

Accelerating The Halal Industry Sector To Realize Indonesia As The World Halal Center

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Article Info	Abstract
Keywords: Halal Industry, World Halal Center, Opportunities.	The purpose of this study is to identify the condition of the halal industry and the opportunity aspects of the halal industry sectors in Indonesia. This research uses a qualitative descriptive method with an exploratory approach through secondary data collection. Findings. First, the condition of the halal industry according to the release of the State of the Global Islamic Economic Report 2022 shows that Indonesia's position globally ranks 4th (four) and this will continue to increase along with Indonesia having the largest Muslim population in the world, making it an important market for halal products and services. Second; 7 important sectors must be utilized including food and beverage, fashion, tourism and hospitality, pharmaceuticals, Islamic finance, media and recreation, and halal supply chain. These sectors are maximally utilized in building consumer confidence, forming halal lifestyle awareness, and increasing sharia understanding to expand the range of halal industry services so that Indonesia can become the world's halal center.
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1. Introduction

Indonesia is a country with a majority Muslim population, where the number of Muslims in Indonesia reached 231.05 million people or 86.7% of the total population of 266.5 million people in 2022 (Nasreddin, 2022). So the demand for halal products is relatively large. This is one of the good potentials for Indonesia in developing halal-based industries. The halal industry category is not only limited to the food and beverage sector, but can also be developed in the fields of financial services, tourism, fashion, media, and pharmaceuticals/health. Products with clear halal certification not only provide a sense of security for the Muslim population but also the non-Muslim population (Azizah et al., 2022). Even Indonesians spend about \$220 billion on the halal industry, and projections in 2045 of demographics that will reach 70 percent of Indonesia's total population, show that the productive age group is the largest. Therefore, with such potential, the overall demand for Halal products from various industries will continue to increase. However, this good potential is underutilized by the Indonesian people and has not been able to work optimally (Maulana & Zulfahmi, 2022). This makes Indonesia still struggling as a consumer of the world halal industry market (Fathoni & Syahputri, 2020). For this reason, the author tries to explain the opportunities for the halal industry in Indonesia that can be run so that Indonesia becomes a global or world halal center.

The results of research conducted by Endang S. Soesilowati and Chitra Indah Yuliana on the comparison of consumer behavior toward halal products in Muslim majority and minority areas show that consumer behavior towards halal food is at an average score of 6.24. Attention to consumer behavior of halal products is part of an important market assessment as one of the main factors to achieve success in the halal industry (Soesilowati & Yuliana, 2013). The halal food

industry is becoming more promising because halal food is now a trend in the market. In addition, Muslim consumers have a high awareness of the consumption of halal products (Kurniawati & Cakravastia, 2023). Therefore, the guarantee of halal products is very important to attract the attention of the country. In Islamic business activities ethics are highly recommended, one of the fundamental trade practices in business activities (business) is halal (Tiakoly et al., 2019). According to the Preamble of the 1945 Constitution of the Republic of Indonesia (UUD 1945), the state must protect the entire Indonesian nation and the entire Indonesian homeland and promote general welfare (Charity, 2017). This, food producers or businesses are required to offer halal and healthy food by the Islamic way, which is concerned with promoting human welfare through the maintenance of self, wealth, intelligence, faith, and procreation (Kadir, Awaluddin, et al., 2022). Halal in Islamic economic goals in this case is more than just a commercial goal manifested in the achievement of maximum profit (Kadir, 2019), but also considers their role in promoting social welfare in general, this is commonly referred to as the balance of *maslahah* needs in *maqashid sharia* (Kadir et al., 2019). However, the position of businesses and consumers can become unbalanced in certain situations and conditions, leaving consumers in a worse position (Kadir, 2022). Therefore, it is important to update or establish new development indicators (Kadir, 2023b) of the halal sector that can reflect the condition of the Muslim population (Kadir, 2023a). The sustainability of Muslim needs will only be guaranteed if the halal sector can be achieved by taking into account the social and environmental dimensions (Muslihati et al., 2018).

To build a new and sustainable environment for the growth of domestic halal products, all relevant stakeholders, including the government and the commercial sector must work diligently to promote the expansion of Indonesia's halal product business is essential if it is to grow and develop quickly enough to balance the world's halal product trade as the goal of Indonesia's halal industry (Kadir et al., 2023). The goal of Indonesia's halal industry to become the world's halal center has not been fully realized. This is because Indonesia ranks fourth in the Top 15 Global Islamic Economy Indicator category, based on the ranking given in (State of the Global Islamic Economy Report, 2022). Halal industry sectors in Indonesia such as halal food and beverages, pharmaceuticals, recreational media, tourism, fashion, and finance have not been fully exploited and must be utilized immediately because in the future Muslim communities will be increasingly aware of the importance of consuming halal products whose series of manufacturing processes have been tested for halalness as a guarantee of quality (Anugrah, 2022). Understand the reasons behind Indonesia's inability to respond more quickly to the advantages of the halal industry opportunity and to become a dominant country in the halal industry market. Businesses and consumers in Indonesia must realize the benefits of implementing the halal industry concept (Batubara & Harahap, 2022). Halal-certified products must assure consumers, especially Muslims, that the product ingredients and production process are by *Sharia* (Islamic law) (Yunos et al., 2014). This has an important component in developing the halal industry, namely halal products and services must be accessible to those who are Muslim. Given the huge potential that Indonesia has in the halal industry sector, this can be further optimized. Finding opportunities for policymakers to act must be done to accelerate halal business in Indonesia (Harmoko, 2022). This shows what needs to be strengthened in the business arena (whether or not it is sustainable) and how the business needs to be developed in the future (Kadir & Abdullah, 2019). To maximize the opportunities of the halal industry sector in Indonesia and make it a global halal hub, the purpose of this article's research is to identify opportunity measures that can be used and implemented using qualitative descriptive methods and exploratory approaches.

