can adjust to school life (Matsukawa 2018). To add the difficulties faced by many Muslims, most labels listing food ingredients are written only in Japanese, for which someone must learn not only two alphabets but at least 1,200 *kanji* characters to get by in daily life. Therefore, until recently *halal* food purchases could only be made after gathering information from Muslim communities and mosques. Fortunately, smartphones have now developed apps that can translate these ingredients into the various languages spoken by Muslims, although it can still be a little tricky to read the tiny lettering typically found on packaging. It is more straightforward to check ingredients simply by holding a smartphone over the barcodes on foods and products. However, this is limited to specific products and so is something still in development (Yokoyama and Nejima 2021: 137).

Due to a lack of knowledge about Islam and Islamic associations, Japanese companies tend to rely on *halal* certification bodies in Malaysia, an early adopter of the *halal* industry and a market leader. The Japanese *halal* sector is receiving much expert input from Malaysian counterparts. This close relationship is cemented by the increasing number of Malaysian tourists who visit Japan, which increased by 9.4% to 180,200 in the January to April 2024 period from 164,766 in the corresponding period in 2019 before the COVID-19 pandemic hit (Lee 2024). In line with this, the number of restaurants and hotels serving *halal* food and offering prayer rooms is also rising.

3.6.3 Halal Food Industries in Japan

Domestically, there is little prospect for market expansion of the food industry as Japan's population has long been in an era of decline. In this context, exporting *halal* food to the Islamic markets and promoting *halal* food consumption by Muslim visitors to Japan has become one of the most attractive and sustainable avenues for growth. In order to promote the latter, the Japan Tourism Agency published *Guidebook of Omotenashi for Muslims* in 2015 (*omotenashi* means 'hospitality'), targeted mainly at hotels and restaurants. This guidebook functions as a manual, providing an overview of how to be considerate to Muslim visitors. It also describes how to label the food, such as 'No pork or pork-derived ingredients are used in this dish'; and to avoid alcohol: 'Alcohol-based seasoning is not used in any of the dishes either.' There are also suggestions in relation to prayer rooms. The *Guidebook* is considered a practical compromise solution to help businesses adapt since most hotels and restaurants are not *halal* certified (Japan Tourism Agency 2015).

These initial steps to meet the needs of visiting tourists have been supported by some promising developments in Japan's *halal* logistics and supply chain. The most interesting example is that of Nippon Express, a world leader in transportation. The company has made considerable investments in *halal* warehousing and methods of transportation, especially for food products. In 2014 Nippon Express became the first Japanese logistics company to obtain *halal* certification from Malaysia and in 2018 from Indonesia. The company is also pioneering the use of new technology for shipments that guarantee *halal* integrity and this offers many advantages in expanding international trade, regardless of country of origin and destination. As it claims: 'Nippon Express has established a halal transportation service combining our global network with halal-related transportation that Muslims can use without anxiety' (Nippon Express 2024).

The Japanese tourism industry was hit hard by the COVID-19 pandemic in 2020–2021, but as inbound business has revived in the post-pandemic period, not least because of the relative weakness of the yen, it is expected that *halal*-related operations will continue to grow. As for food exports, the long-term and gradual expansion of trade looks likely to continue. For example, Kobe beef, one of Japan's most famous food products, will be exported to Saudi Arabia with *halal* certification (DinarStandard 2023). How the recognition of Islamic rules based on entrepreneurship can turn into a general understanding of *halal* matters in Japanese society has yet to be seen, but current signs are promising.

3.7 Conclusion

From the discussion presented here, a number of points are highlighted. First, in modern Muslim countries, *syariah* has two aspects: one is the law that the government is responsible for enforcing and the other is that each Muslim is responsible for enforcing it as a religious obligation. This also results in the dual nature of *syariah* compliance since institutions such as governments and companies have to comply with *syariah* rules, on the one hand, and individual Muslims have to comply with their obligations, on the other. This dual nature may bring diversity to *halal* issues because individual compliance may occur with or without governmental oversight. Second, the Islamic revival that took place in many Muslim countries in the 1970s and 1980s has witnessed the increasing salience of *syariah* increased again. The intertwining relationship of modern statute law and *syariah* differs from one country to another, and has led to a diversity of *halal* standards, regulations and enforcement.

In Malaysia, the government has promoted the *halal* industry at the very centre of its long-term development strategy, and one consequence has been the domestic and international promotion of *halal* certification standards. As a result, *halal* standards have been created, maintained and reproduced as part of *syariah* governance, underpinned by various legally binding national standards. In Japan, with a minuscule Muslim resident population but a growing number of Muslim visitors, the issue of Islamic religious practices and *halal* standards is handled by mosques and other religious organisations as a service to the Muslim community as well as being part of their religious obligations. There is no national federation of Muslim organisations and *halal* standards in relation to food and other products are not uniform at all. Nonetheless, the Japanese government and local authorities have taken advantage of the recent growth of the global tourism and the increase in Muslim visitors by adapting tourism and hospitality industries to meet these new opportunities. There is now a small but growing a *halal* sector in the country and, since *halal* standards are not authorised by government agencies, Muslim organisations have adopted standards promoted by JAKIM and Indonesia. In this regard, Japan stands on the brink of a qualitatively new phase of its own *halal* industry.

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Chapter 4
Halal Education and Knowledge in Brunei Darussalam, Malaysia and Japan: A Comparative Study

Rozaidah Idris

Abstract The *halal* industry is growing rapidly and the regulations associated with *halal* have never been more relevant. Many countries have proactively engaged with the opportunities of developing *halal* industry sectors for commercial benefit and economic diversification. Today, *halal* regulations are not only associated with food; other types of products and services, such as cosmetics, medicines, logistics and tourism are being explored. With the growth and expansion of the *halal* industry and the increased consumption of its products, societies need to be properly educated on the question of *halal*, whether for personal gain or for career development in the industry. Whatever was the reason, the importance of establishing *halal* education cannot be denied. Through a comparative analysis, this paper discusses three major concerns: studies on *halal* knowledge and its effects on *halal* product utilisation; studies on *halal* education and efforts made to educate society in this regard; and an examination of the institutions, centres or departments at universities in Brunei Darussalam, Malaysia and Japan and their attempts to build *halal* education and therefore shape the workforce.

Keywords Brunei Darussalam · Japan · Malaysia · *Halal* education · Workforce

4.1 Introduction

The global *halal* industry is growing consistently. In the period prior to the onset of the COVID-19 pandemic, it was expanding at an annual rate of 20% with a value of USD560 billion a year and with a total value of approximately USD2.3 trillion (Md Siddique and Moha Asri 2020). As the *halal* industry flourishes globally and continues to have greater salience, many countries are affected by its presence and use it as an opportunity to stimulate economic growth. According to Sutan Emir

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Hidayat et al. (2021), the estimated global population of 1.8 billion Muslims are naturally the main consumers of *halal* products and they state that the growth of the global *halal* food industry is an indirect outcome of Muslims' increasing awareness of the significance of consuming *halal* commodities. Beyond this, Md Siddique E. Azam and Moha Asri Abdullah (2020) also argue that the *halal* industry is no longer restricted to Muslim consumers but also includes non-Muslim consumers. They note that a lot of non-Muslim-dominated countries have recognised the potential of the industry and even excelled in various *halal* sectors. To support this contention, Abdul Matin Salman et al. (2019) report a continuing increase in the demand for *halal* products, especially food, in both Muslim and non-Muslim countries. Abdalla Mohamed Bashir (2019) states that *halal* manufacturers concentrate on non-Muslim countries as well when generating *halal* consumables as they are also aiming for the non-Muslim market. Non-Muslims accept *halal* foods due to hygiene, safety, quality and other reasons associated with health and ethics (Nisha and Iqbal 2017; Bashir 2019). In short, although the *halal* rule is a religious responsibility for Muslims, both Muslims and non-Muslims are involved in the *halal* industry as consumers.

With the growing prominence of the *halal* industry worldwide, there is a significant need to educate the society of Muslims and non-Muslims on the *halal* subject. Both *halal* manufacturers and consumers will benefit from developing their knowledge. For instance, manufacturers may use familiarity with *halal* matters as a marketing tool while consumers from both Muslim and non-Muslim societies may use *halal* fluency for personal gain, such as abiding by religious laws or healthier choices. Other parties, such as *halal* authorities, may also improve supply chain management. Different countries have made different approaches to the expansion of *halal* awareness in terms of educating and increasing knowledge. This paper discusses the development of *halal* education and knowledge in Brunei Darussalam, Malaysia and Japan. It analyses studies on *halal* knowledge and its effects on product consumption as well as studies on *halal* education and the efforts made to inform society. The paper also explores relevant institutions, centres or departments at universities in the three countries and their attempts to build *halal* education and the workforce.

4.2 *Halal* Knowledge and Manpower and Their Connection to *Halal* Products

4.2.1 Consumption

Knowledge of *halal* matters can directly affect consumption decisions, whether negatively or positively. According to a standard definition, knowledge is the state of knowing or being familiar with something resulting from association or experience (Merriam-Webster n.d.). In another view, awareness is the knowledge or understanding that something currently exists based on experience and information (Cambridge Dictionary 2022a). Accordingly, knowledge and awareness derive from a range of insights: association, experience and information. This paper uses the two terms interchangeably in discussing research on *halal* awareness.

There are several studies conducted on *halal* awareness and its influence on product purchase decisions (Mutmainah 2018; Basri and Kurniawati 2019; Anggraini and Dewanti 2020; Puspita et al. 2020; Ramadhani et al. 2021; Vizano et al. 2021; Wirakurnia et al. 2021; Sabariah and Nurul 2021; Ozturk 2022). A summary of the major findings of these explorations is helpful for understanding current issues in the field.

In Luliyatul Mutmainah's (2018) study of the effects of several factors, including *halal* awareness of food products, she demonstrates that this awareness can positively and significantly influence the purchase intention for *halal* commodities. In her study, *halal* awareness refers to the Muslim consumers' level of knowledge of whether the products conform to *syariah* law or not and this awareness is projected to multiply with the advancement of media and technology. Mutmainah concludes that educational institutions are required to improve *halal* food knowledge. Yuswar Basri and Fitri Kurniawati (2019) investigate the influence of religiosity and *halal* awareness on purchase intention regulated by *halal* certification. Their research shows that *halal* awareness significantly affects purchase intention, although *halal* certification does not increase awareness. They suggest that individuals in varying milieus have the responsibility of educating or becoming educated with *halal* knowledge. Religious personnel, such as the body of Muslim scholars who are recognised as having specialist knowledge of Islamic law (*ulama*) or other religious teachers and leaders (*mullah*), need to teach and enhance the public's comprehension of *halal* and clean (*tayyib*) products as well as stressing their importance. For their part, Muslims need to attend religious events to increase their understanding of daily *halal* product consumption. And *halal* certification bodies need to educate the public on *halal* certification and *halal*-certified manufacturers. The study by Inar Anggraini and Diah Setyawati Dewanti (2020) finds that *halal* food awareness has a significant and favourable influence on purchase decisions for Muslims residing in Indonesia (a Muslim-majority country) and Thailand (a Muslim-minority country). Their study shows that religiosity does not regulate the effect of *halal* food awareness on purchase decisions. On the other hand, a study by Wanda Puspita et al. (2020) demonstrates that both religiosity and *halal* product knowledge have a positive and substantial influence on *halal* awareness and, by extension, the purchase intention of *halal* products. They propose that businesses host seminars on *halal* commodities to boost consumer awareness.

A study by Atika Ramadhani et al. (2021) explores the effects of brand awareness, product knowledge and *halal* labels on purchase decisions of cosmetic products in Indonesia, focusing on generations Y and Z. They find that brand awareness and product knowledge have no significant effect on their cosmetic purchase decision. This conclusion is arguable, however, as the study focuses only on one specified cosmetic brand for certain generations; the knowledge and awareness being explored are also confined to a single cosmetic product. Though not substantial, their study still notes an increase in purchase decisions of cosmetic products as a result of brand awareness and knowledge. Nico Alexander Vizano et al. (2021) analyse the impact of attitude, subjective norms and perceived behavioural control on the purchase activity of students from a private higher education institution in Indonesia. Their findings show that *halal* awareness can regulate the positive interest towards buying behaviour of *halal* food products. In short, the higher the level of awareness in *halal* the better the relationship between the consuming interest and consuming behaviour of *halal* food. Arya Bagus Wirakurnia et al. (2021) study the factors that affect the purchase intentions of Muslim students for *halal* packaged food in Indonesia. They reveal that there are no significant effects between *halal* knowledge and purchase intention. The study, however, may only be applicable to Muslim students in the chosen regions of Indonesia; the findings may not be generalisable to non-students of different backgrounds or non-Muslim consumers. Sabariah Yaakub and Nurul Amira Aulia Sham (2021) investigate the effects of knowledge, religiosity, awareness and *halal* logistics on purchase intention with reference to the theory of planned behaviour, an approach that intends to explain all behaviours over which people have the ability to exert self-control. Their study shows that knowledge and awareness have a noteworthy influence towards the purchase intention of *halal* food products. Sabariah and Nurul explain that this influence could be a result of gaining optimistic information about *halal*, which leads to favourable insights and eventually increases *halal* product consumption. Finally, a recent study by Abdulkadir Ozturk (2022) examines the attitudes and purchase intentions towards *halal* chicken products in Turkey based on knowledge, attitude and practice model. Among the many findings of his study, the most notable is that *halal* product knowledge and awareness positively and significantly influences *halal* awareness, purchase intention and attitudes towards *halal* products. In addition, Ozturk recommends that companies educate consumers regarding *halal* certificates and logos so that they do not fall victim to fraudulent labels.

In brief, many studies indicate the importance of developing *halal* knowledge or awareness. However, most of these studies centre on the relationship between *halal* knowledge and *halal* product consumption. So a question arises: how can they be relevant to the development of *halal* education? With the significant impact of *halal* knowledge towards the purchasing of *halal* products and this knowledge having become an indirect factor for the growth of the *halal* industry, the industry's expansion has led to a perceived need for an informed *halal* workforce as well as *halal* education for personal benefit and professional qualifications. The studies also mainly focus on food products as it is the biggest *halal* sector. According to Mohamad Syazwan Ab Talib et al. (2019), Muslims have reportedly spent 16.6% of global food expenditure, indicating the magnitude of the *halal* food market (and this excludes non-Muslim spending on *halal* consumables). Some of the studies also recommend the presentation of different forms of education on *halal*, in the form of institutions, seminars or events (Mutmainah 2018; Basri and Kurniawati 2019; Puspita et al. 2020; Ozturk 2022). There are only two studies that disagree with *halal* knowledge being a significant factor in influencing *halal* product consumption (Ramadhani et al. 2021; Wirakurnia et al. 2021), whereas the rest of the studies suggest otherwise. This strongly implies that *halal* knowledge is indeed crucial in nurturing the practice of daily *halal* product consumption and thus the requirement of proper *halal* education.

4.2.2 Halal Education

Clearly, education plays a vital role in boosting knowledge of subjects, including *halal*. Not only does a proper education give essential information on *halal* matters but it can also boost a person's expertise and skills in departments responsible for *halal*, making them fit to be a part of human resources. By commonplace definition, education is a course of learning and teaching, typically in a school or a college, or the knowledge gained from them (Cambridge Dictionary 2022b). It follows from this that *halal* education should be established as modules in educational institutions in order to cultivate *halal* knowledge in society. There are a limited number of empirical studies on *halal* education, but there are some that point towards the requirements of *halal* education and the search for *halal* knowledge (Ahmad 2014; Norhidayu et al. 2017; Siti Zanariah and Nor Azura 2017; Wahyudin et al. 2018; Salman et al. 2019; Noor Haslihsa et al. 2020; Wibowo et al. 2021). Their main findings and recommendations are summarised here.

Ahmad Sahir Bin Jais (2014) researched the technical, vocational education and training framework in Malaysia, and he notes several schemes that have been established in polytechnics to boost *halal* education. These schemes are: 1) the Department of Polytechnics Education (DPE) initiated a strategic collaboration with the Halal Development Corporation (HDC) by presenting a shared Halal Executive Diploma programme; 2) the HDC assisted in sustaining a greater level of *halal* training in the programme; 3) refresher courses were offered to the lecturers so that they are well informed of new changes in the *halal* industry; and 4) industry participation was an important part of the *halal* programme, courses and curriculum to ensure the modules offered are related to the industry standards. Ahmad Sahir concludes by stressing the significance of polytechnics in creating *halal*-qualified employees. Norhidayu et al. (2017) discuss the importance of the *halal* science curriculum and research in the growth of the worldwide *halal* market among selected countries, including Brunei and Malaysia. Their study is explored more thoroughly below.

Although the analysis of Siti Zanariah Yusoff and Nor Azura Adzharuddin (2017) does not specifically explore *halal* education, it is important to note that, from this study, there is a willingness to share knowledge within a Muslim family to educate one another regarding *halal* matters. Both parents and children are actively searching for and sharing *halal* information among themselves; it is also evident that the younger and older generations in these families have an equal interest in developing *halal* knowledge and not just the parents.

Dinn Wahyudin et al. (2018) examine the subject of *halal* food in the school curriculum in Indonesia. The subject of religion and manners is compulsory for all students in primary, junior secondary and senior secondary schools. Another mandatory subject for all the schools is Islamic religious education. The topic of *halal* and *haram* foods within this subject is allotted to grade four students. There is an introduction and discussion on the topic of Muslim behaviour on *halal* food and *haram* food as part of the curriculum (Dinn et al. 2018). Salman et al. (2019) look at the *halal* enactment as a clear competitive benefit in Islamic higher education in terms of preparing the millennial generation in Indonesia. Notable findings from their study involve the level of knowledge and understanding of *halal* products and the development of Islamic higher education. For the first finding, the millennials' comprehension of *halal* products is mainly limited to food and slightly to cosmetics; awareness of *halal* hospitality and financial services is also still restricted to certain programmes. Most students learned about the *halal* subject at Institut Agama Islam Negeri (IAIN, State Islamic Institute). For the second finding, IAIN endorses *halal* studies through seminars, training or workshops. Indonesian institutional development is still in progress with the formation of *halal* study centres and *halal* research centres or laboratories via the collaboration of relevant parties. For effective human resources, several religious universities have enlisted teaching staff from varying backgrounds to embrace different areas of *halal* product development and training.

Noor Haslihsa Hashim et al. (2020) focus more on *halal* jobs in their study, discovering the degree of awareness, knowledge and attitudes towards *halal* careers among Muslim university students as well as determining any relationship between the three factors. Their findings reveal that the respondents mainly have a high degree of awareness, sufficient knowledge and a positive attitude towards *halal* occupations. The study also shows that the higher the knowledge and awareness of *halal* jobs among the students, the higher the behavioural intention towards the possibility of working in the *halal* department. Noor Haslihsa et al. conclude their study with two major recommendations. First, higher education institutions should provide greater opportunities and incentives, namely field trips to *halal*-verified companies and factories as exposure for future employees and as a means to gather information regarding the requirements for *halal* industry careers. Second, exposure towards *halal* jobs should not be limited to higher education; in fact, the basics of *halal* education need to be introduced in primary schools. The last study by Mas Wahyu Wibowo et al. (2021) is another examination of Muslim millennials from Indonesia, but centred this time on their decision-making process for *halal* food purchases with different levels of knowledge and education. The study shows that consumers of lower education levels do not internally evaluate *halal* food products and find no health benefits or animal-friendly attributes of *halal* food, and thus there is a negative and insignificant relationship between attitude, knowledge and purchase intention. By contrast, consumers with higher education levels can evaluate the health gains and animal-friendly principles of *halal* food, prompting them to purchase the products and therefore demonstrating a positive and significant relation between attitude, knowledge and purchase intention. The study also indicates that millennials with a lower level of education have restricted processing aptitude while those with a higher level of education possess critical thinking aptitude; both conditions seemingly affect patterns of *halal* product consumption.

From these studies, it is clear that *halal* education needs to be emphasised. They disclose several strategies in an attempt to promote *halal* education, such as courses, seminars, workshops and training (Salman et al. 2019). Educational institutions collaborate to establish or enhance *halal* programmes as well as construct *halal* centres or laboratories. Others enhance their existing curricula to include *halal*-related topics. They are touched upon in certain compulsory religious subjects which are made available in primary and secondary schools (Wahyudin et al. 2018). The study by Siti Zanariah and Nor Azura (2017) is also crucial as it depicts the enthusiasm to learn about *halal* from both parents and children; in other words, *halal* education is suitable not only for higher institutions but also for schools at an earlier stage. The last two studies (Noor Haslihsa et al. 2020; Wibowo et al. 2021) signify the necessity of *halal* awareness or knowledge to increase students' interest in pursuing *halal* professions, which in turn increases the number of *halal* workers and eventually facilitates the development of *halal* industry.

Halal education varies in Brunei, Malaysia and Japan due to differences in culture, regulatory frameworks and market demand. Here is a summary comparison of *halal* education in each country.

First, Brunei has a comprehensive *halal* regulation framework set by Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council), which oversees all aspects of *halal* certification, including education. The Brunei religious education system comprises primary, secondary and tertiary levels offering Islamic studies, including *halal*-related topics such as the concept of *halal* and *haram*, *halal* slaughter, and *halal* industry regulation. Brunei also recently established the Institute of Halal Research and Management (IHRAM) to provide continuing education and training on *halal* certification (Hjh Siti et al. 2021).

Second, Malaysia is a leading *halal* industry player globally, with a well-established *halal* education system. The country has various academic and technical institutions, such as the International Islamic University Malaysia which offers undergraduate and postgraduate courses in *halal* science, and the Universiti Sains Islam Malaysia which offers a diploma in *halal* science and management. The Malaysian government also established the HDC which works with local universities and other institutions to provide *halal* education and training courses.

Third, Japan is a growing market for *halal* products and the government has taken steps to develop *halal* education to support its growing industry. The Japan Halal Association provides *halal* certification and runs *halal* training seminars and workshops for businesses (Pg Siti Rozaidah 2024). Kyoto University offers bachelor's and master's degree programmes in *halal* science and technology, and Tokyo Camii, which is the largest mosque in Japan, provides regular *halal* education and training programmes to help develop the local workforce.

In sum, Brunei, Malaysia and Japan all recognise the importance of *halal* education and have established various initiatives to support the *halal* industry. Brunei and Malaysia have more formal and extensive *halal* education systems, whereas Japan is currently developing *halal* education programmes to support its growing *halal* industry. As a result, all three countries play a crucial role in the global *halal* industry and strive to ensure their products comply with the principles of *halal*.

4.3 *Halal* Education in Brunei, Malaysia and Japan

This section identifies *halal* education of any form at *halal* institutes, centres and departments of universities in Brunei, Malaysia and Japan. Other related organisations that provide *halal* awareness or courses are also included.

4.3.1 Brunei

Norhidayu et al. (2017) discuss the initiation of *halal* studies and research in Brunei, which began with the establishment of the Halal Science and Metrology Centre. In collaboration with Osaka University, Florida State University and the Japan Food Research Laboratories, the centre was founded by the Ministry of Energy, Manpower and Industry (now the Department of Energy). The centre aims to reinforce integrity in terms of generating *halal* science products and innovative approaches. The services offered by the centre comprise DNA analysis for porcine elements in raw substances and completed products by utilising polymerase chain reaction (PCR) sequencing, enzyme-linked immunosorbent assay (ELISA) test kits and Fourier transform infrared spectroscopy (FTIR) tools as well as gas chromatography for alcohol detection. Other than the centre, Brunei is proposing to build an academy as well, reserved specifically for *halal* product development involving *halal* scientists and specialists in *halal* industry and *syariah.* The planned academy is intended to reinforce credibility in decision-making exclusively on *halal* matters and issues (ibid.).

Universiti Islam Sultan Sharif Ali (UNISSA) was established in 2007 to become an Islamic higher education hub in Asia and to generate pious and proficient leaders who, through academic brilliance, research and community service, contribute to the development of the Muslim community throughout the world (*ummah*) (UNISSA 2024a). In the effort to localise and globalise the *halal* industry, UNISSA has empowered two aspects of the main demands: *halal* and *tayyib* in research, studies and professional services (Nurdeng Deuraseh 2020a). In line with the vision, mission and motto of UNISSA, the Halalan Thayyiban Research Centre was established as the university deems that the study of *halal* science is essential given that it is among the cores of the development, appreciation and implementation of the concept of the ideal state and political conditions (*baldatun thayyibatun wa rabbun ghafur*) (Nurdeng Deuraseh 2020b). The Halalan Thayyiban Research Centre has a vision to advocate for *halal* and *tayyib* products as the basis for achieving this goal, together with a mission to become an exceptional research centre internationally (UNISSA 2024b). The programmes offered by the centre range from a bachelor's degree in *halal* science, a master's degree in *halal* science specialising in management or laws, either by research or coursework, and a PhD degree in *halal* science, also specialising in law or management. The bachelor's programme is designed to develop the students' skills in professional decision-making and enhance their knowledge which can assist them in thinking, acting and developing piety towards Allah. The master's degree in *halal* science and management equips students with improved and professional knowledge via practices and courses as well as exposure to the newest developments in the *halal* field, while the master's degree in *halal* law centres on *syariah* and civil laws in connection with the local and global *halal* industry. The doctoral programme aspires to enhance the capability of students in integrating knowledge and expertise achieved through research with the use of analytical and critical thinking skills, hence contributing to the research progress of *halalan–tayyiban* (ibid.). Minor programmes are also being offered along with courses, seminars, workshops, training and professional services (Nurdeng Deuraseh 2017). The notable increase in the number of enrolments and graduates of UNISSA over the years indicates that there is also a growth of interested and qualified individuals for the *halal* workforce (Department of Economic Planning and Statistics 2019). With regard to cooperating with other organisations, a seminar on *halal* education was held by UNISSA as a joint event with Kolej Universiti Perguruan Ugama Seri Begawan (KUPU), a religious teachers' university, to encourage collaboration between the two universities to produce Islamic scholars, as decreed by the sultan (Rokiah 2020).

4.3.2 Malaysia

Norhidayu et al. (2017) explore the development of *halal* training programmes, formal studies and research in Malaysian public university research centres and the private sector that are dedicated to enhancing the quality of human capital to support the domestic *halal* industry. The university research centres mainly centralise on two key areas: *halal* management and *halal* scientific research. The centres offer not only multiple academic degrees in *halal* studies ranging from diplomas to doctorates but also deliver training programmes for industrial practitioners, professionals, academics and the public. The HDC also offers different programmes, including *halal* short courses and auditing courses, to create a proficient *halal* workforce. There is also funding under the Halal Industry Master Plan 2030 to establish *halal* laboratories (MITI 2023).

Maisarah Hasbullah et al. (2017) discuss the notable foundations of *halal* research institutes in public higher education. Among them are the Institut Penyelidikan Produk Halal (IPPH, Halal Products Research Institute) at Universiti Putra Malaysia (UPM), the Institute of Halal Research and Management (IHRAM) at Universiti Sains Islam Malaysia, the International Institute for Halal Research and Training (INHART) at the International Islamic University Malaysia (IIUM) and the University of Malaya Halal Research Centre (UMHRC). IPPH was formally instituted in July 2006, centring its work on research and development of *halal* products. It also has a major role in granting support to numerous sectors and government and non-governmental bodies, including Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia) and UNISSA. Meanwhile, IHRAM was also established in 2006 in order to specifically focus on *halal* science. INHART is a *halal* industry research centre founded in August 2011 as a response to the escalating growth of the *halal* industry. It aims to provide a platform for IIUM to support the government's ambition in nominating Malaysia as the global *halal* hub and to support the efforts in the *halal* industry internationally. In order to do so, it offers world-class education, training, research and consultancy on the *halal* industry (INHART 2024). The institute also provides master's courses in *halal* industry management and *halal* industry science and a PhD in the *halal* industry. Formerly the International Halal Research University of Malaya (IHRUM), UMHRC was initiated in 2013 with a mission to build holistic *halal* research through catalysing knowledge, preparing services and commercialising *halal* products as well as providing *halal*-related services, training and consultancy (UMHRC 2024a). The centre provides *halal* programmes of various kinds in basic training, industry awareness training, professional training and technical competent person training; topics like slaughtering, auditing and consumerism are covered (UMHRC 2024b). UMHRC also conducts a series of *halal* seminars, school holiday programmes, coaching, mini-symposiums and collaboration with national and international research institutions in the same field.

Founded in July 2016, the Halal Science Centre at the University of Cyberjaya aims to raise awareness of *halal* matters and develop specialised services, especially in pharmaceuticals and cosmeceuticals, to meet global demands for a *halal* lifestyle (UoC 2024). It also provides consultancy for small- and medium-sized enterprises registering for *halal* certification and training for institutions and individuals pursuing the *halal* science sector. The centre is also in the process of collaborating with *halal* industrial key players, for instance, the Department of Standards Malaysia, the HDC, Halal International Selangor and others. At the Management and Science University (MSU) is the International Centre for Halal Studies (ICHLAS) (MSU 2024). ICHLAS acts as a one-stop centre for conducting the promotion and development of matters concerning research, training and education exclusively on *halal* products and services such as cosmeceuticals, pharmaceuticals and traditional Chinese medicine, logistics and *halal* ecotourism. The centre operates closely with JAKIM to uphold its credibility with Islamic regulation. MSU also offers a bachelor's degree in *halal* quality assurance, covering topics such as quality management in the *halal* industry. At INTEC Education College, a diploma programme is offered in scientific *halal* practices (INTEC Education College 2024). Its purpose is to generate experts in scientific *halal* involving the execution of *halal* practices in varying industries, particularly in food services, pharmaceuticals, logistics, manufacturing and management. The students are engaged in theoretical and practical work to prepare them as future specialists in the global *halal* industry.

4.3.3 Japan

Empirical studies or any form of information on *halal* education in Japan are remarkably scarce. According to Neneng Konety et al. (2021), the *halal* industry sector in

Japan is incredibly developed, almost on par with the *halal* industry in Muslim countries. Their study identifies sectors as *halal* food, restaurants, cosmetics and fashion. There is also a significant growth in *halal* tourism. According to Abdur Rakib Nayeem et al. (2020), Muslim-friendly lodgings and eateries are provided by the tourism department to attract Muslim travellers. With all these thriving sectors, the development of *halal* education in Japan remains vague, but there are still notable *halal*-centred organisations operating.

The Japan Halal Research Institute for Products and Services (JAHARI) was launched in 2014 and is registered as a non-profit organisation (JAHARI 2015a). It aims to assist Japanese *halal* companies with competitive opportunities and to be internationally recognised as leaders in the execution of advanced *halal*-based science and technology (JAHARI 2015b). JAHARI has constructed a worldwide network of professionals in distinct areas of *halal* to work jointly on the innovation of *halal* products and services as well as *halal* authentication. With their collaboration, the organisation investigates *halal* in the context of Japan, the difference between Japan and countries where *halal* is strictly enforced by the government, and discovers enhanced science and technologies that Japan possesses that could help develop and create sustainable *halal* products and services for the global market (ibid.).

The Halal Japan Corporation (HJC) was founded in December 2015 to establish *halal* standards, review, approval and support for product dissemination and services within and outside Japan. To increase *halal* awareness and encourage *halal* businesses in the country, HJC hosts knowledge expansion events such as sponsored seminars (HJC 2024a). It also collaborates with JAKIM, the Malaysian *halal* certification agency. With the agency's supervision, HJC offers *halal* courses, such as *halal* Introductory Course, introductory seminars and hospitality seminars for non-Muslims (HJC 2024b).

As mentioned earlier, Osaka University collaborates with Bruneian institutions. In October 2020, the university held the 4th Joint Symposium with UNISSA, Universiti Brunei Darussalam (UBD) and Universiti Teknologi Brunei (UTB) (Osaka University 2020a). The symposium comprised an introduction to the recently launched Osaka University International Certificate Program (OUICP), a fused educational programme in collaboration with Osaka University campuses in Association of Southeast Asian Nations (ASEAN) states, and research presentations from representatives of both Osaka University and Brunei. There was an animated exchange of insights on *halal* science during the open discussion. The OUICP began in 2018 when Osaka University expressed interest in collaborating with Brunei institutions and founding the OU ASEAN Campus (UTB 2021). It aims to provide solutions to issues in the ASEAN region while assisting in the development of infrastructure to benefit those societies in various fields, including through *halal* science (Rokiah 2021). *Halal* science, technology and innovation is one of the courses under the auspices of the OUICP, with the objective of understanding *halal* in the context of modern society from a scientific view and learning the foundation for developing the correlations between *halal*, innovation and technology (Osaka University 2020b). The students who joined the course took modules such as *halal* science, sustainable development goals, advanced technology for *halalan–tayyiban*, and product and service innovation for *halalan–tayyiban*; when they completed the course, students were given certificates for participation (Rokiah 2021; UTB 2021). The students were taught by lecturers from Osaka University, UBD, UNISSA and UTB as well as invited lecturers from the Brunei Ministry of Primary Resources and Tourism (MPRT) and the Japan Halal Association (Rokiah 2021).

It is clear from the above discussion that considerable effort has been made to advance *halal* education. Malaysia by far has the most established *halal* centres with wide-ranging options in available degree programmes. There are many collaborations between institutions which help develop domestic *halal* education by exchanging information and producing joint programmes. Malaysian institutions and centres explore a large variety of *halal* sectors and are not restricted to *halal* food. The *halal* Science Centre at the University of Cyberjaya, for instance, centres on the cosmetics and pharmaceutical sectors. Malaysian institutions also work together with the *halal* certification agency JAKIM. In Brunei, several programmes are available at UNISSA. But the country only has one established laboratory or centre for *halal* research which is organised in cooperation with Osaka University. The centre works on detecting non-*halal* ingredients and alcohol using advanced technology. In Japan, *halal* education in institutions is lacking, but Osaka University has established a programme in collaboration with Brunei institutions that offer courses on *halal* science for international students. Many of the highlighted institutions and organisations also offer training and seminars for *halal* personnel to improve and increase human capital.

4.4 Conclusion and Recommendations

The growing *halal* industry on a worldwide scale, affecting both Muslim and non-Muslim countries, has led to a perceived need for *halal* education. The studies on *halal* knowledge indicate that knowledge or awareness of *halal* can influence the consumption behaviour of *halal* products. The authors of these studies mainly suggest a proper *halal* education to develop society's knowledge of *halal*. The studies on *halal* education show that educational institutions work with others, typically international universities, to create and improve *halal* education programmes. The institutions also established *halal* centres or laboratories. Universities from Brunei, Malaysia and Japan have reportedly executed strategies similar to the previous research. They establish *halal* centres, collaborate with other institutions, and provide seminars, training and courses on various topics about the *halal* divisions. Malaysia, in particular, has the most established *halal* education infrastructure of the three countries. Brunei's *halal* education is limited to UNISSA and its *halal* research centre while Japan's *halal* education is limited to a programme founded by Osaka University.

It is recommended that Brunei produce more empirical studies or investigations that keep track of the local developmental progress of *halal* education so that the country can improve this field. Brunei may use Malaysia as a benchmark to upgrade or add more *halal* programmes so that future students have a broader range of courses to choose from and the domestic *halal* workforce can be improved. Meanwhile, Brunei may also use its collaboration with Japan to enhance the *halal* laboratories or establish more *halal* centres, utilising advanced technology from Japan. More institutional collaboration should take place either with national or international universities so that the available *halal* programmes are further developed and in line with the current needs and issues of the global *halal* industry. In the future, perhaps Brunei can also incorporate *halal* as a subject into the school curriculum at an earlier stage.

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Chapter 5
Taking Advantage of the *Halal* Market for Prospective Halalpreneurs: Perspectives from Brunei Darussalam and Malaysia

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Abstract This chapter provides a general review of the potential for taking advantage of the *halal* market for aspiring halalpreneurs, particularly among young Muslims, and how they can reap its benefits. The discussion is based on the existing literature and reports concerning halalpreneurs and the *halal* market. The undeniable growth of the worldwide *halal* market in response to increasing demand from both Muslim and non-Muslim populations has been remarkable. However, a key challenge remains in developing the interest of halalpreneurs, especially among younger people. Focusing on halalpreneurship in Brunei Darussalam and Malaysia, the analysis suggests the importance of strengthening the *halal* ecosystem and creating an enabling environment to nurture and support halalpreneurs. This nurturing is vital for their exploration of diverse niche areas within the *halal* industry. Furthermore, it acknowledges the proactive efforts and initiatives undertaken by the governments

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in both countries to develop halalpreneurs, which should be not only sustained but also further developed. In future studies, it is recommended to examine factors that influence *halal* entrepreneurial intentions, as well as how problem-solving skills influence these intentions among younger generations within the *halal* sector.

Keywords Brunei Darussalam · Malaysia · Halalpreneurs · *Halal* market · Youth · Entrepreneurship · Problem-solving

5.1 Introduction

The continuous growth of the global *halal* market at an exponential rate is due to the growing Muslim population and surging demand from non-Muslim populations. It is projected that the global *halal* market size will reach a value of USD9.71 trillion by 2025 based on a projected global Muslim population of 1.8 billion, comprising about 24% of the world population (DinarStandard 2019). The report of the *State of the global Islamic economy 2020/2021* notes that, in 2019, around USD2.02 trillion was spent by the Muslim population on food, cosmetics, pharmaceuticals, fashion, travel and media/recreation sectors, all of which was impacted by Islamic faith-inspired ethical consumption demands (DinarStandard 2021). Nearly every country around the world has a Muslim community, which opens up routes to markets and opportunities for *halal* products. The *halal* market is thus a great opportunity for entrepreneurs to consider, especially young entrepreneurs.

The concepts of entrepreneurship and the entrepreneur have evolved as a result of global market trends which have given rise to buzzwords and different terms in specific fields of entrepreneurship. For instance, a 'technopreneur' refers to those who start and manage their own technology business, while 'agripreneurs' signify those whose main business is related to agriculture. In the context of the *halal* market, entrepreneurs who explore business opportunities and establish a new business within the *halal* market are called 'halalpreneurs'. Defining a halalpreneur is not simple as it involves the concept of Islamic values and *syariah* compliance of ethical consumption.

Young people play a pivotal role in economic development through entrepreneurship, which serves as a key driving force for most economies. Embracing entrepreneurship not only addresses youth unemployment but also fosters effective economic growth and development. However, venturing into new market opportunities with global potential, such as the *halal* market, has never been straightforward. It demands strong entrepreneurial skills for prospective entrepreneurs, particularly in the context of halalpreneurs who must be equipped with innovation and problem-solving skills. The objective of this chapter is thus to explore the potential of taking advantage of the *halal* market for aspiring halalpreneurs, particularly young Muslims, and reaping its benefits. This is done by reviewing the existing literature and reports relevant to halalpreneurs and the *halal* market. The discussion is structured as follows. After the introduction, the concept of halalpreneurship and the opportunity within the *halal* market are examined. This is followed by highlighting the importance of problem-solving skills and *syariah* education for aspiring halalpreneurs. The entrepreneurial ecosystem is also considered as a means to support halalpreneurship and develop skilled halalpreneurs. Finally, the chapter concludes by drawing together insights and recommendations for future studies.

5.2 Methodology

This chapter employs a descriptive analysis approach, which involves a review of current literature, specifically articles about halalpreneurs, the *halal* market, entrepreneurship, the objective or purpose of Islamic law (*maqasid syariah*) and problem-solving. The information was analysed using qualitative techniques through document analysis. The articles were sourced from Google Scholar and are mainly journal articles, book chapters and available reports. The objective is to understand the emergence of halalpreneurship based on the experiences of Brunei Darussalam and Malaysia. According to Glenn A. Bowen (2009), this approach provides background information and comprehensive coverage, allowing for contextualisation and research. Moreover, Zina O'Leary (2017) explains that the utilisation and analysis of actual documents provide a valid technique for documenting occurrences. This approach enables the authors to understand the importance of problem-solving skills in influencing *halal* entrepreneurial intention, with a specific focus on skills and education. The collated articles are classified into different categories and then applied to case studies of Brunei and Malaysia.

5.3 Background of the Study

5.3.1 Defining Halalpreneurship

In defining halalpreneurship, the concepts of *halal*, good quality or clean (*tayyib*) and forbidden (*haram*) need to be considered. In addition, the objective or purpose of *maqasid syariah* is also incorporated into the concept of halalpreneurship. It comprises five protective aspects: the protection of faith or religion, life, lineage or offspring, intellect and wealth or property. Moha Asri Abdullah and Md Siddique E. Azam (2020: 38) define halalpreneurs as 'any Muslim entrepreneur who produces goods and services in the halal industry that follow and comply with *Maqasid-al-Shari'ah*'. Moloud Soltanian et al. (2016: 174) identify halalpreneurs in the context of business creativity and innovation as 'individuals who are interested in innovating and exploiting opportunities generated by halal business development'. The characteristic differences between halalpreneurship and entrepreneurship are evident in the aspects of services/products offered, production and efficiency, targeted customers, business motivation, knowledge and stakeholders (Moha Asri and Md Siddique 2020). However, halalpreneurs are not restricted to Muslims. Islamic scholars allow non-Muslims to be part of halalpreneurs, guided by the principles of public interest (*maslahah*) that meet the needs and prosperity of the Muslim community (*ummah*) and humanity, so long as they adhere to and comply with *syariah* laws in providing and delivering goods and services (Moha Asri and Md Siddique 2020).

5.3.2 Opportunities in the *Halal* Market

The *halal* market is growing rapidly as a key element of the global economy, which shows that Muslims worldwide are indeed a lucrative captive market. According to *State of the global Islamic economy report 2018/19*, in 2017 the Islamic market was worth USD2.107 billion and estimated to be USD3.007 billion in 2023 (DinarStandard 2019). This gradual growth from 2017 to 2023 can be observed according to market shares in different *halal* sectors: finance from USD2,438 billion to USD3,809 billion; food from USD1,303 billion to USD1,863 billion; travel from USD177 billion to USD274 billion; modest fashion from USD270 billion to USD361 billion; media and recreation from USD209 billion to USD288 billion; pharmaceuticals from USD87 billion to USD131 billion; and cosmetics from USD61 billion to USD90 billion.

The notion of *halal* is commonly associated with food, despite its far broader scope. This association arises from the stringent dietary requirements of Muslims, which prohibit the consumption of pork and alcohol and any ingredients extracted from these sources. It is important to understand that this requirement applies to every finished product to be certified as *halal*. As a consequence, *halal* certification is very important in verifying that the authenticity of *halal* products is up to standard. This authenticity is a crucial factor for Muslim consumers in their daily purchasing and consumption decisions. However, halalpreneurs should not limit themselves solely to venturing into *halal* food. They ought to explore untapped and underrepresented areas, leveraging competitive advantages or pioneering new sectors.

The Global Islamic Economy Indicator (GIEI) is a single-ranking measure to assess the Islamic economy by country across all sectors, which reflects the current development and progress within the Islamic economic ecosystem (DinarStandard 2019, 2021). In deciding the ranking, the GIEI evaluates the leading national ecosystems for supporting Islamic companies, where the companies are the key players in providing *halal*-based products and services addressing Muslim consumer needs. They thus play a critical role in driving economic growth and activity in the Islamic economy. According to *State of the global Islamic economy report 2018/19* (DinarStandard 2019), the top five countries are the United Arab Emirates, Malaysia, Jordan, Indonesia and Singapore in the respective fields of food, Islamic finance, travel, modest fashion, media and recreation, and pharmaceuticals and cosmetics. The *halal* lifestyle has certainly become a distinctive trend, including in non-Muslim-majority countries (Arif et al. 2020). For instance, Japan has paid serious attention to the development of *halal* trends and is capitalising on opportunities in the *halal* market. This can be seen when Japan organised the Halal Expo Japan, a large-scale exhibition containing *halal* products made in Japan (ibid.). This shows that Japan is quite successful in drawing the attention and interest of various parties.

5.4 Literature Review

5.4.1 The Importance of Problem-solving for Halalpreneurs

Generally, halalpreneurs ought to be exposed to various business opportunities and commit to expanding and developing the *halal* market by knowledge sharing and learning about the success of halalpreneurs in various business disciplines (Soltanian 2016). The process of becoming halalpreneurs includes capacity building, opportunity recognition, and establishing and developing a business based on *syariah* requirements. According to Moha Asri and Md Siddique (2020), the methods of creativity and innovation in halalpreneurship are complex as every procedure must fulfil *halal* requirements. Problem-solving skills are therefore very important to every halalpreneur.

More generally, problem-solving is an important aspect of entrepreneurship. There are different definitions of problem-solving. Scott Shane (2003) defines problem-solving as the ability to recognise opportunities whenever presented with new knowledge. According to Howard H. Stevenson and J. Carlos Jarillo (1990), it simply means basic entrepreneurial skills. Further studies find that there is a relationship between problem-solving ability, innovative behaviour and opportunity recognition. Ji Young Kim et al. (2018) carried out an empirical study on 203 entrepreneurship students at Korean universities and found that a person's problem-solving ability positively affects their innovative behaviour and opportunity recognition. Problem-solving skills are also important in managing scarce resources. From the perspective of halalpreneurs, as opposed to the perspective of conventional economics, it is believed that existing resources are sufficient to meet humanity's basic needs. Scarcity is thus seen as a result of a lack of skills and knowledge and due to the inefficient use and distribution of available resources (Moha Asri and Md Siddique 2020). This also reflects the importance of problem-solving skills. However, further research needs to be done as to whether successful entrepreneur problem solvers utilise their natural talents to find success or have cultivated their skills after years of experience.

Problem-solving ability is linked to innovative behaviour with regard to how proactive and reactive a person is in responding to rapid market changes, by having the ability to turn problems into solutions and by finding feasible alternatives and predict desirable solutions that could lead to the maximisation of positive results and simultaneously minimising negative consequences (Jabri 1991). Finding alternatives by turning problems into solutions is called opportunity recognition and can be defined in different ways. In terms of business, it can be seen as exploiting new opportunities to generate profit which have not been exploited previously and are not currently exploited by others (Kim et al. 2018). It is also explained by Connie Marie Gaglio and Jerome A. Katz (2001) that new business ventures should focus on innovative opportunities to make sure that new openings are genuinely created and not just repeating existing business models. All in all, problem-solving is about creating value. That value will be the solution for halalpreneurs to offer to their consumers and the solutions that halalpreneurs create for the growth of their businesses.

However, for halalpreneurs, value is more than that, as the consumers are more concerned about meeting *halal* regulations in which the products and services provided are permissible under Islamic law. José G. Vargas-Hernández et al. (2010) highlight that there should be a balance between profit generation and the fulfilment of *halal* requirements in halalpreneurship. Halalpreneurs thus need to make sure that the *halal* standard is recognised to gain the trust of consumers. Islamic values and *halal* requirements should not be compromised simply in order to maximise profits. This is supported by the notion that the halalpreneurial process is a complex phenomenon (Ummi Salwa 2012).

5.4.2 The Importance of *Syariah* Education in Halalpreneurship

As previously noted, halalpreneurship is a type of entrepreneurship that incorporates elements aligned with Islam and falls within the scope of *syariah*—including the creed (*aqidah*), jurisprudence (*fiqh*) and ethics (*akhlaq*). This alignment ensures that its operation remains consistent with Islamic obligations. As emphasised by Moha Asri and Md Siddique (2020), halalpreneurial activities should not only be profitable but also make contributions to society, the Muslim community throughout the world (*ummah*) and humanity at large. Halalpreneurship is pursued earnestly to uphold the teachings of Islam and to elevate its symbols as well as to be a source of sustenance for the community through the production of goods, provision of services, job creation, and the elimination of poverty, social problems, crimes and all forms of evil. These endeavours are all considered deeds accompanied by the intention to strengthen the relationship between mankind and Allah (Zulkarnain et al. 2015; Moha Asri and Md Siddique 2021).

In other words, entrepreneurs can be defined as halalpreneurs when they adhere to the requirements of *syariah* and other *halal* standards, which are also set by *syariah*. Additional characteristics of halalpreneurs encompass piety and a fear of God (*taqwa*), trustworthiness, truthfulness and more. Thus, in line with this faith, *halal* becomes the priority for halalpreneurs (Sadeq 1997; Mohd Faizal et al. 2013; Moha Asri and Md Siddique 2021). Since *halal* is the priority for halalpreneurs, education and *syariah* knowledge are very important in halalpreneurship. This ensures that all halalpreneurial activities adhere to *syariah* guidelines and principles. Specifically, the concept of halalpreneurship is founded upon the objective or purpose of *maqasid syariah*, which includes the protection of faith or religion, life, lineage or offspring, intellect and wealth or property (Moha Asri and Md Siddique 2021). Halalpreneurship follows the principles, theories and philosophy of Islamic entrepreneurship, ensuring that all practices comply with *syariah.* This means avoiding usury, distrust, gambling, theft, monopoly, exploitation, illegal or impure ingredients, coercion and mixing *halal* with *haram* sources. It also involves rejecting greed, the pursuit of excessive wealth or status, and refraining from taking and manipulating other's property.

As such, it is the halalpreneur's responsibility to comprehend the product preferences of consumers. Moha Asri and Md Siddique (ibid.) explain that there are three classifications of human needs in *syariah*, namely essentials (*dharuriyat*), necessities (*hajiyyat*) and luxuries (*tahsiniyyat*). Halalpreneurs should give priority to producing goods and services that fall within the necessity category to serve *syariah* objectives. They ought to fulfil both Muslim and general needs. When a society requires fundamental goods and services, it should not concentrate on luxury goods or services. Accordingly, meeting the demand for needs comes first, followed by that for luxuries and ornamentation.

In addition to possessing fundamental knowledge and understanding of *maqasid syariah* and Islamic guidelines, a halalpreneur should also understand the concept of *halalan–tayyiban.* Moha Asri and Md Siddique (ibid.) explain that this knowledge is important for everyone, as non-Muslims can also engage as halalpreneurs for the benefit of the *ummah* and humanity at large. For instance, the concepts of *halal* and purity or wholesomeness (*tayyiban*) should be incorporated into various processes such as procurement, logistics, production, packaging, storage and other procedures (Solahuddin and Che Zarrina 2011; Mohd Faizal et al. 2013). The application of *syariah* and *halal* standards across all facets of entrepreneurship under the conditions of public interest is therefore a level of mastery that every halalpreneur should attain.

To provide a comprehensive overview of halalpreneurship by identifying the important characteristics that distinguish it from regular entrepreneurship—such understanding and knowledge—not only helps in aligning entrepreneurial activities with *syariah* principles and guidelines but also assists individuals in recognising their roles as halalpreneurs within the *halal* industry.

5.4.3 Entrepreneurship Ecosystem

The entrepreneurial ecosystem is very important in supporting entrepreneurs and prospective entrepreneurs through the engagement of different stakeholders. There are different definitions of entrepreneurial ecosystems. Colin Mason and Ross Brown (2014: 5) define entrepreneurial ecosystems as a 'set of interconnected entrepreneurial actors … entrepreneurial organisations … institutions … and entrepreneurial processes … which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment'. D.J. Isenberg (2011) popularised the concept of an entrepreneurial ecosystem for economic development where he identified six domains within the entrepreneurial system: a conducive culture; enabling policies and leadership; availability of appropriate finance; quality human capital; venture-friendly markets for products; and a range of institutional supports. This entrepreneurship ecosystem is very important for halalpreneurship as *halal* involves Islamic law. For instance, *halal* food labelling and certification in the food industry are essential to ensure the quality of *halal* is not compromised. However, the process is not easy, especially for young entrepreneurs. In Malaysia, for example, Anis Amira et al. (2017) find that networking between young entrepreneurs and industrial cooperation experts in business is lacking due to a dearth of information and their low exposure to *halal* registration and guidelines from any organisation. As a result, their involvement in *halal* food products was low as they could not obtain the requisite *halal* logo and certification (see also Kasmarini et al. 2015).

According to Suhaila Abdul Kadir et al. (2017), education plays an integral part in entrepreneurial ecosystems. The importance of education in promoting entrepreneurship is highlighted by Alejandro Valiencia-Arias et al. (2022) when self-employment through entrepreneurship is considered to be one of the contributing factors to economic and social development. Similarly, João Almeida et al. (2021) explain that entrepreneurial training through entrepreneurship education is important to develop fundamental entrepreneurial skills, especially among students. Furthermore, a study conducted by Muhammad Awais Bhatti et al. (2021) finds that entrepreneurial education and training programmes positively influence students' psychological attributes and entrepreneurial intentions. In light of this, the concept of *halal* should be incorporated into entrepreneurship education if programmes to produce halalpreneurs aim to deepen their understanding of the concept of *halal* products and services. Hussein Elasrag (2016) highlights that many Muslim and non-Muslim consumers still lack an understanding of the spirit of *syariah* governance of *halal* products. Continuous *halal* awareness and education are therefore essential. As the entrepreneurial ecosystem varies from one country to another, it is also important to consider and study the entrepreneurship-enabling factors in each country. As Ben Spigel (2017) emphasises, entrepreneurship is a local phenomenon which is derived from local culture, and social and supporting entrepreneurial activity.

5.5 Brunei: Halalpreneurship and Its Supporting Ecosystem

As a country that upholds Islamic law, Brunei strives towards becoming a hub for the *halal* industry, both regionally and internationally. The *halal* market has great potential for Brunei, particularly in ensuring food security for Muslims in non-Muslim countries. The country has dedicated substantial efforts to the development of the *halal* industry, particularly within the Southeast Asian region and the Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area (BIMP-EAGA) (*Borneo Bulletin Yearbook* 2024).

The Islamic Religious Council of Brunei (Majlis Ugama Islam Brunei, MUIB), under the Ministry of Religious Affairs (MoRA), is responsible for issuing and overseeing *halal* certification. The Halal Meat Act 1998, Chapter 183 and its regulations, as well as the Halal Certificate and Halal Label Order 2005, are enforced by the MoRA's Halal Food Control Division. According to this directive, any eateries, restaurants and food producers that cater to the needs of the Muslim community must obtain a *halal* certificate. Further, according to the Halal Certificate and Halal Label Order, all food and beverage-related businesses are obligated to have a *halal* permit and *halal* logo displayed on their premises and products. Currently, Brunei is more geared towards the development of *halal* products in the food, beverage, cosmetics and pharmaceutical industries (ibid.).

In terms of halalpreneurship, the enthusiasm among the youth to enter the *halal* industry is becoming increasingly evident. For instance, two groups of students from the Halalan Thayyiban Research Centre (HTRC) at Universiti Islam Sultan Sharif Ali (UNISSA), Brunei Darussalam were recipients were recipients of the Virtual Innovation Competition 2020 awards organised by Universiti Teknologi MARA (UiTM), Malaysia (Izah 2020). The first group received platinum and gold medal awards in the social science (B) category for their product Potilizer—an organic fertiliser derived from banana peel. The second group won the silver medal in the same category for their product Langus—a cleansing product made from natural ingredients to ease the process of ritual or purification cleansing (*sertu*) for the ritually unclean (*najis*) according to *syariah*. The conception of these products emerged from their study of the *halal* science programme, combining the concepts of *halal*, *tayyib* and entrepreneurship—aligning with the notion of halalpreneurship. In addition, in June 2022, another group of five students from UNISSA went to Japan to participate in the Osaka University International Certificate Programme in *halal* science, technology and innovation. This programme aims to provide knowledge of science and technology for *halal* products, as well as to gain practical insights and experience in the *halal* field through interactions with professionals in Japan (Lyna 2022). It is evident that young people in Brunei have started to demonstrate their interest in the *halal* industry by actively participating in competitions and exhibitions.

Venturing into entrepreneurship has long been on the national agenda, as outlined in Wawasan Brunei 2035 (Brunei Vision 2035), including the *halal* industry. To bolster local entrepreneurship, Darussalam Enterprise (DARe) was established in 2015 with the consent of the sultan. Its objective is to create a favourable business ecosystem to assist the development of local small- and medium-sized enterprises (SMEs), address challenges they encounter and enable them to achieve their full potential in contributing to national economic development (Media Permata 2017). This ecosystem involves various stakeholders, starting with training programmes offered by institutions like DARe through initiatives such as the micro bootcamp programme or accelerated bootcamp programme, Shell LiveWIRE Brunei, Innovation Lab, BIBD SME360 and more. Through these programmes, halalpreneurs are provided with resources such as capital, assets, industry experts, mentors, *syariah* and intellectual property advisers, allowing them to continue their trajectory as long as they remain enthusiastic and resilient in the long run.

Brunei has undertaken several initiatives to support and develop local halal-preneurs. Among the concerted efforts by the government is the Brunei Halal Show-case (BruHAS). First organised in 2017, this event featured over 100 local and international exhibitors promoting *halal* and Islamic-themed products and services. Concurrently, the International Seminar on Halalan Thayyiban Products and Services (SAPPHAT) was also conducted during the showcase, organised by UNISSA. Furthermore, a *halal* clinic providing advice on regulations and certifications was also set up (Wong 2019). In the same year, Brunei achieved 12th position in the GIEI, marking the first time the country entered the top 15 list. This recognition resulted from improvements in the *halal* travel ranking (10 spots) and strong performance in *halal* food development (*Daily* Sun 2017).

While the *halal* industry in Brunei is still in its initial phase of development, there is a general lack of awareness about its existence and significance. Nonetheless, as an Islamic country with a predominantly Muslim population, coupled with the implementation of *syariah* law, there exists substantial potential for Brunei to achieve its mission as a regional and international hub for the *halal* industry. Importantly, a strong understanding of *syariah* knowledge is crucial if Brunei aims to thrive in the *halal* market.

5.6 Malaysia: Halalpreneurship and Its Supporting Ecosystem

As mentioned in *State of the global Islamic economy report 2018/19* (DinarStandard 2019), Malaysia has become one of the leading countries in setting global *halal* standards, including the auditing process, issuing *halal* certificates to protect integrity, and further directing and coordinating the development of the *halal* industry at the global level. For instance, Malaysia ranks second in *halal* food. *Halal* practices are clearly explained and understood in matters related to food production and preparation and they are associated with high-quality food products in terms of cleanliness, sanitation and compliance with religious requirements.

Since Malaysia's *halal* certification is recognised globally, it has created opportunities for Malaysian food producers to consider joint ventures with well-known food producers, such as Indonesia, Australia and New Zealand, to serve the Southeast Asian, Middle Eastern, European and US markets which have large Muslim populations, and to help their local *halal* food products have easy access to these markets (Putri Rozita and Muneer Sultana 2015). In addition, Malaysia can leverage on its globally recognised *halal* certification as there is demand for a reliable global *halal* certificate. The integrity of *halal* in Malaysia is under the purview of the Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia), the custodian of *halal* certification which supervises and regulates the food markets (Riaz and Chaudry 2003). Malaysia has also successfully organised a Malaysian International Halal Showcase (MIHAS) and a World Halal Forum (WHF) in 2013 and 2014 to attract foreign investors to get involved in the *halal* industry. Among the purposes of these initiatives is to increase investment at the global level and market *halal* brands (Fischer 2015).

However, several areas need serious attention in order to make the *halal* industry infrastructure a success, including the development of *halal* science, logistics, distribution and international trade, the Islamic investment model for the *halal* economic market, *syariah* views on slaughter using electric shocks close to the animal's heart, development in retail, services and tourism, and manufacturing for the *halal* market (Zawanah et al. 2008; Mohd Adib et al. 2015). Zawanah Binti Muhammad et al. (2008) argue that Malaysia needs to further improve *halal* products and services to compete in the global *halal* food market with countries such as China, Thailand, Australia and Brazil. Although *halal* certification has been established in the Malaysian food industry, there are still deficiencies in some important elements that require improvement (Lada et al. 2009).

Mohd Aliff et al. (2015) identify problems from the perspective of food producers regarding *halal* certification. These include insufficient understanding of *halal* procedures, incomplete documents and delayed payment of certification fees. Furthermore, internal issues such as a lack of expertise due to new hires' limited knowledge have slowed down the *halal* certification procedure leading to a disorganised filing system, lengthy premises inspections and delays in getting laboratory test results. As a result, the involvement of small food industry entrepreneurs with *halal* certification is low. Manufacturers involved in food products are less interested in applying for *halal* certification for their products due to a lack of experience, weak business networks, and other entrepreneurs' and capital constraints (Asnidar Hanim et al. 2016; Krishnan et al. 2017). Since it is still considered a less accessible market, enforcement is not as strong as for other food laws. Moreover, there is no such comprehensive *halal* act arising under *halal* governance (Mohd Aliff et al. 2015; Zuhal and Amily 2021). On a more positive note, Soltanian et al. (2016) show that the motivation of SMEs and entrepreneurs is greatly influenced by awareness of halalpreneurship, intrinsic motivation, working hard to find opportunities, peer influence and perceived government support. Mohamed Salaheldeen et al. (2023) explain that in line with Malaysia's effort to support halalpreneurship, the Ministry of Entrepreneur and Cooperatives Development aims to produce a million SME entrepreneurs in 2019–2023. To achieve this, the National Entrepreneurship Policy, which involves various entrepreneurs and stakeholders, was established through the Bumiputera Entrepreneur Congress organised by the ministry in various states.

5.7 Discussion and Recommendations

It is evident that both Brunei and Malaysia possess significant potential within the *halal* industry, as the majority of their populations are Muslims. While Malaysia has taken the lead, Brunei has also demonstrated progress and efforts towards halalpreneurship. This effort extends beyond the food sector, encompassing pharmaceuticals, cosmetics and financial services. The crucial foundation for encouraging young people to venture into this field lies in acquiring *syariah* knowledge from experts. Such knowledge ensures that halalpreneurial activities align with the teachings and principles of Islam, guided by the Qur'an and Sunna. In other words, *syariah* knowledge is very significant when venturing into the *halal* industry due to its multifaceted effects. These effects include increasing community awareness about *halal* products and services, developing the *halal* industry at the global level, adherence to established *halal* certification issuance processes and the overall benefit to the community in recognising the importance of *halal*.

Without a *syariah* advisory body and expertise, halalpreneurs might encounter issues and challenges. A notable example is Japan, where significant *halal* industry development has led to problems like inauthentic *halal* marks, different standards of certification and *halal* slaughtering issues. Akiko Komura (2015) highlights the lack of a control system for the *halal* certification process, which has led to uncertainty among customers about the authenticity of *halal* products. This includes how and why the company is given the mark and how the company maintains its products as *halal* after receiving certification. The ambiguity surrounding the *halal* certification of Japanese beef, for example, has caused confusion and problems, not only among Muslim tourists and residents in Japan but also within the broader international community (ibid.; Adidaya 2016).

Deepening *syariah* knowledge in halalpreneurship should also be prioritised, enabling halalpreneurs to carry out their activities through the principles of *maqasid syariah*. New products and services introduced to the market should adhere to the requirements of *syariah*, as the main objective of producing *halal* products and services is to protect the welfare of the community, particularly Muslim consumers. Additionally, this adherence helps halalpreneurs fulfil the goal of safeguarding religion, life, intellect, lineage, property, dignity, health, education, energy resources and more. This also empowers halalpreneurs to prioritise the commands of God in improving the teachings of Islam, distancing themselves from punishments and seeking God's pleasure and blessings.

Although Brunei is still relatively new to the field compared to Malaysia, the government and related authorities offer strong support to the *halal* industry. Resources and facilities like workshops, training programmes, mentors, intellectual property support and *syariah* advisers are provided to nurture halalpreneurship. As a result, Brunei halalpreneurs are heading towards dignifying the local *halal* industry. Correspondingly, laws and policies are being implemented to better regulate the local *halal* industry. These collective efforts create and provide opportunities for local halalpreneurs to flourish and grow.

5.8 Conclusion and Future Research

The global *halal* market is exceptionally large, encompassing not only food items but also non-food products such as Islamic finance, modest fashion, media and recreation, pharmaceuticals and cosmetics. The importance of problem-solving is highlighted, as it plays a pivotal role in opportunity recognition and innovation, particularly in venturing into the *halal* business sphere and entering the *halal* market.

Acknowledging the distinct differences between halalpreneurship and regular entrepreneurship, it is essential to understand and nurture the intentions and interests of aspiring and potential halalpreneurs. This is crucial because those engaged in halalpreneurship might face intricate challenges. A prominent obstacle is continually nurturing the interest of halalpreneurs, especially among the younger generation. Strengthening the *halal* entrepreneurship ecosystem in Brunei and Malaysia can lend crucial support to halalpreneurship, facilitating the growth of halalpreneurs and encouraging the exploration of diverse niches within the *halal* industry. It is also worth recognising that the governments of both countries have undertaken significant concerted initiatives to foster the development and emergence of halalpreneurs. These efforts should be sustained and further developed. Given that this chapter provides a general review, future empirical studies should analyse the factors influencing *halal* entrepreneurial intentions and the way problem-solving skills impact on the entrepreneurial intentions of the younger generation.

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Chapter 6
Challenges in the *Halal* Certification Process from the Perspective of *Halal* Stall Owners in Brunei Darussalam

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Abstract This study aims to explore the perspectives, attributes and attitudes of stall (*gerai*) owners in obtaining *halal* certification in Brunei Darussalam. To date, there are no other studies on *halal* certification for stalls in Brunei. Twenty stall owners were selected from four different markets using purposive sampling. The research was conducted through observation, semi-structured interviews and mobile instant messaging interviews. The data collected were analysed using thematic analysis. The results show that most stall owners do not possess *halal* certificates due to the tedious and bureaucratic procedures involved, as well as a lack of comprehension of the importance of certification which led them to forgo the application.

Keywords Brunei darussalam · *Halal* certification · *Halal* industry · Food stalls · Stall owners

6.1 Introduction

Halal food products, their content and safety are crucial to the dietary requirements of Muslim society. According to Nico Alexander Vizano et al. (2021), foods fall into the *halal* category if they meet the criteria established by the Qur'an and Sunna or traditions and practices of the Prophet Muhammad. Muhamad Nadratuzaman Hosen and Fitriyani Lathifah (2020) describe *halal*, which is derived from the Arabic word *ḥalāl*, as permissible or allowed by *syariah* law. In addition, food needs to come with the assurances that it is *tayyib* as well; this can be defined as wholesome, good, safe for consumption, quality, reassuring and delicious (Park and Mohammad Aizat 2018; Rusydiana and Assalafiah 2020; Puspaningtyas 2021). Muslims are allowed to eat this type of food and *halal* food is often accepted by non-Muslims as well (Bashir 2019).

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The two qualities of *halal* and *tayyib* guarantee cleanliness, safety and product quality for the entire production chain (Syarifudin et al. 2020). In other words, the whole food manufacturing process needs to fulfil the *halal* and *tayyiban* criteria for the food products to be considered *halal*. The production of *halal* food begins with the selection of ingredients that conform to Islamic dietary requirements, followed by the compliance with Islamic norms in terms of preparation and manufacturing. This includes product transportation, warehousing and retailing. Consumers are able to recognise *halal* products when they see the appropriate *halal* logo, a label found on a product packaging as an indication that the product has obtained *halal* certification from an authorised certification body (Anggraeny et al. 2020). On that premise, *halal* certification can offer peace of mind for Muslims as it guarantees the status of consumables. Despite this assurance being present for large food production companies, the extent of consumer confidence towards food prepared by small businesses—in this case, stall owners—is relatively unknown. *Halal* certification itself is a complex process and these processes vary from country to country.

Brunei Darussalam is a country that emphasises Islam as the national religion, which has led to the creation of a culture and perception in the minds of the citizens that 'everything is *halal*' simply because 'this is Brunei'. People have a common mindset which perceives that most, if not all, of the food sold in stalls is *halal*. Notwithstanding this fact, the presence and ownership of *halal* certification is still crucial—not only does it verify the *halal* status of the consumables but it is also made mandatory for all Bruneian restaurants or eateries (Raihana 2019). This chapter aims to address the challenges faced by the local stall owners in applying for a *halal* certificate, thus contributing to the literature and knowledge for interested applicants.

6.2 *Halal* Restaurateurs

A *halal* restaurateur is someone who owns and manages a *halal* restaurant. In 2016 a total of 1,334 restaurant operators in the country were successful in receiving *halal* certification, according to statistics provided by Bahagian Kawalan Makanan Halal (BKMH, Halal Food Control Division) under the Syariah Welfare Department at the Ministry of Religious Affairs (MoRA), compared to a mere 10 in 2010. *Halal* regulations in Brunei are known to be very stringent (Muhamad Nadratuzaman and Fitriyani 2020). Izni Azrein Bin Noor Azalie (2016) notes that, compared to other Islamic countries where *halal* certification is distributed by third-party commercial entities, mosques or community leaders, Brunei administers its certification through government agencies, namely the Department of the State Mufti and MoRA.

Under the Halal Certificate and Label (Amendment) Order 2017, it was decreed that the possession of *halal* certification—either a permit (label) or a certificate—is obligatory for all domestic businesses that produce, supply and serve food and beverages (Halal Food Control Division n.d.; Raihana 2019). The process of certifying products follows the Halal Certificate and Halal Label Order 2005 and the Brunei Darussalam Standard for Halal Food PBD 24:2007 (Muhamad Nadratuzaman and Fitriyani 2020). Businesses that operate without *halal* certification face consequences of a possible fine and/or imprisonment (Halal Food Control Division n.d.). Azli Azney (2017a) outlines the procedures and requirements for registering for *halal* certification. This is divided into three steps as detailed below.

Step 1: Applying for halal *certification and* halal *permit*. Application forms can be acquired from the counter at the BKMH at MoRA. Restaurants or eateries are only required to apply for the *halal* certificate. These businesses need two full-time *halal* supervisors, only one of whom is obliged to always be on site. The supervisors must be above the age of 18 years and Muslim; if the owner is a Muslim, they are qualified to be a supervisor. In addition, it is mandatory to submit a complete list of ingredients that states the items' country of origin, accompanied by any related certification that authenticates its *halal* status, the floorplan and location plan of the buildings, and a menu of the food and drinks served. Manufacturers producing locally made products require both the *halal* certificate and the *halal* permit. Similar to restaurant owners, these businesses must have two supervisors with the aforementioned qualities, as well as an inclusive list of items with associated documents. Additionally, a product list that covers variants of the product—for instance, *kuih mor* with Oreos or with cornflakes—must be presented along with the application, accompanied by a flowchart on how the food is made and certification attesting to the safety of the chemicals and packaging used.

Step 2: Written halal *test and site visit.* After the applications and related documents have been submitted to the authorities, the supervisors of the food businesses are then required to undertake a written *halal* test, accompanied by a compliance audit by MoRA through an appointed site visit to the business facilities. The site visit ensures the separation of tools and equipment from other appliances that are used for other purposes. It also warrants the segregation of manufacturing space, specifically for home-based firms where food products are made in the kitchen as well. These two conditions make up the most common non-compliance reports for home-based businesses. In addition, the compliance auditors examine the health and hygiene levels of the kitchen or manufacturing space. They also inspect the ingredients for any unverified items. Should there be any non-compliance reports, the auditors release a corrective action request and give the business time to perform the necessary corrective actions.

Step 3: Gaining approval. Once the requirements have been met, the application is forwarded to the Halal Certificate and Halal Label Inspections Committee for approval, and then to Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council) for final approval. The *halal* certificate costs BND90 and is valid for three years, whereas the *halal* permit is charged at BND50 per product with no expiry date, depending on the validity of the company's *halal* certificate. The government also considers the possibility of more affordable *halal* merit prices to accommodate micro, small and medium enterprises (MSMEs). For these MSMEs, the price has been revised to BND5 per product to get the *halal* permit. If there are no cases of non-compliance or corrective action requests, the application procedure takes 45 days to complete: 11 days for processing the application, three days for testing and on-site visits, and 31 days for issuing the final certification.

According to Brunei Darussalam Halal Food Standard PBD 24:2007, certification is defined as a document that guarantees the products and services aimed at the Muslim population meet the requirements of *syariah* law (Nurdeng 2020). It is a process that ensures the features and quality of the product. When the Halal Certificate and Halal Label (Amendment) Order 2017 came into force, it became necessary for companies in charge of the preparation, production and distribution of food to register for a *halal* certificate or *halal* permit (Rasidah 2017). It also broadened the range of *halal* certification obligations to medicines and cosmetics (Halal Food Control Division n.d.; Raihana 2019).

