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**APPLICATION OF MALAYSIAN HALAL STANDARD  
MS1500:2009 FOR JAPANESE FOOD PRODUCERS**

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UNIVERSITI UTARA MALAYSIA  
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**APPLICATION OF MALAYSIAN HALAL STANDARD MS1500:2009 FOR  
JAPANESE FOOD PRODUCERS**



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**Kolej Perniagaan**  
(College of Business)  
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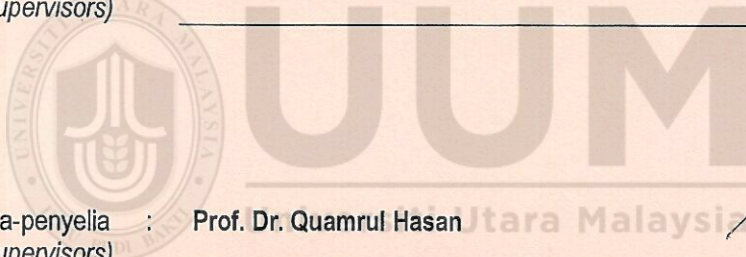
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## ABSTRACT

Japan is becoming a more popular tourist destination among Muslims than before. Furthermore, the country is preparing itself to be the host for the 2020 Tokyo Olympics. Currently, it is dependent mainly on Malaysia to provide professional expertise regarding halal by following the Malaysian Halal Standard MS1500:2009 as it does not have special expertise in that field. Thus, there are some critical gaps in the interpretation of the requirements of halal status in these two countries and the application of the Malaysian Halal Standard in Japan. This study attempted to identify the issues and challenges faced by Japanese producers involved in the halal food business, and to suggest some improvements for the Malaysian Halal Standard MS1500:2009 to be relevant to Japanese food producers. The research methodology involved primary data where face-to-face interviews were conducted. The respondents were selected among the food producers from Malaysia and Japan who were involved with producing halal food. The thematic method was used in analyzing the data. This research revealed seven key issues and challenges that Japanese halal food producers face in producing halal food. There also some suggestions for the improvement of the MS1500:2009 to help the Japanese food producers to produce halal products and lead to the standardization of halal guidelines. Among the proposed improvements are utilizing the expertise provided by JAKIM, applying technology in the premises, separating the use of halal and non-halal ingredients in the factory or premises by using the technology and following the requirements of the Japanese authorities with regards to hygiene, sanitation and food safety which are acknowledged as halal. Hence, this research could be the reference to further enhance the Malaysian Standard MS1500:2009 in assisting the producers or any other country interested in producing halal food.

**Keywords:** Malaysian Halal Standard, Japanese halal food producers, suggestion for improvement

## ABSTRAK

Jepun telah menjadi satu destinasi pelancongan yang lebih popular dalam kalangan umat Islam berbanding sebelumnya. Tambahan lagi, negara Jepun sedang bersedia untuk menjadi tuan rumah bagi Sukan Olimpik Tokyo pada tahun 2020. Kini, mereka bergantung sepenuhnya kepada Malaysia dalam menyediakan kepakaran profesional berkaitan halal dengan mengikuti Standard Halal Malaysia MS1500:2009. Ini disebabkan mereka tidak mempunyai kepakaran khusus dalam bidang tersebut. Oleh itu, terdapat beberapa jurang kritikal dalam tafsiran keperluan status halal di kedua-dua buah negara dalam mengaplikasikan standard Halal Malaysia di Jepun. Oleh itu, kajian ini cuba mengenal pasti isu dan cabaran yang dihadapi oleh pengeluar Jepun yang terlibat dalam perniagaan makanan halal. Di samping itu, kajian ini mencadangkan beberapa penambahbaikan untuk Standard Halal Malaysia MS1500:2009 yang bersesuaian dengan pengeluar makanan Jepun. Metodologi kajian ini melibatkan data primer melalui wawancara secara bersemuka. Responden diambil daripada pengeluar makanan dari Malaysia dan Jepun yang terlibat dalam menghasilkan makanan halal. Kaedah tematik digunakan dalam menganalisis data. Penyelidikan ini mendedahkan tujuh isu dan cabaran utama yang dihadapi pengeluar makanan halal Jepun dalam menghasilkan makanan halal. Selain itu, terdapat juga beberapa cadangan untuk penambahbaikan MS1500:2009 untuk membantu pengeluar makanan Jepun menghasilkan produk halal dan membawa kepada penyeragaman garis panduan halal. Antara penambahbaikan yang dicadangkan ialah menggunakan kepakaran yang disediakan oleh JAKIM, menggunakan teknologi bagi kegunaan premis, memisahkan penggunaan bahan halal dan bukan halal di kilang atau premis dengan menggunakan teknologi serta mencontohi pihak berkuasa Jepun dalam soal kebersihan, sanitasi dan keselamatan makanan yang diakui halal. Oleh itu, penyelidikan ini boleh menjadi rujukan bagi mempertingkatkan Standard Halal Malaysia MS1500:2009 bagi membantu pengeluar atau mana-mana negara yang berminat menghasilkan makanan halal.

**Kata kunci:** Standard Halal Malaysia, pengeluar makanan halal Jepun, cadangan untuk penambahbaikan



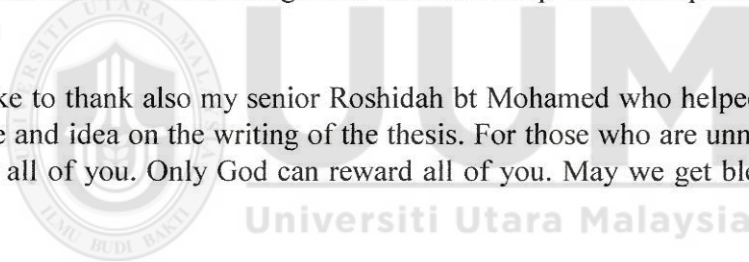
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## LIST OF ABBREVIATIONS

MS	Malaysian Standard
MS1500:2009	Halal Food – Production, Preparation, Handling and Storage – General Guidelines (Second Revision)
MS1514 (GMP)	Food Safety Principle
JAKIM	Malaysia Department of Islamic Development
HACCP	Halal Analysis and Critical Control Point
GMP	Good Manufacturing Practices
GHP	Good Hygiene Practices
SOP	Sanitation Standard Operating Procedures
JMA	Japan Muslim Association
JHA	Japan Halal Association
JAINs	States Religious Department
MUIS	Majlis Ugama Islam Singapore
MUI	Majlis Ugama Indonesia
SME	Small and Medium Enterprises
HCBs	Halal Certification Bodies
NASA	National Aeronautics and Space Administration
WHO	World Health Organization
ICMSF	International Commission of Microbiological Specifications for Foods
FAO	Food and Agriculture Organization
DVS	Department of Veterinary Services
SALT	Livestock Farm Certification Scheme
CAC	Codex Alimentarius Commission
WHC	World Halal Council
OIC	Organization of Islamic Cooperation
CICOT	Central Islamic Committee of Thailand
ASEAN	South East Asian Nations
LPPOM MUI	The Assessment Institute for Foods, Drugs, and Cosmetics, Indonesian Council of Ulama
GCC	Gulf Cooperation Council
CEN	European Standardization
ASI	Austrian Standards Institute

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the study

Currently, the halal industry is one of the emerging new industries that help countries in generating the economy. As it has been mentioned by Elasrag (2016), a global halal market has emerged and is creating a strong presence in developing countries especially in the food industry. The halal industry has expanded in the food which is being consumed by both Muslims or non-muslims. The demand for halal food products has increased in Asia, Middle East, Europe and also the Americas (Elasrag, 2016). For a Muslim customer, halal food implies a product that adheres to the requirements set by the Shariah Law, whereas for a non-Muslim purchaser, a halal product portrays the image of cleanliness, quality and wellbeing (Ambali & Bakar, 2014).

This halal industry has developed rapidly due to the increasing number of Muslim populations globally. As being reported by the Market Indicator Report (MIR), Europe will have a Muslim population of around 58.9 million, Asia -1,295 million and America – 10.9 million by 2030. Besides, Muslim people are also spending a lot on food and beverages which influences the halal food industry to be grown further. According to Reuters (2014), the halal food and beverages market is expected to expand to USD 1.585 trillion by the year 2020 due to the increased demand from Muslims.

In a Muslim country such as Malaysia, the halal food and beverage industry has become a major sector in generating income for the country. As one of the Muslim majority countries that recognize the importance of the halal market, Malaysia has announced the development of the halal sector as a potential growth for the national economy and declared its ambition to become a global halal hub for halal product and services (Showcase, 2016). Meanwhile, the halal certification for food production in Malaysia was first implemented in the 1970s and 1980s (Evans & Syed, 2016). In Malaysia's situation, there are non-Muslim food manufacturers, retailer and food outlets that need halal verification to attract Muslim Malays to purchase their products. Therefore, the Malaysian government has created the halal guideline to businesses before they can have the halal certification for their products. Similar halal guidelines are also being established in the other Muslim countries such as Indonesia and Brunei Darussalam.

Meanwhile, in non-Muslim countries, halal food has also become an important industry to accommodate the increasing number of Muslim populations. Non-Muslim countries have also become important producers in producing halal food for global consumption (Algethami, 2016). As an example, Brazil is among the world's largest non-Muslim country exporter for halal poultry and products with 33 percent of poultry and 40 percent of meat production, which are equivalent to US\$2 to US\$6billion for halal export (Hassan, 2016). Similarly, Australia, a non-Muslim country has a halal market worth \$8.5 billion and the Australian halal meat industry is worth about \$1.5 billion which is one of the factors of generating their country's economy. Australian beef is being exported globally to Indonesia, Saudi Arabia, Malaysia and also the Middle East. These statistics show that non-

Muslim countries are also important exporters of halal food and beverages to Muslim countries.

In non-Muslim countries, the producers of halal products refer to the worldwide recognized guidelines which are Good Manufacturing Practices (GMP) guideline, and the Hazard Analysis and Critical Control Point (HACCP) before they developed the halal guideline for their own country (Nasaruddin, Mel, Fuad, Jaswir, & Hamid, 2011). These guidelines are about control, management of manufacturing, testing and overall quality control of food and pharmaceutical products. However, there are also non-Muslim countries that develop their halal guideline by establishing their own Islamic organizations to create their own halal guideline. According to Ghazali and Sawari (2014), the halal guideline was established in non-Muslim countries to facilitate the government in monitoring and to ensure the production of halal products. As an example, Singapore and Thailand have developed their own halal organization to monitor and provide the halal guideline for their business firms to produce halal products. The non-Muslim countries are aware that the halal guideline is important because they know, that Muslims consumers will not purchase the products if they are not halal.

## 1.2 Problem Statement

Most Islamic countries have their own halal guideline standard. According to a study done by Abdullah et al. (2017), there are halal guidelines of food production from Malaysia, Brunei, Indonesia and Thailand. The study also mentioned that all of these countries have their expert halal confirmation body and halal guideline strategies. Depending on the country's requirements, these bodies keep improving the inventory network and coordination for halal products. Globally, halal guidelines are being delivered by many bodies including government-connected associations, private associations, local and also global bodies. Roughly, the requirements of the guideline are similar (Al-Khatib, Dobie & Vitell, 1995). However, when looking closer into it, there are some differences in the guideline such as in the animal slaughtering process (Smith, 2016).

In addition, according to a study done by Abdulzaher (2015), there is confusion encompassing the worldwide standard on halal guideline. This halal guideline should be adjusted and simplified to bolster development of the halal food industry. The interest in halal food production which is closely related with the halal guideline is developing and it creates opportunities to the food businesses for success. Besides, Abdulzaher (2015) also stated that the halal guideline should be modified, to allow producers and exporters more significant access in the halal business industry. For example, the Nestle company obtained halal certification based on the halal standard that they follow from their country but their production may not fulfill the halal requirement needed by the particular country that they want to enter. Therefore, some halal guidelines need to be developed to help businesses involved in the halal food industry. As being claimed by Abdulzaher (2015) in his report,

the halal standard need to be unified to help the halal certification process for industry meet the government and consumer demand.

According to the Crecent Rating (2014), the number of Muslim visitors to Japan will reach 1 million by the year 2020. Thus, Japan as a non-Muslim advanced country is getting Malaysia (Muslim country) to be the advisor for Japan's halal industry. Currently, the Malaysian government has also certified two foreign halal certification bodies in Japan which are the Japan Muslim Association (JMA) and Japan Halal Association (JHA) who are non-profit organizations to certify the halal products in Japan (Salama, 2016). However, there is an issue where some of the requirements in the halal guideline have a big difference when applied in another country. Japanese companies that have been certified by Malaysia's JAKIM encountered difficulties to fulfill the requirements of the halal guideline before getting the halal certification (Takayuki, 2015). This is due to the Malaysian standard MS1500:2009 that requires the processes including transportation and storage to be separated from non-halal products. As such, the process in producing the halal product is costly, especially involving transportation and storage (Takayuki, 2015).

Furthermore, most of the halal guidelines being developed in Asian nations, for example, Malaysia and Indonesia were developed for their own use following the Shariah but based on their needs which are suitable with their culture and environment. Therefore, the strictness of requirement in the halal guideline will be different and not be suitable with the Japanese situation who uses advanced technology though it is in the early stage of developing its halal industry (Takayuki, 2015). This is because Japan is a secular country

where religion is not considered as important by the Japanese people including halal matters. As being stated by Alhabshi (2016), the majority of Japanese people are not familiar of the word “halal” or the concept of halal. However, Japanese businesses are expected to produce high quality halal products due to their characteristics of being trustworthy and ethical (Alhabshi, 2016). Furthermore, their Prime Minister Shinzo Abe have announced for Japan to make tourism development and halal food export become one of the key impetus of their economic growth and this has attracted Japanese producers to be involved with halal. A networking was also built between the Japanese fund manager Inspire Corp with Malaysia state-owned fund manager Permodalan Nasional (PNB) to help the Japanese companies to get halal certification and build sales networks in Muslim countries (Reuters, 2014). Thus, Japan is currently working on these issues by seeking partnership and help from Muslim countries, such as Malaysia.

Hence, Malaysia suggested Japan to use the Malaysian Halal Standard MS1500:2009 as *the standard in producing halal products. This standard was established originally for the food producers in Malaysia before they could get the halal certification from JAKIM. As being stated by Alhabshi (2016), the applicant for halal certification needs to comply with the regulation set by JAKIM, including following the MS1500:2009 guideline in their production lines. Furthermore, other countries such as Thailand, Brazil, Australia, New Zealand, China and Singapore also recognize the uniqueness of Malaysia’s halal development system (Iberahim, Kamaruddin & Shabudin, 2012). However, as the guideline was developed for local Malaysian producers, there might be differences in the requirements such as hygiene, sanitation and food safety according to manufacturer’s*

environment and culture of the country (Omar, Zahrain, & Mohd, 2012). This is because Japan has a very small number of Muslims, thus their expertise and understanding on halal is very limited. Statistics show that Japan has a homogenous ethnic composition, with 98.5% Japanese, and only 1.5% of other ethnicities including Korean, Chinese and others (Alhabshi, 2016). Thus, there is a very small number of Muslims in Japan who have the expertise and knowledge in halal.

Based on this situation, this research was conducted to analyze the issues and challenges of applying the Malaysian Halal Standard MS1500:2009 by the Japanese food producers. This is because Malaysia is the main country where the government gives full support in advancing the procedures, certification and administration of halal products (Abdullah, 2017). This research will also lead to some suggestions to improve the Malaysian Halal Standard for the use of Japanese food producers.

### **1.3 Research Questions**

The main research question of this research is “How does Japan can adapt the Malaysian Halal Standard MS1500:2009 for their local food producers?” The answer to the following questions will address this main question:

1. What are the issues and challenges of Japanese food producers in producing halal products in Japan?
2. What are the improvements that can be made to the Malaysian Halal Standard MS1500:2009 to be suitable for the Japanese food producers to produce the halal products in Japan?

#### **1.4 Research Objectives**

1. To identify the issues and challenges of the Japanese food producers in producing halal product.
2. To suggest some improvements in the Malaysian Halal Standard MS1500:2009 that are suitable for the Japanese food producers to produce the halal products in Japan.

#### **1.5 Significance of study**

The theoretical significance of this research is to suggest some recommendations or ideas to improve the Malaysian Halal Standard MS1500:2009 to be suitable for using it in both Muslim and non-Muslim countries including Japan which is an advanced non-Muslim country. This suggestion to MS1500:2009 guideline could lead into the harmonization of standards that will help producers in producing halal products for the global halal industry. Furthermore, this research is beneficial for JAKIM to improve the current halal standard so that it can be used globally in Muslim and non-Muslim countries. This is because, JAKIM is a governmental organization who has the responsibility in issuing the halal certificate including for countries outside of Malaysia. Thus, this research could be one of the stimuli in improving the current halal standard.

The practical significance of this research is to assist Japan in adapting the Malaysian Halal Standard MS1500:2009 upon its revision. Plus, it is important in make sure of the halal food availability for Muslim visitors and also the 2020 Olympic Games which will be held in Tokyo, Japan. This is because, food is important for people to consume and consider during travelling. Thus, good availability of halal food produced by Japanese food



producers and business firms will make Muslim tourists feel more convenient and comfortable to stay in Japan.

## **1.6 Scope of the study**

This research focused on the Malaysian Halal Standard MS1500:2009 as it is used for production, preparation, handling and storage in producing halal food products. This is a basic guideline being used by the food producers in Malaysia to produce halal food and be certified by JAKIM before the halal products go to the market. The halal certification is signified with the halal logo that is important for Muslims to recognize that the product is halal (Majid, 2016). Thus, it is important for the food producers to implement the MS1500:2009 to make sure that they comply with the Malaysian Halal regulation in producing halal food.

Furthermore, this research focused on the producers of halal food products for the domestic and export markets. Since the MS1500:2009 halal standard could be used for both domestic and also international markets, the producers could prepare the halal food for Muslims at both market and thus increasing their profits.

Another scope of this research is that the researcher has chosen companies that produce halal food products located in Osaka and Tokyo, Japan. The researcher chose to focus on these two regions because they are strategic locations and the places for many food producers and development centers for Japan. The Japanese companies selected in this study are the ones that be involved in halal food production. The companies also use

MS1500: 2009 as a guideline for meeting the correct halal standards. In addition, the companies are also experienced in the production of food products in Japan.

### **1.7 Organization of thesis**

This thesis consists of five chapters. Chapter one provides information regarding the background of the study, problem statement, research questions, and objectives, significance and scope of the study. Chapter two explains the definition of halal and toyyiban, global halal market, halal standard and guideline worldwide, Malaysia Halal Standard, current halal situation in Japan and issues and challenges of halal in Japan. In chapter three, research paradigm, research design, sampling, data analysis technique, validity and reliability used were briefly explained. Chapter four is the analysis, finding and discussion on the research. Lastly, chapter five discusses on the implication, limitations of the study, future research and recommendations and finalizes with the conclusion.

## CHAPTER 2

### LITERITURE REVIEW

#### 2.1 Introduction

The objective of this chapter is to present the theoretical background related to this study. The discussion started with the definition of halal and toyyiban, global halal market, halal standard and guideline worldwide, Malaysian halal standard, and its strength. Besides, this chapter also presents the current halal situation in Japan and the issues and challenges of halal in a non-Muslim advanced country such as Japan in following the Malaysian Halal Standard.

