

VALUE CHAIN OF HALAL CERTIFICATION SYSTEM: A CASE OF THE MALAYSIA HALAL INDUSTRY

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Abstract

The Malaysian Standard Halal Food (MS1500:2004) has been cited by Codex Alimentarius Commission as the best example in the world in terms of justification of Halal food. As Malaysia is positioning itself to be the Halal food hub center by 2010, Malaysia needs to act fast to strengthen the Halal certification services. The Malaysia government has appointed the Halal Industry Development Corporation (HDC) as a body to handle local and international Halal certification process. Due to the rapid growth of the Halal industry, it is important to research on the Halal certification because the Halal certificates and logos are the important elements in gaining global market shares and retaining consumers.

The objectives of this study are to (1) provide an understanding of Halal certification system in Malaysia and (2) highlight issues on the Halal certification process from a value chain analysis perspective. The study adapted a value chain analysis approach to determine the Halal certification process, the actors, information of Halal and so forth. In this value chain analysis, semi-structured interview and document review are conducted. The open-ended questions such as how, what, when, where, and why are used in this study. The interview involved three experts in the Halal certification process. The three persons were considered expert in the Halal certification process as they were credible and have been given authority by the Malaysian government. The documents such as Halal Manual Procedures, Malaysian Standard Halal Food (MS1500:2004), magazines and newspapers articles, journals and so forth are the prime sources in this study.

The results of this study reveal (1) the related agencies and acts of Halal certification system, (2) the current state of Halal Certification and (3) the issues of Halal certification system in Malaysia. The first issue of Halal certification system in Malaysia is inefficiency of Halal certification process. Second issue is conflict of authority and governance between federal government and state government. The findings are important in developing Halal Ecosystem and also provide motivation for researcher to resolve the issues by providing more focus in niche area. .

Keywords: Halal Certification System, Halal Industry Development Corporation (HDC), Value Chain, Halal Governance

1 INTRODUCTION

The global market demand for *Halal* products and services gives significant impact to the growth of the domestic *Halal* food industry in Malaysia. According to Dato' Jamil (2008) the CEO of *Halal* Industry Development Corporation Malaysia, the global market for potentially *Halal* Products in 2005

was USD2.77 trillion. In addition, Mariam (2006) stated that the international scenario is one of the factors that lead to the global increase in *Halal* food demand. Due to this potential growth, the Malaysian government had in its Budget 2005 allocated RM10 million for the purpose of business planning research, technology and marketing development, improving productivity and quality of *Halal* certification and promoting Malaysia as the world producer of *Halal* products and services (Nurliza, 2006). In reality, the huge demand of *Halal* food products will lead to increase supply for *Halal* certificate and logo.

A review of previous literature identifies that the *Halal* certification is often fraught with issues and challenges (Mariam, 2006; Abdelsalam El-Farra, 2009). Shahidan and Md Nor Othman (2006) identified issues and challenges on the marketing *Halal* products and services in Malaysia. The main challenges identified were (1) the lack of enforcement by the Department of Islamic Development Malaysia (JAKIM), (2) lack of assistance given to *Halal* certification body by the related authority, (3) lack of collaboration amongst the *Halal* certification authority and (4) slow process of issuance *Halal* certification and logo. In line with these issues, Ahmad Hishamuddin (2007) also highlighted four problems in the *Halal* certification process handled by JAKIM. The four problems were (1) data losses or misplaced, (2) unreliable and out-dated *e-halal* database, (3) lack of integrated *Halal* information and (4) lack of JAKIM enforcement capacity and activities. In addition, Hayati et. al. (2008) stated that *Halal* issues such as abusing of *Halal* logo and *Halal* certification expiry were also the major challenge for Malaysia.

This study was conducted to provide an understanding of *Halal* certification system in Malaysia and to identify the issues on the operational of *Halal* certification. The results of this study reveal (1) the related agencies and acts of *Halal* certification system, (2) the current state of *Halal* Certification and (3) the issues of *Halal* certification system in Malaysia. An extensive literature review was conducted at the early stage of the research. To further understanding the issues, a value chain analysis approach was adapted in this study. In this value chain analysis, semi-structured interview was conducted to determine the *Halal* certification process, actors, information and so forth. This paper is divided into four main sections. The overview of *Halal* certification system in Malaysia is discussed in the first section follow by the research methodology in the second section. Subsequently, the results of this study are presented and discussed in section three. Lastly, the conclusion of this work is drawn in section four of this paper.

