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Perceptions on *Halal* Food Certification in Hat Yai, Thailand

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ABSTRACT

This paper reports on the perceptions of Thailand Small and Medium Enterprises (SMEs) entrepreneurs towards *Halal* Food Certification (HFC) on three dimensions; market share and market competitiveness, government support and monitoring and *Halal* hub information dissemination. Based on responses from 98 respondents, the study found that it is important for Thailand SMEs to acquire HFC to promote customers' confidence, trust and satisfaction but respondents raised dissatisfaction on the poor dissemination of *Halal* hub information. Hence, the agency involves in distributing information on *Halal* hub needs to improve its functional role of delivering information particularly on the quality of content, accessibility of media used and regularity of announcement. The study also indicates that respondents' gender and marital status have significant influence on the intention to apply for *Hala*l Certificate and the desire to obtain *Halal* Certification for their food products.

Keywords: Perceptions, Small Medium Enterprises (SMEs), Halal Food Certification (HFC), Thailand, Halal hub information

INTRODUCTION

It is reported that the world Muslim population in 2012 is 2.1 billion. With the growth rate of 1.84% annually, Islam is the fastest growing religion in the world and the Continent of Africa is the leading region with the highest Muslim percentage of 52.39% followed by Asia with 32% (Muslim Population, 2012). Due to the fact that it is obligatory *(wajib)* for all Muslims to consume *Halal* food, the demand for *Halal* food is expected to increase in tandem with the rise in population. Nizam (2011) reports that the world *Halal* industry is estimated to be worth to US$2 trillion

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a year, an amount which indicates a huge market potential for any countries or firms that are seriously considering to engage in producing and selling *Halal* products. Conscious of such prospective, Thailand took proactive initiatives in ensuring all their products are *Halal* compliant. As a result, it has managed to be the 6th biggest exporter of *Halal* products in the world in 2011 with average revenue of US$5 billion a year (Nizam, 2011).

Problem Statement

Although Thailand is ranked first for *Halal* exports among the 10 member countries of the Association of Southeast Asian Nations (ASEAN), there appears to be limited study on the market and *Halal* food entrepreneurs in Thailand. Ruenrom and Unahanandh (2005) for example, focused on the needs, consumption behaviour and attitudes of United Arab Emirates consumers on Thailand's *Halal* packaged food. However, to date no past research has been done on the SMEs and *Hala*l food certification in Thailand although it has managed to tap a sizable Muslim market worldwide. Given the importance of Muslim consumers market, this raises the question of how do the Thailand SMEs perceive the importance of *Halal* certification in fulfilling this *Halal* market requirement. Hence, this paper has three objectives, first to investigate the importance of HFC on SMEs' products despite these businesses are operating in a predominantly Buddhist country. Second, this paper seeks to examine Thailand SMEs' perceptions toward *Halal* certification process. And finally, this paper will look into some strategies and policies that have been drawn up by the Thai Government in equipping its SMEs to compete globally.

Thailand have shown huge potential in *Halal* product market when they succeeded in achieving the fifth rank in capturing the global *Halal* product market with the world market share of around 5.3 per cent in 2009, while Brazil was on top of the list (10.2 per cent) (Thailand Business Report, 2010). The overwhelming world recognition on Thailand *Halal* products has led to positive development domestically, whereby out of 30,000 factories producing *Halal* food in the country, a total of 8,000 factories have obtained *Halal* certificates in 2011 (Nizam, 2011). The next section reviews the literature on *Halal* food certification, followed by a description of the methodology. Next, the results of the study are presented and finally, the paper concludes with a discussion on some of the limitations and few suggestions on future research potential.

LITERATURE REVIEW

Definition of SMEs

In Thailand, small-and medium-sized enterprises or SMEs form the majority of the country's industrial firms and it is estimated that the country has 2.01 million SMEs and large enterprises, whereby 99% of these or 1.99 million are SMEs (Prongsak Chewcharat, 2008). The enterprises are categorized based on the number of employees or total fixed assets they own (excluding land) as depicted in Table 1 below.

