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### MALAYSIA'S HALAL ECOSYSTEM: A STRATEGIC MODEL FOR GLOBAL HALAL ECONOMIC GOVERNANCE

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#### ABSTRACT

The development of the halal industry in Malaysia has been instrumental in positioning the country as one of the world's fastest-growing economies. Renowned as a global leader in the halal sector, Malaysia has significantly contributed to the halal economy that extends across diverse products and services, mainly in food and beverages, cosmetics, and pharmaceuticals. The success of the halal industry is predominantly driven by its comprehensive halal ecosystem, built on the collaborative and synergistic involvement of government agencies, industries, and consumers. The successful establishment of the halal ecosystem in Malaysia is significantly driven by key factors, including a robust halal regulatory framework comprising a systematic halal certification system and comprehensive halal guidelines and policies, as well as active halal research and development. This narrative review article delves into the Malaysia halal ecosystem, providing the structural, regulatory, and market forces that shape Malaysia's global halal economy. Overall, this article highlights Malaysia's economic significance and its role to serve as a blueprint for other countries to develop their halal industries.

**Keywords:** Malaysia, Halal and *toyyib*, Halal industry, Halal economy, Halal ecosystem

## INTRODUCTION

In the context of a halal economy, it refers to an economic system that is based on Islamic principles (Salaad, 2023). Halal encompasses products and services that are permissible and are prepared or served per Islamic laws or *shari'ah* principles (Gunardi, 2023). The halal products are ensured to be free from prohibited or haram substances. Halal products are also regarded as *toyyib* which signifies a comparative benchmark or standard for superior quality, safety and health benefits (Ramli et al., 2017). Such *toyyib* components include the implementation of Good Manufacturing Practices (GMP), ISO 22000 Food Safety Management System and Good Agricultural Practices (GAP), and these practices give halal products a distinct advantage and added value in the marketplace. Beyond fulfilling religious requirements, the halal and *toyyib* concept as a whole significantly emphasises ethical practices and lifestyle, environmental stewardship and animal welfare. All the attributes from the concept are well aligned with elements of sustainability, environmental and good governance (Ahmad et al., 2024).

The halal industry, which is established by integrating Islamic principles and value-driven practices represents one of the key economic sectors for Malaysia's development (Laluddin et al., 2019). With over 40 years of experience in the halal industry, Malaysia has emerged as a global leader, advocated by its dynamic and robust halal ecosystems (Suhaimee et al., 2019). This growth is markedly driven by several factors such as the rapid growing of the Muslim population, increasing consumer awareness, including from non-Muslims and strong government support (Othman & Kamarohim, 2016; Rafiki et al., 2024). The halal industry in Malaysia covers a range of products and services, beyond food and beverages, including pharmaceuticals and cosmetics as well as Islamic banking and finance (HIMP 2030, 2023). The food and beverage industry remains the most dominant sector, which is significantly contributed from strong domestic consumption and growing international export demand. Also, halal pharmaceuticals and cosmetics are becoming increasingly crucial, driven by growing consumer awareness and preference.

Several key factors contributing to the halal economy in the country encompass comprehensive regulations, standards and policies related to the halal certification process, and continual research and development (R&D) initiatives (Fauzi et al., 2020). The halal certification system is the pivotal aspect in the Malaysian halal industry ecosystem (Noordin et al., 2014). The systematic halal certification system ensures that products and services comply with rigorous requirements and standards to enhance consumer confidence and products' integrity. The Malaysia halal certification system has been a main reference for other countries in developing their halal ecosystem (Ghazali et al., 2023). To foster halal industry growth, halal certification is strengthened through collaborative efforts from authorities and agencies like the Department of Islamic Development Malaysia (JAKIM), the Halal Industry Development Corporation (HDC) and the Department of Standards Malaysia (DSM).

Halal industry players in Malaysia benefit from numerous incentives designed by the government to facilitate business expansion, collaboration and participation in global activities including halal exhibitions and conferences. These initiatives help promote their products both locally and internationally. This notion is supported by various R&D initiatives to affirm products and services that cater to consumer demands and remain competitive on a global scale (Has-Yun Hashim et al., 2022). The halal industry or halal economy contributes significantly to Malaysia's economic growth such as through job creation, foreign investment and enhanced export performance. As global interest in halal products and services continues to expand, Malaysia's halal industry is well-placed to seize these opportunities and strengthen its economic influence. Specifically, this article aims to explore the key components of the halal industry in Malaysia, predominantly focusing on its current landscape of halal ecosystem and the key factors that significantly contribute to the success of Malaysia's halal economy.

