

## HALAL INDUSTRY AS A REINFORCEMENT OF INDONESIA'S ECONOMIC GROWTH THROUGH THE EXPORT MARKET



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### Abstract

This study aims to analyze the influence of the Halal Industry on Indonesia's Economic Growth and Export Markets as Intervening Variables. This research uses a quantitative approach with a verification type of research. Secondary data was obtained through the Statistics Center (BPS), namely data on halal products, exports, and economic growth. The population in this research is the overall growth data for each variable from 2015 to 2021. The samples used in this study were Halal Products and Exports during the 2015-2021 period, each of which consisted of 84 samples taken from annual data in the form of time series data using data interpolation. Other data was obtained through observation and literature study. The analysis technique used is multiple linear regression. The results of the study show that Halal Food, Halal Fashion, and Halal Cosmetics have an effect on Economic Growth in Indonesia and Export Markets as Intervening Variables in the high category.

**Keywords:** Halal Food, Halal Fashion, Halal Cosmetics, Economic Growth, Export Markets

## INTRODUCTION

Recently, the halal industry has attracted attention throughout the world, not only in Muslim countries but also in other countries that include Muslim minorities. The impact of halal products does not only affect Muslim countries but also other countries with Muslim populations. Muslim and non-Muslim consumers around the world are interested in purchasing halal products because the food preparation is clarified and the final product is safe and hygienic to consume (Slamet Rusydiana and Marlina 2020).

Indonesia has great potential in developing the halal industrial sector. This is reflected in the percentage of Indonesia's population which is 12.7% of the world's Muslim population, supported by increased awareness of the importance of consumption in the halal industrial sector. Indonesia's large potential in the halal industrial sector can support national economic growth. The prospect of developing the halal industry both globally and in Indonesia emerged at The Indonesia International Halal Lifestyle Conference & Business Forum, which raised the theme "Halal Lifestyle Goes Global: Trend, Technology & Hospitality Industry". The conference, which was held for 2 days (3-4/10) by Bank Indonesia in collaboration with the Indonesia Halal Lifestyle Center (Inhalec), was part of a series of activities leading up to the 2018 IMF-World Bank Annual Meeting and the 2018 Indonesia Sharia Economic Festival.

It is hoped that the development of sharia economics and finance can be an effort to strengthen the current and future structure of the global economy and financial markets. In the future, to increase the role and contribution of sharia economics and finance globally and nationally, the active role of all parties is needed, including policy makers, economic actors and the world of education. As a member of the National Islamic Finance Committee (KNKS), Bank Indonesia will always work closely with ministries and authorities, and synergize cross-sectoral programs to achieve the goal of making sharia economics and finance a new source of national economic growth.

The term halal refers to food and drinks that are permitted for use and consumption by Muslims. The term comes from Arabic meaning halal, and in contrast to this meaning haram or forbidden. Muslim consumers recognize Halal products by identifying halal certification or the halal logo on product packaging. Halal certification is not solely to protect Muslim consumers from non-halal products but also plays a role in strengthening

local competitiveness of halal products in international markets. Muslim consumers have sufficient knowledge about what a halal product is, at least by looking for a halal label on the product's packaging. The food labeling framework aims to regulate different interests that include human health, religion and consumer rights over international trade. As much as labeling, halal logos account for a significant portion of Muslim purchases. Therefore, halal certification is very important for companies to fulfill. National labeling laws and logos should seek a balance between labeling and certification requirements to minimize barriers to free trade (Johan 2018).

One of the pillars of Islamic economics that must be in accordance with the halal concept is the aspect of consumption that does not contain haram elements, provides benefits that have a positive impact, and does not harm the mind and body. The current development of sharia economics cannot be separated from several factors which are simply grouped into external factors and internal factors. External factors are sharia economic developments that come from other countries. This awareness spread until it finally reached Indonesia. Meanwhile, the internal factor is the awareness that Indonesia is a country with the largest Muslim population among other countries. This fact then raises awareness among some economic scholars and practitioners about the need for an economy that is in accordance with sharia values that will be run by Muslim communities in Indonesia (Forwadi, Rochaida, and Awaluddin 2021).

