The potential of halal industry in Indonesia to support economic growth

Mujahidin
IAIN Palopo
1, Palopo
E-mail: mujahidin@iainpalopo.ac.id

Abstract,
Indonesia as the largest Muslim-populated country in the world has the potential for the development of the halal industry, but the fact said, where Indonesia is left from other countries such as Malaysia in the development of the halal industry. In the year 2017 Indonesia was ranked 11th, in 2018 Indonesia fixed its position to 10th place, in 2019 Indonesia to improve its ranking to position 4 it is obvious that Indonesia is potentially a center Halal industry in the world. Indonesia has established a national commission of Sharia, which will focus on improving the halal industry in Indonesia. Halal industry developed from two sectors namely products and services. From the product, sectors are food and beverage, fashion, cosmetics whereas from the sector of services, namely, banking, tourism, media, and entertainment.

Keywords: halal industry, Islamic Economy, Indonesia

INTRODUCTION
Indonesia is the world's largest Muslim country. Based on Global religious future data, the Indonesian population of Muslims in 2010 reaches 209.12 million people or about 87% of the total population. Then in 2020, Indonesian Muslims are expected to reach 229.62 million inhabitants. (Kusnandar 2019) This potential makes Indonesia as a potential country for the development of the halal industry in the world. The halal industry itself becomes the need of the human race nowadays. The halal product is very important for people who already have a high awareness of their religious values. Even the halal of a product is sometimes a sensitive conversation, if there is controversy over a food it will cause tumult in society, Indonesia as a Muslim-majority country has seen the opportunity for the development of the halal industry began to develop to provide products and services that are halal for the community. Through law No. 33 the year 2014 (Undang 2014) about halal product guarantee then lowered in PMA No, 26 the year 2019 (Agama 2019) that requires all products must be halal certified with 5 years for halal certificate started October 17, 2019. Started from food and drinks while for other than food and drinks it started on October 17, 2021. This commitment is
a response from a law that assures every citizen to exercise their own beliefs. Socialization has been done by the ministries and related parties such as MUI, certification of Halal products is not something new because it has been long run and handled by the Indonesian Ulama Council (MUI). (Afroniati 2017) However, after the PMA, the certification authority is under the Ministry of Religious Affairs, but the certification manager including the examination and hearing related to the halal product is still carried out by the Indonesian Ulama Council (MUI).

This increasingly rapid development of the world creates a massive industrial race in the framework of the world that enters the era of Industrial Revolution 4.0 to the era of Industrial Revolution 5.0. This brings out increasingly diverse industrial variations followed by a pattern And the lifestyle of consumerism. Indonesia also develops various industries in various areas including the halal industry.

Industry according to KBBI (Pendidikan n.d.) is the activity of processing or processing of goods using means and equipment, such as machinery. While halal means to be allowed (not prohibited by Syarak). The halal industry is an activity to process or process goods by using tools and equipment that are permitted by Islamic sharia. The functions and objectives of the halal industry are a form of manifestation of LAW No. 33 the year 2014 on Halal product guarantee. The existence of the LAW is to ensure the independence of each resident to embrace their respective religion, where the country is obliged to provide protection and guarantee about the product's halal. However, the products in the community are not all guaranteed, so it is necessary to ensure that legal certainty formed UU about Halal product guarantee.

In article 1 of law No. 33 year 2014 explaining that products are goods and/or services related to food, beverage, medicine, cosmetics, chemical products, biological products, genetic engineering products, and applied goods used, used, or utilized by Community. While the definition of halal product is a product that has been declared halal by Islamic Sharia. The halal product industry, currently experiencing the development of not only halal products but also a halal lifestyle where there are six sectors according to the Indonesia Halal Lifestyle Center (IHLC) that should be prioritized by the government.

The sixth sector is the halal industry (Economy n.d.), namely food, and beverage, clothes, halal tourism, entertainment and media, pharmacy and cosmetics. This requires a deeper definition of those sectors, where the halal industry is not only limited to halal products, but also halal lifestyle. (Aan 2018)
Halal by Design (HbD) is a concept of approach in designing to produce halal materials or products. This concept was first presented by Prof. Dr. Slamet Ibrahim DEA., APT (professor of Pharmaceutical school ITB-chairman of Halal Center Salman ITB), at the Halal Lecture at GSG Salman on February 23, 2019. Halal by Design begins with planning, selection of halal materials, halal production and guarantee of halal products based on halal management according to Islamic law.