The Ministry of Health confirms that all food products in Brunei, whether they are imported, manufactured, sold or distributed, must adhere to the specifications declared in the Public Health (Food) Act (Chapter 182) and its Regulations (R1, Chapter 182). Besides the labelling prerequisite, the standards include the safety and suitability of the ingredients where the food is not tainted by any substances that are detrimental to health. It also covers the maximum levels of preservatives that can be used in certain foods, the maximum number of heavy metals permitted in food and microbiological contaminants (MOH n.d.).

6.3 Food Stall Entrepreneurs

There are noticeable differences in understanding the concept of stall entrepreneurs, including the origins, current size and form of the traders and goods; the degree of informality; and the views of the local authorities and public. Regardless of the variations, Ágnes Czakó and Endre Sik (1999) observe that such entrepreneurs typically have small capital and sell inexpensive and low-quality goods, which in turn could raise questions or doubts over their origins. As for the setting, stalls are normally set up in the open air, with basic infrastructure. Alfonso Morales et al. (1995) describe open-air markets as being known by various names such as flea markets, swap meets, rural markets, farmers' markets, peasant markets, periodic markets, wet markets and trading fairs. These kinds of markets are considered to be some of the earliest forms of trade centres, where exchange occurs between buyers and sellers.

In Brunei, the stall or *gerai* entrepreneurs are placed in two categories, permanent stalls (*gerai tetap*) and short-term stalls (*gerai jangka pendek*). The definitions are further discussed by Wajihah from BKMH in the following statement: '*Gerai tetap* means that it has a physical space, whereas *gerai jangka pendek* is like an expo or festive market (*perayaan*). Another example of a *gerai tetap* is Sumbangsih Mulia Food Court and Gadong Night Market (*Pasar Malam Gadong*)'. Regarding the application for *halal* certification, therefore, stall entrepreneurs are mandated to apply and the requirements are the same as for restaurants.

6.4 Exemptions for *Halal* Permits

A case-by-case assessment for *halal* permit exemptions is now available. Al-Haadi Abu Bakar (2010) explains that in order to be exempted a business must still register for a *halal* permit. With the modification to the Halal Certificate and Halal Label Order, permits are made obligatory for food-related companies that generate consumables to be circulated in factories or home-based businesses that sell food products at cube shops. They are also required to register and validate food products from restaurants and other food vendors, tracking their production chain and other aspects, to confirm the total halalness of the products. Rasidah Abu Bakar (2017) notes two categories of businesses that can be eligible for exemption. They are restaurants that provide and serve non-*halal* food for non-Muslims, and vendors or businesses that do not meet the order's conditions and guidelines. The latter category refers to food vendors that run permanent food stalls or set up pop-up stalls that only operate for a short time, fewer than 30 days. The exemptions allow them to continue operating their businesses. However, exemptions can only be presented after on-site examination by *halal* auditors (Azney 2017b). They expire within a year and the business is then required to reapply (Rasidah 2017).

6.5 Logistics and Managerial Issues for *Halal* Food Stalls

6.5.1 Regional Perspectives

In order to understand comparative perspectives, this section looks briefly at examples from Thailand, Indonesia, Japan and Malaysia before then turning to Brunei. A study conducted by Wannasiri Wannasupchue et al. (2021) identifies three challenges in obtaining *halal* certification for restaurants in northeastern Thailand—the complicated process, a lack of restaurant owner commitment and high fees. Regarding the convoluted certification process, issues of it being time-consuming, the complicated paperwork, the short period of certification and multiple checks were raised. Wannasupchue et al. elaborate that the stringent examination of food products for credible certification has led to some food stalls being unable to operate as their products failed to meet the basic *halal* requirements.

In terms of commitment from restaurant owners, food business owners hold a pivotal role in the *halal* supply chain, alongside supervisors, certifiers and other related stakeholders. According to Adam Voak and Brian Fairman (2021), all relevant parties are responsible in handling the products, consultation and financial matters within the supply chain to abide by *syariah* law and build trust. Their study of a group of small- and medium-sized enterprises (SMEs) in Blitar, Indonesia, shows that commitment from SME owners is crucial to the implementation of *halal* certification. In particular, top management is fundamental so that the certification procedure runs smoothly. Voak and Fairman further clarify that motivational influences are significant for enhanced management; in this case, the stall owners themselves need to be highly motivated to participate in the *halal* certification process. As for the fee, the study finds that in Indonesia the main reasons entrepreneurs do not acquire *halal* certificates are the arguably costly fees and time-consuming process (Qadariyah et al. 2021).

A comparative study by Shuko Takeshita (2020) of *halal* certification and ingredient disclosure approaches of restaurants located in two Japanese tourist destinations (Taito Ward, Tokyo and Takayama City) reveals that certification makes it immediately obvious to non-Japanese-speaking Muslim tourists that a restaurant serves *halal* food, while clearly disclosing the ingredients in the restaurant's offerings allows Muslim customers to determine for themselves whether the food is *halal* or *haram*. However, the overreliance on certification limits the variety and kinds of food that are accessible, and having to double-check the ingredients every time they sit down at a restaurant may be exhausting (Pg Siti Rozaidah 2024).

Packaging is a crucial factor in decision-making around purchases (Mohamed Syazwan and Mohd Remie 2012). Packaging includes elements such as *halal* certification or logo, a list of ingredients and product origins. When consumers purchase food from stalls this kind of packaging is equally important. However, the use of fake or dubious accreditation is one of the most significant difficulties in *halal* food certification since companies can get certification through an illegitimate certifying agency, and there have been several reports of fraudulent *halal* emblems and the use of questionable substances (Mohamed Syazwan et al. 2015).

6.5.2 Brunei Perspectives

In a study of the *halal* certification process at BKMH, Nor Surilawana Sulaiman and Norkhairiah Hashim (2021) find that operational inefficiency is the main criticism. This inefficiency is believed to be due to three reasons: the applicants, the internal officers and technology. Specifically, there is the applicants' incompetence in completing the application forms due to a poor understanding of the *halal* certification procedure coupled with late issuance of certificates due to delayed payments. In addition, there is limited manpower at certification bodies which often defers the approval meetings (Hjh Siti et al. 2021). Finally, there is the lack of technology used in the delivery of application forms and the filing system is still processed manually.

According to Izni Azrein (2016), Brunei has a large number of informal businesses without *halal* certification, ranging from bakeries to ready-made meals and even processed meat, poultry and fish. He claims that the reason for these companies to opt for no certification is crucial, as it reflects the stringency of regulations enforced by MUIB. Even firms seeking to be a part of the Brunei Halal brand, set up by the government to play a key role in the development of the food industry and diversification of the economy, are obliged to undertake two phases of *halal* certification—the standard application with specialised audits and the inclusion of third-party audits by Brunei Halal (ibid.).

The lack of registered *halal* certification for local restaurants and eateries was raised by Dato Seri Setia Hj Abdul Rahman Pehin Khatib Abdullah, the director of the Department of Syariah Affairs for BKMH; he stressed that despite the country's adherence to Islamic teachings and its majority Muslim population, many of the country's restaurants—mainly Muslim restaurants or those operated by Muslims—are short of possessing a *halal* certificate or logo (Al-Haadi 2010). Abdul Rahman further elucidated the issue regarding Muslim restaurant owners in the following terms:

> Many Muslim restaurant owners simply assume that they do not need to apply for the certification because they are Muslim restaurants. However, the issue here is whether or not these Muslim food operators are aware if the food ingredients they use every day are 100 per cent Halal. Whether their ingredients might have been imported from non-Muslim countries, for instance. Most of them do not question the Halal certification stamped by the producing company and not by a certified Islamic body. (ibid.)

A study conducted on the effectiveness of the *halal* certification process by Norkhairiah Hashim et al. (2022) shows that a majority of the respondents, who were certificate applicants, had positive perceptions of the timeliness and ease in the process. Based on their findings, they conclude that the *halal* certification process in Brunei is efficient in terms of management efficiency, from the initial application to the availability of certification information. The majority of respondents felt that the *halal* certification management is extremely competent in offering significant assistance to the applicants, indicating a favourable community perception. The findings show that, while the process is thought to be very good and effective, some issues need to be addressed by the management, especially non-compliance, understanding of the law, the adequacy of the required documents and the need to attend workshops or be offered explanations of *halal* awareness, certification or law.

6.6 Methodology

This study adopts the qualitative approach to understand the *halal* certification, focusing on interviews. The participants in this research consisted of 20 stall owners from all four districts of the country. The sampling uses a non-probability method, specifically purposive sampling. The researchers also interviewed representatives from BKMH to better understand their perspectives on the *halal* certification process for stall owners and help further clarify issues they faced. This study is complemented with content analysis of secondary data sourced from journal articles, reports, books, online databases and government websites in order to identify impediments and loopholes in the overall *halal* certification process. It should be noted that the absence of empirical studies on the issue means there is a very limited amount of secondary data to draw upon.

Due to the COVID-19 pandemic when the research was undertaken, this study had to opt for mobile instant messaging interviews, particularly using WhatsApp, which has its benefits and drawbacks. Despite the convenience and real-time communication provided with stall owners, the researchers experienced difficulty in engaging with respondents proactively, specifically in terms of running in-depth questions on the owners' responses. As would be the case for face-to-face interviews, the duration of interviews was limited to not more than 30 minutes as they were conducted during operating hours. Given the time constraints, the researchers posed pre-designed questions that would fulfil the study's aims and objectives. This study focuses on stall owners only and not on consumer perspectives.

6.7 Results and Discussion

Of the 20 stall owners interviewed, 12 did not have a *halal* certificate; one was waiting for approval and another claimed to be applying soon. The results are shown in Table 6.1.

6.7.1 Impediments to *Halal* Certification

From the findings, there are five impediments to a successful *halal* certification for stall owners. The first barrier is listing the ingredients. Most respondents assumed that products sold at supermarkets are readily *halal*; but this is not always the case. This portrays a low level of *halal* awareness among stall owners. The second barrier involves attitudes towards obtaining *halal* certification. Most of the respondents had an intention of becoming *halal* certified, but most of them skipped the application once they were briefed on or acknowledged the lengthy application process as well as the amount of documentation required. The third barrier was individuals' demographic background. The age factor and academic background, for instance, may contribute to the decision on whether to pursue *halal* certification or not, as well as a lack of competence to use technology. The fourth barrier is that stall owners do not have the foresight to recognise how *halal* certification can be a marketing tool for their businesses by offering confidence to consumers (both Muslim and non-Muslim) in their products. There is also the setting of the stall, which is typically in an open-air environment where the possibility of contamination is real. This needs to be tackled as the products are meant for human consumption and must therefore be lawful, safe and wholesome. The final barrier in *halal* certification ownership is the fee. Although it has been reduced, the stall owners still seem reluctant to pay the required amount. The common reason given was the inexpensive pricing of products sold, which hinders the propensity to pay additional fees. In light of this, MoRA has reduced the burden by revising the fee for the *halal* permit that micro and small businesses in the food and beverage sector are mandated to obtain, as well as initiating renewable, year-long exemptions for food stalls that do not fulfil the set criteria under the Halal Certificate and Label (Amendment) Order 2017 (Azney 2017b).

Table 6.1 Respondents' profiles, *halal* certification status, issues/challenges and suggestions

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
Brunei-Muara	R1	Cucur Bakul, Gadong	In process (as of October 2020)	*Halal* certification application submitted, but Ministry of Health has provided no updates for three years concerning the *halal* supervisor As of October 2020, MoRA status has not been achieved	N/A (did not respond after follow-up)
	R2	Awang Drink, Haji Lalim bin Haji Piut, male, 30s–40s, Gadong	Pending	Getting information for the product's manufacturing details	Government guided the completion of certification application But the process warrants simplification, as ingredients are typically procured from mini marts rather than agents, complicating the acquisition of detailed information about the manufactured goods
	R3	Syahirah, female, 23, Gadong, housewife, Institute of Brunei Technical Education graduate	Approved	Process was straightforward and expedited by reusing the menu and ingredients from two prior applications (for *tamu selera* and a restaurant)—took about a year to complete No difficulties encountered	Simplify the process to accommodate those lacking IT proficiency, particularly elderly business owners

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
	R4	Gerai Hani Jaya, Norhani binti Awg Damit, female, 36, Pasar Gadong, O level	Not applied	Only reported obstacle was a lack of motivation or intent to pursue *halal* certification—no other issues were noted.	Stall owners should seek *halal* certification for their food/products to comply with Islamic dietary laws and enhance convenience for all Support for local vendors at food stalls should be amplified
	R5	Nuha Grills, Aimah Faridah Hj Mustapa, female, 41, Sumbangsih Mulia, O level	Pending (still waiting from Ministry of Health)	Application process was protracted, necessitating multiple reviews to verify that all products listed adhered to *halal* production standards and bore the *halal* logo Post-inspection, the document required further edits to incorporate missing or new information, including updates to the menu Upon approval, the wait for certification was lengthy, as each stall branch required a separate licence Process posed a challenge, demanding proficiency in creating critical documents	Assistance was provided in elucidating and verifying documents Suggested that business owners apply only when their operations have stabilised, e.g. after five years—the fee should be levied every five years to account for potential changes Streamlining the process hinges on cooperation

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
	R6	Berkat Rezeki Triple Izz B-8, Izz Izz, female, 32, Sumbangsih Mulia, Pulau Muara Besar	Pending	Challenges primarily stemmed from unfamiliarity with email use and document uploading Despite attempts, overall process proved to be somewhat difficult	The Ministry of Health provided limited guidance, restricted to email login and question answering Three years before COVID-19, vendors received a letter instructing them to apply for *halal* certification—given that some lack internet proficiency, it is suggested that government representatives conduct interviews and complete the forms on their behalf Fairness should be ensured by inspecting each stall to confirm compliance with the law
	R7	Noraini, female, 46, Tutong, housewife	Not Applied	Transition to online *halal* certification application poses a challenge due to unfamiliarity with laptop Despite availability of guidelines, comprehension remains elusive	Simplify the process In line with the sultan's decree promoting entrepreneurship, it is unlikely that the government intends to complicate matters
	R8	Eight Hearts Baga Enterprise, Norinah binti Narawi, female, 39, unemployed, Primary Certificate of Education	Not applied	Uncertainty surrounds the process of applying for a *halal* certificate Despite numerous attempts to contact BKMH, no response was received All ingredients were purchased from a supermarket	Hotline should be more accessible for stall owners Assistance in procuring the *halal* certificate is needed due to process ambiguity

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
	R9	Nur'Uddin AL's Enterprise, Nuraziimah Md Yaakub, female, 42, self-employed, O level	In process	Due to COVID-19, the application was put on hold	Use broadband, which is using the website to apply for a *halal* certificate
	R10	Gerai JN (home-based), Jafni Fakhrullah, male, 28, librarian, Institute of Brunei Technical Education graduate	Not applied	Low sales due to limited time and primarily ordered by family members and close friends only Intended to know the application guidelines on obtaining *halal* certificate However, demotivated due to low sales	Application process should be simplified, particularly for small businesses Stall owners could be encouraged to retain receipts of ingredient purchases for auditing purposes
	R11	PondokRosAsli, Ahmad ArifAsli, male, 18, self-employed, O level	In process	Encountered challenges in locating the official website for *halal* certificate application	Enhance website navigability for user convenience
	R12	Gerai No. B1, Hasnah Haji Johari, female, 62, Waterfront Stall, Tutong, retired, SPS	Not applied	Onset of the second COVID-19 wave resulted in postponement of *halal* certificate registration	Establish an online registration system for the *halal* certification process

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
Belait	R13	Mohd SDNF Enterprise, Norliana Mohammad, female, 37, Gerai Kg Baru, Seria, unemployed, O level	In process	Primary obstacle involved completing the requisite documents Application remains unapproved and stagnant, as BKMH is currently prioritising *halal* certification applications from restaurants and home-based businesses	To advance the application process, BKMH recommends the construction of a separate kitchen at home, which is nearing completion Suggestion made to expedite the process
	R14	Qawi Stall, Tudung Saji, Kuala Belait	Rejected	Attributable to the open kitchen concept	Municipal Department hesitated about constructing a dedicated kitchen space Subsequently, no further actions were undertaken
	R15	GeraiKartini	Not applied	Registration posed a challenge—all receipts were required for purchase verification The business, operational for 40 years, procures all items from certified vendors	Government support should be consistent and the needs of SMEs prioritised Applications should be processed diligently and expediently Fees should be minimal and, if feasible, levied every five years

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
	R16	Gerai Syarikat Dzanora Satu, 53, Gerai No. 2 GeraiSimpur Kuala Belait, Diploma in architecture	Approved Renewal: in process	Complicated, especially listing the ingredients' menu—hard to read product codes—changing the list back and forth Waste of time—had to change the menu Obtained *halal* certificate after three years, owned it for 1.5 years before renewing—not worth it—had to go to Bandar Seri Begawan for payment. Pending renewal status more than one year—missing application from their reserve, applicant was told to take responsibility Delay due to staffing; paused when supervisors quit—resume after staff replacement Non-Muslims do not know *halal* prerequisites, should not qualify for the *halal* certificate	Government assistance and amenities are contingent upon completion Recommendations for improvement include: 1 Streamlining the renewal process, as the protracted approval period is unreasonable 2 Ensuring accountability for submitted documents 3 Facilitating district-specific payment options, given the unfamiliarity of Bandar Seri Begawan's roads and the clash of office hours with school pick-up times
Temburong	R17	Sykt Ahad bin Haji Tengah, Dyg Timah, female, 73, housewife, unschooled	Not applied	Her children typically handle matters about documentation	N/A

(continued)

Table 6.1 (continued)

District		Background	*Halal* certification status	Issues and challenges	Government interventions given to stall owners Suggestions on government's role to ease the process
	R18	Sykt Zainab dan Anak-Anak, Dyg Yatt, female, 38, self-employed, PMB	Not applied	The individual is solely overseeing the stall Despite sister's previous enquiry regarding *halal* certification, no steps have been initiated to date	There is neither compulsion nor motivation to pursue *halal* certification
	R19	Sykt Tiara Andynie, Hjh Tiara Female, 59, housewife	Not applied	Efforts were initiated but subsequently abandoned due to the rigorous requirements, such as the necessity for a separate kitchen, which proved unaffordable for small-scale vendors It was emphasised that, as Muslims, their intentions were not malevolent	Proposal is to mitigate the stipulations, particularly for stall proprietors, taking into account their circumstances
	R20	Gerai Meja 47, Hjh Liyana, female, 50, self-employed, A level	Approved	Primary obstacle lies in the technological aspects of meeting the prerequisites, a skill imparted by her children and further honed through self-learning	Assistance was procured through the provision of amendments in the documents

6.7.2 Easing *Halal* Certification Requirements

Several stall owners repeatedly mentioned the decree of the sultan in facilitating the business community. In a speech on the occasion of the New Year 2018, the sultan stated:

> In the field of socio-economy, the government has provided various facilities to support the efforts of micro-SMEs to journey even further to the shores of international markets. This includes the establishment of an Entrepreneurship Bank that will begin its operations in early 2018. (PMO 2020)

The sultan's speech went on to highlight the key importance of collaboration and the united efforts of all involved in improving the business climate for MSMEs:

> Certainly, towards supporting Brunei's progress, the country will require close cooperation between the government, the private sector and the people as much as possible. For it is only with such cooperation that the business and commercial climate can become much simpler and thus, at the same time, make the country more inviting in the eyes of foreign investors. (ibid.)

After the rejuvenation of the gathering places to buy and sell (*tamu*) in recent years, particularly in the markets in Kianggeh and Gadong, it was claimed that *halal* certification was not mandatory unlike business registration. The refurbishment of the markets was meant to provide convenience and comfort to entrepreneurs and visitors as well as to improve the business environment such that it is conducive and safe for all.

Previously, the *halal* permit was priced at BND50 per product with no expiry unless the product was modified (Azney 2017a). Azli Azney (2017b) reports that the permit is now amended to be renewable every three years and is tiered according to the business's size. Exemptions apply to home-based vendors, permanent stalls and temporary stalls that serve or sell directly to customers (certificate) or supply companies or retail outlets (permit) that are unable to meet the following requirements under the Halal Certificate and Label (Amendment) Order 2017: manufacturing space separated from personal cooking space; segregation of tools and equipment; and separate refrigerator and storage area for ingredients. An on-site examination by MoRA on the company owner is required before granting an exemption.

6.7.3 Strategies for Improving the *Halal* Certification Process

The certificate or permit must still be applied for by all owners who own a business that produces, supplies and serves food and beverages at premises such as restaurants, stalls or canteens. The exemptions are only established during the on-site audit by MoRA, who will also meet with the owner in person to see if the business can satisfy the *halal* criteria at this time. Knowledge and awareness of such a consultation procedure would considerably reduce the uneasiness and lack of direction experienced by stall owners.

Stall owners must also be informed that for an exemption to be approved auditors must produce a suggestion that is examined by a larger body before a final decision can be made. If an exemption is approved, a one-year waiver is allowed, after which another assessment is required. A proper implementation of *halal* logistics could serve as a stratagem to improve the *halal* certification process. *Halal* logistics refers to 'the careful planning and distribution of halal-certified goods and services flow from origin to the end that generally abides by the Islamic principles' (Mohamed Syazwan et al. 2021: 301). In other words, exercising *halal* logistics assists in smoothing the entire process from product manufacturing to product distribution. According to Mohamed Syazwan Ab Talib et al. (ibid.), efforts made to establish *halal* logistics services within the country are still indeterminate despite the initiatives and encouragement from the government.

Perhaps monitoring the *halal* certification process and relevant parties in charge is required to improve the procedure. Based on some of the responses, there are issues of pending requests and a lack of feedback from the authorities after the respondents' applications. This brings into question the state of the management of the *halal* certification procedure as well as the consultants in charge. This concern is in line with previous research by Nor Surilawana and Norkhairiah (2021) in which they state that the certification process is inefficient due to several reasons, one of them linked with internal officers. This can be attributed to a lack of human resources or the frequent postponement of panel meetings, which led to a lengthy approval process. A similar concern can be seen in the study by M.A. Muhammad et al. (2020) regarding Malaysia's *halal* experts in executing the certification process. Several efforts and suggestions were made by the Malaysian government to deal with this issue. These included the establishment of the Halal Professional Board course, suggested to be a part of a bachelor's degree programme; more training for *halal* authorities to expand their knowledge; and collaboration between the *halal* certification body and other agencies to host seminars and provide career training to enhance skills and professionalism. Brunei can use these propositions as a benchmark to improve its own *halal* certification process. The Halal Professional Board, in particular, may not only enhance the knowledge and skills of existing *halal* experts but can potentially also nurture the future work force.

Another possible strategy to improve the *halal* certification process would be to launch an online application system like Sistem Pensijilan Halal Malaysia (MYeHALAL, Malaysian Halal Certification System), which is implemented in Malaysia. Introduced in 2006 and operated by Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia), MYeHALAL is seen as part of efforts by the government to modernise the certification process and facilitate *halal* companies and relevant parties in obtaining certificates (Sazelin Arif et al. 2017, 2019). The application forms in the MYeHALAL system are categorised according to individual businesses, such as food and beverage products, logistics, pharmaceuticals and so on.

In line with the sultan's speech, the formulation of the Digital Economy Masterplan 2025 encompasses the vision, enablers and strategies of the digital economy to promote Brunei as a 'smart nation' with a 'whole of nation' approach (DEC 2020). According to the Digital Economy Council, *halal* is one of the clusters prioritised under the masterplan and the *halal* certification system is expected to stimulate economic growth through the implementation of digital transformation (ibid.).

In relation to the streamlining of the *halal* certification process for stall owners, Brunei stands poised to institute an application akin to the MYeHALAL system. Admittedly, implementation would necessitate a certain degree of IT proficiency on the part of the proprietors, as underscored by Sazelin et al. (2017), who note the inherent challenges faced by some respondents in navigating online systems efficiently. Despite this potential hurdle, the Brunei Halal authorities can play a pivotal role by furnishing clear and concise guidelines, and elucidating the operational intricacies of the system and how its adoption would facilitate a more seamless application procedure.

Expanding on this technological discourse, Amirul Shahnoel et al. (2022) posit a paradigm shift by exploring the integration of blockchain and smart contracts within logistics supply chains. Drawing parallels to the realm of *halal* certification, they envision an application of these derivative technologies to bolster the global *halal* supply chain. Notably, Brunei Halal is emblematic of stringent adherence to quality standards, rendering it a hallmark in the global market. The proposed application of blockchain and smart contracts, therefore, emerges as a strategic avenue for establishing interconnected *halal* supply chain networks that transcend regional and international boundaries. Encompassing producers, suppliers, manufacturers and service providers within the food, pharmaceutical and cosmetics industries, this network would safeguard *halal* integrity and compliance from source to end consumer. Amirul et al. (2022) argue that the *halal* industry and its associated supply chains represent a pivotal focal point for Brunei's exploration and integration of emerging technologies. Leveraging its established brand recognition for *halal* products, rooted in unwavering commitment to quality and compliance standards, the country can seize the opportunity to spearhead technological advances in the domain. This proactive engagement not only aligns with global industry trends but also emerges as a strategic avenue for economic diversification in Brunei.

6.8 Conclusion

This study investigates the perspective of local stall owners in acquiring *halal* certification by distinguishing their permit criteria and attitude towards the process. Twenty stall owners from four districts were selected and interviewed. *Halal* certification in Brunei is mandatory for all food outlets, whether restaurants, stalls or canteens. From a global perspective, with brief examples from Thailand, Indonesia, Japan and Malaysia, there are recurring issues found in pursuing *halal* certification. These include intricate procedures in applications, a dearth of commitment from business owners and expensive certification fees. Another notable concern is fraudulent *halal* certification. In Japan, one challenge is the over-dependency on *halal* certification which leads to a limited variety of foods and tedious multiple checking of ingredients (Pg Siti Rozaidah 2024). From the Brunei perspective, barriers to pursuing *halal* certification include ingredient listing, negative attitudes towards applying for certification, varying individual backgrounds, a lack of awareness of the benefits of certification for businesses and the fees for certification. Several strategies to improve the *halal* certification procedure are identified, including consultations on the process to develop awareness, establishing the Digital Economy Masterplan 2025, which includes a *halal* element as one of its main priorities, adopting *halal* logistics, training *halal* authorities and expanding the number of *halal* experts, and creating an online *halal* application system.

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Chapter 7
Financial Management and *Halal* Financial Literacy among Muslim University Students in Brunei Darussalam

Muhamad Abduh, Noor Aliah Syaifullah, Witrie Annisa Buys, and Sumayyah Abdul Aziz

Abstract Financial management is one of the most valuable knowledge areas of university students as they are going to face the real world. In Brunei Darussalam, the financial world has been enriched by the emergence of *halal* finance since 1993. This chapter examines the level of general and *halal* financial literacy among university students. The study is descriptive, using data that were collected using a self-administered questionnaire that was distributed online to 285 students via their university's official email. The findings suggest that respondents are unable to practise sound financial management by failing to budget and record their financial activities. This study also confirms that, except for *takaful*, the respondents' awareness of *halal* financial terms and products is very low. Some suggestions to improve the literacy level are discussed in the conclusion.

Keywords Brunei Darussalam · *Halal* finance · Financial management · University students

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7.1 Introduction

The official religion of Brunei Darussalam is Islam and religion plays a central role in the lives of every Muslim in the country. This influence can be felt in the financial sector since Brunei was among the earliest countries in the world to adopt an Islamic or *halal* banking system. Bank Islam Brunei Darussalam (BIBD) is currently the only Islamic commercial bank that serves all segments in the retail banking industry. It was established in 1980 as the Island Development Bank and then converted to a full-fledged Islamic bank in January 1993 before changing its name to the Islamic Bank of Brunei (IBB). There was a big merger in the history of Brunei's financial system in 2005 between IBB and the Islamic Development Bank of Brunei, which led to the inception of BIBD. In 2007 the government brought all these developments together within its far-reaching policy vision known as Wawasan Brunei 2035 (Brunei Vision 2023).

In the financial services sector, Wawasan Brunei 2035 aims to establish the country as an international financial centre, with a particular emphasis on *halal* finance. Despite this target, the two biggest local banks—Baiduri Bank as a conventional bank and BIBD as an Islamic bank—have vigorous competition between them (Abduh 2018). One of the reasons is that the understanding of basic prohibition concepts, including usury or unjust, exploitative gains (*riba*), of halal finance among the Bruneians is still low (Muhamad Abduh 2016). As a result, apart from their names, customers struggle to significantly distinguish between the two types of banks and their products and services. Second, after a survey of some 133 respondents, Rose Abdullah and Ahmad Lutfi bin Abdul Razak (2016) concluded that the literacy level on *halal* financial activities was still low.

Table 7.1 shows the distribution of population by age group from the 2020 census (DEPS 2021). The number of citizens in the 15–34 age group is the highest at 124,300 (36.99% of the total population), and this covers the age range of students at secondary and university levels. It can be assumed that the current and future customers of Brunei's banking and other financial services industries will be dominated by them. It is therefore imperative to find out about not only conventional or general finance literacy but, more specifically, *halal* finance literacy among the people within this age range.

Aside from campaigns by industry players, formal education plays a vital role in improving awareness of *halal* finance, especially among students. Universities in Brunei have been offering *halal* finance core or elective modules for more than 10 years. Measuring *halal* financial literacy and awareness among university students can therefore be the best proxy for finding out the level of understanding and engagement among a key cohort of the wider population. This is important for a number of reasons. First, there is the cultural and religious significance. *Halal* financial literacy aligns with Brunei's core values in which Islam plays a central role in society and *halal* finance refers to those financial practices that are compliant with Islamic principles and ethics. Conducting research in this area enhances university students' financial literacy while ensuring that their financial practices align with their religious

Table 7.1 Brunei Darussalam: Population census, 2020

Age group	Number (%)	Male	Female
00–04	25,800 (7.68)	13,200	12,600
05–09	27,000 (8.04)	13,700	13,300
10–14	26,400 (7.86)	13,700	12,700
15–19	30,600 (9.11)	16,000	14,600
20–24	33,300 (9.91)	17,200	16,100
25–29	32,400 (9.64)	16,700	15,700
30–34	28,000 (8.33)	14,100	13,900
35–39	23,900 (7.11)	11,600	12,300
40 and above	108,600 (32.32)	52,300	56,300
Total	336,000	168,500	167,500

Source DEPS (2021)

beliefs. Second, empowerment and financial well-being are critical for individuals to make informed decisions about their finances, investments and savings. Research on *halal* financial literacy specifically empowers university students to navigate financial matters in accordance with Islamic principles. By understanding concepts like *syariah*-compliant investments, ethical banking and financial instruments, students can make sound decisions that align with their faith and contribute to their long-term financial well-being. Third, there is the phenomenon of socioeconomic development and industry growth, since *halal* financial literacy has broader implications for the overall economic development. As the global *halal* market expands, including Islamic banking and finance, Brunei can position itself as a hub for *halal* financial services. Well-informed university students can become future professionals who contribute to the growth and innovation of this industry. Research findings provide insights into designing effective educational programmes, curricula and policies to foster *halal* finance expertise, thereby contributing to the country's economic diversification efforts underpinned by Wawasan Brunei 2035.

The benefits of this study are therefore twofold. First, it provides empirical insights into the financial behaviour and literacy among Muslim university students who are the current and future stakeholders of the financial industry. Second, the findings could help the authorities come up with plans that can be adopted to improve citizens' levels of financial literacy, especially *halal* financial literacy. The rest of the chapter is structured as follows. Section 7.2 critically reviews the existing literature on *halal* financial literacy among youth globally. Section 7.3 explains the data used in this study and the methods used to analyse the data. The findings and discussion are presented in Section 7.4, while the conclusion is provided in Section 7.5.

7.2 Finance and *Halal* Financial Literacy

7.2.1 Definition and Significance

The National Financial Educators Council (2024) in the United States defines financial literacy as possessing the skills and knowledge on financial matters to confidently take effective action that best fulfils an individual's personal, family and global community goals. The Organisation for Economic Co-operation and Development defines it as a combination of awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being (Atkinson and Messy 2012; OECD 2022). Many scholars have also defined financial literacy. According to Angelo Capuano and Ian Ramsay (2011), for example, financial literacy is correlated with financial efficiency, hence enabling people to set realistic retirement goals and select appropriate investments in order to put their retirement plan into realisation. Sandra Huston (2010) defines financial literacy as measuring how well an individual understands and uses personal finance-related information. Rentian Huang et al. (2008) note that financial literacy is the ability of an individual to make informed judgments and effective decisions regarding the use and management of money. Meanwhile, Andrew Worthington (2004) says that financial literacy is a mathematical ability that enables an understanding of financial terms. In sum, the four major categories of financial literacy are knowledge, an ability to communicate, decision-making and effective planning. Therefore, we define financial literacy as a combination of hard financial skills, which include the capabilities in planning, data management and analysis, and soft skills, such as responsibility, discipline, willingness to learn, empathy and ethics.

The significance for university students to be financially literate lies in the economy they are exposed to. Being at the age of independence, students are required to be able to calculate and manage their financial situation. A study by Annamaria Lusardi and Peter Tufano (2015) concludes that individuals with lower levels of financial literacy tend to be involved in high-cost manners, which have led them to incur higher fees and high-cost borrowing. They also need help to judge their debt position. Having that in mind, Leora F. Klapper et al. (2012) conclude their paper on financial literacy and financial crisis with the argument that greater financial literacy helps individuals face unexpected macroeconomic and income shocks. In the case of Malaysia, Nurul Shahnaz Mahdzan and Saleh Tabiani (2013) suggest that advancing financial education contributes to more significant financial literacy by increasing household savings and participation in financial markets, which, in the end, will improve well-being and reduce poverty.

Referring to this brief overview of the literature, this study explores the financial behaviour of Muslim students in terms of their knowledge, communication ability, planning and decision-making with regard to financial management.

7.2.2 Halal Financial Literacy

Many scholars argue that *halal* finance was introduced and implemented in the era of the Prophet Muhammad, remained unattended for many centuries and was then reintroduced around 50 years ago with the inception of the Jeddah-based Islamic Development Bank, a multilateral development finance institution that focuses on Islamic finance for infrastructure, followed by the first commercial bank, Dubai Islamic Bank, both established in 1975 (Abduh 2016). *Halal* finance is a system that is built upon the theories, concepts, products and practices of the *syariah* tenets of Islam; it does not create a new financial system. *Halal* finance literacy combines hard skills and soft skills that comply with these *syariah* tenets, which include removing non-*halal* components such as usury or exploitative gains, uncertainty, gambling, fraud, and unjust and unethical practices. Brunei extends the concept of *halal* beyond the more commonplace dietary considerations to encompass the realm of finance. *Halal* finance products have emerged as a distinctive feature of Brunei's financial sector, offering an ecosystem that aligns with Islamic principles while meeting the modern needs of a dynamic economy.

Halal finance has become a major research topic in recent times, including in Brunei. However, discussion on financial literacy and its importance is still lacking, though the topic has been discussed meaningfully by a number of scholars. For example, Purnomo Antara et al. (2016), Rose and Ahmad Lutfi (2016), Mohamad Azmi Abdullah et al. (2017), Mohamed Albaity and Mahfuzur Rahman (2019), Yuvaraj Ganesan et al. (2020), and Mohammed Ali Al-Awlaqi and Ammar Mohamed Aamer (2022) argued on the importance of the literacy on *halal* finance for Muslims. The key findings of these studies are summarised as follows.

Antara et al. (2016) propose a measurement for *halal* financial literacy by using 'true' / 'false' test questions with an option to choose 'don't know'. Then confirmatory factor analysis is used to analyse the scoring using the weighted least square method to test the construct validity. Although other researchers have not used the measurement, the output of this study is still promising. The objective of the study by Mohamad Azmi et al. (2017) is to identify the determinants of *halal* financial literacy among undergraduate students in Sarawak, Malaysia. The study finds that the average score of respondents is considered low, with an average of 47.36% and a standard deviation of 9.09%. From the regression, only three variables are significant in determining the level of financial literacy: attitude towards financial management, gender and education level. Albaity and Rahman (2019) examine the direct and indirect effects of *halal* financial literacy, awareness, cost and benefit, reputation and attitude on the intention to use Islamic banking. The study suggests that *halal* financial literacy is crucial for customers to patronise an Islamic bank. These banks should therefore design and focus their policies on enriching the public's knowledge of their products. Furthermore, the study finds that *halal* financial literacy alone only leads to a higher intention to use Islamic banks if there is a positive attitude towards such banks. Similarly, Al-Awlaqi and Aamer (2022) examine the role of *halal* financial literacy in selecting Islamic banking in Yemen for small business owners. The respondents were not looking for a place to deposit their funds but a source to obtain financing. Despite living in a country with Muslims as the majority, the study shows a lower level of *halal* financial literacy among the respondents. The authors also find a decisive potential role of *halal* financial literacy as one of the critical determinants of bank selection preferences. Another study by Ganesan et al. (2020) is interesting because it tries to find the factors influencing the intention of the depositors of Islamic banking to improve their *halal* financial literacy. The study was conducted using the theory of planned behaviour of 300 respondents and finds that perceived behavioural control, attitude and subjective norms have positively influenced the intention of the existing depositors to improve their *halal* financial literacy.

It can be seen from this discussion that *halal* financial literacy has not been explored thoroughly, especially in the context of Brunei. One such study was conducted by Rose and Ahmad Lutfi (2016). However, there are at least three differences compared to the analysis presented in this chapter. First, Rose and Ahmad Lutfi utilise a random group of respondents while this study focuses on university students. Second, this study uses a larger sample of 285, while Rose and Ahmad Lutfi used a sample of 133. Third, Rose and Ahmad Lutfi's analysis is now eight years old and there could very well have been significant changes in the intervening period.

7.2.3 Halal Finance Products in Brunei

Although Brunei does not have money and capital markets in its Islamic financial landscape, banks, insurance companies and other Islamic financial intermediary institutions are well established, offering various products that comply with *syariah* tenets.

Bai bithaman ajil is an Islamic financing concept that is an alternative to conventional interest-based loan systems. Essentially, it is a deferred payment sale or credit sale contract that is *syariah*-compliant. *Bai bithaman ajil* is commonly used for purchasing assets like property or vehicles, and it is structured in a way that avoids the use of interest, which is prohibited in Islamic finance. The mechanism starts with the identification of the asset to be financed, which is identified by the customer. The bank then purchases the asset at the current market price and sells the asset to the customer at a marked-up price, which includes the original price and a profit margin. The customer agrees to pay for the asset in instalments over a negotiated period.

Mudarabah is a form of Islamic financial partnership that involves two parties: the investor or silent partner (*rabb-ul-mal*) and the entrepreneur or working partner (*mudarib*). The investor provides capital for a business venture and the entrepreneur offers management expertise to operate the business. Profits are shared between the two parties according to a pre-determined ratio, while financial losses are borne by the investor, unless they are due to negligence or misconduct by the entrepreneur. This arrangement avoids the use of interest.

Murabahah is a widely used Islamic financing structure that entails a cost-plus-profit sale agreement. It is designed as an alternative to interest-based lending practices. The term *murabahah* comes from the Arabic root word *ribh* which means profit. The mechanism starts with customers identifying a specific good or asset they wish to purchase. Next the Islamic bank or financial institution buys the asset at the market price and sells the asset to the customer at a marked-up price. This mark-up is agreed upon in advance and is transparently stated in the contract. The customer agrees to pay the total sale price in instalments over an agreed-upon period.

Wadi'ah refers to a safekeeping or custodial arrangement that is based on Islamic principles. The term is derived from the Arabic root word *wada'a* which means to deposit. In Islamic finance, *wadi'ah* is used primarily for deposit accounts where the depositor places funds with another party (usually a financial institution) for safekeeping. Unlike interest-based savings or deposit accounts, *wadi'ah* accounts are designed to be *syariah*-compliant. There are two types of *wadi'ah*. In a *wadi'ah yad amanah* arrangement, the custodian (often a bank) is simply responsible for the safekeeping of the deposited assets. No profits are generated from the deposited funds and the depositor does not expect any returns. In *wadi'ah yad dhamanah*, the custodian may utilise the deposited funds for investment or lending activities. Any profits generated are typically shared with the depositor based on a pre-agreed ratio. However, the custodian guarantees the principal amount.

Ar-rahnu, also known as Islamic pawnbroking, is a *syariah*-compliant financial service that provides short-term liquidity through collateralised assets, usually in the form of gold or jewellery. The concept originates from the Arabic term *rahn* which means collateral or pledge. *Ar-rahnu* aims to serve those who require immediate funds but want to avoid the interest-based lending practices. The mechanism starts with the customer pledging an asset, commonly gold or jewellery, as collateral with the pawnbroker. The pawnbroker assesses the value of the collateral and documents the terms, including the loan amount, safekeeping fees and the contract duration. A loan equivalent to a portion of the asset's market value is disbursed to the customer. The pawnbroker keeps the collateral safely during the contract period. The customer can redeem the asset by repaying the loan and any associated fees. If the customer defaults, the pawnbroker may sell the collateral to recover the loan amount.

Al-ijarah thumma al-bai is an Islamic financial contract that translates as leasing or renting, combining the principles of *ijarah* (leasing) and *bai* (sale). It is a *syariah*-compliant alternative to conventional leasing agreements, is commonly used for assets like real estate, vehicles and machinery, and is commonly referred to as lease-to-own or hire purchase in Islamic finance. In an *ijarah* contract, the owner (lessor) leases an asset to a lessee for a predetermined period in exchange for periodic rental payments. The mechanism initiated by the financial institution (lessor) buys the asset and leases it to the customer (lessee) for an agreed period and rental rate. At the end of the leasing term, the financial institution sells the asset to the customer, often for a nominal sum, transferring ownership to the lessee. The customer makes periodic payments that cover both the rental for the leasing period and the purchase price for eventual ownership.

Sukuk is an Islamic financial certificate analogous to a bond in conventional finance. Unlike conventional bonds, which are debt obligations, *sukuk* represents ownership in an underlying asset, investment project or business venture. This structure allows it to comply with Islamic law, which prohibits both interest and excessive uncertainty or risk (*gharar*). *Sukuk ijarah* is a specific type of *sukuk* that is based on the *ijarah* leasing contract and involves the securitisation of leased assets. *Sukuk ijarah*'s mechanism starts when the originator transfers a tangible asset to a special purpose vehicle. Upon receiving the asset, the special purpose vehicle issues *sukuk* certificates to investors, representing their ownership of the asset. The special purpose vehicle leases the asset back to the originator for a fixed period at agreed-upon lease payments. The originator makes regular lease payments to the special purpose vehicle which are then distributed to *sukuk* holders. At maturity, the originator buys back the asset from the special purpose vehicle at an agreed-upon price.

Takaful is a cooperative insurance model rooted in Islamic finance principles that offers a *syariah*-compliant alternative to conventional insurance. Unlike conventional insurance that involves risk transfer, *takaful* is based on the concept of risk-sharing among a group of participants. This model is grounded in Islamic principles such as mutual assistance and joint indemnity, and it avoids elements like interest, uncertainty and gambling (*maisir*) that are prohibited in Islamic law. The mechanism starts when participants contribute a sum of money into a collective pool managed by a *takaful* operator. When a participant suffers a loss, compensation is paid out from this collective pool. At the end of a financial period, any surplus left in the pool after paying claims and administrative costs is shared among the participants based on pre-agreed terms. The *takaful* operator may also invest the pooled funds in *syariah*-compliant investment avenues.

7.3 Data and Methodology

The data used in this study are primary data collected from respondents who were students at Universiti Brunei Darussalam. The university was selected for two reasons: it is the largest university in the country; and the university delivers a core module called Introduction to Islamic Banking and Finance for students from the accounting and finance programme, which is also offered as an optional module for students outside the programme. Data were collected using a self-administered method that was distributed online to all students via the university's official email from August to October 2021. The questionnaire layout was chosen in a way that provided a clear and concise understanding of four sections, with one part consisting of a quiz. The quiz consisted of 17 multiple-choice questions to test *halal* financial literacy. The respondent earned one point whenever the correct answer was chosen. When the respondents gave an incorrect or 'not sure' response, they were coded as zero. However, the 'not sure' point was taken into consideration for the evaluation of the awareness of Islamic financial literacy. With the questionnaires distributed online, most of the questions were secured in a way that they were only able to

Table 7.2 Measuring *halal* financial literacy

Literacy level	Frequency (%)
Literate (score > 75%)	9 (3.16%)
Intermediate (40% < score < 75%)	112 (39.30%)
Low (score < 40%)	164 (57.54%)
Total	285 (100%)

choose one answer of the options and none of them was left with blank answers. After collection, all the answers were tabulated, charted and summarised further for analysis and discussion.

As an exploratory study, this chapter does not use any sophisticated method of analysis but still maintains the findings to be exciting and insightful so that they could be helpful for researchers interested in doing similar or advanced research topics in this field in different countries. This study employs descriptive statistics to describe the findings of the samples. We realise that the findings in this study cannot be generalised to a broader population because it does not use any inferential statistical methods. However, the findings and conclusion are still reliable because of the relatively small size of the population in Brunei, especially regarding the number of university students.

7.4 Findings and Discussion

7.4.1 Measuring *Halal* Financial Literacy

The questions related to *halal* finance were prepared to give a clear idea of the level of knowledge on *halal* finance among university students. Several groups of scores were determined during testing: (1) above 75%, (2) from 40 to 75%, and (3) below 40%. In the first group, *halal* financial literacy is relatively high, while the second group demonstrates a moderate level of understanding but is not fully literate, and the third group displays a low level of *halal* financial understanding. The test shows a total average score of 4.72 out of 12, which is slightly below intermediate. Overall, the results show that 164 out of 285 respondents have low literacy skills (graded below 4), 112 have intermediate literacy skills (graded 5–8) and nine have advanced literacy skills (graded 8–12) (Table 7.2)

7.4.2 Demography

As depicted in Table 7.1, the sample size is 285 respondents. Out of the total sample, 69.5% of the respondents are female and 30.5% are male. The 240 respondents aged 18–24 years old is the majority, equivalent to 84.2% (see Table 7.3). We are also interested in the information on *halal* finance-related courses that respondents may have joined formally. The data have shown that 217 respondents said they never took formal *halal* finance-related courses while 68 respondents said they did. The reason for asking this question is because there might be a relationship between respondents' exposure to formal education in *halal* finance-related courses and *halal* financial literacy level.

We developed a cross-tabulation between every item in Table 7.3 (gender, age, *halal* finance-related courses and monthly spending) and the *halal* financial literacy level. Afterwards, a chi-square independent test was conducted to find the relationship between those variables. We found that except for *halal* finance-related courses, all items were found statistically insignificant. Table 7.4 shows the cross-tabulation between *halal* finance-related courses and *halal* financial literacy. The findings show that 67.7% of respondents who never took any *halal* finance-related courses scored low for literacy, while 31.8% scored intermediate and 0.5% scored high. On the other hand, of the respondents who took related courses on *halal* finance, 25% scored low, whereas 75% scored at the intermediate levels. The Pearson chi-square value given by SPSS software computation is 39.70 with a *p*-value of 0.000. This provides an indication that the relationship between the two tested variables is significant. Therefore, joining formal courses related to *halal* finance improved respondents' literacy level.

Table 7.3 Demography of the respondents

Category		Frequency	%
Gender	Male Female	87 198	30.5 69.5
Age	18–24 years > 24 years	240 45	84.2 15.8
Halal finance-related courses	Yes No	68 217	23.9 76.1
Monthly spending	< BND50 BND50–150 BND15–250 BND251–350 > BND350	42 107 57 42 37	14.7 37.5 20.0 14.7 13.0

Table 7.4 *Halal* financial literacy: Cross tabulation 1

		Halal finance literacy			
		Literate	Intermediate	Low	Total
Halal finance courses	Yes	1	69	147	217
	No	0	51	17	68
Total		1	120	164	285

The data underscore the importance of integrating *halal* finance-related education into the broader educational framework. Policymakers can use this information to advocate for the inclusion of courses and modules on *halal* finance within academic curricula. By recognising the correlation between engaging with such courses and improved financial literacy levels, policymakers can prioritise developing and implementing targeted educational programmes. Additionally, they can collaborate with relevant stakeholders, such as regulatory bodies and educational institutions, to design comprehensive policies that incentivise the integration of *halal* finance education at various academic levels. This proactive approach can lead to a more financially knowledgeable population, aligning with the nation's economic and religious objectives.

For the Islamic banking industry, the data serve as a clear directive to invest in educational outreach initiatives. Banking institutions can collaborate with educational institutions to offer workshops, seminars and online resources focused on *halal* finance. This would contribute to raising awareness about the principles and benefits of *halal* finance and foster a sense of trust and transparency between the industry and its customers. The industry can also consider developing specialised training programmes for its employees to ensure they possess the necessary expertise to guide customers in making informed decisions. Furthermore, the industry can use the insights to innovate new financial products and services that cater to the needs and preferences of a more financially literate clientele, thus promoting sustainable growth and development.

7.4.3 Financial Management

This section relates to the financial management of the respondents with their spending—they were allowed to answer a maximum of three choices. The main expenditure items are daily meals and academic materials, including books, stationery, photocopying and printing. The internet is still among the top three choices for students. 'Others' are necessities such as groceries and shopping (Fig. 7.1).

According to the results, 84.56% of students reported having earned money by way of scholarship allowances, salaries or from their own small ventures. On the other hand, 15.44% of the respondents do not earn any income (Fig. 7.2). What follows is the question of whether respondents keep a budget to manage their finance or not and 65.10% do not practise budgeting (Fig. 7.3).

Personal budgeting or financial planning are essential forms of behaviour and vital for financial literacy. One cannot be said to be financially literate without incorporating this aspect. As a result, the next question asked whether the respondents felt their income was sufficient for their monthly spending—47.37% of respondents feel that it was sufficient, while 41.40% do not feel that way and as many as 11.23% do not know (Fig. 7.4).

To further understand how the respondents manage their financials, they were asked whether they keep records of their income and expenses and how they make

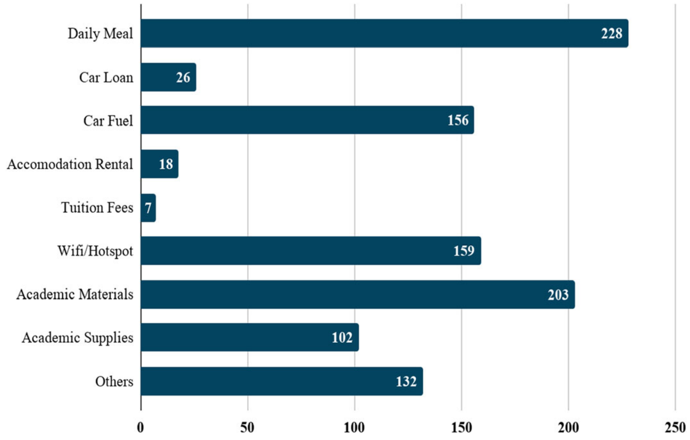
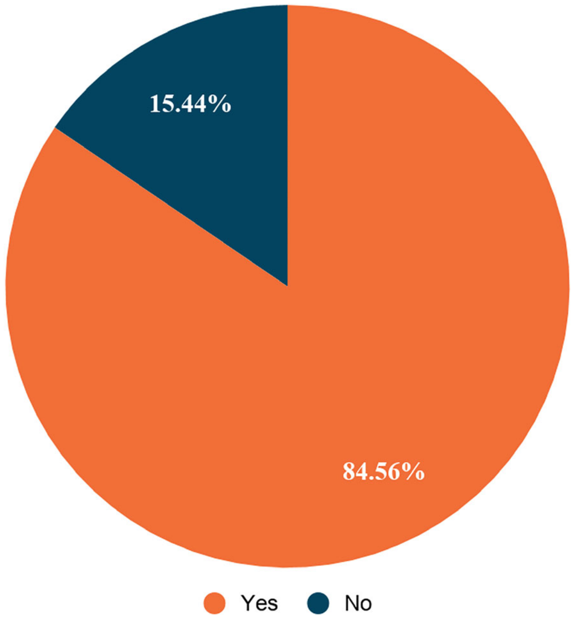


Fig. 7.1 Respondents' expenditure items

Fig. 7.2 Do you have a financial income?



ends meet when the income suddenly drops, which makes them short of money for their monthly spending (Table 7.5).

According to the respondents, in any case where their income plunged and if they were trying to make ends meet, the majority would cut down their expenses and begin saving (Fig. 7.5).

Lastly, in the financial management section, the respondents were asked about the reasons for their savings. The question was open-ended and 179 respondents state

Fig. 7.3 Do you practise budgeting?

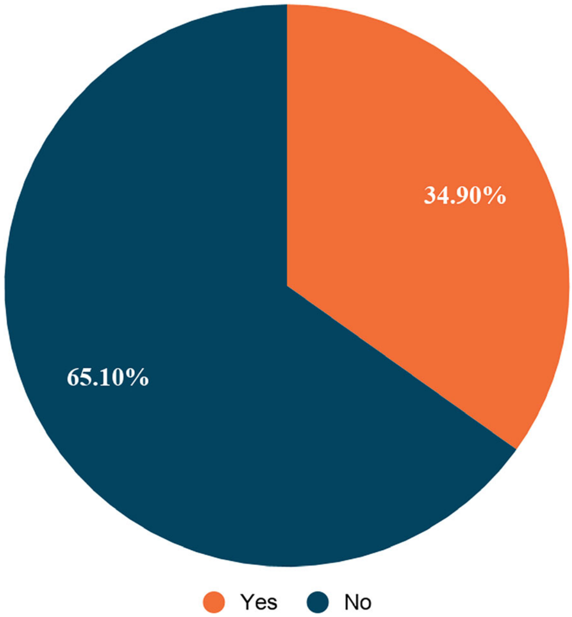


Fig. 7.4 Is your income sufficient for your spending?

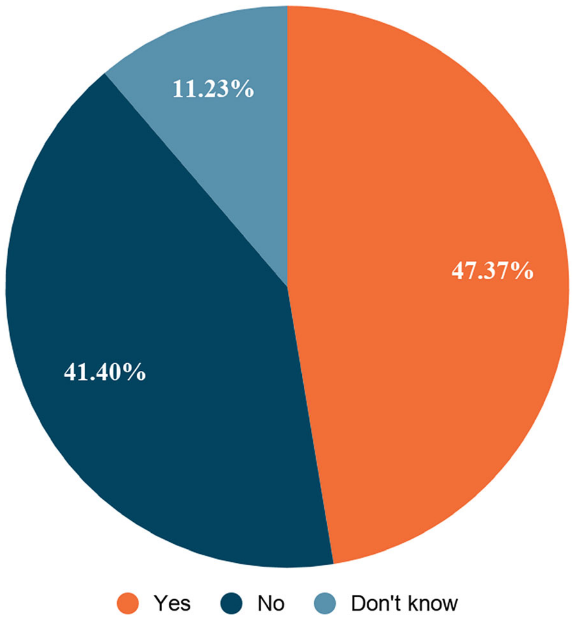


Table 7.5 Do you keep records of income and expenditure?

Do you keep records?	Frequency	%
Yes, I keep records of everything, entering all revenue and all expenditure	38	13.3
Yes, I keep records of everything, but not all revenue and expenditure are entered	68	23.9
No, I don't keep records of everything, but I know in general how much money is received and spent during a month	148	51.9
No, I don't keep records of my own resources, and I don't even have a vague idea of how much money is received and spent during a month	25	8.8

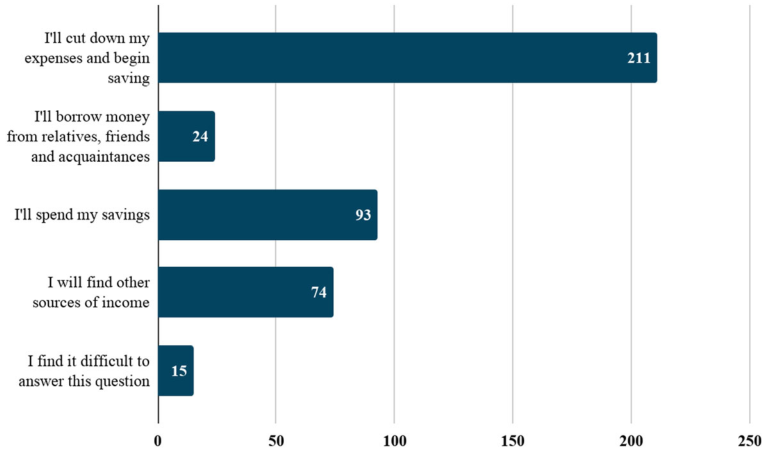


Fig. 7.5 How to make ends meet?

that conserving money is necessary to prepare for unforeseen events in the future (Fig. 7.6).

7.4.4 Financial Behaviour

A Likert-scale question with a statement is presented in Table 7.6. Looking at the majority scale of each statement, the results are: (1) 83.9% of respondents agree that before they purchase something they would consider affordability; (2) 49.1% strongly disagree with the statement that one should live life for today and let tomorrow take care of itself; (3) 47.0% respondents disagree in the greater satisfaction of spending money than to save. Somehow, when stating where they set long-term financial goals and strive to achieve them, there is almost little difference between those who agreed

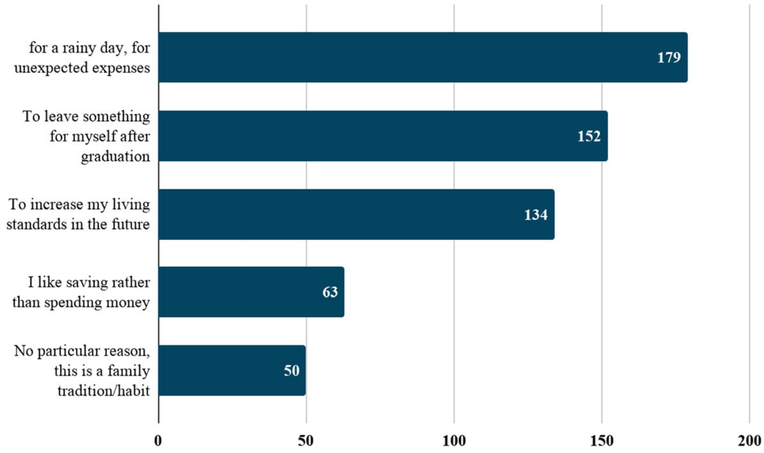


Fig. 7.6 What are your personal reasons for making savings or investments?

with this statement (48.1%) and those who were neutral about it (41.4%). Lastly, 55.1% of the respondents expressed a neutral reaction to the statement 'Money is there to be spent'.

In general, the results in Table 7.6 show that respondents have sound financial knowledge and management skills. In this section, the respondents were asked about their financial activity for the previous 12 months. The results show that they had been actively saving cash and building up a balance of money in their bank accounts (Fig. 7.7).

Table 7.6 Financial statements

Statement	Agree	Neutral	Disagree
Before I buy something I carefully consider whether I can afford it	239	44	2
	83.9%	15.4%	0.7%
I tend to live for today and let tomorrow take care of itself	42	103	140
	14.7%	36.1%	49.1%
I find it more satisfying to spend money than to save it for the long term	44	107	134
	15.4%	37.5%	47.0%
I pay my bills on time	160	114	11
	56.1%	40.0%	3.9%
I set long-term financial goals and strive to achieve them	137	118	30
	48.1%	41.4%	10.5%
Money is there to be spent	70	157	58
	24.6%	55.1%	20.4%

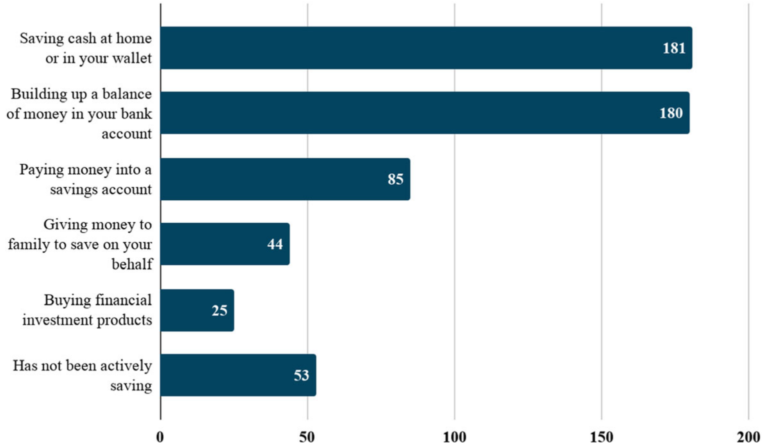


Fig. 7.7 Financial activity for the past 12 months

7.4.5 Awareness of *Halal* Financial Products

The names of *halal* financial products that are available in Brunei were presented to the respondents to determine their awareness of the products (Table 7.7). Despite Islamic banking having the largest market share in the industry, most respondents said they had never heard of these *halal* financial products.

The data provided in Table 7.7 serve as a crucial indicator of the level of awareness and engagement with these *halal* financial products among the surveyed students. This information can guide financial institutions and policymakers in tailoring their educational efforts, marketing strategies and product offerings to better align with the preferences and needs of the target demographic, thus fostering a more informed

Table 7.7 Awareness of *halal* financial products

Financial Products	Heard of this financial product?	Currently using this product?	Never heard of this product
Bai bithaman ajil	33	2	250
Mudarabah deposits	75	8	202
Wadi'ah accounts	81	27	177
Ar-rahnu	59	3	223
Al-ijarah thumma al-bai	34	0	251
Murabahah letters of credit	40	0	245
Sukuk ijarah	43	0	242
Takaful insurance	159	114	12

and inclusive financial landscape. Based on the findings, there is much to be done to improve the knowledge of *halal* finance and the availability of *halal* financial hubs in Brunei—specifically in the educational area. University students need more information regarding finance than just knowing how to save money. According to Maria C. Pereira and Filipe Coelho (2020), financial education encompasses appreciating the power, responsibility, benefits and challenges that money brings, along with feeling confident about handling financial matters under different situations.

Before the inception of *halal* finance, there was still a problem with the general idea of financial literacy. In such cases, the respondents need to be fully aware of the importance of living within their means, record-keeping and whether they practise the simplest form of financial management such as budgeting. It really is an issue that the respondents are less aware of *halal* financial products and general financial knowledge. This needs to be considered by policymakers to develop financial awareness in Brunei. In short, the awareness of *halal* finance products is relatively low. Higher demand for these products will be generated as a result of education and awareness.

It should also be noted here that there have been some initiatives conducted by *halal* finance industry players to increase the awareness of the people. In the *takaful* sector, Takaful Brunei Keluarga hosted *halal* financial planning for students in Penanjong Primary School in conjunction with Global Money Week in 2018. At that event, they educated students on the critical points of financial literacy and smart spending, savings and Islamic traditions with the aim of providing a better understanding of the value of money (Takaful Brunei 2018). On the banking side, Bank Islam Brunei Darussalam supported the Autoriti Monetari Brunei Darussalam financial funfair in 2017, which highlighted the expenditure differences between needs and wants, as well as financial management and the importance of budgeting with the goal of raising awareness on better financial management as early as possible (BIBD 2017).

Nevertheless, improving knowledge about *halal* finance cannot be done through sporadic events only. It has to be continuously and regularly conducted with specific targets in mind. More importantly, this is a key element of Brunei's national agenda to develop the country as the international hub of *halal* finance, which will only happen if it relies on physical infrastructure development with improving human resource capital. Both higher education institutions and other *halal* finance stakeholders must work together intensively to find the best solution to improve the situation.

7.5 Conclusion

This study has examined financial management and reassessed *halal* financial literacy among university students in Brunei. There are two main conclusions to draw from the analysis presented here. First, from the view of financial management, while the results show that respondents have reasonably good behaviour in spending and saving money, they are still unable to practise sound financial management by failing to budget and record their financial activities. Ultimately, this could lure them into financial mismanagement, placing them in an unwanted situation. Second, in relation to awareness of *halal* finance, the study confirms that, except for *takaful*, the respondents' awareness of *halal* finance terms and products is very low. However, for *takaful*, we were not able to distinguish whether the respondents knew of this product as a company name or *takaful* as a product under *halal* finance. We would suggest future research looks deeper into this issue.

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Part III
Halal Marketing, Tourism and Logistics

Chapter 8
An Exploratory Study of *Halal* Advertising in Brunei Darussalam

Mohammad Hamdillah bin Haji Mohd Yutar, Wardah Hakimah Sumardi, and Wardah Azimah Sumardi

Abstract *Halal* advertising, which is based on principles sourced from the Qur'an and Sunna, has the potential to curb advertising malpractices and counter unethical advertising internationally. The growth of the Muslim market has driven the overwhelming demand for *halal* products and services which signals the need for a business ecosystem in which *halal* advertising would play a crucial role. Against this background, this chapter explores the extent to which Brunei Darussalam's Code of Practice for Advertising adheres to *halal* principles. The study attempts to uncover *halal* advertising from the perspective of Muslim consumers in Brunei and its influence on their purchase intention. The analysis suggests that the Code of Practice adheres to all six elements of *halal* advertising with a strict regulatory process in place. It further reports that Muslim consumers perceive *halal* advertisements as portraying honesty, simplicity and a humane use of appropriate language with no elements of sexism and racism, in which honesty and the avoidance of sexism were ranked as the two most important elements. Despite this, only the element of language significantly influences purchasing intention. This implies the superiority of verbal stimuli (such as captions) and the language used in advertisements. Findings from the study provide valuable insights for advertisers to understand and appreciate the centrality of Islam and develop advertising packages to attract and serve Muslim consumers.

Keywords Brunei Darussalam · *Halal* advertising · Code of Practice for Advertising · Purchase intention · Consumers

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8.1 Introduction

Advertising is a crucial element in marketing, essential for creating, building and sustaining brands as well as influencing consumers' attitudes and purchase decisions. It is vital in driving sales in today's highly competitive business environment (Nabi et al. 2016). Despite its importance, research shows that consumers' attitudes towards advertising are generally unfavourable, with many believing advertising to be dishonest, false, misleading and vulgar (Munjal 2016). For instance, although puffery—the act of praising an object using subjective judgments, big words or exaggerations without presenting specific facts—is considered a legal advertising practice, many question its ethics (Chukwuma and Hilary 2022). Unethical advertising practices have caused many consumers to be highly sceptical and even disdainful of advertising in general, which raises questions about the effectiveness of advertising in influencing purchases. This situation has spurred calls for more ethical practices. Under such circumstances, many scholars believe that *halal* or Islamic advertising, which is based on principles sourced from the Qur'an and Sunna (the sayings, teachings and lifestyle of the Prophet Muhammad), has the potential to curb contemporary advertising malpractices and counter unethical advertising internationally (Shafiq et al. 2016).

Islam is considered the fastest-growing religion in the world with over 2 billion adherents, making the Muslim population an attractive market segment for advertisers. The growth of the Muslim market has driven the demand for products and not just those confined to *halal* food and beverages. This market extends to tourism, media, entertainment as well as other service sectors such as logistics, finance and marketing, with many countries developing *halal* standards in these areas. For instance, these include the development of the PBD 24:2007 *halal* food standard in Brunei Darussalam and *halal* logistics standards in Malaysia, such as MS 2400-1:2019 (transportation), MS 2400-2:2019 (warehousing), MS 2400-3:2019 (retailing) and OIC/SMIIC 9:2019 (tourism services), among others. Despite these developments, *halal* advertising has not been discussed in any national advertising policy and there has been no attempt to develop comprehensive *halal* advertising standards (Aida and Sofiah 2015; Nur Hikmah and Rosmawati 2019). Ali Shafiq et al. (2016) argue that beliefs in relation to advertising practices from a Muslim consumer perspective are very different from those of others. Hence, a model for *halal* advertising practices is necessary when targeting Muslim consumers.

Islamic values are highly regarded in Brunei and *syariah* law has a central role in governing all commercial activities, including the media and advertising (Muhammad Talha et al. 2018). Brunei's ongoing effort to achieve its vision of becoming a *halal* industry hub regionally and internationally warrants the need for a comprehensive *halal* ecosystem, one supported by *halal* advertising (*Borneo Bulletin* 2024). Against this background, this study explores the extent to which Brunei's Code of Practice for Advertising adheres to *halal* advertising principles (AGC 2000). Furthermore, this study attempts to uncover *halal* advertising from the perspective of Muslim consumers in Brunei and its influence on their purchase intention. The findings offer valuable insights for advertisers and policymakers to understand and appreciate the centrality of Islam and rethink advertising practices to attract and serve Muslim consumers.

8.2 Literature Review

8.2.1 Criticisms of Advertising

Contemporary advertising is widely regarded as being highly manipulative and aiming to deceive customers (Shafiq et al. 2017). Deceptive advertising may take many forms, which include using false or misleading information on product packaging, omitting certain product information, and overstating or misstating a product's feature or performance (Saeed et al. 2001). By appealing to the impulsive or less cautious customer, such deceptive advertising leads to misunderstandings of items and ultimately eases consumer buying patterns (Xie et al. 2015). It is further reported that such advertising has resulted in social ills such as encouraging materialism, impulsive spending and false values, among others (Fullerton et al. 2013; Shafiq et al. 2016). Contemporary advertising is also criticised for using fear, guilt, worry, inferiority, sadness and insufficiency, which target the psyche of consumers (Shafiq et al. 2016). For instance, the glorification of certain body shapes and skin colour may lead to dissatisfaction with a person's own body and self-image which could in turn result in heavy spending on products to achieve the same ideal appearance, hence increasing the risk of depression, unfulfilled behaviour and other health hazards (Kumar 2012). Furthermore, using women's sexualised body images and sex appeal in advertising to sell products is a real problem and damaging to women in the real world (Md. Mahmudul et al. 2019). Additionally, in some cases advertising is found to be inappropriate, offensive and in poor taste with racist overtones (Christy 2006). Misleading advertising, information manipulation, deception and overclaiming are grounds for breaching consumer rights. Consumer rights, according to *syariah* law, not only emphasise the right to get quality goods or services (*halalan–tayyiban*) but also the right to obtain accurate information about them (Nur Hikmah and Rosmawati 2019). This would produce knowledgeable consumers who can make sound decisions to spend their wealth and secure their interests in commercial transactions (Khan 2011). Criticisms of contemporary advertising that can lead to consumer rights violations warrant a more ethical practice, prompting the call for more research in the area of *halal* advertising.

8.2.2 *Halal* Advertising and Its Characteristics

There is no generally accepted definition of *halal* advertising, with many authors using it interchangeably with the term Islamic advertising (Azmin Azliza et al. 2019; Md. Obaydul et al. 2020). While advertising in general refers to a form of paid communication about products or ideas that use media to inform, persuade or influence the behaviour of the target audience, *halal* advertising refers to advertising that adheres to the principles of Islam as outlined in the Qur'an and the Sunna, irrespective of the producer, the audience or the religious orientation (Asemah 2012; Shafiq 2018). *Halal* advertising places the pleasure of Allah as the ultimate core goal before profit-making. Nur Hikmah Yahya and Rosmawati Mohamad Rasit (2019) assert the role of *halal* advertising in increasing consumers' knowledge about a product through fair and responsible advertising practices that preserve Muslim consumer rights.

A review of the literature reveals several studies that offer ethical guidelines or standards of *halal* advertising decoded from Islamic sources such as the Qur'an and Sunna (Table 8.1). By synthesising the studies, it can be concluded that *halal* advertising encompasses six main criteria.