2 A BRIEF OVERVIEW OF HALAL CERTIFICATION SYSTEMS

2.1 *Halal* Certification and Logo

The basic principles of *Halal* certification are *Halal* (permissible) and *Thoyyibban* (wholesome) taken from Al-Quran, verse 168 Surah Al-Baqarah. *Halal* is an Arabic word which means allowed or permitted according to *shariah* (Islamic) law (Lokman, 2001; Shaikh Mohd, 2006). On the other hand, *Thoyyibban* means good quality, safety, cleanliness, nutritious and authentic (Shaikh Mohd, 2006, Mariam, 2006). *Halal* and *Thoyyibban* themselves, portray the symbol of intolerance in the hygiene, safety and quality. The *Halal* certification is issued based on the basic principles and procedures that the products must be good, safe and fit to consume.

Singapore, Thailand and Indonesia are among the countries that have their own *Halal* certification body. For instance, Mohamad Sadek (2006) stated that Singapore started their *Halal* certification services in 1972 that managed by Majlis Ulama Islam Singapura (MUIS). MUIS is responsible in

regulatory function in *Halal* certification. Mohamad Sadek (2006) also identified three government agencies that collaborate with MUIS in *Halal* certification and enforcement, namely Food Control Department, Ministry of Environment; Agro-Veterinary Authority, Ministry of National Department and Commercial Crime Department, Ministry of Home Affairs. Further, according to HDC, source from Halal Standard Institute of Thailand, the Central Islamic Committee of Thailand is responsible for *Halal* certification of slaughtering houses, process food and services. This Committee, in cooperation with the Thai government producing *Halal* food standard and issuance the *Halal* symbols. The *Halal* certificates and logos are issued by the Committee that complied with the Islamic requirements.

2.2 *Halal* Certification System in Malaysia

In Malaysia, the *Halal* certification and logo are issued by a body that is authorised by the Malaysian government. The government controls the system with support from multi-agencies that lead by Department of Islamic Development Malaysia (JAKIM). JAKIM is a body that plays a significant role in *Halal* certification efforts in Malaysia. Since 1994 until 2008, JAKIM is an authorised body to handle the certification process (JAKIM, 2008). Besides, the State Islamic Religious Department (JAIN) and State Islamic Religious Council (MAIN) have the authority to issue the *Halal* certificates and logos for domestic market (JAKIM, 2008). The *Halal* certification is issued according to three categories of application. The three categories are 1) Product/ Consumer Good, 2) Food Premise and 3) Slaughter House/ Abattoir. Additionally, the premise inspection in terms of the product processing, handling, storage, equipment and distribution is mandatory procedure before the *Halal* certificate is approved. The *Halal* certification will be issued if this basic principle and procedure are complied and revoked if not complied.

To date, JAKIM is no longer responsible for issuing the *Halal* certification. In April 2008, the government has appointed *Halal* Industry Development Corporation (HDC) as a body to handle local and international *Halal* certification process (HDC Vibe, 2008). HDC is a private company wholly-owned by the Malaysian government. It was established in 2006 to facilitate the Malaysian's *Halal* hub project. According to Bernama (2008), quoting Datuk Dr Ahmad Zahid Hamidi the Minister in the Prime Minister's Department, stated that the transformation from JAKIM to *Halal* Industry Development Corporation (HDC) was to help better coordination, to increase the efficiency of the *Halal* certification processes and to avoid international confusion. This would help position Malaysia as a global *Halal* hub center by 2010. According to Ahmad Shahrul (2008), until October 15, HDC had successfully certified 637 companies which 627 was local companies and 10 for international companies.