Table 1 Definition of Thailand SMEs

	Small		Medium	
	No. of employee	No. of fixed assets excluding land (THB million)	No. of employee	No. of fixed assets excluding land (THB million)
Manufacturing	50 or less	50 or less	– 200	>50 to 200
Services	50 or less	50 or less	– 200	>50 to 200
Wholesale	25 or less	50 or less	26 to 50	>50 to 100
Retail	15 or less	30 or less	16 to 30	>30 to 60

Source: Prongsak Chewcharat, 2008

The Importance of *Halal* Foods

Islam is more than a religion, indeed it is a way of life that provides guidance to the society and individuals on issues related to family matters, dress code, hygiene and ethics (Fam *et al*., 2004). A practicing Muslim adheres to the prescribed value system stipulated by the Islamic Laws (*Syari'ah*) which comprises the permissible and prohibition. Hence, the regulation on food consumption patterns is not a peculiar practice, even in other religions. These restrictions are common even with other religions, where the Jews, for example, are forbidden from eating pork and beef is prohibited for Hindus. For the Muslims, they are strictly prohibited from eating pork, blood and animals that have not been slaughtered in the way prescribed by the *Syari`ah* law[1] and they should not drink alcoholic beverages. Muslims have a religious obligation to consume *Halal* food (Bonne *et al*., 2006). However, there are also many non-Muslims who prefer and choose to consume *Halal* food not due to religious reasons but rather related to the fact that it is obligatory for *Halal*

[1] *Al Quran prohibits the consumption of pork in many verses including: Surah Al Baqarah (2)ayah 173, Surah Al-Maeda (5) ayah (3), Surah Al-Araf (6) ayah 145 and Surah Al-Isra (16) ayah 115.*

food adhere to certain hygienic principles which make *Halal* food wholesome and healthy for consumption. The processing of *Halal* food involves an integrated process from Farm to Fork, where every step is considered a weak link in the chain until it is corrected (*Halal* Critical Control Points – HACCP) to produce not only food that is ritually blessed but also wholesome and healthy (Halalan Toyyiban).

In producing *Halal* foods, there are two main considerations; the use of permissible (*Halal*) ingredients and avoidance of cross contamination. Parallel to this criteria, *Halal* certification becomes important as it is the sole identifying feature that the product has met the *Halal* requirements. Objectively, the main goal of *Halal* certification is to ensure that the *Halal* requirements of the goods are observed in austerity. A *Halal* logo labeled on the product means it has complied with Islamic principles of hygiene and humane treatment of animals and other Syari'ah rules have been observed in the production processes (Abdul et al. 2009a). Nowadays, Muslims are making their presence felt socially and politically and are demanding for *Halal*-labeled food products. However, the real challenge is for Muslims living in a country whose population is predominantly non-Muslims as in Thailand and in such situation extra vigilance has to be taken to ensure these Muslims are able to consume *Halal* food without doubt.

Halal Accreditation Body in Thailand

According to the Regulation of the Central Islamic Committee of Thailand (CICT), regarding the *Halal* Affair Operation of B.E. 2552, the Central Islamic Committee of Thailand shall be responsible for determining and announcing the use of Thai *Halal* Product Standard to be in accordance with the Islamic Principle and international standards besides approving the use of *Halal* Logo on *Halal* Product. It also functions as a *Halal* Accreditation Body (HAB) to accredit *Halal* Certification Body (HCB); coordinate and supervise the division related to *Halal* Affair Operation for the effective operation of *Halal* Product Standard (*Halal* Institute of Thailand, 2012).

To be more proactive and efficient, Thai Department of *Halal* Affairs strategized that Provincial Islamic Committee shall be responsible for *Halal* Certification at provincial level, while for other provinces without Provincial Islamic Committee, the Central Islamic Committee of Thailand shall be the responsible body (2011). Thai *Halal* food industry is ensured to have abided by the Islamic law and is managed by the *Halal* Standard Institute of Thailand.

Thai *Halal* Food Market

With the well-earned nickname "Kitchen of the World" in 2010, Thailand exported nearly US$24.38 billion worth of livestock, fishery, cereal, vegetable, fruit and sugar products. That represented solid 10% growth from year 2009, and outbound shipments estimated would climb past US$27.65 billion in 2011 (Thailand Board of Investment, 2011). Production of processed food stands at more than 28 million tons annually, according to estimates from the Ministry of Commerce and Ministry of Industry. The *Halal* food industry is one of the key elements in the Royal Thai Government's efforts to promote and propel Thailand as "Kitchen of the World".