## THE SIGNIFICANT CONTRIBUTION AND GLOBAL INFLUENCE OF MALAYSIA IN THE HALAL ECONOMY

The halal market, which is built on halal and *toyyib* principles, offers lucrative opportunities both locally and globally. According to Frost & Sullivan's analysis, the global economy for halal products and services is projected to potentially hit USD 5 trillion by 2030 (Frost & Sullivan, 2022). Malaysia's commitment to growing the halal business has solidified its role as a global leader in the halal economy (Nor et al., 2023). Referring to the annual Global Islamic Economy Indicator (GIEI) 2023/2024, Malaysia ranked first in Islamic finance, halal food, and media and recreation for the 10th consecutive year (DinarStandard, 2023). The Halal Industrial Master Plan (HIMP) 2030 outlines Malaysia's plan to expand its halal industry to \$113.2 billion by 2030 by enhancing the support for the halal ecosystem for industries including producers and service providers (HIMP 2030, 2023).

The significant impact of the halal industry in Malaysia's economy can be seen through domestic and foreign investments as well as export trade. As Malaysia is recognised as a global halal hub, it leads to numerous investments from local and foreign multinational corporations seeking to benefit from the growing and lucrative halal market (BusinessToday, 2021). Many foreign companies are investing in Malaysia to capitalise on Malaysia's strengths in halal certification, infrastructure and market access (The Halal Brief, 2020). These investments are significant to enhance technology transfer, knowledge exchange and the development of local halal industries to be competitive in the global halal economy. Data from HDC shows a steady rise in the halal industry's investment performance from 2015 to 2022 driven by both Foreign Direct Investments (FDI) and Domestic Direct Investments (DDI) (NIMP 2030 Halal Industry, 2023). Moreover, Malaysia's strategic initiatives such as hosting the annual Malaysia International Halal Showcase (MIHAS) and the World Halal Forum, further increase and strengthen investment, which highlight Malaysia's significant presence in the global halal market. This effort is evidenced by MIHAS 2024 recorded an impressive RM4.3 billion in sales up 34% from RM3.2 billion in 2023 (MATRADE, 2024).

Malaysia's position as one of the main halal product exporters to serve global markets has created substantial revenue for the country. The number of Malaysia's halal exports has grown gradually over the period from 2010 to 2018 (NIMP 2030 Halal Industry, 2023). Furthermore, in 2023, Malaysia's halal exports reached RM54 billion and increased to RM55 billion in 2024. According to MATRADE, the government aims to position Malaysia as a leader in the international halal market targeting an export value of RM63.1 billion by 2025 (MATRADE, 2024; TheSun, 2024).

### HALAL AND TOYYIB CONCEPT IN HALAL ECONOMY

The fundamental concepts of halal and *toyyib* underpin the basic structure of the halal industry and economy. Adhering to these principles guarantees that products and services produced align with Islamic or *shari'ah* law, which strengthens trust and confidence, particularly among Muslim consumers. The concepts of halal and *toyyib* are repeatedly articulated in several verses in the Quran and further explained in authentic hadiths which emphasise their significance for Muslims' daily practices.

*“O men! Eat the lawful and good things out of what is in the earth, and do not follow the footsteps of the Shaitan; surely, he is your open enemy”* [Al-Baqarah: 168].

*“O you who believe! Eat of the good things that We have provided you with, and give thanks to Allah if Him it is that you serve”* [Al-Baqarah: 172].

*“On the authority Abi Ab’ dillahi al-Nu’man ibn Basheer (ra) who said: I heard the Messenger of Allah (peace be upon him) say: “That which is lawful is clear and that which is unlawful is clear and between the two of them are doubtful [or ambiguous] matters about which not many people are knowledgeable. Thus, he who avoids these doubtful matters certainly clears himself in regard to his religion and his honor. But he who falls into the doubtful matters falls into that which is unlawful like the shepherd who pastures around a sanctuary, all but grazing therein. Verily every king has a sanctuary and Allah’s sanctuary is His prohibition. In the body there is a morsel of flesh which, if it be sound, all the body is sound and which, if it be diseased, all the body is diseased. This part of the body is the heart” [Related by al-Bukhari and Muslim].*

Dr. Yusuf al-Qardawi defines the term ‘halal’ as something which is permitted, free from any prohibition, and allowed by Allah (Al-Qardhawi, 1994). Generally, halal denotes what is lawful and permissible per *shari’ah* law (Sungit et al., 2020). Not limited to food and beverage products, the scope encompasses a comprehensive range of products and services for consumer use including, pharmaceuticals, cosmetics, logistics and finance (Azam & Abdullah, 2020). Generally, halal products and services are those that do not contain any haram or forbidden ingredients such as pork and its derivatives, blood and alcohol. Another important aspect is that the production or process involved must follow *shari’ah* laws and guidelines, which are crucial to prevent any risk of cross-contamination with potential haram materials.

