

## UP CIDS POLICY BRIEF 2022-15

# Operationalizing Halal Food and Beverage for Philippine Tourism

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## Introduction

The Philippines' creation of the Philippine Halal Export Development Board in 2016 established multiagency collaborations and stimulated concurrent actions towards *halal* development in the Philippines. The Department of Tourism (DOT), one of its member agencies, launched its Muslim-Friendly Tourism signature program in 2020. The tourism package is expected to be the face and show window of halal institutionalization in the Philippines. This policy brief is delimited to discussions on the operationalization of halal food and beverages in the Philippines, with prior discussions on aspects of halal development.

## Halal Standards and Practice

Halal food and beverage operationalization has commonly been tagged as a farm-to-fork endeavor. Given this breadth, it is expected to be a comprehensive and multilevel enterprise. The scope and limitations of the enterprise would, however, depend on the ecosystem in which it is situated. The laws governing halal stem from the Shari'ah law of Muslims and fall within the compass of religious jurisdiction and practice. Only Muslims with extensive knowledge of Shari'ah exercise the authority to judge whether a food or beverage may be certified halal based

on explicit, documented evidence. In most Muslim countries, halal and *tayyib* (Arabic, wholesome) guidelines prevail over the food they locally produce. Such guidelines are also developed locally. With the expansion of international trade, the flow of goods among countries necessitated salient changes. Dag and Erbas-Gonc (2013) affirm that differences in halal standards hampered trade among Muslim countries. The variations they cite pertain to aspects of assessment, certification, laboratory testing, and standardization. This trade barrier was the impetus for the creation of the Standards and Metrology Institute for Islamic Countries (SMIIC) in August 2010, under the jurisdiction of the Organization of Islamic Cooperation (OIC), the intergovernmental organization of 57 Muslim countries. SMIIC was tasked to harmonize halal standards, attain uniformity in all related aspects, and provide initial technical assistance to OIC member states towards this end. Within the countries and regions where Muslims are the majority, harmonization in metrology, testing, and standards is assured. This is expectedly not the case in non-Muslim states.

Adams (2011, 127) notes that under its Convention for the Protection of Animals for Slaughter (EU Directive 93/119/EC, 22 December 1993), the Council of Europe "exempts ritual slaughter from mandatory stunning" if they are "slaughtered for religious purposes." The same is not the case across the Nordic

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countries of “Sweden, Norway, Iceland, [as well as] Switzerland and six Austrian regions” (Adams 2011, 127).

In the United Kingdom, as in the Philippines, religious laws defer to state law and are recognized only to the degree that they are permitted by the state (Pointing 2014). While halal development has been mandated in the Philippines, its primary trajectory is trade and export. This is evidenced by the designation of the Department of Trade and Industry (DTI) as the lead agency of the Philippine Halal Export Development Board, created in 2016 (Republic Act No. 10817). Agencies under the Halal Board<sup>2</sup> autonomously develop programs and standards aligned with this trajectory. By and large, the marginal participation of the Muslim community in these programs precludes the optimization of their contribution to halal development in the country.

## The halal branding

Hassan et al. (2014, 1555) assert that goods and services that obtain halal certification consequently assume two added values: “competitive advantage” and labeling as a “quality product.” Competitive advantage is defined as “the factors or attributes that allow a given company to produce more affordable or higher quality services or products than its competitors” (Amadeo 2022, n.p.). In his 1985 book, *Competitive Advantage*, Michael Porter identified three variables that work towards this advantage: cost leadership, differentiation, and focus. It is posited that the edge of halal corresponds most to differentiation. Differentiation may be attributed to “innovation, quality, or customer service” (Amadeo 2022, n.p.). Innovation meets consumer needs in a novel, unique way. Quality is defined by attributes that make a product superior. Focus relates to acquiring a particular niche in the market by establishing an exceptional feature in the way a product is offered. Halal branding differentiates products mostly in terms of quality, particularly their compliance with

Sharī‘ah; this is the quality that Muslims seek in their consumption of goods and services. For them, the decision to purchase halal products and engage in halal services is faith-based.

