



## **HALAL CERTIFICATION OF AGRICULTURAL EXPORT COMMODITIES: OPPORTUNITIES AND CHALLENGES**

### *SERTIFIKASI HALAL PADA KOMODITAS EXPORT PERTANIAN: PELUANG DAN TANTANGAN*

---

Received: 16/12/2022; Revised: 19/12/2022; Accepted: 21/12/2022; Published: 21/12/2022

---

Budiyoko\*, Malinda Aptika Rachmah, Wahyu Adhi Saputro,  
Dewanti Risa Utami, Kunandar Prasetyo\*

Department of Agricultural Socioeconomics, Faculty of Agriculture, Jenderal Soedirman  
University, Jl. Dr. Soeparno No. 63, Purwokerto, Banyumas, Central Java, 53122

\*Corresponding author: budiyoko@unsoed.ac.id

### **ABSTRACT**

The fast growth in the number of muslim worldwide made the halal lifestyle a growing trend. This phenomenon has led to high demand for halal products, especially agricultural commodities. Halal certification efforts for agriculture commodities were not only considered beneficial for consumers but also for producers and business actors. With halal certification, consumer confidence in producers and business actors will increase, and it will have a positive impact on the profits of producers and business actors. This study aims to provide an overview of the importance of halal certification efforts for Indonesia's agricultural export commodities so that it can become a reference for the government in developing the national agroindustry. The method used in this research is descriptive analysis with a review of relevant literature through sources from journals, books, proceedings, publications, and electronic media. The results of the literature review show that the biggest challenge to halal certification in Indonesia lies in the procedures and processes. There was a risk of uncleanness occurring at several stages which may allow contamination of unclean and unclean materials during distribution or transportation. Amid during in the fast development of the global halal market, the high potential for the development of halal-certified organic products in Indonesia opens up opportunities for halal certification for agricultural commodities.

**Keywords:** Halal, certification, export, agriculture

### **ABSTRAK**

*Pesatnya pertumbuhan populasi umat Islam di seluruh dunia membuat gaya hidup halal menjadi tren yang berkembang. Fenomena tersebut berpengaruh terhadap tingginya permintaan akan produk halal, khususnya komoditas pertanian. Upaya sertifikasi halal komoditas pertanian dinilai tidak hanya menguntungkan konsumen tetapi juga produsen dan pelaku usaha. Dengan sertifikasi halal, kepercayaan konsumen terhadap produsen dan pelaku usaha akan meningkat, dan akan berdampak positif bagi keuntungan produsen dan pelaku usaha. Kajian ini bertujuan untuk memberikan gambaran tentang pentingnya upaya sertifikasi halal bagi komoditas ekspor pertanian Indonesia sehingga dapat menjadi acuan bagi pemerintah dalam mengembangkan agroindustri nasional. Metode yang digunakan dalam penelitian ini adalah analisis deskriptif dengan telaah literatur yang relevan melalui sumber dari jurnal, buku, prosiding, publikasi, dan media elektronik. Hasil kajian literatur menunjukkan bahwa tantangan terbesar sertifikasi halal di Indonesia terletak pada prosedur dan prosesnya. Ada risiko kontaminasi yang terjadi pada beberapa tahap yang memungkinkan kontaminasi bahan najis dan najis*

*selama distribusi atau transportasi. Di tengah pesatnya perkembangan pasar halal global, tingginya potensi pengembangan produk organik bersertifikat halal di Indonesia membuka peluang sertifikasi halal untuk komoditas pertanian.*

**Kata kunci:** Halal, sertifikasi, ekspor, pertanian

---

**How to cite:** Budiyoko et al. 2022. Halal certification of agricultural export commodities: opportunities and challenges. *Journal of Halal Product and Research*. 5(2), 52-61, <https://dx.doi.org/10.20473/jhpr.vol.5-issue.2.52-61>

---

## INTRODUCTION

The halal lifestyle is currently one of the growing trends in Indonesia (Bank Indonesia, 2021). This condition is inseparable from the rise of the phenomenon of hijrah, along with an increase in individual religious understanding and this is an impetus to apply Islamic principles in various lines of life or activities, including in the use of halal products (ISEF, 2022). The trend of a halal lifestyle was influenced by the increasing number of modern and Islamic middle-class Muslim community groups in Indonesia (Sukardani et al, 2018). Referring to the Global Halal Report (2020), the halal lifestyle trend also occurs globally. These could be seen from the increasing demand for halal products, such as food, finance, tourism, fashion, cosmetics, and pharmaceuticals.

The massive trend of the halal lifestyle in Indonesia was driving an increase in demand for halal products. These halal products do not only focus on foods, but also fashion, cosmetics, pharmaceuticals, and the tourism sector. As one of the countries with the largest Muslim population and producers of various products and commodities, this is a market niche opportunity for Indonesia (Sukardani et al, 2018). Opportunities for developing halal products are not only to meet domestic needs, but also the global market. BPS (2021) states that agricultural commodities are still one of Indonesia's primary export commodities. In the national export posture, agriculture, plantation, and forestry-based processing industry products and agricultural commodities account for 82.71 percent of Indonesia's total exports (BPS, 2021). This condition confirms the potential and opportunities for developing agricultural products that meet halal criteria, for the domestic and global markets.

