

Economic Aspect in Halal Product Certification

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Abstract

As a Muslim, food that is halal and good is very important, because it has religious values for food and drinks that are halal for consumption, so Muslim consumers certainly need to choose every product they consume, this can be seen from the presence of a halal label (sign) on the product. This is a literature review using the library's electronic database. Data obtained from various literature documentation. The objects of this research are documents, information media, and literature that discuss the economic aspects of halal product certification. The results of the analysis show that halal product certification provides benefits for consumers and business actors. By having halal certification, products can be easily accepted by the national and international community. Halal product certification carried out by business actors will provide peace of mind, as well as benefits for consumers. Get product guarantees of the best quality. Therefore, product halal certification must be carried out properly for business actors because it will also provide benefits for consumer confidence, increase market share, increase business competitiveness. It will also be easily accepted in the market for its products, both nationally and internationally so that it can increase economic value for the country and increase income for business actors.

Keywords: economy, halal certification, product

A. Introduction

Islam requires every Muslim to pay close attention and be careful when consuming food, drinks or other products. Because, in Islam it is recommended to consume in a state of lawful. This is in accordance with the word of Allah SWT in surah Al-Baqarah verse 168:

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ
إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ ﴿١٦٨﴾

It means:

"O people, eat what is lawful and good from what is found on earth, and do not follow the steps of Satan. Because indeed the devil is a real enemy for you" (Qs. Al-Baqarah, 2:168).

Based on the verse above, we can understand that food that is lawful and good is all types of food that arouse the appetite to eat them and there is *nonash* which forbids it. What is meant by food in this case are objects that are usually used for food, either to strengthen the body, or medicine (Huda, et al, 2021). Thus, the issue of consumption of both food and drink for Muslims is not merely placed as a neutral or purely physical activity. Halal or haram contains ritual values or worship as believed by its adherents. This form of worship through the choice of food and drink that is halal for consumption, then Muslim consumers certainly need to choose and contain ritual values or worship as believed by their adherents. This form of worship is through choices in food and drinks that are halal for consumption, so Muslim consumers certainly need to choose every product they consume.

According to The Royal Islamic Strategic Studies Center (RISSC) titled *The Muslim 500* 2023 edition shows, population count muslims in Indonesia reached 237.55 million people. This number is the highest in the region of the Association of Southeast Asian Nations (ASEAN) countries, as well as globally. So that The Muslim population in Indonesia is equivalent to 86.7% of the total population in Indonesia. This shows that gHalal living by using halal-certified products is an important requirement for Muslims and provides an opportunity for Indonesia to become the largest producer of halal products and services in the world. However, many products that are not yet halal certified are still circulating in the community, and the number of products that are certified halal tends to be small.

Halal certification is a process of obtaining halal certification for a product, and after going through several levels of inspection, the ingredients and the manufacturing process ensure the product is halal and meets the standards of the Indonesian Council of Ulama Council for the Assessment of Food, Drugs and Cosmetics (LPPOM MUI). This guarantees halalness and influences the number of buyers, so that consumers will trust the product (Nurani, et al, 2020). Currently, the halal certification previously carried out by LPPOM and MUI has been transferred to BPJPH. LPPOM acts as a Halal Inspection Agency (LPH) which assists BPJPH's authority in product testing and halal certification is

issued by BPJPH. The determination of the Halal Fatwa will still be carried out by the MUI Fatwa Commission. Halal labeling in the form of a halal logo prior to the enactment of this Law was stipulated to use the MUI halal logo. BPJPH is expected to be formed in every province throughout Indonesia to make it easier for them to carry out their duties and authorities in implementing a halal assurance system throughout Indonesia (Aliyudin et al, 2022).

Guarantee of halal certainty for food, beverages or products, its existence can be seen in the form of halal certificates and halal labels on product packaging. In other words, to find out halal-haram information on products can be known through the use of labels. Without a label, it is difficult for the public to ascertain the raw materials, composition and processes that the product goes through, even though the label is only one part of the overall product control system. The halal label is only information given for marketing and not for the production process.

This will have an impact on the economic aspects of business actors, because Indonesia's economic and business prospects in connection with the implementation of halal certification, are indeed recognized as one of the largest share of consumers with large purchasing power, not only attracting the attention of national business players but also international business people. Indonesia's opportunities to enter and compete with other countries and other business people, must be captured and utilized by increasing exports to a number of countries (Konaras, 2017).

UU no. 33 of 2014 concerning Guarantees for Halal Products detailed in XI Chapters and 68 Articles are statutory provisions that aim to provide convenience, security, safety, and certainty of the availability of halal products for the public in consuming and using various products circulating and traded in the market. The presence of Law No. 33 of 2014 which has now taken over the duties and functions of the MUI through LPPOM MUI, is a government agency that was formed and is responsible to the government. As a consequence of the presence of BPJPH as one of the organizers of halal product guarantees, MUI only becomes a partner with BPJPH. MUI is only tasked with MUI fatwas, while issuing halal certificates and other things is BPJPH's prerogative. As a

consequence, the duties and powers of the MUI, which are so broad and large, are diminishing.

With the presence of halal product certification, it can provide benefits for business actors, such as halal guarantee standards which are a form of claim that the products are halal which can be categorized as quality and hygienic products and also provide protection for business actors (especially domestic) from import trade attacks. foreign goods

Based on the description above, an in-depth analysis is needed regarding the economic aspects of halal product certification. This study aims to analyze the importance of economic aspects in halal product certification.

