Challenges in the Halal Industry Ecosystem: Analyzing the Halal Certification Process for Micro, Small, and Medium Enterprises in Lombok, West Nusa Tenggara

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Abstract
This article examines the challenges of the halal industrial ecosystem by studying halal certification for MSME (Micro, Small, and Medium Enterprises) in Lombok. Halal certification has a good impact on small and medium businesses in Indonesia. Although previous research indicates that the proportion of halal-certified micro, small, and medium enterprises (MSMEs) in Lombok is still under 20%, this figure is steadily increasing, allowing for open competition. This article employs a qualitative methodology with a socio-legal economic analysis approach. Data were gathered through interviews with MSME business owners, Muslim consumers, and halal policy makers in Lombok. The findings reveal that halal certification plays a crucial role in enhancing MSME operations and promoting the development of halal tourism in Lombok. However, the complexity of halal certification requirements and the obstacles MSME faces in Lombok must be ruled out effectively. By increasing knowledge, understanding, and awareness of MSME actors regarding halal certification rules and improving administrative processes related to halal certification, MSME in Lombok will better utilize the market potential for halal products.

Keywords: Halal industry, halal certification, MSME, impact of certification

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Introduction

In recent years of the globalization era, market demand and supply for halal products have been increasing in Muslim and non-Muslim countries. The Global Islamic Economic Report (2019) shows five top exporting countries for live animal commodities and halal meat to Organization of Islamic Cooperation (OIC) countries. These countries are Brazil, Australia, India, Sudan and Türkiye. Meanwhile, the top five importers of halal food products are Indonesia, Türkiye, Pakistan, Egypt, and Bangladesh.1

Several factors increase the demand and supply of halal industrial products from Muslim and non-Muslim countries. These factors include growing awareness of health and hygiene in society, the growth of the Muslim population worldwide, and increasing awareness of environmentally friendly products.2 Besides, increasingly
stringent halal regulations and certifications also influence the increasing demand for halal products.³

In the context of the global economy, the halal industry can also be part of the Sharia economic movement, which can provide an alternative to the currently conventional and dominant economic system. In this case, the halal industry is expected to contribute positively to economic growth in a region or country. The halal industry in several countries has achieved significant economic activity and can be a link between Muslim and non-Muslim countries in international trade.⁴ Moreover, the halal industry can help create new jobs and improve community welfare.

The high circulation of demand and supply for halal products in the world is not an easy thing for countries in the world to do, especially the largest Muslim country like Indonesia. The halal industry in Indonesia faces complex problems in various fields. Nevertheless, Indonesia has great potential to advance the halal industry, considering that Indonesia is the country with the largest Muslim population in the world.⁵ The Indonesian government has

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made various efforts to develop the halal industry in the country, such as by issuing regulations and the 2014 Halal Product Guarantee law, which supports the development of the halal industry, as well as by mainstreaming the halal certification process through the *Badan Penyelenggara Jaminan Produk Halal* (BPJPH, Halal Product Guarantee Management Agency).\(^6\) Besides, the role of universities and religious institutions in Indonesia that try to provide training and information about halal products is also increasing, thus providing excellent opportunities for halal producers to develop in the Indonesian market.\(^7\) Despite various problems, the Indonesian Muslim community’s great potential, the Indonesian government’s support, and consumer awareness regarding halal products would become bright prospects for developing the economic industry in the future.

One of the halal industry locations in Indonesia that is interesting to discuss is Lombok, which is in West Nusa Tenggara Province. The halal industry has increased its

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halal certification in recent years. In 2019, *Lembaga Pengkajian Pangan, Obat-obatan dan kosmetika, Majelis Ulama Indonesia* (Institute for the Study of Food, Drugs, and Cosmetics, the NTB Indonesian Ulama Council Nusa Tenggara Barat, LPPOM MUI-NTB) reported an increasing trend with the number of 2,121 halal certified industries. There has been a relatively rapid increase from 2012 to 2019.\(^8\) Lombok-West Nusa Tenggara is known for its exotic nature and has essential values in terms of culture and Islamic traditions. Several interesting sides to the religious culture developed in the Thousand Mosque Island area. The nickname Thousand Mosques for Lombok has a relatively unique historical background. This exciting condition can be seen from several belief terminologies collaborating with Islamic local wisdom values in Lombok society.\(^9\)

The emergence of Lombok as a halal tourism destination is a significant milestone, reflecting the growing global interest in halal tourism. This development is supported by the growth of diverse halal-certified sectors, including processing industries, hotels, and MSME\(^{10}\) (Micro, Small, and Medium Enterprises). The certification of these entities as halal-compliant is crucial, as it assures Muslim tourists that their needs and religious obligations are being met, thereby positioning Lombok as an attractive destination for this demographic.


\(^{10}\) In Indonesia, the term of such small and medium enterprises called *Usaha Mikro, Kecil dan Menengah (UMKM)*. Therefore, in this article, we use Micro, Small and Medium Enterprise as a translation of UMKM.
However, the journey towards establishing a robust halal industry in Lombok has encountered several challenges. The halal certification process, which is a cornerstone in ensuring compliance and trust in the halal industry, has faced hurdles. These include using uncertified data and materials, which raises questions about the authenticity and reliability of the halal certification. Additionally, bureaucratic inflexibility has often hindered the smooth operation of the certification process. This is particularly problematic for MSME members, who may lack the resources and understanding necessary to navigate these complexities. Furthermore, there is a noticeable gap in awareness and understanding of halal principles among some entrepreneurs, especially in the food and beverage sector. This gap is exacerbated by insufficient government initiatives regarding socialization and support for businesses, particularly MSME, in their pursuit of halal certification.11

Halal industry themes have also become increasingly popular topics in recent years, for example, regarding the lack of socialization about the importance of halal certification,12 lack of understanding of halal certification


regulations and requirements, and MSME members who have not implemented halal certification to ensure product safety. Some other topics discuss more about opportunities and challenges of the halal tourism industry, development and potential of the halal cosmetics industry, and success factors in the halal food industry in Malaysia.

These studies aim to understand the halal industry more deeply and find solutions to the challenges faced in industrial development. However, there is still a vacuum in discussion on these themes. For instance, it is essential to


14 Laili and Fajar, “Analisis Problematika Pelaksanaan Sertifikasi Halal Bagi Pelaku UMKM Di Bangkalan.”


have a deeper understanding of the complexity of procedures, changes in laws and regulations related to halal certification, standards, and industry compliance with regulations. Regarding technology in the halal certification process, it also does not provide details about what has been discussed in the context of innovation and technology in the halal industry. Based on the explanation above, this article will describe, analyze problems, and find solutions to Halal Certification problems for the halal industry around MSME members in Lombok, West Nusa Tenggara.

