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Dynamics of Sharia Economic Development: Halal Industry Product Strategy

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ABSTRACT

This article aims to describe how the halal industry strategy has a effect on the dynamics of Islamic economic development. Indonesia also has great potential to develop the halal sector. Certainly, Indonesia's large Muslim population has implications related to this huge potential. Due to the large Muslim population, there is a high demand for halal products. The researcher also noted the opportunities and difficulties in developing the halal industry sector in Indonesia. In an effort to provide deeper insight into the issues mentioned above, researchers attempt to conduct an evaluation of the literature pertaining to the research subject.

Keywords: *Halal Industry, Halal Products, Economy*

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INTRODUCTION

The halal industry is now quite famous in the world.related to the influence of the growth of the halal industry has emerged today. The State of Global Islamic Report (2019) estimates that 1.8 billion Muslims are served by halal companies. The halal sector experienced an annual growth of 5.2% in terms of consumer potential, with total consumer spending of USD 2.2 trillion. It is estimated that this number will increase every year.

Indonesia is one of the countries with the greatest potential for the development of the halal sector. The large Muslim population in Indonesia is the cause of this huge potential. It is proven that 12.7% of Muslims worldwide live in Indonesia. It is estimated that more than 229 million Muslims will live in Indonesia by 2020. There are projections that Indonesia will have a population of 273 million in total, with 87.2% of the population being Muslims. (2020, World halal products have increased significantly (Population Review). The related demand [due to the sizable Muslim population in Indonesia. Indonesia is considered the last bastion of the Islamic industrial sector around the world.

Every year, the halal business shows considerable development. There is no doubt that this expansion has a positive impact on the Indonesian economy. Gross Domestic Product (GDP) provides an indication of this. Currently, the Islamic economy is estimated to contribute 3.8 million US dollars per year to GDP. (Ministry of Finance of the Republic of Indonesia, 2019). The consumption of the Indonesian population as well as the import and export of halal goods contribute to this portion of GDP. Halal businesses have a opportunity to increase the value of Indonesia's exports in the export market. Halal businesses have the potential to generate between USD 5.01 million and USD 11 million per year. The halal sector generated about 7.6 billion US dollars in sales in 2018. Indonesia has the third highest global export potential for halal products (Indonesia Halal Lifestyle Center, 2019).

The contribution of the Islamic banking sector to the financial development of the community. Through loan financing, the Islamic banking industry can help micro, small, and medium entrepreneurs (MSMEs) who are experiencing difficulties in the halal sector. Companies can grow with the help of this financing. In other words, manufacturing activities will increase if many MSMEs expand their use. Indonesia's halal commodities can become more competitive in global trade as a result of increased production. Financial inclusion programs, for example, facilitate payments for MSMEs. If more MSMEs transact with sharia, the market share of sharia-related sectors will increase. Therefore, the Islamic banking sector will continue to grow and can provide loans to the general public in larger amounts.

The debate mentioned above shows that substantial support from the government and society is essential for the growth of halal businesses. The government must offer assistance in the form of halal certification as well as rules related to halal businesses and goods. Halal certification and standards support company owners, especially MSMEs, in meeting customer expectations with their products. On the other hand, public efforts are concentrated on increasing awareness of halal and purchasing halal goods from domestic producers. As it is said in the quote

"Indonesia as the mecca of the world's halal industry," collaboration is needed among all groups, therefore this is something that must be done cooperatively.

RESEARCH METHOD

The methodology used in this study is qualitative descriptive. Sources for this data collection are secondary in nature including books, journals, notes, and summaries of previous study findings. The main purpose of this essay is to investigate the ways in which halal business can impact the growth of Islamic economies. Kaijan also noted the opportunities and difficulties in developing the halal industry sector in Indonesia. In an effort to provide deeper insights into the issues mentioned above, the researchers sought to conduct an evaluation of the literature related to the research subject. The halal industry product strategy is greatly explained by the findings from the literature review. Apart from the descriptive nature of the data analysis, this study objectively discusses issues related to the creation of halal industrial product strategies within the framework of Islamic economic growth.