3 RESEARCH METHODOLOGY

3.1 Research aims and objectives

The aim of this study are to demonstrate an understanding of the *Halal* certification system in Malaysia and highlighting issue in the *Halal* certification process using a value chain analysis perspective. This study will focus on the process, information flows and actors involved in the *Halal* certification process. This study attempts to generate findings that important in developing *Halal* Ecosystem and also provide motivation for researcher to resolve the issues by providing more focus in niche area.

3.2 Research design

In this study, the HDC is taken as a case study of the *Halal* certification system because it has vast experienced in certifying domestic and international *Halal* food products. Moreover, HDC has been appointed as the authorised body by the Malaysian government to handle the local and international *Halal* certification process. In this study, the value chain analysis approach is adapted. The summary of the research design is shown in Figure 1.

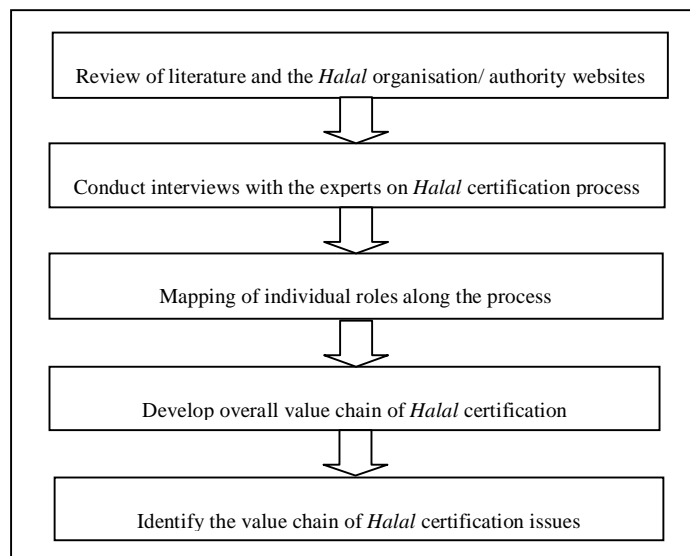


Figure 1. Research design

Stage one: review of literature and the *Halal* organisation/ authority websites

In this stage, the *Halal* manual procedures, *Halal* Malaysian Standards, articles from the newspapers, magazines, journals, brochures and slides presentation were reviewed in order to gain the understanding of the *Halal* certification systems in Malaysia. The related authority websites such as JAKIM, HDC and Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) were also reviewed. The details are simplified in Table 1 below.

Construct	Descriptions	Author(s) / Websites
<i>Halal</i> Constituent	Manual Procedure of <i>Halal</i> Certification Malaysia	Department of Islamic Development Malaysia (JAKIM) (2005)
	Malaysian Standard <i>Halal</i> Food – Production, Preparation, Handling and Storage	Malaysian Standard Department (2004)
	MS1500:2004 A Testament of Excellence	Remi Yahya-Ishmael (2005a)
	Status and Power.	http://www.malaysiamonarchy.org.my/portal_bi/rk2/rk2.php [Online]
<i>Halal</i> Certification Tools	<i>Halal</i> Gadget	Yaakob Che Man (2005)
	Modelling the Manufacturers Self Evaluation Support System for <i>Halal</i> Certification	Khairil, A.Y., Mardziah, H. and Nor Laila, M.N.(2006)
<i>Halal</i> Marketing	<i>Halal</i> Integrity and Industry Development: The Global Outlook	Jamil Bidin (2008)
	Visibility of <i>Halal</i> Supply Chains	Marco Tieman (2007)
	<i>Halal</i> Perspectives Understanding the Muslim Market	Abdalhamid Evans (2005a)

