ESTABLISHING SHARIAH COMPLIANT HOTELS IN MALAYSIA: IDENTIFYING OPPORTUNITIES, EXPLORING CHALLENGES

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Abstract
Halal hub is a concerted effort among the Islamic countries such as halal food, halal manufacturers, halal pharmaceuticals, halal cosmetics, halal packaging, halal logistics as well as halal services from all over the world. In fact, it has been a goal of the Malaysia as an Islamic country and being seriously on establishing a Halal hub for the product as well as services in finance and tourism. Due to an interesting development of Shariah Compliant hotel, it is very pertinent to illustrate several features and the characteristics of hospitality services which comes within the Islamic context which are universally accepted and tailored with the tourist packages especially to accommodate the needs of the upcoming boom of Muslim travelers and vacationers from the Middle East West Asia and other Islamic countries. Using the example of Malaysia as a case study, this paper will also illustrate the opportunities which arise in delivering of such concept of the so-called an Islamic hotel brands. Apart from that, the obstacles and challenges that might be faced by the hospitality industries in developing Shariah Compliant hotel in Malaysia are then identified and discussed. The study will be conducted using qualitative research in which data is collected through library research and session of interviews with the relevant authorities. It is hopeful that the finding of this paper can provide information to the authoritative body and to industry players as well. The results of this paper will also indicate the importance for the hoteliers to have knowledge and fully prepared with the opportunities and challenges that they might be facing prior developing Shariah Compliant Hotel in Malaysia.

Keywords: Shariah Compliant Hotel, Halal Hub, Opportunities, Challenges, Hospitality industries

1.0 INTRODUCTION
The increasing number of Muslim population is estimated at 1.84%. The Muslims population in 2012 is estimated around 2013.62 Million which equivalent 2.1 Billion. Malaysia is a multiracial country which comprises of 29,179,952 million of the total population as of July 2012. Islam is the largest practiced religion, comprising approximately 60.4% are Muslim adherents, or around 17 million people, as of 2012, Chinese 23.7%, Indigenous 11% and another 7.8%. Halal hub is a concerted effort among the Islamic countries such as halal food, halal manufacturers, halal pharmaceuticals, halal cosmetics, halal packaging and halal logistics products as well as halal services from all over the world. In fact, it has been a goal of the Malaysian government to establish Malaysia as a global halal hub for halal products and services to the Muslim countries all over the world.

¹ACKNOWLEDGEMENT
The authors wish to acknowledge the support of Universiti Teknologi MARA, Shah Alam, Selangor, Malaysia. They would like to extend their thanks to the Dean of Academy of Contemporary Islamic Studies (ACIS), Prof. Dr. Hj Muhammad Rahimi Osman for his support for attending and presenting this paper at The 2013 WEI International Academic Conference Istanbul, Turkey organized by West East Institute. Their encouragement and support are very much appreciated.
Being a Muslim country, Malaysia is a pioneer in introducing a comprehensive standard for halal food products through MS 1500:2004 (Malaysian Standard: Halal Food-Production, Preparation and Storage-General Guidelines-Amendment 2009) and has a number of laws regulating halal products and services such as the Trade Descriptions Act 2011. This set of Malaysian general guidelines was developed by the Department of Standard Malaysia under the Ministry of Science, Technology and Innovation with close involvement of the Malaysia Department of Islamic Development (JAKIM), the relevant government agencies, universities, industry players and non-governmental organizations. The standard prescribes practical guidelines for the food industry on the preparation and handling of halal food, including nutrient supplement, and to serve as a basic requirement for a food product and food trade or business in Malaysia. Manual Procedure of halal Certification Malaysia produced by JAKIM covers Halal certification application procedures, inspection, monitoring and enforcement which serves as guidelines for the food manufacturers.

In recent years, it has been observed that there is a growing interest in a new tourism concept such as ‘Islamic tourism’ or ‘halal’ hospitality which is similar to the concept of halal food which had been recognized in many countries including those in the Middle East. (World Travel Market, 2007 cited in Battour, Nazari et.al, 2010). In the tourism industry, Mohd Salleh, Othman & Mohd Noor (2010) cited in Nor Shahrun Nizam & Norzaidi Daud (2012) notes that it has been drastically dropped of tourist from the Middle East of UK and US after Sept 11, 2000 and shift to other Muslim countries such as Malaysia. Similar views given by Henderson (2003) as cited in Battour, Nazari et.al, (2010) where he claims that the traditional Arab and Muslim choice of USA and Europe destinations has changed since the September 11 attacks with Middle Eastern and hence, Muslim countries becoming increasingly popular destinations for Muslim tourists.

Malaysia recorded an overall growth of 1.2% tourist arrivals with 9,438,592 tourists for the first five months of 2012 as compared to 9,323,827 for the same period in 2011, according to the Tourism Minister, Dato’ Sri Dr. Ng Yen Yen. ASEAN region still contributed the largest number of tourists to Malaysia with 73.4% of the total arrivals. The positive growth comes from Indonesia (19.3%), Philippines (41.7%), Vietnam (35.2%), Myanmar (6.9%) and Laos (19.9%). Other notable progressive medium and long haul markets include Saudi Arabia (50.7%), China (34.1%), Japan (30.6%), Russia (25.8%), Kazakhstan (25.2%), Denmark (14.4%) and India (7.8%). It was further reported that total receipts by tourists from January to May 2012 rose by 1.9%, generating RM21.8 billion to the country’s revenue as compared to RM21.4 billion in 2011. The minister added that this is in line with the Malaysia Tourism Transformation Plan 2020 towards achieving 36 million tourists and 168 billion in receipts by 2020. To achieve this target, Tourism Malaysia works to increase flight frequencies to 6 priority countries namely China, India, Japan, South Korea, Australia and Taiwan besides developing an air-rights allocation framework to facilitate efficient development of these key routes and others. (Malaysian Tourism Report Q1 2012)

In response to the above points, it was discovered that there is a sudden realization among key developers in Dubai and Middle Eastern countries that hotels and hospitality in Arabia highlight and promotes Islamic tourism and hospitality which are purely based on Islamic culture. This Islamic hotel Brand concepts indirectly promotes their destinations and accommodate the needs of billions of Muslims as they could easily absorb their culture amidst the practice of Islam. (Naseem Javed, 2007)

This paper focuses on the halal concept of the hotel industry. It attempts to analyze the features and characteristics of Shariah compliant hotels according to the Shariah perspective and subsequently identifies features and characteristics that would be universally accepted by most of the hoteliers towards this concept of the hotel. Apart from that, this paper also highlights the potential and bright prospects of ‘Halal Hospitality’ to the economy and to the hotel industry as well. Despite of its opportunities, the expected obstacles and numerous challenges and issues that might be faced by the industry players in striving to establish Shariah Compliant hotels in Malaysia are then identified and discussed.

