

The Halal Industry as an Instrument for Strengthening an Inclusive Sharia Economy in Indonesia: An Analysis of Impacts and Challenges

Umi Kulsum¹, Desy Bariyyatul Qibtiyah²

Universitas Nurul Jadid; Indonesia

* E-mail correspondence; umikulsum040403@gmail.com, desyqibtiyah@unuja.ac.id

Article history

Submitted: 2026/06/28; Revised: 2026/07/05; Accepted: 2026/07/18

Abstract

This study aims to analyze the role of the halal industry as an instrument in strengthening an inclusive sharia economy in Indonesia. Although Indonesia has significant potential as a global halal market, the development of the halal industry still faces various obstacles, such as low levels of halal certification, limited access to financing, and disparities among business actors. This study uses a qualitative approach with library research, through a review of various literature in the form of books, scientific articles, and reports from related institutions. The analysis was conducted descriptively and analytically to understand the relationship between the halal industry and an inclusive sharia economy. The results show that the halal industry contributes to increasing economic activity, expanding business opportunities for MSMEs, encouraging sharia financial inclusion, creating jobs, and increasing the competitiveness of Indonesian products in the global market. However, optimizing the role of the halal industry is still hampered by low levels of halal certification, limited access to sharia financing, a suboptimal halal ecosystem, and high global competition. Therefore, it is necessary to strengthen collaboration between the government, Islamic financial institutions, business actors, and the community to build a more integrated halal industry ecosystem that can support the realization of an inclusive and sustainable Islamic economy in Indonesia.

Keywords

Halal Industry, Sharia Economy, Inclusivity, MSMEs



©2026 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution 4.0 International (CC BY SA) license, <https://creativecommons.org/licenses/by-sa/4.0/>.

INTRODUCTION

Global economic dynamics show a shift in development strategies from traditional economic growth to an inclusive development model that takes into account social welfare and environmental sustainability (Novianti, 2024). In this context, Islamic economics is increasingly gaining attention as an alternative economic system that emphasizes not only efficiency but also justice, balance, and a

commitment to the welfare of society (MH Putri, 2025). Given its large Muslim population and the growing demand for halal-based goods and services, Indonesia has a significant opportunity to boost its sharia economy through the growth of the halal sector. The halal industry is currently recognized as a dynamic economic force and a religious consumption sector (Syafari, 2025).

The halal industry has undergone a significant transformation. Previously primarily associated with food and beverage products, its scope has now expanded to encompass various sectors such as cosmetics, pharmaceuticals, fashion, tourism, and even financial services (Oktaviany, 2025). This development shows that halal has become part of a lifestyle that is not only related to religious aspects, but also reflects standards of quality, safety, and ethics in consumption (R. Ningsih et al., 2025). In a broader context, the halal industry has the potential to be an instrument for strengthening an inclusive sharia economy, namely an economic system that provides equal access and opportunities to all levels of society to participate in economic activities (Nugraha, 2025).

Within this framework, the halal industry not only plays a role in creating economic value, but also in encouraging a more equitable distribution of prosperity (Sudarmi, 2025). Meanwhile, an inclusive Islamic economy emphasizes the importance of accessibility to economic resources, including financing, markets, and information (DS Putri, 2025). The relationship between these two concepts is important to examine, because the success of the halal industry is not only measured by the growth of the sector, but also by the extent to which it is able to provide a real impact on improving the welfare of society at large (Azwar, 2025). However, the reality in Indonesia shows that the huge potential of the halal industry has not been fully utilized optimally (Winata, 2025). Although Indonesia is known as one of the largest markets for halal products in the world, its role as a major producer and exporter in the global halal supply chain is still relatively limited (Akbar, 2024). This situation indicates a gap between domestic production capacity and the level of halal product consumption in Indonesia. To increase regional economic independence and create more jobs, the government is also encouraging the growth of halal-based businesses in MSMEs (Hardana, 2025).

This problem becomes even more complex when linked to the issue of economic inclusivity. An inclusive economy should provide equal opportunities for all people, without exception. However, in practice, significant disparities remain, both between businesses, between regions, and between socioeconomic groups (S. Ningsih et al., 2025). The halal sector, which is expected to be an instrument for

reducing economic disparities in society, has yet to fulfill its role effectively. The halal industry's contribution to inclusive economic growth remains suboptimal due to various challenges, including inconsistent implementation of halal certification, low competitiveness of halal MSMEs, and limited access to financing (Syahidin et al., 2024). This shows that the development of the halal industry requires not only a sectoral approach, but also a systemic approach that is able to integrate various supporting aspects (Priyatno & Sayuti, 2025).

The growing global demand for halal products presents a significant opportunity for Indonesia. This demand comes not only from Muslim-majority countries but also from non-Muslim nations, which are beginning to view halal products as a symbol of quality and safety (Eka et al., 2025). This situation shows that halal business has become part of the lifestyle of society, embraced by various levels of society and has universal values (Sumantri et al., 2026). Indonesia must face international competition from countries that have already built a well-structured halal industry ecosystem, particularly in the areas of halal certification, standards harmonization, and supply chain strengthening (Azwar et al., 2025). Theoretically, the development of the halal industry within the framework of Islamic economics can be explained through several main approaches. From a Sharia economic perspective, the halal sector is not only oriented towards achieving economic profit but also strives to promote social welfare, distributive justice, and sustainable community well-being (Rifka Alkhilyatul Ma'rifat, I Made Suraharta, 2024). The expansion of halal companies can broaden market access for MSMEs by producing and distributing more halal goods. This supports the idea of economic inclusion by providing more opportunities for the general public to engage in Sharia-compliant business ventures. Consequently, the halal industry has the potential to make a significant contribution to the development of an inclusive Sharia economy in Indonesia (Syahidin et al., 2024). This principle is in line with the concept of inclusivity which emphasizes equal access and distribution of benefits (Ramli et al., 2025).

