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MALAYSIA HALAL-CERTIFIED COMPANIES' VIEWS ON INDONESIA
HALAL CERTIFICATION AND EXPORT OPPORTUNITIES



MASTER ISLAMIC FINANCE AND BANKING

UNIVERSITI UTARA MALAYSIA

MALAYSIA HALAL-CERTIFIED COMPANIES' VIEWS ON INDONESIA HALAL
CERTIFICATION AND EXPORT OPPORTUNITIES



By

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ABSTRACT

This study explores the perceptions of halal-certified companies in Malaysia towards the Indonesia halal certification system and related export opportunities. Given the strategic roles of Malaysia and Indonesia in the global halal market particularly in the ASEAN region, understanding companies' perspective is important to strengthen trade relations and certification harmonization. Through a qualitative approach with in-depth interviews with halal companies in Kedah, Malaysia, this study highlights three key areas perceptions Indonesia halal certification, challenges and opportunities in entering the Indonesia halal market, and interest in exporting to Indonesia. Findings show a diversity of view with some companies viewing BPJPH as a legitimate and growing system, but still having concerns regarding regulatory inconsistencies and trust. However, there is strong interest in expanding halal exports to Indonesia, subject to increased transparency, mutual recognition of certification, and closer collaboration between JAKIM and BPJPH, this study contributes to the halal trade literature and offers practical recommendations for halal industry stakeholders in improving their expansion strategies and cross-border certification harmonization.

Keywords: Halal certification, halal trade, Malaysia halal companies, BPJPH, JAKIM, export opportunities



ABSTRAK

Kajian ini meneliti persepsi syarikat halal di Malaysia terhadap pensijilan halal Indonesia dan potensi eksport yang berkaitan. Malaysia dan Indonesia memainkan peranan penting dalam pasaran halal global, khususnya di ASEAN. Melalui kaedah kualitatif dengan temu bual mendalam bersama syarikat di Kedah, kajian ini mengenal pasti tiga aspek utama tanggapan syarikat berkenaan terhadap pensijilan BPJPH, cabaran dan peluang dalam pasaran halal Indonesia, serta minat export ke negara tersebut. Dapatan menunjukkan pandangan yang pelbagai walaupun BPJPH dilihat sekmakin berkembang, terdapat kebimbangan berkaitan ketidakselarasan peraturan dan kepercayaan. Namun begitu, minat terhadap pasaran Indonesia adalah tinggi dengan syarat wujud ketelusan, pengiktirafan bersama dan kerjasama erat antara JAKIM dan BPJPH. Kajian ini memberi sumbangan kepada literatur perdagangan halal dan menawarkan cadangan pratikal untuk strategi perluasan dan penyelarasan pensijilan rentas sempadan.

Kata kunci: Pensijilan halal, perdagangan halal, BPJPH, JAKIM, eksport



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LIST OF ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
BPJPH	Badan Penyelenggara Jaminan Produk Halal (Halal Product Assurance Organizing Agency - Indonesia)
F&B	Food and Beverage
JAKIM	Jabatan Kemajuan Islam Malaysia (Department of Islamic Development Malaysia)
JPH	Jaminan Produk Halal (Halal Product Guarantee)
LPPOM	Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika Majelis Ulama Indonesia
MUI	Majelis Ulama Indonesia (Indonesian Ulema Council)
LSH	Lembaga Sertifikasi Halal (Halal Certification Body)
LPH	Lembaga Pemeriksa Halal (Halal Inspection Agency)
MS	Malaysian Standard
PIC/S	Pharmaceutical Inspection Co-operation Scheme
USD	United States Dollar
UU-JPH	Undang-Undang Jaminan Produk Halal (Law No. 33 of 2014 on Halal Product Assurance)

CHAPTER ONE

INTRODUCTION

1.1 Background of study

Particularly in nations where the overwhelming population is Muslim, halal items have emerged as one of the key commodities in international trade, with estimates to reach USD 3.2 trillion by 2024, the global market for halal products is expanding quickly. Among the ASEAN nations, Indonesia and Malaysia play a significant role in the halal sector. Indonesia, the nation with the greatest number of Muslims worldwide, is a significant producer as well as a consumer of halal goods. Indonesian halal products, particularly certified ones, have good export potential, particularly to Malaysia, which has a halal market that is expanding quickly as well.

The desire for halal-certified products among Muslim consumers worldwide has led to a larges growth in the global market in recent years, making halal one of the key metrics in the global rivalry of products based on Muslim growth. The largest nation with a majority of Muslims, Indonesia, has a great deal of potential to provide this market with a range of halal products. One of the primary participants in the global halal trade is foreign students, who offer opinions about Indonesian products with the halal brand (Kurniawati & Savitri, 2020).

Indonesia presents itself as a significant manufacturer and exporter of halal goods thank to its varied cultures and extensive culinary traditions. Policymakers, corporate actors, and consumers who want to negotiate the complexity of the halal industry and take advantage of its economic potential must understand the current condition of halal products in

Indonesia. Utilizing scientific and technical advancements, the processing industry has experienced a rapid evolution in science and technology. Inadvertently or on purpose, halal and non-halal ingredients have been included during the production of necessities. Additives made from different raw materials especially animal sources have caused halal and non-halal components to be combined. Because non-halal materials are used in many necessities, items that are on the market may not always be halal, even if they are branded as such. As a result, blending may produce non-halal products, this is due to the fact that ascertaining the halal status and purity of a processed good necessitates specialized knowledge and research from multiple disciplines, such as industrial engineering, biology, chemistry, biochemistry, food science, and pharmacy, in addition to an awareness of religious law (Warto & Samsuri, 2020).

In order to facilitate the flow of goods, services, capital, and information between nations, halal standard products should be an essential component of international trade and economic activities that demand international norms and quality standards to acquire the trust of consumers across national boundaries. Experts conclude that the benefits of cross-border trade go beyond military competition and territorial expansion. International trade has a significant impact on the economies of these nations and can foster an environment that is mutually beneficial from reciprocal trade, even more efficient in producing and marketing goods (Saiful Bahri, 2012).

Halal-certified companies in Malaysia have varying perspectives on Indonesia halal certification, which influences their approach to export opportunities and market expansion strategies. Given its strategic role in the global halal industry, Malaysia needs to consider the opportunities offered by Indonesian halal certification in supporting halal

products exports, some halal-certified companies in Malaysia consider Indonesian halal certification as a strong regulatory framework and in line with global standards, while others find differences in certification criteria that may pose challenges in cross-border trade.

Understanding how these companies evaluate Indonesia's halal certification system is critical in assessing export opportunities and strategic collaboration between the two countries, with a stringent halal certification system and an established supply chain, Malaysia has the potential to not only import certified halal products from Indonesia but also leverage synergies in global distribution. Malaysian companies' views on Indonesian halal standards can play a significant role in determining expansion and collaboration strategies, thereby strengthening Malaysia's position as a global halal hub and increasing opportunities for halal trade between countries (Supriyadi et al., 2024).