The consumption of Muslim communities in Indonesia in 2020 in the halal food and beverage industry amounted to USD 135 billion and it is estimated that in 2025 consumption of Muslim communities in the halal food and beverage industry sector in Indonesia will increase by USD 204 billion or 14.64%. (Indonesia Halal Lifestyle Center, 2022). The Muslim fashion industry in Indonesia has experienced extraordinary growth in the last 10 years with the birth of Muslim fashion brands such as Dian Pelangi and Ria Miranda, which can help change customer perceptions about Muslim fashion clothing in a fashion context. The Muslim fashion industry has a lot of potential to expand internationally, especially into other Southeast Asian markets that have similar Muslim fashion preferences. The Muslim fashion industry is dominated by businesses that are categorized as small and medium businesses. The consumption of Muslim communities in Indonesia for the Muslim fashion industry sector in Indonesia in 2020 amounted to USD

15.6 billion and is estimated to increase by USD 23.28 billion in 2025 or around 8.34% (Indonesia Halal Lifestyle Center, 2022).

Halal pharmaceuticals and cosmetics in Indonesia are growing with investment from companies with a long-term vision and obtaining halal certification (State of the Global Islamic Economy Report, 2019). The consumption of Muslim communities in Indonesia in 2020 for the halal cosmetics sector amounted to USD 4.19 billion and it is estimated that in 2025 it will increase by USD 7.59 billion or around 12.62% (Indonesia Halal Lifestyle Center, 2022). The halal tourism sector in Indonesia contributed 6.1% to the country's GDP in 2019. The halal tourism industry in Indonesia was one of the worst affected by the COVID-19 pandemic. In March 2020, restrictions on all foreigners entering Indonesia were implemented. Recovery is expected to occur gradually as restrictions are eased, especially for domestic tourism. The consumption of Muslim communities in Indonesia for the halal tourism sector in 2020 amounted to USD 3.37 billion and is estimated to increase by 2025 by USD 8.03 billion or around 18.96% (Indonesia Halal Lifestyle Center, 2022).

The development of the halal industry in Indonesia is based on the increasing growth of the Islamic community in Indonesia. Based on these conditions, the demand for halal products in Indonesia is directly increasing (Purnama, WA 2019). Especially for Muslim fashion commodities, every year they experience net exports. This shows that Muslim fashion is no longer influenced by imported products, while for halal food and beverage commodities in Indonesia, in 2019 the export value was lower than the import value. This shows that halal food and drinks are still influenced by imported products. The pharmaceutical and cosmetics sector, although in 2019 it was in a net export position, in 2018 it still experienced net imports. This trend shows the inconsistency in the ability to fulfill the pharmaceutical and cosmetic needs of the domestic industry (Syariah, 2019).

Sukirno believes that economic growth is a strong instrument for reducing poverty and improving the quality of life in developing countries, the development of economic activities is ready over time & causes real national income to grow. The economic growth rate illustrates the presentation of an increase in a country's real national income in a particular year when compared to the real national income in the previous year.

From Todaro stated that the government in any country can immediately rise and fall based on the high or low level of economic growth it achieves in national statistical records, the success or failure of programs in third world countries is often re-evaluated according to the high or low level of success of economic growth. as well as national income.