In addition, the theory of financial inclusion explains the importance of access to financial services for all levels of society as a prerequisite for creating sustainable economic growth (Afsari, 2025). Access to financial services is crucial to achieving economic equality, according to the principles of financial inclusion. By utilizing Islamic financing, MSMEs in the halal industry can obtain working capital to increase production capacity and improve the quality of halal goods (Mimin Mintarsih, 2023). This increased access can expand economic opportunities, promote more equitable

prosperity, and foster community involvement in Islamic-based businesses. Thus, financial inclusion promotes inclusive Islamic economic growth (Khairul Anwar pulungan, 2023).

On the other hand, the theory of economic development also places the industrial sector as a driving force for growth as well as a means of creating jobs and improving community welfare (Luange, 2025). According to economic development theory, the industrial sector is a key driver of economic growth through increased production, job creation, and the distribution of financial resources. The growth of the halal industry can stimulate economic activity in several sectors, such as halal tourism, halal culinary arts, Muslim fashion, and cosmetics (Aulia, 2025). The expansion of this sector not only increases national production capacity but also opens up business and job opportunities for the community, particularly MSMEs. Increased income and economic opportunities will contribute to the realization of an inclusive Islamic economy and more equitable social welfare (Fadilah et al., 2024).

Various previous studies have shown that the halal industry has a positive contribution to economic growth and increasing a country's competitiveness (Ramadhan et al., 2025). Other studies also confirm that Islamic economics has the potential to create a fairer and more inclusive economic system (Susanti, 2025). However, most research remains fragmentary and has not comprehensively examined the relationship between the halal industry and an inclusive Islamic economy. This suggests that there is still room for more in-depth and integrated research.

Empirically, data shows that Indonesia is one of the countries with the largest consumption rate of halal products in the world, especially in the halal food, Muslim fashion, and Muslim-friendly tourism sectors (Kamalik, 2025). However, this position has not been matched by its strength as a major producer and exporter in the global market. Indonesia's contribution to international exports remains relatively limited compared to other countries that do not have a Muslim majority but have been able to develop their halal industry more systematically (Risma et al., 2025).

At the national level, this situation is also reflected in the still low level of halal certification among businesses, particularly MSMEs. Of the vast number of MSMEs in Indonesia, only a small fraction have obtained halal certification (Khairawati et al., 2025). This low level of certification is influenced by various factors, including limited understanding among business actors, the perception that the certification process is complicated, and limited access to mentoring and financing (Agung & Santi, 2025). Initial findings in the field also indicate a gap in access between business

actors in urban and rural areas, where business actors in urban areas tend to have easier access to information, technology, and market networks compared to business actors in rural areas (Sinaga, 2025).

In addition, access to sharia-based financing is still not evenly distributed, so that many small business owners have difficulty developing their production capacity in accordance with halal industry standards (Majduddin & Setyaningsih, 2026). On the other hand, increasing consumer awareness of halal products has not been fully matched by the readiness of domestic industry players, so that the large market opportunity cannot be optimally utilized (Sofiah & Husein, 2026). This situation indicates an imbalance between supply and demand, which is one of the main challenges in developing the halal industry in Indonesia.

Based on this description, a gap can be identified between the enormous potential of the halal industry and its still-limited contribution to strengthening an inclusive sharia economy. Although Indonesia has significant potential as a global hub for the halal industry, the development of this sector still faces various challenges, resulting in its suboptimal contribution to strengthening the sharia economic ecosystem (Efendi & Fadel, 2024). In addition, research that comprehensively examines the impact and challenges of the halal industry from an economic inclusiveness perspective is still relatively limited, as most studies focus more on aspects of halal industry development, regulation, certification, and the competitiveness of the halal sector rather than analyzing its relationship to equitable welfare and an inclusive economy (Fadilah et al., 2024). Therefore, this study aims to fill this gap by offering a more comprehensive and integrated analysis. The novelty of this research lies in its approach, which combines an analysis of the impacts and challenges of the halal industry within a coherent framework, with an inclusive Islamic economy as the primary focus. This approach is expected to provide a new perspective in understanding the role of the halal industry, not only as an economic sector but also as a development instrument oriented towards equitable distribution of prosperity.

This research is highly relevant in the context of Islamic economic development in Indonesia, particularly in efforts to strengthen the role of the halal industry as a driver of an inclusive economy. The results are expected to contribute to more effective policy formulation and serve as a reference for academics and practitioners in developing a sustainable halal industry. Furthermore, this research also has academic significance as it can enrich studies on Islamic economics, particularly those related to inclusivity.

METHODS

This study uses a narrative literature review approach within a library research framework, aiming to gain an in-depth understanding of the role of the halal industry as an instrument for strengthening the inclusive sharia economy in Indonesia. A qualitative approach was chosen because this research focuses on conceptual understanding and analysis of various phenomena related to the halal industry and the inclusive sharia economy (Sofiah & Husein, 2026). In this context, researchers attempt to critically examine various published concepts, theories, and empirical findings to develop a comprehensive argument regarding the impact and challenges of the halal industry in supporting an inclusive sharia economy.

This study used library research by collecting, reviewing, and analyzing various secondary data sources. The literature used came from national journals accredited by SINTA 1–4 and international journals relevant to the research focus (Mas et al., 2025), as well as policy documents related to the halal industry and Islamic economics. These sources were selectively selected, taking into account topic relevance, author credibility, and publication timeliness, ensuring the data used has a high level of reliability. In the data collection process, researchers use documentation techniques, namely by identifying, classifying, and organizing various documents related to the research topic (Fadlan et al., 2025). A systematic literature search was conducted through Google Scholar, Garuda, and Scopus databases using the keywords halal industry, sharia economy, inclusivity, and MSMEs. The selected literature was published between 2021 and 2026 to ensure data accuracy and relevance to the development of the halal industry in Indonesia.