RESULT AND DISCUSSION

1. Halal Industry Contributes to Economic Growth

The halal sector supports strategic planning to increase the country's GDP. The potential of the agricultural sector is clearly seen in the data of the Indonesian Ministry of Finance for 2019. The sector generates a GDP of $3.8 million and attracts $1 million in foreign investment, but does not generate $127 billion in employment per year. The halal sector has the potential to increase employment and the country's GDP participation rate if it is further developed. In addition, Indonesia's halal sector has the potential to emerge as the main engine of economic expansion. Halal businesses have the potential to generate revenue between USD 5.1 million to USD 11 million per year. The halal market generated $7.6 million last year. Therefore, doing is the right thing to do. Halal industry standards need to be improved first. Two possible exports from Indonesia are Muslim clothing and halal food. Second, to increase the potential of halal tourism. Third, to increase the contribution of the Islamic banking sector in increasing financial literacy. With greater strength, the Islamic finance sector will be able to affect people's welfare more significantly.

Through halal business, halal literacy is expected to have an impact on the Indonesian economy. The first step to making Indonesia the center of the world's halal trade power by 2024 is halal literacy. This is because of the incalculable value of halal literacy in educating producers and consumers about the halal lifestyle. Consumers' desire to buy halal food and beverage products must be juxtaposed with Indonesia's great potential to become a global producer of halal products. As a result, along with

the growth of halal businesses in Indonesia and the increasing number of individuals interested in creating halal goods, the demand for this commodity will also increase.

According to SGIER, Indonesia, which views the halal sector as part of the Islamic economy, is projected to grow at an annual rate of four percent between 2023 and 2024. This follows the previous five percent growth rate achieved by employment in various halal businesses, including food, cosmetics, pharmaceuticals, fashion, media, and leisure, which in turn lowered the growth rate of the Islamic economy. In order to encourage the expansion of the halal sector in Indonesia, all interested parties must support this as a large market potential for the national halal industry. More precisely, Indonesia ranks second in the halal food industry and third in the modest fashion industry. The biggest change in the cosmetics and pharmaceutical industry The pharmaceutical and cosmetics industry experienced the biggest move, moving from 9th to 5th position. On the other hand, the media and tourism industry did not enter the top 10 countries that existed at that time and are currently only able to reach the 6th position. The pharmaceutical and cosmetics industries have experienced this, for example, by strictly following Halal guidelines, small and medium-sized industrial enterprises (SMEs) have opened restaurants abroad. This experience means that, regardless of the level of process or raw materials used, careful supervision of previously completed halal manufacturing systems will continue after SMEs move to the country. As a result, Islamic literature has become increasingly important along with the increasing complexity of modern life. The capacity or willingness to understand, obtain, and use information regarding the quality of certain goods or services is referred to as halal. Halal knowledge is the ability to make decisions about one's diet, clothing, and way of life that are in line with Islamic principles.(Belas, 2023)

2. Potential of the Halal Industry for Economic Development in Indonesia

The existence of food and beverages, fashion, tourism, Islamic finance, and other sectors are part of Indonesia's halal industry. It has enormous potential both in the domestic and international markets. Due to the large Muslim population, halal businesses and products. As a result, errors can affect market offers. According to data from the Mastercard and Crescent Rating 2022 report, the number of Muslims reaches 2 billion, or about 25% of the world's population, and most Muslims live in the Asian region. The potential of halal industries and products in Indonesia includes:

1. The largest Muslim population in the world

Indonesia is the country with the largest Muslim population in the world with 237.53 million people, or 86.9% of its 273.32 million population. Thus, the need for halal products will increase. The need for halal goods will definitely increase. The revival of the sharia economy towards the halal sector encourages researchers around the world to study it. not only as a way to learn the law and obey it, but also as a new lifestyle that is healthier, safer, and halal. The development of the halal

industry throughout the country has made Indonesia the leader of the halal market around the world.

In addition, international trade law changes certain products, making the halal industry and its products no longer just a problem for Muslims. They are now part of the global production system. Other countries are competing to provide halal products to meet consumer demand around the world, even though most of them are not Muslims. Indonesia, as a country with the largest Muslim population in the world, must prepare itself to advance the halal industry and produce goods, perhaps even becoming a global leader by 2045. The demographic bonus will reach 70% of Indonesia's population by 2045, indicating that Indonesia's productive workforce will contribute to the country's GDP. According to (Indonesiabaik.id, 2021). With this potential, public demand for halal products from all sectors will continue to increase.

2. Indonesian people's perception of high halal consumption

In Indonesia, the halal industry generates about $220 million from people's income, and this figure is expected to continue to increase as the number of Muslims in the country and public awareness of the benefits of halal products are raised. Indonesia has the opportunity to become a halal market leader if optimized. Food, for example, plays an important role in developing the halal industry. By prioritizing the development of the halal food industry in Indonesia on a large and small scale, Indonesia will be able to compete globally. However, Indonesia is known to have many natural resources and great fisheries potential. If large-scale industries and MSMEs switch to halal certification, Indonesia may become part of the world's halal industry.

