

Sharia's Contribution in Halal Industry Trends in Indonesia

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Abstract - In Islam, a product is considered halal if the basic ingredients, how to obtain it, how to process it, how to distribute it, and other aspects are carried out by halal principles. So it is important to pay attention to the entire process from materials to distribution to religious teachings and avoid everything that is haram. Therefore, further research is needed related to the contribution of Sharia to the Halal Industry Trend in Indonesia. This type of research is carried out using the Literature Study method which is carried out with a qualitative descriptive approach. In this study, as many as 5 literature have been found that review the role of Sharia's contribution to the trend of the halal industry in Indonesia. Based on the findings of literature in journals and literature reviews that have been researched by the author, it shows that the contribution of sharia has a positive effect on the trend of the halal industry in Indonesia. Therefore, further research is needed related to the contribution of sharia in the trend of the halal industry in Indonesia. This type of research is carried out using a literature study method carried out with a qualitative descriptive approach, in this study, as many as 5 literature has been found that reviews the role of sharia contribution in the trend of the halal industry in Indonesia. Based on the findings of literature in journals and literature reviews that have been researched by the author, it shows that the contribution of sharia has a positive effect on the trend of the halal industry in Indonesia.

Keywords – Halal, Halal Products, Sharia Contribution, Halal Industry, Halal Industry Trends in Indonesia

INTRODUCTION

Currently, the halal industry has become a rapidly growing global phenomenon. The growth of this industry reflects the changing views of the Muslim community and the trend of Muslim consumers in various parts of the world, including Indonesia. The halal industry in Indonesia covers various sectors, including food and beverages, cosmetics, pharmaceuticals, tourism, and finance. The halal concept involves the application of Sharia principles in the entire product value chain, from the selection of raw materials to the production and distribution process that meets Sharia standards. The existence of the halal industry in Indonesia is important because the Muslim community in this country has a high need for products and services that are by their religious teachings [1], [2].

In Islam, a product is considered halal if the basic ingredients, how to obtain it, how to process it, how to distribute it, and other aspects are carried out by halal principles. This reflects the importance of paying attention to the entire process from materials to distribution to religious teachings and avoiding everything that is forbidden [3]. Awareness of halal food and beverages is an integral part of the lives of Muslims and is also balanced by many people of various faiths, which shows the importance of health, moral, and ethical values in choosing food that is by religious teachings and human values [4].

Therefore, through this article, the Contribution of Sharia to Halal Industry Trends in Indonesia will be discussed.

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OBJECTIVES OF THE STUDY

This research objective is to examine the contribution of Sharia to Halal Industry Trends in Indonesia.

Based on the above problems, this study formulates the problem of

- Sharia's contribution to halal industry trends in Indonesia
- What are the factors driving the demand for halal products and services in Indonesia?

This literature research aims to explore more deeply the role and contribution of sharia in the trend of the halal industry in Indonesia. The approach used in this literature review is to collect various pre-existing references, focusing on the topic of halal industry trends in Indonesia. Furthermore, the literature that has been

- How the application of Sharia principles can increase consumer confidence in halal products.

MATERIALS AND METHOD

This type of research is carried out using the Literature Study method which is carried out with a qualitative descriptive approach. In this study, as many as 5 literature have been found that review the role of Sharia's contribution to the trend of the halal industry in Indonesia.

RESULTS AND DISCUSSION

successfully collected will be analyzed using the Critical Appraisal table to answer the research questions that have been formulated. The results of this analysis will be compared with the data from simple measurements that have been carried out previously.

Analysis Critical Appraisal

Table 1. Critical Appraisal Analysis Related to Sharia Contributions.

No.	Journal Writer	Journal Core	Study Results	Similarities and differences with Thesis Researchers
1.	Doni Setiyawan, Abdul Aziz Nugraha Pratama (2022) "The Contribution of Sharia Economics to the Economy in Indonesia" [5]	Discussing the Contribution of Sharia Economics in Building the Indonesian Economy Guided by Islamic Sharia	The results of a study on research in Islamic banks and Islamic savings and loan cooperatives in Salatiga show that their presence provides convenience in small businesses, friendly services, and protection from usury, supporting Indonesia's economic growth.	Equation: Discussing the Contribution of Sharia Economy in Indonesia. Differences: A Review of the Role of Islamic Sharia in the Indonesian Halal Industry has not been detailed.
2.	Siska Lis Sulistiani (2018) "Analysis of Maqashid Sharia in the Development of Halal Industry Law in Indonesia" [6]	Discussing the analysis of Maqashid Syariah in the Development of Halal Industry Law in Indonesia	The results of the study ensure that the regulations and policies governing the halal industry are by sharia principles to protect Muslim consumers and Islamic values.	Similarity: Both approaches discuss the contribution of Sharia in Indonesia through the development of Islamic law. Differences: One of them does not investigate its impact on halal industry trends, and only focuses