**METHODS**

This study uses a library research approach in which researchers use secondary data that is data that has been arranged and made both in the form of statistical reports, journals and books and websites that are directly related to the research conducted. This is because research conducted in the form of exposures that support the development of the halal industry in the world, especially Indonesia. This provides a clear and appropriate picture of the data for this study. Library rearch

**DISCUSSION/RESULT**

The development of the halal industry around the world has increased over the years. Sectors that are experiencing developments in the halal industry include halal food, finance, travel, fashion, cosmetics and medicines, media and entertainment, as well as healthcare and education. The halal food sector has the greatest income among other sectors. In the year 2017, the country that has the most halal food industry is United Arabia Emirates (UAE). Brazil, a country with a majority of the non-Muslim population, ranks 2nd in the halal food industry. (Al’Ikhsan 2018)

This proves that it is not only a country with a Muslim majority population who develop the halal industrial market but also a country with a majority of the non-Muslim population (State of The Global Islamic Economy, 2017). Brazil ranks second because the country can export the most halal meat in the world. The revenue gained from the exports reached $5.19 billion. While finance ranked first occupied by Malaysia. (Economy n.d.)

**Potential of Halal Industry in Indonesia**

Indonesia has the potential of a very large halal industry (Waharini and dkk, model pengembangan halal food di Indonesia, 2018) developed with a base of products and services including:

1. Halal industry based on product
Indonesia, which is the country with the world's largest Muslim population, spends US 218.8 billion on the Islamic economic sector in 2017 (State of The Global Islamic Economy, 2018). Therefore, Indonesia has the potential to become the country with the largest halal products in the world. To achieve the target as a country with manufacturers of halal products then Indonesia made various efforts to achieve such goals.

Based on the data of the Central Statistics Agency (BPS), micro Small and medium enterprises (MSMES) in Indonesia which already has a halal certificate is still very little about 57 million. Based on the data of the Indonesian Ulema Council (MUI) as the authorized institution-issued halal certification, the period 2014-2015 has published a national halal certificate for 6,231 companies and SMES.

Some halal-based products in Indonesia, among others, are:

**a. Halal food and bavarege**

The halal food here is not limited to forbidden food and drinks in religions such as pork, KHAMR, etc. But more to how the food process is processed and the equipments that are in the management of everything should be halal.

*Halal Li Zatihi* Or Halal from the side of the substance, namely a food and drink classified as halal when it is a food that the basic ingredients derived from animals or plants that are banned in Islam. So in this case such as pig, alcohol, and any other food forbidden will not enter this criterion. (Hidayat 2015)

The way to obtain it halal, which is the process to get the food can not go through a process that is banned in Islam such as stealing, cheating and so on. Although the food is a substance halal but if it is derived from the results of stealing or cheating, the food does not enter this category.

How to process Halal, which is the way to get ready to eat food must be through a halal process. Like when the slaughter should say Bismilah or do not add anything dangerous such as textile dye material and so on.

How to present, deliver and store must be The intention is that the food is in terms of substance, how to obtain and process it has been done correctly according to Islamic law but when it is presented in the wrong way then still not belong to halal food. As it is served to a plate made of gold or stored in a dangerous place when then it will be consumed. Some foods that are not allowed in Islam or not halal.
Halal food in Islam, in general, is more numerous than food that is forbidden. As long as it contains the four criteria above, it will not be a problem to consume it. However, some types of food are forbidden even though some are allowed either in terms of substance or in terms of circumstances and conditions (dharuriyat):

The first is a carcass, in general, is a piece of body or animal that died for some reason rather than dying from being slaughtered by the name of God. So if there are animals that die because of an incident such as accidents, falling from altitude or drowning then it is forbidden to be consumed. Although in this case there is an exception that is a fish carcass that is halal for consumption.

