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FISH HALALNESS LOGISTIC: A FRAMEWORK OF MALAYSIAN WHOLESALERS AND RETAILERS

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Abstract

The global halal industry has generated billions of dollars and is expanding quickly. Halal encompasses more than just eating certain foods; it also includes banking, services, supply chains, and logistics. This project will create a halal logistic framework to guarantee the integrity of the fish supply chain from wholesaler to retailer. The major approach to addressing the issue of Syariah's compliance with the integrity of the logistics management process of the fish industry will be case studies and in-depth or focus group interviews. The sample will be gathered from public and private organisations involved in the fish industry's supply side. It is anticipated that a framework would be created to ensure the integrity of the halal logistic management of the process from the wholesaler to the retailer of the fish business. Within the constraints of maintaining the integrity of the halal logistic management developed in this business, the appropriate Malaysian government agencies could broaden the scope of their tasks and responsibilities. The findings of this study are anticipated to stimulate urgently required future investigation on supply change management and halal or Syariah compliance in general.

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Keywords: Halal logistic, supply chain, Malaysia fisheries department, Jakim, certificate



1. Introduction

Halal is an Arabic word that denotes permission or legality. The opposite of haram, which is Arabic for banned or illegal, is halal. In Malaysia and across the globe, the halal industry's manufacturing sector is rapidly growing. It did enter the market and actually attracted non-Muslim buyers since it was clean, devoid of cross-contamination, pristine, and holy. The major halal industries in Malaysia can be divided into the following five categories (HDC, 2021): Nutraceuticals; Additives & Ingredients: Food Products, Non-Food Products; Pharmaceutical, Cosmetic & Personal Care: OTC, Drugs/Vaccines, etc.; Lifestyle: Apparels, Restaurants & Hotels. Livestock, processed food, and food retailing are all examples of food products. Among the services provided are those for logistics, standards, audits & certification, research, and technological development.

According to Arshad et al. (2018), the focus on halal status must go beyond the product and maker in and of themselves and also include the supply chain, particularly given that trade today transcends traditional borders. Therefore, it is crucial to pay attention to the Halal supply chain, especially when goods are transported through numerous organizations via logistics, to prevent Halal products from becoming non-Halal. So, according to the study, a Halal certificate shouldn't be issued solely based on production levels; it also needs to be compatible with operations involving shipping, warehousing, and retailing.

Halal Logistics must keep Halal products apart from non-Halal products in order to meet the demands of Muslim clients and prevent interaction with Haram (Tieman, 2011). Halal affects how items are handled, transported, and stored. Halal describes goods or behaviours that are acceptable or permitted under Islamic law (Islamic Law). The following non-Halal products and their derivatives, such as pig and dog, must first be distinguished (severe najis). Except for what is announced to you (here), the beast of cattle is made legal for you to consume. However, playing games when someone is on a pilgrimage is forbidden. What pleased Allah was decreed by Him. [Al Maidah: 1].

Second, segregation from alcoholic beverages, carrion, Halal animals that aren't killed in accordance with Shariah law, and blood (used for non-medical purposes) is necessary (medium najis). "He has banned you only what has been immolated in the name of anybody other than Allah, including carrion, blood, and swine flesh. However, it is not a sin for someone who is acting out of necessity and is neither seeking nor transgressing. Lo! Allah is Merciful and Forgiving" [Al Baqarah:173].

The Logistics of Halal The logistics tasks should be organised to optimum performance. This is only achievable by identifying the so-called Halal Control Points and keeping track of them using performance metrics. The IHI Alliance's Halal Logistics Standard provides you with access to these Halal Control Points (Tieman, 2014). Without best-practice logistics, such as traceability, unbroken (cold) chain assurance, shelf-life protection through short supply chain lead times, and strict hygiene & sanitation standards, the concept of halal logistics is insufficient. The two parts of halal compliance in the supply chain are separated.