The Thailand Board of Investment (BOI) estimates of the global *Halal* food market in 2010 ranged from US$635 billion to US$1 trillion, with Thailand said to own a 5.6% share as the world's fifth-biggest producer (2011). Thailand ranks first for *Halal* exports among the 10 member countries of the Association of Southeast Asian Nations (ASEAN). Major markets for Thai *Halal* food include Indonesia, Malaysia, Nigeria, Oman, and other countries in the ASEAN region.

Strategies to Capture *Halal* Markets

Thailand's avowed aim of becoming the 'World's Kitchen' has been boosted by new funds and a five-year strategic plan to promote '*Halal*' food production and food standards to the world's 1.9 billion Muslim consumers (Business Report Thailand, 2010). The new plan was developed by the Industry Ministry and the National Food Institute with input from the Central Islamic Committee of Thailand and calls for up to Thai Bhat (THB) 5 billion[2] to be invested to raise export shipments of Halal food, and subsequently to be raised by 10% each year of the plan from 2010 to 2014. The term Halal exports include Halal contents and preparation, as well as the slaughtering of the animals as prescribed by Muslim (Syari`ah) law. The Government has clearly identified a growing niche market, as can be seen from the dramatic rise in Halal exports, which was worth THB 5.19 billion in 2008, an increase of 53.3% from THB 3.38 billion in 2007. In 2009, Thailand Halal exports surged to THB 8.36 billion and the trend reflects an enormous potential growth in future.

To actively and continuously promote Thailand *Halal* food in the world the Thai Government has created a specific agency in charge of the job. Jointly, the sub-committee coordinating export-oriented food and *Halal* food accreditation under National Bureau of Agricultural Commodity and Food Standards (ACFS) and the *Halal* Standard Institute of Thailand (HSIT) under the Central Islamic

[2] 1USD = 32.49 THB as in 2013

Committee of Thailand have established Thailand's *Halal* food accreditation system which complies with international standards and the *Halal* food standard of United Arab Emirates (Saksit Khoonratanasiri, 2011). The system is designed to educate, upgrade and encourage all interested entrepreneurs to take up their products to international standards.

Thai entrepreneurs are encouraged to venture into this business and prepare themselves with useful information. Hence, *Halal* Standard Institute of Thailand (HSIT, 2012) of the Central Islamic Committee of Thailand (CICT) works together with the Office of Tourism Development (OTD) of the Ministry of Tourism and Sports (MOTS) to organize seminars on "Developing *Halal* Food Service for Tourism" in 2009 and 2011 with the aim to make Thai SMEs aware of MOTS policies to support *Halal* food service and to move in the right directions according to prescribed *Halal* services principle.

The *Halal* Standard Institute of Thailand (HSIT, 2012) of the Central Islamic Committee of Thailand (CICT), the Department of Export Promotion (DEP) of the Ministry of commerce (MOC) and the *Halal* Science Center (HSC) of Chulalongkorn University jointly have held *Halal* food exhibition in THAIFEX – World of food ASIA 2009 under the slogan "One Country One Logo" so as to present unity of *Halal* certification nationwide. The only organization authorized to approve the *Halal* logo is the CICT where the HSC provides services of examining the product scientifically. In addition, there were several other beneficial activities for operators in food industry such as exhibitions called "Food of Thailand" that emphasized on food safety, "Design in Thailand", and "*Halal"* held by HSIT and many seminars at Impact Muangthong Thanee on May 13 to 17, 2009.