The Second is pigs, this type of food is familiar known that this is classified as Haram food. Because pigs are dirty creatures. He even eats his box. Pigs also have ribbon worms that endanger the human body. Pork can only be eaten if the condition is already in the emergency. Like no more food and the only thing, there is pork. If he does not eat it will risk his life so that in this case consuming pork is allowed. However, pork consumption is only limited to eliminating hunger just not to be enjoyed.

The Third is bloods, substances are indeed banned in Islam so it is forbidden to be consumed. Blood is forbidden because it belongs to the unclean category. However, when blood is enabled to perform a cure for a disease it is an exception so it is permissible even if it is better avoided.

Fourth According to Islam is the star slain by the name of Allah if an animal or animal is not slaughtered by the name of Allah, it is classified as not halal for consumption. The evidence for this prohibition is Q.S. Al-An’am ayat 121

Which means that,

“And do not eat the beasts which are not called the name of God when slaughtering them. Indeed, such deeds are a godliness “

To prove the halal product in Indonesia, it must obtain a kosher certificate issued by the Indonesian Ulama Council and given the right to include halal labels on food and beverage products.

b. Fashion

Lifestyle is so massive not only in terms of food and drink but also the most attention-consuming community is fashion, (izzuddin and dkk 2018) millennials, for example, many who try to follow the fashion styles of Koreans who are considered as Qibla Fashion in Asia. But
there is an interesting thing lately that it begins to awaken awareness among Muslims that they have a style of dressing that is advocated by religion that has to shut down their loins. Fashion is not just a style but also the fashion must try to close the loins so that the look is cool and have run the sharia. The people of Indonesia have understood that closing the loins is an order of religion and its legal obligation here are some evidence to cover the loins:

Closing the law is mandatory as the scholars deal based on the word Allâh Azza wa Jalla:

Say to the men of faith, "let them endure the sight, and nourish his dick; This is holier for them, and Allâh is exalted in what they do. " Say to the woman of faith, "let them endure his sight, and preserve his rule, and do not reveal them, but the (ordinary) look of them. And let them clothe the rags to his bodice, and do not reveal their decorations, save it be to their husbands, or their fathers, or their husbands' fathers, or their sons, or the sons of their husbands, or brothers They, or their brother's sons, or the sons of their sisters, or the Women of Islam, or their slaves, or the servants of men who have no desire (against women) or Children who have not yet understood about the woman's loam. And do not. And don't they beat their feet to be known for the jewels they hide? And be with thee unto Allâh, O believers that you may be lucky. [an-Nûr/24:31]

Dan Allâh Azza wa Jalla juga said:

O son of Adam, wear your beautiful garments in every (entering) mosque, eat and drink, and do not extravagance. Indeed Allâh does not like excessive people. [al-A’râf/7:31]

Because the decline of this verse as mentioned in Shahîh Muslim from Ibn Abbâs Radhiyallahu Anhuma, he said:

Before the women were tawaaf in the Kaaba without wearing clothes Then Allâh lowered the passage:

O son of Adam, wear your beautiful garments in every (entering) mosque …[HR. Muslim, no. 3028]

Even Allâh Azza wa Jalla commanded the wives of the prophets and the women of faith to shut their loins as his words:

O Prophet, say to your wives, your daughters and the wives of the Mukmin, "let them stretch out veil into their whole bodies!" That is so they are easier to recognize, so they are not disturbing. And Allâh is the most forgiving yet merciful. [al-Ahzâb/33:59]

By closing the heart of an awake from the evil Allâh Azza wa Jalla Berfrman:
If you ask them (the wives of the Prophets), then ask from behind the veil. This is more chaste for your hearts and their hearts. [Al-Ahzâb/33:53] The Prophet ' alaihi wa sallam once rebuked Asma binti Abu Bakar radhiyallahu Allaah when he came to the house of Nabi Allaah ' alaihi wa sallam by wearing a rather thin dress. Rasûlullâh ' alaihi wa sallam also turned his face while saying:

O Asama! Indeed, women should never be seen from limbs except this and this (he signaled to the face and palm of the hand) HR. Abu Dâwud, no. 4104