#### 2.2 Definition of Halal

According to Islamic Law, halal can be classified as anything that is lawful and permitted to be done in the religion (Al-Qaradawi, 2013). Halal means permitted, allowed, authorized, approved, sanctioned, lawful, legal, legitimate or licit (Wahab, 2004). As the general definition of halal food, the ingredient used must not be combined, or have contact with anything that are forbidden in Islam such as pig, wine, and dog. Non-halal food as explained by Quadri, Majeed and Khan, (2009), are products that contains alcohol, intoxicating drugs, pork and its by-products, meat of dead animals and animals not properly slaughtered according to Shariah Law. Non-halal food also implies illegal, where the product has not been prepared and manufactured using clean equipment. In the Quran, the animals that are forbidden are categorized into four, which are animals that were killed by suffocation, blows, accidents or reduction, and being partly eaten by the wild animal (Ali,

2005). Furthermore, pork, alcohol drinks and the slaughtering method of animals are the basic elements of non-halal product (Hamzah, 2012).

Halal is a universal concept that can be applied to all aspects of life, which not only focuses on the products used by Muslim people. As stated by Wahab (2004), halal in the context of nourishment encompasses the span of exchange or business or as a feature of an exchange depiction and is concerned with legitimate items or foods and beverages. Halal food must be kept clean and adhere to the Shariah even during the packaging, transportation and delivery of the product. However, he also stated that halal itself has a large area of application including cloth and manners, human relationships, trade and finance, and many other areas that are defined under Shariah Law.

Therefore, the Malaysian Department of Islamic Development (JAKIM) has stated that halal food or product must not contain any of non-halal animals or any ingredients that can be categorized as impure or *najs*, unsafe and harmful to humans. JAKIM (2014), also stressed on the equipment used must be not contaminated during the preparation, processing, packaging and the storage of the product. In addition, Islam always requires people to only use assuredly clean ingredients and equipment. This is because, eating or consuming something that is doubtful will spiritual unease.

### **2.2.1 Definition of Halalan Toyyiban**

Under Shariah law, halalan toyyiban means allowed and legal. Toyyiban follows the principle that everything is halal except those that are with impurity, harmful and intoxicating (Syed Agil, 2012). Hashimi et al., (2010) stated that toyyiban means good or wholesome as translated from the Arabic word. Toyyiban also can be described as clean, having no impurities, originally from halal sources, not producing pain and difficulties to people and consists of beneficial elements. Based on the Qur'an and Sunnah, halalan toyyiban brings an aspect of food safety (Hashimi et al., 2010). Therefore, for Muslim people, the food they consume must be good, healthy and does not contain any forbidden substances. The halalan toyyiban food is not only about the religious motive, but it also comprises health, hygiene, sanitation, friendliness to the environment and safety aspects (Bonne & Verbeke, 2008). Toyyiban is a quality standard for food and also products. Since, halalan toyyiban are halal food that include the quality of the product and the food safety, they are more nutritious for consumers (Yunus, 2010).

Therefore, in establishing a halal guideline, it is good to have halalan toyyiban. As mentioned by Sirajuddin (2013), the Malaysian halal standard produced by the Malaysian government has included the aspect of halal and tayyib. The halal standard comprises of safety, cleanliness, nutrition, and quality of the product. In addition, the consumer has awareness of the importance of food safety, health and cleanliness of the food which meet the toyyiban principle (Vermeir & Verbeke, 2006). Hence, it makes people feel confident to purchase the halal product which already covers the halalan toyyiban requirement for the halal food product.

### 2.3 Global Halal Market

Table 2.1:  
*Muslim Population by Region*

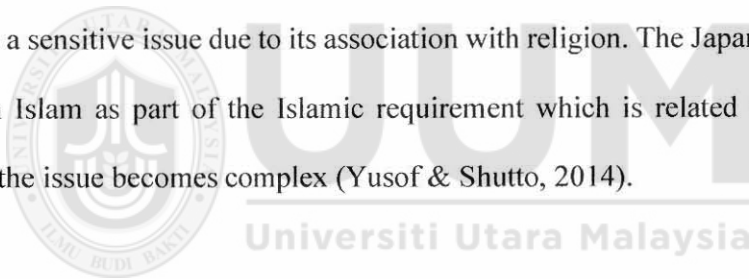
	2010		2030	
	Estimated Muslim Population	Estimated Percentage of Global Muslim Population	Project Muslim Population	Projected Percentage of Global Muslim Population
<b>World</b>	<b>1,619,314,000</b>	<b>100.0%</b>	<b>2,190,154,000</b>	<b>100.0%</b>
Asia-Pacific	1,005,507,000	62.1	1,295,625,000	59.2
Middle East-North Africa	321,869,000	19.9	439,453,000	20.1
Sub-Saharan Africa	242,544,000	15.0	385,939,000	17.6
Europe	44,138,000	2.7	58,209,000	2.7
Americas	5,256,000	0.3	10,927,000	0.5

Sources: Pew Research Center

The Muslim population in the year 2010 was at 1.6 billion and it is forecasted to grow twice as fast as the non-Muslim population to around 2.2 billion of people (Table 2.1). The majority of the world's Muslim people (about 60 percent) will continue to live in the Asia Pacific region. There are about 20 percent of Muslims in the Middle East and North-Africa. Sub-Saharan Africa's Muslim population is predicted to increase from 15 percent to 17.6 percent by the year 2030. The smallest increases of Muslim populations are in Europe, and the Americas with about 2.7 percent and 0.5 percent respectively.

Therefore, consumption of halal products will be higher due to the increasing number of Muslim people and with it, the purchasing power and demand will increase each year. According to the Reuters (2014) report, the global consumption by Muslims in the food and lifestyle sector grew by 9.5 per cent from the previous years' estimate to US\$2 trillion (RM8.3 trillion) in 2013 and is expected to achieve US\$3 trillion. However, the halal

products are not just consumed by Muslims, but also by non-Muslims for their daily life (Samori, Ishak & Kassan, 2014). This is because they also want to use products that are good in quality, hygiene and cleanliness. It is better for the health and body to use high quality products for maintaining a healthy life (Abdullah, Zubairi & Ghani, 2007). Besides, the Muslim population size is still small compared to the total population of Japan. Hence, most of the Muslims immigrants came from Indonesia, Pakistan, Bangladesh and Iran. There are only a few native Japanese converted to Islam with number being less than 7,000 people and most of them are Japanese women who are married to foreign Muslim men (Nakano, 1992). Due to the low number of Muslims in Japan, the knowledge and expertise of halal food are not really established (Yusof & Shutto, 2014). It was also stated that halal in Japan is a sensitive issue due to its association with religion. The Japanese sees the halal concept in Islam as part of the Islamic requirement which is related with religion and therefore, the issue becomes complex (Yusof & Shutto, 2014).



Nowadays, the halal market is non-exclusive to Muslim consumers and it already gained a high acceptance among non-Muslim consumers. Halal products have not just become a guarantee to be usable by Muslim people, but also has become a global symbol for quality assurance. As such, there are more participation and involvement from non-Muslim countries in the halal industry where the halal becomes the standard requirement of consumers to purchase a product. Moreover, Aziz and Chok (2012) claimed that there is a significant potential either in the domestic or international markets for the halal products. Hence, the halal industry is not just limited to Muslim countries, but also involves non-Muslim countries.

## 2.4 Halal Standards and Guideline Worldwide

There are several standardization and halal certification organizations that were established to control and assure the production of halal food products (Anir, Nizam, & Masliayana, 2008). Today, authorizations involving the halal food products have been developed in many countries either in Muslim or non-Muslim countries. The authority is setup to monitor and inspect the producers in the handling of animals, halal products and issuing the halal certificates (Lam & Alhashmi, 2008). The halal standard is used to make the halal production being more instantly recognized for the customers and consumer (Van der Spiegel, 2012).

Table 2.2:  
*Halal Standards and Guideline Worldwide*

Level	Country	Organization	Standard/Guideline
Global	All countries	Codex Alimentarius Commission (CAC)	CAC/GL 24-1997
	All countries	World Halal Council (WHC)	Unified halal food standard worldwide (in preparation)
	57 countries	Organization of Islamic Cooperation (OIC)	ICRIC-MHS-0110
Asia	All countries	Central Islamic Committee of Thailand (CICOT)	Global Halal Management System (GHMS)
	10 South East Asian countries	South East Asian Nations (ASEAN)	ASEAN General guidelines on the preparation and handling of halal food



	Thailand	Central Islamic Committee of Thailand (CICOT)	THS24000:2552
	Malaysia	Department of Islamic Development Malaysia (JAKIM)	MS1500:2004
	Indonesia	The Assessment Institute for Foods, Drugs, and Cosmetics, Indonesian Council of Ulama (LPPOM MUI)	Guidelines of Halal Assurance System
Persian Gulf countries	7 Persian Gulf countries	Gulf Cooperation Council (GCC)	GSO993:1998; GSO1931/2009
	United Arab Emirates		UAE993:1998
Europe	European countries	European Standardization (CEN)	Guidelines on halal definition (in preparation)
	Austria	Austrian Standards Institute (ASI)	ONR14200:2009

Sources: Van der Spiegel et al., 2012

According to Van der Spiegel et al., (2012), many countries are trying to produce a globalized and universal standard for use by food producers. As shown in Table 2.2, the Malaysian halal standard which is certified by JAKIM (Department of Islamic Development Malaysia) has a very good reputation. According to Anir et al., (2008), the traceability system for consumers on the halal products was developed by JAKIM. In addition, Malaysia also has created a quality standard for the processing of halal food. The standard is MS1500:2004 (first revision) where it is used to prescribe practical guidelines

for the food industry in the preparation and handling of halal food. This standard also serves as a basic requirement for the food products and food trade in Malaysia (DSM, 2004).

Table 2.2 also shows that the Codex Alimentarius Commission (CAC) had established the CAC/GL 24-1997 to be used globally by the food producers. At the same time, the WHC was also preparing to establish a unified halal food standard worldwide. There are also 57 countries under the Organization for Islamic Cooperation (OIC) who are developing general guidelines on halal food. In addition, there are also international collaborations which are being initiated between Malaysia, Indonesia and Thailand called IMT-GT (Indonesia Malaysia Thailand Growth Triangle) to develop the halal industry (HSC, 2009).

Intertek, (2010) stated that there is a Global Halal Management System (GHMS) being developed. This GHMS covers five major elements which are Halal Fundamental Requirements, Quality Management System, Food Safety Assurance Plans, Corporate Social Responsibilities and Environmental Management and Sustainability (Intertek, 2010). The GHMS is based on the standard from Thailand, THS2400:2552 developed by the Central Islamic Committee of Thailand (CICOT). Thailand is aiming for their halal standard to be acceptable globally and to promote their products for expanding the halal market in the future (CICOT, 2009). Furthermore, Malaysia, Indonesia, UAE, Persian Gulf countries and Austria have also already adopted their own halal standards (see Table 2.2).

The Indonesian's halal certification is based on the general guideline of halal assurance system created by LPPOM MUI (The Assessment Institute for Foods, Drugs and Cosmetics, Indonesian Council of Ulama) to make sure that the whole process complies with Islamic Laws. The Association of South East Asian Nations (ASEAN) had also established the "ASEAN general guideline on the preparation and handling of halal products" which was applied in 10 ASEAN countries when using the term of 'halal' on their packaging label and specifying the slaughtering requirement (see Table 2.2).

Among Persian Gulf countries, the Gulf Cooperation Council Standardization Organization has established the GSO993:1998 and GSO193/2009 standards for the rules and requirements of animal slaughter according to Shariah Law (Table 2.2). In the UAE, there is a standard called UAE993:2000 concerning animal slaughter that is Shariah compliant. As for Europe, the national halal standard ONR14200:2009 was established by the Austrian Standard Institute (ASI) to define the halal food chain requirement which complies with Islamic Law. However, according to Van der Spiegel et al., (2012), there are several organizations who criticize this standard since it is based on Shia Islam. Hence, a European Standard will be developed (CEN, 2010) which is based on the involvement of European stakeholders including Sunni Muslims.

## **2.5 Malaysian Halal Standard**

The global market value of halal food is estimated to be worth more than \$547 billion per year (Bohari, Hin & Fuad, 2017). This has created interest from food producers in other countries worldwide. Malaysia has become one of the most trusted halal certification and is recognized internationally as a major producers and manufacturer of halal food. According to Net (2011), Malaysia's halal certificate is one of the most popular accreditations compared to other halal certificates from halal producers worldwide.

In addition, the Malaysian halal food standard had been well established as a benchmark for global halal food quality system with the increasing number of Muslim populations that demands halal food. In 2006, the Malaysian halal standard launched Halal standard MS1500:2004 based on Production, Preparation, Handling and Storage which prescribes a practical guideline and halal food, nutrient supplements for food production, and food trace or business in Malaysia in 2006 (Akbar, 2015). The demand of halal food creates an enormous worldwide potential to expand the halal industry. The 1.8 billion Muslim global population makes the halal market an important market to enter by other countries.

The Malaysian Standard (MS) is a standard developed by the Department of Standard Malaysia to set policy and values of quality. The Malaysian halal food standard is one of these Malaysian standards also known as MS1500:2009. This standard is used by all of the business marketers, producers, manufactures and industry to ensure their halal products meet the quality, hygiene and compliance with Shariah law and Islamic standard (Din & Daud, 2014). This is also a standard to guide the manufacture, preparation, production,

system in handling and storage of halal food products in Malaysia. For the past few years, the use of the Malaysian Standard MS1500:2009 has increased tremendously along with the implementation of the halal food industry in Malaysia. The standard also complies with other guidelines which are Food Safety Principle (MS1514), Sanitation Standard Operating Procedures (SOPs), a Guideline for Hygienic Practice (GHP) and also Hazard Analysis Critical Control Point (HACCP-MS1480) (Din & Daud, 2014). These are all of the guidelines that are covered under the Malaysian Halal Standard which requires all of the preceding standards. Other than that, the ISO 9000 and Codex Alimentarius are the standards which maintain all of the halal requirements for Malaysia.

The Malaysian Halal Standard (MS1500:2009) for halal food complies with two organizational standards to prescribe the practice and guideline for the halal food industry. This guideline is important, especially for food producers on the production, preparation and handling of halal food according to the halal standard and covers the quality and safety of halal products for food products and food businesses in Malaysia and other importers of halal products (Rezai, Mohamed & Shamsudin, 2012).

The Malaysian Industrial Development Authority (MIDA) and the Department of Islamic Development of Malaysia (JAKIM) is known by its certification credentials to the producers and manufacturers in Malaysia in order to manage the halal food standard. JAKIM has the authority for monitoring and is responsible for the halal certification process for the domestic and international markets (Khalek, 2014). JAKIM functions to enact and standardize the Islamic affairs in Malaysia and to nationally coordinate the

implementation of the production of halal food and products. Furthermore, JAKIM is well known as a competent authority that is responsible to provide halal certification in Malaysia as well as ascertaining the halal status of all products that have been manufactured or produced by the Malaysian producers (Mohtar, Amirnordin & Haron, 2014). According to JAKIM, (2017), the producers or manufacturers which were given the accreditation from JAKIM will be allowed to display a halal logo certification standard to show that the product is halal. The design of the halal logo is described as a pointed star in the middle of a circle, with the word halal in Arabic script in the middle of the pointed star, followed by halal written in Latin script, and the word Malaysia is in both Latin and Arabic script on the circle.

The importance of the halal logo is not limited to only food and drink products, but also in pharmaceutical, toiletries, and cosmetic products, thus slowly emerging as a symbol of quality and trust for Muslim consumers (Kamal, 2008). So far, JAKIM have issued 424 Halal certificates to 424 halal food manufacturers in Malaysia, with a total investment of RM5.9 billion (Rezai et al., 2012) The manufacturers or producers who wish to obtain JAKIM certification will need to fulfill all of the requirements and standards that have been set by JAKIM. This is to ensure the halal status of the food producers and manufactures, thus act as a responsibility for the Muslim people in Malaysia. Although the requirements and halal standards are quite difficult and lengthy to be followed, it is to ensure that the food products are free from any doubtful non-halal substances and Muslim consumers can consume them without any doubt and false expectations. The strict licensing of the halal standard in Malaysia by JAKIM has made it as one of the most trusted organization to

monitor the halal industry in Malaysia, and to increase the global potential for Malaysia to export halal products worldwide. Besides, the high level of JAKIM certification in terms of hygiene, quality and halal makes the halal certificate to be popular and well accepted by the non-Muslims (Ariff, 2009). This is also due to the non-Muslims' perception on humane animal treatment during the slaughtering and the positive perception of halal product as clean to be consumed by Muslims and non-Muslims.

### **2.5.1 Overview of the Malaysia Standard - MS 1480: Food Safety According to Hazard Analysis and Critical Control Point (HACCP) System**

The Hazard Analysis and Critical Control Point (HACCP) was developed to ensure the food safety and quality of food. This system originated from the National Aeronautics and Space Administration (NASA) back in the 1960's with the aim to ensure the food safety for the first manned space missions. Then, the World Health Organization (WHO) issued the HACCP principles in Codex Alimentarius in year 1993 due to its efficiency from the mission. In Malaysia, the HACCP has been modified in the Malaysian Standard and was named MS 1480:2007 which was completely published in 2007 (Samori et al., 2014). The HACCP includes establishing food safety policy, and managing continuous training and knowledge to the members regarding in food safety awareness. The HACCP contains 7 principles similar to other HACCP practices elsewhere in the world as shown in the Figure

2.2

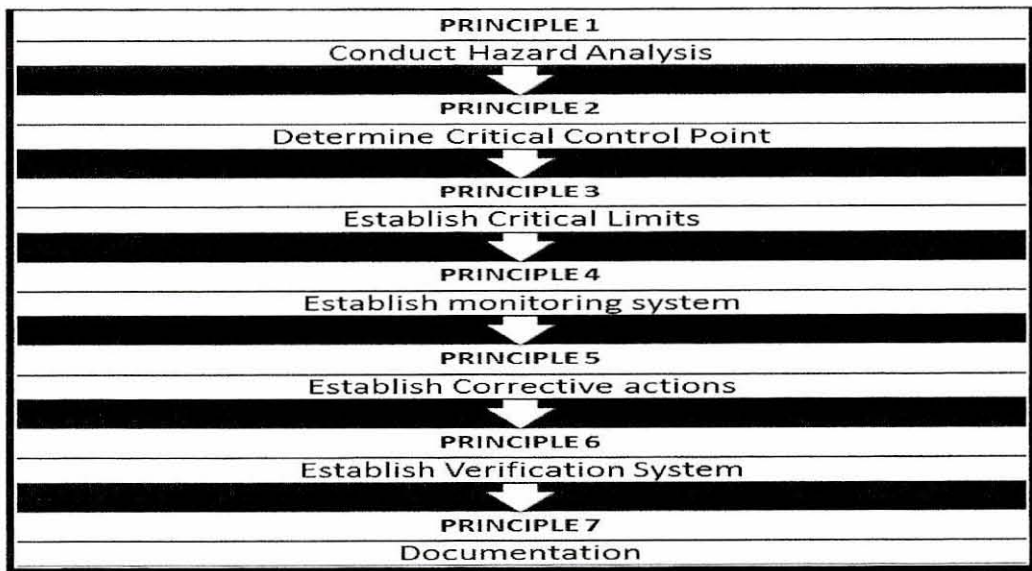


Figure 2.1  
*7 Principles of HACCP*

Figure 2.1 shows the 7 principles of the HACCP in order to ensure the food production and manufacturing adhere to HACCP documentation. Hence, the existence of HACCP along with other Malaysian Standards ensures the highest quality of foods and product consumption in Malaysia (Sani & Dahlan, 2015).

Furthermore, according to Akbar (2015), the halal food industry is certifiable based on three important Malaysian Standard Guidelines that are responsible to monitor all of the production and manufacturing in terms of safety and hygiene which are the MS1480: Food safety according to Hazard Analysis and Critical Control Point (HACCP) system, MS1500:2009 Halal Food- Production, Preparation, Handling and Storage- General Guideline and MS1514 Good Manufacturing Practice (GMP) for food.