This article is based on qualitative research using a socio-legal approach. As a socio-legal study, the study topic departs from legal issues. The socio-legal approach in this research aims to help understand how halal certification affects society and how society influences halal certification. This approach emphasizes the importance of considering social, cultural, and political factors in understanding halal certification. Due to the extensive scope of the research, the focus of this research is on the low legal understanding of MSME actors regarding halal certification obligations and the lack of effectiveness of regulations related to halal certification in Lombok.

This article draws heavily on data from business actors/MSME, Muslim consumers, and halal policymakers in Lombok. Apart from that, this article quotes several statutory regulations, such as Law Number 33 of 2014 concerning Halal Product Guarantees, Government Regulation No. 39 of 2021, Minister of Religious Affairs Regulation No. 20 of 2021, Decree of the head of BPJPH No. 77 of 2021, Decree of the head of BPJPH No. 33 of 2022, and BPJPH head Decree No. 135 of 2022.

**Halal Certification Regulation**
Halal certification is part of the problem of exporting halal products between countries due to differences in regulations and certification standards in each country. This condition can create problems for business actors in understanding and fulfilling the requirements that must be met when considering exporting halal products abroad. Each country has its regulations and standards that producers or exporters must comply with, such as certification procedures, halal labels, documentation, and fulfillment of specific criteria related to raw materials, production processes, and management of halal products.

In Indonesia, the regulations and requirements for halal certification are regulated by *Badan Penyelenggara Jaminan Produk Halal* (BPJPH, Halal Product Guarantee Organizing Agency,) which is based on Law Number 33 of 2014 concerning Halal Product Guarantees and the Government Regulation Number 31 of 2019 concerning Implementing Regulations of Law Number 33 of 2014 Concerning Halal Product Guarantees. Besides, Law Number 11 of 2020 concerning Job Creation also contains Halal Product Guarantees and Government Regulation Number 39 of 2021 concerning the Implementation of Halal Product Guarantees. Halal product certification is fundamental to encouraging economic activities and trade in halal products through the industrial sector. Halal certification also can help Indonesian products compete globally.18

A halal certificate is a halal recognition of a product issued by BPJPH based on a written halal fatwa issued by the Indonesian Ulema Council (the MUI) or the Halal Committee. Halal labels must also meet the requirements

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set by BPJPH. The existence of halal certification in various countries is no longer limited to efforts to protect Muslims against halal and haram substances. Still, it extends to efforts to eliminate barriers to international trade.\textsuperscript{19}

Accelerating halal certification can also strengthen Indonesia's role as a world halal producer, where business actors can declare that their products are halal using “self-declaration” procedures.\textsuperscript{20} Minister of Religious Affairs Regulation No.26/2019 concerning the Implementation of Halal Product Guarantees is a derivative of regulations regulating various aspects of halal product guarantees in Indonesia. One of the crucial points of Minister of Religious Affairs Regulation No.26/2019 is the establishment of the Halal Product Guarantee Agency (BPJPH), which is mainly responsible for administering halal product guarantees. BPJPH has duties and functions that include halal certification, development of halal product guarantee policies and standards, as well as supervision of the implementation of halal product guarantees.

Minister of Religious Affairs Regulation Number 26 of 2019 also regulates the halal certification mechanism, which includes requirements, procedures, and certification stages. BPJPH carries out a halal audit process, laboratory testing, and document verification. This regulation also regulates the monitoring mechanisms carried out by BPJPH through audits, inspections, and laboratory testing. With the existence of Minister of Religious Affairs Regulation No.26/2019, it is hoped that it can increase the certainty and quality of halal products circulating in Indonesia and provide protection to Muslim consumers

\textsuperscript{19} Andar Yuni, Iskandar, and Rahmi.

who need it. Minister of Religious Affairs Regulation No.26/2019 has provided an important regulatory framework for ensuring halal products in Indonesia. However, several problems were found in this research in implementing these regulations.

The First is the problem of understanding and awareness of business actors regarding the requirements for obtaining the halal certificate. Some business actors experience difficulties understanding and following the procedures and requirements Minister of Religious Affairs Regulation No.26/2019 set out. As can be found, human resources in MSME often face obstacles and problems in understanding halal certification rules. They may not have access to relevant information or the opportunity to receive necessary training. This limitation makes it difficult for them to understand the requirements and steps that must be followed to obtain the halal certificate.

Halal certification rules are often considered to have a high level of complexity. Documents requirements, the audit process, and the halal assurance system process can confuse MSME members with insufficient background or experience. This complexity can make it difficult for them to follow the halal certification process correctly. In some cases, they also have limited resources, including labor, finance, and time. They may not have personnel who have specialized knowledge in halal certification or are able to take care of all the requirements. This limited resource can be a severe obstacle in following the halal certification process, requiring additional effort and costs. This statement was made by a member of the MSME community:

“Sebagai pelaku UMKM di Lombok, saya mengalami kendala dalam memahami aturan sertifikasi halal. Kendala tersebut meliputi minimnya pengetahuan
“As a member of the MSME (Micro, Small, and Medium Enterprises) sector in Lombok, I face challenges in grasping the nuances of halal certification rules. These challenges stem from my limited knowledge and understanding of the halal certification process, the difficulty in locating accessible and comprehensible sources, language and cultural barriers, and a lack of access to training or guidance that could enhance my comprehension. These factors collectively impede my ability to meet the necessary requirements and follow the procedures for obtaining halal certification.”

The halal certification program for MSME members is a free program the government provides to help MSME members obtain halal certification. The government, through BPJPH, has even prepared an assistance scheme for MSME in terms of registering, processing, and obtaining halal certification. The Sertifikasi Halal Gratis (SEHATI, Free Halal Certification Program) from 2021 to 2023 is explicitly provided for micro and small enterprises (whose products are categorized as subject to the obligation to be halal certified as regulated in Article 1 of Law No. 33 of 2014 concerning Halal Product Guarantees.”

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21 Rafianti, Krisna, and Radityo.
22 Benny Andrios, “Kemenag Luncurkan Sehati, Program Sertifikasi Halal Gratis Bagi UMK,” Kementerian Agama RI, 2021,
Preparing qualified human resources for halal issues is essential to implementing the halal product guarantee system. Halal product certification process companions are created through the halal certification process training. Companion of the halal product process is an effort to create a halal ecosystem in Indonesia. With this condition, prominent halal issues collaboratively relate business aspects with other profit industries. Companion to the halal product process should help MSME members pursue halal certificates for their businesses. Companions of halal products should also validate halal certification for those MSME members.

However, several MSME members do not understand the use of the digital application for submitting halal certificates SIHALAL. They face obstacles in accessing halal certification training that is relevant and easy to understand. Lack of understanding of technology is also an obstacle to implementing halal certification rules efficiently. Some studies stated that only prominent business actors can access halal certification with all their resources. If the government wants to ensure the continuity of halal certification, the BPJPH agency needs to improve access, which tends to benefit middle and small-class entrepreneurs. A practical solution is to streamline the process for obtaining a business license number (BLN), thereby enabling business entities to participate more easily in the free halal certification program.


