

**PERCEPTION AND AWARENESS AMONG FOOD MANUFACTURERS  
AND MARKETERS ON *HALAL* FOOD IN THE KLANG VALLEY**

**By**

**AHMAD NIZAM BIN ABDULLAH**

**Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in  
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**March 2006**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## DEDICATION

Especially dedicated to my beloved parents, Abdullah Jantan and Ramlah Saka  
My beloved grandmother, Sapiah Hassan  
My beloved siblings, Nor Arlita Abdullah;  
Nor Arnida Ira Abdullah;  
Nor Hafazah Abdullah;  
Ahmad Shafiq Abdullah;  
Nor Nadirah Abdullah; and  
My teachers and friends.

Abstract of the thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Master of Science

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**Chairman : Professor Yaakob Bin Che Man, PhD**

**Faculty : Food Science and Technology**

The increasing demand for *halal* food that is USD 346.7 billion or equal to RM 1 317 billion annually is in tandem with the growth of Muslims population, better education level and higher purchasing power. With expanding global markets, innovative food companies are leading the charge by carving a new niche to gain competitive edge in the marketplace.

The mission of Malaysian Government to position Malaysia as an International *Halal* Food Hub sets the country on a strategic route to be the main *halal* food supply base and global *halal* certification centre. As a highly reputed, moderate and progressive Islamic country with more than 3,500 food manufacturing

companies and total output exceeding USD 9 billion, Malaysia is well poised to play a leading role in boosting the *halal* food market.

This study attempts to look at the perceptions and awareness among food manufacturers and marketers on *halal* food including *halal* food hub and government grant or incentives with regards to *halal* food. The data for this research were collected from 90 food manufacturers and marketers operating in Klang Valley. The findings indicate that 69 percent of food companies that obtained *halal* certification from JAKIM are still lacking initiative to appoint *halal* food committees in their organization. In addition, they do not refer to any *halal* authority before purchasing any unconventional raw materials.

The food manufacturer's and marketers perception on grant or incentive for *halal* food purposes showed more than 70 percent of the food manufacturers and marketers agreed that grant or incentive provided by the government can help to develop *halal* food industry in Malaysia. This study also revealed that 61.1 percent of the companies in food industry do not get any grant or incentives from any government agencies. This situation was due to lack of promotions and information about grant or incentives offered to the food company involved in *halal* food industry. The same statistical analysis was used to determine the food manufacturers' and marketers perceptions of Malaysia as *halal* food hub. A total of 40 percent of the respondents think that Malaysia is able to become *halal* food

hub of the world. This low figure showed that there are weak coordination among government agencies in Malaysia and poor support from the private sector to materialise the concept of *halal* food hub.

The study showed that the awareness regarding *halal* food [perception on *halal* label (Pearson Chi-Square, 0.029) and the need to have *halal* food act (Pearson Chi-Square, 0.009)] are found to be significantly related to the company's annual sales turnover with level of confidence at 95 percent ( $\alpha = 0.05$ ). The study also showed those food manufacturers' and marketers' perception of Malaysia as a *halal* food hub is not influenced by the companies' annual sales turnover.

This study indicates that most of food manufacturers and marketers in Klang Valley are perplex with regards to the initiative to appoint internal *halal* food committee and referring to *halal* authority before purchasing unconventional raw materials. Although there are many cases of fake and misused *halal* logo in Malaysia, most of the food manufacturers and marketers in Klang Valley still have deep awareness and good perception towards *halal* food matters. Therefore, Malaysian government should take this opportunity as a yardstick to measure the effectiveness of government policies regarding *halal* food matters including educating Malaysian food manufacturers and marketers and promoting attractive grant or incentives specifically for *halal* food businesses. This is

important to increase Malaysian *halal* food industry competitiveness in the global market and to position Malaysia as a Global *Halal* Food Hub.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

**PERSEPSI DAN KESEDARAN DIKALANGAN PENGILANG DAN PEMASAR MAKANAN TENTANG MAKANAN HALAL DI LEMBAH KELANG**

Oleh

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**Pengerusi : Profesor Yaakob Bin Che Man, PhD**

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Peningkatan permintaan terhadap makanan halal yang bernilai USD 346.7 bilion atau bersamaan dengan RM 1 317 bilion setahun adalah selari dengan pertumbuhan populasi Muslim, tahap pendidikan yang lebih baik dan kuasa membeli yang tinggi. Dengan pasaran global yang kian berkembang, syarikat-syarikat makanan yang inovatif telah mengetuai persaingan dengan mendapatkan ruang yang sesuai di dalam pasaran untuk memperolehi manfaat kompetitif di dalam pasaran.