3. Legal Regulations/Halal Product Assurance Law

The JPH Law helps the growth and progress of Indonesia's halal industry. The JPH Law Agreement helps industry participants implement halal certification in proper management practices. The purpose of this legislation is to ensure that data across the country is secure and open. It is hoped that this law will encourage the growth of the halal industry in Indonesia and help businesses and consumers who sell halal goods. This law can also help the halal industry in Indonesia by defining and establishing operational standards and halal certification requirements. Therefore, all halal operations and certification can be carried out in accordance with the goal, which is to make Indonesia a global halal center.

4. Import Substitution Policy

The government supports the replacement of imported goods with local goods. With the increasing population of Indonesia, the demand and need for halal products is increasing. Therefore, the government is trying to reduce dependence on imported products that are not halal with products made abroad.

5. Establishment of the National Committee for Sharia Economics and Finance (KNEKS)

According to Presidential Regulation No. 28 of 2020, KNEKS was formed to support national economic growth and increase the exchange rate of the Islamic economy and finance as well as to improve coordination, synchronization, and cooperation between stakeholders, government agencies, and other related parties in the Islamic economic and financial sector. KNEKS has announced the Indonesian Sharia Economic Master Plan 2019-2024 to support the growth of the Islamic economy in Indonesia. This plan emphasizes the important role of the value component in the growth of the Islamic economy. Indonesia's halal industry is growing faster thanks to this master plan.

There are many institutions present to support the development of Indonesia's halal industry, such as:

a) The BPJPH of the Ministry of Religion must utilize resources from various institutions, such as the Minister of Health, the Minister of Agriculture, the Minister of Foreign Affairs, the Minister of Research, Technology, and Higher Education, the Minister of Finance, the Minister of Communication and Information, the National Police Chief, the Head of BPOM, the Head of BSN, and the MUI.

b) Through MEKSI 2019-2024, the National Development Planning Agency (Bappenas) and KNEKS have made a strategy for the development of the halal industry.

c) Creating a halal study center to encourage halal industry-based study programs at universities. To support the implementation of the JPH Law, several study programs are adjusted to halal industries and products.

6. Establishment of the Halal Product Assurance Agency (BPJPH) and LPH

In addition to complying with the regulations governing the halal industry, the government's attention to product development and the industry itself can be seen from relevant opinions or interest groups. The Halal Product Assurance Agency (BPJPH) was established on October 11, 2017, based on Law Number 33 of 2014 under the responsibility of the Minister of Religion. As stated in Government Regulation Number 2/2017, which stipulates.

BPJPH still maintains Halal certification, which has been given by MUI for several years. Halal certification, which was previously voluntarily required, is still maintained. It refers to things that are required by law to maintain the safety of the country as a whole. To help business owners with Halal certification, BPJPH has established a telephone service that is available 24 hours a day, 7 days a week. This is very important because it shows how big Indonesia is and how much needs to be done to achieve it. In addition, the government also supports the establishment of the

Halal Inspection Agency (LPH). LPH collaborates with relevant departments or organizations, such as the Indonesian Ulema Council (MUI) and LPH, as well as collaborates with domestic and foreign organizations related to the manufacture of halal products.

7. Ease of Halal Certification Management for MSEs

The service is free, simple, professional, and ethical in accordance with Shariah standards, and in accordance with international standards for work permit certification by international organizations. Thus, all MSEE participants have universal access to halal certification services in accordance with the established guidelines.

8. Halal Certificate Program (free)

To achieve the goal of completing the halal certification program of 10 million products, BPJPH collaborates with regional government agencies, business associations, and other BPJPH affiliates to help the economic sector by providing 324,834 halal product certifications free of charge on August 24, 2022 (mentioned in Announcement No. 1479 for 2022). The Indonesian Muslim Travel Index (IMTI), which is built on GMTI standards and serves as a reference for Indonesian travel agents to promote halal travel, shows the government's choice to obtain the best position in the travel industry. Accessibility, communication, environment, and service are the four standards that GMTI uses to conduct assessments. The government provides services comparable to Muslim tourism through the Ministry of Religious Affairs. In addition, it offers a wide selection of travel packages, including travel agencies, accommodations, travel businesses, and halal restaurants.