Next, the collected data was analyzed using a descriptive-analytical approach. This approach involves describing information obtained from various sources and then critically interpreting it to identify patterns, relationships, and trends relevant to the research focus (Kesuma & Ariany, 2025). The analysis does not stop at the descriptive stage but also involves a synthesis process, integrating various findings into a comprehensive understanding of the halal industry's role in strengthening an inclusive sharia economy. In this process, the articles obtained are then selected based on their thematic relevance, publication quality, and suitability to the research focus, resulting in literature worthy of further analysis.

To strengthen the analytical framework, this study uses a conceptual approach that refers to Islamic economic theory, financial inclusion theory, and economic development theory (Sakti et al., 2025). These three approaches serve as a foundation for understanding the relationship between the halal industry and an inclusive

Islamic economy. Using this theoretical framework allows researchers to examine existing phenomena not only from an empirical perspective but also from a broader conceptual perspective. This is crucial to ensure that the resulting analysis has a strong theoretical foundation and is academically sound.

In addition, this research also applies content analysis techniques, namely by systematically reviewing the contents of various documents and literature used as data sources (Fatimah et al., 2025). Content analysis was conducted by identifying key themes emerging in the literature, such as the role of the halal industry, the concept of economic inclusivity, the impact on economic growth, and the various challenges faced. These themes were then analyzed in depth to understand the interrelationships between concepts and their implications for strengthening the sharia economy in Indonesia. In maintaining the validity of the data, this research applies the principle of source triangulation, namely by comparing information obtained from various types of literature (Rohmah et al., 2025). This triangulation aims to minimize bias and ensure a high level of consistency in the data used. Furthermore, researchers double-checked the sources used to ensure the accuracy of the information and its relevance to the research context. Thus, the analytical results are expected to have a reliable level of validity.

The analysis process in this research was carried out in stages and continuously. The first stage is data reduction, which involves selecting and simplifying information relevant to the research focus. The second stage is data presentation, where the selected information is systematically arranged for ease of understanding. The third stage is drawing conclusions, which is done by interpreting the analysis results to answer the research objectives (Muhammad Syarofi & M. Fikri Syaifulloh, 2025). These three stages are carried out interactively and repeatedly, thus enabling researchers to gain a deeper understanding of the phenomena being studied.

The library approach in this research is used to gain a comprehensive understanding of the role of the halal industry in strengthening the inclusive sharia economy in Indonesia (Halal et al., 2025). Through this approach, researchers not only gather information but also critically reflect on existing concepts and findings. This allows the research to produce a more comprehensive and in-depth analysis, particularly in understanding the complexities of the halal industry as part of the sharia economic ecosystem. Based on a literature search using Google Scholar, Garuda, and Scopus databases, several scientific articles relevant to the research topic were identified. After selecting articles based on topic suitability, research objectives, and relevance to the study's focus, 13 articles were identified, which served as the

basis for an analysis of the halal industry's role in strengthening an inclusive sharia economy in Indonesia.

Table 1 Mapping of Characteristics of the Literature Reviewed

NO	Writer	Year	Focus of Study
1	Utomo et al.	2021	Islamic financial ecosystem and halal industry
2	Ab Halim et al.	2022	Growth of the halal industry
3	Azizah et al.	2023	Development of halal MSMEs
4	Muyassaroh et al.	2021	Halal industry and economic growth
5	Napitupulu et al.	2024	Halal industry and Islamic financing
6	Susiang et al.	2024	Competitiveness of halal products
7	Noor	2024	Technology in the halal industry
8	Raimi et al.	2025	Halal ecosystem and Islamic finance
9	Hidayat et al.	2025	The role of government in the halal ecosystem
10	Nur Azizah et al.	2025	Halal certification and MSMEs
11	Almunawar et al.	2025	Halal ecosystem and supply chain
12	Zaib et al.	2021	Sharia financing constraints
13	Amid	2024	Global competition in the halal industry

Table 1 shows that the reviewed literature is dominated by research on halal industry development, MSME empowerment, access to Islamic finance, halal certification, and strengthening the halal ecosystem. These studies serve as the basis for analyzing the role of the halal industry in strengthening an inclusive Islamic economy in Indonesia.

Table 2 Synthesis of Literature Findings

Writer	Key Findings
Utomo et al. (2021)	The halal industry and Islamic finance support each other in building an Islamic economic ecosystem.
Ab Halim et al. (2022)	The halal industry contributes to economic growth and halal governance.

Azizah et al. (2023)	Halal MSMEs play a role in increasing community economic empowerment.
Muyassaroh et al. (2021)	The halal industry has the potential to increase national economic growth.
Napitupulu et al. (2024)	Sharia financing supports the development of the halal industry.
Susiang et al. (2024)	Halal products have high competitiveness in the global market.
Noor (2024)	The use of technology is an important factor in the development of the halal industry.
Raimi et al. (2025)	A strong halal ecosystem requires the support of the Islamic financial sector.
Hidayat et al. (2025)	Government policies play a role in strengthening halal MSMEs.
Nur Azizah et al. (2025)	Halal certification increases consumer confidence and the competitiveness of MSMEs.
Almunawar et al. (2025)	Weaknesses in the supply chain are a weakness in the development of the halal industry.
Zaib et al. (2021)	Limited sharia financing remains a challenge for halal business actors.
Amid (2024)	Global competition demands an increase in the quality of Indonesia's halal industry.

Source: Processed by the author (2026)

Based on the literature synthesis in Table 2, it can be concluded that the halal industry has a significant contribution to strengthening an inclusive Islamic economy. This contribution is evident through increased economic growth, empowerment of MSMEs, expanded access to Islamic finance, increased competitiveness of halal products, and a strengthened Islamic economic ecosystem. However, various literature also points to challenges such as low halal certification rates, limited financing, weak halal supply chains, and intense global competition.