	A Global Product in a Global Market	Zarina Nalla, Shareem Amry and Remi Yahya-ishmael (2005)
	All Geared Up for <i>Halal</i> Hubs	Hayati Hayatudin (2004)
	Muslims and the <i>Halal</i> Standard	Zulkefli Mohamad (2005)
	The <i>Halal</i> Agenda	Hayati Hayatudin (2005a)
	Malaysia's 2006 Budget Allocates More For Developments Important to the <i>Halal</i> Industry	Juana Jaafar (2005)
	Signposts	AbdalHamid Evans (2006)
	European Retailer Go <i>Halal</i>	Kamarul Aznam Kamaruzaman (2006a)
Halal Process	Pensijilan <i>Halal</i>	Mariam Abd Latif (2008)
	<i>Halal</i> Animal Feed: The Beginning of the <i>Halal</i> Process	Hayati Hayatudin (2005b)
	Halal Industry within Islamic Principles: A Shari'ah Perspective on Halal and Haram Part 1. Understanding the Parameters of Halal and Haram.	Mohammad Hashim Kamali (2008a)
	From <i>Halal</i> to <i>Haram</i>	MarcoTieman (2006)
	Harmonising <i>Halal</i>	Ahmad Robin Wahab (2004)
	Halal A Market in the Making	Hayati Hayatudin (2005c)
	<i>Halal</i> Organic the Next Wave?	AbdalHamid Evans (2005b)
	<i>Halal</i> , Kosher and the USA	Kamarul Aznam Kamaruzaman (2006b)
	Port of Rotterdam's <i>Halal</i> Venture	Jumaatun Azmi (2006)
	Quality Assurance in <i>Halal</i> Food Manufacturing in Malaysia: A Preliminary Study	Hayati, A.T., Khairul Anuar, M.A. and Khairur Rijal, J. (2008).
	Get Certified	Che Hassan Pahmi Che Mamat (2005)
Halal Issues	Current Issues on <i>Halal</i> Food	Mariam Abd Latif (2006)
	Food and Technological Progress an Islamic Perspective	Shaikh Mohd, S.M.S. and Azrina, S. (2006)
	<i>Halal</i> Products Consumerism, Technology and Procedures	Lokman, A.R. (2001)
	Community Participation and Empowerment: An Approach for JAKIM <i>Halal</i> Verification and Feedback Mechanism	Ahmad Hishamuddin. (2007)
	Muslims' Awareness of <i>Halal</i> in the Age of Globalisation	Irfan Sungkar (2008a)
	The Rising Importance of the Food Service Sector	Irfan Sungkar (2008b)
	Marketing of <i>Halal</i> Products The Way Forward	Saad Al-Harran & Patrick Low (2008)
Halal Agency	<i>Halal</i> certification body and <i>Halal</i> Authority in Malaysia.	HDC websites: http://www.hdcglobal.com JAKIM website: http://www.jakim.gov.my Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) website: http://www.kpdnhep.gov.my Ministry of Health (MOH) website: http://www.moh.gov.my Ministry of International Trade and Industry (MITI) website: http://www.miti.gov.my
	Understanding the Department of Veterinary Services, Malaysia.	Jumaatun Azmi (2005).
	FOA Cultivating a New Farming Culture	Remi Yahya-Ishmael (2005b)

Table 1. Data Collection

Stage two: Conduct interviews with the experts in *Halal* certification process

The semi-structured interview was conducted based on one-to-one basis. The framework that was used to guide the interview process was based on adapted work of Porter (1985). The three persons were considered experts in the *Halal* certification process as they were credible and have been given an authority by the Malaysian government. The experts profile is shown in Table 2.

Name	Designation	Proficiency
Respondent X	<ul style="list-style-type: none"> Vice-President of <i>Halal</i> Integrity HDC Former Principal Assistant Director (Research and Evaluation) <i>Halal</i> Hub Division (JAKIM) 	<ul style="list-style-type: none"> Food Technical/Technology Food Service Management
Respondent Y	<ul style="list-style-type: none"> Technical Auditor of HDC Certification Department 	<ul style="list-style-type: none"> Food Sciences
Respondent Z	<ul style="list-style-type: none"> Customer Relationship Officer HDC Certification Department <i>Shariah</i> Auditor of HDC Certification Department 	<ul style="list-style-type: none"> <i>Shariah</i>

Table 2. Interview persons

The open-ended questions such as how, what, when, where, and why were used in this study. This will allow the respondents to answer it in their own words and let them feel comfortable. The open-ended questions are used as the statistical validity is not a prime objective. The questions listed below were used as guideline during the interview.

The questions asked in the interview are as follows:

- What are the primary processes of *Halal* certification?
- Who are involves in the *Halal* certification process and what are their roles?
- What technology involves in the *Halal* certification process?
- How long is the duration for *Halal* certification approval?
- What are the problems identified in the *Halal* certification system?

