



# Halal Supply Chain Management: an emerging requirement

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ASEAN Ports & Shipping  
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# Topics

Evolution of Halal

Halal Indonesia

Case Study MODERN HALAL VALLEY

Role of Ports & Shipping in protecting global halal supply chains

Case Study JOHOR PORT AUTHORITY

Conclusion

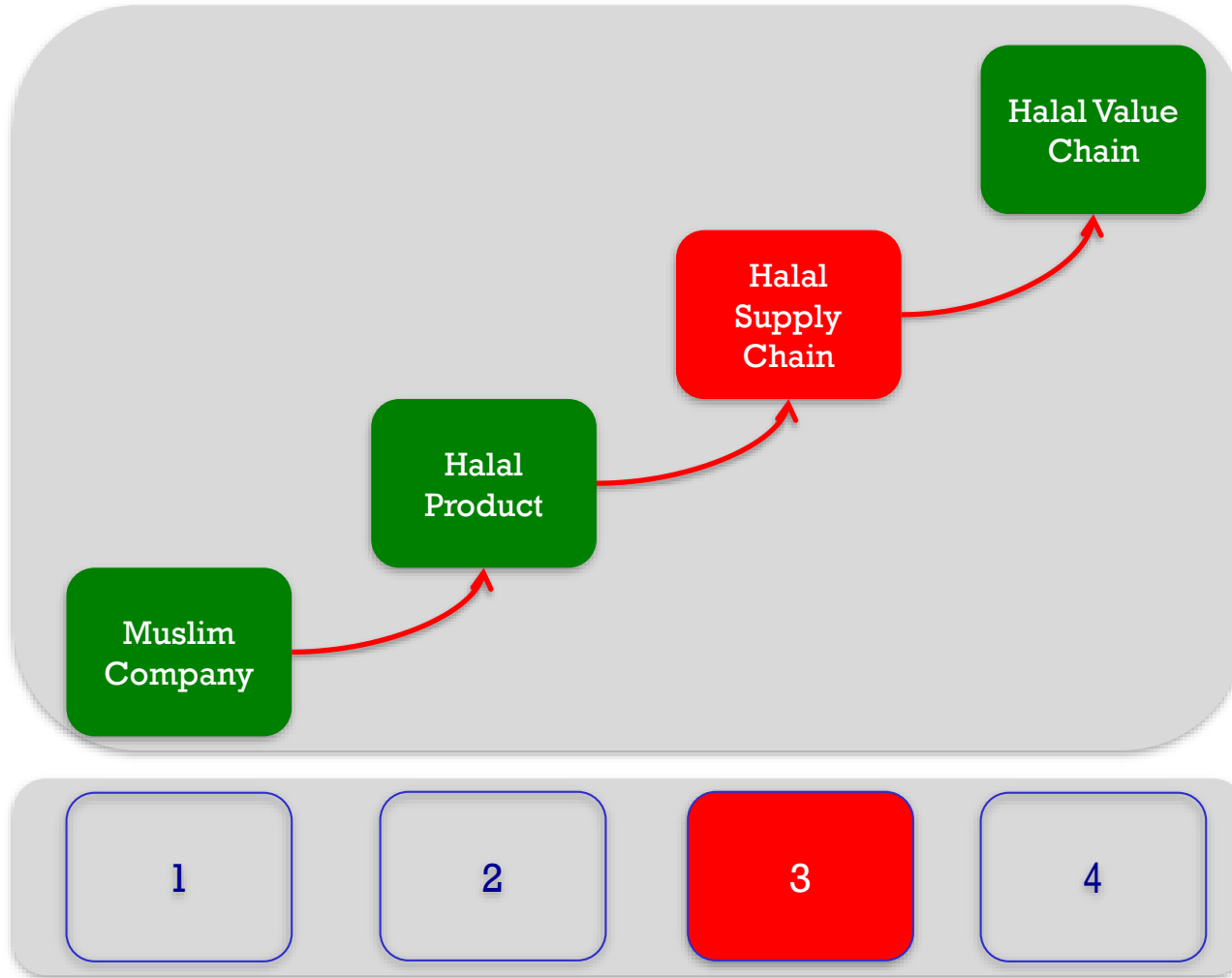
# Evolution of Halal

# Halal

‘It is a portion of God’s gift to mankind; lawful, wholesome, safe, healthy, pleasing. Halal is not just about the end product; it is the entire **process**. It is a **trust**, an **honour** and a **responsibility**.’

