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**INDONESIAN HALAL PRODUCT CERTIFICATION REALIZATION  
STRATEGY BY THE HALAL PRODUCT GUARANTEE ORGANIZING AGENCY  
(BPJPH)**

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**Abstract**

The Halal Product Guarantee Organizing Agency (BPJPH) is implementing the mandate of the Ministry of Religion of the Republic of Indonesia which is targeting 10 million halal-certified products by October 2024 to make Indonesia the world's halal center. BPJPH has implemented various strategies to realize this target. Through this qualitative research, it was found that by early 2024 it had been realized that 4,591,573 products are halal certified. The strategy that best shows its optimality in achieving this realization is the existence of a self-declared halal certification registration route, the SiHalal application, and the Sehati program. With the success of the strategy and realization of halal certification, BPJPH won two awards from prestigious events in the field of Information Technology in the form of the TOP Digital Award 2023.

**Keywords:** Strategy, Realization, Halal Certification, BPJPH

## INTRODUCTION

The latest regulations related to halal products are Government Regulation Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Sector which is structured as a continuation of legal certainty regarding Halal Product Guarantees that previously existed, namely Law Number 33 of 2014 concerning Halal Product Guarantees and Law Number 11 2020 concerning Job Creation. This PP is a form of implementation of Article 29 paragraph (2) of the 1945 Constitution an article which explains that the state guarantees that every religious believer worships and carries out the teachings of his religion so that for followers of Islam the state tries to guarantee the halal protection of the products they consume (BPJPH Ministry of Religion of the Republic of Indonesia, 2020).

Halal standard products should be an important part of global business. Standards that monitor the distribution of halal products must be clear at least on a national scale. This is because fulfilling halal needs is the right of every Muslim. Consuming halal products is not only related to religious beliefs but is also related to health, safety, and economic priorities.

The intensity of preference for halal products among Indonesian people is increasing. Indonesian consumers are increasingly looking at halal products in proportion to the increasing number of MSMEs that have the potential to produce halal products but have not been managed well. Indonesia has made efforts to fulfill the halal needs of its Muslim community through the Indonesian Ulema Council (MUI) which regulates and supervises halal certification and labeling of products. MUI has a special institution that regulates the mechanism for halal products distributed by producers (Warto and Syamsuri, 2020).

Before the enactment of Law Number 3 of 2014, the management of halal certification was still the full responsibility of the MUI. Furthermore, the management of halal certification is the responsibility of the Halal Product Guarantee Organizing Agency (BPJPH) based on the mandate of Law Number 3 of 2014. BPJPH collaborates with the Halal Inspection Institute (LPH) and MUI acts as the fatwa issuer. BPJPH is responsible to the Ministry of Religion (Sayekti, 2014).

Apart from implementing the mandate of the 1945 Constitution, article 29 paragraph (2), as mentioned, efforts to fulfill the halal needs of the Indonesian people are one of the roadmaps for developing the sharia economy and national halal industry, namely by making

Indonesia a world halal center or destination. This expectation is considered very rational considering that Indonesia has halal capital in terms of religious demographics, socio-cultural, and human capital. Indonesia's religious demographic capital is visible from the large number of adherents of Islam who are strengthening the increase in halal products. Social and cultural capital in the form of the potential of the halal industry in Indonesia with the emergence of halal lifestyle trends in the form of halal products, culinary delights, and tourist destinations. Of course, Indonesia has thousands of academics, researchers, and practitioners who understand the concept and flow of halal goods. This capital has the potential for Indonesia to be able to create a halal certification implementing organization consisting of halal industry players, halal auditors, halal supervisors, and so on (Mastuki, 2021).

Based on the implementation of the 1945 Constitution article 29 paragraph (2), the mandate of Law Number 3 of 2014, Government Regulation Number 39 of 2021, and the Sharia economic development roadmap, the government from October 2019 to 2024 is targeting all business actors to be halal certified, which will be done in stages. The Head of BPJPH, Ministry of Religion of the Republic of Indonesia, stated that from 2019 to 2024 this will be the first stage of implementing government regulations regarding the halal certification obligation which applies to business actors who process three groups of products, namely; (1) food and beverage products, (2) raw materials, food additives and auxiliary materials for food and beverage products, and (3) slaughtered products and slaughtering services. Because it is mandatory, business actors in these three groups who have not been halal certified and whose products are already circulating in the community will be subject to sanctions. Sanctions can take the form of written warnings, administrative fines, and withdrawal of goods from inventory (Indah, 2023).