Considering the demand for halal from increasingly assertive Muslim consumer sectors across the globe, the halal brand translates to an expansive market appeal. Adams (2011, 125) identifies “religious identity, transmigration, ethico-cultural practices, and multiculturalism” as key factors for the surge in halal demand. The factors are in turn, rooted in globalization and the transnational diffusion of culture. Appreciation of halal’s competitive advantage and its potentially high-yield revenues have impelled states and nonstate bodies to position themselves in the global halal market. Adams (2011) contends that nonstate bodies, coined “Halal regimes,” have shown the most remarkable drive to produce and market halal food products. They are likewise attributed to the subsequent push for halal institutionalization in their respective countries. The International Da’wah Council of the Philippines, the pioneering and most established halal-certifying body in the country, acknowledge that its halal certification activities were instigated by the demands of the food industry for accreditation—a license to access local and global Muslim markets.

Meanwhile, halal-branded goods obtain a quality product labeling likely due to two factors: first is the rigor of halal-certification procedures. Corollary to this is the expanse of the halal supply chain subjected to tracing and analysis. Halal-certification standards per se have prompted growing sophistication in nonhalal ingredient detection. In the case of cosmetic products alone, three refined detection techniques for gelatin, alcohol, fats, and oils have been in current use (Hashim and Mat Hashim 2013).

The second factor contributing to the quality product labeling relates to halal products’ wholesomeness. Two studies determined that halal products were “found to be environment-friendly,

<sup>2</sup> The Halal Board is composed of the National Commission on Muslim Filipinos (NCMF), Department of Agriculture (DA), Department of Health (DOH), Department of Tourism (DOT), Department of Science and Technology (DOST), Department of Foreign Affairs (DFA), Bangko Sentral ng Pilipinas (BSP) or Central Bank of the Philippines, Mindanao Development Authority (MDA) and two (2) Muslim Filipino professionals.

hygienic and safe” (Hassan and Sengupta 2019 n.p.). The environment-friendly tag is considered valuable from the sustainability management lens. Sustainability management refers to “economic production and consumption that minimizes environmental impact and maximizes resource conservation and reuse” (Law Explorer 2016). Hassan and Sengupta (2019) find that the market growth for halal products in India is not solely attributed to Muslim consumption; rather, non-Muslims have become significant consumers due to the halal brand’s association with wholesome lifestyle choices and safety. The link that non-Muslim Indian consumers have established between halal, wholesomeness, and safety are based on increasingly available product information (Hassan and Sengupta 2019). On a global scale, parallels in faith-based food restrictions have positioned halal food products as a viable option for adherents of another faith group. Personal accounts from a member of the Seventh-Day Adventist church indicate that as early as the 1990s, there had been an endorsement of halal food, as both Adventists and Muslims share the dietary abstinence from pork and its by-products.

## The Philippines’ Muslim-friendly branding

On March 1, 2022,<sup>3</sup> DOT Assistant Secretary Myra Paz V. Abubakar articulated Secretary Romulo-Puyat’s recent directive to position halal tourism as a major DOT product. The instruction follows a number of related initiatives: a video series on Halal Culinary Heritage and the Bismillah Before Eating coffee-table book, likely part of the expansive Mindanao Halal Culinary Tourism project with the Brunei Darussalam–Indonesia–Malaysia–Philippines East Asian Growth Area (BIMP-EAGA). The project targets halal culinary tourism development and food mapping in different regions of the country, a two-pronged program that the DOT has commenced as of this writing.