1. *Honesty* (precise, credible, truthful, non-deceptive, no false promises, no false assertion, fairness). The Qur'an declares 'when you speak, speak with justice' (Surah Al-An'am 6:152) (Shafiq et al. 2017). Exaggerating a product's features is forbidden in Islam since it is considered unfair and deceptive (Abuznaid 2012; Shafiq et al. 2017; Begum 2021). Mohammad Saeed et al. (2001) further claim that praising items is permissible if the customer is informed of the product's quality. According to Islamic teachings, the seller is required to disclose to the purchaser any known and available details about defects that are not immediately apparent or detectable through a superficial or quick inspection (Ghani and Ahmad 2015).
2. *Non-sexist* (avoiding nudity, not using women to gesture sexual appeal, protecting the modesty of women). Islam places great emphasis on respect for women. The use of women would only be accepted to appear in advertisements when it is needed appropriately. Even then, women should be portrayed in a dignified manner and not be used to show body parts in order to lure an audience (Abuznaid 2012). As stated in Surah An-Nur 24:31, 'And say to the believing women, that they should lower their gaze and guard their modesty; that they should not display their beauty and ornaments except what (ordinarily) appear thereof; that they should draw their veils over their bosoms and not display their beauty except to their husbands their fathers, their husbands' fathers, their sons, their husbands' sons, their brothers or their brothers' sons or their sister's sons, or their women, or the slaves whom their right hands possess, or male attendants free of sexual desires, or small children who have no carnal knowledge of women'.
3. *Non-racist*. Advertisements should not discriminate against any race or bear insulting statements demeaning any particular race, shade or gender (Shafiq et al. 2017). This is clearly stated in the Prophet Muhammad's farewell sermon: 'O people, your Lord is one and your father Adam is one. There is no favour of an

Table 8.1 Review of ethical guidelines of *halal* advertising from Islamic sources

Author(s)	*Halal* advertising	
Eesha Ghani and Basheer Ahmad (2015); Salwani Arbak et al. (2019)	Honesty	Avoid all types of false claims, groundless allegations, fabrication, fake testimonies, overpromising, concealing information
	No racism	Not disrespect people based on race, language or religion
	No sexism	Not depict women as sexual toys or victims of aggression, supremacy and unfairness between genders
	Good intention	Inform people about the product, its attributes or any aspect people do not know about and give them information they need and are unaware of
	Use of proper language	Make use of polite, gentle and direct language
Ali Shafiq et al. (2017)	Ethical	Be truthful and not involved in any deception or exaggeration, the product advertised should be fair, free from all defects and not harmful; even the rights of competitors should be observed
	Credible	Be believable, reliable, truthful and trustworthy
	Non-deceptive	Be clear, straightforward and without any hidden conditions; the products advertised should be the same as the actual product
	Simplicity	Be simple, decent and humble; prevent wastefulness and overspending
	Humane	Depict humane conduct towards fellow human beings, animals and the environment; promote the moral, economic and social welfare of the community

(continued)

Table 8.1 (continued)

Author(s)	*Halal* advertising	
Aida Mokhtar (2016)	Advertise truthfully	Include product information that is relevant, clear, crucial and trusted for Muslim consumers to make informed purchasing decisions
	Advertise with knowledge	Communicate with knowledge and be substantiated and not based on presumptions, superstitions or traditions of forefathers
	Advertise in a straightforward manner	Be reasonable and straightforward
	Advertise fairly	Disclose all information on products to prospective customers so they are not deceived in any way
	Advertise mildly	Be mild or kindly
	Protect the modesty of women in advertisements	Do not use women as sex objects or use sex appeal to attract a target audience
Ali Shafiq et al. (2016)	To not propagate wasteful practices or overspending	Do not encourage materialism and overspending; do not make deviant behaviour the norm and stimulate unhealthy habits and unwanted character in children
	To not use women to gesture sexual appeal	Do not use women or sensually or show body parts to signal sexual appeal to lure the audience
	Honest and free from deception	Be fair, which means disclosing faults and defects
	No false assertion	Do not include unproved accusations, concoctions, made-up testimonials and exaggerations
	No false promises	Do not contain any false promises which are not intended to be delivered
Mohammad Ekramol Islam and Mohammad Zahedul Alam (2013)	Precise statement	Never promise more than can be delivered
	Transparent	Provide accurate information regarding products or services

(continued)

Table 8.1 (continued)

Author(s)	*Halal* advertising	
	Do not use prohibited elements as a promotional tool	Not appropriate to advertise products like tobacco, alcohol, wine, gambling, etc.
	Avoid nudity	Portrayal of women as decorative objects or sexually provocative figures is prohibited
	Persuasive	Do not exploit consumers and persuade them to buy things they do not need

Arab over a foreigner, nor a foreigner over an Arab, and neither white skin over black skin nor black skin over white skin, except by righteousness. Have I not delivered the message?'

4. *Humane* (ethical). Advertisements should depict humane conduct towards fellow human beings, animals and the environment, and promote the moral, economic and social welfare of the community (Shafiq et al. 2017). Islam encourages kindness and compassion towards all living creatures as these virtues facilitate human understanding and reduce the chances of friction and conflict. This quality is particularly emphasised in the Qur'an: 'Keep to forgiveness and enjoin kindness, and turn away from the ignorant' (Surah Al-A'raf 7:199).
5. *Simplicity*. Islam promotes the practice of moderation in life. The essence of Islamic moderation is the realisation of fairness and moral excellence and the prevention of extremes and injustices which may or may not cause unnecessary difficulty or burden on the person or others (Mohd. Kamal 2015). This is mentioned in the Qur'an: 'Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes)' (Surah Al-Furqan 25:67). Pomp and show, superfluous and extravagant lifestyles are always disliked in Islam (Aida 2016).
6. *Use of proper language* (advertising mildly). Advertisements should use suitable language and avoid offensive words that could offend customers. They should not portray rudeness or slander nor state negative remarks about others (Ghani and Ahmad 2015; Shafiq et al. 2017). This is mentioned in the Qur'an: 'Speak to them respectful words' (Surah Al-Isra 17:23).

8.2.3 Halal Advertising and Consumer Purchase Intention

Larry Percy and John Rossiter's (2014) notion of 'buyer response' suggests a basic sequence that all marketing communications would undertake about the prospective buyer—exposure ➪ processing ➪ communication effects ➪ action. In essence, prospective buyers are typically exposed to two dimensions of the advertisement or communicated message—the manner and the matter. While the latter refers to what is being advertised, manner concerns how it is being advertised. In other words, one is the product that is being promoted, while the other is the execution of the advertisement. Taken together, they form the criteria on which advertisements are evaluated. The next processing step involves buyers' immediate emotional response to particular elements in the advertisement such as distaste, offence, attention or liking. This then leads to a long-lasting response in the form of positive communication effects—awareness of the brand with a positive attitude or negative effects or awareness of the brand with a negative attitude. Finally, these effects are manifested through actions such as purchasing the product or otherwise. Enrique Bonsón Ponte et al. (2015) find that customers' decisions to purchase a product or their intention to purchase a product are heavily influenced by the product's perceived value and recommendations provided by other consumers (Moriarty et al. 2015). However, offensive advertising can be detrimental to both products and brands. It is claimed that the feelings elicited by advertisements are frequently translated to brand-related outcomes such as attitude, trust and affect (Gilbert et al. 2021). Any negative judgments made by an offensive company therefore would eventually result in negative responses such as ignoring the message, not purchasing the product or service, actively boycotting the company and spreading negative worth of mouth (An and Kim 2006). Eesha Ghani and Basheer Ahmad (2015) argue that the use of Islamic principles in advertising could benefit consumers' ethical perceptions towards the product, creating more trust as well as reducing uncertainty towards purchasing intention.

8.3 Methodology

This study employs a number of complementary methods of research. First, there is desk research to explore the extent to which the advertising code of practice in Brunei adheres to the principles of *halal* advertising. Since the primary objective of *halal* advertising is to protect consumers' rights, a review of Brunei's laws relevant to consumer protection is presented (Nur Hikmah and Rosmawati 2019). A total of 52 laws under product safety and labelling, telephone and internet services and e-commerce, consumer credit and banking, environmental quality and services, health and health care services, and professional services were identified, among others. Search terms included 'advertisement', 'advertising', 'advertised', 'information' and 'label'. The relevance of the documents was evaluated by reading their titles and content, from which six were accepted and 46 were rejected as they were not related to the study (Fig. 8.1).

Second, the study makes use of a quantitative approach to investigate the factors that constitute *halal* advertising from the perspective of Muslim consumers and the extent to which they influence purchase intention. One hundred and eighty questionnaire responses were collected. An instrument which employed two scales was developed and evaluated before performing the actual survey. The first scale lists elements of *halal* advertising which feature six independent variables: honesty, racism, sexism

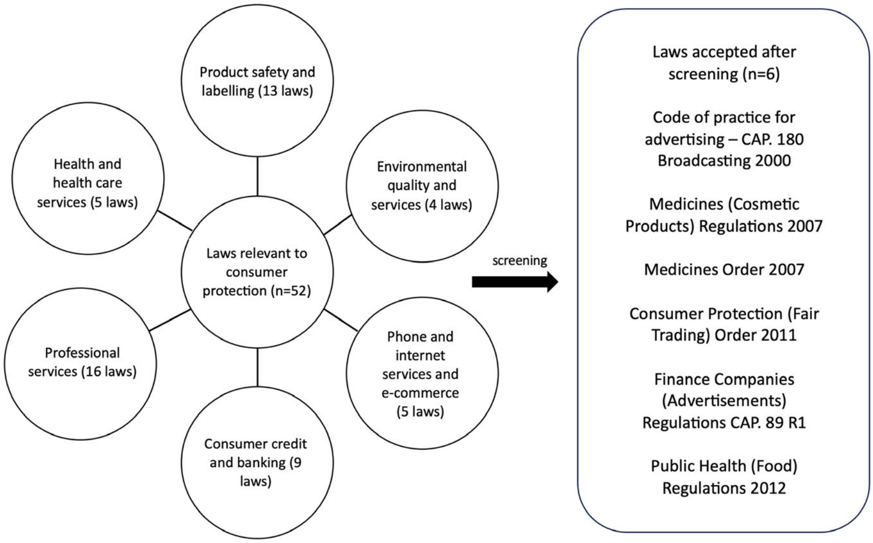

Fig. 8.1 Laws included in the study after screening

and language as adapted from studies by Salwani Arbak et al. (2019) and Ghani and Ahmad (2015), while simplicity and humane were included based on the literature (Shafiq et al. 2017). The second scale lists the impact of each variable on purchase intention as adapted from Ghani and Ahmad (2015), Gerard Prendergast and Huang Chia Hwa (2003) and Prendergast et al. (2002). All the questions were graded on a five-point Likert scale: (1) strongly disagree; (2) disagree; (3) neither agree nor disagree; (4) agree; and (5) strongly agree (Table 8.2).

8.4 Findings and Discussion

8.4.1 Code of Practice for Advertising

Advertising practices in Brunei are strictly regulated by the government. The country's Code of Practice for Advertising (CAP. 180 Broadcasting 2000 Ed.) confirms that 'all advertisements should be legal, decent and truthful'. It emphasises that 'any advertisement which is against public interest, national harmony or is offensive or against public decency should not be broadcast' (AGC 2000). In addition to the Code of Practice for Advertising, regulations can also be found in other pieces of legislation such as the Medicines (Cosmetic Products) Regulation 2007, Medicines Order 2007, Consumer Protection (Fair Trading) Order 2011, Finance Companies (Advertisements) Regulations (CAP. 89, R1) 2003 and Public Health (Food) Regulations 2001. The objective of advertising regulations is not only to

Table 8.2 Items used in the questionnaire

Variable	Original Items	
Honesty	• Advert uses false testimonial • Difference between the actual product and product shown in advert • Advert shows an exaggerated version of product • Advert is made with complete honesty and does not have any untrue content • Advert honestly shows the qualities as well as faults of product	Adapted from Salwani et al. (2019) and Ghani and Ahmad (2015)
Racism	• Advert makes fun of any religious or ethnic group • Advert degrades any religious or ethnic group • Advert makes fun of your religious or ethnic group • Advert degrades your religious or ethnic group • Advert makes fun of anyone's weaknesses	Adapted from Salwani et al. (2019) and Ghani and Ahmad (2015)
Sexism	• Advert exploits men or women by using them as a means of attraction • Advert uses men or women as an object • Advert does not show men or women in a demeaning situation	Adapted from Salwani et al. (2019) and Ghani and Ahmad (2015)
Humane	• Advert depicts humane conduct towards fellow human beings, animals and the environment • Advert promotes the moral, economic and social welfare of the community	Adapted from Shafiq et al. (2017)
Simplicity	• Advert is simple, decent and humble • Advert prevents wastefulness and overspending • Advert does not encourage materialism and overspending	Adapted from Shafiq et al. (2017)
Language	• Advert uses indecent language • Advert uses rude language • Advert uses abusive language • Advert uses decent and polite language	Adopted from Salwani et al. (2019) and Ghani and Ahmad (2015)

(continued)

Table 8.2 (continued)

Variable	Original Items	
Purchase Intention	• If a new product is introduced with adverts that I find dishonest I might still buy the product if it offers me benefits that I find attractive • If the product or service that I use adopts an advertisement campaign that I find dishonest I will discontinue using it • Even though I may see an advert that is dishonest for one product I would continue to purchase other products that I have been using from the same brand • When two companies offer the same products with similar benefits I will not buy from the one using an advert that I find dishonest • If the product or service that I use adopts an advertisement campaign that is provoking anyone's weaknesses or degrading religion I might still buy the product if it offers me benefits that I find attractive • If the product or service that I use adopts an advertisement campaign that provokes racism or other cultures and religions I will discontinue using it • Even though I may see an advert that provokes racism or other cultures and religions that are associated with the product I would keep buying other things from the same brand • When two companies offer the same products with similar benefits I will not buy from the one using an advertisement that I find provoking someone or religious anything that relates to racism • If a new product is introduced with adverts that use men or women as a source of attraction I might still buy the product if it offers me benefits that I find attractive • If the product or service that I use adopts an advertisement campaign that insults men or women in the advert I will discontinue using it • Even though I may see an advert that is offensive where men and women are used as objects I would continue to purchase other products that I have been using from the same company • When two companies offer the same products with similar benefits I will not buy from the one using an advert that I find abusing gender equality • If a new product is introduced with adverts that I find false and misleading language I might still buy the product if it offers me benefits that I find attractive • If the product or service that I use adopts an advertisement campaign that I find using offensive language I will discontinue using it • Even though I may see an advert that uses abusive language I would continue to purchase other products that I have been using from the same company • When two companies offer the same products with similar benefits, I will not buy from the one using an advert that I find using indecent language	Adapted from Ghani and Ahmad (2015), Prendergast and Hwa (2003) and Prendergast et al. (2002)

protect the interest of consumers but also to preserve the interests of the nation and general public from adverse influences and problematic morals. A review of the regulations as documented shows that the Code of Practice does adhere to all six characteristics of *halal* advertising. In addition, the element of honesty is found in other regulations relating to medicines, finance and public health (Table 8.3).

In addition, a review of the documents identified the agencies responsible for facilitating and regulating advertising activities in the country (Table 8.4).

8.4.2 *Halal* Advertising from the Perspective of Consumers and Its Influence on Purchase Intention

A descriptive analysis was performed on the respondents' profiles. The study consisted of 60.3% male and 39.7% female respondents. Most were aged from 18 to 29 years old (85.5%) while the others were from 30 to 39 years (12.3%), 40 to 49 years (1.1%), and 50 to 59 years (1.1%). Almost half (49.7%) the respondents were students while 43% were in employment. Most respondents (63.1%) agree that advertising is important in influencing their purchase intention while 30.7% state sometimes and 6.1% state that it is not important.

Before conducting further analysis, scores for all 'negatively phrased' items were reversed to ensure that all variables were consistent. Cronbach's alpha was then analysed to test the reliability of the scales, and both scales have Cronbach's alpha above 0.7 which indicates high internal consistency. Joseph F. Hair et al. (2010) deem 0.7 to be the lower limit of acceptability (Table 8.5).

8.4.3 *Main Analysis*

To examine *halal* advertising from the perspective of Muslim consumers in Brunei, the mean score of each advertising variable was calculated. The results in Table 8.6 indicated that honesty was ranked highest with a mean score of 4.33 followed by sexism with a mean score of 4.12 while racism has the lowest mean score of 1.98. The findings emphasise the importance of honesty and sexism (not using sex appeal) in *halal* advertisements, which confirms studies by Salwani et al. (2019) and Shafiq et al. (2017).

The study further examined the extent to which *halal* advertising has impacted on consumers' purchase intention. To address this, the six independent variables were regressed against the dependent variable of purchase intention. As shown in Table 8.7, all the variables are not statistically significant with P value >0.05 except for language. This suggests that language with a P value of 0.024 plays a significant role in influencing purchase intention.

Table 8.3 Laws dealing with elements of *halal* advertising

Criteria	Laws	Extracts
Honesty	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	5. a) Advertisements should not contain claims or comparisons which are misleading directly or otherwise, or highly exaggerated.
	Consumer Protection (Fair Trading) Order 2011	4. It is an unfair practice for a supplier, in relation to a consumer transaction — (a) to do or say anything, or omit to do or say anything, if as a result a consumer might reasonably be deceived or misled; (b) to make a false claim; (c) To take advantage of a consumer if the supplier knows or ought reasonably to know that the consumer— (i) is not in a position to protect his own interests; or (ii) is not reasonably able to understand the character, nature, language or effect of the transaction.
	Medicines (Cosmetic Products) Regulation 2007	11. No person shall advertise any cosmetic product or cause any cosmetic product to be advertised— (b) with any claim which is likely to create an erroneous impression regarding the formulation, composition, quality or safety of the cosmetic product.
	Public Health (Food) Regulations 2001	14. (1) No written, pictorial or other descriptive matter appearing on or attached to, or supplied or displayed with any food shall include any false or misleading statement, word, brand, picture, or mark purporting to indicate the nature, stability, quantity, strength, purity, composition, weight, origin, age, effects, or proportion of the food or any ingredients thereof.
	Finance Companies (Advertisements) Regulations (CAP. 89, R1) 2003	6. No advertisement shall contain anything which suggests or is calculated to suggest— (c) any attribute to which the finance company cannot genuinely lay proper claim.

(continued)

Table 8.3 (continued)

Criteria	Laws	Extracts
	Medicines Order 2007	46. Labelling and marking of containers and packages (4) … no person shall sell or supply any medicinal product in a container or package which is labelled or marked in such a way that the container or package— (a) falsely describes that product; or (b) is likely to mislead as to the nature or quality of that product or as to the uses or effects of medicinal products of that description 47. Leaflets (3) … no person shall supply with any medical product, or have in his possession to so supply, a leaflet which— (a) falsely describes that product; or (b) is likely to mislead as to the nature or quality of that product … 52. False or misleading advertisement and representations (1) … any person who issues or causes another person to issue a false or misleading advertisement relating to medicinal products of any description is guilty of an offence.
Racism	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	6. (e) Programmes with portray and/or promote discrimination against people on account of their handicap (physical or mental), old age, low income or status, race, nationality, colour or religion should be avoided.
Sexism	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	3. Moral standards/social behaviour (b) Suggestive or revealing sexual scenes and sexual innuendoes in advertisements should be avoided. 9. Sex (a) All programmes portraying either graphically or verbally implicit or explicit sexual scenes should be avoided altogether. 10. Nudity (a) Programmes portraying nudity or offensive words that are meant to arouse their viewers or listeners should not be broadcast.

(continued)

Table 8.3 (continued)

Criteria	Laws	Extracts
Humane	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	3. Moral standards/social behaviour (a) Advertisements should not portray or condone undesirable or immoral values. 4. Children and advertising (a) Advertisements should not introduce values infringing the concept of respect between children and adults (e.g. disrespectful or disobedient to adults).
Simplicity	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	3. Moral standards/social behaviour (c) Advertisements should not promote materialistic values
Use of proper language	Code of Practice for Advertising (CAP. 180 Broadcasting 2000)	15. Language (c) Words which are offensive, unsuitable, immodest, etc., (whether directly or otherwise) and which may offend any parties are prohibited. 4. Children and advertising b) Advertisements primarily targeted at children, or placed in programmes likely to be seen by children, should not contain visuals or words which may result in physical, emotional or moral harm.

Table 8.4 Agencies responsible for facilitating and regulating advertising activities

Agencies	Roles and responsibilities
Autoriti Kawalan Bangunan dan Industri Pembinaan (ABCi, Authority for Building Control and Construction Industry)	Regulating content for billboards, signboards, banners and advertisements; applications undergo a thorough inspection by ABCi and other relevant government agencies before approvals are given.
Content Advisory Council	Regulating content on radio, television and the internet to ensure that they are in line with the clauses set under the Broadcasting Act (CAP. 180) through cooperation between various agencies
Ministry of Health	Regulating the promotion of the sale of medicinal products and false medical advertising
Prime Minister's Office (PMO), Ministry of Communications, Royal Brunei Police Force	Regulating broadcasting matters that are not in compliance with the broadcasting and internet codes
Royal Brunei Police Force (RBPF)	Regulating the distribution of advertisements containing obscene articles

Table 8.5 Reliability analysis

Variable	Cronbach alpha item
Honesty	0.942
Racism	0.942
Sexism	0.868
Humane	0.787
Simplicity	0.776
Language	0.827
Purchase Intention	0.778

Table 8.6 Summary of descriptive statistics of the variables

Variable	N	Mean	Standard deviation
Honesty	180	4.33	1.068
Racism	180	1.98	0.958
Sexism	180	4.12	1.254
Humane	180	3.28	0.943
Simplicity	180	3.12	0.883
Language	180	2.09	0.923

Table 8.7 Multiple regression analysis

Regression weight	Standardised beta coefficient	R^2	R^2 adjusted	P value (coefficient table)	P value (ANOVA table)
Honesty and purchase intention	0.50	.101	.075	.581	.002
Racism and purchase intention	0.132			.178	
Sexism and purchase intention	0.029			.755	
Humane and purchase intention	–.109			.220	
Simplicity and purchase intention	0.132			.178	
Language and purchase intention	0.205			.024	

In general, the findings reveal that Muslim consumers are more likely to be offended if inappropriate or indecent language is used in an advertisement which then discourages their purchase intention. On the other hand, they appreciate advertisements that employ suitable and appropriate wording. This supports Ghani and Ahmad's (2015) findings which state that advertising from an Islamic point of view should avoid the use of impolite language, defamation and negative remarks. Similarly, this supports Kim Shyan Fam and David S. Waller's (2003) study which demonstrates indecent language to be the most offensive advertising variable among people in Taiwan and China. In the context of Brunei, this finding may be explained by the following two reasons.

First, guided by the national philosophy of *Melayu Islam Beraja* (Malay Islamic monarchy), Brunei is rich in Malay values. Similar to other nations in the Malay world, a key element in social interaction among Bruneians is the idea of good manners and respectful humility (*awar galat*), in which communication is formal and respectful, especially to those senior in age or position (Asiyah et al. 2017). As a collectivist nation which prioritises group harmony, communication style tends to avoid embarrassing someone or causing either party to lose face. Hence, the use of improper words in advertising can cause embarrassment and is widely frowned upon.

Second, as a Muslim country, Brunei upholds Islamic values as a way of life, emphasising behaviour and actions prescribed in Islam (Muhammad Hadi 2017). This includes the practice of politeness, courtesy and discipline in any activity such as communication and behaviour towards other people. Speaking in a gentle voice to be polite is a trait that resonates with the teachings of Islam. This was incorporated in one of the Friday sermons which highlights a verse from the Qur'an: 'O you who have believed, fear Allah and speak words of appropriate justice' (Surah Al-Ahzab 33:70). Another verse states: 'And indeed, you are of a great moral character' (Surah Al-Qalam 68:4). As such, politeness and proper use of language in advertisements are expected norms in the community.

Results from the study further indicate that honesty, racism, sexism, simplicity and humanity were not statistically significant in influencing the intention to purchase. Due to the limitations in the use of surveys in this research, the reasons for this finding cannot be clarified. However, it may be speculated that since Brunei's advertising landscape is highly regulated, respondents are less likely to be exposed to advertisements that do not adhere to the characteristics of *halal* advertising. In particular, it is a requirement for companies to submit an application for billboard, signboard, banner and advertisement to the Authority for Building Control and Construction Industry (ABCi) for content approval under the Building Control (Advertisement, Billboard and Signboard) Regulations 2016. The application, which includes a sketch or photograph showing the complete proposed wording, information and content to be featured, undergoes a thorough inspection by ABCi and other relevant government agencies before approval is given. Due to these strict regulations and procedures, respondents are less likely to be exposed to advertisements that are dishonest, racist, sexist, inhumane and portray materialistic values. Although online advertisements or leaflets do not require prior approval from the relevant agencies, they are subjected to constant monitoring by the Content Advisory Council (CAC) which oversees content distributed through the Internet or social media (AITI 2024). In addition, the public is encouraged to report any non-compliant advertisements through a consumer complaint hotline and the Pengguna Bijak mobile app (Wardi 2022).

Past studies on advertisements on social media indicate visual presentation (photographs and graphics) and copywriting (captions on posts) as salient features which may influence consumers' purchase intention (Nooraini et al. 2018; Braatz 2017). Lennart A. Braatz (2017) argues that though visual stimuli (photos) increase product liking, verbal stimuli (captions) are more likely to influence purchase intention. Hence, the element of language used in the captions plays a crucial role in influencing consumers' purchase intention, and captions that use polite, appropriate language are favoured. This confirms Nooraini Mohamad Sheriff et al.'s (2018) study which finds that respondents are more likely to take distinctive actions, such as product orders, signing up for a mailing list or referring a friend to their business and convincing the customer to make a purchase, when the online advertisements use polite and courteous language.

8.5 Conclusion

This study provides an understanding of Brunei's advertising Code of Practice in relation to the concept of *halal* advertising. It notes that the Code of Practice adheres to all six elements of *halal* advertising with a strict regulatory process in place. It can be concluded that Brunei is on track and ready to introduce *halal* advertising standards to support its effort to become a *halal* industry hub, both regionally and internationally. The study further reports that Muslim consumers perceive *halal* advertisements as those that are honest, simple and humane, use appropriate language and do not contain elements of sexism and racism, in which honesty and the absence of using sexual appeal are ranked as the two most important elements. Despite this, the study finds that only the element of language significantly influences purchase intention. This implies the superiority of verbal stimuli (captions) and the language used in advertisements when considering purchase intention. This offers practical advice for companies to employ polite and decent language in their advertisements when targeting Muslim consumers while adhering to the other elements of *halal* advertising. Nevertheless, the present study is bound by limitations and provides direction for future research, which should be dedicated to exploring the enablers and challenges of introducing a *halal* advertising standard. In addition, a study which involves all relevant stakeholders should be employed to get an in-depth understanding of *halal* advertising and its implementation.

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Chapter 9
Halal Tourism and the Global Muslim Travel Index (GMTI): A Comparative Study of Malaysia and Brunei Darussalam

Wardah Hakimah Sumardi, Sharina Osman, and Wardah Azimah Sumardi

Abstract *Halal* tourism has grown significantly over the past few decades in terms of the number of tourists and tourism receipts. This has prompted many countries, whether Muslim or not, to introduce tourism products related to the *halal* concept. Unsurprisingly, *halal* tourism is predominant in Muslim-majority countries. Malaysia and Brunei Darussalam ranked in the top nine destinations in 2024 based on the four key areas of the Global Muslim Travel Index (GMTI)—ease of access to the destination; communication, internal and external, by the destination; environment at the destination; and services provided by the destination. Using document analysis, this study aims to explore *halal* tourism in Malaysia and Brunei based on these four GMTI criteria. The findings suggest that Muslim-friendly facilities coupled with a conducive environment and government-backed policies and initiatives in facilitating access and promotion have strengthened Malaysia's position as the leader in the *halal* tourism industry. As a country underpinned by the notion of *Melayu Islam Beraja* (Malay Islamic monarchy), Brunei is in a unique position to promote *syariah*-compliant Islamic heritage tourism products that are attractive to observant Muslim families and others. However, more effort is needed to increase its promotion and accessibility, which in turn requires better coordination and cooperation of key players in the tourism industry. The findings offer practical advice for tour operators or destination marketers in developing their tourism services or sectors to attract Muslim tourists.

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9.1 Introduction

Halal tourism is a global trend that is growing significantly across the world. It is reported that the total number of Muslim international arrivals reached 160 million in 2019, before the onset of the COVID-19 pandemic, and then recovered to reach 145 million in 2023, constituting 90% of the 2019 figures. The figure for 2024 is estimated at 164–168 million arrivals, and this figure is projected to reach 230 million with an estimated expenditure of USD225 billion by 2028 (Mastercard-Crescent Rating 2024). With a growing Muslim market with more disposable income and access to travel information, the demand for travel-related goods and services that meet Muslims' needs has long been predicted to increase (Akhtar 2012). This has prompted many countries, whether Muslim or not, to introduce tourism products related to the *halal* concept or Islamic orientation. Unsurprisingly, *halal* tourism is predominant in Muslim-majority countries. Malaysia and Brunei Darussalam ranked in the top nine destinations in 2024 based on the four key areas of the Global Muslim Travel Index (GMTI). This can be attributed to several reasons: these countries have an excellent knowledge of Islam and more understanding of Muslim consumers' needs (Kian et al. 2020); they have a clear advantage for Muslim-friendly facilities and services (OIC 2024); and the spread of Islamophobia, especially in Western countries, has prompted more Muslim tourists to seek alternative destinations where they can travel without harassment (Stephenson and Ali 2010).

Despite the growth in *halal* tourism, it is still a relatively new concept in both tourism theory and practice, a situation that calls for more understanding of its main characteristics and implementation (Ahmed and Akbaba 2020). To add to this, there is still a lack of references and standards regarding the implementation of *halal* tourism even in Muslim-majority countries (Junaidi 2020). Mastercard-CrescentRating, a global agency that has studied the *halal* market for over a decade, undertook the initiative to develop the Global Muslim Travel Index (GMTI). The GMTI offers a guided framework to enable destinations to better understand the key aspects of *halal* travel and the *halal* tourism ecosystem featuring four broad indicators—ease of access to the destination; communication, internal and external, by the destination; environment at the destination; and services provided by the destination. Using these four indicators, this chapter explores *halal* tourism in two Muslim-majority countries in Southeast Asia: Malaysia and Brunei. A comparative review of their *halal* tourism initiatives and developments provides valuable insights which can benefit tour operators or destination marketers in developing their tourism services or sectors to attract Muslim tourists.

9.2 *Halal* Tourism

The definition of *halal* tourism is still unclear, with many authors using it interchangeably with various terms such as Islamic tourism, *halal*-friendly travel destinations, *halal* travel, Islamic travel destinations and *halal* lifestyle (Abdullah et al. 2020). According to Behnam Kian et al. (2020), Islamic or *halal* tourism represents one of the new ethical dimensions in the tourism industry, which partially means religious tourism. It includes visiting Islamic holy places, Islamic cultural heritage and sacred religious sites throughout the Islamic world. Generally, it also consists of a type of tourism that respects Islamic values and laws as its priority. The concept of *halal* tourism is closely related to the idea of *halal* and *haram* in Islam and emphasises the need to adhere to the values and ethics of Islam (Abdullah et al. 2020). Rininta Nurrachmi (2019) suggests that *halal* tourism mainly targets people with Islamic beliefs; however, it is observed that non-Muslims are starting to show interest in *halal* tourism due to reasons such as fair pricing, peace and security, family-friendly environment and hygiene. Twenty years ago, Ala Al-Hamarneh and Christian Steiner (2004) characterised *halal* tourism as an economic, cultural and religious-conservative concept. In terms of economic dimensions, *halal* tourism enhances the economic potential of tourism activities among Muslims by creating new tourism product destinations. The cultural concept of *halal* tourism helps to preserve and conserve the heritage of Islamic products while creating new tourism products with the theme of Islamic features like Islamic theme tour packages. Lastly, the concept of religious-conservative is to understand Islam based on a conservative interpretation and understanding of Islam. Al-Hamarneh and Steiner further state that combining this conservative thinking with the contemporary tourism industry will trigger new tourism product choices.

Similar to conventional tourism, the major component of *halal* tourism includes hotels, restaurants, logistics, finance and travel packages. However, the offerings are designed, produced and presented to the market according to the *syariah* principle (Akyol and Kilinç 2014). Despite the growth in *halal* tourism, there is a lack of references and standards regarding the implementation of *halal* tourism even in Muslim-majority countries (Junaidi 2020). Nonetheless, several studies have been carried out to identify *halal* tourism measurement standards. For instance, Sureerat Chookaew et al. (2015: 741) suggest eight distinctive characteristics: 1) services that are compatible with the principles of Muslims; 2) guides and staff are trained on the principles of Islam; 3) activities adhere to Islamic principles; 4) buildings must conform to the principles of Islam; 5) restaurants must follow international standards of *halal* service; 6) transport services must have a security protection system; 7) places available for all Muslim travellers to perform religious activities; and 8) travel to places that do not go against the principles of Islam. Junaidi Junaidi (2020) further suggests the need for quality and certification of *halal* food, *halal* activities, prayer facilities and separate recreational facilities.

9.2.1 Mastercard-CrescentRating Global Muslim Travel Index

Mastercard-CrescentRating has studied the *halal* tourism market and benchmarked destinations with the annual GMTI since 2011. Despite the lack of a global standard for *halal* tourism, the GMTI assesses Muslim-friendly destinations all over the world based on the ACES 3.0 framework, established in 2017, which covers: ease of access to the destination; internal and external communication by the destination; the overall environment and setting of the destination; and the range of services provided by the destination to cater to the needs of Muslim travellers (Mastercard-Crescent Rating 2024).

- Access (constitutes 10% of the assessment weighting) is a key strategic area encompassing visa requirements, air connectivity and land access to a destination from the top 30 Muslim travel outbound markets. Transport infrastructure in terms of the quality of roads, train and air transportation services is another essential metric in determining the ease of accessing different tourist attractions in a destination.
- Communications criteria (20%) include language proficiency in destinations based on the languages used by travellers from the top 30 Muslim travel outbound markets. Stakeholder awareness of the Muslim travel market is another essential criterion, which looks at awareness programmes conducted in the destination through conferences, workshops, seminars and other educational activities related to *halal* food, *halal* travel, Muslim consumers and so on. The efforts in destination marketing targeted at Muslim travellers are the other set of metrics used in this category. They include the availability of Muslim visitor guides, media mentions and social media promotion.
- The environment (30%) is crucial in facilitating worry-free travel within the destination. The sub-criteria in this category include whether Muslim travellers have a safe space to enjoy their stay free from faith and dress code restrictions. In addition to general safety, the level of hate crimes is considered to ascertain the safety level from the perspective of a Muslim traveller. The number of Muslim arrivals is also considered since it is among the most significant indicators of the popularity of a destination among Muslims. The 'enabling climate' considers the innovation potential a destination has to evaluate its ability to keep track and cater quickly to the current trends. Sustainability, on the other hand, measures destinations' efforts to eliminate plastic waste and reduce their carbon footprint.
- Services to Muslim travellers (40%) are the most vital criteria in the index. To attract and sustain the growth of Muslim travellers, facilities have to cater to the faith-based needs of Muslim travellers at all key touchpoints, including *halal* dining facilities and prayer places. In addition, destinations are measured based on their ability to offer unique experiences, such as world heritage sites and places of significance that showcase local Islamic history, heritage and culture.

9.3 *Halal* Tourism in Malaysia and Brunei: Overview

Islam is the most widely practised religion in Southeast Asia, with approximately 240 million adherents and majorities in Brunei, Indonesia and Malaysia (Aljunied 2019). *Halal* tourism in Southeast Asia has developed rapidly over the past decade after numerous efforts, continuous improvement and extensive promotions. In Malaysia, the initiatives started in 2009 with the establishment of the Islamic Tourism Centre which helps build an enabling environment for Muslim-friendly tourism in Malaysia through education, research, training, capacity building, standards and certification, and branding (Tourism Malaysia 2021b). Brunei followed suit in 2011 by launching its first Islamic Tourism and Exhibition and several initiatives themed 'Brunei Darussalam: Tracing the Beauty of Islam'. The initiatives focused on promoting places of historical or religious significance in the country as well as promoting the sultanate's Islamic way of life as exemplified through the *Melayu Islam Beraja* (Malay Islamic monarchy) philosophy and '*negara zikir*' (nation devoted to God) concept (*Brunei* Times 2011). In 2024 the GMTI reported Malaysia as the leading *halal* destination since 2015 with an overall score of 76 whereas Brunei with a score of 66 was ranked at number nine (Mastercard-CrescentRating 2024). As shown in Table 9.1, Malaysia scores higher in almost all criteria. Despite having the potential to be a top destination for *halal* tourism, Brunei is lagging in areas which include the overall access criteria, destination marketing, stakeholder awareness, visitor arrival and *halal* accommodation. It is thus important to examine the *halal* tourism initiatives and developments in both countries to identify the strengths and limitations of their *halal* tourism sectors and offer suggestions for improvement.

9.4 Methodology

This research adopts a qualitative approach to explore and compare the *halal* tourism initiatives and developments in Malaysia and Brunei based on the GMTI criteria. A document analysis was adopted by selecting pertinent documents, newspapers, reports, books and other related resources. The documents were then analysed and information is organised into four themes of the CrescentRating ACES model's set of factors which includes ease of access to the destination, internal and external communication by the destination, environment at the destination and services provided by the destination.

Table 9.1 Malaysia and Brunei Darussalam: Global Muslim Travel Index results, 2024

	Malaysia	Brunei Darussalam
GMTI		
Rank	1	9
Score	76	66
Access (10%)		
Connectivity	55	21
Visa requirements	89	67
Transport infrastructure	74	66
Communication (10%)		
Communication proficiency	71	53
Destination marketing	63	7
Stakeholder awareness	63	32
Environment (30%)		
General safety	92	92
Faith restrictions	100	100
Sustainability	44	43
Accessibility	69	69
Visitor arrivals	49	41
Services (40%)		
Halal dining	95	90
Prayer places	100	100
Airport	100	100
Heritage and experiences	9	10
Accommodation	73	51

Source Mastercard-Crescent Rating (2024: 68, 70)

9.5 *Halal* Tourism in Malaysia

The emergence of *halal* tourism or Islamic tourism worldwide has triggered Malaysia to develop more strategies and plans to provide sufficient products and facilities to Muslim tourists. Malaysia is a multiracial country of 33.9 million people, with Muslims constituting about 63.5% of the population (US Department of State 2022). According to the Federal Constitution promulgated in 1957, Islam is the official religion of the country and Islamic principles are implemented at various levels of government (AGC 2020). Many sectors and institutions in Malaysia have incorporated Islamic principles into their plans because Islamic branding influences marketing, which always has a positive impact. As a result, the tourism industry anticipates the development of the tourism industry with *syariah*-compliant services.

The establishment of the ITC in 2009 under the Ministry of Tourism, Arts and Culture (MOTAC) demonstrates the Malaysian government's seriousness in building its capacity in *halal* tourism to serve the needs of Muslim visitors better. The centre was established to promote tourism within the Muslim world, develop new tourist destinations and strengthen government cooperation in Muslim countries. Many programmes and initiatives have been organised through the ITC to standardise industry best practices through research, seminars, workshops and industry outreach programmes, assisting Malaysia in establishing its credibility in the world of *halal* tourism. The ITC received the Strategic Business Alliance Award at the BrandLaureate World Halal Best Brand E-Branding Awards in 2021. It is a recognition of the ITC's efforts in formulating new strategies to meet the new normal of the business environment to ensure continuity and sustainability, despite its role in developing and growing Malaysia's *halal* tourism segment (ITC 2021a).

The *State of the global Islamic economy report 2023/24* named Malaysia the top country in the region for Muslim-friendly tourism and hospitality (DinarStandard 2024). These awards motivate ITC to continue to be the first mover and leading institution in ensuring Malaysia is at the forefront of Muslim-friendly tourism and hospitality. As a result, the number of tourists visiting Malaysia has increased year after year, and the development of *halal* tourism packages in Malaysia that are beneficial to tourists has become an important source of revenue for the country's economy and development. According to Tourism Malaysia, before the onset of the COVID-19 pandemic the country received 5.32 million Muslim tourist arrivals in 2019, totalling up to RM16.72 billion, and these figures have by and large recovered in 2023 and 2024 (Tourism Malaysia 2021a; ITC 2024). Malaysia has everything a Muslim tourist destination needs, including an abundance of *halal* food, prayer and washing facilities, family-friendly entertainment and Muslim-friendly services as well as Islamic attractions and tourism products. These features cater to Muslim visitors' needs and allow non-Muslim visitors to enjoy Malaysia's attractions. Recognising the enormous potential of *halal* tourism under the Muslim-friendly tourism and hospitality concept, Malaysia continues to increase its efforts to gain more market shares through infrastructure and facilities, training, capacity building, standards, certification and promotion by tourism boards. This section provides an overview of Malaysian *halal* tourism initiatives and developments as per the CrescentRating ACES model criteria.

9.5.1 Access

Malaysia is accessible to travellers by air, rail and road as the country consists of a long peninsula extending from Thailand to Singapore and part of the island of Borneo. The main gateway, Kuala Lumpur International Airport (KLIA), is one of Southeast Asia's major aviation hubs and there are seven other international airports. The airport possesses world-standard facilities with two terminals; Terminal 2 is designed to attract more low-cost carriers by providing lower landing fees than Terminal 1. From KLIA, tourists can take airport taxis, bus services or the express rail link to the city or the next destination of choice (Malaysia Airports 2018; KLCC 2023). Malaysia's road network is extensive. Public transport for interstate or intercity travel is convenient and at a reasonable price. Major cities are connected by air routes and a good network of bus and train routes. The most popular urban transportation is the light rail transit, monorail, private vehicles and taxis. The GMTI score for connectivity is 55 and transport infrastructure is 74, and demonstrate that these elements influence tourist decisions to visit Malaysia.

Nationals of most European countries, the United States, Canada, Australia, New Zealand, Japan and other countries are granted visa-free entry on arrival for a stay of up to 90 days. However, some countries such as Russia and its neighbours as well as African and South American countries are usually granted shorter stays of 30 days. A visa is required for long-stay and long-duration multiple-entry visits which can be applied for electronically or at a Malaysian embassy or consulate in the home country. Citizens of Israel can only enter Malaysia with written permission from the Ministry of Home Affairs. The requirements and rules for applying for a visa vary depending on the country of origin (Government of Malaysia 2024).

9.5.2 Communication

Bahasa Malaysia (Malay) is the official language of the country, used nationwide and is the main language of instruction in national schools and government correspondence. The second official language is English. Malaysia ranked 25th out of 113 countries in the EF English Proficiency Index 2023, with high English proficiency (Education First 2023). Although English is widely spoken in major cities such as Kuala Lumpur, Johor Bahru and Penang, this is not the case in rural areas. Tourists would have no problems because road signs, food labels, menus and so on are all in English. As a multiethnic society, many people in Malaysia speak other languages such as Mandarin, Tamil and other indigenous or ethnic dialects.

Malaysia has a GMTI score of 63 for destination marketing. Tourism Malaysia is the government body reporting to the Ministry of Tourism, Arts and Culture responsible for marketing tourism. First and foremost, the introduction of the official campaign slogan ‘Malaysia, Truly Asia’ is simple yet effective in increasing the number of visitors to the country, capturing the essence of the country’s unique diversity concisely and memorably (Tourism Malaysia 2021a). Due to its ethnic diversity, encompassing Malay, Chinese and Indian communities, as well as several other indigenous people, Malaysians can generate a distinctive characteristic that is not seen in other nations.

Malaysia is committed to the development and promotion of *halal* tourism and Muslim-friendly tourism, both domestically and abroad. Regular research and monitoring of the Muslim travel market have been conducted to formulate strategies and best practices (ITC 2021a). Another powerful campaign is the introduction of Visit Malaysia Year which was first launched in 1990. The campaign was a huge success, with a slew of exciting and lively events planned to showcase not only the wealth of tourism attractions but also its abundant offerings in terms of art, culture, cuisine, history and so on. Tourism Malaysia participates in exhibitions and fairs, the World Travel Market, the Global Business Forum and a series of roadshows to support the campaign. All programmes, activities, webinars and promotional kit information (e-brochures, videos, etc.) are available on the official Tourism Malaysia website (www.tourism.gov.my). Furthermore, every municipal and regional tourist bureau has a website that contains information such as guides, press releases, blogs, social media and more to keep tourists up to date.

Besides Tourism Malaysia, which promotes Malaysia as a whole, the ITC is in charge of the *halal* tourism segment. In addition to hosting webinars, conferences, exhibitions and roadshows, the ITC capitalises on its website to provide information on *halal* tourism. The Muslim-friendly directory and calendar of events are two sections of the website that can be helpful, especially for Muslim travellers (https://itc.gov.my).

9.5.3 Environment

With GMTI scores of 92 for general safety and 100 for faith restrictions, Malaysia is a relatively safe country to visit. The people are welcoming and polite to tourists. Although incidences of violence are rare, petty crimes like pickpocketing and purse snatching do exist like anywhere else in the world. The country's official religion is Islam, but the freedom to practise other religions such as Buddhism, Hinduism, Christianity, Sikhism or Taoism is guaranteed by the constitution (AGC 2020). *Syariah* law only applies to Muslims and is used to settle religious and family disputes. Malaysian Muslims, on the whole, follow the Shafi'i school of jurisprudence. Mosques are common in Malaysia, and they serve as both cultural and religious symbols. It is also customary to hear the call to prayer (*azan*) over loudspeakers five times a day. On Fridays, government offices and banking institutions are closed for two hours during lunchtime to allow for Friday prayers. There is no mandatory dress code for tourists in Malaysia, but as a Muslim country people generally adhere to a modest dress code by prescribed by *syariah*. Wearing revealing clothing in public or apparel with a provocative message may result in arrest by authorities.

Halal tourism has fewer environmental impacts because it is usually associated with controlled activities such as visiting mosques, eating *halal* food and paying close attention to cleanliness. After all, Islam is very particular about these aspects. Since Islamic tourism activities include the appreciation of God's creations, less vandalism occurs due to the belief that the environment is also a creature of God that must be conserved and preserved. Malaysia is making strides towards sustainability and climate change management by implementing a resource-efficient and climate-resilient development model. The approach to sustainable consumption and production was taken by creating a green market, managing waste holistically and increasing the share of renewable energy in the energy mix (MIDA 2023). However, the results of good practice in carbon emission production, the percentage of renewable energy used and other sustainability indicators are yet to be achieved. Hence Malaysia was given a GMTI score of 44 for sustainability. In order to improve, the government has put in place several regulatory frameworks and policies to promote the utilisation of 'green practice' and 'green technology'. Green technology is defined in this policy as products, equipment or systems that minimise environmental degradation, have zero or low greenhouse gas emissions, are safe to use, promote a healthy and improved environment for all forms of life, conserve energy and natural resources, and promote the use of renewable resources (ibid.). During the Tenth Malaysia Plan (2011–2015), the government introduced several fiscal incentives for green technology investment and renewable energy, which eventually led to the Renewable Energy Act 2011 and the Sustainable Energy Development Authority Act 2011. The Renewable Energy Act implemented the feed-in tariff mechanism, which requires distribution licensees such as the main electric utility Tenaga Nasional to purchase electricity generated from renewable resources such as solar energy. A statutory body called the Sustainable Energy Development Authority was then established. Its primary function is to develop sustainable energy and to promote a renewable energy policy. In addition, the government is also focusing on other areas to promote sustainability, including commercial industries and households. Among others, a campaign to reduce single-use plastics by replacing them with biopolymer or bio-products, the introduction of the Green Building Index to provide guidelines on carbon footprint levels of buildings and promote the adoption of energy efficiency, materials and resources used in buildings (ibid.).

Another growing concern relating to sustainability is the aspect of waste management. Malaysia's economic development and rising living standards have increased the quantity and complexity of generated waste. In 2021 Malaysia generated a total of 13.95 million tonnes of municipal solid waste, which equates to 38,207 tonnes generated per day by household, institutional, commercial, industrial (excluding scheduled waste) and construction establishments. This increased from previous years, with municipal solid waste totalling 13.91 million tonnes in 2020 and 13.88 million tonnes in 2019 (ibid.). If this waste is not recycled or reused, it typically ends up in a landfill, necessitating increased landfill usage and expansion. The government's environmental and financial concerns have been heightened by the limited land supply and the high cost of landfill facilitation operations. As Malaysia strives for zero-waste status, the government is actively strengthening waste management and transforming environmental governance to enable better management of the environment and natural resources, including reducing economic impacts. These initiatives have been highlighted in the Twelfth Malaysia Plan (2021–2025) as part of the country's commitment to becoming carbon neutral by 2050. The government has set a target of a 40% national recycling rate by 2025. The rate reached 31.52% in 2021, an encouraging increase from 30.67% the previous year.

9.5.4 Services

Muslim travellers ask for their faith-based facilities and services. Malaysia possesses all of the elements required for an ideal *halal* tourism destination. Among the benefits on offer that make it the top *halal* and Muslim-friendly destination, there are special features such as Muslim-friendly hotels, *halal* food, provision of prayer facilities in public areas, family-friendly entertainment, safety and security, and many more.

The GMTI indicates a score of 95 for *halal* dining. There is no end to the variety of *halal* products and services on offer. Malaysia provides end-to-end *halal* foods with universal appeal and a variety of mouth-watering cuisines. Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia) is the agency responsible for Islamic affairs, including *halal* certification. JAKIM must ascertain the *halal* status of the product throughout each stage and process involved for certification by conducting official site inspections of the plants to examine how the *halal* status of the raw material is maintained and monitored at all times (Ainnur Husna 2023). *Halal* certification at restaurants ensures that foods are served according to Islamic dietary laws. The correlation between *halal* food and food safety and cleanliness makes them universally acceptable and approved by Muslims and non-Muslims. Muslim travellers can therefore easily identify *halal* restaurants because the *halal* logo and certificate issued by JAKIM are usually displayed at the entrance.

As a country that places a high value on the comfort and convenience of its Muslim residents and visitors, Malaysia perfectly caters to the needs of Muslim travellers. Mosques and other prayer spaces can be found in almost every district across the country and just about everywhere—tourist attractions, shopping malls, airports, parks and most public places. Malaysia currently has 6,850 mosques registered with JAKIM.

Malaysia received a low GMTI score of 9 in terms of heritage and unique experiences. Although it is rich in Islamic history and heritage, it has yet to develop a valuable tourist experience. The ITC has recognised the potential of mosques as a tourism product because, in addition to serving as a place of worship, many mosques are architectural marvels and culturally significant. Among the most visited mosques are the Federal Territory mosque in Kuala Lumpur, Putra mosque in Putrajaya, Sri Sendayan mosque in Negeri Sembilan, Crystal mosque in Terengganu, Razaleigh mosque in Kelantan, Zahir mosque in Kedah and Sultan Abu Bakar mosque in Johor. Indeed, the ITC has closely monitored the growing interest in mosque tourism in recent years. Some preparations are needed to ensure that the facilities are accessible to visitors of all faiths, nationalities and backgrounds to raise awareness about mosque tourism. As a result, the ITC began collaborating closely with stakeholders such as JAKIM and each state's Department of Religious Affairs (ITC 2021b). Mosques have become tourist attractions in their own right, drawing both Muslims and non-Muslims who appreciate the unique design and history of these houses of worship. The surrounding natural landscapes, unique communities, authentic cuisine and other local attractions add to their appeal as tourist attractions.

Recognising this trend and growing interest, the ITC identified a need for mosque tours to be conducted in a systematic, tourist-friendly manner, as well as the construction of tourist-related facilities to serve these needs better. As a result, the ITC paved the way and played a critical role in this development in two ways. The first was the organisation of the first National Imam Roundtable Conference in 2016 to raise awareness about the growing interest in mosque tourism. The following resolutions were adopted at the conference: allowing non-Muslims to visit mosques with proper supervision and ensuring the comfort and safety of all mosque visitors. The second effort by the ITC was a study titled ‘Profiling of mosques with tourism-related attractions within Malaysia’s tourism corridors’. The research examined and assessed mosque tourism’s current state and prospects. The initiatives are expected to create an interesting experience for Muslim travellers and a new perspective on the use of mosques (ibid.).

Malaysia has a GMTI score of 73 for *halal* accommodation criteria. In 2019 there was a total of 396 hotels that provide Muslim-friendly amenities and rooms (Nor Asikin et al. 2018) ranging from local chains to international brands. The ITC introduced the recognition to cater to Muslim travellers both locally and internationally. The features of Muslim-friendly hotels include being alcohol free, a modest dress code for staff, separate timings for males and females for swimming pool and gym users, guest room conveniences such as a Qur’an, prayer mats and *kiblat* direction indicator, and the provision of a list of mosques near the hotel (Nur Iman and Nadzirah 2022).

9.6 *Halal* Tourism in Brunei

As already noted, known as a ‘*negara zikir*’ (nation devoted to God), Brunei has always foregrounded the teachings of Islam in every aspect of life, including governance, economics, society and others (Rokiah 2021). With its strong Islamic values, the country is uniquely positioned to promote *syariah*-compliant heritage tourism products attractive to observant Muslim families or non-Muslims who wish to explore the Islamic religion and heritage. Additionally, given the country’s adherence to *syariah* law, it provides an attractive marketing tool for building its *halal* tourism market (Oxford Business Group 2016). Brunei sees *halal* tourism as a high-potential industry to diversify its economy and has embarked on several initiatives and developments. The Tourism Development Department, the agency responsible for guiding the country’s tourism industry, has been working closely with the Ministry of Religious Affairs and travel agents to enhance the product offerings of *halal* tourism (Puvaneswary 2017). This section offers an overview of *halal* tourism initiatives and developments in Brunei in light of the CrescentRating ACES model.

9.6.1 Access

Access plays an important role in *halal* tourism and is measured by air connectivity, transportation infrastructure at the destination and visa requirements (Mastercard-Crescent Rating 2024). Strategically located at the heart of Southeast Asia, Brunei has fairly good connectivity to regional and international markets. Currently, Brunei International Airport serves five airlines flying to 30 cities on scheduled flights in 16 countries, with an average of 58 aircraft movements per day. In 2015, direct international capacity to Brunei was recorded to increase from 0.8 million inbound seats to 1.1 million with an influx of tourists from Southeast Asia, Australia, China and the Middle East. However, ultra-long-haul air services across the Pacific Ocean from Brunei to North and South America are not always feasible, partly due to the limitations in current aircraft technology in terms of range as well as the high cost of operation. This transpacific traffic is routed through other aviation hubs in Northeast Asia. To increase air connectivity, the government signed the Association of Southeast Asian Nations (ASEAN) multilateral agreement on fully liberalising passenger air service with the other nine ASEAN members in 2010. The agreement seeks to liberalise market access and ownership, and control requirements for air carriers in the region (IATA 2016). New code-sharing agreements have also been pursued to expand the country's aviation network beyond Asia. In particular, a code-sharing agreement was signed between Royal Brunei Airlines and Turkish Airlines in February 2016 and Air India in 2018 (RB News 2018). Nonetheless, Brunei was given a low GMTI score of 21 for connectivity, indicating a need for more improvements.

Visa policies are among the most important instruments influencing international tourism. Brunei has visa-free stays ranging from 14 to 90 days for most of the world's major tourist markets. However, for potentially big markets such as Russia, India and Saudi Arabia, visas are a prerequisite for stays other than transit visits of less than 72 hours. Although Brunei has introduced a visa on arrival for tourists from China and Australia, it is still an inconvenience for potentially important source markets for Brunei. This strict visa policy and lengthy visa processing time may discourage tourists from visiting the country (Salinah 2017).

Public transport in Brunei currently falls short of the required international standards which may hinder travellers. In a report by the Ministry of Communications (2015), public land transport such as buses and taxis were noted as generally being in short supply. The bus system comprises several franchised operations covering the whole of Brunei-Muara together with local operations in Kuala Belait and Seria. In addition, there are interdistrict bus services but none covers Brunei's substantial (though thinly populated) hinterland. International bus routes are provided on a commercial basis and link Brunei with towns and cities in Malaysia, such as Kuching, Miri and Kota Kinabalu as well as Pontianak, Indonesia, in the far southwest of Borneo. The report further stated that 48 privately owned taxis operate mostly within Bandar Seri Begawan. This level of fleet is significantly below international competitors. However, the introduction of Brunei's first ride-hailing business, Dart Logistics, in 2017 has significantly improved travel around the country for both local people and visitors alike (Azli 2022).

9.6.2 Communication

Brunei's official language is Malay, though English is widely used in businesses and spoken by the majority of the population. Most shops and attractions use English-language signage to attract both local people and visitors from various walks of life (Susilawati 2016). To attract tourists from various countries, the Brunei Tourism

Board produces brochures in English, Mandarin, Japanese and Korean. It also organises familiarisation trips to bring in television companies, travel writers and travel agencies to create greater awareness of the country's attractions. In addition, the Tourism Development Department takes part in trade shows and exhibitions overseas including the 2020 Dubai Expo, the 2019 ASEAN Tourism Forum and the 2015 CAEXPO Tourism Exhibition in China, among others. Royal Brunei Airlines is also leading the promotional strategies and implementation of various campaigns in key international markets. In particular, the airline together with the Brunei Tourism Board is working together with M&C Saatchi Singapore and Happy Marketer to lead a branding and digital marketing campaign. Brunei also makes use of celebrity ambassador Wu Chun, who has a significant fan base in China, to promote the country (Oxford Business Group 2016). To further promote *halal* tourism in the country, the Tourism Development Department developed a dedicated website as well as a Brunei Islamic Tourism and Grand Mosques app featuring places of historical or religious significance in the country and the sultanate's Islamic way of life. Information on hotels and accommodation, grand mosque listings and tour operators are also available on the app (MPRT 2014).

9.6.3 Environment

The GMTI indicated a score of 92 for general safety and 100 for faith restrictions. According to the 2020 annual travel risk map released by International SOS, the country's travel security risk has been categorised as 'low'. This means that violent crime rates are low and racial, sectarian or political violence or civil unrest are uncommon (Azlan 2020). Islam is the official religion of the country with Muslim-friendly facilities widely available. Muslim travellers have the freedom to practise their religion. To date, there has never been any religious hate crime reported in the country.

In terms of sustainability, which considers carbon emissions, the percentage of renewable energy used and restrictions on the use of single-use plastics in the destinations, Brunei received a GMTI score of 43. Tackling waste has always been high on the national agenda, with current waste generation standing at 1.15 kg per capita per day. To reduce this to 1 kg per capita per day by 2035, the Department of Environment, Parks and Recreation (DEPR) continues to engage stakeholders such as youth, academic institutions, private companies and non-governmental organisations in combating plastic pollution through the provision of guidance on good practices and a variety of regulatory measures (UN 2020). These include the introduction of the 'no plastic bag everyday', 'plastic bottle free' and 'reduce the use of Styrofoam' initiatives. One of Brunei's efforts to reduce waste is through the introduction of the reduce, reuse and recycle (3R) concept. The country has exceeded its initial target of a 20% recycling rate in 2020 and aims to achieve a recycling rate of 30% by 2035. In addition, DEPR's 'no plastic bag everyday' initiative launched in 2018, carrying the slogan 'It Takes a Nation to End Plastic Pollution', has resulted in major department stores reporting a steady decrease in plastic bag use (Azlan 2019). Brunei further aims to strengthen its national sustainable energy efforts through the implementation of renewable and alternative energy, as well as energy efficiency initiatives. The first solar trial was in 2011 at Tenaga Suria Brunei with a 1.2 MW capacity for power generation. The country aims to have a total installed capacity of solar power generation of at least 300 MW by 2035. In 2018 Brunei's emissions were approximately 10.1 million tonnes with power generation as the largest contributor to greenhouse gas emissions in the country. As such, the government has introduced several measures to rectify this: 1) promoting efficient energy consumption behaviour through the implementation of a smart tariff system and smart meters; 2) energy management in government and commercial sectors; and 3) new tariffs for commercial and industrial sectors, among others (UN 2020).

In terms of visitor arrivals, Brunei received a BMTI score of 41. Although the arrival of visitors by air grew by 3.3% annually between 2010 and 2018, there were only 213,007 inbound travellers in 2019, a low figure compared to other countries. Malaysia was the top tourism market for Brunei with 50,111 arrivals from January to August 2019, followed by China with 49,533 arrivals, Indonesia with 20,445 arrivals and the Philippines with 16,971 arrivals (Rasidah 2020).

9.6.4 Services

The GMTI indicated scores of 90 for *halal* dining and 100 for prayer places and airports. The Halal Certificate and Label (Amendment) Order 2017 makes it mandatory for all businesses producing, supplying and serving food and beverages to apply for *halal* certification, except those distributing non-Muslim products. Based on its provisions, business owners are required to appoint at least two supervisors to ensure compliance with *halal* standards. In addition, the government requires all food products imported into the country to be registered to ensure compliance with the rules and regulations of *halal* standards. For instance, imported fresh *halal* meat is required to be assessed by three government agencies, Animal Quarantine Services of the Ministry of Primary Resources and Tourism, the Halal Food Control Division of the Ministry of Religious Affairs and the Food Safety and Quality Control Division of the Ministry of Health before given a permit for importation (Raihana 2019). Brunei's certification system is recognised worldwide for its stringent protocol and has the advantage of a single accreditation body under the Ministry of Religious Affairs. Furthermore, *halal* logos featured in restaurants make it easier for travellers to identify and access *halal* food with confidence.

In terms of places to pray, the country has 118 mosques, prayer halls and worship halls (DEPS 2022). In response to the sultan's call for more prayer facilities, it is a common sight for workplaces and commercial premises to have prayer rooms to facilitate Muslims in observing their obligatory rites (Wardi 2019). *Halal* dining and prayer facilities are also at Brunei International Airport to ease Muslim travellers and the sultan instructed the construction of the mosque at the airport to be visible to inbound visitors upon landing (Azlan 2012). In terms of *halal* accommodation, Brunei was given a GMTI score of 51. Although hotels in Brunei are generally Muslim-friendly, they are considered dry hotels—where alcoholic beverages are not served or consumed in the premises and where all food served is *halal*—rather than *syariah*-compliant. At the same time, other facilities and operational aspects remain like other conventional hotels (Nur Hidayah and Mohd Salehuddin 2012). Although most hotels in Brunei do meet some of the criteria of a compliant hotel, such as providing a decent television service, a Qur'an and prayer mat in each room and prayer rooms, other criteria such as separate places or timings for use of the swimming pool for males and females and the division of female staff for single female floors and male staff for single male floors are not met.

In terms of heritage and experiences, Brunei received a low GMTI score of 10. As part of the effort to showcase its Islamic heritage, several historical sites are identified and preserved, which include the Sultan Bolkiah mausoleum, Sultan Sharif Ali mausoleum and Brunei History Centre as well as the recent Sultan Haji Hassanal Bolkiah Islamic Exhibition Gallery. This gallery showcases over 300 rare *mushaf* or books, including exquisite illuminated and miniature Qur'an. In addition, the country's Islamic identity is well showcased through iconic Islamic buildings including the Omar Ali Saiffuddien mosque and Jame' Asr Hassanil Bolkiah mosque, among others. Calligraphy activities and Qur'an reading classes have also been offered. In addition, Muslim youth camps, which encompass spiritual activities such as lectures and mass prayers, were introduced in 2018. This activity entails youths staying within the mosque grounds for the entire duration of the programme (Kon 2020).

9.7 Discussion

As noted, the GMTI ranks countries by examining four main criteria—access, communication, environment and services—and each factor is weighted differently. As Muslim-majority countries, Malaysia and Brunei have a clear advantage of offering *halal* services, since the Islamic way of life and norms have been deeply ingrained in these societies since the introduction of Islam in the region centuries ago. This clearly makes it easier for them to understand and cater to the needs of Muslim travellers, so that *halal* dining and prayer facilities are widely available and easily accessible. In terms of *halal* accommodation, it can be seen that Malaysia scored higher than Brunei. This disparity may be attributed to the introduction of Muslim Friendly Accommodation Recognition (MFAR) by the ITC in Malaysia. This Islamic tourism-related recognition, which allows hotels to be *halal* certified, is seen as the first in the world issued by a government agency. As of September 2020, 30 hotels in Malaysia were given recognition. In addition, the official logo of MFAR serves as brand recognition to provide Muslim travellers with a greater sense of assurance that the chosen accommodation conforms to the tenets of Islam (ITC 2021a). In Brunei, although hotels are Muslim-friendly, they are yet to be certified as *halal* accommodation. In terms of unique experiences, both Malaysia (9) and Brunei (10) had low scores. Although both countries are rich in Islamic history and heritage, more effort is needed to offer valuable tourist experiences. Current trends indicate that Muslim travellers are looking for meaningful experiences that not only increase their reconnection with the Islamic heritage but also allow personal development and giving back to the community. As such, more market research is needed to understand how this can further be incorporated into the product offerings.

In terms of environment, Brunei scored low for visitor arrivals. In contrast to Malaysia, which has better infrastructure and more relaxed visa requirements, Brunei suffers from infrastructure issues such as limited public transport services and aviation connectivity. A report by the International Air Transport Association (2016) suggests that an improved policy regarding landing rights is one potential solution. The report further states that tight restrictions on business visas have led to a need for increased visa-on-arrival facilities. By loosening restrictions, the government could pave the way for tourism to play a greater part in the economy. Salinah Salleh (2017) further proposes that Brunei would benefit by creating a subcommittee that overlooks travel facilitation, connectivity and infrastructure. This would enable them to identify policy problems and make recommendations to support the promotion and development of *halal* tourism.

In terms of communication, destination marketing appears to be very low for Brunei compared to Malaysia. Despite the various initiatives in organising campaigns and familiarisation trips as well as taking part in conferences and exhibitions, Brunei's effort may be hampered due to the backlash received after the introduction of the Syariah Penal Code, which went into effect in 2019, that punishes sodomy, adultery and rape with death, including by stoning, and theft with amputation. For instance, travel agents and Transport for London refused to promote Brunei as a tourism destination due to great public sensitivity (Oglesby 2019). Nonetheless, this should not hinder Brunei's efforts and promotional activities in other top outbound markets for *halal* tourism, such as Middle Eastern countries (Mastercard-CrescentRating 2024). In addition, Salinah (2017) calls for other agencies, for instance overseas missions under the Ministry of Foreign Affairs, to play a bigger role in promoting the country as a *halal* destination.

Generally, Malaysia's outstanding achievement in *halal* tourism can be credited to the development of the ITC, which is specifically dedicated to building an enabling environment for Muslim-friendly tourism. Its regular research and monitoring of the Muslim travel market contribute to the formulation of strategies and best practices. Its focus on providing training, building capacity, standards and certification, and branding further helps empower tourism industry players to work together and cater to the Muslim tourist market. The Brunei Tourism Board oversees the whole tourism industry but with no specific unit managing the *halal* tourism segment. It is recommended that Brunei should follow Malaysia's example and create a specific unit to capitalise on the Muslim market. Effective tourism development requires proper implementation of plans with the right coordination and communication among the tourism players. Mona Yati Mohd Kassim (2003) and Salinah (2017) both argue that communication and cooperation among the players in the Brunei tourism industry are somewhat limited. As such, this calls for both government and private agencies to take a more proactive role in the promotion and development of *halal* tourism in the country.

9.8 Conclusion

This study provides an understanding of *halal* tourism in Malaysia and Brunei based on the four GMTI criteria. It can be concluded that Muslim-friendly facilities coupled with a conducive environment and government-backed policies and initiatives in facilitating access and promotion have strengthened Malaysia's position as the leader in the *halal* tourism industry. As a Malay Islamic monarchy, Brunei is in a unique position to promote *syariah*-compliant Islamic heritage tourism products attractive to observant Muslim families and others. However, more efforts are needed to increase its promotion and accessibility, which require better coordination and cooperation of key players in the tourism industry. The findings offer practical advice for tour operators or destination marketers in developing their tourism services or sectors to attract Muslim tourists. Despite the significant insights, the study is not without its limitations. It is based on a review of relevant papers and documents in the literature. Due to the changing nature of the industry, the analysis should be treated as a guideline, as the findings of the analysis may change over time. In order to obtain more insights, future research should conduct empirical studies to explore the perspectives of the various parties involved in the *halal* tourism industry.

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Chapter 10
Maqasid Syariah as a Framework for *Halal* Tourism in Brunei Darussalam

Norkhairiah Hashim, Nor Surilawana Sulaiman, and Hamizah Muslim

Abstract *Halal* tourism is a worldwide trend in which Islamic values are used to guide a wide range of travel-related activities. *Maqasid syariah* signifies the precise instructions and a framework for objectives or purposes behind the Islamic law, that is guidelines for meeting people's needs while doing Allah's will. The purpose of this study is to explore how *maqasid syariah* is used in *halal* tourism in Brunei Darussalam. The study uses both qualitative and quantitative research methods. The majority of respondents agreed that the travel industry should adhere to *syariah* principles by employing tour guides who specialise in *halal* tourism, conducting *halal* tourism programmes and providing Muslim-friendly accommodation and itinerary-planning services. Muslim-friendly travel websites should offer *halal* activities as an option and provide food applications to identify nearby *halal* eateries in order to be *syariah*-compliant. The results suggest that *halal* tourism products and services in Brunei have applied a *syariah*-compliant model by catering to the faith-based needs of Muslim tourists. This study also recommends that policymakers consider *maqasid syariah* when creating policies, guidelines and frameworks for *halal* tourism to ensure the protection of religion, life, dignity, intellect and property. Brunei has the potential to become a leading *halal* tourism destination. Hence, implementing the *halal* idea as a business decision in the tourism industry can result in long-term sustainability.

Keywords Brunei Darussalam · *Halal* tourism · Faith-based needs · *Maqasid syariah* · *Syariah*-compliant

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10.1 Introduction

The global expansion of the *halal* industry, which includes the *halal* tourism sector, has become an attention-grabbing subject that demands to be analysed in greater detail (Azizah 2021). *Halal* tourism has become a worldwide trend in which Islamic beliefs inspire various aspects of tourism. In other words, *halal* tourism is not merely a visit to a mosque or the performance of the pilgrimage but rather a journey inspired by nature, culture or creativity while adhering to Islamic values (Abdullah et al. 2020). *Halal* tourism appeals to tourists who are interested in the cultural and religious qualities of historical places, as well as a variety of religious activities and beliefs practised by people in their daily lives, which they believe are distinctive, original and rare. Numerous countries, such as South Korea, Japan, Australia, Thailand and New Zealand, are beginning to provide tourism products with a *halal* or Islamic focus. Although these countries are not predominantly Muslim, they have contributed to the development of Islamic tourism opportunities and products (ibid.).

The terminology associated with *halal* tourism is still unclear, with terms like *halal*-friendly tourism destination, *halal* travel, Muslim-friendly travel destinations, *halal* lifestyle, Islamic tourism and others being used interchangeably (ibid.). Meanwhile, Dini Andriani et al. (2015) suggest that *halal* tourism began in 2015 following the World Halal Tourism Summit held in Abu Dhabi, United Arab Emirates. The concept of *halal* tourism is likewise imprecise. According to some experts, tourism is a complementary product that does not replace conventional types of tourism (Abdullah et al. 2020). *Halal* tourism encompasses all aspects of life that do not contradict Islam ideals, not just religious beliefs. Islam encourages people to travel and explore to gain information, broaden their experiences and develop their character (Jafari and Scott 2014; Intan Shafina et al. 2017). Specifically, in the preservation of religion, life wealth, intellect and lineage, travelling is considered to be fulfilling objectives articulated through *maqasid syariah*, as directed or described in the Qur'an and Hadith. These objectives also include learning and sharing information, realising one's cultural identity, and engaging in trade and business. Any nation in this world is accountable for making sure the facilities or activities offered are something that might protect the honour of religion, life, property, intellect and offspring. This is because travel is one of the benefits that Islam recommends.

The idea of *maqasid syariah* signifies the precise instructions and a framework for objectives or purposes behind the Islamic law—guidelines for meeting people's needs while doing Allah's will. Islamic law can be applied in a more comprehensive and multifaceted manner with the help of the *maqasid syariah* method to achieve the desired results and maintain faithfulness. Alternatively, to put it another way, *maqasid syariah* is Allah's divine intent and goal for his *syariah*. Numerous religious experts have articulated this injunction. For example, the well-known Islamic scholar, Muhammad Al-Tahir Ibn Ashur (2006), asserts that attaining wisdom for humanity is *syariah*'s most important goal. Similarly, the eleventh-century polymath Imam Al-Ghazali wrote in *Al-Mustasfa min 'ilm al-usul* (On legal theory of Muslim jurisprudence) that the purpose of a ruling was to safeguard human faith, life, intelligence, lineage and wealth. Therefore, everything that upholds these five core principles is considered goodness or the public interest (*maslahah*) whereas anything that causes them to be abandoned is considered harmful or destructive (*mafsadah*).