FINDINGS AND DISCUSSION

The Halal Industry as an Instrument for Strengthening an Inclusive Sharia Economy in Indonesia

The development of the halal industry in Indonesia demonstrates its increasingly strategic role in supporting the strengthening of an inclusive sharia economy. The halal industry is no longer understood solely as the production of goods and services that comply with Islamic law, but has evolved into an integral

part of the economic system capable of driving economic growth and equitable social welfare. From a sharia economic perspective, economic activity is directed not only at achieving material gain but also at creating distributive justice, public welfare, and social balance. Therefore, the existence of the halal industry is strongly relevant to the concept of an inclusive sharia economy, which emphasizes the involvement of all levels of society in economic activity.

Indonesia has significant potential to develop the halal industry. As the world's most populous Muslim country, Indonesia boasts a large domestic market and high consumption of halal products. This presents opportunities for businesses to develop various halal sectors, such as food and beverages, cosmetics, pharmaceuticals, Muslim fashion, halal tourism, and Islamic financial services. The growth of these sectors not only boosts national economic activity but also opens up opportunities for economic participation for people from various social groups and regions. In the context of an inclusive sharia economy, the halal industry functions as a means of expanding people's economic access (Ab Halim et al., 2022; Utomo et al., 2021). Through the development of halal-based businesses, the community has greater opportunities to be involved in production, distribution, and consumption activities (Anwar et al., 2026; Azizah et al., 2023). This aligns with the principle of inclusivity, which requires equal opportunities for all members of society to benefit from economic development. Thus, the halal industry not only generates added economic value but also plays a role in reducing economic disparities and improving social welfare more equitably.

In addition to expanding economic access, the halal industry also has a close relationship with strengthening the overall sharia economic ecosystem (Raimi et al., 2025). The development of the halal sector is driving increasing demand for Islamic financial services, halal certification, halal logistics, and various other supporting institutions. The interconnectedness of these sectors creates an integrated economic ecosystem, strengthening the foundation of the national Islamic economy. The greater the growth of the halal industry, the greater the opportunity to create an inclusive, sustainable, and welfare-oriented economic system.

The Impact of the Halal Industry on Strengthening an Inclusive Sharia Economy

Based on a review of various literature, the halal industry has a significant impact on strengthening an inclusive Islamic economy in Indonesia. This impact is evident not only in increased economic activity but also in its ability to expand business opportunities, improve access to Islamic financial services, and strengthen

national economic competitiveness. Some of the main impacts of the halal industry on strengthening an inclusive Islamic economy are outlined below.

1. Increasing Economic Growth and Production Activities

One of the main impacts of developing the halal industry is increasing economic growth through the expansion of production activities in various sectors (Muyassaroh et al., 2021). The growing demand for halal products, both domestically and internationally, is encouraging businesses to increase their production capacity. This situation creates a multiplier effect that is felt not only by large companies but also by micro, small, and medium enterprises (MSMEs) that are part of the halal industry supply chain.

The growth of the halal sector also contributes to increasing the added value of the national economy. Halal products with clear certification and quality standards tend to be more competitive, enabling them to penetrate the global market. Increasing halal product exports will ultimately boost national income and strengthen Indonesia's position in the global halal industry. From an economic development perspective, this demonstrates that the halal industry can serve as a driving force for sustainable economic growth. In addition to increasing economic output, the development of the halal industry also encourages product innovation and business diversification. Businesses are increasingly encouraged to produce products that meet consumer needs while meeting applicable halal standards. This innovation not only enhances industrial competitiveness but also expands economic opportunities for the community.

2. Job Creation and Empowerment of MSMEs

In addition to contributing to economic growth, the halal industry also has a significant impact on job creation and the empowerment of MSMEs. The growth of the halal food, Muslim fashion, halal cosmetics, halal pharmaceutical, and halal tourism sectors requires a large workforce at various stages of production and marketing (Hidayat et al., 2025). This situation provides broader job opportunities for the community and contributes to reducing the unemployment rate. MSMEs are the business group that benefits most from the development of the halal industry. Most businesses in Indonesia operate in sectors directly related to the halal industry, such as culinary, trade, crafts, and services. With halal certification and the support of a growing business ecosystem, MSMEs have the opportunity to improve product quality, expand market reach, and strengthen their competitiveness. From an inclusive Islamic economic perspective, MSME empowerment is crucial because this business group serves as a means of distributing economic benefits to the wider

community. When MSMEs grow, community incomes increase and business opportunities become more open. Therefore, the halal industry can be an effective instrument in promoting economic equality and reducing social disparities.

3. Expanding Access to Islamic Finance

Another equally important impact is increased public access to Islamic financial services. The growth of the halal industry has created a growing need for business financing, investment, and various other financial services. This has encouraged Islamic financial institutions to expand their service reach to businesses operating in the halal sector (Napitupulu et al., 2024). Access to Islamic financing is a crucial factor in supporting the sustainability and development of halal businesses, particularly for MSMEs, which often face capital constraints. Through Islamic financing, businesses can obtain capital support that better aligns with their business characteristics without having to abandon their Sharia principles. The close relationship between the halal industry and the Islamic financial sector demonstrates that both support each other in building an inclusive Islamic economic ecosystem. The broader public access to Islamic financial services, the greater the opportunity for the development of halal-based businesses that can provide more equitable economic benefits.