The obligation for halal certification for business actors is in line with the BPJPH target under the auspices of the Ministry of Religion, which targets 10 million halal-certified products by 2024. This is an effort to make Indonesia the number one producer of halal food and drinks. For this reason, BPJPH is making efforts to accelerate halal certification targets including; training to accompany halal product processes, halal canteen programs,

strengthening partnerships with ministries and other institutions, regular halal certification facilities, mandatory halal campaigns, and continuous supervision (Yana, 2023).

Micro, Small, and Medium Enterprises (MSMEs) are targets for achieving halal certification. Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) compiled by LPPOM MUI (2022), in 2019 Indonesia had 193,959 small-scale businesses and 63.9 million were micro-scale businesses. Based on the halal certification target from BPJPH, from October 2019 to June 2022 only 33,296 micro businesses registered for halal certification, only 5,802 small scale businesses, and 3,935 medium scale businesses registered. As for data from LPPOM MUI until 2021, 8,333 micro and small businesses have passed the halal certification process. Meanwhile, until mid-2022, there will be 2,310 micro and small businesses whose halal certification has been processed by LPPOM MUI. This nominal value is still very small compared to the total number of micro and small businesses in Indonesia.

The achievement of the number of halal-certified businesses cannot be separated from the various efforts and challenges faced by East Java. Research by Nasori, et. al. (2022) stated that from the results of the Halal Guarantee Workshop by the East Java KUKM Service in 2021, the KUKM Service still needs to pay attention to MSMEs that do not yet have a business permit because this is one of the requirements for applying for halal certification. Having a business permit also makes it easier for MSMEs to gain access to a lot of information related to managing halal certification (Astuti, et. al., 2023).

Nationally, Donny and Kurniawan (2023) assess that the implementation of halal product certification in Indonesia is not yet optimal, because distribution and coverage are still inadequate due to the lack of accredited Halal Inspection Institutions (LPH). However, the government has provided appropriate responses and subsidy targets in processing halal certification. This research is in line with the research of Siddiq, et. al. (2021) who analyzed the public response to halal certification from both the producer and consumer side is still low. This is due to the partial halal certification of legal institutions and producers who prioritize business aspects.

At the regional level, the results of socialization and assistance regarding halal certification are still not optimal so that understanding of information and trust in halal

certification is still lacking (Mohammad and Maulidiyah, 2021). According to Ningrum (2022), there are still many problems found at the regional level related to halal certification, such as lack of outreach to MSEs in peripheral or rural areas, economic limitations from minimal and uncertain income which is an obstacle for business actors to process halal certification, limited use of information technology in the process of processing halal certification online, facilities are inadequate, there are minimal facilities and infrastructure owned by business actors, as well as the mindset of business actors that halal certification only applies to large entrepreneurs so they are passive and apathetic in processing halal certification.

Likewise, the research of Badriyah, et. al. (2023) found several problems, namely that not many MSMEs understand the process of applying for halal certification, there is a lack of public understanding of the halal concept, and there are several potential products such as regional specialty products but have not yet received halal certification.

Regarding the problem of funds for processing halal certification, especially felt by small business actors, the government has provided the Sehati program (free halal certification), which is an effort to accelerate halal certification for MSEs who meet the criteria. The implementation of the Sehati program, which makes it easier for business actors to process halal certification, still finds problems, including; Insufficient understanding of halal concepts, lack of socialization, stakeholders still not playing an optimal role, low response from business actors, especially those with low digital knowledge, and assistance with the halal certification process is also not optimal (Kasanah and As Sajjad, 2022).

Based on the phenomena that have been mentioned, the existence of a large target from BPJPH and the discovery of several problems in fulfilling halal certification makes it interesting to analyze the strategy for realizing halal certification for business actors in Indonesia.

## **RESEARCH METHOD**

The research method used in this research process is qualitative as the purpose of this research is to understand phenomena about what is experienced by research subjects such as behavior, motivation, perceptions, actions, etc. utilizing descriptions in the form of words