B. Research Method

1. Research design

This research is a literature review using the library's electronic database. The data was obtained from the documentation of various literatures.

2. Data analysis

To analyze the data using descriptive qualitative analysis, namely a way that is used to describe or analyze a research result but is not used to make broader conclusions deductive and inductive methods (Arikunto, 2013).

C. Results and Discussion

Halal Product Certification for Business Actors

Halal certification of products needs to be done for business actors because to guarantee and ensure to the public that the products produced are truly halal for consumption. This is also the government's effort to provide facilities for the community to carry out orders in accordance with the Shari'a. In addition, halal product certification is provided by the practice the benefits of getting mincrease consumer confidence, increase market share, improve business competitiveness. By having a halal certificate, business

actors' products will be more accepted in the market, especially among Muslim consumers who need halal products in both the domestic and international markets.

Product circulated and traded in Indonesia must be halal certified. Law Number 33 of 2014 concerning Guarantees Halal Products as amended by Law Number 11 of 2020 concerning Job Creation requires product processing of Micro, Small and Medium Enterprises (MSMEs) halal certified.

Economic Aspects in Halal Product Certification

Halal certification for a product nowadays is no longer a matter of religious advice but has penetrated the stage of increasing the value of a product (the existence of economic value). Halal-certified products are believed to be able to increase the selling value of the products, and in the end will increase the turnover and income of business actors. Because halal food or beverage products have become a community need. Not only the Indonesian people, but also the needs of the world community.

In general, Halal products give a sense of security. Because halal products are of course healthy, good, hygienic, and of course nutritious. And if business actors take advantage of the halal certification being pursued by the government, this will provide progress and development of their business, in addition to increasing their economic value. Not only that, business actors can produce geographic indication products. That is, business actors can create products that are unique to a region that are different from other regions, this can provide added value to business actors.

Discussion

Halal Product Certification for Business Actors

Halal certification is an activity or process carried out to meet or achieve certain standards. The ultimate goal of halal certification is formal legal recognition that the products issued comply with halal requirements. Every business actor who will put a halal label on his packaging must first obtain a certificate. Determination of halal certification is very necessary as the principles of the Islamic religion that halal and haram are the most

important things in Islamic law, and are also included in the substance of Islamic law. This requires the public to know clear information about the level of halal food itself, as a form of guaranteeing the safety of Muslims. That is where the importance of halal certification on a product.

So far, business actors' concern for halal certification is still limited to large-scale business actors. Meanwhile, small and medium business actors have not made halal certification a priority. For small and medium enterprises themselves, there are still a number of processed food products, including household preparations that have not been labeled halal, and only use the P-IRT (Household Industry Food) number issued by the Health Service. Whether it's sold in small shops and stalls to minimarkets. Simply by including the P-IRT label on food product packaging makes consumers feel safe, because consumers already have the label giving them a sense of security because they have passed the health test process.

The obligation for halal certification for all food and beverage products is strictly stated in Article 4 of Law Number 33 of 2014 concerning Guaranteed Halal Products, which reads "products that enter, circulate, and trade in the territory of Indonesia must be halal certified." This means that it is clear that business actors who produce and trade food products in Indonesia must be halal-certified and have a halal logo printed on their packaging and are also absolutely necessary as a strong legal umbrella for the government that has the authority to regulate halal products in Indonesia.

Thus, the certification of halal products carried out by business actors will provide peace of mind, as well as benefits for consumers. Get product guarantees of the best quality. Ownership of a product halal certificate can be the number one reference for determining whether to buy or not to buy.

Economic Aspects in Halal Product Certification

The economic aspect of the certification of Indonesian halal products has the potential to boost the nation's economy. Its existence can contribute to the annual gross domestic product (GDP) of USD 3.8 billion, attract foreign direct investment of USD 1

billion, and create 127,000 new jobs per year.<https://economy.okezone.com>, 2018). The projected halal economic potential is listed in the Indonesia Halal Economy & Strategy Roadmap. To realize this roadmap, the Indonesia Halal Lifestyle Center (IHLC) has partnered with Dinar Standard, a world-leading company in the field of Islamic ethical value advisory.

The economy of halal products consists of product and service sectors whose core is structurally influenced by Islamic law, lifestyle behavior and values-driven business practices. The sectors that are focused on are halal food, halal products, fashion, Muslim-friendly tourism, as well as Islamic-themed media and recreation. Sapta admitted that his party felt proud to be able to provide guidelines that could be implemented by Indonesian industries to encourage their growth through the halal economy which is currently growing rapidly.

For this reason, halal certification for business actors in Indonesia needs to be intensified because of its benefits in strengthening the pace of the country's economy. In addition, the obligation for halal-certified business actors in 2024 which has been programmed by the government is also a driving factor for optimizing halal production.

Seeing the above, it is understandable that the economic aspect has an extraordinary impact on business actors and even for the country. Therefore, product halal certification must be carried out properly for business actors because it will also provide benefits for consumer confidence, increase market share, increase business competitiveness. By having halal certification, products can be easily accepted by the market, both nationally and internationally.

D. Conclusion

Based on the description above, it can be concluded that Halal product certification by business actors will provide peace of mind, as well as benefits for consumers. Get product guarantees of the best quality. Ownership of a product halal certificate can be the number one reference for determining the decision to buy or not to buy a product. Therefore, product halal certification must be carried out properly for business actors

because it will also provide benefits for consumer confidence, increase market share, increase business competitiveness. By having halal certification, products can be easily accepted by the market, both nationally and internationally so that they can increase economic value for the country and increase income for business actors.

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