

**Accelerating Sharia Economic Development through Msmes based on Halal Certification**

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**ABSTRACT**

**Purpose** — Indonesia is the country with the largest Muslim population, accounting for 238.09 million people or 86.93% in 2021, with this number the need for halal products is increasing from year to year. With the large Muslim population, the halal industry is currently Indonesia's focus, which has the potential to have a positive impact on Indonesia, including in terms of consumption and investment in accordance with Islamic religious law. Halal certification for MSME products is considered important because the product's halal logo plays a very important role. for branding and business development worldwide.

**Method** — The research method used is a qualitative descriptive research method through a literature review of secondary data, there are 4 case studies analyzed.

**Result** — Sharia economic development can be carried out through halal certification by MSME players, especially for food and beverage products. MSMEs or Micro, Small and Medium Enterprises are a business sector that can grow and remain consistent in the national economy. Analysis of case studies from each research produces the value of the advantages of MSME food products with halal certification and the value of deficiencies of MSME food products without halal certification, as well as the role of sharia economics on Gross Domestic Product (GDP).

**Novelty** — This research shows the importance of developing sharia economics through halal certification for MSMEs which helps economic growth in Indonesia.

**Keywords:** Halal; Economy; Industry; MSMEs; Certification

**INTRODUCTION**

Indonesia is the country with the largest Muslim population, accounting for 238.09 million people or 86.93% in 2021, ranking first with the largest Muslim population in the world, so the need for halal products is increasing from year to year, one of which is on food needs. The food and beverage industry is one of the pillars of the manufacturing industry which is the biggest contributor in supporting national economic growth in the first quarter of 2023, amounting to 16.77 percent. This makes Indonesia have great potential to become the largest producer of halal products in the world, on a national scale. The halal product market in Indonesia is expected to strengthen the national halal industry. Expenditures by Indonesian Muslims for a halal lifestyle can be seen in the following table

**Table 1.** Expenditures by Indonesian Muslims for a Halal Lifestyle

Halal Lifestyle Sector	Indonesian Muslims	Global Muslims	Market share
Food	US\$ 190.4 Billion	US\$ 1.292 Billion	14.7 %
Finance	US\$ 36 Billion	US\$ 1.214 Billion	3 %
Journey	US\$ 7.5 Billion	US\$ 140 Billion	0.6 %
Mode	US\$ 18.8 Billion	US\$ 266 Billion	7 %
Media and Recreation	US\$ 9.37 Billion	US\$ 185 Billion	5 %
Pharmacy	US\$ 4.88 Billion	US\$ 72 Billion	6.7 %
Cosmetics	US\$ 3.44 Billion	US\$ 46 Billion	7.4 %

Source: State of the Global Islamic Economy (2018)

Based on the table above, it can be seen that the largest expenditure by Muslims in Indonesia for a halal lifestyle is in the food sector with a market share of 14.7%. This data is supported by the latest State of the Global Islamic Economy report which reports that halal food companies can become halal lifestyle conglomerates and an opportunity to expand into the nutrition sector.

Consuming halal products is not just a purely religious matter, in the lives of people around the world, halal has become a global symbol that guarantees product quality. Countries in the world concentrate on the halal product business, where product halal regulations are adjusted to Islamic sharia. The interest in buying halal products shows that the composition of the ingredients in the product has a positive influence on the buying interest of Muslim and even non-Muslim consumers, therefore the government issued Law Number 33 of 2014 concerning Halal Product Guarantees as stated in the Omnibus Law on Job Creation that states that the products included, circulated and traded in Indonesian territory must be halal certified. Then Government Regulation (PP) Number 39 of 2021 concerning the Implementation of Halal Product Guarantee Sector regulates the stages of halal certification. The first stage applies to food products such as food and drinks, as well as service products related to both. The process takes place from 17 October 2019 to 17 October 2024. In the second stage, the halal certification obligation applies to other than food and beverage products. This halal certification program was opened by the government through the Halal Product Guarantee Agency (BPJPH) for free, however there are still many domestic products that have not been certified halal.