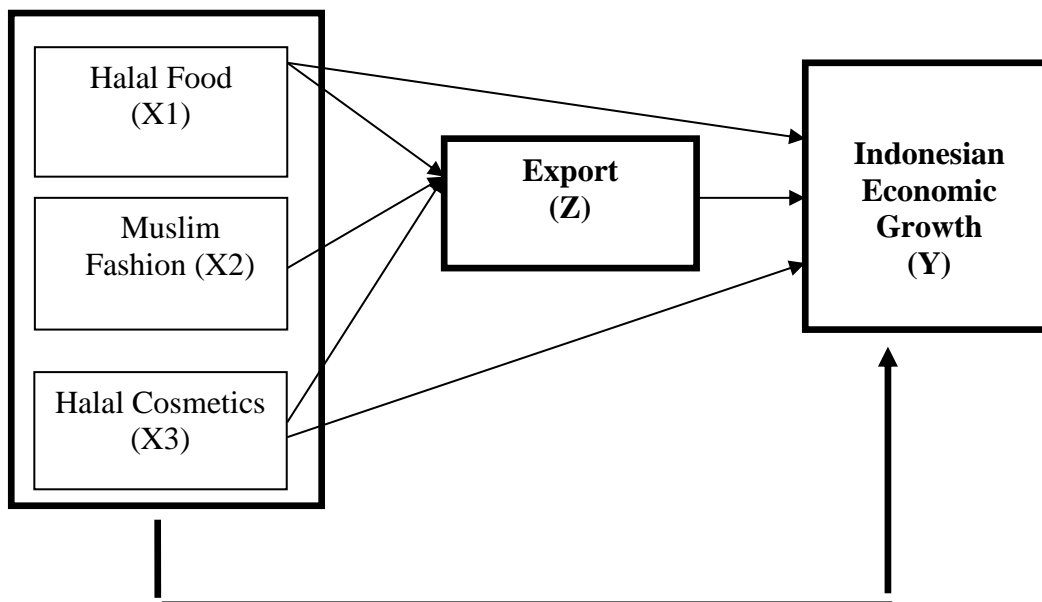
Export activities are part of international trade. International trade requires financing that comes from foreign exchange reserves (Fathoni 2020). Foreign exchange reserves are an indicator to determine the extent of a country's ability to carry out international trade. The halal industry can be used to boost the value of foreign exchange reserves by increasing the value of halal industry exports. From the explanation above, in this research the researcher will discuss three halal industry sectors that have the potential to increase the growth of halal product exports in Indonesia, namely consumption which will be discussed more clearly regarding halal food and drinks, lifestyle which will be discussed regarding Muslim fashion and cosmetics. halal, and a pharmacy that has maintained its halal status in Indonesia.

## **RESEARCH METHOD**

This research takes place in Indonesia, the research object is data released by the Central Statistics Agency (BPS), namely data on halal products, exports and economic growth. The type of data used in this research is quantitative research. The data source used in this research is secondary data. Secondary data is data obtained from notes, books, magazines in the form of company published financial reports, government reports, articles, books as theories, magazines, and so on (Sujarweni, 2021). The population in this research is the entire growth data for each variable from 2015 to 2021. The samples used in this research are Halal Products and Exports during the 2015-2021 period, each of which is 84 samples taken from annual data in the form of time series data using data interpolation. The data analysis carried out in this research used the Ordinary Least Square (OLS) analysis tool with Eviews8. The data analysis used in this research was:(Sugiyono 2018a)

Based on the explanation above, the authors formulate a conceptual framework as follows:

**Figure 1**  
**Conceptual Framework**



## RESULTS AND DISCUSSION

### Determination Coefficient Test ( $R^2$ )

Determination Coefficient Test ( $R^2$ ) aims to measure the ability of the independent variables, namely halal food and drinks (X1), Muslim fashion (X2), and halal pharmaceuticals and cosmetics (X3) on the halal product export variable (Y). Mark $R^2$  shows how large a proportion of the total variation in the dependent variable can be explained by the explanatory variable (Ghozali, 2018). Coefficient of determination ( $R^2$ ) is used when the number of independent variables is only 1 variable, but if you use 2 or more variables, you can use Adjusted R Square to determine the magnitude of the influence of the independent variable on the dependent variable.

**Table 1**

### Determination Coefficient Test ( $R^2$ )

Dependent Variable: Economic Growth \_Y

Method: Least Squares

Date: 08/09/23 Time: 12:06

Sample: 2015M01 2021M12

Included observations: 84

Variables	Coefficient	Std. Error	t-Statistics	Prob.
Halal Food_X1	-0.109259	0.013286	-8.223470	0.0000
Halal Fashion_X2	0.721762	0.096180	7.504313	0.0000
Halal Cosmetics_X3	0.334333	0.020791	16.08084	0.0000
C	1.838013	0.156349	11.75580	0.0000
R-squared	0.887264	Mean dependent var	5.168571	
Adjusted R-squared	0.883036	SD dependent var	1.862135	
SE of regression	0.636850	Akaike info criterion	1.981882	
Sum squared resid	32.44620	Schwarz criterion	2.097635	
Log likelihood	-79.23903	Hannan-Quinn Criter.	2.028413	
F-statistic	209.8739	Durbin-Watson stat	0.022768	
Prob(F-statistic)	0.000000			

Based on table 1, it is explained that the R-Square value obtained is 0.887 or 88.7%. It is concluded that 88.7% of halal product exports are influenced by halal food and beverages, Muslim fashion, as well as halal pharmaceuticals and cosmetics. Meanwhile, 63.7% of halal product exports are influenced by other variables.