1.2 Problem Statement

In the worldwide halal market, halal certification is crucial since it guarantees that a product conforms in Islamic law. Indonesia, the largest Muslim-majority nation in the world, is a significant player in the halal product industry, exporting goods bearing the halal label to numerous nations, including Malaysia. Given the similarities in culture and religion between Indonesia and Malaysia, there are worries about how Malaysian businesses may view Indonesian-made halal goods. Limited of knowledge of Indonesia's halal certification procedure may lead to skepticism the quality, safety, and legitimacy of Indonesia halal products, which can erode consumer trust an hinder market acceptance (Nazari et al., 2023).

While Malaysia companies operate in a market where Jabatan Kemajuan Islam Malaysia (JAKIM) is renowned for its stringent and globally recognized halal certification standards, the Halal Product Guarantee Agency (BPJH) in Indonesia regulates halal certification through a different process. This divergence in certification standards may influence how Malaysian companies assess the credibility and competitiveness of Indonesian halal-certified products (Ariefiara et al., 2022). Stronger commercial ties and increased trust can result from favorable opinions of halal certification (Mahliza, 2022).

Despite the growing halal trade between Indonesia and Malaysia, there is limited empirical research on how Malaysia halal-certified companies perceive Indonesia's halal certification, the challenges they face in entering Indonesia's halal certification, the challenges they face in entering Indonesia's halal market, and their interest in exporting to Indonesia. This knowledge gap is crucial, as Malaysia and Indonesia are both key players in the global halal industry, and the perception of certification standards plays a major role in shaping trade relations between the two nations. Understanding these perspectives is essential to identify both the challenges and opportunities Malaysian and Indonesian halal business face when expanding their markets.

Thus, this study is necessary to bridge this knowledge gap by providing empirical insights into the views of halal-certified companies in Malaysia regarding Indonesia's halal certification system. Additionally, this study will examine the challenges and opportunities Malaysian companies face when entering Indonesia's halal market and their interest in exporting their products to Indonesia. Findings from this study will contribute to strategic recommendations for both Indonesian and Malaysian halal producers to enhance certification credibility, align with market expectations, and strengthen their

competitiveness in each other's markets. Addressing these concerns will also support stronger trade relations, increase consumer trust, and improve the positioning of halal product from both nations in the global halal industry.

1.3 Research Question

1. What are the perception of Malaysian halal-certified companies on Indonesia Halal certification?
2. What challenges and opportunities do Malaysia halal-certified companies encounter when exporting to the Indonesia halal market?
3. How Malaysian Halal-certified companies interested in exporting their products to Indonesia's halal market?

1.4 Research Objectives

1. Exploring the perceptions of Malaysia halal-certified companies regarding Indonesia's halal certification.
2. Identifying the challenges and opportunities faced by Malaysia halal-certified companies in entering Indonesia's halal market.
3. Assessing the interest of Malaysia halal-certified companies in exporting their product to Indonesia.

1.5 Significance of study

This study is significant from both academic and practical perspectives, especially in the context of Malaysia halal-certified companies' views on Indonesian halal certification and related export opportunities, from an academic perspective, this study contributes to the limited literature on corporate perspectives on cross-border halal, particularly on how Malaysian companies view Indonesian halal certification. In addition, this study will also

deepen the understanding of the factors that influence business decisions in enhancing halal trade relations among ASEAN member countries.

Practically, this research is important for Indonesia halal product producers targeting the Malaysian market, particularly those interested in expanding to Kedah. Kedah has experienced significant economic growth in recent years, particularly in the halal industry, making it a strategic distribution hub in northern Malaysia due to its border with Thailand.

Companies in Kedah, especially in the food and beverage sector, import and distribute halal-certified products from Indonesia to meet the region's growing market demand. By analyzing the perspectives of halal-certified companies in Kedah, this study aims to provide valuable insights for Indonesian manufacturers to refine their certification, marketing, and product quality strategies to align better with market expectations.

In addition, this study is also expected to help Kedah-based companies explore potential collaborations with Indonesia manufacturers, enhancing the halal supply chain and boosting their competitiveness in both domestic and regional markets.

1.6 Scope of Study

This study focuses on several key aspects regarding the views of halal-certified companies in Malaysia towards Indonesia halal certification, with a particular emphasis on companies located in the Kedah region. The scope of this study includes:

1.6.1 Geographical Location:

This study focuses on halal-certified companies operating in the Kedah region, Malaysia. This region was chosen for the study of companies' views on Indonesia halal certification and export opportunities due to its status as a rapidly growing halal industry sector and its

proximity to neighboring countries, both geographically and culturally. Given the positive impact of halal value chain policies and certification on the export competitiveness of halal product Indonesia, companies in Kedah can take advantage of the opportunity to strengthen their position in the global halal market by understanding best practices from Indonesia (Masruroh, 2020).

1.6.2 Corporate Perceptions

This study examines the perception of halal-certified companies in Malaysia towards the authenticity, safety, and quality of Indonesian products bearing the halal logo. It also analyzes their views on the halal certification procedure in Indonesia and its impact on business decisions and corporate trust levels, which are important aspects in understanding corporate perception towards cross-border halal certification.

1.6.3 Industry Type:

The focus of this study is on companies in the food beverage and other consumer products industries that are relevant to the halal product market in Malaysia. These industries were selected because of their high demand and close association with halal-branded products, making them key sectors in understanding the views of halal-certified companies in Malaysia towards Indonesian halal certification and export opportunities.

1.6.4 Time Period:

Reviewing the perception of halal-certified Malaysia companies in the Kedah region, this study was conducted in 2024 to 2025, precisely at the end of December to the beginning of January. Within a certain time frame, data collection can be completed, thus allowing

for a study of the perception of halal-certified Malaysian companies towards Indonesian certification and export opportunities.

1.6.5 Data Collection Methods:

This study uses in-depth interviews with decision makers in Kedah-based companies. The data collected will be analyzed to determine the elements that influence the company's view of halal certification in Indonesia and its export opportunities.

1.7 Definition of Key Items

1.7.1 Malaysia Halal-certified Companies

Companies in Malaysia that have obtained halal certification from official authorities such as JAKIM are considered to have met halal standards in their production, distribution and products. Emphasizing the importance that addition to maintaining certification, companies must also implement effective and transparent sharia governance practices to enhance stakeholder trust. This includes adequate training to reduce the risk of halal non-compliance, as well as a focus on high quality sharia management to ensure sustainability and long-term success in (Henderson, 2016) the Halal industry (Mohd Safian, 2020).

1.7.2 Views

Refers to the perception, views or opinion of halal certified companies in Malaysia on certain aspects, such as Indonesia halal certification and export opportunities. In this context, “views” refers to the perception and opinions of halal-certified companies in Malaysia regarding various aspects, including the halal certification process in the Indonesia and the available export opportunities, this reflects an awareness of the

challenges and opportunities in the halal industry, where stringent certification can provide a competitive advantage in the global market (Henderson, 2016).

1.7.3 Indonesia Halal Certification

Halal certification in Indonesia is an important process that guarantees halal products to meet the needs of the majority Muslim population which reaches 87.18%, this process starts from selecting raw materials, inspecting the production process, to checking products, and was previously regulated by the Indonesia Ulama council (MUI) before the authority was transferred to the Halal Product Guarantee Organizing Agency (BPJPH) after the enactment of the Halal Product Guarantee Law (JPH) in 2019. Halal certification not only serves as a guarantee for consumers, but also provides economics benefits to producers, such as increased consumer confidence and access to a wider global market, which ultimately supports the security, comfort and safety of halal products in Indonesia (Faridah, 2019).

