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# INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)



**Article DOI:**10.21474/IJAR01/17743 **DOI URL:** http://dx.doi.org/10.21474/IJAR01/17743

#### RESEARCH ARTICLE

# DIFFICULTIES IN IMPLEMENTING THE HALAL TRACEABILITY SYSTEM AMONG IMPORTED HALAL MEAT SUPPLIERS

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# Manuscript Info

Manuscript History

Received: 25 August 2023 Final Accepted: 27 September 2023

Published: October 2023

Key words:-

Halal, Halal Meat Import, Halal Traceability System, Supplier

## Abstract

Nowadays, a lot of halal related issues arouse a bad image to religion and many parties includes halal industry players and consumers, directly or indirectly. The meat cartel scandals issuehas shocked Malaysia in the previous year. In conjunction to the issue, many Muslim consumers had lost their confidence towards the consumption of halal meat imports. The unfolding scandal over fake halal documentation, fake halal logos, and fake halal meat has really affected the halal meat import industry since consumer confidence is decreasing and honest businesses are working hard to convince customers of their compliance with halal requirements. Transparency in implementation of a halal traceability system on the meat import supply chain helped prevents any violations or fraudulent cases. The aims of this studyis to discover the challenges of implementing a halal traceability system among halal meat import suppliers. This research adopts a qualitative method and the data was collected through a semistructured interview. The thematic analyses was conducted on transcribed and coded data interview. The results of the study showed that time consumption, cost implementation, and lack of digital expertise have become challenges for halal meat import suppliers in implementing a halal traceability system.

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#### Introduction:

Halal meat imports become a triggered issue for the past few years, and somehow it affects the country's economy and consumer trust. Not only that, it became a huge matter among suppliers since they are among important key players in the halal meat import supply chain. A supplier can be defined as a person or organization that has the responsibility to provide particular services or products. Based on the definition, it could beunderstood how important the suppliers' function in halal meat imports, along with the issue of halal meat suppliers in our country when any oversight like this occurs. In order to secure customers' trusttowardsintegrity of halal meat import and supply, a traceability system is highly required to be implemented by meat supplier, especially the certified halal supplier. As JAKIM is the main competent authority for halal tocontrol the application of halal assurance system based on the Malaysian Halal Management System 2020 (MHMS), as halal needs to be assured from farm to fork (Asa, 2017).

Traceability is defined as a process that allows relevant information to be traced from product origin until sale (Muhammad Hijrah Abd Kadir, 2016). According to MS 1480:2019, it is the ability to follow the history,

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application, movement, and location of material and product through specific stages of production, processing, and distribution. Halal traceability systems are important to be applied, especially among halal industry manufacturers, and for this study, it will focus on halal meat import suppliers. Traceability, as it is related to transparency, will ease the players along with gaining trust from their consumers whenever halal issues arise when it comes to their supply chain (Alqudsi, 2014). The theory of traceability can be understood as a system that enables any identification of products along the production chain and in the field of halal; it covers the ingredient and every matter that could secure the halal status of the product. From there, an effective system of traceability was observed based on its credibility in transferring information among all partners involved in the supply chain (Nizamuddin Zainuddin, 2020). While the halal and haram concepts are very clear for any key player to violate, concerning Muslim consumers as well as halal industry players, traceability needs to be implemented well in each halal meat import supplier. Securing halal is not only about the Muslim consumer alone; it also involves safety and quality matters, as well as the main component of the traceability system, the supply chain.

In conjunction with suppliers who need to take care of their part by ensuring their traceability is strong enough, dealing with society and nature in this genuinely known media era will also be very hard since every news story is spreading fast without any concern or fact-checking first. Halal meat cartel issues have been a hot topic for years, with fraud cases being reported to have happened for many years already without any serious action taken. Pathetically, these issues affect most halal meat suppliers, even to those who are honest and not involved at all in the businesses. The only way to prove their integrity in taking care of their meat halal-ness supply is by proving the implementation of traceability systems, which may assists in gaining back the customers trust. Traceability and transparency attach together where the ability to track and trace provides a guaranteed feel to the consumer (SuhaizaZailani, 2010).