				on the development of the law & scope of the halal industry in Indonesia.
3.	Purwaningsih et al (2022) " Legality of Royalty Fee for Intellectual Property Right License Agreement in Investment Based on Islamic Law" [7]	Discussing the application of Sharia principles in the practice of Sharia franchise agreements	The results of the study show that the number of franchises that claim to apply Sharia principles needs to require the role of supervisors so that the Sharia principles applied are Sharia principles sourced from the Qur'an, Hadith, and Ijtihad.	Equation: Both discussed sharia principles in the halal industry in Indonesia. Difference: It only discusses sharia principles in the practice of sharia franchise agreements.
4.	Unung Triana (2021) "The Influence of Halal Certification, Halal Awareness, Foodstuffs, and Product Brand Image on Interest in Buying Halal Food Products (Case Study of Muslim Students in Malang)" [8]	Discussing the partial influence of halal certification, halal awareness, foodstuffs, and product brand image on the consumption of halal food products.	The results of the study show that halal certification (X1) has a positive and significant influence on the consumption of halal food products (Y). Second, halal awareness has a positive and insignificant influence on the consumption of halal food products (Y). Third, foodstuffs (X3) have a positive and significant influence on the consumption of halal food products (Y). Fourth, the brand image of halal products (X5) has a positive and significant influence on the consumption of halal food products (Y).	Equation: Together discussed the contribution of sharia in the development of the halal industry Difference: It only focuses on the discussion of the contribution of Sharia to the food industry in Indonesia.
5.	Muhammad Syakib Asqalani Rifai, Wildan Nurhidayat, Winda Gafrilia Prianka, Fahma Labiba Salsabila, Syifa Syaliya Nabilah (2022) "The Influence of Halal Awareness, Halal Certification and Halal Foodstuffs on Food Product Purchase	Discussing the assessment of the influence of halal certificates, the level of awareness of halal products, and food composition on consumer buying interest.	The results of the study show that halal certification has a positive effect on purchasing decisions.	Similarity: Discuss the impact of Halal Certification in the Sharia context on purchasing decisions Difference: Focusing on buyers' interest in halal products only during the covid 19 pandemic.

	Decisions in the Covid-19 Pandemic Era" [9]			
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Several literature journals that have been reviewed reveal results that tend to be the same related to Sharia's contribution in halal industry trends in Indonesia.

Analysis of the factors driving the demand for halal products and services in Indonesia. Religious and Ethical Aspects

Table 2. Critical Appraisal Analysis on Religious Aspects that drive demand for halal products and services in Indonesia.			
No.	Journal Authors	Year of Publication	Examination of Religious and Ethical Aspects on the Factors Driving Demand for Halal Products and Services in Indonesia
1.	Abdul Aziz Nugraha Pratama et al	2022	Influential
2.	Siska Lis Sulistiani	2018	Influential
3.	Sudaryat	2019	Influential
4.	Unung Triana	2021	Influential
5.	Mohammed Syakib Asqalani Rifai, Wildan Nurhidayat, Winda Gafrilia Prianka, Fahma Labiba Salsabila, Syifa Syaliya Nabilah	2022	Influential

Based on the 5 journals that have been discussed above, it show that the 5 journals have an effect on religious and ethical aspects as

factors that drive the demand for halal products and services in Indonesia.

Consumer Trust and Satisfaction Analysis

Table 3. Critical Appraisal Analysis on Consumer Trust and Satisfaction that drives the demand for Halal products and services in Indonesia.			
No.	Journal Authors	Year of Publication	Examination of Aspects of Consumer Trust and Satisfaction on the Factors Driving Demand for Halal Products and Services in Indonesia
1.	Abdul Aziz Nugraha Pratama	2022	Influential
2.	Unung Triana	2021	Influential

Based on 2 journals that discuss consumer trust and satisfaction as factors that drive the demand for halal products and services

in Indonesia, it show that consumer trust and satisfaction affect interest and decision to buy halal products in the halal industry in Indonesia.