2. Research Method

This research design uses descriptive qualitative research. This research approach is exploratory. An exploratory approach or exploratory research is a type of research carried out to discover new knowledge and problems in the scientific field. The purpose of the exploratory research approach is to map an object in relative depth to formulate problems in more detail and develop the object. The object of this research is the acceleration of the Indonesian halal industry. The data collection used is secondary data obtained from various journals, books, websites, and credible documentation (Waharini & Purwantini, 2018) with the management of discussion materials and library data collection through reading, recording, and collecting (Nursalam, 2016). Data collection techniques are observation, editing, organizing, and finding (Arikunto Suharsimi, 2013). The collected data were analyzed using a qualitative descriptive analysis method. Descriptive qualitative is a research method based on the philosophy of postpositivism used to research natural object conditions (as opposed to experiments) where the researcher is the key instrument, data collection techniques are triangulated (combined), data analysis is inductive/qualitative, and qualitative research results emphasize meaning rather than generalization (Sugiyono, 2019).

3. Results And Discussions

Halal Industry in Indonesia

In 2022, the State of the Global Islamic Economy Report, published by Thomson Reuters in partnership with Dinar Standard, states that the halal economy consists of industries whose main goods and services are structurally influenced by Islamic law and motivated by values, consumer lifestyles, and business practices (Sukoso,dkk, 2020). Islam uses the term maqashid sharia to explain how to understand the purpose of Islamic law (Kadir, 2019). The purpose of Islamic law in economics is not only to maximize the needs of the world's life but to meet the needs of the hereafter as well (Kadir, Awaluddin, et al., 2022). Maqashid Sharia is the basis for developing the halal industry to minimize the possibility of harm (Sulistiani, 2019).

According to the State of Global Islamic Economic Report 2022, which claims that more than 2 trillion US dollars are spent globally by Muslims. Fashion, cosmetics, pharmaceuticals, and tourism are just a few of the industries (Kadir, 2023b) that contribute to public spending. Of great interest today is the food and beverage sector as it is a basic need for every Muslim to fulfill their obligations as a devout Muslim. With the potential of a large Muslim population, it is expected to become the country with the strongest halal economy in the world (Izhar Ariff Mohd Kashim et al., 2023) if it is followed by efforts to optimize its efforts to develop the halal industry. The Global Islamic Economy Indicator (GIEI) released the position of countries that are currently in the best position to address the trillion-dollar global halal economy opportunity.

Table 1. Indonesia Halal Industry Ranking 2022

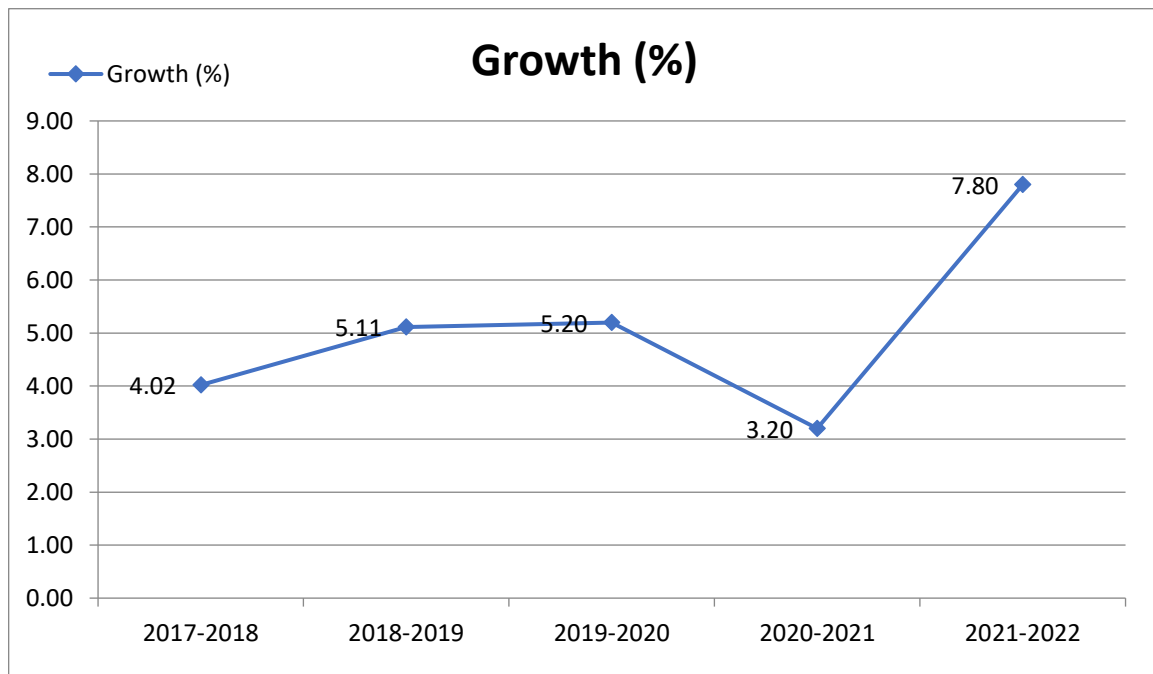
Sector	Indonesian Rank	The First Rank
Halal Food	2	Malaysia
Fashion	3	UAE
Tourism and Hospitality	N/A	Malaysia
Pharmaceuticals and Cosmetics	9	Singapore
Media and Recreation	N/A	Malaysia
Islamic Finance	6	Malaysia