Stage three: Mapping individual roles along the process

The starting point was the processes, individuals, roles, information and technology that have been used in the *Halal* certification process were tabulated. These data were collected during the interviewed. However, due to the limited spaces, the tabulated data is not provided in this paper.

Stage four: Develop overall value chain of *Halal* certification

The tabulated data is then being used to construct the Value Chain of *Halal* Certification. The value chain of *Halal* certification was developed based on the three main elements which are (1) actors, (2) information and (3) processes. The overall value chain of *Halal* certification is simplified in Figure 2.

Stage five: Identify the value chain of *Halal* certification issues

Based on the interviews with the experts, the issues of *Halal* certification process along the process were identified. The issues are discussed in section 4.

4 DATA ANALYSIS AND FINDINGS

4.1 *Halal* Certification Related Agencies and Acts in Malaysia

The government is committed in supporting the *Halal* industry in Malaysia. The government controls the *Halal* food through multi-agency approach lead by JAKIM. Ahmad Hishamuddin (2007) stated five main agencies that involved in the *Halal* food control. As the *Halal* industry in expanding, the number of agency involved is also increased. From the literature review, the agencies involved are not only responsible to *Halal* Food Control but also in promoting, marketing, financial support, research and development and so forth. Table 3 shows part of the related agencies and acts that relevant to the *Halal* food industry.

Agency	Functions	Acts
Department of Islamic Development Malaysia (JAKIM)	Provide <i>fatwa</i> and <i>shariah</i> matters	<ul style="list-style-type: none"> Not Introduced
Ministry of Agriculture and Agro-Based Industry (MOA)	Responsible for animal health and abbotairs Monitoring <i>Halal</i> certificate	<ul style="list-style-type: none"> Animal Rules 1962
Ministry of Health (MOH)	Responsible for food safety	<ul style="list-style-type: none"> Food Act 1983 (Act 281) and Food Regulations 1985
Ministry of Domestic Trade and Consumer Affairs (KPDNHEP)	Provide enforcement and monitoring programme.	<ul style="list-style-type: none"> Trade Descriptions (Use of Expression '<i>Halal</i>') Order 1975. Trade Descriptions (Marking of Food) Order 1975.
Chemistry Department	Responsible for food analysis	<ul style="list-style-type: none"> Food Act 1983 (Act 281) and Food Regulations 1985
State Islamic Religious Department (JAIN) / State Islamic Religious Council (MAIN)	Monitoring and issues <i>Halal</i> certificate for domestic markets	<ul style="list-style-type: none"> Not Introduced
Local Universities and Research Institute	Provides R&D and courses in <i>Halal</i> matters.	<ul style="list-style-type: none"> Not Introduced
Department of Veterinary Services (DVS)	Provides consultancy and advisory services on <i>Halal</i> livestock, monitoring and enforcement, issues export permit and veterinary health certificate.	<ul style="list-style-type: none"> Animal Rules 1962
Ministry of Trade and Industry (MITI)	Formulates strategies and provides incentives to encourage trade and investment in <i>Halal</i> products and services.	<ul style="list-style-type: none"> Not Introduced
Standards and Industrial Research Institute of Malaysia (SIRIM)	Provides R&D for <i>Halal</i> in areas of advance material and advance manufacturing	<ul style="list-style-type: none"> Not Introduced
Malaysian Agricultural Research and Development Institute (MARDI)	Provides R&D in <i>Halal</i> food processing technology and technological development.	<ul style="list-style-type: none"> Not Introduced

Table 3. *Related Agency and Acts (Adapted from Ahmad Hishamuddin (2007), HDC (2008) and JAKIM (2005))*

4.2 *Halal* Certification Value Chain

In general, value chain is a set of processes a firm uses to create value for its customer (Alter, 2002). Value chain can also be defined as a systematic way to divide a firm into its discrete activities and can be used to examine how the activities in a firm are and could be grouped (Porter, 1985). In this study, the value chain is constructed based on a standard format with the three elements showing the

interactions between the (1) processes, (2) information and (3) actors. These elements are particularly important in highlighting the operational issues.