The growth in trade figures, advances in science and technology as well as various initiatives to improve people's quality of life, are important signals that the halal concept is fully understood by industry players, one of which is MSME players. Micro, Small and Medium Enterprises are businesses that are run by individuals, households, or small business entities. Basically, micro, small and medium enterprises (MSMEs) play an important role in accelerating equitable economic growth through the mission of providing employment and business opportunities, increasing people's income, and playing a role in earning foreign exchange for the country so as to strengthen the structure of the national economy. Therefore, the halal certification program is also focused on MSME players because they have a big impact on the country's economic growth. In fact, towards 2024 the government is targeting 10 million products to be certified halal and make Indonesia the number 1 producer of halal food and drinks in the world. However, to maintain the stability of MSMEs based on halal certification, the right strategy is needed by increasing the integration of business models and end-to-end processes that are capable of producing high-quality local products.

In order to encourage an increase in national economic growth, especially the development of sharia economics in Indonesia, the Ministry of National Development Planning/National Development Planning Agency is collaborating with the National Sharia Finance Committee (KNKS) to launch the 2019-2024 Indonesian Sharia Economic Masterplan (BAPPENAS, 2019). The Indonesian Sharia Economic Masterplan has a vision to create an independent, prosperous and civilized Indonesia and become a respected sharia economic center in the world. The four main strategies proposed are (1) strengthening the halal value chain with a focus on sectors that are considered potential and highly competitive; (2) strengthening the sharia financial sector with a master plan that was outlined in the previous Master Plan for Indonesian Sharia Financial Architecture (MAKSI) and refined into this master plan; (3) strengthening the Micro, Small and Medium Enterprises (MSME) sector as the main driver of the halal value chain; and (4) strengthening the digital economy, especially trade (e-commerce, market place) and finance (financial technology) so that it can encourage and accelerate the achievement of other strategies.

MSMEs has an important meaning because the key to the national economy is maintaining stability for sustainable and inclusive growth. There are four key contributions of sharia economics and finance to post-pandemic economic recovery, one of which is through increasing support for MSMEs. This is because sharia finance can offer various features and instruments that are more innovative and suit the needs of MSMEs and create synergy between authorities, business actors and society. Therefore, the acceleration of halal certification for MSME players provides strengthening in the leading sectors of sharia economics and finance.

## **RESEARCH METHODS**

The research method used is a qualitative descriptive research method that analyzes the concept of halal and haram food products and the advantages of MSMEs based on halal certification through data obtained from literature reviews. This aims to ensure that the research results are accurate and can provide an explanation of the importance of MSMEs with halal certification, so that it will be known how the halal certification program

for MSMEs helps in the development of the sharia economy and has an impact on economic growth in Indonesia. The data obtained was obtained from various journals and official articles via Google Scholar. The data obtained is collected and analyzed to make a comparison. This data includes the advantages of the halal certification program for developing the sharia economy, the impact of MSMEs that are not yet halal certified, how halal certification for MSMEs can affect economic growth, and how MSMEs apply for halal certification.

## **RESULTS AND DISCUSSION**

### **Result**

#### **Concept of Halal-Haram Food Products**

Allah SWT has explained the criteria for food and drinks that are halal for consumption, namely; every food and drink that is halal tayyiba. What is meant by "halalan" is food and drink that is permitted by the Islamic religion for consumption, and is not classified as a type of animal or plant that is prohibited. Meanwhile, what is meant by "thayyiban" is food and drink that provides benefits to humans because it meets health requirements, is not unclean or mutanajjis (exposed to impurity), is not intoxicating, does not cause mafsadah (damage/danger) to physical and psychological health, and obtained in a halal way.

Foods that are forbidden in the Koran are pork, slaughtered animals by mentioning names other than Allah, carrion, blood, Khamar, disgusting animals, live in 2 realms, animals that cannot be killed (such as ants and bees), wild animals fangs, and so on. Halal food is food that does not contain elements or ingredients that are haram or prohibited for consumption by Muslims, whether it concerns food raw materials, food additives, auxiliary materials or other supporting materials, including food processed through genetic engineering and food irradiation processes and which the processing is carried out in accordance with the provisions of Islamic religious law (PP No. 69 of 1999).