2.0 MALAYSIAN TOURISM & HOTEL INDUSTRY

There are numerous verses in the Quran which uphold travelling and tourism. Allah SWT says: “Say: Travel through the earth and see how Allah SWT did originate creation: So will Allah produce a later creation: for Allah has power over all things.” (Surah al-Ankabut : 20)
Allah SWT further mentions: “Say: Travel through the earth and see what was the end of those before you: most of them worshipped others besides Allah.” (Surah al-Rum :42).

Again in another Surah, Allah SWT further stresses that: ”Say: Travel through the earth and see what was the end of those who rejected truth.” (Surah al-An‘am: 11). In this context, travelling and touring are encourageable and will normally go together with hospitality. The Prophet Muhammad SAW once said: “Hosting a guest for at night is the duty of every Muslim. Whoever comes to his courtyard in the morning, he owes him (hospitality) if he (visitor) may ask for his right and if he wishes, he may refrain.” (Sunan Abu Dawud).

Therefore it is interesting to note that International tourism has become one of the largest and most vital economic sectors of the global economy driving huge flows of people, commodities, and capital. Tourism has been and continues to be an important foreign exchange earner to many countries in South East Asia and also in Malaysia. It shows that Malaysia is leading towards as a tourism destination among outbound Middle East tourists to Malaysia. In response to this emergence, it was reported that the Malaysian Tourism Ministry had intensified promotions of the Malaysian International Shoe Festival (MISF) in the Middle East to attract more Arab tourists. Malaysian Tourism Minister, Datuk Seri Dr Ng Yen Yen had reported to have said Middle East tourists had an interest and appreciation for Malaysian-made shoes which they regarded as unique, creative and of good quality. The four-day MISF 2011 was held at the Putra World Trade Centre (PWTC) in Kuala Lumpur which managed to ring up sales of RM7 million from 60,000 visitors. It clearly shows that this festival could attract tourist from all over the world which includes among others, the Asean Region but, Australia, New Zealand and the Middle East. It is notable that Tourism Ambassador and world-renowned shoe designer Prof Datuk Dr Jimmy Choo also helped to boost the market for locally made shoes. Apart from that, there were also other potential products that could attract visitors from the Middle East where most of the products related to resorts, islands, golf courses and shopping. (Bernama, 2011)

It is pertinent to note that tourism plays an important role in Malaysia. The increasing numbers of international visitors create bright prospect particularly on the economic aspect. It can increase in foreign exchange earnings, would help promote new investments in the country, and it can increase the employment opportunities. In 1999, Malaysia tourism board has come out one campaign called “Malaysia Truly Asia”, its success in bringing in over 7.9 million of tourists into Malaysia and receipts around RM 12.3 billion revenue and the revenue and tourist arrival number keep increasing year by year. It was proven where Malaysia has been branded as a tourist destination in Asia. In addition Malaysia was one of the three countries in Asia (After Taiwan and Hong Kong) which achieved a double-digit growth in tourism receipts despite the adverse economic downturn in 2009. Hence, it seems that the theme of “Malaysia is truly Asia” seems to work in Malaysia. (Mohd Rizal Razali et.al, 2012). The increasing trend was also contributed from tourists from the Middle East countries who choose to visit Malaysia after the tragedy of September 11. In 2010, Malaysia’s tourism is expected to generate RM 98 billion of economic activity. The industry’s direct and indirect effect on travel and tourism in Malaysia in 2010 was expected to account for 37 billion of GDP (equivalent to 5.1% of total GDP) and 597,000 jobs (5.3% of total employment). However, since the tourism touches all the sectors of the economy, a real impact is even greater. The travel and tourism sector generated RM 98 billion in economic GDP (equivalent to 13.4 of total GDP), export revenue, services and merchandise representing RM 89 billion (equivalent to 12.7% of total exports), economy employment representing 1,331,000 jobs (11.9% of total employment) and it’s making tourism in Malaysia is the second largest contributor of foreign exchange earnings to the country after the manufacturing sector. (WTTC, 2010). According to the statistics carried out by Tourism Malaysia, it is reported that there were a large number of tourist consists of the tourists from Saudi Arabia, UAE and Oman which they had spent a large amount of expenses which is RM 7991.60 RM 6315.70 RM 6412.20 and nearly twice than Australia and United Kingdom tourists with their amounting to RM 3, 97470 and RM 3797.60. Their total expenses for food and beverages worth 17.7% out of the total expenditure (RM 8.7 million) compared their expenses for the accommodation which is 15.4 million. (Malaysia Profile, 2008). The above scenario does not only happen in Malaysia but according to UWTO, the UAE tourist had spent around USD 1700 in every vacation where USD 500 is much higher those European tourists. (Talal, 2008 as quoted by Ilya Nur et.al, 2010)

In spite of the recognition of tourism as a major source of revenue by Malaysian government, it has been a catalyst to the Malaysian economic Renaissance. In response to this scenario, Minister of Tourism Malaysia, YB Dato’ Sri Dr Ng Yen Yen has announced government funding of RM50 million (EUR12 million, USD16 million) for the business tourism sector for 2011, as part of the 10th Malaysia Plan Malaysia Tourism is targeting 25 million foreign tourists in 2011. In 2010 Malaysia welcomed 24 million tourists and revenues of RM60 billion comparing to 23.6
million tourists in 2009 with RM53.4 billion in revenues. (traveldailynews.com, 2010). It was reported from tourism Malaysia in Dubai that more than 24.7 million tourists Arabia arrived in Malaysia during 2011, from the Gulf Air with 87,693 tourists. In fact Malaysia also received more than 139,000 tourists from Iran and 24,212 from the UAE. Therefore, statistic shows that total tourist arrivals rose to 24,714,324 compared to 24,577,196 in 2010 while receipts climbed to RM58.3 billion (around SR72.2 billion) compared to RM56.5 billion the previous year. (K.T Abdurabb, Zawya. mht, 2012).