As a result, countries should place themselves in a position to study *maqasid syariah* in numerous aspects of life for future reference, including as a framework for the *halal* industry. In the case of Brunei Darussalam, however, not much research has been conducted in this regard and especially on *halal* tourism. This study aims to investigate the concepts of travel and tourism in Islam and how they relate to *maqasid syariah* in *halal* tourism. It also gathers information on how Bruneians view *halal* tourism travel agencies, *halal* tourism websites and mobile applications, human resources, potential and problems. The argument advanced here suggests that as a new way to grow Brunei's *halal* tourism while supporting Islamic culture and values, efforts should be made to improve *halal* tourism while preserving the country's individuality and originality.

10.2 Literature Review

10.2.1 Travel and Tourism in Islam

Syariah recognises travel and tourism to benefit Allah's present and future servants (Al-Shatibi 2004). Travel and tourism have been prescribed in Islam based on the words of the Qur'an: 'And those who walk on the earth seek some of God's gifts' (Surah Al-Muzammil 73:20). Elsewhere in the Qur'an there is the following verse:

> He it is Who has made the earth subservient to you; so, walk in the paths thereof meaning, travel wherever you wish throughout its regions and frequent its countryside and all the areas of its domain in your various journeys to seek earnings and trade. And know that your efforts will not benefit you anything unless Allah makes matters easy for you. Allah continues to say, and (eat of His provision.) Thus, striving by using the means (to attain something) does not negate the necessity of depending upon Allah (At-Tawakkul). (Surah Al-Mulk 67:15)

Travel helps a person build a strong faith in Allah's unity and enables them to fulfil their tasks in life by allowing them to reflect on the glories of Allah's creation and to appreciate the beauty of this vast universe. There are other verses in the Qur'an that encourage travel: 'And We have certainly honoured the children of Adam and carried them on land and sea and provided for them of the good things and preferred them over much of what We have created, with [definite] preferences' (Surah Al-Isra 17:70). Another is from: 'O humankind, indeed We have created you from male and female and made you peoples and tribes that you may know one another. Indeed, the noblest of you in the sight of Allah is the most righteous of you. Indeed, Allah is Knowing and Acquainted' (Surah Al-Hujurat 48:13).

There is no other way to get to know one another except by travelling frequently. Muslims fulfil their commitments through tourism. Researchers have discussed the drawbacks of alienation and the benefits of cultural conflict, which promotes sharing of information and experiences. Travel allows one the opportunity to witness the battle for Allah, the fortitude to endure hardships and the cultivation of the soul to receive rewards from Allah. Islamic tourism is a balanced way of living, emphasising the importance of using travel to enjoy life here while also bridging to a happier afterlife (Wan Nazjmi et al. 2019).

10.2.2 The *Halal* Tourism Concept

Halal tourism is becoming a new goal of the travel industry and may be considered one of its most vigorous developments (Azizah 2021). It is also one of the fastest-growing niches in the tourism industry (Elasrag 2016). Its emergence is attributed to the fact that many Muslim-majority markets are now growing rapidly (Intan Shafina et al. 2017). However, the concept of *halal* is not limited to Muslim consumers only, although the prime targets are indeed Muslims (Md Siddique et al. 2019). The word *halal* is rooted in an Arabic term that means permissible or allowed according to *syariah* rules and regulations. Muslims must thus adhere to following all the *syariah* principles in their daily lives, making every effort to obey what the Qur'an and Sunna have prescribed for them, particularly in the sphere of travel and tourism (Azizah 2021).

Halal tourism is considered one of the most gratifying and welcoming tourism products available. It is also one of the world's highest-spending tourist markets, created to meet the needs of Muslim travellers seeking exclusive vacation packages based on Islamic values and principles (Battour and Mohd Nazari 2016; Elasrag 2016; Mastercard-CrescentRating 2024). The concept of *halal* tourism is not limited to religious tourism but extends to all forms of tourism except those that go against Islamic values or principles as a way of life (Wan Nazjmi et al. 2019). *Halal* not only refers to things that a Muslim can eat but also covers everything that is allowed in the life of a Muslim. As Mohamed Battour and Mohd Nazari Ismail (2016) note, *halal* tourism is any tourism object or action permissible according to Islamic teachings to use or engage Muslims in the tourism industry. So *halal* tourism considers *syariah* as the basis for delivering tourism products and services to the target tourists, such as *syariah*-compliant hotels, *halal* resorts, *halal* restaurants and *halal* trips (Putra and Tucunan 2021). This definition proposes that the location of the activity is not limited to the Muslim world provided that all *halal* components, including the *halal* travel sector, should provide products and services that are good and quality for the consumers (Md Siddique et al. 2019). This therefore includes services and products that are designed for Muslim travellers in Muslim and non-Muslim countries (Putra and Tucunan 2021). Furthermore, the definition considers that the purpose of travel is not necessarily religious; it may be any of the general motivations of tourists.

As already noted, it can be challenging to choose the appropriate terminology and provide sufficient clarification. *Halal* tourism is frequently referred to as Islamic tourism or tourism that is Muslim-friendly (Battour and Mohd Nazari 2016; Md Siddique et al. 2019). Currently, the terms '*halal* tourism' and 'Islamic tourism' are

Table 10.1 Aspects covered by the concept of *halal* tourism

Aspects to consider	Areas to cover and limitations of each aspect
Syariah law	Any tourism-related action that does not violate *syariah* law. It should also adhere to the standards established by the individual country's regulatory organisations.
Target customer	The focus should be on global Muslim customers and attracting non-Muslim consumers.
Destination	Because Islam encourages travel it should not be limited to Muslims only (Qur'an 10:6, 45:3, 12:105, 31:31, 22:46).
Purpose	Religious (*hajj* and *umrah*) as well as any other non-Islamic objective (business, leisure, etc.).
Products and services	Non-Muslims, according to Muslims, can consume and accept faith-based needs. Meets the *halal* criteria outlined earlier in this study.

Source Md Siddique Azam (2019)

most frequently used. The terminology of Islamic tourism still does not have clear boundaries, and it is not only related to religious values but also encompasses every walk of life, including tourist services, food and drink, attractions and destinations that are not in contradiction to Islam and the values and ethics of *syariah* (Duman 2012; Carboni et al. 2014; Battour and Mohd Nazari 2016; Abdullah et al. 2020). However, there is some confusion between the two terms due to the interdisciplinary scope of the subject. As a result, researchers commonly conflate the terms in both conceptual and empirical works, treating the ideas as interchangeable. However, using the terms '*halal* tourism' and 'Islamic tourism' interchangeably may be troublesome. To maintain consistency throughout the research, the term '*halal* tourism' is used. This phrase refers directly to Islamic *syariah* concepts as they are defined in Surah Al-Baqarah 2:168. Assuring Muslims that they adhere to *syariah* law, the *halal* notion has evolved into a market force, a sign of quality and a choice.

Table 10.1 provides a summary from the literature to outline the idea of *halal* tourism, which indicates the aspects to be considered in *halal* tourism and the coverage of each component.

10.2.3 Maqasid Syariah

Maqasid syariah plays a vital role in the law-making process since it represents Islam's primary goal, which is realised through the legal system (Azizah 2021). In the modern era, understanding *maqasid syariah* is essential for the process of independent or original legal reasoning of judgments (*ijtihad*), particularly in the area of the policies, governance and rulings formulated by governments that are aligned with *syariah* law (*siyasah syar'iyyah*). This is a result of the rise in the number of new questions and issues that have not yet been handled in terms of legal status and relevance because they were unknown to classic academics in the past. Muslim scholars have presented a range of perspectives in response to these relatively new challenges and issues. Categories of *maqasid syariah* are divided into three main spheres: essentials or necessities (*daruriyyat*), needs (*hajiyyat*) and complementary interests (*tahsiniyyat*) (Afridi 2016).

The people's religion and daily affairs depend on *daruriyyat*; ignoring them will result in complete turmoil and disorder, which leads to an undesired outcome. They must be safeguarded, and both private citizens and governmental agencies should act to do so. Five fundamental values (*al-daruriyyat al-khams*) can be used to divide the essentials that become necessary in human life (ibid.). These five values are as follows.

1. *Protection of religion.* Protection of religion is a requirement in all aspects of life and activities that do not encourage sin or immorality in the sight of Allah. Additionally, the protection of religion exhibits all aspects of life activities, including travel, that must be managed to prevent them from being used as an excuse to stop remembering Allah, including skipping prayers, abdicating their duties, and consuming only items that are approved by Allah and fall under the purview of *syariah* (Wan Nazjmi et al. 2019).
2. *Protection of life.* Every individual has a meaningful and important life. There is no difference between the lives of the wealthy and the poor, leaders and subordinates, Muslims and non-Muslims. In this sense, safeguarding everyone's life is equally important and necessary to each individual and community. Muslims should consider life preservation even while travelling, which assures a safe trip (ibid.). Therefore, safety should be emphasised when developing or conducting all activities, including going to potentially unsafe locations and engaging in risky activities.
3. *Protection of dignity or lineage.* Islam emphasises the importance of protecting one's dignity and is greatly concerned with it. Islam has created several standards to uphold humanity's dignity. It forbids adherents from accusing others of wrongdoing, such as adultery or other moral transgressions (Afridi 2016). Islam also regulates relationships between men and women to protect their dignity. Marriage relationships with close family members are not permitted and unnecessary interactions between men and women are not accepted.
4. *Protection of the intellect*. Allah has commanded everyone to protect this priceless gift by using it for the sake of mankind, as opposed to any evil or harm (ibid.). There should be a clear separation between all businesses, whether domestic or international. A person's physical and mental health would be affected by unrestricted travel, such as when alcoholic beverages are provided to Muslim tourists. As a result, intellectual preservation is essential for developing all *syariah*-compliant tourism activities (Intan Shafina et al. 2017)
5. *Protection of property*. The illicit acquisition of others' property can be accomplished through taking usury (*riba*), negotiating fraud, breach of trust in property disputes, theft of others' property and other similar techniques. All of these strategies are against *syariah* and Islam severely punishes individuals who steal others'

property. For the tourism industry to expand, it must consider all aspects of profitability, competitiveness and efficiency in the world's tourist market. As a result, wealth preservation is critical for maintaining revenues from *halal* services and enjoying Allah's blessings (ibid.).

10.3 Methodology

This study applies qualitative and quantitative methods. The analysis of documents or data is essential for reliable qualitative analysis (Maguire and Delahunt 2017). For document analysis, thematic analysis was employed to find patterns or themes in qualitative data. Thematic analysis in the qualitative approach entailed in evaluating secondary material from relevant documents, journals, books and other associated resources. The quantitative data were gathered through a cross-sectional online survey that recruited 122 respondents. An invitation link to participate in the study was sent via WhatsApp, which was then connected to the survey's corresponding Google Forms questionnaire. The study's participants were recruited using a simplified snowball sampling technique in which respondents were invited to disseminate the link as widely as possible on their various WhatsApp groups. The five-point Likert scale was employed in the questionnaires, with the range: 1) strongly disagree, 2) disagree, 3) neutral, 4) agree and 5) strongly agree. The items of the questionnaire were developed from various pertinent literature reviews by Battour and Mohd Nazari (2016), Lina Munirah Kamarudin (2018), Cheng Yi-Sung et al. (2019), Joeliaty Joeliaty et al. (2020), Nur 'Atiqah Adnan and Azreen Hamiza Abdul (2021), Ammarn Sodawan and Robert Li-Wei Hsu (2022), Marcello Atzeni et al. (2021), Ahmed M. Adel et al. (2021) and Noor Azimin Zainol et al. (2021). The quantitative data collected from respondents are required to support the research objectives. Hence, the data are analysed using descriptive statistics in the form of a frequency (f) table, which shows the number and percentage of observations in each variable category. IBM Statistical Package for Social Sciences (SPSS) statistics frequency tables are preferred because they allow for arrangement and summary of the survey data in a tabular style that is simple to interpret.

10.4 Findings

This section examines how Bruneians perceive *halal* tourism services, *syariah*-compliant travel businesses, *halal* tourism travel websites and mobile apps, and human resources.

10.4.1 *Halal* Tourism Travel Agencies

Table 10.2 shows that respondents' opinions of *halal* tourism travel agencies' services and *syariah* compliance have a total mean of 4.642 and a standard deviation of 2.404, indicating a very positive perception. The average responses from the entire sample of respondents are within the overall mean. Out of 122 respondents, most expressed strong agreement, a lesser proportion agreed, a minority were neutral and only a handful said they disagreed. Additionally, the majority of respondents agreed that Muslim-friendly travel businesses should adhere to *syariah* principles by hiring tour guides who focus on *halal* tourism, conducting *halal* tourism programmes and providing Muslim-friendly accommodation and itinerary-planning services.

Table 10.2 Perception of *halal* tourism travel agencies

Items	*f* and %					Mean score	SD
	SA	A	N	D	SD		
Availability of tour operators that specialise in *halal* tourism	59 48.4%	61 50.0%	2 1.6%	–	–	4.47	.533
Availability of *halal* tourism programmes	61 50.0%	56 45.9%	4 3.3%	1 0.8%	–	4.45	.604
Providing *halal* tourism accommodation and planning tours with activities that are appropriate for their culture and values	90 73.8%	31 25.4%	1 0.8%	–	–	4.73	.464
Building itineraries around prayer times and arranging facilities for prayers	94 77.0%	25 20.5%	3 2.5%	–	–	4.75	.491
Providing Islamic heritage tours allows the visitors to learn about the history of the Islamic civilisation of the country	93 76.2%	26 21.3%	3 2.5%	–	–	4.74	.495
Availability of tourist guide	92 75.4%	26 21.3%	4 3.3%	–	–	4.72	.518
Total mean score						4.642	2.404

Note SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree, SD=standard deviation

Table 10.3 Perception of *halal* tourism travel websites and mobile applications

Items	*f* and %					Mean score	SD
	SA	A	N	D	SD		
Availability of *halal* tourism travel websites to choose *halal* activities as an option	96 78.7%	23 18.9%	3 2.5%	–	–	4.76	.482
Availability of *halal* food applications to find nearby *halal* restaurants	104 85.2%	13 10.7%	5 4.1%	–	–	4.81	.487
Total mean score						4.787	0.926

Note SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree, SD=standard deviation

10.4.2 *Halal* Tourism Travel Websites and Mobile Applications

Based on Table 10.3, the research discovered that respondents' perceptions of *halal* tourism travel websites and mobile applications have a total mean of 4.787 and a standard deviation of 0.926, indicating a very positive perception. Additionally, all respondents' average responses were within the overall mean. Out of 122 answers, most indicated strong agreement, a smaller proportion said agreement and an even smaller proportion implied neutrality. The majority of respondents believed that Muslim-friendly travel websites should offer *halal* activities as an option and give *halal* food applications to identify nearby eateries for tourist services to be *syariah*-compliant.

10.4.3 Human Resources in *Halal* Tourism Services

According to the findings in Table 10.4, the majority of the 122 respondents indicated that they strongly agreed, while a smaller percentage said they agreed, a much smaller number said they were neutral, and just one person each said they disagreed or disagreed very strongly. The mean score is 4.650 and standard deviation is 1.857, implying a very positive perception. Most respondents believed that hotel and restaurants employees should follow Islamic dress regulations. In addition to having a solid awareness of Islamic and *halal* standards, employees should be well-versed in *halal* products and services and know how to offer them.

Table 10.4 Perception of human resources in *halal* tourism services

Items	*f* and %					Mean score	SD
	SA	A	N	D	SD		
Observation of Islamic dress code by hotel and restaurant staff	75 61.5%	38 31.1%	7 5.7%	1 0.8%	1 0.8%	4.52	.719
The staff should be well aware of *halal* products and services	85 69.7%	34 27.9%	3 2.5%	–	–	4.67	.521
The staff should understand how to offer *halal* products and services	87 71.3%	33 27.0	2 1.6%	–	–	4.70	.496
Local staff should have a good understanding of the Islamic and *halal* rules	89 73.0%	31 25.4%	2 1.6%	–	–	4.71	.489
Total mean score						4.650	1.857

Note SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree, SD=standard deviation

10.4.4 Potential of *Halal* Tourism in Brunei

Table 10.5 shows that the respondents' perceptions of the potential of *halal* tourism in Brunei have a total mean of 4.829 and a standard deviation of 3.986, indicating a very positive perception in this section and the average responses from the entire respondents are within the overall mean. Out of 122 respondents, the majority opted for strongly agree, a smaller number opted to agree, a minority opted for neutral and only a one each opted for disagree and strongly disagree. The majority of respondents agreed that Brunei has the potential to become a model of *halal* tourism as it is a Muslim-majority country that implements *syariah* law as well as *halal* law, such as the Brunei Halal Standard, Halal Certificate and Halal Label Order, Halal Meat Act and Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council) as a *halal* certification body. Most of the respondents also agreed that Brunei has arts, historical and Islamic heritage, a unique Malay Muslim culture, and is multicultural, as well as having good airline connections, prohibits the sale, promotion or consumption of alcohol or drugs, has many *halal* food and beverage restaurants, provides adequate bathroom facilities and has mosques and prayer rooms in most places.

Table 10.5 Perception of the potential of *halal* tourism in Brunei Darussalam

Items	*f* and %					Mean score	SD
	SA	A	N	D	SD		
Brunei is a Muslim-majority country	107 87.7%	13 10.7%	2 1.6%	–	–	4.86	.392
Brunei is enforcing *syariah* law	99 81.1%	19 15.6%	4 3.3%	–	–	4.78	.490
Enforcement of *halal* law (e.g., Brunei Halal Standard, Halal Certificate and Halal Label Order, Halal Meat Act)	110 90.2%	11 9.0%	1 0.8%	–	–	4.89	.335
Having a centre of *halal* certification body (MUIB)	112 91.8%	8 6.6%	2 1.6%	–	–	4.90	.350
Having arts, historical and Islamic heritage, the unique culture of Malay Muslims	101 82.8%	19 15.6%	1 0.8%	1 0.8%	–	4.80	.475
Being a multicultural society	93 76.2%	24 19.7%	4 3.3%	–	1 0.8%	4.70	.612
Having a good airline connection	98 80.3%	17 13.9%	7 5.7%	–	–	4.75	.554
Banning selling, promoting or consuming of alcohol or drugs	109 89.3%	8 6.6%	5 4.1%	–	–	4.85	.458
Many *halal* food and beverage establishments	106 86.9%	13 10.7%	3 2.5%	–	–	4.84	.427
Providing adequate bathroom facilities	106 86.9%	13 10.7%	3 2.5%	–	–	4.84	.427
There are mosques and prayer rooms in most places	110 90.2%	10 8.2%	2 1.6%	–	–	4.89	.368
Total mean score						4.829	3.986

Note SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree, SD=standard deviation

10.4.5 Challenges of Developing *Halal* Tourism in Brunei

Table 10.6 shows that the respondents' perceptions of the challenges in developing *halal* tourism in Brunei have a total mean of 4.583 and a standard deviation of 4.234, implying a very positive perception of this section and the average responses from the entire respondents are within the overall mean. Out of 122 respondents, the majority indicated strongly agree, a smaller number indicated agree, none of them indicated neutral, and only a few indicated disagree and strongly disagree. The majority of respondents agree that there are common challenges in developing *halal* tourism in Brunei. These include catering and satisfying both Muslim and non-Muslim tourist needs while adhering to *syariah* principles, marketing to Muslim and non-Muslim tourists, limited availability of attractions such as theme parks, and Islamophobia-driven negative sentiments towards Muslim countries. They also agreed that non-OIC countries would become more competitive, gender segregation would be costly and there is a lack of standardisation of *halal* certificates and Muslim-friendly measurements of *halal* tourism products and services.

Table 10.6 Bruneians' perception of the challenges in developing *halal* tourism in Brunei Darussalam

Items	*f* and %					Mean score	SD
	SA	A	N	D	SD		
Catering to and satisfying both Muslim and non-Muslim tourist needs while complying with *syariah* principles	89 73.0%	30 24.6%	–	1 0.8%	2 1.6%	4.66	.688
Marketing to Muslim and non-Muslim tourists	85 69.7%	33 27.0%	–	2 1.6%	2 1.6%	4.61	.732
Limited availability of attractions, including theme parks	86 70.5%	32 26.2%	–	4 3.3%	–	4.64	.656
Islamophobia-driven negative sentiments towards Muslim countries	83 68.0%	36 29.5%	–	2 1.6%	1 0.8%	4.62	.660
Increasing competition from non-OIC countries	82 67.2%	37 30.3%	–	1 0.8%	2 1.6%	4.61	.699
Providing gender segregation will cost a lot of money	76 62.3%	41 33.6%	–	2 1.6%	3 2.5%	4.52	.805
Lack of standardisation of *halal* certificates and Muslim-friendly measurement of *halal* tourism products and services	70 57.4%	44 36.1%	–	5 4.1%	3 2.5%	4.42	.889
Total mean score						4.583	4.234

Note SA=strongly agree, A=agree, N=neutral, D=disagree, SD=strongly disagree, SD=standard deviation

10.5 Discussion

10.5.1 Brunei as *Halal* Tourism Destination

Islam is the official religion of Brunei and *syariah* law serves as the basis for its governance structure. Based on the tenets of the *Melayu Islam Beraja* (MIB, Malay Islamic monarchy), Islamic law has been created in the administration of the state, government and community life. The sultan declared that the Syariah Penal Code Order would come into full effect on 3 April 2019, mentioning that the penal code is a religious duty to Allah. He emphasised that 'the law's implementation is intended to uphold the goals of *Syariah*, which are to protect religion, life, lineage, property, and intellect'.

Islamic law has been the foundation for creating and applying numerous laws and rules governing various facets of life. The ultimate objective of all of this is to create a state of where there is the goodness of nature and the moral goodness of its inhabitants (*baldatun thayyibatun wa rabbun ghafur*), also described in Brunei as a nation devoted to Allah (*negara zikir*), which brings prosperity to both this world and the hereafter. Applying Islamic law has primarily benefited the country's structure of the state and government, peace and the general well-being of the populace. All of these also attempt to maintain the nation's peace and harmony.

Brunei's adoption of Islamic law has been somewhat helpful, in terms of both order and structural elements of state and governance, as well as peace and the welfare of the population. Brunei has tried to live up to Islamic teachings in a variety of spheres of life, including social, economic, educational and political ones. Given that Brunei has embraced Islamic law, this presents several opportunities for all-encompassing tourism. It has also provided faith-based necessities, a feature that makes it stand out as a destination for travellers seeking distinctive all-inclusive tourism. According to the study's findings, Brunei can potentially develop into a model country for *halal* tourism.

As a Muslim-majority nation with lush rainforest overflowing with flora and wildlife, Brunei has the potential to be a hub for *halal* tourism. Furthermore, due to the practice of Malay culture and customs, which place a strong emphasis on family and community values, Brunei is in a unique position to promote *halal* tourism products and services appealing to observant Muslim families and others. The country's languages, architecture, customs and daily life all reflect deeply ingrained traditions. Cultural diversity is one of the most attractive characteristics of the country. While Malays, Chinese Indians and indigenous groups make up most of the population, there are seven different ethnic groups (Brunei Malay, Kedayan, Dusun, Tutong, Belait, Murut and Bisaya) which are distinguished by unique facets of their culture and lifestyle, as well as their original languages, rituals and traditions. Furthermore, although English is widely spoken at all levels of society and is the official business language in Brunei, Malay is the official language. A portion of the populace also speaks Mandarin, Chinese dialects and indigenous Borneo languages.

Although many other civilisations have contributed to Brunei's rich history, the historic Malay world's customs have left a prominent mark on the country's contemporary culture. Additionally, several government agencies, including the Ministry of Religious Affairs, the Islamic Da'wah Centre, and the State Mufti's Office, play important roles in the nation's religious conscience. There are also stunning examples of architecture, including the Sultan Omar Ali Saifuddien mosque, the Jame' Asr Hassanil Bolkiah mosque and Kampong Ayer, the historic centre of the sultanate. Brunei undoubtedly has a rich cultural past, and both the government and the population have made great efforts to preserve it. For instance, the Brunei Arts and Handicraft Centre is evidence of the expansion and preservation of the arts and crafts that the nation was historically known for. Traditional games, musical instruments and the martial arts skills are among the most distinctive cultural offerings. The arrival of Islam and its creative traditions had a tremendous impact on Brunei's cultural landscape as well. Mosques and other important Islamic locations across the country are all works of art in and of themselves, and a number of them are among the most outstanding displays of Islamic art outside the Middle East. Examples include gilded Qur'ans, ceremonial objects and intricate mosaics that cover numerous monuments.

The study's findings indicate that respondents had a generally favourable impression of Brunei's ability to expand its *halal* tourism. However, they also shared several challenges that may hinder its development. According to the data analysis, most respondents thought that marketing to both Muslim and non-Muslim tourists and meeting the needs of both groups of visitors while adhering to *syariah* principles was one of the main problems in establishing *halal* tourism. Alcohol is not sold anywhere in Brunei and public drinking of alcohol is also forbidden by law. Brunei has earned the reputation of being a 'dry' nation. Therefore, it is a concern for non-Muslim travellers thinking about visiting Muslim countries. To please non-Muslim tourists, suppliers of tourism goods and services should devise novel alternatives. Additionally, agencies should inform non-Muslim travellers about *halal* tourism regulations, in accordance with the advice contained in the Qur'an: 'Invite to the way of your Lord with wisdom and good instruction and argue with them in a way that is best' (Surah An-Nahl 16:125).

The majority of respondents also believed the difficulty in finding attractions like theme parks may hamper the growth of *halal* tourism as well as tourism in general. Despite this problem, Brunei's tourism stakeholders are improving strategies and tour offerings to attract more tourists. As part of the most recent efforts to stimulate the tourism industry with domestic activities, new destination packages have been introduced for each of Brunei's districts which can be found at Brunei Tourism's website (Wong 2022; Rokiah 2022; Brunei Tourism 2024).

In addition, the respondents were aware that Islamophobia influenced negative sentiment towards Brunei. In recent years, the Syariah Penal Code Order has been implemented, with Brunei gaining international attention for its determination to enforce harsh Islamic punishments for crimes such as adultery and same-sex sexual relations. However, contrary to critics' claims, the Penal Code's implementation does not discriminate against anyone. It only seeks to respect and protect the legitimate rights of all individuals, societies or nationalities of any faith or race, noting that the criminalisation of adultery and sodomy is intended to protect the sanctity of the family lineage and marriage among individual Muslims, particularly women. It was emphasised that the offences would not apply to non-Muslims unless they committed the crimes in the presence of a Muslim.

Furthermore, the lack of a universal *halal* certificate and Muslim-friendly measurements, as well as wide discrepancies in *halal* policies and procedures, are seen as a challenge for Muslim-friendly tourism products and services. The discrepancies and lack of standardisation cause uncertainty for businesses looking to tap into the Muslim-friendly market, especially when multiple certifying bodies are operating in the country, each with its own set of *halal* certification requirements. Because there is no conclusive evidence to indicate the existence of a *halal* tourism policy in Brunei, it is critical to standardise the practice of *halal* tourism and have suitable rules set by the government to demonstrate the existence of a coherent policy.

In conclusion, it is feasible for Brunei to adopt *halal* tourism despite these obstacles. This can be improved by maximising the infrastructure and development of all tourism-related goods and services, providing government support, raising awareness among Muslim and non-Muslim tourists, and carrying out more research to enhance the development of all tourism-related goods and services.

10.5.2 Implementation of *Syariah*-compliant Concept in *Halal* Tourism Products and Services

The results indicate that *halal* tourism products and services in Brunei have implemented the *syariah*-compliant concept by providing the faith-based needs of Muslim tourists. In terms of accommodation, most hotels provide translations of the Qur'an, *qibla* signs and prayer mats in rooms, with no alcoholic drinks as well as no inappropriate entertainment such as bars and discotheques. This shows that hotels are implementing *syariah*-compliant features in their services and facilities. However, no certificate indicates they are *syariah*-compliant as Brunei has yet to develop a regulation or standard specifically for Muslim-friendly accommodation.

Brunei offers *halal* food and beverages at tourist sites, restaurants, airports, shopping malls, hotels and parks. Furthermore, most restaurants and vendors are *halal*-certified and display the *halal* logo to ensure the integrity of their products. The government constantly maintains a high level of stringency in the auditing process for obtaining *halal* certification and labels to ensure that the verified products are authentic. Meanwhile, the few non-*halal* restaurants are marked by signs stating that the food provided is only for non-Muslims.

The majority of respondents agreed that the *syariah*-compliant concept has been offered by clean transportation equipment, the absence of alcoholic beverages and the absence of non-*halal* food during travel. Transport terminals also offer Muslim-friendly airports with the availability of Muslim-friendly washroom facilities, *halal* foods and products, Muslim prayer rooms and airport employees with *halal* knowledge. Despite these positive findings, respondents also felt that all transportation terminals and transport services should conform to *syariah* principles by providing prayer facilities as well as adequate washrooms that allow Muslims to make ablutions before prayer. Apart from that, it should have a welcome sign in Arabic or English to impress tourists and offer travel supplication, as well as family-friendly entertainment onboard. They also agreed that the staff should be dressed politely and adhere to *syariah* requirements.

More importantly, the results indicate that *halal* tourism services also implemented *syariah* principles by developing tour packages and operating tours for Muslim travellers according to their preferences and unique needs. Muslim-friendly tour packages are those that consider the faith-based needs of Muslim travellers. However, it would be beneficial if these are *halal*-accredited and have staff who are trained on the faith-based needs of Muslims and understand Islamic etiquette and history.

Muslim tourists often consult religious apps as part of their daily lives, to learn or practise their faith or to read Qur'anic verses. Many Muslims also search for Muslim-friendly travel websites and apps that locate Muslim-friendly places. This allows them to determine whether their stay in a particular place will help or hinder the practice of their religion. As such, the availability of Muslim-friendly travel websites and mobile apps would be beneficial to allow Muslim tourists to book and find *halal* hotels, Muslim-friendly accommodation, *halal* restaurants and so on.

Another essential point is that qualified human capital is required to develop *halal* tourism. Government and affiliated organisations should improve customer services through education and robust training to boost efficiency, knowledge and skills. Moreover, human capital plays an important role in the *halal* tourism industry in serving guests. Therefore, trained and specialised personnel may help agencies to better meet the expectations of Muslim travellers.

10.6 *Maqasid Shariah* as a Framework for *Halal* Tourism

Syariah law will not be violated by the adoption of *maqasid syariah* in any sector, including the tourism business, as long as it is in line with spiritual and religious considerations such as faith-based needs requirements, *syariah*-compliant requirements, Islamic values or Islamic-based themes. In this regard, Azizah Musa (2021) asserts that drafting guidelines for *halal* tourism should include the five basic principles of *maqasid syariah* to ensure the *halal* tourism framework is aligned with *syariah* law.

Over the past 20 years, there have been changes to both the behaviour and demographics of Muslim tourists. They are increasingly seeking locations with high service levels catering to their needs. Muslims make up a distinct market niche since their requirements and desires are determined by their adherence to Islam. This affects the food they eat, their clothes and even how they handle their money. When Muslim travellers are on the road, they exhibit this consumption behaviour as they search for services that meet their religious requirements. Mastercard-CrescentRating's (2024) Global Muslim Travel Index identifies nine key faith-based needs that significantly impact on Muslim travellers' consumption behaviour (see also Nabilah 2019).

1. *Halal* food is the most important service a Muslim traveller looks for. Acceptability of the different levels of *halal* food assurance varies among Muslim travellers. Having food outlets with proper and easily identifiable *halal* certification is the preferred option and is key to reducing scepticism.
2. Access to prayer facilities is one of the central tenets of Islamic practice and worship, and is the second of the five pillars of Islam. While travelling, some people combine prayers and perform them three times a day. Another important consideration are the facilities to perform the ablution ritual before prayers referred to as *wudu*. Destinations should provide prayer rooms with *qibla* directions marked and equipped with prayer mats and prayer garments. These rooms could be fitted with ablution fixtures and made available in areas frequented by travellers, such as airports and tourist attractions.
3. Although Muslims are less likely to travel during the fasting month of Ramadan, many are still looking to spend this time away from home, especially if this period coincides with the school holidays. In addition, an increasing number of Muslims are performing the Umrah pilgrimage during Ramadan and taking holiday breaks during the Muslim festivals. Destinations looking to attract Muslim travellers during these periods need to be able to accommodate their special needs. Some examples include catering pre-dawn *halal* meals by hotels and providing dates to diners to break their fast at restaurants.
4. For Muslims, water plays a key role in purity and cleanliness, both of which are core aspects of the faith. Physical cleanliness is stressed as an essential component of being a Muslim. Special attention is thus given to hygiene in the washroom. This entails the use of water in the toilets, and it is discomforting for Muslim travellers when the set-up for water use is unavailable. Providing such facilities is less cumbersome now with the widespread availability of hand showers, bidets and even Japanese-style toilets.
5. Muslims consider some activities to be *haram* or forbidden. When it comes to travelling, services need to have a family-friendly environment. As such, some Muslims would prefer to avoid facilities that serve alcohol, have discos or are adjacent to a gambling resort.
6. Some Muslim travellers are looking for recreational facilities that provide privacy for males and females. These may include swimming pools and gyms, beaches, spas and beauty salons. One of the ways service providers can ensure privacy is by deploying same-gender staff to manage the facilities. In addition, customer service personnel should be educated and trained to manage the needs of Muslim travellers.
7. With Islamophobia being present in some countries, Muslim travellers are deterred from visiting destinations perceived as unwelcoming. Like any traveller, Muslims want their safety and security guaranteed in the destination they

are travelling to. With increasing hate crimes seen around the world, safety has become a primary concern for Muslim travellers.

8. A key tenet of the Islamic faith is social justice. This includes being mindful and having empathy towards self, others and the environment. Social causes include the ability to improve local living conditions, various green initiatives to protect the environment and eco-friendly tourism practices. Driven by their Islamic faith and the global trend towards sustainability, Muslims are becoming more conscious of being socially responsible in their travels.
9. Local Muslim experiences refer to experiences unique to the destination, allowing the traveller to connect with their Muslim identity and heritage. This includes visits and tours to Islamic heritage sites, interacting with local Muslim communities at a local mosque or experiencing the country with a Muslim tour guide. Additionally, travel websites and mobile apps assist and inform travellers to ensure smooth booking and create an enjoyable, fortunate and unforgettable voyage.

Based on the nine key faith-based needs of Muslim travellers, Table 10.7 summarises the integration of *maqasid syariah* values in *halal* tourism attributes.

10.7 Recommendations

As a result of the data and analysis provided, the following three recommendations are presented.

1. Since *halal* tourism products and services are widely available and *syariah* principles have been proven, collaboration with tourism entrepreneurs, travel agencies, hotels and restaurants to promote the existence of *halal* tourism to the public is required to raise awareness for Muslim travellers as well as non-Muslim travellers who are interested in Muslim cultures and hygiene practices.

2. The implementation of the *syariah*-compliant concept in *halal* tourism should be encouraged by conducting promotions and communications through social media and events, as well as making *halal* tour packages available to travel agencies.

3. To further increase the existing potential, a local government regulation explicitly regulating the presence of the *halal* tourism industry is required.

Amini Amir Abdullah et al. (2020) report that not many companies and agencies organise trips that offer an inbound trip with a *halal* travel package. Thus, the agencies who want to offer *halal* travel packages are recommended to follow the proper guidelines and it is recommended that the guidelines contain the five essential principles of *maqasid syariah*: the protection of religion, life, dignity, intellect and property while designing an inclusive framework for *halal* tourism. This means that when establishing an appropriate policy, guidelines or framework for *halal* tourism, policymakers must consider the importance of *maqasid syariah*. These characteristics distinguish *halal* tourism by keeping Islamic values when travelling without sacrificing the desire to enjoy oneself. These elements are presented in Figure 10.1.

Table 10.7 Summary of the integration of *maqasid syariah* in *halal* tourism attributes

Maqasid syariah	Category	Distinctive characteristics/attributes of *halal* tourism
Preservation of religion	• Faith-based needs	• *Syariah*-compliant hotels have more religious facilities or tangible attributes: prayer rooms and markers indicating the direction of Mecca, separate recreational facilities for men and women, translation of the Qur'an, *qibla* sign and prayer mats in rooms
Preservation of life	• Faith-based needs • *Syariah* compliance	• *Halal* food and beverages are provided at tourist sites, restaurants, airports, shopping malls, hotels and parks • Clear displays the *halal* logo and guaranteed to be *halal* according to *halal* standards and accredited with *halal* certification as well as ensuring cleanliness, safety and hygiene, and free from *haram* components • Caters for a safe trip, including transportation and accommodation
Preservation of wealth	• Islamic themes • *Syariah* compliance	• Tour packages for Muslim travellers according to their preferences and unique needs • Religious applications, Muslim-friendly travel websites and apps • Trained and specialised personnel on *halal* tourism products and services • Access to trip planning • Accuracy and transparent of travel information and *halal* assurance
Preservation of intellect	• Islamic themes • Islamic values	• Providing Islamic entertainment • Local unique Muslim experiences at the destination • Muslim travellers' journeys are comfortable and seamless
Preservation of lineage	• Faith-based needs • Islamic themes	• *Syariah*-compliant designated area • Islamic culture and teachings Muslim cultural norms and heritage provide opportunities for economic, ecological, educational and social benefits based on the principle of wise use • Environmental justice and social causes as reflected in the United Nations Sustainable Development Goals

Since future trends for *halal* tourism, as well as commercial opportunities, are predicted to grow in the next few years, it is crucial to comprehend *syariah* regulations and practices in the *halal* tourism sector. Moreover, individuals and organisations involved in the *halal* tourism and hospitality industries must be more conscious of the effects and implications of Muslims adhering to *syariah* more closely.

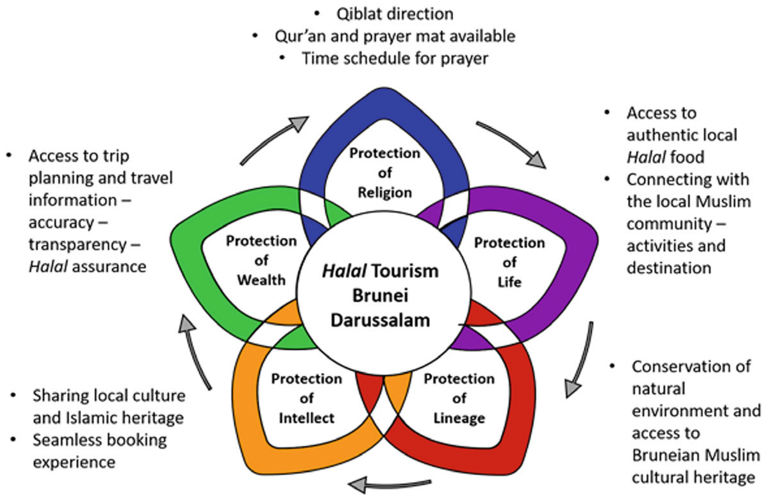

Fig. 10.1 Framework of *halal* tourism based on *maqasid syariah*

10.7.1 Conclusion

From the data analysis, it is apparent that no clear rules or policies on *halal* tourism are currently established in Brunei. Furthermore, it is argued that the principles and practices of *maqasid syariah* might fit the framework planning and design as well as the physical design of *halal* locations. The findings aid prospective *halal* tourism operators or suppliers in planning how to expand their operations in the future, making Brunei a more popular *halal* destination.

As we have seen, *halal* is a term associated with the Islamic faith that refers to a wide range of products and services available to Muslims. There is a distinction between Islamic tourism and *halal* tourism. Islamic tourism refers to religious and pilgrimage travel that focuses on acts of faith related to Islam itself. *Halal* tourism, on the other hand, is conducted for various reasons, including recreational, leisure and social purposes. *Halal* tourism products and services coexist and are linked to one another, completing the concept of *halal* tourism.

Therefore, *halal* in the tourism industry must comply with the provisions of *syariah* principles as regulated in the Qur'an and Sunna. Hence, the products and services of *halal* tourism in Brunei are implementing *syariah*-compliant concepts by providing faith-based needs of Muslim travellers, such as accommodation, food and beverages, transport and tourist attractions that do not contradict Islamic teachings.

The findings reveal that Brunei has the potential to become a model of *halal* tourism, given that the country has implemented *syariah* law. Regulating Islamic teachings and practices in *halal* tourism products and services will generate a positive and sustainable impact on the economy. Socially, developing *halal* tourism initiatives that promote pride in and adherence to Islamic identity leads to respect for its civilisational cultural values and the performance of Islamic laws. In the long term, adopting the *halal* concept as a business decision in the tourism sector leads to sustainability.

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Chapter 11
Halal Tourism Landscape in Japan: A Bibliometric Analysis

Syarifah Hasanah, Aizul Nahar Harun, and Mohammad Ali Tareq

Abstract The purpose of this chapter is to conduct a bibliometric analysis of Japanese *halal* tourism-related publications in the Scopus database—the first study to examine this subject matter. Microsoft Excel and VOSviewer were utilised for frequency analysis and data visualisation respectively. Consistent with the findings of this study, the number of studies on *halal* tourism in Japan has been gradually increasing since 2015. Japan, Malaysia and Indonesia are listed as the three countries with the most publications on the issue of *halal* tourism in Japan. The International Islamic University Malaysia is the most prolific institution of important publications related to studies on *halal* tourism in Japan. Numerous multi-authored studies on *halal* tourism in Japan have been published in 31 documents originating from 13 countries and 40 institutions. This study analyses data visualisations of the 20 most important terms in the literature on *halal* tourism in Japan including benchmarks (benchmarking Indonesia, Malaysia, and Muslim-minority countries) and challenges (*halal* food and *halal* certification of restaurants). The findings provide a clear overview of the current situation and important areas for future research, offering a useful guide for the further development of *halal* tourism studies in Japan.

Keywords Japan · Bibliometric analysis · *Halal* tourism · VOSviewer

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11.1 Introduction

Halal tourism is a rapidly expanding sector of the global tourism industry, fuelled by the rising number of Muslim travellers. *Halal* tourism refers to travel that adheres to Islamic laws and values, such as dietary, ethical and moral requirements that are specific to Muslims. This is significant because it assures Muslim tourists that their religious, cultural and dietary needs will be met during their travels, thereby enhancing their overall travel experience and contributing to the growth of the *halal* tourism industry. In Japan, this market is still emerging, but there are increasing efforts to accommodate Muslim travellers. The country has a small Muslim community, consisting of around 0.1% of the total population. Despite this small figure, the country is acutely aware of the importance of accommodating Muslim tourists since the number of Muslim visitors has been increasing steadily over the past few years. Overall, the government is setting a target of attracting 60 million foreign tourists annually by 2030 (Ishinabe 2024).

To attract more Muslim tourists, Japan has invested in the development of *halal*-friendly facilities, such as *halal* restaurants and prayer rooms (Takeshita 2020). In recent decades, Japan's economic growth has slowed as a result of a rapidly aging population and shrinking labour force. However, the tourism industry has the potential to revitalise the economy and the expansion of *halal* tourism can play an important role in this revitalisation. Given the increase in Muslim visitors to Japan, it is anticipated that demand for *halal*-friendly facilities and services will continue to rise in the coming years. *Halal* tourism has the potential to generate substantial economic benefits for Japan as Muslim tourists are typically high spending. This is because many of the popular products and services among Muslim tourists, such as *halal* food and prayer facilities, require additional investment and resources. In turn, this can generate new employment opportunities and stimulate economic development in local communities. In addition, accommodating the needs of Muslim tourists can contribute to Japan's reputation as a welcoming and inclusive destination for tourists from around the world. By providing *halal*-friendly facilities and services, Japan can demonstrate its commitment to diversity and inclusivity, thereby enhancing the country's international reputation and attracting more tourists from other nations and regions.

This study undertakes a bibliometric analysis of the existing literature on Japanese *halal* tourism indexed in the Scopus database. It seeks to provide a comprehensive overview of the current state of research on *halal* tourism in Japan and to identify the key trends, challenges and opportunities in the field. This study is motivated by the need to gain insights into the growing area of *halal* tourism in Japan and to contribute to the advancement of knowledge in this domain. The scope of this study is limited to Japanese *halal* tourism-related publications in Scopus, one of the largest and most comprehensive academic databases. The study examines articles, conference papers and reviews from 2015 to July 2022. Researchers, policymakers and industry stakeholders interested in the growth of *halal* tourism in Japan will gain valuable insights from this investigation. This study's findings can be used to inform the development of policies and strategies to promote the growth of *halal* tourism in Japan as well as to identify areas for future research and development.

11.2 Methods

The Scopus database was used in this bibliometric research to analyse collected documents with the titles 'Muslim travellers' OR 'Muslim tourists' OR 'halal tourism' OR 'Muslim friendly tourism' OR 'Islamic tourism' OR 'Shariah tourism' OR 'halal hospitality' OR 'Muslim friendly hospitality' OR 'Islamic hospitality' OR 'Shariah hospitality' AND 'Japan'. The study analyses all types of publications released from 2015 to July 2022 in Scopus, which is an extensive multidisciplinary database containing citations and abstracts from peer-reviewed papers, industry journals, books, patent records and conference publications. It offers tools to track, analyse and visualise search data. The Scopus database currently contains more than 273 titles. This kind of database can provide an inclusive overview of the world's scientific research output and is considered one of the primary sources of related information by the international scientific community (Rahmat 2021).

Bibliometric analysis was executed via the Scopus database as of July 2022. The search term 'halal tourism in Japan' in the title of the article was used to search for relevant articles published in any language related to research on *halal* tourism in Japan. The authors excluded documents using languages other than English and retrieved 270 papers. We then screened the titles and abstracts and generated 22 final papers. Microsoft Excel 365 was used to compute the frequency and percentage of each publication and to create appropriate graphical representations, and VOSviewer (version 1.6.15) to create and visualise the bibliometric networks.

The following section presents the results obtained from the bibliometric analysis to solve the problems raised in the research. The research aimed to identify the current trends and impact of publications related to *halal* tourism in Japan, then to recognise the most productive and influential countries, institutions and authors, and to know the most influential articles on the subject. The final task was to analyse the themes generated from the content of the articles. Annual growth data until July 2022 were also presented in the findings, including their frequency and percentage.

11.3 Discussion

11.3.1 Publications by Year

Table 11.1 illustrates the yearly publication statistics for research on *halal* tourism in Japan from 2015 to 2022, revealing an upward trend in the number of publications. The year 2015 is significant as it marked the first time that Scopus indexed documents

Table 11.1 Publications on *halal* tourism in Japan by year

Year	No. of documents	%
2022	1	4.55
2021	6	27.27
2020	4	18.18
2019	4	18.18
2018	3	13.64
2017	2	9.09
2016	1	4.55
2015	1	4.55
Total	22	100.00

on *halal* tourism in Japan, although only one document was recorded. Between 2015 and 2022, fewer than 25 documents on *halal* tourism in Japan were found in the Scopus database. There was a slight increase in the number of documents published from 2017, with two publications that year. The number of publications continued to grow gradually from 2017 to 2019, indicating a slow but steady increase in interest in *halal* tourism in Japan. In 2020 the number of publications remained the same as the previous year. The most significant increase was seen in 2021, with six documents published. Although there was only one publication in 2022, this study was conducted at the end of July 2022 so the full number of documents for the year had not yet been published.

11.3.2 Source Types

The purpose of this study was to identify the sources of documents related to *halal* tourism in Japan. By examining the data according to the types of sources, the study found that journals were the most popular source, accounting for 77.27% (17 in total) of the documents analysed. The next most common source was books, with 13.64% (3 in total), while conference proceedings were the least common type of document, with only 9.09% (2 in total). Table 11.2 summarises these findings.

Table 11.2 Types of publication sources on *halal* tourism in Japan

Source type	No. of documents	%
Journals	17	77.27
Books	3	13.64
Conference proceedings	2	9.09
Total	22	100.00

Table 11.3 Types of documents on *halal* tourism in Japan

Document type	No. of documents	%
Article	16	72.73
Book chapter	2	9.09
Conference paper	2	9.09
Book	1	4.55
Note	1	4.55
Total	22	100.00

11.3.3 Document Types

The Scopus database is limited to primary document types found in serial publications, where the author is the same person as the researcher who conducted the study. It does not include secondary document types like book reviews where the author is different from the researcher. Using Scopus, we analysed the number of researchers and their publications on *halal* tourism in Japan. Table 11.3 shows that more than half of the publications were articles (n = 16, 72.73%). The next most common document types were book chapters (n = 2, 9.09%) and conference papers (n = 2, 9.09%). Books and notes each accounted for less than 4.55% (n = 1) of the total publications.

11.3.4 Source Titles

The *Journal of Islamic Marketing* contributed the greatest number of publications on *halal* tourism in Japan (n = 3, 13.64%). This was followed by the IOP Conference Series: Earth and Environmental Science (n = 2, 9.09%). Table 11.4 shows the top 19 sources of publishing on halal tourism in Japan.

11.3.5 Subject Area

The documents in this study were categorised according to their subject area (Table 11.5). The results demonstrate that there is a diverse range of research on *halal* tourism in Japan across various disciplines. Business, management and accounting had the highest number of studies, with 28.57% (n = 12) of all articles, followed by a considerable number of publications in the social sciences (n = 8, 19.05%). Additionally, there were over 20 documents in each of the following subject areas: environmental science, economics, econometrics and finance, arts and humanities, computer science, earth and planetary sciences, decision sciences, energy, engineering, mathematics and multidisciplinary.

Table 11.4 Sources of publishing on *halal* tourism in Japan

Source title	No. of documents	%
Journal of Islamic Marketing	3	13.64
IOP Conference Series: Earth and Environmental Science	2	9.09
Academic Journal of Interdisciplinary Studies	1	4.55
Advanced Science Letters	1	4.55
Feeding Japan: The cultural and political issues of dependency and risk	1	4.55
Heliyon	1	4.55
International Journal of Business and Society	1	4.55
International Journal of Contemporary Hospitality Management	1	4.55
International Journal of Interactive Mobile Technologies	1	4.55
Japan's relations with Muslim Asia	1	4.55
Journal of Big Data	1	4.55
Journal of Hospitality and Tourism Education	1	4.55
Journal of Vacation Marketing	1	4.55
Jurnal Komunikasi: Malaysian Journal of Communication	1	4.55
Malaysian Journal of Consumer and Family Economics	1	4.55
Routledge handbook of halal hospitality and Islamic tourism	1	4.55
Tourism Management	1	4.55
Tourism Management Perspectives	1	4.55
Tourism Recreation Research	1	4.55
Total	22	100.00

11.3.6 Countries Contributing Most to Research

The majority of research on *halal* tourism in Japan originated from 13 countries (Table 11.6). Japan was at the forefront with 25.81% of the publications, followed by Malaysia with 22.58% and Indonesia with 19.35%. The remaining countries accounted for less than 4% of the research and were scattered globally, including Canada, China, Greece, Hong Kong, Kuwait, Pakistan, Singapore, South Korea, the United Arab Emirates and the United States. This suggests that studies on *halal* tourism in Japan have a significant impact in many different regions.

Table 11.5 Publications on *halal* tourism in Japan by subject area

Subject area	No. of documents	%
Business, management and accounting	12	28.57
Social sciences	8	19.05
Environmental science	5	11.90
Economics, econometrics and finance	4	9.52
Arts and humanities	3	7.14
Computer science	3	7.14
Earth and planetary sciences	2	4.76
Decision sciences	1	2.38
Energy	1	2.38
Engineering	1	2.38
Mathematics	1	2.38
Multidisciplinary	1	2.38
Total	42	100.00

Table 11.6 Publications on *halal* tourism in Japan by country

Country	No. of documents	%
Japan	8	25.81
Malaysia	7	22.58
Indonesia	6	19.35
Canada	1	3.23
China	1	3.23
Greece	1	3.23
Hong Kong	1	3.23
Kuwait	1	3.23
Pakistan	1	3.23
Singapore	1	3.23
South Korea	1	3.23
United Arab Emirates	1	3.23
United States	1	3.23
Total	31	100.00

11.3.7 Affiliated Institutions

The majority of publications on *halal* tourism in Japan are derived from specific institutions (Table 11.7). Among the 44 documents, International Islamic University Malaysia (n =2), Universiti Malaya (n =2), Universiti Sains Islam Malaysia (n =2) and Aichi Gakuin University (n =2) were the most significant contributors. The first three universities are situated in Malaysia, while the fourth is in Japan.

Table 11.7 Publications on *halal* tourism in Japan by institution

Name of institutional affiliation	No. of documents	%
International Islamic University Malaysia	2	4.55
Universiti Malaya	2	4.55
Universiti Sains Islam Malaysia	2	4.55
Aichi Gakuin University	2	4.55
Humber College	1	2.27
Universiti Teknologi MARA	1	2.27
Mohsin and Fauzia Jaffer Center for Muslim World Studies	1	2.27
Universiti Kebangsaan Malaysia	1	2.27
Universiti Utara Malaysia	1	2.27
Universiti Teknologi MARA	1	2.27
Nanyang Technological University	1	2.27
Hong Kong Polytechnic University	1	2.27
Japan Advanced Institute of Science and Technology	1	2.27
Jeonju University	1	2.27
Toyo University	1	2.27
Universiti Teknologi Malaysia	1	2.27
Universiti Putra Malaysia	1	2.27
Tokyo University of Agriculture	1	2.27
American College of Greece	1	2.27
Ritsumeikan University	1	2.27
York University	1	2.27
Bahauddin Zakariya University	1	2.27
Gulf University for Science and Technology Kuwait	1	2.27
Universitas Indonesia	1	2.27
Universitas Diponegoro	1	2.27
Brawijaya University	1	2.27
University of Sharjah	1	2.27
Abu Dhabi University	1	2.27
Universiti Malaysia Pahang	1	2.27
Kindai University	1	2.27
Universitas Pendidikan Indonesia	1	2.27
Universitas Muhammadiyah Yogyakarta	1	2.27
Universitas Islam Negeri Syarif Hidayatullah Jakarta	1	2.27

(continued)

Table 11.7 (continued)

Name of institutional affiliation	No. of documents	%
International Islamic University Malaysia, Institute of Islamic Banking and Finance	1	2.27
Nanyang Business School	1	2.27
School of Management Fudan University	1	2.27
ALBA Graduate Business School	1	2.27
National Institute of Technology, Akashi College	1	2.27
College of Business Administration	1	2.27
Osaka Metropolitan University	1	2.27
Total	44	100.00

11.3.8 Most Cited Publications

Table 11.8 provides a summary of the frequency of cited publications on *halal* tourism in Japan, based on the number of times they were cited. The most cited is Salman Yousaf and Fan Xiucheng's (2018) systematic study which analyses *halal* culinary and tourism marketing strategies on government websites, cited 70 times (30.17%). The second most cited is a study by Seongseop Kim et al. (2015) which examines the destination brand positioning of China, Japan and South Korea among Malaysian Muslim tourists, cited 44 times (18.97%). Other frequently cited publications include literature reviews that explore Japan's strengths and weaknesses as a Muslim-friendly destination, such as the study by Joan C. Henderson (2016b), which is cited 41 times (17.67%). Additionally, other frequently cited documents address topics such as sentiment analysis of *halal* tourism, *halal* logos, comparisons between Japanese and Islamic hospitality, *halal* tourism in Muslim-minority countries, *halal* food regulations, *halal* certification, prayer rooms and application development.

11.3.9 Title and Abstract Analysis (Co-occurrence of Keywords)

Figure 11.1 is a network diagram that shows the co-occurrence of terms based on their appearance in the title and abstract fields of the publications. To be included in the diagram, a term had to occur at least five times. Of the 702 terms, only 34 met this requirement. The 20 most relevant terms, which appear together frequently and share the same colour, were selected. These terms include '*halal* logo', '*halal* tourism', 'Malaysia', 'non-Muslim country', and 'tweet', which are coloured green in the diagram and are closely related. The diagram also reveals five clusters of terms, each represented by a different colour, which were generated by VOSviewer based on the titles and summaries of the publications analysed.

Table 11.8 Publications on *halal* tourism in Japan by frequency of citation

Authors	Year	Title	Cited by	%
Salman Yousaf and Fan Xiucheng	2018	Halal culinary and tourism marketing strategies on government websites: A preliminary analysis	70	30.17
Seongseop (Sam) Kim, Holly Hyunjung Im and Brian E.M. King	2015	Muslim travellers in Asia: The destination preferences and brand perceptions of Malaysian tourists	44	18.97
Joan C. Henderson	2016	Muslim travellers, tourism industry responses and the case of Japan	41	17.67
Ainin Sulaiman, Ali Feizollah, Nor Badrul Anuar and Nor Aniza Abdullah	2020	Sentiment analyses of multilingual tweets on halal tourism	36	15.52
Yukichika Kawata, Sheila Nu Nu Htay and Ahmed Syed Salman	2018	Non-Muslims' acceptance of imported products with halal logo: A case study of Malaysia and Japan	18	7.76
Ali Feizollah, Mohamed M. Mostafa, Ainin Sulaiman, Zalina Zakaria and Ahmad Firdaus	2021	Exploring halal tourism tweets on social media	5	2.16
Hiroko Kushimoto	2017	Religious and cultural foundations of hospitality in the Islamic and Japanese traditions: A preliminary comparison	4	1.72
Mohd Fuaad Said, Khairul Akmaliah Adham, Nur Sa'adah Muhamad and Syahnaz Sulaiman	2022	Exploring halal tourism in Muslim-minority countries: Muslim travellers' needs and concerns	3	1.29
S. Nuraini and Sucipto	2021	Comparison Halal food regulation and practices to support Halal tourism in Asia: A review	3	1.29
Ramadhona Saville and Akhmad Mahbubi	2021	Assessing Muslim travellers' preferences regarding food in Japan using conjoint analysis: An exploratory study on the importance of prayer room availability and halalness	2	0.86

(continued)

Table 11.8 (continued)

Authors	Year	Title	Cited by	%
Shuko Takeshita	2020	Halal certification or ingredient disclosure: A comparative analysis of serving food in Japanese tourist destinations	2	0.86
Avraam Papastathopoulos, Christos Koritos and Charilaos Mertzanis	2021	Effects of faith-based attributes on hotel prices: the case of halal services	1	0.43
Ajeng Puspa Marlinda, Bambang Cipto, Faris Al-Fadhat and Hasse Jubba	2021	South Korea's halal tourism policy: The primacy of demographic changes and regional diplomacy	1	0.43
Ruzinoor Che Mat, Miyata Kazunori and Azman Ab. Rahman	2020	The development of mobile Japanese halal gamification (MJHG)	1	0.43
Alwin Adityo and Sri Rahayu Hijrah Hati	2019	Japan and Korean Cuisine war in a Muslim-majority country: The intention of Muslim customers to consume foreign food	1	0.43
Total				100

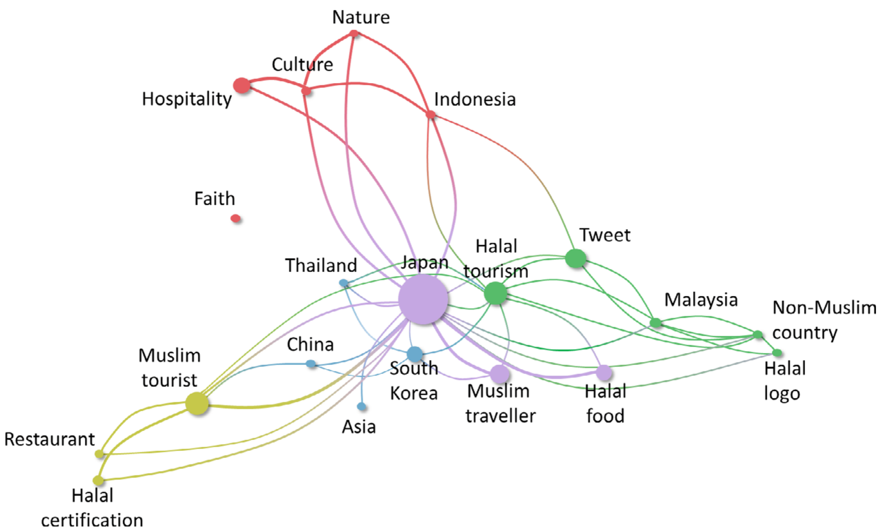

Fig. 11.1 Co-occurrence of keywords

11.4 Benchmarking and Challenges

The study analysed word combinations and identified two main themes: benchmarking and challenges. By examining the titles and abstracts in the Scopus database we found five groups of words. The first theme, benchmarking, was divided into three sub-themes focusing on comparing *halal* tourism in Indonesia, Malaysia and minority Muslim countries. The second theme, challenges, was divided into two sub-themes, which discuss difficulties in providing *halal* food and *halal* certification in Japan (Table 11.9).

11.4.1 Benchmarking Indonesia for *Halal* Tourism

According to Ainin Sulaiman et al. (2020), Indonesia serves as an example for *halal* tourism. As the country with the largest Muslim population, it has a trustworthy certification system for *halal* products and a reputation for being hospitable (Nuraini and Sucipto 2021). These characteristics offer valuable knowledge for other countries interested in attracting Muslim visitors. Japan, for instance, has experienced a rise in the number of Muslim tourists in recent times and may have the potential to imitate Indonesia's *halal* tourism model (SESRIC 2018; Wan Muhammad et al. 2021).

To fully understand the potential of *halal* tourism in Japan, it is crucial to take into account both the country's own cultural and religious legacy, as well as the experiences of Muslim tourists in Indonesia. Japan's vibrant culture, warm hospitality and stunning natural scenery can be valuable in attracting Muslim visitors. However, Japan needs to address important religious concerns, such as the availability of *halal* food and places of worship, if it wants to completely embrace *halal* tourism (SESRIC 2018; Yousaf and Fan 2018; Kurniawan and Jatmika 2021).

Table 11.9 Cluster details of publications on *halal* tourism in Japan

Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5
Culture	*Halal* logo	Asia	*Halal* certification	*Halal* food
Faith	*Halal* tourism	China	Muslim tourist	Japan
Hospitality	Malaysia	South Korea	Restaurant	Muslim traveller
Indonesia	Non-Muslim country	Thailand		
Nature	Tweet			
Generated themes				
Benchmarking other countries for *halal* tourism			Challenges	
Indonesia	Malaysia	Minority Muslim countries	Certification for *halal* restaurant	*Halal* food in Japan

Halal tourism offers Japan with a special opportunity to showcase its cultural heritage and hospitality to the growing number of Muslim tourists. By taking cues from Indonesia, which has effectively adopted *halal* tourism, Japan can grapple with the needs and preferences of Muslim visitors and establish an inclusive environment. If done well, *halal* tourism can be a significant contributor to Japan's economic growth while also fostering cultural exchange and harmony between diverse communities (Pratama 2022; Yustica and Widiandari 2022).

11.4.2 Benchmarking Malaysia for *Halal* Tourism

Malaysia has been a trailblazer in promoting *halal* tourism both locally and globally (Henderson 2016a). The country has implemented a national policy for *halal* tourism, leading to a surge in the number of *halal*-friendly establishments (SESRIC 2018). This has resulted in *halal* tourism becoming a rapidly growing industry in Malaysia, contributing greatly to the country's tourism earnings (Gairuzazmi 2016). By investing in first-rate infrastructure and launching targeted marketing initiatives, Muslim-majority countries like Malaysia have the potential to generate substantial income from *halal* tourism.

Malaysia's *halal* logo, which has gained global recognition, is a key factor in Japan's decision to adopt Malaysia as a role model for *halal* tourism (Zakiah et al. 2016; Nuraini and Sucipto 2021). As consumers become more mindful of what they buy and use, the *halal* logo serves as a guarantee that a product or service adheres to the strict standards of the Muslim community. Japan aims to attract a larger number of Muslim visitors by following the example of Malaysia's success with the *halal* logo.

Moreover, Japan is motivated by Malaysia's proactive marketing techniques. Malaysia has invested significantly in developing marketing campaigns focused on attracting Muslim tourists (SESRIC 2018). This approach has proven to be fruitful as *halal* tourism has become a significant contributor to tourism earnings. Japan aims to replicate Malaysia's fruitful marketing strategy to attract more Muslim tourists to visit the country.

To summarise, Japan views Malaysia as a model for *halal* tourism due to several factors. Malaysia's well-known *halal* symbol and proactive promotional approach are examples of success that Japan can learn from. If Japan invests in world-class infrastructure, designs focused promotional campaigns and follows the success of other countries such as Malaysia, then Japan can become a leading *halal* tourism destination.

11.4.3 Benchmarking Muslim-minority Countries for *Halal* Tourism

Japan is placing greater emphasis on *halal* tourism in its efforts to offer world-class experiences to Muslim travellers. To ensure it can satisfy the needs of these visitors, it is vital to evaluate its *halal* tourism against that of neighbouring countries. This section assesses Japanese *halal* tourism with that of Thailand, China and South Korea, emphasising the key aspects to consider while gauging this sector.

Accommodation is a crucial element of *halal* tourism, as it involves providing Muslim travellers with amenities that cater to their religious needs. In Thailand, luxury hotels have recognised the significance of *halal* tourism and offer dedicated prayer rooms and *syariah* courts for Muslim guests (Jeaheng et al. 2019; Marlinda et al. 2021). This level of accommodation is not limited to Thailand, as countries such as China and South Korea also have a growing number of Muslim-friendly tourist destinations. Muslim travellers can now have peace of mind knowing that they can easily access *halal*-certified food and prayer facilities while exploring these countries' cultural and historical sites. This trend highlights the importance of the hospitality industry's responsiveness to the growing demand for *halal* tourism, which is projected to continue its upward trajectory in the coming years.

Food plays a significant role in the overall *halal* experience. In Thailand, there is a diverse range of *halal*-certified food options available for Muslim travellers. From street food to high-end restaurants, the country offers an abundance of delicious *halal* cuisine that caters to the needs and preferences of Muslim visitors. In China, there are also numerous *halal* restaurants across the country, providing a convenient and enjoyable dining experience for Muslim tourists. However, the same cannot be said for South Korea, where the Muslim community is relatively small and the availability of *halal*-certified restaurants is limited (Marlinda et al. 2021). This could pose a challenge for Muslim travellers looking for *halal* food options in the country. Therefore, it is important for *halal* tourism destinations to consider the availability and accessibility of *halal* food options to cater to the needs and preferences of Muslim travellers.

When evaluating the success of *halal* tourism, it is crucial to take into account the accessibility of Muslim-friendly travel options (Battour and Mohd Nazari 2016). This is particularly significant given the influx of Muslim immigrants to Japan, which has stimulated a corresponding surge in demand for travel destinations that cater to their specific religious and cultural requirements. To ensure that Muslim travellers can make the most of their trips, it is important to offer them access to accurate and reliable information regarding the *halal* certification status of hotels, restaurants and tourist attractions. In this way, travellers can feel more confident in their travel choices and can better plan their trips to ensure a successful and fulfilling experience.

The *halal* tourism trend is on the rise in Japan and there is still considerable potential for development in this sector. A significant hurdle to overcome is the lack of awareness among Japanese people regarding Muslim-friendly destinations and services (Syarifah and Aizul 2018). Tourism-related establishments such as hotels, restaurants and other relevant businesses must take steps to promote *halal* tourism. In addition, the authorities in Japan should make concerted efforts to create a welcoming environment for Muslim tourists by exhibiting sensitivity towards their religious beliefs and treating them with respect and dignity. By taking these measures, Japan can bolster its position as a leading *halal* tourism destination in the region.

Finally, comparing *halal* tourism in Japan to other countries in the region, such as Thailand, China and South Korea, is critical to ensuring that the country is capable of providing high-quality experiences for Muslim travellers. Japan can continue to attract Muslim tourists from around the world by focusing on key aspects such as accommodation, food and accessibility.

11.4.4 Halal Restaurant Certification

Japan is striving to attract Muslim tourists to its country but is encountering difficulties in obtaining *halal* certification for its restaurants. One of the main obstacles is the lack of knowledge among Japanese restaurant owners regarding the significance of *halal* certification. As the overwhelming majority of the population in Japan is not Muslim, there is a lack of comprehension about the importance of *halal* certification for the Muslim community. Consequently, some restaurants are unaware of the *halal* certification process and the positive impact it can have on their business (Yousaf and Fan 2018; Kodir et al. 2019; Takeshita 2020).

The difficulty of finding *halal*-certified ingredients poses another challenge for Muslim tourists in Japan, as many of the traditional Japanese ingredients are not *halal* (Takeshita 2020; Pratama 2022). Therefore, Japanese restaurants need to make a conscious effort to source *halal*-certified ingredients or offer *halal*-friendly alternatives such as vegetarian or seafood dishes. To tackle this issue, Japan should adopt a multipronged approach, with the government collaborating with organisations such as the Japan Islamic Trust to increase awareness among restaurant owners about the significance of *halal* certification. This approach could involve providing education and training about the *halal* certification process and the advantages of providing *halal*-certified food. Moreover, the government should team up with suppliers to increase the availability of *halal*-certified ingredients, such as by incentivising suppliers or importing *halal*-certified products from international sources (SESRIC 2018).

Finally, the Japanese tourism industry needs to promote *halal* tourism to the Muslim community. This could involve partnering with Muslim countries to promote Japan as a *halal*-friendly destination and highlighting the efforts that the country is making to accommodate Muslim tourists. Additionally, Japan could promote its *halal*-certified restaurants through marketing campaigns and by offering special packages to Muslim tourists. By taking these steps, Japan can overcome the challenges it faces when it comes to *halal* certification and become a major destination for Muslim tourists.

11.4.5 *Halal* Food in Japan

Japan, a country that does not practise Islam, is dedicated to attracting Muslim tourists from all over the world by developing infrastructure and services that cater to their preferences. Despite this, a significant obstacle for Muslim travellers in Japan is the shortage of *halal* food options. This poses a genuine concern for Muslims who adhere to religious dietary limitations that could affect their travel to Japan.

The availability of *halal* food options is essential for Muslim tourists and Japan must address this issue to provide them with a comfortable and enjoyable travel experience (Kurniawan and Jatmika 2021). The absence of *halal* food options could result in Muslim tourists choosing to visit other countries that better cater to their needs, which could potentially harm Japan's tourism industry. To attract more Muslim tourists, Japan needs to invest in the development of *halal* food options and make them widely available. One possible solution to address this challenge is for Japan to partner with local restaurants and businesses to offer *halal* food options. This would involve working with these establishments to ensure that they understand the requirements of *halal* food preparation and certification and that they can offer *halal*-certified food to Muslim tourists. Japan could also consider offering incentives, such as tax breaks or other financial incentives, to businesses that are willing to develop *halal* food options.

Another important step that Japan could take is to raise awareness about the importance of *halal* food and encourage the development of *halal*-certified restaurants. This could involve working with religious organisations and other groups to educate the public about the importance of *halal* food and the benefits of catering to Muslim tourists. The government could also play a role in promoting the development of *halal*-certified restaurants by providing funding or other resources to support their development.

By taking these steps, Japan could provide Muslim tourists with a more welcoming and accommodating travel experience, which could help to attract more visitors and boost the country's tourism industry. Additionally, by offering *halal* food options, Japan would demonstrate its commitment to diversity and inclusivity, which would help to enhance its reputation as a welcoming and tolerant country. Ultimately, by addressing the challenge of *halal* food options, Japan could tap into a significant and growing segment of the global tourism market and benefit from the economic opportunities that it presents.

To summarise, the availability of *halal* food options is a crucial aspect of providing a comfortable travel experience for Muslim tourists in Japan (Rasul 2019; Sulaiman et al. 2020). The country needs to pay attention to this issue and take proactive steps to address it, as it could have a significant impact on its tourism industry. By partnering with local businesses and promoting *halal* food options, Japan can provide Muslim tourists with a more enjoyable and welcoming experience, which could help to attract more visitors and boost the country's tourism industry.