Source: (State of the Global Islamic Economy Report, 2022)

Based on the data obtained, according to the release of the State of the Global Islamic Economic Report 2022, and shows that Indonesia's position globally ranks 4th (four) in terms of

Islamic economic development. However, the hospitality tourism sector and recreational media have not shown good conditions. The accumulated results are obtained from the description of the indicator score rank of the Global Islamic Economic. Indonesia has the largest Muslim population in the world, making it an important market for halal products and services.

Picture 1. Halal Industry Growth



Source: (State of the Global Islamic Economy Report, 2022), (State of the Global Islamic Economy Report 2020/21, 2021), (State of the Global Islamic Economy Report, 2020), (State of the Global Islamic Economy Report, 2019), and (State of the Global Islamic Economy Report 2018, 2018).

Based on the insignificant growth data of the halal industry in the last 5 years, the Indonesian government has been actively working to promote and regulate the halal industry in the country. Indonesia has implemented and implemented the new Halal Product Guarantee Law, which requires all products sold in the country to be certified halal by the Halal Product Guarantee Agency (BPJPH). This certification process aims to ensure that the products meet the halal standards set by the Indonesian Ulema Council (MUI). The Government's efforts to promote the halal industry have also led to the establishment of the Indonesian Ulema Council's Institute for Food, Drug and Cosmetic Assessment (LPPOM MUI), which is responsible for halal certification in Indonesia. The institute has been working to streamline and improve the certification process to meet international standards.

Indonesia is one of the countries with the most Muslims in the world today. this has also resulted in an increase in demand for halal products in Indonesia due to the many interests and halal lifestyles that are now running in the midst of society. awareness in consuming halal is also a very promising market potential for producers to produce halal products. related to halal is not just talking about religion. but related to business or trade. with the increasing awareness and halal lifestyle of Muslims around the world will also make them obedient in fulfilling their obligations as Muslims and as Islamic consumers which can create more demand for halal products (Nurhasah et al., 2018) as well as government initiatives have contributed to the growth of the halal industry in Indonesia in shaping halal lifestyle awareness and increasing understanding of sharia to expand the range of halal industry services so that Indonesia can become the world's halal center.

Opportunities and Acceleration of 7 Halal Industry Sectors in Indonesia

The halal industry refers to sectors that produce goods and services that follow Islamic principles and guidelines. As a country with a majority Muslim population, Indonesia has a good opportunity in developing the halal industry. Especially marked by the mandatory Halal Certification program: The Indonesian government has established the Indonesian Ulema Council (MUI) as the authority responsible for issuing halal certifications. The demand for halal certification creates opportunities for companies to obtain and maintain halal certification, ensuring their products are suitable for the Muslim market. In terms of halal certification, the Indonesian government has established the Indonesian Ulema Council (MUI) as the authority responsible for issuing halal certification. This certification is mandatory for food, beverages, medicines, cosmetics, and other products consumed by Muslims. The demand for halal certification creates opportunities for companies to obtain and maintain halal certification, ensuring their products are suitable for the Muslim market. The following are the main aspects and opportunities in accelerating the halal industry in Indonesia to realize Indonesia as the world's halal center, namely:

Food and Beverage Industry

Indonesia has huge potential for halal food and beverage production. There is an increasing demand for halal-certified products (Nurhasah et al., 2018), including processed foods, snacks, beverages, and halal meat. Developing food processing facilities that comply with halal standards, investing in research and development, and improving distribution networks can capitalize on this growing market. The halal food and beverage industry in Indonesia offers many opportunities due to the country's large Muslim population and their demand for halal-certified products. Below are some of the key opportunities in the halal food and beverage industry in Indonesia:

- a. **Market Size and Growth:** Indonesia has the largest Muslim population in the world, which creates a domestic market for halal food and beverages. The demand for halal-certified products is expected to continue to increase due to growing awareness and adherence to Islamic principles among consumers. Expanding product offerings and capturing this growing market share can result in substantial business growth.
- b. **Halal Certification:** Halal certification is mandatory for food and beverage products in Indonesia. Obtaining halal certification from the Indonesian Ulema Council (MUI) is essential for businesses to cater to the Muslim consumer market. Opportunities exist to assist companies in the certification process, such as consulting services or setting up a halal certification unit within the company.
- c. **Product Diversification:** There is room for innovation and diversification in the halal food and beverage industry. Companies can develop new products that comply with halal standards, such as ready meals, snacks, beverages, and specialty cuisines. Catering to specific dietary preferences and needs, such as organic, gluten-free, or vegan halal products, can expand the customer base.
- d. **Modern Retail and E-commerce:** The growth of modern retail outlets, supermarkets, hypermarkets, and e-commerce platforms in Indonesia provides opportunities for halal food and beverage companies to reach a wider consumer base. Forging partnerships with retailers and utilizing e-commerce platforms can increase product accessibility and visibility.
- e. **Export Potential:** Indonesia's halal food and beverage industry has good export potential. The global halal market is growing, and Indonesia can capitalize on this market by exporting halal-certified products to Muslim-majority countries or regions with the largest Muslim population. Businesses can explore international trade opportunities and participate in trade fairs and events to showcase their products.
- f. **Food Service Industry:** The food service sector, including restaurants, cafes, and catering services, presents opportunities for the halal food and beverage industry. Developing a

network of halal-certified restaurants, introducing halal menus in hotels and resorts, and providing catering services for events can cater to the diverse dining needs of local and international Muslim consumers.

- g. **Agribusiness and Supply Chain Integration:** Indonesia has abundant natural resources, including agricultural products, which can support the halal food and beverage industry. There are opportunities for businesses to invest in agribusiness, such as halal meat production, procurement of halal-certified raw materials, and building an efficient supply chain system to ensure halal integrity throughout the production process. To take advantage of these opportunities, businesses in the halal food and beverage industry should prioritize halal certification, invest in research and development to create innovative products, build strong distribution networks, engage in effective marketing and branding strategies, and build consumer trust through transparent and traceable supply chains. Overall, the halal food and beverage industry in Indonesia offers fertile ground for businesses to meet the needs of Muslim consumers, capitalize on the growing market, and explore export opportunities to expand its reach beyond the country's borders.

Fashion

The halal fashion industry in Indonesia refers to a sector that produces and provides clothing and fashion items that follow Islamic principles and guidelines. With a large Muslim population and growing global demand for modest fashion, Indonesia offers opportunities for the development of the halal fashion industry. The following is an explanation of the industry and its opportunities:

- a. **Modest Fashion Market:** The halal fashion industry includes modest fashion, which caters to individuals seeking clothing that follows Islamic guidelines on modesty and covers the body well. Indonesia has a rapidly growing modest fashion market, and businesses can capitalize on this demand by producing and offering a wide selection of modest clothing, including hijabs, abayas, kaftans, and modest clothing for men and children.
- b. **Halal Certification:** Obtaining halal certification for clothing and fashion products can provide a competitive advantage in the market. Halal certification ensures that the production process and materials used in the garments conform to Islamic principles. Collaborating with a recognized halal certification body, such as the Indonesian Ulema Council (MUI), can help businesses build trust and credibility in the halal fashion industry.
- c. **Traditional and Cultural Elements:** Indonesia has a rich cultural heritage, and incorporating traditional elements into halal fashion can be a unique selling point. Integrating traditional patterns, textiles, and craftsmanship into modern designs can create a distinct identity for Indonesian halal fashion brands and appeal to both local and international consumers.
- d. **Fashion Events and Exhibitions:** Participating in fashion events and exhibitions dedicated to modest fashion provides exposure and networking opportunities for businesses in the halal fashion industry. Indonesia hosts several fashion weeks and events focused on modest wear, providing a platform for brands to showcase their designs, attract customers, and establish relationships with industry professionals.
- e. **E-commerce and Online Platforms:** The rise of e-commerce has transformed the fashion industry, and the halal fashion sector is no exception. Establishing an online presence and utilizing e-commerce platforms can help businesses reach a wider customer base, both at home and abroad. Collaborating with popular online marketplaces and utilizing social media marketing can increase brand visibility and sales.
- f. **Fashion Education and Talent Development:** Investing in fashion education and talent development can contribute to the growth and professionalism of the halal fashion industry. Providing training programs, workshops, and mentorship opportunities for aspiring designers and fashion professionals can nurture talent and encourage innovation in the industry.

