MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY



HALAL INDUSTRY MASTER PLAN 2030

PROMINENT, VISIBLE AND
GLOBALISED HALAL MALAYSIA

EXECUTIVE SUMMARY

OBJECTIVES

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



VISION

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

THEME

Prominent, Visible and Globalised Halal Malaysia

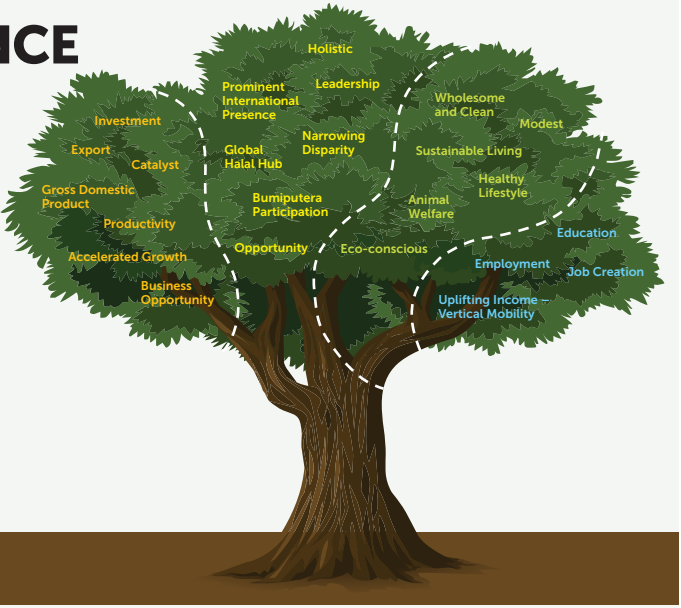
- Greater positioning
- Strategic standpoint
- Comprehensive national development of Malaysia's Halal industry

MISSION

Identification of Commercially-Viable Opportunities and Implementation of Strategic Initiatives

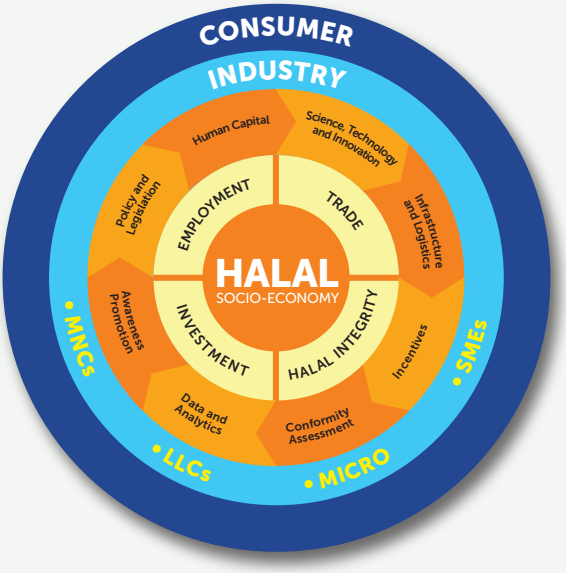
- Encourage quality, innovative and competitive Halal industry offerings
- Develop high-performing, home-grown enterprises
- Spur sustainable, balanced and inclusive socio-economic growth

IMPORTANCE OF HALAL INDUSTRY



MALAYSIA'S HALAL ECOSYSTEM

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.



GLOBAL MEGATRENDS' IMPACT ON HALAL INDUSTRY

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.



The Erosion of Governance reduces institutional effectiveness as individuals are more empowered to make their own market-based decisions.

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

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.



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

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

Blurring Boundaries and Displacement



Blurring Boundaries is a rising trend whereby trade integration and agreements shape the way Halal producers strategise their inputs and export markets.



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

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

Polarisation and Aging



The Polarisation of ideological opinions and socio-economic groups between Muslims and Non-Muslims, diverging in the interest of Halal branding.



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.

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

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.



Dematerialisation refers to the shifting of economic value structures from the physical to the intellectual and intangible, while reducing required inputs through a circular economy.

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

HALAL INDUSTRY CORE SECTORS



Cosmetics & Personal Care
- Private Labelling
- Plant-based Products
- Male Grooming
- On-demand Consumer Services



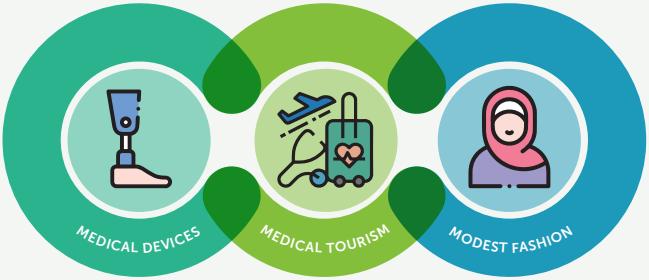
Food & Beverages
- Processed Food
- Oils and Fats
- Organic Food
- Alternative Ingredients



Pharmaceuticals
- Biopharmaceutical
- Nutraceuticals
- Preventive Medicine

EMERGING SECTORS

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



- Bone/Skin Graft
- Surgical Mesh
- Suture
- Prosthetics
- Consumables

- Health Treatments
- Rehabilitation Services
- Wellness Facilities
- Nursing Home

- Hijab
- Abaya
- Thawb

Note: Examples of Halal offerings listed are not exhaustive

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.

STRATEGIC THRUSTS AND INITIATIVES

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.

1 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

2 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

3 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

Strategic Thrust 4: **Enhancing quality and integrated infrastructure development**

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.



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.

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.

HALAL INDUSTRY PERFORMANCE INDICATOR

2022 > 7.4% GDP (RM108.5 billion)

2030 > 10.8% GDP (RM231.1 billion)

GDP Indicators	2022	2025	2030
Cumulative HALMAS Investment	**RM16.3** billion	**RM19.1** billion	**RM25.0** billion
Value Add Value to consumers (Gross output less inputs, "economic profit")	**RM69.3** billion	**RM94.4** billion	**RM164.8** billion
Halal Export Value of exports	**RM59.5** billion	**RM63.1** billion	**RM75.2** billion

Productivity Indicators	2022	2025	2030
Revenue "Gross output" (industry revenue) earned by Halal businesses	**RM311.1** billion	**RM400.5** billion	**RM631.8** billion
Employees Number of employees in the industry	**390,000**	**480,000**	**690,000**