4.2.1 Processes

Generally, the *Halal* certification process is divided into five steps which are (1) Application/ Document Approval, (2) Premise Inspection, (3) Panel Committee/ Appeal Committee, (4) Issuance of *Halal* Certification and (5) Monitoring and Enforcement. The process is not the problem, but the implementation of the task at each process will create the problem if the procedures are disgruntled. For instance, the process will delay if the payment for certification fee is not received and therefore the premise inspection will not be conducted. On the other hand, the result of application and supporting documents verification by the Application Processing Officer may not be enough in the Auditors perspective. They may require further clarification during the premise inspection. It seems that, the *Halal* certification process is relying on the information and actors in order to speed up the process. In line with this, Khairil Anwar et. al (2006) suggested the Manufacturers Self Evaluation Support System (MAHSESS) that potentially improved the *Halal* certification process. MAHSESS is a web-based information system that expected to help the manufacturers to carry out the self evaluation on the *halal* status of their products before submitting the application. This system is also expected to provide suggestion on alternative *halal* ingredients from the certified manufacturers.

4.2.2 Information

Information is significant to the *Halal* certification process. Without reliable information, the decision making may be uncertain. Additional information is required in applying the *Halal* certification. The additional information are:

- Company profile,
- Registration of company,
- Name and information of product/menu for verification,
- Ingredients,
- Name and address of producer/ingredient supplier,
- *Halal* status of ingredients and their Halal certifications or product specifications for critical ingredients (as appropriate),
- Type of packaging material;
- Processing and production procedures,
- HACCP, ISO, GHP, GMP, TQM certificate (if applicable),
- Map of premise location/factory,
- ID and offer letter for *Halal* Executives,
- ID and offer letter for Muslim staffs (Production section),
- Import permit from Department of Veterinary Services,
- Licence from Ministry of Health (Drugs and Cosmetics), and
- List of barcode product.

These information (supporting documents) should be submitted by the applicants together with the application form. The supporting documents are applicable based on their application category. For example, the license from Ministry of Health for drugs and cosmetics is not applicable for the food products category.

4.2.3 Actors

In this study, the actor is referring to the individuals who are involved in the *Halal* certification process. In general, there are six actors with different roles involved in the *Halal* certification process. They are as shown in Table 4 below. They are responsible to the specific tasks in the *Halal* certification process.

Actors	Responsibilities
Administration Staff	<ul style="list-style-type: none"> Handling application form, supporting documents and certification fee.
Application Processing Officer (Technical and Shariah)	<ul style="list-style-type: none"> Examine and verify the application form and supporting documents
Auditors (Technical and Shariah)	<ul style="list-style-type: none"> Examining the product ingredients based on technical and shariah perspectives. Premise inspection, and Preparing inspection report. Committee of Internal Pre-meeting Halal certification
Head of Units/ Managers of Halal Certification Department,	<ul style="list-style-type: none"> Committee of Internal Pre-meeting Halal certification Pre-approval of Halal certification, Presenting the Halal applications to the Halal Certification Panels.
Halal Certification Panels (Technical and Shariah), and	<ul style="list-style-type: none"> Decision making in Halal approval/ rejection
Secretariat of Halal Certification	<ul style="list-style-type: none"> Organising the Halal Certification Panel Meeting, Issue Halal certification

Table 4. Actors of Halal certification process

Using the data collected from the semi-structured interviews and literature review, the current state map of the *Halal* certification process is constructed. The map is an effective technique for summarising and presenting the key features of a process. We adapted the process activity mapping technique described by Hines and Rich (1997) in constructing the current state map of the *Halal* certification process. A simplified version of the current state of the whole chain is shown in Figure 2. The *Halal* certification value chain provides the understanding of *Halal* certification system by identifying the potential continues improvement in the operational of *Halal* certification.