Based on previous statistics from Tourism Malaysia Corporate Website 2013, it was reported that the arrival of tourists to Malaysia was increased year by year as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ARRIVALS</th>
<th>RECEIPTS (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>25.03 Million</td>
<td>60.6 Billion</td>
</tr>
<tr>
<td>2011</td>
<td>24.71 Million</td>
<td>58.3 Billion</td>
</tr>
<tr>
<td>2010</td>
<td>24.58 Million</td>
<td>56.5 Billion</td>
</tr>
<tr>
<td>2009</td>
<td>23.65 Million</td>
<td>53.4 Billion</td>
</tr>
<tr>
<td>2008</td>
<td>22.05 Million</td>
<td>49.6 Billion</td>
</tr>
<tr>
<td>2007</td>
<td>20.97 Million</td>
<td>46.1 Billion</td>
</tr>
<tr>
<td>2006</td>
<td>17.55 Million</td>
<td>36.3 Billion</td>
</tr>
<tr>
<td>2005</td>
<td>16.43 Million</td>
<td>32.0 Billion</td>
</tr>
<tr>
<td>2004</td>
<td>15.70 Million</td>
<td>29.7 Billion</td>
</tr>
</tbody>
</table>

Table 1: Number of Tourists Arrivals and Receipts To Malaysia from 2004-2012

In terms of tourism growth in the world particularly in Malaysia, according to Malaysia Tourism Industry Forecast to 2012, Malaysia has emerged as one of the top tourist destinations in the world. According to World Tourism Organization, Malaysia bagged one of the leading positions in the list of top 10 tourist destinations across the globe. Moreover, with the increasing of government support and rising promotional activities, international tourist arrival in the country is expected to surge at a CAGR of around 8% during forecast period (2011-2013). (World Tourism Organization, 2010). It is also interesting to note that Malaysia ranked ninth behind France, the United States, Spain, Turkey and Germany in which Malaysia is the only Muslim country which is in group 10 high ranking world tourist destinations of which 23% is made up of Muslim tourists which is 4.48 million (UNWTO, 2010).

As far as Islamic tourism and halal hotel is concerned, Malaysia has the potential development of Islamic tourism and hospitality industry as Malaysia has the arts, heritage and unique culture of the Malay Muslims. In addition Malaysia is listed in the Lonely Planet (the world's largest publisher of travel guides) for 10 destinations to visit in 2010 (Dewan Ekonomi, April 2010). Besides, Malaysia was recognized as the WEF in 2009 as the fourth out of the 133 countries (who participated in the survey) that offer competitive pricing in tourism including hotel accommodation and fuel, airline ticket taxes and low airport charges and a favorable tax regime (Dewan Ekonomi, August 2009).

From the above situation and data given, it shows that the tourists from Muslim countries have higher purchasing power and this will benefit the countries they visit and offer Muslim-friendly facilities. Moreover most of the government of the Arab countries had promoted Islamic tourism among the population and it is the need for Malaysia to grab this opportunity by providing a variety of Muslim-friendly facilities.

3.0 SHARI’AH COMPLIANT HOTEL: FEATURES AND CHARACTERISTICS

As mentioned earlier, tourists from the Middle East to UK and US dropped drastically after Sept 11, 2000 shift to another Muslim Countries such as Malaysia. As far as the demand of Islamic hotel, they are also looking for the hospitality can respect their belief. Past and current literature show that most of the Middle East countries were striving to develop Islamic hotels. The introductions for Shariah Compliant hotel development in European cities have been led by Almulla Hospitality which includes the continent in its plan. UAE and Balkan for example highlighted Islamic hospitality in its tourism industry. In addition they were promoting their countries as a halal destination for halal tourist by organizing Halal Friendly Tourism. Balkan for example already ranked the fourth in Halal Journal’s Top Halal Destination around the world. (Nor Sharul Nizam et.al, 2012). Similar situation in Saudi Arabia and Kuwait, where Shariah Compliant Hotels have traditionally existed in these two countries. Next, the
Jawhara Hotels and Apartments (United Arab Emirate) have a mission to provide authentic Emirate Shariah-Compliant hospitality in its hotels. It tries to simulate a hotel environment between culture, authenticity together with the Islamic values. (Islam Online, 2009). Saudi Arabia for instance is considered the leading center to provide Shariah-Compliant hotels because of its role to cater over 8 million pilgrims each year. (Henderson JC, 2010).

As far as the formation of Shariah Compliant Hotels is concerned the Shariah Compliant hotel can be defined as a hotel that provides services in accordance to the Shariah principles where it is not only limited to serve halal food and drink, but more than that is to ensure the entire operation throughout the hotel would also operate in accordance with the Shariah principles. In spite of this emergence and development, yet, there are no formal criteria for this concept or an established model for Islamic hotel even in the Middle East. Since this new concept is still new, it seems that the literature that discusses the concept of Islamic hotel are also known as Shariah Compliant Hotels is less. (Mohd Rizal Razalli, 2012). However, despite of this scanty, some of Muslim writers, researchers academicians as well as industry practitioners describe and reveal general agreement on a set of some basic characteristics and attributes of Shariah-Compliant Hotel. In other words, they give a set of requirements that the hotel must meet to be a Shariah Compliant. The attributes included among others: (Henderson JC, 2010; Stephenson et.al, 2010; Suhaiza et.al, 2011)

- Halal foods and no alcohol to be served on the premises or hotels
- Having the Holy Book Quran, prayer mat and arrow that indicating the direction of qiblat
- Beds and toilets positioned not to face the qiblat
- Prayer room available on the premises and hotels
- No inappropriate entertainment
- Predominantly Muslim staffs with a proper Islamic code of dressing
- Separate salon, recreational facilities and swimming pool for men and women
- Separate room/floor for unmarried couple between male and female
- Tourists dressing code
- No gambling and alcohol drinks in the hotel lobby or restaurant
- No prohibited foods and beverages in the hotel fridge
- Islamic funding

