

MALAYSIA HALAL PLANT REGISTRATION: MEDIA BACKGROUNDER

- New Zealand is committed to maintaining its position as a provider of high quality halal meat products to Islamic markets.
- New Zealand is committed to working this issue through with Malaysia and seeking a mutually acceptable outcome.
- At this point there is no resolution on any of the halal issues raised by the Malaysian authorities, and negotiations are expected to take some time.
- New Zealand is disappointed by the Malaysian decision. We have a record, built over several decades, of successfully meeting the requirements for Islamic slaughter in Muslim markets.
- We are discussing two main issues with the Malaysians. Firstly, we are concerned about their process for delisting certain of our meat plants. (New Zealand was not formally advised of Malaysia's new halal standard before the plants were audited.) Secondly, we wish to discuss the substance of Malaysia's new halal standard and to reach a solution that allows the historical trade to continue.
- Any solution that is reached will have to comply with New Zealand's animal welfare standards.
- The Malaysian action has not affected New Zealand's exports to other halal markets, nor has it affected all meat exports to Malaysia. One beef plant has been re-certified for export to Malaysia, and all except one of the previously certified sheepmeat plants have been re-certified.
- Malaysia accounts for 18% of New Zealand's halal sheepmeat markets, and just under 1% of all sheepmeat exports, by value. For beef, Malaysia's share is 36% of halal markets, and just over 2% of total exports, by value.
- New Zealand government, meat industry and halal certifying authorities have a long history of working together to ensure the highest animal welfare standards are met whilst meeting halal requirements.

Questions & Answers

What is this dispute about?

Malaysia said New Zealand's establishments were de-listed because they did not comply with their new halal standard. This standard had not been formally notified to New Zealand. Malaysia's position is that death should result from a single halal cut, and the carcass should not otherwise be interfered with until death ensues.

What are New Zealand's animal welfare requirements?

New Zealand law requires insensibility to pain during the entire slaughter process. This is based on animal welfare principles underpinned by research into commercial slaughter methods. Since 1979, New Zealand has been a consistent supplier of halal meat products around the globe. It negotiated standards for halal slaughter that also meet New Zealand's animal welfare requirements. New Zealand's halal certifying authorities have re-affirmed that New Zealand's halal product fulfils the requirements of Islamic Shariah (law).

What is Malaysia trying to achieve here? Has it delisted plants in other countries? Is it trying to shut out western suppliers in favour of Islamic ones?

You would have to ask the Malaysians about their motives. We understand they have recently delisted plants in Australia and suspended plants in China, Indonesia, Thailand, South Africa and the USA.

Will NZ relax its standards to accommodate the Malaysians? What about animal welfare concerns?

Any solution that is reached will have to comply with New Zealand animal welfare standards.

How will this affect our negotiations with Malaysia for a free trade agreement?

We are disappointed with the way Malaysia has taken this action given that we are trying to build cooperation on certification issues in the context of the FTA negotiation. The FTA negotiation process remains on track, although we need to establish a clear and transparent process on halal.

How big a deal is this for NZ's meat exports/NZ's trade with Malaysia?

Malaysia is a significant halal meat export market for New Zealand. Malaysia accounts for 18% of New Zealand's halal sheepmeat markets, and just under 1% of total sheepmeat exports, by value. For beef, Malaysia's share is 36% of halal markets, and just over 2% of total exports, by value.

New Zealand's overall trade with Malaysia is worth around \$520 million annually, with dairy products making up about \$250 million of this. Our total meat exports to Malaysia are currently worth around \$65 million.

Is Malaysia trying to persuade other Islamic countries to adopt its standard?

We understand the Malaysian standard was presented to Organisation of Islamic Conference (OIC) member countries for their consideration a month ago. However, New Zealand's halal trade to other markets has been unaffected by this dispute.

Who is talking with whom about this? What is the process from here?

New Zealand diplomats are talking with officials from the Malaysian Ministries of Trade and Foreign Affairs, and with the Malaysian Department of Veterinary Services. We are also working closely with the meat industry in New Zealand and with other New Zealand government agencies including the NZ Food Safety Authority and the Ministry of Agriculture and Forestry.

If this new standard has changed the interpretation of procedures previously found acceptable over many years then this needs to be discussed and some time given to allow for a mutually acceptable solution to be agreed.