4. Increasing the Competitiveness of Indonesian Products in the Global Market

The impact of the halal industry is not only felt domestically but also influences Indonesia's position in international trade. Increasing global awareness of halal products has created a highly potential market for various countries, including Indonesia. Halal products are now in demand not only by Muslim consumers but also by non-Muslim consumers, who view halal as a symbol of quality, safety, cleanliness, and ethical production (Susiang et al., 2024). This situation opens up significant opportunities for Indonesia to increase the competitiveness of its products in the global market. With the support of credible halal certification, guaranteed product quality, and continuous innovation, Indonesian halal products have a significant opportunity to compete with other countries that have already developed their halal industries. This increased competitiveness will ultimately result in increased exports, increased investment, and a stronger position for Indonesia in the global halal supply chain. Thus, the halal industry will not only contribute to national economic growth but also strengthen Indonesia's strategic position in the global halal economy.

Challenges of Halal Industry Development in Realizing an Inclusive Sharia Economy

Although the halal industry holds enormous potential to support an inclusive sharia economy, its development still faces numerous challenges that require serious attention. Various literature indicates that these obstacles stem not only from internal business actors but also relate to regulations, financing, technology, and the overall readiness of the halal ecosystem. Some of the key challenges still faced in developing the halal industry in Indonesia are as follows.

1. Low Level of Halal Certification in MSMEs

One of the main challenges is the still low level of halal certification among MSMEs. Halal certification is a crucial factor in increasing consumer trust and product competitiveness in an increasingly competitive market (Nur Azizah et al., 2025). However, many business owners still don't understand the importance of halal certification or consider the process to be complex and costly. The low level of halal certification prevents many MSMEs from optimally capitalizing on halal market opportunities. Consequently, the halal industry's contribution to strengthening an inclusive sharia economy has yet to be fully realized.

2. Limited Access to Sharia Financing

In addition to halal certification, limited access to Islamic financing is also a significant challenge. Despite the continued growth of the Islamic financial sector, the distribution of financing services remains uneven, particularly for micro and small businesses in rural areas (Zaib et al., 2021). This situation has caused many businesses to struggle to increase production capacity, innovate, or meet the evolving halal industry standards. Consequently, the community's halal business potential has not been optimally developed.

3. Weaknesses of the Halal Supply Chain and Ecosystem

The development of the halal industry requires the support of a strong and integrated supply chain. However, to date, the halal ecosystem in Indonesia still faces various obstacles, ranging from limited halal raw materials, a suboptimal halal logistics system, and a lack of coordination between stakeholders (Almunawar et al., 2025). Weaknesses in the supply chain impact the efficiency of halal product production and distribution. Yet, a strong halal ecosystem is a crucial factor in increasing the competitiveness of the halal industry at both the national and international levels.

4. Literacy Gap and Technology Utilization

Another challenge is the persistent gap in halal and digital literacy among business owners. Business owners in urban areas generally have better access to information, technology, and marketing networks than those in rural areas (Noor,

2024). These differences have the potential to create disparities in the utilization of available economic opportunities. Therefore, increasing halal literacy and utilizing digital technology are crucial steps in expanding public participation in the development of the halal industry.

5. Global Competition in the Halal Industry

In addition to facing domestic challenges, Indonesia must also compete with various countries that have already systematically developed halal industries. Countries such as Malaysia, the United Arab Emirates, and Thailand have relatively more mature certification systems, infrastructure, and policy support (Amid, 2024). This global competition demands that Indonesia continuously improve product quality, strengthen innovation, expand halal certification, and build a more competitive halal ecosystem. Without sustained efforts, Indonesia's vast potential will be difficult to translate into tangible global advantages.

Implications for Strengthening an Inclusive Sharia Economy

The study's findings indicate that the halal industry plays a strategic role as an instrument for strengthening an inclusive sharia economy in Indonesia. The halal industry is not only capable of driving economic growth through increased production, investment, and exports, but also contributes to equitable prosperity through job creation, empowerment of MSMEs, and expanding access to sharia finance. However, optimizing this role still requires addressing various challenges related to halal certification, access to financing, strengthening the halal ecosystem, increasing literacy, and global competitiveness. Halal industry development needs to be carried out in an integrated manner through synergy between the government, sharia financial institutions, business actors, academics, and the community. With appropriate policy support and strengthening of the national halal ecosystem, the halal industry has the potential to become an effective instrument in realizing an inclusive, equitable, and sustainable sharia economy in Indonesia.

CONCLUSION

The halal industry plays a strategic role as an instrument for strengthening the inclusive sharia economy in Indonesia through increased economic activity, empowerment of MSMEs, expansion of access to sharia finance, job creation, and increased competitiveness of halal products in the global market. The existence of the halal industry not only drives economic growth but also supports equitable distribution of prosperity in accordance with sharia economic principles. However, optimizing this role still faces various challenges, including the low level of halal certification among MSMEs, limited access to sharia financing, a suboptimal halal

ecosystem, a literacy gap, and increasingly intense global competition. Therefore, synergy is needed between the government, sharia financial institutions, business actors, and the community to strengthen the halal industry ecosystem so that it can become a key pillar in realizing an inclusive and sustainable sharia economy in Indonesia.