In some cases, medium and small businesses, including sellers of refilled drinking water, will still face many obstacles in implementing halal certification. Today, both national and international consumers have become increasingly discerning, demanding more sophisticated product standardization. Their demands extend beyond quality, health, and environmental considerations to include social, cultural, and religious aspects.25

This problem shows the need for more significant support from the government and related parties to provide intensive assistance and information to MSME members and the general public in Lombok. This support can take the form of training tailored to the needs of business actors, providing information that is easy to understand and guidance that helps them overcome the obstacles they face. In this way, MSME members in Lombok can increase their knowledge and understanding of halal certification rules, as well as make better use of technology to fulfill halal certification requirements and collaborate with other business actors.

Afterward, implementing halal certification on a large scale is also a challenge. With so many products requiring certification for halal products, BPJPH, through the Lembaga Pemeriksa Halal (LPH, Halal Inspection Institute), needs adequate capacity to manage the certification process efficiently and fast. The limited LPH human resources, facilities, infrastructure, and the time required to complete the certification process can be obstacles to effectively fulfilling the demand for halal certification.

Bank Indonesia shows data that the need for human resources in Indonesia, in terms of the halal industrial

25 Maksudi, Bahrudin, and Nasruddin.
ecosystem, covers every interrelated sector in implementing and running the entire halal industrial system. Different sectors likely require human resources with other competencies. However, until the end of 2023, auditors, supervisors, and halal slaughterers are most prepared and discussed regarding the urgency of human resource needs. Besides increasing human resource competency, education and training to prepare and form a halal ecosystem is also important.26

Until 2018 alone, for example, Indonesia still lacked around 25 thousand halal auditors. Halal supervisors often lack the competence that matches their duties and authority. Halal Supervisors are required to possess a minimum competency in three key areas: knowledge, skills, and attitude/behavior. For this reason, Halal Supervisors must undergo a series of competency testing and professional certification processes, which also have minimal resources. Apart from that, due to the enormous demands on the global market regarding halal meat, especially in countries with a Muslim majority, Indonesia also lacks resources for Juru Sembelih Halal (Juleha, Halal Slaughterers). Halal slaughterers should carry out cadre formation for the next generation and obtain a juleha professional certificate from Badan Nasional Sertifikasi Profesi (BNSP, National Professional Certification Agency). If halal slaughterers can obtain a certificate, they will be able to get wider opportunities to work domestically and abroad.27

The lack of human resources in the halal industry ecosystem is also recorded in the absence of knowledge and literacy regarding the halal industry in educational

27 Indonesia, 80.
institutions in Indonesia, which university graduates require. The number of higher education institutions related to the halal industry, especially Islamic economics, is relatively small, with only 820 universities holding sufficient quality. Based on data from the Badan Akreditasi Nasional-Perguruan Tinggi (BAN-PT, National Accreditation Board for Higher Education) from 2018 until November 2023, only 10 Islamic Economics study programs were accredited A (Excellent level). Meanwhile, 99 study programs have B accreditation (Good), and 10 have level C accreditation (Fair). In most study programs, vocational and postgraduate school levels are minimal or have not been opened. Even though in the medium term there is a need for 38,940 associate degree (D3) to doctoral level graduates in the field of Islamic economics, in the long term, it needs 125,790 people.\(^\text{28}\)

Furthermore, harmonization and consistency of interpretation of halal certification rules between certification bodies are also challenges that need to be overcome. Several different certification bodies and authorities, both at the national and international levels, may have different interpretations of halal certification rules. This different certification can cause confusion and uncertainty for business actors in fulfilling their halal product registration requirements. The Ministry of Religious Affairs,\(^\text{29}\) on Friday, 14 October 2022, through the Badan Pengelola Jaminan Produk Halal (BPJPH, Head of the Halal Product Guarantee Organizing Agency), said that currently Indonesia has 28 Lembaga Pemeriksa Halal (LPH, Halal Inspection Institutions). As of October 2022,

\(^{28}\) Indonesia, 81–82.

Indonesia will have 28 accredited Halal Inspection Institutions ready to operate. The public can choose the LPH that will carry out the audit when applying for halal certification. Apart from the 28 LPHs ready to operate, 19 other institutions are in the process of BPJPH accreditation. Apart from that, there are also 22 LPHs which are still in the document verification stage.\footnote{Berikut daftar 28 LPH yang telah terakredirasi dan bisa beroberasi di Indonesia yang tercatat di Kemenag: 1. Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika Majelis Ulama Indonesia (LPPOM MUI), 2. LPH Sucofindo, 3. LPH Surveyor Indonesia, 4. Equitrust Lab, 5. LPH UIN Sunan Kalijaga Yogyakarta, 6. LPH Hidayatullah, 7. UIN Sunan Gunung Djati Bandung, 8. YPM Salman ITB, 9. Quality Syariah, 10. LPH Balai Besar Kulit, Karet, dan Plastik, 11. LPH UIN Raden Fatah, 12. Balai Pengembangan Produk dan Standardisasi Industri Pekanbaru, 13. LPH Sutha, 14. Lembaga Pemeriksa Halal Universitas Brawijaya, 15. LPH Balai Besar Standardisasi dan Pelayanan Jasa Industri Hasil Perkebunan, Mineral Logam, dan Maritim, 16. LPH YARSI, 17. Balai Standardisasi dan Pelayanan Jasa Industri Banjar Baru, 18. LPH Universitas Hasanuddin, 19. Global Halal Indonesia, 20. IAIN Palangka Raya, 21. LPH UIN Walisongo, 22. LPH Bersama Halal Madani, 23. LPH Yayasan Baslan Hugo Trea, 24. UIN Maulana Malik Ibrahim Malang, 25. Lembaga Pemeriksa Halal IPB, 26. LPH BSPJI Ambon, 27. LPH Balai Sertifikasi, 28. LPH dan Kajian Halalan Thayyiban Muhammadiyah.} Even though the Ministry of Religious Affairs states that the public is free to choose one of these institutions, in practice, this creates the potential for the public to be confused about choosing one credible and legally recognized by the state.

Supervision of the implementation of halal product guarantees also needs to be considered. Even though Minister of Religious Affairs Regulation No.26/2019 regulates supervision mechanisms, including audits, inspections, and laboratory tests conducted by BPJPH, more vigorous efforts are still needed to carry out
supervision effectively and consistently to ensure business actors' compliance with halal requirements.