11.4.6 The Future of *Halal* Tourism in Japan

Halal tourism in Japan has been growing steadily in recent years and it has the potential for even more growth in the future. Japan is known for its unique culture, delicious cuisine and beautiful landscapes, which are all attractive to Muslim travellers. Here are some factors that could contribute to the prospects of *halal* tourism in Japan:

Increasing awareness. The Japanese government has been making efforts to promote *halal* tourism and create a more welcoming environment for Muslim travellers. This includes offering more *halal* food options and establishing prayer rooms in major tourist areas. As more people become aware of Japan's efforts to accommodate Muslim travellers the more Muslims are likely to consider Japan as a travel destination.

Growing Muslim population. The number of Muslims in Japan is increasing and this is likely to lead to more demand for *halal* tourism. The Muslim population in Japan numbered 230,000 in 2020 and is projected to grow.

Tokyo Olympics. The Tokyo Olympics, which were postponed to 2021 due to the COVID-19 pandemic, provided a boost to *halal* tourism in Japan. With thousands of Muslim athletes and spectators visiting Japan for the Games, many for the first time, the government and private sector took steps to ensure that *halal* food and other services were readily available.

Unique attractions. Japan has a lot to offer to Muslim travellers, including historical sites, natural landscapes and world-renowned cuisine. By highlighting these unique attractions, Japan can appeal to Muslim travellers looking for a culturally rich and diverse travel experience.

Overall, the prospects for *halal* tourism in Japan look promising. With increased awareness, a growing Muslim population and efforts to make Japan more welcoming to Muslim travellers, Japan has the potential to become a top destination for *halal* tourism in the coming years.

11.5 Conclusion

This study uses bibliometric analysis to undertake a comprehensive overview of the publications relating to research about *halal* tourism in Japan from 2015 to July 2022. Mapping the growth of *halal* tourism in Japan, key topic areas and collaborations within a series of categories (the number of published studies per year, sources, languages, subject areas, keywords, document titles, contributing countries, main institutions, authorship and citations) indicates broad applications of *halal* tourism in Japan. The findings show that early research on *halal* tourism in Japan was carried out by scholars from outside Japan, and has continuously grown and been widely disseminated since then. Nevertheless, most research on *halal* tourism in Japan has focused on the fields of business and management as well as social sciences. There has been increasing collaboration on *halal* tourism in Japan research among scholars or institutions from a limited group of countries. This evolution of *halal* tourism in Japan generally reflects an increasing emphasis on *halal* issues like certification, logos and food.

Despite its limitations, this study contributes to a better understanding of the trends in research and publications on *halal* tourism in Japan. Each of the indicators points towards growth in this field of research which may offer more opportunities for improving current *halal* tourism in Japan. This study extends and complements previous findings by using bibliometric methods. The current analysis produces several exciting observations that highlight the rising importance of *halal* tourism in the Muslim-minority countries around the world, as well as their dissemination, and the need for more research involving cooperation among various regions and different fields. Further research should focus on the use of technology to improve *halal* tourism services, particularly through improved food traceability and certification procedures.

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Chapter 12
Governing *Halal* in Malaysia: Innovation towards Customer Interests and Satisfaction

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Abstract Governing *halal* has become an important topic of discussion not only in terms of *halal* concerns but also in understanding the Islamic governance process with regard to consumer interest, satisfaction and innovations. *Halal* governance in Malaysia has been in place since 1974, and it has seen many changes, difficulties and innovations. This chapter examines the evolution of *halal* governance in Malaysia as well as the advances made in the *halal* certification process from 2017 to the present in order to meet customer interest and satisfaction. The discussion looks at how customer interest and satisfaction drive *halal* governance innovations, and how these innovations have improved *halal* practices and performance. The methods used in this study include interviews, a literature review and document analysis, notably the annual reports and Client Charter of Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia). Thematic and content analyses are also used. Ten innovations are highlighted in addition to major client concerns. The four most common customer complaints are about slow management, difficult processes, dubious *halal* confirmation status and expensive fees. In response, the innovations in *halal* governance include: success in accelerating the processing of *halal* certification, the appointment of a special officer to handle *halal* complaints, the setting up of monitoring and enforcement officers, establishing a special task force, providing *halal*-specific counters, enhancing investigation and *halal* online procedures, implementing a privacy policy, resolving customer complaints, avoiding middlemen, and monitoring of *halal* certification and an awareness programme.

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12.1 Introduction

Governing *halal* has become a vital field of discussion and debate not only regarding *halal* issues themselves but also in understanding broader Islamic governance processes. While it is related to meeting customer interest and satisfaction, *halal* governance in Malaysia has gone through several changes, developments and innovations over the years. *Halal* governance has been in effect since 1974 when the Research Centre of the Islamic Affairs Division under the Prime Minister's Office provided a *halal* endorsement letter for products that met the standard of *syariah.* Progressing from an endorsement letter, the government, through its agency Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia), improvised the process by issuing an endorsement certificate along with the *halal* logo in 1994. Jabatan Perkhidmatan Awam (Public Service Department) appointed 165 *halal* officers from various schemes and grades in 2005 to meet the vast demand and rapid development of the *halal* food industry and JAKIM changed the name of its Food and Islamic Consumer Products Division to the Halal Hub Division. In April 2008 the governance of *halal* certification was taken over by the Halal Development Corporation (HDC). However, in 2009 the Cabinet decided that the governance of *halal* certification within and outside the country should be returned to JAKIM (Halal Malaysia 2024a).

JAKIM's recently renamed Halal Management Division is divided into several branches: Application/Process Unit, Audit Unit, Certification Unit, Monitoring Unit, Strengthening Unit, and Policy and Overseas Unit (Halal Malaysia 2024b). This division's aim is to ensure that all products bearing *halal* certificates or the *halal* logo adhere to *syariah* law. Malaysian *halal* certification is made available to all industries and enterprises, including food, goods and logistics services, that are willing to follow the requirements set out by JAKIM. Further, *halal* governance is also open to collaboration with neighbouring countries such as Brunei Darussalam, Singapore, Australia and Indonesia. JAKIM states its ethos on *halal* governance in the Client Charter to ensure customer interest and satisfaction (Halal Malaysia 2024c). In addition to these efforts, the Prime Minister's Department has established a focus group to resolve inefficiencies in the *halal* certification process and has taken some measures in improving the standard and procedure of *halal* certification. In Malaysia, both the federal and state governments manage the *halal* industry, primarily through JAKIM, the HDC and other ministries. The federal government, in particular, has authority over *halal* concerns and integrity, including production and consumption. This allows the government to monitor the development of *halal* from religious, economic and commercial perspectives.

The scale of the *halal* industry is considerable. *Halal* exports were valued at MYR59 billion in 2022, accounting for about 5.1% of the country's overall exports (HDC 2023). This demonstrates that a well-planned and inclusive approach has the ability to significantly enhance the *halal* industry. Malaysia recorded a total of 1,876 enterprises exporting *halal* products in 2019, with 1,430 companies (76.2%) being small and simple companies (HDC 2020a, b). As *halal* concerns have grown in importance, it is critical to understand how customers perceive and experience Malaysia's *halal* certification and governance. In light of this, the chapter analyses how customer interest and satisfaction drive *halal* governance innovations, as well as how these innovations changed *halal* governance practices and effectiveness.

12.2 Objectives and Methods

As noted, the purpose of this chapter is to investigate the evolution of *halal* governance in Malaysia and to examine the innovations made in *halal* certification from 2017 to the present in order to meet customer interests and satisfaction. The methods used in this study include interviews, a literature review and document analysis. The annual reports and Client Charter of JAKIM are the primary documents examined. Thematic and content analyses are also employed. Four designated and experienced JAKIM officers were interviewed to explore the narrative of *halal* governance and these semi-structured interviews were conducted in person. As a consequence, 10 innovations were highlighted in addition to four major client concerns.

This analysis provides insights into *halal* governance through the Malaysian experience, both theoretically and practically. We expect that the discussion will help to enhance the *halal* governance debate and knowledge in the wider Southeast Asian region, encouraging critical reflection and policy formulation. In particular, the focus shows how customer satisfaction, interest and feedback drive innovations and strengthen Malaysia's national *halal* governance. Highlighting the significance of customers' perceptions and experiences with *halal* governance helps establish and build confidence in the *halal* industry, and will ultimately provide a positive push factor for the thorough adoption of *halal* governance.

12.3 The Development of *Halal* Governance: Institutionalisation and Certification

According to Robert K. Yin et al. (1978), institutionalisation can be defined as 'the process through which a group of activities becomes an integral and sustainable part of a formal system'. They go on to identify a series of events that lead to 'novel practices becoming standard practice' in a formal environment. The World Bank (2010) introduced a three-part framework on institutionalisation that encompasses an institutional framework; regular production of pertinent reports; and sufficient resource availability. In other words, the presence of an institutional framework—with a supportive environment and governance structure—that will promote continuous performance of appropriate activities, including official directives for a unit to exist, is required according to the framework for institutionalisation.

Malaysia's *halal* governance framework operates at two different levels—the federal and state governments. Furthermore, *halal* governance is linked to several ministries and agencies to ensure efficiency and effectiveness while ensuring *syariah* compliance and achieving commercial goals as well. *Halal* institutionalisation started when the Prime Minister's Department led by Mahathir Mohamad initiated the Halal Haram Committee in 1980, operated by the Ministry of Domestic Trade and Consumer Affairs. Comprising four scientists from local universities (with food and science backgrounds) and four Muslim religious scholars, the committee played an important role in conceptualising and regulating *halal* among food manufacturers, restaurant owners and food outlets throughout the country. This effort was technically the starting point for *halal* institutionalisation when Malaysian food operators and manufacturers started to adopt a *halal* concept into their businesses and obtained national *halal* certification as an assurance for consumers (Khairul Akmaliah 2022).

Part two of the World Bank framework refers to the production of consistent data and dissemination of results, and this plays a crucial supporting role in the institutionalisation process. Consistent data collection increases the capacity for institutionalisation. This is relevant for both the creation of essential reports and the use of those findings in the formulation of policies, a crucial indicator of the institutionalisation level. In the process of *halal* institutionalisation, the Prime Minister's Department formed the Halal Certification Management Focus Group on governing *halal* certification. This focus group analysed the *halal* procedures and policies implemented by JAKIM. It proposed improvements in *halal* certification, including the speeding up and greater efficiency of the process. It discussed *halal* compliance and issues of *halal* certification on the ground which involved industry players. The focus group also dealt with JAKIM's efforts to educate the public about *halal* certification through campaigns, advertisements in the printed and electronic media, participation in national and international exhibits and *halal* directories (Aiedah 2018; Sirajuddin et al. 2019). This is an example of production of data and dissemination of results in the institutionalisation process in the Malaysian context.

The government crafted a Halal Industry Master Plan (2008–2020) which further directed the *halal* industry and *halal* governance in three phases. The first phase aimed at developing Malaysia as a hub for *halal* integrity on a global scale and getting ready for the *halal* industry's expansion. The second phase focused on the commercialisation of *halal* and developing Malaysia as a centre for *halal*-related business. The third phase sought to increase the geographic reach of domestic businesses around the globe as a crucial step in making Malaysia a hub for the *halal* industry. As a result, Malaysia is now well known among major *halal* players and the current *State of the global Islamic economy report 2023/24* names Malaysia among the best countries for developing *halal* food indicators (DinarStandard 2023).

The most recent national blueprint is the Halal Industry Master Plan 2030 issued jointly by the HDC and the Ministry of Economic Affairs (HDC and MEA 2023). This is a long-term planning document that aims to make Malaysia's *halal* industry 'prominent, visible and globalised'. It represents the desire to lead the global *halal* industry and achieve socioeconomic development. The master plan improves existing programmes and creates high-impact *halal* initiatives with the goal of enhancing and internationalising Malaysia's *halal* ecosystem and realigning existing efforts with the government's aspirations—addressing concerns and challenges to contribute to national economic systems as well as bringing about socioeconomic growth. The objective includes improving *halal* policies and governance, expanding *halal* markets and producing intellectual leaders focusing on research in *halal* (HDC 2024).

The third element of meaningful institutionalisation, according to the World Bank, stresses the availability of sufficient resources to carry out plans and tasks. This requires knowledge transfer within the unit as well as institutional learning. The presence of competent and well-trained human resources is a prerequisite for the transmission of knowledge about the planned activities. This also means there is a need for having sufficient material and financial resources to maintain institutional continuity (Yin et al. 1978). In the case of Malaysia, one of the most significant developments in *halal* institutionalisation was the establishment of the HDC, which is in charge of managing the capacity building for *halal* products and services as well as the local and global *halal* industry's overall development. The federal government has provided the HDC with resources to establish, develop and progress its institutional remit. As a result, the HDC has helped Malaysian companies to expand their operations and gain recognition on a global scale. It coordinates national policies and programmes described in the Halal Industry Master Plan 2030 and serves as a hub for *halal* firms' advice, information and business support. The HDC has strengthened *halal* branding at the national and international levels. Further, the HDC has made some significant improvements such as facilitating the process for manufacturers of *halal* products to obtain certification utilising hazard analysis and critical control points principles, a systematic approach to the identification, evaluation and control of food safety hazards. In short, the HDC is equipped with sufficient resources to govern its *halal* portfolio. The government is also actively building *halal* networks and awareness on both local and international platforms, for example organising conferences, exhibitions, presentations, seminars and business-to-business meetings. All these efforts are achieved through effective *halal* governance to serve the Muslim community and *halal* industry (Aiedah 2018).

It is also important to mention that *halal* governance is supported by legal acts, particularly in the Trade Descriptions (Use of Expression Halal) Order 1975 and the Trade Descriptions (Marking of Food) Order 1975, which are both enacted under the Trade Descriptions Act 1972. According to the Food Act of 1983, it is prohibited for anybody to prepare, pack, label or sell any food misleadingly or deceptively including indicating *halal* for non-*halal* certified products. Furthermore, Food Regulations 1985 state that it is mandatory to identify food that contains beef, pork or its derivatives for customer information (Aiedah and Ros Aiza 2017).

Overall, then, the Malaysian government has consolidated different bodies and the legal framework concerned with *halal* affairs to ensure effective governance. As a result, JAKIM's *halal* certification is currently at a mature stage, and is well known and accepted in the international market. The MS 1500:2004 Halal Standard was the first such standard created by any Muslim country and both sets the ground rules for food products or food businesses and is used by JAKIM as the basis for certification (Halal Malaysia 2024d). SIRIM, formerly known as the Standard and Industrial Research Institute of Malaysia, and other organisations have also extensively discussed several major measures aimed at strengthening *halal* procedures, while the Industry Standards Committee on Halal Standards (ISCI) was founded in 2003 to standardise food and non-food product management systems from an Islamic perspective. JAKIM, SIRIM, the Department of Standards Malaysia (DSM), the Federation of Malaysian Consumers Associations (FOMCA), the Institute of Islamic Understanding Malaysia (IKIM), the Ministry of Health, the Federation of Malaysian Manufacturers (FMM), the Ministry of International Trade and Industry (MITI), the Ministry of Domestic Trade and Consumer Affairs, and Malaysian Agricultural Research and Development Institute (MARDI) are all represented on the ISCI. The revised MS 1500:2009 General Guidelines on the Production, Preparation, Handling and Storage of Halal Food was one of the ISCI's key outputs.

In line with the World Bank framework, five main transitional phases have been suggested for the institutionalisation process—awareness, experimentation, expansion, consolidation and maturity (Zida et al. 2018). We believe that Malaysian *halal* institutionalisation and governance have gone through these five phases and indeed have reached a high level of maturity. Many countries and *halal* organisations have acknowledged Malaysia's institutionalisation and its role in the development of the *halal* sector and ecosystem. At its present level of maturity, the *halal* institutions may want to focus more on innovations, so that institutionalisation remains productive and resilient. Table 12.1 presents a chronological summary of the evolution of *halal* governance in Malaysia.

12.4 *Halal* Certification in Malaysia

Halal certification has a very prominent element of *halal* products and services. The significance of *halal* certification was less apparent before the 1970s compared to how it is today. In Malaysia, *halal* certification has changed the landscape of consumption among Muslims and non-Muslims. As already noted, national *halal* certification was established in 1974 by the Islamic Affairs Division of the Prime Minister's Office's Research Centre. Meanwhile, the *halal* logo came to be referred to as an indication to distinguish *halal* products and non-*halal* products. JAKIM and the state-level Islamic Religious Departments are the only government-approved *halal* certification bodies. They have agreed that any application for certification must be made directly by the applicant, rather than through a third party, in accordance with the Manual Procedure for Halal Certification of 2014. JAKIM has also established

Table 12.1 Evolution of *halal* governance in Malaysia

Year	Institutional innovation
1974	Issuing of *halal* certification letters by the Research Centre, Islamic Affairs Division, Prime Minister's Office
1980	Halal Haram Committee operated by the Ministry of Domestic Trade and Consumer Affairs
1994	JAKIM issues first *halal* logo and certification
1998	*Halal* auditing conducted by government-appointed company, Ilham Daya
2002	*Halal* inspection and audit returned to JAKIM
2003	The Industry Standards Committee on Halal Standards (ISCI) founded
2004	MS 1500:2004 Malaysia Standard introduced
2005	Public Service Department creates 165 positions for JAKIM *halal* management
2006	Halal Development Industry Corporation (HDC) established
2008	*Halal* certification management taken over by the HDC
2009	*Halal* certification management returned to JAKIM
2008–2010	Halal Master Plan 2008–2010
2011–2015	Halal Master Plan 2011–2015
2016–2020	Halal Master Plan 2016-2020
2020–2030	Halal Industry Master Plan 2030

Source HalalMalaysia (2024a)

a *halal* laboratory to improve the scientific management of its certification (Aiedah 2018).

In terms of governing *halal* certification, the application has evolved from a very traditional paper-based submission to a digital application which has helped entrepreneurs apply for the certificate with reduced processing time. However, the process still involves physical inspection to check the integrity of the food preparation procedure, equipment used, presentation, hygiene, distribution of products and safety of the entire premises. *Halal* products' sanitary and hygienic conditions, machinery, logistics, production and environmental considerations must be verified by MS 1514: 2009 Good Manufacturing Practice (GMP) (Aiedah and Ros Aiza 2017).

There are currently many kinds of *halal* certification available in the global market, some of which are managed by non-government institutions and others that have a specific body for *halal* certification. However, as the Malaysian *halal* certification is one of the pioneers that has been implemented thorough clear criteria and monitoring mechanisms, it has received widespread recognition. Muslim customers in Malaysia believe that *halal* certification is important when making food purchases and the majority of them trust *halal* certification more compared to other types of certification (Nuradli et al. 2007; Aiedah and Ros Aiza 2017). *Halal* certification not only serves religious purposes but has also transformed the *halal* governance practices of the regulators and industry. As a result, *halal* certification has been used as a religious identity, quality branding, marketing strategy, and product standard and compliance among companies.

12.5 Public Complaints and Governance for Innovation

Global governance places a strong emphasis on the public complaint process, particularly in the digital age. Customers are now more willing to express their expectations and feedback for the service they receive, which is consistent with the goal of governance that places an emphasis on service quality and customer happiness (Faed et al. 2014; Wattoo and Iqbal 2022). Customers will be satisfied if the service provided demonstrates empathy value and reaches expectations (Kotler and Keller 2016; Zaherawati et al. 2016; Cartabuke et al. 2019). One way to obtain insightful input for further service improvement is using public complaints. For customer services to improve and address problems or deficiencies, public complaint is crucial (Shatina and Muhamad Halim 2016; Mantaring et al. 2019). One way for customers to express their discontent with a person, agency or organisation is through a public complaint. The features, perks and service fees provided are the primary indicators of consumer expectations and forms of service dissatisfaction. Public complaint is one of the social communication channels that allows people to express their thoughts, opinions and freedom to choose whatever they want (Brown 2018; Bavik et al. 2020). Public complaint can be expressed in a variety of ways, including verbal or written comments, opinions, complaints, information or suggestions, delivered face to face or via printed or electronic media channels and social media such as phone lines, short message services, email, counter service, the complaint section on an official agency's website and comments section on social media. Customers' access to public complaints is becoming more convenient as online services are evolving.

Good governance serves as a framework for gauging customer satisfaction in terms of loyalty, efficiency and effectiveness, as well as an organisation's performance and innovations (Ilhamie 2012; Zaherawati et al. 2016; Megat and Abd. Halim 2017; Madihatun and Sharifah Hayaati 2020a). Making plans, investigating complaints received, reacting to complaints, registering complaints and taking follow-up steps to deal with complaints are the five actions involved in the systematic management of public complaints (Magatef et al. 2019). The number of complaints received can indicate the level of customer service quality. When the number of complaints received is limited, the level of customer service quality is better, especially if the complaint has substance and merit (Kowalski 1996; Nik Hairi et al. 2012). A positive relationship between governance and the customer can reduce the number of public complaints and the negative impact of such complaints (Rashad 2006; Haming et al. 2019).

Two of the elements driving an increase in public complaints are a lack of commitment to providing excellent customer service and a failure to resolve past concerns. Staff that are not proactive and productive, practise procrastination, are unsure or do not know the field of work, are inefficient in executing duties and do not want to undertake jobs outside of the norm are among the primary causes for the failure to resolve earlier complaints (Megat and Abd. Halim 2017; Magatef et al. 2019; Amarullah et al. 2021; Erkoc 2022). By contrast, when a high-quality customer service is provided, the organisation's governance performance improves (Sharifah Hayaati 2010; Haming et al. 2019; Sharifah Hayaati et al. 2022).

This kind of public complaint also fits into an Islamic mode of good governance, corresponding with the recommendation to converse with one another, listen to community concerns, give and receive ideas, and advise on matters that can bring mutual benefit. The objective of *syariah* emphasises that each activity, including governance, is based on wisdom to respond to the needs of the people or public interest (*maslahah*) (El Garah et al. 2012; Sharifah Hayaati et al. 2020). Customer satisfaction will be obtained if the service provided demonstrates this kind of empathetic value. This is reinforced throughout the Qur'an, the Sunna and the practice of the companions in a notion known as *syura* or *shura*, a term derived from the Arabic word '*syawara*' or '*yushawiru*' which means to negotiate and talk (Ibn Manzur 1967; Madihatun and Sharifah Hayaati 2020b). In his book *Ahkam al-Qur'an* (Rulings of the Qur'an), Ibn al-'Arabi (1965) defines *syura* as 'a meeting to discuss and offer the best opinion by a group about a problem'. It is a space to listen to views of any problems from various parties (Fadzullah Mahdi 1984; Al-Utsaymin 2009). The word of God to undertake negotiations can be found in two verses: 'So pardon them, ask Allah's forgiveness for them, and consult with them in conducting matters' (Surah Al-Imran 3:159); and 'who respond to their Lord, establish prayer, conduct their affairs by mutual consultation, and donate from what We have provided for them' (Surah Asy-Syura 42:38).

12.6 Issues and Public Complaints as Drivers for *Halal* Governance Innovations

12.6.1 Public Complaints Channels at JAKIM

JAKIM has two bodies that handle public complaints: the Corporate Cooperative Unit and the Halal Certification Management Division's Corporate Communications Section. The Corporate Cooperative Unit oversees several branches of work assigned by JAKIM, one of which is to manage public complaints, while the Corporate Communications Section handles only *halal* issues, including *halal* complaints. According to Officer A and Officer D, 'Through our feedback system, we provide a vast place for the community to participate in providing input, including complaints'.

JAKIM offers two channels to enable the general public to lodge complaints. Online spaces include social media, websites (feedback forms) and email. The second channel is over the counter, which puts the customer face to face with an officer. These channels are linked as part of a feedback system used by JAKIM to connect its staff with customers and the community. For handling public complaints via email or by filling out a feedback form on JAKIM's website, the Corporate Cooperative Unit's method of handling the variety of public complaints received is to appoint several officers who are assigned to read emails every day and report the public complaints received to the particular division in charge at JAKIM. The division in charge must address the issue within a certain time frame.

> At the unit, we will appoint two or three people who sit at the computer screen to identify the forms of feedback received because there are many … for example, such as questions, comments, appreciation, suggestions and even complaints. For complaints, staff need to make a separation with other responses by putting the word 'complaint' against the feedback received and need to classify the complaint in a form before connecting the complaint report to the departments involved. (Officer B)

The Corporate Communications Section follows the same procedure, appointing multiple staff members in the unit to read, investigate and resolve each email received. According to Officer C, the section employs a telephone feedback system with five phone numbers and receives between 30 and 40 emails each day from community feedback, including complaints.

If the social media feedback system, such as Facebook and Instagram, is used to handle public complaints, a specific administrator from JAKIM is hired to manage the website. At the same time, the administrator establishes a bank of responses to receive every comment submitted by netizens: 'The majority of the complaints that go viral are the same and repeated issues ... so, in order to avoid varied answers that may mislead netizens, we have established an answer bank to ensure that every answer supplied is consistent' (Officer C).

If received at the Corporate Cooperative Unit, public complaints via phone are connected to the department or unit concerned, and the unit engaged will be responsible for resolving the complaint. When handling public complaints across the counter, the complainant is provided with a form to fill out with all of the complainant's information and the type of complaint being submitted. This technique is likewise overseen by the Corporate Communications Section.

Complaints from the general public or consumers are typically concerned with items or products produced by industries whose *halal* status is in question, whether it is the *halal* logo or *halal* certification, and the most common complaint received by the Corporate Communications Section is about delays. If the community's problems are about confirming *halal* certification and confusion regarding the *halal* logo, in addition to the issue of high costs and difficult management, 'such complaints are mostly due to the use of middlemen' (Officer C). In these instances, responses are slow and uneventful. According to Officer C, most complaints come from small businesses. As a result, JAKIM hosts numerous consumer and industry awareness initiatives in order to address this issue.

According to Officer A, the form of complaint received is frequently unusual. It depends on how widespread the topic is in the broader society, especially if it is publicised on social media and WhatsApp. The majority of these concerns indicate that the community prefers to channel them through the online feedback system via social media:

Table 12.2 *Halal* certificate management applicants, 2017–2018

Year	No. of *halal* certification applications	Successful *halal* certification (%)
2017 (October–December)	480	82
2018 (April–June)	732	87

Source JAKIM (2017, 2018)

> Even though there are several complaint channels that we provide to make it easier for the community to use in submitting complaints, but the use of social media channels is higher than others … this is because the issues or complaints that are always raised become viral faster to the community and spread widely in a short time. (Officer A)

12.6.2 Halal-related Public Complaints

Halal certification is available to all industries in Malaysia, including food, consumer goods and logistics, that are willing to adhere to JAKIM's requirements. Applications from neighbouring countries such as Brunei, Singapore, Indonesia and Australia are also welcome (Halal Malaysia 2024e). Applications can be submitted either online or over the counter at the Corporate Communications Section. The interview results show that this section receives the most public complaints: 'Other parts do not have as many concerns as this *halal* section; thus feedback from the community and industry, including *halal* complaints, is more appreciated' (Officer C).

In 2017 the Corporate Communications Section approved 480 applications for *halal* certification that matched the application requirements, with 393 (82%) successfully acquiring a *halal* verification certificate within 50 days. The JAKIM Client Charter (2020) states: 'Malaysian halal verification certifications for food, consumer goods and logistical services will be issued within 50 working days of application for applications that meet the requirements'. The Client Charter Performance Report up to June 2018 reveals that out of a total of 732 completed applications 87% had achieved the *halal* certificate (Table 12.2).

12.7 Customer Interests and Satisfaction in Improving *Halal* Governance

The JAKIM Client Charter guarantees that the *halal* certificate will be managed within 50 days. However, since 2018 this period has been reduced to 30 days. This shift demonstrates that one of JAKIM's biggest achievements in managing *halal*-related concerns is the result of several modifications made in response to public complaints. In other words, it can be argued that public complaints became the driving force behind this success.

In 2018 the Monitoring and Enforcement Branch (Halal Hub Division) received 156 public complaints on the management of *halal* certification applications, up from 126 in 2017. These were submitted by Malaysian and non-Malaysian *halal* certificate holders, as well as customers and various agencies. Complaints are received via a range of channels, including those made directly at the Halal Hub Division counter, by phone calls, emails, letters and social media. During 2017 there were 28 complaints from certificate holders and 98 from non-holders. According to Officer A, the majority of complaints from non-certificate holders are about uncertainties with the *halal* food status as well as confusion about the *halal* logo and certificate: 'Non-Malaysian *halal* certificate holders focus their complaints on the *halal* status of a product produced by the industry, as well as confusion about the use of the *halal* logo and *halal* certificate … there are complaints that a few industries only display the JAKIM *halal* logo but do not display the JAKIM *halal* certificate'. The public's confusion regarding the *halal* logo and *halal* certificate occurs when there are a few businesses that only display the *halal* logo. In fact, when asked about the *halal* certificate, some businesses state that the certificate is not required if they already have the *halal* logo. This confusion causes complaints.

In 2017, 117 of the 126 complaints submitted were satisfactorily handled in the same year. In 2018, 156 complaints were received, with 112 of them being dealt with in a timely fashion. The year-on-year rise in complaints is attributed to greater public knowledge of *halal*. This is underpinned by JAKIM's increased efforts and campaigns promoting *halal* such as 'Yakini Halal Malaysia': 'This large-scale *halal* movement began to be actively organised in 2018 … we arranged numerous programmes and campaigns that year' (Officer A). This public awareness is an obvious reason why society has become more sensitive and cautious about *halal* issues. As a result, concerns about it increase when companies that make products, particularly food products, are questioned.

The second reason driving the rise in public complaints is racial sentiment: 'Racism issues, which have been on the rise recently, and have also led to an increase in complaints ... for example, about falsehoods spread by our people [Malays] about non-Muslim products with questionable *halal* certification' (Officer A). Among the complaints heard concerning the uncertain *halal* status is the example of Massimo bread. This bread is made by a non-Muslim company, yet it is *halal*, and the company has sought and been authorised for *halal* certification. The issue arises when society today combines racial issues with products and takes action to boycott specific products. At the same time, because of this issue, some people become perplexed with every kind of non-Muslim product, even though the products have *halal* certification from JAKIM. Among the complaints that have gained a lot of attention are those involving the questionable certification of *halal* status, such as issues involving NSK, Cadbury, Starbucks, Secret Recipe and McDonald's: 'There is no doubt that the industry involved [Cadbury] will endure the consequences long after the crisis has passed' (Officer B). Another officer noted: 'Many of these *halal*-related problems have been effectively addressed, whether we informed the community or the industry itself. Among the most recent incidents that have gone viral is about chicken in the NSK supermarket, which is reported to be non-*syariah*-compliant. This issue was settled when we took to the field ourselves' (Officer A). These complaints have been resolved when JAKIM conducts inspections and monitoring and informs the public about the questionable *halal* status and real issues through various media, particularly the official *halal* website.

In sum, there are five concerns received by the Corporate Communications Section: 1) delayed management response; 2) cumbersome processes; 3) expensive fees; 4) confirmation of *halal* status; and 5) doubts regarding the use of the *halal* logo. The first three are concerns expressed by industry players, whereas the last two are expressed by consumers. Table 12.3 shows the number of public complaints about *halal* certificate management in 2017 and 2018 and how many cases were resolved.

Public complaints related to time-consuming processes and expensive payments have been attributed to the practice of using middlemen. JAKIM has openly disclosed the amount of *halal* certificate processing fees to the industry in order to address this problem and ensure the Client Charter is followed. The charge for small businesses is MYR200, the fee for medium-sized businesses is MYR400 and the fee for multinational businesses is MYR1,000 (Officer C). This action has addressed issues about high fees, delayed and cumbersome management, and the use of middlemen. JAKIM also took the lead by providing information to customers at the counter and organising awareness programmes (Officer A). Three of JAKIM's awareness programmes aimed at providing a clear understanding of *halal* certification management were a technical cooperation programme 'Halal Administration Certification Body 2017' in August 2017 in Bangi, the National Halal Consumer Convention in October 2017

Table 12.3 Public complaints about *halal* certificate management, 2017–2018

	2017	2018
No. of public complaints	126	156
Types of public complaints	• Delayed management response • Cumbersome processes • Expensive fees • Doubtful verification of *halal* status • Confusion in use of *halal* logo	• Delayed management response • Cumbersome processes • Expensive fees • Doubtful verification of *halal* status • Confusion in use of *halal* logo
Complaint category	• 28 complaints are to Malaysian *halal* management certificate holders • 98 complaints are to non-Malaysian *halal* management certificate holders	• 4 complaints are to Malaysian *halal* management certificate holders • 152 complaints are to non-Malaysian *halal* management certificate holders
No. of successfully resolved complaints	117	112

Source JAKIM (2017, 2018)

and the ‘Yakini Halal Malaysia’ programme in Kedah in 2018, attended by industry players, teachers and the Kedah state Department of Education (Officer A).

As a result of public criticism, a number of the changes were made to *halal* certificate management. One was the appointment of a specific officer to handle *halal* complaints. In addition, JAKIM doubled the number of inspection officers to investigate issues raised in public complaints and formed a special monitoring group or task force comprising 12 officers from the Halal Hub Division’s Audit Unit. This initiative has contributed to JAKIM’s effectiveness in resolving public concerns and it is also in line with the Client Charter’s pledge. It also demonstrates a dedication to innovation in order to quickly resolve problems.

As a result of industry players’ complaints, JAKIM has successfully achieved innovation by reducing the processing time for *halal* certificate applications from 50 days to 30 days for 2018, as noted in the Client Charter*:* ‘Issuing Malaysian *halal* certification certificates for food, consumer goods and logistical services within 30 working days after application receipt for applications that meet the requirements’. This is undertaken through JAKIM’s Malaysian Halal Certification Immediate Initiative. This achievement is a change to speed up customer management practices: ‘The *halal* certification process through the Malaysia Halal Certification Immediate Initiative programme makes management faster via fast track where matters of more than 30 days can be reduced to two weeks; two weeks can turn into three days; and three days can turn into one day’ (Officer C).

Other innovations include the establishment of several *halal* public complaint channels in addition to organising awareness programmes, appointing officers who manage complaints, and expanding the number of inspection officers and task forces. This channel is administered by the Corporate Communications Unit, which also controls the general complaint channel and the specific complaint channel, which manages *halal* complaints. As with other examples, complaints can be processed face to face through the counter system and online through telephone, email, social media (Facebook and Instagram), WhatsApp and MYeHALAL. These various channels meet contemporary needs and are the media most commonly used by citizens.

Since August 2019 a special *halal* counter has been operating in the main foyer of Block A, Putrajaya Islamic Complex. The counter also provides information about *halal* certification and JAKIM’s *halal* initiatives. Customers who visit JAKIM can use this to enquire about *halal* or file concerns. JAKIM also provides *halal* applications called SmartHalal and Verify Halal, both of which were released in 2017. This channel was shown to be more effective because checking the *halal* status of products is made quicker by just scanning the product code with a smartphone, speeding up the approval of SmartHalal applications. This application also makes it easier for JAKIM staff to act and take follow-up actions. The information and features found in the SmartHalal application are as follows:

Latest information related to *halal* certified products;
Search the location of *halal* premises via Google Maps and Waze;
Search through the product’s QR Code;

Search by category: company name, premises, products, logistics, slaughterhouse and hotel.

JAKIM also created the MYeHALAL system to make it easy for registered industries to verify the progress of their *halal* certificate applications. The Malaysian Halal Certification Procedure Manual is also available online to help new industries prepare for *halal* certification.

Table 12.4 is a summary of JAKIM's innovations to address public concerns about *halal* management. The development of a public complaints system capable of achieving customer satisfaction as well as increasing innovation in *halal* governance has involved several determining factors—procedures and processes to identify, record and investigate complaints; reducing the time needed for resolving complaints; and methods to preempt public complaints from arising.

Table 12.4 Innovations in JAKIM's *halal* management

No.	Complaints	Innovations
1	Delayed management	1. Reduce the processing time for *halal* certificate applications from 50 days to 30 days, articulated in Client Charter. 2. Assign several officers at the Corporate Cooperative Unit and Corporate Communications Section to read emails, manage complaints and report the public complaints to the particular division in charge. 3. Introduce SmartHalal application to make it easier for JAKIM staff to act and make follow-up actions.
2	Cumbersome processes	Establish MYeHALAL system to make it easy for registered industries to verify the progress of their *halal* certificate applications. Provide various online and offline public complaints channels. Operate special *halal* counter in the main foyer of Block A, Putrajaya Islamic Complex. Initiate Malaysia Halal Certification Immediate Initiative programme.
3	Expensive fees	Avoid using middlemen. JAKIM openly reveals the *halal* certificate processing fees to industry. Provide the Malaysian Halal Certification Procedure Manual online to help new industries prepare for *halal* certification.
4	Confirmation Of *halal* status	Provide *halal* information and activities on various websites. Doubled the number of inspection officers and form task forces.
5	Doubts regarding the usage of the *halal* logo	Check the *halal* status of products quicker via *halal* applications SmartHalal and Verify Halal (by scanning the product code with a smartphone). Organise public awareness programmes, e.g. Yakini Halal Malaysia programme and National Halal Consumer Convention.

Source Interviews; JAKIM (2017, 2018, 2019, 2020)

12.8 Conclusion

As this discussion makes clear, governing *halal* has become important not only for *halal* issues but also for Islamic governance systems more broadly. While it is related to meeting customer interests and satisfaction, *halal* governance has gone through various transformations, developments and innovations. The *halal* industry is primarily governed by federal and state authorities through JAKIM, the HDC and other relevant ministries, which have control over concerns and integrity, including *halal* production and consumption. These controls enable the government to track the development of *halal* from religious, economic and commercial standpoints.

The objective of this chapter has been to examine the evolution of *halal* institutionalisation, governance and management innovations, especially those made from 2017 to the present in order to meet customer interests and satisfaction. The findings demonstrate how a well-planned and inclusive approach may greatly improve the *halal* industry. At the centre of these governance initiatives is JAKIM and its specialised units dealing with applications and processing, audit and certification, monitoring and strengthening, and overall policy direction. While Malaysia is well known among key *halal* players and has been consistently rated highly for establishing *halal* food indicators, the focus of innovations has been to meet reservations and direct public complaints about *halal* certification and attendant issues. Many of these innovations have been successful in improving responsiveness and meeting the complaints. This offers a model of good governance that meets both the legal obligations invested in the *halal* industry and the satisfaction of the citizenry.

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Chapter 13
Halal as Competitive Advantage: The Role of Resource-based *Halal* Logistics

Noorliza Karia

Abstract The chapter discusses *halal* tacit knowledge of the effects of *halal* food on the human body-mind-soul (health-intelligence-enthusiasm) enshrined in the Qur'an for high-quality brain neurons that develop spiritual intelligence. This determines *halal* logistics providers' and users' behaviour and responsibility to implement logistics services, processes and operations for *halal* food manufacturers and consumers. It is argued that *halal* logistics service providers positively impact on the four Ps of product/process, profit, people and planet. Further, the discussion examines the challenges and constraints facing *halal* logistics firms regarding increasing operating costs, enforcement, infrastructure, equipment and facilities, lack of digital and organisational capability, *halal* integrity and visibility, and a talent shortage. The analysis then presents evidence of the success of a *halal*-certified logistics company from Malaysia. In doing so, the resource-based *halal* logistics theory explains the competitive advantage of *halal* logistics service providers from tangible and intangible resource capability perspectives. The discussion suggests that companies implementing *halal* logistics can increase their efficiency and sustainability in a volatile, uncertain, complex and ambiguous environment.

Keywords Malaysia · *Halal* logistics industry · Resource-based *halal* logistics · Competitive advantage · Efficiency · *Halal* integrity assurance

13.1 Introduction

Fast-moving demand for *halal* consumption by both Muslims and non-Muslims is one of the factors determining the rapid growth of the international *halal* logistics industry. The *halal* or Islamic lifestyle market is a product or process innovation that significantly affects the economies of the United States, Canada, Britain, Germany, France, China, Japan, India, the Middle East, Southeast Asia, Africa and South America (Adroit Market Research 2023). The global *halal* market is massive, with

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the world's 2 billion Muslim consumers spending an estimated USD2.29 trillion in 2022 across multiple sectors, and is expected to achieve almost USD5 trillion by 2030 due to the increasing significance of *halal* lifestyles (DinarStandard 2023). International *halal* trade and economic challenges necessitate transportation and logistics efficiency to enable the *halal* integrity of the movement and the flow of transactions for *halal* products. As a result, *halal* logistics firms play a vital role in protecting and delivering *halal* integrity—from supply chains to manufacturers, retailers, customers and end users—in a timely and error-free fashion.

There is stiff competition in the *halal* market globally. This competitiveness derives from the growing number and scope of *halal*-oriented sectors, such as food and beverages, finance, tourism, media and recreation, fashion, pharmaceuticals, healthcare, personal care and cosmetics. As a result, the *halal* industry is a dynamic area of production, distribution and consumption that will continue to increase exponentially in both Muslim and non-Muslim countries. In order to sustain this growth, international trade related to *halal* industries count on *halal* logistics' development. The global *halal* logistics market was valued at USD337.19 billion in 2022, is estimated to grow annually by 8.4% during the period from 2022 to 2030, and will be valued at USD642.86 billion by 2030 (We Market Research 2024). This fast-moving sector calls for more advanced *halal* logistics services. Only large *halal* logistics service providers with worldwide coverage would be able to handle and coordinate the delivery of goods and execute the main functions of *halal* integrity in global *halal* trade. In other words, increased globalisation of the *halal* business has created the necessity for worldwide *halal* logistics support, forcing logistics industry players to access and plan their activities through strategic resources and capabilities to increase efficiency and sustainability in an environment marked by volatility, uncertainty, complexity and ambiguity of general conditions and situations.

Knowledge of *halal* logistics is lacking and most existing studies are inconclusive (Noorliza 2022). In short, scholars and practitioners have overlooked this area. Without considering the logistics firms' viewpoints, it would be difficult to understand how they achieve certification and protect *halal* integrity across supply chain networks. In other words, concentrating only on user perspectives of *halal* logistics would not be sufficient to address international *halal* logistics challenges. And the main concern of managers is how *halal* logistics can enhance a firm's competitive advantage.

The *halal* concept is vital for sustained competitiveness and international *halal* logistics industry performance. And yet there is limited tacit knowledge of the role of *halal* in logistics firms' performance and competitive advantage. This chapter addresses these shortcomings by focusing on how *halal* logistics firms or providers can develop the sustained competitiveness of the industry by following the principles and practices of *halal* integrity. It describes the significance of *halal* in the logistics and supply chain industry. In addition, the discussion focuses on the Islamic intellectual basis of *halal* logistics and the importance of *halal* logistics certification in the food industry. It identifies challenges in implementing *halal* logistics from a provider's viewpoint.

Drawing on resource-based *halal* logistics, this chapter identifies the critical factors that drive successful competitive advantage in the international *halal* logistics industry. Resource-based *halal* logistics positively affects *halal* integrity, service capability, innovation capability and sustained competitiveness. The analysis is potentially beneficial to academic researchers and practitioners in expanding knowledge and understanding of research fields in *halal*, *halal* logistics, resource-based *halal* logistics and competitive advantage.

13.2 The Islamic Intellectual Basis of *Halal* Logistics

Many understand *halal* as being 'lawful' to consume and eat; as a consequence, food should not contain *haram* (forbidden) elements and animals should be slaughtered according to the Islamic method. Also, *halal* sets product ingredients, operations, processes and delivery across *halal* networks for logistics and supply chains. Not only does *halal* mean quality, health and safety but it also determines the standard for daily life consisting of sustenance, family and social relations, apparel, business transactions, conduct and action.

The tacit knowledge involved in *halal* is not much known, and the truth of *halal* is still implicit to the public, as many define *halal* from a *syariah* point of view—Islamic law that determines acts, rules, manners, methods and a practical system for food, family, life, social relations and commercial transactions (*muamalat*). The Qur'an guides Muslims and its teachings use clear and robust words that convey meanings or interpretations of *halal*. In the Hadith, the Prophet Muhammad said, 'O people, Allah is Generous, and He accepts only that which is good'. And God commanded the believers by saying: 'O messengers, eat from the good foods and work righteousness. Indeed, I, of what you do, am Knowing' (Surah Al-Mu'minun 23:51). Elsewhere in the Qur'an, we read: 'O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy' (Surah Al-Baqarah 2:168). And 'O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship' (Surah Al-Baqarah 2:172).

God commands us to eat *halal* food because it can have a tremendous nutritional impact on the body to help people improve their mental health (Noorliza 2022). The *halal* food we consume has a certain level of spiritual purity that stimulates positive energy, further increasing the development of spiritual intelligence and human civilisation. In other words, there is a significant relationship between *halal* food and the growth and development of human spiritual intelligence (Shariffah Sallina and Noorliza 2017; Noorliza 2022). Therefore, *halal* food affects the body-mind-soul and raises our consciousness to the highest level of spiritual intelligence.

The Qur'an's conception of *halal* consists of material and moral conduct, not just *syariah* principles or Islamic law, and the spiritual elements, behaviour, actions, decisions and attributes performed by the Prophet Muhammad lead to benefits and welfare to all humanity (*maslahah*). Technical aspects concentrate on permissible (*halal*) and wholesome and sound (*tayyiban*) food processes, food regulation, a logo and product certification set by *syariah*. Through *syariah*, humans hold dearly to fulfil God's duties as a person and as being responsible to nature, the environment, surroundings and life as a whole. Thus, those who declare themselves to be believers yet neglect *syariah* are not considered Muslim.

In contrast, non-technical aspects converge in behavioural, spiritually intelligent and body-mind-soul dimensions such as *aqidah*, a strong faith. A good intention, vision or mission can drive a person to be highly committed and responsible in action and decision-making towards *halal*. Meanwhile, *akhlaq* refers to Islamic values, aspects of good behaviour, attitude, ethics and morality, the visibility of positive acts and decisions, and the practices of virtue and manners that influence actions and decisions in *halal*.

The award of *halal* certification or a logo shows evidence of the quality of services and safety and simultaneously creates excellent intangible outcomes such as trust and honesty. *Halal* thus plays a significant role in the operations of organisations and businesses besides satisfying customers' demand and confidence in products and services. These divine rules and regulations organise daily life and business transactions and thereby avoid fraud, corruption and error by staying faithful to God. Indeed, God intends that good deeds are rewarded and people held responsible for any evil acts. This concept of divine 'recompensation' is mentioned throughout the Qur'an, reminding and prompting us to make the right decisions in life: 'Whoever does good, is to their benefit. And whoever does evil, is at their loss. Your Lord is never unjust to His creation' (Surah Fussilat 41:46). What is interesting to know is that God is not just the Utterly Just (Al-'Adl), Allah is also the Most Merciful (Ar-Rahman), a trait that he describes himself in the first verse of the Qur'an: 'But My mercy encompasses everything' (Surah Al-A'raf 7:156).

The knowledge of *halal* logistics is relatively new and needs attentive arguments, and has not been intensively discussed and researched yet. *Halal* logistics means more than avoiding contamination risks and segregation to avoid direct contact or contamination of *halal* products by non-*halal* products. Muhammad Hasmi Abu Asaari and I argue that *halal* is a religious requirement in relation to product or process innovation, service excellence and competitiveness, with the benefits accruing to the welfare or well-being of humankind and the universe (Noorliza and Muhammad Hasmi 2016c). Elsewhere, I have conceptualised *halal* logistics as the innovation of delivering *halal* services or products, the accountable service of *syariah*-compliant handling, and the movement of *halal* materials, goods or information/documents (Noorliza et al. 2015). Innovation in service delivery or distribution refers to a *halal* service portfolio or added value to improve service or *halal* processes, practices, operations and management (Noorliza and Muhammad Hasmi 2014). This *halal* logistics system involves transportation, warehousing, order processing, inventory management, materials handling and packaging. It plays a significant role in protecting *halal* integrity, starting from the sources of raw materials flowing to manufacturers until the finished products are distributed to the end user—providing assurance from suppliers to the point of consumption across the whole logistics and supply chain partners: procurement, manufacturer, retailer, supplier and customer (Fig. 13.1).

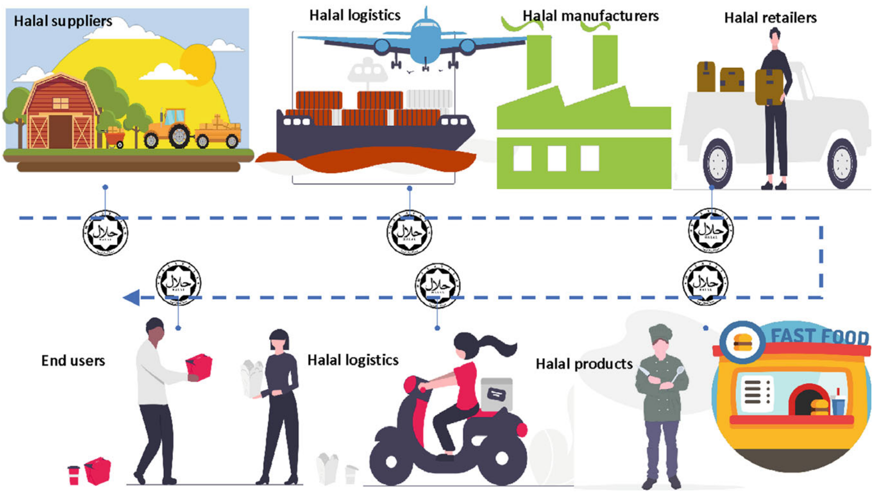

Fig. 13.1 *Halal* integrity assurance. *Source* Noorliza Karia

Halal logistics conducted with justice, honesty, truthfulness, sincerity, timeliness and discipline influence a firm's sustainable performance with maximum profits (economic), excellent products/services (quality), ensuring the well-being of humanity (societal) and the planet (environmental), observing religious requirements as well as minimising cost or hardship, thereby ensuring the ultimate desire for God's blessing. Besides the desire for God's blessings, *halal* signifies quality, safety, hygiene, health, nutrition, hygiene and purity for products as well as justice, honesty, truthfulness, sincerity, timeliness for services, so that *syariah*-compliant firms gain profit and increase their market share. These *halal* values created in products, processes or services generate innovation capabilities in organisations to provide the ultimate outcomes or benefits for people and the planet. *Halal* thus leads to innovation in product/process via the inseparability of the four Ps: product/process, profit, people and planet (Noorliza and Muhammad Hasmi 2016a, 2016b) (Fig. 13.2). Empirically, *halal*-based logistics firms have better performance, service innovation and competitive advantage (Noorliza and Muhammad Hasmi 2016a). Therefore, *halal* is an effective strategy for firms to enhance their corporate image, innovation capability and competitiveness (Noorliza 2022).

Specifically, beneficial outcomes of *halal* logistics can be captured using the four Ps model in the following terms.

- Product or process: *halal* process/service innovation focuses on *syariah* compliance—providing *halal* logistics with justice, honesty, truthfulness, sincerity and timeliness, with zero defects and no counterfeits or corruption.

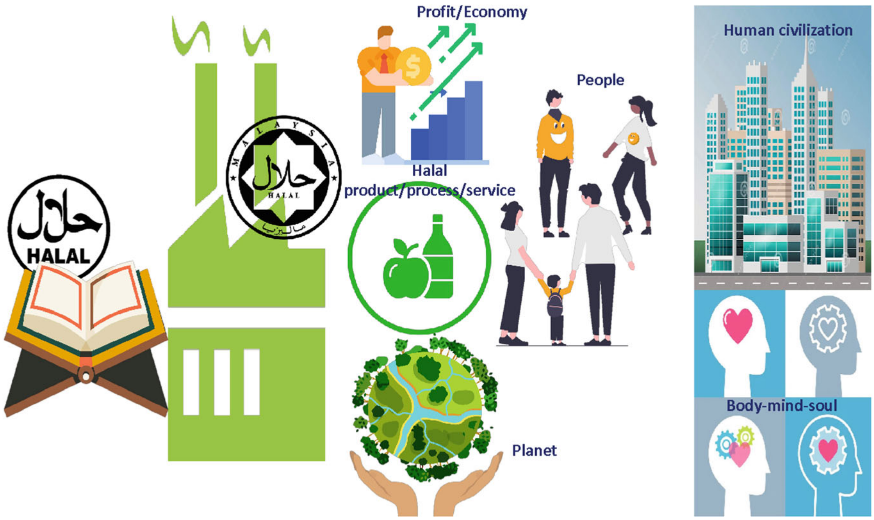

Fig. 13.2 Four Ps beneficial outcomes of *halal* logistics. *Source* Noorliza Karia

- Profit (economy): *halal* logistics provides innovation capability in organisations, maximising the interests of the firm and local and international *halal* market—*halal*-certified logistics allows firms to gain competitive advantage, better success and long-term national economic growth.
- People (society): *halal* logistics enables *halal* food/service delivery to meet local and international market consumption.
- Planet (environment): *halal* innovation maximises benefits to the environment and animal welfare, and promotes environmental sustainability through *halal* logistics such as using green vehicles, green packaging and energy efficiency to reduce the carbon footprint.

13.3 Challenges to *Halal* Logistics

The *halal* logistics industry is always dynamic and complex as e-commerce and online *halal* shopping increase exponentially. How do *halal* logistics professionals deal with the rapidly growing demand for *halal* compliance?

Halal logistics performance lacks *halal* integrity protection due to the quality aspects of *halal* logistics processes and practices such as standards, regulations and government enforcement, contamination during delivery and storage or at the point of purchase and sale, issues of segregation (a dedicated facility in transportation, warehousing and terminals), and issues of trackability and traceability. So far international *halal* logistics has no universal *halal* standard. As a result, confusion, misunderstanding and abuse in the *halal* audit and certification process have occurred. New regulations or agency requirements would secure the certification processes.

Critical issues in *halal* logistics and supply chain management are the risk of cross contamination of *halal* products with non-*halal* products during storage, distribution and transportation, and hidden threats to *halal* integrity across the logistics and supply chain networks: sharing containers, poor record-keeping of what inventory is in which container, where the container is in transit, the history of immediate suppliers, the history of hurried maintenance, and the non-segregation of space between *halal* and non-*halal* goods in the same containers increase the risk of *halal* integrity being compromised. These problems need to be dealt with head-on. In the Malaysian case, the standard set by Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia) should not be difficult to abide by and should be cost-effective. The common challenges encountered are: 1) the stringent criteria and requirements of JAKIM to be followed; and 2) various operational problems, including product operations, inventory management, documentation, and goods storage between *halal* and non-*halal* goods.

Though there is considerable demand, *halal*-based logistics firms are relatively few because existing firms are incompatible and lack upgradeability with *halal* logistics. They therefore lack the flexibility to succeed with *halal* implementation. Managing *halal* logistics is a dynamic and challenging task. Here are some significant challenges faced by *halal* logistics firms.

1. *Costs*. Higher fuel prices increase transportation costs and cutting transportation costs is a critical challenge for any logistics company, including the *halal* logistics industry. There are not just financial constraints in implementing *halal* logistics services, but *halal* logistics firms also have less demand because of the additional costs that users must pay, including high *halal* packaging prices and insurance fees. Moreover, *halal* logistics involves significant capital expenditure and investment in logistics facilities and equipment, such as dedicated *halal* warehouses and vehicles. It is not cost-effective because of the low consumer demand for *halal* logistics. These are perceived to burden logistics service providers and weaken the desire to initiate or comply with *halal* logistics standards.
2. *Government regulations*. Government policy for *halal* logistics processes, procedures and standards support implementation by having a standard in every process and system, such as *halal* standard guidelines and certification for terminals and port operations. Customised *halal* solutions would tackle *halal* logistics challenges with supply chain management services. Newer regulations or agency requirements would prolong the certification processes. Government support and enforcement for *halal* logistics will increase the demand for *halal* logistics providers.
3. *Infrastructure and equipment*. Strategic *halal* warehousing and transportation ensure cost-efficient distribution solutions. *Halal* container services help expedite the import and export of cargo, which adds more flexibility and speed to the *halal* supply chain.
4. *Talent shortage*. *Halal* talent is most valuable—there is a pressing need to employ personnel who have *halal* knowledge and experience (logistics professionals,

halal experts or *syariah*-educated managers) to understand the overall procedures involved in *halal* logistics. This requires recruiting the right people with appropriate skills, attitudes and training as *halal* logisticians, as the team specialising in dealing with cargo and getting quicker customs clearance for *halal* goods, which are all needed for effective management.

5. *Organisational*. Proactive *halal* logistics service providers invest in *halal* logistics. They need to organise training to increase staff awareness and imbue an appropriate corporate culture through a management commitment to implement *halal* logistics.
6. *Digitalisation and technology*. The future of *halal* logistics depends on adapting to fast-changing technology. For example, blockchain technology enables a *halal* shipping platform to assure everyone involved in moving *halal* shipments. Including newer technologies, such as mobile apps for automated picking and packing systems, voice picking and more, creates a system of checks throughout the process that can reduce errors and streamline operations—ensuring that warehouse staff are well-trained and that policies clearly state where and how the product is to be handled without the risk of injury or error.
7. *Supply chain visibility*. *Halal* logistics firms require complete visibility across supply chain networks to have accurate, on-time deliveries, and track and trace information on the web portal. *Halal* suppliers and partners need supportive collaboration and supplier availability.
8. *Customer service*. Service quality and innovation are crucial for *halal* logistics to meet significant demand.

There are few certified *halal* logistics providers who meet these challenges in order to serve the large *halal* market. In the face of these constraints, the international *halal* logistics industry must adapt to innovative logistics and supply chain solutions in order to create more efficiency and cost-effectiveness by merging a global network and depth of expertise with digital innovations. Transportation activities and movements by any means must comply with the principles of *syariah*. The transport vessel must be ritually cleaned and consignments segregated adequately to ensure the requirements are observed and that the logistics are dedicated to *halal* product shipment.

13.4 Competitive Advantage of *Halal* Logistics: A Malaysian Case

Malaysia is the leading player in *halal* logistics and has a significant share of the global *halal* market. The *halal* logo is well known among Muslims and non-Muslims. Current trends indicate that customers have consumed *halal* food due to health issues, lifestyle and their attitude or consumption values towards food. Companies realise the significance of *halal* logistics certification in protecting *halal* integrity, and the increasing confidence consumers experience with companies that obtain *halal* certification in logistics.

Empirical evidence of a Malaysian *halal*-certified logistics company shows that its profitability, corporate image, managerial capability and quality of service are better than those of its competitors. The company has captured more than 60% of the local *halal* market, 20% of the Southeast Asian market and 10% of international markets such as the rest of Asia, Europe, North America and Australia. Its core competencies of sustained competitive advantage lie in *halal* container haulage, warehousing, international freight forwarding, distribution, transportation, supply chain solutions and cold chain solutions. To deal with *halal* global logistics, these resources and capabilities have also been integrated with an experienced and knowledgeable workforce, sufficient facilities, equipment and infrastructure (the company owns at least 500 prime movers, 3,000 trailers and 4.5 million ft^2 of storage facility), and has invested extensively in IT applications, with the latest technology related to logistics, packaging, transportation and distribution using data warehouses, business performance management, user interfaces and business analytics tools.

The *halal* service capabilities offered by the company are *halal* storage and warehousing, *halal* transportation (containerised and conventional), *halal* distribution, *halal* shipping, *halal* freighting for sea and air cargo, *halal* value-added services such as labelling and packaging, and *halal* advisory services on certification and customs facilities. *Halal* integrity assurance in the company starts from inbound activities—only accepting *halal* products for storage pick and pack services, store consolidation and distribution. In relation to *halal* imports and exports, the company has set up in-house customs that allows clearance for imports, exports and transhipment to be handled smoothly and in compliance with the *halal* standards, guidelines and regulations. And there are comprehensive *halal* support functions—a call centre has been established for inbound and outbound calls on questions, inquiries, escalations, complaints and telemarketing. All these processes guarantee that operations are *halal*-guided, safe and secure.

The company's success is also explained with reference to wider governance structures. Malaysian government agencies play a significant role in protecting consumers from corrupt certifiers and ignorant providers. They always encourage and give tremendous support to firms to achieve *halal* certification. The government's initiatives for *halal* awareness and understanding of *halal* certification are formal education, training, conferences and exhibitions. Besides *halal* and *halal* logistics promotions, firms need more support and information on *halal* logistics business and practices, such as *halal* logistics training.

13.5 Resource-based *Halal* Logistics Theory

In an era of digitalisation, the fast-moving *halal* industry has forced logistics firms to unearth innovations to their dynamic capabilities in order to deliver greater volume, quality, freight flexibility and speed of delivery at a lower cost. Resource-based *halal* logistics theory focuses on resource orchestrations of *halal* logistics firms to obtain innovation and dynamic capabilities for growth and competitiveness (Noorliza and Muhammad Hasmi 2016a). Successful *halal*-based logistics firms achieve sustained competitiveness within new environments and have committed much to simultaneously developing *halal* talents, technologies and other resource capabilities to align with the new business environment, as emphasised by the company case study outlined earlier. Based on resource orchestration theory, resource integration of internal and external entities across the supply chain network enables the effective orchestration of resources. Mutual communication, trust, sharing of information (about sales, forecasts and stocks), and joint planning and development of logistics processes continue to play a vital role in the integration process. Mature or long-term trust-based relationships support shared dependencies and allow the substitution of resources, information and values or access to each other's resources and activities, such as information, strategies and skills. As a result, the organisation can gain differentiated competitive advantages.

Instead of ownership, the attributes of resource-based *halal* logistics evolve and advance with differential resource orchestrations or reconfigurations. So these effects on performance and competitive advantage are complex for competitors to duplicate. Hence, resource-based *halal* logistics is a suitable strategic *halal* capability for integrity in the international *halal* logistics industry, which is heterogeneous, complex and durable. This provides the conditions to obtain sustainable competitive advantage which consists of tangible resources—infrastructure, regulation, government support, technology/advanced and standard physical resources—and intangible resources—integration, knowledge, and relational and organisational resources. These create innovation capability for *halal*-based logistics firms. If leveraged in more cost-effective resources, they transform into profits for firms and value for customers. As a consequence, resource-based *halal* logistics can determine the success of *halal* logistics implementation and *halal*-based firms' innovation capability to enhance profits and increase market shares by empowering *halal* innovation capability and improving competitiveness.

Resource-based *halal* logistics is operationalised into constructs and measurements of tangible and intangible resource capability. The following section discusses such specific constructs and measures of resource-based *halal* logistics.

13.5.1 Tangible Resource Capability

Tangible resource capability is essential for logistics firms' services, innovation and cost advantages. The dimensions of tangible resources are outlined below.

13.5.1.1 Infrastructure

Infrastructure is an important driver facilitating competitive advantage for the international logistics industry and the development of logistics infrastructure improves firm performance. The quality of logistics infrastructure, the number and network of intermodal facilities and the number of logistics service providers are key factors that enhance international competitive advantage. Airports and seaports are considered the main infrastructure facilities for global logistics. Transport infrastructure is critical to the competitive advantage of *halal* logistics in the global marketplace. The influences of infrastructure, such as roads and railways, air transport and electricity supply, are considerable on national competitive advantage. That national competitive advantage can be enhanced through effective infrastructure management.

13.5.1.2 Government and Regulation

Halal industrial policy and regulation is one of the essential drivers of *halal* logistics. The positive role of government policy in developing the *halal* logistics industry leads to a competitive industrial advantage. For international *halal* trade, simplifying and automating the procedures for customs clearance can significantly enhance *halal*'s industrial competitiveness, as it brings several benefits such as cost and time savings and fewer errors.

In Malaysia, JAKIM sets customer service, transportation, warehousing, freight forwarding and contract logistics requirements. Logistics service providers must follow these stringent criteria that determine *halal* and non-*halal* goods and adhere to guidelines like conventional forwarders and logistics industries. Meanwhile, *halal* logistics certification requires high interaction between JAKIM, the Halal Development Corporation and logistics service providers by making the certification renewal process more straightforward and quicker. The standard set by JAKIM is difficult to abide by and some elements may not be cost-effective. The common challenges encountered are JAKIM's criteria and requirements to be followed as well as various operational problems, including product operations, inventory management, documentation and goods storage between *halal* and non-*halal* goods.

Regulations are essential for the *halal* logistics industry to address various issues concerning international trade. Overlapping or unnecessary regulations should be avoided to reduce costs and time. Procedures for customs clearance should be simplified to enhance procedural efficiency and improve competitive advantage.

13.5.1.3 Physical Resources

Logistics service providers comply with the *halal* segregation policy in warehouses and transportation. *Halal* warehousing refers to the physical segregation and separation of goods throughout warehouse processes: receiving, putting away, storage, cross-docking, value-added logistics, order picking and shipping. These physical resources refer to firms' dedication and commitment to the customisation and strict segregation of *halal* logistics infrastructure and facilities, for example, equipment, warehouses and transport vehicles; information technology infrastructure and facility, such as computer hardware and software; and the ongoing maintenance and improvement of physical equipment and facilities. These stringent physical resources that obviate the risk of contamination include *halal* warehousing and storage units, *halal* inventory, *halal* transportation fleets and containers, *halal* transportation and *halal* terminals.

The *halal* transportation of goods and cargo is fundamental to the practice of physical segregation. The transportation concept refers to the carrier's degree of customisation and segregation to deliver only *halal* goods and cargo chain services. A strict *halal* segregation policy enhances *halal* logistics performance in terms of service quality and flexibility by separating shipments of *halal* items from non-*halal* items and using different pallets, containers, refrigerators and vehicles, including handling equipment such as forklifts and trolleys.

Similarly, *halal* warehousing and related activities refer to customisation and segregation and the commitment to a strict *halal* segregation policy for pallets, cartons, shelves and racks throughout warehouse processes: receiving, putting away, storage, cross-docking, value-added logistics, order picking and shipping. This stringent *halal* warehousing denotes customisation and flexibility, suggesting that it will impact positively on a firm's performance.

Halal terminals refer to a degree of customisation and segregation in an airport or the logistics service provider's commitment to handling only *halal* items in the terminal. A strict *halal* segregation policy for *halal* terminals includes cold rooms in the air terminal, the console of air cargo in the airport, stuffing of open carton containers or *halal* materials handling, and packaging of *halal* goods from the storage space in terminals. *Halal* terminals are required to deliver value creation to customers and subsequently positively impact on a firm's performance. A stringent *halal* terminal will improve a logistics service provider's performance by offering extra services or flexibility.

13.5.1.4 Technology

Technology is essential in *halal* logistics operations, including advanced machinery technology and IT applications. Companies employ logistics technologies to improve its *halal* services and integrity protection. The latest technologies for managing *halal* logistics are wireless devices, intelligent scales, electronic shelf labelling, self-checkout machines, GPS integrated tracking systems and radio frequency identification. Internet web and networking are accessible for customers to communicate with. The web provides a lot of information about the company's background, strategies and customer service. Customers are therefore satisfied with the *halal* logistics services offered.

Various technologies have been widely used in the logistics industry. For example, IT can transfer data and information in a more secure, efficient and low-cost manner using tools such as a decision-support system, electronic data interchange, radio frequency identification, blockchain and big data. Automated technology, such as autonomous vehicles, mechanical/intelligent ports and drones, can significantly reduce labour costs and the risk of human error. As the cost of using advanced technology decreases, logistics managers can handle information at a lower price with increased coordination in logistics activities, thereby enhancing service quality by offering real-time data, quicker responses and better customer service.

Technology is a significant variable that influences sustainable competitiveness. Such advanced equipment and facilities, for example GPS and geographic information systems, minimise operational and distribution costs. Technologies support decision-making, keep track of customer orders, reduce data re-entry and errors, and provide essential customer feedback, leading to cost and service advantages. These *halal* logistics technologies allow third-party logistics providers to monitor the entire *halal* logistics operation or protect *halal* logistics integrity by integrating radio frequency identification into the warehouse and transport management systems and tracking and traceability of *halal* food/products by using a GPS app.

13.5.2 Intangible Resource Capability

Intangible resource capability is a bundle of accumulated resources that are too complex and ambiguous for achieving competitive, sustainable and resilient performance. The scope of intangible resources are summarised below.

13.5.2.1 *Halal* Integration

Halal logistics integration refers to the degree to which a logistics firm strategically collaborates with *halal* players or networks, and collaboratively manages intra- and inter-organisation processes of integration between ports and terminals via *halal* supply chain integration, internal integration and customer integration. Internal integration refers to logistics coordination, collaboration and integration with other in-house functional areas, such as production and marketing. Such partnerships and coordination mean that these functional areas must have formal teamwork and share ideas, information and other resources. External integration refers to integrating a firm's logistics activities with its customers and suppliers, also known as the partnership approach. Integration with suppliers provides a conducive managerial environment that enhances customer value and builds competitive capabilities through quality, delivery, flexibility and cost. External *halal* logistics coordination and integration facilitate the non-standardisation of *halal* practices that require specialised and customised *halal* facilities and equipment. This may have different specified levels of segregation in *halal* logistics as well as different levels of certification/ compliance that are not technological and often not well controlled and supported by the government in *halal* compliance.

Halal integration in logistics coordinates the flow of services from the sources of suppliers to end customers. It involves collaboration and is committed to sharing information with customers and suppliers, involving high levels of human interaction and good communication skills. Practical and interactive participation in *halal* logistics integration enhances the *halal* integrity collaboration and coordination and the standard *halal* requirements with *halal* supply chain networks—suppliers, manufacturers, retailers and customers.

The higher the extent of integration with the customer and supplier, the greater the degree of willingness to share and receive information, which improves the accuracy of information exchange and overall quality. A good rapport and close relationships between customer and supplier often warrant long-term contracts and a willingness to share real-time order information. The integration allows maximum *halal* participation and integration from all *halal* supply chain partners. It is another means to access *halal* physical resources (warehouse, transportation and ports), knowledge and technology resources.

13.5.2.2 Knowledge

Knowledge resources refer to tacit knowledge of human capital in the form of information, skills, abilities, innovativeness, experience, education and training. Knowledge resources of *halal* logistics services comprise *halal*-skilled people and integrated teams with *halal* technical and management ability, *halal* expert knowledge (know-how and *syariah* education), *halal* logistics business and industry experiences, and hiring *halal* experts and providing training and education on *halal* logistics. These knowledge resources, *halal* talent or *halal* logistics specialists allow logistics providers to execute their resource capability leading to superior *halal* performance.

13.5.2.3 Organisational

Organisational resources refer to the corporate resources manifested in top management commitment, *halal* culture, *halal* practice or routine, *halal* service climate and *halal* business processes to empower *halal* logistics providers to implement their *halal* strategies and objectives to meet customer requirements, leading to sustainable competitive advantage. It involves top management support/leaders accepting *halal* logistics as the strategic management responsibilities and getting everyone on board to be more responsive to customer needs, requirements and satisfaction. These competencies are complex and ambiguous, becoming the most critical resource-capability of *halal* logistics services. An empirical study has reported a positive relationship between corporate resources and performance, indicating the more significant the extent of this resource the greater the competitive advantage (Noorliza and Wong 2013).

13.5.2.4 *Halal* Logistics Performance

The performance measurement system can be on financial and non-financial indicators. However, the non-financial element is vital in the service industry since its output is intangible and difficult to quantify. Multidimensional aspects should operationalise the *halal* logistics performance. Three categories of a firm's competitive advantage are measured service advantage (delivery, quality and flexibility), innovation/service variety advantage and cost-effectiveness.

The determinants of the *halal* logistics performance indicators are customer service; innovation service; and cost that maximises logistics performance while maintaining integrity and adhering strictly to full *syariah*-compliant logistics business/service. Customer service includes three dimensions: 1) delivery—the efficient use of time from order to delivery leading to fast and reliable delivery; 2) quality at the service level: order accuracy, packing/shipping accuracy and damage–free; and 3) flexibility—quick response to customer inquiries, prompt follow-up of customer claims and complaints, anticipating change, adapting and accommodating special or non-routine requests, and handling unexpected events.