1.7.4 Export Opportunities

Export opportunities are the possibility for a company to sell products or services to international markets, which includes an assessment of market attractiveness, the feasibility of the company's resources and ability to enter that market, as well as an evaluation of the risks associated with export activities. Apart from that, the temporal context also plays an important role in decision making, where companies need to consider the impact of time and short-term and long-term projections. Overall, export opportunities reflect the potential for business growth and expansion outside the home country (Bolzani et al., 2021).

1.8 The Organization of the Study

This research report is divided into five chapters. The first chapter contains an introduction, problem formulation, research questions, research objectives, research scope, the meaning of important terminology, and the structure of the thesis.

The second chapter focuses on how Malaysian Halal certified companies view Halal certification and export opportunities in Indonesia. This chapter examines the introduction, the meaning of halal from an Islamic perspective, and the halal symbol in Indonesia, as well as examining the opinions of Malaysian companies regarding Indonesia halal certification. An introduction to research design and techniques is explained in Chapter Three, the approach taken to collect the data necessary to address a problem and achieve research objectives is known as research design.

Chapter four will discuss the research findings. Thus, this section is structured according to the research questions and objectives. This chapter will discuss the first claim about how Malaysian halal-certified companies views on Indonesia halal certification and export opportunities.

Chapter five will summarize the research findings, contributions, limitations, and suggestions for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This research aims to understand how halal certified companies in Malaysia view Indonesia halal certification as well as export opportunities for Indonesia halal products to Malaysia, to obtain a comprehensive understanding, this research will examine various related theories, including the halal concept, halal certification mechanisms in Indonesia and Malaysia, as well as factors that influence business decisions in global trade. This study will also discuss how companies make assessments of Indonesia halal certification in relation to business strategy and market expansion. Through in-depth literature evaluation, this research is expected to build a strong conceptual framework for understanding the relationship between Malaysia corporate view, Indonesia halal certification, and business decision regarding cross-border halal trade.

2.3 Previous Research

In this section the author describes some of the research that has been conducted by previous authors that is quite significant in the research that being conducted by the author. The difference between the research that the researcher is studying and previous research is the function of previous research, some of the previous research is as follows:

The first study conducted by (Supriyadi et al., 2024) in their study entitled “Legal Effectiveness of Halal Product Certification in Improving Business Economics in Indonesia and Malaysia”. analyzed the differences in halal certification regulations in Indonesia and Malaysia and their impact on business actors, this study uses a qualitative method with a phenomenological approach and finds that the differences in the halal

certification system between Indonesia and Malaysia have an impact on business and export opportunities.

The second study conducted by (Sofiana et al., 2021) in their study entitled “ The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia”. Discusses the comparison of halal certification systems in Indonesia and Malaysia in the context of consumer protection. This study uses a comparative approach method through a literature review of halal certification policies in both countries, the results of the study show that the Malaysian halal certification system is more organized and systematic than Indonesia.

The third study conducted by (Rofiah et al., 2024) in their study entitled “The effectiveness of Accelerating Halal Product certification regulation and companions”, discusses the effectiveness of accelerating halal certification in Indonesia and Malaysia and the factors that influence it, this study uses a socio-legal approach with a comparative method, comparing halal certification regulations in both countries. The results of the study show that halal product regulations in Indonesia are still not optimal in terms of legal substance, institutional structure, so that the acceleration faces various obstacles, such as lack of readiness of business actors, limited human resources for halal companions, and bureaucratic procedures that are still considered complicated.

The fourth study by (Latiff, 2015) in the study “Halal certification procedure in Malaysia and Indonesia a study on criteria for determination of Halal pharmaceutical Products” discusses the comparison of halal certification procedures in Malaysia and Indonesia, especially for pharmaceutical products. The results of the study show that halal pharmaceutical standards in Malaysia are more established than in Indonesia, with clearer

regulations MS 2424:2012, on the other hand Indonesia still faces challenges in harmonizing regulations and transparency of the certification process.

The fifth study by (Zaharah et al., 2024) in the study “ Halal industry: A comparative analysis of halal certification mechanisms in Indonesia and Malaysia from the perspective of sharia economic law”, discusses the differences in halal certification mechanisms in Indonesia and Malaysia from the perspective of sharia economic law. The results of the study show that Indonesia and Malaysia have strong sharia legal basis, but the systems are different. BPJPH manages halal certification in Indonesia with MUI supervision, while JAKIM in Malaysia has full authority and more centralized system.

From several existing literature reviews, it can be concluded that research in this research paper refers to various sources, including books, journal, and previous research that has been conducted by previous researchers. These sources include various analyses that have been studied in the form of books or other scientific articles. The description of the similarities and differences of previous research that has been described above can be described in the following table:

No	Name and title of Research	Research result	Difference
1	Supriyadi et al. (2024) - Legal Effectiveness of Halal Product Certification in Improving Business Economics in Indonesia and Malaysia	The differences in halal certification regulations between Indonesia and Malaysia have an impact on business and export opportunities. Indonesia's halal certification still faces challenges in international recognition.	Focus on economic impact.

2	Sofiana et al. (2021) - The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia	Malaysia's halal certification system is more systematic than Indonesia's. Halal certification in Indonesia is considered more complex and takes longer.	Focus on consumer protection.
3	Rofiah et al. (2024) - The Effectiveness of Accelerating Halal Product Certification: Regulations and Companions	Halal regulation in Indonesia is still not optimal in terms of law and institutions. The main obstacles are the readiness of business actors, human resources, and bureaucracy.	Focus on accelerating certification and institutional barriers.
4	Latiff (2015) - Halal Certification Procedure in Malaysia and Indonesia: A Study on Criteria for Determination of Halal Pharmaceutical Products	Halal pharmaceutical standards in Malaysia are more established than in Indonesia. MS 2424:2012 regulation is clearer, while Indonesia still faces challenges in harmonization and transparency of certification.	Focus on pharmaceutical products
5	Zaharah et al. (2024) - Halal Industry: A Comparative Analysis of Halal Certification Mechanisms in Indonesia and Malaysia from the Perspective of Sharia Economic Law	Halal certification in Indonesia and Malaysia has a strong sharia legal basis, but the systems are different. BPJPH manages certification in Indonesia with MUI supervision, while JAKIM in Malaysia is more centralized.	Focus on the perspective of Islamic economic law.

Table 2.1 1 Differences In Previous Research

2.4 Concept of Halal in Islam

The concept of halal in Islam refers to anything that is permitted or permitted under Islamic law. The word "halal" literally means "allowed" in Arabic. In Islam, halal encompasses many aspects of daily life, including as eating, praying, activities,

transactions, and social relationships. Halal also serves as a guide for Muslims to maintain their self-discipline and respect religious principles when living their lives. Halal and haram are two aspects of morality that are explained in Islamic teachings through the Quran and the Sunnah prophet Muhammad SAW. In Islam, anything that is permissible is considered halal, while everything else is referred to as haram. This role aids Muslims in carrying out various activities and actions that are in accordance with or not in accordance with their beliefs. For example, foods and beverages that are prohibited, such as alcohol or pork, are forbidden for Muslims to consume, but foods that are halal and prepared in a way that is easy to consume can be consumed (Alias Azhar & Harlida Abdul Wahab, 2017). The concept of halal is everything that is permissible and in accordance with Islamic principles, including in aspects of food, behavior, and services (Boğan & Saruşıık, 2019).