Food and Drug Supervisory Agency Regulation Number 22 of 2018 concerning Guidelines for Granting Home Industry Food Production Certificates Article 1 paragraph 3 explains that Home Food Industries (hereinafter referred to as IRTP) are food companies that have business premises in residences with manual food processing equipment. to semi-automatic. IRTP is included in the Micro and Small Business classification. The characteristics of this industry are that it has very limited capital, the workforce comes from family members, the owner or manager of the industry comes from family members, and the owner or manager of the industry is usually the head of the household himself or a member of his family. IRTP is a micro and small industry that produces processed food in labeled packaging. Discussion of home industry food products is in Chapter 1 article 1 paragraph 2 general provisions, Decree of the Head of the Food and Drug Supervisory Agency of the Republic of Indonesia Number KH.00.5.1.2369 concerning Criteria and Procedures for Assessing Food Products, which reads "food products are processed food both domestically produced and imported which are distributed in retail and labeled packaging." Products produced by IRTP are called Home Industrial Food (hereinafter referred to as P-IRT), namely processed food produced by IRTP which is distributed in retail and labeled packaging. Processed food is food or drink resulting from processing in a certain way or method, with or without additional ingredients. 18 Not all types of food can be said to be P-IRT products. The types of food included in the P-IRT category are the results of the IRTP production process in Indonesian territory, not imported food, and types of food that have undergone repackaging of food products that already have a Home Industry Food Production Certificate (SPP-IRT) in large sizes.

#### **Advantages of MSMEs Based on Halal Certification**

The Halal Product Assurance System (Halal Product Assurance System) is a standard that has been developed by the Indonesian Ulema Council's Food, Drug and Cosmetics Assessment Institute (LPPOM MUI) and then adopted by the Halal Product Guarantee Organizing Agency (BPJPH). If this standard is implemented properly, it can guarantee consistent quality and product halalness. Proper implementation of SJPH (Halal Product Guarantee Standards) allows MSMEs to maintain the quality of the products they produce. Having a halal certificate is a factor that has quite a big influence on the income of MSMEs. It is important for Indonesian consumers to know the advantages of using halal certified products (Indonesia Halal Products) compared to non-halal certified products. Of course, manufacturers must also pay special attention to halal certification for the products they produce. Producers who have products that are halal certified can make their products have more selling value and are suitable for consumers to use. Some of the benefits of halal certification for MSMEs include:

1. Manufacturers can provide consumers with peace of mind when using the product.
2. Halal certification guarantees product cleanliness so that consumers do not worry about their health when consuming the product.
3. Consumers are confident that the product is reliable because products that are halal certified are of course made from natural, halal ingredients.
4. Halal certified products have the opportunity to compete with other products, because products that are halal certified can penetrate the international market by carrying the halal logo on the product.
5. Manufacturers believe that their products are superior to competitors because halal certification is quite difficult to obtain, and goes through a long research process.
6. Manufacturers whose products already have halal certification have high bargaining power when offering goods to consumers. The goods they sell have added value because the halal certification products have been tested and are of high quality.

Muslim countries are spread across the Asian continent and they are rich in natural resources, namely oil, gas, agriculture and food. Developing countries such as Malaysia, Indonesia and Thailand are also advancing their Halal industries and have the potential to become the largest producers of halal products. This condition shows that developed countries that export halal food are very aware of how important halal business is because in the end the halal niche market contributes significantly. This phenomenon must be a driving factor for local producers, especially MSMEs, to further improve product quality. Halal products are not just products that are free from unclean ingredients, but also hygienic products with a high level of cleanliness. The JPH Law also explains the consequences for business actors who have not carried out halal certification by the phasing deadline, namely that the product must be labeled as not halal even though the product is made from halal ingredients. These consequences will certainly be detrimental for business actors, especially MSMEs, because they have not received socialization regarding halal product guarantee policies. Apart from that, the low literacy of MSME actors regarding the halal production process adds to the factors that need to be considered in implementing halal product policies. Indonesia has great potential to exploit global market opportunities in the halal industry, stronger policies are still needed.

### **Sharia Economic Development through Halal Certification for MSMEs which Impacts Economic Growth**

The National Development Planning Agency in collaboration with the National Sharia Finance Committee defined the Micro, Small and Medium Enterprises (MSME) sector as the main driver of the halal value chain in the Sharia Economic Masterplan released in 2019. The choice of MSMEs as agents driving the halal value chain is not without reason. MSMEs have become a driving force of the national economy and are business units that are very close to various levels of society. This is very strategic considering that in the Republic of Indonesia's Sharia Economic Masterplan for 2019-2024, the growth of the middle class in Indonesia will increase by up to 7% -8% per year.