The concept of *toyyib* (or *toyyiban*) consistently aligns with the halal principle and always appears together in the verses of the Quran, broadly covering good attributes of wholesomeness, safety, cleanliness, hygiene, nutrition and quality (Ramli et al., 2017). The *toyyiban* aspect is crucial not only in ensuring that products comply with Islamic requirements and guidelines but are also beneficial and safe for consumers’ consumption. By incorporating *toyyib* elements, halal certification strengthens the product’s integrity and values to meet the highest quality and standards (Khan & Haleem, 2016). For example, in the case of the animal slaughtering process, it is crucial to ensure that the animal is properly slaughtered according to Islamic methods and guidelines and further process ethically to ensure animal welfare.

Global acceptance and confidence in halal products and services by means of halal certification have been key factors in the rapid growth of the halal economy. For Muslims, complying with the halal and *toyyib* principles is not merely an option. Rather it is a religious obligation and a social responsibility (Adham et al., 2022). The concepts of halal and *toyyib* are universal and increasingly embraced by other consumers, including non-Muslims who seek high-quality, value-driven and ethically produced products. Importantly, a correct understanding and increased awareness of the halal and *toyyib* concepts have profoundly impacted people’s perceptions, paradigms and acceptance of halal products and services (Bashir, 2020; Septiarini et al., 2023). This notion is recognised by the World Health Organization's Codex Alimentarius Commission, which acknowledges consumers' rights to information and choice, including information about halal products (Adham et al., 2022).

## **A COMPREHENSIVE MALAYSIA’S HALAL ECOSYSTEM**

A clear focus, direction and strategic initiative on strengthening and internationalising the halal ecosystem in Malaysia is evident with the launch of the Halal Industry Master Plan (HIMP) 2030 by the Ministry of International Trade and Industry (MITI) in collaboration with the Halal Development Corporation (HDC) (HIMP 2030, 2023). The halal ecosystem in Malaysia is comprehensive, which encompasses integrated components of the halal supply chain that cover all ‘farm-to-fork’ processes and activities (Figure 1a). The network of interconnected components is crucial in the growth and delivery of halal products and services towards the end-consumers. The halal ecosystem has been established to cover the core sectors of the halal

industry including food and beverages, pharmaceuticals, cosmetics and personal care, while also extending to the emerging areas with great potential such as medical devices, medical tourism and modest fashion and other sectors (Figure 1b). The Malaysian halal ecosystem highlights the essential components of stakeholders across the entire halal supply chain, covering individuals (e.g., labourers, consumers) and organisations (e.g., industry, agencies). The key enablers to achieve the success of a halal ecosystem include policy and legislation, human capital development, science, technology and innovation, infrastructure and logistics, incentives and awareness promotion. Furthermore, HIMP 2030 emphasises that the existing initiatives in the halal industry will be reassessed and new high-impact initiatives will be introduced.

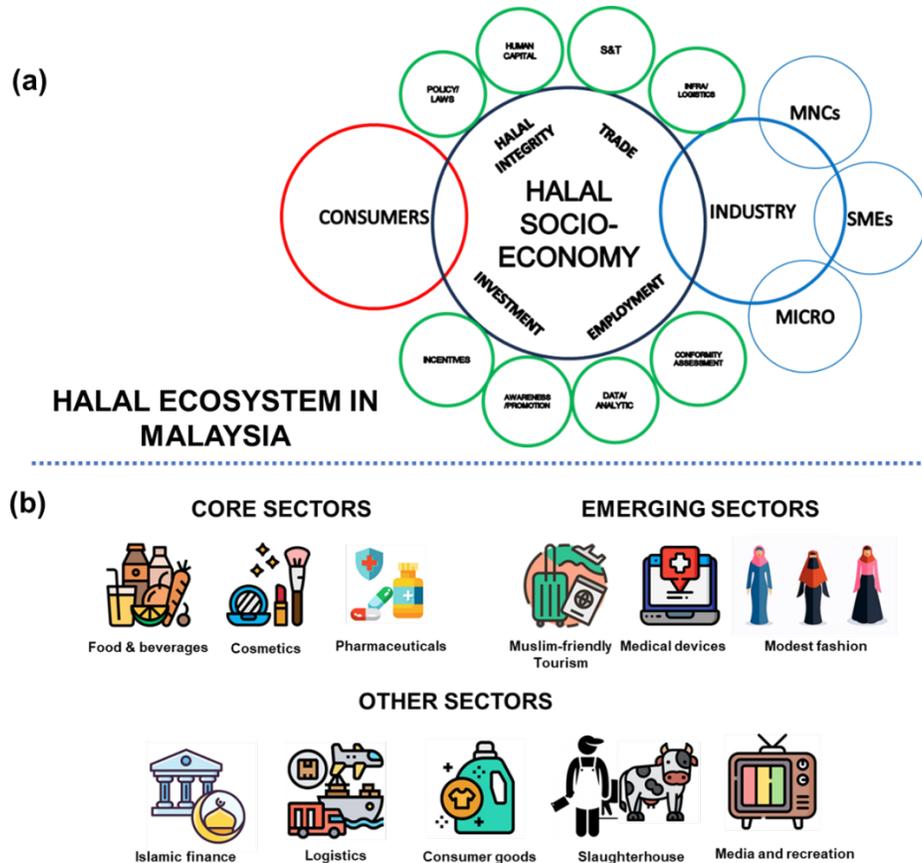


Figure 1. (a) Malaysia's Halal Ecosystem (adopted from HIMP 2030, 2023) (b) Halal Industry Sectors in Malaysia

