**OPPORTUNITIES AND CHALLENGES FOR INDONESIAN HALAL CERTIFICATION**

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**Abstract**

This research aims to look at the opportunities and challenges of halal certification in Indonesia. The research method used is qualitative with a descriptive approach. Indonesian people are currently competing to obtain halal guarantee letters or halal certificates, so the government through related institutions continues to strive to help business actors to be able to obtain halal product guarantees from the government. So that the work on halal certification can develop over time. This article aims to analyze the opportunities and challenges of halal certification in Indonesia in the period after the issuance of regulations regarding Halal Product Guarantee (JPH). Halal certification was initially under the authority of the Indonesian Ulema Council (MUI), then after the JPH Law was issued, halal certification was delegated to BPJPH (Halal Product Guarantee Organizing Agency) which is under the control of the Ministry of Religion of the Republic of Indonesia. This could also be imitated by various changes in policies related to halal certification. With the existence of BPJPH, halal certification for every business actor becomes mandatory. Research on halal certification is still relevant today.

**Keywords:** opportunities; challenges; halal certification

**Introduction**

The Unitary State of the Republic of Indonesia is a country whose population is mostly Muslim, namely 86.88% of the population is Muslim (Dukcapil, 2021). Therefore, interest in halal products is very dominant (Fatmawati, 2011). Indonesia guarantees the freedom of its citizens to embrace religion. Religious guarantees indicate that people are given the freedom to determine the beliefs they like. For Muslims, using halal products is a must in accordance with Islamic law itself. For this reason, the government must provide comfort and legal certainty regarding the halalness of products consumed by Muslims. This legal certainty can calm the souls of those who consume or those who use it (Chairunnisyah 2017).

Halal and haram have been clearly regulated in the Koran and hadith, which is why halal is truly essential in Islam (Nasyi’ah 2018). Consuming halal products and avoiding non-halal products is part of devotion to religion (Karimah 2015). Having peace of mind and inner satisfaction when consuming halal food, cosmetics, and medicines is something that every Muslim hopes for. Consumers should receive legal certainty regarding every product they use, namely products that do not contain haram substances and that are processed halal (Ramlan and Nahrowi 2014; Hasan 2014).

The need for halal products should also be supported by legal certainty regarding the halal status of a product. However, some of the products circulating in Indonesia are halal in doubt. The Muslim community is the party that suffers losses if they consume non-halal products due to ignorance of the halalness of the products in circulation (Ramlan and Nahrowi, 2014). LPPOM MUI noted that during the 2011-2018 period, there were 727,617 products produced and only 9.6 percent of these products were certified halal. Even though the rest do not have a halal certificate, it does not mean they are haram, but it could happen that such products have not been submitted for halal certification.

Halal has become sharia for a Muslim. Halal can include food, drinks, medicines, cosmetics, and so on (Faidah 2017). For food products, information about halal can be found on the label or logo printed on the packaging. If the producer institution displays a halal logo, it means that the product has gone through a long audit. The audit carried...
out includes several things including examination of submitted data, inspection of production, lab, packaging, storage, transportation, distribution, marketing, presentation, and determination of halal certification (Article 2 KMA RI No. 519 of 2001 concerning Halal Food Inspectors). If when audited it is proven to be free from non-halal ingredients, it will be given a halal certificate. This means that the producer has provided a guarantee that the product is halal for consumers (Karimah 2015).

Halal certification is a business etiquette/manners that producers should carry out as a halal guarantee for customers which not only a halal guarantee to customers but also provides benefits for industrialists including: (1) increasing customer confidence because of the guarantee of halal products, (2) having a USP (Unique Selling Point), (3) can penetrate the global halal market, (4) increase product marketability in the market, (5) Cheap investment when compared with the revenue growth that can be achieved (Ramlan and Nahrowi 2014).

Halal Certificates in Various Countries

The halal lifestyle is sweeping various countries in the world, not only in countries with more Muslim populations but also in countries with fewer Muslim populations (Hidayat and Siradj 2015). Since each country has certain policies regarding halal certificates, halal permit organizers can consist of government or non-government institutions. For example, Malaysia, halal certificates in Malaysia are carried out by government halal certificate institutions which are shaded by the government. Certification is controlled by the state because this state really says that the country is an Islamic country, so it really looks at halal laws and guarantees for all its residents (Karimah, 2015).