It is known that the total consumption of halal products in Indonesia in 2017 was USD 200 billion or more than 36% of total household consumption. This amount is equivalent to 20% of Indonesia's GDP (Indonesian Ministry of Finance, 2019). Consumption of halal products will continue to increase with an average growth of 5.3%. Consumption of halal products in Indonesia is estimated to reach \$330.5 billion in 2025 (Katadata Publication Team 2020). Bappenas stated that the majority of the large total consumption came from imported products (Akbar, 2019). However, if we increase production in the halal industrial sector, we can reduce the deficit in the trade balance (Ministry of Finance of the Republic of Indonesia 2019). In fact, it is not impossible if we can also increase exports of halal products. Export activities can involve MSME players, this can improve people's welfare, especially for their products that are halal certified, involving MSMEs also increases the role of the sharia financial industry in the context of realizing financial inclusion. The sharia financial industry can be used to support access to capital for Micro, Small and Medium Enterprises (MSMEs) operating in the halal sector through financing. This capital can be used for business expansion. Imagine that when many small and medium businesses expand their operations, manufacturing activity increases. This increase in production could enable Indonesian halal products to enter international trade. Apart from that, the financial inclusion program will also facilitate payments to MSMEs. The market share of the sharia financial industry is expected to increase as more and more MSMEs transact through the sharia financial industry. As a result, the sharia

financial industry has become stronger and is able to have a significant impact on people's welfare. Apart from sharia finance, there is a halal industry that needs to be encouraged to be better known by the wider community. Halal e-commerce is a development of appropriate and cutting-edge technology that aims to increase the efficiency of halal products. The existence of halal e-commerce can encourage the development of the halal industry in Indonesia.

### **Procedures for Submitting Halal Certification by MSME Actors**

Halal certification and halal label are two different activities but are related to each other. The result of halal certification activities is the issuance of a halal certificate, provided that the product in question meets the requirements as a halal product. The purpose of certification is actually to provide formal legal recognition that the product issued meets halal requirements, so that it can reassure consumers' minds when consuming it. Halal certification will be a contributing factor in consumer purchasing decisions. The majority of Indonesia's halal industry is still supported by small and medium industries. In their eyes, halal product certification has not yet become a priority so that its effectiveness is very much needed to support the development of the halal industry. For this reason, supporting infrastructure is needed to encourage the effectiveness of halal certification through various supporting institutions such as halal center institutions, halal guarantee institutions, BPJPH representatives at regional level, and also through an integrated halal information system. Strengthening micro, small and medium enterprises in Indonesia is carried out through three main programs, namely:

- (1) Educational programs for micro businesses;
- (2) Integrated financing facilities for MSMEs; And
- (3) MSME database.

Halal labeling is the inclusion of halal writing or statements on product packaging to show that the product has status as a halal product. In connection with the granting of halal certification and labels to an industrial or company product, the provisions have been regulated in the formal implementation of regulations so that they have binding legal force, namely in Law Number 33 of 2014 concerning Halal Product Guarantees, Law Number 11 of 2020 concerning Job Creation, Republic of Indonesia Government Regulation Number 39 of 2021 concerning Implementation of the Halal Guarantee Sector, Decree of the Head of BPJPH Number 57 of 2021 concerning Criteria for the Halal Product Guarantee System. Then, with regard to what types of food require halal certification and labels, it is regulated by the Decree of the Minister of Religion Number 748 of 2021 concerning Types of Products that must be Halal Certified. Based on the Decree of the Minister of Religion, it is known that the types of products that must be certified halal have been classified based on certain characteristics of each type of product based on the composition of the ingredients and production. The purpose of including the halal logo on food and beverage products is to protect the rights of Muslim consumers against products that are not halal.

Providing legal certainty to Muslim consumers that food and beverage products are truly halal as required by Islamic law. Muslim consumers will not hesitate to buy food and beverage products, because the packaging of food and beverage products includes a halal logo and prevents Muslim consumers from consuming products that are not halal. If food and beverage products are not halal according to the Halal Guarantee Products Act, business actors are obliged to mark the food and beverage products as not halal. Signs can be in the form of pictures, such as in Bali where food and drinks contain pork elements, there are pictures of pigs. This means that business actors are honest, because under the consumer protection law, business actors are obliged to provide information regarding the composition of food and beverage products. Business actors in Indonesia who trade food and beverage products should provide clear, honest information regarding the composition and halalness of the food and beverage products they trade to protect the rights of Muslim consumers against non-halal products.