The Prophet (peace and blessings of Allaah be upon him) was also visited by someone who asked about the loam that should be closed and that could be established, so he answered:

Keep your loins except the (vision) of your wife or your slave. (HR. Abu Dâwud, no.4017)

The woman who does not close her aura in the threat will not smell the heaven as it is in the history of Abu Hurayrah Radhiyallahu Anhu said:

Rasûlullâh ' alaihi wa Sallam said, "There are two groups of people of Hell whom I have never seen: (the first is) a people who have a whip like a cow's tail to hit man and (the second is) the women who Dressed but naked, turning away from obedience and inviting others to follow them, their heads like a sloping camel's hump. Women like that will not go to heaven and will not smell it, even though the smell is kissed during the journey and so many.” [HR. Muslim, no. 2128]

In another chronicle, Abu Hurayrah explained. The smell of Heaven can be kiss from a distance of 500 years.

And it is forbidden that a man sees the loam of another man or woman seeing another woman's loam, Rasûlullâh Allaah ' alaihi wa Sallam said:

Let not a man look at the loafer of a man (other), nor a woman see a woman's Loam (other). A man cannot be with another man in one cloth, nor should a woman be with the other woman in one cloth.” [HR. Muslim, no. 338 dan yang lainnya]

So important to keep the loins in Islamic religion so that someone is allowed to throw with gravel people who try to see or peep his family's aura in his house, as said Rasûlullâh Shallallahu ‘alaihi wa sallam:

If anyone tries to see (your family's aura) in your house, and you do not allow it, then you throw it with gravel, and blindly blind it, there is no sin for you.

In the event of the Indonesian Sharia economist Festival (ISEF) 2019, ethical and sustainable fashion should support Indonesia so that players in the global halal industry.
Sustainable fashion is made by observing the entire supply chain and the garment cycle, covering sources, production methods to work ethics and environmental waste management. Ethical fashion is relevant to the principles of sharia economics, which emphasize not only profit but rather the achievement of balance and goodness or social-economic justice.

Therefore, ethical and sustainable fashion is a form of practice of implementing Sharia economic values in the fashion industry that can support the development of the global halal industry. The same is conveyed by the National Chairman of the Indonesian Fashion Chamber (IFC), Ali Charisma, that the Indonesian Muslim Fashion industry has experienced a significant increase which also offers a diversity of local content that is not owned by other countries. Thus becoming a potential and added value to be marketed to a global scale. And to create the image that Indonesia has prepared as the center of the global halal industry. "The synergy between the BI, IFC, and IHLC will create considerable strength and influence in the sharia financial economy of national and international levels and can ultimately realize Indonesia as the qibla fashion Muslim world. (suara.com n.d.)

A hijab, for example, should be able to browse the raw materials and any additional materials used, how useful or land for the fellow supply chain to the hands of its users. Similarly, how precise or more an industry and fashion market is in front of the community's circumstances. Therefore, it is very logical when the criteria of consumer products that are "ethical" and "sustainable" by Islamic fashion criteria

c. cosmetic

Facial or body care that is loved by the young people makes the industry grow very quickly. The advertisements on television we witnessed featured various products to give consumers choices to indulge themselves with various cosmetics. Along with the growth of community income, especially from women who are now aligned with men in terms of opportunities to get jobs so that they get the same income with men, this makes it business. Cosmetics give its advantages to its producers because the main consumers of this product are women. (situmeang 2013)

Looking at this great opportunity, Halal cosmetics become very important because of the magnitude of the Muslims who need to be assured of a product to be consumed. Not only food and drink but what we wear is also a concern for the halal, so because the high awareness of
society will understand its religion that has ethical values that have to be implemented. Cosmetics that have ingredients in the production process must be ensured that the ingredients used in producing cosmetics are free from forbidden materials in religion, as well as the production process also has to be with equipment. The sterile of things that are forbidden for example the tools used to produce something not kosher then also used to produce something halal.