### Simultaneous Test (F Test)

The simultaneous test is used to determine whether the independent variables jointly influence the dependent variable and to measure the accuracy of the sample regression function in estimating the actual value through goodness of fit (Ghozali, 2018). The significance of the regression model is tested simultaneously by looking at the significance value (sig) where if the sig value is below 0.05 then the independent variable has an effect on the dependent variable.

**Table 2**  
**Simultaneous Test Results (F Test)**

Dependent Variable: Economic Growth \_Y

Method: Least Squares

Date: 08/09/23 Time: 12:17

Sample: 2015M01 2021M12

Included observations: 84

Variables	Coefficient	Std. Error	t-Statistics	Prob.
Halal Food _X1	-0.057742	0.011288	-5.115121	0.0000
Halal Fashion _X2	0.674397	0.069609	9.688332	0.0000
Halal Cosmetics _X3	0.292634	0.015757	18.57121	0.0000
Export _Z	0.205229	0.023748	8.641886	0.0000
C	2.777547	0.156668	17.72890	0.0000
R-squared	0.942048	Mean dependent var		5.168571
Adjusted R-squared	0.939114	SD dependent var		1.862135
SE of regression	0.459484	Akaike info criterion		1.340252
Sum squared resid	16.67890	Schwarz criterion		1.484944
Log likelihood	-51.29059	Hannan-Quinn Criter.		1.398417
F-statistic	321.0506	Durbin-Watson stat		0.030297
Prob(F-statistic)	0.000000			

Based on table 2 above, it is known that the Sig value. is 0.000. Because the Sig value.  $0.000 < 0.05$ , then according to the basis of decision making in the F test it can be concluded that the hypothesis is accepted, in other words halal food and drinks (X1), Muslim fashion (X2), and halal pharmaceuticals and cosmetics (X3) have a simultaneous effect on exports halal products (Y).

Based on the output table above, it is known that the calculated F is 16.795. The value of the F table is  $(3; nk) = (3; 84-3) = (3; 81)$  or 2.72. Because the calculated F value is  $16.795 > 2.72$ , in the F test it can be concluded that the hypothesis is accepted or halal food

and drinks (X1), Muslim fashion (X2), and halal pharmaceuticals and cosmetics (X3) simultaneously influence Economic Growth (Y) in Indonesia and the Export Market (Z) as an intervening variable.

**Individual Parameter Significance Test (t Statistical Test)**

Statistical tests show how far the influence of an independent variable or individual explanatory variable is in explaining the dependent variable (Ghozali, 2018). If the significance probability value is smaller than 0.05 (5%) then an independent variable has a significant effect on the dependent variable. The hypothesis is accepted if the significance level  $(\alpha) < 0.05$  and the hypothesis is rejected if the significance level  $(\alpha) > 0.05$ .

**Table 3**  
**Results of the t statistical test**

Dependent Variable: Export \_Z

Method: Least Squares

Date: 08/09/23 Time: 12:29

Sample: 2015M01 2021M12

Included observations: 84

Variables	Coefficient	Std. Error	t-Statistics	Prob.
Halal Food _X1	0.251024	0.045129	5.562308	0.0000
Halal Fashion _X2	0.230791	0.326694	4.706442	0.0020
Halal Cosmetics _X3	0.203183	0.070620	2.877124	0.0051
C	4.577984	0.531074	8.620246	0.0000
R-squared	0882254Mean dependent var			4.876845
Adjusted R-squared	0.855338SD dependent var			2.506777
SE of regression	2.163193Akaike info criterion			4.427496
Sum squared resid	374.3524Schwarz criterion			4.543249
Log likelihood	-181.9548Hannan-Quinn Criter.			4.474028
F-statistic	10.48667Durbin-Watson stat			0.042661
Prob(F-statistic)	0.000007			

Based on table 3, it is known that the significance value (Sig.) of the Halal Food and Drink variable (X1) is 0.000. Because the Sig value.  $0.001 < \text{probability } 0.05$ , then it can be concluded that H1 or the first hypothesis is accepted. This means that Halal Food and Beverages (X1) have a significant effect on Halal Product Exports (Z) in 2015-2021.

