

UNIVERSITI TEKNOLOGI MARA

**GLOBAL HALAL MARKET: THE POSITION OF
MALAYSIA AS HALAL FOOD PRODUCER**

AHMAD NAIF ILMAM BIN MOHD NAWAWI

Thesis submitted in fulfilment of the requirements for the
diploma in
Muamalat

**ACADEMY OF CONTEMPORARY ISLAMIC
STUDIES
(ACIS)
JULY 2018**

AUTHOR'S DECLARATION

I declare that work in this thesis was carried out accordance with the regulation of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to my other academic institution or non-academic institution for any other diploma or qualification.

I hereby acknowledge that I have been supplied with the Academic Rules and Regulation for Diploma, University Teknologi MARA. Regulate the conduct of studies and research.

Name of Student : Ahmad Naif Ilmam bin Mohd Nawawi

Student I.D. No. : 2015500875

Program : Diploma in Muamalat

Faculty : Academy of Contemporary Islamic Studies (ACIS)

Title : GLOBAL HALAL MARKET: THE POSITION OF MALAYSIA AS HALAL FOOD PRODUCER

Signature of student :

Date : JULY 2018

ABSTRACT

Halal product is the most important part in daily life especially for Muslim. As we know, the number of Muslims increase day by day and demand to the halal products also gain up through the year. This kind of situation effects the production of halal product, especially in food industries because people nowadays know the important of halal food and the suppliers will increase their production in order to fulfil the demand. Allah s.w.t mentions in the Holy Quran about halal in surah Al-Baqarah in verse 168 that told to us to eat the lawful and good things out of the earth and not follow the footsteps of Shaitan.

Nowadays, halal sectors become a part of the demand in Muslim daily life. Then halal products especially halal foods have also penetrated the global market. Malaysia is one of the exporters of halal food and products to other countries. But, how far is Malaysia's position in halal global market?

Thus, this study is done with intend of reviewing the global halal market position as well as Malaysia's position as a producer of halal products and food in the global market.

Keywords: halal product, production, halal food industries, global halal market

Table of Contents

AUTHOR’S DECLARATION	ii
ACKNOWLEDGEMENT	iii
ABSTRACT.....	iv
CHAPTER 1	1
INTRODUCTION	1
1.1 RESEARCH BACKGROUND.....	1
1.2 RESEARCH OBJECTIVE.....	4
1.3 RESEARCH SCOPE.....	5
1.4 PROBLEM STATEMENT	6
CHAPTER 2	7
HALAL INDUSTRY and GLOBAL ECONOMY	7
2.1 HISTORY OF HALAL MALAYSIA DEVELOPMENT	7
2.2 ISLAMIC ECONOMY	8
2.3 HALAL INDUSTRY AND ECONOMY	10
2.4 GLOBAL ISLAMIC ECONOMIC	12
2.5 THE GLOBAL ISLAMIC ECONOMY INDICATOR	13
2.6 GLOBAL ISLAMIC ECONOMY DRIVERS.....	15
CHAPTER 3	17
MATRADE and MITI	17
3.0 INTRODUCTION.....	17
3.1 MALAYSIA EXTERNAL TRADE DEVELOPMENT (MATRADE)	17
3.1.1 MATRADE BACKGROUND	17
3.1.2 MATRADE FUNCTIONS.....	17

3.1.4 MATRADE CORE SERVICES.....	19
3.1.5 MATRADE INTERNATIONAL ACHIEVEMENT.....	20
3.1.6 MALAYSIA BOOK OF RECORDS (MBR)	23
3.1.7 MATRADE Organisation Chart.....	24
3.2 MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)	26
3.2.1 MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) BACKGROUND.....	26
3.2.2 VISION	26
3.2.3 MISSION	26
3.2.4 OBJECTIVES	26
3.2.5 FUNCTIONS	27
3.2.6 MITI ACHIEVEMENT	27
3.2.7 AKI COUNCIL MEMBERS (2017 and 2018).....	29
3.2.8 AKI 2018 PRIZES and BENEFITS	30
3.2.9 AKI 2018 ENTRY REQUIREMENTS.....	31
3.2.10 AKI AWARDS CATEGORIES.....	31
CHAPTER 4	34
FINDINGS	34
4.1 INTRODUCTION.....	34
4.1.1 MALAYSIA HALAL MARKET SYSTEM.....	34
4.1.2 HIGHLIGHTS OF MALAYSIA’S MERCHANDISE TRADE IN 2017	35
4.1.3 MALAYSIA TRADE PERFORMANCE IN 2018.....	36
4.1.4 MALAYSIA’S TOP 10 TRADING PARTNER FOR JANUARY UNTIL MARCH 2018 IN RM BILLION	37
4.2 MALAYSIA HALAL PRODUCTS AND FOOD TRADE MARKET.....	38
4.3 FACTORS CAUSED IMPROVEMENT DEMAND TO HALAL FOOD	41
4.3.1 MUSLIMS POPULATION GROWTH	41