## KEY FACTORS FOR THE SUCCESS OF THE HALAL INDUSTRY IN MALAYSIA AND GLOBAL

The success of Malaysia's halal industry is globally acknowledged as the country being a leading hub for halal products and services. Recent market research shows that the global halal industry demonstrates rapid growth due to various important factors. The increasing Muslim population, which now numbers 2.18 billion, plays as the main driver for the expansion of the halal market by creating increasing product demands in halal products and services (Azam & Abdullah, 2020; R et al., 2024). Additionally, the rise in

Muslim economic development, coupled with increasing purchasing power, has boosted the market demand as Muslim per capita income demonstrated significant growth (Azam & Abdullah, 2020). Non-Muslim consumers now participate in the halal market which results in expanding market potential and boosting market appeal (Nor et al., 2023). Moreover, the halal lifestyle drives the growth of the halal industry by attracting consumers, especially the younger segments, who prefer sustainable products and services (Khalek, 2014; Juliana et. al, 2023). Besides these global driving factors, the halal industry in Malaysia has been significantly shaped by strong governmental support, a robust halal regulatory framework with competent authority, a systematic halal certification system and continual halal research and innovation (Figure 2).

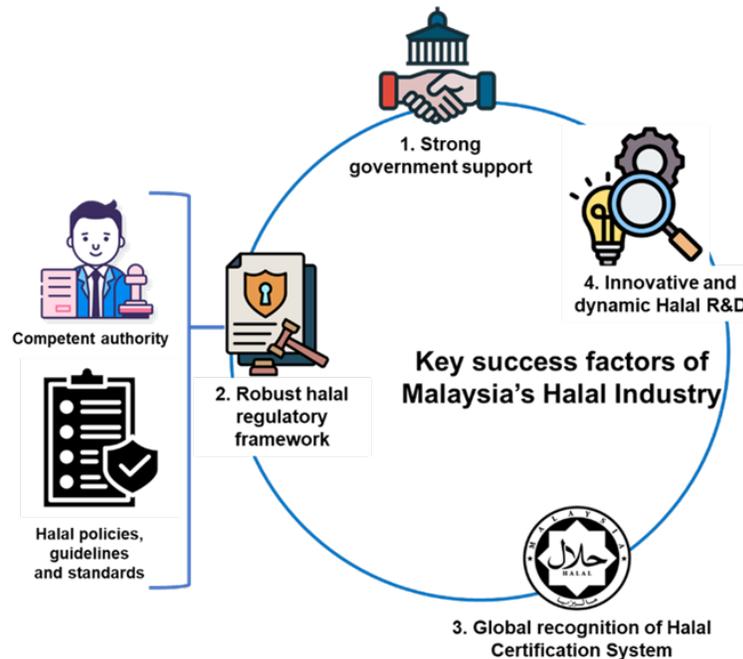


Figure 2. Key Factors for The Success of the Halal Industry in Malaysia and Globally

### Strong Government Support for the Growth and Sustainability of the Halal Industry

Government support plays a pivotal role in the success and growth of the halal industry in Malaysia. In contrast to other countries, Malaysia is the first in the world where the government is the main authority that governs the management and development of the halal industry of the country (Shirin Asa, 2017). The Malaysian government has implemented significant and varied measures to support the growth and sustainability of the halal industry extensively. This commitment is evident through the establishment of comprehensive policies such as HIMP 2030 and the National Halal Policy. Strategic action plans include proper training under the Halal Professional Board (HPB), and various incentives, such as tax incentives and halal park incentives, particularly for industrial players. The New Industrial Master Plan (NIMP) 2030, which serves as a roadmap outlines platforms and initiatives to guide Malaysia's future direction in industrial transformation and development towards 2030 (NIMP 2030 Halal Industry, 2023). The goal is to elevate the industry in Malaysia to higher levels by leveraging emerging global trends, addressing supply chain disruptions, adapting to the geopolitical landscape, embracing digitalisation and prioritising ESG considerations.