Based on table 4.6, it is known that the significance (Sig.) of the Muslim Fashion variable (X2) is 0.002. Because the Sig value.  $0.002 > \text{probability } 0.05$ , then it can be concluded that H2 or hypothesis is accepted. This means that there is no significant influence of Muslim Fashion (X2) on Halal Product Exports (Z). One of the factors that has a significant influence on Muslim fashion is that many fashion products are supposed to be halal but have not received halal certification so they do not have a halal label.

Based on table 4.6, it is known that the significance (Sig.) of the Halal Pharmacy and Cosmetics variable (X3) is 0.005. Because the Sig value.  $0.005 < \text{probability } 0.05$ , then it can be concluded that H3 or hypothesis is accepted. This means that Halal Pharmaceuticals and Cosmetics (X3) have a significant effect on Halal Product Exports (Z).

Based on table 4.6, the following multiple linear regression equation model is obtained:

$$Z = 4.577984 + 0.251024X1 + 0.230791X2 + 0.203183X3 + \varepsilon$$

The multiple linear regression equation model can be explained as follows:

- 1) Positive constant values indicate a positive influence on the independent variables (X1, X2, X3)
- 2) 0.251024 (X1) is the regression coefficient value of variable
- 3) 0.230791 (X2) is the regression coefficient value of variable
- 4) 0.203183 (X3) is the regression coefficient value of variable

#### **Table 4**

##### **Results of the t statistical test**

Dependent Variable: Economic Growth \_Y

Method: Least Squares

Date: 08/09/23 Time: 12:42

Sample: 2015M01 2021M12

Included observations: 84

Variables	Coefficient	Std. Error	t-Statistics	Prob.
Halal Food_X1	0.109259	0.013286	8.223470	0.0000
Halal Fashion_X2	0.721762	0.096180	7.504313	0.0000
Halal Cosmetics_X3	0.334333	0.020791	16.08084	0.0000
C	1.838013	0.156349	11.75580	0.0000
R-squared	0.887264	Mean dependent var	5.168571	
Adjusted R-squared	0.883036	SD dependent var	1.862135	
SE of regression	0.636850	Akaike info criterion	1.981882	
Sum squared resid	32.44620	Schwarz criterion	2.097635	
Log likelihood	-79.23903	Hannan-Quinn Criter.	2.028413	
F-statistic	209.8739	Durbin-Watson stat	0.022768	
Prob(F-statistic)	0.000000			

Based on table 4, it is known that the significance value (Sig.) of the Halal Food and Drink variable (X1) is 0.000. Because the Sig value.  $0.001 < \text{probability } 0.05$ , then it can be concluded that H1 or the first hypothesis is accepted. This means that Halal Food and Drinks (X1) have a significant effect on Economic Growth (Y) in 2015-2021.

Based on table 4.6, it is known that the significance (Sig.) of the Muslim Fashion variable (X2) is 0.000. Because the Sig value.  $0.002 > \text{probability } 0.05$ , then it can be concluded that H2 or hypothesis is accepted. This means that there is no significant influence of Muslim Fashion (X2) on Economic Growth (Y). One of the factors that has a significant influence on Muslim fashion is that many fashion products are supposed to be halal but have not received halal certification so they do not have a halal label.

Based on table 4.6, it is known that the significance (Sig.) of the Halal Pharmacy and Cosmetics variable (X3) is 0.005. Because the Sig value.  $0.000 < \text{probability } 0.05$ , then it can be concluded that H3 or hypothesis is accepted. This means that Halal Pharmacy and Cosmetics (X3) have a significant effect on Economic Growth (Y).