- g. **Sustainable and Ethical Practices:** Emphasizing sustainable and ethical practices is essential in the halal fashion industry. In line with Islamic values, businesses can prioritize environmentally friendly materials, fair labor practices, and ethical supply chains. Promoting transparency and social responsibility can resonate with conscious consumers and differentiate brands in the market.
- h. **International Market Expansion:** Indonesia's halal fashion industry has the potential for international market expansion. By meeting the needs of Muslim consumers globally and capitalizing on the growing demand for modest fashion, Indonesian brands can establish a presence in other Muslim-majority countries and enter the global halal fashion market. To succeed in the halal fashion industry in Indonesia, businesses must prioritize halal certification, invest in quality design and craftsmanship, engage in effective marketing and branding strategies, embrace technology and e-commerce platforms, and prioritize sustainability and ethical practices. By capitalizing on Indonesia's vibrant modest fashion market and aligning with Islamic principles, the halal fashion industry can contribute to the country's economy, promote cultural heritage, and meet the growing needs of Muslim consumers around the world.

Tourism and Hospitality

Indonesia is a popular tourist destination, with a large number of Muslim travelers. Developing halal-friendly tourism and hospitality services, such as halal hotels, halal restaurants, and Muslim-friendly attractions, can cater to the specific needs and preferences of Muslim tourists. The halal tourism and hospitality industry in Indonesia refers to a sector that caters to the needs and preferences of Muslim travelers, providing services and facilities that comply with Islamic principles. Indonesia, with its rich cultural heritage and as the world's largest Muslim-majority country, offers opportunities in the halal tourism and hospitality sector. The following is a description of the industry and its opportunities:

- a. **Halal-Friendly Accommodation:** The hospitality industry can develop and promote halal-friendly accommodation options, such as halal hotels or resorts. These places provide facilities that cater to the specific needs of Muslim travelers, including separate prayer rooms, halal food options, and gender-segregated swimming pools and spa areas. Investing in the development of Muslim-friendly hotels or collaborating with existing properties to meet halal standards can attract Muslim travelers and enhance their experience.
- b. **Halal Restaurants and Eateries:** Developing halal-certified restaurants and dining options is crucial in the halal tourism industry. Muslim travelers look for restaurants that serve halal food prepared according to Islamic dietary guidelines. Establishing halal restaurants within hotels or in popular tourist destinations can attract Muslim travelers and create new business opportunities.
- c. **Halal Tourism Packages and Services:** Creating halal tourism packages and services tailored to the needs of Muslim tourists is another opportunity. This includes offering guided tours to religious and cultural sites, organizing Muslim-friendly activities and entertainment, and providing transportation services that accommodate prayer times and halal food options. Collaborating with tour operators and local businesses to develop halal tourism packages can attract Muslim travelers seeking unique experiences.
- d. **Muslim Tourist-Friendly Attractions:** Developing attractions and entertainment venues that are suitable for Muslim visitors can enhance the halal tourism experience. This can include family-friendly activities, nature parks, cultural centers, and museums that highlight Islamic history and heritage. Ensuring friendly facilities for worship, providing adequate halal food options, and respecting Islamic values can attract Muslim travelers and differentiate destinations in a competitive tourism market.
- e. **Halal Travel Agencies:** Establishing a halal travel agency or incorporating halal-focused services within an existing agency can cater specifically to Muslim travelers. These agencies

- can help arrange itineraries, accommodation, transportation, and other services that meet halal requirements. Building partnerships with local businesses and service providers to ensure the availability of halal options during travel is essential.
- f. **Muslim-Friendly Transportation:** Improving transportation services to accommodate the needs of Muslim travelers is an opportunity in the halal tourism industry. This includes providing facilities for prayer and ablution at airports, ensuring halal food options during flights, and offering gender-segregated seating arrangements. Collaborating with airlines, bus companies, and other transportation providers to offer Muslim-friendly travel options can attract Muslim tourists.
 - g. **Halal Certification and Standards:** Obtaining halal certification for various tourism and hospitality services is essential to gain the trust of Muslim travelers. Collaborating with recognized halal certification bodies and adhering to set standards will help ensure the authenticity and credibility of halal offerings. This includes obtaining halal certification for hotels, restaurants, tour operators, and other related businesses. To capitalize on the opportunities of the halal tourism and hospitality industry in Indonesia, businesses should focus on understanding the needs and preferences of Muslim travelers, investing in halal certification and standards, promoting cultural sensitivity and Islamic values, and developing strategic partnerships with halal-focused local and international organizations. By providing halal-friendly experiences, accommodation, dining options, and attractions, the halal tourism and hospitality industry in Indonesia can attract a larger market share of Muslim travelers, contribute to the country's tourism sector, and drive economic growth.

Pharmaceuticals

Medicines, Cosmetics, and Personal Care; The pharmaceutical industry presents opportunities for the production and development of halal medicines. Increasing religious awareness in society in consuming various traded products, Muslim consumers are increasingly selective in choosing the products used, the Indonesian consumer market is dominated by very large Muslim consumers. An impact on producers in marketing their products in Indonesia must pay attention to the composition of the products they sell by Islamic law (Maksudi et al., 2023).

The demand for natural ingredients in cosmetics in Europe is increasing as shown by from 2013 to 2018, with a value of USD 3.6 billion in 2018 from a market share of less than 5% of the European cosmetics market. The main driver of this demand is the increasing consumer awareness of natural cosmetics, which has implications for cosmetic companies to switch to producing cosmetics based on natural ingredients. This increased growth of the cosmetics market in Europe is predicted to maintain its leading position in the coming years. So that it has a positive economic impact on developing countries (Hakim et al., 2021) such as Indonesia to import natural ingredients to Europe or produce halal cosmetics in Indonesia.