However, applying a traceability system in a disciplined way might be challenging in halal meat import since it would involve number of partners, times, and countries (for imported meat). The major issue that wanted to be discovered is on how possible it is for fake documentation or fake meat to be received if the meat supplier already implements a traceability system, and also where the traceability system is being applied among those halal meat suppliers. So somehow, it will be challenging to protect halal integrity throughout the process.

Halal meat suppliers play important roles for providing a guaranteed halal product for consumers, especially Muslims. As the current hot topic regarding halal meat cartel scandals is spread nationwide and mixed information has been received by consumers on it, somehow the news will surely become an element that is bothersome. Consumers were facing a situation that increased doubtful to the halal imported meat, and it would also affect to the Malaysia economy. Halal products play important roles for Malaysian consumers especially to the Muslim that become the majority population in Malaysia.

Halal related issue that reported at Cadbury Confectionary (M) Sdn. Bhd. had shaken consumers' trust towards the halal integrity of the product. The company's sales decreased, and to gain back the customers' trust become challenging and hard step for the company to achieve post the issue (Norashikin Ab Rashid, 2018). The phenomenon could be similarly faced by the halal meat import industry if the consumers started losing their confidence towards imported meat. Thus, the decrease of consumers' trusts not only affect the nation's economic sectors, but also to the halal meat import suppliers.

A study by Hee-Yul Lee (2019) indicates that verification of halal raw materials depends on certificates that suppliers have provided. Malaysian halal meat import scandals were reported after there is fraud when documentation and permit violations are involved. Referring to news on the Malay Mail, reported in January 4, 2021 indicated that probably over 60% of the 32 million populations possibly having consumed the fake halal meat. As it was claimed that over four decades the frauds on halal meat imported had been practiced. Based on the reported news, the sources of imported meat from abroad were may included kangaroo, horses, and even pork. The group of culprits who acted fraudulently claimed that they did not see any meat cargo that had been brought and had used fake documents on it. According to the news, frozen meat that had been smuggled are from China, Ukraine, Brazil, and Argentina, and itswas repacked and stamped on the packaging with a Malaysian fake halal logo, andits were then been sold across the country without guilt (Adam, 2021). In addition, the South China Morning Post reported that cartel operations were believed to start at slaughterhouses where fraudulent certification occurred, and it started to be dubious or halal meat product grade intended to decrease. The problem with halal meat imported into Malaysia port has been reported to often avoids inspection. Then those imported meats will be directly transported

into the warehouse. During the process, the halal-certified meat and meat with fake halal logo is segregated or mixed until confusion arises. In addition, News reported in The Star on April 12, 2021 showed that a raid had been conducted and 36 people were arrested in several states for further meat cartel investigation which involved a fake halal logo and halal certification crime. The average age of the offender is between 28 and 67 years old involving directors and managers. According to them, the meat were sold at a lower price, and due to that, their demand for fake meat products increased (Nordin, 2021).

Thus, the serious issues regarding halal meat imports reported in Malaysia are probably at the stage of traceability and involve more than two partners. As the meat is being imported, involved partners need to really assured that the integrity of the halal status of the meat is secured at all time. It needs to be ensured that the products received are legit, as the supplier ordered, and do not contaminate with any non-halal elements or even involve fake documentation, fake meat, or a fake halal logo. Another problem arised is where the traceability is being assigned and monitored to ensure the suppliers can easily to be tracked and traced. Traceability placement in the supply chain plays an important role, as if there is any omission happens, the supplier can easily detect at any stage and immediate corrective action could be undertake to prevent the fault from becoming more serious.

In addition, this study aimed to understand the implementation of a halal meat traceability system among suppliers to identify the challenges faced. The researcher adopted a qualitative method using semi structured interview approach.