Most of the stipulations cited above are commonly accepted by the industry players. The preparations of halal food and hygienic accommodations, it will give an added competitive advantage to the hotel in attracting the local and foreign tourists, especially those from the Middle East, West Asia and other Islamic countries. The more stringent rules could be applied in the formation of Shariah Compliant Hotel where there should be a segregation of sexes with separate cafes and restaurants, and unmarried couples are barred from occupying the same bedroom. Rosenberg and Choufany (2009) further stress that in order for the hotel to be fully Shariah Compliant, it is extremely important that most of the facilities such as spa, gym, function room be separate from male and female. This is very significant at the development stage when designing floor plans of the hotel. Beds and toilets should not be placed in the direction of Mecca. More than that, in terms of architecture of its building and decoration, there should not display any art depicting the human or display any form of jewels which does not reflect any sign or symbol of living being and layout of furniture that meet the Shariah principle. (Stephenson, 2010; Din, 1989). Regular seminars and preaching sessions should also be hosted and donations made to charities which this is one of the mechanism to help Muslim communities. Meanwhile few literature described the more stringent scope of halal hotel industry could be adopted where Islamic resorts and hotel as well as Islamic destinations and programs are shaping some tourist activities which can be said to be complying with Islamic teaching. Islamic resorts funded and owned by Islamic finance institutions have also-free accommodations, no in-door disco/nightlife hotel; provide gender-segregated fitness and sports facilities to avoid free mixing between sexes, hotels could offer separate swimming pools and recreational facilities (Henderson, 2003; Al-Hamarneh and Steiner, 2004; Rosenberg and Choufany, 2009) and availability of prayer-rooms on site, women floor and Islamic entertainment programs. The prayer room is considered as one of the most crucial facilities for Muslims. In fact, the proximity of the hotel location with the mosque may influence Muslim tourists’ preferences when making hotel reservations.

Moreover, some researchers find that hotel may provide religious information such as the location of nearby mosques or prayer times and nearby halal restaurants. There are many studies that show the importance of
availability of halal food to Muslim in choosing their tourist destinations. Similarly banning the consumption of alcohol and gambling would be in accordance with Islamic teaching which totally prohibited these acts. Neither alcohol nor pork should be served in any of the food or beverage outlets at the hotel and there should be no minibar in the room. Timoty and Iverson (2006) as cited in Mohamed Battour et. al (2011), they suggest that it is highly recommended for the hotel to educate their staff on cross cultural communication to allow them to treat Muslim tourists with respect and consider recruiting religious staff. In short this research is supported by other research done by Weidenfield (2006) as cited in Nor Shahrul Nizam & Norzaidi (2012) which he found that hospitality and tourism industry need to cater religious needs of tourists.

Marcus et.al (2010) further adds that as far as Islamic funding is concerned, the finance used to operate a hotel should be compliant with Shariah regulations and in fact, the hotel owner must contribute a proportion of revenue to Zakat (Charitable acts). Meaning to say that the hotel development and the hotel operation should be financed through financial arrangement in order to fully respect the Shariah principle. Taking the example of Middle East countries, they had taken several ways which Islamic hospitality can be developed. Traditional Village of al-Saha for example located in Beirut provides services in accordance with Islamic principles where no alcohol is served to visitors and the and the entertainment is in compliance with Islamic teaching. This will create a halal environment and provide a safe and healthy living environment for the guest. This is simply about creating the right themes, ambiances, architecture and interior and exterior that would make the Muslims guest feel ease during their stay.

These elements had also been implemented in the domestic tourism in Saudi Arabia and Iran. Nevertheless, the luxury hotels and resorts, where the share of international tourism is significant, are less controlled and have a more liberal atmosphere even in these both countries. (Nooraslinda et.al. 2010) It is clearly shown that the Islamic hotel is an interesting development which illustrating several important features of demand and supply of hospitality services within an Islamic realm.

4.0 SHARIAH COMPLIANT HOTEL IN MALAYSIA

In Malaysia, the opportunity of Malaysia hotels to provide some facilities and activities in line with the Islamic values indirectly have come into existence. For example some hotels promote the traditional halal food, organize the Bazaar Ramadhan, Ramadhan buffet and prayer room perform solat tarawih. It is pertinent to note that Muslim tourists particularly from West Asia increasingly sensitive and wanted access to more sophisticated holiday destinations and halal dining. Nevertheless, statistics from JAKIM has shown that only 101 hotels throughout Malaysia have applied for the Halal logo certificate from JAKIM, State Islamic Religious Council (JAIN) to certify their restaurant and cafe while the rest still not doing so. (Berita Harian : 2010).

In response to the formation of Shariah Compliant Hotel in Malaysia, there are a few hotels which serve basic facilities to fulfil the Muslim tourists’ needs so-called as friendly Muslim hotel. Most of them located in Kuala Lumpur, Shah Alam and Kelantan such as PNB Darby Park Hotel and Putra Hotel, Kuala Lumpur, UiTM Hotel, Shah Alam and Ansar Hotel in Kelantan.

The above research is supported by other research that points out in terms of facilities, toilet facilities for customer friendly Muslim must be provided as well as providing halal food and facilities for the month of fasting as a buffet break fast, and services for sahur. (Berita Harian, 2010 in Suhaimi, Yaakob et.al, 2010). Yusuf (2009) in Yun Aryanty (2010) further states that Shariah Compliant Hotel is defined as the hotel that is governed by Shariah standard which go beyond the concept of the Dry Islamic hotel. It covers beyond that that where the core value of such hotel follows the Islamic perspective in all aspects, from cleaning to accounting practices.