Misi Kerajaan Malaysia untuk menempatkan Malaysia sebagai Hab Makanan Halal diperingkat antarabangsa telah meletakkan negara pada landasan yang

strategik untuk menjadi sebuah pangkalan bekalan makanan halal yang utama dan pusat pensijilan halal global. Sebagai sebuah negara Islam yang bereputasi tinggi, sederhana dan progresif dengan jumlah syarikat pengeluar makanan yang melebihi 3 500 buah syarikat dan jumlah pengeluaran yang melebihi USD 9 bilion, Malaysia berada pada kedudukan yang baik untuk memainkan peranan selaku peneraju dalam pengembangan pasaran makanan *halal*.

Kajian ini adalah bertujuan untuk melihat persepsi dan kesedaran dikalangan pengeluar dan pemasar makanan di Lembah Kelang mengenai makanan *halal* termasuk hab makanan *halal* dan geran atau insentif Kerajaan yang berkaitan dengan makanan *halal*. Data bagi kajian ini telah dikumpulkan daripada 90 pengeluar dan pemasar makanan yang beroperasi di Lembah Kelang. Hasil kajian ini menunjukkan bahawa 69 peratus daripada syarikat makanan yang telah mendapatkan pensijilan halal daripada JAKIM kurang inisiatif untuk melantik jawatankuasa makanan *halal* di dalam organisasi mereka. Tambahan pula, mereka tidak merujuk kepada mana-mana pihak berkuasa *halal* sebelum membeli sebarang bahan mentah yang tidak biasa digunakan.

Persepsi pengeluar dan pemasar makanan terhadap geran atau insentif yang disediakan oleh kerajaan bagi tujuan makanan *halal* menunjukkan, lebih dari 70 peratus daripada mereka bersetuju bahawa geran atau insentif yang disediakan oleh Kerajaan dapat membantu membangunkan industri makanan *halal* di



Malaysia. Kajian ini juga mendedahkan bahawa 61.1 peratus daripada syarikat di dalam industri makanan tidak mendapat sebarang geran atau insentif daripada mana-mana agensi Kerajaan. Situasi ini adalah disebabkan oleh faktor kurangnya promosi dan pendedahan maklumat mengenai geran atau insentif yang ditawarkan kepada pengusaha makanan yang menceburi industri makanan *halal*. Analisis statistik yang sama telah digunakan untuk mengenalpasti persepsi pengusaha dan pemasar makanan terhadap Malaysia sebagai hab makanan *halal*. 36.7 peratus daripada jumlah responden berpendapat bahawa Malaysia boleh menjadi hab makanan halal dunia. Peratusan yang rendah ini menunjukkan bahawa terdapat koordinasi yang lemah diantara agensi kerajaan di Malaysia serta kurangnya sokongan daripada sektor swasta untuk melaksanakan konsep hab makanan *halal*.

Kajian ini juga menunjukkan bahawa kadar penggantian jualan tahunan syarikat didapati berkadar langsung dengan kesedaran mereka berkaitan makanan *halal* [persepsi terhadap makanan *halal* (Pearson Chi-Square, 0.029) dan keperluan untuk mempunyai akta makanan *halal* (Pearson Chi-Square, 0.009)] dengan selang keyakinan 95 peratus ( $\alpha = 0.05$ ). Kajian ini juga menunjukkan bahawa persepsi pengeluar dan pemasar makanan terhadap kemampuan Malaysia sebagai hab makanan *halal* tidak dipengaruhi oleh kadar penggantian jualan tahunan syarikat.

Kajian ini menunjukkan bahawa kebanyakan pengeluar dan pemasar makanan tempatan masih musykil berhubung dengan kepentingan untuk melantik jawatankuasa dalaman makanan *halal* dan merujuk kepada pihak berkuasa *halal* sebelum membeli sebarang bentuk bahan mentah yang tidak biasa digunakan. Walaupun terdapat banyak kes berkaitan penipuan dan penyalahgunaan logo *halal* di Malaysia, kebanyakan pengeluar dan pemasar makanan tempatan masih mempunyai kesedaran yang tinggi dan persepsi yang baik berhubung dengan perkara-perkara yang berkaitan dengan makanan *halal*. Oleh itu, Kerajaan Malaysia perlu mengambil peluang ini untuk dijadikan sebagai kayu pengukur bagi mengukur keberkesanan polisi kerajaan berkaitan makanan *halal* termasuk mendidik pengeluar dan pemasar makanan Malaysia dan mempromosi geran atau inisiatif yang lebih menarik, khas untuk perniagaan makanan *halal*. Ia sangat penting untuk meningkatkan daya saingan yang lebih kompetitif bagi industri makanan *halal* Malaysia di dalam pasaran global dan bagi meletakkan Malaysia sebagai hab makanan *halal* global.

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I certify that an Examination Committee has met on 10<sup>th</sup> March 2006 to conduct the final examination of Ahmad Nizam bin Abdullah on his Master of Science thesis entitled " Perception and Awareness among Food Manufacturers and Marketers on *Halal* Food in the Klang Valley" in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

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## DECLARATION

I hereby declare that the thesis is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or other institutions.

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**AHMAD NIZAM BIN ABDULLAH**

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