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Halal accreditation requirements from the perspective of halal certification bodies

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ABSTRACT

The halal market is growing rapidly due to the increasing Muslim populations and the rising awareness of both Muslims and non-Muslims about the benefits of halal products for human health. While food still dominates the halal market, the market has expanded to include pharmaceuticals, cosmetics, health products, toiletries, and medical devices. However, the lack of clear regulatory frameworks for certification, standardization, and accreditation remains a major challenge in the industry. Although halal is clearly defined in the sources of Islam, there is no unique world halal standard for halal certification.. To address this issue, halal accreditation for halal certification bodies has been implemented worldwide in recent years. According to Croatian Accreditation Agency accreditation is a procedure by which an accreditation body evaluates a particular institution and confirms that it is professionally and technically capable to work in accordance with internationally accepted rules (Hrvatska akreditacijska agencija, 2023). Halal certification bodies undergo rigorous and complex accreditation requirements to ensure that halal products can be exported without any hindrance. However, this research reveals that the multiplicity of halal standards is a significant obstacle to the smooth functioning of export activities. The main focus of this research was on halal certification bodies to determine whether the regulation of the halal market with accreditation processes is on the right track. The results showed that there is a need for international alignment of halal accreditation processes to address this obstacle.

Introduction

Halal certification has been in place for several decades, resulting in an increased number of halal products and services on the market (Abdul Rahim, 2013). According to IMARC Group analysis the current global halal food market

value for 2022 is estimated to be USD 2.3 billion¹. Despite the ever-present threat of recession, inflation, and perhaps even stagflation, the halal market is rapidly growing and developing, proving to be highly resilient to crises. This tremendous rise from a small niche market to a multibillion-dollar industry

¹ IMARC Group provides an analysis of the key trends in each sub-segment of the global halal food

market report, along with forecasts at the global and regional level from 2023-2028.

undeniably positions halal between religious obligation and business opportunity for halal certification and standardisation bodies. Back in 2014 it was estimated that there were over 400 halal certification bodies worldwide (Halal Focus, 2014), most of which follow their own

guidelines for halal certification. However, as of today, it is difficult to provide an exact number of halal certification bodies in the world as new ones may be established and others may become inactive.



Fig. 1 Different types of halal logotypes on the market (Dugonjić, 2019)

The issue of self-declared halal certification bodies is a significant problem in the industry. Many private companies declare themselves as authorized halal certification bodies without any official recognition, leading to a lack of credibility and halal integrity in the certification process. Even some typical HCB-s practices potentially jeopardize integrity and safety of the halal market (Abdallah, 2021). In contrast, legitimate halal certification bodies undergo rigorous accreditation requirements to ensure that halal products can be exported without any barriers. To address this problem, most governments of leading global halal markets have established decrees requiring companies to obtain a Halal Certificate issued by an accredited certification body for that specific market. However, it is important to note that there is no universal recognition of Halal accreditation in all export markets. Despite various efforts to standardize halal certification processes and establish a unified set of halal standards, these attempts have not yielded the desired outcomes (Abdallah et al., 2021). Therefore, the issue of self-declared certification bodies and lack of

recognition of Halal accreditation remains a challenge for the halal industry.

This research involved the use of questionnaires obtained from 32 representatives of halal certification bodies across various countries including Austria, the Netherlands, France, Poland, Belgium, the United Kingdom, Turkey, Australia, Brazil, the United States, Montenegro, Bosnia and Herzegovina, and Slovenia. These certification bodies have undergone accreditation processes in different markets. The data collected from the questionnaires was analysed using pie charts to identify key variables and trends in the responses. This paper contributes to the literature by analyzing questionnaire data from 32 representatives of halal certification bodies from various countries. The findings suggest that the multiplicity of halal standards is a significant obstacle to the smooth functioning of export activities. While halal accreditation is necessary to regulate the market, there is a need for consensus among accreditation bodies to reduce the cost and complexity of the accreditation process. The remainder of the paper is structured as follows: Section 2 provides an overview of halal accreditation bodies, Section 3 discusses the

data and variables used in the study, Section 4 presents the results, and the final section is a conclusion.