The efforts to develop agricultural products to meet halal criteria could not be separated from the development of national agriculture-based industries (Prabowo and Rahman, 2016). One aspect that needs attention and preparation is the halal certification for agricultural export commodities. Halal certification efforts had a positive influence on the development of halal businesses in Indonesia (Warto and Samsuri, 2020). This halal certification effort for agricultural commodities will bring benefits, both for businesses and consumers. For producers and business actors, this step can increase consumer confidence in the products they produce and reach the market. As for consumers, this halal certification effort will provide certainty, guarantee, and protection of the halal products consumed, as well as an instrument of business ethics. This study aims to provide an overview of the importance of halal certification for Indonesian agricultural export commodities. This effort was also expected to become one of the strategies to strengthen the development of the national agro-industry.

## METHOD

The method used in this study was descriptive analysis in the form of relevant literature reviews and observations of the practice of implementing halal certification in Indonesia. The information was obtained through sources from journals, books, proceedings, publications, and electronic media such as official pages of credible and relevant organizations.

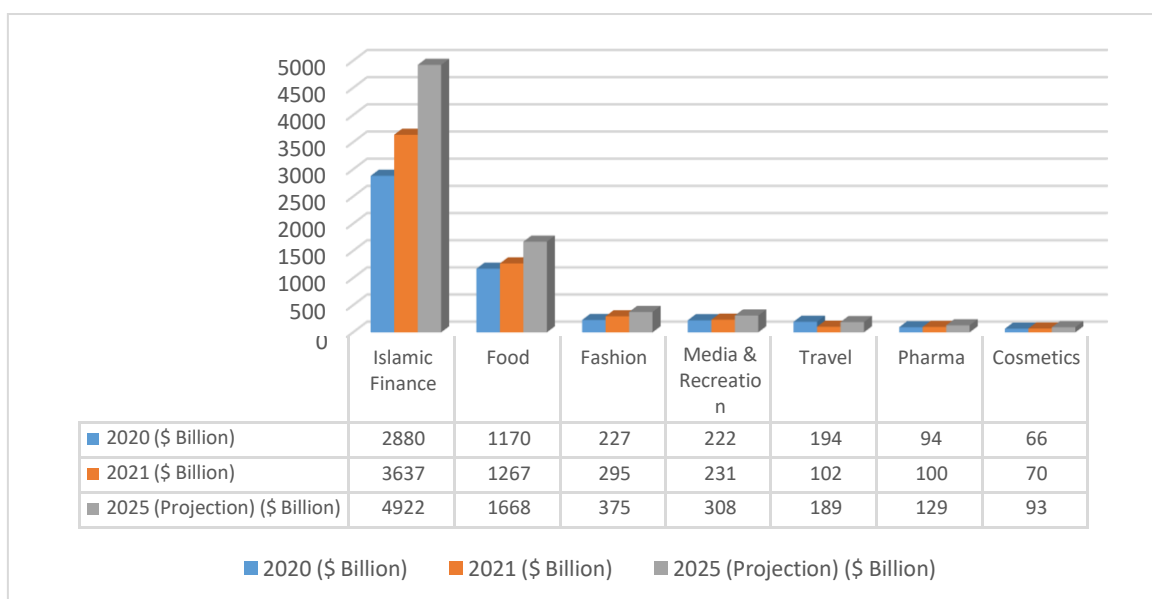


## FINDINGS AND DISCUSSION

### Global Halal Market Landscape

Statistical data from the Pew Research Center shows that in 2020 there are at least 1.9 billion Muslims in this world. The Muslim population was expected to continue to increase every year. With an average growth rate of 1.5 percent, the world's Muslim population is expected to grow to 2.2 billion in 2024 or become 29.4% of the world's population (Dinar Standard, 2020). An increase in the world's Muslim population will provide a wider market potential for Islamic economic products and services (Ali et al., 2018). This growth in the Muslim population will certainly have an impact on the growing opportunities for the global halal market, especially in the agricultural commodity sector. The agricultural commodity sector is synonymous with food, where most Muslims will choose halal food. It encourages the integration of the halal product industry which has great growth potential (Hassan et al., 2021). It is inseparable from the belief of Muslims in their religious values. PWC (2011) states that 76 percent of Muslims consider religion to be the most significant factor in choosing a product or service, and 96 percent of Muslim tourists believe that halal food is crucial in their choice. These indicate that the global halal market opportunity is wide open for agricultural commodities.