As the concept of halal is not exclusive to halal and stems from haram actually, it is necessary to consider some of the factors that are included in the Maqashid Sharia such respecting religion, life, mind, descendants, and heart. For us Muslims, halal and haram are an integral part of our existence. A necessary obligation is to consume what is allowed and refrain from what is prohibited. Allah SWT says

لَا يَنْهَى عَنْ لَيْسَ وَلَ النَّهْيُ أَلَمْ يَأْذِنَ لَذِي جَدْنَهُ يَنْتَهَبُوا عَنِ الْفَوَاحِشِ وَأَلَمْ يَأْذِنَ لِمَنْ عَزُوفٍ يَنْهَى عَنْ
لَا يَنْهَى عَنْ لَيْسَ وَلَ النَّهْيُ أَلَمْ يَأْذِنَ لَذِي جَدْنَهُ يَنْتَهَبُوا عَنِ الْفَوَاحِشِ وَأَلَمْ يَأْذِنَ لِمَنْ عَزُوفٍ يَنْهَى عَنْ
وَعَزُّوهُ وَنَصَرُوهُ وَيَنْتَهَبُوا النَّوْرَ الَّذِي أُنْزِلَ مَعَهُ ۚ أُولَٰئِكَ هُمُ الْفَاعِلُونَ ١٥٧

"And He permits them as lawful all good things and forbids them from all that is foul"

Surah al-a'raf, verse 157. The tenets of fiqh, or Islamic law, state that when something is advantageous, it is automatically deemed acceptable, and when it is detrimental, it is automatically deemed prohibited.

Al-Tirmidhi, Ibn Majah, and Al-Tabarani cited a hadith from Salman Al-Farisi that explains the idea of halal: "Salman Al-Farisi stated: The Messenger of Allah (peace be upon him) was questioned about clarified butter, cheese, and fur clothing." "What Allah has allowed in His Book is lawful, and what He has prohibited in His Book is unlawful," he retorted. One of the things that is excused is that which is not specifically stated. Al-Tirmidhi, Ibn Majah, and Al-Tabarani reported.

Imam Shafi'i established halal food laws based on the principle of *Maqasid al-shariah*, which emphasizes goodness and the rejection of harm, he adhered to postulates of the Al Qur'an and Hadith stating that everything that is *tayyibat* is halal and that which is *khawatir* is haram, in this context his ijtiha combines istishab and letter, allowing for resolution of matters that are not explicitly stated, so that people can meet their food needs without difficulty, his approach shows flexibility in applying halal law, especially in dealing with developments in science and technology (Muda & Ahmad, 2016).

Halal, often known as halla, is an Arabic word that means "unbound" or "free." Halal is defined in Islamic jurisprudence as something that is acceptable to do or eat. The word "halal" is frequently linked to problems involving food and drink. Since it is strongly recommended in the faith, it is necessary to understand what is haram (prohibited) and

what is halal. Serious repercussions for individuals who ingest haram food or beverages are strongly related to this (Desy Kristiane, 2021).

The concept of halal in the Qur'an and sunnah includes not only permissible physical elements, but also spiritual aspects through the term " *Halalan tayyiban*" which emphasizes that halal must be good in terms of quality and impact on humans and the environment, this includes the relationship between humans, Allah SW, fellow humans, and nature, which must be integrated in life to create harmony, therefore a holistic approach is needed in managing halal principles that pay attention to spiritual and emotional aspects, in order to create an effective and positive impact management system (Hanapi & Khairuldin, 2017).

Describing the primary tenets of Islamic permitted and forbidden consumption as well as the purposes and advantages of consumption in accordance with religious teachings. This viewpoint can offer Muslims helpful advice on how to consume in a way that respects their faith, gaining Allah SWT's blessings and approval while advancing justice, well-being, and harmony in both their personal and communal lives (Nasution & Nasution, 2023).

The Qur'an is a human handbook that covers a wide range of topics, including what foods are allowed (halal) and what are not (haram). Halal foods, also known as *halalan thayyiban* (pure and good), are those that are allowed by Islamic principles. Foods that are prohibited in Islam are known as haram foods. Whether we are aware of it or not, Allah frequently names forbidden foods as having particular flaws or possible dangers. There is wisdom in every prohibition that Allah has placed (Jamaludin, 2016).

Halal cuisine is described together with the process used to produce it. A mango, for instance, is obviously kosher and safe to consume. However, the previously halal food may turn haram due to the wrong means of acquisition if the mango is gotten through theft, which goes against Islamic teachings. Wealth, food, and beverages acquired illegally also have a big impact on a Muslim's life. One thing that can prevent someone's prayers from being accepted is haram food, according to a hadith.

Halal cuisine, on the other hand, improves a Muslim's quality of life. Halal cuisine is a way to prevent and fight off many ailments and makes it easier to undertake acts of worship. Since humans were made to adore Allah SWT, we must submit to and follow His instructions. Eating and drinking halal and delicious food and drink is one way we show that we are obeying His commands. In Surah Al-Baqarah, verse 168, Allah says:

يَا أَيُّهَا النَّاسُ اتَّقُوا اللَّهَ مَا مَلَكَ إِلَافُ الْأَرْضِ وَلَيْسَ إِلَى اللَّهِ مَلَكٌ وَلَا إِلَهُ إِلَّا اللَّهُ عَزَّ وَجَلَّ

“O man, do not follow the ways of the devil and eat from whatever is good and lawful on earth. He is, in fact, your blatant opponent”.

According to the verse above, Allah tells us to eat halal and nutritious food from the soil, as shown by the command word kuluu ("eat"), which implies an obligation. Furthermore, since Satan is unquestionably an enemy of humanity, Allah prohibits us from following in his footsteps. People may occasionally be unaware that they have been tricked by Satan's whispers, which causes them to act in ways that are prohibited by Allah without feeling bad about it or even considering their transgressions to be minor.

Since hadith is one of the sources of Islamic law, experts of fiqh contend that it must be used to determine the status of an object (product). One hadith that clarifies the meanings of halal, haram, and uncertain (syubhat) topics is as follows:

إِنَّ الْأَحْلَاءَ لَمَعِينٌ، وَإِنَّ الْأَحْرَاءَ لَمُعِينٌ، وَيَعْلَمُ مَا هُمَا مَيْلَتَاهَا، لَيْتَ لِي مَعَهُمَا لَأَكْفُرَ مِنْ النَّاسِ فَمَنْ نَقَى الشُّبُهَاتِ فَقَدْ لَبَّى بَرَائِينَ
وَعَرَضِينَ، وَمَنْ قَرَعَ غِيَا الشُّبُهَاتِ قَرَعَ غِيَا الْأَحْرَامِ، لَكَدَرَا عِيَالِي عَمَى حَوْلَ الْأَحْمَى يَشُكُّ أَرْأَقِي غِيَاهُ، أَلْ وَإِنَّ لَكُلَّ لَهْكَ
جَمِي، أَلْ وَإِنْ جَمَوْلَ إِمْحَارُهُ، أَلْ وَإِنِّي لَأَجِدُ مُضَاعَةً، إِذَا صَلَّيْتُ صَلَّيْتُ، صَلَّيْتُ لَأَجِدُ ذَلِكَ، وَإِنِّي لَأَجِدُ ذَلِكَ
لَهُ، أَلْ وَيَا أَيُّهَا

“In fact, there are some things that are vague or doubtful between what is legal and what is illegal, which many people are unaware of. Therefore, whoever stays away from questionable issues preserves his faith and dignity. And anyone who gets involved in questionable situations runs the risk of breaking the law. He is likely to eventually enter the restricted area, much like a shepherd who grazes his animals around it. Recognize that every ruler has limits, and that Allah's limits are those things that He forbids. Yes, there is a piece of flesh inside the body; if it is healthy, the body as a whole is healthy; if it is unhealthy, in body as a whole is unhealthy. It is, in fact, the heart”. (Harrated by Muslim (133) and al-Bukhari (45).