Halal affairs in Malaysia are under the control of the government and JAKIM or Malaysian Islamic Progress (Rosnan et al. 2015). Meanwhile, halal certification in Thailand is carried out by non-government institutions. Thailand is a country whose population mostly adheres to Buddhism. However, halal regulations, especially regarding food, have been implemented well. Halal deeds in Thailand are handled by CICOT (Central Islamic Council of Thailand) which is a union institution for Thai ulama at the national level. CICOT has the Halal Standard Institute of Thailand which functions to carry out halal reviews and certification of Thai products.

In Thailand there is also a halal research center located at Chulalongkorn University, namely The Halal Science Center which is located at the Faculty of Applied Science. It is true that Thailand is not a Muslim country, but the government is pushing for a halal certificate in the country for the sake of economic benefit. The government is very persistent and pushes agendas related to halal law so that it can penetrate the world market, especially for those with a larger Muslim population (Aminuddin 2016).

Institutions outside the government are sometimes not trusted by other countries, this is also what drives in Indonesia, the issue of halal certification being taken over by the government, in this case the Ministry of Religion.

History and Development of Certification in Indonesia

Halal certification in Indonesia initially started at the end of 1976, at which time all food and drinks containing pork or other haram substances had to be given a sign that these objects were haram for consumption by Muslims. This was confirmed through a Decree Regulation of the Minister of Health of the Republic of Indonesia Number 280/MenKes/Pet/XI/76 concerning the circulation of instructions/guidelines and marking food containing ingredients derived from pork will be such a Figure 1.

**Figure 1.** Mark for food containing ingredients derived from pork

At that time, it was assessed, studied, and researched that marking non-halal on products containing pork or other haram substances was more effective than labeling every product halal. This was because products containing pork or other haram substances were less than halal products. In order to speed up notification to the public, the Minister of Health at that time collaborated with GAPMMI (Indonesian Food and Beverage Entrepreneurs Association) to distribute such labels to business actors who needed them.

In 1985, the label "CONTAINS PORK" which was attached to every haram product was removed and replaced by a sign that said "HALAL" which was attached to every product that had been recognized as halal. There was a change
in the label which was originally attached, but then it was replaced with a label that said "HALAL". To replace this sign, the government gave it legal force by issuing S K B of the Minister of Health and Minister of Religion No. 42/Menkes/SKB/VIII/1985 and No. 68 of 1985 concerning the installation of the Halal mark on food and beverages, their halal status has been validated by the relevant institutions through an assessment of the registration of food inspection personnel at the Directorate General of Drug and Food Control, Ministry of Health.

In 1988, another piece of news emerged that was very shocking among the public, namely regarding the issue of food containing pork circulating in the markets. This news comes from research by someone from Brawijaya University (UB) who said that there were many foods or drinks circulating that were indicated to contain pork substances. According to research carried out at that time, there were around 34 types of products that were indicated to contain shortening, lard, or gelatin. Shortening, another name for white margarine, is a plastic solid fat derived from pork fat which is often used in making sweet snacks (Aminullah et al. 2018), while lard is fat or oil from pigs, while gelatin is animal protein derived from body components. pig (Hilda 2013). This news was published in the Canopy Bulletin distributed by the Student Senate of the UB Faculty of Animal Husbandry, causing great panic among the public. With this worry and fear, people are extra careful in choosing each product.

So, at that time almost every business actor experienced an extraordinary decline in turnover due to the influence of news about the presence of pork substances in various types of food and drinks circulating on the market and at that time the situation was very panicky. So, to overcome the situation which was getting worse day by day, some Most of the business actors are trying to calm the public and restore public trust with various efforts, including asking for help from the Ministry of Religion and the MUI to deploy a team of experts or halal auditors to examine various products that are suspected of containing haram substances and the MUI is trying to discuss the problem. and look for solutions so that the very chaotic situation in society can improve and run smoothly (Chairunnisyah 2017). Apart from that, business actors are also trying to calm the situation, namely by making various posters and advertisements stating that their products are safe and do not contain haram substances, and of course, they use this method at a very large cost.

The occurrence of this problem has made the government and society aware that the halal sign or halal certificate is a very important issue even though in fact there are more Muslims in Indonesia than there are people of other religions in Indonesia. So, to make the situation safe and calm at that time, the MUI, which is a non-governmental institution consisting of ulama, Muslim scientists, held a consensus and approached the government (Faidah 2017) and an institution was formed to supervise medicines and food, namely LPPOM MUI. This institution is strengthened by a Decree MUI Number Kep./18/MUI/I/1989 on January 6 1989 which has an important role in supervising circulating commodities and implementing halal certificates.