Based on data from the State of Global Islamic Economy Report (2022), in 2021 the world's Muslim population expand to around US\$ 2 trillion on the consumption of halal products. Outside of Islamic financial assets, the consumption of halal food products has the greatest value compared to other sectors. Then followed by modest fashion, media and leisure products, Muslim-friendly travel, and medicines and cosmetics. The projected value of global Muslim expenditure transactions was to increase by 9.1 percent to US\$ 2.8 trillion in 2025 with a 4-year compound annual growth rate (CAGR) of 7.5% (Dinar Standard, 2022). It certainly opens up opportunities for the potential of the global halal market, especially in the field of agricultural commodities. The details of the halal market landscape which is divided into seven primary commodities/groups can be seen in Figure 1.

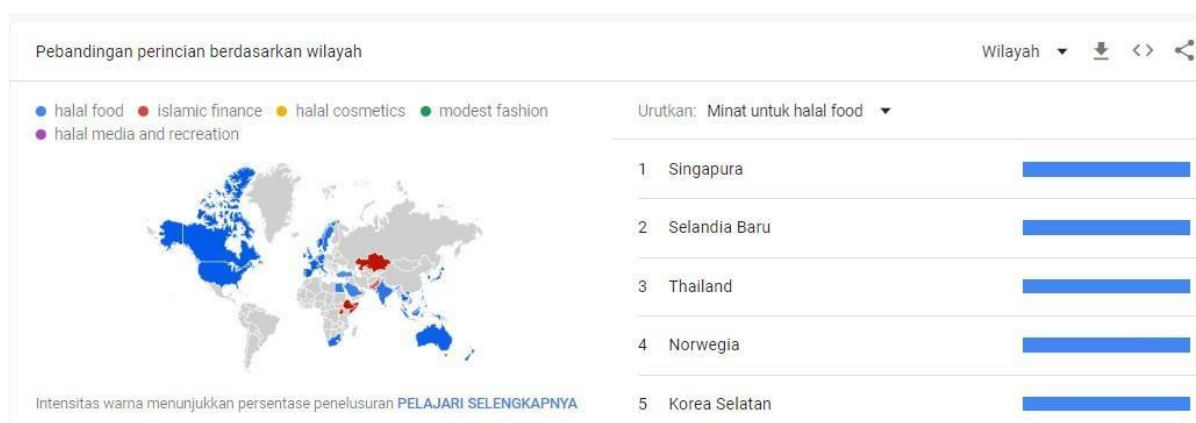


**Figure 1.** The Value and Projections of The Halal Industry in 2020-2025

In the landscape of the global halal commodity market, countries that act as producers and export halal products were dominated by non-Muslim countries. The largest exporting countries for halal products in 2021 were China, India, the USA, Brazil, and Russia. In this category, Indonesia is ranked tenth as an exporter of halal products (Dinar Standard, 2022). Meanwhile, in terms of consumption, Saudi Arabia is the largest importer country for halal products, followed by the UAE, Turkiye, and



Indonesia. However, data from Google Trends as shown in Figure 2. shows that searches regarding halal food by region in the last ten years were mostly in Singapore, New Zealand, Thailand, Norway, and South Korea. It is because many of them are Muslim citizens from Saudi Arabia, Indonesia, and Malaysia living in the country and it was rare for halal-certified food. The rapid spread of Islam in the world indicates that market opportunities for the halal food industry in the global market are getting bigger. With the potential of its resources, both human and natural resources, Indonesia has great potential to play a more active role as one of the main players in producing halal products for the global market in the world.



**Figure 2.** Comparison Results of Halal Food Search Analysis with Other Halal Industry Sectors Using Google Trends by Region/Region

### Indonesian Agricultural Export Commodities

Leading agricultural commodities focused on exports include annual crops, annual crops, ornamental plants and plant breeding, livestock commodities, capture fisheries, aquaculture, as well as forestry commodities. In 2021, there were 49 groups of agricultural goods exported, weighing up to 6,281.6 thousand tonnes and equivalent to US\$4.242 million. Of these various groups of goods, the types of commodities that make the largest contribution to national exports are annual plant commodities with a portion of 54.97 percent (BPS, 2022).

Referring to BPS data (2022), in the last five years, exports of Indonesian agricultural commodities have shown a positive trend, both in terms of volume and value. In terms of volume, during the 2017-2021 period, exports of agricultural commodities showed growth, with the highest percentage increase of 20.99 percent in 2017. Meanwhile, in terms of value, Indonesia's exports experienced a decline of 6.54 percent in 2018. But then continue to increase until 2021. When compared to 2020, the increase in exports of Indonesian agricultural commodities in 2021 will increase by 2.99 percent. Some of the agricultural commodities with the largest export volume and value include coffee, medicinal plants, aromatics and spices, annual fruits, bird's nest, seaweed, and other algae, fresh/chilled caught fish, other non-timber forest products, rubber latex, and the like, and agarwood.