The effectiveness of the Halal Product Guarantee Regulation on halal certification compliance for micro and small business actors after the enactment of Undang-Undang Cipta Kerja (UUCK, Job Creation Law) has reached the level of internalization. It means that micro and small business actors comply with applicable laws because they are in accordance with the values they adhere to. However, the implementation of halal certification by micro and small business actors following the Halal Product Guarantee Regulations and its amendment regulations through the UUCK has not been effective. This implementation has not been effective because there are various problems in its implementation. Several factors motivate MSEs to comply with halal certification requirements, including heightened legal awareness, the availability of certification financing facilitation, regulations mandating halal certificates for micro and small business operators, consumer demand for halal products, and the potential for increased profits. Obtained from ownership of a halal certification. Meanwhile, the inhibiting factors are digital illiteracy, lack of commitment to maintaining halal products, lack of socialization of the new scheme for applying for halal certification after the enactment of the UUCK, differences in interpretation by relevant stakeholders regarding Constitutional Court Decision Number 91 and filling in quite a lot of and complicated data.31

31 VITA D W I SAKUNDIANA, “EFEKTIVITAS REGULASI JAMINAN PRODUK HALAL TERHADAP PENERAPAN SERTIFIKASI HALAL PARA PELAKU USAHA MIKRO DAN KECIL PASCA BERLAKUNYA UNDANG-UNDANG CIPTA KERJA DI DAERAH ISTIMEWA YOGYAKARTA” (Universitas Gadjah Mada, 2022).
To improve and overcome existing problems, there needs to be synergy between the government, certification bodies, business actors, and consumers. To build a halal industrial ecosystem in Lombok, local governments need to continue to increase understanding and awareness of business actors regarding halal requirements, provide clear guidelines, and strengthen BPJPH's capacity in handling requests for halal certification on the one hand. On the other hand, business actors also need to be committed to meeting halal requirements and ensuring compliance in the production and distribution of halal products. Consumers also have an essential role in paying attention to halal labels and providing input regarding the compliance of halal products on the market. With good cooperation between all related parties, problems arising in implementing Minister of Religious Affairs Regulation No.26/2019 can be overcome. Thus, this condition will bring certainty and trust to the halal product industry in Indonesia.

The decree of the Minister of Religious Affairs of the Republic of Indonesia Number 982 of 2019 concerning Halal Certification Services has several essential points that regulate halal certification services, halal certification requirements, halal certification processes, and supervision of halal certification institutions.

First, this decision regulates halal certification services provided by halal certification bodies that BPJPH has accredited. These halal certification service regulations aim to ensure that certification bodies involved in the halal certification process have met the established standards and competencies. Second, this decision regulates halal certification requirements, including product requirements, halal guarantee system requirements, and halal audit requirements. These requirements serve as guidelines for business actors to ensure that the products they produce or sell meet the specified halal criteria.
Furthermore, this decision regulates the halal certification process, including registration, document verification, halal audit, laboratory testing, and certification decision-making. This process is the steps that business actors must go through to obtain a valid halal certificate. Finally, this decision also regulates the supervision of halal certification accompanying institutions by BPJPH. This supervision is carried out to ensure that the certification assistance agency carries out its duties professionally and in accordance with established standards.

Even though the Decree of the Minister of Religion of the Republic of Indonesia Number 982 of 2019 concerning Halal Certification Services has an essential role in improving the quality and certainty of halal products and providing protection to Muslim consumers, several issues need attention. These issues include business actors' understanding and awareness of halal certification requirements, the capacity and efficiency of certification bodies in processing certification applications, and consistency and harmonization of interpretation of halal requirements among certification bodies. For this reason, synergy and cooperation between the government, certification bodies, business actors, and consumers are the key to improving and maximizing the implementation of this decision for Indonesia's halal product industry's sustainability.

The decree of the Head of the Halal Product Guarantee Organizing Agency No. 40 of 2022 concerning the Determination of Halal Labels regulates the determination of new halal labels that will be used on halal products in Indonesia. This decree stipulates that halal products must display a new halal label and certificate number. This decree can provide clarity and uniformity in
labeling halal products and increase consumer confidence in the halalness of the products they consume.

In other regulations, the Decree of *Kepala BPJPH* (the Head of the Halal Product Guarantee Organizing Agency No. 88 of 2022 concerning the Use of Halal Labels) regulates halal labels on halal products in Indonesia. This decision requires producers or entrepreneurs to use halal labels on halal products certified by BPJPH. This decision also regulates the requirements for using the halal label, including product requirements, halal guarantee system requirements, and halal audit requirements. This decision aims to ensure that the halal label is carried out consistently and in accordance with established halal standards. Furthermore, this decision also regulates the supervision of the use of halal labels by BPJPH, which aims to ensure producers or entrepreneurs comply with the terms and conditions for using halal labels. These two decisions hope to improve the quality and certainty of halal products circulating in Indonesia and protect Muslim consumers who need them.

The existence of a new halal label raises problems related to differences with previous halal labels that producers or entrepreneurs have used. This can cause confusion and ambiguity in labeling halal products by producers and consumers.

“*Sebagai konsumen produk halal, saya menyadari pentingnya memahami perubahan logo halal yang baru. Meskipun logo baru dapat menimbulkan kebingungan, saya berkomitmen untuk mengikuti informasi terbaru terkait hal ini. Saya percaya perubahan logo bertujuan meningkatkan kejelasan penandaan produk halal. Saya akan memeriksa logo pada kemasan, memastikan kepatuhan terhadap panduan resmi, dan membaca informasi sertifikasi halal. Selain itu,*

“As a consumer of halal products, I recognize the importance of being informed about the changes to the halal logo. Although the new logo might initially cause confusion, I am dedicated to staying updated on this matter. I believe the logo change aims to increase the clarity of halal product marking. I will check the logo on the packaging, ensure compliance with official guidelines, and read the halal certification information. Additionally, I will consider the manufacturer’s or brand’s reputation as an extra factor in establishing trust. Despite some initial confusion, with accurate information and official guidance, I can continue to choose halal products with confidence and trust.” (Interview with MSME consumers in Lombok on 11 May 2023).

Manufacturers need to adapt to the new halal label and replace it with products that have been certified. This is for clarity and good service to consumers, so there is no need to worry about the difference between the old and new halal labels. The most important thing is a halal certification number on the new logo.

Manufacturers or MSME members should understand the argument for changing the halal logo. First, the change to the new halal label is an effort to increase compliance with the latest standards and regulations regarding halal certification. By adopting the new halal label, manufacturers can ensure that their products meet current requirements and standards in line with consumer
needs and beliefs. Second, replacing old halal labels with new ones will help minimize confusion and ambiguity for consumers. The halal certification number printed on the new logo makes it easier for consumers to verify the validity and halalness of the products they buy and increases consumer confidence in choosing halal products.

Detiknews released data about why the halal logo was replaced, which often raises questions among the public. There have been pros and cons from a number of parties regarding the new halal label design, which will be effective starting 1 March 2022. The Halal Product Guarantee Organizing Agency (BPJPH) of the Ministry of Religion (Kemenag) determined the new halal label. The new label must be included and applied nationally. The change in the halal label is due to the transfer of authority for halal certification from LPPOM BPJPH. BPJPH should establish a halal logo as stated in Article 37 of Law Number 33 of 2014 concerning Halal Product Guarantees (JPH, Jaminan Produk Halal). This determination is also part of the implementation of the mandate of Government Regulation (PP) Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Sector. There is a particular meaning and philosophy behind the published designs. The new halal logo design is considered the result of adapting Indonesian values. The shapes and patterns used are cultural artifacts with unique and robust characteristics representing Indonesia.32

The change of halal label also becomes an opportunity for manufacturers to improve communication with consumers. In changing the halal label, producers can

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provide clear and transparent information to consumers regarding the halal certification process they are undergoing. This can strengthen the relationship between producers and consumers and build greater trust in the halal products produced by these producers.