# Literature Review:-

#### **Halal Meat Import**

The halal industry has grown well to the point of global acceptance, and as a part of that, Malaysia has also become one of the halal hubs. Based onUjangMaman's (2015), the largest Muslim populations are in Asia, where there are 1.39 billion population, which constitutes 69% of the world Muslim population. While by country, Indonesia has the largest Muslim population, which consist of 10% of the total world Muslim populationy, the trend indicates the numbers population eventually keep on arising yearly. The trend can be predicted that halal awareness would surely increase. In aspects of religious behaviour, perception and integrity should be maintained, and that is why the importance of halal meat imports can be related and crucial nowadays. As in halal meat import, the process of bringing a particular product from import to export country involves many stages and more than two (2) partners. Imported food involves all compulsory boarder procedures at various destinations according to the countries it were imported (Nor BakhriahSarbani, 2018).

In conjunction with current issues related to halal meat, Bernama News reported on January 8th, 2021, every halal imported meat into Malaysia needs to go through an approval procedure from the Department of Veterinary Services (DVS) and the MalaysianDepartment of Islamic Development (JAKIM). It is to ensure that only meat from recognized abattoirs can be imported into Malaysia. Halal meat import's suppliers need to understand every requirement for importing meat from other countries. The Approval of each authority bodies involved in the process is crucial in order to prevent any revocation of permits and ensure none of the stakeholders violates the regulation imposed. One of the main bodies involved in meat importation is the Malaysian Quarantine and Inspection Services Department (MAQIS). As indicated in Malaysian Quarantine and Inspection Services Act 2011, any violation that was made purposefully in importing meat had its own amercement of each different offense. According to the act in Part V, section, all requirements and conditions that importers need to comply with;

- 1. Section 11: Requirement for Permit, License, and Certificate
- 2. Section 12: Application for Permit, License, and Certificate
- 3. Section 13: False Permit, License, and Certificate
- 4. Section 14: Plant, animal, carcass, etc. with pests, diseases, or contaminants
- 5. Section 15: Import and export conditions

From the simplification of those sections, it can be inferred that the process of importing meat itself is precise and unbending.

#### **Halal Control System**

A halal control system is a system used to ensure halal integrity can be protected at process through out supply chain and the presentation of any non-halal elements could be avoided so that halal status and its integrity could be secure. One of the important elements in halal matters in industry is the halal control system. This halal control mechanism

plays a vital role as it will ensure halal matter, from raw to finished product, is protected and maintains integrity. This can be supported by Jais (2019), that halal control mechanisms played a vital role and were equally important and significant as legislative acts and policies that had been governed among halal industry.

Furthermore, according to the Ahmada Anis Najiha (2018), in securing a halal control system, it needs includes three elements: halal legislation and regulation, food law, Trade Description 2011, and standards related to halal. Each halal product, especially halal meat imports, is a crucial chain among these three elements that halal meat suppliers need to comply with. In order to ensure an imported meat halal status, suppliers needs to obey all legislative, legal, and statutory requirements, together with related standards, for example, MS1500 2019, which is the basic halal standard for halal food.

## **Halal Traceability System**

In the halal industry, progression along the supply chain is vital and by adopting the traceability system is really assist to control the supply chain from any non-halal element. Tracebility system can be defined as a system that makes key players have the ability to trace and track all the processes by each of the stages that have been through along the production line until the end of the process (Norashikin Ab Rashid, 2018). As in the study, traceability was divided into four (4) categories: supplier, producer, logistic, and end user. Each of the stages or categories has its own importance in traceability since the activities in each of the stages are different, but at the same time, they are connected.

Furthermore, a study by Norasekin Ab Rashid (2018) stated that there are fraudulent cases in halal certification and physical contamination among halal food manufacturers. The increasing number of non-Muslims dominating the food industry also became a matter that needs to be concerned because it might raise doubts. Thus, it shows how the implementation of traceability in the halal industry is able to diminish any doubt regarding matters of the halal supply chain. With its presence, every procedure and stage are well organized, along with records. As a result, it will ease all the processes and increase transparency.