In addition to exports of (raw) agricultural commodities, the export value of agricultural-based processing industry commodities also has a large portion. Several agricultural-based processing industry products that are the mainstay of Indonesia's exports include food industry commodities (palm oil, margarine, processed shrimp), and chemical industrial commodities originating from agricultural products. The total export volume and value for the palm oil commodity in 2021 is 27,326.1 thousand tons with a value of US\$ 28,606 million. Meanwhile, Indonesia's margarine export volume in the same year reached 1,123.2 thousand tons with a value of US\$ 1,631.2 million. For frozen shrimp, the export volume was 164.5 thousand tons with a value of 1,419.8 million tons. Furthermore, for chemical industrial commodities originating from agricultural products, in 2021 the export value was 3,948.1 million tons with a volume of 5,038.7 thousand tons (BPS, 2022).

Exports of halal products need to be encouraged especially for agricultural commodities, so close cooperation is needed between the government, the private sector, state-owned enterprise, community organizations, and the public in general (KNEKS, 2020). The Ministry of Trade (2020)



stated that to boost the volume and value of exports of halal products, several strategies implemented by the Government of Indonesia include focusing on halal products and markets, relaxing export-import for halal products for export purposes, increasing product competitiveness, strengthening market access, optimizing e-commerce, strengthening export-oriented SMEs, and optimizing warehouse receipt systems for export commodities.

### **Market Potential for Halal Certified Agricultural Export Products**

The rapid growth of the world's Muslim population globally is in line with the increasing world consumption figures for several halal products and services. It is the reason why Indonesia has the opportunity to become a major producer of halal products and even become a center for halal in the world. Its development was followed by an increase in Muslim consumption in the world which reached 28,300 trillion in 2019 to be precise for shopping, one of which was agricultural commodities, especially halal food and drinks. The record consumption growth rate of up to 3.2 percent compared to the previous year was due to the Covid-19 pandemic so in the next four years Muslim spending is predicted to increase. It is not surprising that the trend of food from halal agricultural commodities is growing fastly. It is because many of the world's population have started to become aware of the halal movement so the demand for halal products, especially agricultural products, has also increased (Cameli, 2016). Agricultural commodities, especially the food industry, have great potential, so it's no wonder this sector was used as a global investment which continues to increase. The potential for this agricultural commodity market is also offset by the many halal retail companies in the world, especially in Abu Dhabi, which have started selling various kinds of halal products (Yunita, 2018).

The emergence of halal guarantee institutions in various countries was also a factor triggering a large market potential. The large global market for halal food in various countries promises a sizeable potential for halal agricultural products from Indonesia to enter this market share. Certification of halal products is also a principle of protection for Muslims in consuming the required products (Ab Talib et al., 2016). It is not surprising that Indonesia is targeted to be able to have many halal products that can penetrate the global market considering that Indonesia has the highest Muslim population (Kettani, 2010). It is alleged that the potential for halal-certified agricultural commodities will continue to grow, thereby providing opportunities for Indonesia to maximize its halal food industry. The challenges in the next few years must also be faced by Indonesia to be able to compete with halal food countries globally.

Indonesia has considerable potential to serve as a center for the halal industry. If this idea can be realized, it will encourage national economic growth in a better direction. There are four development focuses regulated in Presidential Regulation no. 28 of 2020 and one of them is developing the halal product industry in Indonesia. Strengthening Indonesia's potential as a halal product industry is important and must be carried out in synergy and collaboration with the establishment of a halal industrial area zone. This strategic step will boost production capacity, especially agricultural commodities, to increase and have competitiveness. High quality is one of the keys to penetrating the global market. The developing halal industrial area will trigger investors and make Indonesia a global hub for world halal products. This step must also be integrated from all regions and existing services so that it can be coordinated in one door.

The huge market potential for halal products, both domestically and globally, causes the tendency of all countries to have halal-certified products. Indonesia already has more advantages compared to other countries such as the large Muslim population and the large number of products that have been certified as halal, especially agricultural commodity products. In the next few years, it is predicted that the trend of halal products will increase along with the increase in the world's Muslim population. Countries with a majority Muslim population are potential market segments such as Bahrain, Egypt, Algeria, Jordan, Iraq, Iran, Kuwait, Lebanon, Malaysia, Morocco, Yemen, Oman, Qatar, Syria, Saudi Arabia, Turkey, Tunisia, United Arab Emirates, and several other countries. However, several other countries are used as the main markets for world halal food, such as China, India, Russia, the Philippines, France, Canada, and Germany (KNEKS, 2021).

Indonesia still has quite a big opportunity considering that the development of halal products is still increasing, especially for several agricultural commodities such as food and beverage products. In line with this, consumer spending in particular has increased from year to year and was predicted to





continue to increase until 2024 to reach 1.38 trillion USD. Support from other sectors in assisting the development of halal-certified agricultural commodities is also a potential for development for Indonesia apart from its predominantly Muslim population, such as support from the tourism and financial sectors (Fathoni, 2020). The export potential of halal-certified agricultural commodities can still be increased as the demand for food is still large. It was recorded that Indonesia was able to reach US\$229 million in exporting halal food. Some of the leading halal-certified agricultural commodity products from Indonesia such as processed pineapple, coffee, coffee extract, margarine, wafers, biscuits, sauces, bread, and cakes are products that are often requested by Muslim residents of other countries (Qoniah, 2022). Indonesia needs to focus on developing halal products to meet global consumer demand.