SMEs and *Halal* Certification

Most past researches on *Halal* food were mainly focused on consumers' behaviour and not many have been done on the SMEs producing *Halal* food and the process of *Halal* food certification in Thailand. Marzuki et al. (2011) reported that most of the restaurant managers in Malaysia have high expectations toward *Halal* certification as it signifies attributes such as trust, safety and hygiene; thus, *Halal* certification is perceived by restaurant managers as important aspects in the food service industry. In a survey on 136 Malaysian SMEs owners, conducted by Abdul et al. (2009b), they found a significant relationship between the religion of the SME owners and *Halal* certification, but on contrary, there was no significant association between *Halal* certification and venturing internationally. Their report also showed majority of their respondents agreed that Malaysia has the potential to lead the *Halal* certification and to be the future *Halal* hub in the region. However, the Malaysian

Government needs to improve on the monitoring mechanism on *Halal* certification since the possibility of not complying after obtaining HFC is likely to happen in some cases as reported by Malaysia Islamic Development Department (JAKIM) (Talib et al., 2010)

Islam is a way of life and regardless of where the Muslims reside, Islam decrees that their food must be lawful and fit for human consumption in accordance with “*Halal*” requirements of Syariah. However, how “*Halal”* status is assured requires the involvement of the country’s regulations and regulating bodies under the jurisdiction of the country’s law. Since many of the food producers are SMEs, the key question that comes to mind is; are these enterprises keen about getting *Halal* certification for their products? By contrast, the anecdotal evidence from press reports and past studies (Abdul et al., 2009b; Soesilowati et al., 2010) in Malaysia and Indonesia respectively, it appears that many SMEs’ are reluctant to apply for certification because the process is costly, time consuming and imposes a burden to the business.

The methodology and model of this study was replicated from the study done by Abdul et al. on Malaysian SME entrepreneurs (Abdul et al. 2013a) and on Indonesian SME entrepreneurs (Abdul et al., 2013b). As for the Malaysian entrepreneurs, the study was conducted during Malaysian International *Halal* Show Case 2011 or MIHAS 2011 while the study on Indonesian SME entrepreneurs was done in Jogjakarta in 2012. It was found that HFC is important to promote Malaysian SME entrepreneurs’ confidence, trust, and satisfaction (HFC 1) but the Malaysian entrepreneurs were in the opinion that the contents of information (HFC 3) were insufficient. As for the Indonesian entrepreneurs, it was found that the respondents who have heard of *Halal* hub, have the intention to apply for *Halal* certification of their food products. Those who have done self-record keeping and attained a certain level of education have significant different responses towards the *Halal* certification process (HFC 1, HFC 2 and HFC 3).

METHODOLOGY

A total of 1,000 set of structured questionnaires were conveniently selected and distributed which were then to be self-administered amongst SMEs entrepreneurs operating in the City of Hat Yai. This study was conducted in the City of Hat Yai, the largest city of Songkhla Province, the biggest metropolitan area in Southern Thailand and third largest metropolitan area of the country. Demographically, Hat Yai is notable for its relatively ~~a~~ higher proportion of Malay-Muslim and ethnic Chinese citizens than other cities of comparable size in the northern regions of

Thailand. The population of Hat Yai is 157,359 in 2008, and ranked 4th in the country behind Bangkok, Nonthaburi and Pak Kret (Wikipedia, 2011). Hence, *Halal* Certification would be very helpful particularly for the concerned Muslim consumers in differentiating *Halal* from non-*Halal* food for consumption. Since there is no published database of SMEs operating in food industry specifically in the City of Hat Yai, convenience sampling was used. Although it could introduce some biasness, this type of sampling has been accepted by Thatcher and Drane (2003) and Lunneborg (2007).

The questionnaires were divided into two sections. The first section dealt with respondents' demographic data such as gender, age, marital status, education background, intention to apply *Halal* certification in the near future, entrepreneurship course, international venturing and *Halal* certification for the product(s). The second section consists of 16 questions related to:

i. their perceptions towards market share, market competitiveness, and the *Halal* certification process (denoted as HFC 1).

ii. their views on the government support and monitoring (denoted as HFC 2).

iii. their perceptions on *Halal* hub information dissemination (denoted as HFC 3).