According to the HACCP Basic Notion, the HACCP system would optimize technical and human resources used in addition to guiding them during a critical activity. HACCP also



facilitates more efficient self-control actions, which reduce the probability of flaws, accidents and frauds from occurring. In terms of food safety, the HACCP established a confident environment for official authorities, economic agents and consumers. Moreover, HACCP is also recommended by the WHO, International Commission of Microbiological Specifications for Foods (ICMSF), and the Food and Agriculture Organization (FAO). This shows that Malaysia is using the three standards which are widely accepted as important in food production to ensure good quality products and also fulfill the Shariah compliance in the production of food.

**2.5.2 Overview of the Malaysia Halal Standard - MS1500:2009 Halal Food – Production, Preparation, Handling and Storage**

Table 2.3  
*Malaysian Standard MS1500:2009*

<b>Requirement</b>	
<b>Management and Responsibilities</b>	Employee and production must practice good hygiene and safety practice
<b>Premises</b>	Equipped with sanitary facilities, compartmentalized with non-halal substances and processing, practice halal slaughtering effective logistic bay
<b>Devices, Utensils, Machines and Processing Aids</b>	Production must be only for halal food and equipped with clean and free from three categorized “Najs”
<b>Hygiene, Sanitation and Food Safety</b>	The premise is licensed with any of these practices 1-Good Hygiene Practice (GHP) 2-Good Manufacturing Practices (GMP) 3-MS1514 4-MS1480 5-Public Health Legislation enforced in Malaysia
<b>Processing Halal Food</b>	Provide with Guideline for processing food such as slaughtering method (refer to slaughtering method guideline) and source of halal food and drink.

<b>Storage, Transportation, Display, Sale and Service</b>	Example; Animals, mushroom and microorganism, natural minerals and chemical, plants, genetically modified food and products free from hazardous origin Food must be stored and transported with transportation vehicle and location dedicated to halal food.
<b>Packaging, Labelling and Advertising</b>	Packaging material and packaging process must be halal include the labelling design should also not misleading or contravening the Shariah law and standard or confusing consumer.
<b>Legal requirement</b>	Complied with the Food Act 1983 and Food regulation 1985 (The Commissioner of Law Revision Malaysia, 2012)

The Table 2.3 shows the Malaysian Standard MS1500:2009 where it has eight requirements that need to be followed by the food manufacturer or producer in producing the halal product. As mention by Wahab et al., (2016), this guideline is practical for the food industry on the preparation and handling of halal food. It is a basic guideline that needs to be fulfilled by food manufacturers before getting the halal certification.

The MS 1500:2009 contains all of the guideline on food preparation, production, handling and storage. The history of halal certification began in 1972 when two labels were introduced by the Trade Act of 1972 which are '*Ditanggung Halal*' and '*Makanan Orang Islam*' (Ab Rahman et al., 2011). At that time, the labelling of halal was still voluntary and the production process inspection of halal was still at minimum. In 1994, JAKIM was created by the Government of Malaysia to create halal awareness and to accommodate the high demand of halal compliance from food manufactures and producers (Ab Rahman et al., 2011). The halal logo and certificate from JAKIM provides an easily recognizable symbol for halal food and products, thus giving confidence to consumers when purchasing

any products and foods. The MS1500:2009 guideline includes references about halal and haram substances, ingredients that are allowed in Shariah Law and animal slaughter.

### **2.5.3 Overview of the Malaysian Standard - MS 1514: Good Manufacturing Practice (GMP) For Food**

In Malaysia, the GMP certification is mainly being issued by private quality certifiers according to the international standard of GMP. The concept of GMP was initially applied to the pharmaceutical industry and has gradually been used in the food production sector (Akbar et al., 2014). This standard requires that the location of operation must be clean and is in a conducive environment. It also includes guidelines on compartmentalization and facilities dimensions which are suitable and safe to work. In operation control, the MS 1514 specifies key aspects of the hygiene control system and also the packaging and storage management with the supervision responsibilities (Bakar, Sulaiman, & Osman, 2014).

GMP is a practice that aims to secure and monitor every batch of the production to meet the highest quality and standards. Furthermore, the GMP system is believed to ensure a conducive, safe and clean place with self-regulated trained personnel working for the food producers. Thus, the combination of MS1514 together with the other standards will give a positive impact to the halal food industry. As stated by Talib (2008), the halal standard should be used together with the MS1514 to ensure that food is safe and suitable to be consumed by people.

## 2.5.4 Scope for Good Manufacturing Practices (GMP), Hazard Analysis Critical Control Point (HACCP), and Halal Standard (MS1500:2009)

Table 2.4

*Scope for Good Manufacturing Practices (GMP), Hazard Analysis Critical Control Point (HACCP), and Halal Standard (MS1500:2009)*

Standard	GMP	Standard Scopes HACCP	Halal Standards
<b>Summary</b>	Guides towards developing a safe food processing operation	Guides on the processing operation including setting parameter for safe food processing, maintenance and troubleshooting procedures	Introductory guides on halal for food processors with emphasize on Islamic animal slaughtering methods
<b>Scopes</b>	Premises and facilities – location, premises, facilities and processing machines	Analyze hazards - biologically, chemically and physically	<i>Najis</i> Terms Definition
	Operation control – developing standard operating procedure (SOP)	Determine critical control points	Define management responsibility
	Sanitation and maintenance	Establish limits for critical control points	Premises and machinery hygiene
	Personnel – hygiene and training	Establish monitoring procedures for critical control points	Processing of halal food
	Logistic – compartmentalization and maintenance	Establish corrective actions	Slaughtering process
	Traceability system	Establish verification procedures	Storage, transportation, display, sale and servings of halal food

Internal audit training

Establish a record  
system

Packaging, labelling  
and advertising

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Adapted from Akbar, D. H., & Sani, N. (2015).

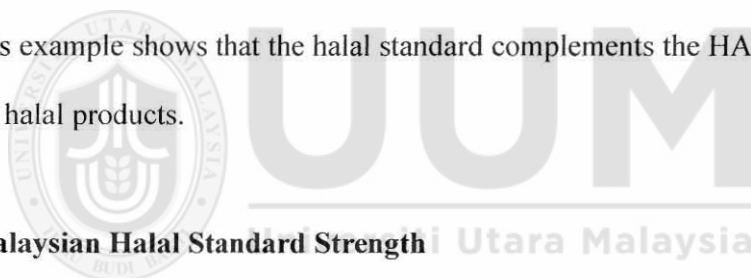
The standards listed in Table 2.4 have the same purpose which is for food production but with the differing perspectives that give them certain advantages. For the GMP, it was created to develop a safe food processing operation. Meanwhile, the HACCP was also designed for processing operation but also includes setting the parameters for safe food processing, maintenance and troubleshooting procedures. For the halal standard, it serves as an introductory guide for halal food processing with emphasis on Islamic animal slaughtering methods. Thus, this gives the Malaysian halal certification more added value compared to other countries.

For example, in a food value chain especially for meat, the food producers need to start with the farmers or the livestock breeders. They are the main sources for the food industry. Hence, in maintaining a good quality of the livestock, the farmers need to understand and apply good practices for it. This can be done through the use of guidelines from various national standards such as the Livestock Farm Certification Scheme (SALT) from the Department of Veterinary Services (DVS) and the Halal Standard MS1500:2009 from the Halal Development Corporation in Malaysia, or the Meat Industry Guide from the Food Standard Agency (Sani & Akbar, 2015).

Thus, in producing the foods, the producers usually devise an agreement of meat supply contract with the farmers. Then, after collecting the meat from the farm, they will go into

processing and packaging for the distribution. This is the most critical part where it involves livestock slaughtering, primary and further processing, packaging and wholesaling (Sani & Akbar, 2015). As for the halal meat, it needs to follow the slaughter ritual according to the Halal Standard.

Afterwards, processing of the meat products requires good hygiene practices. For this purpose, the producers are highly recommended to adopt the GMP and/or HACCP. In the processing line, the meat will need to be stored for the wholesaling and further processing. At this part, the hygiene maintenance is very important which involves the HACCP/GMP. Both the HACCP and GMP also need to be implemented to ensure the safety of the food. Hence, this example shows that the halal standard complements the HACCP and GMP in producing halal products.



### 2.5.5 Malaysian Halal Standard Strength

Table 2.5  
*Strength of Malaysian Halal Standard*

<b>Strength</b>	<b>Content</b>
Unification with halalan toyyiban	<ul style="list-style-type: none"> <li>• fulfill the Shariah compliance</li> <li>• get confidence from businesses, suppliers and customers</li> </ul>
Recognition of halal logo	<ul style="list-style-type: none"> <li>• main logo for halal industry in Malaysia</li> <li>• the strictness criteria in the guideline</li> <li>• accepted by the OIC (Organization of Islamic Country)</li> </ul>
Parallel with international standard	<ul style="list-style-type: none"> <li>• review periodically</li> <li>• following the market changes</li> <li>• collaborate with the other countries</li> </ul>

Strong government support	<ul style="list-style-type: none"> <li>• government help in producing halal product</li> <li>• build and establish halal hub for halal industry and producers</li> <li>• promoting and developing products for import and export</li> </ul>
---------------------------	---

Table 2.5 shows the strengths of the Malaysian halal guideline where the Malaysian standard MS1500:2009 has the unification with halalan toyyiban. Currently, the word ‘halal’ is becoming more familiar around the world. Food manufacturers are interested to know more about the halal industry as the target market of halal product has become global, which include Muslim and non-Muslim countries. Thus, Malaysia as a Muslim country is taking the initiative by establishing the Malaysian Halal Standard that is Shariah compliant to be used in the halal industry. The element of halalan toyyiban in the guideline adds value to the Malaysian guideline (Evans & Syed, 2015; Reuters, 2014). Hence, it gives a high confidence from businesses, suppliers and customers that the product is halal and Shariah compliant. This was supported by Backhouse and Mohamad (2014), who stated that Muslims adhere to strict dietary laws and are permitted to only consume halal food. Thus, following a guideline that is Shariah compliant will give more benefits to the businesses and food producers.

The JAKIM halal logo is among the most well-known symbols of halal compliance (Salam & Othman, 2014). The halal logo and certification are the main goals of those involved with the halal industry which will give many benefits. Due to the Malaysian government promotion of its halal certification and the logo in halal industry, Malaysia is now in cooperation with 33 countries and 57 associations (Takayuki, 2015). Furthermore, the

stringent criteria in the Malaysian halal standard issued by JAKIM are also being recognized worldwide. The JAKIM certification is stricter compared to other nations (Takayuki, 2015). Although other OIC countries such as Turkey, Pakistan, and United Arab Emirates (UAE) have shown their interest in promoting their own halal guideline (Rahman, et al., 2013; Rahman, et al., 2014), the Malaysian halal guideline seems to be more effective and being accepted by OIC members (Arif&Sidek, 2015) which gives good perception towards other non-Muslim countries. Hence, it shows that the Malaysian halal guideline leads to recognition of the halal logo which strengthens and is advantageous to the guideline itself.

Globally, Malaysia was the first to establish halal laws (Riaz &Chaundry, 2004). Malaysia is recognized as a model Islamic country that portrays the image of a modern, liberal and progressive Muslim society (Abdullah, Zubairi & Ghani, 2007). This recognition facilitates acceptance of Malaysian halal products or products that are processed in Malaysia. Since the Malaysian guideline is reviewed periodically to monitor the suitability with the market changes, it has become parallel with the international standards (Halim & Salleh, 2012). In achieving the sustainability, Malaysia has made collaborations with the local agencies and foreign Islamic bodies such as the Ministry of Domestic Trade, and States Religious Department (JAINs), Majlis Ugama Islam Singapore (MUIS) and Majlis Ugama Indonesia (MUI) (Halim & Salleh, 2012). The purpose of these collaborations is to monitor and examine the halal products which are imported into Malaysia.

Furthermore, there is a strong government support and commitment to develop and establish Malaysia as the global halal hub (Abdullah, Zubairi & Ghani, 2007). This



statement was also supported by Nasaruddin et al., (2011), who expressed that Malaysia is the main nation whose halal certification is issued by the government, as opposed in other nations where their certification is only issued by individual Islamic associations. In addition, Malaysia has a strong industrial and commercial set up to produce and market halal products with support from the government (Abdullah, Zubairi & Ghani, 2007). Malaysia foresees that there is a great potential for developing and promoting the halal hub starting from the halal guideline.

In establishing the global halal hub, Malaysia has provided a complete halal ecosystem which consists of production, services, government support, infrastructure and human capital to be used by the manufacturer to produce halal products. From the halal hub, the real innovation of creating the Halal Park as the infrastructure for halal production in Malaysia has promoted the halal industry more actively (Azman & Masron, 2012). Besides, the local food processing industry in Malaysia is dominated by the small and medium enterprises (SME) which is over 80% as well as multinational corporations (Backhouse & Mohamad, 2014).

## **2.6 Current Halal Situation in Japan**

In a Muslim country, halal food is not something that is rare since people could find it everywhere. But it is different in a non-Muslim country especially in Japan, where halal food is not popular and therefore, difficult to find (Adidaya, 2016). Thus, it has become a challenge to the Japanese producers when they are interested to enter the halal industry, especially for halal food. However, it has not deterred the Japanese producers as there is a huge market and opportunity for Japan and other non-Muslim countries to enter halal

industry. This is because halal industry is capable of generating income due to the increasing number of Muslims leading to rising need of halal products (Adidaya, 2016).

Furthermore, Japan has been chosen to be the host for the Olympic Games 2020, which means that they need to prepare and fulfill the demands from different countries and cultures visiting Japan. There will be many visitors from Muslim and non-Muslim countries. In catering for halal food production in Japan, there is a non-profit organization that manages and assists the food producers involved with the halal industry. As stated by Alhabshi, (2016), the halal matters are fully managed by the non-profit organization, where their government will not be directly involved with matters of religion such as halal.

Hence, this organization has given trainings, seminars and practical knowledge that will help Japanese producers to understand on the production of halal food. The organization has been assisted by Muslim countries and one of the countries is Malaysia (Takayuki, 2015). Thus, this Japanese organization is using MS1500:2009 in producing halal product which was created by JAKIM. The organization also gives the halal certification to the producers who could fulfill the halal guideline requirements.

Moreover, in Japan, there are inbound and outbound factors that make the halal industry become more attractive. The inbound factor is that the country would like to attract more visitors from outside of the country to improve their economy. As being stated by Numajiri (2015), Japan sees tourists as an important tool to improve their economy. In fact, Japan has given visa exemptions to the many countries which will attract more people to visit Japan. As being reported by JTB Tourism Research & Consulting Co. (2017), the number

of tourists coming to Japan has increased from 1,864,895 in 2016 to 2,315,900 in 2017. Thus, Japan needs to prepare for all of the accommodations in accepting the visits from Muslims and non-Muslim people from other countries.

On the other hand, exporting the halal product to other countries has become the outbound factor for Japan to be involved with the halal industry. Their ageing population forces them to target the foreign market. As being claimed by Adidaya (2016), the small number of younger generations has become a threat to the Japanese economy, thus, they are targeting the Muslim market as it has become a promising market and lucrative business that could help their economy. Hence, this shows that Japan needs to fully understand in every requirement in the standards for producing halal products to achieve their goals. The availability of halal food will give a good image and is convenient for Muslim visitors and the local people. Halal food is also being targeted for export which will help in generating the economy for country.

### **2.6.1 Halal Certification Body in Japan**

In Japan, the certification for halal food was first established in 1986 (Adidaya, 2016). There, the halal certification body is divided into three categories which are the non-profit organizations, religious corporations and other organizational forms. However, those halal certifications at that time are not focused for business purposes. Instead, these organizations were established basically as religious corporations where their main activity is doing voluntary assistance to the Muslim community (Adidaya, 2016).

Currently, there are several halal associations established in Japan who are help the producers in producing halal products. Some of these associations are receiving knowledge and expertise from JAKIM Malaysia, while others are learning from other Muslim countries. The Japan Halal Association (JHA) is one of the associations that is being accredited by JAKIM Malaysia and uses the Malaysian guideline as their reference in certifying food producers in Japan (Alhabshi, 2016). Most of the organizations are conducting auditing and certification activities to the producers in Japan which will boost their halal industry both for inbound and also outbound market. Alhabshi (2016) also mentioned that the Japanese certification body is also managing some trainings and seminars in Japan to extend the knowledge and understanding about halal especially to the Japanese producers. Their aim is to certify the halal products to be exported worldwide especially to Muslim countries.

As Japan's Prime Minister, Shinzo Abe had announced on planning to double the halal meat exports from Japan by the year 2020 (Alhabshi, 2016). Furthermore, Takayuki (2015) also stated that Japan is interested to enter the halal industry which has become an attractive way for improving the economy. Thus, by having the certification agency in Japan, the halal food in Japan could grow domestically and also to export it overseas. In addition, these organizations are also certifying halal food and beverages, pharmaceutical products, personal care products, and slaughter house for halal meat. Currently, most of them are actively participating in the halal exhibition domestically and in foreign countries for gaining more knowledge to become the experts in halal. Figure 2.2 shows the logos from various Japanese halal certification bodies that are recognized by JAKIM.



Figure 2.2  
*Halal Logo from Certification Bodies in Japan*

### 2.6.2 The needs of Halal Guideline in Japan

Halal guideline has become important for Japan in producing halal products especially for food. Japan does not have enough expertise in halal since their local Muslims are very small in number as compared with the total population of Japan. As reported by Takayuki (2015), the Muslims in Japan are about 100,000 which is very small total number to develop their own halal industry. Even though the Japanese producers are being trained about halal by experts from Muslim countries such as Malaysia and Indonesia, they still need a guideline to follow. As stated by Adidaya (2016), most of the certification bodies in Japan are adopting the halal guideline from the various Islamic countries in the world to produce halal products. Hence, the halal guideline has become one of the main references in producing halal products in Japan.

Furthermore, Japan needs a halal guideline to fulfill the halal market demand from Muslims tourists. Since the number of Muslim tourists visiting Japan is increasing yearly, Japan needs to fulfill their needs such as halal food and prayer facilities. This has been supported by Adidaya (2016), where Japan had established public facilities such as halal restaurants, Muslim friendly hotels, and prayer rooms for Muslims who were coming to Japan. Tourists from Malaysia and Indonesia are one of the contributors to the increase in the number of Muslims coming to Japan due to the accommodation prepared for them. According to the Japan National Tourism Organization (JNTO), in 2016, 394,262 tourists visited from Malaysia while 270,947 tourists were from Indonesia compared with the previous year's (2015) 355,528 and 218,306 respectively.

Besides, Japan also will be the host for Tokyo Olympic Games, which need them to be better prepared to receive a big number of visitors from overseas. The participants for the Tokyo Olympic Games will be from Muslims and non-Muslim countries and thus it is important for Japan to prepare early for their accommodation. Shariffa, Yahyaa and Yeungb (2016), stated that the Tokyo Olympic Games will be the event that gathers all of the potential buyers who are interested in halal products and services. Thus, having a halal guideline would assist them to prepare for the availability of halal foods.

In addition, Japan also needs a halal guideline for exporting their halal food products to other countries. This is because they have realized that the halal market has grown in parallel to the growing global Muslim population. As being claimed by Takayuki (2015), the exporting of halal food from Japan should be increased to correspond with the demand from Southeast Asia or the Middle East markets. Thus, halal products are not just for use

in their country but also for other countries which have high potentials in the halal market. The halal industry could therefore generate income for their country. This statement was supported by Adidaya (2016), who stated that the Japanese economy could grow through involvement in the halal industry even when they are a non-Muslim country. Japan could have an established halal industry similar to Muslims countries with the assistance from experts and the halal guideline.