Halal certificates not only provide the benefit of legal protection for the rights of Muslim consumers against non-halal products, but also increase the selling value of business actors' products, because consumers will no longer hesitate to buy products traded by business actors. The halal certificate logo provides legal certainty to Muslim consumers that the product is halal according to Islamic law. BPJPH has several tasks including monitoring the halalness of products, supervising LPH, the presence of halal providers in companies, installing halal and non-halal logos, the validity period of halal certificates, separation between the production of halal

and non-halal materials, storage, packaging, presentation, distribution, sales, and other activities regarding halal product guarantees. The BPJPH certification flow is as follows:

- a. Create an account via [ptsp.halal.go.id](http://ptsp.halal.go.id).
- b. Business actors make an application for certification and attach the required
- c. documents. Halal certification requirements include;
- d. BPJPH will verify the required documents that have been attached.
- e. Carry out audits and product inspections carried out by LPH.
- f. Submit the results of the examination to the MUI to issue a fatwa.
- g. Issue a halal certificate if it has passed the audit.

**Figures 1.** Halal Certification Requirements

**Syarat mendaftar Sertifikasi Halal Gratis (Sehati)**

- ✓ Produk tidak berisiko atau menggunakan bahan yang sudah dipastikan kehalalannya
- ✓ Proses produksi yang dipastikan kehalalannya dan sederhana
- ✓ Memiliki Nomor Induk Berusaha (NIB)
- ✓ Memiliki hasil penjualan tahunan (omset) maksimal Rp. 500.000.000,00 (lima ratus juta rupiah) yang dibuktikan dengan pernyataan mandiri
- ✓ Memiliki lokasi, tempat, dan alat Proses Produk Halal (PPH) yang terpisah dengan lokasi, tempat dan alat proses produk tidak halal
- ✓ Memiliki atau tidak memiliki surat izin edar (PIRT/MD/UMOT/UKOT), Sertifikat Laik Higiene Sanitasi (SLHS) untuk produk makanan/minuman dengan daya simpan kurang dari 7 (tujuh) hari, atau izin industri lainnya atas produk yang dihasilkan dari dinas/instansi terkait;
- ✓ Produk yang dihasilkan berupa barang
- ✓ Tidak menggunakan bahan berbahaya
- ✓ Bahan yang digunakan sudah dipastikan kehalalannya
  - Dibuktikan dengan sertifikat halal; atau
  - Termasuk dalam daftar bahan sesuai Keputusan Menteri Agama Nomor 1360 Tahun 2021 tentang Bahan Yang Dikecualikan dari Kewajiban Bersertifikat Halal;
- ✓ Telah diverifikasi kehalalannya oleh pendamping proses produk halal
- ✓ Jenis produk/kelompok produk yang disertifikasi halal tidak mengandung unsur hewan hasil sembelihan, kecuali berasal dari produsen atau rumah potong hewan/rumah potong unggas yang sudah bersertifikat halal
- ✓ Menggunakan peralatan produksi dengan teknologi sederhana atau dilakukan secara manual dan/atau semi otomatis (usaha rumahan bukan usaha pabrik)
- ✓ Proses pengawetan produk sederhana dan tidak menggunakan kombinasi lebih dari 1 metode pengawetan
- ✓ Bersedia melengkapi dokumen pengajuan sertifikasi halal dengan mekanisme pernyataan mandiri secara online melalui SIHALAL

**Sumber:**  
Kepkaban Nomor 150 Tahun 2022 tentang Petunjuk Teknis Pendamping Proses Produk Halal Dalam Penentuan Kewajiban Bersertifikat Halal Bagi Pelaku Usaha Mikro Dan Kecil Yang Didasarkan Atas Pernyataan Pelaku Usaha

www.halal.go.id | @halal\_indonesia | @bpjph\_kemenag | @halal\_indonesia - BPJPH Kemenag RI

Source: BPJPH Kemenag RI (2022)

For more details, see the image below:

**Figure 2. Halal Certification Flow**



Source: BPJPH Kemenag RI (2022)

### Halal Certification Processing Fees

The provisions regarding financing for processing halal certification include several stages consisting of:

- a. Halal certification costs consist of:
  - Fee for applying for a halal certificate
  - Costs for inspection and/or testing of Product halalness
  - Costs for holding a halal fatwa trial
  - Cost of issuing a halal certificate, and
  - Overseas halal certificate registration fees.
- b. Halal certification fees will be charged to Business Actors who apply for a Halal Certificate.
- c. The rate for halal certification fees has been determined and is in accordance with statutory provisions.
- d. Halal certification costs are non-tax state revenues except costs for inspection and/or testing of product halalness and costs for holding halal fatwa hearings.