So since then, giving a halal mark to each product must go through inspection and research as well as approval from the Director General of POM through the MUI fatwa commission, then a halal certificate is issued, in contrast to previously giving the halal mark only by receiving one-sided information from business actors that the product does not contain haram substances. In 2000, the Director General of POM changed to the Food and Drug Supervisory Agency (BPOM), finally, halal labeling also moved to BPOM (Wijayanto and Guntur 2001).

Figure 2. Halal Symbol of the Indonesian Ulema Council

Source: MUI

In 1999, the Republic of Indonesia Government Regulation Number 69 of 1999 regarding food signs and advertisements was issued, stating that every installation of a Halal label for packaging must first be checked by an accredited inspection institution according to the instructions and methods regulated by the Minister of Religion (Afroniayati 2014). The halal sign attached to each product packaging can be in the form of images, writing, or a combination of both (Maulidia, 2013).
Methods

The research approach for studying the opportunities and challenges of Indonesian Halal Certification will be qualitative. Qualitative Methods: Qualitative research methods, such as interviews and focus groups, will be employed to gain in-depth insights into the perceptions, attitudes, and experiences of key stakeholders in the Indonesian halal certification ecosystem. These methods are essential for capturing nuanced information and understanding the subjective viewpoints of various actors, including businesses, consumers, and certification bodies. Document Analysis: Document analysis will be utilized to review and analyze relevant regulations, standards, and industry reports related to Indonesian halal certification. This will provide a comprehensive understanding of the regulatory landscape and industry trends.

Results and Discussions

Halal Certification and Labelization

In Indonesia, there are many different types of food and drinks available, both made domestically and from abroad. It is deemed necessary for each such product to have a halal marker to make it easier for buyers when choosing a halal product. Therefore, it is necessary to have a label or logo and certificate to provide a guarantee that the product is halal to the public, especially to Muslims (Afroniyati 2014). Certification and labeling are related to each other, although there are differences between the two. Halal certification is the process of receiving a halal certificate by going through several levels of research in order to ensure that the materials, production processes and methods of ensuring halal products at one place of business are suitable for the specified category, determined (LPPOM MUI 2008). Certification is carried out by carrying out various checks carried out by auditors who are experts in the halal field so that later the state of halalness can be determined, then a written fatwa will be issued which reveals the halalness of the product in the format of a halal certificate (Hasan 2014). The validity period of the halal certificate is up to 4 years. And it can be extended.

Every business actor is obliged to provide halal assurance in the business they control and is obliged to provide information about halal guarantees no later than once every 6 months regarding the products they manage. Halal labeling is the provision of a halal mark or logo on a halal product container. This label is useful for showing buyers that the product is a product that has been recognized as halal. The one who gives permission regarding the halal label is BPOM (Food and Drug Supervisory Agency).

Certification After Law Number 33 of 2014 Concerning Halal Product Guarantees

The implementation of halal product guarantees in Indonesia is considered very necessary because this can provide safety, security, comfort, and availability of halal products, especially for all Muslims and the Indonesian people in general (Luthan 2014). In Article 3 of the JPH Law, it is also explained that halal certification will create an added value for business actors in marketing their business products. So, with the enactment of the JPH Law (Halal Product Guarantee Law) it is hoped that all products on the market will have a halal certificate, both domestic products and those coming in from abroad. UUJPH has changed the institution and implementation of halal certification in Indonesia. (Suparto et al. 2016). In implementing UUJPH and carrying out product audits, BPJPH collaborates with the Ministry, LPH and MUI. In issuing halal fatwa and issuing halal certificates, BPJPH collaborates with the MUI, namely with halal fatwa commission hearings. (Suparto et al. 2016). The government established LPHs or Islamic religious institutions whose validity is recognized by law, such as LPHs which are established under universities and are required to have at least 3 halal auditors whose function is to carry out inspections of the materials used and how they work, processing, how slaughter works, equipment and production space, presentation, storage, distribution, and company SJH (Article 15 of the JPH Law). Meanwhile, to monitor the halalness of products, supervise LPH, the existence of halal supervisors in the company, installation of halal and non-halal logos, validity period of halal certificates, separation between production of halal and non-halal materials, packaging, storage, presentation, distribution, sales, and other related activities. guaranteed halal products from BPJPH.