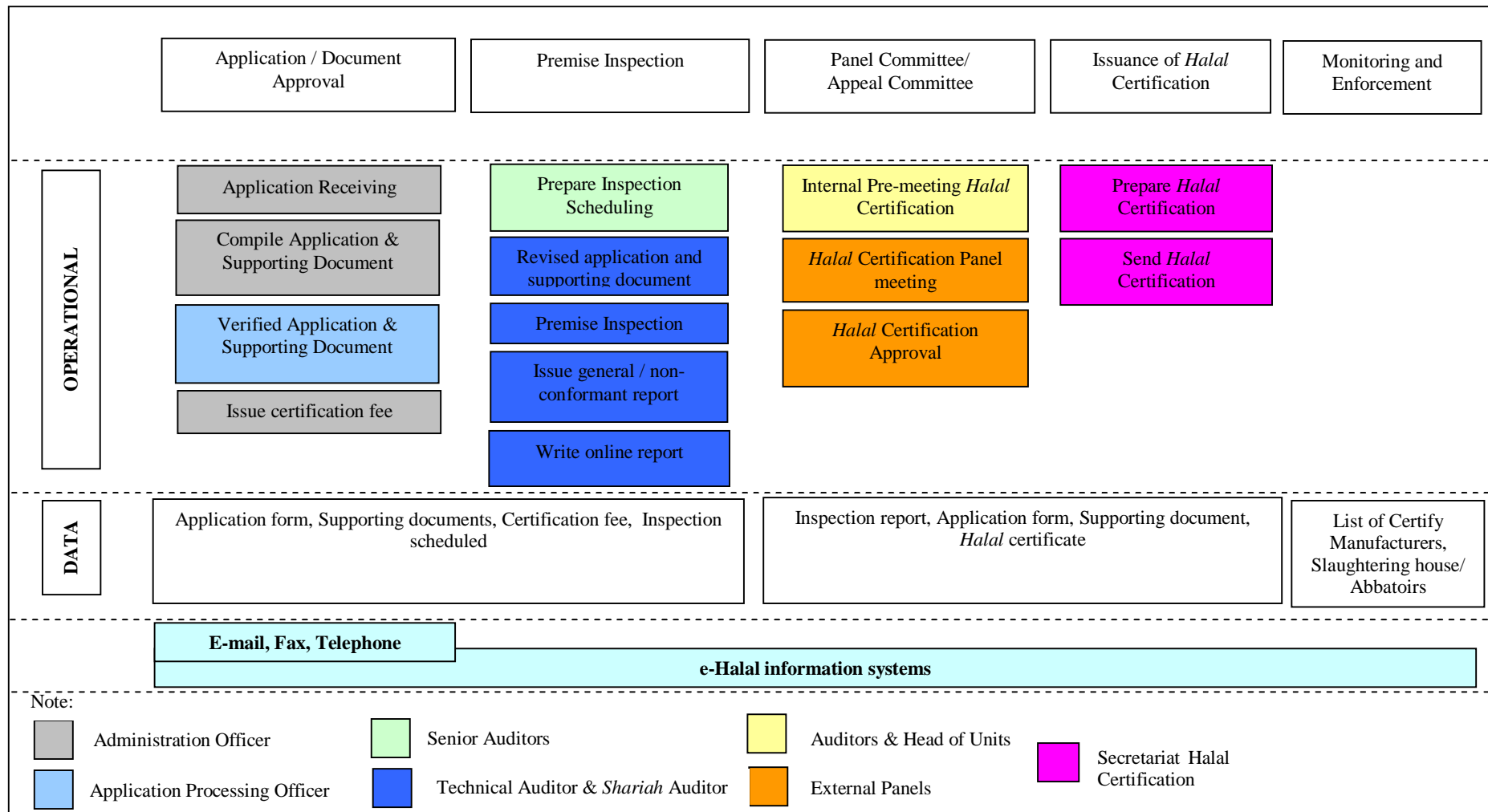


Figure 2. Current state map: Value Chain of Halal Certification

4.3 Halal Certification Issues

There are two issues arise in the *Halal* certification system. The issues are (1) operational inefficiency and (2) *Halal* governance. Efficiency is an internal view focusing on how well the resources are used within a worksystem to produce a particular output (Alter, 2002).