**Halal Certification Process for Typical Indonesian MSME in Lombok**

The obligation for halal certification is regulated in Article 4 of Law Number 33 of 2014, which states that products entering, circulating, and being traded in Indonesian territory must have halal certification. However, there are exceptions for non-halal products requiring non-halal information, as regulated in Article 26, paragraph 2 of the law. Until now, few industries in Indonesia, especially *Usaha Mikro Kecil dan Menengah* (MSME, micro, small, and medium enterprises), still have halal certification. Some food and beverage products from well-known franchises still do not yet have halal certification. Unfortunately, consumers do not realize or even pay attention to this. Therefore, massive and strategically adequate socialization is very necessary. Law Number 33 of 2014 will play a fundamental role in the industry so that consumers and producers can obtain a clear legal umbrella. However, it is hoped that the implementation of halal policies will not burden the industry, especially MSME, which is encouraged to focus on developing the halal industry and provide convenience in terms of product certification.

Halal certification is one of the important things for MSME in Lombok, especially in running businesses related to food and beverage products. This halal certification process aims to ensure that the products produced by MSME meet the halal standards the Islamic religion sets.
However, several problems are faced in the halal certification process for Lombok micro, small, and medium enterprises. One of the main problems is the limited knowledge and understanding experienced by MSME actors regarding halal certification requirements. Many MSME in Lombok are still unfamiliar with the procedures and conditions that must be met in the halal certification process. This condition can hinder them from obtaining the halal certification needed to face increasingly tight market competition. In 2019, research on tourism institutions, which included regulations, organization, certification, standardization, and human resources in Lombok in 2016, found that tourism institutions alone, for example, could not fully support the development of halal tourism.33

The development of Lombok as the leading destination for halal tourism in Indonesia in the last four years, including the 2018 earthquake, is certainly interesting to discuss further, not only concerning institutional aspects but also others, such as halal tourism management, socio-economic transformation caused by halal tourism trends, and other halal tourism issues. Despite this, there are still pros and cons among the community, including among tourism stakeholders in Lombok; even rejection has come from the Regent of East Lombok.

According to him, the certification process has not been optimal from upstream to downstream, but currently, the central government has carried out a more adequate process. Even so, there is no certification for halal tourism hotels and tour guides. The emergence of various problems at the beginning of the development of halal tourism and

tourism in general in Lombok was due to not being supported by adequate human resources. However, Lombok already has a tourism vocational higher education (polytechnic) as a response to tourism human resource problems. Suharko admitted that there are still differences in perceptions regarding halal tourism in Lombok. Although not as sharp as before, differences in perception between these stakeholders, for example, are reflected in the lack of clarity on halal tourist destinations, and only some tourism actors provide halal tour packages. The management of halal tourism in Lombok is currently neater than before because it is linked to central government policy. It's just that until 2019, the number of restaurants that had been certified was only 40 percent of the existing target. For example, Lombok already has a hotel that declares itself to be a halal hotel: Grand Madani. Meanwhile, the existence of Tourism Polytechnics and educational institutions that provide tourism programs has an impact on the emergence of more adequate human resources. This existence of tourism Polytechnics and educational institutions is much greater than before 2016 when only a few educational institutions in Lombok had tourism programs.34

Apart from that, the complexity of the rules and differences in language and work culture also makes it difficult to understand and apply halal certification rules for MSME in Lombok. The halal certification process involves various stages, such as raw material preparation, processing, storage, packaging, distribution, and product sales. MSME needs to understand these rules well to carry out the certification process correctly and ensure the

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halalness of their products. There are many benefits for MSME if they have a halal certificate. Halal certificates can help business actors to speed up and simplify the process of distributing trade products. This step can also convince the public that the product they are consuming is really good. By 2024, it is targeted that 50 percent of MSME in Lombok will have a halal certificate. MSME can be managed without charge, provided they already have a business license number. Halal product companions also help with this. The main Director of NTB Mall Indah, Purwanti Ningsih, said that MSME products with halal certificates will find it easier to disseminate their products. The Lombok government encourages MSME to process business license number and halal certification immediately.  

Indeed, MSME actors face obstacles. How is the halal certification process in Lombok. As admitted by one MSME in Lombok who stated:

“Proses sertifikasi halal di Lombok melibatkan beberapa langkah yang harus diikuti oleh pelaku usaha untuk memperoleh sertifikat halal. Proses ini dimulai dengan pendaftaran ke lembaga sertifikasi halal yang telah terakreditasi oleh BPJPH. Setelah pendaftaran, pelaku usaha harus memenuhi persyaratan produk, sistem jaminan halal, dan audit halal yang ditetapkan dalam aturan sertifikasi halal. Persyaratan ini mencakup bahan baku, proses produksi, pengemasan, kebijakan halal, dokumentasi, dan pelatihan. Selanjutnya, pelaku usaha akan melalui tahap verifikasi dokumen, audit halal, pengujian laboratorium, dan pengambilan

“The halal certification process in Lombok involves several steps that business actors must follow to obtain a halal certificate. This process begins with registration with a halal certification body that BPJPH has accredited. After registration, business actors must fulfill the product requirements, halal guarantee system, and audit stipulated in the halal certification rules. These requirements include raw materials, production processes, packaging, halal policies, documentation, and training. Next, business actors will undergo document verification, halal audit, laboratory testing, and certification decision-making stages.” (Interview with UMKM members in Lombok on 11 May 2023).

Since the promulgation of Law Number 33 of 2014 concerning Halal Product Guarantees, the procedure for issuing halal certificates in Indonesia involves at least three parties, namely: Halal Product Assurance Organizing Agency (the BPJPH), Indonesian Ulema Council (the MUI), and Halal Inspection Agency (the LPH). The general process for issuing a halal certificate typically involves several stages, including:

Firstly, the application by the business entity. Business entities must submit a request for a Halal Certificate to BPJPH, accompanied by the following documents: business organization profile, business license number, name and type of product, list of products and materials or ingredients used, and product processing process. BPJPH can verify and evaluate business actors seeking halal certification by submitting this application.36

36 M Rahmah and N Barizah, “Halal Certification of Patented Medicines in Indonesia in the Digital Age” A
However, conflicting arguments exist that complicated document requirements can be an excessive administrative burden, especially for MSME. MSME and other business actors may have limited resources and administrative capabilities, so submitting these documents can become an obstacle in applying for halal certification. An efficient and easily accessible application submission system, as well as providing adequate guidance to business actors, can help overcome administrative obstacles that may be faced.