Prior to beginning production, the manufacturer must confirm that the supply chain was designed with halal compliance in mind. It is possible to incorporate these foundations into the present business procedures for logistics by adhering to the Global Halal Logistics standard. A manufacturer will need to establish precise process criteria that the logistics service provider must adhere to and that are detailed in the service agreement with the logistics service provider because logistics is frequently outsourced by manufacturers (and measured). Working with a logistics service provider who has obtained Halal

certification and has established particular Halal Logistics practises in place will undoubtedly be easier for the manufacturer. The manufacturer will favour working with a logistics service provider that has a Halal certification in any subsequent requests for quotations for logistics transportation and warehousing services (Tieman, 2014).

The second element is for the manufacturer to audit the Halal supply chain. Like any other audit, halal logistics demands an examination of the logistical procedures. This is crucial because the producer needs to provide the supply chain the same care because it significantly affects the Halal status. The audits may be performed either internally by a halal compliance officer or externally by a halal auditing firm. However, this Halal auditing firm and the Halal certification firm cannot be the same organisation (Tieman, 2014).

2. Material/Topic/Issue/Content

With an estimated 2 billion Muslims in the world, the halal market is growing at an exponential rate. Halal products are only available to 6 million individuals (HDC, 2021). Customers are therefore aware of the significance of looking for halal and hygienic goods and services, but little information has been made available to them. Consumers may understand the notions of cleanliness and halal, but there are few supplies and very limited paths for them to travel across all of the facilities.

The majority of Malaysians, who make up 60.4% of the population, are worried about the nutritional value of their food and if it is halal. This shows how widespread the halal concept is in business today. In accordance with a 2006 MIDA study, 424 food-producing companies mark their goods as halal (MIDA, 2006). However, there are no logistic companies that employ halal labelling. Businesses can increase consumer loyalty and public perception of their brand by using the halal mark. People's choices of food items and services have a big influence on their purchasing decisions as they grow more knowledgeable about food, services, and halalness. When it comes to the halalness of the things they purchase, Muslim buyers are renowned for being choosy. They hold that the total halalness of a product is determined by the monitoring of the slaughtering, handling, transportation, warehousing, and storage operations as well as the materials utilised.

Significant logistical effects result from IHI's development of halal logistics, halal warehousing, and halal transportation standardisation (Tieman, 2014). Companies can't tell if the services they provide are halal or not. To ensuring halal conformance is the halal certifier's responsibility. In Malaysia, JAKIM is in responsible of issuing the halal certificate, which takes the shape of a logo. There are numerous halal certifiers in the globe, and the majority of them follow diverse halal standards and guidelines. This outcome illustrates the diversity of halal standards and laws governing halal goods and services. Because of these diverse standards and laws, some companies misrepresent the halalness of their goods and services.

As a mechanism to manage all potential sources of contamination across the supply chain that can lead to non-compliance with halal standard standards, JAKIM designed the Halal Assurance Management System (HAS). Ramli et al. (2020) outlined five (5) components in the farms that have been acknowledged as halal risk control, including infrastructure, logistics, farm biosecurity, and animal food and drink. However, HAS is only used at the present time to monitor the stage of product production and slaughter, which is at the downstream end of the chicken supply chain. In other words, little study has been done that

emphasises HAS implementation at the upstream level. Not to mention that the product is only available in chicken form. The same researcher asserted that HAS must also be applied to the animal sector, including

the salmon industry.

The majority of halalness research has focused on food, primarily meat, but little is known about

how it may affect the marketing, distribution, and logistics of fish. This study is expected to bridge the gap

between logistical halalness and fish halalness among logistical firms, including fish dealers, transporters,

wholesalers, and retailers. This gave rise to the question: with particular regard to logistics, what are the

different types of halal logistics that have developed from the distribution and marketing of fish that is

halal?

3. Method

The Critical Control Points (HACCP) methodical, preventive approach to food and pharmaceutical

safety addresses potential risks from physical, chemical, and biological variables along the food supply

chain rather than waiting until the final product is prepared to inspect it. In the food business, HACCP is

used to spot potential food safety problems with the hope that crucial steps, or Critical Control Points

(CCPs), can be performed to lower or completely eliminate the risk of the hazards. Every stage of food

manufacturing and preparation, including packing, uses the system.