There are several potential export destination countries for halal-certified agricultural commodities, especially food and beverages. This can be mapped from how much the value of Indonesia's exports to that country and the amount of imports from the country in question plus the distribution of how large the Muslim population is. Some of the countries referred to are as follows (KNEKS, 2021):

1. China is recorded as having the highest demand for halal-certified agricultural commodities, especially food and beverages. The import value of these products reached more than 100 billion USD in 2020. The import growth rate for halal food and beverage products has increased over the last five years. The trend of halal food and beverage exports from Indonesia to China is showing positive growth. Even though the Muslim population in China is small, it remains a promising market potential for Indonesia.
2. France, has a promising market share for halal products with records in 2020 reaching more than 50 billion USD. The trend of import demand for halal food and beverage products has been positive for the last five years. Indonesia has a good record of exporting halal food and beverages to this country with an export penetration of 18.7 percent. These good conditions have made France a destination country and a promising export potential for halal-certified agricultural commodities for Indonesia.
3. Canada has a record demand for halal food and beverage products that are quite large. The growth in product exports from Indonesia to this country was recorded at 3.2 percent until 2020. This provides a large export opportunity and potential.
4. Saudi Arabia is a big target market. The large majority of the Muslim population causes a large demand for halal food and beverage products. It was recorded that import demand in 2020 reached more than 20 billion USD. The growth in halal food and beverage exports by Indonesia has reached 6.5% in the last five years, making Saudi Arabia a large market potential.
5. Several ASEAN countries such as the Philippines, Cambodia, Thailand, and Malaysia are potential markets for Indonesia's halal food and beverage products. Fast trading systems and changes from time to time cause a changing paradigm of consumer behavior as well. However, as a country that is part of ASEAN, it makes trading easier, especially after the ASEAN Economic Community (AEC) which has been running since 2015.
6. Turkey is the export destination country for Indonesia's halal-certified agricultural commodities, especially food and beverages. This country is a bright prospect and has market potential for Indonesia. Turkey's demand for halal food and beverage products from Indonesia has grown quite high with a positive recorded export value of 40.75 in the last five years.
7. Bangladesh is a country that often imports halal food and drinks from Indonesia. The growth in the value of Indonesia's exports to Bangladesh in the last five years was recorded at 2.9%. This potential should be maximized by Indonesia. Moreover, Bangladesh has a large Muslim population, making it a potential market for Indonesia.
8. Several African countries such as Kenya and Nigeria are targets for exporting halal products from Indonesia. Imports of halal food and beverage products by the two countries were recorded at USD 2.5 billion and USD 7.8 billion in 2020. These figures make these two countries potential market prospect for Indonesia to export agricultural commodities, especially food and beverages with halal certified.



Support for the export potential of halal-certified agricultural commodities needs to be done concretely from upstream to downstream. This strengthening can be done in several steps such as the construction of a halal hub like an agribusiness sub-terminal. This is intended so that each region has superior halal-certified commodities that are competitive. The second step can be done by multiplying campaigns. The halal campaign was able to increase the demand for and sales of halal-certified agricultural products. Steps to support supply in the halal industry are also important to maintain sustainability such as the provision of raw materials, distribution of promotions, and the main thing production. The development of an international halal center is also important to strengthen Indonesia's position and open up cooperation in developing halal effectiveness standards globally. Strengthening the digital economy of the global halal industry is also important with the availability of a digital platform that will strengthen targets and a wider production scale.

### **Halal Certification Policy in Indonesia**

The existence of halal certification will protect domestic products from global competition. With the existence of halal certification, it can guarantee product quality so that the potential for such a large local market can be utilized by local products (Prabowo & Rahman, 2016). Government policies related to halal guarantees for products circulating in Indonesia are officially recognized and supported by the state with the passing of Law No. 33 of 2014 concerning Halal Product Guarantees (UU JPH/ JPH Law). The JPH Law is a legal umbrella for regulating halal products circulating in Indonesia. The JPH Law, in addition to providing protection and guarantees for consumers in consuming products, also provides guidelines for producers regarding how to carry out the production process in the production chain until it reaches consumers (Sukoso, et al., 2020). Halal certificates, it is one of the instruments for the Indonesian government in facing increasingly fierce competition in the halal industry today (Latifah, 2022).

Referring to the JPH Law, it was clear that this regulation will provide comfort, security, safety, and certainty of the availability of Halal Products for the public in consuming and using Products and selling Halal Products. Some of the things regulated in the JPH Law include the obligation of halal certificates, organizers of halal product guarantees, provisions related to halal inspection agencies, provisions on halal product materials and processes, procedures for obtaining halal certificates, supervision of halal product guarantee activities, community participation in activities halal product guarantees and criminal provisions for business actors who do not maintain the halalness of products that have obtained Halal Certificates.