1.1 Overview of Halal Accreditation Bodies

Over the past decade, there has been significant progress in developing national and international halal standards for various industries, including food, tourism, and cosmetics. Similarly, there have been efforts to establish standards for halal accreditation bodies and certification processes. The acknowledgement of diverse halal standards worldwide is achieved through the accreditation of Halal Certifying Bodies (HCBs) in various countries (Azam and Abdullah, 2021). The leading halal markets have established the following accreditation bodies:

SMIIC

The Standards and Metrology Institute for the Islamic Countries (SMIIC), which is headquartered in Turkey, is an intergovernmental regional standardization organization. While it is not a certification body itself, it provides global accreditation to Halal Certification Bodies (HCBs) (Azam and Abdullah, 2021). Standards and Metrology Institute for the Islamic Countries (SMIIC) has developed and published a set of halal standards. SMIIC's halal standard is the sole endeavor seeking to establish a worldwide standardization and accreditation system in halal certification, allowing halal products to be easily transported across various countries based on OIC/SMIIC standards and reference documents (Azam and Abdullah, 2021).

Moreover, another endeavor for harmonisation of halal standards was shown by establishing the International Halal Accreditation Forum, headquartered in Dubai,

EIAC

Emirates International Accreditation Centre (EIAC) is a governmental body in Dubai responsible for accrediting Conformity Assessment Bodies (CABs), including both governmental and private entities, within the UAE and abroad. EIAC's scope of accreditation also covers laboratories (EIAC, 2023). The Emirates International Accreditation Center (EIAC) has played a significant role in the halal accreditation process by issuing 57 halal accreditations to Conformity Assessment Bodies

(CABs), both governmental and private, (EIAC, 2023).



Fig. 2: Emirates International Accreditation Center logo (EIAC, 2023)

JAKIM

The Department of Islamic Development Malaysia (Jabatan Kemajuan Islam Malaysia or JAKIM) is the agency responsible for Islamic affairs, including halal certification in Malaysia. JAKIM's responsibility is to ensure that Muslim consumers are provided with halal products as mandated by Sharia law. To achieve this, JAKIM conducts official site inspections at every stage and process of the production to ascertain the halal status of the product. This includes examining how the halal status of the raw material is maintained and monitored at all times. It has recognized 83 Halal Certification Bodies/Authorities from 46 countries as of March 17th, 2023 (JAKIM, 2023).



Fig. 3: JAKIM logo (JAKIM, 2023)

SFDA

The Saudi Food and Drug Authority (SFDA) is an independent corporate body that reports directly to the President of the Council of Ministers. It has taken over the procedural, executive, and supervisory responsibilities that were previously handled by other agencies. The main objective of SFDA is to ensure the safety of food, drugs for humans and animals, biological and chemical substances, and electronic devices related to human health (SFDA, 2023). As part of the Saudi Arabian government's amendment, the

SFDA (Saudi Food and Drug Authority) established a Halal Center to approve foreign halal certification authorities. This means that foreign halal certification bodies must receive approval from the SFDA for their halal certificates to be recognized within the Kingdom of Saudi Arabia. Additionally, halal certification bodies must be registered and approved by the Saudi Standards, Metrology, and Quality Organization (SASO). (SFDA, 2023).



Fig. 4: Saudi Food & Drug Authority logo (Alharf, A. et al., 2018)

HAK

The Halal Accreditation Agency (HAK) was established to operate in the field of halal accreditation both in Turkey and globally. As the only authorized institution to accredit halal conformity assessment bodies in Turkey, HAK aims to represent Turkey in international platforms related to halal accreditation and to act as a pioneer in this sphere (HAK, 2023).