## **2.7 Issues and Challenges of Halal in Japan**

The blooming of the halal industry in Japan is beneficial to the Muslims in Japan and also to the producers involved. However, in fulfilling this demand for halal products, the Japanese halal food producers have to face several issues and challenges that have become obstacles which will be discussed further in section 2.7.1, 2.7.2 and 2.7.3.

### **2.7.1 Different Halal Standard**

There are many halal standards being used by various countries globally, mainly by Muslim countries such as Malaysia, Indonesia, and Brunei Darussalam. The existence of various halal guidelines has lead to confusion to manufacturers in non-Muslim countries who are involved in producing halal products. According to Reuters (2014), the various halal standards from many different non-government halal certification bodies (HCBs), causes confusion and difficulty for manufacturers from the non-Muslim countries to follow a standard for halal products that will be marketed globally. This issue was also mentioned by Ab Talib et al., (2013), where the lack of halal standardization brings greater difficulties towards maintaining the halal integrity through the supply chain.

In Japan, the halal industry is still relatively new thus and there are only a few halal certification bodies. Yusof and Shutto (2014) has found that the early halal concept in Japan is not just for producing halal products but it was also used throughout the value chain of the firm. Thus, Japan is still struggling to fully implement the halal guideline due to confusion in its requirements (Adidaya, 2016). He also mentioned that the confusion is primarily about logistics and the slaughtering process. This is due to differing views of authorities and Islamic organizations in developing the halal guideline. This causes confusion among Japanese business firms on deciding which halal guideline that can be used universally. Currently, Japanese food manufacturers are showing interest to be involved with the halal industry even though the halal guideline issues are still not settled (Takayuki, 2015). This is because, these companies have seen the opportunity in the halal industry, especially where tourist numbers to Japan are increasing (Majid, 2016).

### **2.7.2 Questionable Halal Logo and Certification**

The majority of halal food being produced in non-Muslim countries such as China, Korea and United States (US) had been certified by independent Halal Certification Bodies (HCBs) that are being monitored by less regulatory oversight. Charles (2016) reported that there is no specific organization that is qualified to certify the food as halal and good quality. It is just written on the paper stating that the product is halal which hinders the companies from getting involved in the halal industry when the halal products need the certification.



As in Japan, their food producers face difficulties in having halal products to be certified. There are inauthentic halal marks where people are creating their own halal certification due to no regulations and monitoring from the authority for halal product (Adidaya, 2016). Hence, it makes the authenticity of Japanese halal products being uncertain. Due to this issue, the authenticity of the halal products is doubted by the consumer to purchase. This condition has given no choice to the customer but to trust the food producers or manufacturers in producing the halal product (Ono, 2015).

### **2.7.3 Lack of Knowledge and Experts in Halal**

Currently, the halal industry has become active in generating income for the countries that are involved with it. Japan also has started to be involved with the halal industry, especially in halal food for the consumption of Muslims and non-Muslims. Furthermore, Japan will be the host for the Olympic 2020, which means that they need to prepare for the availability and convenience of foreign athletes who will be coming to their country. However, Japanese producers lack knowledge and expertise in halal especially in food production. As claimed by Alhabshi, (2016), the Japanese people have very little knowledge of halal and the religion of Islam. Furthermore, Japan is a secular country where people could practice their own faith and religion. Hence, they are left behind on the knowledge of preparation for halal food and the halal industry itself.

Moreover, the Muslim community in Japan is relatively small, mainly consisting of non-Japanese immigrants who are also where living in their own community. This situation contributes to the lack of knowledge about halal. As supported by Yusof and Shutto (2014),

most of the Japanese consumers have not heard about halal and they are not interested to know and learn about it. Thus, Japan needs to take this issue as a serious matter as availability of halal food also will also give more convenience to the Muslim visitors and athletes to stay in Japan and having their activities without any hesitation. In addition, a good facility and accommodation for Muslims and non-Muslims prepared by Japan will give a good image and impression of Japan to the foreigners coming to Japan.

## **2.8 Summary**

In this chapter, this study has explained the definition of halal and halalan toyyiban, global halal market, halal standard and guideline worldwide and the Malaysian halal standard. This study also explained on the strength of the Malaysian halal guideline which has become the references for this research. This study also reviewed the halal situation in Japan and lastly, the issues and challenges of halal in Japan. This is to make the background of this research clearer and better understood before the research could be done.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the procedures used to conduct a complete research. This chapter encompasses the philosophical assumptions or research paradigms and research designs that will be described in detail. In addition, this chapter also describes the research sampling and the technique of analyzing the data that have been used. Furthermore, this chapter also describes the research process that has been used to collect data which involves in-depth interviews of a selected food producers and certification bodies in Malaysia and Japan. Finally, the protocols that have been used to determine the validity and reliability of the data are also described in detail in this chapter.

#### **3.2 Research Paradigms**

The approach in social inquiry not only contains the procedure of sampling, data collection and data analysis but contains ideas that make up the knowledge in which it illustrates the views contrary to social reality. Creswell (1994), discusses these paradigm assumptions through questions arising from approaches as summarized in Table 3.1. Thus, the assumptions of the paradigm help in conducting this study.

The underlying philosophical assumptions that underlie all types of qualitative research are the views that explain the reality of being built by individuals while interacting with their social world (Merriam, 2002). A clear understanding of the assumptions of this paradigm

is important as it will provide direction in designing all of the research phases to be carried out. Creswell (1994), discusses the assumptions of paradigms through five types, which are: ontology, epistemology, axiology, rhetoric and methodology. However, this study focuses on the assumption of ontology and epistemology.

According to Creswell (1994), ontology relates to questions about the form of existence and form of reality. This approach relates to the existence of various realities in various situations. Meanwhile, reality is formed by various parties involved in a research process such as researchers, individuals involved in the study, and readers who make the interpretation of the study results. Therefore, this study considers the assumption of ontology. According to Lam (2000), the ontological assumption is seen as being implied at the individual level. It is also a form of creating knowledge which can be made explicitly or implicitly, that is to say as an outside thought. In addition, Busch (2008) stated that implicit knowledge is directly related to the subconscious thinking of humans and what is measured consists of more obvious components.

Epistemology is related to how one knows about this world and the form of knowledge that exists (Creswell 1994). The assumptions about how one begins to understand and connect them as knowledge to other humans involves the belief in the form of knowledge that can be obtained and how to isolate what is considered to be true and false. These assumptions about knowledge issues are those that can be mastered or experienced personally. This study also takes into account epistemological assumptions. This is because, epistemology is the difference between the implicit and explicit knowledge (Lam, 2000). Therefore, these two assumptions are suitable for use in this research. This is because both of these

assumptions illustrate an early approach that allows researchers to study the issues and challenges of Japanese food producers in producing halal food. Table 3.1 provides an understanding of the paradigm assumptions of ontology and epistemology that can be used to conduct this study.

Table 3.1  
*Summary of Paradigm Assumption of Ontology and Epistemology in this study.*

<b>Assumption</b>	<b>Question</b>	<b>Types of qualitative</b>	<b>Implication to practices</b>
Ontology	What is reality?	Reality is subjective and diverse as seen by the subject.	Based on the interview from all respondents both in Japan and Malaysia, the transcribed data will be used as quotes to provide evidence in this study
Epistemology	What is the relationship between the investigator and the investigated points?	The investigators interacted with the investigated point.	Living in Japan for 2 months to experience the development of Japanese halal product by using the Malaysian Halal Standard to align with the findings from interviews.

Adapted from Creswell (1994)

### 3.3 Research Design

This study used a Qualitative approach to obtain data. According to Denzin and Lincoln (1994), qualitative research involves a diversity of focusing methods, including naturalistic (natural) approaches to researching a subject. According to Creswell (2002), one of the characteristics of qualitative methods is the need to be explored in order to gain a deep understanding and ultimately this research can produce a holistic study of research by

exploring the phenomena of various dimensions. Thus, the flow chart below shows the process in completing the research. The research design at this study is shown in Figure 3.1.

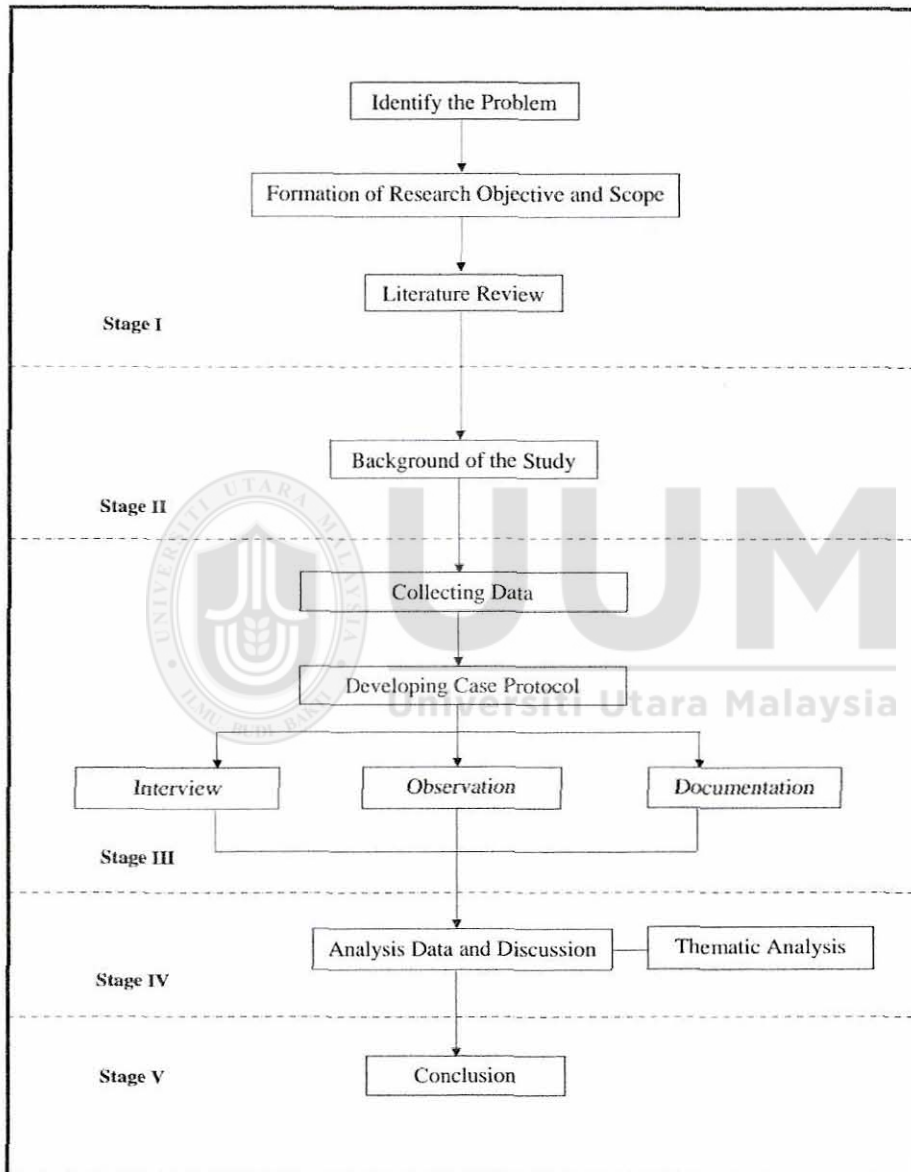


Figure 3.1  
*Flow Chart of Research Process*

In the first stage, researchers have identified problems that occur in Japan involving the production of halal products and the use of MS1500:2009 as a reference. The problems were identified through readings on websites, past studies, and journals related to the issues interested. In this stage, the establishment of the objective and scope of the study was done after identifying the problem in this research. Thus, it was to ensure that the study conducted will be more detailed and meaningful in affecting the occurrence of the problem.

The formation of the objective and the scope also helped this study to get the right goals and direction. The review of literature was also done during in the stage one. The literature review was conducted to assist in increasing information and knowledge regarding the areas and issues studied. In fact, it is also to understand the previous studies of the same field of the present study. Thus, the previous studies were seen as a stimulant and enhanced the knowledge regarding this research. Hence, the study was conducted in Japan to identify the real issues in producing halal products through the Japanese producers.

In the second stage, the background of the study was made. It is to know the history, environment, and situation involved with the research. This allowed the researcher to obtain a big picture on the issues happening in the research field. Thus, the researcher could find and discuss the suitable methods to be used in achieving the objective of the research. The background of the study also would suggest to the researcher on the suitable respondents for the research.

Next, the third stage was collecting data and information for the research. This research is a qualitative research. Thus, in collecting information, this study used interviews, observations, and documentation as the technique to gather the data needed. Then, in the fourth stage were the data analysis, findings and discussion. In this stage, this study used thematic analysis as the method to help in identifying suitable themes for further analysis and discussion on the objectives of this research. Finally, the conclusion for the research was written in the fifth stage. This stage also made suggestions for future research, recommendations and the conclusion for the overall research. The data collection techniques were explained after the design of this research was completed.

Before starting on the data collection, a study protocol was developed as a guide in collecting data and it aimed to avoid overlapping data while collecting it. This is because according to Yin (2003), the study protocols include study instruments, procedures and general rules to be followed. Therefore, this study was primarily based on the protocol proposed by Yin (2003) and previous studies in this field of study. The sample of study protocol applied is shown in Table 3.2.

Table 3.2  
*Data Collection Technique*

<b>Technique of Data Collection</b>	<b>Data Collection Method</b>	<b>Data Analysis</b>
Interview	-Transcribe from the interview session	-Collecting qualitative data -Explain the results
Observation	-Note field -Checklist	-Analysis of data content
Documentation	-Record relating on the procedure and application of a guideline	-Types and documents scanners -Analysis of data content



Table 3.2 shows the entire process used in obtaining data in the present study. In the data collection process, three sources of evidence were collected through interviews, observations and documentation. In-depth interviews were conducted to review the current issues and challenges faced by the Japanese producers who are involved in producing halal products. This was followed by carrying out observations on how the producers manage the halal production itself by referring to the MS1500:2009 guideline. In addition, observations were also made on the availability of halal products around Japan to for the research.

Furthermore, additional data for this research were obtained from the assessment of documentation given by the respondent as an aid in analyzing the data. The following sections provide a detailed description and discussion about the sources of evidence that have been used throughout the data collection process.

### **3.3.1 In-depth interviews**

According to Yin (2003), conducting interviews is one of the most important method of data collection for qualitative studies. Merriam (1998) stated that interviews are important because we cannot know the behavior, feelings and how one interprets the world around them through observation alone. Interviews are important to obtain a clearer and more detailed data from respondents to a study conducted. This is because, to know the issues and challenges of the Malaysian halal guideline among the Japanese producers, in-depth interviews need to be considered for obtaining a true and accurate data. At the same time, according to Merriam (1998), interviews can explain or be evidence of data obtained from direct observations or respondents' documents.

In this study, interviews were conducted to find out the current issues and challenges faced by the Japanese producers in producing halal products. The interviews were also to know how the producers use the Malaysian guideline as a reference in producing those halal products. Thus, it could answer whether the Malaysian guideline is suitable for them or not. The interviews conducted in this study were semi structural. An interview protocol was used as a guide by the researcher to conduct the interviews.

The interviews were related to the issues and challenges face by the Japanese producers and the recommendations made by them for the Malaysian halal standard MS1500:2009 in the production of halal products. The selection of companies has been explained in section 3.4. During the interviews, "what" and "how" questions were frequently to avoid the yes or no answers that may affect rich data collection with the description.

The interview was intended to be expressed in the context of Japan as a non-Muslim advanced country handling halal matters. The choice of information sources by respondents was intended to ensure that knowledge about producing halal product is reflected in how it is implemented and the management is in the organization. Therefore, the companies selected for this study were those that produce halal food for Muslims. The companies also implemented the Malaysian guideline MS1500:2009 and accept JAKIM Malaysia as the authority that could help them in producing the halal products.

Each interview was recorded for transcription purposes. The interview was made at the selected certifier and food producer's companies in both Malaysia and Japan. During the interview, a voice recorder was used to record the conversation so that the findings could be studied in more detail later. A transcript of each interview was typed directly after the

interview was conducted based on the voice recording. In the transcripts, the text was typed with the interviewer's column in bold letters and for the interviewed in regular letters (see Figure 3.2). The questions asked during the interviews are shown in the Appendixes II.

<p>COMPANY A</p> <p>DATE : 26 FEB 2017</p> <p>PLACE ██████████, OSAKA, JAPAN</p> <p><b>What do you think about halal food market in Japan?</b></p> <p>Halal food is now actually increasing the demand for tourist mainly. And then all this companies they are looking at two different markets, one is the inbound, where inbound is more to the tourism in Japan. This tourism including the preparation for Olympic 2020. There are also coming tourist from not only China or Korea a but also Muslim country like Malaysia, Indonesia, Thailand and now Iranian also coming, start to coming. So, to cater those people, of course the restaurant is demanded to be halal. So, some Japanese owns company, provide halal food, halal dedicated restaurant. Very few but they now they are doing very well.</p> <p><b>Which guideline do you use to assists the Japanese food producer?</b></p> <p>Here, we are using MS1500:2009 as we get helps from JAKIM Malaysia to train us first.</p> <p><b>How do you assist those producer in producing the halal food?</b></p> <p>Our company are giving the training to the producer, since the beginning before they have the halal certification. We want them to understand every requirement in the guideline, so that the producer could produce halal product that fulfill the Syariah compliant.</p> <p><b>What is the issues and challenges do you think that make the Japanese producer difficult to produce the halal product?</b></p> <p>Most challenges for use is to fulfill the requirement from UAE standard where it has different from MS. These standards have different in the requirement like the alcohol level. It gives problem when we want to export out traditional Japanese ingredient to their country. Plus, to produce halal food, it will incur more cost. Most of the producer want to export their product to the other country when they produce halal food, because they have invested their capital for it.</p>
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Figure 3.2  
*Interview Transcription Text*

### **3.3.2 Direct information and observation**

Observation is one of the important sources of qualitative data. Observation was conducted in the field of study to obtain data directly. Observation is important because it is considered routine by the respondents of the study to be found in this study and the data from observations may give an understanding and explanation to a phenomenon. Direct observation can record the respondent's behavior during the field study and obtain data that the respondent cannot inform during the interview (Merriam, 1998). Direct observation is also conducted to ensure that the information presented can continue to be applied.

Therefore, to learn about halal production in Japan, as well as issues and challenges faced by the Japanese producers, it is necessary to take a look at how the Malaysian guideline has been implemented in Japan and what other issues are related to it. The immediate observation was conducted when the researcher was in Japan to see for herself the availability of halal products for Muslim people and tourists and also the halal production line at their factory. From these observations, it can be seen how far the Malaysian guideline could help to give a good impact on Muslim people there as well as their economy. This can also help the researcher to find out about other issues that influenced the production of halal products in Japan. In addition, the researcher also focused on what the respondents commented on the Malaysian guideline was similar to that observed. During the observations conducted in Japan, the researcher took notes and supporting photographs to facilitate in later data analysis in order to answer the relevant research questions.

In addition, data collection was also done by the researcher through observations in the factory, by seeing the relevant documents and retrieved data over the period of time when these guidelines were implemented as a reference of the company in producing halal food products. Observations were made related to plant layout, hygiene and cleanliness of the factory and procedures made by the management, workers and communities involved during the production process.

In addition, observations were made of the documents used by the company in obtaining the necessary knowledge and knowledge application in full respect of the guideline used. Next, the observation was focused on the methods used by the community to ensure that workers carry out what has been prescribed to ensure that the halal food product is in good quality and fulfill the Shariah requirements. Finally, the researcher was allowed to take few photographs or videos for research purposes. The main objective was to verify the observations of the interviews conducted.