With the existence of the JPH Law, halal certificates are an obligation (mandatory) for business actors. Where before the existence of this law, guarantees for halal products as evidenced by halal certification were still voluntary (Sayekti, 2014; Ariny & Nurhasanah, 2020). The existence of an obligation for a halal certificate for a product is contained in Article 4 of the JPH Law which reads that products that enter, circulate, and trade in the territory of Indonesia must be halal certified. Furthermore, as a derivative regulation from the JPH Law, the next policy is Government Regulation Number 31 of 2019 concerning Regulations for Implementing Law Number 33 of 2014 concerning Guarantees for Halal Products. The issuance of PP 31 of 2019 strengthens the importance of certainty regarding the halal-haram status of a product in a production chain by business actors until it reaches consumers (Mohammad, 2021).

Several important points contained in PP No. 31 of 2019 were 1) the obligation of halal certification for products that enter, circulate, and trade in the territory of Indonesia and do not yet have halal certification from the Indonesian Ulema Council (MUI), 2) cooperation in the implementation halal product guarantee, 3) location, place, and equipment for processing halal products, 4) cost of halal certification, 5) procedures for registering halal certificates from abroad, and 6) types of products that must be halal certified. Article 68 of PP 31 of 2019 stipulates the obligation for types of products (goods and services) that must have a halal certificate. Products in the form of goods that are required to have a halal certificate, namely food, beverages, medicines, cosmetics, chemical products, biological



product, genetically engineered products, and goods that are used, used or utilized. Furthermore, services that must have a halal certificate are related to business services in the form of slaughtering, processing, storage, packaging, distribution, sales, and presentation. According to Sukoso, et al. (2020), the ratification of various legal products related to halal product guarantees by the Indonesian government is not a form of state discrimination against its citizens in religious life. The existence of the JPH implementation policy is precisely a form of the presence of the state in carrying out the constitutional mandate and is the provision and fulfillment of legal certainty regarding the halal products that are consumed, used or utilized by the Indonesian people, especially Muslims.

### **Opportunities and Challenges of Halal Certification of Indonesian Agricultural Export Products**

Agricultural commodities are inseparable from the touch of technological advances and scientific developments which are utilized for the processing of primary agriculture commodity products into semi-finished products and finished products in the process there is a possibility of mixing between halal and haram either intentionally or unintentionally. This is a threat to the Muslim community who will use and consume these agricultural commodity products. So agriculture commodities must be able to carry out halal certification, especially for processed products. Products with halal standards should become an integral part of global trade and economic activities that demand international standards and quality standards to gain a level of trust from consumers across countries. It can make the flow of goods, services, capital, and knowledge between countries easier. But in reality, there are several obstacles faced by Indonesia in competing in the industrial market in the global realm (Hidayat and Siradj, 2015).

Indonesia could compete in the realm of the halal industry, this can be seen from Indonesia's position which is ranked fourth in the development of the economic and Sharia ecosystem. According to data from Bank Indonesia (2020), Brazil ranks first as an exporter of halal products with US\$16.2 billion, followed by India with an export value of US\$14.4 billion (Madjid, S.S., 2022). According to report data from The Royal Islamic Center (RISSC), Indonesia will become the country with the largest Muslim population in the world in 2022, which is estimated at 237.56 million people or the equivalent of 12.30% of the world's Muslim population of 1.93 billion people (dataindonesia.id). The large Muslim population in Indonesia makes Indonesia the capacity to become a producer of halal products and can become the backbone of the country's economy. From a natural perspective, Indonesia has enormous natural wealth for the development of organic halal products. Along with this, the existence of halal certification for agricultural commodity products will make these products more easily accepted and consumed by the public. Halal products have a sizable contribution to the world economy and are supported by the development of a halal lifestyle which is even carried out by non-Muslim communities in the world, the greater the potential for market opportunities for halal products. 12 countries that have the potential to become halal industry export destinations, such as Saudi Arabia, France, China, Canada, Kenya, Malaysia, Thailand, Turkey, the Philippines, Bangladesh, Nigeria, and Cambodia (KNEKS, 2021).

Halal certification procedures and processes were one of the challenges in Indonesia's agricultural commodity export activities. Based on the Al-Qur'an and Hadith, whether a product is halal or not is seen from 3 (three) aspects, namely the type of material or substance, the method of preparation, and the effort to obtain it. Halal was guaranteed for agricultural commodity products, but there is a critical point of the risk of illegality which may occur at several stages and allows contamination of haram and unclean materials even during distribution or transportation (Herрманinto, 2006). In the context of halal, food is not only required to be in good condition but also halal which in general can be categorized into several criteria as follows: not containing or consisting of parts or objects that are forbidden in Islam for consumption or slaughtered not according to Islamic teachings, does not contain anything which is classified as unclean in Islam, do not contain auxiliary ingredients or additional ingredients that are forbidden according to Islam as well as the storage process and how to serve them that do not touch or are close to the food that has criteria that are prohibited in Islam (Yulia, 2015).