If a business actor wants to apply for halal certification, his first obligation is to have a halal supervisor. The supervisor's job is to supervise how halal products work and ensure that everything in the production process is not mixed with non-halal ingredients and to report when there are changes in product composition. Furthermore, business actors are required to include equipment files containing information related to their business such as the name and variety of products, data on business actors, list of ingredients, and production methods (Article 24 of the JPH Law). All documents included will be checked by BPJPH and audited for halalness by the Halal Inspection Institution appointed by BPJPH. Only the results of the audit team's testing will be reported to BPJPH, if it meets the halal criteria.
or there is doubt about its halalness, it will be continued by the MUI through the Halal Fatwa Session (Article 32 of the JPH Law). Concerning the results of the decision on the product, no later than 30 (thirty) working days after the inspection results are given to the MUI. This session also involves specialists, related agencies, and representatives of ministries or institutions.

Halal certificates will be issued by BPJPH after the results of the Halal Fatwa Session are signed by the MUI (Article 33 of the JPH Law). Issuance of halal certificates takes no more than 7 (seven) working days (Article 35 of the JPH Law) and the validity period is four years. For business actors who already have a halal certificate, it is mandatory for them to attach a halal mark to each package (Article 25 of the JPH Law). To install halal labels or signs, they must be in a position that is easily visible and made from materials that do not quickly become damaged or come off and furthermore, they must maintain the halal status of the product.

Business actors have the right to receive:
1. Socialization, education, and information regarding halal product guarantee methods,
2. guidance in the production of halal products, and
3. receive services to have a halal certificate efficiently, briefly, non-discriminatorily, and relatively cheap rates (Article 23 of the JPH Law).

Business actors who make products made from materials that contain haram substances, do not have to apply for a halal certificate but only need to include information that the production results are made from haram or non-halal substances (Article 26 of the JPH Law). Those who do not want to comply with this rule will be subject to sanctions as explained in article 27 of the JPH Law.

To optimize the implementation of halal product guarantees, there needs to be full cooperation and support from the community, especially in monitoring products circulating on the market, both regarding the inclusion of logos and the validity period of a product’s halal certificate. In terms of the preparation of BPJPH (Halal Product Guarantee Administering Agency) which is regulated in Law Number 33 of 2014 concerning Halal Product Guarantee in carrying out its duties, BPJPH is directly responsible for the Minister of Religion (Suparto et al. 2016).

Guided by this law, BPJPH has duties including:
1. Formulate and determine JPH policies,
2. Determine JPH norms, standards, procedures, and criteria,
3. Issue and withdraw Halal Certificates and Halal Labels for Products,
4. Carrying out Halal certificate registration for foreign products,
5. Carry out outreach, education, and publication of Halal Products,
6. Carry out legalization for LPH,
7. Implement the registration of Halal Auditors,
8. Carry out supervision to JPH,
9. Implement Halal Auditor guidance; and
10. Carrying out cooperation with domestic and foreign institutions in the field of JPH implementation (Article 6 of the JPH Law). BPJPH determines logos or labels that are legal in all regions of Indonesia. Can also have the authority to issue or withdraw halal logos.

Differences in Certification Before and After the JPH Law
The institutions involved in certification initially were:
1. MUI through the Fatwa Commission as the provider of fatwas and halal certificates,
2. LPPOM MUI as a product halal checker from raw materials to production methods,
3. BPOM as the permit provider for installing halal labels,
4. The Ministry of Religion as a policy maker and carries out outreach to the community, and
5. Other related ministries.

With the Law on Halal Product Guarantees, there have been changes regarding what is involved in this certification process, namely:
1. The Halal Product Guarantee Administering Body (BPJPH) is the main institution that has the authority to carry out halal certification.
2. Halal Inspection Institutions are institutions that carry out audits or inspections of halal products. Even though LPPOM MUI will be one of the components of LPH along with other LPHs, even if they are established by the Government or the community.
3. MUI consistently provides fatwas but does not have full authority in carrying out halal certification.
4. MUI and BPJPH jointly carry out certification for halal auditors and accreditation.

Before the issuance of the Halal Product Guarantee Law, certification was handled by the MUI, through the LPPO(MUI Food, Drug, and Cosmetic Institute). Certification was carried out without any coercion for those who wanted to carry out the certification, so the MUI carried out supervision, but the weakness was when the halal label was misused. Then the MUI can only give warnings and not impose sanctions or punishments on business actors.

After the existence of BPJPH, all products circulating in Indonesia received very strong legal protection, so halal certification was no longer voluntary but had become a necessity for every business actor as an effort to increase the production and consumption of halal products (Karimah 2015; Hasan 2014)

Certification Mechanism

The halal certification procedure through BPJPH is different from the MUI procedure, namely that it goes through five main stages, namely:
1. Register yourself and attach the required documents.
2. BPJPH will examine the conditions that have been attached.
3. Carrying out product audits and inspections.
4. Submit the results of the examination to the MUI for a fatwa to be issued.
5. Issuing a Halal Certificate when it has passed the audit.