Therefore, a halal traceability system is needed when it comes to the halal industry. Plus, having a traceability system implemented has become an extra mile for industry, where their management will be more transparent as well as increase trust with consumers. A study by Yusaini H. Mohamed A. R. (2016) indicated that traceability and transparency are related in that aspects of both are used to improve the quality of the production chain. Other than that, the study states that halal traceability is an important matter to the global halal market since it is needed for monitoring the entire supply chain.

In ensuring the traceability of the meat industry, meat traceability has referred to its ability to maintain crucial information on every stage of the processes that have been through or along the meat supply chain. Other than that, halal traceability became a medium that could increase supply chain transparency where it is one of the key factors in ensuring the implementation of halal and its integrity (Muhammad Hijrah Abd Kadir, 2016).

# Result And Analysis:-

# Halal Traceability System Used in Halal Meat Import

According to the Halal Assurance System (HAS), traceability establishment is to ensure every stage in supply chain production is able to be tracked. As for that, traceability movement can be traced either one step backwards or one step forward, or even both, at every point in processes. As the objective is to identify the halal traceability system used in halal meat import, there is one question that informants need to answer based on the objective. The findings on both two different work fields were related and answered the objective. The findings are as follows:

"Our company for now is using manual style for traceability, where documentation and physical products need to be documented and each of them needs to be tallied in the system." (Informant 1, Halal Executive of SUPREME, 2021)

"Normally, in the industry that I've ever inspected and audited, specifically among halal meat importers, most of them still use a key in a data system way where once they receive the goods, they will check on the documentation and then keep the item in a cold room." (Informant 2, Halal Enforcer Officer, 2021)

Based on the above information, it is highlighted that the halal traceability system is a manually documented method where every document that is received needs to be keyed into the system. As indicated by Informant 1 on their

method in the traceability system that is being used, it is observed that even though their company is huge and involved a lot of businesses, the company still applies the method of each element, which makes it easier for them to trace the elements that need to be documented manually inside their system. All of the activities on ensuring products and data inside their system are in line were done by the informant without any electronic tools such as RFID or barcode systems to ease the job. But apart from all that, Informant 1 really understands how halal traceability systems work and the importance of the traceability system to their company. On the side of the authority body, which is Informant 2, who works as Halal Enforcer Officer, halal meat import suppliers only use the same method as the company of Informant 1. Most of the key players in the halal meat industry that were inspected and audited were mostly applying a system where they only relied on documents that they received along with the items ordered.

Based on that, the halal traceability system that is used among halal meat import suppliers is a documentation reference method. Where key players prepare for their halal traceability system in documented ways where it will be keyed in the system one by one and ensure documents received are in line with the product delivered, the same goes for their physical items with data in their system.

#### Implementation of a Halal Traceability System for Halal Meat Import

Implementation of a traceability system among halal meat import suppliers has been look into where the focus is more on critical points of halal meat import in every stage that are crucial to suppliers. There are stages in every halal meat import supply chain that become vital to every supplier and importer, whereas there are high possibilities of violations of halal integrity as well as status. To ensure the implementation of the halal traceability system in halal meat imports among suppliers is good, their understanding of every critical point is important, along with their own control measures in dealing with it. As follows are responses from informants on the implementation of a halal traceability system for halal meat imports on each of their own sides:

"Before proceeding with purchasing, we will ensure that the sources of materials and ingredients are Halal certified by the recognized Halal Certification Body (HCB) by JAKIM."

(Informant 1, Halal Executive of SUPREME, 2021)

"Implementation of the halal traceability system will be easing... industry side where possibilities of non-compliance can be reduced."