Respondents were asked to complete the questionnaire by indicating their level of agreement or disagreement in the Second Section, using a five point Likert Scale where 1 indicates strongly disagree and at the other end, 5 indicates strongly agree. A mean score for each of the three HFCs was computed, which were later used to test for their significance (2-tailed t-test) against the respondents' characteristics. The characteristics used are as follows:

i. Gender of the respondent

ii. Marital status of the respondent

iii. Intention to apply *Halal* certification in the near future

iv. Has certification for product(s) or otherwise,

We proposed four propositions (as shown in Figure 1):

i. There is no significant relationship between gender of the SME entrepreneurs and HFC 1, HFC 2 and HFC 3.

ii. There is no significant relationship between marital status of the SME entrepreneurs and HFC 1, HFC 2 and HFC 3.

iii. There is no significant relationship between entrepreneurs who have the intention to apply *Halal* certification in the near future and those who do not have with HFC 1, HFC 2 and HFC 3.

iv. There is no significant relationship between the SME entrepreneurs who have *Halal* certified product(s) versus those who do not have and HFC 1, HFC 2 and HFC 3.

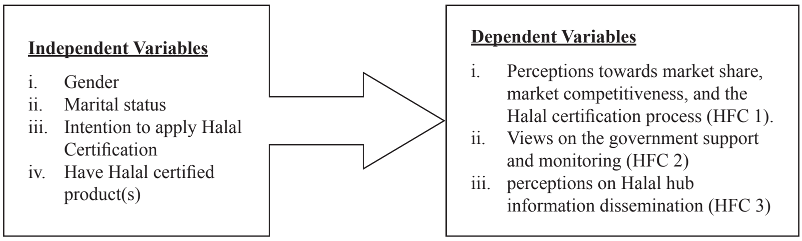

Figure 1 Research framework

The characteristics of the selected SMEs entrepreneurs represent the independent variables whilst; their perceptions towards market share, market competitiveness, and the *Halal* certification process (denoted as HFC 1), their views on the government support and monitoring (denoted as HFC 2) and their perceptions on *Halal* hub information dissemination (denoted as HFC 3) become the dependent variables (as depicted in Figure 1 above).

Data were analysed using an independent t-test from the Statistical Package for Social Sciences (SPSS). This statistical test was performed to compare the means of dichotomy variables under study and to see any significant difference between the two mean values of the independent and dependent variables. The data were tested at 0.1 and 0.05 significant levels. Two- tailed t-test was chosen because of its non-directional test.

RESULTS

A total of 100 usable questionnaires were returned giving a response rate of 10% which was considered very low mainly due to reluctance of these entrepreneurs to participate in the study. The first part of the study is related to the reliability test done on HFC 1, HFC2 and HFC3.

Table 2 Reliability test

No. of questions	HFC	Value of Cronbach Alpha	
6	HFC 1	0.772	0.834
5	HFC 2	0.740	
5	HFC 3	0.881	

Factor analysis was performed to determine how the respondents perceived the different "stimuli" and categorize them into different response sets. Based on Factor Analysis, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy gives a value of 0.765, exceeding the recommended value of 0.6 (Ho, 2006) and the Bartlett's Test of Spherecity (Bartlett, 1954) gives approximate Chi-Square value of 694.973 (df 153) and significant value is 0.000. Hence, the Cronbach (as depicted in Table 2) and results confirmed that the set of questionnaire is both valid and reliable, which indicates that conducting factor analysis on the data is appropriate.

Table 3 General descriptive statistical analysis

Questions number	Mean	Median	Std. Dev.	Kurtosis	Skewness (t-Test)
5. Awareness of process involved (HFC 1)	2.44	2.00	0.909	0.071	0.270
6. Stringency (HFC 1)	3.46	4.00	0.965	0.465	- 0.620
7. 3. Increase market share (HFC 1)	3.61	4.00	1.207	- 0.474	-0.646
8. 4. Increase market competitiveness (HFC 1)	3.81	4.00	0.991	0.075	-0.701
9. 5. Customers very particular HFC (HFC 1)	3.26	3.00	1.221	-1.043	-0.123
10. 6. HFC promotes satisfaction, confidence & trust (HFC 1)	3.91	4.00	0.975	1.067	-1.040
11. 7. Regulatory framework is sufficient (HFC 2)	3.06	3.00	0.757	0.814	-0.248
12. 8. Proper monitoring mechanism (HFC 2)	2.92	3.00	0.881	0.150	-0.115
13. 9. Govt. proactive enforcing HFC (HFC 2)	2.79	3.00	0.966	-0.161	0.095

Table 3 (*Cont'd*)