### **3.3.3 Document Analysis**

Document analysis is one of the methods used to obtain data in the study. Document analysis is one of the specialized techniques used in qualitative studies (Creswell, 2007). It is intended to collect useful data or information from documents and to investigate any issues that are being investigated. Document analysis is important to understand the purpose or history of a basic knowledge that is applied. Document analysis allows researchers to know information that is not available in an interview or by observation.

In this study, document analysis was carried out on the MS1500:2009 which focuses on the implementation of Malaysian guideline together with the Halal Auditing Manual from

one of the Japanese Certification Bodies. These documents were used to find out what is in the loop and deviations on the requirements followed by the Japanese producers. Thus, it allowed the researcher to better understand on their issues involved in the halal production. The documents were obtained with the permission of the organizations (Figure 3.3), and were used to obtain relevant data or information to answer the objective of the study.



Figure 3.3  
*Document Analysis*

### 3.4 Sampling

Both of the companies and respondents were selected from Malaysia and Japan. This is because, the halal guideline MS1500:2009 from Malaysia was used by Japan to produce their halal product. Since, Malaysia was the developer of the guideline and Japan as the user, it would be good to have their opinion and ideas on the halal guideline MS1500:2009 used by both countries. In addition, the Japanese producers were the main respondents as they are facing the situations and issues occurring in the production of halal product. Thus, the researcher could understand the real situation happening in Japan involving the use of

the halal guideline for producing halal products by having the data collection from both of them.

Sample selection was based on the best samples that could help researchers to get a detailed understanding of the phenomena studied. In this study, purposeful sampling was used in selecting companies that are producing halal food. Sampling is aimed at gathering information from a set of specific and specific samples as well as accuracy with the objective of the study. Based on Creswell (2007), sampling aims a company or an individual as a respondent, allows researchers to get an understanding of the phenomenon they want to study.

In this study, the company selection was based on the implementation of Malaysian halal guideline MS1500:2009. The selection of a company was based on several criteria:

- 1- Must be a company that implements and practice MS1500:2009 in their production of product.
- 2- Must be a company that produces food as their halal product.
- 3- The company must be a developed in terms of halal food production.

In addition, each respondent involved in the research interview should consist of several criteria:

- 1- The person who is knowledgeable and experienced in halal food industry
- 2- A manager or subordinates who manage and apply the MS1500:2009 in their production.

Interviews were conducted formally and the researcher needed to find a suitable date and time for the interviews due to the time schedule of respondents. Respondents were selected

based on experience, knowledge and the dissemination of information to others in understanding and implementing of guideline as their references in the companies. The interviews conducted were also based on the protocol developed. To ensure the reliability of the study, the same protocol was used to interview all of the respondents for the purpose of triangulation. The triangulation requirement arises from the need to ensure the ethical validity of the data obtained (Yin, 2003). The respondents selected were made up of top management which are the key employees involved in the implementation of MS1500:2009 guideline in the company. Table 3.3 shows a summary of the background information on the respondents involved in this study.

Table 3.3  
*Summary of the Background on Selected Respondent*

<b>Respondent</b>	<b>Position</b>	<b>Working Experience</b>	<b>Number of years working in the company</b>
Respondent A	President	13 years	7 years
Respondent B	Manager	20 years	10 years
Respondent C	Executive Chef (Director)	30 years	10 years
Respondent D	QA Manager	9 years	9 years

### **3.5 Data Analysis Technique**

In this study, thematic analysis was used as the medium to analyze data from the collected data because it is more convenient and suitable for a new researcher to carry out and is a more accessible form of analysis. Thematic analysis is a method to classify, examine and conveying the patterns which are called themes within the collected data. Thematic analysis can explain and describe all information from the data which have been collected from the research. As stated by Braun and Clarke (2006), the researcher could thus describe the collected set of data in an interactive way and rich in detail. Moreover, thematic analysis



is a simple analytical method which does not need in depth theoretical and technical knowledge such as grounded theory (Braun & Clarke, 2006). Table below shows the step phase and the methods to carry out the research analysis using the thematic approach.

Table 3.4  
*Step Phase and Method by Using Thematic Approach*

Phase	Data Step	Data analysis methods
Phase 1	Familiarizing with data collection	<ul style="list-style-type: none"> <li>▪ Familiar with the depth and breadth of content.</li> <li>▪ Transcribing verbal data – from interview</li> </ul>
Phase 2	Generating initial code of data	<ul style="list-style-type: none"> <li>▪ Take notes and making idea of coding</li> <li>▪ Make an initial code</li> <li>▪ Collated actual data with each code</li> </ul>
Phase 3	Generating for themes	<ul style="list-style-type: none"> <li>▪ Sorting different codes into themes</li> <li>▪ Collated all coded data within identified themes</li> </ul>
Phase 4	Reviewing themes	<ul style="list-style-type: none"> <li>▪ Reviewing and refining themes</li> <li>▪ Creating different themes and collated each other</li> </ul>
Phase 5	Defining and naming themes	<ul style="list-style-type: none"> <li>▪ Organizing theme into coherent and internally consistent</li> <li>▪ Clearly define themes</li> </ul>
Phase 6	Finalizing report	<ul style="list-style-type: none"> <li>▪ Final analysis based on full themes</li> <li>▪ Make argument in relation to research questions</li> </ul>

The first step in thematic analysis was to familiarize with the data collection. In this research, the researcher used interviews to obtain the data. Thus, interview data were transcribed into written form before thematic analysis can be done. In this phase, the researcher had enough time to familiarize with the data and also perform revisions by transcribing data from the original audio recording from the interviews for accuracy of information. The researcher also repeated and continued reading the interview transcripts

to identify clearly each pattern that exists in the data. Hence, the idea and identification of possible patterns of themes would be accurate with the objective of the research.

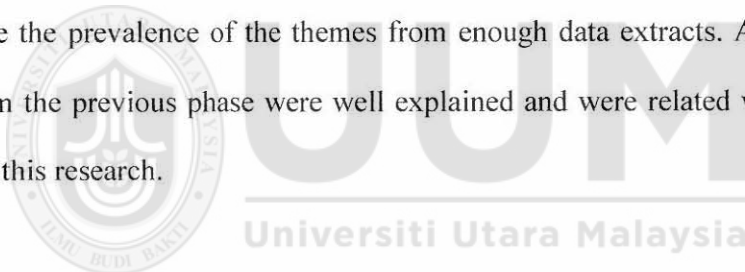
The second step involved the researcher generating initial code from the data. Since the researcher was familiar with the data, she was able to identify codes that are related with the data analysis. In addition, in this phase, the whole set of data was systematically analyzed to identify interesting aspects in the data items that could lead to repeated patterns. Additionally, all of the actual data that had been extracted were coded and collated with one another to get the codes that were relevant to the research study.

The third phase was carried out when the collected data were fully coded and collated, as well as various different codes identified through the previous phase. Thus, in this phase, this study involved sorting out all of the different codes into potential themes and also closely related to the data extracted within the identified themes.

During the fourth phase, a refinement was made on a set of themes which have been devised. This phase was for identifying if there are themes that might not be important to the study. This can happen when the data obtained were not sufficient to support or too divergent from the themes used in the research. Thus, the researcher had to review and read the entire collated extract for all themes to ensure that they appear to form a coherent pattern. In summary, in this phase the researchers had to refine the theme, create a new theme, and search for data extracts that do not fit the previous themes with a suitable new theme. At the end of this phase, different themes can be identified and existing data was in line with those themes.

In phase five, the researcher collated data for each of the different themes. This phase was to define and refine the existing themes. Thus, the theme can be arranged into a coherent and internally consistent form with accompanying narrative. In this phase, the researcher will also make sure that the existing themes can answer all of the research questions and will be able to describe each of the themes well, based on the available data.

In the final phase, the researcher now has a set of fully collated themes. Thus, the final analysis for the research and complete writing the report can then be made. Throughout the entire process, existing themes can be explained with sufficient evidence which also can demonstrate the prevalence of the themes from enough data extracts. All of the themes chosen from the previous phase were well explained and were related with the research question in this research.



### **3.6 Validity and Reliability**

Creswell (2002) says qualitative studies require researchers to give meaning to the data collected. This is because the interpretation of data depends on the wisdom and experience of the researcher. The validity and reliability of the instrument is very important in maintaining the accuracy of the instrument from being exposed to defects. Trust and validity are measures that refer to the stability and consistency of the study tool whether it is able to answer the research questions that were made at the beginning of the study (Hardy & Bryman).

There are four techniques or procedures that need to be applied in the study to strengthen the validity and reliability of the findings. They are credibility (internal validity), transferability (external validity), reliability and trustworthiness. Table 3.5 summarizes the procedures and techniques used to ensure the validity and reliability of the research findings.

Table 3.5  
*Validity and Reliability*

Criteria	Technique	Research stage	Research action
Credibility (Internal validity)	<ul style="list-style-type: none"> <li>• Study participation</li> <li>• Triangulation</li> <li>• Checking the respondent</li> </ul>	<ul style="list-style-type: none"> <li>• Over period of study</li> <li>• Data Collection</li> <li>• Upon completion of data analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Various source of data, observation, interviews, documents and audiovisual</li> <li>• Discussion with respondent informally</li> </ul>
Transferability (external validity)	<ul style="list-style-type: none"> <li>• Detailed description</li> <li>• Procedure coding and analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Data collection</li> <li>• Data analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis report</li> </ul>
Dependability (Reliability)	<ul style="list-style-type: none"> <li>• Non-repeating questions</li> </ul>	<ul style="list-style-type: none"> <li>• Data analysis and report</li> </ul>	<ul style="list-style-type: none"> <li>• Research report</li> </ul>
Objectivity (Trustworthiness)	<ul style="list-style-type: none"> <li>• Developing a protocol</li> <li>• A database of studies</li> </ul>	<ul style="list-style-type: none"> <li>• Data collection</li> </ul>	<ul style="list-style-type: none"> <li>• Research protocol</li> <li>• Handling data with thematic analysis, coding and categorizing</li> </ul>

Credibility or internal validity is the criterion used to convince the truth of the findings. This study applies a variety of techniques to ensure the correctness of research findings. Direct observation and in-depth interviews were conducted over the period of research study to ensure continuous and prolonged observation. The study was conducted to create a good relationship and trust between respondents and researchers. In addition, triangulation techniques were also used to ensure the credibility of research findings.

According to Creswell (2002), triangulation is a process for obtaining data from various methods and individuals. Triangulation can increase the internal validity of the findings (Merriam, 1998). This study selected a combination of data from observations and interview analyses to strengthen the study (Creswell, 2009). This combination of techniques gives a clear picture of the issues being studied. In addition, to ensure the credibility of the study, after analyzing the data and completing the report for the study, the report will be referred to the respondents for review. This was to ensure that the data that was interpreted in the report is correct as it would be conveyed to the reader. The respondent of the interviews were the food producers and the halal certifier. To obtain credibility, the researcher found about halal food production through discussion from the interviews which were conducted in Japan and Malaysia. Other than that, the researcher also used other method such as documentation for MS1500:2009 as the reference for halal food production and doing some observations related to the halal production in Japan.

The second technique for validating data is through transferability. The transferability is to ensure that research findings can be applied in other contexts. The findings of this study were derived from the described data collected from various sources that describe the

phenomena studied in detail and in depth. However, this qualitative study was not to seek a general truth about the phenomenon studied but the objective of the study was to understand a phenomenon in depth. This means that it is not the objective of the qualitative studies to apply the findings to other situations (Merriam, 1998). In this research, the data from the interviews on the food producers must be relevant to the research objective. The result of using the MS1500:2009 as the reference for production of halal food products must be applicable with the situation and environment in Japan.

The third technique is dependability. The dependability or reliability is applied to ensure that the findings are consistent and not repeated. The criteria are equivalent to the reliability of the study (Merriam, 1998). This means that once the same review is repeated, the same finding will be found. Merriam (1998) argues that in qualitative studies, human beings are instruments of study, therefore, repeating a qualitative study will not necessarily produce the same study findings. However, this problem can be solved to make the findings more reliable by training and practice. For reliability, this study selected respondents who have the same background which is they must have an extensive knowledge about halal and the implementation of MS1500:20009 in their production of the halal products. Furthermore, the researcher used the same set of questions on Japanese and Malaysians respondents during the interviews. In addition, the questions asked were not repeated in order to obtain accurate findings.

Finally, objectivity can also be used as a trustworthiness technique. Reliability depends on the degree of neutrality of the research findings in that the data were collected from the participants without bias and conflicting interests of the researcher. The assumptions of the

role of researcher were stated in this study to avoid bias. In this study, researchers play a role as an observer and experienced the current situation. At the same time, the use of protocol was implemented as a guide to the researcher in order to be consistent when conducting the interviews, making documentation and observations. The trustworthiness was obtained when after the interviews, the researcher will immediately transcribe the data obtained for the data analysis. The researcher then arranged the data by coding them using thematic analysis and create a detailed prescription according to the themes. From the data, the researcher was able to find out the issues and challenges experienced by the Japanese food producers in producing halal product. The researcher also asked the respondents to check the data from the interviews to ensure that the data were correct and not biased.

### **3.7 Summary**

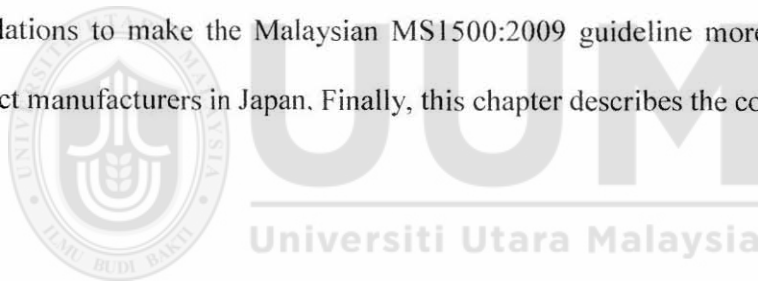
This chapter discussed the methods used to answer the research questions. The selected research design, research methods, research technique and analysis strategy used by researchers were explained. The selection of study methods was adapted from previous studies. Once appropriate methods and techniques were identified, they can answer the questions. Interviews with respondents were also conducted to identify issues and challenges, improvement and associated with the Malaysian guideline MS1500:2009 being used by Japanese producers in Japan. Thematic analysis was used to capture the findings and analyze data collection in this research. Overall, this chapter explained in detail the research methodology to complete this research.

## **CHAPTER 4**

### **FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter discusses the finding and discussions on issues and challenges and also suggestion for improvements that can be made to the MS1500:2009 guideline in producing halal products, especially for Japanese food producers. The first part of this chapter discusses the backgrounds of the companies selected in this study. Next, situation of halal in Japan was described. This chapter also discusses the issues and challenges for halal food producers in Japan. In addition, this chapter also discusses on suggestions and recommendations to make the Malaysian MS1500:2009 guideline more acceptable for halal product manufacturers in Japan. Finally, this chapter describes the conclusions of the study.





## 4.2 Background of Company and Non-Profit Organization

### 4.2.1 Company A

Company A is a certifying company established in May, 2010 and is also a Non-Profit Organization Corporation (NPO). The main office of the company is in Osaka, Japan. The aim of the company is to guide Japan food producers to produce healthy products that fulfill the Shariah Law. The company has been involved with the halal industry for seven years. In addition, the company has established good relations with JAKIM to assist them in guiding the Japanese food companies in producing halal food products. Prior to the establishment, the management had undergone a JAKIM training session to understand every requirement in the halal food production guide.

The main activity carried out by Company A is providing halal certification to Japanese companies for inbound and outbound market of halal products, training on halal food and monitoring and inspection for halal slaughtering houses. As being mentioned by the respondent A;

*“we are giving the training on halal food for Japanese producers and also certified companies that exporting the halal product to the other countries”*

The respondent A also claimed;

*“currently, we also doing halal certified for the slaughtering house in Japan”*

Thus, they are responsible for ensuring the Muslims living in Japan and also Muslim tourists have access to halal food. The company believes that Muslim people should feel confident to consume any halal food in Japan without feeling any doubts. As mentioned by respondent A;

*“as a Muslim, we need to perform solat, eat halal without any hesitation same to the other Muslim countries. We as a Muslim’s parent in Japan has to provide the opportunities involving halal within Japan for the next generation.”*

Company A aims to be one of the companies that could contribute in developing the halal industry in Japan, especially in halal food, as claimed by respondent A;

*“this organization established are not just for the time being, but it also for the future of halal industry in Japan”*

#### 4.2.2 Company B

Company B is a hygiene and sanitation company where it was established in 1952 in Osaka, Japan. The aim of the company is to be a leader of hygiene and health product focusing on Muslims and non-Muslim people. Their original product during the company's early of establishment was a hygiene product. Then, 49 years later, the company added another market related to the halal food industry. This company has established good relations with JAKIM to assist companies in producing halal products. Their company has asked for assistance from JAKIM to help them in producing halal products until they manage to understand everything involved in the halal production. The main activity involved by Company B is implementing and practicing of MS1500:2009 in their production of halal food. As mentioned by respondent B;

*“we practicing MS1500:2009 for halal production, other than HACCP and GMP here in our factory”*

Besides, they are also focusing on hygiene and health products using halal ingredient as the raw material. Since they realize that nowadays people are getting unhealthy, they produce sugar as one of their halal and healthy product for people to consume. This has been mentioned by respondent B during the interview session;

*“halal and healthy sugar are the product that will help people to be healthy and it is the company's aim involving the hygiene and health industry”*

Besides, the company is also exporting their halal product to other countries since they are aware that Muslim population increases each year. They are confident that the halal products could produce high profits for the company where halal industry will be one of the generative industries in the future. As mention by respondent B;

*“the halal products have been exporting to the other countries, since Muslims population is increase and its give high chances for company to achieve high profit from the halal industry”*

At the respondent's factory, the researcher observed conditions to see how halal assurance systems are being implemented there. Through observation, all halal food processing equipment were marked and also the lines of each part involved in producing halal food. All employees who are involved and handling the halal food production division also wears a full head covering, apron and face mask. The visitors also need to wear the company's uniform to make sure that there no cross-contamination happened during the visit to their factory. As told by respondent B;

*“please wear the special uniform from our company to keep our halal product from any cross-contamination and unnecessarily material”*

### 4.2.3 Company C

Company C is a high-class restaurant which was established in 1928. The restaurant is located in Tokyo, Japan. The restaurant had organized for formal dinners and special events from the universities and organization or businesses in Japan. They are providing four types of services which are: banquet room, wedding, restaurant and bar and hotel for their customers. The company also is involved with providing and serving halal food for five years. Although, the company does not have any direct relationship or receive any assistance from JAKIM involving their production of halal food, they have attended halal-training seminars organized by Japan Certification Body for producing the halal food. As mentioned by respondent C;

*“our staff and top management have received training on preparation for halal food from the certification body in Japan”*

The company also carries out halal-related activities such as development of preparation for halal dish and promoting and joining halal food training among the staff. Furthermore, the company is offering traditional Japanese cuisine by using halal ingredients to allow customers to experience the uniqueness of Japanese food. This is to attract Muslims to try Japanese cuisine that has halal preparation and ingredients.

As also mentioned during the interview by respondent C;

*“we have preparing Japanese cuisine with using halal ingredients for Muslims”*

In addition, they are also trying to introduce the flavors of Japanese food to the world by inviting ambassadors from various countries to taste the food from their menu in the restaurant. Thus, the company could cater to Muslims customers by learning how to prepare halal food instead of just focusing to non-Muslims.