Based on table 4.6, the following multiple linear regression equation model is obtained:

$$Y = 1.838013 + 0,109259X1 + 0.721762X2 + 0.334333X3 + \epsilon$$

The multiple linear regression equation model can be explained as follows:

- 1) Positive constant values indicate a positive influence on the independent variables (X1, X2, X3)
- 2) 0.109259 (X1) is the regression coefficient value of variable
- 3) 0.721762 (X2) is the regression coefficient value of variable
- 4) 0.334333 (X3) is the regression coefficient value of variable

### Path Analysis

**Table 5**  
**Path Analysis Test**

Direct Influence between Variables	Path Coefficient	Standard Error	T count	p-value	Conclusion	R2
X1 Against Z	0.251	0.045	5,562	0,000	Significant	0.8822
X2 Against Z	0.230	0.326	4,706	0.002	Significant	
X3 Against Z	0.203	0.070	2,877	0.0000	Significant	
X1 Against Y	0.109	0.013	8,223	0,000	Significant	0.887
X2 Against Y	0.721	0.096	7,504	0,000	Significant	
X3 Against Z	0.334	0.020	16,080	0.0000	Significant	
Z against Y	0.205	0.023	8,641	0,000	Significant	

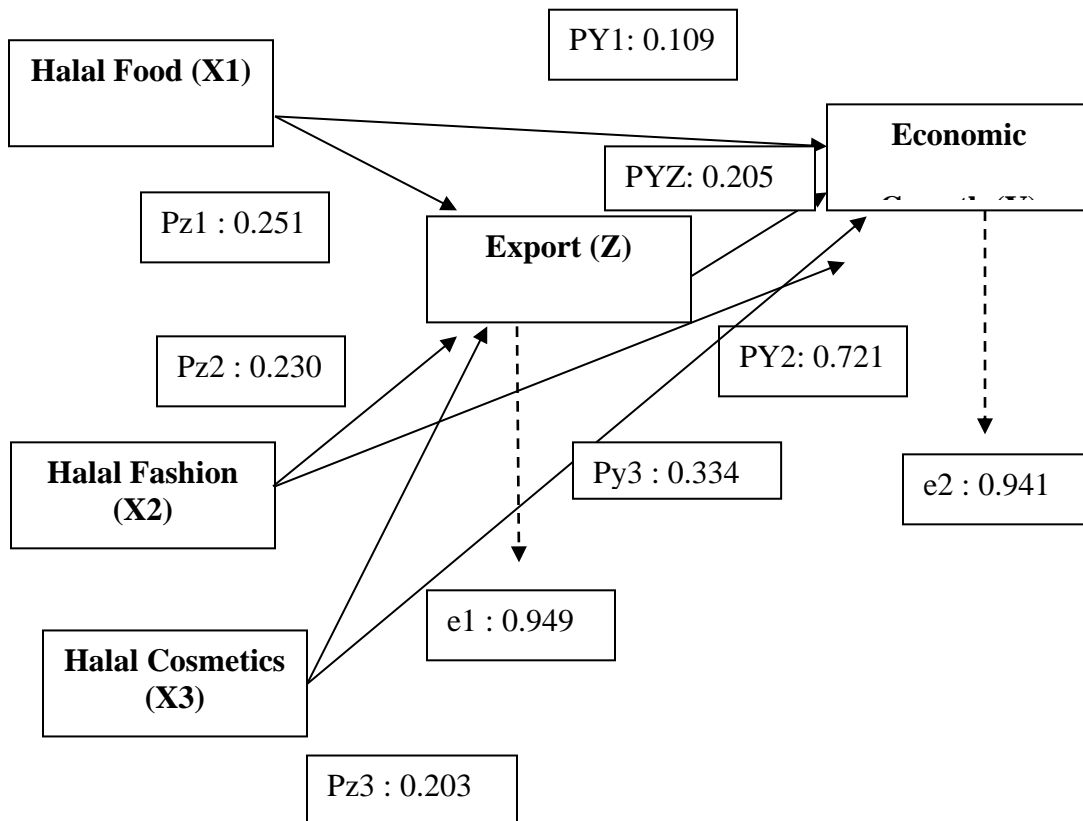
Based on the regression output of model I in the coefficients table section, it is known that the significance value of the three variables, namely X1, is 0.000 and X2 is 0.002, which is smaller than 0.05. The results provide the conclusion that the regression model I, namely variables X1, this shows that the contribution or donations amounted to 88.2% while the rest was influenced by other variables. Meanwhile, the value of e1 can be found using the formula  $e1 = \sqrt{0.882} = 0.949$

Based on the regression output of model II in the coefficients table section, it is known that the significance value of the three variables, namely X1, is 0.000 and X2 is 0.004, which is smaller than 0.05. The results provide the conclusion that model I regression,

namely variables X1 and. Meanwhile, the value of e1 can be found using the formula  $e2 = \sqrt{0.887} = 0.941$ .