In Sharia, the concepts of halal and haram are explained in detail. Nonetheless, there are several issues that are syubhat (doubtful) between these two. Its rule makes it clear what is halal, including speaking, eating bread, drinking milk, and other like activities. Similarly, it is also evident what is prohibited, such consuming alcohol, stealing, lying, exposing aurat, and so on. It is difficult to categorize syubhat (ambiguous matters) as either haram or halal. However, there are syubhat matters that are difficult to categorize as haram or halal, such as eating at non-Muslim stalls that do not have halal certification,

using products with questionable ingredients, or transacting with financial system that are not fully in accordance with sharia principles.

The majority of individuals don't know about syubhat concerns. Scholars can use texts (Nash) or analogical reasoning (qiyas) to determine the verdict on syubhat questions. Nonetheless, experts (mujtahids) will render an independent decision (ijtihad) if an issue is unclearly between halal and haram and there is no clear text or consensus. They will use Sharia evidence to determine if the matter is haram or halal. The intake of some items, such as donkeys, horse meat, and dhabb (desert lizard), about which experts disagree on their permissibility is an example of a syubhat topic. To maintain the purity of their soul and dispel any concerns, a pious person (wara') will steer clear of syubhat issues, which is the better course for them (Sholihin, 2024).

2.5 Halal Certification in Malaysia

In Malaysia, halal certification is an essential procedure to ensure that goods and services meet the established halal requirements, the department of Islamic development Malaysia (JAKIM) oversees this process, which covers everything from raw materials to production procedures.

The Department of Islamic Development Malaysia (JAKIM) is the regulatory agency that oversees and upholds Malaysia's halal laws and the legal authority for halal certification in the country. Regarding pharmaceutical halal certification the fundamental guidelines for halal pharmaceutical items in Malaysia must be followed (Warto & Samsuri, 2020). According to the general requirements of Malaysia Standard MS2424:2019 Halal Pharmaceuticals, Pharmaceutical Inspection Cooperation Programs (PICs), a National

Fatwa decision Fatwa issued by the states or the Council for Islamic Affairs, as well as other laws, rules, norms and standards that are relevant.

The halal certification system in Malaysia, under JAKIM, has been stable and accepted, but still faces challenges such as pollution and fraud. This certification is important to ensure product safety and quality (Mohd Daud et al., 2023).

2.5.1 Halal Certification Mechanism in Malaysia

In Malaysia, halal certification is an important process to ensure that products and services meet Islamic halal standards. This process involves a few systematic steps and organizations that are involved in the product's development. The purpose of Malaysia's halal certification mechanism is to inform Muslim consumers that the products they purchase adhere to Sharia principles.

a. Authoritative Bodies

Asserts that the Department of Islamic Development Malaysia (JAKIM) is the sole halal organization in Malaysia, this was put in place to make sure that halal regulations are followed correctly and to stop Muslims from mistaking halal emblems (Muhtadi, 2020). Avoid prior errors when seven previous halal certifying bodies issued halal certificates, some of which were invalid, the Malaysian government intends to enforce this condition, for the purpose of halal certification and labelling, JAKIM in Malaysia has the “Manual of Procedures for Halal certification Malaysia” This guideline serves as a roadmap for business owners across Malaysia, providing clear directions for obtaining halal certification and ensuring compliance with halal regulations.

b. Procedure for permanent Certification

The producer or product owner submits an application to start the halal certification procedure. The application form, a list of ingredients utilized, and details about the production process are among the pertinent documents that must be included with this application. JAKIM performs a preliminary review of the application upon receipt to make sure all supporting documentation is complete, an audit procedure will be planned if all the paperwork is in order (Zainuddin, 2020).

c. Audit and analysis

The audit and assessment phase comes after the initial review, to make sure that all procedures and materials used meet halal standards, a JAKIM audit team inspects the production facility, the auditors look at everything, including the production process, storage and distribution, and the source of raw materials, a halal certificate is granted if the product satisfies all halal requirements.

Auditing and analysis refers to the systematic process of assessing and examining a system, process, or product to ensure its compliance, quality, and effectiveness, In the context of halal certification it aims to assess compliance with halal requirements, identify weaknesses in the certification mechanism, and suggest improvements to increase quality and efficiency (Muhammad et al., 2020).

d. Post- Certification Monitoring

Periodic monitoring is carried out to make sure the items continue to meet halal criteria once the halal certificate is given. To ensure compliance, JAKIM conducts routine audits and has the authority to carry out unexpected inspections. The halal certificate could be cancelled or not renewed if any infractions or non-conformities

are discovered. Maintaining the integrity and consumer confidence in halal-certified products depends on this procedure.

Malaysia halal certification, post-certification monitoring uses production supervision, recurring audits, and surprise inspections to guarantee continued adherence to halal requirements, JAKIM carries out this oversight in order to stop certificated abuse, improve openness, and preserve customer trust in Malaysian halal certification (Henderson, 2016).

2.5.1.1 The Role of Malaysia's Jabatan Kemajuan Islam (JAKIM) in regulatory oversight

In Malaysia, the Department of Islamic Development Malaysia (JAKIM) is in charge of monitoring and controlling halal certification. JAKIM is in charge of making sure that goods and services on the market adhere to accepted halal standards since it is the approved organization. The following outlines important facets of JAKIM's supervision and regulation of halal certification.

a. Halal Standard Establishment

JAKIM is in charge of creating and refining halal criteria that all goods and services aiming for halal certification must follow. These standards address a number of topics, such as the production procedures, the raw materials used, and the transportation and storage of goods. In order to guarantee that the standard established are pertinent and consistent with recent advancements, JAKIM also works with a variety of stakeholders, including academics and industry participants.

b. Process of Certification and Audit

From the time an application is submitted until the halal certificate is issued, JAKIM oversees the complete halal certification procedure. To make sure that all procedures and materials used meet halal standards, JAKIM's audit team inspects and audits production facilities. To guarantee continued adherence to halal requirements, these audits are conducted on a regular basis and may involve surprise inspections.

c. Observation and Law Enforcement

Following the issuance of a halal certificate, JAKIM is in charge of regularly checking on approved goods. JAKIM has the power to cancel the halal certificate or take legal action against those who violate it if any infractions are found.