The second step involves selecting a Lembaga Pemeriksa Halal (LPH, or Halal Inspection Institution). Business entities have the right to choose an LPH for the assessment and/or approval of their halal products. An LPH is an authorized institution responsible for conducting evaluations and inspections to verify the halal status of products. These institutions can be established either by the government or by community organizations. Once selected, the LPH must be officially determined by BPJPH, a decision that is typically made within five days after the submission documents are verified as complete.

Business actors have the freedom to choose an LPH that suits their preferences. This process provides flexibility to business actors in selecting LPH with skills and knowledge relevant to the products they produce. Selecting the right LPH can ensure an objective and


accurate assessment of the halalness of the product, thereby increasing consumer confidence in the product.

However, there are also arguments stating that the choice of LPH by business actors can cause differences in the assessments and standards used. The limited number of LPH in Indonesia, especially in Lombok NTB, makes the halal certification process difficult. Based on the information obtained, the LPH still collaborates with external parties in Lombok, especially outside the island of Lombok. Likewise, people in Lombok are still looking for information about halal certification requirements.

“As a business professional involved in halal certification, I have gained firsthand experience with this process. My journey began with seeking information about the requirements for halal certification and attempting to comprehend the
relevant rules. One major challenge has been overcoming a lack of knowledge about halal certification’s intricate rules. Notably, no Lembaga Pemeriksa Halal (LPH) in Lomnok has its own laboratory; they all collaborate with external parties. The halal certification process is time-consuming and demanding, particularly in terms of gathering necessary documents and undergoing the halal audit. Additionally, the financial costs associated with obtaining halal certification present another significant hurdle. Navigating these challenges requires extra effort, thorough research, and patience to adequately meet the requirements for halal certification.” (Interview with MSME on 11 June, 2023).

Human resources at different LPHs can give rise to variations in product halal assessments, which in the end, can cause confusion and uncertainty for business actors and consumers. In addition, LPH established by the community may not have the same expertise and capacity as LPH established by the government, especially the central government.

The government must ensure that the LPH selected has verified skills and competencies. The government can play a role in supervising and controlling the quality of LPH established by the community. In addition, coordination and collaboration between different LPH needs to be improved to ensure understanding and uniformity in product halal assessment.

The third step is the product inspection, which is conducted by an LPH Halal Auditor, who was appointed by BPJPH. This inspection and/or testing of halal products occurs at the business premises during production or in a laboratory setting. Laboratory testing can occur if the auditor doubts halal quality during field inspections. The
results of the assessment and/or testing of halal products are then submitted to BPJPH.

Fourth, determining halal products. BPJPH submits the results of the product's halal inspection or testing carried out by LPH to the Indonesian Ulema Council (MUI) to obtain a halal product determination. MUI then determines the halalness of the product through a Halal Fatwa session. The Halal Fatwa session is carried out no later than 30 (thirty) working days after the MUI receives the test/inspection results from BPJPH.

Fifth is the Issuance of certificates. The declared halal product through an MUI fatwa is submitted to BPJPH for halal certification. This certificate must be issued no later than seven days after the decision on halal products is received from the MUI. Business actors must attach halal labels along with halal registration numbers to their products. Furthermore, BPJPH will also publish a Halal Certificate for each product. If the submitted product does not meet the halal requirements procedure, BPJPH will return the application for a Halal Certificate to the business actor with official reasons and explanations.

After obtaining a fatwa from the MUI, the process of issuing halal certificates by BPJPH provides legal clarity for producers and consumers. With a halal certification, manufacturers can assure consumers that their products meet the halal requirements set by religious authorities. Halal certificates also make it easier for consumers who want to buy halal products to find and recognize products with a valid halal label. In addition, the publication of halal certificates by BPJPH can strengthen transparency and accountability in the halal certification process in Indonesia. However, the time for issuing a halal certificate (seven days) after receiving a decision from the MUI may be too short. A certification process that requires limited time
can pressure BPJPH and affect the quality and accuracy of the assessment process. Apart from that, returning halal certificate applications by BPJPH for products whose halalness is doubtful can also cause uncertainty and losses for business actors, especially if the arguments for rejecting the application are unclear.

BPJPH must ensure efficiency and speed in issuing halal certificates without sacrificing quality and accuracy. Developing a suitable mechanism for handling complex cases and clearly understanding reasons for returning a halal certificate application can reduce uncertainty for business actors. Related parties, including the MUI and BPJPH, need to intensify good coordination and communication to ensure understanding of the halal certificate issuance process.

Products that are halal certified will be guaranteed to be halal in the entire supply chain, starting from raw material supply, processing, storage, packaging, distribution, sales, and product presentation. Another internal challenge related to halal certification is the lack of entrepreneurs seeking it for their businesses and products. This situation is caused by a lack of awareness among entrepreneurs about the importance of halal certification for their businesses and a lack of public awareness in general. According to the Institute for the Study of Food, Drugs, and Cosmetics (LPPOM) of the Indonesian Ulema Council (MUI) of NTB Province, in the culinary sector, for example, starting from hotel restaurants, non-hotel restaurants, restaurants, catering, MSME, and Bottled Drinking Water must have a halal certificate.39

Now, the development of the halal industry in Indonesia requires safety, comfort, and consumer trust. This requirement can be achieved through halal certification for micro-business products. It is hoped that cooperation and synergy from all parties, starting from industry, government, and supervisors, can run harmoniously. In this way, the growth of the halal industry can support Indonesia's economic growth.

The synergy between society and government is necessary, especially in monitoring halal products. The public can provide information to some related parties regarding the halalness of products circulating on the market and whether these products are mixed or contaminated with non-halal products. Apart from that, the public can also ask the relevant parties for an explanation if they doubt the halalness of a product or report suspicious products to the competent authorities.

In Lombok, the role of halal assistants is significant in supporting MSME business actors in obtaining halal certification. Halal assistants are individuals or groups who guide, assist, and support business actors in understanding and fulfilling halal certification requirements. The role of halal companions in Lombok has been carried out through various efforts. One of the efforts is to provide training and workshops on halal certification rules to MSME business actors. In this training, halal assistants provide a deeper understanding of product requirements, halal guarantee systems, and halal audits. They also provide practical guidance on gathering the necessary documents and undergoing the halal certification process. Apart from that, halal assistants also assist MSME business actors in managing administration and procedures related to halal certification. They can assist in filling out forms, preparing documents, and
providing advice and direction needed during the halal certification process.