So, the path analysis picture is as follows:

**Figure 2**  
**Path Analysis**



From the picture above, it can be seen that the direct influence and indirect influence are as follows:

### Direct Influence

Based on Figure 4.6 above, it can be stated that the direct influence of the variables Halal Food, Halal Fashion and Halal Cosmetics has an effect on Economic Growth of 0.887. The influence of Halal Food, Halal Fashion and Halal Cosmetics on Economic Growth in Indonesia and the Export Market as an Intervening Variable 0.205.

## Indirect Influence

The indirect effect can be calculated if variables X1 (Halal Food), X2 (Halal Fashion) and Halal Cosmetics (X3) have an effect on Y (Economic Growth). The following is the indirect influence of exogenous variables on endogenous variables through the indirect influence of variables X1 (Halal Food), in the form  $(X1 \Rightarrow X2 \Rightarrow Z \Rightarrow Y)$ .

The magnitude of the indirect influence of X1 and X2 on Y through variable Z is obtained using the path coefficient. Systematically, it can be solved in the form of the following equation: Indirect influence (Halal Food, Halal Fashion and Halal Cosmetics on Exports) X (Halal Food, Halal Fashion and Halal Cosmetics on Economic Growth through Exports).

Indirect effect =  $(0.887) \times (0.205) = 0.181$ . Based on the calculation results above, the indirect influence of Halal Food, Halal Fashion and Halal Cosmetics on Economic Growth in Indonesia and the Export Market as an Intervening Variable is 0.181.

Based on the calculation results above, it can be seen that the direct influence value is 0.887 and the indirect influence value is 0.205, which means that the indirect influence value is greater than the direct influence value. This shows that indirectly Halal Food, Halal Fashion and Halal Cosmetics influence Economic Growth in Indonesia and the Export Market as an Intervening Variable. From the series above, it can be concluded that there is an influence of Halal Food, Halal Fashion and Halal Cosmetics on Economic Growth in Indonesia as well as its impact on the Export Market and is acceptable.

## Discussion

Based on the research results above, it can be seen that the halal food and beverage industry variable (X1) have a significant influence on the development of halal product exports in Indonesia (Y). The halal food and beverage industry variable has a significant effect on 107 halal product export developments with a Sig value.  $0.001 < \text{probability } 0.05$ .

The results of this research are in accordance with research by Mariya & Hakim (2018) and Ahyani et al., (2020) which explains that the potential for the halal food and beverage industry in Indonesia is experiencing significant development which can improve the economy, one of which is through export activities. Over the last few years, consumption by Muslim communities in Indonesia for the halal food and beverage sector in

2020 amounted to USD 135 billion and it is estimated that in 2025 consumption by Muslim communities for the halal food and beverage industry sector in Indonesia will increase by USD 204 billion or 14.64%. (Indonesia Halal Lifestyle Center, 2022).

However, this huge market potential has not been utilized optimally by the government to improve the Indonesian economy. Maintaining the halal quality of halal food and beverages is the main challenge to compete with other countries in the halal food and beverage industry. Therefore, the halal food and beverage industry can increase the export value of halal products, which is one of the factors driving Indonesia's economic growth (Utari et al., 2022).

Based on the research results above, it can be seen that the Muslim fashion industry variable (X2) does not have a significant effect on the development of halal product exports in Indonesia. The production development of the Muslim fashion industry in 2019-2020 experienced a drastic decline, because in 2019-2020 economic conditions in Indonesia experienced a decline due to the Covid-19 pandemic.

