HALAL INDUSTRY MASTER PLAN 2030

PROMINENT, VISIBLE AND GLOBALISED HALAL MALAYSIA

EXECUTIVE SUMMARY
The objectives of the HIMP 2030 is to leverage and strengthen the foundation laid in HIMP 1.0 and expand domestic businesses to become global players:

- To further advance Malaysia’s participation in the Halal industry globally.
- To further develop a dynamic Halal industry ecosystem that will advance Malaysia’s products, integrity and know-how on a global scale.
- To position the Halal industry as a lucrative and competitive business opportunity.
- To contribute positively towards the growth of the economy, as well as to the overall wellbeing of society, through job creation, inclusive opportunities and adherence to sustainable and ethical practices.

VISION, THEME & MISSION

**Malaysia as the Global Leader of the Halal Industry**
- Robust and diversified domestic Halal industry
- Ease of doing business
- Competitive business participation
- Globalisation of Halal Malaysia
- Achieving end-to-end Shariah compliance

**Prominent, Visible and Globalised Halal Malaysia**
- Greater positioning
- Strategic standpoint
- Comprehensive national development of Malaysia’s Halal industry

**Identification of Commercially-Viable Opportunities and Implementation of Strategic Initiatives**
- Encourage quality, innovative and competitive Halal industry offerings
- Develop high-performing, home-grown enterprises
- Spur sustainable, balanced and inclusive socio-economic growth
The Halal Ecosystem is a network of components involved in growth cycle and delivery of Halal products or services contributing to the overall socio-economic development. Each component in the ecosystem has its own unique activities that are interrelated with each other, creating a constant evolving relationship towards sustainability.
Empowerment and Erosion of Governance

Individual Empowerment has furthered consumer purchasing decisions towards sustainable and ethically sourced Halal products and services for young, tech-savvy consumers.

Hyperconnectivity and Disengagement

Hyperconnectivity reflects the growth of connective technologies on individuals, supply chains and ideas, impacting how Halal goods are marketed to mass audiences.

Blurring Boundaries and Displacement

Disengagement reflects the reducing importance of physical engagement to solve problems, affecting how consumers interact with businesses.

Displacement reflects the growing migration of peoples towards higher income societies, creating new markets for Halal goods and services as their lifestyles are imported.

Polarisation and Aging

Aging refers to the levelling off of population growth and the shifting demands between generations as more elderly Muslims increase demand for Halal medicines and healthcare.

Scarcity and Dematerialisation

The Scarcity of Earth’s natural resources amid a growing Muslim population can create shortages in Halal consumer goods, requiring a focus on sustainability.

KEY TRENDS

- The growth in healthier and more environmentally sustainable Halal brands
- Market regulators becoming more responsive to changes in the global Halal market
- The usage of blockchain technologies to make Halal traceability more effective

KEY TRENDS

- The shifting focus towards eCommerce and online platforming for Halal goods
- New technology encourages venture capitalism in Halal industries
- Digital transformation is needed for Halal producers across various sectors

KEY TRENDS

- Increasing trade connection within the OIC amid new infrastructure networks
- Seamless cross-border transaction fuels growth in international Islamic finance
- The growth of eCommerce and OTA services strengthens the global Halal ecosystem

KEY TRENDS

- Rising elderly Muslim population increases demand for Halal-certified APIs
- The need to reposition Halal branding towards food safety over religious considerations
- New connective technology in healthcare allows for more digital health services

KEY TRENDS

- The emergence of digital assets as a storage of value and facilitate transactions
- The need to incorporate circular economy principles to the Halal product supply chain
- The adoption of ICT tools and IR4.0 among Halal producers to enhance productivity
Emerging opportunities in the Halal industry include new economic sectors which are increasingly embracing Halal values in their operations.

**Emerging Sectors**

- **Medical Devices**
  - Bone/Skin Graft
  - Surgical Mesh
  - Suture
  - Prosthetics
  - Consumables

- **Medical Tourism**
  - Health Treatments
  - Rehabilitation Services
  - Wellness Facilities
  - Nursing Home

- **Modest Fashion**
  - Hijab
  - Abaya
  - Thawb

**Key Enablers**

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

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

- **Standards, Accreditation and Certification Services**
  - Robust standardisation & conformity assessment services ensuring the credibility of the Halal Supply Chain, resulting in recognition and acceptance of the conformity assessment results, to contribute to the efficiency and effectiveness of the Malaysia Halal ecosystem in order to cater the needs of Halal emerging markets that will increase global trust.

- **Access to Islamic Finance**
  - Accessibility to financial support for players in the Halal Supply Chain encouraging and supporting participation growth in the Halal industry through the innovation and promotion of a hybrid Islamic financing structure. In addition to this, initiatives such as waqaf, zakat, takaful and ar-rahnu could further be leveraged upon to spur the growth of the Halal industry.

- **Logistics Services**
  - Dedicated logistics services, from sourcing of raw materials to reaching the consumer (i.e., farm to fork), to avoid cross-contamination thus ensuring the safety and quality of Halal certified products.

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Note: Examples of Halal offerings listed are not exhaustive.
23 initiatives in total have been identified that anchor the 7 Strategic Thrusts and address all identified opportunities or challenges. These initiatives are also driven by the 5 key outcomes of HIMP 2030.