Specifically, the sectoral plan for the halal industry under NIMP 2030 lays the foundation for halal policy development to leverage Malaysia's strong influence and reputation to solidify its position as the global leader in the halal industry (NIMP 2030 Halal Industry, 2023). The NIMP 2030 for the halal industry sets out a roadmap, strategic vision and objectives for the growth and development of the halal industry in Malaysia. The objective is to position and strengthen Malaysia as a global halal hub through innovation, market expansion and international collaboration. The focus of the initiatives will leverage core sectors of the halal industry, including food and beverages, pharmaceuticals, cosmetics and personal care, as well as emerging areas with great potential, such as medical devices, medical tourism and modest fashion.

The government's strong commitment to the halal industry is demonstrated by agencies offering a variety of incentives, including grants, tax exemptions and funding for R&D to support and strengthen the sector (KiniHalal, 2023). These incentives primarily aim to encourage and motivate businesses to seek halal certification and invest in R&D for their halal products and services, making them more competitive in the market. Examples of funding bodies include agencies from the Council of Trust for the People (*Majlis Amanah Rakyat*, MARA) and the Economic Fund for Entrepreneurial Groups (*Tabung Ekonomi Kumpulan Usaha Niaga*, TEKUN). In addition, this includes various government agencies, such as the Malaysia External Trade Development Corporation (MATRADE) and the Malaysian Investment Development Authority (MIDA), to assist in promoting halal products to a global market. In addition, the government has set up halal parks equipped with infrastructure, facilities and services that offer a complete supply chain within the halal industry to continuously support halal businesses and the ecosystem in Malaysia (Tieman & Darun, 2020).

### **Robust Halal Regulatory Framework**

The significant growth of the halal industry in Malaysia has been predominantly influenced by its robust halal regulatory framework that is based on the halal certification system. A credible halal certification system has established Malaysia as a global leader in the halal market, fostering the economic growth of Malaysian halal products both domestically and internationally. Malaysia's halal certification process is globally recognised as the most rigorous and stringent system benchmarked against the highest standard for halal trust, integrity and compliance. The Malaysian halal certification is recognised by the Department of Standards Malaysia with International Standard ISO/IEC 17065:2012 for certification bodies (JAKIM, 2020). This is significant to ensure that the halal certification process in Malaysia is consistently adhered to *shari'ah* guidelines for international credibility and recognition, quality and halal integrity compliance, as well as for consumers' confidence. (Mohd Safian et al., 2020). The governance of the halal certification system in Malaysia is strongly established by a robust regulatory framework with credible halal competent authorities and regulatory bodies, and comprehensive halal guidelines and standards.

#### ***Credible halal authority and various halal-related agencies***

The Department of Islamic Development Malaysia (JAKIM) serves as the central government agency overseeing Islamic affairs in Malaysia. JAKIM was the sole appointed body that controls the certification process, which was specifically started in 1997. The governance of halal matters in Malaysia is regulated under the Trade Description Act (TDA) 2011, which recognises JAKIM as the legal authority responsible for overseeing the legislation related to the halal certification process and its enforcement in the country. Since there is no specific halal act to govern halal matters in the country, a few other important orders or amendments of gazettes have been established under the TDA 2011 to enhance consumer confidence towards halal products and services. This is important to provide more specific legal provisions on halal matters in Malaysia which include the Trade Description (Definition of Halal) Order 2011, the Trade Description (Certification and Marking of Halal) Order 2011 and the Trade Description (Halal Certification and Marking Fees) Order 2011.

JAKIM functions under the Ministry of Religious Affairs. The JAKIM’s Halal Hub Division are subdivided into the Halal Management Division (HMD), which is responsible for the Malaysian halal certification process and the Secretariat of the Malaysia Halal Council (MHC), which mainly focuses on the development of halal policies (Suhaimie et al., 2019). Meanwhile, at the state level, the halal certification process is facilitated by the State Islamic Religious Department (JAIN) and the State Islamic Religious Council (MAIN), which have the authority to issue the certification for the local market. Furthermore, to strengthen the global halal product ecosystem and assurance, JAKIM is working collaboratively with international bodies like Indonesia's The Halal Product Assurance Organising Body (BPJPH) and Saudi Arabia's Saudi Food and Drug Authority (SFDA) (“Indonesia-Malaysia,” 2023; Saudi Food & Drug Authority, 2023).

The Halal Development Corporation (HDC) was established in 2006 and plays a key role in promoting the growth of Malaysia's halal business and supporting innovation of halal products at a global level. Recently, through HDC, Malaysia has advocated for the establishment of an ASEAN Halal Council that aims to enhance strategic collaboration between countries in the regional halal industry, facilitate cross-border entry of halal products and increase intra-ASEAN trade (Rashid, 2025). HDC also aims to extend the reach of the halal industry into non-traditional markets such as North Africa, Central Asia and West Asia through the implementation of a 'halal diplomacy' strategy (Rashid, 2025). In addition to JAKIM and HDC, various ministries and government agencies play crucial roles in supporting and strengthening the halal industry in Malaysia, either directly or indirectly (Figure 3). JAKIM and the various agencies are responsible for establishing and enforcing Malaysian halal standards and compliance. The relevant agencies include such as SIRIM, the Ministry of Agriculture and Food Security (MAFS), the Ministry of Investment, Trade, and Industry (MITI), the Ministry of Domestic Trade and Costs of Living (KPDN), the Malaysia External Trade Development Corporation (MATRADE) and the Malaysian Investment Development Authority (MIDA).