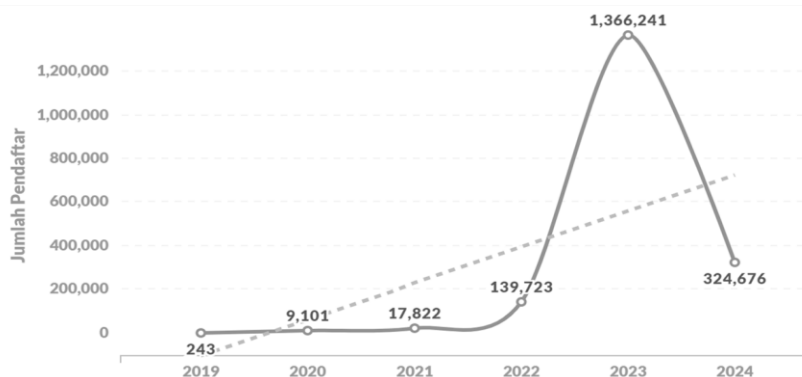
and language in a natural context and methods. Based on the context of this research method, this research approach is descriptive qualitative, namely collecting data in the form of words, images, and not numbers (Moleong, 2016). This research approach uses a literature study with the main literature based on the Strategic Plan (Renstra) of the Halal Product Guarantee Organizing Agency. The data source for this research is a secondary data source which is mainly obtained from One Data of the Ministry of Religion of the Republic of Indonesia as well as from other sources that support the data.

## RESULTS AND DISCUSSION

### Realization of Halal Certification for Business Actors in Indonesia

The government sees the potential of Indonesia's large Muslim population and is programming to make Indonesia a major player in the world's halal industry. Therefore, the Government through the Halal Product Guarantee Organizing Agency (BPJPH) is targeting 10 million halal-certified products by 2024 (LPPOM MUI, 2023). Following up on the process of achieving this target, based on data collected in the Indonesian Ministry of Religion's Satu Data, from the issuance of Government Regulations on Halal Product Guarantees in 2019 until May 2024, a total of 4,591,573 products produced by Indonesian business actors have been certified halal. This number does not include halal certification which is still in the assessment process for 52,862 products, as well as 1,858,322 products that have been registered.

Based on the number of halal certifications that have been issued, the most will be realized in 2023 based on the annual trend of halal certification registrations as follows:



**Figure 1**  
**Trends in Halal Certification Registration per Year**

The year 2023 shows a drastic high achievement compared to previous years for the realization of halal certification considering that it is approaching the final year of the halal certification target in 2024. This also shows the exceedance of the target in 2023, where the initial target was to reach 1 million halal certifications. This high achievement is in line with the many efforts made by BPJPH to increase the realization of halal certification. Efforts are being made in the form of maximizing outreach and services for the ease of obtaining halal certification (Indah, 2023).

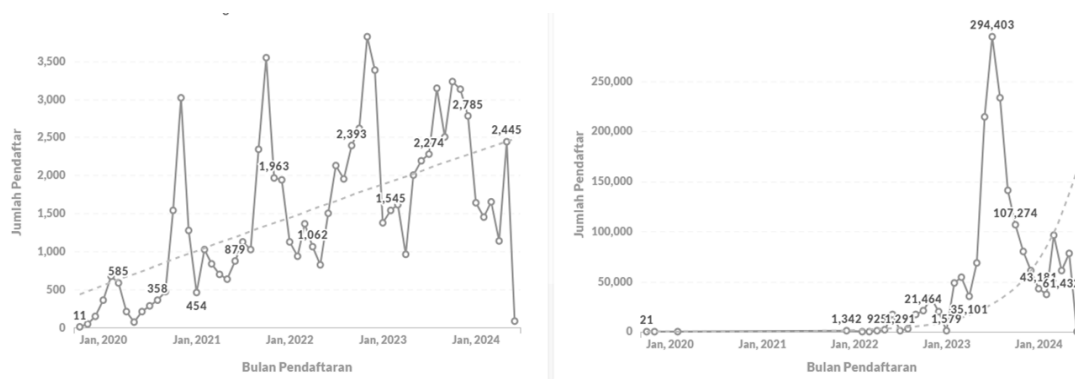
### **Strategy for Fulfilling the Realization of Halal Certification for Business Actors in Indonesia**

The year 2024 is the initial target for all food, beverage, cosmetics, medicines, and meat processing products to be halal certified. Therefore, many strategic efforts have been made by BPJPH as the person responsible for the realization of halal certification in Indonesia. BPJPH (2023) has formulated a strategic plan for 2020-2024 regarding achieving halal certification targets with the following four efforts: a) Halal registration and certification services; b) Development and supervision of halal product guarantees; c) Halal cooperation and standardization; d) Management support and implementation of other technical tasks.

