

The Effect Of Halal Certification On Halal Product Exports In Indonesian Provinces In 2021-2022

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ABSTRAK

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Sertifikasi halal merupakan faktor penting dalam pemasaran global saat ini. Ini bukan hanya tentang memenuhi kebutuhan konsumen Muslim. Tapi, soal akses pasar global, memenuhi kebutuhan konsumen, membangun kepercayaan, dan menjawab tantangan persaingan global. Indonesia mempunyai potensi untuk mengembangkan ekspor produk halal, namun produk halalnya belum optimal, oleh karena itu diperlukan suatu cara untuk meningkatkan produk halal yang akan diekspor. Penelitian ini bertujuan untuk menganalisis pengaruh sertifikasi halal terhadap ekspor produk halal provinsi di Indonesia tahun 2021-2022. Penelitian ini menggunakan pendekatan kuantitatif dengan sumber data sekunder. Teknik pengumpulan data melalui dokumentasi laporan data jumlah sertifikasi halal setiap provinsi di Indonesia yang diterbitkan oleh Kementerian Agama dan data ekspor produk halal yang diterbitkan oleh Kementerian Perdagangan. Hasil penelitian ini menunjukkan bahwa variabel sertifikasi halal makanan-minuman berpengaruh positif dan signifikan terhadap ekspor produk halal, dengan nilai probabilitas $0,009 < 0,05$. Sedangkan variabel sertifikasi halal RPU-RPH berpengaruh positif dan signifikan terhadap ekspor produk halal dengan nilai probabilitas sebesar $0,019 < 0,05$. Sertifikasi halal farmasi-kosmetik berpengaruh positif dan tidak signifikan terhadap ekspor produk halal dengan nilai probabilitas $0,840 > 0,05$.

Keywords: Sertifikasi Halal, Makanan-minuman, RPU-RPH, Farmasi-kosmetik, Ekspor Produk Halal

ABSTRACT

Halal certification is an important factor in today's global marketing. It is not just about meeting the needs of Muslim consumers. But, about access to global markets, meeting consumer needs, building trust, and answering the challenges of global competition. Indonesia has the potential to develop exports of halal products, but its halal products have not been optimized, therefore a way is needed to increase halal products to be exported. This study aims to analyze the effect of halal certification on exports of halal products in provinces in Indonesia in 2021-2022. This study uses a quantitative approach with secondary data sources. Data collection techniques through documentation of data reports on the number of halal certifications for each province in Indonesia published by the Ministry of Religion and halal product export data published by the Ministry of Trade. The results of this study indicate that the food-beverage halal certification variable has a positive and significant effect on the export of halal products, with a probability value of $0.009 < 0.05$. Meanwhile, the RPU-RPH halal certification variable has a positive and significant effect on halal product exports with a probability value of $0.019 < 0.05$. The pharmaceutical-cosmetic halal certification has a positive and insignificant effect on halal product exports with a probability value of $0.840 > 0.05$.

Keywords: Halal Certification, Food-beverage, RPU-RPH, Pharmaceutical-cosmetics, Halal Product Exports

Introduction

The significant growth of halal product exports creates valuable opportunities in the halal industry in Indonesia. As a country with a majority Muslim population, Indonesia has great potential to increase the quality and amount of production in this sector. Halal product exports are not only an integral part of international trade but can also increase the country's export value and foreign exchange reserves, which are important indicators in assessing a country's ability in international trade.

Table 1

State of the Global Islamic Economy Indicator (SGIE) 2023 ranking (Dinar Standar, 2022)¹

Rating	Country	GIEI
1	Malaysia	207,2
2	Saudi Arabia	97,8
3	United Arab Emirates	90,2
4	Indonesia	68,5
5	Turkey	67,8

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Source: State of the Global Islamic Economy Report data analysis

According to the State of the Global Islamic Economy Indicator 2022 research by Dinar Standard, Indonesia ranks as the 4th largest Islamic economy after Malaysia, Saudi Arabia, and the United Arab Emirates. With its huge potential, Indonesia should not only be a consumer but also a production center for the world's halal products. Halal certification is required to protect citizens' rights, accelerate the development of local halal products into the global market, and increase product competitiveness in domestic and international markets.