9. Community support

The government's efforts to develop the halal industry in Indonesia are seen as beneficial by many people, including academics, religious leaders, and the general public. This is proven by the establishment of the Halal Community, a halal education center Consider Community Halal in West Sumatra, and the SME halal community in Bogor.

3. Halal Food and Beverages

The food comes from the Arabic word "ta'am", which means anything that is easy to pronounce in Arabic. Syarab is a drink that originated in Arabia. The term "snerab" is used to describe any type of miniature, including air miniatures and others, under any circumstances. Unless there is a dangerous amount, any food source is considered halal. As a Muslim, the basis of every action must be worship, which is worship to Allah. Likewise, eating activities can be considered worship if they are carried out in a way that is in accordance with sharia law. (Amini et al., 2022)

Muslims must understand that food must not only be halal but also good. An example is the verses of the Qur'an that use language that is considered halal, which

is then used in the right language. Since not all halal foods are healthy, in these verses the word "halal" refers to the desire to eat and drink only halal and healthy foods.(FATIMAH SITI, 2022)

Food is considered very worrying in Islam. Food comes from the word "tha'am", which means "food", and Allah SWT pays great attention to every food that enters the body of His servants. Allah SWT sees that when someone eats, they will feel happy and happy. The Encyclopedia of Islamic Law defines food as any item that can be eaten by humans or anything that helps them reduce hunger. All food and drinks are considered halal in Islam, except for a few that are prohibited. What is considered halal in an emergency However, halal food can be dangerous if consumed over the age of 23. According to the book Hari-Hari Waharjani, halal and good food (halalan thayyiban) is good for those who want to achieve personal and social success because it nourishes the physical and hygienic body.

Every food consumed according to Islamic law must come from sources that are considered halal, including meat, fish, chicken, eggs, and dairy products, and all must be distributed in a manner that is considered halal. It is very important to remember that halal food cannot be mixed with non-halal food in any amount. The Muslim community today finds this very offensive. With the increase in knowledge and the 4.0 Revolution, it has become more difficult to distinguish between halal and haram food. Automobile and battery energy brought about an industrial revolution.

4. Halal food for the economy

Muslims consume halal food to meet their nutritional needs. Muslims believe that halal food is important because the Qur'an, which contains explanations derived from Allah's words regarding the consumption of food, or drinks, are both absolute and unchangeable. In terms of economic activity, both government, business, and individual consumer behavior, there are similarities.

Islamic economics is of the opinion that consuming halal food is beneficial for human health and is blessed by Allah SWT in this life. One aspect of this sharia-compliant economic activity is halal food labeling. Consumption is basically a way to meet a person's physical and emotional needs; Consumption is also the responsibility for the pleasure that Allah SWT bestows on humans. This is a kind of prayer to Him. Needs, pleasures, and policies are all included in consumption. Since pleasure and satisfaction are not considered as needs, explanations are given so that they are not used. Except, save from improper use or from diluting food that is too hot or cold.

Islamic economics applies maslahah in line with the principle of rationality, which states that every economic actor tries to maximize his benefits. Islam believes that there is life after this world, especially in the hereafter. This is how Muslims understand life. According to Imam Ash-Syathibi, benefits can be achieved if the five basic principles of Islam—religion, soul, intellect, descent, and property—can be realized and upheld. The provision of goods and services for Muslims that meet their overall needs only helps to preserve these five fundamental components.

Furthermore, prosperity in the hereafter is the ultimate goal besides satisfaction in this life.

Consumers are expected to follow certain basic principles in the context of Islamic economics. These principles include participating in the process of consuming what is shari'a, or goods and services that are morally and ethically correct, identifying what is illegal, and seeking goods and services that enhance their relationship with Allah. Global supply chains and compliance with Halal certification will play an important role in the government sector in boosting the national economy globally, especially in Indonesia. Indonesia, a country with the highest level of halal food consumption in the world, should be more tolerant of non-Muslims in the workplace. To prevent product defects, the government must take several steps, including monitoring the product quality assurance process to ensure that imported goods are maintained in halal condition and issuing warning letters to contractors or employees who violate MUI regulations.