Meanwhile, innovation consists of value-added services: additional/more service, unique/customised service, and costs involving operations costs such as low service cost/charge, total logistics cost such as transportation cost, inventory, warehousing costs and human resources cost.

Sustainable competitiveness and positive outcomes for firms result from their complementary *halal* products and services. Hence, *halal* logistics certification correlates with *halal* logistics performance and enhances sustainable competitiveness. The effects vary significantly as some may enhance or improve one, two or three performance indicators. *Halal* logistics performance is the firm's ability to deliver *halal* integrity assurance and satisfy customers with quality, innovation and cost advantages. A *halal* logistics services firm carries and provides products (quality, safety, purity, nutrients, wholesome and hygienic) with trust, dedication, honesty, timeliness and discipline principles simultaneously tend not to harm the planet but to have a more pleasant environment by creating a safe, lean, green environment.

13.6 Conclusion

The chapter inaugurates *halal* as a competitive advantage: the role of resource-based *halal* logistics as a new terrain of investigation. It addresses the shortcomings of *halal* logistics research and the absence of a theoretical foundation on *halal* logistics service/business. Further, it discusses the fundamentals of *halal* tacit knowledge, *halal* logistics and certification, and how *halal* has a competitive advantage from perspective of the logistics provider. It expresses the constructs of *halal* integrity and identifies resource-based *halal* logistics orchestrations and *halal* logistics performance measurements.

Drawing on the theory of resource-based *halal* logistics, *halal* resource orchestration consists of tangible resources—infrastructure, regulation, government support, technology/advanced and standard physical resources—and intangible resources—integration, knowledge, and relational and organisational resources that create innovation capability for a firm and differentiate competitive advantages among *halal* logistics service providers. Instead of ownership, the attributes of resource-based *halal* logistics distinguish resource orchestrations or reconfigurations to effects on performance and competitive advantage that are too complex and vague for competitors to duplicate. Resource-based *halal* logistics can determine the success of *halal* logistics implementation and *halal*-based firms' innovation capability to enhance profits and increase market shares. The extent of resource-based *halal* logistics differentiates resource orchestrations of the high and low *halal* logistics service capability. Faith in God and believing in *halal* as a competitive advantage and universal form of safe consumption results in profit maximisation, cost minimisation and being environmentally friendly.

Syariah-compliant firms proactively earn *halal* logistics certification as crucial strategies for better performance and sustainable competitive advantage. The *halal* logistics provider leverages its resources and capabilities to empower *halal* logistics services. Logisticians are responsible for *halal* integrity and the international *halal* logistics industry. *Halal* value creation is a commitment, responsibility and obligation towards business processes, practices and safety in handling ports/terminals, containers, warehousing, transportation, inventory and packaging, further satisfying customers. Being *halal* proactively and innovatively commences values creation in services which creates service capabilities and profits for a business and added value for customers.

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Chapter 14
Halal Logistics and Supply Chains for the *Halal* Food Industry in China

Noorliza Karia and Qining Deng

Abstract This chapter presents the growth and development of *halal* logistics and supply chains to facilitate the increasing demand for the *halal* food industry in China, a country with a relatively small Muslim population. The analysis provides helpful information and lessons for others to capture, reflect on and replicate. The chapter introduces the background of the *halal* food industry worldwide and in China, which is associated with the expansion and advancement of the *halal* logistics industry both domestically and internationally. In practice, a significant number of China's population are *halal* consumers regardless of religion, thereby validating the high demand for *halal* food integrity, supply chain integration, food data traceability, human resource management and certification. This has caused the *halal* food industry in China to struggle with challenges, including *halal* integrity risk, an imbalance of *halal* food supplies, a lack of collaboration among *halal* industry players, and a lack of competitiveness and limited export capacity. The discussion provides suggestions for developing *halal* food logistics and supply chains in China with regard to infrastructure initiatives, promoting e-commerce, integrating existing demand to form *halal* logistics demand networks and integrating resources by establishing *halal* industry parks.

Keyword China · Muslim minority · *Halal* food · *Halal* integrity · Logistics · Food supply chain · *Halal* certification

14.1 Introduction

The *halal* food industry is one of the few sectors undergoing rapid growth and development among global food product categories. Spending on *halal* food rose by 9.6% in 2022, reaching USD1.4 trillion, an increase from USD1.28 trillion in 2021, and is forecasted to reach USD1.89 trillion by 2027 (DinarStandard 2023). The global Muslim population is estimated at 2 billion, accounting for around a quarter of the

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world population. It is expected to grow to 2.8 billion and account for over 30% of the global population by 2050 (Nor Ratna Masrom et al. 2017; Yousaf and Fan 2018; Jia and Zhang 2021; Abdul Halim et al. 2024). The growing influence of the Muslim population worldwide and its increased disposable income and purchasing power have developed a strong dynamic for *halal* market expansion. At the same time, this phenomenon boosts the demand for a coherent international *halal* logistics industry. This expansion extends beyond the core Muslim consumers to include a wider non-Muslim consumer market, valuing *halal* food for its cleanliness, quality, safety and hygienic features (DinarStandard 2023). Regardless of religiosity, *halal* integrity is known for its purity, quality and safety. This implies that some *halal* consumers have acknowledged *halal* food is also a suitable choice. This offers insights for Muslim-majority countries as well, since some non-Muslims have clearly perceived the benefits of *halal* consumption.

This chapter focuses on the escalation the *halal* market and development of the *halal* industry, especially the *halal* food industry, in China. The demand for *halal* food in China is sizable, estimated to reach a value of USD678 billion by 2027. Although it is difficult to make accurate estimates, there will likely be more than 26 million Muslims in China in the same year. Given the youthful profile of this already substantial Muslim population, it is clear that demand for *halal* food will continue to rise. The number of *halal* food enterprises has increased significantly, and market production and consumption have also flourished, becoming an essential part of China's food sector. In other words, considerable potential exists for the *halal* food market in China. Given the struggle with logistics challenges, China is attempting to improve *halal* logistics implementation and certification in the food supply chain by adopting digitalisation to mitigate *halal* integrity risk and the possibility of mixing *halal* food with non-*halal* items. In other words, analysing current *halal* logistics and the *halal* food supply chain in China is a significant field of research.

China is seeking to grow its contribution to the *halal* food industry by meeting both domestic and international demand. Recent estimates cite China as ranking in the top 10 *halal* food exporters to Organisation of Islamic Cooperation (OIC) countries, but this was worth only a modest USD10.46 billion in 2022 (DinarStandard 2023). The relatively low export value indicates that China is not sufficiently competitive in the international market, although its *halal* export market does have a promising future due to the inauguration of the Belt and Road Initiative (BRI) as a bridge for promoting international trade. However, the export capacity of Chinese *halal* food is significantly lower than that of many Muslim countries, since some *halal* food enterprises have relatively low brand recognition in the international market. In addition, there are the problems of *halal* food logistics and supply chains since these are the bridges that link these elements together. In light of this context, this study explores these issues and suggests potential comprehensive solutions to resolve them.

Consumers tend to be concerned with the integrity of *halal* food across the supply chain, especially the integrity of *halal* food in terms of sourcing, production, transportation and storage guarantees. Values of health, safety, and religious and cultural issues affect the primary nature of *halal* food integrity. Ensuring *halal* food integrity is also one of the goals pursued by Chinese *halal* food companies. Logistics and supply chains act as a bridge between each link, from the production of raw materials through processing and distribution to final consumption. Logistics is therefore the basis for ensuring the integrity of *halal* food. In other words, the priority to ensure the integrity of *halal* food is to improve logistics capacity across the supply chain network.

Although the *halal* food market has high profit potential, competition within the industry is increasingly fierce. In light of this, *halal* certification is viewed as a means to gain a competitive advantage. However, many food industry players are not motivated to apply for *halal* certification as their standards vary, resulting in the lack of a standardised certification system for the *halal* food market. Similarly, *halal* logistics is clearly becoming ever more important. It is governed by strict regulations compared to general logistics, which refers to the management of the entire supply chain and logistics links, such as the procurement, transportation, storage, and control of material, livestock and partially finished or fully finished inventories of consumable and non-consumable goods. In addition, *halal* logistics relates to the management of relevant information and certification standards across the operation and the supply chain, adhering to the fundamental principles of *syariah. Halal* supply chains and logistics are in a continuous process of evolution from sources of procurement to consumer delivery. If problems arise in any part of the supply chain process, such as supply issues, transportation problems or contamination of the products before the *halal* food is delivered to the end consumer, then the quality of the *halal* food is compromised. Therefore, the quality of *halal* supply chains and logistics practices are the key factors in safeguarding the quality of *halal* food and it is an area where companies can create greater competitive advantage. As the bridge between the flow of goods in series and the basis for safeguarding the integrity of *halal* products, *halal* supply chain management emphasises logistics as its focal point. This study focuses on identifying the current situation and the challenges in creating competitive advantage through the development of logistics and the supply chain for *halal* food in China, and making corresponding recommendations based on this research framework.

Most studies regarding the *halal* industry have been conducted in the context of Muslim-majority countries such as Malaysia and Indonesia (Indarti et al. 2020). In contrast, few studies consider the situation of the *halal* industry from the perspective of non-Muslim countries such as China and Thailand (Mohd Saiful et al. 2020; Jia and Zhang 2021). The lack of research on non-Muslim countries with relatively large Muslim populations is a gap in the current literature. Thus, the logistics and supply chain operations of the *halal* food industry are explored in the context of China by focusing on the challenges and attendant issues.

This discussion anticipates that other Muslim-minority countries can benefit from China's competence in *halal* logistics for international *halal* logistics growth and standardisation. Section 14.2 introduces the *halal* food industry in China, and provides a background to the *halal* food industry in China. Section 14.3 reviews previous studies regarding the *halal* food industry, including human resource management in *halal* food and *halal* certification. Section 14.4 then turns to a detailed examination of the challenges and barriers to the *halal* food industry in China, with particular attention given to logistics and supply chain issues. Section 14.5 makes suggestions on China's possible advances in *halal* food logistics and supply chains. The conclusion suggests ways in which other non-Muslim countries might learn from the experiences of China.

14.2 Background

As we have seen, although the Muslim population of China at around 23 million is relatively small in both national terms and as a proportion of the global Muslim population, the figure is actually significant compared to many other Muslim countries. It is a youthful population that is likely to grow rapidly. Muslims are concentrated in the northwestern China—Xinjiang, Ningxia, Gansu, Qinghai and Shanxi accounting for about 76% of the total Muslim population. In addition to these provinces and autonomous regions, other areas are also have Muslim populations, although distribution is relatively scattered. After years of development, the Muslim population is concentrated in the northwestern China and gradually has expanded to the whole country. Consequently, the development pattern of *halal* food industry is influenced by this trend as well.

In addition to the demand for *halal* products from the Muslim population, policy implementation also drives the development of the *halal* market. The China Western Development policy, aiming to reduce imbalances in development between eastern regions and the western regions, has promoted economic development, notably in infrastructure (transport, hydropower plants, energy and telecommunications), the attraction of foreign investment, the promotion of education and retention of talent. As a result, income levels of residents in the western region have grown and the quality of life has gradually improved. In this context, people's consumption patterns have changed as they are able to pay more attention to a healthy diet and food quality assurance. The pursuit of safer and higher-quality food has become a common priority among residents (Lei 2019). These are the factors driving the development of the market for *halal* products.

China is anticipated to be one of the fastest-growing economies in the global *halal* market in the near future. With the development of social networks and social media, the value of *halal* products, customer experience and product information are widely disseminated, enriching awareness and enhancing the consumption of *halal* products among Muslim and non-Muslim populations. The *halal* food industry in China is knowledge-intensive, with huge production value, highly customised product demand and shorter product life cycles. Hence the industry is placing higher requirements on *halal* food supply chain operations.

14.3 Development of the *Halal* Food Market

14.3.1 Halal Food Integrity

Food integrity is defined as the provision of food that is safe and meets consumer expectations in terms of its nature, substance and quality. Information regarding all aspects of food, such as ingredients, suppliers, distribution methods and other considerations needs to be reflected transparently and honestly to customers. The requirement for integrity in *halal* food is stringent, as it entails the complete supply chain from sourcing, production, processing, packaging, transportation, storage and delivery to the customer to meet *syariah* religious requirements and *halal* food production practices.

Halal products, regardless of their type, must emphasise integrity because *halal* integrity forms the source of customer trust and the foundation of a successful *halal* industry. Safeguarding *halal* integrity is challenging because this results from all activities in the supply chain network and involves all parties engaged in the supply chain, such as the suppliers, manufacturers, distributors, information systems, customers and other stakeholders. Unfortunately, a high potential for cross-contamination exists throughout the supply chain when *halal* products are handled together with non-*halal* products (Norasekin and Jamil 2020). Safeguarding *halal* integrity is thus a common challenge for all participants engaged in the *halal* supply chain.

Food integrity comprises another four elements: product integrity, process or distribution integrity, people integrity and data integrity, and each of these deals with raw materials, production, services and information integrity. Although different studies have various perspectives on the constituent dimensions of food integrity their essence is similar. This study assumes that the main dimensions of *halal* food integrity comprise processes, people and data integrity. Process integrity is concerned with assurances of the entire supply chain involved in *halal* food, from upstream to downstream, including the integrity of facilities and management systems and processes. *Halal* supply chain integration in this study is in the form of process integrity. People integrity focuses on the requirements for the operations and practices of the entities (companies and staff) involved in each of the key links within the *halal* food supply chain follow *halal* specifications. Human resources management is closely linked with people integrity. Data integrity relates to *halal* production standards and certification, traceability, information transparency and labelling. *Halal* food supply chain integrity can be achieved by combining the *halal* concept, supply chain management and the three dimensions of food integrity—processes, people and data.

14.3.2 *Halal* Supply Chain Integration

From a *halal* food sector perspective, the achievement of integrity is often hindered due to the incompatibility and lack of integration of goals and plans among supply chain partners. The considerations of *halal* food integrity, safety, quality, production, supply and transportation require a holistic approach. For example, integrating suppliers, producers, logistics service providers and other supply chain participants into an ecosystem requires the establishment of a high level of integration among these participants. Supply chain integration refers to creating cooperative relationships between companies to jointly plan and execute supply chain operations to achieve mutually beneficial outcomes. It is frequently implemented through collaboration, sharing resources (such as information, knowledge and raw materials) and joint decision-making. The goal of supply chain integration is to realise an effective and highly efficient flow of products, services, data, capital and decisions through strategic cooperation and collaborative management with other supply chain partners to meet customer needs and achieve competitive advantage.

The *halal* quality management system should be built beyond company boundaries and across the supply chain process to protect the quality of *halal* food and maintain integrity. The key to ensuring supply chain integration and integrity is trust and this assumes the transmission of transparent information among all parties involved in the supply chain. If a company loses its integrity and transparency at any stage, the *halal* status of its food supplies through the supply chain will be compromised and questioned.

The existing literature tends to divide supply chain integration into two components: internal integration and external integration. Supplier integration and customer integration (external integration) are frequently discussed based on the *halal* food supply chain context (Tan et al. 2017). Maintaining the integrity of *halal* food is a major challenge for all parties in the supply chain, one of which is the supplier. Suppliers contribute significantly to the integrity of *halal* food. As the supply source, they are the foundation of *halal* food as only reliable suppliers can provide the raw materials that meet *halal* standards. Supplier integration helps suppliers to understand the specific goals of other *halal* companies for food integrity, such as product development, programme improvement and quality control, engaging them to achieve customer satisfaction. As the *halal* food industry concerns itself with health issues and religious beliefs, consumers enjoy a strong influence and their needs are crucial. Customer integration directly impacts on customer satisfaction. Strategically integrating customers into the supply chain operations enables companies to gain high customer trust.

Interdependence also determines the role of supply chain integration in improving the integrity of the *halal* food. Although the existing literature has introduced the positive effects of supply chain integration on the integrity of the *halal* supply chain, discussion of this role remains limited (Mohd Helmi et al. 2019).

14.3.3 *Halal* Food Data Traceability

The use of advanced technology to enhance the traceability of the *halal* food supply chain has not been widely deployed and is still in its infancy. *Halal* traceability is the capacity to track the *halal* status and corresponding information and data (source of purchase, ingredients, history and so on) of specific food products at each stage of the supply chain. Using a tracking system improves the transparency of the supply chain and monitors the status of *halal* food products. In other words, traceability is crucial for the integrity of *halal* food because it guarantees not only the safety, health and quality of the food but it also complies with *syariah* and *halal* food production requirements.

Numerous participants in the supply chain (such as suppliers, manufacturers, logistics and customers) are involved in building a complete traceability system—it is not the sole responsibility of a single stage of the supply chain. Rather, the process involves a shared commitment from all the participants, involving the integration of information and data flows within the supply chain network. The traceability of the key players across the supply chain process can be divided into four major types, as shown in Table 14.1.

According to Abderahman Rejeb et al. (2021), modern information technology systems and tools help to improve the integrity of the *halal* food supply chain due to

Table 14.1 Traceability across the *halal* supply chain process

Types	Explanation
Supplier traceability	Series of processes, such as feeding, growing, slaughtering, processing, cleaning and packaging of raw materials for *halal* food in the supply chain, must follow *syariah* and *halal* requirements. Details of raw materials for *halal* foods must be delivered through tagging and labelling.
Manufacturer traceability	Each step in the production process must comply with *halal* standards. Specific information on the origins and production process of *halal* foods needs to be improved and information transparency must be guaranteed. The packaging and equipment used must be ensured as *halal* materials and labels must be set correctly. Employees have to comply with the hygiene concept allowed by Islamic law, and must be aware of *halal* requirements and fully understand *halal* principles.
Logistics traceability	All processes of procurement, transportation, movement, handling and storage of *halal* food products (including raw materials, livestock, semi-finished products, fully finished products and non-food facilities) must be *syariah*-compliant.
Customer traceability	Customers include end consumers, retailers and shops. Retail and shop traceability activities aim to ensure the freshness, cleanliness and safety of *halal* food sold and avoid mixing *halal* with non-*halal* products. End consumer traceability is to do with opening channels for suggestions and complaints regarding *halal* food, such as an official website or customer service centre to improve the quality of service.

Source Adapted from Norasekin and Jamil (2020) the building of a traceable information chain, for example, 'internet of things' devices can monitor the temperature of food products, thus safeguarding food quality. Radio frequency identification technology can track the origin and supply chain trajectory of *halal* foods, which improves their traceability. In addition, the use of *halal* labelling facilitates the construction of traceability systems to guarantee the integrity of *halal* food. Industry-standard barcodes (such as GSI barcodes) with batch numbers or QR codes on the label can provide consumers with access to detailed information regarding *halal* food from a specific supply chain participant and throughout the entire supply chain network. The use of such codes is instrumental in increasing consumer confidence in the integrity of *halal* food.

14.3.4 Human Resource Management in *Halal* Food

Human resources integrate the ability, knowledge, skills, experience and motivation of the workforce into a collective value. Human resource management is therefore systematic and can create increased added value using talents. According to Islamic teachings, *halal* food requires high-quality standards and safety requirements. Hence, the *halal* food sector needs employees to be fully aware of *halal* food guidelines, have a high level of *halal* awareness and practise strict hygiene as defined by Islamic dietary laws. As the integrity of *halal* food involves all stages of the supply chain, from rearing, slaughtering and manufacturing to delivering to the final consumer, the entire supply chain involves many corporate employees. Employee compliance with *halal* standards is critical at every stage of the supply chain. Improving the standard of human resources can be achieved through a series of measures such as training, the application of new technologies and the establishment of *halal* business incubators.

Much of the literature links human resources to the *halal* supply chain (Mohd Helmi and Norhidayah 2018). The systematic training of employees in the *halal* logistics sector is critical to keep up with the surging global demand for *halal* food. Some studies highlight the need for knowledgeable and well-trained employees to be present during *halal* product preparation, logistics activities and overall supply chain process, which contribute to the integrity of *halal* food (Khazizul et al. 2012; Abderahman et al. 2021). However, experts focusing on *halal* logistics and procedures are currently scarce and are urgently needed in the *halal* industry.

The establishment of business incubators can be considered an important approach to providing human resources support in the *halal* food industry and filling the shortage of *halal* talents. Business incubators can provide companies with training, advice, consulting and assistance to enable businesses to meet their customers' requirements for *halal* food. In addition to providing financial knowledge and information to support to *halal* enterprises, business incubators work to build supply chain networks and partnerships in the *halal* sector to facilitate knowledge sharing and collaboration to enhance business capabilities. The role of regulators is also significant in promoting *halal* integrity. The integrity of the *halal* sector is highly dependent on the role of regulations, food safety standards and law enforcement.

Regulators can improve *halal* integrity by requiring industry stakeholders to strictly adhere to relevant laws and regulations and *halal* industry standards. They must also ensure stakeholder commitment to transparency, accessibility, fairness and efficiency. Further, companies should introduce appropriate infrastructure and develop a highly skilled and proficient workforce to operate new technologies smoothly and successfully in the application of *halal* practices.

14.3.5 Halal Certification

Halal certification refers to food certification rooted in the doctrines of safety, hygiene and sanitation as prescribed in *syariah*. In food safety, *halal* certification can be treated similarly to good manufacturing practices, hazard analysis and critical control points or quality management certification (ISO 9000) (Mohd Helmi and Norhidayah 2018). *Halal* foods also attract an increasing number of non-Muslim customers who perceive *halal*-certified foods as symbols of hygiene, high quality, safety and additional health benefits. Therefore, *halal* certification guarantees the integrity of *halal* foods (Rejeb et al. 2021).

As awareness of the significance of *halal* certification has increased, the number of *halal* certification bodies has grown significantly. Regulations and standards for certification have been developed in greater detail and disseminated widely. However, problems have arisen. First, various *halal* logos and authentication certificates have become commonplace in the global marketplace, exacerbating the heterogeneity of the certification process and the lack of uniformity in standards. As a result, *halal* certification has become prone to confusion and misunderstanding among countries and institutions. *Halal* standards and guidelines are developed differently in various countries, regions and institutions. As a result, *halal* industry participants are faced with difficulties in obtaining authoritative and uniformly recognised worldwide certification. This inconsistency in standards has raised questions regarding *halal* certification, thus affecting the integrity of *halal* food. Therefore, uniform *halal* certification and practising *halal* standards can help companies build a complete traceability system. Second, obtaining *halal* certification is a complex and tedious process involving the auditing of different supply chain stages, including procurement, production, logistics and distribution. The complex audit process aims to ensure *halal* products' safety, quality and integrity. Nevertheless, motivating companies to pursue *halal* certification is difficult due to this complexity, time-consuming paperwork and high costs. Third, the problem of falsified, fraudulent, outdated or unauthorised certification still exists. Further, irregularities in *halal* certification such as corruption among certification bodies coupled with inefficient, tedious certification processes imply that *halal* certification still faces challenges. Previous studies have shown that there is still a long way to go in order to achieve the standardisation of *halal* certification (Soon et al. 2017; Mohd Helmi and Norhidayah 2018).

14.4 Challenges and Barriers to the *Halal* Food Industry in China

14.4.1 The Challenge of *Halal* Integrity in *Halal* Food

China has an active *halal* food market and the demand for *halal* food from its Muslim populations is relatively high. Nevertheless, in the context of such a significant market demand, China, as a non-Muslim country, its *halal* integrity in the supply chain management of *halal* food is still a challenge. The lack of *halal* integrity results from two key reasons: the logistics process of *halal* food production in China is not sufficiently regulated and it lacks the adoption of traceability technology; the logistics system in northwestern China, home to the majority of Muslims, is relatively undeveloped.

First, the logistics process of *halal* food in remote area of China is not sufficiently regulated and the adoption of traceability technology is lacking. *Halal* products must be handled with great care to be consumed by the standards of *syariah.* Logistics service providers should therefore comply with the laws and standards throughout the supply chain, from the raw materials supplier to the end user. Individual companies or non-Muslim operators are unaware of Islamic teachings and guidelines. They do not strictly adhere to the norms required for *halal* logistics in managing and operating the logistics processes of sourcing, storage, transportation, packaging and distribution of *halal* products. This lack of awareness creates *halal* food products that fail to meet the required standards. For example, some Chinese *halal* food-processing enterprises continue to use ordinary plastic packaging for *halal* food packaging, which fails to guarantee the long-term storage of *halal* food and poses a threat to its quality during storage and transportation. In short, some small Chinese logistics companies are less likely to adopt advanced technology, such as that associated with Industry 4.0 (blockchain, internet of things and cloud computing). Hence, the logistics process is not sufficiently supervised, resulting in a lack of traceability and transparency, which can easily trigger the non-regulated processing of *halal* food in the logistics process in China.

Second, the construction of a logistics system in northwestern China is relatively slow. This region lacks integrated logistics and transportation systems, as well as other infrastructure. The low coverage rate of cold chain logistics increases the cost in the transportation and preservation of *halal* food, exacerbating the potential risk of damaging its integrity (Yang et al. 2016). As an example, we highlight Ningxia Hui autonomous region, which has developed rapidly with regard to the *halal* food industry. The Ningxia Highway network has a total planned length of approximately 2,650 km consisting of national and provincial expressways. In addition, Ningxia is also dedicated to developing a modern and comprehensive transportation hub that combines passenger and freight routes to create a scalable transportation system. Benefiting from the continuous improvement of Ningxia's transportation system, the density of Ningxia's roads has gradually increased (Lei 2019). However, Ningxia's logistics system still needs further construction to support a highly integrated logistics system. Food logistics and transportation, particularly in northwestern China, lack specialised technical equipment and information tracking services.

Some *halal* foods must be transported through cold chain logistics to ensure stable temperature control. However, the cold storage capacity in northwestern China is only 5%, and so it is difficult to meet the ideal standard of *halal* food cold chain logistics compared to the eastern China region with 41% cold storage capacity. China's food cold chain distribution infrastructure is still inadequate and uneven. Cold chain logistics development in China had a late start and now requires massive investment. Furthermore, China's vast land area has resulted in a huge and complex cold chain construction system. Therefore, the current Chinese cold chain configuration system makes it difficult to establish complete and extensive coverage of *halal* food from procurement, production, packaging, storage and transportation to sales following a cold chain quality control system in a short period of time.

Ideally, the entire supply chain requires coherence. Only a complete set of connections of the cold chain can guarantee the quality of *halal* food and effectively reduce losses. Any broken link causes the temperature to exceed the regulated standard and so the integrity of *halal* food is not protected. In northwestern China, parts of the node in the upstream, intermediate and downstream sectors involved in cold chain logistics are not well connected, and the broken link issue might occur in the actual operational process. In addition, the lack of cold chain operation process design, the insufficient professional cold chain infrastructure and equipment, and the irregular operation of companies and employees can damage the completeness of cold chain logistics, thus destroying the integrity of *halal* food. With the promotion of fourteenth five-year plan (2021–2025), China is committed to building a modern and intelligent logistics system. This has led to a boom in cold chain logistics. The above issues are expected to be alleviated or solved.

Third, China's *halal* food industry lacks a unified *halal* standard and certification system. Although there are numerous *halal* certification agencies in China and a *halal* industry certification system has been formed, this is not without flaws and is relatively immature compared to Muslim-majority countries. For example, *halal* certification agencies in China are differentiated by categories, geographic location and other criteria, with a lack of collaboration between them. They follow different *halal* standards rather than a unified standard. In addition, *halal* certification standards are inconsistent due to varying interpretations of *halal* food and regional diversity in culture, customs and language.

Fourth, some stakeholders' investment and input in the *halal* industry are limited in terms of capital, technology and human resources, which restricts the basis for further development of the sector. Furthermore, some stakeholders in the Chinese *halal* industry lack an understanding of *halal* food and the *halal* industry. This can be seen in the deficiency in the understanding of the true meaning of the *halal* concept, *halal* production standards, and laws and regulations, inevitably leading to non-standard and irregular practices in *halal* food production and causing *halal* food to lack integrity. Although the importance of *halal* awareness among *halal* food industry practitioners is increasingly recognised in Muslim-minority countries, understanding and increasing awareness of the complexities and nature of *halal* food production among all those involved in the entire *halal* food supply chain in China is still challenging. Non-Islamic societies sometimes lack public access to *halal* food and its promotion. This has resulted in inadequate understandings of the nature of *halal* food.

The inadequate understandings of some enterprises to the integrity of *halal* food will, to some extent, affect the global credibility of some China's *halal* food. Individual merchants with a weak awareness of integrity used to counterfeit *halal* food products sold with non-*halal* ingredients instead of *halal* ingredients. Concerns regarding product adulteration and misusing the *halal* logo have driven Chinese Muslims to pursue authentic *halal* products produced using pure *halal* ingredients and production processes. In other words, China's *halal* industry must not only adhere to strict *halal* standards throughout the supply chain process but also accelerate the development of a mature, internationally standardised *halal* certification system, to enhance Muslims' recognition of its authenticity and integrity.

14.4.2 Imbalance of *Halal* Food Supply

Some *halal* food products, especially meat, sometimes suffer from a supply imbalance, which occur because *halal* food products require more sophisticated technology and processes in handling raw materials, including manufacturing, handling and processing, compared to other non-edible *halal* products. Consequently, the production and supply cycles of *halal* food need a longer time frame. Furthermore, the production and logistics costs of *halal* food products are higher than other conventional *halal* products.

The number of sales outlets for *halal* food is relatively limited and unevenly distributed in some regions where the Muslim population is not concentrated. Many regions have a significant number of people who rely on *halal* food as their main food source. However, China's Muslim population is mainly concentrated in a few provinces and autonomous regions, and *halal* food outlets tend to be set up in those areas where the Muslim population is significant. The supply of *halal* food in other regions is thus relatively neglected. In addition, many consumers are not Muslims but like *halal* food, including *halal* beef and mutton, nuts, pastries and so on. Decentralised supply and demand points aggravate the problem of insufficient supply of *halal* food.

As stated earlier, the construction level and logistics efficiency in China's northwestern regions, where the Muslim population is concentrated, is still relatively low compared with China's other regions. The construction of warehousing, transportation equipment, road facilities and information platforms is relatively backward. The low efficiency of logistics and the vast geographical distances lead to longer transportation time frames, which in turn causes an imbalance in the *halal* food supply between different regions. For instance, transportation of goods by road between the far northwest of the country and southeastern regions requires around five days to reach destinations. Concurrently, the cold chain logistics in the northwestern regions has been inadequate due to the lack of cold chain logistics resources such as large-scale cooling, which exacerbates the loss of *halal* food supply quantity and quality in the logistics process. As a result, the supply of *halal* food for these potential customers faces challenges.

14.4.3 Lack of Collaboration among Enterprises

Many Chinese companies engaging in *halal* food are small and fragmented and lack collaboration at the supply chain level. Enterprises that do not possess information sharing and technology exchange easily accept outdated market information. Therefore, the operational arrangements of *halal* food manufacturing, research and development, sales and marketing are prone to homogeneity. This poses difficulty in responding promptly to market preferences and puts *halal* food companies at a disadvantage in the market. Second, many enterprises are geographically distant from each other. Resources, information and technology between enterprises have not been integrated, resulting in a lack of collaboration between them, which leads in turn to a waste of resources. In addition, these enterprises operate relatively independently, leading to the lack of unified trans-regional logistics planning. The geographical dispersion of logistics nodes leads to unsystematic transportation and distribution planning.

In the context of the *halal* food supply imbalance, these supply chain issues are more likely to aggravate it. On the other hand, establishing integrated industrial parks is necessary as an answer to the lack of collaboration between companies involved in *halal* products, particularly *halal* foods requiring high supply chain integration. However, the number of large-scale specialised *halal* food enterprises and industrial parks is limited. The immature park development system and model contributes only in a limited way to realising *halal* logistics supply chain integration and weakens the benefits of business synergy.

14.4.4 Lack of Competitiveness and Limited Export Capacity

China's *halal* food industry is growing and its trade volume is expanding at approximately 10% annually. But this figure is from a low base, and in reality the value of China's *halal* food exports in recent years is relatively modest. One major reason is that these exports continue to be less competitive than those of other countries. China's *halal* food lacks international competitiveness (Yang et al. 2016). As a result, most of China's *halal* food sales are concentrated in its domestic market, though, as noted earlier, this market is growing significantly.

One of the major reasons for the difficulty of China's *halal* food to penetrate foreign markets is that lacks internationally recognised halal certification. More than 6,000 companies in China specialise in *halal* food production and the process involves more than 120,000 operators. Nevertheless, large or even leading enterprises in China's *halal* food industry are limited. Many enterprises producing *halal* food are low-grade and operate on a small scale, with a single product range and lacking innovation. The fragmentation of the industry poses difficulties in achieving economies of scale in the logistics process. The quality of *halal* food produced by these enterprises varies as well. Individual producers in the logistics process of *halal* products do not strictly comply with the required norms. These irregularities mean that some of China's *halal* food remains below international standards. In addition, much confusion exists at the national level concerning *halal* requirements due to different *halal* standards in different regions. The lack of a unified certification standard is another reason why Chinese *halal* food faces difficulties in being exported and recognised by the international *halal* market.

14.5 Suggestions for the Development of *Halal* Food Logistics and Supply Chains in China

14.5.1 Taking Advantage of the Belt and Road Initiative

As a global manufacturing hub, China is attempting to contribute more to the *halal* food business while striving to capture a greater share of the global market. China has promoted BRI since 2013, which serves as an international trade bridge for products between China and Asia, Africa, Europe, Oceania, as well as North and South America; it also promotes Chinese *halal* food exports. The BRI is a major contribution to infrastructure development in northwestern China. As the initiative progresses, many infrastructure projects will be significantly upgraded. The construction of extensive roads and transportation infrastructure is currently being undertaken in the western region, and so the speed and density of railroads and highways are accelerating. The interconnection of railroads, highways, bridges, pipelines and ports helps deepen the density of the interaction of infrastructure as a whole and thus realise resource integration.

The construction of modern logistics service system in the northwestern region will also be expanded. For instance, improving logistics informatisation and digitalisation, accelerating the integration and construction of logistics hub resources, and upgrading cold chain logistics service levels can effectively help the *halal* food industry to thrive through modernised logistics infrastructure and systems. Infrastructure construction in the northwestern region has achieved progress, and this will surely help local logistics and supply chains. As a result, these logistics construction systems have improved conditions for the logistics and transportation of local *halal* foods.

14.5.2 Promoting E-commerce in the Northwestern Region

The e-commerce and logistics industry have a mutually reinforcing relationship as they complement each other. E-commerce integrates business, information and capital flows and is a platform for the virtual economy. Logistics is the carrier of the physical material flows. The virtual economy and physical materials can connect closely with the combination of e-commerce and logistics, thereby promoting the coordinated development of distribution and trade. With relatively secure information, e-commerce creates a powerful boost to promote trade development to the relatively economically backward northwestern region.

The e-commerce platform is customer oriented and its operation matches the distribution method. Therefore, e-commerce helps the sales and purchase of *halal* food in the northwestern region and it can specifically guarantee the quality of *halal* products. E-commerce logistics can simplify the overall logistics process because it avoids the excessive participation of wholesalers and retailers in the supply chain. It reduces logistics links, the loss of *halal* food due to excess process time and costs. Both supply and demand can be traded quickly through this platform, which can save a great deal of time and increase turnover. As a result, the quality of *halal* food can be guaranteed.

In addition, e-commerce can broaden the sales channels of *halal* food products and increase both domestic sales and export capacity of products. E-commerce platforms can carry out cross-border trade. China can thus sell *halal* products through e-commerce platforms to other Muslim countries with a huge demand. On the other hand, China's Muslims are scattered throughout the country aside from their concentration in the northwestern region. E-commerce is a good platform to help consumers access a wide selection of *halal* food products anywhere in the country. Furthermore, e-commerce contributes to balancing the supply and demand of *halal* food. The current imbalance is an issue caused by information asymmetry between supply and demand. As a bridge connecting the supply and demand sides of *halal* food, an e-commerce platform can solve the lack of information flow, provide more choices for customers and avoid the bottlenecks of *halal* products for suppliers.

14.5.3 **Integrate the Existing Demand for *Halal* Food to Form a Logistics Demand Network**

The demand points for *halal* products in remote regions of China are scattered, likely causing a waste of resources and delay or even difficulty in meeting demand. To improve this situation, the existing demand could be integrated from three perspectives: space, time and logistics transportation. The demand for food that needs to be transported centrally within a certain time frame must be unified in various logistics methods. Deliveries are often delayed when rural destinations are inaccessible. These demand points are often scattered in the way of points or lines, geographically distant and dispersed. Therefore, a rural logistics network at county, township and village levels can be built according to the demand for logistics services. The rural logistics network can improve the diversity of its service functions, guide the diversification of food enterprises and highlight the demands of *halal* food. This type of demand network construction can reduce logistics costs, improve logistics efficiency and meet customer demand for *halal* food in a timely fashion.

14.5.4 Improve the Logistics System and Infrastructure Construction in the Northwestern Region

As the relatively weak area of logistics and transportation, China's northwestern region should strengthen road planning and improve infrastructure and equipment construction. Due to the limited construction of logistics systems in the region, cold chain logistics infrastructure construction is inadequate. A comprehensive logistics capacity to guarantee the quality of products is required, especially for the food industry. Building logistics infrastructure and introducing and adopting advanced equipment is therefore necessary. For example, the coverage area of the cold chain and the number of refrigerated trucks and cold storage should be increased. The highway network construction in the northwestern region must be accelerated, and excellent organisations need to be encouraged to develop factories in the area which will benefit from more advanced experiences from elsewhere.

14.5.5 **Integrating Resources by the Establishment of *Halal* Industrial Parks**

An industrial park is defined as a collaboration of companies and other stakeholders, such as suppliers, consultants and other competitors, that are geographically close to each other and interconnected in a specific area based on commonalities and complementarities in their business. *Halal* industrial parks are unique as they have the characteristics of an industrial park but also adhere to *syariah* law regarding hygiene standards, cross-contamination and safety requirements. The development of a *halal* industrial park should focus on the built environment of the facility and link the operation of the industry to the overall *halal* requirements. Therefore, all levels of the *halal* industrial park staff, including decision makers, managers, operators and executives, must understand *halal* concepts, regulations, Islamic schools of thought and edicts.

Many *halal*-related resources can be integrated through the construction of an industrial park, which will greatly improve resource utilisation and reduce wastage. Concurrently, *halal* food can move towards large-scale operations and realise the development of information technology, automation and mechanisation through the complementarity and commonality of the development of the advantages between enterprises and the agglomeration effect brought by the industrial park. In addition, enterprises in an industrial park should establish a deeply collaborative relationship to ensure that they can share various resources, including information, materials, and human and knowledge resources.

One of the knowledge resources is the certification of *halal* food and related Islamic teachings, which are necessary to master the knowledge of engaging in *halal* food. The *halal* enterprises in an industrial park can promote a consensus on food certification standards and jointly contribute to the establishment of a mature *halal* certification system in China that is deeply aware of Islamic principles and a series of norms for the production, transportation and storage of *halal* food. Therefore, local government working with credible local *halal* companies will help increase market penetration and add value to *halal* quality standards.

14.6 Conclusion

With the increasing demand for *halal* food in the global and Chinese markets, it is necessary to uphold *halal* food integrity and improve the logistics services to meet market demand. *Halal* logistics serves a crucial role in securing the integrity of *halal* food through proper manufacturing, transportation, warehousing and handling across the supply chain until it is delivered to the customers. In recent years, many studies have been undertaken on *halal* food logistics. But most focus on Muslim countries, while research on *halal* food logistics and supply chain development in China is rare (Indarti et al. 2020; Handayani et al. 2022). This study attempts to fill some of these gaps by investigating the challenges and suggestions to developments in China. The findings reveal that practitioners of *halal* logistics have suffered from several difficulties, such as the lack of *halal* integrity of *halal* food, supply imbalance, insufficient cooperation among *halal* food manufacturers and other supply chain participants (such as logistics service providers and suppliers), insufficient export capacity, ambiguous *halal* principles and the lack of internationally recognised *halal* certification.

The core contribution of this research is to analyse the main problems faced by the logistics and supply chain of the *halal* food industry using the rarely examined non-Muslim country China as the research context and to propose corresponding recommendations and solutions. The contents of this study can provide references and insights into other non-Muslim countries such as Japan and Muslim-majority countries like Malaysia and Indonesia. This is especially so for non-Muslim countries with large Muslim populations facing similar problems, such as the supply imbalance of *halal* food due to the uneven distribution of the Muslim population and the lack of *halal* integrity. This study is expected to help practitioners and scholars understand the main obstacles to the current development of *halal* food logistics in China while encouraging them to explore countermeasures to improve the *halal* food supply chain. It is also recommended that more research be conducted in similar non-Muslim countries, extending this study's findings to involve other high-demand *halal* industries, like pharmaceuticals.

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Part IV
Halal Industry Strategies

Chapter 15
Unlocking the Potential of the *Halal* Industry in Brunei Darussalam: A SWOT Analysis and Sustainable Development Goals

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Abstract The global *halal* market is rapidly expanding, providing opportunities for countries to diversify their economies and sustain their well-being. Brunei Darussalam has recognised the potential of the *halal* industry in achieving a future that is not dependent on oil and gas and aligning with its national development strategy, Wawasan Brunei 2035 (Brunei Vision 2035). In this context, Brunei's *halal* industry must develop further and innovate in order to optimise its potential. This study employs a qualitative research design and environmental scanning techniques to identify the internal and external factors influencing the *halal* business ecosystem in Brunei. The findings are analysed using a SWOT matrix analysis to determine the strengths, weaknesses, opportunities and threats of incorporating the *halal* industry with the United Nations Sustainable Development Goals (SDGs). The study reveals that the *halal* industry can contribute significantly to a number of SDGs: no poverty; zero hunger; decent work and economic growth; and sustainable consumption and production. The findings provide future scholars, policymakers and researchers with a valuable resource for making well-informed decisions regarding *halal* industry

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development in Brunei. Overall, the study highlights the importance of leveraging the *halal* industry to achieve sustainable economic growth while advancing the SDGs.

Keywords Brunei Darussalam · *Halal* industry · Sustainable Development Goals · SWOT analysis · Economic diversification

15.1 Introduction

The global *halal* market is worth an estimated USD2.29 trillion and is expanding at a rate of 20% per year as the worldwide demand for *halal* products continues to rise. In particular, the *halal* food sector is a key driver of this overall growth and is projected to be worth USD1.89 trillion by 2027 (Pg Siti Rozaidah et al. 2022; DinarStandard 2023). For instance, Organisation of Islamic Cooperation countries exported USD133 billion of *halal* food products in 2020, 9% of global food exports. Meanwhile, even though Muslims are a relatively small minority in the European Union, market growth is mainly attributed to their strong purchasing power, as seen in France and the Netherlands. Muslims in France, for example, spend 30% of their income on *halal* food (Trimulato et al. 2022). According to Isiaka Abiodun Adams (2011), the demand for *halal* products remains stable even during economic downturns because Muslims keep buying and consuming *halal* products to meet their daily dietary needs while also adhering to Islamic teachings. The *halal* business continues to grow on a global scale not only in Muslim-majority countries but also among non-Muslims (Trimulato et al. 2022). People also wish to consume *halal* food because of their religious beliefs and the products' healthiness, hygiene and cleanliness.

The concept of *halal* has evolved over the last few decades, moving from food and beverages to a broader portfolio of products and services, such as finance, travel, pharmaceuticals, fashion, and media and recreation. As a result, it creates a considerable basis for consumer demand for *halal* products. This chapter examines the relationship between the global Islamic economy, with particular reference to Brunei Darussalam, and the United Nations Sustainable Development Goals (SDGs), as articulated in the 2030 Agenda for Sustainable Development adopted by all member states in 2015 (UNGA 2015).The SDGs comprise a total of 17 goals, which are 'an urgent call for action by all countries—developed and developing—in a global partnership' (UN 2024; UNDP 2024). The discussion explores ways that the development of the *halal* industry in Brunei can help to achieve several of the SDGs.

15.2 Literature Review

15.2.1 The *Halal* Industry in Brunei Darussalam

There is relatively little research on the development of the *halal* sector in Brunei.In 2016 the local *halal* industry generated BND88 million in revenue from *halal* food (Rabi'atul Nazurah 2017). After taking other *halal* products and services into account, this market has grown considerably in the intervening years and is projected to continue to do so. Brunei's population in 2023 was 450,500, with a large majority being Muslim (DEPS 2023a). Despite this, the domestic market size is relatively small and most *halal* food and other *halal* products are imported from other countries. The government of Brunei has been making great efforts to diversify the country's economy and to lower its dependency on revenues from the oil and gas industry. Among these endeavours are studies of the *halal* industry, Islamic finance, textiles, agriculture and fisheries. Brunei is ranked eighth for *halal* food exports and development in *State of the global Islamic economy report 2019/20*, highlighting the sector's importance to the nation's gross domestic product (GDP) (DinarStandard 2019).

The development of the *halal* industry has gone hand in hand with more stringent regulations based on *syariah* principles. For example, Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council) has awarded *halal* certification to businesses serving *halal* food and *halal* permits for the production of *halal* food. Brunei is also working to establish a diverse, competitive and sustainable economy to fulfil the religious obligation imposed on the whole community (*fardhu kifayah*) and increase the availability of *halal*-certified food for Muslims. Moha Asri Abdullah and Md Siddique E. Azam (2020) argue that halalpreneurs are caliphs (*khalifah*) and have a duty and responsibility to promote prosperity, and view business as part of good deeds (*ibadah*) through the accomplishment of communal obligations. In other words, not everyone is required to perform this obligation. Therefore, Muslims start a business with the expectation of gratifying Allah, serving the community of believers (*ummah*) and humanity at large, and offering extra attention to all supply chain details from manufacturing through logistics to the final products in accordance with *syariah* and in order to fulfil excellence (*ihsan*) (Zulkarnain et al. 2015; Haslinda and Tanakinjal 2020).

15.2.2 Sustainable Development Goals

Although many definitions abound, the United Nations Brundtland Commission, founded in 1983, proposes the best-known explanation of sustainable development (Dernbach 1998, 2003; Cerin 2006; Stoddart 2011). According to the Brundtland Commission, sustainability means 'meeting the needs of the present without compromising the ability of future generations to meet their own needs' (UNAI n.d.). One

Fig. 15.1 UN Sustainable Development Goals (UN 2015)

key element that sets sustainable development policy apart from conventional environmental policy, which also aims to internalise the externalities of ecological deterioration, is saving resources for future generations. Hence, sustainable development has definitions, concepts and dimensions that incorporate economic, social and environmental elements into all aspects of decision-making (Emas 2015: 2, 4; Dariah et al. 2016).

World leaders introduced the 2030 Agenda for Sustainable Development during the United Nations Sustainable Development Summit on 25 September 2015. This proposes that the 17 SDGs are integrated, and development must sustain and balance social, economic and environmental sustainability. In short, the SDGs set an ambition to end poverty, protect the planet, and improve the lives and prospects of everyone by 2030 (López de Romaña et al. 2021: 97; Palomares et al. 2021) (Fig. 15.1).

Drawing on the analysis of David Le Blanc (2015) and Joel B. Carboni (2017), Table 15.1 presents an aggregated summary of the links among the 17 SDGs.

With an emphasis on combining economic, social and environmental linkages, sustainable development has clear definitions, principles and plans of action. However, many countries' experiences reveal that integrating the three elements and implementing sustainable development can be difficult in practice. While the SDGs have transformed the global discourse on development and sustainability, a number of researchers have long advocated the key role of planning to achieve SDGs (Roberts and Chan 1997; Moles et al. 2008; Nolon and Salkin 2011; Williams 2013). Many studies have been done on sustainable development, including in Southeast Asia and the wider Islamic world, but few in the Brunei context, and particularly on the *halal* industry (Al-Jayyaousi et al. 2022). Nevertheless, some previous studies have discussed the possibilities of linking *halal* to sustainability and helping to achieve SDGs: tourism (Palupi et al. 2017; Martín et al. 2020; Qomaro 2019); supply chains

Table 15.1 Aims of the UN Sustainable Development Goals

	Sustainable Development Goal	SDG aim
1	No poverty	End to poverty in all of its manifestations everywhere
2	Zero hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages
4	Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5	Gender equality	Achieve gender equality and empower all women and girls
6	Clean water and sanitation	Ensure availability and sustainable management of water and sanitation for all
7	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
10	Reduced inequality	Reduce inequality within and among countries
11	Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable
12	Responsible consumption and production	Ensure sustainable consumption and production patterns
13	Climate action	Take urgent action to combat climate change and its impacts
14	Life below water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss
16	Peace, justice and strong institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	Partnerships for the goals	Rekindle national and international partnerships for sustainable development

Source David Le Blanc (2015: 5); Joel B. Carboni (2017)

(Haleem et al. 2021; Rejeb et al. 2021; Adiweno et al. 2018); *halalan–tayyiban* (Pg Siti Rozaidah et al. 2022); and entrepreneurship (Salaheldeen et al. 2021).

The demands of achieving the SDGs are considerable. Maarten A. Hajer (1996), for example, argues that long-term sustainability necessitates fundamental changes in ideology, cultural attitudes and behaviour, paradigm shifts and institutional reform, all of which must be backed up by suitable political and institutional frameworks. According to Atih Rohaeti Dariah et al. (2016), the specific nature of these challenges determines which route these shifts will take, given each country's diverse ideology, sociocultural patterns, economic structure, political system and institutional capacity.

This context situates the key question: how should the SGDs be implemented in Brunei's *halal* industry? This study tries to answer this question and the wider issues by examining the SDGs in the context of *halal* industry development. Brunei is focusing on some of the themes and goals outlined at the High-Level Political Forum 2021 organised under the auspices of the UN's Economic and Social Council. The nine numbered SDGs are: 1) no poverty, 2) zero hunger, 3) good health and well-being, 8) decent work and economic growth, 10) reduced inequalities, 12) responsible consumption and production, 13) climate action, 16) peace, justice and strong institutions, and 17) partnerships for the goals. The aim is to identify areas that require additional action to promote Brunei's SDG implementation, as well as to improve monitoring and evaluation capabilities and ensure the inclusion of SDG indicators in national development plans. As such, this focus grapples with the SDGs' unity, interconnectedness and integration in the important *halal* industry in Brunei.

15.2.3 Wawasan Brunei 2035

Launched in 2016, Wawasan Brunei 2035 (Brunei Vision 2035) is the long-term vision for the development of Brunei (ASEAN-Japan Centre 2021), and acts as a guide to obtain the desired success by recognising the targets and the initial challenges and tactics to reach them (Rabi'atul 2017). By 2035 Brunei hopes to have a dynamic economy with per capita income in the top 10 countries in the world, a quality of life that is among the best, and a reputation for the achievements of its highly educated and skilled workforce measured by the highest international standards (Muhammad Hadi 2014; MoRA 2016; Estrebillo and Hiramoto 2021; Abdul Malik 2021).

Wawasan Brunei 2035 identifies 13 development strategies to help achieve this vision and ensure all aspects of development are implemented accordingly and effectively: 1) education, 2) economy, 3) security, 4) institutional development, 5) local business development, 6) infrastructure development, 7) social security, 8) environment, 9) health, 10) religion, 11) land use, 12) infrastructure and information and communications technology, and 13) human resources planning (Ministry of Finance and Economy 2020; PMO 2023a, 2023b). Brunei is implementing five-year medium-term development plans in order to realise its long-term vision and has just completed its Eleventh National Development Plan (2018–2023). Acknowledging the need for greater economic diversification, the plan focuses on further development that intends to use 'increased non-oil and gas sector output as a catalyst for economic growth' to realise and support the achievement of Wawasan Brunei 2035 (DEPS 2020; Dariah et al. 2022). It is in this context that Brunei's commitment to achieving the SDGs should be understood. A Special National Coordinating Committee was formed in 2016 to oversee the whole-of-government approach in coordinating and monitoring SDG implementation. It consists of representatives from government ministries and statutory bodies and is supported by a secretariat and technical working group. In 2022 the dedicated committee reported: 'Brunei Darussalam made a solid achievement to maintain and advance the sustainability of some concerned areas as the nation recovered from the pandemic. There is room for improvement where it matters for the nation. Not only these areas are under government radar for progress, but other stakeholders also stepped in and made vital contributions' (PMO 2024).

15.3 Methodology

Qualitative research design is a well-established approach in *halal* business research (Baran 2021). Many researchers have used environmental scanning techniques to investigate the internal and external elements influencing the *halal* business ecosystem. For instance, the strengths, weaknesses, opportunities and threats (SWOT) analysis is among the most widely used techniques in ascertaining the prospects and challenges that are evident in the *halal* industry. The sectoral analyses include: tourism (Collins-Kreiner and Wall 2007; Suhana et al. 2017; Bismala et al. 2019; Joeliaty et al. 2020; Mafudi et al. 2021); logistics (Mohamed Syazwan and Abu Bakar 2014; Mohamed Syazwan and Siti Norida 2021); food supply chains (Al Halaseh and Sundarakani 2012; Soon et al. 2017); and Islamic finance (Maizaitulaidawati and Razali 2020; Mohammed et al. 2021). More recently, the long-established use of SWOT analysis in *halal* business research has continued with Pg Siti Rozaidah Pg Hj Idris et al.'s (2022) exploration of the nexus between *halal* and sustainable development. They argue that *halal* and *tayyib* (wholesome, clean) are embedded and coherent with the SDGs, proving that *halal* has transcended religious tenets (Wilson 2014).

The wide application of SWOT analysis is evident considering its effectiveness in capturing the inner assets and hindrances or the outer favourable and unfavourable circumstances in whatever environment or industry a business competes in (Shinno et al. 2006; Helms and Nixon 2010; Abdul Manaf et al. 2013; Du Toit 2016). A SWOT analysis is helpful in identifying a strategic direction for the industry (Salmani et al. 2022). According to Mohamed Syazwan Ab Talib and Siti Norida Wahab (2021: 161), 'SWOT analysis takes on a developmental outlook that leverages the strengths, improves on the weaknesses, seizes the opportunities and be mindful of the threats'. This indicates that SWOT analyses could unearth competitive advantages, core capabilities and competencies from both microeconomic and macroeconomic standpoints in the present and the future (Sammut-Bonnici and Galea 2015; Haq and Singgih 2019). Moreover, considering the growing fusion between the *halal* concept and practices with the SDGs, SWOT analysis could conceivably be practical in underpinning the plausible challenges and prospects in bridging the *halal*–sustainability relationship (Rezai et al. 2015; Norliza Karia and Muhammad Hasmi 2016; Khan et al. 2021; Haleem et al. 2021; Pg Siti Rozaidah et al. 2022).

A SWOT analysis is a five-step process involving formulation, search, evaluation, analysis, synthesis and review (Fig. 15.2). The process begins with the formulation of a review question. The specific question in this SWOT analysis is: what are the strengths, weaknesses, opportunities and threats of sustainable development in Brunei Darussalam? The review question is consistent with the specified research objective. Second, the literature search process begins by searching and retrieving literature from the Scopus database. The authors use the Scopus online database because it has the most comprehensive business, economics and management coverage and is extensively used in academic research (Macke and Genari 2019; Martín-Martín et al. 2021). Additionally, the terms '*halal*' or 'sustainable development' must be specified in the title, abstract or keywords. To ensure quality and appropriateness, the literature was from English-language peer-reviewed sources and published between 2015 and 2022. In the third step, the authors carefully evaluate the filtered literature for relevance by extracting literature metadata and tabulating them into a digital spreadsheet. Only the relevant literature that contains *halal* and sustainable development information is included for further consideration. The fourth step involves analysing and synthesising the filtered literature. At this point, the authors apply a content analysis approach to synthesise and review sustainable *halal* development's plausible strengths, weaknesses, opportunities and threats. The last step is intended to report the review findings.

15.4 Findings

According to Azman Ahmad (2005), the overwhelming driver of economic development in Brunei arose from revenues derived from the oil and gas sector, while income from the non-oil private sector has historically been less significant. More than a quarter of a century ago, Clem Tisdell (1998) examined Brunei's 'quest for sustainable development' and presented the argument for economic diversification. He claimed that Brunei is both fortunate in having large oil and gas deposits relative to its population, but also has the misfortune of depending on resources that deplete and will not sustain themselves in the long run. In addition, there is price volatility to deal with. Since 2016 many oil-dependent economies have experienced budget deficits primarily due to plunging oil and gas prices worldwide and this can undermine medium- and long-term development goals (Baffes et al. 2015). As a result, the government of Brunei is concerned about the sustainability of its revenue streams. Hence, in anticipation of its non-oil and gas future, the country has stressed the importance of diversifying its economy and one key element lies in developing its *halal* industry.

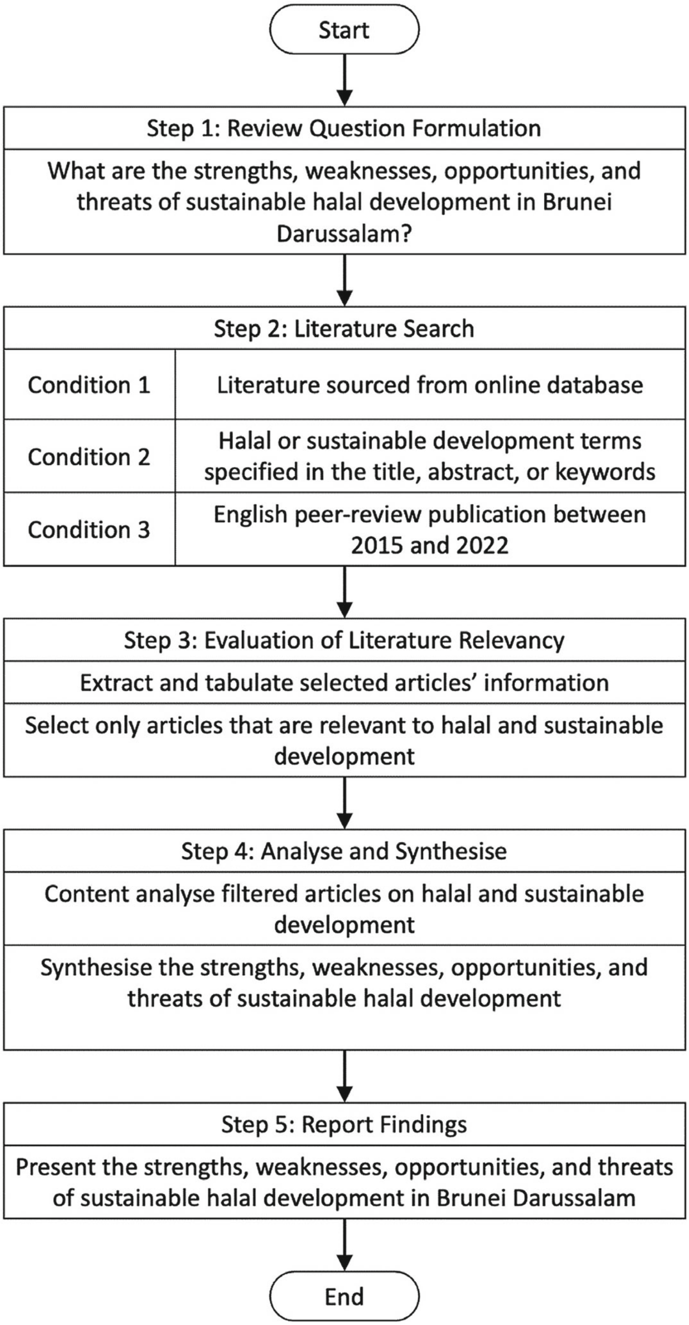

Fig. 15.2 Five-step literature review process

Although Brunei's *halal* industry has enormous potential, more work needs to be done to develop, innovate and modernise it in order to realise its aim to become a global *halal* hub. To accomplish this, identification has to start with a SWOT analysis to implement strategies and run optimally. A SWOT analysis can also help identify the factors' strengths and weaknesses as well as existing threats and opportunities (Haq and Singgih 2019; Mubarok and Imam 2020). Table 15.2 summarises the results of the SWOT analysis of the literature on Brunei's *halal* industry.

The internal strength of Brunei's *halal* industry is that it has its own *halal* certification body and logo, which are recognisable. In addition, it has government support for local *halal* production. These internal strengths are essential for Brunei to use wisely to explore more significant markets. It is also vital for the *halal* industry to know its internal weaknesses so that it can improve its performance. It should try to eliminate these weaknesses to make its products better than those of its competitors. These weaknesses include relying on imported *halal* products, an insufficient supply of meat and poultry, the relatively high price of products and the small market share.

External opportunities are factors Brunei can take advantage of to improve its product and service quality. These external opportunities may vary from the rapid global market growth due to the increase of the Muslim population and its purchasing power, government support for the non-oil and gas sector, opportunities opened up by the ASEAN Free Trade Area (AFTA) and affordable *halal* certificates. At the same time, Brunei has to deal with external threats and the *halal* industry must give more attention to these factors because they can influence the number of customers buying products. So Brunei should design a strategy to prevent this from happening. Brunei's external threats are the price of raw materials, which has been on the rise, and foreign *halal* brands, which are many compared to limited domestic resources.

The SWOT analysis in Table 15.3 maps the factors in a SWOT matrix specific to Brunei's *halal* industry. A SWOT matrix is a strategic marketing tool applied to help the industry analyse its industrial SWOT and it can also help develop four

Table 15.2 SWOT analysis of Brunei Darussalam's *halal* industry

Strengths (S)	Weaknesses (W)
• *Halal* certification body • Government support for local production	• Reliance on imported *halal* products • The price of the local products is relatively high • Small market share and size • Insufficient supply of meat and poultry
Opportunities (O)	**Threats (T)**
• Rapid market growth worldwide due to the increasing Muslim population • Good government support for the non-oil and gas sector • ASEAN Free Trade Area (AFTA) • Affordable costs for Brunei *halal* certification	• Price of raw materials rises • Foreign *halal* brands, competitors' market share • Limited domestic resources

Table 15.3 SWOT matrix results

Internal / External	Strengths (S) • *Halal* certification body • Government support for local production	Weaknesses (W) • Reliance on imported *halal* products • Price of the product is relatively high • Small market share • Insufficient supply of meat and poultry
Opportunities (O) • Rapid market growth worldwide due to the increasing Muslim population • Good government support for the non-oil and gas sector • ASEAN Free Trade Area (AFTA) • Affordable costs for Brunei *halal* certification	S-O strategy • Seeking assistance from the government regarding market penetration	W-O strategy • Cooperating with the government in producing more local *halal* products • Partnership or free trade agreements
Threats (T) • Price of raw materials rises • Foreign *halal* brands, competitors' market share • Limited domestic resources	S-T strategy • Increase the choice of sourcing products from other suppliers • Building a positive image • Increase production	W-T strategy • Build synergies and strengthen relationships with suppliers • Conduct intensive promotions

types of strategies: strength-opportunity (S-O) strategies, weakness-opportunity (W-O) strategies, strength-threat (S-T) strategies and weakness-threat (W-T) strategies. The four strategies have been matched to recommend results for the Brunei *halal* industry to improve its performance and sustain a competitive advantage in the market. The SWOT matrix analysis could therefore influence the development of the *halal* industry in Brunei.

15.5 Discussion: SWOT Matrix Analysis

15.5.1 Strength-Opportunity Strategy

Cooperating with the government in market penetration is a strength-opportunity strategy that can be implemented. With the global economic downturn, largely generated by a downturn in oil prices, the Brunei government has implemented economic diversification by expanding the commercial and trade sectors, particularly the *halal* industry. To achieve Wawasan Brunei 2035's economic goals, developing the *halal* industry is a way to diversify and reduce the reliance on oil and gas sector (Oh et al. 2018). In light of this, the first Outline of Strategies and Policies for Development (OSPD) (2007–2016) aimed to further assist with the implementation of Wawasan Brunei 2035 by elaborating on eight strategies through 50 policy directions—including economic systems and a local business development strategy (PMO 2016). The eight OSPD strategies cover the following: education, economy, security, institutional development, local business development, infrastructure development, social security and environment. The local business strategy is encouraged by a conducive environment—business processes should be convenient to entrepreneurs, including the initial process of starting a business. This was articulated by the sultan in conjunction with the first meeting of the Twelfth Consensus Meeting of the National Assembly in 2016:

> The government has taken steps to help the business environment. This includes pro-business legal infrastructure. For example, a business company can now be registered online in just one day, while business licences are no longer needed for some types of businesses. Also, with the presence of the Small and Medium Enterprise Centre, it is hoped that small- and medium-scale local companies will be able to grow and progress internationally. It is time we change our corporate strategy rather than merely being self-sufficient to being export based.

With a local business development strategy to increase opportunities for local small- and medium-sized enterprises (SMEs) and to enable entrepreneurs to achieve business leadership by becoming more competitive, the following policy directions are being pursued:

1. Introducing well-designed and well-funded programmes and more effective ways of financing local enterprises to help local SMEs and entrepreneurs gain business skills and become more competitive.
2. Develop incubation centres to assist and promote local SMEs and entrepreneurs in areas such as ICT.
3. Maximising the indirect benefits of foreign direct investments for local SMEs and entrepreneurs.
4. Encouraging the use of local products, local suppliers and contractors by major businesses and industries.
5. Privatising, commercialising and outsourcing government services as a way of expanding opportunities for local SMEs and entrepreneurs.
6. Reducing the cost of doing business for local SMEs and entrepreneurs by simplifying government procedures.
7. Ensuring prompt government decisions and payment to local contractors and suppliers. (ibid.)

Meanwhile, an economic strategy has been established to create new jobs for Bruneians and expand business opportunities, with an emphasis on adhering to monetary policy directions:

1. Ensuring continued macroeconomic stability.
2. Ensuring high rates of economic growth so that work is always available for our young people entering the labour market each year.

3. Developing further a strong capital market including the Islamic bond market (*sukuk*) to help finance domestic growth.
4. Promoting national economic competitiveness through policies that encourage productivity, economic openness and competition.
5. Investing in downstream industries and other economic clusters selected on the basis of Brunei Darussalam's competitive strengths, export potential and employment opportunities for local people.
6. Investing in the world-class infrastructure that is required to attract foreign and domestic investment in new export industries.
7. Developing an energy policy that accords proper priority to our oil and gas industry while giving due consideration to the need to create new industries through downstream diversification.
8. Privatising those services currently provided by the public sector that are best undertaken by the private sector.
9. Developing the expertise and skills required by commerce and industry through investment in our educational institutions; in research and development; and through collaboration with business.
10. Promoting international economic cooperation, bilaterally and multilaterally.
11. Encouraging equal opportunities for women in the work force and in nation building.

15.5.2 Weakness-Opportunity Strategy

The weakness-opportunity strategy is to provide support from the government to penetrate the *halal* market domestically and globally. As noted earlier, the global *halal* industry is estimated to be worth about USD2.29 trillion and is growing rapidly (Pg Siti Rozaidah et al. 2022). The latest *State of the global Islamic economy report* notes that with the significant increase in the Muslim population, the *halal* market is expected to reach USD3.1 trillion by 2027 with a projected compound annual growth rate of 4.8% up to that year (DinarStandard 2023: 12). There are great opportunities for Brunei's *halal* industry to penetrate this global market. For instance, products manufactured by the *halal* industry might be exported under the local brand name BruneiHalalFoods (formerly BruneiHalal) (Nor Surilawana et al. 2023). To achieve economic objectives, the BruneiHalalFoods brand has been a driving force behind the expansion of the *halal* industry, particularly of Bruneian food (Oh et al. 2018). The success of the brand is hoped to result in Brunei being one of the world's top players in the *halal* sector and help it realise its objectives of generating employment opportunities for local people and promoting economic diversification.

Brunei has undertaken other steps in supporting the *halal* industry. For example, a memorandum of understanding on Shariah Compliance Products, Development and Trade between Brunei Darussalam BIMP-EAGA Business Council and Taiwan was signed to boost the development of the *halal* economy in the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area, with a focus on *halal* products and certification (PMO 2021: 15; Focus Taiwan 2020; Azlan Othman 2020). This serves as a catalyst and platform for improved connectivity and collaboration between Taiwan, Brunei and the regional *halal* industry.

In addition, working with businesses or foreign direct investment (FDI) offers an excellent means to access the *halal* market. The strategy of economic diversification is usually associated with attracting inflows of FDI. This remains true for young and developing countries with a small market and a lack of technological adoption and innovation. FDI can also steer new innovative local businesses to tap into the market, further creating employment opportunities and increasing the consumption of goods and services. Theoretically, then, FDI will stimulate growth in the real economy. In 2023 the government reported FDI inflows of BND336.9 million, mainly in the mining and quarrying, and financial and insurance industries, but this figure was exceeded by debt repayments by foreign companies operating in Brunei (DEPS 2023b). Greater efforts should therefore be made to attract investment in other areas of the economy, including *halal* food. There are some examples of this already taking place. For instance, projects with the processed ready-to-eat food experts Saahtain (a Brunei–United Arab Emirates joint venture) and the Ministry of Primary Resources and Tourism have been created to build a production facility in Brunei to aid the growth of the *halal* industry's entry into the international market (Oh et al. 2018; *The* Scoop 2020).

15.5.3 Strength-Threat Strategy

One of the strength-threat strategies includes increasing local production as there are limited resources and the price of raw materials is high since imports are from other countries. Brunei is one of the countries that has been promoting the *halal* industry as a potential source of food security and a leading economic resource. Brunei's Economic Blueprint identifies five priority sectors, including the food sector, intended to spearhead economic growth, diversification efforts and national food security objectives (MoFE 2020a). A food industry roadmap was also created to increase the production of safe and high-quality food while strengthening the food system's value chain.

Brunei plans to increase agricultural and fisheries production and growth to ensure food security. This includes increasing local rice production to increase self-sufficiency through high-yielding varieties to improve crop productivity, opening up commercial-scale rice fields, improving irrigation systems to major rice farms and using alternative water sources for irrigation, such as underground water in areas with insufficient irrigation systems. The use of technology and encouraging FDI are also being considering in these sectors to boost domestic production even further (Ministry of Finance and Economy 2020). Local higher education institutions are exploring potential collaborations and research opportunities, as well as training and skills development, to pursue improvements in agricultural production.

During the height of the COVID-19 pandemic, Brunei faced several challenges in ensuring the continuous supply of essential food items, such as eggs, poultry, beef, vegetables and fish. In this regard, the government undertook various measures to meet the current and future needs of the food supply. Apart from regular livestock imports, the government is attempting to attract more new entrepreneurs and encourage existing farmers to increase production by expanding farming production areas, enhancing farmers' capacity through guidance and skills training, implementing modern technology, and encouraging efficient farm management and best farming practices. Brunei hopes to achieve 100% self-sufficiency in the livestock industry for meat, poultry and eggs.

Brunei has also made conscious efforts to use primary resources sustainably. The agriculture and fisheries sectors have initiatives or regulatory measures to ensure sustainability. To reduce the dependency on fish imports, the nation's fisheries industry is set to increase production by 2035 through the modernisation of fish farming activities, including a fish landing complex for unloading catches from fishing vessels and offshore cage fish farms. To sustain the supply of fish, Brunei has implemented regulatory measures such as to control and prevent overfishing, which is in line with the SDG on life below water, aiming to conserve and sustainably use marine resources. In an effort to achieve maximum economic gains while maintaining the sustainability of its marine resources, Brunei's fishing policy only allows exploitation up to the maximum economic yield, which is 20% below the usually used maximum sustainable yield level (Department of Fisheries 2021).

The *halal* industry is required to guarantee that it can produce and consume the targeted *halal* products, which undoubtedly can play a role in economic development. Several SDG goals can be realised by developing the *halal* industry (Trimulato et al. 2022), among them goals on food security, and economic, social and environmental objectives. In particular, the goal on responsible consumption and production is significant for the *halal* industry as a fundamental obligation that will lead to progress across other SDGs.