During the current year in achieving the halal certification target, several strategies were implemented which were very optimal in increasing the issuance of halal certification. These strategies are:

#### **Self-Declare Path**

Applying for halal certification can use two routes, namely the regular route and self-declare. The regular route is an application for products that require more thorough product halal testing by the Halal Inspection Institute (LPH). Meanwhile, the self-declare route is an application for halal certification without product halal testing by LPH but only based on the statement of the business actor which is verified by the Halal Product Assistant (PPH) (Ali, 2023). The self-declaration route is usually for products that are not at risk of containing or going through an illegal process. The following is a comparison of trends in registration for regular and self-declared halal certification (One Data from the Ministry of Religion of the Republic of Indonesia, 2024):



**Figure 2**  
**Trends in Halal Certification Registration via Regular and Self-Declaration Routes**

Based on the picture above, it can be seen that the regular route registration only reached under 3000 registered products, while the self-declared route reached hundreds of thousands of registered products. This shows that the self-declare route is an optimal strategy to simplify and speed up the target number of halal certifications. It has been proven that this route contributes to a large number of halal certifications compared to the regular route.

#### SiHalal Application

This application has been launched since the beginning of the mandatory halal certification regulations in 2019. The application which can initially be accessed on the website can now be downloaded via Playstore (Pohan, et. al., 2024). The existence of the SiHalal application as a form of application of Artificial Intelligence (AI) and Blockchain technology makes halal certification services easier and more professional. It is proven that by the end of 2023, users of this application will have reached more than 1.7 million users. This application is also the main bridge for the ease of the halal certification process which will be optimized by 2023 and exceed the target of more than 1 million halal certified products. Therefore, with optimal service through this application, BPJPH won two awards at once in 2023 from ITWorks Magazine in the TOP Digital Award in the TOP Digital Implementation 2023 and TOP Leader on Digital Implementation 2023 categories (BPJPH, 2023).

## Healthy Program

The Sehati Program (Free Halal Certificate) will be held starting in 2022 and is intended for 25,000 business actors to register halal certification for their products through the self-declare route. This program is a synergistic-collaborative strategy between BPJPH and ministries, regional governments, institutions, and agencies, as well as the private sector to help with halal certification costs to increase the target of 10 million halal-certified products (Mardiyah, et. al., 2023).

This program has received quite a lot of appreciation from the business community who are encouraged by the LPH's efforts. People are interested in participating in the Sehati program due to internal factors in the form of understanding of regulations, knowledge of the Sehati program, and the mindset of the business community, as well as external factors in the form of free halal certification fees and ease of halal certification procedures (Mya and Handayani, 2023). The number of halal certifications issued from this program has also increased, since the opening of the Sehati Phase 1 program, 10,164 halal certifications were issued until Phase 2 reached 324,834 halal certifications. This program is still being continued with a target of reaching 1 million halal certifications by October 2024 (Malahayati and Faizah, 2023). Temporary data as of May 2024, the number of halal certifications born from the Sehati program has reached 2.6 million, dominated by West Java Province with 412,271 halal certifications recorded. For this program, the West Java Government prioritizes simple business actors with product requirements using materials and processes that are confirmed to be halal, having a Business Identification Number (NIB) and a maximum turnover of 500 million as proven by an independent statement (Nurulliah, 2024).

This strategy has been implemented by BPJPH which by 2023 will reach more than 1 million products that have been certified halal. The implementation of this halal certification realization strategy has even been appreciated by BPJPH receiving various awards for its performance. By optimizing the above strategy, BPJPH has achieved its business strategic plan by the end of 2023, one of which is exceeding the halal certification acceleration target of up to 110.91%, with a target of 1 million but 1,366,241 halal-certified products were realized.

## CONCLUSION

The government, through the Halal Product Guarantee Organizing Agency (BPJPH), is targeting 10 million halal-certified products by 2024. Following up on the process of achieving this target, based on data collected in the Indonesian Ministry of Religion's Satu Data, as of May 2024, there are 4,591,573 products produced by Indonesian business actors. has been halal certified which is dominated by the highest achievement in 2023. There are many strategic efforts made by BPJPH as the person responsible for the realization of halal certification in Indonesia. During the current year in achieving the halal certification target, several strategies were implemented which were very optimal in increasing the issuance of halal certification. These strategies are; there is a self-declare route, the SiHalal application, and the Sehat Program (Free Halal Certificate). By optimizing the above strategy, BPJPH has achieved its business strategic plan by the end of 2023, one of which is exceeding the halal certification acceleration target of up to 110.91%, with a target of 1 million but 1,366,241 halal-certified products were realized.

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