Through recurring audits, unexpected inspections, and standardizing the halal logo to boost customer confidence, JAKIM contributes to the regulatory control, observation and enforcement of halal certification in Malaysia, to increase the efficacy of supervision, issues including intricate certification processes and lack of industry knowledge still need to be resolved (Hamidon, 2016).

d. Public Awareness and Education

Additionally, JAKIM contributes to raising public knowledge and appreciation of the significance of halal certification. JAKIM informs industry participants about the prerequisites and procedure for halal certification through training courses and seminars, this initiative seeks to ensure that producers are aware of the duties associated with halal certification and to urge more of them to pursue it.

e. International Cooperation

To improve international oversight and control of halal certification, JAKIM actively participates in collaborations with halal certification organizations in

other nations. JAKIM can embrace best practices in halal certification and exchange information and experiences through this partnership. This aids Malaysia in preserving its standing as a halal certification hub with international recognition.

For products sold in Malaysia to adhere to accepted halal standards, JAKIM's supervision and regulation of halal certification is essential. JAKIM is dedicated to maintaining the integrity and customer confidence in halal products through standard-setting, certification procedures, monitoring, education, and worldwide cooperation.

2.5.2 Halal Logo in Malaysia

The halal mark in Malaysia signifies that a product has received halal certification from an approved organization, for Muslim customers to be sure that the goods they buy adhere to Islamic law, this mark is necessary. Products with halal certification help consumers who might not be able to independently confirm a product's halal quality, this greatly helps customers choose things that are allowed by Islam, an official document known as a halal certificate gives manufacturers permission to use the halal emblem on their goods. However, because manufacturers must adhere to the guidelines established by the approved certification bodies, a product's halal status may not always be indicated by a halal mark on.

The two agencies in Malaysia in charge of halal certification in four product categories food products, non-food products, restaurants and dining establishments, as well as slaughterhouses and logistics are the Department of Islamic Development Malaysia (JAKIM) and the Melaka Islamic Religious Department (JAIM). The government made

the decision in 2012 that the only formal authority would be the halal mark designed by JAKIM.



Figure 2.1 1 Halal Malaysia Logo

Halal Malaysia Logo:

1. Two stars with vertices on the left and right circle, separating word “Malaysia”.
2. “Halal” word in the middle.
3. Top words refers to which Malaysia standards for the halal certification based on, for example MS 1500:2009 refers to “Halal food” standard.
4. “Malaysia” word along the top of circle.
5. Halal Arabic word in the middle on top of “Halal” Romanised word.
6. Malaysia Arabic word along the bottom of circle.

2.6 Halal Certification in Indonesia

The process of systematically evaluating a company's products to make sure they meet the requirements for displaying a halal label on product packaging which calls for a halal certificate issued by the relevant government is known as halal certification. Systematic procedure to guarantee that food, drinks, and other products adhere to Islamic Sharia norms is known as "halal certification." given that the majority of Indonesia's population is Muslim and is required to eat halal food, this certification is very significant there.

Since halal certification covered not just raw materials but also production, storage, and distribution methods, it give consumers peace of mind that the goods they buy are not only safe for their health but also compliant with their religious convictions (Faridah, 2019). In Indonesia, the halal certification process is overseen by accredited organizations including the Halal Product Assurance Organizing Agency (BPJPH) and the Halal Certification Body (LSH) (Warto & Samsuri, 2020). This process consists of several processes, such as registration, certificate issuance, and auditing. Audits are conducted to ensure that all aspects of production, from raw materials to processing, adhere to halal requirements. Once a product meets all of these requirements, it is granted a halal certificate, which provides customers trust in its halal certification.

In order to preserve customer confidence and the integrity of the certification, the certification procedure also entails routine monitoring and evaluation to guarantee continued adherence to halal standards. Halal certification so provides customers with a seal and an assurance that the product is actually halal. By providing access to nations where there is a rising demand for halal products, halal certification raises the competitiveness of Indonesian commodities on a global scale (Saribanon et al., 2019).

Halal certification also has a big impact on the Indonesian economy, since Muslims make up the majority of Indonesia's 230 million inhabitants, there is a sizable and growing demand for halal goods. Local producers now have the chance to sell their goods both domestically and internationally thanks to this. Since Muslim consumers worldwide, including those in non-Muslim nations, are increasingly looking for items that satisfy halal criteria, certified halal products have a competitive edge. Thus, halal certification is not

only an issue of religious compliance but also a wise business move to increase market share.

The postponement of the halal certification obligation until 2016 creates a legal vacuum that could damage legal certainty and Indonesia's image as a halal tourism destination. This requires strict legal steps to strengthen the authority of the halal product guarantee agency (BPJPH) in supervising and enforcing halal standard (Hamzah Robbani, 2016).

2.6.1 Indonesia Halal Certification Mechanisms

After Law No. 33 of 2014 on Halal Product Assurance was issued in 2017, the Indonesian Ulema Council (MUI) continued to be involved, and the Halal Product Assurance Organizing Agency (BPJPH) was created in Indonesia (Muhtadi, 2020). Because of their interplay, a particular framework describes the state-religion relationship as follows:

a. The states as the oversight authority

The state, which is in charge of enforcing Law No. 33 of 2014 on halal product assurance, has mandated that all products, especially those that are imported, obtain halal certification. Halal certification used to be optional because there was no state mandate, the choice to reveal or withhold the state's validation was not available to producers or business owners. Companies may gain from misleading descriptions in terms of marketing, the Indonesian market for halal items is evident given the country's predominately Muslim populace. The need for halal items is evident, even though not all Indonesian Muslims may be worried about their legal and religious responsibilities.

b. Halal certification's development as a civil society movement

The government did not address the contentious issue of halal certification among Indonesian Muslims, through LPPOM (the Assessment Institute for Foods, Drugs, and Cosmetics), a civil society movement led by MUI arose (Latief & Chandra, 2020). This group, which is in charge of safeguarding Muslim customers, was the first to certify halal products, the lack of a regulatory structure suggested that the state was not equipped to manage halal certification on its own, as previously said, in order to meet these demands, the state supported civil society movements (Ari Kusumah , 2020).

c. Mutualism and symbiosis between BPJPH and MUI

After Law No. 33 of 2014 on halal product Assurance was issued in 2017, BPJPH and MUI developed a mutualistic and symbiotic relationship however, this did not instantly take the place of LPPOM MUI, even after BPJPH was established, MUI maintained three primary functions, according to Minister of Religious Affairs Lukman Hakim Saifuddin, as reported on Merdeka.com on October 11, 2017, a letter confirming a product's halal status is first issued by MUI, and BPJPH subsequently accepts it. MUI must make a determination regarding the product's validity prior to BPJPH issuing halal certification, second, MUI still issues fatwas attesting to halal status, especially for goods covered by BPJPH.

2.6.2 Information about the Badan Penyelenggara Jaminan Produk Halal (BPJPH)

Since 2017 BPJPH division of the ministry of religious affairs, has taken over LPPOM MUI's halal certification duties, despite following the rules, there are still challenges with the certification process, particularly with regard to service speed, In addition to

improving the accessibility and competitiveness of halal products in Indonesia, BPJPH helps to ensure legal certainty (Amita Fayzia Handyani, 2023).