Developing formulations that comply with halal standards, obtaining halal certification, and promoting natural and organic ingredients can help businesses enter the Muslim consumer market. The halal pharmaceutical industry in Indonesia refers to a sector that produces and provides pharmaceutical products that follow halal standards and Islamic principles. With a large Muslim population and increasing awareness of halal consumption, Indonesia has opportunities for the development of the halal pharmaceutical industry. The following is an explanation of this industry and its opportunities:

- a. **Halal Medicine Production:** The main focus of the halal pharmaceutical industry is to produce medicines that meet halal standards. This includes ensuring that the ingredients used in medicines are halal certified and the manufacturing process is by Islamic guidelines. Developing halal medicine production facilities and obtaining halal certification for pharmaceutical products can meet the needs of Muslim consumers and build trust in the industry.

- b. **Halal Cosmetics and Personal Care:** The halal pharmaceutical industry can also include the production of halal cosmetics and personal care products. This includes items such as skincare products, hair care products, and hygiene products. Muslim consumers are increasingly seeking halal-certified cosmetics and personal care products, thus creating opportunities for businesses to develop and market halal-compliant products that meet their specific needs.
- c. **Jamu and Traditional Medicine:** Indonesia has a rich heritage of herbal and traditional medicine practices. Developing halal-certified herbal and traditional medicines can capitalize on this cultural heritage and cater to the preferences of Muslim consumers. Integrating traditional medicinal practices with modern medicine while ensuring halal compliance can provide a unique selling point for businesses in the halal pharmaceutical industry.
- d. **Halal Certification and Regulation:** Halal certification is essential for the halal pharmaceutical industry to ensure that pharmaceutical products meet Islamic requirements. Collaboration with a recognized halal certification body, such as the Indonesian Ulema Council (MUI), is required to obtain halal certification. Complying with relevant regulations and guidelines, such as labeling requirements and traceability standards, is essential to maintain the integrity and credibility of halal products.
- e. **Ethical and Sustainable Practices:** The halal pharmaceutical industry can prioritize ethical and sustainable practices that are aligned with Islamic values. This includes ensuring ethical sourcing of raw materials, promoting animal-friendly testing methods, and implementing environmentally-friendly production processes. Emphasizing these aspects can resonate with Muslim consumers who seek products that are not only halal but also ethically and environmentally conscious.
- f. **Consumer Education and Awareness:** Promoting consumer education and awareness about halal pharmaceutical products is essential. This includes educating the public on the importance of halal certification, the benefits of halal products, and how to identify and differentiate halal-certified medicines from non-halal alternatives. Creating campaigns and educational materials can help build consumer confidence and drive demand for halal pharmaceutical products.
- g. **Export Potential:** Indonesia's halal pharmaceutical industry has export potential to other Muslim-majority countries and the global market. Expanding distribution networks and obtaining internationally recognized halal certifications can enable businesses to tap into the growing global halal market. Building strong relationships with international partners and participating in trade shows can facilitate market access and export opportunities. To capitalize on opportunities in the halal pharmaceutical industry in Indonesia, businesses should prioritize obtaining halal certification, invest in research and development to create innovative halal products, adhere to ethical and sustainable practices, and engage in effective marketing and distribution strategies. By developing a strong halal pharmaceutical industry, Indonesia can meet the health needs of the Muslim population, establish Indonesia as a halal pharmaceutical hub, and contribute to the growth of the global halal market.

Islamic Finance

Islamic financial institution products are one of the basic foundations in efforts to increase the Islamic financial institution industry in Indonesia. The latest breakthrough in Islamic financial institution products is now aimed at providing other alternatives in meeting the needs of community financial products and services based on the principles of Sharia (Islamic) law (Kadir, Lufti, et al., 2022) and profit sharing which is a financing instrument for Islamic finance (Kadir & Basri, 2019). Islamic finance also encourages the financial services industry to continue to develop and create more innovative, varied, and affordable financial products and services according to the needs of all levels of society (Abdullah et al., 2020). The Islamic finance industry in Indonesia refers to a sector

that provides financial services and products by Sharia principles and guidelines. Also known as Islamic finance, Sharia finance operates based on ethical and moral principles derived from Islamic law (Sharia). Indonesia, with its large Muslim population, has witnessed growth in the Islamic finance industry over the years. The following is an explanation of this industry and its features:

- a. **Shariah-Compliant Financial Products:** The Islamic finance industry in Indonesia offers a wide range of financial products that conform to Islamic principles. These products include Islamic banking services, Islamic insurance (Takaful), Islamic mutual funds, Islamic bonds (Sukuk), and Islamic microfinance. These products are designed to be Shariah-compliant, which prohibits the payment or receipt of interest (riba), investment in prohibited activities (haram), and excessive uncertainty (gharar).
- b. **Islamic Banking:** Islamic banks in Indonesia operate by Shariah principles. They follow certain modes of financing, such as Murabahah (cost-plus financing), Mudarabah (profit sharing), Musharakah (partnership), and Ijarah (rental). Islamic banks also offer Shariah-compliant deposit accounts, financing for individuals and businesses, and other banking services. Islamic banking has gained popularity in Indonesia, attracting customers who seek financial services that are in line with their religious beliefs.
- c. **Regulatory Framework:** Indonesia has a well-established regulatory framework for the Islamic finance industry. The Financial Services Authority (OJK) supervises and regulates Islamic banking, Islamic capital markets, and Islamic insurance in Indonesia. OJK ensures that Shariah financial institutions comply with Shariah principles and guidelines while maintaining the stability and integrity of the financial system.
- d. **Halal Certification and Compliance:** Islamic financial institutions in Indonesia often obtain halal certification to assure customers that their financial products and services conform to Islamic principles. These certifications are usually issued by recognized Shariah boards or committees. Compliance with Shariah principles includes avoiding interest-based transactions, adhering to ethical investment guidelines, and promoting financial inclusion and social welfare.
- e. **Financial Inclusion:** The Islamic finance industry in Indonesia plays an important role in promoting financial inclusion. Islamic microfinance institutions and Islamic cooperative banks (Baitul Maal wat Tamwil) provide access to financial services for underserved communities, especially in rural areas. These institutions offer Shariah-compliant microloans, savings accounts, and other financial services, allowing individuals and small businesses to participate in the formal financial system.
- f. **Ethical and Socially Responsible Investments:** Islamic finance emphasizes ethical and socially responsible investments. Shariah-compliant investment principles prohibit investments in sectors such as gambling, alcohol, tobacco, and conventional financial services. Instead, Shariah finance encourages investments in sectors that are aligned with ethical and social values, such as halal food, healthcare, renewable energy, and infrastructure development.
- g. **International Market Opportunities:** The Islamic finance industry in Indonesia has gained recognition and interest globally. Indonesian banks and financial institutions have expanded their presence beyond domestic borders, attracting customers and investors from Muslim-majority countries and regions. Indonesia's strong regulatory framework, diverse Islamic financial products, and expertise in Islamic finance provide opportunities for international collaboration and market expansion. To thrive in the Islamic finance industry in Indonesia, financial institutions should focus on maintaining compliance with Shariah principles, investing in qualified Shariah experts and scholars, ensuring transparency and accountability, and continuously innovating to meet evolving customer needs. Collaboration with international partners, participating in Shariah finance conferences and exhibitions, and utilizing technology to deliver efficient services are additional strategies to remain competitive in the industry. The Islamic finance industry in Indonesia has shown consistent

growth, contributing to the country's financial sector and providing an alternative for individuals and businesses seeking ethical and Shariah-compliant financial solutions.

Media and Recreation

The media and leisure industry in Indonesia encompasses various sectors involved in the production, distribution, and consumption of media content and entertainment activities. The industry plays an important role in shaping cultural narratives, promoting creativity, and providing recreational opportunities for individuals. The following are opportunities regarding the media and leisure industry in Indonesia:

a. Media Industry:

Table 2. Media Industry Opportunities

Indicator	Description
Television and Radio	Television and radio broadcasting are important components of the media industry in Indonesia. Many national and regional television channels and radio stations cater to a diverse audience, offering a variety of programs including news, entertainment, drama, reality shows, and educational content
Print Media	Print media, such as newspapers and magazines, continue to have a presence in Indonesia despite the rapid growth of digital media. Several national and regional newspapers cover a wide range of topics including breaking news, business, lifestyle, and sports. Magazines cater to specialized interests, such as fashion, travel, and lifestyle
Digital Media	The digital media landscape in Indonesia has experienced rapid growth, driven by increased internet penetration and smartphone usage. Online news portals, blogs, and social media platforms have become popular sources of information and entertainment. Digital streaming services for movies, TV shows, and music have also gained traction, offering a wide variety of content to consumers
Film Industry	Indonesia has a thriving film industry known as "Indonesian cinema" or "Indonesian film". Indonesian movies cover a wide range of genres, including drama, comedy, horror, and action. The industry has experienced growth in recent years, with filmmakers exploring diverse themes and producing critically acclaimed works. Local films and international productions are screened in cinemas across the country

b. Recreation Industry:

Table 3. Recreation Industry Opportunities

Indicator	Description
Music and Performing Arts	The music industry in Indonesia is vibrant and diverse, covering genres such as pop, rock, traditional, and dangdut. Indonesian musicians and bands have gained popularity both domestically and abroad. Performing arts include traditional dance, theater, and wayang, reflecting Indonesia's rich cultural heritage
Sports: Sports, particularly soccer, have tremendous popularity in Indonesia	The country has a professional soccer league, and national and regional teams participate in domestic and international competitions. Other sports such as badminton, basketball, and martial arts also have dedicated fan bases and active participation
Amusement Parks and	Indonesia is home to a variety of theme parks and entertainment