14. Transportation system is effective (HFC 2)	3.07	3.00	0.790	0.071	-0.385
15. Facilities for research centers (HFC 2)	2.94	3.00	0.940	-0.569	-0.029
16. Content of information is sufficient (HFC 3)	2.48	2.00	0.828	-0.479	0.233
17. Content of information is up to date (HFC 3)	2.57	2.00	0.862	-0.312	0.465
18. Content of information is published regularly (HFC 3)	2.39	2.00	0.820	0.367	0.541
19. Halal hub information is relevant (HFC 3)	2.65	3.00	0.801	-0.676	0.222
20. Sufficient websites on Halal products (HFC 3)	2.48	2.00	0.789	0.341	0.453

Table 3 above shows the overall summary of the descriptive statistical analysis on the HFCs. Overall, the mean score for each statement lies between 2 to 4, with the statement that HFC promotes satisfaction, confidence and trust (HFC 1) scored the highest (3.91) and the statement that the content of information is published regularly (HFC 3) scored the lowest (2.39). Meanwhile, Table 4 below summarises the total average mean score and average standard deviation for each of the items in *Halal* Food Certification (HFC) variables. HFC 1 (entrepreneurs' perceptions towards market share, market competitiveness, and the *Halal* certification process) has the highest average mean score of 3.41 followed by HFC 2 (entrepreneurs' views on the government support and monitoring) and finally HFC 3 (entrepreneurs' perceptions on *Halal* hub information dissemination).

Table 4 Descriptive statistics for each of the HFC

HFC No.	Average mean	Average std. dev.	No. of items
HFC 1	3.4167	0.72005	6
HFC 2	2.9592	0.61457	5
HFC 3	2.5122	0.67293	5

The second part of the result is related to the objective which seeks to examine Thailand SMEs' perceptions toward *Halal* certification process.

Table 5 Principal components analysis statistics

Component	Initial Eigenvalues		
	Total	**% of variance**	**Cumulative %**
HFC 1	5.164	28.689	28.689
HFC 2	2.508	13.935	42.624
HFC 3	1.580	8.777	51.401

Principle Component Analysis (PCA) revealed the presence of three components with Eigen values exceeding 1 and Table 5 above presents the total and cumulative variance for each of the HFC. HFC 1 contributes the most as it accounts for the largest variance (28.7%) among the HFCs, followed by HFC 2 (13.9%) and HFC 3 (8.8%).

Table 6 Profile of respondents

No.	Characteristics	Percentage
1.	Gender	
	Male	55
	Female	45
2.	Marital status	
	Married	78
	Single	22
3.	Intention to apply Halal Certificate	
	Yes	58
	No	42
4.	Has Halal certified product(s)	
	Yes	20
	No	80

Table 6 above summarises the profile of respondents. Most of the respondents are males, married, have the intention to apply for *Halal* Certificate for their product(s) but currently, most of them do not have *Halal* Certificate.

Table 7 HFC versus entrepreneurs' characteristics

HFC	Description	Mean	T statistic
HFC 1	Perceptions towards market share, market competitiveness and certification process,		
	i. Gender		0.140
	a. Male	3.4074	
	b. Female	3.4280	
	ii. Marital status		0.671
	a. Married	3.3904	
	b. Single	3.5076	
	iii. Intention to apply *Halal* Certificate		-2.978**
	a. Yes	3.6049	
	b. No	3.1795	
	iv. *Halal* certificate for product(s)		-2.978**
	a. Yes	3.8158	
	b. No	3.3018	
HFC 2	Views on the government support and monitoring		
	i. Gender		1.666*
	a. Male	2.8667	
	b. Female	3.0727	
	ii. Marital status		2.550**
	a. Married	2.8763	
	b. Single	3.2455	
	iii. Intention to apply *Halal* Certificate		-1.692*
	a. Yes	3.0667	
	b. No	2.8564	
	iv. *Halal* certificate for product(s)		-0.759
	a. Yes	3.0526	
	b. No	2.9351	
HFC 3	Perceptions on information dissemination		
	i. Gender		1.726*
	a. Male	2.4074	
	b. Female	2.6409	
	ii. Marital status		1.201
	a. Married	2.4684	
	b. Single	2.6636	