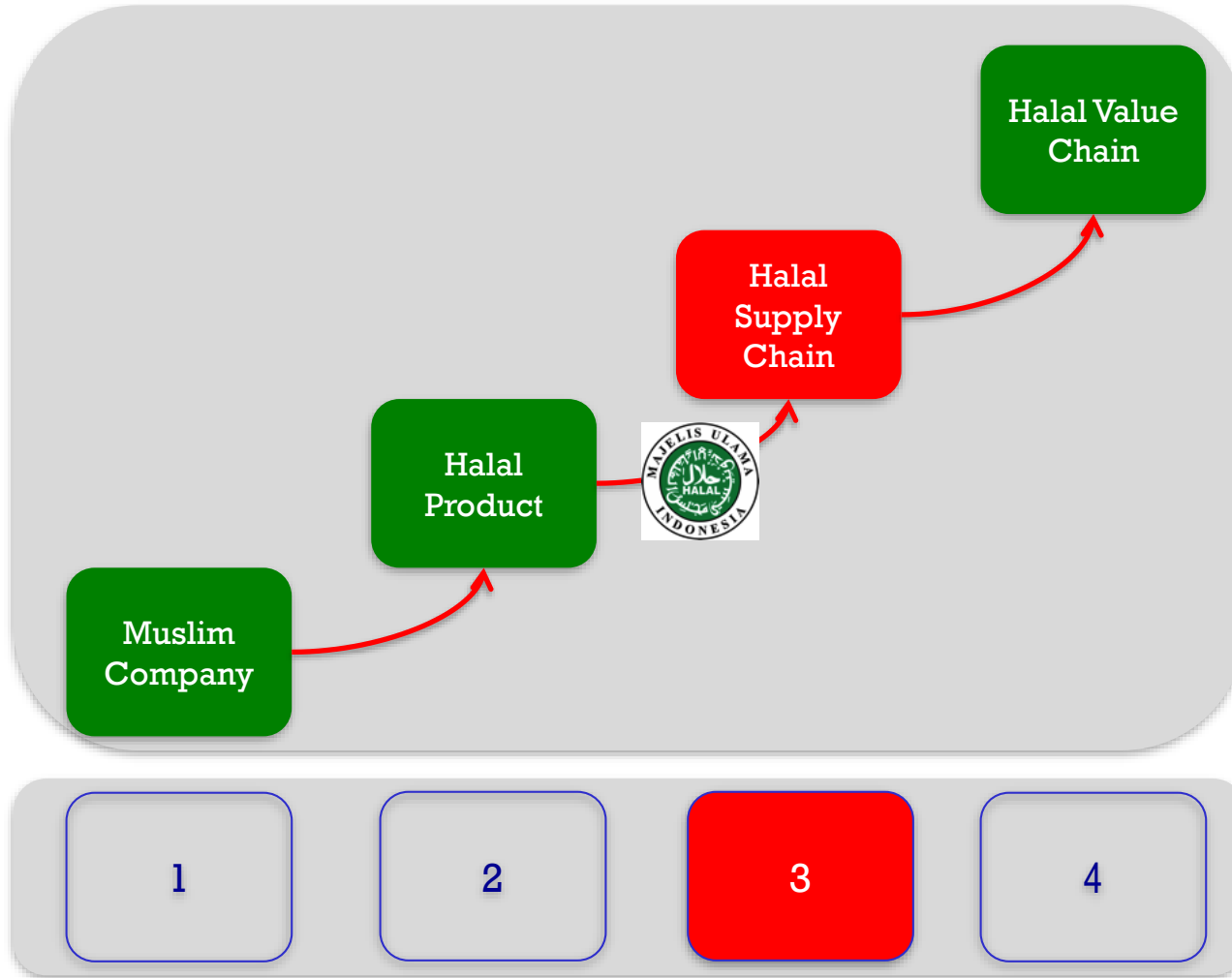
Abdalhamid Evans, 1952 - 2018

# Evolution of Halal

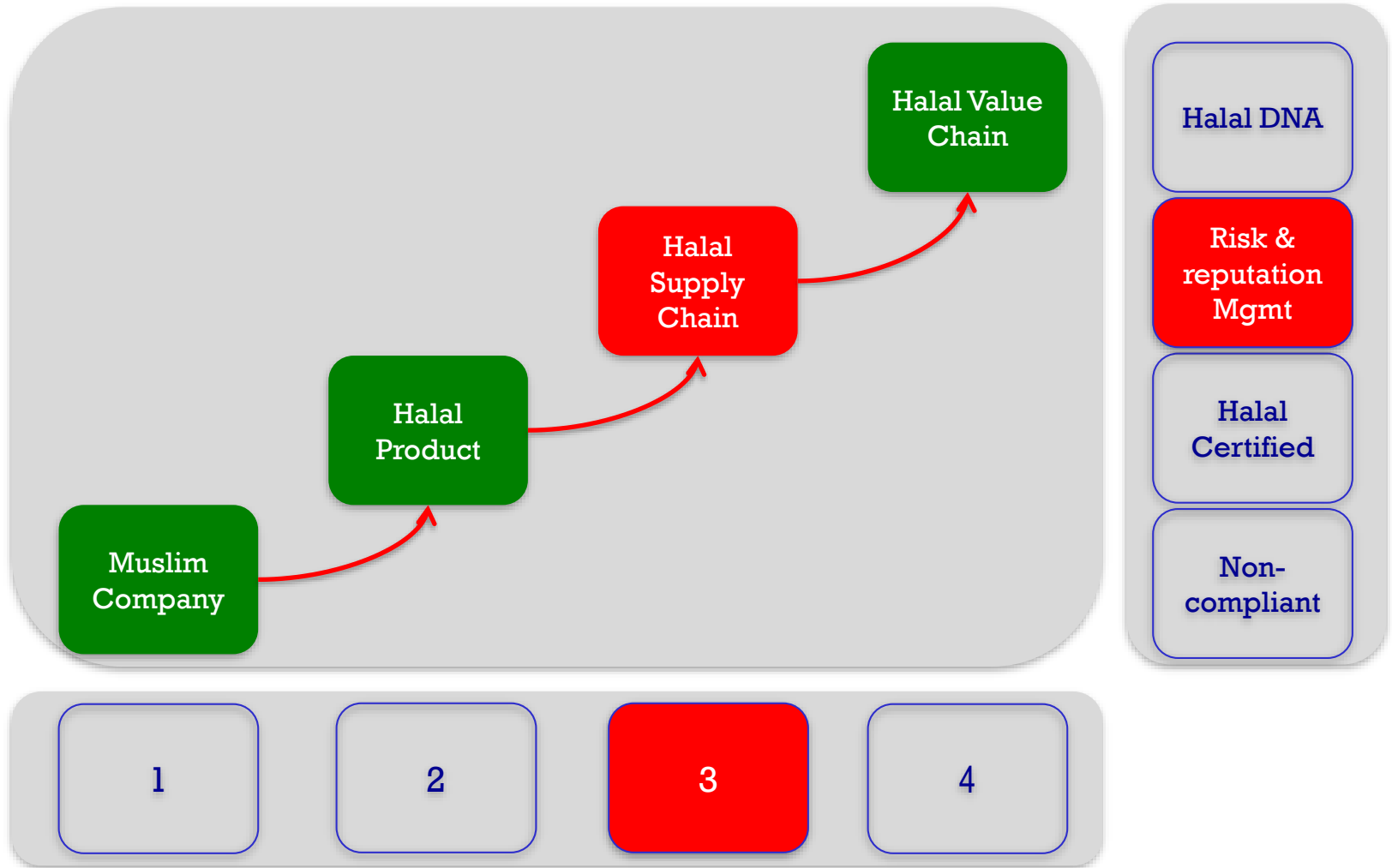


Tieman, M. (2011). The application of Halal in supply chain management: in-depth interviews. *Journal of Islamic Marketing*, 2(2), 186-195.

# Evolution of Halal



# Halal Maturity



Tieman, M. (2011). The application of Halal in supply chain management: in-depth interviews. *Journal of Islamic Marketing*, 2(2), 186-195.