However, the results of this research are in accordance with Hasan & Hamdi's (2022) research, there are many challenges faced by Indonesia to become a global fashion mecca, including the existence of intense competition with foreign countries, the absence of halal certification that applies globally. , the categorization of halal fashion which is still united with general or conventional fashion, there are still problems in the JPH Law, it is still low and there is a lack of raw materials, the competitive spirit of Indonesian society is weak, and adapting to the Covid-19 pandemic.

However, research results from Faried (2019) explain that the government's active role and community response to the development of sharia economics, including Muslim fashion products, has great potential for domestic business actors. One of the halal industrial products is Muslim fashion, which is increasing, providing the opportunity for Indonesia to become one of the countries producing halal products, not only for its own needs, but also to meet the needs of the world halal market (Nisponi, 2021)

Based on the research results above, it can be seen that halal pharmaceuticals and cosmetics partially have a significant influence on the development of halal product exports in Indonesia. The results of this research are also in accordance with research from Utari et al., (2022) that halal pharmaceuticals and cosmetics are products that can be developed,

considering that the Muslim population in Indonesia also has great potential as consumers of local halal pharmaceutical and cosmetic products. This population will greatly influence the development of the halal industry, especially cosmetics.

Because according to their habits, most women like to use various types of cosmetics. Although basically it's not only women who use cosmetics, men also use certain types of cosmetics such as powder. The number of healthcare products and pharmaceuticals represents a potential lifestyle offering by the halal industry that has demonstrated impressive growth performance. Therefore, there is a huge opportunity for this sector to enter the global pharmaceutical industry.

Based on data released by the Central Statistics Agency (BPS), there was quite significant growth in the performance of the chemical, pharmaceutical industry and also the halal cosmetics sector by 5.59% in the first quarter of 2020. Despite the Covid-19 pandemic, growth in the pharmaceutical and Halal cosmetics have contributed to providing foreign exchange to the country with export revenues reaching US\$ 317 million or approximately 4.44 110 trillion in the first semester of 2020 or an increase of 15.2% compared to the same period in the previous year (Hasanah, 2021).

The direct influence of the Halal Food, Halal Fashion and Halal Cosmetics variables on Economic Growth is 0.887. The influence of Halal Food, Halal Fashion and Halal Cosmetics on Economic Growth in Indonesia and the Export Market as an Intervening Variable 0.205.

The Covid-19 pandemic has hit the international world, and Indonesia is included in it. Indonesia is fighting Covid-19 by modifying regional quarantine policies into large-scale social restrictions locally according to the level of severity in the province, district or city (Peristiwa, 2021). The implementation of Large-Scale Social Restrictions (LSSR) is the biggest contributor to the economic downturn in Indonesia, the existence of LSSR this disrupts a lot of things. Starting from disrupting the supply of raw materials to affecting the economic activities of business actors. Then entrepreneurs lose a lot of income because their business is not running smoothly so they cannot pay their workers, resulting in a wave of layoffs that cannot be avoided. Many people find it difficult to find work, causing unemployment to increase (Susilawati, 2020).

The halal industry does have a strategic role in improving the national economy. This potential can be seen from data from the Ministry of Finance of the Republic of Indonesia in 2019 which states that the halal industry has contributed 3.8 billion USD to Gross Domestic Product (GDP) and investment of 1 billion USD from foreign investors, as well as opening up 127 thousand jobs per year. If this potential is further optimized, the halal industry can increase the value of exports and the country's foreign exchange reserves. Apart from that, the halal industry also has the potential value of Indonesian exports which is one of the factors driving economic growth. The export value that can be generated from the halal industry ranges from 5.1 billion USD to 11 billion USD per year. In 2018, the halal industry generated USD 7.6 billion (Pratikto et al., 2021).

## CONCLUSION

Based on the data that has been collected and the tests that have been carried out, it can be concluded that the halal food, halal fashion and halal cosmetics industries have a significant influence in increasing Indonesia's export market, as well as the export market which has a significant influence on Indonesia's economic growth. Then the halal food industry, halal fashion and halal cosmetics also have a direct influence on Indonesia's economic growth. Therefore, in this way, the halal food industry, halal fashion and halal cosmetics have an influence on Indonesia's economic growth through the export market as an intervening variable.

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