(Informant 2, Halal Enforcer Officer, 2021)

Informant 1 had mentioned that their implementation of halal traceability starts with the ordering process, where they will check on the item for halal compliance before purchasing it. The halal traceability system is based on documentation of the product. Thus, the implementation focused on preparing, organizing, and managing every document for the imported halal meat. From here, it indicates that to implement the system, Informant 1 needs to be aware of every step, as she might overlook documentation counting that has been made. On the other hand, Informant 2 mentioned the advantage of halal traceability system implementation, which will reduce the possibility of halal meat suppliers facing any possibility of non-compliance whenever they do an inspection or during the audit process.

# Critical Points on Halal Traceability System Implementation

Every halal product supply chain have its own critical point where it is vital for key players to pay attention. This is to make sure that violations of halal status are not happening and that the integrity of halal itself is protected. According to informants, each of the critical points had its own control measure, and from there, industry players controlled all possibilities that might occur and made sure any process that they followed was in line with the system that they had. As for industry players, specifically Informant 1, there are three critical points that are crucial to them, and each of them prepared control measures (for halal meat import suppliers only) together.

"The three stages of critical points are purchasing, stock receiving, and storage. Control measures for purchasing are invoices, Halal certification, and product specifications. Control measures for stock receiving are delivery orders, certificates of analysis, and import permits. Control measures for storage are a well-received note and inventory record."

(Informant 1, Halal Executive of SUPREME, 2021)

"Three critical points for every halal meat import usually occur at the stages of ordering and purchasing, stock receiving, and product storage."

(Informant 2, Halal Enforcer Officer, 2021)

Based on the information, it indicated that the three stages i.e purchasing, stock receiving, and storage are actual critical stages that halal meat industry key players need to focus more during thebusinesses. Besides, it indicates that the informationprovides better understandson the implementation of halal traceability systems among halal meat import suppliers. The implementation showed that the study is able to view how industry applies the system from the first stage until end process, together with the control measures taken if any unwanted incidents occur. Generally, questions regarding this objective were answered genuinely by both informants, which is what the researchers targeted. In conjunction with it, to prevent any non-compliance from occurring on each of the stages, control measures are needed. Control measure is a process where activities involved in it are monitoring and handling, where it sustains the halal status of halal products (M. Zainalabidin, 2011).

#### **Purchasing**

According to Informant 1, on the purchasing stage, the control measures are provided via invoices, halal certification, and product specifications. Researchers determined that, from the control measure that Informant 1 stated, each of those documents needed to be detailed and transparent. From the invoices, the informant would check on item validity to see if it complies with what they had ordered or vice versa, as almost every detail, such as the type of meat, weight, and grade of the imported meat, is stated in the invoice. There goes with Halal certification and product specification. From both of these documents, companies, as customers, will be confident in their purchasing of imported meat that is bought from suppliers. Every document that involves purchasing and ordering is vital since any possibility of a violation of halal meat imports can be prevented earlier. Apart from that, dexterity in tracking also increased activity.

It is supported by Informant 2 that purchasing stages are one of the most critical points for every halal meat import supplier. According to the officer, during purchasing, the importer agreed to every document that they received from the supplier and trusted it as long as it complied with any requirements. While actual violations tend to occur at the stage where, based on experience, there are suppliers or any partners in handling the import process of halal meat that unified other meat products that are not in the list of importer's items, on this matter, there has not been any issue with Informant 1 since their shipment of every imported halal meat product ordered is not mixed with any other substance, specifically for their brand and item only.

#### **Stock Receiving**

Both informants mentioned that this part is also one of the critical points in the halal meat import traceability system, as document checking and item receipts need to be exactly as inpurchased order. As indicated by Informant 1, control measures at this stage are on the provided document, which are the delivery order, certification of analysis, and permit for meat importing. As soon as products are received, all of the documents need to be checked. Each of the items strictly needs to be in line with the details stated on every provided document. From here, the researcher identified that for this company, every item that is shipped to them in one particular container is their order only. Their employee had to make sure that everything inside the container matched every stock list on the delivery order. Other than that, it is crucial for informants to make sure that every piece of their imported meat has a certification of analysis and a permit for importing halal meat. Those documents are important because, from there, tracing can be made, and if anything of an occurrence happens, they could trace it back and forth.