# Emerging Industry Requirements

01

Food and  
non-food  
need to be  
halal  
certified

02

Halal  
requires a  
supply chain  
approach

03

Halal  
certification  
of port  
terminals



# Halal Indonesia

# Law 33 = Game Changer

Law of the Republic of Indonesia number 33 year 2014 concerning halal product assurance.

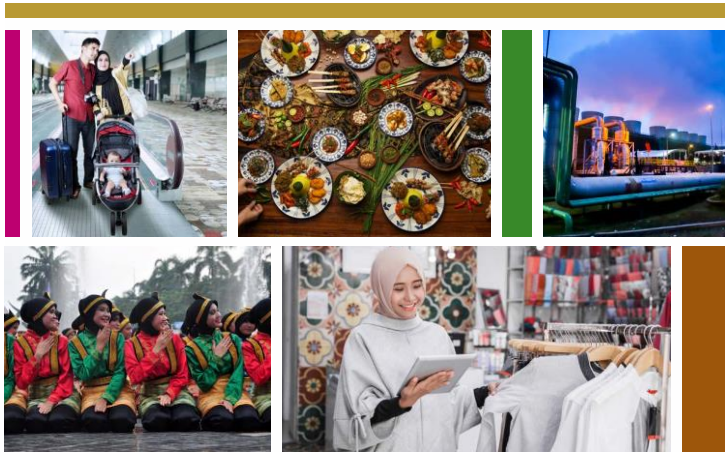
Implementation: **17 October 2019**

Essence:

- **Halal certification becomes mandatory** for all consumer products, starting with food (within 5 years)
- HCB from MUI to **BPJPH** (under the Ministry of Religion)
- New **halal standard** and new **halal logo** (*in progress*)
- **Recognition of HCBs** from B-2-B to G-2-G (*in progress*)

# Indonesia's Halal Agenda

## Indonesia Islamic Economic Masterplan 2019-2024



*Position Indonesia as the center of the world's leading Islamic economy!*

- Halal Value Chain: halal food and beverage industry, halal tourism industry, Muslim fashion industry, halal media and recreation industry, halal pharmaceutical and cosmetics industry
- Islamic Finance
- Micro, Small and Medium Enterprises (MSMEs) and
- The Digital Economy

# Case Study MODERN HALAL VALLEY



# Halal Cluster Network



The Halal Cluster Network links local, regional, international halal clusters together in a halal cluster network...

... with the goal of achieve **HALAL SYNERGY** advantages through collaboration.

# Halal Cluster Network

1. **Halal Synergy Advantages** through vertical and horizontal collaboration, allowing supply chain optimisation, pooling of resources, and bundling of halal volumes
2. **Effective Halal Assurance** based on the international halal logistics standard (IHL AS 0100:2010) and consistent communication of the halal status ('Halal Supply Chain') on freight documents, labels, and electronic communication.
3. **Realising a green lane:** provide efficient facilitation of halal imports, exports and domestic distribution in partner countries.
4. **Joint promotion** of halal clusters and international halal trade between halal clusters.
5. **Sourcing network** for halal raw materials, ingredients, and additives.
6. **Access to export markets** of final products
7. **Knowledge sharing** and **Research & Development**



# Halal Cluster Network





# Halal Cluster Network



# Role of Ports & Shipping in Halal Supply Chains

# URGENCY: Why a product approach to halal is not sufficient?



Factory



Distributor



Retailer



- Halal is not identified in trade and **mixed** with non-halal
- Halal supply chains are broken with **sea freight as a weak link**
- Shippers are **exposed** to halal issues & crises