Some of the studies discuss the services of Islamic religious needs that may include Muslim religious restrictions such as activities of vice and forbidden entry for unmarried couples. In addition, they also found that hotels may provide religious information such as the location of nearby mosque or prayer times and nearby halal restaurants. (Din, 1989; Henderson, 2003). As for Muslims the issue of halal food is very pertinent as it refers to the food that can be lawfully consumed when conditions for Islamic food preparation are met. Research on halal food servicing also had been highlighted in many studies. It can be simply said that food which is unlawful for Muslims includes pork, pork-derived food including lard and bacon and meat and other products from carnivore’s animals or those that feed on carrion. In addition, consumption of any food or drinks with alcoholic content is also prohibited. In fact, it is also

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not permissible for Muslims to visit places where alcohol is consumed and gambling is practiced. (Dugan, 1994; Din, 1989; Henderson, 2003)

Categories of hotels in Malaysia that incorporates services and friendly facility for Muslim customers mostly are 3 or 4 star hotels. According to senior JAKIM Halal Hub division, she said that most of the 3 or 4 star hotel only were issued with a halal certificate from JAKIM specifically for the hotel kitchen. Malaysia as hotel operators who are franchised by oversea base in the United States of America, Singapore or United Kingdom totally do not have any opportunity or chances to run the business according to halal and Islamic compliance. Most of four and five star hotels in Malaysia are not belonging to local operators but they are owned by outside operators. (Yuni Aryanty & Nor’Ain, 2010).

It would be very proud to give one example of 5 star hotel in Shah Alam, one of the districts in Malaysia which had been launched as Shariah Compliant Hotel as a whole. It seems that Malaysian hotel industry has made a step into a new era where there are 5 star hotel that offered Muslim Friendly services which comply with the elements of Islamic principles. Grand Bluwave Hotel located at Section 14, Shah Alam had been awarded with Quality Standard for Hotel Design and Architecture by Universal Crescent Standard Center (UCSC) in the International Conference on Islamic Tourism Standard which held at the Putra World Trade Centre (PWTC), Kuala Lumpur. In fact, this conference had been organized by Faculty of Hotel management and Tourism, Universiti Teknologi MARA, Shah Alam in collaboration with Caprice Group, Turkey. This recognition was made after fulfilling all the criteria for example there was no alcoholic beverages, halal food services and provides qiblat for prayer in each room. In addition, Halal Certification from JAKIM (Malaysia Department of Islamic Development) was also displayed in each room. All of 341 hotel room was provided by qiblat signage and a prayer mat. Hotel guest could make a request on Al-Quran it will be delivered upon request. Apart from that, it is interesting to note that, this hotel provides specialty for women visitors where there are given priority to occupy at level 17 of this hotel. Since this level is specified for women per se. Only the customers who have the special access card can enter the pavement floor and the hotel has installed a special door with its own security system to prevent men from entering this level. In addition, this hotel also offers an indoor pool facility, gymnasium for women. In order to facilitate women customers, specific time had been allocated to use this facility that is one hour for each day starting at 2.30 pm. (Kosmo, 2013)

De Palma Hotel, Ampang has also developed and enhanced their hotel as a Shariah Compliant hotel by providing Muslim-friendly services. The characteristics of this hotel are the Islamic floor at level 6 is mainly dedicated to Muslim guests include prayer room, direction of qiblat in each room, prayer veils, Quran, Yassin and hand bidet in the toilet for ablution. The Azan will also be heard in every prayer time. This hotel has a large prayer room with a full time Imam to lead daily prayers and Friday prayers. This is the only hotel which is allowed and permitted to conduct Friday prayers where its prayer room could accommodate a congregation of 1200- 2000 people including staff and by public. In addition to that, there are compulsory for female staff to wear Muslim dress code which proper covering the area. As a Muslim- friendly service hotel, De Palma hotel also provides halal food in their hotel restaurants and this restaurant had received certification of halal by the Selangor Islamic Religious Department. Moreover, the hotel also conducts special religious classes on al-Quran recital, Qiamullail and Tazkirah programs for hotel guest and staff in order to improve their religious knowledge. (Wan Sahida et.al, 2011)

PNB Darby Park Suites Kuala Lumpur is another example that catered service apartment and have some elements that constitute an Islamic concept. They did implement the Islamic financial system in their management and investment. They have two restaurants which all of the restaurants and café in their premise had certification of halal recognized by JAKIM. Apart from that, they also implemented Samak (clean off the najis mughallazah) concept in the apartment kitchen when the tenancy duration period for non-Muslim tenant had been ceased. This Suite also provides some family entertainment (karaoke room for family members) and other facilities which do not contradict with Islamic principles. (Suhaili, 2010 as cited in Ilya Nur, 2010). Furthermore, it also did not allow customers to bring alcoholic beverages into the hotel premises. Other services to reinforce the Muslim-friendly for customers are to provide swimming pool facilities for male and female customers. Usually this separation is done when there was an arrival of summer tourists from the Middle East and it is done by the fraction of time to use the swimming pool.

Halal Hotel such as the above mentioned name could be considered as a role model for other hoteliers to follow their effort. Malaysia for instance has been leading the way in the halal tourism and halal hotel industry. As a Muslim country and popular Muslim tourist destination, it has been successful in trying to attract Muslim tourists...
5.0 MALAYSIAN STANDARD FOR HALAL FOOD

In discussing on the issue of Shariah Compliant Hotel in Malaysia, it is very significant to little bit elaborate on the Malaysian Standard for Halal Food that had been established since 2004. This standard plays very significant role in the formation of such Islamic hotel. As previously mentioned, the most and pertinent attributes of Islamic Hotel is that the hoteliers should ensure that they serve halal food and drink. Even it is a straightforward characteristic, but these were the key factors that must be fulfilled by all the hoteliers in striving to achieve Islamic hotel status. In 1982, Malaysia Department of Islamic Development, now known as JAKIM was established under the Islamic Affairs Division of the Prime Minister’s Department with the responsibilities to check and instill halal awareness among food producers, distributors, importers including food services in premise, restaurants and hotels.