Fig. 5: Halal Accreditation Agency logo (HAK, 2023)

MUI & BPJPH

The halal certification process in Indonesia involves two key stakeholders: the MUI and the National Food and Drug Control Agency of Indonesia (BPOM). The MUI's role remains essential in the halal certification process in Indonesia, as per Law No. 33/2014. The BPJPH will primarily act as a regulatory authority, with the power to create, revoke, and manage all aspects of local and imported goods' halal certification (MUI & BPJPH, 2023).



Fig. 6: MUI & BPJPH logo (MUI & BPJPH, 2023)

The acceptance of halal products in a country is affected by the recognition of the Halal Certifying Body (HCB), and only products certified by recognized HCBs are accepted (Evrin Lutfika et al., 2022). The process of halal accreditation requires certification bodies to apply for registration and undergo an assessment visit from relevant authorities. However, one important issue with both recognition and accreditation processes is that they do not always follow international standards and the Multilateral Recognition Arrangement. Ensuring consistency and reliability in the halal certification process requires the inclusion of this essential component. As members of the International Accreditation Forum (IAF), the accreditation bodies abide by the same procedures and documentations under a Multilateral Recognition Arrangement (MLA). The purpose of the MLA is to allow accreditations and the certificates issued by certification / registration bodies accredited by members of the IAF to be recognized by the other members of the IAF (IAF, 2023)

As more OIC member states begin to adopt halal accreditation standards, it is worth noting that while a halal certification body may be accredited by an accreditation body in one OIC country, it may not necessarily be recognized in another OIC member country, even if the standards and accreditation process are similar or require only minimal additional registration for the halal certification body. For example, a European exporter obtained certification from a Halal Quality Certification Body authorized and approved in their country. They ensured that their plants were certified before exporting products to Turkey. However, despite possessing a Halal certification, the exporter was unable to sell products in GCC countries due to a lack of

accreditation for the GCC market. This has been an ongoing barrier that has prevented them from conducting business in the GCC, costing the business more than 20,000 €. Although Halal Certifying Bodies (HCBs) in different countries use one or more standards as a basis to issue halal certificates, they utilize their own halal logos in packaging and labeling, causing confusion among consumers (Azam and Abdullah, 2021). Therefore, the main barrier that has emerged is the lack of international alignment between Halal Accreditation Bodies.

Materials and methods

This research uses questionnaires obtained from 32 representatives of halal certification bodies from Austria, the Netherlands, France, Poland, Belgium, the United Kingdom, Turkey,

Australia, Brazil, the United States, Montenegro, Bosnia and Herzegovina, and Slovenia that have gone through the accreditation process in different markets. The variables in the questionnaires are analysed using pie charts.

The aim of this research is to determine whether the current regulation of the halal market is effective and appropriate.

Results and discussion

The process of halal accreditation primarily concerns halal certification bodies. Therefore, the focus of this research, conducted through questionnaires, was directed towards halal certification bodies to determine the advantages and disadvantages of halal accreditation.

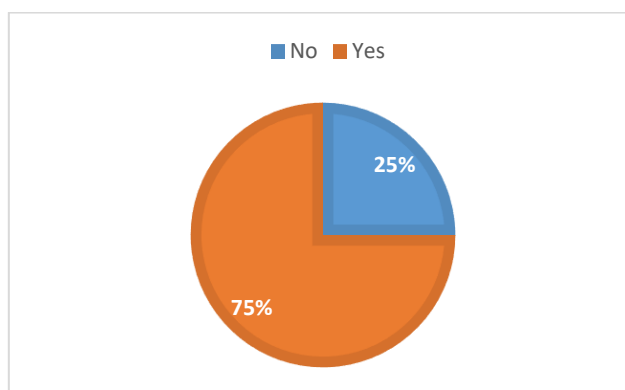


Fig. 7 Distribution of answers to the Question 1: Have you obtained any halal accreditation?

The majority of respondents in this research, 75%, confirmed that they had undergone at least

one accreditation process, placing them in the majority group.