During the visit to the restaurant, the respondent has taken the researcher to see how the food in the restaurant was prepared. Through observation, all of the chefs were wearing gloves, headgears and aprons during food preparation. The food preparation area was also very clean and tidy. Also, it was observed that the chefs will clean their knives before they started to make any dishes for the customers and they used different cutting boards for the preparation of halal and non-halal food. As told by respondent C in the interview session;

*“currently the cutting board could be separated use to prepare for halal and non-halal food by our chef”*

#### **4.2.4 Company D**

Company D is a food and beverages company which was established in 1985 and located in Sungai Petani, Kedah. The aim of the company is to be one of the leading producers of frozen food in Malaysia. They have experience in producing frozen food gained from the training organized by JAKIM and other agencies for the production of halal food. Thus, the company was involved with the halal business producing halal frozen food for 32 years. The company also has a good relationship with JAKIM who helped them by giving regular training to the top management and also the staff for better understanding on the requirements in the guideline for producing halal food.

Company D is also involved in the importing and exporting of halal products. The company has exported their frozen food products to Brunei, Thailand and also China. As mentioned by the respondent D during the interview;

*“other than produce the product for inbound market, we also exporting to the overseas including non-Islamic countries such as Thailand and China”*

In addition, the company is also spreading information about their halal products among the local community by organizing Corporate Social Responsibility Programs (CSR). Thus, people will know and feel confident that their frozen foods are of good quality and are Shariah compliant. As mentioned by respondent D;

*“CSR program are one of our method to make people know our products is halal and good quality”*

At the Company D's factory, the staff involved for the production of halal food always wore gloves, head covering and their uniform before starting with any part of the manufacturing process. All foods or material from the outside are not allowed to be brought into the factory without permission or authorization from the management. Respondent D told during the interview;

*“our company are really taking care on the quality of our food production, thus anything from the outside are really prohibited without the permission and punishable will be given to those who are not following the rule”*

The respondent D also told that;

*“there will be one of the persons in charge for every line in the food processing section to make sure that the ingredient or food will not have any issues or unwanted problem occurred”*

Table 4.1 was a summary from the background of the company and non-profit organization explain from the previous section.





Table 4.1

*Summary of Company, and Non-Profit Organization (NPO) Background*

<b>Company</b>	<b>Location</b>	<b>Year Established</b>	<b>Years involved with halal business</b>	<b>Relationship with JAKIM Malaysia</b>	<b>Activity Involved with Halal</b>
NPO A	Osaka, Japan	2010	7 years	Yes	-certified Japan company for inbound and outbound market for halal products -training on halal production -monitoring and inspection for halal slaughtering house
Company B	Osaka, Japan	1952	16 years	Yes	-implement MS1500:2009 in their production of food -focus on hygiene and health product -export halal product to other countries
Company C	Tokyo, Japan	1928	5 years	No	-prepare halal dishes -involved with outside seminars on the halal
Company D	Kedah, Malaysia	1985	32 years	Yes	-halal frozen food production -import and export the halal product -spreading the information about their halal product among the local community.

### 4.3 Situation of Halal in Japan

Currently in Japan, the availability of halal food is still at a low level where halal food will only be provided if a tourist guide has made prior reservations for Muslim tourists. If Muslim tourists travel without using Muslim packages, they will need to find enough information on halal food restaurants or stores before visiting an interesting place in Japan. Hence, they can plan to visit an area with nearby halal food. As claimed by respondent A;

*“there is restaurant that serve halal food, but the Muslim tourist need to search and getting enough information from other sources”.*

This statement was also supported by respondent C where;

*“You can find halal food such as kebab in a few places near the town, but it needs you to ask people for it”.*

Besides, most of the foods in Japan contain non-halal ingredients such as alcohol in their food. This statement was supported by Yusof and Shutto (2014) where Japanese people largely use non-halal ingredients such as pork and alcohol in preparing their food. This was also stated by respondent A;

*“Muslim tourist needs to check or ask the Japanese people first to know the ingredient because they always used the alcohol as their seasoning in their food”.*

Furthermore, the food producers in Japan have a lack of knowledge about the preparation of halal food. The small number of local Muslims there also hindered the spreading of knowledge about halal food itself. This was supported by Alhabshi (2016) who stated that Japanese producers need more experts to produce halal product but they do not have enough Muslim people and expertise. Thus, the Halal Association was developed from a non-profit organization to take responsibility by giving training to the producers to cater for the issues of availability of halal food in Japan. There are currently several halal associations established in Japan to help producers in producing halal products. This was confirmed by Alhabshi (2016) who stated that the halal matters have been fully managed by non-profit organizations in Japan.

Some of the organizations are gaining the knowledge and expertise from JAKIM Malaysia, and some of them are learning from other Muslim countries such as MUIS, Singapore (Takayuki, 2014). Most of the agencies are conducting auditing and certification activities to the producers in Japan which will boost their halal industry whether for inbound and also outbound markets. They also managing some training and seminars on halal in Japan to extend the knowledge and understanding about halal especially to the Japanese producers (Alhabshi, 2016).

In addition, these organizations are also certifying halal food and beverages, pharmaceutical products, personal care products, and slaughter houses. As claimed by respondent A;

*“Other than issuing halal certificates, Japanese certification bodies also conducting an inspection on producer’s slaughterhouses for halal meat”.*

The certification bodies are seeking to enhance the halal industry in Japan where it could be a good source of income for the country. Currently, most of the producers and certification bodies are actively participating in halal exhibitions domestically and overseas for gaining more knowledge and expertise in halal. This was stated by respondent C;

*“we always join the training or halal exhibition held in Japan to increase our knowledge and skill on halal production”.*

However, in assisting the producers for producing of halal product, there are some issues and challenges faced by them involved in the halal food production. Mainly, the Japanese producers are targeting to export their product to the other countries, but it cannot be realized when the requirement of halal standard for every country is different. For example, their traditional Japanese cuisine encountered difficulty to enter the UAE which has different requirements than other countries, as told by respondent A;

*“we cannot export soy sauce and miso to the UAE country because of the alcohol level that are different with other country”*

#### 4.4 Issues and Challenges of Japanese Food Producers in Producing Halal Food in Japan

From the halal scenario in Japan, this study has come out with the issues and challenges with the positive and negative that are being faced by the Japanese food producers in producing halal products. Table 4.2 is the summary on the issues and challenges faced by Japanese food producers in producing halal products;

Table 4.2  
*Summary on Issues and Challenges of Japanese Food Producers in Producing Halal Products*

Issues and Challenges	Content	Positive/Negative of Issues and Challenges
Market Demand of Halal Food	<ul style="list-style-type: none"> <li>• High Demand from inbound market</li> <li>• Tokyo Olympics 2020 influenced the tourism coming to Japan</li> <li>• Visa Exemption Arrangement attract more people come to visit Japan.</li> </ul>	<ul style="list-style-type: none"> <li>• Positive</li> </ul>
Different of Halal Standard	<ul style="list-style-type: none"> <li>• Every country has their own requirement</li> <li>• Different understanding on the process</li> <li>• Give confusion to the producers and customers</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>
High Cost for Preparation of Halal Ingredient and Separation of Tools	<ul style="list-style-type: none"> <li>• High cost for critical ingredient (example: meat)</li> <li>• Need to import the halal ingredient</li> <li>• Different tools and equipment use for process halal product</li> <li>• Consuming more space</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>

<p>Muslim Population Influences Local Producer and Expertise</p>	<ul style="list-style-type: none"> <li>• Lead to different taste from the original when the ingredient change</li> <li>• Small number of local Muslims in Japan</li> <li>• Less expertise from their own country</li> <li>• Criteria for the supervisor is Muslim</li> <li>• Lack of knowledge in halal</li> <li>• Involved cost to join training</li> <li>• Expert from the outside incurred more cost</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>
<p>Existence of Multiple Halal Certification Agency</p>	<ul style="list-style-type: none"> <li>• Bring confusion to the producers</li> <li>• Certification body are simplifying the guideline</li> <li>• Varies cost among the certifier, which has different purposes in halal industry</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>
<p>Unavailability of Critical Information in English</p>	<ul style="list-style-type: none"> <li>• Translation needed for every ingredient used</li> <li>• Japanese language in every documentation</li> <li>• Not accepted when entering other countries (example: Malaysia)</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>
<p>Unsuitability of The Malaysian Halal Standard in The Context of Japan</p>	<ul style="list-style-type: none"> <li>• Redundancy of requirement</li> <li>• Need to apply halal certification in Malaysia</li> <li>• Need to have company based in Malaysia</li> <li>• Organization owned by Muslims for being the certification body</li> </ul>	<ul style="list-style-type: none"> <li>• Negative</li> </ul>

#### 4.4.1 Market Demand of Halal Food

The demand in Japan for halal product has increased for inbound and also outbound markets. Currently, Japan is focusing more towards the inbound market which is for the tourists and Muslim people who are staying in Japan and also the immigrants. The statistics for immigrants shows that Japan have 4,893,581 people in 2017 while 4,880,967 people in 2016 (Official Statistic of Japan). Most of the immigrants are staying in Japan for studies and working. As being claimed by the respondent A;

*“halal food is now actually increasing the demand. The producers and companies are currently focusing to one which is the inbound which is for the tourism, immigrant and local in Japan.”*

Although the Japanese local's Muslims makes up only 0.01% of the total population of people in Japan, the number of tourists is increasing especially from Malaysia and Indonesia which are the main contributors to the increasing number of tourists coming to Japan. Tourists from Malaysia and Indonesia in 2017 numbered 439,548 and 394,262 respectively, an increase from 352,330 and 270,947 respectively. This statement was supported by Adidaya (2016), who stated that the demand for halal food is showing a more positive reaction especially when the number of Muslim tourists coming to visit Japan is increasing from Southeast Asian countries who are developing in economic growth.

Besides the increasing number of visitors, this is also influenced by the Tokyo Olympics 2020 which will be held in Japan. The sport activities will be joined by participants from many Muslim and non-Muslim countries. Therefore, Japan needs to take the initiative by

providing facilities including the preparation of halal food for Muslim people. Hence, this is to make all of the visitors feel satisfied with what has been provided by Japan and would give a good impression and image for Japan to receive more visitors after that big event. As stated by respondent A;

*“Those tourists who are coming are including to see the preparation for Olympic 2020. The tourists are coming not only from China or Korea but also Muslim country like Malaysia and Indonesia, and now Iranian also coming to Japan”.*

Furthermore, the increasing number of tourists is also being influenced by the Japanese government's decision to give Visa Exemption Arrangements with 68 countries and regions for short-term stay. The nationals and citizens from those countries involved will not be required to obtain visas to enter Japan whether for tourism, commerce, conference and visiting relative or acquaintances (Alhabshi, 2016). According to JTB Tourism Research (2017), the number of international travelers has increased from 668,610 visitors in January 2013 to 2,295,668 visitors in January 2017 since Japan implemented this visa exemptions. Thus, it increased the inbound market demand for halal product. This argument was claimed by respondent C during the interview;

*“we currently prepare more halal food for Muslim tourist due to high demand from Muslim tourist”.*



Respondent B also supported that;

*“there is more market demand in halal food, and the producers are interested to produce and prepare the halal food more”.*

Hence, this shows that the market demand for halal food is also increasing in Japan and not just in Muslim countries. The halal industry has become a good industry that will help grow the country's economy especially in the halal food industry (Adidaya, 2016). The halal market also will be valued at US\$10 trillion by 2030 (Reuters, 2014). Thus, the increasing demand of halal food from Muslims in Japan also influenced Japanese producers to prepare halal food where it can be one of the generative industries for the economy of the country.

#### **4.4.2 Different Halal Standard**

Japan is also targeting for the outbound market where they are trying to export halal products globally, especially to the other Muslim and non-Muslim countries. As being claimed by respondent A;

*“we are targeting for making the food producers to be involved with import and exporting their products”*

*Respondent B also told that;*

*“we produce our halal products and exporting it to the other countries especially in Muslim country”*

Moreover, the Japanese Prime Minister, Shinzo Abe announced that Japan is planning to double the halal meat export by 2020 which will bring an extra \$10.3 billion income to the country's economy (Alhabshi, 2016). However, in developing the halal food industry in Japan, the producers face some issues on different halal standard requirements used in the countries targeted for export. They found that many countries have their own requirement for halal food which differ from each other.

For example, in the case of soya sauce from Japan, the requirement in the percentage of alcohol content varies from country to country. This is a big challenge for the Japanese soy sauce producers and exporters yet to overcome. Respondent A has mentioned:

*"We need to follow the different halal standard for the products following the exporting countries such as Malaysia. Yet, we still cannot export soy sauce and miso to UAE where they are using a different standard"*

Respondent B also supported that;

*"we are aware of the different standard use in different country, and we will try to follow their halal standard"*

This situation happens when there are different requirements on the process of producing halal products following the country's own necessity. A study by Saidpuhin et al., (2015) stated that there are different halal standard following the country requirement and necessity.

Respondent C had mentioned that;

*“we could not differentiate the halal meat supplied to our restaurant, we completely depend on that particular supplier’s halal certificate”*

This situation creates a problem to the producers who do not really understand halal foods and solely depend to certification given by the halal certification body. This statement had been supported by Backhouse and Mohamad (2014) who stated that multiple accreditation and certification bodies will cause confusion to the producers who are interested with halal food and in exporting the product to other countries. Adidaya (2016) also supported that there is no unified halal standard in Japan that leads to confusion among Muslims. This situation arose because each targeted Muslim country has a particular different halal standard (Saidpudin et al., 2015). Hence, the Japanese producers are encountering difficulty to export their products globally due to different halal standard from many countries.

#### **4.4.3 High cost of preparation for Halal Food and Separation of Tools**

In the halal industry, the producers need to know and understand the meaning and difference between halal and non-halal food. However, the cost of production in producing a halal product is more expensive compared to producing the same product with non-halal ingredients especially when involving critical ingredients such as meat. This is because of the high cost of material, tools and also equipment that Japanese producers need to bear due to limited sources and suppliers. The cost of production becomes a more serious issue for Japanese producers when they need to separate the tools and equipment used for

processing and producing halal products from those used to produce non-halal products.

As claimed by respondent C;

*“It is difficult to separate many things for halal and non-halal food preparation, especially for knife which will always being used”.*

Most of the producers also need to import from outside of the country to get the halal ingredients and raw material for producing their own halal product. The producer who wanted to produce halal products also need to make sure that every ingredient used is halal, which was mentioned by respondent C during the interview;

*“We will contact the supplier before serving the halal dish, because we have to reserve halal meat from the supplier when there are Muslim customers demanding for halal food. The meat is costly, so that is why the food becomes expensive.”*

The cost for food production could be reduced when the producers know the ingredients that need to be separated. The separation of tools and equipment for the production are not needed when the ingredient used is halal. For the ingredients that are originally and already halal such as vegetables, fruits and water, no separation is needed. Thus, there will be no issues for producers to produce halal product if there are already using halal ingredients in producing their product. Besides, the producers also need to bear the cost when specific or scientific research need to be done to make sure that the ingredient is halal. As being claimed by the respondent B;

*“We plan our plant for everything to be halal to produce our halal product where it incurred a huge cost for it”*

The Japanese produces also will need to bear the cost when they will need a laboratory method and expertise to test the halalness of the product. According to Backhouse and Mohamad (2014), the producers need to do laboratory tests to verify the halalness of the ingredient used. This was also supported by Bon and Hussain (2010) who stated that the food preparation system is difficult to incorporate specifically involving with the cooking and storage process for halal food. When referring to the MS1500:2009, in 3.5.3 (d), it stated that all processed halal food shall be prepared, processed or manufactured using equipment and facilities that are free from any contamination from *Najs* and any other things that are non-halal by following the Shariah Law. Thus, the Japanese producers find it difficult to produce halal food product when the separation of those things will consume space for them to prepare especially for restaurants that are targeting Muslims and Non-Muslims as their customers (Takayuki, 2015).

Meanwhile, the Japanese producers want to make the taste of the food remain the same even after using different ingredients for producing the halal food. However, the producers find it difficult to maintain exactly the same taste as the original food when the ingredients used has changed after fulfilling the halal requirements. This is because, most Japanese food use non-halal ingredients such as mirin, miso and sake in their production to maintain their traditional Japanese cuisine. This was mentioned by the respondent C;

*“the taste will be different, it is a bit difficult because some the ingredient is different and has changes, so I think to control the taste is difficult”*

Hence, it becomes an issue for Japanese producers to modify their traditional ingredients used in their food to become halal ingredients for Muslims to consume.

#### **4.4.4 Muslim Population Influences Local Producers and Expertise in Halal Food**

The number of Muslim people in Japan is increasing every year due to conversions towards Islam. Japan also has also received more immigrants to help them sustain for the future. However, the population of the local Muslim community is still small compared with other countries. This small Muslim population in Japan created a lack of knowledge in the field of halal food production.

As claimed by respondent D during the interview;

*“Japan country has less Muslim people to help producers to establish their own expert which make them need the other country to assists them”.*

This argument was also supported by respondent C during the interview;

*“We don't have enough Muslim workers in the premises to help company to prepare halal food, thus, we sent our staff to receive training step-by-step for halal food preparation”.*

In addition, when referring to the guideline of Malaysia Standard which is MS1500:2009 where in 3.1.1 it stated that the management shall appoint Muslim Halal Executive officers or establish a committee which consists of Muslim personnel who are responsible to ensure the effectiveness in implementation of internal halal control system.

This is one of the requirements in the guideline that shows the existence of Muslim personnel in the company is important when they want to produce halal products. In spite of that, Adidaya (2016) has stated that Japan is quite late in addressing the halal market and the number of Muslim populations is still small to influence the halal market. Hence, their expertise in halal field is very limited due to this factor. The consequence of this issue also makes Japan has a small number of local Muslim producers to enhance the halal food industry in Japan (Takayuki, 2014).

Furthermore, lack of training and understanding caused the Japanese producers' difficulty to understand how to produce halal food while fulfilling the Shariah Law for Muslims in their country and exporting Japanese halal products. The producers also need to spend large amounts of money on hiring experts in this field with the help of JAKIM who are providing halal professionals to provide training, guidance and monitoring of halal food production in Japan.

As mentioned by respondent A who has difficulty to find Muslim men for specific job in halal;

*“We need to hire two Muslim from Malaysia, because it is too difficult to find the slaughtering man in Japan”*

The respondent B also claimed that;

*“The company has hired one part-time Malaysia Muslim who is come to their factory plant to help them in auditing and check the halal production system”.*

This issue becomes more serious when those producers are lacking in training due to the high cost for it. The respondent C mentioned about the training;

*“Currently our staff only receive the instruction for preparing halal food. Only top management in organization are aware about the important of halal and attend the training due to the cost.”*

This issue is causing more burdens to them when the producers cannot get any assistance including the cost for halal training from their government where their government looks at halal as a religious matter. This is supported by Alhabshi (2016) who stated that the Japanese government will not be involved directly with religious matters including halal. Japan is a secular country that does not have a specific religion, thus making difficult for them to understand about halal from the Islamic religion. the concept of halal is something new to them (Backhouse and Mohamad, 2014). Therefore, the small number of Muslims



in Japan certainly created a problem for the companies to meet the requirements and having enough expertise in halal.

#### **4.4.5 Existence of Multiple Halal Certification Agency**

Japan wants to engage in this industry as the demand and the number of Muslims is rising every year not only in their country but also abroad. For a non-Islamic country like Japan, preparing and producing halal food is one of the most difficult things to do. Thus, there are some halal agencies that have been established to assist in their production of halal food. These agencies have been training and assisting producers in Japan to be more effective and increase understanding of the process and the right way to produce halal food. These agencies also have been recognized by the Malaysian JAKIM to boost their halal industry.