There were many opportunities for countries to start implementing the halal trend as an export destination but this can also be a challenge for Indonesia. The potential which is also quite large for these countries creates challenges for Indonesia because it can reduce the level of consumption of halal products produced by Indonesia both at home and abroad which can cause Indonesia to be unable to compete which results in Indonesia only being a consumer and producer. Moreover, at this





time public awareness to be able to compete is still very low, so it is not surprising that the standardization of halal certification has not been implemented globally, it is because there is no consensus regarding international halal certification. So that there is an irregularity in halal certification which causes consumer confidence in products to decrease (Randeree, 2020). Indonesian people's knowledge and understanding of the concept of halal were still lacking because they assume that all products that come from the market are halal (Pryanka, 2018). This is due to the lack of socialization regarding halal awareness in Indonesia.

## CONCLUSION

Indonesia has great potential and opportunity to become a primary producer of global halal products. As one of the countries blessed with natural resource wealth, the development of halal- certified agricultural products for export is one of the strategies that can be encouraged to seize this opportunity. In addition, the Indonesian government continues to strive to develop the sharia ecosystem through various relevant policy instruments to push the halal agro-industry. The implementation of halal certification initiatives for agricultural commodities can increase public acceptance and trust, both in domestic and global markets. However, to achieve this there are several challenges faced by Indonesia. The main challenge in halal certification of agricultural commodities is the procedure and process of halal certification. Assessment of whether or not a product is halal was seen from three aspects, namely the type of material or substance, how to prepare it, and the effort to get it. There is a risk of unlawfulness that may occur at several stages which allows contamination of unclean and unclean materials even during distribution or transportation.

## REFERENCES

- Ab Talib, M. S., Sawari, S. T., Hamid, A. B. A, and Chin, T. A. (2016). Emerging Halal Food Market: AN Institutional Theory of Halal Certificate Implementation. *Journal of Management Research Review*. 39 (9), 987-99. DOI:10.1108/MRR-06-2015-0147.
- Ali, A., Xiaoling, G., Sherwani, M. and Ali, A. 2018. 'Antecedents of consumers' halal brand purchase intention: an integrated approach', *Management Decision*. <https://doi.org/10.1108/MD-11-2016-0785>.
- Ariny, B.D. & Nurhasanah. (2020). *Dampak Positif Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal Dalam Menciptakan Sistem Jaminan Produk Halal Di Indonesia*. SYAR'IE. 3 (2): 198-2018. Retrieved from <https://stai-binamadani.e-journal.id/Syarie/article/view/204>
- Bank Indonesia. 2021. *Indonesia Halal Markets Report 2021/2022*. Bank Indonesia: Jakarta.
- BPS. 2021. *Analisis Komoditas Ekspor 2017-2021 Sektor Pertanian, Kehutanan dan Perikanan; Industri Pengolahan; Pertambangan dan Lainnya*. BPS: Jakarta.
- Cameli, Rida. (2016). *Perspektif Halal*. Accessed on December 14, 2022 at <http://bimasislam.kemenag.go.id/post/opini/perspektif-halal>.
- Data from dataindonesia.id. Accessed on December 15, 2022 at <https://dataindonesia.id/ragam/detail/populasi-muslim-indonesia-terbesar-di-dunia-pada-2022>.
- Data from Google Trends. *Pencarian Halal Food dengan Sektor Industri Halal Lainnya*. (2022). Accessed on December 15, 2022 at <https://trends.google.co.id/trends/explore?q=halal%20food,islamic%20finance,halal%20cosmetics,modest%20fashion,halal%20media%20and%20recreation>.
- Fathoni, M. A. (2020). *Potret Industri Halal Indonesia: Peluang dan Tantangan*. *Jurnal Ilmiah Ekonomi Islam*. 6 (1): 428-435. DOI:<http://dx.doi.org/10.29040/jiei.v6i3.1146>.
- Global Halal Report. 2020. *State of the Global Islamic Economy Report: Driving the Islamic Economy Revolution 4.0*. Dinar Standart.
- Global Halal Report. 2021. *State of the Global Islamic Economy Report: Thriving in Uncertainty*. Dinar Standart.