Table 2

Number of halal certificates and exports of halal products in the top 5 provinces in Indonesia in 2022

No.	Province Name	Number of Halal Certificates	Total Halal Product Exports
1	Central Java	80.304	11,180.7
2	East Java	78.419	23,763.4
3	West Java	70.864	38,222.3
4	Lampung	33.542	5,601.1
5	DKI Jakarta	16.467	11,473.9

Source: data processing, one trade data of the Ministry of Trade in 2022

¹ DinarStandard, "State of the Global Islamic Economy Report," *DinarStandard* (2022): 1–40,

Based on data sourced from one trade data by the Ministry of Trade in 2022, the province with the highest number of halal certifications 80,304 is Central Java province. Meanwhile, the province with the highest number of exports 38,222.3 is West Java province. Halal certification ensures that products and services meet Islamic standards, including ingredients, production methods, and are free from haram contaminants. This certification applies to food, pharmaceuticals, cosmetics, and slaughterhouses, among others. Halal certificates are issued by BPJPH based on halal fatwa from MUI, with examination by Halal Examining Institution (LPH), to protect Muslim consumers from non-halal products.²

Safe food and beverages are free from biological, chemical and harmful contaminants, fulfilling health needs and inner comfort. The food and beverage sector is a flagship for Indonesia due to its majority Muslim population and diverse range of regional specialties. The export of halal food and beverages to OIC countries has increased the growth of this sector. Slaughterhouses (RPU-RPH) must be halal certified to ensure slaughter according to Islamic law. The halal pharmaceutical-cosmetics sector is also growing rapidly, driven by investment and halal certification, ensuring products comply with Islamic principles.

This research refers to the theory of product halal standards from the Indonesian Ulema Council (MUI) which is regulated in Law No. 33 of 2014 concerning halal product guarantees. The awareness of the Muslim community about the importance of halal products encourages them to be more selective in choosing products according to the principles of Islamic law.³ Halal certification by BPJPH is the main reference, involving the process of applying, examining, determining, testing, and issuing halal certificates according to the MUI fatwa. Indonesia, with the largest Muslim population in the world, has great potential in the export of halal products. High demand for halal products makes Indonesia a major consumer and growth driver of the halal industry. The government has established Indonesia Halal Export Incorporated based on the Decree of the Secretary of the National Committee for Sharia Economics and Finance, number KEP-

1/S.KNEKS/2022 as an effort to accelerate the export of halal products.⁴

Indonesia faces various challenges in becoming a major producer and export leader of halal food products, including infrastructure issues, halal assurance systems, and the contribution of the halal sector to the trade balance. Halal certification from MUI is still less competitive with certification bodies from Malaysia. In addition, the price and quality of Indonesian halal products are not yet competitive, and MSMEs have not been prioritized for certification. The slow pace of certification in the pharmaceutical industry is due to dependence on imported raw materials. To increase exports, high-quality production and competitive prices are needed. The government has lowered halal certification fees to ease the process, launched a halal product code system, and integrated trade data. Awareness of the Islamic economy has driven the need for an economy that is in line with Islamic principles.⁵ This study is to analyze the effect of food-beverage halal certification, RPU-RPH halal certification, and pharmaceutical-cosmetic halal certification on halal product exports in provinces in Indonesia in 2021-2022.

Literature Review

Exports can increase Indonesia as a country with supplies a large halal commodity. This can be used as motivation for the government domestically to improve export performance which has the opportunity to increase value added domestic. One of the most important theories in international trade is the Theory of Comparative Advantage proposed by David Ricardo in 19th century.⁶ This theory states that countries tend to specialize in the production of the goods or services they produce relatively more efficient compared to other countries. By doing trade based on these comparative advantages, countries can improve their economic welfare.

International trade is cooperation between two countries or more in terms of meeting domestic needs. Trading theory international plans for trade exchanges between country and the profits it obtains. Trade policy internationally discussing the reasons and impacts of trade, including issues related to new

² Hayyun Durrotul Faridah, "Sertifikasi Halal Di Indonesia: Sejarah, Perkembangan, Dan Implementasi," *Journal of Halal Product and Research* 2, no. 2 (2019): 68–78.

³ AS Ramadhani et al., "Pendampingan Sertifikasi Halal Dan NIB Bagi UMKM Di Kelurahan Tanjungsari, Sukorejo, Kota Blitar," *Karya Jurnal Pengabdian Kepada Masyarakat* 2, no. 3 (2022): 30–35.

⁴ "Buku Direktori Riset Ekonomi Dan Keuangan Syariah KNEKS," n.d.