Caused by the dominance of society, especially in areas where the majority of people are Muslims, this phenomenon is known as "Indonesian exceptionalism" in certain contexts. In addition, a variety of local food and beverages are not available in Indonesia. Food economists predict an increase in the revenue of the halal food industry in the future. This is explained by eight trends. First, due to the widespread Islamic tradition around the world, the demand for halal products has increased. Second, it emphasizes non-Muslim dissatisfaction with the use of legitimate food and products for ethical and hygiene reasons. Third, the growth of the Muslim population and the decline in consumer purchasing power have driven the rise of halal consumers as a force in the market. The weak factor is that Muslims have a greater need to limit their consumption on halal food.

In order to position Indonesia as a global halal food producer by 2024, the government has implemented several deliberate and focused measures. These and other steps can be taken to increase the production of Indonesian goods, making them more accessible and of higher quality. The food and beverage industry is one of the halal industry sectors that must be certified in 2024. Then, in 2026, the interest shifted to consumer products, over-the-counter medicines, and cosmetics. Therefore, the Ministry of Religion has set a target to certify 10 million halal products by 2024 through the Halal Product Assurance Agency (BPJPH).(Septiani & Indraswari, 2018).

5. Halal tourism

Indonesia, home to two-thirds of the world's Muslim population, has the potential to become a major player in the global halal lifestyle products market. One way is to take advantage of halal tourism. Because the growth of the halal tourism industry also encourages the expansion of other related industries, including lodging, travel, places to eat, tourist locations, and souvenirs or souvenirs for MSMEs, which can be in the form of handicrafts, clothing, food, and beverages. (Nidya Waras Sayekti)

A part of the travel industry known as "halal tourism" provides services to tourists in accordance with Islamic law. This halal tour is intended for visitors who

identify themselves as Muslims. (Muslim Friendly) However, that doesn't mean non-Muslim tourists can't use it. In terms of halal tourism, some things to think about are lodging places that provide halal food and drinks, allow Muslims to worship in their prayer rooms, and have spas and swimming areas with separate times for men and women. In addition, transportation service providers are required to facilitate Muslim travelers to perform the hajj during their journey. Halal food and drinks, Islamic entertainment during the trip, places of worship on board, and prayer time notifications are some of the ways to make this happen.

(Sabiq Al Qita1*, 2022) Halal tourism not only includes pilgrimages and religious worship, but also includes other places that offer supporting facilities such as restaurants and hotels. This is because everyone, both Muslims and non-Muslims, can enjoy services that are based on sharia principles.

In connection with this, the Indonesian Ministry of Tourism formed the Development Acceleration Team. The government has assigned the Halal Tourism Development Acceleration Team (TP3H) to map, develop, and provide regional guidelines. In order to promote halal tourism, three general guidelines have been established:

Category	Indicator
Tourism Destinations (Natural, Cultural and Artificial)	- Many unavailable tourism, art, and cultural activities lead to pornography and polytheism. - Organize at least one Halal Life Style Festival tour guide who is dressed and polite - There are different choices of beach tourists for attractions and guides, and there are rules that ensure that visitors do not wear immodest clothing.
Hotel	- Halal food available - Mosques, prayer rooms, and purification facilities are available to facilitate worship. - During the month of Ramadan, servers are available to meet the needs of suhoor and breaking the fast. - -Attendance of non-halal activities such as games, alcohol consumption, and activities in discotheques and recreation have different fitness/gym facilities for men and women. - -If the hotel has a spa, contact a male therapist. male clients and female therapists for female clients. Therapy does not use ingredients that use pork, alcohol, or its derivative products.

Travel Agency	- Provide tour packages that meet the general standards of halal tourism - Not providing non-halal activities - Have a list of companies that provide halal food and beverages - Tour guides understand and can apply Islamic principles in carrying out their duties. - Appears to be polite and attractive according to Islamic ethics

Source: Halal Tourism Acceleration Team, (Asri Noer Rahmi)

The Halal Tourism Acceleration and Development Team of the Ministry of Tourism has selected ten provinces in Indonesia to develop halal tourism. Among them are Aceh, Riau, and Riau Islands, West Sumatra, Jakarta, West Java, Central Java, Yogyakarta, East Java, South Sulawesi, and West Nusa Tenggara. Three provinces—West Nusa Tenggara (Lombok), Aceh, Riau, and Riau Islands—received the highest scores in the "Featured Regions" category according to IMTI standards, according to a 2019 report.

To give Muslim tourists the freedom to choose food and beverages in accordance with sharia law, lodgings operated in accordance with sharia principles and spas that accept everyone, including those with halal certification. Table 2 shows that food and beverage manufacturers in Indonesia do not understand and want certification for their products. This is because they believe that the certification process is time-consuming and does not need to be done quickly.