15.5.4 Weakness-Threat Strategy

The weakness-threat strategy includes creating awareness of the role of supplier relationship management for sustainable operations. Even though stakeholders frequently compete for the same customers, collaboration and cooperation are critical to the long-term success of the *halal* industry. Brunei's local *halal* companies should work with suppliers to ensure coherent logistics and a continuous supply chain. In this context, the concept of integration does not involve ownership but control over something. When the company and its suppliers get along well, the company can control its raw material supplies and obtain them efficiently. As a result, the company does not face difficulties finding raw materials. For instance, Golden Chicks Abattoir work closely with QAF Farms for their live chicken supply to ensure the availability of their raw materials and continuous production in the long run (Nor Surilawana and

Noorhizrah 2022). Moreover, the government had supported PDS Abattoir, helping the firm deal with the supply shortages in the local market via the regular importation of ready-to-slaughter live cattle from Australia and ready-to-slaughter lamb from Indonesia and Australia to ensure the national food security during the COVID-19 pandemic.

15.6 Sustainable Development

Wawasan Brunei 2035 aligns with the SDGs in such a way that allows almost all of these development goals to be realised ahead of time. The three dimensions of sustainable development are integrated into the national vision through 13 development strategies. At its implementation stage, the Eleventh National Development Plan considered the economic, social and environmental aspects to be pursued, all of which are compatible with the notion of sustainable development (DEPS 2020). Brunei has always made the environment a key part of its national policy. For example, Protokol Hijau (Green Protocol) was launched by the Brunei Darussalam National Council on Climate Change in 2021 to pave the way for a low carbon footprint and climate-resilient pathways for a sustainable nation (BDNCCC 2021). At the regional level, Brunei is proud to be a part of the Heart of Borneo initiative, a voluntary transboundary approach between Brunei, Indonesia and Malaysia whose goal is 'to enable conservation and environment protection while enhancing sustainable development that improves the welfare of those living on the island' (Forest Department Sarawak 2024). This goes beyond the conservation of rainforests alone, since the initiative plays a critical role in securing water services and carbon stock, preserving biodiversity and ecosystem connectivity. The cooperation also builds resilience to climate change for long-term sustainable development.

Here we examine specific SDGs and how Brunei is responding to them.

15.6.1 No Poverty (SDG 1) and Decent Work and Economic Growth (SDG 8)

The government has advocated empowering people with low incomes by enhancing their productivity through improved employability and encouraging entrepreneurship. Two important initiatives come under the Business from Home programme. First, since October 2018 Bank Islam Brunei Darussalam (BIBD) has supported the Special Underprivileged Mother Empowerment Entrepreneurship Development programme (BIBD SEED) in collaboration with the Ministry of Religious Affairs and Ministry of Culture, Youth and Sport. This aspires to enhance the livelihoods of underprivileged mothers by empowering and facilitating their development as competitive, resilient and successful entrepreneurs (BIBD 2024). The Business from Home programme also targets homemakers with entrepreneurship opportunities, including product marketing and entrepreneurial guidance through Darussalam Enterprise's (DARe) Institute Business Academy and Micro Business Bootcamp. By 2020, 41 out of 68 participants had successfully continued operating their home-based businesses under this initiative (MoFE 2020b). Apart from BIBD SEED, there is also a micro-grant provided to vulnerable groups who have undergone entrepreneurship development training at DARe, with financial assistance to venture into entrepreneurship or self-employment.

15.6.2 Zero Hunger (SDG 2)

As noted earlier, Brunei is committed to strengthening the country's food security, ensuring its citizens can access safe and nutritious food at affordable prices. Brunei's food sources are mainly obtained through imports—in 2019 it imported food from over 90 countries. Various initiatives and programmes have been implemented to increase domestic production and capacity to improve the country's self-sufficiency levels and to minimise this heavy reliance on imports.

The COVID-19 pandemic directly impacted on most farmers' operations, particularly in acquiring farm inputs from overseas suppliers. The disruptions in the international and local food supply chains were evident. The necessity of social distancing measures pressurised businesses in quite severe ways. Nevertheless, the government, through various stakeholders, stepped in with various initiatives to secure national food security while promoting local business development during the pandemic, demonstrating the wisdom of seeking solutions to be dealt with collaboratively and collectively. As a result, the Agriculture and Agrifood Department of the Ministry of Primary Resources and Tourism implemented interim measures to facilitate the transportation of farm inputs from overseas suppliers with the cooperation of the Ministry of Finance and Economy and Royal Brunei Airlines. This was underpinned by the Buy Local Produce campaign, launched to address the issue and provide a platform for local farmers and market vendors to sell their agricultural products and not be affected by the temporary closure of markets, and the Pasar Kitani programme. The Buy Local Produce campaign was an initiative of Ghanim International Corporation to collect, process and sell local farm produce in the absence of local markets during the lockdowns associated with the COVID-19 pandemic. This campaign reduced local food waste, ensured local production of farm produce and guaranteed that local farmers would continue earning an income during market closures. Ghanim bought from local producers directly and supplied them to a retail network such as Junction outlets, supermarkets and restaurants, and e-commerce platforms like Agrome Market and Community for Brunei. Meanwhile, the Pasar Kitani programme acts as an alternative platform for marketing agricultural produce and products of local farmers and entrepreneurs. It is a method to further strengthen the local agricultural sector and increase farm yields. Both initiatives have lessened food miles and the carbon footprint as the distance food travels from where it is grown to where it is ultimately purchased or consumed is only within the country. The more food miles attached to a given food, the less sustainable and the less environmentally desirable that food is. At this juncture, Brunei reaffirms its commitment and supports the work of the UN in taking initiatives to improve people's livelihoods through food and nutrition security and subsequently achieve the zero hunger SDG.

15.6.3 Good Health and Well-being (SDG 3)

To achieve the SDG on good health and well-being, Brunei acknowledges the significance of health in defining peoples' quality of life and its contribution to national development, as stated in Wawasan Brunei 2035. The government also understands that one of its primary public investments in human development is health care and that having a productive and healthy population will help to advance socioeconomic growth.

The Food Safety and Quality Control Division under the Public Health Services of the Ministry of Health works to promote public awareness of food-related issues while monitoring and regulating food quality and safety to prevent and control the spread of food-borne illnesses. The Public Health (Food) Act 2001 Cap. 182 and Public Health (Food) Regulations must be followed by food sellers, importers, merchants and eating establishments to ensure that the food is safe for consumption. Additionally, as we have seen, Brunei is dedicated to enhancing the food system by promoting domestic production and FDI, accelerating the growth of the agriculture and fisheries sectors, and improving productivity through technology to meet domestic and export demand. The National Food Industry Roadmap was created to boost the production of healthy, *halal* and high-quality food and to fortify the food system's value chain (PMO 2021).

The formation of the Brunei Darussalam Food Authority (BDFA) as a regulator and competent authority for food safety and quality is another crucial milestone in assisting the food system. The primary goal of BDFA is to guarantee the quality, cleanliness and safety of food products. The ultimate goal is safeguarding consumer health and safety while maintaining Brunei's solid and efficient food regulatory and safety systems (BDFA 2024).

Food is clearly not just to satisfy one's desires. It is a way of maintaining health as food acts as a source of energy and nutrients, such as proteins, carbohydrates, fats, minerals and vitamins, to provide energy for living, growing and survival (Siti Salwa et al. 2015; Lim 2018; Elgharbawy and Nor Azrini 2022). Moreover, overeating, especially of unhealthy foods, can impact on the body in many ways, leading to mental and physical health issues (Adams et al. 2019). For instance, overeating has been linked to memory loss and mental impairment in people who consume large quantities of high-calorie foods. Other than that, the stress hormone norepinephrine can be released during overeating, heightening blood pressure and increasing the heart rate (Yau and Potenza 2013). Choosing nutritious food and avoiding unhealthy food are critical to maintaining excellent health.

Further, there are lots of studies that prove a significant correlation between the type of food we choose to eat and our mental health (Siti Salwa et al. 2015). Amira Ayad (2018) notes that food that is low in nutritional value but high in calories is not just directly related to cardiovascular problems, inflammatory and chronic diseases. It is also associated with stress, mood disturbance, irritability, lack of motivation, inappropriate social behaviour, low cognitive performance and poor memory. Increased consumption of processed and refined foods leads to anxiety. A low intake of fruit, vegetables, dairy and good-quality meat is linked to increased stress levels. Daily consumption of sweets at the age of 10 may lead to increased violent behaviour in adulthood, whereas eating junk food as young as four years old is associated with hyperactivity and behavioural problems in childhood and later in life. Omega-3 fatty acid deficiency can lead to depression and dementia. In a similar vein, Donna Ricketts (2018) quotes a report from the Prevention Institute which testifies that good nutrition contributes to young children's physical development and affects their cognitive development. Apart from that, children who consume unhealthy foods can have trouble concentrating, become easily fatigued and irritable, and are likely to face difficulties in learning, which can lead to behavioural and social problems. As a result, the American Psychological Association has established that eating healthily at an early age can lead to good behaviour as people move into adulthood (Siti Salwa et al. 2015).

As part of its efforts to achieve a healthier nation and align with the SDG on good health and well-being, Brunei has imposed excise taxes on food products with high sugar and monosodium glutamate (MSG) content. Beverages containing 6 gm or more of sugar per 100 ml are subject to a tax of BND4.00 per 10 litres and 30% duty on MSG. Healthier choices in schools are promoted through the School Canteen Guidelines and the Drinking Water Policy. The Ministry of Health also implemented the healthier choice logo in 2017, whereby international or local food industries, particularly food manufacturers and food suppliers, are encouraged to reformulate and produce healthier choices in the market. Products that comply with the healthier choice criteria can be awarded a logo to be affixed to their packaging. This helps to achieve well-being and a healthy society.

In short, people should consume *halal* food and *tayyib* for their own well-being. Everything that Allah has made to be *halal* is very beneficial to life as Allah says in the Qur'an: 'Ye people! Eat of what is on earth lawful and good' (Al-Baqarah 2:168) (Mohd Al'Ikhsan and Siti Salwa 2014).

15.6.4 Responsible Consumption and Production (SDG 12), Climate Action (SDG 13) and Life on Land (SDG 15)

Having long depended on oil and gas resources, Brunei has been considering tourism to support its economic diversification (Azman 2014). Tourism is still at an elementary state in comparison with the industry in other Southeast Asian countries; the number of tourist arrivals in 2023 was only 133,360, contributing only a tiny amount to GDP (Han 2024). Unpredictable oil prices and the fact that oil and gas are finite resources further highlight the need to develop the country's tourism sector and especially ecotourism or *halal* green tourism.

Due to tourism's positive effects on local employment, economic activity and entrepreneurship, it is a priority sector that significantly impacts on the nation's economic development. As one example, the rainforest is home to a diverse range of animals and plants that might be promoted as ecotourism destinations or *halal* green tourism, which has significant potential to broaden the economy (Azman 2014). For instance, there are recreational forests in Berakas, Bukit Shahbandar, Bukit Subok, Sungai Liang, Luagan Lalak and Peradayan, in addition to other vibrant mangrove and marine ecosystems in Brunei Bay and Pelong Rocks. There are also national parks in Ulu Temburong and Merimbun.

Strengthening and ensuring the sustainability of current tourism products while introducing more niche activity-based tourism, such as bird watching, diving, sports and adventures, as well as culture and community-based tourism, are some additional strategies for promoting a sustainable tourism sector. Community-based tourism has grown in popularity, especially at green locations like Kampong Sungai Bunga in Kampong Ayer (Water Village), Bandar Seri Begawan, Eco Ponies Garden in Tutong and Sumbiling Eco Village in Temburong. Another option is agritourism, which allows tourists to visit a working farm to learn or to experience farm life to diversify rural activities and acts as a catalyst for sustainable development (Azimi et al. 2012). Some everyday agriculture-based tourism activities include farm tours, fruit-picking, farm dining and farm stays experience, typically done at an agricultural site (Siti Fatimahwati and Chin 2021).

Brunei Tourism has received awards for stakeholders' actions to reduce the negative environmental and social impact caused by rapid tourism expansion. Kampong Ayer 2020 received the ASEAN Sustainable Tourism Award in the Urban ASEAN sustainable tourism category in appreciation of stakeholders' collaborative efforts to lessen tourism's adverse environmental or social impact (Kon 2020). Likewise, the town of Bangar in Temburong received the ASEAN Clean City Award (Rasidah 2020). The commercial sector has also shown its dedication to sustainable tourism, as seen in the Radisson Hotel and Ulu-Ulu Resort receiving the ASEAN Green Hotel Award in January 2020 for energy conservation, the use of eco-friendly products and community involvement (Hadthiah 2018; *Borneo Bulletin* 2021).

15.6.5 Peace, Justice and Strong Institutions (SDG 16)

Effective, responsible and transparent institutions are crucial for Brunei to flourish and meet the goals of the 2030 Agenda for Sustainable Development. One of the main areas of concentration in Wawasan Brunei 2035 is service delivery, in both the public and private sectors. As a result, customer satisfaction is one of the most important and commonly applied keys in the business and commerce sector. Users' personal needs, prior knowledge and experiences could all be represented as factors in satisfaction and this customer satisfaction is based on a customer's perception of how much a provider's services live up to their expectations (Gerpott et al. 2001).

Recently, some restaurants in Brunei have been caught operating without a valid *halal* certificate or with an expired one on display (Siti Majidah and Nor Surilawana 2023). According to a report in *Borneo Bulletin*, the Syariah Affairs Department's Halal Food Control Division discovered that among the 53 food establishments inspected in June 2022, 31 had failed to apply for *halal* certification, three had unauthorised use of the *halal* logo and six others had displayed expired *halal* certificates (Rokiah 2022). Zainalabidin Mohamed et al. (2013) argue that consumers are cognisant of the fact that the dissemination of false information can undermine their trust and confidence levels, which subsequently influence their purchasing decisions. This potentially culminates in animosity towards the brand (Wisker 2021). Therefore, to guarantee that Bruneians consume *halalan–tayyiban* food, these concerns must be addressed to the greatest extent possible. MUIB and the Halal Food Control Division secretariat play a critical role in addressing these issues promptly to generate and sustain institutional transparency.

15.6.6 Partnerships for the Goals (SDG 17)

Brunei has free trade policies to encourage inclusive and sustainable economic growth. This is demonstrated by its dedication to advancing the World Trade Organisation's principles and values—a rules-based, transparent, non-discriminatory, open and inclusive global trading system. Through ASEAN free trade agreements with its dialogue partners, Brunei collaborates closely with ASEAN member states to further regional trade liberalisation and facilitation. With better connectivity and cooperation between regional partners there is a catalyst and platform for deeper cooperation on a range of the SDGs. Cooperation in the *halal* industry and ecotourism are two such areas. For instance, as noted earlier, initiatives involving the processed ready-to-eat food production to support the expansion of the *halal* industry's production and market penetration to the international level is a good example of cooperation and partnership. Similarly, the Heart of Borneo initiative represents a unique opportunity to develop a world-class, innovative, transborder and green destination for ecotourism in Southeast Asia with integrated packages linking Brunei with Indonesian Kalimantan and the Malaysian states of Sabah and Sarawak. Ecotourism is one example where cooperation by the three countries can strengthen the efforts of individual countries and add value to the range of existing ecotourism provision.

15.7 Limitations and Recommendations

Since the data are dependent on secondary sources and there is a lack of data and statistical analysis, there are some restrictions to this study. This can be addressed by gathering primary data for future research. Additionally, this study did not use a survey to look into how *halal* business players in particular have developed in response to the government's SDG commitments. Stakeholders' opinions and perceptions on improving sustainability would obviously add substance to the analysis presented here. Despite limited resources, knowledge of Brunei's current *halal* industry situation is provided by this study. Future studies should gather information from relevant stakeholders, including governmental organisations, *halal* industry players and consumers. Subsequent studies might also focus on a particular area of the *halal* sector, such as *halal* food, cosmetics, pharmaceuticals or services.

15.8 Conclusion

This study contributes to filling the knowledge gap in Brunei on the *halal* industry and sustainable development. Brunei is dedicated to attaining the SDGs to ensure no one is left behind, as articulated in Wawasan Brunei 2035. The government has acknowledged the need for coordinated action from the public and private sectors to achieve sustainable development. Such initiatives are encouraged by the demand for a strong, long-term economic growth trajectory which is dominated by a policy of economic diversification which identifies that its non-oil and gas sector development needs to speed up.

The accomplishment of various SDGs is closely related to the sustainability of the *halal* industry's growth. The interconnectedness of the SDGs indicates that, in some circumstances, it is necessary to consider interventions in other sectors to encourage appropriate measures to support a particular objective. The discussion highlights that the *halal* industry has an important stake in achieving a significant number of SDGs: sustainable consumption and production; no poverty; zero hunger; and decent work and economic growth. Aside from achieving other SDGs, the *halal* industry, as one of the drivers of economic diversification, is also included in the Eleventh National Development target of increasing the output and contribution of the non-oil and gas sector to GDP. This demonstrates that the *halal* industry has an important stake in contributing to the SDG on sustainable consumption and production.

According to the SWOT analysis, Brunei might evaluate its SDG successes, pinpoint opportunities and issues and gain essential knowledge by thoroughly implementing the whole-of-nation approach. Both the strength-opportunity and weakness-opportunity strategies encourage the *halal* industry to implement cooperation, collaboration and partnership with the government as well as local and international *halal* industries. Meanwhile, the strength-threat and weakness-threat strategies build synergy with suppliers to get better access to raw materials and ingredients, increase production and create intensive promotions so people know more about local *halal* products. We hope that this SWOT matrix analysis can enlighten *halal* industry players and help in decision-making.

Wawasan Brunei 2035 directs the application of the SGDs towards sustainable industry performance by preserving economic, social and environmental variables. While realising the three goals—having educated and highly skilled people, a good quality of life, and a dynamic and sustainable economy—Brunei is also meeting its commitments to various SDGs. Likewise, the 2030 Agenda for Sustainable Development's environmental goals align with Wawasan Brunei 2035, which sets the goal of improving and maintaining a high standard of living while preserving its natural, social and economic environment. The outcome of this study demonstrates the effectiveness of Brunei's policies and activities in enhancing its *halal* industry and closing the SDG achievement gap.

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Chapter 16
Halal and *Tayyiban* Food Security: The Way Forward for Brunei Darussalam

Siti Fatimahwati Pehin Dato Musa and Hairul Azrin Besar

Abstract The issue of food security came to prominence in Brunei Darussalam when supply chains were paralysed for some time due to constraints imposed by the COVID-19 pandemic. Retail shortages were further exacerbated by panic buying behaviour exhibited by consumers; the effects were severe with a reported shortage of poultry and livestock towards the end of 2020. Alongside this was the issue of smuggled meat not recognised by the leading religious authority, Majlis Ugama Islam Brunei (Brunei Islamic Religious Council), and brought into the country without a *halal* import permit. Taken together, these issues intensified the need to ensure the goal of achieving *halal* and good, clean and wholesome (*tayyiban*) food security for Brunei. There is now an emerging trend to incorporate *tayyiban* into all stages of *halal* production and assurance. *Halal* and *tayyiban* food security is not only about accessibility and availability of food but also about ensuring that the entire supply chain from farm to table conforms to best *halal* standards and practices. Incorporating sustainable practices in the *halal* supply chain provides an opportunity to improve the many aspects of *halal* production, thus contributing towards a more sustainable and secure food future. This chapter aims to evaluate the meaning of food security in Islam and the concepts of *halal* and *tayyiban*. It also provides an overview of the potential benefits of incorporating *halal* and *tayyiban* into the food security framework of Brunei and some of the attendant policy implications.

Keywords Brunei Darussalam · Sustainability · COVID-19 pandemic · Food security · *Halal* · *Tayyiban* · Food supply chain

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16.1 Introduction

There are global concerns over the availability of sufficient food to feed the growing population with hundreds of millions of people considered food insecure. According to the latest *The state of food security and nutrition in the world* report, it is estimated that between 691 and 783 million people faced hunger in 2022 and there has been an increase in undernourishment affecting around 9.2% of the world population. These figures were aggravated significantly by the global COVID-19 pandemic, which caused an unprecedented recession affecting the food security and the nutrition status of millions of people, including children. Despite policy efforts to tackle the issues, it is projected that almost 600 million people will be chronically undernourished in 2030 (FAO et al. 2023). Concurrently, food systems face numerous challenges threatening food security and sustainability. These include factors like the degradation of natural resources, climate change, geopolitical conflict, population change and inequities in access to food and agricultural resources, among others (Rasul 2021). There is an urgent need for a more effective policy framework to facilitate a fundamental transformation of food systems to address these highly complex situations.

Brunei Darussalam is recognised by the Food and Agricultural Organisation (FAO) for successfully maintaining a proportion of fewer than 5% of undernourished people in the country since 1990 (FAO 2017). Nevertheless, Brunei is aiming towards self-sufficiency in its staple foods. This is to ensure that the accessibility of food is not compromised during periods of price shocks and fluctuations. In 2007 Brunei declared food security the country's top priority. The government reviewed its agricultural and food policy, emphasising the reduction of dependence on food imports and increasing domestic rice production to achieve self-sufficiency (DAA 2009). The situation remains urgent though there are some signs of recent improvement. Almost all Brunei's local production in agriculture, fisheries and forestry is consumed domestically, and yet most food and beverage products are still imported. The total value of the agriculture and agrifood sector for 2018–2022 increased by 31%, from BND439.32 million to BND575.71 million in the same period, and is dominated by the livestock industry (DAA 2022). It is clearly very beneficial for Brunei to focus on food self-sufficiency and security as countries that are reliant on just one or two commodity exports for the bulk of their foreign exchange are more vulnerable to sudden drops in income compared to countries with more diversified export sectors. For example, reliance on oil export revenues brought about severe food shortages in Venezuela when oil prices dropped dramatically, resulting in lower food imports in 2015–2016 (Clapp 2017). Countries with few export commodities and earnings must therefore diversify their economies by focusing on improving the domestic food supply. The issue of food security came to the fore when supply chains were paralysed for some time due to logistical constraints imposed during the COVID-19 pandemic, including in Brunei (Han 2022). Retail shortages were further exacerbated by panic buying behaviour exhibited by consumers; the effects were severe with a reported shortage of poultry and livestock towards the end of 2020. Alongside this was the issue of smuggled meat not recognised by the country's leading religious authority, Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council), and brought into the country without a *halal* import permit (Azlan 2022). Taken together, these issues intensified the need to ensure the goal of achieving *halal* and good, clean and wholesome (*tayyiban*) food security for Brunei.

There is now an emerging trend to incorporate *tayyiban* into all stages of *halal* production and assurance. *Halal* and *tayyiban* food security is not only about accessibility and availability of food but also about ensuring that the entire supply chain from farm to table conforms to best *halal* standards and practices. Incorporating sustainable practices in the *halal* supply chain provides an opportunity to improve the many aspects of *halal* production, thus contributing towards a more sustainable and secure food future (Siti Rozaidah et al. 2022). This chapter aims to evaluate the meaning of food security in Islam and the concepts of *halal* and *tayyiban*. It also provides an overview of the potential benefits of incorporating *halal* and *tayyiban* into the food security framework of Brunei and some of the attendant policy implications.

16.2 Methodology

This chapter employs a desk-based research methodology to analyse, evaluate and obtain a better understanding of *halal* and *tayyiban* food security in order to generate new insights. Desk-based research collects secondary data online via journal articles and government reports (Bassot 2022). The information is then interpreted to obtain new understandings of the research question. The articles selected and analysed for this study are limited to peer-reviewed journals and those related to food security and *halal*. Renowned databases such as Scopus, Emerald, ScienceDirect and Web of Science were used to search for the articles. Grey literature in the form of news articles and government reports was also used to provide more awareness of the *halal* industry in Brunei.

16.3 The Concepts of *Halal* and *Tayyiban*

The word *halal* means permissible by the precepts of *syariah* or Islamic law, and refers to foods or indeed other products Muslims consume (Riaz and Chaudry 2003). In the Qur'an, *halal* is frequently paired with *tayyiban*, and Allah advises humankind to eat only *halal* and *tayyiban* food (Ternikar 2019). The concept of *tayyiban* signifies a process through which the food passes in order to achieve a number of related objectives: maximum hygiene (clean) and minimum contamination (pure) without any potential toxicity, and ritually unclean (*najis*) and impure (*khabith*) ingredients. Hence, *tayyiban* means that *halal* food must be clean, pure and wholesome and without impurities (Alzeer et al. 2018).

The *tayyiban* aspect of food management determines quality when creating food products (Norazilawati and Fadzila 2016). The *halal* supply chain ensures the quality of handling and processing, which begins from the source until it reaches the consumer. This includes the whole value chain, from raw materials and ingredients to processing, packaging, transportation, distribution and the end product for consumers (Sazelin and Safiah 2015). During the process, it is essential to ensure that the food does not contain any illegal substances nor is contaminated by destructive products which may compromise the consumers' health. Furthermore, Muslims are expected to lead their lives according to *syariah* guidelines, which emphasise *halal* and *tayyiban* food for their consumption. As they strive to achieve this, it is imperative that the availability, existence and access to *halal* and *tayyiban* food are guaranteed as a part of food security in order to preserve the sacred command.

16.4 The Concept of Food Security

From core principles, the international understanding of global food security has evolved over time. Adopted at the 1996 World Food Summit, the Rome Declaration on World Food Security defines its subject as 'when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life' (FAO 1996). The Food and Agriculture Organisation identifies four dimensions of food security—the physical availability of food, economic and physical access to food, food utilisation and the stability of the other three dimensions over time (FAO 2008). Shortly after the onset of the COVID-19 pandemic, the Committee on World Food Security's High-Level Panel of Experts report added two more dimensions of food security—agency and sustainability—which they said are 'essential for ensuring the right to food' (HLPE 2020). The following section describes the six dimensions of food security from the current international perspective and the Islamic viewpoint.

16.4.1 Availability

Availability addresses the supply side of food security and is determined by the level of food production, stock levels and net trade. Food security was first formally defined as long ago as the 1974 United Nations World Food Conference as 'the availability at all times of adequate world food supplies of basic foodstuffs, particularly to avoid acute food shortages in the event of widespread crop failure, natural or other disasters, to sustain a steady expansion of food consumption in countries with low levels of *per capita* intake and to offset fluctuations in production and prices' (UN 1975: 14). This dimension addresses the supply side of food security and assumes adequate quantities of food from domestic agricultural production or imports. The general understanding of hunger at that time was that a decline in the availability (supply) of food within countries was the leading cause of hunger and that instability of food prices worsened the situation (Upton et al. 2016).

Based on Islamic teaching, ensuring enough food for members of society is considered a collective obligation of every Muslim, known as *fardhu kifayah* (Adamu et al. 2013). Further, having a role in the community in ensuring food security is regarded as a noble endeavour from an Islamic perspective because an individual is ensuring the well-being of the whole community. And an essential part of one's well-being is the availability of sufficient and quality food (Khairul and Siti Fatimahwati 2022). Ensuring food availability is therefore part of a Muslim's responsibility. The Qur'an mentions the Earth's capability to provide enough food and constantly assures the availability of food for the sustenance of humanity: 'He placed firm mountains rising above its surface therein, blessed it with abundance, and provided its food in the proper measure in four days—alike for all seekers' (Surah Fussilat 41:11). And also: 'And the Earth He laid [out] for the creatures. Therein are fruit and palm trees having sheaths [of dates]. And grain has husks and scented plants' (Surah Ar-Rahman 55:10).

16.4.2 Accessibility

Access addresses whether households or individuals have enough resources to acquire the appropriate quantity of quality foods. It includes physical and economic access, indicating that food security may be assured by producing food or by obtaining it through the market. An adequate food supply at the national or international level does not guarantee household-level food security (FAO 2008). Famines continue to occur even with general food availability because many people cannot access food. A person's entitlement to food is influenced not only by the availability in the market but also by their endowments of productive land, employment status, ownership of and ability to trade assets, and rights within society. If any of these avenues to food entitlement fail—for example, a rise in prices, loss of a job or a violation of human rights—a person's access to food will be affected, even in the context of surplus production and market availability (Sen 1981). This dimension therefore focuses on the demand side, and some of the indicators of access are food prices, wage rates, per capita food consumption, meal frequency and employment rates.

Regarding accessibility to food for the vulnerable sections of society, Islam decrees the payment of alms, an annual tax (*zakat*) on Muslims to aid poor people in the community. *Zakat* was established as obligatory, particularly for well-off Muslims; it acts as a tool in which the wealth of those well-off is 'transferred' to those less fortunate (Sumai et al. 2019). This helps to ensure their purchasing power and facilitate their food security. The beneficiaries of this provision are also clearly stated in the Qur'an: 'The alms are only for the poor and the needy, and for those employed in connection in addition to that, and for those whose hearts are to be reconciled, and for the freeing of enslaved people, and those in debt, and the cause of Allah, and the wayfarer—an ordinance from Allah. And Allah is All-knowing, Wise' (Surah At-Tawbah 9:60).

Part of *zakat* assets or wealth includes agricultural produce for grains (such as wheat, barley and rice) and fruits (such as dates and raisins) which can be stored and which is levied at 10%, where the land is not irrigated and is watered by natural means such as rains and streams. On the other hand, if the produce is cultivated with irrigation the rate is 5%. This is due on every harvest of the crop. *Zakat* is also levied annually on livestock according to their type, such as cattle, camels and sheep. Certain conditions must be fulfilled before *zakat* is charged for the respective livestock. Acknowledging that food such as storable grains, fruit and livestock are levied via *zakat*, which will be redistributed to recipients such as the poor and needy, shows how food security in Islam is essential to ensure the basic needs of the people are fulfilled.

16.4.3 Utilisation

Utilisation usually refers to how the body makes the most of various nutrients in food. Individuals' sufficient energy and nutrient intake results from reasonable care and feeding practices, food preparation and diversity of the diet and intra-household distribution of food (FAO 2008). Combined with good biological use of food that is consumed, this determines the nutritional status of individuals. Adequate food intake today does not determine food security. Instead, access to food needs to be guaranteed periodically. In addition, the nutritional outcome of the food eaten by an individual is appropriate and optimal only when food is prepared/cooked correctly, there is diversity in the diet, and proper feeding and caring practices are followed. Some indicators that can measure optimum utilisation are stunting rate, wasting rate, prevention of diarrhoeal diseases, latrine usage, weight for age, goitre, anaemia and night blindness.

The concepts of *halal* and *tayyiban* are relevant to food utilisation. The Qur'an lays down the principle of *tayyiban* regarding eating: 'O humanity, eat from whatever is on Earth [i.e.] lawful and reasonable and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy' (Surah Al-Baqarah 2:168). 'And eat what God has provided for you [which is] lawful and reasonable. And fear God, in whom you are believers' (Surah Al-Ma'idah 5:88). In this verse, 'lawful' is the translation of the Arabic term '*halal*', while 'good' is the translation of the Arabic word '*tayyib*'. The word *tayyib* has four main elements—the source of the food is *halal*; the food is clean and does not have any impurities; the food does not cause any harm to those who consume it; and the food is nutritious and beneficial to those who consume it (Sazelin and Safiah 2015). Therefore, the concepts of *halal* and *tayyiban* identify *halal* food as high quality, hygienic and safe to consume.

16.4.4 Stability

This dimension addresses the stability of the other three dimensions over time. People cannot be considered food secure until they have achieved the different dimensions of availability, accessibility and proper utilisation. Some factors that can affect the stability of the dimensions of food security are instability of the market price of staple foods, sudden shocks in the case of adverse conditions (such as natural disasters and climate crisis), political instability and unemployment. Therefore, '[a] country is considered food secure if food is available, accessible, nutritious, and sound across the other three dimensions' (FAO 2008; Clapp 2017). This means that food security is achieved only when *all people*, mainly the poor, have access to sufficient food and access to food must be stable over time.

Islamic regulations have a balanced approach to food management and attaining sustainable food security. This approach includes social, spiritual, resource supply, safety and institutionally related perspectives. The Qur'an states that bounties from Allah (including food) are given freely to all creatures (regardless of religion) and not denied to anyone. Islam also emphasises the availability and abundance of resources Allah provides: 'Eat and drink from the provision of Allah and do not commit abuse on the earth, spreading corruption' (Surah Al-Baqarah 2:60). In ensuring the sufficiency and sustainability of the foods available to the masses, the Qur'an also guides Muslims in preparation for hard times through the following verses: '[Joseph] said, "You will plant for seven years consecutively; and what you harvest leave in its spikes, except a little from which you will eat. Then will come after that seven difficult [years] which will consume what you saved for them, except a little from which you will store"' (Surah Yusuf 12:47–48).

16.4.5 Agency

Agency is defined by Amartya Sen (1985: 203) as 'what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important'. Agency goes beyond access to material resources in that it includes empowerment—the ability of people to take actions that help improve their well-being, as well as their ability to engage in society in ways that influence broader context, including their exercise of voice in shaping policies (Alsop and Heinsohn 2005). In the context of food security, agency implies the capacity of individuals or groups to make their own decisions about what food they eat, what food they produce, how that food is produced, processed and distributed within food systems, and their ability to engage in processes that shape food system policies and governance. The concept of agency in food systems is deeply connected to human rights, including the right to food. The right to food recognises agency, as human rights are about individual and community capabilities and freedoms. The exercise of agency requires the recognition and upholding of rights: 'Achieving agency implies the need for access to accurate information, the right to such information and other aspects of food security, as well as the ability to secure such rights, including access and control over the resources required for production, harvesting and preparation of foods' (HLPE 2019: 66).

Islam establishes minimum rights in the form of a four-point charter by defining the basic needs a state should procure: food, clothing, water and shelter. The Qur'an states: 'It is provided that thou wilt not hunger therein nor be naked. And that thou wilt not thirst therein, now fade thou be exposed to the sun' (Surah Taha 20:119–120). In the consumption of food, the Qur'an also says that there are lots of resources in this world which can be consumed, especially those which fall under the *halal* and *tayyiban* categories: 'Then eat of what Allah has provided for you [which is] lawful and good. And be grateful for Allah's favour, if it is [indeed] Him that you worship' (Surah An-Nahl 16:114).

16.4.6 Sustainability

According to the High-Level Panel of Experts (2020: 13), sustainable food systems have a number of key features: 1) productive and prosperous, to ensure the availability of sufficient food; 2) equitable and inclusive, to provide access for all people to food and livelihoods within that system; 3) empowering and respectful, to ensure agency for all people and groups, including those who are most vulnerable and marginalised, to make choices and exercise voice in shaping that system; 4) resilient, to ensure stability in the face of shocks and crises; 5) regenerative, to ensure sustainability in all its dimensions; 6) and healthy and nutritious, to ensure nutrient uptake and utilisation. As such, sustainable food systems support the six dimensions of food security (Table 16.1). It is important to include sustainability in food security because of the growing concern about many factors, such as the climate crisis and growing social and economic inequality, disrupting ecological systems' ability to provide food security into the long-term future. This outlook considers the capacity of the linkages between the natural resource base, livelihoods and society to continually maintain systems that support food security and ensure that future generations' needs are not compromised.

Protection of the environment and ensuring sustainability are essential in Islam. God trusts humankind to protect and safeguard the background to ensure peace and natural harmony. Allah dislikes transgression and corruption of the domain. Verses in the Qur'an confirm the importance of protecting the environment, resource allocation and efficiency: 'We sent down water from the sky in the right measure and caused it to stay on the earth.… We caused gardens of date palms and vines to grow for you wherein you have an abundance of delicious fruits … and from them, you derive your livelihood' (Surah Al-Mu'minun 23: 18–20). And: 'He has brought into being gardens—the trellised and untrellised—the palm trees and crops, all varying in taste, and the olive and pomegranates, all resembling one another yet so different. Eat their fruits when they come to fruition and pay His due on the day of harvesting. And do not

Table 16.1 Food security from a contemporary perspective and Islamic viewpoint

Six dimensions of food security	Contemporary perspective on food security	Islamic viewpoint on food security
Availability	Having sufficient food to satisfy the dietary needs of individuals and households. It can be obtained via domestic production or imports.	Ensuring enough food supply for society is considered a collective obligation of every Muslim, known as *fardhu kifayah.*
Accessibility	Ensuring all members of society, especially vulnerable groups, have physical and economic access to food.	Islam decrees the payment of alms (*zakat*). *Zakat* acts as a tool in which the wealth of the well-off is 'transferred' to those who are less fortunate. This helps to ensure their purchasing power and facilitates their food security.
Utilisation	The nutritional status of individuals, sufficient energy and nutrient intake result from reasonable care and feeding practices, food preparation and diversity of the diet, and intra-household distribution of food.	The concepts of *halal* and *tayyiban* identify *halal* food as high quality, hygienic and safe to consume. Throughout the process, it is essential to ensure that the food does not contain any illegal substances or is not contaminated by harmful products which may endanger the consumers' health.
Stability	Having the ability to ensure food security in the event of shocks.	Everyone has been given their determined sustenance (*rizq*) which includes foods and necessities. It is even sometimes given from unexpected sources.
Agency	The capacity of individuals or groups to make their own decisions about what food they eat, what food they produce, how that food is produced, processed and distributed within food systems, and their ability to engage in processes that shape food system policies and governance.	As the trustees of the abundant resources in the world, people are entrusted with adequately managing these resources without being wasteful. They are to ensure that foods consumed are *halal* and appropriate for consumption, guided by *syariah* principles.
Sustainability	Food system practices that contribute to the long-term regeneration of natural, social and economic systems and ensure that the food needs of the present generations are met without compromising the needs of future generations.	Consumption of resources that Allah abundantly provides is encouraged within the boundaries provided, but people are reminded not to waste resources or harm or destroy.

exceed the proper limits, for He does not love those who exceed the acceptable limits' (Surah Al-An'am 6:141). Islam also encourages mankind to consume responsibly and avoid wastage or destruction in the world to ensure sustainability for future generations: 'O children of Adam, take your adornment at every masjid, and eat and drink, but be not excessive. Indeed, He likes not those who commit excess' (Surah Al-A'raf 7:31). And: 'But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption (destruction) in the land. Indeed, Allah does not like corrupters' (Surah Al-Qasas 28:77).

16.5 Challenges of *Halal* Food Security in Brunei

Food security has long been a concern for the Brunei government, considering the nation's low self-sufficiency rate in food production and heavy reliance on food imports. To throw matters into sharp relief, the COVID-19 pandemic resulted in an upsurge in the prices of food and other necessities, caused by shortages from disrupted global supply chains and production (Han 2022). Brunei was particularly affected considering its heavy reliance on imports of food. At the end of 2020 a scarcity of imported meat products was reported and directly impacted on retailers and food business operators who could not obtain their usual supplies (Azlan 2020). One factor contributing to the shortage of meat products was the increasingly complex logistics of handling imports and exports. Logistics costs increased significantly due to the limited number of trade routes operating and the high cargo volume, and this increased cost is passed onto consumers. COVID-19 restrictions also caused producers in some countries to have no choice but to dump excess perishable produce due to reduced movement; meanwhile, consumers were also faced with restricted access to certain food items (Siti Fatimahwati et al. 2020).

Pandemic-induced supply disruptions and shortages pushed inflation to historically high levels of at an average of 2.4% in 2020–2022 compared to the average of 0.3% from 2000 to 2019 (Siti Fatimahwati and Khairul 2021; DEPS 2022, 2023). In 2021 there were notable price hikes in vegetables, oils and meat products. Due to limited supply from exporting countries, prices of vegetables climbed 24% and fats 18%. Brunei relies on imports for 70% of its beef consumption and there were noticeable price increases in 2021 and 2022 (Han 2022). According to the World Bank, global food prices measured by the World Bank's index rose an astonishing 14% in 2021 and only began to moderate in 2023. Meanwhile, Brunei's price increases in food essentials for both 2022 and 2023 were attributable to higher logistics costs due to disruptions to global supply chains in the aftermath of the COVID-19 pandemic, unstable weather conditions which affected production, a limited range of commodities and alternative options, and geopolitical tensions such as the ongoing conflict in the Middle East or war in Ukraine that have disrupted global supply chains and commodity markets (DEPS 2022, 2023).

At the same time, there are also increasing concerns about dubious chicken smuggled into the country. All incoming meat to Brunei must have a *halal* import permit from MUIB, on top of fulfilling requirements stipulated by other agencies relating to the importation of *halal* meat. It is an offence under Section 9 of the Halal Meat Act 1998 Cap. 183 to proffer or sell meat without a *halal* import permit and an export permit from the meat-exporting country (AGC 2014). The the Syariah Affairs Department's Halal Food Control Division and other enforcement agencies play a role in monitoring and operations to ensure compliance with the country's laws and regulations. The regulations must be followed to prevent people, especially Muslims, from consuming meat with questionable *halal* status.

16.6 Potential Benefits of *Halal* and *Tayyiban* Food Security

Achieving Sustainable Development Goals, notably the first goal of zero hunger, relies on implementing a food security system based on an uninterrupted food supply chain from farm to table. For the *halal* food industry to become more sustainable, food producers must implement sustainability initiatives within their companies as well as upstream and downstream. This involves the entire supply chain of *halal* food production, encompassing agriculture, manufacturing, packaging, distribution, use and disposal. Some compliance measures of the *halal* and *tayyiban* concepts are natural resource conservation, that is, animal welfare, elimination of cruelty, safe handling, housing, slaughter and transport and sustainable agriculture practices (Siti Rozaidah et al. 2022). Some potential benefits of applying the *halal* and *tayyiban* compliance measures are: food safety and hygiene; food quality being healthy and nutritious; animal welfare; and sustainability. Each is discussed in further detail below.

16.6.1 Food Safety and Hygiene

Food safety involves the regulations, laws and requirements necessary to ensure consumers' right to eat safely while maintaining quality throughout the food supply chain. Food safety encompasses all the required conditions and measures during all food processes to ensure that food is safe, wholesome and fit for human consumption (Wahyuni et al. 2019). Food safety is critical to public health, especially in the secure handling, preparation and storage of food to prevent illness and injury (Chaves et al. 2017). In the context of *halal*, clean food, drinks and products can be defined as free from contamination and harmful germs. *Tayyiban* is the process of consuming food with the maximum level of hygiene (cleanliness) and purity (no contamination) by avoiding toxic, unclean and impure ingredients (Alzeer et al. 2018). Hygiene, safety and cleanliness are strongly emphasised in Islam via *halal* precepts. They include every aspect of personal hygiene, dress, equipment and the location where food is processed or prepared. The objective is to determine that the food produced is safe, hygienic and not hazardous to human health (Al-Teinaz et al. 2020).

Implementing the concept of *tayyiban* in the agrifood sector ensures that food is safe and hygienic. It also prevents additives, contaminations and pesticides that can create food-related diseases (Ambali and Ahmad 2014). Fatya Alty Amalia et al. (2020) argue that it can also lessen the risk of future pandemics such as COVID-19. This is because consuming wildlife, such as bats, which are associated with the origins of coronaviruses, is hazardous to health. The act of not consuming wildlife can be considered a risk-averse trait from harmful and impure products.

16.6.2 Food Quality: Healthy and Nutritious

The *halal* and *tayyiban* principles entail clean, safe and nutritious food (Mohd Aliff et al. 2015). The basis of *halal* itself is hygiene and health (Hayati et al. 2008). In Islam, *halal* consumption and use of *halal* products are obligatory in serving Allah. In this context, Muslim communities must be mindful of food or drink ingredients, the handling process and the packaging of consumable products. Processed foods, drinks and other products are only *halal* if the raw materials and components are *halal* and fully compatible with Islamic guidelines (Zurina 2004).

In the context of food, *tayyiban* implies a quality standard for good, pure and wholesome food. *Halal* food cannot be *tayyiban* if it contains excessive additives, sugar and residuals from previous food processing, which can potentially lead to various diseases, such as diabetes, cancer and obesity (Ireland and Rajabzadeh 2011; Tieman 2016). The *halal* and *tayyiban* concepts also discourage consuming genetically modified food as it potentially contains genes from prohibited sources, such as pigs, and changes the nature of organisms which may harm the health and environment (Alhariri 2020). Though processed and addictive foods are *halal*, they are far from *tayyiban* (wholesome), as many diseases may emerge due to such consumption. *Tayyiban* can therefore establish *halal* food as healthy to consume.

In another context, *halal* and *tayyiban* are not relevant exclusively for food and beverages. They encompass the whole aspect of human life, including an individual's intentions, words, actions and beliefs (Mohammed Farid 2014). As Harlida Abdul Wahab and Alias Azhar (2014) note, *tayyiban* means that it is entirely safe for physical and spiritual health.

16.6.3 Animal Welfare

Islamic teaching advocates that Muslims be fully aware of their food sources, including animal welfare, which represents the *tayyiban* component or the wholesomeness of *halal* food. According to Mian N. Riaz and Muhammad M. Chaudry (2004), animal welfare incorporates both mental and physical facets, starting from housing, feeding, breeding, biosecurity, transport and slaughtering. All of these factors align with the 'five freedoms' set out in the 1965 Brambell Committee Report in Britain—freedom from hunger or thirst; discomfort; pain, injury or disease; to express most normal behaviour; and fear and distress (Eadie 2012; Amalia et al. 2020). In the *halal* context, slaughter is the most critical operation in producing meat and converting the animal into parts fit for consumption (Nakyinsige et al. 2013).

The Islamic method of slaughter was revealed over 1,400 years ago and was considered the most humane at the time. The spiritual significance of *halal* food has led to the identification of several conditions for properly performing slaughtering processes. These include the minimisation of animal stress, providing water to cattle and using a well-sharpened knife. To ensure rapid blood loss and death, Islamic teachings emphasise the need for a highly efficient and swift slaughtering process using a sharpened blade to sever the major blood vessels of the animal (Fuseini et al. 2017). Animal welfare is, therefore, a critical issue in the *halal* food industry. It involves a wide range of matters in raising and ensuring animals' well-being, using *halal* feed resources, protecting against diseases and monitoring the slaughtering processes. All of these warrant that not only the animals being slaughtered are *halal* but are also *tayyiban* and wholesome for consumption.

16.6.4 Sustainability

The agricultural sector is the second largest economic sector contributing greenhouse gas (GHG) emissions after energy (IPCC 2019). About one third of total GHG emissions are attributable to the food system and are brought about by agrochemical production, transportation and storage, and agro-processing and retailing (FAO 2016). Mohd Helmi and Norhidayah (2016) find that *halal* premises adopt sustainable production approaches relating to conserving energy and materials, and eliminating items that can harm human health and the environment. The standard of *halal* requirements also encourages environmentally conscious behaviour and deters actions and practices that pose significant environmental threats and damage. Social responsibility in conserving the natural environment to ensure the production of quality food is a crucial element of *halal* standards. Jawad Alzeer et al. (2020) recommend using good agricultural practices to comply with sustainable practices and *halal* standards for agricultural production. These practices are used globally as a general principle to ensure that farm products meet legal prerequisites for safety and quality.

16.7 Policy Implications

16.7.1 Halal Integrity and Certification

Many dubious cases have caused *halal* integrity to be questioned. As a result, the *halal* principle must be incorporated from farm to table. All supply chain stakeholders—suppliers, producers, distributors and retailers—must ensure that each business activity does not involve prohibited and harmful substances. Ensuring *halal* integrity throughout the supply chain requires a strong commitment from each of these stakeholders. It is necessary to obtain *halal* certification from institutions and bodies, which can enhance consumers' trust in *halal* integrity. The process should be closely monitored by the authorities to ensure that food items are handled according to the regulatory requirements for *halal* and *tayyiban* certification. This should include random and periodic checks on the process compliance with the standards or guidelines. Non-compliance cases should be appropriately reported and dealt with by rectifying the root cause of problems.

16.7.2 Raising *Halal* Awareness and Stakeholder Collaboration

Awareness in the context of *halal* can be conceptualised as the process of increasing levels of consciousness towards what is permitted for Muslims to consume. Muslims need to be attentive to their foods' permitted and prohibited ingredients, especially since food chains are becoming increasingly complex. Creating awareness of a product's *halal* status is considered a collective obligation of every Muslim or *fardhu kifayah*. One of the ways to create awareness is through educational exposure to ensure consumers can make the right choice. The stakeholders of the *halal* agrifood supply chain are thus responsible for delivering food safety education to consumers to increase their awareness (Ambali and Ahmad 2014). The media can also play a role in effectively disseminating relevant information to educate the community on the strategic importance of *halal* and *tayyiban* food security.

Sustaining a *halal* food security ecosystem requires a collaborative effort by relevant stakeholders, including the government as the regulator, farmers and producers. Policies and actions governing the *halal* food security ecosystem must be formulated by incorporating the elements of *halal* and *tayyiban*. This means farmers and producers need to effectively communicate their roles to sustain *halal* integrity by adhering and conforming to various *halal* standards and practices in their production, processing and distribution procedures.

16.8 Conclusion and the Way Forward

This chapter evaluates the meaning of food security from the current perspective and the Islamic point of view using the six dimensions of food security: availability, accessibility, utilisation, stability, agency and sustainability. It can be seen that the contemporary perspective on food security aligns well with the Islamic viewpoint.

The issue of food security became more prominent when supply chains were paralysed for some time due to limitations posed by COVID-19. Alongside this was the issue of smuggled, dubious imported meats brought into Brunei without a *halal* import permit. *Halal* and *tayyiban* food security is not only about accessibility and availability of food but also ensuring that the entire supply chain conforms to *halal* standards and practices. The chapter discusses some potential benefits of incorporating *halal* and *tayyiban* into Brunei's food security framework: food safety and hygiene, food quality that is healthy and nutritious, and animal welfare and sustainability. The *halal* and *tayyiban* concepts comprehensively cover nutrition, quality, cleanliness and safety. This shows how *tayyiban*, when integrated into the supply chain, could improve the *halal* standard as a symbol of good practice, safety and health for consumers, the environment and the economy.

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Chapter 17
Challenges of *Halal* Food Ecosystems: The Case of Brunei Darussalam

Rozaidah Idris, Siti Fatimahwati Pehin Dato Musa, and Wardah Hakimah Sumardi

Abstract *Halal* food is the major component of the growing *halal* market. Brunei Darussalam is among the numerous countries seeking to exploit the *halal* industry to diversify the economy and create employment, and has made significant attempts to develop the *halal* food sector. This chapter explores the *halal* food ecosystem in Brunei by describing its current state, the challenges it faces and recommendations for *halal* industry stakeholders. This chapter addresses four major challenges: 1) dependency on imports of food and raw meat products; 2) fraudulent products and practices; 3) appeasing demands from a new generation of *halal* consumers; and 4) an underdeveloped *halal* logistics industry. The arguments presented here are relevant for the local *halal* industry's development as well as future research on related topics.

Keywords Brunei Darussalam · Ecosystem · *Halal* food industry · *Halal* logistics · *Halal* food market

17.1 Introduction

With the growing awareness of *halal* food and its appeal to both Muslim and non-Muslim consumers as pure and hygienic food, the sector presents vast opportunities globally. However, many countries have yet to strengthen their *halal* ecosystem to take full advantage of this rising demand. Brunei Darussalam has diligently worked towards the development of its *halal* food industry at both local and international levels. Despite its strong international reputation for *halal* quality, it appears that

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Brunei's *halal* food ecosystem is still far behind that of other Muslim countries in the region. As indicated in the *State of the global Islamic economy report 2023/24*, which ranks the strength of countries' *halal* ecosystems, Malaysia came first in the overall ranking for the *halal* food ecosystem, followed by Indonesia, Turkey, Singapore and Thailand, the last two being Muslim-minority countries (DinarStandard 2023: 96). This chapter aims to explore the current state of the *halal* food ecosystem in Brunei, uncover its shortcomings and challenges, and suggest recommendations that should be of use to policymakers and other stakeholders.

17.2 *Halal* Food Ecosystem

According to Adam Hayes (2021), an ecosystem in a business setting refers to the complex of suppliers, distributors, customers, government agencies, customers and others associated with delivering a particular product or service via cooperation and competition. Each of the entities involved relates with the others in such a way that one could influence the state of another, leading to the need for adaptability and flexibility to survive.

The *halal* ecosystem is a fundamental aspect of the *halal* industry that covers economic interactions between entities such as government ministries, agencies, manufacturers, suppliers, distributors and end consumers, working together to produce and consume *halal* products. It also entails the enabling environment needed to deliver the values of *halalan–tayyiban* to consumers. In a similar vein, Mohammad Kabir Hassan et al. (2021: 63) suggest that a *halal* ecosystem includes the entire 'atmosphere' of the *halal* industry that covers all aspects of the production of goods, services, human capital, as well as infrastructure and government support. In addition, Mingyu Park and Mohd Aizat (2017) suggest a *halal* ecosystem covers three main components—the market supply chain (the *halal* supply chain and assurance system), external agencies (regulatory, quality assurance, and support and education group) and government (legislation, policymaking, incentives and support).

This multidimensional character of the *halal* ecosystem remains largely understudied despite its growing importance in global markets (Nisha and Iqbal 2017). While a robust *halal* ecosystem presents a competitive advantage and is critical for unlocking the potential of the *halal* industry, it is not without challenges. For instance, a study by Kasim Randeree (2019), which explores the *halal* food ecosystem in the United Arab Emirates (UAE), reveals vulnerabilities in the areas of *halal* standards and the supply chain which affect customer confidence in the integrity of the *halal* food industry. Similarly, a study of the *halal* ecosystem in Bangladesh by Nabila Nisha and Mehree Iqbal (2017) demonstrates that the lack of *halal* talent and skills, among other factors, has hindered the country's participation in the global *halal* market. In light of these examples, it is thus imperative to strengthen Brunei's *halal* food ecosystem in order to realise the country vision of developing a competitive and well-regarded *halal* food sector.

17.3 Methodology

This study is a critical review of the *halal* food ecosystem in Brunei. Since research on the *halal* ecosystem in general and Brunei in particular is limited, we apply content analysis as a methodology. Muammer Çalık and Mustafa Sözbilir (2014) state that content analysis is a systematic review that aims to identify the general trends and research results in a descriptive form and also provides a further outlook of future research, policy, practices and public perception. Additionally, this study makes use of secondary sources of information which include journal articles, conference proceedings, online reports and other relevant documents.

17.4 The Current State of the *Halal* Food Ecosystem in Brunei

Brunei's *halal* food industry is one of the diversifying strategies highlighted in Wawasan Brunei 2035 (Brunei Vision 2035) and the Ninth (2007–2012), Tenth (2012–2017) and Eleventh (2018–2023) National Development Plans (PMO 2016; Izni Azrein 2016; Khalid et al. 2018). The diversification strategies aim to reduce Brunei's reliance on the oil and gas sector and focus more on other potential growth industries. Brunei's domestic *halal* industry is reported to have generated BND88 million in revenue in 2016, largely credited to the development of the *halal* food ecosystem (Wong 2017). Brunei has an advantage in the *halal* market due to its reputation for upholding Islamic law and morality. Establishing a service industry on *halal* certification and venturing towards the export of *halal* meat products processing are thus significant opportunities the country can explore (Khalid et al. 2018; Hjh Siti et al. 2021). As the global *halal* food industry presents a huge opportunity, like many other countries Brunei is seeking to strengthen its *halal* food ecosystem. Following Mohammad Kabir Hassan et al.'s (2021) definition of the *halal* ecosystem, this section provides an overview of Brunei's initiatives and developments in the area of *halal* meat imports, production and exports, *halal* food logistics and marketing, human capital and government support.

17.4.1 Halal Meat: Imports, Production and Exports

Brunei's environment is not suitable for cattle farming and it imports most of its raw meat mainly from Australia, Britain, Malaysia, China and India. Currently, meat imports outweigh its exports by a very large margin. Known for its strong Islamic law and values, Brunei is at an advantage in positioning itself in the *halal* industry, particularly in processing *halal* meat as an export commodity. Recent developments have shown Brunei beginning to increase its processed meat exports and here we provide some examples.

The United Arab Emirates's Saahtain Group and Brunei's Strategic Development Capital Fund under the Ministry of Finance and Economy have initiated a joint project, Saahtain Asia, which currently exports to more than 10 countries. A breakthrough was made by producing the world's first *halal* plant-based meat under the brand Plantasti (Wong 2020b). Designed and manufactured to appear and taste like meat, the Plantasti meat products vary from regular meat to ready-to-eat meals. They are environmentally friendly and are alternatives to actual animal flesh. The products are available nationwide, with Sweden as the first export market (*The* Scoop 2020; Wong 2020b). BMC Food Industries manufactures certified *halal* beef and chicken products under the Brunei Halal brand (now BruneiHalalFoods), including burger patties, sausages, nuggets, cold cuts and others (BMC Food Industries 2014). In another example, PDS Abattoir, a shared scheme company under the supervision of Darussalam Assets, delivers Brunei's highest-quality meat and processed goods, with a small percentage exported to Malaysia. However, the company relies on imported livestock from Australia for their beef. The company is the country's biggest cattle slaughterhouse, with a 55-ha site that feedlots 80 Australian cattle (Wong 2021; PDS Abattoir 2024).

Despite these promising developments, there are export challenges such as cross-border regulatory issues, fulfilling volume expectations and pricing due to a general lack of economies of scale, cold storage chain supply management and ensuring the standard, quality and safety of the meat products being manufactured (Wardi 2018). To counter the issue of surplus imports, Brunei has implemented a number of ongoing measures. In 2009 the government founded Ghanim International Corporation, which is in charge of BruneiHalalFoods, to identify opportunities to expand the *halal* market worldwide (Salama 2017). More recently, the government-owned company signed an agreement with Hamitan Marketing, one of the country's major distributors, to allocate BruneiHalalFoods products in 500 national retail outlets; the distributorship deal is Ghanim's strategy to decrease dependency on imports and boost the consumption of local products (Wong 2020a).

17.4.2 BruneiHalalFoods Brand

BruneiHalalFoods is a state-owned enterprise responsible for developing, marketing and promoting high-quality *halal* food products locally and internationally, with production bases and suppliers across the world (Nor Surilawana 2020; Mohamed Syazwan 2020). The purpose of the brand is to act as a platform for nurturing the growth of local products and micro, small and medium enterprises (MSMEs), providing a means for them to produce *halal* goods and assisting them in commercialising their products on a global scale (Nor Surilawana 2020). BruneiHalalFoods products are fully authenticated as *halal*, complying with Majlis Ugama Islam Brunei's

(MUIB, Brunei Islamic Religious Council) *halal* accreditation system and cooperating with the auditors to inspect the whole supply chain (BruneiHalalFoods 2024). Currently, the brand has dozens of products including beverages, canned food, condiments, cooking oil, frozen food, snacks, and fresh produce, meat and seafood for the retail and food service market with solid networks in Brunei, Bangladesh, China, Japan, Malaysia, the Philippines, Singapore and the UAE. The brand launched its first store in 2019 at Brunei International Airport, strategically located to attract foreign tourists and travellers (Rasidah 2019).

17.4.3 Technology and Infrastructure

Brunei is dedicated to developing its *halal* infrastructure to facilitate increasing *halal* imports and exports and to urge more investment in the industry (Mohamed Syazwan 2020). The Bio-Innovation Corridor Industrial Park was established in February 2014 and aims to provide infrastructure, support and enhancement programmes to assist in the development of MSMEs (Salama 2019). In addition, a BND90 million *halal* food production and export facility has been developed at Anggerek Desa Tech Park. The facility operates to prepare ready-to-eat *halal* meals using locally sourced raw materials, manufacture packaging materials, and assemble vending machines which are used to distribute the packaged meals with a shelf life of 24 months (Khalid et al. 2018).

In terms of technology, a modern method of slaughtering is used. Nurdeng Deuraseh (2019) elaborates on the technique. The first is designed for big animals, such as cattle and goats, which are initially stunned, strung in an upended manner with the chains of the slaughter device and have their throats cut. Then the device skins the animals, cleanses the filth and chops up the meat. This technique is occasionally applied to chickens. Brunei's Halal Food Standard PBD 24:2007 proscribes the machine-based slaughter of *halal* animals.

17.4.4 Human Resources and Expertise in *Halal* Food

Human resource development is crucial for developing the *halal* industry. Muhammad Irhammudin Ibrahim et al. (2022) argue that human resources are vital, despite no declarations from organisations confirming the need for the *halal* industry to grow. Human capital and *halal* food expertise for the Brunei *halal* industry can be improved by offering *halal* education and research. Along with the efforts to globalise and localise the *halal* sector, Universiti Islam Sultan Sharif Ali has strengthened the study of *halal* and *tayyiban* through research, teaching and professional services. Accordingly, the university established the Halalan Thayyiban Research Centre that focuses on the consumption of *halal* and *tayyiban* products (Nurdeng 2020a, 2020b).

The centre provides programmes relating to *halal* subjects, which range from a bachelor's degree to PhD, such as the Bachelor of Halal Science, Master of Science in Halal Laws and PhD in Halal Science (UNISSA 2023). Minor programmes, seminars, workshops and training are also offered at the centre (Nurdeng 2017). As Nurdeng Deuraseh (2020b) states, the study and teaching of *halal* science are essential to escalate and motivate the Muslim community to venture into the *halal* industry. Brunei also plans to create an institution comprising *halal* scientists and experts of the *halal* industry and *syariah* to focus on the enhancement of *halal* products and to reinforce *halal* integrity (Norhidayu et al. 2017).

17.4.5 Research and Innovation

Brunei has made several initiatives to develop the local *halal* industry through research and innovation. Besides establishing the Halalan Thayyiban Research Centre to promote *halal* consumption. Cristalina Jalil Marsal (2014) and Norhidayu Muhamad Zain et al. (2017) describe the centre's objectives and functions. It is to strengthen local proficiencies in *halal* science and act as a platform to execute *halal* product research and development. The centre functions as a non-profit establishment that 1) detects adulteration in natural and finalised products for the *halal* market under the *halal* analytical services; 2) researches and expands on *halal* analysis and invention of *halal* products; 3) creates a wide-ranging database exclusively for reference on *halal* subjects for reference; and 4) assists in the certification of *halal* products by providing scientific support services to the Ministry of Religious Affairs. The centre collaborates with international institutions and laboratories as well (Cristalina 2014).

Furthermore, Brunei founded the Halal Science and Metrology Centre to develop *halal* research and studies (Norhidayu et al. 2017). The Ministry of Energy, Manpower and Industry (now Department of Energy) formed it in cooperation with Japan's Osaka University and Food Research Lab (Muhamad and Fitriyani 2020). The laboratory provides services involving DNA analysis for porcine elements in raw materials and final products using apparatuses such as conventional polymerase chain reaction tools, enzyme-linked immunosorbent assay test kits, Fourier transform infrared spectroscopy and gas chromatography for detecting alcohol (Norhidayu et al. 2017).

17.4.6 Regulation, Standards and Certification

Halal regulation in Brunei is strict compared to other countries, which is unsurprising given that it is an Islamic nation with *syariah* a key element of the national philosophy (Oh et al. 2018; Rokshana 2019; Muhamad Nadratuzaman and Fitriyani 2020). Due to these regulations, obtaining *halal* certification is a lengthy and meticulous procedure which is seen by some as a disadvantage (Oh et al. 2018). The primary law regulating local *halal* matters is the Halal Meat Act 1998, which controls the provision and importation of *halal* meat and associated affairs. Raihana Mohd Raffi (2020) notes that the act instigated the establishment of other regulations aligned with the present demand in the *halal* market.

The country also has the Brunei Darussalam Standard for Halal Food PBD 24:2007 (Muhamad Nadratuzaman and Fitriyani 2020; Raihana 2020). The standard was created in adherence to Islamic laws and conforms to international food standards (Raihana 2020). It contains four guidelines covering: 1) *halal* certification; 2) audit and compliance; 3) certification of *halal* compliance audits; and 4) *halal* surveillance audit (Nurdeng 2019). The key categories of the standard are sources of *halal* foods and drinks; slaughtering; stunning; scalding; inspection; product manufacturing, processing, handling, storage, transportation and distribution; product storage, display and servings; hygiene, sanitation, sanitisation and food safety; packaging; and labelling (Nurdeng Deuraseh 2020c).

Another regulation is called the Guideline for the Use of the Brunei Halal Brand for companies who seek to extend their products to the global market (Nurdeng 2019). Brunei Halal is the official certification issued by the Ministry of Religious Affairs; it formally warrants the domestic *halal* food industry's validity as sanctioned and is operationalised by several government agencies (Oh et al. 2018; Muhamad Nadratuzaman and Fitriyani 2020). Unlike non-food products, registering for the *halal* certificate is compulsory for food enterprises, such as restaurants and food manufacturers (Rokshana 2019; Nor Surilawana and Norkhairiah 2021). MUIB is the sole *halal* certification body and the prime *halal* consultant in the country, granting *halal* certificates, permits and labels for companies' products and services (Mohamed Syazwan 2020). *Halal* certificates are distributed to restaurants and companies whereas *halal* licences are allocated to each product (Norhidayu 2017). The Brunei Halal label or logo works as a guarantee that the product is *halal* (Nor Surilawana 2020). Business owners may apply for *halal* certification from the Halal Food Control Division under the Ministry of Religious Affairs (Muhamad Nadratuzaman and Fitriyani 2020; Nor Surilawana et al. 2021). Inspection occurs at business premises and approved owners pay BND90 to MUIB for each *halal* certificate valid for three years (Nor Surilawana et al. 2021).

In 2017 amendments were made to the *halal* certification system, which include a one-year exemption of *halal* certification for owners who lack the requirements for the certificate and an amended *halal* permit cost depending on the business classification; for instance, a micro industry is charged BND5 per product while a medium industry is charged BND300 per 20 products (Nor Surilawana 2020). The Brunei Halal certificate is recognised globally for its integrity; several governments and international agencies have shown interest in collaborating with Brunei to certify commodities abroad (Khalid et al. 2018).

17.4.7 Halal Logistics

Expanding the *halal* industry increases the demand for *halal* logistics, an opportunity for Brunei to develop this sector. A conscientious and tactical role in logistics management is vital to developing the global *halal* economy. The amalgamation of logistics management and Islam creates *halal* logistics which combines *halal* core precepts with logistics knowledge (Mohamed Syazwan 2020). *Halal* logistics is part of the supply chain comprising warehousing and storage, transportation procedures, management and packaging, with documentation required during the process (Faradina et al. 2018). The production of *halal* food will be wasted if its cleanliness during the manufacturing process from the producer to the final consumer is not guaranteed (Harlina et al. 2016). In other words, the food products' *halal* integrity, which signifies their *halal* value or status, is tarnished (Yusrizal et al. 2020). As a result, *halal* logistics is essential to uphold the *halal* quality or integrity of the manufactured foods.

Brunei has made several initiatives to improve its logistics sector. In particular, logistics-related services like warehousing and storage are entitled to tax exemptions or tax reductions to stimulate the growth of logistic activities in the country. Moreover, the government has invested heavily in expanding and modernising its domestic freight, shipping and airfreight infrastructure to improve its logistics capabilities (Commonwealth Secretariat 2020). Despite the significant developments in the logistics sector, reports and research on *halal* logistics in Brunei remain scarce (Mohamed Syazwan 2020; Hajah Norliza et al. 2021). Mohamed Syazwan (2020) argues that the country lacks empirical data on *halal* studies and there are no records of investigations analysing national *halal* logistics. He further notes the lack of investment in *halal* logistics despite the favourable growth in the local *halal* industry as a whole, which could result from the country's minuscule logistics sector or being outperformed by more mature *halal* economies such as Malaysia and Indonesia.

17.5 Challenges in Brunei's *Halal* Food Ecosystem

The challenges in Brunei's *halal* food ecosystem are its dependency on international food and raw meat products, fraudulent products and practices, demands from a new generation of *halal* consumers and an underdeveloped *halal* logistics system.

17.5.1 Dependency

To satisfy local consumption, Brunei depends on imported foods. Malaysia, Indonesia, Singapore and Britain are the leading sources of *halal* food imports, with Australia the major supplier of bovine products, followed by Britain, China, Malaysia and India. The amount of food imports for the country dwarfs local food exports; the same can be said for raw meat, where the export values are significantly undermined by import values (Khalid et al. 2018; Mohamed Syazwan 2020). The value of food imports in 2023 was BND735.1 million against only BND25.1 million in food exports (DEPS 2023). The discrepancy is not only huge but has been increasing over the years and is especially stark for meat; in 2023 meat and poultry imports amounted to BND3.54 million while exports were negligible (TrendEconomy 2024).

Several factors induce this substantial reliance on imported food products. According to Ahmed Masood Khalid et al. (2018), cattle farming and meat manufacturing are not likely due to geographical constraints, leading to reliance on imports. Youri Oh et al. (2018) observe that scarce promotion for local products causes a lack of interest from consumers and, in turn, encourages a preference for imported products; the same occurs when local *halal* products are more expensive than foreign ones, reinforcing the extreme reliance on imported goods. In addition, the COVID-19 pandemic also affected import activities, with severe spillover effects on global production, trade and travel. Given the high levels of dependency, the pandemic caused scarcities of food raw materials and ingredients in Brunei and elsewhere (Jaiyeoba 2021).

17.5.2 Fraudulent *Halal* Products and Practices

Forged products and certification disputes have increasingly affected the global *halal* industry. Laura Syrett (2022) reports multiple cases of fraud from all over the world. For instance, the United States has no federal regulations concerning *halal* food production, resulting in third-party certifiers of varying standards and interpretations of religious principles. In Britain, fraudulent practices are suspected to occur in slaughter. Even in Malaysia, a Muslim-majority country and one of the leading players in the *halal* industry, there has been alleged corruption by officials from Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia), the government's own certification agency.

These fraudulent products and practices, although occurring internationally, are a major concern for Brunei as the country imports such high levels of *halal* raw materials and goods. Indeed, fraudulent *halal* products have also reached Brunei as there have been reported cases of dubious *halal* products. Numerous instances have been highlighted where meat and poultry were confiscated due to the absence of a *halal* import permit and suspicious meat smuggling (Azlan 2021, 2022a, 2022b, 2022c; Salama 2021). These cases of dubious *halal* meat sold in the market have raised consumer concerns over the trustworthiness of *halal* products in the country.

17.5.3 Demands from a New Generation of *Halal* Consumers

According to Islamic Services of America, young *halal* consumers demand products that can represent modern notions of health, wellness, fun and amplified ecological and social consciousness while simultaneously conserving significant religious practices (ISA 2023). Besides *halal* certification, other ecologically and socially conscious certificates are also considered by young consumers, such as vegan, cruelty-free, organic, GMO-free, fair trade, humane-raised, Rainforest Alliance and so on. Young consumers also expect companies to deliver a different type of transparency, providing information on how the animals are bred, how employees are treated and how environmental issues are addressed (ibid.). Furthermore, non-Muslim consumers have also gradually accepted *halal*-certified products. As more consumers from different beliefs or backgrounds become interested in *halal* products, demand for safe, high-quality, ethically and socially responsible food products continues to escalate. For the Brunei Halal brand to grow in the *halal* food market, it must understand the demands of younger Muslim consumers who look beyond the *halal* certification and place value in the comprehensive quality of a product (Koo 2015).

In addition, *halal* consumers nowadays would like to experience the world through cuisine. This means that food choices are no longer restricted to dishes from traditionally Muslim countries but take in other parts of the world. For instance, ISA (2023) notes that several companies in Britain successfully market *halal*-certified English staples for Muslim Britons of the younger generation. Other examples include *halal* beef breakfast strips, gyro slices and chicken nuggets in the United States. In Brunei, a similar situation can be observed with the increasing number of Korean restaurants and food products. With the Asian continent interested in many aspects of the Korean wave or *Hallyu*, it is only natural that Korean cuisine is flourishing in the country (Adlin and Alina 2020).

17.5.4 Underdeveloped *Halal* Logistics

Mohamed Syazwan (2021) identifies five *halal* logistics limitations in Brunei, which could be the causes of its hindered growth. These are: 1) the lack of *halal* logistics experts; 2) the absence of *halal* logistics standards; 3) the deficiency of *halal* logistics infrastructure; 4) a weak demand for *halal* logistics services from both companies and consumers; and 5) competition with other *halal* industry centres from nearby countries, typically Indonesia and Malaysia. To develop national *halal* logistics, relevant parties must seriously examine these matters.