Halal assistants play an important role in supporting MSME business actors in Lombok in the halal certification process. They provide guidance, assistance, and support to business actors in understanding and fulfilling halal certification requirements. Efforts to increase the role of halal assistants in Lombok have been carried out in various ways, such as providing training and workshops on halal certification rules to MSME business actors. In this training, halal assistants provide a deeper understanding of product requirements, halal guarantee systems, and halal audits. Apart from that, halal assistants also assist MSME business actors in managing administration and procedures related to halal certification. They can assist in filling out forms, preparing documents, and providing advice and direction needed during the halal certification process.40

To support the acceleration of halal certification, BPJPH encourages the optimization of halal product process assistance for micro and small businesses in West Nusa Tenggara Province. One thing that must be prepared is providing a halal product process companion. Further, halal product process companion will assist the halal certification process for UMK through a business actor statement mechanism or “self-declare” process. This mechanism is one of several efforts to make the halal certification process easy for UMK to be certified as halal.41

Essentially, there are two types of halal certification services. Regular Services: In this category, business

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41 Pamuji.
entities can apply for halal certification at their own expense or through facilitator fees. They have the option to select a halal inspection agency registered with the Halal Product Guarantee Agency (BPJPH). Following this selection, the chosen Lembaga Pemeriksa Halal (LPH) will conduct a site visit to the business location. Self-Declare Service: This service allows for financing by a direct facilitator. Business entities can independently choose a Halal Inspection Agency registered with BPJPH, like civil society organizations, accredited universities, and Islamic Religious Institutions legally incorporated in Indonesia.

Self-declare halal certification is implemented based on Government Regulation (PP) Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Field (JPH) and Minister of Religion Regulation No.20/2021 concerning Halal Certification for MSEs, and Law No.33/2014 concerning Halal Product Guarantee.

The mandate for Halal Certification is stipulated in Law No. 33/2014, Article 4, which states, 'Products that are distributed, imported, and traded within Indonesia must possess halal certification.' This law underscores the robust legal foundation of halal certificates, emphasizing their importance and non-negotiability for all business entities, regardless of size, operating in Indonesia. Based on these legal provisions, the Ministry of Religious Affairs has been offering a halal certification service program since 2022. Organized by BPJPH, this program is free and limited to a quota of 25,000 under the self-declare category.

Specifically designed for small and medium enterprises (SME), the program has several requirements:

a. The product must be certified as halal and should not pose any risks.
b. The halal status of the product is evaluated from the manufacturing process to the packaging; applicants must already possess a business license number.

c. Business owners are responsible for ensuring the halal status of their premises and production tools.

d. Possession of a distribution license is required.

e. The business must have a maximum annual gross profit of 500 million rupiah, as verified by a self-declaration letter.

f. The production tools and location must be distinctly separated from non-halal items.

g. The business should be home-based, not a factory-scale operation.

h. If the product contains food preservatives, only one method of preservation is permitted.42

In the production process, to ensure that the products produced are halal, a halal product process assistant is needed. This assistance aims to verify and validate the halal statement by business actors. HALAL PRODUCT PROCESS assistance is carried out by Islamic community organizations or Islamic religious institutions incorporated or universities.

Furthermore, MSE actors who apply for halal certification by self-declaration must be willing to complete halal certification application documents with an online self-declaration mechanism through SIHALAL, namely:

a. Application for registration of halal certification.

b. Akad / pledge containing a statement of the halalness of the product and the materials used in the halal product process.

c. Product processing consisting of purchasing documents, receipt and storage of materials used, flow of production processes, packaging, storage of finished products, and distribution.

d. Willingness to be accompanied by a companion to the halal product process.

e. Halal supervisor in the form of a copy of ID card, curriculum vitae, and halal supervisor appointment letter.

f. Halal Product Assurance System (SJPH) manual template that is filled in completely.

g. Recent photos/videos during the production process.

Once all the necessary documents are submitted and verified, the assistance process will be initiated by HALAL PRODUCT PROCESS. After successful verification by a HALAL PRODUCT PROCESS assistant, the process advances to submitting a request for a fatwa from the Indonesian Ulema Council (MUI) to confirm the product's halal status. Upon receiving a written halal fatwa from MUI, BPJPH will then issue the halal certificate. Below is an outline of the self-declaration pathway for the halal certification process:

<table>
<thead>
<tr>
<th>MSE business actors fulfil the requirements</th>
<th>Self declare according to halal standards</th>
<th>PPH companion verification</th>
<th>Fatwa committee meeting</th>
<th>Issuance of halal certificate</th>
</tr>
</thead>
</table>

The main challenge is the limited number of halal assistants available compared to the number of MSME

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43 https://ihatec.com/self-declare/.
business actors who need companions. Therefore, increasing the number and quality of halal companions is essential so that more MSME business actors can receive adequate assistance. Through capable companions, MSME business actors can better understand halal certification rules, manage requirements more efficiently, and improve the quality of their products.

<table>
<thead>
<tr>
<th>No</th>
<th>Province</th>
<th>Name</th>
<th>Address</th>
<th>Register No</th>
<th>companions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nusa Tenggara Barat</td>
<td>Politeknik Pariwisata</td>
<td>Jl. Raden Puguh No. 1 Puyung Jonggar Kab. Lombok Tengan Nusa Tenggara Barat</td>
<td>230500001</td>
<td>7</td>
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<tr>
<td>2</td>
<td>Nusa Tenggara Barat</td>
<td>Pusat Kajian Halal Kabupaten Sumbawa</td>
<td>Jl. Manggis No. 16 Sumbawa Besar Kab. Sumbawa Nusa Tenggara Barat</td>
<td>231000002</td>
<td>90</td>
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<tr>
<td>3</td>
<td>Nusa Tenggara Barat</td>
<td>Universitas Islam Al-Azhar</td>
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<td>130600002</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Nusa Tenggara Barat</td>
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<td>220100005</td>
<td>398</td>
</tr>
<tr>
<td>No</td>
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<td>Address</td>
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<tr>
<td>----</td>
<td>----------------</td>
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<td>------------------------------</td>
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<td>------------</td>
</tr>
<tr>
<td>5</td>
<td>Nusa Tenggara Barat</td>
<td>Universitas Nahdlatul Ulama Nusa Tenggara Barat</td>
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<td>221100002</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: BPJPH the Ministry of Religious Affairs.

According to official data from the Ministry of Religious Affairs, there are 225 *Lembaga Pendamping Halal* (LPH, Halal Companion Institutions) with details of 72,738 HALAL PRODUCT PROCESS Companions.\(^{44}\) In the province of West Nusa Tenggara itself, HALAL PRODUCT PROCESS companions are approximately 581 people spread across various provinces and cities.\(^{45}\)

**The Impact of Halal Certification on MSME in Lombok**

Halal certificates for food and beverage products in Lombok positively impact the image of MSME. Efforts to socialize and assist halal product certification for MSME in Lombok have been carried out to provide effective understanding and knowledge in managing product certification. Socialization and mentoring are important steps in preparing MSME in Lombok to obtain halal certification. Through outreach, MSME members are given information and understanding about the halal


\(^{45}\) BPJPH.
certification process and the requirements that must be met. Mentoring also provides effective guidance and strategies for managing product certification. This guidance helps MSME members understand the process they must go through and ensure they can meet the established halal standards.