Malaysia is a pioneer in introducing a comprehensive standard for halal products through MS 1500:2004 (Malaysian Standard: Halal Food-Production, Preparation and Storage-General Guidelines-Amendment 2009. Malaysian Halal Standard MS 1500:2004 was launched in August 2004 by which this clearly shows that the government’s commitment to the formulation of precise and clear guideline for halal food. Among the agencies that involved in the formulation of this standard are Federation of Manufacturers Malaysia, Malaysia Quality Institute, Agricultural Research and Development Institute of Malaysia, Department of Standards Malaysia, Department of Science and Technology, the Department of Veterinary Services, Ministry of Health Malaysia, National Body of Standardization and Quality (SIRIM), International Islamic University (IIUM), University Putra Malaysia (UPM) and University Teknologi MARA (UiTM). This MS 1500:2004 is developed in accordance with ISO methodologies and it was observed that this formulated standard has been widely recognized and globally accepted by halal certification bodies in other countries and is the first halal Standard to be developed by a Muslim nation. (Standard & Quality News, SIRIM, 2004)

The standard prescribes practical guidelines for the food industry on the preparation and handling of Halal food, including nutrient supplement, and to serve as a basic requirement for a food product and food trade or business in Malaysia. In general, there are seven basic requirements for the preparation of halal food based on MS 1500:2004/2009 as below:

<table>
<thead>
<tr>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Sources of halal food and drinks should be halal animal and plant based</td>
</tr>
<tr>
<td>b) Slaughtering for example halal and non- halal animals must never slaughtered together</td>
</tr>
<tr>
<td>c) Product processing, handling and distribution should comply with halal regulations</td>
</tr>
<tr>
<td>d) Product storage, display and serving for instance equipments, machineries and other materials used must not be made of non- halal materials</td>
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<tr>
<td>e) Hygiene, sanitation and food safety should comply with the concept of halalan tayyiban</td>
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<tr>
<td>f) Packing and labelling must be carefully evaluated by JAKIM</td>
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<tr>
<td>g) Legal requirements which in line with MS 1500: 2004 revised 2009</td>
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However, these basic requirements or standard is given to any industries or premises that require it but it was reported that not all of them apply for it. In addition to that, the MS 1500:2004 revised 2009 includes compliance with GMP (Good Manufacturing Practices) and GHP (Good Hygiene Practices). To strengthen its application, this standard is recommended to be used together with MS 1480, the standard in Food safety according to hazard analysis and critical control point (HACCP) system And MS 1514, on General principles of food hygiene. Both standards cover the hygiene, sanitation and food safety aspects in the food processing and preparation chain. Apart from that, this standard emphasizes the sources of halal food, which include animals (land and aquatic), plants,
mushrooms, microorganisms, natural minerals, chemicals and drinks. The requirement of genetically modified food is also covered in this standard. Besides the requirements as laid out by Shariah law in determining the permitted sources of food, the standard also emphasizes that the food is safe and not poisonous, intoxicating or hazardous to health. The standard also lays out the slaughtering requirement for the poultry and ruminant animals. The standard makes compulsory the requirement to physically separate halal for non-halal production, preparation and handling activities. The separation is also applicable to the storage activities where halal products are to be clearly labelled to avoid being mixed or contaminated with non-halal products.

However, even Malaysia is considered as one of Muslim country but until now there is no specific halal Act has been applied. However an attempt has recently been taken by the government to introduce Halal Act in the future. In relation to halal product, Malaysian government through the Parliament enacted certain Act such as Trade Descriptions Act 2011, Food Act 1983, Animal Rules 1962 Consumers Act and Customs Act 1998 which contains a description of the import and export of halal meat. Generally, these Acts were enacted as a protection to consumers in terms of trade or business practices which violate halal procedures. MS 1500:2009 is the recent standard applied by the legal authority such as JAKIM and State Islamic Religious Council (JAIN/MAIN).

As far as Malaysia halal certification is concerned, the use of the halal logo and certification system in this country seems to be in the interest of Muslim consumers. The certification enables them to select goods without doubt of their halal status. Trading companies which comprises non-Muslims are now beginning to realize the importance of the halal certification. Islamic Development Department Malaysia (JAKIM) as a coordinating body of halal certification in Malaysia has introduced the standard halal Malaysia logo which is intended to answer the confusion and misconception in relation to halal certification. Therefore, it shows that only JAKIM or State Islamic Religious Council (JAIN) was the sole authoritative bodies to issue a halal certificate for food and consumer goods. Halal Certification for food and consumer goods and this had been highly recognized and recommended in the international market. This in line with the fact that starting in 2012, Trade Descriptions Act 2011 which had been gazetted by Malaysia Parliament on July stresses on the sole authority who has the power to release halal certificate and halal logo. To further add, there were two sections in TDA 2011 relating to halal certification which covered section 28 and section 29. Briefly, these two section states that the only authoritative body who eligible to produce the halal certificate and halal logo is JAKIM and Islamic State Council (MAIN) and hence any other private halal logo or certificate or those who display 'artificial' halal certificate or logo in the name of so-called JAKIM at the company’s premise are not recognized and subject to punishable offenses (Othman Mustapha, Head Director of JAKIM, 2012; Wan Mohammad Sheikh Abd Aziz, Former Director of JAKIM, 2011) The halal certification of JAKIM covers the application procedure, inspection, monitoring and enforcement which includes guidelines for food producers. (Nik Maheran et.al, 2009)

In response to that, prior delivering the halal certificate, reference will be made to the MS 1500: 2004 or now MS 1500: 2009 of the above authoritative bodies i.e JAKIM and JAIN/MAIN as guidelines. In this respect, it involves several elements that should be taken into consideration: (Buletin JAKIM, 2012)

a) Halal logo: In Malaysia as mentioned earlier Malaysia Department of Islamic Development (JAKIM) and Malaysia State Islamic Department (JAIN/MAIN) have been given the absolute authority by the government to produce the Halal Certificate. It is well-known now as 'Halal Malaysia'. Hence, whenever any industry or premise had the Certificate, they have to observe the provisions and regulations as endorsed by JAKIM or MAIN. In this case, the Muslim tourists in Malaysia can rely on this halal logo if they require to purchase any products such as foods, beverages, cosmetics, medicine including food services in restaurants and hotels.

b) Premise: With respect to this, any premise that requires the halal certificate should apply first through JAKIM or JAIN/MAIN in order to authorize the premise as a halal food product premise. In order to ease the tourists particularly the Muslims, the premise such as restaurant, cafe and hotel which display halal logo or certificate (Halal Malaysia) at the entrance is assumed to be halal food product premise. The halal certificate for premise covers the processing area, dining space, clean toilet including the staffs involved in preparing and serving the food.

c) Premise food staffs: They should predominantily Muslim workers and being well dressed in a clean proper clothes or uniforms during preparing and serving the foods. Apart from that, they should be in a good condition of health. Additionally, they are required to behave in a proper manner.

d) Hotel rooms: Hotel room should not serve any prohibited foodstuffs or beverages in the fridge especially which involve the Muslim tourist. In addition, the male and female rooms should be separated. It is recommended that
every room for Muslim tourist should have the direction of performing prayer or qiblat, prayer mats and Quran translation.