Respondent B had mentioned that;

*“our company always sent the staff to joined the halal training and seminar organized by the certification body in Japan”*

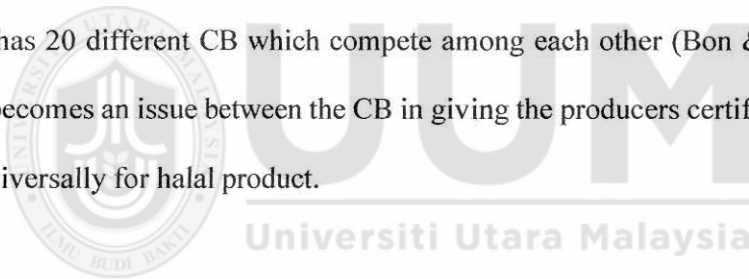
Respondent A also mentioned that;

*“we always participated in halal seminar organized by JAKIM to gained the knowledge on halal”*

However, there has been an issue where the existence of these halal agencies has caused confusion between producers concerned with the production of halal food products. As claimed by respondent A;

*“We have use halal system but the others also call certification body which they don’t have a proper system and give confusion to producers”.*

This argument was supported by Adidaya (2016) where several halal associations in Japan have lead to some confusion to the Muslim people in Japan and also to the Muslim tourists. It also affects the local Muslim population by not believing these agencies have been empowered by JAKIM in assisting their halal industry. This situation also creates some discontent between old and new halal agencies that recently were given an authorization from JAKIM to help the halal industry in Japan. This situation also happened to the other countries such as France which has 50 halal certification bodies (CB) while United Kingdom has 20 different CB which compete among each other (Bon & Hussain 2010). Hence, it becomes an issue between the CB in giving the producers certification that could be used universally for halal product.



The respondent A had mention during the interview where;

*“I think we doing at a maximum compare to other certification body. We have system trust by the other producers and JAKIM but the others also call certification body which they don’t have system.”*

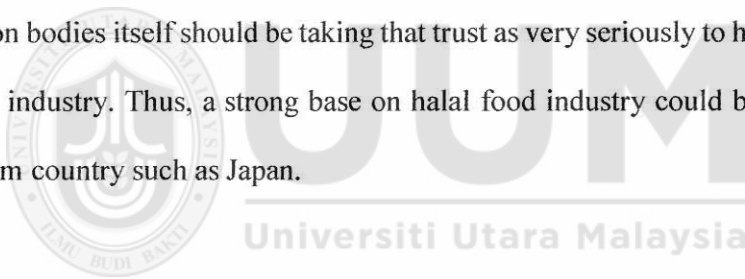
Conversely, there is a difference in implementing the requirement of the guidelines in producing halal food products from the certification body. There were several agencies who simplified the conditions and requirements for producers to speed up the procurement process and increase the number of halal food manufacturers. This statement was supported

by Reuters (2015) that reported there are certain halal certification bodies that simplify giving the halal certificate to the producers to boost the industry.

Respondent C had claimed that;

*“there are few other halal certification bodies in Japan, and we didn’t know which one is not good”*

This situation has lead to confusion and doubt among Muslims when buying the products. It is also affecting the credibility of halal certification bodies in Japan itself. Even if JAKIM is the one who are giving the authorization to the certification bodies in Japan, the certification bodies itself should be taking that trust as very seriously to help Japan develop their halal industry. Thus, a strong base on halal food industry could be established in a non-Muslim country such as Japan.



Besides, to ensure that halal food products are guaranteed halal and fulfill the halal compliances, halal integrity is required. Agencies and producers need to have a high integrity in fulfilling the requirements along with guidelines set by Islamic law in producing halal food.

Respondent D had stated that;

*“integrity is very important for non-muslim country like Japan in producing halal food, same goes important also for the muslim country such as Malaysia”*

Japan is a known as a country that has high integrity and ethics (Alhabshi, 2016), thus, their certification bodies involved also need to be strict in following the requirement of halal guideline without thinking of the business profits. This is because it will affect the compliance of halal itself when the agencies and producers are not serious following the halal guideline.

#### **4.4.6 Unavailability of Critical Information in English**

In addition, Japanese producers also have problems in the strictness of procedure for certification where the translation of each material and product produced should have the correct translation in the English language. If the products are planned to enter Malaysia as an intermediate itself before entering other countries or marketed in Malaysia, they also need to fulfill this requirement. Their packaging and labelling for the products are written in Japanese which is difficult for non-Japanese people to read. This has also been mentioned by the respondent D;

*“Japanese’s people are strongly using their own language in communication and also in their document which give some difficulties to others to understand”.*

This has been supported by Adidaya (2016), where the Japanese’s people are using their own language in all aspects of life. This has given rise to problems and challenges for the Japanese as they use their native language in all respects, including the documentation of halal food production.

Besides, it will give more trouble when the Japanese producers use many ingredients in producing a product and also sourced some of the ingredients from other countries. These imported ingredients require certification from their country of origin that is also recognized by JAKIM and needs to be translated. Thus, the Japanese producers need to be very particular and careful in managing all of the documentation that they need to follow before submitting it to JAKIM Malaysia.

#### **4.4.7 Unsuitability of The Malaysian Halal Standard in The Context of Japan**

The Japanese producers need to fulfill all of the requirements in the guideline before they could export halal products to Malaysia and being audited by JAKIM Malaysia. They do not have the other choices if they really want to participate in the halal industry. Japanese producers encounter difficulty to produce halal products especially when some of the requirements in the guideline are similar for them such as hygiene, and sanitation parts. They feel that the requirement seems redundant where they are also being implemented by their own government. They also find that having the Muslim halal experts is also difficult due to the hiring cost and the small number of local Muslim in Japan.

This had been claimed by respondent A;

*“Sanitation and hygiene system are controlled by our government and so we have nothing to touch in this, but it is in the auditor’s checklist and the auditor’s complaint why this is mentioned in the requirement.*”

However, the strictness procedure set by JAKIM and the other halal committees involved are to ensure that the products entered into Malaysia are fully halal. In fact, Malaysia's halal certification is also recognized from many countries including the OIC countries and throughout the world. According to Alhabshi (2016), other countries have very high confidence and trust that the Malaysia Halal development system is unique. Furthermore, Malaysia's halal certification also focuses on the halal assurance system in the guideline.

Respondent B had stated that;

*“we are confident with JAKIM, where the halal standard MS1500:2009 had increasing the quality of our product”*

Thus, when the Japanese producers are able to meet the requirements of the halal guideline and able to get the halal certificate from Malaysia, the products produced can be exported worldwide because the strict procedure from JAKIM certification has a high value to it and accepted by all over the world. This was supported by Zannierah (2012), where the Codex Alimentarius Commission (CAC) has announced that the Malaysian Standard MS1500:2009 as the best example of a halal guideline. Thus, Japanese producers need to be very committed if they want to have support from JAKIM Malaysia to assist them in establishing their own halal industry.

Furthermore, for international applicants outside of Malaysia that need to apply for halal certification in Malaysia, they also need to fulfill the strictness requirement set by JAKIM Malaysia. Other than following the halal guideline, they also need to have a company based

in Malaysia to help them in their country of origin. Hence, this creates a problem to Japan to fulfill all of the requirements before they could produce the halal products and having the halal certification. It seems difficult for them due to the lack of understanding and experts in halal production.

The crisis happens among the certification bodies itself in Japan which also created the inconvenient situation for Japanese producers to learn about halal production (Takayuki, 2015). Thus, the assistance and guidance from the Malaysian guideline is really valuable and significant for the Japanese producers to learn and understand well on every requirement needed in producing a halal product (Adidaya, 2016). However, the requirements also need to suit their environment and situation to avoid any misconceptions and contravening with the Shariah Law.

#### **4.5 Suggestion and Recommendation of Malaysian Halal Standard MS1500:2009**

By looking through the issues and challenges mentioned in section 4.4, those important points could be solved by understanding the guideline thoroughly. This is because the guideline is the main source and reference for Japanese producers before they could produce the halal products.

Thus, this section the study discusses on several suggestions and recommendations of criteria to be implemented in the Malaysian Guideline MS1500:2009 which will be more suitable for Japanese food producers to produce the halal products. This study touched on the section three from the MS1500:2009 guideline where it was categorized into eight (8)

main requirements in that particular section. In the requirement three (3) involves crucial parts to be understood and practiced by food producers to produce halal products. The 8 main requirements consist of the management responsibilities, premises, devices, utensil, machine and processing aids, hygiene, sanitation and food safety, processing of halal food, slaughtering process, processing, handling, distribution and serving, storage, transportation, display, sale and serving of halal food, packaging, labelling and advertising and legal requirement.

#### **4.5.1 Management Responsibilities**

For the first requirement which is management responsibilities, the key point that needs to be highlighted is that the producers shall appoint a Muslim halal executive officer or committee which consist of Muslim personnel, who are well trained in halal principle and its application in order to implement and ensure the effectiveness of internal halal control. Hence, this study would like to suggest for the Japanese producers to import the halal expertise from Malaysia. This is because, JAKIM had established the expertise team to help Japan for the production on the early stage before Japanese producers could establish and manage by themselves. Thus, it would be easy for the producers and staff to understanding halal production.

In producing halal food products, the management itself needs to be the one that has the knowledge on halal. Thus, importing the expert from the outside would be the solution to help Japanese food producers to produce halal products. This is because, a Muslim will



understand thoroughly in the Shariah perspective on halal as being mentioned by the respondent D;

*“as a Muslims, we should have more proficient and expert in halal perspective, faith and the understanding compare to non-muslim people especially on food”*

Respondent B also stated that;

*“we have part time halal expert from Malaysia that helps our halal production”*

The Respondent A also mentioned;

*“we get the training from JAKIM, Malaysia to help us in producing halal product”*

Thus, Muslim people and expert in halal are very important in producing halal product especially for food.

#### **4.5.2 Premises**

Next is the requirement for the premises according to the guideline. The premises shall be very strict in avoiding any cross-contamination of halal product between and during the operation of it. Thus, this study would like to suggest for the Japanese producers to use their advanced technology to segregate the ingredients and everything that is involved for producing the halal food from non-halal ingredients if they are produced in the same premises. As supported by respondent D;

*“Japanese producers could handle and segregate all the ingredients use without any cross-contamination by using their high technology machine”.*

The main important is the producers need to prevent any cross-contamination from happening during the process. For the processing of any carcasses as mentioned in the (3.2.9) in the guideline, it shall be done in the same premises or in an approved premise by the competent authority with the supervision from them. The process needs to be monitored from the beginning of the raw material until it the final product. This statement was supported by respondent B;

*“We plan our plant for everything to be halal to produce our halal product from the beginning until the end product, so that it fulfills the requirement of the guideline and halal compliant”*

This shows that any cross-contamination in the premises must be avoided where it is important places for the halal production to be made.

#### **4.5.3 Devices, Utensil, Machine and Processing Aids**

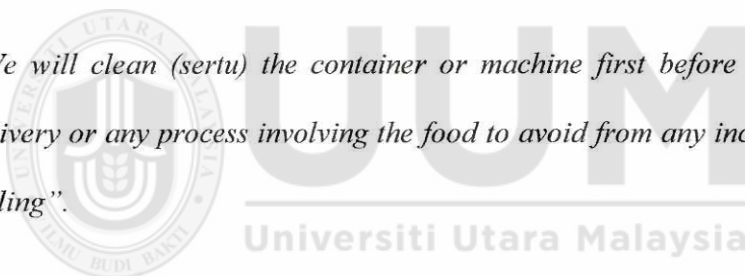
For the devices, utensil, machines and processing aids requirement, the Japanese producers need to make sure that any devices or machine that are being used for processing the halal food shall not be made of or contain any material that are categorized as *najs* by the Shariah Law and it shall be used for halal food. However, if the processing aids were previously being used or having contact with *najs al-mughallazah* as the section on (3.3.3) where it is mentions about converting *najs al-mughallazah* into the halal production line. In this part,

this study is recommended to the Japanese producers to be very particular on the equipment which shall be used for halal products. Producers could refer to requirement on (2.4.2-a) to understand on the category of *najs al-mughallazah*. In this requirement also, the Japanese producers need to understand clearly on cleaning the devices, utensil, machine and processing aids used for the production of halal product. As mentioned by respondent D during the interview;

*“if the machine or devices are having contact with any najs, it’s still can be used by clean it properly by following the Shariah Law”*

The respondent D also claimed that;

*“We will clean (sertu) the container or machine first before use it for delivery or any process involving the food to avoid from any inconvenient feeling”.*



Then, the machines could be used as usual. However, the repetition of converting the line of *najs al-mughallazah* back to halal line is not permitted according to the MS1500:2009 guideline. Hence, the producers must make sure that the requirement has been fulfilled to produce a good quality and Shariah compliant product.

#### **4.5.4 Hygiene, sanitation, and food safety**

Next is hygiene, sanitation and food safety where they are a serious aspect in producing halal product such as personnel hygiene, clothing, devices, utensil machine, processing aids, and premises for processing manufacturing and storage food. Thus, for Japan, this

study would like to suggest Japanese producers to follow their own government authority that is responsible for hygiene, sanitation and food safety requirements. Furthermore, the authority should be more knowledgeable and understanding in halal matters. This is because, the existence of local authority already fulfills the hygiene, sanitation and full safety requirement. Japan has an authority that is handling and managing the production of food which is the Department of Food Safety, Pharmaceutical and Food Safety Bureau (Ministry of Health, Labour, and Welfare Japan). This authority is handling and monitoring the Japanese producers in Japan using their own standard. Hence, Japanese producers believe that the requirement in (3.4) is not necessary where their government is already controlling it.

As claimed by respondent A;

*“the hygiene, sanitation and food safety are controlling by our government where nothing could change and Japanese must follow it to do the production”.*

The respondent A also claimed that;

*“the auditor’s checklist is complaining on the sanitation and hygiene part which in the halal requirement and its already include in Japan standard”*

As in Malaysian Standard, there are several authorities that are responsible in handling and monitoring of those aspects. Thus, for Malaysia, there are *Garis panduan amalan pengilangan yang baik*, Ministry of Health Malaysia, MS1480 and public health legislation form in Malaysia. As stated by Sani and Dahlan (2015), processing of halal products

requires perfect hygiene practice where producers could adopt either HACCP and or with GMP. So, for countries such as Japan, they should be following their own government authority already being appointed or responsible for this matter. Thus, Japanese producers thought that the requirement for hygiene and sanitation were duplicated in their standard and it is not necessary.

Hence, countries should have their own authority to ensure the safety of products together with the halal guideline. It is not necessary for the country to follow the guideline authority or establish other authorities to monitor the halal production of food. It is actually up to the respective countries in carrying out the responsibility regarding hygiene, sanitation and food safety but complying with Shariah. Therefore, the food products produced by the manufacturers could be used by Muslims and also non-Muslims.

#### **4.5.5 Processing of Halal Food**

Next is the processing of halal food, where it can be categorized into sources of halal food and drinks, and the slaughtering process. The Japanese food producers have suggested for no changes in the sources of halal food and drink but suggested to use technology such as for slaughtering process which will help the producer to process it with according to the Shariah Law. However, when looking at the genetically modified organism (GMO) or ingredients made by the genetic material that are non-halal by Shariah Law, it is considered to be not halal. This is because the contents and requirements that follow the Shariah Law in the MS1500:2009 were defined by Malaysian law as those that came from the Mazhab

of Shafie or the laws of Islam in any of the other Mazhabs of Maliki, Hambali and Hanafi which are approved by the Islamic Authority (Malaysia, 2009).

Thus, for the products which are from hazardous aquatic animals or plants are halal if the Japanese producers could eliminate the toxin or poison properly as permitted by Shariah law during processing. For example, the fugu fish dish being served in Japan as their special dining in a restaurant is halal because they could remove the poisonous part of the fish and for that it needs very high skill and knowledge about the parts that will affect the whole fish being poisoned and dangerous to be consumed. According to McCurry (2016), Japan has a special license in preparing a whole fugu fish as a dish. Hence, the fish like this is permitted according to Shariah Law if they could remove the poisonous parts and make sure it is safe to be consumed by the people.

In (3.5.2) slaughtering process, the Japanese food producers need to strictly follow it in accordance to Shariah Law even when Japan is using a very high technology for this process. They should fulfill the requirement, so that the animal could be properly slaughtered and fulfill the halal compliances and Shariah Law. As being mention by the respondent A;

*“slaughtering process is the very critical section in the requirement and we still need the assistance from the expert”*

While in (3.5.2.3), stunning is under the supervision from the authority officer, it must be according to the conditions specified. Thus, this research will not touch and make any

changes for the stunning and slaughtering process because it involved the Shariah Law and the government in a particular country to use that method. Hence, this is a critical part where the researcher cannot make any changes because it needs deep discussion with the authority involved for the stunning and slaughtering process.

#### **4.5.6 Storage, Transportation, Display, Sale and Serving of Halal Food**

Another requirement is for storage, transportation, display, sale and servings of halal food. All halal food shall be categorized and labelled halal and segregated at every stage. This study suggests no changes need to be made as the Japanese food producers need to make sure all of the products should be strictly stored in a dedicated place. For the transportation, dedicated vehicles and appropriate to the type of halal food are needed to satisfy hygiene and sanitation conditions. Thus, the Japanese food producers could just clean the storage or container using water before using it for halal food purposes. As long as the unclean thing is removed and follows the Shariah requirement, the container can be use. In Malaysia, the food producers that being interviewed will *sertu* their container truck before using it for delivery and unloading of food. As being claimed by the respondent D;

*“We will clean (sertu) the container or machine first before use it for delivery or any process involving the food to avoid from any inconvenient feeling”.*

According to Fadzil (2011), as being told in hadith also; According to another narration, he (ie Abi Tsa'labah) said to the Prophet; 'Our land is the land of the People of the Book. They eat pork and drink wine. What should I do about their containers and pots? 'The

Prophet replied; "If you do not find any other containers, you wash their containers and cook them and then you will cook and drink" (HR Imam Ahmad and Abu Daud).

Hence, this show that hygiene, sanitation and safety policy is very important in producing halal products but it was not complex or impossible to be made. This is to make sure that all halal products are fulfilling the halal requirements and maintaining the halal principle in Islam.

#### **4.5.7 Packaging, Labelling, and Advertising**

In the requirement for packaging, labelling and advertising, this study would like to suggest for no changes being made as the Japanese producers need to strictly monitor on packaging design, symbol, sign, logo, name and picture to avoid from any misleading or contravening the principles of Shariah law. This means that all material used for the direct labelling towards the products should be halal. In this requirement, it was also stated that no halal products or artificial flavors should be synonymously named after non-halal products. As being mention in requirement (3.7.4) in MS1500:2009;

*“The halal food and halal artificial flavor shall not be named or synonymously named after non-halal products such as ham, bakkutteh, bacon, beer, rum and other things that might create confuse”.*

Hence, it might create some confusion between halal and non-halal product for Muslims if the packaging, labelling and advertising are not taken as a serious matter in halal food. In addition, advertising should strictly not be contravening with the principles of Shariah Law and not display indecent images which are against the Shariah law.



#### **4.5.8 Legal Requirement**

Lastly are legal requirements where the Japanese producers shall be complying with other aspects of relevant legislation currently enforced in their country. For example, in Malaysia there is the Trade Description Act 1972 which is responsible for managing halal law and enforcement. This is related with any issues or obligations which occur in the halal Malaysian Standard. Thus, the requirement included in the halal standard is being monitored strictly by the Trade Description Act 1972. For Japan, they are not following the same laws as Malaysia, since Japan is still in the early stages of halal development and they have their own act for trading and purchasing.

#### **4.6 Validation from Expert**

The issues and challenges of the Japanese food producers in producing halal product and the suggestions in improving the standard MS1500:2009 was sent to an expert in the field of study for the purpose of validation. The expert was chosen for this study based on her experiences in consulting and managing the applications for halal certification and auditing of halal food companies. The expert was asked for her willingness to validate the suggestions of improvement for the Malaysian Halal Standard MS1500:2009.