This article shows that halal certificates can improve the image of MSME products and can positively impact the image of MSME products. One of the MSME Halal companions and the Dinas Koperasi Provinsi NTB (Provincial Economic Cooperation Service) employee stated:


“If a product has been halal certified, then the halal label can be included on the product packaging. This halal label functions as a form of government guarantee for consumers, especially Muslims. In this way, Muslim consumers can be calm when consuming a product. Business actors build consumer trust in their products by listing a halal label. By increasing this trust, sales of the product can be increased Companion in Lombok.”

A halal certificate is a proof that the product meets halal standards recognized by religious authorities.
Consumers who pay attention to halal aspects will be more confident in choosing products with halal certificates.\textsuperscript{46} Thus, halal certificates can increase consumer confidence and strengthen the positive image of MSME products.

The government and several institutions related to tourism interests in Nusa Tenggara Barat (NTB) have strengthened MSME halal products to support halal tourism. One of the efforts is to make the halal certification process more accessible for MSME. By providing easier access and more straightforward procedures, it is hoped that more MSME will be able to obtain halal certification. This accessible procedure will increase the number of halal products available and expand opportunities in the halal tourism industry in NTB.

\textit{Dinas Koperasi Usaha Kecil dan Menengah} Provinsi NTB (Dinas Koperasi UKM, The Small and Medium Enterprise Cooperative Service) of NTB Province has facilitated halal certification for 45 UKM in several regions in NTB, including Lombok. \textit{Dinas Koperasi UKM} has actively facilitated the halal certification process for UKM in NTB, including in the Lombok region.\textsuperscript{47} A total of 3105 UKM in NTB Province have received facilitation in obtaining halal certification.\textsuperscript{48} This data shows the regional government’s commitment to encouraging the development of halal products and providing support to UKM to meet

\textsuperscript{46} Nurhayati Nurhayati, “Persepsi Produsen Dan Konsumen Muslim Terhadap Sertifikat Halal (Studi Kasus Pada Produsen Dan Konsumen Muslim Bakso Gibrass Cabang Ponorogo)” (IAIN Ponorogo, 2018).


\textsuperscript{48} Data diperoleh dari Dinas Koperasi Usaha Kecil dan Menengah Prov. NTB
halal requirements. However, only 1,880 UKM are certified halal until June 2023 in the Lombok Island region.

Nevertheless, compared with the entire number of MSMEs in NTB Province, especially Lombok Island, the number of certified products is still small. The number of MSME in NTB Province, based on the 2021 report, is 103,660 MSME.\textsuperscript{49} Number of MSME According to Cities/districts in NTB in 2021:

<table>
<thead>
<tr>
<th>No</th>
<th>city</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Total</th>
</tr>
</thead>
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<td>533</td>
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<td>4</td>
<td>LOMBOK TENGAH</td>
<td>309</td>
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<td>3</td>
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<td>LOMBOK TIMUR</td>
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<tr>
<td>7</td>
<td>SUMBAWA</td>
<td>5,501</td>
<td>4</td>
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<td>DOMPU</td>
<td>2,261</td>
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<td>4</td>
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<tr>
<td>9</td>
<td>KAB.BIMA</td>
<td>11,610</td>
<td>7</td>
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<td>10</td>
<td>KOTA BIMA</td>
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<td></td>
<td>JUMLAH</td>
<td>86,922</td>
<td>15,119</td>
<td>1,243</td>
<td>103,660</td>
</tr>
</tbody>
</table>

Source: Diskop UKM NTB Year 2021

With 1,880 MSME that are halal certified out of 103,660 MSMEs in the context of halal certification in NTB, the number 1,880 can represent the number of products

\textsuperscript{49}\url{https://diskop.ntbprov.go.id/pendataan-perkembangan-umkm-tahun-2020-2021/}
or businesses that have received halal certification. With a total of 1880 products or businesses that have been certified halal in Lombok, it can be concluded that several businesses have fulfilled the halal certification requirements and processes but have not yet registered for halal certification. This condition reflects a lack of awareness and commitment from Lombok business actors, which could be a problem for developing other halal industrial ecosystems.

A comparison between the number of products/businesses holding halal certificates (1880) and the total (103,660) shows a small proportion or percentage. Only around 1.81% of the total MSME in NTB Province have received halal certification. This comparison illustrates that halal certification in Lombok remains an important focus and concern for some business actors.

The halal certification program for MSME above is a self-declaration scheme with financing from Bank Indonesia. This program is one of the programs developed by Bank Indonesia to encourage the acceleration of halal certification in Indonesia.50 This program aims to make it easier for MSME to obtain halal certification and increase the competitiveness of MSME halal products.51

Halal labeling, product quality, and price also influence the sales level of MSME products in Lombok. Several factors, including halal labeling, product quality,


and price, influence the level of sales of MSME products in Lombok. Halal labeling influences because consumers who care about the halalness of products tend to prefer products with halal labels. Apart from that, product quality is also an important consideration for consumers when choosing a product. Good-quality MSME products will gain trust and a good reputation from consumers. Lastly, price is also a determining factor in selling MSME products. Competitive prices and product quality can be an attraction for consumers. Therefore, MSME members need to pay attention to these factors to increase the sales level of their products in Lombok.

**Conclusion**

Halal certification is an essential aspect of international halal products industries. However, complexity arises due to different regulations and certification requirements in each country, including Indonesia. In Indonesia, Lombok is one of the potential halal tourism destinations. Even though there are regulations such as Minister of Religious Affairs Regulation No.26/2019 to regulate halal product guarantees in Indonesia, especially in Lombok, implementation is still challenging. MSME in Lombok faces challenges in understanding and fulfilling applicable requirements when exporting halal products abroad. Limited knowledge and understanding of business actors regarding the requirements that must be met, as well as increased awareness of the importance of meeting halal standards, can also be challenges faced by MSME in Lombok. The halal certification process for MSME in Lombok involves several stages: understanding the requirements, submitting an application, document verification, halal audit, laboratory testing, and making a certification
decision. However, some MSME in Lombok face obstacles in obtaining halal certification. One of the main obstacles is the limited knowledge and understanding of MSME actors regarding halal certification requirements. Many MSME in Lombok are still unfamiliar with the procedures and administrative requirements of the halal certification process. Besides, administrative obstacles also arise due to the limited resources and administrative capabilities of MSME to fulfill document requirements in the halal certification process. This halal certification has a good impact on MSME in Lombok. Halal certification improves product image and consumer confidence, especially for Muslim consumers looking for halal products. However, several obstacles arise in building a halal ecosystem, such as limited access to information, lack of understanding, complexity of rules, administration, and availability of Halal Inspection Institutions (LPH). Apart from the commitment to halal certification and labeling, product quality and price are also product issues that must accompany the halal status of a product in Lombok. Low prices and good quality are considerations for consumers in line with considerations for choosing halal products.


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