Implementing halal product assurance is the responsibility of the recently formed halal products assurance organizing agency (BPJPH), which is housed inside Indonesia's Ministry of Religious Affairs. The public has responded favourably to BPJPH's management of halal assurance, which is overseen by and answerable to the Minister of Religious Affairs. They anticipate that the procedure will be more effective than it was previously, products bearing halal labels are monitored by BPJPH to make sure businesses continuously uphold the halal status of their goods (Bahrudin et al., 2024). The halal status of goods ingested by Muslims was first only governed by sharia, or Islamic doctrines, but it is now a component of positive law that is governed by laws. The goal of the Indonesian government's commitment to halal product assurance is to provide Muslims peace of mind about the suitability of locally produced food for public sale or distribution.

BPJPH is essential in certifying halal supervisors in businesses training, assessment, and oversight of the competencies of halal supervisors are all part of this certification procedure. In addition to certification, BPJPH keeps an eye on field halal supervisors' performance to guarantee that halal standards are followed throughout manufacturing, to ensure compliance, regular audits are carried out, either through public reports or inside company audits. Companies and BPJPH must work together to guarantee the halal integrity of products, BPJPH offers rules, training, and direction to enable supervisors carry out their responsibilities efficiently (Rachman & Sangare, 2023).

Under law No. 33 of 2014 on Halal Product Assurance (UU-JPH), which was reinforced by Government Regulation (PP) No. 31 of 2019, BPJPH is currently the government

agency in charge of halal product assurance in Indonesia. The Minister of Religious Affairs oversees and is responsible for BPJPH's operations. Halal certification was previously handled by the food, drug, and cosmetic assessment agency (LPPOM MUI) of the Indonesian Ulema Council (MUI), but this power is no longer with MUI. MUI remains important in spite of this change, in accordance with article 10 of the Halal Product Assurance Law (UU-JPH), BPJPH and MUI work together to accredit halal examination agencies (LPH), certify halal auditors, and assess the halal manner of products, this collaboration is in accordance with MUI fatwas-based sharia norms, as stated clearly in PP No. 31 of 2019. Article 22 of PP No. 31 describes BPJPH's collaboration with MUI for halal auditor certification, including competency testing, education, and training. As permitted by law, BPJPH may also work in conjunction with other educational and training establishments to provide instruction and training, MUI is still in charge of competency testing for halal auditor certification (Gunawati et al., 2020).

The cooperation between BPJPH and MUI in assessing the halal manner of products is governed by article 23 of PP No. 31, in this procedure, BPJPH receives examination findings, product documentation, halal production process (PPH) analysis, requirements, inspection records, and suggestions from the halal examination agency (LPH). After verifying these documents, BPJPH sends MUI the verification findings, through a halal fatwa council of specialists, ministry representatives, and other pertinent organizations, MUI examines BPJPH's verification results, after receiving BPJPH's verification, MUI gives BPJPH 30 working days to inform them of the product's halal or non-halal status, BPJH issues the halal certificate based on MUI's halal decision.

LPH accreditation is the last area of cooperation between BPJPH and MUI, this cooperation must include MUI's sharia compliance assessments, which are facilitated by BPJPH, as required by article 24 of PP No. 31. The non-structural government agencies in charge of accreditation work with LPH to arrange accreditation, a ministerial regulation will further control MUI's sharia compliance evaluation processes, sufficient number of accredited LPHs is required in order to meet the growing demand for halal-certified products, which became mandatory in October 2019. MUI and BPJPH are crucial to Indonesia's halal product assurance, while MUI's job focuses on identifying halal or non-halal status and other sharia-related factors as mentioned above, BPJPH primarily concentrates on regulatory, operational, financial, collaborative, and instructional aspects.

2.6.3 Indonesia Halal Logo

The Indonesian halal logo's design has a rich historical context, the Republic of Indonesia's Ministry of Health started labelling food and drink items as halal on November 10, 1976. Companies in the food sector, particularly those that used pig or its derivatives as raw materials, had to post a warning sign on the product's packaging, either printed directly or attached as a label (Faridah, 2019).

The Indonesian Ministry of Health Regulation No. 280/Men.Kes/Per/XI/76, which deals with the labelling and distribution of foods that include pork-based substances, included this regulation, a pig emblem and the words "MENGANDUNG BABI" ("CONTAINS PORK") had to be prominently displayed in a red square box, as shown below, in order to provide transparency and meet the religious needs of Indonesia's Muslim majority, this visual indicator was designed to make it easier for customers to recognize items that contain pig.



Figure 2.2 1 Halal Prohibition Logo Contains Pork

The change of the halal logo from the “Contains Pork” label to another form began on August 12, 1985 as a result of regulatory changes requiring the use of halal labels. This changes was based on the joint decree of the minister of health and the minister of religious affairs, namely No. 42/Men.Kes/SKB/VII/1985 and No. 68 of 1985, which regulates the obligation to include the word” halal” on food labels, with this regulation, business actors are required to report the composition of ingredients and production methods to the ministry of health so that their products can obtain a halal label.

Supervision of this business was carried out jointly by the Ministry of Religious Affairs and the Ministry of Health, with the formation of a special team in the Directorate General of Drug and Food Control. However, public concern increased in 1988 due to a scandal over food contaminated with pork ingredients. To address this, on January 6, 1989, the Indonesian Ulema Council (MUI) issued Decree No. Kep./18/MUI/I/1989 which established the Food, Drug, and Cosmetics Assessment Institute (LPPOM MUI) to carry out halal certification for consumer products.

In 1994, MUI began issuing halal certificates for products that had been inspected by LPPOM MUI, which then required the inclusion of the halal logo on certified products. As it developed, the halal logo design used by LPPOM MUI was increasingly widely

accepted, both domestically and internationally, especially in ASEAN countries. The obligation to include the halal logo was further strengthened by the Decree of the Minister of Health No. 924/Menkes/SK/VIII/1996, which was a revision of Decree No. 82/Menkes/SK/I/1996. This regulation was then formalized in the Cooperation Charter on June 21, 1996, which specifically regulates the placement of the halal logo on food products.

Since then, the LPPOM MUI halal logo which prominently features the word "halal" has gained widespread recognition, these days halal certification goes much beyond consumer demand or financial success, emphasizing moral way of behaving and adherence to halal standards in product manufacturing procedures.



Figure 2.3 1 Halal Logo of LPPOM MUI

In accordance with the Decree of the Head of BPJPH No. 40/2022, the Ministry of Religious Affairs' Halal Product Guarantee Agency (BPJPH) created a new halal label on February 10, 2022, the long-standing halal logo of LPPOM MUI, which was well-known in Indonesia and around the world, has been replaced by this new one. Law No. 33 of 2014 and Government Regulation No. 39 of 2021, which gave BPJPH control over halal certification in Indonesia, were the driving forces behind the redesign of the halal emblem.

Segments of Indonesian society have expressed strong disapproval of BPJPH's new halal emblem. The old LPPOM MUI halal logo, which highlighted Indonesian cultural identity and had a design reminiscent of Wayang (traditional Indonesia shadow puppets), has undergone a substantial change.