# URGENCY: A supply chain approach to halal is the way forward



Factory



Distributor



Retailer

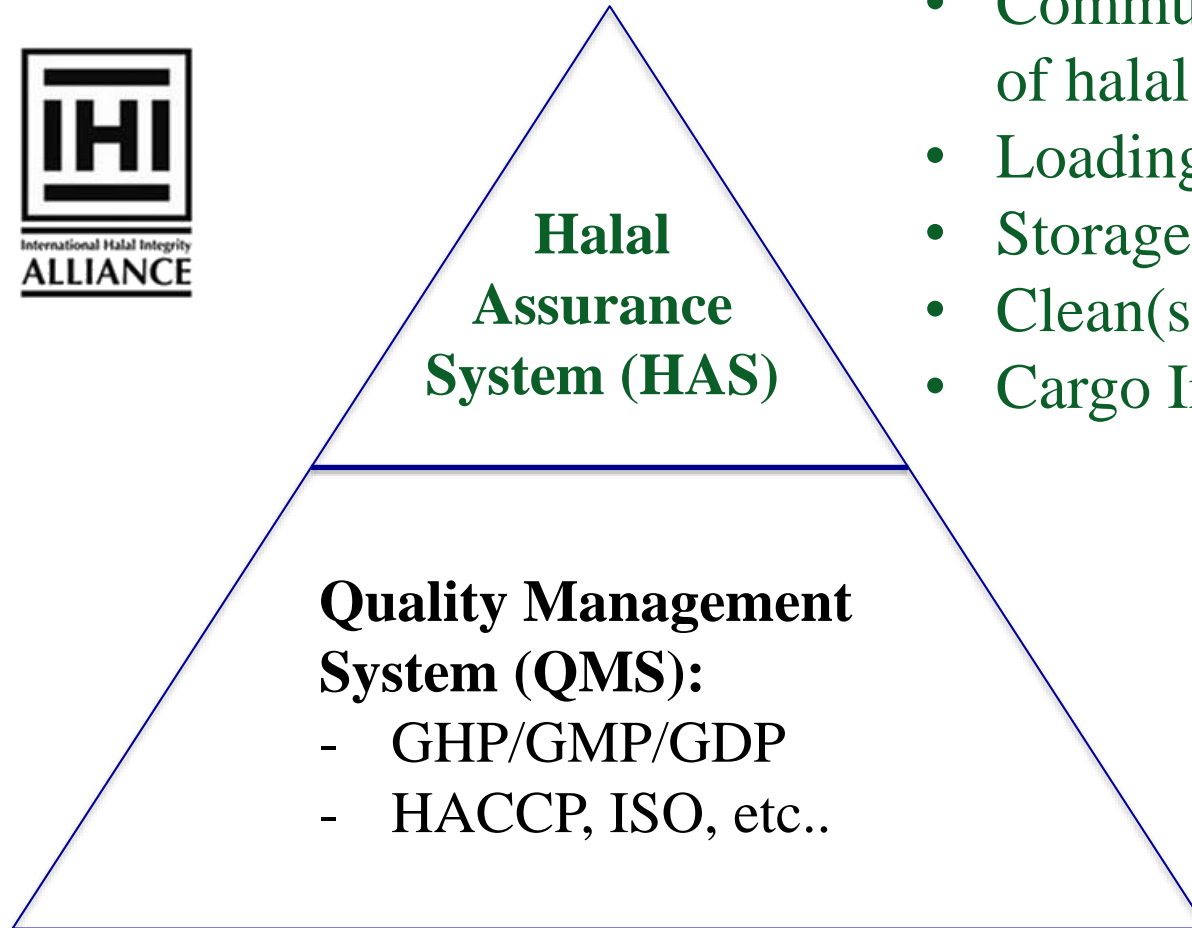
FOOD/PRODUCT SAFETY

HALAL ASSURANCE



- Extending halal assurance from factory to point of consumer purchase
- Creating a robust, effective and efficient halal supply chain
- Strengthen commercial brands

# What is a halal compliant port terminal?



- Communication of halal status
- Loading
- Storage
- Clean(s)ing
- Cargo Inspection

# What is a halal compliant port terminal?

Container Sticker



200mm

200mm

Pantone 485C

Pantone 368C



# Value for ports & terminal operators

- **Strengthening the competitive advantage of Ports and Terminals:** increase port terminal volumes + value added logistics activities
- **Compliance** of port and logistics operations with the country's local halal standard and International Halal Logistics standards (e.g.: IHIAS 0100:2010)
- Strengthen **human capital competence and skills** in halal logistics
- Enhancing halal **industrial clusters**



# IPC Logistic Services (Indonesia)





# Case Study JOHOR PORT AUTHORITY

# Intention



- Develop/embed a CLEAR and PRACTICAL Halal Port Supply Chain Guideline that is SHARIAH COMPLIANT & sets a best practice for ensuring Halal Integrity of Sea Freight Supply Chains.
- Support the shipper supply chain towards a HALAL SUPPLY CHAIN and HALAL VALUE CHAIN.
- MINIMISE HARDSHIP for the Halal Industry.
- BENCHMARK with existing Halal Standards, Best Practices & internationally accepted standards.
- Create AWARENESS for Halal Supply Chain Management.



# Goal



**Consistent halal communication** and **handling practices** by operators in the port supply chain in order to protect the halal integrity along the sea freight supply chain.



# The project approach



1. Method: **co-creation**
2. Participants:
  - i. Shippers
  - ii. Ports
  - iii. Shipping Lines
  - iv. Logistics Service Providers
  - v. Halal Authorities: JAKIM + Johor Islamic Religious Department
3. Deliverable: **Halal Port Supply Chain Policy**



# The project



- Project Kick-off with JPA 1 July 2019
- Discussions & Visits of Ports & Terminals 1-5 July 2019
- Meeting Johor Islamic Religious Department 4 August 2019
- Meeting JAKIM 6 August 2019
- 1<sup>st</sup> Industry Workshop 8 August 2019
- Meeting Johor Port Berhad 29 August 2019
- Meeting PTP 30 August 2019
- Review meeting with Jakim 4 November 2019
- 2<sup>nd</sup> Industry Workshop 17 December 2019
- Implementation Plan Workshop 21 January 2020
- Launch October 2020

# Conclusion

# Conclusion

1. Evident GAPS in current facilitation of halal sea freight

2. Pro-active role by Port Authorities to develop a halal port policy

3. Halal certification of port terminals = emerging requirement

4. Opportunity in developing advanced halal logistics services and solutions

**Terima Kasih / Thank you**

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