



**S**INGAPORE has a diversified economy and generally welcomes complementary businesses, and this includes halal markets, integrating Islamic finance to all Muslim-friendly business sectors. Despite having only a 14 per cent Muslim population, the halal industry on the island Republic looks promising.

The impact of the recent outbreak of Covid-19 has caused weaker external demand outlook for the global economy. But new opportunities are arising from more usage of online sales and services.

One notable segment that can capitalise on the rapid growth of the halal industry is Islamic finance. It is worth noting the Singapore Government is mindful of the complementary role of Islamic finance to the current banking industry.

Even a decade ago, Emeritus Senior Minister Goh Chok Tong had mentioned that Singapore could not be a complete international financial centre unless it offers Islamic finance as well.

Of late, Islamic finance has become more social media visible.

A recent collaboration of Islamic finance practitioners, Islamic religious schools and secular students in Singapore saw the formation IF@SG group via WhatsApp social media, with a mission to be the main source of reference for the Muslim community in Singapore on Islamic finance.

Where crowd funding is concerned, many such initiatives are done by Kapital Boost, Ethis, Launch Good and Global Sadaqah, for personnel or business entities in Singapore to raise funds, enabling social financial inclusion soon.

While the Monetary Authority of Singapore is regulating both the Islamic and conventional banking sectors, the Islamic Religious Council of Singapore (MUIS) has mandated Warees Halal. It is a one-stop centre that brings holistic solutions to businesses through its halal advisory, capacity building, international certification and trade-link services.

#### DIGITAL TECHNOLOGY

In terms of digital technology, Singapore always tops in the Asian Digital Transformation Index. Despite the economic uncertainty due to Covid-19, the Singapore Government still provides financial support to help enterprises adopt digital technology.

Through ICT, cross-border communication is accessible. For example, Wahed Invest, based in the United States, can expand its robo-advisory services about Islamic value-based investing to countries like Singapore.

Globally, the four leading global emerging

# Prospects of halal businesses in Singapore

Islamic finance has become more social media visible



technologies are artificial intelligence, blockchain, cloud computing and big data. MUIS, for one, has embarked on Halal Quality Management System, benchmarked against ISO and HACCP.

Recently, two local companies successfully applied blockchain to gain a comparative advantage:

- **WhatsHalal** has developed an enterprise solution platform aimed at helping companies to ease application processes for halal certification, with a primary focus on food companies.
- **OneAgrix** can verify the authenticity of a manufacturer's halal certificate before potential buyers make their purchases. Data is vetted and secured via blockchain that assists with combating food fraud and counterfeiting.

Also, due to Covid-19, online grocery deliveries have boomed. They include NTUC Fairprice, Giant and Sheng Shiong while HAO Halal Hub supermarket has enabled online purchase using PayPal.

Singapore supports United Nation's 2030 Agenda and the 17 sustainable development goals and its strength lies in sustainable urban management and water management.

These are vital components of efficient governance of a country aligned to *siyasaah syar'iyah*. The National Programme Council has analysed how these activities are linked to those SDGs whose values are strictly inter-related to the *maqasid* of Shariah.

Besides, in line with the spirit of Islamic values of environmental protection and conservation of natural resources, the

Singapore government aims to develop a low-carbon economy with clean energy and green transportation with many projects to cater to these are currently underway.

In the halal travel sphere, Singapore-based CrescentRating is the world's leading authority on halal-friendly travel with an online platform and has contributed several models to strategic thinking in halal tourism.

The Singapore Tourism Board, a government agency, has been working with CrescentRating and Have Halal Will Travel to target Muslim travellers in Asia.

#### PROGRESSIVE COMPONENT IN THE GLOBAL ECONOMY

The halal market has always emerged as a progressive component in the global economy, with both Muslim and non-Muslim consumer base increasing every year. Amid uncertainties post-COVID-19, halal products & services and Islamic banking and finance should complement each other to potentially provide stability in GDP growth.

Eventually, Singapore needs an ecosystem to support holistic halal businesses.

While acceptance may be low in such a Muslim minority country, and things may seem fragmented due to lack of a national coordinating body, the economic prospects of a halal economy, even as a niche in a secular country, is promising.

Singapore essentially has the ingredients to better manage the economic headwinds through a bottom-up approach in Singapore.

If a centralised business enabler does not materialise, all the players have to synergise to support one other - for their customers, for the economy, and the nation.

Having an open economy with well-developed infrastructure and logistic network, Singapore has the potential to develop a halal hub, serving its halal industry and exporting to the region. 🌟