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1. First and foremost, I would like to congratulate Islamic Dakwah Foundation of Malaysia (YADIM) for their untiring efforts in bringing about the First Malaysian International Halal Showcase or MIHAS 2004. I believe the holding of this inaugural showcase is important and timely to strengthen Malaysia's position as a key player in the global halal industry. It is our hope that events such as MIHAS will contribute significantly to the expansion of the halal market economy, and help promote sound, ethical Islamic values in the business community. Let me also bid a very warm welcome to all our guests, visitors, exhibitors and sponsors for your contributions and presence here at this exhibition.

2. As a progressive, moderate and dynamic Islamic country, Malaysia has become an example to Muslims around the world. We have taken the lead in many endeavours that have been instrumental in advancing the economic status of the Muslim ummah. Our efforts in promoting Islamic banking, takaful or Islamic insurance, the gold dinar as an international means of exchange, the Islamic bond market, are all significant measures. Our effort now to promote and lead the way towards a global halal food industry, is yet another manifestation of Malaysia's commitment to a strong and resilient economic system based on Islamic principles.

3. The Government's objective is to make Malaysia a halal hub for the region. According to the Ministry of International Trade and Industry, the total world Muslim population is estimated to be 1.8 billion and based on an estimated expenditure per capita for food of US\$0.85 (RM3.23) a day, it is estimated that the potential market for halal products is US\$560 billion (RM2.12 trillion) a year. This is a huge market for food industry players.

4. Malaysian companies now export processed foods to over 80 countries valued at over RM5 billion in 2003, and therefore we are well-positioned to participate. In Malaysia, 60% of the population are Muslims and if one were

to estimate the per capita expenditure for food as RM1 a day, then the demand for halal products is more than RM5 billion a year. There is therefore already a sizeable domestic halal market for companies to tap into as a launching pad to go international.

5. In trying to position Malaysia as a halal hub, there are several issues that we will have to overcome. These issues are not unique to Malaysia alone, and therefore our experience will be valuable to market participants all over the world.

6. Firstly, as the halal market is generally associated with the meat-based industry, Malaysian companies will have to significantly increase production of livestock for meat. For example, Malaysia continues to be a large importer of beef - our beef imports for the first nine months of 2003 was RM338 million. Therefore, we will have to introduce appropriate measures and incentives to significantly increase the production of raw materials from current levels. In doing so, we must be conscious of our cost competitiveness vis-à-vis other producing countries, and focus on livestock where we can be a profitable producer using advanced technologies and processes, and even biotechnology where appropriate.

7. Secondly, Malaysian companies need to go much further downstream into halal processed foods. To do so successfully, there is a need to pay particular focus to upgrading processing technology, improving product quality, investing in research & development (R&D), building a global distribution network and creating awareness of halal food brands.

8. Finally, in order to become a global halal hub, there must be greater coordination of policies and standards aimed at encouraging halal products. Among the initiatives that have been given due attention are the standardisation of the process and procedures for halal certification, coordination of the development of the halal standard and enforcement of laws. Greater emphasis should also be given to coordinate marketing strategies between individual producers and the government's own efforts in promoting Malaysian halal products.

9. In trying to address these issues that I have just described, events like MIHAS 2004 can be extremely valuable

to provide tangible examples of success stories of companies already active in the industry. It will also allow participants to exchange notes, explore new markets, consider new technologies, plan for new products and understand the value of halal certification and branding.

MIHAS 2004 should serve as a platform for direct manufacturers, buyers, agents, investors and business communities involved in the halal industry to source and market halal products and services around the world. Malaysia is an ideal venue for enterprising business people to do business.

10. MIHAS aspires to make this trade fair an annual event to bring about improvement in the social, spiritual and economic foundation of the global ummah. This congregation of Muslim scholars, halal certification authorities, academicians, economists, government officials and business people will go a long way towards aiding the development of a thriving global halal industry.

11. With this in mind, I would like to welcome all participants to Malaysia and to MIHAS 2004. I hope your time here will prove to be a profitable and rewarding experience.

12. In ending, with the words Bismilahirrahmannirrahim, I hereby officially declare open the First Malaysian International Halal Showcase 2004.

Thank you

Office of the Deputy Prime Minister of Malaysia