⁵ Sitti Saleha Madjid, "Halal Di Indonesia (Pada Masa Pandemi Covid-19)," *JURNAL PILAR: Jurnal Kajian Islam Kontemporer* 13, no. 1 (2022): 17–32.

⁶ Nurlaili, "Analisis Daya Saing Dan Faktor-Faktor Yang Mempengaruhi Ekspor Produk Alas Kaki Indonesia Ke Amerika Serikat Ditinjau Dalam Perspektif Ekonomi Islam," *Jurnal Ilmiah Ekonomi Islam* 7, no. 2 (2021): 1019–1029.

protectionism.⁷ Foreign exchange markets and The balance of payments becomes a key element in this context, with theory and international trade policy focuses on microeconomic aspects and macroeconomics, describing relations between countries as individual entities and their impact on national income and indices general price.

International trade occurs because there are needs of countries and citizens who are not in that country. Without it international trade then all the needs of the country must be fulfilled from the country's own production. Several things can encourage trade international, including: Progress in the fields of information and transportation, each country needs each other, liberalization in the economic sector, the motive for comparative advantage; and increase foreign exchange.⁸

Method

The research method used in this research is quantitative research. The data source used in this study is secondary data sourced from the Ministry of Religious Affairs and the Ministry of Trade in the form of data for each province in Indonesia on halal certification of food-beverages, RPU-RPH and pharmaceutical-cosmetics, as well as exports of halal products in Indonesia in 2021-2022. The population used in this study is time series data for each province in Indonesia for halal certification of food-beverages, RPU-RPH, and pharmaceutical-cosmetics, as well as exports of halal products in Indonesia in 2021-2022.

This study uses data analysis techniques in the form of Multiple Linear Regression using the IBM SPSS (Statistical Package for Social Science) 25 program with time series data with a period of 2021-2022. The data is processed with the classical assumption test with the aim of ensuring that the data to be processed does not have autocorrelation, multicollinearity in the sense that the data to be processed is normally distributed. Multiple linear regression equations are used to describe this relationship.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Description:

Y : export of halal products

a : Constant Numbers

b : Regression coefficient of each variable

X₁ : Halal food-beverage certification

X₂ : RPU-RPH halal certification

X₃ : Halal pharmaceutical-cosmetic certification

e : error or them

In hypothesis testing using the t test in order to determine the significance of the constant relationship between the independent and dependent variables partially and the coefficient of determination in order to determine how much the level of relationship between the independent and dependent variables simultaneously.

Result and Discussion

Multiple linear regression analysis is used to determine the direction of the relationship between the independent variable and the dependent variable, whether the direction of the two variables is negative or positive. The following below can see the results of multiple linear regression tests.

Table 2
Multiple Linear Regression Test Results
Coefficients^a

Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	5.111	.382		13.375	.000
Halal certification of food and beverages	.342	.093	.503	3.667	.001
Halal certification of slaughterhouse RPU	.253	.099	.259	2.562	.013
Halal certification of cosmetic pharmaceuticals	.109	.110	.152	.985	.328

a. Dependent Variable: Halal product exports

Source: data processing using SPSS 25

The Effect of Food-Beverage Halal Certification on Halal Product Exports

Based on the results of the analysis and hypothesis testing that has been carried out in this study, it can be seen that the food-beverage halal certification variable (X₁) has an effect on halal product exports (Y). The significance value (0.001 < 0.05) and the value of t count > t table (3.667 > 1.997). Then H₀ is rejected and H₁ is accepted, so it can be concluded that the food-beverage halal certification variable has a significant effect on the export of halal products (Y).

Halal food and beverage certificates will be an added value for products that will be exported to the country so that it becomes a value of consumer attractiveness. The demand for halal-certified products in the global market is increasing because halal is an added value of consumer attractiveness

⁷ Jumai Nijar and Tarmizi Abbas, "Teori Perdagangan Internasional," *Jurnal Ekonomi Pertanian Unimal* 2, no. 1 (2019): 31.

⁸ Suryanto Suryanto and Poni Sukaesih Kurniati, "Analisis Perdagangan Internasional Indonesia Dan Faktor-Faktor Yang Memengaruhinya," *Intermestic: Journal of International Studies* 7, no. 1 (2022): 104.

itself. With halal certification, it can make it easier for buyers from other countries to choose halal products that will be imported into their countries.⁹ Halal certification is not just about entering the market of Muslim-majority countries. Muslim consumers are all over the world, including in western countries.