- Global Halal Report. 2022. State of the Global Islamic Economy Report: Unlocking Opportunity. Dinar Standart.
- Hassan, MK., Rabbani, M.R., Chebab, 2021. Integrating Islamic finance and halal industry: current landscape and future forward. *Int. J. Islamic Marketing and Branding*, Vol. 6, No. 1, 2021.
- Hermaninto, J. (2006). *Tinjauan Titik Kritis Halal-Haram Produk Olahan Daging*. Bogor: Food Review Indonesia Vol. 1.
- Hidayat, A. S. and Siradj, M. (2015). *Sertifikasi Halal dan Sertifikasi Non Halal pada Produk Pangan Industri*. *Jurnal Ilmu Syariah Ahkam*. 15 (2): 199-210. DOI:10.15408/ajis.v15i2.2864
- Indonesia Sharia Economic Festival (ISEF). 2022. Halal Lifestyle untuk Kualitas Hidup yang Lebih Baik: Ketika gaya hidup dan keberkahan berpadu jadi satu. Accessed on December 2022 at <https://isef.co.id/id/artikel/halal-lifestyle-untuk-kualitas-hidup-yang-lebih-baik/>.
- Kettani, Houssain. (2010). World Muslim Population. Article for the Hawaii International Conference on Arts and Humanities, Honolulu, Hawaii, January 2010.
- Kementerian Perdagangan. 2021. Peluang Produk Halal Indonesia di Pasar Global. Accessed on December 2022 at <https://knks.go.id/storage/upload/1603517244-Paparan%20Mendag%20-%20Webinar%20KNEKS%20-%20Produk%20Halal%20-%2024%20Okt%202020.pdf>
- Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS). (2021). *Strategi Percepatan Ekspor Produk Halal Usaha Kecil Dan Menengah Indonesia*. Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS). Indonesia.
- Latifah, U. (2022). *Kebijakan Mandatori Sertifikasi Halal bagi Produk Usaha Mikro, Kecil, dan Menengah di Kabupaten Kudus*. *Journal of Indonesian Sharia Economics*. 1(1):41-58. DOI : <https://doi.org/10.35878/jiose.v1i1.362>
- Madjid, Sitti S. (2022). *Analisis Peluang, Tantangan dan Strategi Industri Halal di Indonesia (Pada Masa Pandemic Covid 19)*. *Jurnal Pilar: Jurnal Kajian Islam Kontemporer*. 13 (1): 17-32. <https://journal.unismuh.ac.id/index.php/pilar/article/view/7734>.
- Mohammad, M. F. M. (2021). Pengaturan Sertifikasi Jaminan Produk Halal Di Indonesia. *KERTHA WICAKSANA: Sarana Komunikasi Dosen dan Mahasiswa*. 15 (2): 149-157. <https://doi.org/10.22225/kw.15.2.2021.149-157>
- Peraturan Presiden No. 28 Tahun 2020 Tentang Komite Nasional Ekonomi dan Keuangan Syariah. Prabowo, S. & Rahman, A. A. (2016). *Sertifikasi Halal Sektor Industri Pengolahan Hasil Pertanian*. Forum Penelitian Agro Ekonomi. 34 (1): 57-70.
- Pryanka, A. (2018). *Ini Tantangan Dongkrak Industri Halal di Indonesia*. Republika Online.
- PWC. 2011. Millennials at work: Reshaping the Workplace. Accessed on December 2022 at <https://www.pwc.com/co/es/publicaciones/assets/millennials-at-work.pdf>
- Qoni'ah. R. (2022). *Tantangan dan Strategi Peningkatan Ekspor Produk Halal Indonesia di Pasar Global*. *Halal Research Journal*. 2 (1). 52-63. DOI: <https://doi.org/10.12962/j22759970.v2i1.246>.
- Randeree, K. (2020). Demography, Demand and Devotion: Driving the Islamic Economy. *Journal of Islamic Marketing*. 11 (2): 301-319. DOI: <https://doi.org/10.1108/JIMA-06-2018-0102>.
- Sayekti, N. W. (2014). *Jaminan Produk Halal Dalam Perspektif Kelembagaan*. *Jurnal Ekonomi & Kebijakan Publik*. 5 (2): 193 – 209. DOI: 10.22212/jekp.v5i2.84
- Sukardani, PS., Setianingrum, V.M., Wibisono, A.B. 2018. Halal Lifestyle: Current Trends In Indonesian Market. *Advances in Social Science, Education and Humanities Research*, volume 226.
- Sukoso, Wiryawan, A., Kusnadi, J., & Sucipto. (2020). *Ekosistem Industri Halal*. Jakarta : Departemen Ekonomi dan Keuangan Syariah Bank Indonesia.
- Statistics Data from *Pew Research Center*. 2020. Accessed on December 15, 2022 at <https://www.pewresearch.org/topic/religion/>.
- Warto, Samsuri. 2020. Sertifikasi Halal dan Implikasinya Bagi Bisnis Produk Halal di Indonesia. *Al Maal, Journal of Islamic Economics and Banking*, Vol 2 No 1 2020.
- Yulia. (2015). Halal Products Industry Development Strategy. Kementerian Agama Republik Indonesia.
- Yunita, H. I. D. (2018). Studi Tentang Peluang Dan Tantangan Industri Pangan Halal Terhadap Perekonomian Di Indonesia. *Jurnal Ilmiah Mahasiswa Fakultas Ekonomi dan Bisnis, Universitas Brawijaya*. <https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/5084/4466#>

