

## COMPLETION REPORT

### Research Summary

The increase in total Japanese investment into Malaysia which started in the second quarter of the 1980s as a result of the policy by the Malaysian government of encouraging foreign direct investments as well as the signing of the 1985 Plaza Accord, saw an increase in the number of Japanese citizens residing in Malaysia. A direct effect of this is the increase of various facilities and business concerns catering to the needs of the Japanese community in Malaysia. Among the early phenomenon that could be traced then was the emergence of restaurants and various outlets supplying Japanese foods. Malaysians in general have become more discerning in their food choices and are also open to experimentation in taste particularly in international cuisine. Apart from the fine dining fare served in hotels and restaurants around Malaysia, popular franchises such as Kentucky Fried Chicken (KFC), McDonald's, and food products by Nestle to name but a few, are a common sight in almost every corner of Malaysia. Japanese foods are no exception. It is quite easy to find restaurants such as Sushi King and Sakae Sushi, as well as little stalls in large hypermarkets that serve Teppanyaki meals. The general opinion about Japanese cuisine that could help explain its popularity is that it is clean and fresh and is therefore healthy, a quality that consumers favor. However, at a glance Japanese food fare still trails behind KFC, McDonald's and some other 'Eurocentric' restaurants in terms of popularity. And the main reason for this could be related to the *halal* factor. Of late, the issue of *halal* food has shown signs of receiving increasing international recognition among players in the food industry. The Japanese food industry therefore needs to give serious consideration to this issue, if it were to remain a significant player in the international food market.

The results show that there is a ready demand for Japanese food in Malaysia, and there is also adequate supply to meet this demand. This supply however is targeted at the Malaysian consumers in general without any consideration given towards meeting the requirements of the specific group that are concerned about the *halal* status of food, which now is becoming the larger consumer group for Japanese cuisine. The present researchers agree with this approach by Japanese players in the food industry at the early stage in the 1980s during which the target was Japanese expatriates as well as the international community in Malaysia. However, in general, Malaysians also have now become more discerning in their food choices and are open to experimentation in taste particularly in international cuisine, Japanese cuisine included.

Players in the Japanese food industry have thus far ignored the existence of the large portion of consumers who are very concerned about the *halal* status of their food. As such these Japanese players miss out on opportunities to expand further and flourish, unlike other multinational corporations such as Nestle and McDonald's. Japan should avoid history being repeated, as in the case of Islamic banking in which when other international banks have already harvested the fruits of their labour in turning to Islamic banking, Japan was just starting out on this venture. This wait-and-see attitude would be detrimental to Japan's global competitiveness because other actors in the region such as China, Thailand and Korea are ready and waiting in the wings.

### Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

1. a. Date: 12-14 July, 2011  
b. Name of Conference: Persidangan Antarabangsa Hubungan Malaysia-Indonesia V: Memahami Jati Diri Dalam Mengharungi Cabaran Semasa (*Fifth International Conference on Malaysia-Indonesia Relations: Understanding Identity in Facing Current Challenges*)  
c. Title of Presentation: Malaysia International Halal Showcase (MIHAS): Bersediakah Pengeluar Jepun? (*Malaysia International Halal Showcase (MIHAS): Are Japanese Producers Ready?*)  
d. Presenter: Chairperson: Md Nasrudin Md Akhir
2. a. Date: 26 and 27 November, 2011.  
b. Name of Conference: International Conference on Islam and Multiculturalism: Between Norms and Forms at Waseda University.  
c. Title of Presentation: Islam and Multiculturalism: Attitudes Towards Japanese Cuisine- A Preliminary Study:  
d. Presenter: Md Nasrudin Md Akhir and Siti Rohaini Kassim

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

1. Md Nasrudin Md Akhir (et al), "Islam and Multiculturalism: Attitudes Towards Japanese Cuisine- A Preliminary Study," Fukami, Naoko and Sato, Shohei, *Islam and Multiculturalism: between Norms and Forms*, Tokyo: Organization for Islamic Area Studies, Waseda University, 2012. Pp. 25-38
2. Md Nasrudin Md Akhir (et al), "Japanese Halal Food Production in Malaysia: A Prospective Survey," *International Journal of East Asian Studies*, Vol. 1, No. 1, 2012. Pp.26-37. (Forthcoming)

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)