

Matrade targets 5% growth in halal exports for 2019

BY EMIR ZAINUL

KUALA LUMPUR: Malaysia External Trade Development Corp (Matrade) is targeting the export value of halal products and services to further increase by 5% in 2019, as it seeks to encourage local small and medium enterprises (SMEs) to use the nation's competitive advantage and tap into the growing industry.

In 2017, Malaysia recorded RM43.3 billion in halal exports, which made up 4.6% of the nation's total exports of RM935.4 billion. The top importers of halal products from Malaysia were Singapore (RM4.9 billion), China (RM4.9 billion), Japan (RM2.8 billion), the US (RM2.7 billion) and Indonesia (RM2.2 billion).

Matrade deputy chief executive officer Datuk Wan Latiff Wan Musa said the halal industry has been one of the key sectors that the export promotion agency is focusing on based on the strength that Malaysia has in terms of supply capacity.

"We have been acknowledged by the world that we are among the leading countries in the halal industry," he told *The Edge Financial Daily*.

On top of that, Wan Latiff noted that there is a significant upsurge in global demand for halal products and

services. He cited a study by Thomson Reuters which reported that total spending in the halal economy in 2017 was US\$2.1 trillion and is expected to increase to about US\$3 trillion in 2023 not only on food and beverages (F&B), but also on pharmaceuticals, Islamic finance, media, tourism and even logistics.

"So, we have the supply and there is an upside to demand, therefore this is a perfect match. Based on this reason, Matrade has been giving emphasis on promoting halal products and services in our export strategy," he said.

Wan Latiff said Malaysia is currently the only country in the world that boasts a comprehensive ecosystem for the halal industry development agenda, which includes halal certification systems, standards and regulations, infrastructure, incentives, human capital and Islamic banking, that is supported by effective frameworks from governmental institutions.

Most notably, Malaysia is well known in terms of the credibility of its halal certification as it is accepted in almost all halal markets worldwide. In fact, according to Wan Latiff, many countries have been trying to learn from Malaysia on how to develop halal certification.

"Lately, we have received quite a number of Japanese food companies opening their operations here just to get Jakim (Malaysian Islamic Development Department) certification. That reflects how companies, especially in non-Muslim countries, are looking to sell halal products.

"They have good products and they want to sell to the Muslim community, not only here in Malaysia and Asean, but also in the Middle East. So, they must have halal certification and Malaysia is considered the best halal certification in the world," Wan Latiff explained.

"We have a complete ecosystem, and what Matrade is trying to do is to bring the companies to look at export opportunities because with the halal ecosystem that we have here, serving the domestic market alone is not enough. We need to expand our market beyond Malaysian borders," he said.

"As a supplier, we need

to make sure that halal products are available in order for the Muslim community all over the world to have access to halal products. So, that is a huge task for halal providers globally," Wan Latiff added.

He argued that local halal producers may not have the space to grow exponentially in a small market like Malaysia. Hence, he calls for companies to look at export opportunities in order to spur innovation.

"Different markets need different products. It will encourage companies to come up with new ideas for innovation of their products to cater for the different markets. This can only be done when they are familiar with the global market. So, exports will indeed spur innovation among Malaysian companies," said Wan Latiff.

Matrade is on a mission to inspire

Malaysian SMEs to have a more international mindset for the outlook of their business. For this, Wan Latiff calls for local SMEs to engage with Matrade in order to take their products and services to the global level.

"I cannot emphasise more on the fact that we provide business opportunities to SMEs through programmes like trade fairs and trade missions. With a global network of 46 offices around the world, we provide business matching connectivity between buyers and sellers. Through the business matching, they are able to discuss business opportunities with their foreign counterparts," he said.

"We are pushing for capacity building in the area of export where we are working with other agencies as well to look at the entire export value chain. Of course in order to export, you have to get your products right in terms of product formulation, produce your products at competitive prices, and you have to do proper labelling, packaging and branding to comply with different import regulations and requirements.

"At all these stages, Matrade is here to help the SMEs," Wan Latiff added.

Wan Latiff: Malaysia is considered the best halal certification in the world. Photo by Shahrin Yahya