In Indonesia, itself has been a lot of cosmetic products that grow from the halal industry of Wardah is true since the beginning has built a brand as Halal cosmetics, do not miss existing cosmetic products also then apply for halal certification From MUI like Sari Ayu, etc. People are now very pleased with the presence of halal labels from MUI because they are calmer in wearing their cosmetics not only. After all, the halal factor has to do with religiosity but also halal means the goods must be good and Avoid danger to the wearer.

2. Halal industry based on services

The service sector is also a very significant economic source of the nation's economy, so it is no wonder that all countries are encouraging its economic growth from the service sector. A Perekonomian based on services will be able to be sustainable, without having to exploit the environment and natural resources. Compared with countries that rely on natural resources, one time will be exhausted, as well as commodity prices of an item has unstable price fluctuations. Here are some of the services sectors that are considered by the halal industry including:

a. finance

The financial sector is the heart of a nation's economy thus growing and developing an economy depends on its financial sector. Indonesia has expanded sharia financial industry as well as non-bank such as Sharia pawnshop, sharia insurance, Sharia capital market, etc.

Indonesia has become the country with the largest number of sharia financial institutions in the world, which is more than 4000 institutions including 34 Sharia Banks, 64 takaful operators/Sharia insurance, 3360 Sharia cooperatives, 4 Sharia multi finance, 4 Sharia venture capital, 165 Sharia creditors, 71 Sharia microfinance institutions, 8 Sharia fintech, 3 Sharia pawn, 2 Sharia guarantors, 3 Sharia pension funds To July 2019, (OJK 2019) the Financial Services Authority (OJK 2019) Recorded the number of Sharia public banks (BUSES) in Indonesia as much as 14, then the Syariah business Unit (UUS) of conventional banks amounted to 20 units, and the creditors Bank of Syariah (BPRS) amounted to 165.
For Sharia banking assets in Indonesia, BUS and UUS respectively 320.7 trillion and 160.4 trillion. But so many numbers have not been accompanied by the customer's interest and desire to transact with Sharia finance this is seen from the number of Sharia market share in Indonesia is still at 5.3%, unlike the Emirate of Arab Emirates at 19.6% The bigger number is Malaysia 23.8% and Saudi Arabia with 51.1% market share (service board, 2019),

The next challenge is how sharia financial institutions can achieve a high market share compared to conventional banks given the significant percentage of the Muslim population. In today's digital era, the Muslim fashion business potential is enormous. Because the creativity and potential of Indonesia have been proven to expand into the world level and achieve an export value of 8.2 billion US dollars.

b. Tourism

What is halal tourism? Halal tourism is part of the tourism industry aimed at Muslim travelers. Tourist services in halal tourism refer to Islamic rules. One example of this form of service, for example, a hotel that does not provide food or beverages containing alcohol and has a separate pool and spa facilities for men and women. In addition to hotels, transportation in the halal tourism industry also use the Islamic concept. Transportation Service providers must provide facilities for Muslim travelers in the implementation of the pilgrimage during the trip. (widagdyo 2015)

This facility can be the provision of prayer places on board, notification of announcements or Azan if it has entered the prayer time other than of course there is no food or drink containing alcohol and Islamic entertainment during Travel. In 2019 Indonesia ranks first as the best Halal tourist destination version of Global Muslim Travel Index. This proves Indonesian Halal tourism has become a world-class player. (crescentrating.com n.d.)

Several areas enter the 10 destinations halal tourism version of Indonesia Muslim Travel Index (IMTI) which provides assessments by Global Muslim Travel Index Standards of which the assessment results in the first order is still won by Lombok, ranked second ACEH and the third Riau Islands. While Jakarta occupied the fourth and fifth position of West Sumatra. The five other destinations that go to 10 halal tourism destinations include Yogyakarta, West Java, Malang Raya, Central Java, and Makassar.

c. Media and Entertainment

People are increasingly spoiled for entertainment. Try looking at the big cities. All forms of entertainment are available. Want a casual shopping, there are magnificent malls everywhere.
(Ghani 2009) For those who Gandrung watching the latest movies, many are headed to the cinema. Or want to listen to music, they go to cafes or elsewhere. Entertainment is also presented at home. There is a set of advanced technologies ready to serve the needs of the owner. Watch television, listen to tape and radio, play computer, can be done anytime. All that can bring fun and excitement.