The Effect of RPU-RPH Halal Certification on Halal Product Exports

Based on the results of the analysis and hypothesis testing that has been carried out in this study, it can be seen that the RPU-RPH halal certification variable (X2) has an effect on halal product exports (Y). The significance value ($0.013 < 0.05$) and the value of $t_{count} > t_{table}$ ($2.567 > 1.997$). Then H_0 is rejected and H_2 is accepted, so it can be concluded that the RPU-RPH halal certification variable has a significant effect on the export of halal products (Y). Halal certification of RPU-RPH has a significant impact on the export of halal meat products. Some countries have trade agreements that require halal certification as a condition for exporting meat products.¹⁰ By having this certification, a country can more easily conduct trade cooperation with these countries. Thus, halal certification of slaughterhouses is not only a market requirement, but also a requirement for the export of halal meat products. certification is an important business strategy to improve competitiveness and access to international markets, especially in countries with significant Muslim populations.¹¹ By having this certification, a country can more easily conduct trade cooperation with these countries.

The Effect of Pharmaceutical-Cosmetic Halal Certification on Halal Product Exports

Based on the results of the analysis and hypothesis testing that has been carried out in this study, it can be seen that the pharmaceutical-cosmetic variable (X3) has no effect on the export of halal products (Y). The probability value is greater than 0.05 ($0.328 > 0.05$) and the value of $t_{count} < t_{table}$ ($0.985 < 1.997$). Then H_0 is accepted and H_3 is rejected, so it can be concluded that the pharmaceutical-cosmetic halal certification variable has an effect and is not significant on the export of halal products (Y).

Halal certification of cosmetic pharmaceuticals may have less influence on exports including the level of trust of local consumers, differences in certification priorities between countries, costs and policies associated with the certification process, industry compliance levels that have not been fully achieved, and cultural and legal factors that may vary.¹² The success of halal certification in supporting exports is also determined by the extent to which manufacturers are able to understand and adapt to the needs of potential markets in each country.

Table 3

Durbin Watson Test Results

Model Summary^b

Model R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	.839a	.705	.691	.69181
				2.125

Source: data processing using SPSS 25

Based on the results of the autocorrelation test in the table above, it is known that the durbin watson value is 2.125. Furthermore, this value will be compared with the Durbin Watson table value at 5% significance with the formula (k; N). The number of independents is 3 or "k" = 3, while the number of samples "N" = 68, then (k; N) = (3; 68). This figure then looks at the distribution of the durbin watson table values. Then the dL value is found to be 1.5164 and dU is 1.7001. The autocorrelation criteria are $dU < d < 4-dU$, then $1.7001 < 2.125 < 2.2999$. Thus, it can be concluded that there is no autocorrelation.

Conclusion

Based on the results of data analysis that has been done, it can be concluded that the variables of food-beverage halal certification and RPU-RPH certification have an effect and are significant on the export of halal products. While the pharmaceutical-cosmetic halal certification variable has an effect and is not significant on the export of halal products (Y). This means that if the number of pharmaceutical-cosmetic halal certifications does not increase, it will not affect the export value of halal products.

On the basis of the results of the analysis obtained, it is recommended that the government increase the export of halal products. The government in Indonesia is expected to pay optimal attention to building a halal industrial area in Indonesia and improving BPJPH management in issuing halal certification.

⁹ Syafrida, "Sertifikat Halal Pada Produk Makanan Dan Minuman Memberi Perlindungan Dan Kepastian Hukum Hak-Hak Konsumen Muslim" 105, no. 3 (2016): 129–133.

¹⁰ Kurniawan Robbi, "Pengaruh Sertifikat Halal Terhadap Minat Konsumen Hewan Potong Di Rumah Potong Hewan Kota Semarang" (2006): 68–97.

¹¹ Fitrotun Nuzula and Kusnul K Ciptanila Yuni, "Rumah Potong Hewan Halal RPH Krian Dalam Mewujudkan Green Economy," *Jurnal Ilmiah Ekonomi Islam* 8, no. 03 (2022): 3100–3106

¹² Tuti Rahayu, Abdulrahman Sofyan, and Arifa Pratami, "Analisis Pengaruh Label Halal Pada Kosmetik Terhadap Konsumen Kosmetik Di Kecamatan Medan Amplas" (n.d.): 56–72.

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