This definitely shows that the standards set by the Malaysian Standard gives challenges to the owners of restaurant, hotels, and chalets in Malaysia to meet and comply with all the criteria set out particularly in terms of goods. This is due to the reason that the Muslim consumers in Malaysia look for the authentic halal certification issued by the Malaysia’s Department of Islamic Development (JAKIM). It was observed that Malaysian halal certification issued by the government unlike in other countries; endorsement w by their respective Islamic associations upon the application for halal certification. JAKIM’s halal logo is the most widely recognized and respected symbol of halal compliance in the world.

6.0 PROSPECT & OPPORTUNITIES IN DEVELOPING SHARIAH COMPLIANT HOTEL

Having established the list features and characteristics of Shariah Compliant Hotel, it seems that these are the requirements that Shariah Compliant Hotel must meet. However, still these are not exhaustive since these are the minimum requirement. As noted earlier, there are no written rules or classifications for the Shariah Compliant hotel must exist. It seems that the operation and development of Shariah compliant Hotel do not have very big differences with the operation of the standard hotel. Despite of this situation, in striving to develop the real and purely Shariah Compliant Hotel, they will be facing their prospects and challenges. As far as Malaysia scenario is concerned, as a Muslim majority country it is considered the perfect and convenient destination which enables to cater almost all the Muslim tourist needs in the form of halal foods, accommodation and good service quality. For instance at the Kuala Lumpur International Airport (KLIA), a Muslim tourist from the Middle East will be able to see signs in Arabic language everywhere and there are available Arab-speaking staff to guide them. In fact, Malaysian are well-known as friendly and helpful people.

According to Suhaiza Zailani et.al (2011), Malaysia has recently set up its hotels, restaurant and shopping malls to accommodate the tourists' needs. The majority of the tourists came to Malaysia are from the Middle East and West Asia. Hence, the hotels in Malaysia are recently equipped with the necessary facilities for Muslim tourists such as a qiblat direction, a prayer mat and do serve the halal food or drinks. The shopping malls which are normally located nearby the hotels usually have many halal restaurants and prayer room that make it more convenient for these Muslim tourists to shop. Even the Kuala Lumpur street has been given the Arabic name of ‘Ain Arabia that serve various Arabs and Middle Eastern food and cultures. While having a vacation in Malaysia, normally these Muslim tourists will spend their money on shopping or start up a business or invest in properties available. This shows that Malaysia has been successful in positioning itself as one of the Arabs or Middle Eastern travelers’ favorite holiday destination. She further emphasizes that serving halal food and convenient accommodation will give an added advantage especially for the halal hotels in Malaysia in order to attract more local and foreign Muslim tourists particularly from the Middle East and other Islamic countries.

In Islam, halal food represents hygiene, safety and quality assurance whereby the products must be prepared in clean, safe and served in a proper manner. JAKIM Halal Certificate did fulfil these requirements. Muslim tourists especially from West Asia are very concerned with the halal foods and accommodation. In relation to this, the statistic from JAKIM has shown that only 101 hotels throughout Malaysia have applied the halal Certificate from JAKIM or MAIN while the rest are still not doing so. (JAKIM Halal Buletin 2011). Thus, it is important that the awareness among hoteliers in Malaysia to be certified their hotels with JAKIM Halal Certification and served the halal accommodation in attracting more Muslim tourists locally and internationally.

Comparing with the Middle East, the advantages of developing and operating Shariah Compliant hotel are many, among others, it can attract a large number of guests from more traditional sources of market such as, Saudi Arabia, Kuwait and Qatar that have less impact by the financial crisis than the Western markets. The concept of Shariah Compliant Hotel has become part of Saudi Arabia legislation as there was a high demand on the Shariah Compliant Hotel since its opportunities are many in terms of size and location. Therefore, it is very strongly recommended that all the industry players, operators and developers should not shy away from striving to gainfully Shariah Compliant. (Rosenberg and Choufany, 2009)
In terms of economic growth, Mohd Rizal Razalli (2012) stresses that the halal concept does not only cover for food but it can also be applied to manufacture, processing and distribution of products, medicine, cosmetics and personal care products, clothes and services which include banking, finance, hotels, restaurants and even logistic. These are the elements that are very significant of the contribution of wealth. It is considered as a major component of the economy of almost all countries. In addition to that, as far as a Malaysian hotel industry is concerned, Tourism Malaysia has a mission in marketing Malaysia as a destination excellence and to make the tourism industry a major contribution to the socioeconomic of the nation. Moreover, Malaysian Tourism Ministry aims to make Malaysia a tourism hub among the Islamic countries. This is because of religious similarities and its ability to understand the needs of the tourists from the Islamic countries especially Saudi Arabia who have huge potential purchasing power. (Suhaiza Zailani et al., 2011). Similar views give by Mohd Rizal Razalli (2012) where he further adds that in the 9th Malaysian Plan, the tourism sector has been identified as a driver of economic activity that will contribute towards the growth and the development of economy. To achieve this, the Malaysian government has granted various facilities to tourism agencies to develop other areas in the tourism industry which include among others: Eco-tourism, Homestay, Edu-tourism, Medical tourism and so on.

Arguably, Islamic hotels have significant opportunities and had been some recognition of the region. Stepehnson et al. (2010) states that one regional business group has identified its intent to develop Shariah Compliant hotels in the Middle East and South East Asia especially luxury branded hotel resorts and boutique hotels which could attract Western tourists. Even this Islamic hotel has traditionally grown particularly in Saudi Arabia and Kuwait, this growth are very significant with the ride of Muslim travelers in the region.

### 7.0 CHALLENGES IN THE FORMATION OF THE SHARIAH COMPLIANT HOTEL

It has been reported that the concept is problematic for their four and five star Middle East properties particularly in central business districts as well as at airports. This is because the four and five star hotel normally provide an exclusive bar for the visitors to relax in. (Business Emirates: 2009). In spite of having some prospect in developing Shariah Compliant hotel, there are also some challenges that might be faced in developing halal hotel in Malaysia.