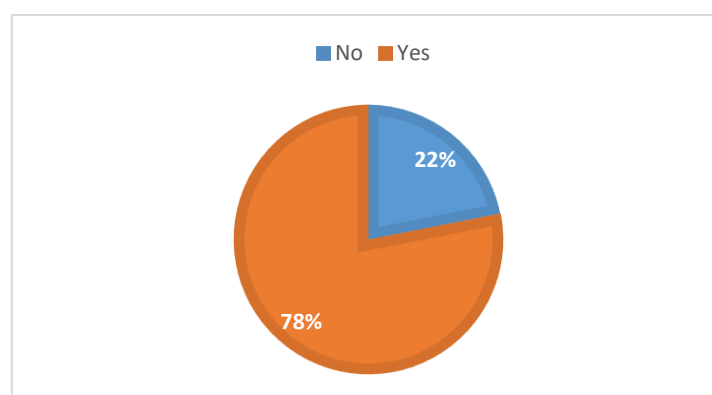


Fig. 8 Distribution of answers to the Question 2: Do you think accreditation is necessary for HCB?

A significant majority of respondents, 78.1%, agreed that accreditation is necessary to regulate

the halal market, while 21.9% were opposed to the idea.

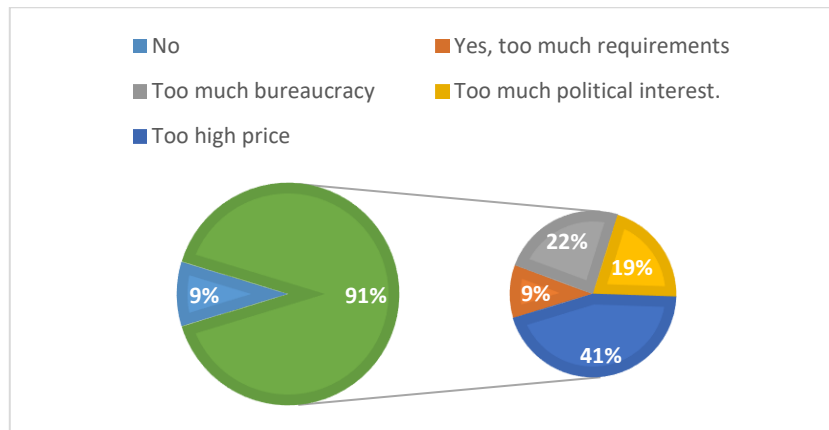


Fig. 9 Distribution of answers to the Question 3: Does current accreditation process in your opinion have same disadvantages?

Regarding the challenges associated with halal accreditation, 40.6% of respondents believed that the cost of accreditation is too high. 21.9% agreed that there is too much bureaucracy involved in the process, while 18.8% believed that there is too

much political interest. In addition, 9.4% of respondents found the process too complex due to excessive requests. On the other hand, 9.4% of respondents believed that halal accreditation is appropriate and has no disadvantages.

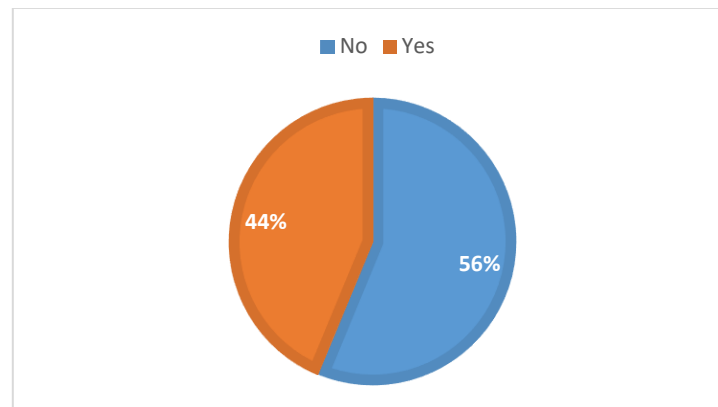


Fig. 10 Distribution of answers to the Question 4: Do you think that the development of halal accreditation process is on the right path?

Regarding the development of halal accreditation, 56.3% of the respondents disagreed

that it was on the right track, whereas 43.8% believed it was.