The provisions for halal certification fees for Micro and Small Enterprises (UMK) can be waived by being facilitated by other parties. The provisions are as follows:

- Business actors are micro and small businesses. Facilitation by other parties can be in the form of facilities provided by: 1) Central government through the state revenue and expenditure budget; 2) Regional government through regional revenue and expenditure budgets; 3) Company; 4) Social institutions; 5) Religious institutions; 6) Association; 7) Community.
- Halal certification costs for Micro and Small Business Actors facilitated by other parties: 1) halal certification costs are charged to the party's budget in accordance with the provisions of statutory regulations; 2) facilitation of halal certification costs has been determined in the party's decision



("Decree of the Head of the Halal Product Guarantee Organizing Agency Number 141 of 2021 concerning Determination of Service Tariffs for Public Service Agencies).

## **Discussion**

Many business owners, including MSMEs, think that halal certification only needs to be used when they want to market their products in Indonesia or neighboring countries such as Malaysia and Brunei Darussalam. Based on research, halal certification is considered important for producers who want to export goods to various developed countries such as the United States and other European countries. Because, many Muslim communities are also spread across these various countries. In fact, they have quite difficulty finding cosmetic products as well as medicines and food with halal labels in European countries. With the export of halal products from Indonesia, it really helps them when they can find products with halal labels in the nearest supermarket or in online stores.

This is where the advantages of halal certified products in Indonesia lie. MSME players can offer their Indonesian halal products through e-commerce sites. They can compete with various other halal products from various countries such as Malaysia and products from Middle Eastern countries. The global market has much tighter competition, so product quality must be given more attention. Moreover, consumers from developed countries have high quality standards for the products they consume, whether it is medicines, food or drinks as well as cosmetics.

After knowing the advantages of halal certification, it is also known that halal certification has challenges. The main challenges are: (i) Social diversity influences consumption behavior in the halal industry. (ii) the relatively low capacity of industrial players, especially MSMEs, in understanding the halal supply chain; (iii) The halal industry lacks upstream and downstream integrity. (iv) Incomplete regulations mean that the integrity of halal industry products is not yet high. The level of knowledge regarding halal industrial products is still low. A policy issue that is considered important to minimize these challenges is institutional effectiveness to ensure supply chain integrity in the halal industry. Institutional effectiveness refers to the integration of the halal industry ecosystem. This includes regulations, policies, processes, procedures, regulations and laws that guide stakeholders, especially those operating in the halal industry, to comply with Sharia. This process covers all production processes and related services in the supply chain and is therefore essential for increasing regional competitiveness. This proposal is very important for the development of halal industry literature as an integral part of the concept of sharia economic development and its relevance to local empowerment.

Even though there is a lot of free funding related to halal certification, it is still found that many food and beverage products circulating in the community do not include the halal logo or the validity of the halal logo is still in doubt. Products that do not have a halal logo are not necessarily haram, nor are products that have a halal logo necessarily halal, because it is possible that the product is not halal. In Islamic law, it is not only the substance that is said to be halal, but also the production process from upstream to downstream that must be free from substances that are prohibited by Islamic law. Storage of halal products must not be close to halal products, meaning that the place where halal products are stored must be separate from non-halal products. Likewise, equipment used to process halal products must not be used with non-halal products.

From the research results, it can be seen that the halal industry continues to show positive growth every year. This growth will make a positive contribution to the Indonesian economy. This contribution can be seen through Gross Domestic Product (GDP). Sharia economics and finance have been proven to contribute to Gross Domestic Product (GDP) of USD 3.8 billion annually (Ministry of Finance of the Republic of Indonesia 2019). Contribution to GDP can be reflected in the consumption of Indonesian people as well as export and import activities for halal products. Consumption of halal products in Indonesia is very high and is one of the largest in the world.

## **CONCLUSION**

The Halal Product Assurance System (Halal Product Assurance System) is a standard that has been developed by the Indonesian Ulema Council's Food, Drug and Cosmetics Assessment Institute (LPPOM MUI) and then adopted by the Halal Product Guarantee Organizing Agency (BPJPH). Indonesia, as the country with the largest Muslim population in the world, needs to pay attention to the halal industry because consumption of halal products is in demand by people from various countries. This is a big opportunity for Indonesia to increase economic growth, especially if it involves MSME players. With halal certification aimed at MSME players, their



products have high competitiveness, the presence of MSMEs also reduces the unemployment rate in Indonesia. Basically, halal certification provides many benefits to MSMEs, increasing the productivity of MSMEs also helps in the development of the Sharia Economy.

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