Mohamed Syazwan (2021) elaborates that with the scarcity of *halal* logistics expertise, logistics services—warehousing, transportation, packaging and order processing—will not be well executed. He notes that this personnel shortage requires knowledge and skills regarding *halal*-oriented operations, for instance, handling and storage segregation, contamination awareness, and tracking and traceability. Although Brunei has several *halal* experts in food sciences and legislative fields, the number of experts in *halal* logistics remains scarce. The lack of a national *halal* logistics standard could also lead to confusion as the current practices depend heavily on the PBD 24:2007 Halal Food Standard (Hajah Norliza et al. 2020). The heavy reliance on imported *halal* goods also amplifies the need to create national *halal* logistics standards. Furthermore, such a national *halal* logistics infrastructure would need *halal* transport carriers, dedicated storage units, warehouses, ports and terminals—none of which is available in Brunei. In addition, it is the low demand for *halal* logistics from both businesses and consumers and the perception that *halal* logistics do not directly affect consumers that has led to the stunted growth of the *halal* logistics industry. Lastly, competition with Malaysia and Indonesia—well known as Asia's *halal* industry powerhouses, with support from *halal* governing agencies, leading *halal* standards, more significant *halal* markets, more *halal* demands, and in possession of advanced logistics infrastructures that accommodate broader *halal* supply chain networks—sets a severe constraint to the development of *halal* logistics in Brunei.

17.6 Recommendations for Improving Brunei's *Halal* Food Ecosystem

17.6.1 Globalising Local *Halal* Certification

Muslim countries are more likely to have a community with a mutual interest in all available food being *halal* and this affects the development of their *halal* certification. For Muslim-minority countries issues arise from difficulties unrelated to the society's belief system. In Japan, for instance, this was due to the contest among *halal* certification agencies and expensive costs (Yamaguchi 2019; Pg Siti Rozaidah 2024). South Korea's concerns centre on the lack of accreditation for local *halal* certification in other countries (Oh 2017). Both Japan and European countries have identified the lack of a universally accepted standard of *halal* certification as a barrier to the growth of their *halal* markets (Fujiwara and Risyawati 2017; Yamaguchi 2019; Aniqoh and Hanastiana 2020).

These global concerns about *halal* certification can be an opportunity for Brunei to expand and globalise its *halal* standards. Brunei is already known for its stringency in obtaining *halal* certification for local food businesses. For instance, *halal* certificates are prescribed for all restaurants and eateries (with some equitable exemptions), and *halal* permits are distributed for each product (Norhidayu et al. 2017). Brunei Halal, the official *halal* certification, can be further developed and accredited by more countries, such as South Korea, which require a verified *halal* certification to market their *halal* products (Muhamad Nadratuzaman and Fitriyani 2020). Brunei may also assist in producing a globally accepted standard of accreditation for Muslim-minority countries.

17.6.2 Incorporating *Halal* and *Tayyiban* Values in the Brunei Halal Brand

The concepts of *halal* and *tayyiban* identify *halal* food as that which is of high quality, hygienic and safe to consume. In recent years, *halal* has come to be viewed not merely as a religious obligation or observance for Muslims. The expectation of *halal* quality and its perception has extended to include the principle of *tayyiban* amid the global concern for issues of sustainability (Raheem and Demircib 2018). *Halal–tayyiban* is seen as a more comprehensive system that takes into account the protection of health, food safety, animal rights, the environment, social justice and welfare in food production.

Despite this, *halal–tayyiban* has limited practical application within the *halal* market itself. From the regulatory perspective, for instance, the laws and regulations related to *tayyiban* seem very limited compared to those governing *halal*. Brunei's certification processes are more focused on the *halal* aspects, which represent the fulfilment of *syariah* requirements leading to the permissibility of an object or action, while there is limited focus on the concept of *halal–tayyiban* which covers a more holistic approach.

In keeping with the *halal–tayyiban* concept, the *halal* food sector needs to encompass all aspects of *halal*, quality and ethics across the value chain, from raw materials and ingredients, processing, packaging, transportation and distribution to the end product for consumers (Sazelin and Safiah 2015). Zahed Amanullah (2011) presents an approach that integrates *halal–tayyiban* values into the *halal* food production of the manufacturer America Halal. In designing its products, the *tayyiban* values are strongly emphasised. The assimilation of *halal* and *tayyiban* values into their products was executed via a number of steps: 1) slaughtering the animal by hand with transparent and certifiable standards; 2) using organics that are natural and certified without preservatives, additives or hormones; 3) raising the animals humanely in an environment that is clean, safe and comfortable; 4) using ingredients that are sustainably and locally farmed, raised or transported; 5) feeding the animals in a wholly vegetarian manner without antibiotics, hormones or rendering; and 6) being a socially conscious company that is fair to workers and charitable to society. Incorporating *halal–tayyiban* values in the Brunei Halal brand will resonate well with the changing demand of the new generation of *halal* consumers.

17.6.3 Developing the *Halal* Logistics System

Brunei can nurture the development of its *halal* logistics by considering the stakeholders required in the process. Abid Haleem et al. (2021) classify the stakeholders into four main categories—governments, consumers, *halal*-certifying organisations and logistics service providers. Their roles in the adoption of *halal* logistics can be summarised as follows.

1. Governments can lessen the bureaucratic process to assist businesses in providing secure, protected and non-contaminated consumables, coupled with developing awareness regarding safe food consumption to the public. The Brunei government strongly supports *halal*-related precepts and rulings which can be regarded as an advantage in developing national *halal* logistics (Mohamed Syazwan 2021).
2. Consumers with adequate knowledge will reduce criticisms and demand *halal* goods and services. According to Khalid et al. (2018), *halal* consumers are inclined to pay extra to eliminate any sense of doubt and for adequate services in evading adulteration.
3. *Halal*-certifying organisations are responsible for investigating adherence to the *halal* regulations and distributing the *halal* logos and certificates. For Brunei, the *halal*-certifying organisation is MUIB.
4. Logistics service providers are responsible for providing warehouse, transport, logistics and associated services. At present Brunei lacks this provision given its underdeveloped *halal* logistics infrastructure (Mohamed Syazwan 2021).

Brunei also needs more empirical studies and inspections on the status of local *halal* logistics, given that they are currently sparse which in turn deters the growth of *halal* logistics provision (ibid.; Hajah Norliza et al. 2021). The previously mentioned cases of questionable *halal* meat indicate that there needs to be an awareness of the stringency of the law for *halal* products as well as a better, more effective system to obstruct smuggling activities. With a more established *halal* logistics provision, issues such as the illegal importation of raw meat can be detected and prevented altogether.

17.6.4 Entrepreneurs to Take the Lead for Self-sufficiency

As part of a speech by the sultan in 2018, young people are encouraged to start businesses and be more open to private sector jobs (Rasidah 2018). In compliance with the goals of Wawasan Brunei 2035, the younger generation is implored to participate and lead the *halal* market in order to allow the *halal* industry to prosper. Further, local MSMEs are encouraged to collaborate with companies such as Simpor Pharma, a facility manufacturing *halal* pharmaceutical products and health supplements, to create, brand, commercialise and distribute their products into the national and international market (Wong 2017). Businesses must be able to compete in terms of quality (Koo 2015).

In response to the COVID-19 pandemic, Brunei shifted its focus to cater to and develop the private sector and enhance self-sufficiency in rice and vegetables; this presents the opportunity for local food businesses to grow (Hayat 2020). The distribution agreement for *halal* foods products between Ghanim International Corporation and Hamitan Marketing is also an approach to compensate for the interrupting global supply chains (Wong 2020a). In addition, Brunei has also encouraged the greater use of e-commerce, which involves online access to businesses (Hayat 2020). This effort to attain self-sufficiency should be extended to other food products to ensure that Brunei can reduce its overdependence on imported raw materials and goods and uphold the *halal* integrity of products in the country.

17.7 Concluding Remarks

This study sets out to explore Brunei's *halal* food ecosystem and uncover the various challenges which may hinder its development. The outcome of the analysis shows that the country's *halal* food ecosystem is still developing though there is great growth potential. While Brunei's strength lies in its stringent *halal* certification and its reputation for *halal* quality, the development of its *halal* food ecosystem is hindered by several factors. These include its overdependence on imported food and raw meat products, underdeveloped *halal* logistics, fraudulent *halal* products and practices within and outside the country, as well as the changing demands from a new generation of *halal* consumers. The findings suggest that the *halal* food ecosystem is driven by the coexistence of various entities delivering the values of *halal* and *tayyiban* to the market. To capitalise on this, policymakers, businesses and the general public need to work together in addressing the challenges. It is recommended that Brunei should capitalise on its strengths by globalising its *halal* certification which could ultimately resolve the issue of non-standard *halal* certification faced in other countries. In addition, more efforts are needed to develop *halal* logistics and increase its capacity for self-sufficiency. Furthermore, incorporating *halal* and *tayyiban* values in the Brunei Halal brand can make it more appealing to the new generation of *halal* consumers.

Despite its significant insights, the study is not without its limitations. The study uses a review of relevant papers in the literature. Due to the changing nature of the industry, the analysis should be treated as a guideline as the findings of the analysis may change over time. Future research should conduct empirical studies to explore the perspectives of the various parties involved in the *halal* food ecosystem as a whole.

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Chapter 18
Developing a Legal Framework for the *Halal* Industry in Indonesia: Lessons for Brunei Darussalam

Faried Kurnia Rahman, Rochania Ayu Yunanda, Mohammad Ali Tareq, and Tania Islam

Abstract The *halal* industry has become an important sector in the global economy and its growth has created the need for a legal framework to regulate its practices. This chapter explains the legal framework for the *halal* industry in Indonesia and draws lessons for other countries, notably Brunei Darussalam. Indonesia has the largest Muslim population of any country in the world and has developed a comprehensive legal framework for the *halal* industry, which includes laws, regulations and standards. The discussion analyses Indonesia's legal framework and its effectiveness in promoting the *halal* industry and protecting consumers. Brunei is a predominantly Muslim country that has recently made efforts to develop its *halal* industry. Its current legal framework is described and the chapter proposes ways in which it can be improved based on Indonesia's experience. Overall, the argument suggests that developing a comprehensive legal framework is essential for the growth and success of the *halal* industry. The lessons learned from Indonesia's experience can be applied to other countries, including Brunei, to ensure that the *halal* industry is properly regulated and meets the needs of consumers.

Keywords Indonesia · Brunei Darussalam · *Halal* industry · Legal framework · *Halal* regulations · *Halal* standards

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18.1 Introduction

The *halal* industry has become a significant part of the global economy in recent years as the Muslim population grows and the demand for *halal* products and services increases. According to *State of the global Islamic economy report 2023/24*, the global *halal* market is estimated to be worth USD2.29 trillion in 2022. *Halal* refers to permissible or lawful products under Islamic law or *syariah*, and the *halal* industry encompasses a wide range of sectors, including food and beverages, pharmaceuticals, cosmetics, finance, modest fashion and tourism (DinarStandard 2023). Countries with significant Muslim populations are increasingly focusing on developing their *halal* industries. Indonesia and Brunei Darussalam, two Muslim-majority countries, have identified the potential of the *halal* industry and are currently investing in important ways in the sector. This chapter looks at the case of Indonesia, which has successfully developed its *halal* industry, and through a review of the existing literature on law enforcement's role in this process the discussion offers valuable lessons for Brunei.

Indonesia has the largest Muslim population of any country in the world and has been at the forefront of developing its *halal* industry. In 2014 the government and House of Representatives agreed to strengthen the *halal* industry through the issuance of Law No. 33/2014 (Halal Product Assurance Act). This act regulates the *halal* industry, and specifically *halal* product assurance in the food and beverages sector, through *halal* certification (FAO 2014). The government has implemented two phases of certification. The first phase is for the food and beverages industry, including any related service industries. The second phase is for the pharmaceutical industry and other industries involving genetic engineering. In October 2019 the government passed a new Halal Product Law, which mandated that all *halal* products sold in Indonesia must be certified by the government-approved *halal* certification body. This new law has had a significant impact on the *halal* industry, as it has increased consumer trust in *halal* products and created opportunities for businesses to expand their *halal* offerings (Sukandar 2021).

18.2 The *Halal* Industry in Brunei

Brunei is an oil-rich country and one of the leading countries in the *halal* economy. As a predominantly Muslim country, Brunei has established a comprehensive legal system to regulate its *halal* industry. It has been intensively pushing the *halal* industry, including the food, media and recreation, pharmaceuticals and cosmetics, finance and travel sectors. The Brunei government has consistently highlighted and encouraged the potential of these various *halal* sectors, and it is among the few countries that identifies the *halal* industry as a core element of its national growth and diversification agenda (Mohamed Syazwan 2021).

Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council) is responsible for safeguarding Brunei's Islamic administration and providing guidance for the *halal* industry. MUIB is responsible for *halal* certification, ensuring that products and services comply with Islamic dietary laws. Brunei introduced both *halal* certification and *halal* brand logos under the Brunei Halal brand in 2009. This became part of the national economic development and diversification strategy called Wawasan Brunei 2035 (Vision Brunei 2035) (PMO 2023). The government shows consistent and continuous support for the *halal* industry, especially through *halal*-related decrees and policies. The government recognises *halal* as the ideal approach to achieving success in fast-growing global *halal* markets (Mohamed Syazwan and Siti Norida 2021).

Although MUIB is the principal *halal* authority and the only *halal* certifying agency in Brunei, three other government agencies are also responsible for supporting and advising MUIB on *halal* issues: the Halal Food Control Division (Ministry of Religious Affairs), the Food Safety and Quality Control Division (Ministry of Health) and the Animal Quarantine Services (Ministry of Primary Resources and Tourism). MUIB grants *halal* certificates and labels for business products and services including slaughterhouses and eateries and this standardised approach has been mandatory for food-related industries and businesses since 2011. Certification is voluntary for non-food products such as medicines, cosmetics and services (Mohamed Syazwan 2021).

18.3 The Indonesian *Halal* Industry

18.3.1 Potential Growth Sectors

Indonesia has a rapidly growing *halal* industry. The government has taken various steps to support its development, such as establishing a *halal* certification agency and *halal* industrial zones. These efforts have contributed to the industry's expansion, with the country's *halal* products and services consumption increasing from USD218.8 billion in 2017 to an estimated USD330.5 billion in 2025 (Sukoso et al. 2020). There are several potentials growth points for the *halal* industry. First, *halal* food is a basic need of every Muslim. According to *State of the global Islamic economy report 2023/2024*, Indonesians spent USD149.8 billion on *halal* food in 2022, the largest such consumer market in the world (DinarStandard 2023). Second, the Islamic finance sector is also considered as a key sector, acting as a gateway to the *halal* industry as a whole. In 2019 the market share *halal* finance in the overall financial industry reached 8.69% (Fathoni 2020). With a new focus on Islamic banking, financial certificates and bonds (*sukuk*) developments, investment funds and fintech developments, the potential for future growth is considerable. Third, another potential growth sector is *halal* tourism since Indonesia has enormous cultural diversity, is rich in history and religious traditions, and is beginning to use technology to highlight its cultural heritage. The Ministry of Tourism and Creative Economy has also developed and promoted hotels, restaurants, travel agencies and spas in 12 *syariah* tourist destinations that have the potential to be visited by substantial numbers of Muslim tourists (Suyudi et al. 2020; Akbar 2021). In addition, Indonesia is climbing the ranks in sustainable tourism, including village tourism and ecotourism (DinarStandard 2023: 155). This step is expected to be able to make Indonesia one of the most desirable *halal* travel destinations. Fourth, Indonesia also has potential in the modest fashion sector. It is intent on becoming a global hub of modest fashion and has been implementing various initiatives to grow and strengthen its modest fashion industry. This has resulted in year-on-year growth and the country is now the third-largest market in the world and Indonesian brands have acquired both a domestic and international market (ibid.: 169, 171). Overall, each of these sectors—food, finance, tourism and modest fashion—are largely being driven by small- and medium-sized enterprises (SMEs) which dominate the Indonesian economy and the growth trends offer a real opportunity for them to develop (Arifin et al. 2020).

The 2014 Halal Product Assurance Act underpins all these efforts, providing very strategic security for both producers and consumers. Good supply, distribution and presentation of *halal* products help to serve Muslim consumers. The economic impact of *halal* certification for products that applies to all stakeholders opens up business opportunities and the products are guaranteed to be safe for consumption by the Muslim community in particular (Ariny 2018).

18.3.2 ***Halal*** **Certification**

Mian N. Riaz and Muhammad M. Chaudry (2003) define *halal* certification as a document issued by an Islamic organisation confirming that the products listed comply with *syariah* laws or guidelines as specified by the certifying agency. The *halal* certification can take the form of a logo, marking, stamp, seal or certification. Official *halal* awareness in Indonesia started in 1976 when the Ministry of Health issued a decree that all products that contain pork meat and its derivatives should be labelled as 'non-*halal* products' (Sukoso et al. 2020). *Halal* certification was then set in motion in 1988 when the government requested Majelis Ulama Indonesia (MUI, Council of Indonesian Scholars) to develop a food, drugs and cosmetics research centre which came to be known as Lembaga Pengkajian Pangan, Obat-obatan dan Kosmetika Majelis Ulama Indonesia (LPPOM MUI, Assessment Institute for Food, Drugs and Cosmetics of the Council of Indonesian Scholars). At that time there was unrest regarding the circulation of pork products and their derivatives, and the government wanted MUI to be involved in resolving the unrest. LPPOM MUI was assigned by the government to undertake *halal* verification and certification on 6 January 1989. The first *halal* certificate was issued in 1991 (LPPOM MUI 2021). In 2001 the government strengthened the special authority for MUI to verify, audit, provide *fatwa* and issue *halal* certificates (Bramasta 2022).

In the process of *halal* verification and certification, LPPOM MUI cooperates with other government agencies such as the Food and Drug Administration, National Standardisation Agency, Ministry of Religious Affairs, Ministry of Agriculture, Ministry of Cooperatives and Small and Medium Enterprises, Ministry of Trade, Ministry of Industry, Ministry of Marine and Fisheries, Ministry of Tourism and Creative Economy, Indonesian Chamber of Commerce and Industry and also well-known universities. After more than three decades, LPPOM MUI has become a reputable *halal* verification agency whose operational standard has been recognised worldwide and many countries have adopted the standard for their own *halal* verification.

18.3.3 Before the Halal Product Assurance Law

Prior to the passing of the Halal Product Assurance Law in 2014, *halal* certification in Indonesia was voluntary and although there was no compulsion the *halal* certification programme at that time received a good response from business owners. However, some people were dissatisfied since there were still many well-known products that had not been granted *halal* certificates. Until early 2014 only around 20% of products had already received *halal* certification and LPPOM MUI was the only *halal* verification and certification agency. It created branches in every province where it could supervise and check the *halal* verification and certification for businesses outside Jakarta, backed by MUI representatives in each province. After 2014 LPPOM MUI was no longer the only agency for verification and certification since two more bodies now acted as *halal* certification agencies—Sucofindo and Surveyor Indonesia.

18.3.4 **Assuring *Halal* Products: The Roles of Authorised Bodies**

Several acts and regulations have highlighted *halal* concerns: Health Act No. 23/1992; Consumer Protection Act No. 8/1999; Government Regulation No. 69 on Food Labels and Advertising; Food Act No. 18/2012; and Food Act No. 18/2012. This demonstrates that the Indonesian government has paid attention to *halal* issues, especially in relation to food and pharmaceuticals. The government is also intensely concerned about *halal* assurance and took action when cases occurred that compromised *halal* integrity, such as concerns with lard in food products (1987–1988), the use of monosodium glutamate (2000) and pork meatballs (2022).

As mentioned earlier, *halal* certification used to be executed only by LPPOM MUI and it established the Halal Assurance System (HAS 23000) in 2012, which is a *halal* protocol that is organised, employed and maintained to manage materials, processes, products, human capital and procedures to ensure the entire *halal* production process complies with the authorised certification requirements. HAS includes a series of documents—covering rules, consent, guidelines, regulations, transparency and disclosure—that also conforms with international standards.

The successful execution of HAS should encompass the principles of trust, honesty, collaboration or participation and absolute *halal* (Rafiki and Kalsom 2016). First, companies should trust the authorised bodies to organise, employ and maintain HAS. Second, companies should be honest in describing every item used in the production process. Collaboration or participation means companies should support and involve all human resources to implement HAS. Absolute *halal* means that all ingredients, elements and production processes must be *halal*. For the food and beverages industry, HAS should run alongside other quality assurance systems, such as the hazard analysis of critical control points and ISO series. The main difference between HAS and other quality assurance systems is how they define quality itself. HAS defines quality based on the interpretation of the Qur'an and Islamic laws where quality means permissible and good to be consumed (*halal* and *tayyib*).

Figure 18.1 illustrates the *halal* certification process in Indonesia. The Halal Product Assurance Law mentions that the products must have *halal* certification. Focusing on *halal* issues and the development of *halal* products, the government established Badan Penyelenggara Jaminan Produk Halal (BPJPH, Halal Product Assurance Organising Body). Lembaga Pemeriksa Halal (LPH, Halal Inspection Board) is the third party (and partner of BPJPH) in *halal* verification. *Halal* certification starts with registration in the BPJPH system and subsequently LPH checks the products to see if they match *halal* requirements. The determination of *halal* products is released through MUI. Lastly, BPJPH issues the *halal* certificate of the product based on MUI's recommendation. The Halal Product Assurance Act states that every business that applies for *halal* certification is required to have a *halal* supervisor who is appointed by the business and who is responsible for the *halal* product process. *Halal* supervisors must be Muslim, broad-minded and understand the *syariah* rules regarding *halal*. The duties of a *halal* supervisor are overseeing the *halal* production process, determining corrective and preventative actions, coordinating the process of *halal* products and accompanying the *halal* auditor during the audit.

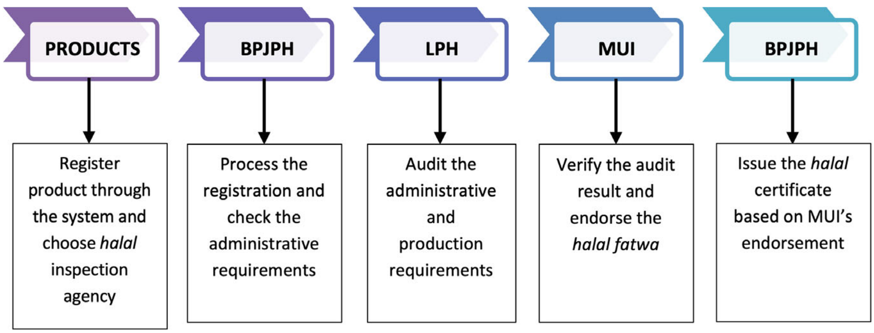

Fig. 18.1 *Halal* certification processes in Indonesia

There are six principles in the implementation of *halal* product assurance in Indonesia: protection, justice, legal certainty, accountability and transparency, effectivity and efficiency, and professionalism. These principles aim to provide conformity, security, safety and certainty in the availability of a *halal* product for consumers. They also propose to give value added for businesses that produce and sell *halal* products. The same institutions are involved in ensuring the implementation of these principles, such as BPJPH, LPH and MUI. Based on the Halal Product Assurance Act, BPJPH is the government's representative in *halal* certification. As a body under the auspices of the Ministry of Religious Affairs, BPJPH is allowed to assign its branches in every province, replacing MUI at the provincial level as coordinator in the process. At the national level, BPJPH has the authority to develop *halal* product assurance policies, issue and revoke certification, verify foreign *halal* certificates and authenticate *halal* verification and audit agencies.

LPH, the second institution, is the *halal* verification agency, acting as BPJPH's partner in testing, checking and validating *halal* products. LPH can be established by anyone, including private entities, universities and Islamic community organisations, as long as they meet BPJPH requirements in accordance with Ministry of Religious Affairs Regulation No. 26/2019. Until 2021 there were three LPHs including LPPOM MUI as the first LPH in Indonesia. In early 2022 BPJPH stated that it would permit the establishment of another nine new LPHs. In the certification process, LPH plays an important role. It is the first layer in the process of checking *halal* products. Based on the examination by LPH, BPJPH submits the documents of the company applying for *halal* certification to MUI for a final inspection and it issues a *fatwa* if it is declared to have passed. Therefore, the inspection process by LPH is the most critical stage in the *halal* certification process, in terms of both documentation and physical inspection.

The third institution is MUI and its main task is to give *syariah* rulings or issue *halal fatwa.* At the beginning of the history of *halal* certification MUI had much wider authority and was the sole regulator. Since the implementation of the Halal Product Assurance Law, the role of MUI has been more limited. The *halal fatwa* itself is issued by MUI after receiving documents from BPJPH based on the related LPH examination. BPJPH allots a *halal* certificate based on a *fatwa* issued by MUI.

Since the Halal Product Assurance Act came into being, the number of *halal* certification applications has been expanded significantly over the years while the number of *halal*-certified products has increased six-fold (Table 18.1). From 2015 to 2021, 28,561 companies received their *halal* certification; 43,665 *halal* certificates were issued encompassing 1,128,715 products (LPPOM MUI 2023). With the increase in the number of new *halal* verification agencies, BPJPH hopes that the number of *halal* certifications will expand significantly, especially for SMEs.

Table 18.1 Development of the *halal* market in Indonesia, 2015–2021

Year	2015	2016	2017	2018	2019	2020	2021
Number of companies certified by LPPOM MUI	1,038	1,661	2,450	3,440	3,987	6,720	9,265
Number of *halal* registrations	2,182	3,231	4,184	5,615	6,576	10,121	8,823
Number of *halal*-certified products	49,794	82,932	95,623	171,917	173,213	237,345	317,891

Source LPPOM MUI (2023: 22)

18.4 The Role of Law Enforcement in Developing the *Halal* Industry

Law enforcement has played a crucial role in developing Indonesia's *halal* industry. As we have seen, one of the key steps taken was the establishment of BPJPH in 2017. The agency's primary function is to provide *halal* certification, which is essential for the export of *halal* products. BPJPH has introduced several regulations that help maintain the integrity of the *halal* certification process. For example, it has prohibited the use of *halal* certification as a marketing tool and requires regular audits of *halal* certification bodies to ensure their compliance with standards. Law enforcement has also helped to create *halal* industrial zones. The government has designated several areas as *halal* industrial zones where businesses are required to comply with specific regulations, such as using only *halal*-certified raw materials and equipment (Sukoso et al. 2020).

Despite Indonesia's great potential to develop a thriving *halal* industry, much of that potential has not yet been fully realised (Fathoni 2020). Authoritative statistics offer a clear indication of some of the challenges that lie ahead. According to *State of the global Islamic economy report 2023/2024*, Indonesia ranks third place in the Global Islamic Economy Indicator category, behind Malaysia and Saudi Arabia. Meanwhile, in various *halal* sector markets, Indonesia ranks sixth in Islamic investment and finance assets; third in modest fashion related investments; first for the food consumption; fourth for pharmaceuticals consumption; second in cosmetics. However, Indonesia is not in the top 10 ranking for Muslim-friendly travel and media and recreation (DinarStandard 2023).

In developing the potential of the *halal* industry, Indonesia faces both internal and external challenges, having to compete with countries such as Malaysia, Brunei, Turkey, Pakistan, Qatar, the United Arab Emirates and so on. These external challenges affect the consumption of domestic products. If numerous foreign products enter Indonesia, the consumption of domestic products naturally decreases. Another challenge is the absence of a global *halal* certificate. This is due to the absence of a consensus round the world regarding the standardisation of international *halal* certificates. Each country has its own criteria for determining *halal* certification.

Internal factors also affect the development of the *halal* industry. There is a lack of *halal* awareness in the Indonesian population (Arifin et al. 2020; Fathoni 2020). People are aware of *halal* food products but less conscious of *halal*-certified products (Usman et al. 2021). From the consumers' perspective, this low level of *halal* awareness could be due to a lack of knowledge and understanding regarding the importance of *halal* certification (Prabowo et al. 2015; Mohamed Syazwan et al. 2015; Usman et al. 2021). Further, the Halal Product Assurance Act has fundamental flaws that cause major regulatory problems for the public (Rahmah and Barizah 2020). As we have seen, the law requires *halal* certification to be carried out in stages and this may slow down the process, especially as people have a low awareness of the differences between foreign products and local ones which need to compete in order to survive. In addition, human resources could also be a factor limiting *halal* certification (Rafiki and Kalsom 2016; Mohamed Syazwan et al. 2015). The other factor affecting *halal* certification is that it is a costly and difficult process (Prabowo et al. 2015; Mohamed Syazwan et al. 2015; Wannasupchue et al. 2021).

Since the Halal Product Assurance Act came into force there have been more regulations issued by the government to strengthen the implementation of *halal*. For example, the Ministry of Labour issued Ministerial Decree No. 215/2016 on Competency Standards for Halal Supervisors, which aims to ensure the aptitude of *halal* supervisors who have an important role in the *halal* products process in the industry, acting as the front person in the assurance system. The decree tries to ensure supervisors have the capacity and capability to guarantee the integrity of *halal* products and to protect companies from harmful cases. Overall, then, the success of *halal* assurance mostly depends on the quality and the number of *halal* supervisors.

The Halal Product Assurance Law has also demanded enormous attention from the traditional food and beverages industry. MUI issued Fatwa No. 10/2018 to regulate food and beverages containing alcohol and ethanol. Based on this *fatwa*, MUI still considers food *halal,* even if it contains elements of alcohol and ethanol, as long as it comes from the fermentation process that does not involve *khamr* or any *haram* products and does not harm the consumer medically.[1]

In 2019 Government Regulation No. 31/2019 on the Implementation Regulations of Halal Act No. 33/2014 was issued and this regulation deals with three important matters: coordination among government institutions; certification fees; and the obligatory stages of *halal* certification. In 2019 there was also a regulation of the Ministry of Religious Affairs PMA No. 26 of 2019 on Halal Product Assurance. This regulation mentions the obligatory stages of *halal* certification based on certain time frames, and also includes the plan for the establishment of LPH as well as explaining the procedures for proposing *halal* and renewing *halal* certification. A decree of the Ministry of Religious Affairs KMA No. 982 of 2019 was also issued the same year, focusing on *halal* certification services in the transition period when MUI and

[1] *Khamr* (Arabic: خمر) is an Arabic word for wine or intoxicant. In *fiqh*, *khamr* refers to certain forbidden substances, and its technical definition depends on the *madhhab* or legal school. All *khamr* contains alcohol. However, not all alcohol is *khamr*. Alcohol obtained from the *khamr*-making process is *haram.*

LPPOM MUI transferred their authority to BPJPH. It also explains the authorisation bodies in the *halal* industry, including the new roles of BPJPH, MUI and LPPOM MUI. Most recently, the government issued Government Regulation No. PP 39 of 2021. This provides detailed explanations of *halal* product assurance and strengthens earlier regulations.

18.5 Developing *Halal* Industry Law Enforcement in Brunei

As a predominantly Muslim country, Brunei has established a comprehensive legal system to regulate its *halal* industry. It is overseen by MUIB which is responsible for *halal* certification, ensuring that products and services comply with Islamic dietary laws. *Halal* certification is mandatory for all food and beverage products as well as for other consumer goods and services, such as cosmetics and pharmaceuticals. The *halal* certification process is overseen by the Halal Food Control Division of the Ministry of Religious Affairs, which is responsible for developing and enforcing *halal* standards.

In addition to *halal* certification, the legal system in Brunei also includes strict regulations governing the production and distribution of *halal* products (Asa 2019; Faridah 2019; Nor Surilawana and Norkhairiah 2021). For example, slaughterhouses must adhere to stringent guidelines to ensure that animals are killed in a humane and *halal* manner, and there are clear rules governing the use of additives and preservatives in *halal* food production. The legal system also includes measures to protect consumers from fraud and to ensure that *halal* products are properly labelled and marketed (Nor Surilawana and Norkhairiah 2021). MUIB has the authority to investigate and take legal action against individuals and companies that violate *halal* regulations and there are stiff penalties for those found to be at fault. The legal system is therefore designed to ensure that consumers have access to high-quality *halal* products. With its rigorous regulations and comprehensive certification process, Brunei is well positioned to become a leader in the global *halal* industry.

Brunei has made significant efforts to develop its *halal* industry in recent years. The country launched its own *halal* certification programme in 2017 and has been working to promote its *halal* products and services to consumers both domestically and internationally. To further develop its *halal* industry, the country can focus on law enforcement by strengthening its *halal* certification processes and ensuring that all *halal* products sold in the country are validated by government-approved bodies. This helps to build consumer trust in *halal* products and prevent fraud and mislabelling, which can damage the reputation of the *halal* industry. Another means is by investing in the training and development of its *halal* inspectors and auditors. These professionals play a crucial role in ensuring that *halal* products meet the necessary standards and that certification bodies are operating best practices. Providing ongoing training and professional development opportunities can guarantee that the *halal* certification processes are of the highest quality and that consumers can trust the *halal* products that are sold in the market. Officers of the Halal Food Control Division facilitate activities starting from application to site auditing to certification and a follow-up audit (Hajah Siti 2019).

Brunei can also look at ways to streamline its *halal* certification process to make it more efficient and cost-effective for businesses. This can include reducing the number of certification bodies and creating a centralised certification system, which will help simplify the process and reduce the costs associated with certification. There are also positive outcomes to be had by promoting the *halal* industry through marketing and branding initiatives, launching campaigns to raise awareness of the quality and safety of its *halal* products and services domestically and internationally. This will build consumer confidence in the *halal* industry as a whole and attract more businesses and inward investment to the country.

In sum, developing the *halal* industry in Brunei requires a focus on law enforcement, particularly strengthening the *halal* certification processes, training and development of *halal* inspectors and auditors, and streamlining the certification process for businesses. Through these efforts, Brunei can build consumer trust in *halal* products, prevent fraud and mislabelling, and promote its *halal* industry to a global market. Brunei has made significant progress in developing its *halal* industry and establishing a legal framework to regulate it. The country's efforts in this area have helped to position it as a global leader in *halal* certification and Islamic finance. As a result, Brunei has taken important steps to develop its *halal* industry and establish a legal framework to regulate it, with several government agencies designated as auditors to oversee the *halal* certification process. Table 18.2 summarises these agencies' activities relating to different *halal* laws.

18.6 The Future of the *Halal* Legal Framework in Brunei

As we have seen, Brunei has implemented a fully fledged *halal* legal system, which includes the Halal Certificate and Halal Label Order 2017, to regulate the production, distribution and consumption of *halal* products and services. This legal framework is expected to shape the country's economic and social landscape in the years to come. The future of the *halal* legal system in Brunei is expected to be positive as it aligns with the country's vision to become a leading global *halal* hub. With an increasing demand for *halal* products and services worldwide, the *halal* certification system provides a competitive edge to local businesses that cater to the *halal* market and further enhances the country's reputation as a country that upholds Islamic values and principles. Beyond food and beverages, the government has made significant efforts to promote the country as a hub for Islamic finance, *halal* tourism and education, and the *halal* legal system supports each of these initiatives.

As should be clear, the *halal* industry is a significant sector for Muslim-majority countries, and developing the industry requires a concerted effort by governments and businesses. By learning from Indonesia's experience, Brunei can focus on three key

Table 18.2 Brunei Darussalam: Agencies assigned to the enforcement of *halal* laws

Areas	Agencies	Legislation
Islamic matters	Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council), Ministry of Religious Affairs	• Islamic Religious Council and Kadis Courts 1984, Cap. 77
Fatwa and *syariah* matters	State Mufti's Office, Prime Minister's Office	• Islamic Religious Council and Kadis Courts 1984, Cap. 77
Certification and audit	Halal Food Control Division, Department of Syariah Affairs, Ministry of Religious Affairs	• BCG 1—Guideline for Halal Certification • BCG 2—Guideline for Halal Compliance Audit • BCG 3—Guideline for Halal Compliance Auditor • BCG 4—Guideline for Halal Surveillance Audit
Food and veterinary	Agriculture and Agrifood Department, Ministry of Primary Resources and Tourism	• Halal Meat Act S 30/1998, Cap. 183 • Halal Meat Act S 30/1998, Cap. 183, Halal Meat Rules R1 S 20/1999 • Halal Meat Act S 30/1998, B.L.R.O. 3/2014 • Halal Meat Act S 30/1998, Cap. 183, Halal Meat Act S 30/1998, Cap. 183, S 21/2016 • PBD 27:2016—Brunei Standard for Organic Agriculture (Vegetables and Fruits) • PBD 30:2016—Crackers from Marine and Freshwater Fish, Crustacean and Molluscan Shellfish
Food safety and importation	Food Safety and Quality Control Division, Ministry of Health	• Public Health (Food) Act, Cap. 182 S 17/1998 • Public Health (Food) Act, Cap. 182, Public Health (Food) Regulations Rg 1 • Public Health (Food) Regulations. 2001, S 27/01 • Public Health (Food) (Amendment) Regulations, Cap. 182, S 006/2013

(continued)

Table 18.2 (continued)

Areas	Agencies	Legislation
Halal standards for food, medicine and cosmetics	National Standards Centre, Prime Minister's Office	• PBD 24:2007—Brunei Darussalam Halal Food Standard • GD 24:2010—Brunei Darussalam Guidelines for Manufacturing and Handling of Halal Medicinal Products, Traditional Medicines and Health Supplements • PBD 26:2016—Brunei Darussalam Guidelines for Manufacturing and Handling of Halal Cosmetics
Enforcement of *halal* laws	Attorney General's Chambers, Prime Minister's Office	• Halal Certificate and Halal Label Order 2005 • Halal Certificate and Halal Label Order 2017 (Amendment)
Import and export activities	Royal Customs and Excise Department, Ministry of Finance and Economy	

determinants of success—law enforcement, streamlining its certification processes, and promoting its *halal* industries through marketing and branding. These efforts will help to build consumer trust in *halal* products, prevent fraud and mislabelling, and drive the growth of the *halal* industry in these countries. The *halal* legal system is likely to have a positive impact on Brunei's economy and reputation as it enables local businesses to insert themselves into the growing *halal* market and supports the country's vision to become a leading *halal* hub.

The Indonesian case study offers several lessons for Brunei. First, the establishment of a *halal* certification agency is crucial for the development of the industry. The agency must be independent and have the necessary authority to ensure the integrity of the certification process. Second, the use of *halal* industrial zones can help promote development, since these zones help create a conducive environment for the industry to thrive and ensure that all products produced in the area are *halal*-certified. Third, the government can also create several economic zones and *halal* parks to attract inward investment in the *halal* industry. These zones can provide various incentives and infrastructure to support the growth of *halal* businesses. In this way, the Indonesian government has shown a strong commitment to the industry's development, which has been instrumental in its growth. Finally, Brunei can also learn from Indonesia's efforts to promote the *halal* industry through marketing and branding. Indonesia has launched several initiatives to promote its *halal* industry, including the Halal Tourism Acceleration and Development Programme and the Indonesia Halal

Lifestyle Centre. These initiatives have helped to raise the profile of the Indonesian *halal* industry and attract more consumers and businesses.

18.7 Conclusion

The *halal* industry presents significant opportunities for Muslim-majority countries and Brunei is no exception. The Indonesian case study offers valuable lessons on the role of law enforcement in the industry's development. The establishment of a *halal* certification agency, the use of *halal* industrial zones and the government's commitment to the industry's development are all critical factors for success. By implementing these measures, Brunei can position itself as a significant player in the global *halal* market. To further develop its *halal* industries, Brunei can learn from Indonesia's experience and focus on law enforcement. In particular, it can look at ways to strengthen its *halal* certification processes and ensure that all *halal* products are certified by government-approved bodies. This will increase consumer trust in *halal* products and help prevent fraud and mislabelling, which can damage the reputation of the *halal* industry.

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Chapter 19
The *Halal* Pharmaceutical Supply Chain Traceability System: Malaysia, Japan and Brunei Darussalam

Siti Fatimahwati Pehin Dato Musa, Wardah Hakimah Sumardi, and Rozaidah Idris

Abstract The production of *halal* pharmaceuticals in Muslim countries is a growing industry with high market demand. Muslim consumer spending on pharmaceuticals was USD108 billion in 2022 and is forecast to reach USD142 billion in 2027. Due to the growing demand for *halal* pharmaceuticals, business leaders have begun to respond to the call for *halal* integrity in medicines and related products in which all ingredients should be permissible to use and consume and be alcohol-free. This chapter examines the use of a traceability system to ensure the *halal* integrity of pharmaceuticals. A traceability system enables the identification of product ingredients' *halal* status along the production chain and can also act as a communication tool to ensure that information related to *halal* products is available along the supply chain and eventually to consumers. The chapter gives an overview of the development of the use of traceability systems in the pharmaceutical supply chain, including the use of state-of-the-art technology, through case studies of Malaysia, Japan and Brunei Darussalam.

Keywords Malaysia · Japan · Brunei Darussalam · *Halal* pharmaceuticals · Traceability system · *Halal* supply chain · *Halal* integrity · New technology · Digitisation

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19.1 Introduction

The *halal* industry is an extremely fast-growing sector of the global economy. To focus on one prominent element of this, the most recent *State of the global Islamic economy report 2023/24* estimates that Muslim spending on *halal* food reached USD1.4 trillion in 2022 and is projected to increase to USD1.89 trillion by 2027 (DinarStandard 2023). The *halal* food industry is profitable, not least with the rapid growth of the worldwide Muslim population, estimated to be around 2 billion. In addition, *halal* consumption is gaining popularity among non-Muslims due to the reputation of *halal* food being hygienic, safe and ethical (Mansoor et al. 2022). However, in the process of developing new technologies, there is an increased risk of *halal* principles and practices being violated. This is captured in the term '*syubhah*', a grey area in which any food or drink that does not possess clear classification under the *halal* or non-*halal* categories is considered a questionable or dubious product (Reezlin et al. 2021). Furthermore, global consumers are demanding more information on the foods they consume, particularly regarding ethical considerations, triggering the need for more transparency in the supply chain.

The *halal* supply chain can be defined as the integration of business processes and activities from the point of origin to the point of consumption according to Islamic law or *syariah* (Emi and Harlina 2011). While the traditional supply chain focuses on cost reduction, the *halal* supply chain is more concerned with maintaining the *halal* integrity of the product (Abdul Hafaz et al. 2014). Due to the increasing demand for *halal* products, many businesses and stakeholders are striving to meet these demands by preserving *halal* product integrity throughout the supply chain. It is the role of policymakers and regulators to ensure *halal* standards throughout the supply chain are adhered to and prevent activities that contradict government legislation.

The development of the so-called Fourth Industrial Revolution (Industry 4.0)—including the rise of data and connectivity, analytics, human–machine interaction and improvements in robotics—demands that many businesses need to adapt to changes in technology, including the *halal* industry (DinarStandard 2020). Digitising the *halal* industry by utilising the 'internet of things' in the system of traceability has expedited the handling of the supply chain and is considered a reliable platform for enhancing the *halal* supply chain (Hazwani et al. 2019). The internet of things is a network of wirelessly connected devices such as radio frequency identification (RFID) tags, sensors, actuators and smartphones, transferring data through internet connectivity and stored on cloud servers (Karim et al. 2022). These managed cloud services can enhance safe data-sharing activities, realise significant profitability via business efficiencies in expedited decision-making processes, and decrease waste and operational inefficiencies (Lynn et al. 2020). The internet of things offers five major benefits for halal food supply chains—traceability of products, empowerment of supply chain efficiencies, assisting livestock management, authentication of food *halal* status and monitoring of *halal* certifications (Rejeb et al. 2021). These features are examined in relation to the pharmaceutical industry.

19.2 Overview of the *Halal* Pharmaceutical Industry

The *halal* production of pharmaceuticals in Muslim and non-Muslim countries is a growing industry with high market demand. Muslim consumer spending on pharmaceuticals was USD108 billion in 2022 and is forecast to reach USD142 billion in 2027, with a compound annual growth rate of 5.7% (Dina Standard 2023). Some important *halal* pharmaceutical companies include Duopharma Biotech (Malaysia), Chemical Company of Malaysia, Pharmaniaga (Malaysia), Simpor Pharma (Brunei Darussalam), EMBIL Pharmaceutical (Turkey), Nutramedica (Philippines), Hovid (Malaysia) and Bosch Pharmaceuticals (Pakistan) (Adroit Market Research 2024). The majority of pharmaceuticals and medicines are not *halal*-compliant and the absence of detailed information about additional ingredients in drug brochures is one of the factors that cause the *halal* drug status to be unknown (Noorizan et al. 2014). A possible remedy is to demonstrate reassurance on traceability and production procedures that may help to raise confidence in the integrity and origins of ingredients (Haleem et al. 2021).

Halal pharmaceuticals are defined as products that comprise ingredients approved by *syariah* law. According to the Department of Standards Malaysia's Halal pharmaceuticals: General guidelines (2012), *halal* pharmaceutical products must fulfil the following conditions:

a) do not contain any parts or products of animals that are non-*halal* by *Shariah* law or any parts or products of animals which are not slaughtered according to *Shariah* law;
b) do not contain *najs* [something dirty] according to *Shariah* law;
c) safe for human use non-poisonous, non-intoxicating or non-hazardous to health according to prescribed dosage;
d) not prepared, processed or manufactured using equipment contaminated with *najs* according to *Shariah* law;
e) do not contain any human parts or its derivatives that are not permitted by *Shariah* law; and
f) during its preparation, processing, handling, packaging, storage and distribution, the *halal* pharmaceutical products are physically separated from any other pharmaceutical products that do not meet the requirements stated in items a), b), c), d) or e) or any other items that have been decreed as non-*halal* and *najs* by *Shariah* law.

Halal pharmaceuticals should also be free from impure (*khabith*) contamination. Ensuring products are *halal* and wholesome (*tayyib*) is imperative for the integrity of their *halal* status (EIU 2020).

Due to the growing demand for *halal* pharmaceuticals, leaders in the industry have begun to respond to the call for *halal* integrity in medicines so that all ingredients should be permissible to use and consume and be alcohol-free (Sugibayashi et al. 2019; Akram 2022). The procedures have to adhere to optimal hygiene with no contamination in which *halal* ingredients are utilised across the procedure. Production must be monitored by qualified scientists with *halal* quality assurance experience. Moreover, advanced research is required to determine optional ingredients in adherence with *halal* standards.

19.3 The Traceability System in the *Halal* Pharmaceutical Supply Chain

A traceability system in the *halal* supply chain is a system that enables the identification of product ingredients' *halal* status along the production chain (Nizamuddin et al. 2020). It is also a communication tool to ensure that information related to *halal* products is available along the entire supply chain (Suhaiza et al. 2010). Traceability in the supply chain has the competence to follow and store the locality and history of a product, documenting all the processes and practices of a product and being accessible to consumers or other supply chain stakeholders (Sutawijaya and Nawangsari 2019).

There are three types of traceability systems: internal traceability, external traceability, and internal and external traceability (Zhang and Bhatt 2014). In traceability systems, products are given a unique product identification number that records all processes from procurement of raw materials and parts to processing, assembly, distribution and sales. Internal traceability involves the entire process that takes place within the production line before the product or batch is delivered. The internal traceability system helps link the identities of raw materials to those of the finished goods. In external traceability, the traceable product identification numbers and information are communicated to all participants in the distribution system. The numbers are often found on product labels and electronic business documentation. Internal and external traceability, meanwhile, involves a system where every stakeholder should be able to determine the direct source and receivers of traceable products through recorded and stored information that is accessible by all whenever required (International Trade Centre 2015). Most importantly, determinants such as trading partners, product and processing areas, products that a company invents, company logistics departments that receive or ship, internal and external shipments, and proper date and time metrics, among others, are essential to ensure an effective traceability system (Reddy et al. 2022).

According to Nizamuddin Zainuddin et al. (2020), the functions and advantages of the traceability system in the *halal* food supply chain can be summarised in four aspects. 1) To upgrade transparency in the supply chain resulting in the growth of consumer trust in food safety and guarantee food safety levels due to the greater amount and flow of information about a product's origins, production procedures, food or product safety protocols, living conditions of animals and use of supplements. 2) To decrease the risk of liability claims since an appropriate traceability system is an excellent means for companies to counterattack liability claims and to retrieve claims from other participants in the supply chain. 3) To improve the efficacy of recall as traceability systems enhance the quality of recalls, thereby decreasing costs and empowering the image of the supply chain. 4) To empower the control of livestock epidemics as a traceability system delivers surveillance of animal movements.

Traceability in pharmaceutical manufacturing can include in-house traceability in production plants to traceability in entire segments of the production chain, from raw material to consumers. The traceability system in the *halal* pharmaceutical supply chain is crucial in retaining the *halal* integrity of products and ensures *halal* supply chain performance, such as through the use of RFID, which can track and reveal a product's data history (Haji et al. 2021). Such resource abilities are very challenging for competitors to imitate, thus creating a source of competitive advantage for service providers.

The technological adaptability in *halal* pharmaceutical supply chain traceability offers many benefits. These include ensuring product quality, security and safety across the pharmaceutical supply chain. The traceability system further assists in fulfilling consumer expectations, generating maximum product flow management and boosting speed across the pharmaceutical supply chain. This could be executed via new technologies, especially RFID, the internet of things, artificial intelligence and blockchain (Nor Azizah and Nor Hapiza 2021). Moreover, traceability helps in fulfilling regulatory requirements, linking with the key players in the upstream supply chain, and disclosing to the consumers the provenance and expediting of *halal* products, frequently using images or scannable QR codes on packaging (Norton 2019). According to the International Trade Centre (2015), supply chain traceability permits businesses to observe and protect against risk in real time. It allows businesses to create informed management decisions resulting in the growth of market presence and decreased operating costs. Furthermore, the visibility of information generated by traceability systems enables businesses to use their resources and procedures more efficiently and efficaciously and broaden their long-term profitability. The traceability system can decrease out-of-date product losses, reduce storage levels, accelerate the identification of procedures and supplier difficulties, improve the quality of logistics and provision operations, and enhance consumer confidence. As a result, the relationship between the *halal* traceability system on *halal* supply chain integrity and performance is useful to mitigate the issue of *halal* logo misuse and doubts over the status of *halal* products. The traceability system also assures the authenticity of *halal* products, thus enhancing the entire *halal* supply chain integrity and performance (Norasekin et al. 2018). This discussion in this chapter, then, aims to explore the *halal* pharmaceutical supply chain traceability practices in Malaysia, Japan and Brunei. Insights into barriers affecting supply chain traceability systems in the *halal* pharmaceutical sector are also considered.

19.4 Methodology and Materials

This chapter employs content analysis to determine the current approaches and technology in *halal* pharmaceutical supply chain traceability in the published literature. The qualitative method is applied to transform a massive volume of material into a clear and succinct summary for the most significant results. Articles were gathered from the Web of Science database. The spectrum of research compressed the research objective for the period between 2012 and 2023. Around 80 articles were analysed and selected by separating the approaches and technologies to address *halal* pharmaceutical supply chain traceability. The focus was on the common setting of traceability in terms of approaches and technologies. Eight keywords were utilised for searching articles, namely 'RFID', 'internet of things', '*halal*', 'pharmaceutical', 'artificial intelligence', 'mobile apps', 'supply chain traceability' and 'innovative technology', targeting Malaysia, Japan and Brunei as comparative case studies.

19.5 *Halal* Pharmaceutical Supply Chain Traceability Practice in Malaysia, Japan and Brunei

19.5.1 Malaysia

Malaysia is a multiracial country with a population of 34 million, of whom about 64% are Muslims. Malaysia is the leader in the global *halal* industry with an export value for *halal* products of MYR59 billion in 2022, contributing 7.4% to the country's GDP. The expansion of the Malaysian *halal* pharmaceuticals, cosmetics and personal care sectors, consisting of medical and pharmaceutical products as well as essential oils, perfumes, toiletries and cleaning kits, is worth more than MYR2 billion. Malaysia is a frontrunner in the expansion of *halal* pharmaceutical products where Muslim consumer spending was USD108 billion in 2022, with the market forecast to reach USD142 billion by 2027 (Jakovljevic et al. 2021; DinarStandard 2023). Malaysia has introduced the world's first *halal* pharmaceutical standard and empowers its regulation through the Halal Development Corporation (HDC), and *halal* certification for medical devices guided by Jabatan Kemajuan Islam Malaysia (JAKIM, Department of Islamic Development Malaysia) and the International Halal Authority Board (IHAB) (Akram 2022). Malaysia also cooperates with Saudi Arabia in advancing its *halal* pharmaceutical sector. A USD35 million project has been implemented by two entities, Bioeconomy Corporation (the lead development agency for the bio-based industry in Malaysia, under the purview of the Ministry of Science, Technology and Innovation) and AJ Pharma Holding (established by the Aljomaih Group of Saudi Arabia as a dedicated health care investment company in Malaysia), and the production complex will be developed at the Enstek Halal Park, focusing on creating sufficient supply to the *halal* pharmaceutical market (Jakovljevic et al. 2021). Likewise, Malaysia's first medical device company, Worldwide Medivest, has spent RM80 million to develop *halal* surgical suture production (Adroit Market Research 2024).

Here we look at some uses of state-of-the-art technology. Malaysia has been utilising RFID in its *halal* supply chain traceability since 2012, particularly a computerised *halal* traceability and tracking system that monitors raw materials from source to end product (Siti Zakiah et al. 2012). There have been other Malaysian technological innovations. It has introduced a *halal* pharmaceutical traceability system to be used in mobile apps (Abd Jalil et al. 2015). In 2019 Serunai Commerce pioneered the world's first Global Halal Data Pool, a global initiative that connects accredited *halal* suppliers, manufacturers, product service providers, buyers and retailers onto the global marketplace; and Verify Halal apps have deployed a blockchain-powered digital *halal* supply chain called the Halal Digital Chain (HADIC) mobile app, supported by JAKIM and IHAB. HADIC aims to create an integrated and secure digital *halal* ecosystem that connects elements across the *halal* value chain and is aligned with JAKIM's world certification institutions. The integrity of product information is safeguarded which generates a highly transparent traceability system. HADIC has transformed into an end-to-end interface and satisfied the entire dimensions of the market, from verification and supply chain traceability to consumer discernment and secure payments. HADIC is thus a safe digital expressway that links vast databases along the supply chain through multiple ledgers protected by blockchain, enabling participants to leverage the system's safe connections and interface to easily access the world *halal* digital chain with over 42 international markets. HADIC also integrates the Verify Halal apps which generate immediate verification of a product's *halal* status and offer a completely traceable supply chain. HADIC also assembles geotagging, comments, ratings and data analytics that assist users with a complete integrated business intelligent network, navigating the digital *halal* economy. In addition, HADIC creates unique QR codes that could be operated to track and generate consumers and marketers with comprehensive, upgraded and pragmatic information about a product. HADIC thus empowers business procedures and efficacy by determining and flagging any production or regulatory issues across the supply chain in a systematic, stage-by-stage approach (Salama 2019). HADIC also integrates *halal* cosmetics and pharmaceuticals into the apps, and to simplify procedures all *halal* businesses converge into one mobile app (Whitehead 2019).

Another *halal* supply chain traceability mobile app is the blockchain with QR codes which incorporates pharmaceuticals, cosmetics and other *halal* products (Tan et al. 2022). This model received considerable attention and was instantly implemented in 2022 by Fluree, a US secure data management company, in collaboration with the Malaysian supply chain company, Sinisana Technologies. The blockchain-based app traces *halal* products from origin to store shelves and allows the Malaysia-headquartered supply chain company to generate fortified end-to-end *halal* product sourcing, derivation and safe products for its consumers (Johnson 2022; Kellner 2022). Sinisana is a highly respected supply chain solution leader in Southeast Asia. Using Fluree's blockchain-based database technology, Sinisana can offer its supply chain and logistics consumers transparency and integrity across the complete range of *halal* products. Sinisana provides rich, real-time and integrated data that allow businesses to make better decisions, efficaciously recall items, avoid counterfeiting, prove virtuous sourcing and predict demand. Moreover, pesticide and herbicide tracing, ingredient tracing, third-party lab incorporation, *halal* certification, organic certification and multi-ingredient traceability are also included in Sinisana apps, to accommodate further verification and credibility. This can generate further trust and transparency throughout business-to-business partners within a network and safeguard assurance and liability for consumers who care about the sourcing and managing of *halal* products (Kellner 2022).

With the digitisation of its *halal* pharmaceutical supply chain traceability via innovative blockchain mobile apps and its well-established *halal* pharmaceutical standard and *halal* pharmaceutical certification, Malaysia can be seen leading the global *halal* pharmaceutical industry (Department of Standards Malaysia 2012; Medina 2020).

19.5.2 Japan

Japan is a Muslim-minority country with a population of about 230,000 Muslims, most of whom are foreign residents (NPO Japan Halal Association 2023). From this low base figure, there has been a steady increase of the Muslim population and the government is making concerted efforts to attract more Muslim tourists to the country, and as a result the *halal* industry has developed over the years. The Japan Halal Association provides *halal* certification, consultation and training services to businesses interested in serving the Muslim market.

Japan's effort to develop its *halal* industry has realised many achievements. Among others, these include the World's Best Non-OIC Emerging Halal Destination at the 2016 World Halal Tourism Awards in Abu Dhabi, United Arab Emirates, with 24 million foreign tourists in 2016, exceeding the targeted goal of 20 million foreign tourists by 2020 (Abdul Qodir et al. 2019). There are now over 1,000 *halal*-certified restaurants (inclusive of *halal* raw materials and cooking techniques that isolate *halal* and non-*halal*), with cities such as Tokyo, Osaka, Kyoto and Hokkaido being famous for their *halal* food business (Khan 2022; NPO Japan Halal Association 2023). Japan is also a significant importer of *halal* products from Malaysia, with a value of MYR3.6 billion in 2022 (Nadzirah et al. 2020; MIDA 2024).

There are currently several *halal* certification bodies in Japan. In particular, the Japan Islamic Trust (JIT) Halal Certification Office promotes the broadest range of testing, inspection and certification for crop science, food, health science, cosmetics and hygiene industries, and offers services for analysing, inspecting and testing products manufactured by Japanese companies so that these products fulfil the principles of the Qur'an and Hadith (Japan Islamic Trust 2024). JIT's rigorous standards and examinations correspond to those in leading Islamic markets such as the Middle East and other Muslim countries in Asia and is recognised by JAKIM. The JIT *halal* logo is acknowledged worldwide as a symbol of integrity and the logo and certificate fulfil international standards mandatory for exporting products to countries like Malaysia, Singapore, the United Arab Emirates, Saudi Arabia, Qatar and so on. JIT certification also adheres to the requirements of ISO 17065:2012 and ISO 17021:2011 on conformity assessment.

Japanese companies have also been adapting to meet new market demands. Sankyo is a Shizuoka-based manufacturer and exporter of mechanical soft capsule processors and health care food and pharmaceuticals and has obtained *halal* certification for several production lines at its Hinode factory, which has acquired good manufacturing practices (GMP), FSSC 22000 and NSF-GMP certification from the Japan Health Food and Nutrition Food Association as well as *halal* certification from JIT. Sankyo is now striving to consolidate exports to Malaysia, Indonesia and other Southeast Asian countries (Salam Groovy Japan 2021). Meanwhile, Kikkoman Biochemifa acquired *halal* certification from the Japan Muslim Association and is one of the affiliates of Kikkoman Corporation, the world's top soy sauce producer. This company has marketed sodium hyaluronate to the medical and pharmaceutical sectors for more than 15 years and successfully acquired *halal* certification for Sodium Hyaluronate Pharma Grade 80, Sodium Hyaluronate Pharma Grade 150, Sodium Hyaluronate FCH-80LE and Sodium Hyaluronate GS from the Japan Muslim Association (CPHI Online 2024).

The Halal Development Foundation Japan (HDFJ) is an institution whose mission is to offer *halal* products, develop awareness about *halal* for Japanese products and encourage Muslim tourism to Japan. HDFJ operates as a professional service provider for *halal* certification, brands, exhibitions, standardisation, and trade and tourism development, fostering opportunities for businesses in Japan with Muslim companies and partners in the global market to deliver distinctive *halal* segments such as food and beverages, pharmaceuticals, banking and tourism. It has expertise in areas such as agriculture, technology and food analysts. Apart from HDFJ, both Nippon Asia Halal Association and the Japan Halal Association are also responsible for delivering certification, consultation and publications, establishing lectures and seminars on *halal* and Islam, and building *halal*-based and Muslim-friendly tourism as well as supporting privately own organisations that generate *halal* certification.

Despite the establishment of all these organisations, there is no single government organisation that manages *halal* certification in Japan. This can be a hindrance because it is likely that every organisation has differing screening and verification standards (Abdul Kodir et al. 2019). One promising development is Society 5.0, introduced by the Japanese government in 2016 to integrate various technologies, such as artificial intelligence, which envisages a more human-centred society that is in harmony with economic progress. The result is meant to create individuals who can benefit from a high quality of life by building new values and remedies to address problems such as the *halal* supply chain traceability advancement (Kawai and Nakazaki 2024). This model was proposed for Malaysia's future *halal* supply chain by Yudi Fernando et al. (2021). As a result, the *halal* supply chain model in Society 5.0 has been launched, and a prime example is the way Nippon Express, one of the world's largest transporters, has been working on a digital platform for more efficient distribution of *halal* pharmaceuticals. Nippon Express deployed a *halal* transportation service and had *halal* certification issued by the Japan Halal Association acquired by the Tokyo Marine Shipping Branch and by the Fukuoka Marine Shipping Branch (for warehousing and transportation by container trolley) (Nippon Express 2020). Nippon Express has invested up to JPY100 billion in a physical logistics network, designated warehouse and vehicles dedicated to pharmaceuticals, while revamping an internet of things and blockchain-based information system to allow end-to-end traceability and transparency. Nippon Express also developed a relationship with Accenture to develop a blockchain system for its pharmaceutical digital platform and also collaborated with Intel and Honeywell for the Global Cargo Watcher Advance system, a cloud-based tracking system with an electronic tag for semiconductor tool shipments that can log temperature, humidity, light, shock and tilt for pharmaceutical shipments. These tags sweep via reader gateways and their master units upload the data with GPS-based location information to a cloud and store it in the blockchain ledger. This enables consumers to view in real time the whereabouts of their cargo, allowing owners to handle incidents such as temperature deflections in a timely manner. This blockchain has eliminated fraud and delays that generate big data that could maximise supply chains. Pharmaceutical shipments would be secure, safely tracked and accelerated across borders on a blockchain ledger and perilous shipments may occur before orders are made and rerouted in real time. This platform is an open system that can be utilised by all stakeholders (Nippon Express 2020).

The Japanese government and the business community also believe that the kinds of digital transformation described here could accelerate the attainment of the United Nations Sustainable Development Goals and endorse the notion of Society 5.0 as a link between the two.

19.5.3 Brunei Darussalam

Brunei is a Muslim country with a total population of 445,000, of whom 82% are Muslim (Amirul et al. 2022). It is one of the leading nations in the *halal* economy and is performing strongly in the food, media and recreation, and travel sectors. As the global *halal* economy flourishes, Brunei is working towards capitalising on the profitable and promising conditions of diverse *halal* segments (Mohamed Syazwan 2021). However, according to the current *State of the global Islamic economy report 2023/24*, the Brunei *halal* pharmaceutical and cosmetics industry is not ranked in the top 10 countries though it was placed eighth in 2019–2020 (DinarStandard 2023). There is clearly a lot that needs to be done to improve its presence in the global market.

In 2010 the Ministry of Religious Affairs issued guidelines for the manufacturing and handling of *halal* pharmaceuticals, thus setting the stage for the establishment of *halal* pharmaceutical companies in the country and the potential for exports (Wan 2014). Among its initiatives, Brunei plans to build a bio-innovation corridor to sustain the development of *halal*-certified industries, particularly *halal* food products, cosmetics, pharmaceuticals, biotechnology and logistics (Amirul et al. 2022).

Simpor Pharma is the first Brunei *halal* pharmaceutical manufacturing company, delivering expansive contract manufacturing services for branded nutraceutical and pharmaceutical companies. The company is a foreign direct investment (FDI) collaboration between Viva Pharmaceutical of Canada and the Strategic Development Capital Fund, one of Brunei's equity funds. With an investment value of more than USD26 million, it is Brunei's first GMP and *halal*-certified contract manufacturer of pharmaceutical and cosmetic items. In terms of services, Simpor Pharma's quality control laboratory promotes in-house testing as well as physical, chemical analytical and microbiological testing upon request. Simpor Pharma validates chemical components in raw materials and finished products and the confirms the absence of hazardous bacterial and other microbial contamination. Apart from this, Simpor Pharma also promotes a few procedures and services such as colour coating, logo printing, packaging and labelling. It strives to elevate itself as a hub for exporting *halal* pharmaceutical products and health supplements in the global market, and is already one of the top companies in the *halal* pharmaceutical market (Adroit Market Research 2024; Simpor Pharma 2024; *Borneo Bulletin* 2024).

Halal certification is issued and controlled by Majlis Ugama Islam Brunei (MUIB, Brunei Islamic Religious Council) under the Ministry of Religious Affairs. Brunei's *halal* certification is recognised for its credibility and reliability as the ministry is the only authority in the country with the jurisdiction to decide whether or not a company should be certified as *halal* (Amirul et al. 2022). The implementation of the Syariah Penal Code Order 2013 further accelerated confidence in Brunei's goal of becoming a *halal* industry hub through streamlining *halal* certification issues and as a country that exercises Islamic law as a pillar of its governance system. Capitalising on its strength, Brunei has ventured into the *halal* pharmaceutical industry as an opportunity to diversify its economy as a key element in its Wawasan Brunei 2035 development strategy (Suhana et al. 2017). Instead of concentrating on *halal* food logistics which has massive competition from other food-producing and exporting countries, concentrating on the production and distribution of *halal* pharmaceuticals could be a more attainable stimulus to *halal* integrity and enable more space for the sector to prosper (Tan et al. 2017).

Despite Brunei's strength in *halal* certification and growing *halal* pharmaceutical sector, the country has yet to adopt supply chain traceability technology. As Brunei moves towards transforming into a 'smart nation', as indicated in its Digital Economy Masterplan 2025, the country can tap into digitalising its *halal* pharmaceutical industry to escalate the industry's productivity and diversification by enriching its transparency and governance (Digital Economy Council 2020). However, it is acknowledged that technological constraints may be an impediment for Brunei *halal* pharmaceutical supply chain stakeholders to achieve competitive advantage in the industry, both nationally and internationally. Nonetheless, government support to embrace the application of technology in the *halal* pharmaceutical supply chain traceability among all stakeholders is important and is recognised as such.

19.6 Barriers to *Halal* Pharmaceutical Supply Chain Traceability

Despite the benefits of the *halal* traceability system in the *halal* pharmaceutical supply chain, there are barriers to its effective implementation. First, traceability configurations do not ensure completely secure transparency and product safety. Actual consumer engagement and a consumer-based standpoint may not always be accurate. Such a consumer facility is required because it is strongly related to efficient supply chains that satisfy their final user demands appropriately (Anastasiadis et al. 2021). Second, RFID hardware restricts the computational ability of its components, specifically the tag. Due to this, traditional approaches based on public-key cryptography or symmetric key algorithms cannot be utilised (D'Arco and De Prisco 2018). On the other hand, in the internet of things, certain attributes such as deployment, mobility and complexity have led to extreme security flaws that cannot be tolerated (Neshenko et al. 2019). Moreover, malicious assaults on internet of things devices might breach data security, resulting in errors in reported data. As a consequence, a cautious blueprint to protect the internet of things is crucial. The artificial intelligence indication of human labour as the proneness to depend on technology beyond AI could also jeopardise the need for human force. Furthermore, as the blockchain consists of a huge volume of data transactions, every block consumes vast storage space. A huge number of blocks are interconnected to develop the blockchain, resulting in storage deficiencies. Scalability issues emerge when the number of blocks in a blockchain increases, leading to risk in the network's performance due to the failure to cope with the increased network speed (Nor Azizah and Nor Hapiza 2021).

In other words, barriers to *halal* pharmaceutical supply chain traceability are significant and need to be addressed urgently. They include technological complexities and difficulties; inadequate regulation; low visibility and transparency; cost issues; insufficient information and efficacious communication; poor quality or inadequate availability of raw materials; insufficient knowledge regarding the process of manufacturing; inappropriate packaging and storage; and weak logistics and distribution (Haji et al. 2021).

19.7 Conclusion

This chapter offers a content analysis that discusses *halal* pharmaceutical supply chain traceability technology through the internet of things. It is argued that a traceability system is crucial to ensure *halal* integrity, generate trust and transparency throughout business-to-business partners within a network, and safeguard assurance and liability for consumers. The success of traceability in the *halal* pharmaceutical supply chain industry relies on many factors, including the availability of technologies, know-how and government regulations, among others. As a global *halal* pharmaceutical industry leader, Malaysia has embraced a traceability system in its supply chain through the use of RFDI and mobile apps. Likewise, Japan has utilised blockchain technologies and the internet of things to allow end-to-end traceability in its pharmaceutical supply chain. While Brunei strives towards strengthening its foothold in the *halal* pharmaceutical market, it is clear that the adoption of technologies in the *halal* pharmaceutical supply chain is essential. Despite the significant insights presented here, more studies are needed to understand the different approaches and technologies of *halal* pharmaceutical supply chain traceability for a comprehensive understanding of challenges that need to be confronted. Future research could conduct a stakeholder survey on *halal* pharmaceutical supply chain traceability issues and identify possible remedies.

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Glossary of Non-English Terms

Ahl al-kitāb People of the Book
Akhlaq ethics
al-ijarah thumma al-bai leasing agreement
aqidah creed
ar-rahnu short-term liquidity through collateralised assets
awar galat good manners and respectful humility
bai bithaman ajil deferred payment sale or credit sale contract
baldatun thayyibatun wa rabbun ghafur ideal state and political conditions
baligh person who has reached maturity or puberty, and has full responsibility under Islamic law
daruriyyat essentials or necessities of *syariah* law
dhabihah prescribed method of slaughter for *halal* animals
dharuriyat essentials
fardhu kifayah religious obligation imposed on the whole community
fiqh jurisprudence
gerai stall
gerai jangka pendek short-term stall
gerai tetap permanent stall
gharar excessive uncertainty or risk
hajiyyat necessities, needs of *syariah* law
halal permissible in Islamic law
haram anything that is forbidden by Islamic law
ibadah good deeds
ihsan excellence, perfection
ijtihad independent or original legal reasoning of judgments
khabith impure
khalifah successor, ruler, leader
khamr wine, intoxicant
mafsadah harmful, destructive
maisir gambling

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maqasid syariah precise instructions and a framework for objectives or purposes behind Islamic law
maslahah public interest
Melayu Islam Beraja Malay Islamic monarchy
muamalat commercial transaction, dealings
mudarabah partnership where one party provides the capital while the other provides labour and both share in the profits
mudarib entrepreneur or working partner
mullah Islamic religious teacher and leader
murabahah cost-plus-profit sale agreement
mushaf codex, book
najis ritually unclean
najs something dirty
negara zikir nation devoted to God
omoiyari sympathy and compassion towards another person
perayaan festive market
rabb-ul-mal investor or silent partner
riba interest or usury in business and trade
rizq sustenance
sadaqah voluntary charity
sertu process of ritual or purification cleansing
shinbutsu-shūgō syncretic combination of Shinto and Buddhism
siyasah syar'iyyah policies, governance, rulings formulated by governments that are aligned with *syariah* law
sukuk financial certificate, bond
Sunna body of traditional social and legal custom and practice of the Muslim community
syariah Islamic canonical law
syubhah questionable, dubious
syura*, *shura talk, negotiate
tahsiniyyat complementary interests of *syariah* law, luxury
takaful cooperative insurance model
tamu gathering place to buy and sell
taqwa piety, a fear of God
tayyib wholesome, clean in Islam
tayyiban purity, wholesomeness and lawfulness in Islam
ulama body of Muslim scholars who are recognised as having specialist knowledge of Islamic sacred law and theology
ummah Muslim community throughout the world
wadi'ah safekeeping or custodial arrangement
waqf endowment made by a Muslim to a religious, educational or charitable cause
wudu ablution ritual before prayers
zakat annual tax on Muslims to aid poor people in the Muslim community

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