A possible crime that may violate the halal meat product at this stage. According to Informant 2, who has more experience handling many halal-certified meat importers, those meats that are not on the list have been merged into one containerwith imported meats without any legal permits. These matters jeopardized halal status and halal meat import integrity, where they could be accused of not taking care of the halal control system as well as violating the halal traceability system. From here, the researcher observed that the implementation of halal traceability systems at this stage is vital. All those fake documentation, fake meat, and fake halal logos on products usually happened at this stage. According to the outbreak news that shocked Muslim consumers, the meat cartel issue is also in the stock-

receiving stages. As for that, every halal meat import supplier had to strictly control and scrutinize every document and product checking here.

# Storage on Stock Keeping

In the halal meat industry, especially when it involves imported meat, its halal status is vulnerable. The problem might occurred in the warehouse or logistic, storage keeping and the condition of the surroundings of every halal meat where crosscontamination could happen or there is no segregation during stock keeping. According to bothinformants, the third critical point in the halal traceability system is storage. However, for Informant 1, who was a key player in halal meat imports, their company had established control measures in order to prevent any non-compliance or defiance on the critical control point of halal traceability. Every good received note and it is properly documented and organized along with the system that they applied and followed with the inventory record. The physical stock that they have inside the warehouse should be in line with the data in the system. On top of that, all documentation needs to be intact from a good-received note, as any inventory needs to be sure that it tallies with the actual quantity of goods received. Hence, every document and stock for the inventory record were matched. The positive consequence is the company's halal traceability system, where any documentation-related information is easily traced and since the system is also being applied to documentation methods.

On the side of Informant 2, storage in stock keeping had become one of the critical points due to the possibility of contamination. Any pose of contamination can happen, whether on an aspect that could violate halal status or the hygiene of a meat product. For example, there are non-Muslim workers who bring in the meal, which is sort of any pork dish at the warehouse, in any area inside that directly contacts halal meat products. On the hygiene aspect, technical matters such as fluctuant freezer temperatures can spoil the meat quality. Consequently, halal meat quality dwindles and might turn out to be spoiled. As it is spoiled, obviously, microbe contamination is going to destroy the quality and surely make it unsafe for consumption if it is illegally sold to retail. In terms of halal, quality control is important, and religion promotes a healthy lifestyle where any substance that has been consumed affects our body's health. In a nutshell, the implementation of a halal traceability system for the storage of stock is important, and as a control measure that is taken by Informant 1, it is suitable for ensuring every inch of warehousing activity is under control. The researcher was able to understand why this stage of halal traceability implementation became vital, and control measures by halal meat import suppliers also answered how they deal with it.

The information indicates that every halal meat import keyplayer is facing the same critical point on halal traceability. The implementation of a halal traceability system was also implemented by the company at its critical point and standardized using the control measures that were used. However, if halal meat import suppliers implement any advanced tools of traceability, it will ease their task, reducing time spent on document checking.

# Challenges Faced by Halal Meat Suppliers in the Implementation of a Traceability System for Halal Meat Import

Based on the semi-structured interview that had been conducted, the following are responses from informants on challenges in the traceability system among halal meat suppliers, especially for imported meat products:

"The challenge that we had to deal with on the halal traceability system in our company was the time consumption made by the in-charge officer during document checking, as the method that we applied was manually checking the document and the physical item."

(Informant 1, Halal Executive of SUPREME, 2021)

"Most halal meat importers do not have any proper and specific system for implementing traceability within their company. Normally, their system of traceability is on in and out of documentation records, and of course the approach that they used is taking their time more on it."