Entertainment Centers	centers that offer recreational activities and attractions for families and tourists. These include water parks, amusement parks, zoos, and adventure parks. Popular examples include Taman Impian Jaya Ancol in Jakarta, Trans Studio in Bandung, and Waterbom Bali
Gaming and Esports	The gaming and esports industry has experienced growth in Indonesia. With a large gamer population, esports tournaments and events attract both professional and casual gamers. Mobile gaming has gained popularity due to the widespread use of smartphones, and Indonesia has a growing community of game developers and content creators
Tourism and Travel	The media and leisure industry plays an important role in promoting tourism in Indonesia. Travel shows, documentaries, and online platforms showcase Indonesia's natural beauty, cultural attractions, and culinary experiences. The industry supports various tourism-related activities, such as tour operators, travel agents, and hospitality services. The media and leisure industry in Indonesia presents many opportunities for content creation, talent development, technological innovation, and business growth. With a diverse and culturally rich society, the industry plays an important role in shaping public opinion, fostering creativity, and providing entertainment and leisure outlets for Indonesians and visitors alike

Halal Logistics and Supply Chain

Ensuring the halal integrity of products throughout the supply chain is critical. Developing halal logistics and supply chain management systems, including transportation, storage, and warehousing, can support the halal industry by maintaining the integrity and traceability of halal-certified products. Capitalizing on halal logistics and supply chain opportunities requires a strategic approach. Here are some key steps to consider:

- a. **Understand the Halal Market:** Gain an in-depth understanding of the halal market, including size, growth potential, consumer preferences, and regulatory requirements. Identify specific segments or niches within the halal industry that have logistics and supply chain opportunities.
- b. **Halal Certification:** Ensure that your logistics and supply chain processes comply with halal certification requirements. This includes understanding the halal standards set by relevant certification bodies and obtaining the necessary certifications for your operations. Collaborate with certified halal agencies to ensure compliance with halal practices throughout the supply chain.
- c. **Halal Compliance:** Implement halal-compliant practices throughout your logistics operations and supply chain. This includes segregating halal and non-halal products, ensuring cleanliness and hygiene, avoiding cross-contamination, and maintaining traceability of halal products.
- d. **Infrastructure and Facilities:** Invest in appropriate infrastructure and facilities to support halal logistics and supply chain operations. This may include dedicated halal storage areas, transport vehicles, and temperature control facilities to maintain the integrity of halal products.
- e. **Supply Chain Visibility:** Implementing technologies and systems to improve supply chain visibility. This includes utilizing track and trace technology, RFID (Radio Frequency Identification), and barcode systems to monitor the movement of halal products, ensure transparency, and maintain product integrity.

- f. **Collaboration and Partnership:** Collaborate with halal-certified suppliers, distributors, and logistics service providers. Building strong partnerships within the halal ecosystem can help streamline operations, expand market reach, and enhance credibility.
- g. **Training and Education:** Provide training and education to your staff on halal practices, regulations, and sensitivities. Ensure employees involved in logistics and supply chain are knowledgeable about halal requirements and maintain the highest level of integrity.
- h. **Market Development:** Actively engage in market development activities such as participating in halal trade shows, industry events, and networking opportunities. This can help you connect with potential customers, understand market trends, and explore new business opportunities.
- i. **Continuous Improvement:** Review and improve your halal logistics and supply chain processes regularly. Stay abreast of the latest industry developments, consumer preferences, and regulatory changes. Constantly seek feedback from customers and stakeholders to refine your operations and meet their evolving needs.

4. Conclusion

The condition of the halal industry according to the State of the Global Islamic Economic Report 2022 shows that Indonesia's position globally ranks 4th (four) in the development of the Islamic economy and will continue to increase as the Muslim population in the world increases, making it an important market for halal products and services. If Indonesia does not want to be just a consumer for countries exporting halal goods, it must be able to capitalize on halal products. To make the most of the opportunities in Indonesia's halal industry, businesses need to understand and comply with halal certification requirements, invest in research and development, build trust among consumers, and establish strong marketing and distribution channels. It is important to note that while Indonesia provides opportunities due to its Muslim population, the global halal market is huge, and businesses may also consider expanding their reach beyond Indonesia to cater to a wider Muslim consumer base. 7 important sectors should be utilized including food and beverage, fashion, tourism and hospitality, pharmaceuticals, Islamic finance, media and leisure, and halal supply chain. These sectors are maximally utilized in building consumer confidence, forming halal lifestyle awareness, and increasing sharia understanding to expand the range of halal industry services so that Indonesia can become the world's halal center.

For this reason, it is expected that all interested parties dedicate themselves to the opportunities of the halal industry, especially for the government, companies, and the wider community must work together so that the halal product industry succeeds locally and maintains export-import conditions so that Indonesia can dominate the global halal product market and maximize the growth of the Islamic economy and seek feedback from other stakeholders in identifying areas that need to be improved. Keep abreast of global trends, consumer preferences, and emerging technologies to remain competitive and relevant as the world's halal center. This research is limited to 7 aspects of the halal industry sector and its opportunities. For this reason, it is recommended that future research further examine other sectors in the halal industry and prioritize quantitative empirical facts.

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