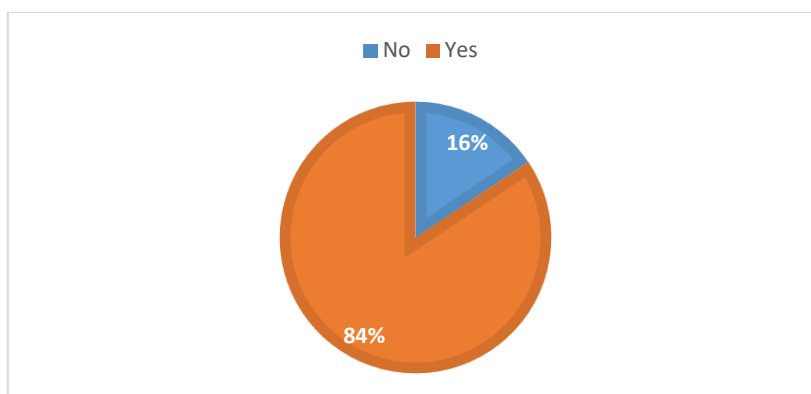


Fig. 11 Distribution of answers to the Question 5: Does halal accreditation obtained from one of the OIC countries in your opinion should be recognised in all OIC countries?

According to the questionnaire results, 84.4% of the respondents confirmed that having an internationally recognized accreditation is

necessary, while 15.6% stated that there is no need for international recognition.

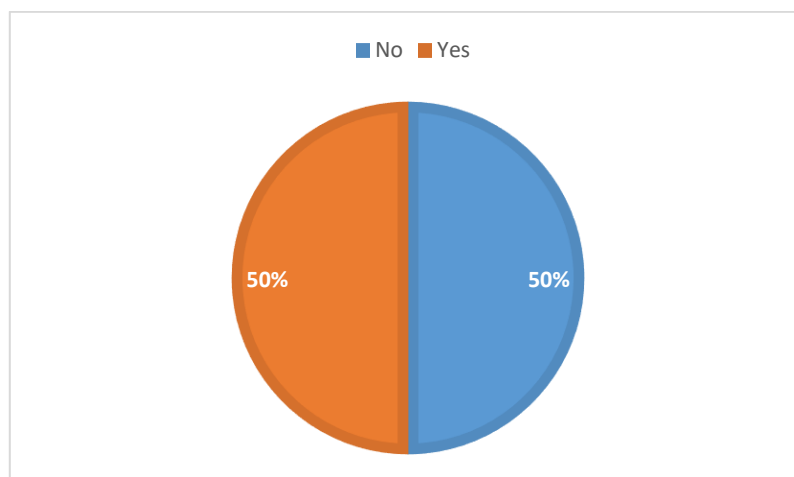


Fig. 12 Distribution of answers to the Question 6: Do you think it is necessary to establish a halal accreditation body in non-OIC countries such as the EU or US?

The questionnaire revealed that respondents were equally divided in their opinions, with 50% agreeing and 50% disagreeing with the statement.

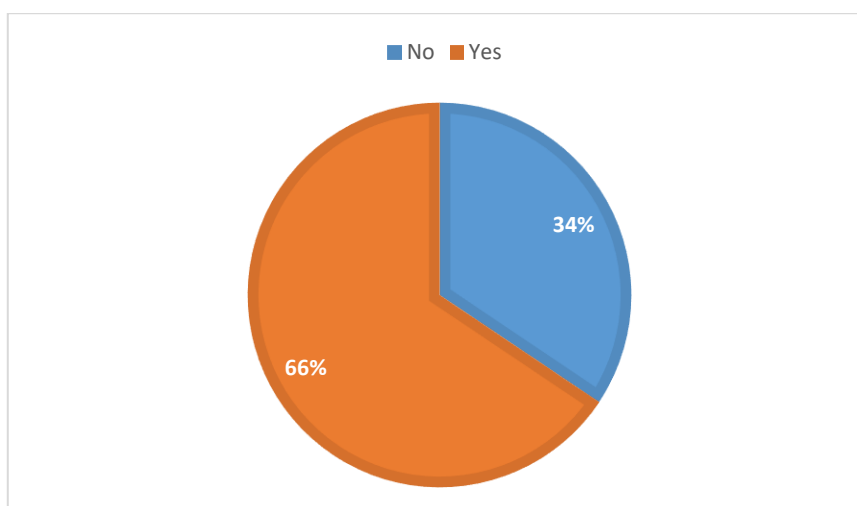


Fig. 13 Distribution of answers to the Question 7: In your opinion is there a need to accredit/recognize halal certificates from OIC countries for products sold in non-OIC countries?