(Informant 2, Halal Enforcer Officer, 2021)

According to the informants, the challenges in the implementation of a halal traceability system among halal meat suppliers derived from the tools or methods that they implemented to accomplish the system. Informant 1 had indicated that their challenges in implementing this system itself were time consumption, where more time needed to ensuring the system and all data records were properly recorded and in line with everything. It is due to the fact that

they did not have any advanced electronic tools such as radio-frequency identification (RFID) or any sort of barcode system that was specifically for traceability purposes only. Hence, based on Informant 2, the same things were stated. Whereas tools for traceability systems have not been implemented by key players in the halal meat industry, as he said, most industries still use documentation for record-keeping. The time constraint that the company faced eventually led to other challenges where instability, information, and data loss might happen. Researchers observed that the main challenge is the documentation, which, if made manually, needs to be precise and focused. Deadline-chasing in settling all the documentation leads to mishandling by the person in charge or by the informant itself. The documentation method itself is hard to handle where intervention is involved, and data loss might happen.

However, the researcher was able to evaluate why the challenge faced by the company was the time consumption during the traceability system documentation while the company was implementing it. Each of the stages requires the officer in charge to be very precise during the checking. For the purchasing stage, the company must surely implement their halal traceability system to ensure that the items that the purchaser ordered are correct and do not involve any miscellaneous elements that could violate the halal status. Transparency from the main supplier is important where any document or product being exported is securely protected from any possibility of halal crime occurrence. The use of every control measure that has been implemented for its traceability system helps the company review where possibilities of mistake arise. As in purchasing, every invoice, halal certification, and document on product specification are important for the company to check. Therefore, checking all the documentation consumes more time, especially when a lot of products were received at one time. Product specifications and invoices need to be thoroughly checked, and halal certification from another country needs assurance from a JAKIM-recognized halal certification body from another country.

Other than that, there are challenges in ensuring halal integrity along the supply chain during stock receiving; the company only checks the documentation that they received and the actual product. The documentation that needs to be checked is the delivery order and import permit for the particular product. But what the company did not know was how secure the halal status of the meat was. According to Informant 2,

"Competent authority bodies usually check the documentation only but barely check the imported item, unless the item seems suspicious or reports have been made for it."

(Informant 2, Halal Enforcer Officer, 2021)

Based on the statement, the challenges for the company are ensuring that every imported halal meat that they receive is totally secure from the possibility of fraud, and through thorough document checking, the possibilities of fraud can be reduced. If revised from the researcher problem statement before, most fraudulent crimes occurred during stock receiving. To some extent, in order to make the implementation of halal traceability easier, any tools for it can be implemented.

As the company does not have any tools for a halal traceability system, the researcher was questioned on why they did not implement any electronic tools for it, and the answer was:

"To implement any digital tools for a halal traceability system is costing us a lot. The top management tries to not spend too much on any digital tools because the cost not only on implementing them but also for maintenance also needs to be considered, and for that, we do not have any expertise in IT or digital matters to help the company with it if we wanted to start using any of them, whether RFID or barcode systems."

(Informant 1, Halal Executive of SUPREME, 2021)

Based on that it is observed that financial cost and lack of digitalization expertise in developing it had become challenges in the implementation of the halal traceability system, other than the extra period of time consumption that they needed to face. For the financial cost, it is undeniable that the company would have to spend a bit more on any modern tools for traceability implementation. From the aspect of cost, relating it to halal implications on the aspect of halal traceability implementation, as halal traceability tools are unable to be developed, halal tracking systems become unorganized, which leads to any possible technical issues arising as the systems that are being implemented are not stable. Due to the unstable system implementation, securing the halal status of a product might be doubtful along the supply chain since it can be violated anytime, and the possibilities of an incident.