A major DOT initiative came two years earlier. On December 11, 2020, DOT issued Memorandum Circular 2020-010, or Guidelines Governing the

Operations and Recognition of Muslim-Friendly Accommodation Establishments. The move reflected the government’s interest in developing the country’s tourism potential in relation to the upward global trend of Muslim travelers and tourists. Anticipating optimistic outcomes for the country, the DOT memorandum circular expresses an intention to “create a favourable image of the Philippines within the international community,” as the Tourism Act of 2009 put it. The DOT opts for the “Muslim-friendly” branding, distinct from halal, as a preliminary step or perhaps the beginning of a building block progression of institutional actions towards the norm (i.e. halal tourism). In the memorandum circular, *Muslim-friendly* is defined as “any facility or service which takes into account the needs of Muslims other than food, which can only be classified as Halal or non-Halal,” while *Muslim-friendly tourism* is defined as “the provision of goods and services in accordance with the needs and requirements of Muslim tourists and travellers.” Accommodations are one of the identified tourism touchpoints by the DOT.

The DOT circular addresses accommodation establishments seeking to participate as hospitality enterprises with Muslim-friendly facilities and services, with an attached inspection checklist for their reference. The checklist has mandatory and optional requirements. Mandatory requirements have six dimensions: (1) guest handling, (2) Muslim-friendly guest rooms, (3) halal food and beverages, (4) kitchen, (5) public areas, and (6) hotel transport service. Optional requirements include four (4) dimensions of the mandatory requirements except for dimensions (2) and (6), both presumably assured features of the establishment. The optional requirements are value-added features that give more premium service to Muslim clients. These are: the employment of at least one Muslim staff in guest handling; having a Muslim-friendly restaurant on-site; a designated purchasing manager for halal food and ingredients; separate wellness and recreation facilities for men and women; and time allocation of these facilities for Muslim guests.

<sup>3</sup> Taken from the DOT Undersecretary’s presentation during the Commission on Higher Education (CHED) Technical Committee on Islamic Studies Focus Group Discussion/Consultation with select government agencies on its AB Islamic Studies Curriculum.

## Ensuring integrity in the halal supply chain

Halal tourism and hospitality management, including the Philippines' Muslim-friendly tourism package, comes at the tail-end of the halal supply chain. However, its integrity and Muslim client confidence are hinged on consistent and documented compliance with halal standards along the length and breadth of the halal supply chain. The halal supply chain entails the need for the proper environment, materials, facilities, processes, logistics, and personnel across the multiple components of production, slaughter/processing, packaging, transport, handling, distribution, and consumer/client service. Each component is integral, possessing a set of critical points that need to be thoroughly satisfied. For illustration purposes, critical points for food service and poultry slaughter will be discussed below.

The use of critical points (CP) has its underpinnings in the food safety management system, HACCP, or Hazard Analysis Critical Control Points, which was developed by the Pillsbury company in the United States. HACCP was initially presented at the 1971 US National Conference of Food Protection by Pillsbury to ensure food safety in the United States' space program (Hulebak and Schlosser 2002, 549). The US Food and Drug Administration (FDA) defines HACCP as "a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product" (US FDA n.d.). Meanwhile, a critical control point (CCP) is "a point, step, or procedure at which control can be applied and a food safety hazard can be prevented, eliminated, or reduced to an acceptable level" (Hulebak and Schlosser 2002, 550). Critical points have since been developed and used by food certifying bodies as food safety management references.

In a study conducted on halal internal assurance systems among food service operators in Malacca, Malaysia, four critical points were identified:<sup>4</sup> "raw materials and ingredients;" "hygiene and sanitation practices in food premises;" "documentation system;" and "internal halal committee" (Hassan et al. 2014). Raw materials and ingredients are sourced from the production end of the chain, which has its own critical points; hygiene and sanitation practices are part of in-facility and infrastructure quality and management; likewise, food handling and process quality and management, as well as the halal documentation system and internal halal committee, are part of halal administration and quality assurance management. Ensuring the satisfaction of all critical points to establish halal integrity will entail compliance with stringent standards and procedures throughout the supply chain.