Table 7 (*Cont'd*)

		-2.384**
iii. Intention to apply *Halal* Certificate		
a. Yes	2.6667	
b. No	2.3436	
iv. *Halal* certificate for product(s)	2.7158	-1.630
	2.4541	
a. Yes		
b. No		

*Significant at 10% level
**Significant at 5% level

Table 7 depicts the specific results of our study. It was found that the intention to apply *Halal* Certificate was significant for all HFCs whereby for HFC 1 and HFC 3 it was significant at 5% level while it was significant with HFC 2 at 10% level. As for gender of the respondents, it was found to be significant at 10% level for both HFC 2 and HFC 3. While the respondents with *Halal* Certificate for product(s) and marital status of the respondents was found significant at 5% level with HFC 1 and HFC 2 respectively.

DISCUSSION

The mean score for those who had the intention to apply *Halal* Certificate was found slightly higher compared to those who did not have any intention for all the HFCs. Their perceptions for all the HFCs, especially on the market share, market competitiveness and certification process, (HFC 1) were found to be positive compared to their counterparts who do not possess HFCs. Hence, the positive perceptions of the SMEs without HFCs motivate them to apply for *Halal* Certification in the near future. To a greater extent the positive respond on HFCs is a reflection of Thailand's silent success story of it five-year strategic plan in promoting its *Halal* food production. Gender was found to be a crucial factor in determining their views on government support and monitoring system as well as the dissemination of *Halal* hub information. As for gender of the respondents, it was found that the mean for females' perceptions were higher and significant at 90% confidence level for HFC 2 and HFC 3. However, the mean scores for both male and female respondents were considered relatively low especially their perceptions on *Halal* hub information dissemination (HFC 3 – below 3). In the case of respondents who have *Halal* Certificates for their product(s), it gave them the confidence and the edge of competitiveness in the market as compared to their counterparts without the *Halal* Certificates. Marital status of the respondents has shown significant results in this study, where those who are married are likely to have positive views on the government support and monitoring system.

This study reports on the perception of Thai SMEs entrepreneurs operating in Hat Yai on the *Halal* Certification process. Overall, the score on market share, market competitiveness and certification process (HFC 1) gave the highest mean score. This shows that most of the respondents perceive that the *Halal* Food Certification will be particularly able to promote customers' satisfaction, confidence and trust hence increase the market share and competitiveness. However, the average-mean score for *Halal* hub information dissemination scored the lowest which reflect the respondents' -sceptical view on the agency involved in disseminating the *Halal* hub information.

It was also found that the intention to apply *Halal* Certificate in the near future gave the most significant results. While marital status and having *Halal* Certified product(s) were significant with HFC 2 and HFC 1 respectively. In addition, gender was found to be significant with HFC 2 and HFC 3.

CONCLUSION

In this study, the means between those who have the intention and those who do not have the intention to apply for *Halal* Certificate in the near future was significantly different for all *Halal* Food Certifications at least at 90% confidence level. With regards to gender, there was significant relationship between the means at 90% confidence level whereby the mean for the females was relatively much higher than the males on their views of government support and monitoring and also on their perceptions on information dissemination. While the means between married and single respondents was found significantly different at 95% confidence level on their views of government support and monitoring whereby the mean for the single respondents is relatively higher compared to the married respondents. For those respondents who possess *Halal* certificate for their products when compared to those who did not possess the certificate, the mean for those who possess the certificate marked relatively higher than their counterparts and was significant at 95 confidence level in their perceptions towards market share, market competitiveness and certification process.

LIMITATIONS

There are some limitations identified in this study. The main limitation is the inability of the study to poll enough respondents to generate better results. Consequently, the findings cannot be generalised to the whole population of SMEs in Thailand which is attributed to the convenience sampling adopted in this study. In addition, time and resource constraint are the inhibiting factors which further affect our capabilities to collect more data in longer timeframe, thus may inhibit the robustness of the result. Furthermore, the study covers only entrepreneurs operating in Hat Yai and this leaves opportunities for future studies to be extended to other SMEs operating in other parts of Thailand. Nevertheless, this study paved a starting platform for further research on Halal food industry in Thailand, where researchers can take up the research to a more extensive level and coverage.

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