Every step of the supply chain has control points since cross-contamination is a problem. For

instance, when halal meat comes into contact with pork flesh, it may become haram. Halal is a typical

illustration of a socially constructed quality criterion that takes into account both the physical characteristics

of the product and the circumstances in which it is manufactured, distributed, and sold, claims Kirwan

(2006). HACCP was used by Bonne and Verbeke (2008) to provide a conceptual framework for studying

the socio-technical structure and quality coordination of halal meat. In order to build and market desired

credibility qualities, they created a framework that demonstrates how a HACCP approach may grow from

the Actor-Network Theory and Conventions Theory principles.

The HACCP principles must be adhered to throughout the whole supply chain for halal meat in order

 $for a comprehensive \ or \ integrated \ halal \ quality \ strategy \ to \ be \ successful. \ Therefore, HACCP \ should \ be \ used$

at every stage of the physical distribution chain, including external transportation, warehousing, and

storage, as well as in the slaughterhouse or during food processing (Bruil, 2010).

4. Results

According to the description of a supply chain provided, the essential components of a halal fish

supply chain include breeding, completed product, transportation, storage, distribution, and marketing.

Despite the fact that various studies on the halal supply chain framework have been conducted, little is

known about the supply chain for farm food, particularly fresh fish. In order to deliver the final Halal Fish

Supply Chain Model as shown in Figure 1, a study on the movement of fresh fish from fishermen's catches

and fish farm breeders to wet markets and supermarkets led to the development of a supply chain framework

that included suppliers (fishermen and fish breeders), transporters (lorries), warehouses, and the retailer

(wet markets, hypermarkets, and supermarkets).

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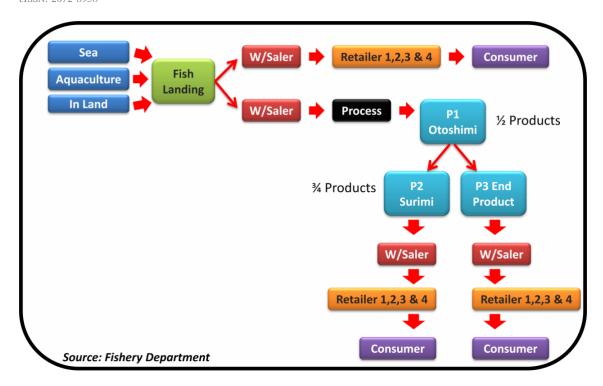


Figure 1. The Halal fish supply chain model

5. Conclusions

This study is interesting since it is the first time that opinions of halal logistics from consumers and transporters have been gathered. The results themselves may not be spectacular but being able to demonstrate that you can make distribution or logistical decisions with additional support and a well-considered background can be crucial to all parties. The outcome is intriguing enough to show to the world.

This research intends to aid JAKIM and HDC's expansion for regional Halal Logistics in Malaysia. Given that Malaysia exports halal goods, it should have its own standards and let the rest of the world benefit from and follow them through celebrations like MIHAS, the Halal Festival, and other key occasions. We will make Halal food and offer the required financial and logistical support because we are a Muslim country. The literature generally suggests considering customers as fully acknowledged stakeholders and incorporating their feedback into the distribution cycle to ensure a certain degree of quality and service. The study's conclusions suggest that the logistical system for distributing Halal items doesn't require many improvements.

A standard for Halal that can be used in Muslim nations and a standard that can be applied in non-Muslim countries can be created with the aid of this research, enabling the correct organization of Halal logistics in the future. As the first attempt at a universal standard, the IHI standard contained sections for "should" as the preferred standard and "must" in the event that there are no other possibilities. The parameters for the "must" portion in non-Muslim countries have been established by this study, and they can be used as a benchmark for standardization.

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