Halal Awareness Analysis

Table 4. Critical Appraisal Analysis on Halal Awareness that drives the demand for halal products and services in Indonesia.

No.	Journal Authors	Year of Publication	Examination of Halal Awareness Aspects on the factors driving the demand for halal products and services in Indonesia
1.	Abdul Aziz Nugraha Pratama	2022	Influential
2.	Unung Triana	2021	Influential

Based on 2 journals that discuss halal awareness as a factor that drives the demand for halal products and services in Indonesia, it show that consumer trust and satisfaction affect interest and decision to buy halal products in the halal industry in Indonesia.

Application of Sharia Principles to Increase Consumer Trust in Halal Products

Sharia principles in shaping and influencing the trend of the halal industry in Indonesia. The halal industry has experienced significant growth in recent years, and Sharia principles play a crucial role in shaping regulations, business practices, and public perceptions of halal products. This chapter will analyze how Sharia principles affect halal certification, product marketing, product innovation, and social and economic impacts in the halal industry in Indonesia.

Halal Certification Based on Sharia Principles

The research of Unung Triana (2021) in his journal entitled "The Influence of Halal Certification, Halal Awareness, Foodstuffs, and Product Brand Image on Halal Food Product Consumption" uses a quantitative approach with multiple linear regression analysis. The results of the research show that halal certification (X1) has a positive and significant influence on the consumption of halal food products (Y) [10]. The results of this study are corroborated by her research Rohmah (2019) entitled "The Influence of Halal Awareness and Halal Certification on Buying Interest in Halal Food Products" where the results of her research show that halal certification affects buying interest [11]. In addition, the results are also by research from

Rambe & Syaad (2012) that halal certification symbolized by halal labels in instant noodle packaging has a high influence because it is a belief that the product is halal [12]. A study conducted by Fauzia et al. (2019) with the title "The Influence of Religiosity, Halal Certification, Product Ingredients on Buying Interest and Purchase Decisions" also produced the same result, namely halal certification has a high influence on choosing Cadbury Dairy Milk chocolate [13].

Sharia Principle-Based Marketing

The concept of marketing from a Sharia perspective involves all business activities that include the creation, offering, and change of value, which allows business people to develop and utilize the results optimally. All of this must be done with the principles of honesty, justice, openness, and sincerity, as well as following the process in accordance with the *Islamic Muamalah* contract [14], [15].

Therefore, marketing concepts and practices that are contrary to sharia values or unprofessional must be avoided. It is important to maintain the existence of the business and make it not just a way to obtain worldly profits, but to achieve blessings in the hereafter. This is in accordance with QS. Al-Jatsiyah: 18, who states, "Then We will make you in a sharia (regulation) of the affairs (religion), so follow the sharia and do not follow the lusts of those who do not know."

Sharia-based marketing also helps build consumer trust in brands and products.

Product Innovation Based on Sharia Principles

The halal industry can spur innovation in the development of new products by halal principles. It covers various sectors such as food, beverages, cosmetics, pharmaceuticals, and other services that are aligned with Islamic values. Strengthening the certification system is also important to ensure transparency and integrity in the halal certification process, through improvements in the supervision and audit system.

As stated by Sri Mulyani Indrawati, Minister of Finance of the Republic of Indonesia, at the 7th Annual Islamic Finance Conference (AIFC) in 2023, which is a flagship annual event with the theme "Exploring Opportunities for Accelerating the Halal Economy as a Source of Growth in Indonesia" which took place on August 29-30, 2023, the halal industry showed positive growth despite being faced with various global challenges. In 2021, there will be around 1.9 billion Muslim people around the world with spending on halal products reaching US\$2 trillion. This spending experienced a significant growth of almost 9% and is expected to increase to US\$4.96 trillion by 2030.

CONCLUSION AND RECOMMENDATION

In this study, as many as 5 literature have been found that review the role of Sharia's contribution to the trend of the halal industry in Indonesia.

Sharia principles make a significant contribution to shaping the trend of the halal industry in Indonesia, including product certification, marketing, and innovation according to Sharia standards. In addition to the technical aspects, the application of sharia principles also has a social and economic impact that emphasizes that halal certification is not just a label, but a reflection of commitment to religious values and social responsibility.

Literature analysis shows that Sharia principles play a crucial role in the development of the halal industry, answering the demands of consumers who are increasingly aware of religious values and encouraging business sustainability. This chapter emphasizes the

importance of understanding and involving Sharia principles to build a globally competitive halal industry while being faithful to religious values.

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