However, even though tools for traceability are costly, according to the company, they do mention that their top management is currently developing a new warehouse system. Unfortunately, the researcher was unable to gain any data on the new system that the company developed, as the informant mentioned that:

"The new warehouse system is unable for me to describe or explain more since it is confidential for me to expose. The system is also currently undergoing training, so we are unable to explain more about how it is running." (Informant 1, Halal Executive of SUPREME, 2021)

Any lack of expertise in the information technology (IT) and digitalization fields in the company also becomes a challenge in implementing the halal traceability system in the company. Halal meat imports involve many processes, from the first stage up to importer handover. Each of the stages involves a lot of intervention from different partners, from logistics to import and export authorities. To ensure the halal traceability system is well implemented, good tools need to be implemented as well, thus it requires a company to find expertise to do the task. Relating it with the financial cost challenge of halal traceability system implementation, both the tools and hiring expertise to take care of the system itself are costly, and if it has a halal aspect implication for the company, the non-existence of expertise in handling the tools is unable to be performed as it is supposed to be. Due to this, the system applied may violate halal information and lead to noncompliance, and if audited, it may lead to commmit fraud if the detailing that is made is not as it is supposed to be. As for that, the company chose to implement a manual method, which is the documentation method for the halal traceability data system, and is in the process of developing a new system that is probably not too costly for the company.

Briefly, to ensure that halal traceability systems are well applied and prevent violations from happening, key elements of effective traceability systems should be successfully applied. In HAS( Halal Assurance System), traceability system effectiveness relies on the completeness of supplier details, customer details, transaction and delivery records, product specification on both supply and receive records, batch identification, and any relevant supportive documents. Halal meat import suppliers can still implement the way they applied the halal traceability system as the method that they currently implement, as long as each of the key elements in achieving an effective traceability system is strictly compliant.

However, the researcher argues that if the company is able to implement better tools for standardizing their system, it will be better. The method that they implemented probably gave them more challenges than only time consumption. As documentation methods are used, instability of information and document loss have a high chance of occurring. Overloading document checking during peak periods may lead to the problem. Not only that, the implementation of the documentation system may lead to another challenge, as mentioned, the possibility of data loss and instability of information, especially in halal-related documentation since it involves a variety of different documents. Other than that, document keeping requires more space and intervention in managing it.

It can be concluded that both sides with different work scopes in the halal field agreed to say that the challenges that halal meat import suppliers face during the implementation of the halal traceability system are time management as the system that they used leads to it, implementation costs, and a lack of digital expertise to implement the traceability tools.

## **Conclusion:-**

Traceability is a system used to trace back information or activities from the initial until the end process throughout the supply chain. The study figures out halal traceability system challenges in implementation among halal meat import suppliers, traceability system is important to control any non-compliance to occur during supply chain. Importation process of halal meat involves many partners along the chain, from exporting into importing country. Halal status is vital during the process. However, with the presence of halal traceability system, any possibilities of halal integrity violation are able to be controlled. Traceability promotes transparency along the process in the supply chain from the beginning of the process until the end of it where it reaches the consumer. Issues on halal meat import that triggered halal meat industry occurred for almost 40 years especially on the aspect of fraud in meat importing Implication of those issues. The unresolved issue has lead to decreased consumers. Halal traceability plays an important for both, i.e consumer or halal meat import suppliers. Implementation of halal traceability system facedreal challenges by suppliers. Implementation of traceability tools as halal traceability systems is still not using modern technics In other word documentation record is still adopted by industry players for their traceability system due to not having any better proper and systematic tools. The challenge also indicated on the

aspect of much consumption of time frame during the process. It is recommended that tools used for ensuring halal traceability system would also lessen the possibilities of non-compliance during inspection and audit conducted by authorities. Hence, it became one of key factors for halal meat import suppliers in ensuring their halal integrity and successful halal traceability implementation. Tools of traceability system implementation consists of two methods that are genuinely known, RFID and Barcode system. Those are modern electronic methods of traceability system tools. For halal meat import suppliers, it is recommended that the barcode system should be adopted as it is among the cheapest tools that can be applied for a traceability system. As the barcode system has various types of it, industry players requires to select the best and suitable tracebilitytool for their businesses.

# Acknowledgement:-

I would like to express my greatest gratitude to the Academy of Contemporary Islamic Studies, UniversitiTeknologi MARA (UiTM) for the indefinite support that able this article to be published in the journal.

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