Thus, almost most of the entertainment facilities are rarely lonely enthusiasts. No wonder the entertainment industry continues to race to deliver new products to attract the attention of the community. Muslims do not escape this phenomenon. Indeed, searching for entertainment and excitement has been inherent to the people from the early birth of Islam. According to Yusuf Al-Qaradhawi in his book Halal and Haram, at the time of the Prophet Muhammad SAW, hearing poetry, music, or playing, became part of life. Rejoicing is not taboo in Islam. At that time people did not just undergo a routine of worship. They also undergo activities that bring excitement.

The messenger itself is not a rigid figure. He was deeply in love with joy and anything that could lead to the excitement, "Ujar Al-Qaradhawi. Nevertheless, there is a guide designated by Rasulullah in entertaining. Similarly, on music and singing. A hadith of Bukhari and Muslim history stated, on the day of Eid al-Adha, Abu Bakr once encountered the Prophet in Aisha's residence. At that time, besides Aisha two girls were singing and hitting the drums. Abu Bakar then expelled the two virgins. But the prophet prevented Abu Bakar and said, let them be. Because today is the feast day (the day of fun). " In this case, Imam Al-Ghazali argued, based on the traditions, songs and games were not haram.

If there is a hadith that prohibits singing, the dial of Al-Qaradhawi, all have a disability. He revealed, in the development of many songs and music accompanied by deeds, such as drinking wine and other unclean deeds. That is what the scholars considered Haram, "he explained.

Al-Qaradhawi later created a hadith narrated by Bukhari and Muslim, stating that all the deeds must be in the intention. Each person will be judged according to his intention. In the pronunciation of this hadith, he asserted that the one who listened to the song or the music to be on God, then he was ungodly. However, those who have the intention of comforting the heart to continue to worship God, then he is a man of obedience and doing good, "said the great scholar. In short, the singing should be positioned not to contradict Islamic ethics. Similarly, in other types of entertainment, such as watching movies in theaters.
Al-Qaradhawi admits there are still many questions about Islamic views in theaters or plays. He argues, movies and cinemas can be used for good and not good things. According to him, his bishop was not problematic. Its legal status depends on its use. So, he agreed not to ban Muslims from cinemas. As long as, the theme of the movie is presented cleanly from the treats of poverty, ungodliness, and all that can tear down the creed. Even the people are asked not to forget the obligations of religion, such as prayer five times, or do not do the time to watch in the cinema.

Based on the study (Economy n.d.), A generation involvement called also with Muslim hipsters in the sharia economy thoroughly, including the media industry and halal entertainment, even up to touching points 63 percent at 2018 yesterday and predicted to continue to increase in This year. While the review from the coverage area, Indonesia, Malaysia, Pakistan, then followed by the U.S., the Philippines and India became the countries populated by the most active Muslim millennials.

Although it can not be considered as the main base, the role of media and entertainment in the world Sharia economic growth deserves a greater portion of attention. Because, the contribution of money in the market both sectors is quite promising with an increase of 5.5 percent in each year. While seen from the magnitude of the figure, specifically at the end of this year, the world's halal media and entertainment industry market is predicted to reach 232 billion US dollars, passing the achievement in 2017 or 2018 which only gained approximately USD 209 and 220 billion. As stated by DinardStandard study with Thomson Reuters and Dubai The Capital of Islamic Economy some time ago.

**CONCLUSION**

the potential of the halal industry can be maximized so that it can provide a positive impact on sustainable economic development. Indonesia will develop six sectors of halal industry that can be developed namely food and beverage sectors and this has been a commitment from the government since the year 2014 with the issuance of legislation No 33 the year 2014 on the guarantee of halal products, And this is already running with the halal certification from the Indonesian Ulama Council, but of course still not maximal so that in the year 2019 Religious Minister issued regulation of the Minister of Religion No 26 the year 2019 on the implementation of halal products, but This certainly only provides product certification
for halal consumed. To make the halal industry as an economic base where Indonesia is the largest Muslim country in the world, the National Committee of Sharia Finance will focus on the development of halal industry in Indonesia.

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