MALAYSIA’S INFRASTRUCTURE
FOR HALAL COSMETICS

MAWARNI HASSAN
5 November 2019
INTRODUCTION

MALAYSIAN COSMETIC MANUFACTURERS – WHERE TO FIND THEM

<table>
<thead>
<tr>
<th>ACCREDITED AGENCIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPRA.GOV.MY</td>
</tr>
<tr>
<td>HALAL.GOV.MY</td>
</tr>
</tbody>
</table>
# INTRODUCTION

## MALAYSIAN COSMETIC MANUFACTURERS – WHERE TO FIND THEM

### ACCREDITED AGENCIES

<table>
<thead>
<tr>
<th>NPRA.GOV.MY</th>
<th>HALAL.GOV.MY</th>
</tr>
</thead>
<tbody>
<tr>
<td>OEM/ODM/ PRIVATE LABEL MANUFACTURERS ORIGINATING FROM &amp;/OR REGISTERED IN MALAYSIA</td>
<td></td>
</tr>
<tr>
<td>MALAYSIAN COSMETICS &amp; TOILETRIES INDUSTRY GROUP, FEDERATION OF MALAYSIAN MANUFACTURERS</td>
<td></td>
</tr>
<tr>
<td>MALAY CHAMBER OF COMMERCE</td>
<td></td>
</tr>
<tr>
<td>CHINESE CHAMBER OF COMMERCE</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION
FEDERATION OF MALAYSIAN MANUFACTURERS

WORKING GROUP OF 39 MEMBERS

ISO CERTIFICATION BY ACCREDITED AGENCIES

OEM/ODM/ PRIVATE LABEL MANUFACTURERS ORIGINATING FROM &/OR REGISTERED IN MALAYSIA

HALAL CERTIFIED BY MALAYSIA’S DEPARTMENT OF ISLAMIC DEVELOPMENT
EXAMPLE OF OBJECTIVES

To promote the development of the cosmetic industry in Malaysia

To serve as channels of communication between the industry players and the Government on matters of particular concern and interest to the industry.

To promote the interest of the industry in the ASEAN context through relevant government, non-government regional agencies eg MATRADE and the ASEAN Cosmetic Council
WHAT IS HALAL?

- Plant based
- Synthetic
- No animal matter/parts
- No cross-contamination
- Halal certified ingredients
2012 → 2017

68% INCREASE

MALAYSIA’S HALAL EXPORT FOR COSMETICS & PERSONAL CARE

FROM USD 433 MILLION TO USD 725 MILLION

STRONG EXPORT GROWTH DUE TO ESTABLISHED INFRASTRUCTURE
• In 2016, Malaysia’s total exports of cosmetics amounted to RM1.25 billion, an increase of 1.4% as compared to 2015. Major exports included cosmetics and make-up, valued at RM513 million, with a share of 40.9%.

• In the first eight months of 2017, Malaysia’s total exports of cosmetics were valued at RM796.9 million.

• Consumption goods, valued at RM6.62 billion or 8.9% of total imports, surged by 18.9%, as a result of higher imports of non-durables mainly for essential oils and retinoid; perfumery, cosmetic or toilet preparations.

• According to the State of the Global Islamic Economy Report 2017/18, the United Arab Emirates (UAE) has the best developed Islamic economy for Halal pharmaceuticals and cosmetics, followed by Singapore and Malaysia.
MALAYSIA’S HALAL INFRASTRUCTURE

Physical

Knowledge

Regulatory

Halal Mission
Manufacturers with GMP and Halal Certification ensure no cross contamination in the production of halal products with halal certified ingredients.
PHYSICAL INFRASTRUCTURE

Owners of product/brand as well as the factories which are producing the products

Manufacturers have to be GMP certified before being eligible to apply for halal certification

Example: TESCO (TESCO choose to be halal certified)
The 14th largest cosmetic company, AmorePacific is set to build a USD 100 Mil. plant in Malaysia by 2020 in response to the growing demand from Southeast Asian market.
Knowledge workers well versed in halal requirements in all aspects in manufacturing – documentation, audit requirements, halal standards, logistics and marketing

From Manufacturing – Regulatory agencies, Certification & Enforcement Agencies
## The Published Malaysian Standards (MS) on Halal