The expert was an assistant director for an international relations department. In this department, the expert was in-charge for bilateral, trade market and international agreements. Before this, the expert was also in-charge for international applications for products and also being the auditor for several food companies in Japan. The expert also

went abroad to conduct halal training and do auditing for halal certification bodies. Table 4.3 shows a summary of the expert's biodata.

Table 4.3  
*Summary of Expert Information*

<b>Criteria</b>	<b>Information</b>
Expert's Name	Miss Ahlami Binti Abdullah Akhili
Position	Assistance Director for International Relation
Organization's Name	Malaysia Department of Islamic Development (JAKIM)
Number of Working Years	10 years
Experiences in halal auditing	10 years (Halal auditing, bilateral, trade market, and agreement for international)

The process of validation of the Malaysian Standard MS1500:2009 with the expert was made using unstructured confirmation. This unstructured confirmation was done by interviewing the reviewer to give her opinion and comments on the recommendations provided for the halal standard and whether the requirements are negotiable or non-negotiable to be implement for the future. There are several criteria that were considered such as management responsibilities, premises, devices, utensil, machines and processing aids, hygiene, sanitation and food safety, processing of halal food, storage, transportation, display, sale and servings of halal food, packaging, labelling and advertising and legal requirement. Table 4.4 shows the findings from the unstructured confirmation done by the reviewer on the proposed improvements.

Table 4.4  
Validation Data

Requirement	Suggestion	Validation	Negotiable/Non-negotiable to improve the suggestion
Management Responsibilities	<ul style="list-style-type: none"> <li>import the halal expertise from Malaysia to help the Japanese producer for the early stage in producing halal product until they could manage by themselves.</li> </ul>	<ul style="list-style-type: none"> <li>reasonable recommendations to be made as beneficial to both parties in the production of halal food</li> <li>good if the Japanese could have the halal committee from the Japanese expert people from their company's production to understand on halal assurance system</li> </ul>	Negotiable
Premises	<ul style="list-style-type: none"> <li>use Japan's technology in segregate the ingredient and other materials that involved with halal food production</li> </ul>	<ul style="list-style-type: none"> <li>practical to be used since Japan are more advanced in technology, they could apply it as long as the technology is fulfilling the halal compliances.</li> </ul>	Negotiable
Devices, utensil, machines and processing aids	<ul style="list-style-type: none"> <li>critical view on the equipment used for the production of halal food</li> </ul>	<ul style="list-style-type: none"> <li>clearly brief on the important terms that need to be understood well</li> </ul>	Non-negotiable
Hygiene, sanitation and food Safety	<ul style="list-style-type: none"> <li>following Japanese authority which is Department of Food Safety, Pharmaceutical and Food Safety Bureau</li> </ul>	<ul style="list-style-type: none"> <li>proper description on the authorities responsible given for this section</li> <li>good if Japan's authority could also understand the</li> </ul>	Negotiable

Processing of halal food	<p>with halal knowledge added (Ministry of Health, Labour, and Welfare Japan)</p> <ul style="list-style-type: none"> <li>no changes made on the sources of halal food, but the Japanese are suggested to use the technology in facilitate the critical processing food following the Shariah Law</li> </ul>	<p>halal itself to increase the value and quality of the product.</p> <ul style="list-style-type: none"> <li>clearly understand in the improvement that is being suggested for the processing of halal food requirement.</li> </ul>	Non-negotiable
Storage, transportation, display, sale and servings of halal food	<ul style="list-style-type: none"> <li>no changes made - need the Japanese to strictly store, transport and satisfy between hygiene and sanitation conditions of the halal food</li> </ul>	<ul style="list-style-type: none"> <li>acceptable explanation by giving the example of cleaning the storage container</li> </ul>	Non-negotiable
Packaging, labelling and advertising	<ul style="list-style-type: none"> <li>no changes made - strictly monitor on packaging design, symbol, sign, logo, name and picture</li> </ul>	<ul style="list-style-type: none"> <li>no changes should be made as it will influence and affect the image of halal</li> </ul>	Non-negotiable
Legal requirement	<ul style="list-style-type: none"> <li>following their country's law as for trading and purchasing</li> </ul>	<ul style="list-style-type: none"> <li>This requirement is following the specific country which has their own law in protecting their right.</li> </ul>	Negotiable

As shown in Table 4.4, the reviewer agreed in general with the proposed improvements if they are made with a holistic approach. Thus, the expert was satisfied with the suggestions given which will help them improve the current halal standard that Malaysia is using. This finding could also be the stimulant in helping Japan to prepare their halal food production for their halal industry.

#### **4.7 Summary**

This chapter has discussed on the backgrounds of the respondents and the companies in detail. Then, this chapter discussed on the situation of halal in Japan. It was to clarify and explain the current situation on the issue of halal in Japan. Next, the objective for this research was discussed critically which are the issues and challenges for Japanese food producers to produce halal product. Then, the suggestions and recommendations on the Malaysian Guideline MS1500:2009 were discussed to be implemented by Japanese food producers that will better suit their environment and situation.

## **CHAPTER 5**

### **CONCLUSION**

#### **5.1 Introduction**

This chapter discusses a summary of the study from the findings obtained from the previous data analysis. The conclusion in this chapter begins with a discussion on the findings to answer the research questions related to the issues and challenges of applying the Malaysian Halal Standard MS1500:2009 in Japan. Subsequently, the limitations of the study, future research and recommendations will be discussed in this chapter and then followed by the conclusion.

#### **5.2 Discussion of the finding**

The findings of the study addressed the research questions which were stated in Chapter one. The first research question in this study is “What are the issues and challenges of Japanese food producers in producing halal products?”. To explain the first research question, this study describes the issues and challenges faced by the Japanese food producers in producing halal products. There are seven critical issues and challenges discussed in the research which were market demand of halal food, different halal standards, high cost for the preparation of halal food due to expensive halal ingredients and separation of tools. Other than that, the Muslim population also influenced local producers and available expertise. Other issues were existence of multiple halal certification organizations, unavailability of critical information in English and unsuitability of the Malaysian Halal Standard in the context of Japan were also included in the critical issues

and challenges in this research to answer the research question. These critical issues and challenges were related with the Malaysian guideline MS1500:2009 that is being used by Japanese producers where it influenced their production of halal products.

Hence, this study believes that if the issues and challenges could be addressed and solved, Japanese halal food producers could produce for both the domestic and export markets. Besides, by solving these issues and challenges, it could also fulfill the needs and wants of the Muslim people living in Japan to have a very convenient Islamic way of life live there. It could also attract other Muslims and tourists to visit Japan as the main important value that is being encountered which is halal food has been improved there.

The second research question is “What are the improvements that can be made to the Malaysian Halal Standard MS1500:2009 that are suitable for the Japanese food producers to produce the halal products in Japan?”. This research question was addressed by feedback through respondents from both Malaysia and Japan. The respondents mention that they need to have the expertise from Malaysia for the management requirement section. In addition, they also mentioned about the slaughtering process in the requirement which need to be assisted by Muslim experts. Meanwhile, the hygiene, sanitation and food safety requirements could be altered from the guideline if it is already being covered by the Japanese government.

Thus, as for the improvement from this study, the halal expertise can be channeled to Japan to fulfill the management responsibilities in the requirement of the guideline. Furthermore, this study also suggested for Japanese food producers to use their advanced technology in segregating the premises, between halal and non-halal ingredients. They are also recommended to follow their government's authority in hygiene, sanitation and food safety requirement with their knowledgeable authority in halal. This is because the MS1500:2009 guideline could be the main guideline to use to train the Japanese producers if it can be altered for being used by them in producing halal products since the guideline has basic requirements in preparing halal food. Hence, the guideline MS1500:2009 could be modified to assist Japanese food producers to produce halal products to be more suitable with their environment and situation.

### **5.3 Implication of the study**

This study has sought to respond to a number of research questions related to how Japan can adapt the Malaysian Halal Standard MS1500:2009 for their local food producers. Thus, here are some of the implications for practice and theory from this study.

#### **5.3.1 Theoretical Implication**

- This study has come out with the issues and challenges being faced by the Japanese food producers in producing their halal food product. It is important to know and understand the issues and challenges faced by the Japanese food producers in their current situation.



- Some requirements being highlighted in this study could be one of the turning points for the halal guideline to be improved and used globally. Thus, this study helped in identifying the requirements being mentioned by the respondents in the MS1500:2009 guideline which could help them in preparing halal food products for Muslims and for export markets.

### **5.3.2 Practical Implication**

- The suggestions given in the present study could be used by JAKIM as material for improvement to the existence halal guideline. This halal guideline MS1500:2009 could lead to a harmonization of halal standards which will help the food producers in producing halal products in Muslim and Non-Muslim countries.
- Japanese food producers could use the guideline MS1500:2009 as their reference in producing halal food upon its improvement.

### **5.4 Limitation of the study**

The results from the research and findings were obtained from the respondents and they were sources of important information for this study. However, there were also some limitations that were encountered during the research.

- This study was made using qualitative methods which were interviews, observations and documentation. Thus, this study was focused to interview the top management who understood the production of halal foods in their company. The

limit was that the researcher could not interview everyone who was involved in producing halal foods in a company.

- This study only interviewed food producers who are producing less critical halal food products due to the Japanese food producer's availability. The researcher believes that the findings for the issues and challenges will be different for critical halal food products such as meat produced by Japanese food producers.
- This study only focuses to the halal food products that used the MS1500:2009 as the guideline in the halal industry. There are many fields that are involved in the halal industry other than food, such as cosmetic, pharmaceutical and medicine which will have the same requirement as in MS1500:2009 guideline.

## **5.5 Recommendation for Future Research**

The topic of this research needs to be explored continuously to ensure that the findings are always leading to a better implementation and development of the Malaysian Guideline MS1500:2009. Hence, the researcher makes some recommendations for further research that will help other countries in producing halal products.

- Another research should be done but using the quantitative method to see whether the findings will be the same as the qualitative method used in this study in order to obtain more information on the issues and challenges highlighted.
- Japanese food producers who are producing a critical food processing product such as meat might have different issues and challenges regarding the use of the guideline. Thus, future research should seek another perspective from such Japanese food producers on the use of the Malaysian Guideline MS1500:2009.

- Future research should also focus on other fields in the halal industry such as in the pharmaceuticals and cosmetics industries. The production of these products might also have the same requirements as in the MS1500:2009 guideline which will help producers to market their products internationally.

## **5.6 Conclusion**

This study has high importance for Japanese producers of halal products especially since Japan is a non-Muslim country that has a lack of knowledge and understanding in halal. This study also helps the Japanese food producers by highlighting the issues and challenges while also making suggestions for improvement of the Malaysian Halal Standard MS1500:2009. Apart from that, the continuity of training and seminar on halal guideline should be implemented to encourage more Japanese food producers to be involved in the halal industry and be knowledgeable in halal. In addition, the knowledge about halal should also be spread among the Japanese people to ensure that the development of halal product could be accepted domestically and outside of the country for exporting. Furthermore, the government also should be responsible on halal matters so that the halal industry can be one of the main industries that will generate income for Japan.

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## APPENDIXES

### Appendix I

#### Suggestion for Improvement of Malaysian Halal Standard MS1500:2009

Requirement	Content	Analysis
1.Scope	This guideline provided practical guidance for the food industry on preparation and handling of halal food (including nutrient supplements).	*No change
2. Definitions	<p><b>2.1 Shariah Law</b></p> <p><b>2.2 Halal</b></p> <p><b>2.3 Halal Food</b></p> <p><b>2.4 Najs</b></p> <p><b>2.5 Slaughtering</b></p> <p><b>2.6 Competent Authority</b> (agency which entrusted by the government to carry out specific work according to prescribe requirement)</p> <p><b>2.7 Premises</b></p>	<p>*No changes</p> <p>*Definition of the basic term use</p> <p>*It is use to make the producers clearly understand on it.</p>
3. Requirements	<p><b>3.1 Management Responsibilities</b> (this part mention about organization management responsibility in handling the production of halal food)</p> <p><b>3.2 Premises</b></p>	<p>*<b>key point</b> – there shall appoint <b>Muslim halal executive officer</b> or <b>committee</b> which are Muslim personnel, well trained in halal principle and its application in order to implement and ensure the effectiveness of internal halal control</p> <p>*The premises shall be very <b>strictly in any risk of cross-contamination</b> of halal product between and during operation of it</p>

	<p>3.2.1 Layout of premises</p> <p>3.2.2 Product process flow</p> <p>3.2.3 Design of premises</p> <p>3.2.4 Sanitary facilities</p> <p>3.2.5 Loading and unloading bay</p> <p>3.2.6 Premises in good condition to avoid from pest access</p> <p>3.2.7 Effectively separated and well insulated from pig farm or its processing activities.</p> <p>3.2.8 Slaughtering and processing shall be dedicated for halal slaughter and processing only</p> <p>3.2.9 Processing of carcasses shall be done in the same premises or in approved by the competent authority</p> <p>3.2.10 No pets and other animal should enter the premises</p> <p><b>3.3 Devices, utensil, machines and processing aids</b></p> <p>3.3.1 All equipment use shall be design and constructed to facilitate cleaning and not be made and contain material that categorized into Najs</p> <p>3.3.2 Equipment that previously used or in contact</p>	<p>*Raw material to finish products shall <b>prevent any of cross-contamination</b></p> <p>*This procedure should be supervised and verified by the competent authority.</p>
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	<p>with Najs Mughalazah (2.4.2.a) shall be washed and ritually cleansed as required in Syariah Law (annex B)</p> <p>3.3.3 This section is mention about converting <i>najs al-mughallazah</i> (2.4.2-a).</p> <p><b>3.4 Hygiene, sanitation and food Safety</b></p> <p>3.4.1 This involved various aspects of personal hygiene, clothing, devices, utensil machine, processing aids and premises for processing, manufacturing and storage of food</p> <p>3.4.2 Implementation of Measure</p> <p>a) inspect and sort raw material, ingredient, packaging material before processing</p> <p>b) manage waste effectively</p> <p>c) store harmful chemical substances carefully</p> <p>d) prevent any contamination of food from foreign matters</p> <p>e) prevent excessive use of permitted food additives</p> <p><b>3.5 Processing of halal food</b></p>	<p>*These should be a critical view from the organization where it shall be used for halal food.</p> <p>*Malaysia:          -<i>Garispanduan amalan pengilangan yang baik</i>          -Ministry of Health Malaysia          -MS 1480 and public health legislation is authority form Malaysia – should followed origin country – depends on its law requirements</p> <p>*Japan: Department of Food Safety, Pharmaceutical and Food Safety Bureau (Ministry of Health, Labour, and Welfare Japan</p> <p>*halal ingredient use should be <b>focusing more detail</b> to avoid from any cross contamination</p> <p>*No changes in the sources of halal food and drinks</p>
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	<p><b>3.5.2 Slaughtering process</b></p> <p><b>3.5.3 Processing, handling, distribution and serving</b></p> <p><b>3.6 Storage, transportation, display, sale and servings of halal food</b></p> <p>3.6.1 All halal food shall be categorized and labelled halal and segregated at every stage</p> <p>3.6.2 Product based on <i>najs al-mughallazah</i> (2.4.2 – a)</p> <p>3.6.3 Transportation vehicles shall be dedicated and appropriate to the type of halal food</p> <p><b>3.7 Packaging, labelling and advertising</b></p> <p>3.7.1 Suitable package for Halal products</p>	<p>*Genetically modified organism (GMO) or ingredient made by genetic material that are non-halal by Syariah law are <b>not halal</b></p> <p>*The products from hazardous aquatic animals or plants are halal when the <b>toxic or poison has been eliminate properly</b> as permitted by Syariah Law during processing</p> <p>*Strictly accordance to <i>Shariah law</i> (2.1.1)</p> <p>3.5.2.3 stunning is under the supervision from the authority officer, it is according with condition specified</p> <p>*No changes</p> <p>*It must <b>strictly</b> to be stored in dedicated place</p> <p>*Should stores in dedicated places</p> <p>*Transportation vehicles such as bonded truck shall be <b>strictly</b> dedicated and appropriated to the type of the halal food and satisfy hygiene and sanitation condition.</p> <p>e) There shall be <b>strictly</b> on packaging design, sign, symbol, logo, name and picture are not</p>
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	<p>3.7.2 Packaging process shall be clean and hygienic manner</p> <p>3.7.3 Labelling material use direct contact shall be non-hazardous and halal</p> <p>3.7.4 Halal food or halal artificial shall not be named or synonymously named after non-halal product</p> <p>3.7.5 Each container shall be marked legibly and indelibly or attach to the container</p> <p>3.7.6 Primary meat product shall label with date of slaughter and processing it</p> <p>3.7.7 Advertising shall not contravene with principle of Syariah Law</p> <p><b>3.8 Legal requirements</b></p>	<p>misleading and/or contravening the principles of <i>Shariah law</i> (2.1.1)</p> <p>*All material uses for labelling need to be halal</p> <p><b>*No halal products or halal artificial named synonymously named after non-halal products,</b> that might create confusion between halal and non-halal</p> <p><b>Strictly</b> the advertising shall be <b>not contravening</b> with the principle of <i>Shariah law</i> and <b>not display indecent</b> which are against <i>Shariah law</i></p> <p>*The product shall be complying with other aspect of legislation relevant requirement currently enforce in specific country.</p>
<b>4. Compliance</b>		*Verified through site inspection as deemed by competent authority
<b>5. Halal certificates</b>		*The halal certificates shall be issued by the competent authority authorized in Japan
<b>6. Halal certificate mark</b>		*Get approval from the competent authority in Japan, and marked with halal certification of that authority where the product conforms following the requirement of this standard.

## Appendix II

### Interview Question

Interview Section	Content
Respondent Information	<p>Description of the interviewee</p> <ul style="list-style-type: none"><li>-Name</li><li>-Current position</li><li>-Year of employment</li><li>-Role in the company</li><li>-Experiences in halal industry</li></ul>
Company Background	<ul style="list-style-type: none"><li>-History in establishment of company</li><li>-The structure of company</li><li>-What type of halal product being produce</li><li>-Does the product being produce for Muslim and non-Muslim people</li></ul>
Issues and Challenges	<ul style="list-style-type: none"><li>-What is the issues among the non-muslim country who have interested to involve with halal industry?</li><li>-How is the demand for halal food?</li><li>-What is the requirement needed before giving the certification to the non-Muslim country?</li><li>-What is the critical part in following the halal guideline?</li><li>-How MS1500:2009 help producers in Japan/Malaysia produce halal product?</li></ul>
Suggestion	<ul style="list-style-type: none"><li>-How the producers handle the issues?</li><li>-What is the requirement in the guideline could be adjusted if it is necessary for the company?</li><li>-If giving chances, what is the suggestion in improving the guideline?</li><li>-What is the solution to help the producers to have the certification?</li></ul>

## Appendix III



### Consent for Participation in Interview Research

I volunteer to participate in a research project conducted by Prof. Dr. Quamrul Hasan from University Utara Malaysia. I understand that the project is designed to gather information about academic work of faculty on campus. I will be one of approximately 5 people interviewed for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty. If I decline to participate or withdraw from the study, no one on my campus will be told.
2. I understand that most interviewees will find the discussion interesting and thought-provoking. If, however, I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.
3. Participation involves being interviewed by researchers from University Utara Malaysia. The interview will last approximately 30-45 minutes. Notes will be written during the interview. An audio tape of the interview and subsequent dialogue will be made. If I don't want to be taped, I will not be able to participate in the study.
4. I understand that the researcher will not identify me by name in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.
5. Faculty and administrators from my campus will neither be present at the interview nor have access to raw notes or transcripts. This precaution will prevent my individual comments from having any negative repercussions.
6. I understand that this research study has been reviewed and approved by lecturer in the University Utara Malaysia.
7. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.

8. I have been given a copy of this consent form.

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Name:  
Position:  
Date:

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