REFERENCES

- Ab Halim, M. A., Salleh, M. M. M., Ahmad, A. A., Ab Rahman, S., & Nusran, M. (2022). Economic growth of halal industry: Enhancing governance and halal legal framework in the ASEAN (Goal 12). In *Good governance and the sustainable development goals in Southeast Asia* (pp. 140–154). Routledge.
- Afsari, S. D. (2025). Peran Inovasi Keuangan dalam Meningkatkan Akses ke Layanan Ekonomi di Masyarakat. *Maslahah: Jurnal Manajemen Dan Ekonomi Syariah*, 03(03), 72–90. <https://doi.org/https://doi.org/10.59059/maslahah.v3i3.2419>
- Agung, I., & Santi, M. (2025). Sertifikasi Halal dan Tantangannya bagi UMKM Kuliner. *EKSYAR: Jurnal Ekonomi Syari'ah & Bisnis Islam*, 12(1), 166–177. <https://doi.org/https://doi.org/10.54956/eksyar.v12i01.739>
- Akbar, A. (2024). Tantangan Industri Makanan Halal Indonesia di Pasar Internasional. *Jurnal Literasiologi*, 13(3), 348–366. <https://doi.org/https://doi.org/10.47783/literasiologi.v13i2.933>
- Almunawar, M. N., Fauzi, A. M., Almunawar, Z. S., & Masri, M. (2025). Modelling business ecosystem of halal industry—case halal food industry in Indonesia. *Journal of Islamic Marketing*, 16(10), 2948–2967. <https://doi.org/https://doi.org/10.1108/JIMA-06-2024-0221>
- Amid, A. (2024). Halal industry and issues. In *Solving halal industry issues through research in halal sciences* (pp. 1–14). Springer. https://doi.org/https://doi.org/10.1007/978-981-97-3843-4_1
- Anwar, M. M., Battour, M., Purnamawati, A. M., & Ratnasari, R. T. (2026). The power of moral obligation and social support in enhancing intention to implement halal branding strategies in social enterprise. *Social Enterprise Journal*, 22(3), 590–620. <https://doi.org/https://doi.org/10.1108/SEJ-11-2024-0184>
- Aulia, T. M. (2025). *Dampak Industri Halal terhadap PDB Indonesia: Peluang dan Tantangan Ekonomi*. 3(2), 222–229. <https://doi.org/https://doi.org/10.62017/jemb>
- Azizah, N., Salam, A. N., & Arifin, A. Z. (2023). Model design of sociopreneurship: halal

- based-development of micro, small and medium enterprises through zakat institutions. *ISRA International Journal of Islamic Finance*, 15(3), 46–63. <https://doi.org/doi:10.55188/ijif.v15i3.610>.
- Azwar. (2025). Ekonomi Halal Perkotaan 5.0: Inovasi Kolaboratif untuk Pengembangan Industri Halal Berkelanjutan di Indonesia. *Jurnal Studi Islam Dan Bahasa Arab*, 4(6), 782–811. <https://doi.org/10.36701/qiblah.v4i6.2668>
- Azwar, A., Nasrullah bin Sapa, & Cut Muthiadin. (2025). Manajemen Rantai Pasok Halal di Indonesia: Analisis SWOT dan Implikasi Strategis. *AL-KHIYAR: Jurnal Bidang Muamalah Dan Ekonomi Islam*, 5(2), 212–240. <https://doi.org/https://doi.org/10.36701/al-khiyar.v5i2.2651>
- Efendi, A., & Fadel, M. (2024). *Pilar Pengembangan Industri Halal Indonesia*. 7(2), 156–169. <https://doi.org/https://doi.org/10.14710/halal.v7i2.21802>
- Eka, D., Sari, M., Rosidah, S. N., Saputra, A. T., Hafidzi, M. I., Jinan, A. S., Faraby, M. E., Madura, U. T., & Indah, P. T. (2025). Dampaknya Terhadap Pertumbuhan Ekonomi. *Jurnal Media Akademik (JMA)*, 3(12), 1–13.
- Fadilah, D., Pelitawati, E., Jaelani, A., & Fatmasari, D. (2024). Al Mudayanah : Journal of Islamic Economics and Finance Penguatan Ekosistem Industri Halal Nasional Berbasis Ekonomi Syariah Pendahuluan Perkembangan industri halal global dalam dua dekade terakhir menunjukkan tren. *Journal of Islamic Economics and Finance*, 6(2), 155–182. <https://doi.org/10.64845/al-mudayanah.v2i1>
- Fadlan, H., Faturahman, H., Renaldi, M., Pamungkas, S., & Marlina, L. (2025). Analisis Dampak Ekonomi Industri Halal terhadap Pertumbuhan PDB diIndonesia (2015-2024). *Jurnal Ekonomi Manajemen Dan Bisnis*, 3(2), 2015–2021. <https://doi.org/https://doi.org/10.62017/jemb>
- Fatimah, S., Zen, H., & Fitrisia, A. (2025). Literatur Riview dan Metodologi Ilmu Pengetahuan Khusus. *Innovative: Journal Of Social Science Research*, 5(1), 41–48. <https://doi.org/https://doi.org/10.31004/innovative.v5i1.17407>
- Halal, E., Inovasi, P., & Halal, I. (2025). *AL-QIBLAH*: 4(6), 782–811. <https://doi.org/https://doi.org/10.36701/al-qiblah.v4i6.2668>
- Hardana, A. (2025). *Transformasi Ekonomi Lokal Melalui Di Padang Lawas Utara*. 10(204). <https://doi.org/https://doi.org/10.30651/jms.v10i5.28742>
- Hidayat, Y., Machmud, A., Zuhuda, S., & Suartini, S. (2025). Legal aspects and government policy in increasing the role of MSMEs in the Halal ecosystem. *F1000Research*, 13, 722.