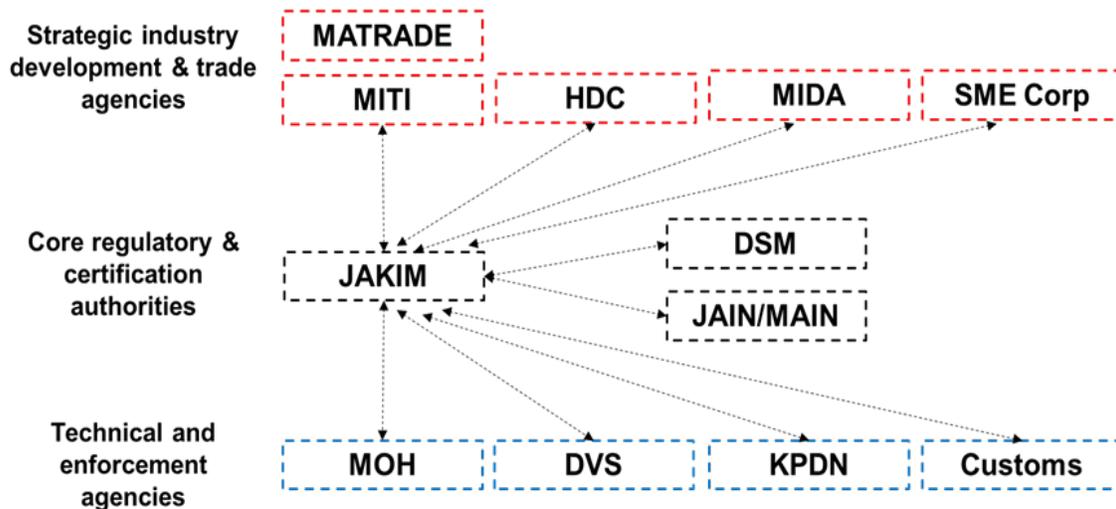


Figure 3. JAKIM As the Halal Authority with Various Halal-Related Agencies

### ***Comprehensive regulations, guidelines, and standards***

The halal industry in Malaysia is regulated by a set of laws, regulations, policies, standards, guidelines and fatwa rulings that are all relevant to various halal sectors (Adham et al., 2022). JAKIM has established

several key documents as references for halal certification in Malaysia particularly for industries and halal authorities. The most important documents include the Malaysia Halal Certification Manual Procedure (Domestic) 2020, also known as the Manual Procedure, and the Malaysia Halal Management System (MHMS) 2020. The Manual Procedure generally outlines the conditions and requirements needed for the application of the Malaysian halal certification. While MHMS 2020, an important document that needs to be read together with the Manual Procedure, outlines the requirements for establishing, implementing and maintaining halal assurance for products and services to meet the Malaysian halal certification requirements.

Malaysia has achieved global recognition as the leading innovator in halal governance. Comprehensive laws and regulations are crucial to govern and ensure halal products of different sectors are legally abided with the Malaysia regulatory framework. These laws and regulations are mainly designed to safeguard and protect consumers and to maintain product standards and quality. The framework consists of legislation, trade regulations and industry-specific standards that set the foundation for halal certification and enforcement. In addition, Malaysian leadership in the halal industry bases its core strength on an integrated legal system that confirms halal standards throughout the whole supply chain, which includes food and beverages production, pharmaceuticals, cosmetics and other sectors. Several managing bodies provide support for halal regulatory and standard development. The legal status defines Malaysian halal regulations as distinct from those of nations that follow voluntary halal conformity. The enforceable regulations increased global reliability in Malaysian halal standards, thus shaping Malaysia into a worldwide leader in the halal industry.

The foundation of halal-related laws in Malaysia rests on the Trade Descriptions Act (TDA) 2011. Specifically, the Trade Descriptions (Definition of Halal) Order 2011 works alongside to specify and control halal definitions, halal logos and statements. The Ministry of Domestic Trade and Costs of Living (KPDN) is responsible for enforcing all misused halal statements. Furthermore, the Food Act 1983, under which explicit further provisions of the Food Regulations 1985 and the Food Hygiene Regulations 2009 protect food and beverage products through safety regulations and labeling conditions. The pharmaceutical and cosmetics industries stay under thorough control through regulations, including the Sale of Drugs Act 1952, Poisons Act 1952 and Control of Drugs and Cosmetics Regulations 1984, to monitor ingredients and product labels and also market activities. The Animals Act 1953 (Revised 2006) and Abattoirs (Privatization) Act 1993 among other statutes ensure *shari'ah* compliance during halal slaughtering operations and meat production by monitoring slaughterhouses. In another latest development, Malaysia strengthens its commitment to advanced halal governance by implementing the Medical Device Act 2012, which creates rules for halal medical device regulation across the country. Table 1 outlines the key laws and regulations that underpin Malaysia's various halal industry sectors.