One of the main initiatives of the Indonesian Ministry of Tourism is the halal tourism sector, which has been actively developed since 2015. With 2.8 million Muslim foreign tourists visiting the best halal destinations in Indonesia in 2018, the halal tourism market grew by 18%, generating more than Rp40 trillion in foreign exchange.

6. Halal Cosmetics

The halal cosmetics industry has great opportunities for the growth of the sharia economy. This is in line with the statement made by the Senior Deputy Governor of Bank Indonesia after several years of economic crisis. The growth goals of halal industries such as Islamic entertainment, halal food and fashion, halal travel, and halal pharmaceuticals and cosmetics are the goals of Indonesia's Islamic finance.(Septiani & Indraswari, 2018)

Islamic banking After several years of economic recession, Indonesia hopes to develop sustainably in halal industries such as Islamic fashion, halal food, halal tourism, halal pharmaceuticals, and halal cosmetics. Islam stated that Indonesian Islamic finance hopes to develop sustainably, with the possibility of creating halal sectors such as halal food.(Septiani & Indraswari, 2018) With a total expenditure of $4 billion USD, Indonesia has emerged as the second largest consumer of halal cosmetics in the world. In 2018, the global halal cosmetics market grew by 4.9% to

reach USD 64 billion.(Darmalaksana & Busro, 2021).

The growing consumer awareness of ingredients in halal cosmetics is evident from the continuous market growth. The increasing use of social media in society today is closely related to this growth. According to a study by Yavuz and Emrah (2017), the more people are aware of the health benefits, the more satisfied they become to buy halal-certified products. As a result, the market for halal cosmetics is huge, which was never predicted before. Advertising themselves as eco-friendly, cruelty-free, and even healthy products, halal cosmetics are very popular among all ages.(Septiani & Indraswari, 2018)

Based on Thompson's analysis, the global Muslim cosmetics market ranks fourth, and Indonesia ranks eighth as a supplier of halal cosmetics. This shows that Indonesia cannot be compared to other countries such as the United Arab Emirates, Malaysia, and Singapore that sell halal cosmetics. Indonesia is expected to compete and thrive in the global halal cosmetics market, given the country's excellent prospects and ample room for growth.(Hasibuan et al., 2019)

In order to compete with other brands, cosmetics manufacturers must find ways to meet the ever-increasing demand for their products. Therefore, in order for brands to compete in domestic and global markets, it is crucial for companies to conduct consumer psychology research, especially as it relates to consumer perception. Due to the fact that the company name is the focal point of all divisions and marketing foundations.

An artist who has a lot of expertise is the one who creates the brand. Levy (1974) asserted that in order to build the perfect brand pyramid, a skilled manager must be able to integrate concepts from different artistic and academic fields to produce a coherent and distinct whole. Moore and Reid (2008) state that most branding research is concentrated on developing a successful brand from the consumer's point of view.(Hasibuan et al., 2019)

7. Challenges of the Halal Industry in Indonesia

Indonesia's halal industry is currently facing several problems. First, they struggle to accept the government's promise to make Indonesia the world's halal center until 2024. Second, the halal industry faces problems such as the lack of halal-certified organizations or companies, advertising problems, information exchange, halal raw materials, local products, and halal logistics problems. One of these issues is the government's role in promoting the halal industry to the general public, halal product certification, consumer protection, and halal logistics arrangements.third, Growth: The halal industry faces growth problems that must be acknowledged by the general public. Fourth, to become a developed country, Indonesia must continue to strive to capture new ideas, innovate, and utilize all its resources, including natural resources, human resources, and technology. As a result, Indonesia's halal industry can provide additional benefits to consumers. Fifth, as users, the public shows a low response to halal-certified products. This is because people have different standards for halal products, and they do not understand the importance of developing the halal industry.(Utari et al., 2022)

CONCLUSION AND SUGGESTION

The halal industry strategy has relation on the dynamics of sharia economic development. Indonesia also has great potential to develop the halal sector. Of course, Indonesia's large Muslim population has implications related to this great potential. Due to the large Muslim population, there is a high demand for halal products. The challenges faced by the halal industry in Indonesia today are: First. the role of the government in making Indonesia a global halal center by 2024. Second. Organization, Third. development, fourth. Innovating with local raw materials so that the Indonesian people need to maximize the use of existing resources, and continue to innovate, and the government plays a role in further developing the halal industry sector to the international level so as to reduce the dynamics of challenges in sharia economic development.

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