**Strategic Thrust 1: Enhancing Halal Industry-friendly Policy and Legislation**

- **Initiative 1.1:** Streamline policies and legislation related to Halal industry to better support the overall Halal business ecosystem
- **Initiative 1.2:** Improve dynamic of Halal certification and standards scheme to complement and support commercial trends
- **Initiative 1.3:** Strengthen global acceptance and recognition of the Malaysia Halal logo to support smoother flow of cross border trade

**Strategic Thrust 2: Creating new and bigger market spaces for Malaysia’s Halal products and services**

- **Initiative 2.1:** Strengthen global cooperation with targeted distribution channels/countries to increase the trade volumes
- **Initiative 2.2:** Promote Malaysia Halal Brand (ecosystem and shared value) through targeted promotion methods
- **Initiative 2.3:** Strengthen strategic collaboration with MNCs and LLCs to diversify distribution and marketing channels for Halal products

**Strategic Thrust 3: Establishing a larger pool of Halal experts and professionals to meet global needs**

- **Initiative 3.1:** Enhance competency of Halal experienced and skilled workers based on a governmental backed recognition framework
- **Initiative 3.2:** Incorporate Halal technical, vocational knowledge into major educational and training program
- **Initiative 3.3:** Foster the development and recognition of Halal Professionals in technical and scientific field
Initiative 4.1: Establish HALMAS Halal Park as the preferred destination for Halal related investment

Initiative 4.2: Introduce innovative support services and facilitation for the sustainable investments

Initiative 4.3: Enhance effectiveness of shared facilities to improve Halal Supply Chain connectivity

Initiative 4.4: Foster integration of digital platforms to support Halal related businesses

Strategic Thrust 5: Fostering Thought Leadership

Initiative 5.1: Strengthening Malaysia Halal Ecosystem as the global benchmark for industry best practices and trendsetter

Initiative 5.2: Improve Halal data analytic capability to produce informed decision and acquire industry foresight

Initiative 5.3: Improve capability to produce Halal specific intelligence information to support policy making and business development strategy

Initiative 5.4: Increase inclusion of Science, Technology and Innovation into Halal industry related development agenda

Strategic Thrust 6: Producing more home-grown Halal Champions

Initiative 6.1: Increase the competitiveness of Malaysian MSMEs to produce high value-added Halal products and services

Initiative 6.2: Encourage Government-Linked Investment Companies (GLIC) and Venture Capital (VC) to invest in Malaysian Halal MSMEs to accelerate growth

Initiative 6.3: Strengthen Halal Home Grown Champion brand to encourage participation from local MSMEs to Halal industry

Strategic Thrust 7: Facilitating More Competitive Bumiputera Participation in the Halal Industry

Initiative 7.1: Fostering stakeholder collaborations to stimulate Bumiputera contribution in the industry

Initiative 7.2: Industrialise Bumiputera cottage industry to elevate business and income

Initiative 7.3: Enhance enablers towards sustainable Bumiputera participation in the Halal industry
### KEY OUTCOMES

- **Robust and Diversified Domestic Halal Industry**
  Comprehensive ecosystem that is able to sustain the rapid expansion of the domestic Halal industry and transform it into a key economic contributor to Malaysia’s GDP.

- **End-to-end Shariah Compliance**
  To adopt and lead in the end-to-end Shariah compliance of Halal supply chain and gaining international acceptance and acknowledgement as a prominent industry leader and reference point in term of industry compliance.

- **Ease of Doing Business**
  Business environment that encourages participation and attracts both Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) into the country.

- **Globalisation of Halal Malaysia**
  Positioned as a main player in the global Halal industry, gaining international acceptance as a prominent reference centre and fostering strategic partnerships and alliance internationally.

- **Competitive Business Participation**
  Competitive Halal industry consistently innovates and produces products and services that suit the industry needs. Furthermore, MSMEs will play a key role as one of the main drivers of the growth of the Halal industry.

### HALAL INDUSTRY PERFORMANCE INDICATOR

<table>
<thead>
<tr>
<th>GDP Indicators</th>
<th>2022</th>
<th>2025</th>
<th>2030</th>
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<tbody>
<tr>
<td>Cumulative HALMAS Investment</td>
<td>RM16.3 billion</td>
<td>RM19.1 billion</td>
<td>RM25.0 billion</td>
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<tr>
<td>Value Add (Gross output less inputs, &quot;economic profit&quot;)</td>
<td>RM69.3 billion</td>
<td>RM94.4 billion</td>
<td>RM164.8 billion</td>
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<tr>
<td>Halal Export Value of exports</td>
<td>RM59.5 billion</td>
<td>RM63.1 billion</td>
<td>RM75.2 billion</td>
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<thead>
<tr>
<th>Productivity Indicators</th>
<th>2022</th>
<th>2025</th>
<th>2030</th>
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</thead>
<tbody>
<tr>
<td>Revenue “Gross output” (industry revenue earned by Halal businesses)</td>
<td>RM311.1 billion</td>
<td>RM400.5 billion</td>
<td>RM631.8 billion</td>
</tr>
<tr>
<td>Employees Number of employees in the industry</td>
<td>390,000</td>
<td>480,000</td>
<td>690,000</td>
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2022 > 7.4% GDP (RM108.5 billion) 2030 > 10.8% GDP (RM231.1 billion)