Table 1  
*Laws and Regulations Related to Different Halal Sectors in Malaysia*

<b>Halal certification scheme</b>	<b>Laws and regulations</b>
Halal-related matters	Trade Description Act (TDA) 2011; Trade Description (Definition of Halal) Order 2011, the Trade Description (Certification and Marking of Halal) Order 2011, and the Trade Description (Halal Certification and Marking Fees) Order 2011.
Food and beverages, food premises	Food Act 1983; Food Regulations 1985; Food Hygiene Regulations 2009.
Pharmaceuticals, Cosmetics	Sale of Drugs Act 1952; Control of Drugs and Cosmetics Regulations 1984; Poisons Act 1952; Dangerous Drugs Act 1952;

Slaughterhouses	Medicines (Advertisement & Sale) Act 1956; Wildlife Conservation Act 2010 (Laws of Malaysia Act 716); International Trade in Endangered Species Act 2008 (Act 686) Animal Rules 1962, Animals Act 1953 (Revised-2006); Abattoirs (privatization) act 1993; Ordinance Sabah Slaughterhouse Rules 2004 (Sabah); Food Act 1983; Food Regulations 1985; Food Hygiene Regulations 2009.
Medical devices	Medical Device Act 2012 (Act 737); Medical Device Regulations 2012

Furthermore, the Malaysian Standards (MS), which is established by the Department of Standards Malaysia (DSM), form the basis of standards related to halal products and services in Malaysia, that is in line with the quality standards. These halal standards are used to provide technical references required in the manufacturing and quality control processes for halal products and services to follow *shari'ah* law (Jailani, 2024). Importantly, Malaysia's halal standard has been recognised at the international level and is the leading halal standard among Islamic countries (Ghazali et al., 2023). The development of Malaysian halal standards involves technical committee of experts from various parties, including JAKIM, HDC and representatives from relevant industries, along with the participation of *shari'ah* scholars and academic researchers (Samori et al., 2014). This is significant to ensure the procedure or process is recognised and systematic to allow standards to meet religious guidelines and scientific requirements to maintain appropriate industrial applications. To ensure a complete halal governance, a wide-ranging standards covers the sectors of food alongside pharmaceuticals, cosmetics, medical devices, hospitality services and logistics. The implementation of these standards becomes crucial for acquiring or sustaining halal certification since it helps both local and global customers guarantee product quality, traceability and trustworthiness.

The Malaysian Standards, through MS 1500:2019, defines the core standards for halal food and beverages manufacturing operations and processing. MS 1500:2019 becomes a primary standard for halal food assurance, and it has received global acceptance among halal practitioners. Part 1 to 3 of the MS 2400 series establishes complete standards for halal supply chain oversight, which strives to maintain religious integrity during transportation, storage and in retail environments during the logistics cycle. The halal standards MS 2424:2019 and MS 2634:2019 apply to pharmaceuticals and cosmetics, respectively, with specific requirements for ingredients as well as manufacturing operations and product identification requirements. Medical device vendors can use MS 2636:2019 to manufacture products according to Islamic principles and prevent the inclusion of forbidden materials in their devices. Through MS 1900:2014, Malaysian halal industries now have the option to implement a quality management system based on *shari'ah* principles as an alternative to traditional ISO standards. The holistic collection of standards provides Malaysia and other nations with a structured and credible basis to certify and develop halal products and services. Table 2 provides a list of standards related to halal products and services in Malaysia.

Table 2  
*Malaysian Halal Standards*

Code	Title
MS 2393:2023	Islamic and halal terminologies – Definitions and interpretations (First revision)
MS 2738:2023	Halal consumable goods – General requirements
MS 2691:2021	Halal profession – General requirements

MS 2400-1:2019	Halal supply chain management system – Part 1: Transportation – General requirements (First revision)
MS 2400-2:2019	Halal supply chain management system – Part 2: Warehousing – General requirements (First revision)
MS 2400-3:2019	Halal supply chain management system – Part 3: Retailing – General requirements (First revision)
MS 2636:2019	Halal medical device – General requirements
MS 2424:2019	Halal pharmaceuticals – General requirements (First revision)
MS 2634:2019	Halal cosmetics – General requirements (First revision)
MS 1500:2019	Halal food – General requirements (Third revision)
MS 2627:2017	Detection of porcine DNA – Test method – Food and food products
MS 2610:2015	Muslim friendly hospitality services – Requirements
MS 2393:2013	Islamic and halal principles – Definitions and interpretations on terminology
MS 1900:2014	Shariah-based quality management systems – Requirements with guidance (First revision)