Firstly, in relation to gender segregation and the separation of rooms and floors to male, female including families, it is argued to complicate capacity planning and management and give effect for architectural and interior design. Next, the room must be comfortable and spacious for prayer. Room must be suitably furnished and fitted and spaces allocated for prayer. Besides that, the other challenges that would be faced by the hotelier is the maximization of the labor force in order to ensure staffing from both sexes are represented and how to ensure their productivity and quality services are another challenge. Due to this scenario, the extra cost would be incurred and the absence of revenue from lucrative alcohol trade deemed to be another issue. (Henderson JC, 2010). This view is supported by other literature where one of the problem may come from banning alcohol in their food and beverage operations since alcohol bring profitable and constitute a sizeable portion of revenue for many hotels. Most of the international hotel management seems to be reluctant to operate an Islamic hotel because of the above factor. With the availability of alcohol is the major expectation of their guests. In addition, an indirect impact will occur where certainly it will reduce the number of visitors that only want to dine at the hotel and also limiting the number of tourists who wants to stay at the hotel. (Mohd Rizal Razalli et al., 2012).

Apart from that, the hotel developers and hoteliers should satisfy their guests from both groups of Muslims and non-Muslims tourists and avoid any conflicts between them. This would be another dilemma. In other word, customers should come first. Some hoteliers opined that the Shariah - Compliant hotel does not avoid non-Muslims but may benefit them. For instance, alcohol and gambling banned, no smoking policies are good for health physically and mentally. Given the example of Almulla Hospitality, this company does not have any intention to limit the market just to Muslims. They appreciate the health and cleanliness living aspects of Shariah Compliant Hotel. In addition this company will maintain the compliance with the Shariah principle but would rather lenient in terms of their enforcement. They would rather apply positive and inviting Islamic values and lifestyles. (Henderson JC, 2010)

Nasem Javed (2007) opines that the real challenges in developing Islamic hotel brands is in providing an environment which is rich enough to allow competitive comfort and luxury that not only rivals of Western hotels. They have to set a global standard of quality which is conservative but maintaining the aesthetic and spiritual balances and etiquette. Another aspect that should also be looked upon in terms of finance and human resource.
These two aspects need to be further unveiled especially when the existing hotel establishments are practicing the conventional method. They have to engineer the existing business process or standard operating procedures in accordance with Islamic principles if they are moving towards the formation of Islamic hotel.

Capacity management is another challenge imposed by the list of requirements of gender segregation in Shariah Compliant Hotels. The existing hotels which provide a particular type of guest for example family, single man, single woman may cause loss of revenue and the demand will turn away from such demand does not match the type of rooms available.

8.0 CONCLUSION

Hoteliers in Malaysia particularly should enhance the value of offering halal foods, good service quality and hotel basic facilities so as to be in line with the Islamic teachings to attract more Muslim tourists particularly from the Middle East and West Asia. Hence, the hoteliers should ensure that the qualities of their hotels are maintained to suit customers’ needs. If a customer’s satisfaction is not met, his or her perceptions of service quality and hotel image would be affected. In addition, there is a need to develop more halal tourism products and services together with the Shariah – Compliant hotel as it is a potential market in future.

As mentioned earlier, the majority of tourists in Malaysia came from the Middle East, West Asia and China. In fact, most of them are Muslim. Therefore there is a need to provide a proper accommodation for their convenience such as Muslim friendly hotel, good service quality, hospitality and halal food service which are in line with the Shariah requirement. This situation will then attract the non-Muslim hoteliers and developers to follow this positive effort. In fact, Shariah rulings is not purposely suitable for Muslims but it also benefits non-Muslims as well and that is why Shariah is considered as a universal divine law.

It is concluded that there is a large potential of the halal industry and tourism in terms of marketing size and income. By specifically referring to the hotel services sector, it is clearly demonstrated that it will not only benefit the Muslim per se but advantageous to non-Muslim too. In addition, it gives a large space for another niche sector which is able to generate income for the country. This is in line with the government's aspiration to be the global halal hub as stated in (Industrial Master Plan 2006-2020 3rd) provided that certain aspect need to be improved from time to time. Eventually, the mission and vision of Malaysia government to be World Halal Hub country will come into reality.

Halal Hotel should create a ‘win-win’ situation for all parties- the government, hoteliers, industry players and tourists. These ample opportunities however can only be realized if each party manages to identify the challenges facing them and find the most suitable approach and ways to address those challenges. In another context, the level of acceptance of Islamic hotel concepts among Muslim travelers will depend on the level of service provider’s initiative in integrating the existing hospitality concept with Shariah principles and rules. This big opportunity of the implementation of Islamic hotel concept comes with big challenges in terms of its implementation and acceptance among the hoteliers and consumers. In Malaysia, the degree of compliance should be further upgraded in order to meet the purely Islamic rules and principles.

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Zakiah Samori was born in Cairo, Egypt on February 1981. She holds her first degree of a Bachelor of Laws (LLB) (Hons) from International Islamic University Malaysia (IIUM) in 2004. Then in 2005 she obtained a second degree in Bachelor of Laws. Shariah (Hons) in the same university and completed her Master in Comparative Laws (MCL) from International Islamic University Malaysia (IIUM) in 2007 and is currently pursuing her PhD in the developing legal framework for Islamic hospitality industry at the Academy of Contemporary Islamic Studies (ACIS), Universiti Teknologi MARA (UiTM), Malaysia. Currently she is a lecturer at the Academy of Contemporary Islamic Studies (ACIS) Universiti Teknologi MARA Shah Alam Selangor since 2007. The area of interest is Islamic Jurisprudence (Usul Fiqh), Comparative Laws, Islamic studies and halal industry specifically in halal hospitality. She had actively involved in writing and publishing some articles which had been published in an academic magazine) and some refereed journals and proceedings which generally relate to Islamic Law and Islamic studies. She had also involved in doing some research project, and four research projects had been successfully completed along 6 years service at UiTM (2007-2013). This research was done by using research grant fund university, UiTM.
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