Poultry for food service is classified under raw materials. Halal poultry meat slaughtering and processing require halal integrity guidelines at four junctures: at the farm, during preslaughter, at slaughter, and postslaughter. Shahdan et al. (2016) revealed that of nine government and nongovernment entities across the globe, the Central Islamic Council of Thailand (2009) alone had existing guidelines for the latter three; five (5) had guidelines only for slaughter and post-slaughter procedures,<sup>5</sup> and three (3) had available guidelines only for slaughter.<sup>6</sup> Shahdan et al.'s (2016, 1683) study identifies three key components in halal poultry production: slaughtering; animal characteristics and physical conditions; and pre- and postslaughter handling, as well as handling during the slaughter itself. Through data from field visits and interviews, and a review of current practices in halala qualification standards and salient concerns, Shahdan et al. (2016) discuss proposed six Critical Points for halal slaughter:

<sup>4</sup> Sources for these critical points were: Malaysian halal certification guidelines (MS 1500:2009; Guidelines on Halal Certification Malaysia 2012 (second revision); and, Guidelines on Halal Assurance System from JAKIM).

<sup>5</sup> Shahdan et al. (2016, 1681) identifies these: the Indonesian Council of Ulama (MUI), Department of Islamic Development Malaysia or JAKIM (Malaysian Standard/ MS 1500:2009), Islamic Religious Council of Singapore or MUIS, Halal Monitoring Committee of the United Kingdom, and the Halal Food Standards Alliance of America (HFSAA).

<sup>6</sup> Shahdan et al. (2016, 1681) identifies these: the Australian Quarantine and Inspection Service or AQIS, the Arab Gulf Cooperation Council or GCC (GCC Standard 993/2998) and the CODEX Alimentarius or CAG (GL 24-1997) of the World Trade Organization.

- (1) Critical Point (CP) 1: On Farm: Poultry Breed, Rearing, and Poultry Feed
  - (a) Priority to Reduce Stress During Rearing: Optimum Space and Natural Growth Rate
  - (b) Processed Animal Byproducts in Poultry Feed
  - (c) Antibiotics, Growth Promoters, and Drugs in Poultry Feed
  - (d) Concerns on Changing the Fair Nature of Allah’s Creation (genetic engineering)
- (2) CP 2: Welfare of Poultry During Transportation and Lairage
- (3) CP 3: Immobilization to Facilitate Slaughtering
  - (a) Shackling and Cones
  - (b) Water Bath Electrical Stunning
  - (c) Controlled Atmospheric Stunning/Killing (CAS/CAK)
- (4) CP 4: Act of Slaughtering: Intention, Instrument Used, Personnel, and Premises
  - (a) Intention of Slaughtering: In the Name of Allah (recitation of the *Tasmiyah*)
  - (b) Instrument for Slaughtering: Sharp Knife (Manual and Automated)
  - (c) Personnel and Direction While Slaughtering
- (5) CP 5: Time for Full Bleed-Out
- (6) CP 6: Washing and Packaging to Maintain Good Hygiene and Halal Integrity<sup>6</sup>

Halal poultry slaughtering and processing require not only physical facilities and materials of specific quality but also the enforcement of ethical standards and humane conditions in the process.

These two illustrated components greatly highlight the need for DOT to establish strong coordination with halal supply-chain actors, certifying agencies, and Muslim consultants. Robust cooperation with a halal network will provide the crucial assurance to Muslim tourists that goods and services in the DOT package, and indirectly, the Philippine government’s halal programs, are indeed Muslim-friendly and trustworthy. Highly pertinent too are the in-house employment of Muslim personnel and the institution of an internal halal assurance committee that will greatly contribute to halal sustainability management in Muslim-friendly accommodation establishments.

## Conclusion

Globalization and international trade have caused halal standards and practices—previously enacted in Muslim communities and states—to be diffused globally, with both state and nonstate bodies determining their level of participation in the international halal market. This engendered marked interest in halal as a concept, and a principle governing the production of goods and services. Halal development across the globe resulted in intergovernmental and multiagency cooperation, halal research, and infrastructure development, not to mention growth in consumer access to halal information. Today, halal benefits Muslims and non-Muslim consumers and industries alike. The DOT Philippines’ Muslim-Friendly Tourism program is a current initiative that will showcase the country’s halal initiatives and more critically, test the strength and sustainability of its halal infrastructure.

<sup>6</sup> Many of the terms/phrases used here are by Shahdan et al. (2016, 1685–690).

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