<https://doi.org/10.12688/f1000research.148322.4>

- Kamalik, A. I. (2025). Struktur dan Kinerja Perekonomian Indonesia Tahun 2025 Dalam Konteks Pembangunan Nasional. *Tafakur Times Jurnal Study Islam*, 1(4), 405–425.
- Kesuma, S. P., & Ariany, R. (2025). Jurnal Penelitian Nusantara Implementasi Keputusan Walikota Bukittinggi Nomor 06 Tahun 2002 Menulis : Jurnal Penelitian Nusantara. *Jurnal Penelitian Nusantara*, 1, 1–7.
<https://doi.org/https://doi.org/10.59435/menulis.v1i10.651>
- Khairawati, S., Murtiyani, S., Wijiharta, W., & Yusanto, I. (2025). Kendala Sertifikasi Halal Pada UMKM di Indoneisa : Sebuah Kajian Literatur. *Jurnal Akuntansi, Manajemen Dan Ilmu Ekonomi (JASMIEN) Volume*, 05(05), 242–256.
<https://doi.org/org/10.54209/jasmien.v5i02.1018>
- Khairul Anwar pulungan, E. P. N. (2023). Pembiayaan Bank Syariah Dalam Meningkatkan UMKM Halal. *Al-Ihsan : Jurnal Bisnis Dan Ekonomi Syariah*, 01(01), 01–05.
<https://doi.org/https://doi.org/10.65256/jbes.v3i1>
- Luange, U. (2025). Peran UMKM Dalam Menggerakkan Ekonomi Indonesia. *Jurnal Pendidikan, Sains, Dan Humaniora*, 4(2), 1–13.
<https://doi.org/https://doi.org/10.5281/iqra.v4i2>
- Majduddin, M., & Setyaningsih, N. D. (2026). Penguatan Peran Fintech Syariah Dalam Mendukung Pembiayaan UMKM Halal : Kajian Konseptual Berbasis Ekosistem Ekonomi Syariah. *Institut Agama Islam Sunan Kalijogo Malang*, 7(1), 146–159.
<https://doi.org/https://doi.org/10.51339/nisbah.v7i1.4716>
- Mas, F., Doko, Y. D., Jama, K. B., Studi, P., Pancasila, P., & Cendana, U. N. (2025). Pendidikan Bahasa Indonesia sebagai Sarana Penguatan Literasi Hukum di Era Digital. *Haumeni Journal of Education*, 5(2), 9–21. <https://doi.org/10.35508/haumeni.v5i2.24455>
- Mimin Mintarsih. (2023). Pengaruh Pembiayaan Perbankan Syariah terhadap Pertumbuhan UMKM di Indonesia. *AL-AMWAL: Jurnal Ekonomi Dan Perbankan Syariah*, 1(2), 96–102. <https://doi.org/https://doi.org/10.61722/jemba.v3i1.1992>
- Muhammad Syarofi, & M. Fikri Syaifulloh. (2025). the Urgency of Halal Industry Development in Driving National Economic Growth. *JSE: Jurnal Sharia Economica*, 4(4), 235–245. <https://doi.org/https://doi.org/10.46773/jse.v4i1>
- Muyassaroh, N., Slamet, F., & Sakti, M. (2021). Potential of halal industry areas to improve national economic growth. In *Halal Development: Trends, Opportunities and Challenges* (pp. 75–80). Routledge.

- Napitupulu, R. M., Sukmana, R., Rusydiana, A. S., Cahyani, U. E., & Wibawa, B. M. (2024). The nexus between halal industry and Islamic green finance: A bibliometric analysis. *Journal of Islamic Marketing*, 15(10), 2508–2527. <https://doi.org/https://doi.org/10.1108/JIMA-06-2023-0192>
- Ningsih, R., Jannah, N., Rohman, K., Faraby, M. E., & Nadzary, V. (2025). Perkembangan Produk Kosmetik Halal Dalam Trend Kecantikan Wanita Indonesia. *Jurnal Media Akademik (JMA)*, 3(12), 1–16. <https://doi.org/10.62281>
- Ningsih, S., Alfisyahri, N., Irawan, D., Putra, R., & Jambi, U. (2025). Kesempatan Kerja Dan Ketimpangan Pendapatan Di Indonesia : Menggunakan. 10(204). <https://doi.org/https://doi.org/10.30651/jms.v10i2.26293>
- Noor, N. (2024). Technology acceptance model in halal industries: a systematic literature review and research agenda. *Journal of Islamic Marketing*, 15(11), 3156–3173. <https://doi.org/https://doi.org/10.1108/JIMA-02-2024-0077>
- Novianti, L. (2024). Green Constitution Dalam Mendorong Green Economy. *Gunung Djati Conference Series*, 42, 256–263. <https://doi.org/https://doi.org/10.15575/gdcs.v63i>
- Nugraha, J. A. (2025). Ekonomi Syariah, MCDA-WDMA dan Pentahelix Collaboration di Kota Tasikmalaya. *La Zhulma Jurnal Ekonomi Syariah*, 6(1), 71–93. <https://doi.org/https://doi.org/10.70143/lazhulma.v6i1.504>
- Nur Azizah, S., Koeswinarno, K., Nur Salam, A., Ansyah, R. H. A., Kustini, K., Atieqoh, S., & M, F. (2025). Linking halal certificate and micro, small and medium enterprises (MSMES) performance in Indonesia. *International Journal of Islamic and Middle Eastern Finance and Management*, 18(6), 1271–1290. <https://doi.org/https://doi.org/10.1108/IMEFM-12-2023-0463>
- Oktaviany, M. (2025). Potensi industri fashion halal terhadap perekonomian islam di indonesia. *Taraadin*, 05(02), 1–20.
- Priyatno, P. D., & Sayuti, M. N. (2025). Pengembangan Model Bisnis Berkelanjutan untuk Produk Halal. *Islamic Economics and Business Review*, 4(1), 125–135. <https://doi.org/10.59580/iesbir.v4i1.12092>
- Putri, D. S. (2025). Optimalisasi Digitalisasi Bisnis UMKM Syariah Berbasis Wakaf Produktif Di Era Ekonomi 5.0. *RIGGS: Journal of Artificial Intelligence and Digital Business*, 4(2), 7445–7452. <https://doi.org/https://doi.org/10.31004/riggs.v4i2.1875>
- Putri, M. H. (2025). Pengembangan Ekonomi Berbasis Syariah Di Era Globalisasi. *Jurnal Manajemen Bisnis Syariah*, 2(1), 207–221. <https://doi.org/10.62281>