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### Advancements in Halal Science and Innovation

Research and development (R&D) play crucial role in the Malaysia halal ecosystem. Various efforts and initiatives in R&D aim to promote innovation and continuous improvement in halal products, standards and practices to ensure their sustainability (Has-Yun Hashim et al., 2022). This work is significant to ensure Malaysia remains at the forefront of the global halal industry and can adapt to new market trends and consumer preferences consistently. DinarStandard (2023) reveals data on innovation performance in the halal industry by different countries globally. The report shows that Malaysia achieves the highest innovation rating in the halal food and beverages industry, thus leading global innovation in this sector of the halal industry. The innovative prowess of Malaysia persists in all important halal segments, even when specific nations show higher scores than Malaysia, such as media and recreation under the United Kingdom's leadership, cosmetics and personal care by France and pharmaceutical innovation by Singapore and France. The robust halal ecosystem functions through strong institutional backing and regulatory mechanisms, which leads to Malaysia's effective innovative performance. Malaysia maintains its position as a global leader of halal innovation across various sectors because of its effective ability to support consistent innovation in diverse halal markets.

Halal products and services that incorporate innovation are more competitive and gain wider acceptance worldwide. As current R&D activities in the halal industry in Malaysia focus primarily on strengthening halal compliance, more emphasis should be placed on product innovation and adoption of cutting-edge technologies such as Internet of Things (IoT), big data, blockchain and Industry 4.0 (NIMP 2030 Halal Industry, 2023). Research on halal products and services is generally regarded as halal science, aiming to enhance the quality and safety further while ensuring compliance with *shari'ah* principles (Said & Hanapi, 2018). Among the niche areas that are a focus in halal research are, for example, halal authentication, halal alternative ingredients and *shari'ah* or management-based studies. To reinforce research activities, the government provides significant support in the form of funding for halal-related R&D through grants and tax incentives. Furthermore, the available halal training and education for business communities are significant in further enhancing their understanding of halal certification systems and the potential of halal industry development. With this financial support and halal training, businesses are encouraged to work jointly with research institutions focusing on innovative ventures and advancing the frontiers of halal science and technology.

Active engagement and collaboration of research institutions, universities and industry players is vital in efforts to stimulate innovation and develop new halal products and technologies. Under the HIMP 2030, HDC plays a pivotal role in supporting, enhancing and promoting R&D efforts within the halal industry in Malaysia (HIMP 2030, 2023). Partnerships between academia and industry are essential for effectively translating research findings into market-ready products such as high-value-added food and beverages that are not only of high quality but also competitively position the product for the global market. Among the notable halal research institutions that are actively researching on cutting-edge halal products and services include the International Institute for Halal Research and Training (INHART) from International Islamic University Malaysia (IIUM), the Halal Products Research Institute (HPRI) from Universiti Putra Malaysia (UPM), the University of Malaya Halal Research Centre from University of Malaya (UM), and the Institute of Fatwa and Halal (IFFAH) from Universiti Sains Islam Malaysia (USIM). The research collaboration is not limited to the Malaysia ecosystem, as these institutions are also partnering with international organisations to advance further and enhance knowledge-sharing initiatives. In addition, to ensure that human capital is sufficiently equipped with halal-related knowledge, these institutions also offer specialised academic programs that comprehensively cover halal industry science and management.

## CONCLUSION

Malaysia has established itself as a global leader in the halal economy. Malaysia continues to set benchmarks in the global halal industry through its well-defined and diverse halal sectors, including food, pharmaceuticals, cosmetics, tourism and finance. This growth may have occurred through strong government support, reputable regulatory authorities, a robust and comprehensive certification system and advanced R&D. A comprehensive halal ecosystem has established a strong foundation for Malaysia's halal economy. Various significant measures have been developed and implemented to support and sustain the halal sector, for example, through the NIMP 2030. Importantly, Malaysia's halal certification system has set a benchmark for other certification bodies in the world for its standards of halal trust, integrity and compliance. To safeguard halal consumers, comprehensive laws and regulations are in place and strictly enforced to ensure that industries remain in full compliance with legal requirements. Halal R&D is crucial in ensuring Malaysia's products and services are able to adapt to new and highly competitive global markets. Overall, this significantly highlights Malaysia's commitment to upholding halal and *toyyib* principles while driving economic growth. Malaysia is well-equipped to expand its influence, foster international collaborations and strengthen its role as a key hub for the global halal economy. This is particularly practical for many emerging markets in developing their halal industry, including countries from Southeast Asia, the Middle East and North Africa (MENA), Africa, Europe, and the Americas, which are showing significant potential for halal products and services across various sectors.

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