<table>
<thead>
<tr>
<th>Malaysian Standards</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS 1500-2009</td>
<td>Halal Food – Production, preparation, handling and storage – General guidelines (Second revision)</td>
</tr>
<tr>
<td>MS 2594: 2015</td>
<td>Halal chemicals for use in potable water treatment – General guidelines</td>
</tr>
<tr>
<td>MS 2610: 2015</td>
<td>Muslim friendly hospitality – Requirements</td>
</tr>
<tr>
<td>MS 1900: 2005</td>
<td>Quality management systems – Requirements from Islamic perspectives</td>
</tr>
<tr>
<td>MS 2300: 2009</td>
<td>Value-based management system – Requirements from an Islamic perspective</td>
</tr>
<tr>
<td>MS 2424: 2012</td>
<td>Halal Pharmaceuticals – General Guidelines</td>
</tr>
</tbody>
</table>
| MS 2400 series on Halalan-Toyyiban Assurance Pipeline | 1. Halalan-Toyyiban Assurance Pipeline – management system requirements for transportation of foods and/or cargo chain services  
2. Halalan-Toyyiban Assurance Pipeline – management system requirements for warehousing and related activities  
3. Halalan-Toyyiban Assurance Pipeline – management system requirements for retailing |
| MS 2393: 2010 (P)   | Islamic and Halal – Definition and explanation of terms |
GMP (by MOH) with Halal Certification (Pre, Post and Renewal) creates a Halal assurance system – Halal built in from the beginning
Membership in National Associations of Manufacturers or Entrepreneurs for HALAL issues

Department of Islamic Development (JAKIM)
Halal Industry Development Corporation (HDC)

National Pharmaceutical Regulatory Agency under the Ministry of Health

SIRIM – Malaysian Standards
Halal standard is associated with ethical consumerism.

Halal cosmetics covers all aspects of natural, vegan and eco-ethical.

**UNIVERSAL VALUES**

- Pricing
- Product Quality
- Branding

Halal to become a de facto Standard for SAFE, PURE & EFFECTIVE products.
Ethically concerned Muslim AND Non-Muslim consumers looking for:

- Vegan/plant-based /organic / natural options
- Cruelty-free options
- No animal by-products
- No GMO ingredients
HALAL MISSION

THE MUSLIM CONSUMER

Over 90% of the Muslims polled said that their faith affects their consumption

GENERATION M – MUSLIM MILLENNIALS
1 in 3 Muslims are under 15 years old
2 in 3 are under 30 years old
Digital savvy

MUSLIM FEMALE, DIGITALLY CONNECTED, URBAN
Educated
Single longer
Marriage and children later in life

GLOBAL URBAN MUSLIM CONSUMERS (GUMmies)
Higher income
Studied abroad
Similar buying preferences
HALAL MISSION

SOURCE OF HALAL INGREDIENTS SUPPLIERS AVAILABLE IN MALAYSIA

- Viscosity Control
- Emulsifier
- Antioxidants
- Ph Adjuster
- Astringent
- Soothing
- Emollient

- LAND & AQUATIC ANIMALS
- SOIL & WATER
- PLANTS & MICROORGANISM
- ALCOHOL
- SYNTHETIC

- Cleansing
- Foaming
- Antistatic
- Humectant
- Fragrance
- Skin Conditioners
Shariah compliant ingredients
Halal certification or process flow for each ingredient
Halal committee or halal assurance committee
Physical and documentation audit by Islamic agency
Halal certified at manufacturer & brand owner level by Halal Certification Authority
Carries the halal promise – pure, safe and effective

FROM JAKIM (DEPARTMENT FOR ISLAMIC DEVELOPMENT OF MALAYSIA)
HALAL ASSURANCE SYSTEM

SUMMARY OF HALAL CERTIFICATION PROCESS

PHASE 1
APPLICATION & FEE
- Online Application
- Processing of Documents
- Payment of fee

PHASE 2
AUDIT & REPORT
- Site Audit
- Sampling & analysis
- Audit report

APPROVAL & CERTIFICATION
- Review & approval panel
- Issuance of Certificate
- Monitoring & renewal
THANK YOU

Mawarni Hassan
Consultant & Halal Advocate
mh@mawarhassan.com