4.3.1 Operational Inefficiency

In the study, we look into the capability of the actors to use the resources in producing the *Halal* certificate within the time frame. The result reveals that the operational inefficiency of *Halal* certification process is due to two factors which are (1) Applicants and (2) Internal. The results are tabulated in Table 5.

Applicants	Internal
<ul style="list-style-type: none"> Lack of understanding of the <i>Halal</i> procedures 	<ul style="list-style-type: none"> Lack of expertise as new staffs with little experience of the system contribute to the slow processing and without a tight coordination will minimise the number of <i>Halal</i> certificate approval.
<ul style="list-style-type: none"> Delay in submitting the supporting documents 	<ul style="list-style-type: none"> Unsystematic filing system also contribute to the inefficient operational.
<ul style="list-style-type: none"> Delay in making payment of certification fee 	<ul style="list-style-type: none"> Premise inspection may require more than a day to be completed especially for the multi-national industry and hotels.
<ul style="list-style-type: none"> Unaware of the acknowledgement that has been sent to them through the e-mail or e-<i>halal</i> information system. 	<ul style="list-style-type: none"> Delay in receiving lab test result.

Table 5. Operational Inefficiency

This findings support the issues that have been highlighted by Shahidan et. al. (2005) and Ahmad Hishamuddin (2007). In sum, the applicants and the internal actors play major roles to make the certification process efficient. It is suggested that with a good understanding, cooperation and training for both parties, the *Halal* certification process could be improved and efficiency could be achieved.

4.3.2 Halal Governance

The second issue of *Halal* certification is *Halal* governance. According to United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), governance can be defined as a process of decision-making and it is by which decisions are implemented (or not implemented). In Malaysia, *Halal* matters are under the Islamic rule that is governed by states Rulers (*Sultans*), their consent is compulsory to standardise the *Halal* matters in Malaysia. According to the Malaysia Federal Constitution Article 3, the state Ruler is the Head of the religion of Islam in his state declared by the State Constitution (Status and Power, 2009). Therefore, the federal government has no authority to force the states to follow whatever decision regarding *Islamic* matters that are made at national level. This situation may lead to difficulty in implementation of decision making in *Halal* matters. On the other hand, the lack of enforcement and no comprehensive *Halal* Act also contributed to this issue. The certification body has no authority in *Halal* enforcement matters and the enforcement power is given to the related agencies that have been simplified in Table 3. It could be suggested that the standardisation of *Halal* decision is required in order to avoid the confusion among the Muslim. In addition, the cooperation and collaboration within the related agencies and *Halal* certification body is highly recommended in order to improve the *Halal* enforcement in Malaysia.

5 CONCLUSION

The global recognition of the *Halal* certification is a credit to the *Halal* industry in Malaysia. An efficient *Halal* certification is needed to support the reputable image of Malaysia as the *Halal* food producers. In line with this, Mohd Adly (2005) stated that the Malaysia government had allocated RM10 million for the development and improvement of *Halal* product and process, the acquisition of certifications and standards and also promotion of *Halal* products. This study has led to several important conclusions. In particular, *Halal* certification system seems to be on interest to the vast majority of *Halal* researcher. From the extensive literature review, the agencies and acts that related to *Halal* certification were identified. Specifically, eleven agencies and six Acts that were relevant to the *Halal* food control were identified. Besides, this study established the value chain of *Halal* certification in Malaysia. This finding is important to the future development of *Halal* Ecosystems in Malaysia. Further research effort may reuse and extend the value chain of *Halal* certification presented in this paper and the test of the suitability of this value chain within a different research context. It is suggested that the value chain of *Halal* certification may help the researcher to determine the potential improvement in the operational of *Halal* certification. The findings of *Halal* certification issues extend the findings of the previous researcher on the *Halal* certification. This finding suggested the new issue of *Halal* certification which is the *Halal* governance. *Halal* governance is considered problematic in the *Halal* certification system in Malaysia, but it may not applicable to the other country. The reason that contributed to this problem is due to the segregation of authority between federal government and state government in the Parliamentary Democracy and Constitutional Monarchy systems implemented in Malaysia. Moreover it should be stressed that, the findings are limited to the *Halal* certification in Malaysia for food products category. Further research in this area is strongly recommended.

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