Business actors who have not applied for certification will not be given sanctions but will be given an easy 5-year period to be able to register their business so that in the future it is hoped that there will not be a single product that has not been certified halal.

Previously, the LPPOM MUI certification process was as follows.
1. Business actors prepare all document equipment.
2. Document inspection by LPPOM MUI.
3. Carrying out audits carried out by LPPOM MUI auditors.
4. MUI analyzes and ensures product halal.
5. Creation of halal certificates.

BPJPH Cooperation with Related Institutions

UUJPH article 1 number (3) states that the guarantee of halal products covers halal raw materials, production methods, packaging, storage, distribution, presentation, and sale of products. All forms of supervision of business actors’ activities in responsible business management are the Ministry of Religion through related institutions according to their respective functions, duties, and authorities. Meanwhile, BPJPH's collaboration with the Ministry of Trade concerns the circulation of goods by business actors. Establishes a requirement for business actors in Indonesia to carry out halal certification for both domestic and foreign products and products imports originating from abroad. Likewise, the collaboration between BPJPH and the Ministry of Health is related to the production methods, distribution, and supervision of halal medicines, health equipment, and cosmetics. Meanwhile, it concerns the implementation of inspections and tests on the composition of product ingredients circulating in the community. BPJPH also collaborates with BPOM.

Opportunities, Challenges, and Implementation of Halal Certification

The opportunity for Halal certificates in Indonesia is quite large, plus there is a program from the Indonesian Government through the Ministry of Religion of the Republic of Indonesia, namely a program of one million free halal certificates (SEHATI) for micro business actors (UMK) as well as the existence of Halal Product Assistance staff which is also free for business actors, who want to register each business and as a basis are the regulations of Law Number 33 of 2014 concerning Halal Product Guarantees, and until 17 October 2024, mandatory halal certification will be implemented for three types of products, one of which is food and drink. Some of the challenges experienced by almost all countries that were revealed at the international conference were the lack of workers who understand the requirements related to sharia and its application to halal industrial practices, including the lack of knowledge about the meaning of halal and what requirements must be met for a product to be halal.
Another challenge faced by the halal industry is the need to implement well-regulated legalization and a globally accepted halal administration system. This is necessary so that products that are certified halal in a country can be accepted and recognized by all Muslims throughout the world. The next challenge is to prepare halal auditors who understand technical matters about the product while also understanding halal concepts. According to the JPH Law, since 17 October 2019, the requirement for halal certification has come into effect, the analysis of which is carried out in stages. In the implementation of halal certification for rare things, food and beverages will be prioritized at first, then later we will move on to medicines and cosmetics. In the next 5 years, business actors will be given socialization and persuasive guidance by BPJPH with the aim that all business actors can take care of their business certificates. If there are still business actors who have not processed halal certification for their products, they will not immediately receive sanctions but will be given the opportunity to process halal certification until October 17, 2024 (CNN Indonesia 2019).

Providing outreach and assistance to business actors so that it is easier for them to obtain halal certificates for their businesses is important. In essence, in the halal certification process, it is very important that there is cooperation between the Government, business actors, and the community to achieve the community's wishes regarding halal guarantees for all products circulating on the market. Likewise, the government has carried out its responsibility to provide halal guarantees to its people. Likewise, business actors can develop their target markets, competitive energy will be superior, production turnover will increase and besides that, Muslims can also buy and consume products that are labeled halal will feel more comfortable (Pelu, 2009).

Conclusions
At the same time, there is a government program through the Ministry of Religion of the Republic of Indonesia regarding free halal certification for MSME business actors and the high level of public interest and awareness regarding the importance of guaranteeing halal products in Indonesia has now progressed. The Halal Product Guarantee Law issued by the government, it has provided a guarantee of halal products for the Indonesian people, especially for Muslims, especially in the fields of food, drinks, cosmetics, and medicines. BPJPH, which is a government institution under the auspices of the Ministry of Religion, has become the person responsible for the halal certification process in Indonesia at this time, where previously halal certification was the responsibility of the MUI in collaboration with LPPOM. With this transfer, the flow of the certification process and the parties involved in it also experienced changes from before. So, to realize the guarantee of halal products in Indonesia to be successful, there needs to be good cooperation between the government, business actors, and the community.

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