- Raimi, L., Abdur-Rauf, I. A., & Olaide Raimi, B. (2025). Interdependence of halal entrepreneurship and Islamic finance for creating a strong halal ecosystem. *Journal of Islamic Marketing*, 16(3), 929–954. <https://doi.org/https://doi.org/10.1108/JIMA-05-2023-0162>
- Ramadhan, M. I. R., Fawaid, Yuliana, E., & Safitri, R. A. (2025). Kontribusi industri halal terhadap pertumbuhan ekonomi indonesia melalui sertifikasi dan umkm. *Jurnal Media Akademik (Jma)*, 3(12). <https://doi.org/https://doi.org/10.62017/jemb.v3i2.5913>
- Ramli, U., Pattisahusiwa, F., Rahakbauw, R., Kilwouw, N., Keliwar, A., & Sosiologi, P. S. (2025). Kajian literatur konsep pembangunan inklusif dalam masyarakat multikultural. *Papua Journal of Scociology*, 3(1), 20–37. <https://doi.org/https://doi.org/10.33506/pjs.v3i1.4735>
- Rifka Alkhilyatul Ma'rifat, I Made Suraharta, I. I. J. (2024). No Title 濟無No Title No Title No Title. 2, 306–312. <https://doi.org/https://doi.org/10.47783/literasiologi.v9i4>
- Risma, H., Hilman, N. A. F., Utari, D. P., Anabilla Alma Widyaningtias, & Lina Marlina. (2025). Implikasi Standar Sertifikasi Halal Internasional terhadap Perdagangan Global Indonesia pada Produk Halal. *Jurnal Riset Manajemen Dan Ekonomi (Jrime)*, 3(4), 185–201. <https://doi.org/https://doi.org/10.54066/jrime.v3i4.3564>
- Rohmah, E., Shaulah, R. H., Darmawan, R. D., & Az, R. (2025). *Jurnal Penelitian Nusantara Analisis Dampak Arus Modal Internasional Terhadap Industri Halal Di Indonesia Menulis : Jurnal Penelitian Nusantara*. 1, 200–204. <https://doi.org/https://doi.org/10.59435/menulis.v1i12.767>
- Sakti, R. A., Basit, A., Zahari, Y. K., & Prayuda, I. P. S. A. (2025). Analisis Produk Halal Dalam Ekonomi Syariah Global. *Jesya*, 8(2), 1568–1582. <https://doi.org/10.36778/jesya.v8i2.2180>
- Sinaga, Z. A. (2025). Transformasi Ekonomi Indonesia Menuju Ekonomi Digital : Tantangan dan Strategi. *Kmapus Akademik Publising*, 2(3), 26–33. <https://doi.org/https://doi.org/10.61722/jrme.v2i3.4273>
- Sofiah, N., & Husein, I. (2026). Implementasi Prinsip Ekonomi Syariah dalam Pengembangan Produk Halal UMKM di Desa Bangun Purba. 6(1), 356–364. <https://doi.org/https://doi.org/10.34697/jai.v6i1.3100>
- Sudarmi. (2025). Membuka Gerbang Emas : Potensi Besar Pembiayaan Syariah Dalam Pengembangan Industri Halal Di Indonesia. *PESHUM : Jurnal Pendidikan, Sosial Dan Humaniora*, 4(2), 3649–3659.

- Sumantri, S. N., Smith, K. A., Agung, L. M., Ikhsan, A., Sultan, U., & Tirtayasa, A. (2026). *Tranformasi nilai religius ke gaya hidup: peran media sosial dalam mempromosikan industri halal (studi pada kihc)*. 11(12). <https://doi.org/https://doi.org/10.9963/h2e1xr36>
- Susanti, D. (2025). Konsep Keadilan dan Kesejahteraan Sosial Pada Perbankan Syariah Di Indonesia Della. *Journal Of Economis and Business*, 3(1), 148–154. <https://doi.org/https://doi.org/10.61994/econis.v3i1.538>
- Susiang, M. I. N., Siswanti, I., Permana, D., & Wibowo, M. W. (2024). Effects of competitive intelligence and halal integrity on Halalan Tayyiban implementation strategy in Indonesian MSMEs: the mediating role of halal orientation strategy. *Journal of Islamic Marketing*.
- syafari, muhammad afid. (2025). *Diversifikasi Ekonomi Melalui Industri Halal*. 11(05), 115–122. <https://doi.org/https://doi.org/10.29040/jiei>
- Syahidin, M. Nator, & Agus Hermanto. (2024). Pertumbuhan Industri Halal Berbasis Usaha Mikro Kecil (UMK). *Syarikat: Jurnal Rumpun Ekonomi Syariah*, 7(1), 144–152. [https://doi.org/https://doi.org/10.25299/syarikat.2024.vol7\(1\).15736](https://doi.org/https://doi.org/10.25299/syarikat.2024.vol7(1).15736)
- Utomo, S. B., Sekaryuni, R., Widarjono, A., Tohirin, A., & Sudarsono, H. (2021). Promoting Islamic financial ecosystem to improve halal industry performance in Indonesia: a demand and supply analysis. *Journal of Islamic Marketing*, 12(5), 992–1011. <https://doi.org/https://doi.org/10.1108/JIMA-12-2019-0259>
- Winata, N. (2025). Islam dan Ekonomi Sirkular : Perspektif Ekologi dan Teknologi Hijau di Indonesia. *Nizamiyah: Jurnal Sains, Sosial Dan Multidisiplin*, 1(3), 172–184.
- Zaib, S. Z. M., Abdullah, A., Yasin, N. H. M., Zainuddin, S. A., & Abdullah, T. (2021). Financial alternative resources among halal entrepreneurs: challenges to adopt Islamic financing in business. *International Conference on Business and Technology*, 925–935. https://doi.org/https://doi.org/10.1007/978-3-031-08087-6_64