According to the questionnaire, 65.6% of the respondents stated that there is a need to accredit/recognize halal certificates from OIC

countries for products sold in non-OIC countries, while 34.4% believe that there is no need for such accreditation/recognition.

Conclusions

The field of halal certification accreditation is a novelty that has emerged in recent years and a promising sign of improved regulation in the halal market. By aligning and implementing national, regional, and global initiatives for halal certification and accreditation, we can address the regulatory gaps in this market. Questionnaire results suggest that accrediting halal certification bodies, particularly through the accreditation bodies of halal product importers, can effectively regulate the halal market. For greater impact, it is essential that halal accreditations be universally recognized across all countries. Overall, effective regulation and accreditation are critical to ensuring the integrity and growth of the halal market (Dugonjić, 2019).

The questionnaire data suggests that halal certification bodies view the proliferation of halal standards as a significant barrier to smooth export activities. It underscores the necessity of halal accreditation to regulate the market, but also emphasizes the need for consensus among accreditation bodies to reduce the cost and complexity of the accreditation process. The study concludes that the current state of halal accreditation is not optimal. However, the small sample size is a limitation of this research paper, and expanding the sample to include other countries and more representatives of halal certification bodies in each country would provide a more comprehensive understanding of the issue. Additionally, a comparison between the periods before and after accreditation could help assess the impact of accreditation on export activities.

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Zahtjevi halal akreditacije iz perspektive halal certifikacijskih tijela

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Pregledni rad

PODACI O RADU	SAŽETAK
Ključne riječi: halal certifikacija, halal akreditacija, međunarodno priznati standard, uniformiranost,	Halal tržište bilježi sve veći rast kako zbog porasta muslimanske populacije tako i zbog sve veće svijesti i muslimana i nemuslimana o dobrobitima halal proizvoda za ljudsko zdravlje. Iako hrana i dalje dominira halal tržištem, tržište se proširilo na farmaceutske proizvode, kozmetiku, zdravstvene proizvode, toaletne potrepštine i medicinske uređaje. Međutim, nedostatak jasnih regulatornih okvira za certifikaciju, standardizaciju i akreditaciju ostaje veliki izazov u industriji. Iako je halal jasno definiran u izvorima islama, ne postoji jedinstveni svjetski halal standard za halal certifikaciju. Kako bi se riješio ovaj problem, posljednjih godina vodeće svjetska halal tržišta implementirale su halal akreditaciju za halal certifikacijska tijela. Prema Hrvatskoj akreditacijskoj agenciji akreditacija je postupak kojim akreditacijsko tijelo ocjenjuje određenu instituciju i potvrđuje da je stručno i tehnički sposobna za rad u skladu s međunarodno prihvaćenim pravilima (Hrvatska akreditacijska agencija, 2023). Tijela za halal certificiranje podliježu rigoroznim i složenim zahtjevima akreditacije kako bi se osiguralo da se halal proizvodi mogu izvoziti bez ikakvih prepreka. Međutim, ovo istraživanje otkriva da je neujednačenost i prisutnost velikog broja halal standarda značajna prepreka neometanom odvijanju izvoznih aktivnosti. Glavni fokus ovog istraživanja bio je na halal certifikacijskim tijelima kako bi se utvrdilo je li regulacija halal tržišta s procesima akreditacije na dobrom putu. Rezultati su pokazali da postoji potreba za međunarodnim usklađivanjem procesa halal akreditacije kako bi se riješila ova prepreka.