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# Govt expects to see convergence of halal industry

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by FARAH ADILLA

THE government is looking forward to converging the halal industry and Islamic banking and finance, with more businesses utilising Shariah-compliant financing, especially for funding requirements.

Prime Minister Datuk Seri Mohd Najib Razak said the availability of Shariah-compliant financing completes the operational integrity and unlocks new sources of ethical and economically viable fund-

ing for the halal industry.

"These include corporate financial solutions in the form of trade financing, risk management and hedging products, liquidity management and working capital.

"The sukuk market, in which Malaysia is a leader, offers a credible, convenient and Shariah-compliant alternative to conventional financial needs. This is particularly relevant in the post-2008 global economic climate," he said at the opening ceremony of the World Halal

SumTnit 2015 in Kuala Lumpur yesterday.

Najib said another area of Islamic finance that offers enormous potential is Shariah-compliant micro-credit.

He said Islamic micro-credit offers hope for tens of millions of Muslims in developing countries who currently lack the means to avail themselves of conventional banking structures.

"The halal industry clearly will face new challenges as it grows. This is especially true in the area of halal standards,

as more and more countries are developing their own halal industry.

"Similarly, as the world Muslim populations grows, we are likely to witness the widening of the demand-supply gap in the global halal industry," he said.

Meanwhile, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said Asean has a strong basis and adequate resources to champion the halal market but has not yet tried to work together in the past.

"Under the Halal Industry MasterPlan (2008-2020), we are working together with countries in the Asean region and are still in discussions to tighten up loose ends.

"Besides food, we are also working together to develop halal pharmaceutical and cosmetic products, which we are lacking right now," he said.

Mustapa said last year, the exports for halal products exceeded the total exports which grew 8% to RM37 billion. The total exports for Malaysia in 2014 grew 6.1%.