Figure 2.4 1 New Halal Label

2.7 Perception of Malaysian Companies about Halal Certification in Indonesia

In the food and beverage sector, halal certification is crucial, especially in nations like Indonesia and Malaysia where a sizable Muslim population resides. Addition to providing assurance that goods adhere to Sharia law, halal certification helps make goods more competitive in the international market. In this regard, Malaysian businesses see obtaining halal certification in Indonesia as a calculated move to break into a sizable and expanding market, in general Malaysia businesses see halal certification in Indonesia favourably (Asmelash, H., 2021).

Indonesia, businesses with halal certification typically enjoy a competitive edge, particularly when it comes to drawing in Muslim customers, according to experts, consumers are more likely to trust halal-certified items, which boosts sales and fosters

customer loyalty, this suggest that using halal certification as a marketing tool can be successful, despite the favourable impression Malaysian businesses encounter a number of difficulties when it comes to Indonesia's halal certification procedure (Rahman, A., 2020). Comparison to the Malaysian certification system, the certification procedure is thought to be more difficult and time-consuming, there are major challenges because of the disparities in laws and norms between the two nations, as a result, businesses may have to pay more and take longer to comply with the regulations (Zainal, 2019).

Companies in Malaysia believe that Indonesia halal certification is less organized than Malaysia's which is overseen by JAKIM, despite legislative advancements like the 2020 Omnibus Law, issues with standardization and openness persist, due to its international reputation and well-defined regulations, they have greater faith in Malaysian halal certification (Sofiana et al., 2021). Malaysian businesses believe that JAKIM's halal certification is more systematic and transparent than Indonesia's, there are still issues with standardization and supervision in spite of improvements like the switch to BPJPH, because Malaysian halal certification is a more established and globally recognized system, they have greater faith in it (Latiff, 2015).

Malaysian businesses are likewise concerned about the disparities in halal requirements between Indonesia and Malaysia, although ensuring halal products is a goal shared by Malaysia and Indonesia, there are differences in how Sharia law is interpreted and applied. Confusion may result for businesses looking to export their goods. Businesses must therefore understand and adapt to the pertinent requirements in Indonesia, adaptation strategies are commonly employed by Malaysian companies to address these challenges,

worked together with regional certification organizations or business associates in Indonesia has shown to be a successful tactic.

These partnerships guarantee that their goods fulfilled all requirements and speed up the certification procedure, companies also spend money on education and training to improve their knowledge of Indonesian halal laws. Despite a number of obstacles, Malaysian businesses in Indonesia have a favourable opinion of halal certification, businesses can take advantage of the chances offered by the Indonesian market by comprehending the market and adjusting to current limitations, halal certification is crucial for Sharia compliance and can be a tactical instrument to boost competitiveness in the global market, according to research conducted by several specialists.

2.8 Malaysia Exports of Halal Goods to Indonesia

Malaysia has established itself as a global leader in halal industry, with its certification body, Jabatan kemajuan Islam Malaysia (JAKIM), being internationally recognized. The country's strong regulatory framework and high standards have positioned Malaysia as a major exporter of halal products, including food, pharmaceuticals, and cosmetics. Indonesia, as the world's largest Muslim-majority country, is a significant market for Malaysia's halal-certified products due to its large consumer base and growing demand for halal-certified goods.

Highlighted that the Malaysian halal industry benefits from a well-structured certification system, which enhances consumer confidence and facilitates market expansion. The strong reputation of JAKIM-certified products enables Malaysian companies to access global markets, including Indonesia, where halal assurance is a key factor influencing purchasing decisions (Agustina et al., 2024).

However, despite Malaysia's strong export potential, a number of challenges remain in entering the Indonesian market. It showed that the regulatory differences between Malaysia's JAKIM certification and Indonesia's halal product assurance agency (BPJPH) pose significant barriers (Jalaluddin et al., 2024). While Malaysia's certification is widely accepted worldwide, Indonesia requires mandatory halal certification through BPJPH, which can pose bureaucratic and technical barriers for Malaysian exporters.

It was further explained that the biggest challenges faced by Malaysian halal-certified companies are navigating the Indonesia regulatory framework, adapting to evolving local policies, and ensuring compliance with BPJPH standards. Inconsistent certification requirements and additional administrative processes can hinder Malaysian exporters, limiting the potential for trade between the two countries (Alam et al., 2024).

Increasing export opportunities and strengthening halal trade between Malaysia and Indonesia, industry experts stressed the need for harmonization of regulations and bilateral agreements. Collaboration between JAKIM and BPJPH can facilitate trade flows and increase consumer confidence in cross border halal certification. In addition, increasing transparency, providing incentives for compliance, and fostering cooperation between business actors and regulatory bodies are key factors in driving Malaysian halal export to Indonesia.

The halal industry contributes significantly to the Malaysian economy, generating around USD 3.8 billion in GDP annually and providing 127,000 jobs. Strengthening Malaysia's export position in the Indonesian halal market can further enhance this contribution while addressing challenges such as regulatory alignment, consumer confidence and competitiveness in the Indonesian market.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this study is to analysing the perception of halal-certified companies in Malaysia towards halal certification in Indonesia, this study also aims to gain an in-depth understanding of the companies' views on the halal certification system in Indonesia, its suitability, and its impact on business practices in order to achieve these objectives this chapter will outline the research procedures and method used.

The researcher applied a qualitative approach to collect relevant data, the methodology applied in this study is an important aspects to ensure the reliability and validity of the findings obtained, this chapter includes a discussion of the research design, sample selection process, data collection techniques, trials, and data analysis methods used, and conclusion.

3.2 Research Design

This research aims to understand the perception of Halal certified companies in Malaysia towards halal certification in Indonesia, research used an exploratory research approach to collect qualitative data, which was carried out through interviews.

Exploratory research is applied when knowledge about a particular situation or phenomenon is still limited, and guidance from previous research is inadequate. This approach generally relies on qualitative methods to collect data. Qualitative data can

be obtained through various means, such as informal discussions, in-depth interviews, focus groups, or case studies (Sekaran, U., & Bougie, 2016).

Exploratory research aims to investigate specific phenomena and understand the relationship between dependent and independent variables, although the nature of the dependent variable may not be known in advance, the data used can come from the field or existing data, organized in a new way, and the results are considered as tentative conclusions (AjitSingh, 2021).

3.2.1 Qualitative Research

Qualitative research focused on various methods that are interpretative and naturalistic regarding the topics studied. Qualitative researchers study a phenomenon in its natural context to understand or interpret the meaning that individuals give to the phenomenon (Aspers & Corte, 2019). Qualitative research produces data in the form of words sourced from various parties, such as individuals, groups, company records, government publications, and so on, qualitative data can be obtained through interview notes, transcripts guide for open questions, video recordings, and other (Sekaran, U., & Bougie, 2016).

In this study, a qualitative research method was chosen to gain an in-depth understanding of the perceptions, challenges, and opportunities faced by Malaysian halal-certified companies regarding halal certification and entry into the Indonesian market. This method allows the research to explore the insights, experiences, and perspectives of industry stakeholders involved in halal certification.

Collecting qualitative data from Malaysian halal-certified companies this study aims to explore their perceptions regarding Indonesian halal certification, identify the challenges and opportunities they face in entering the Indonesian halal market, and assess their interest in exporting halal products to Indonesia. The findings are expected to provide valuable insights into the implementation of Indonesian halal certification in the context of cross border trade, as well as potential strategies for regulatory alignment and market expansion.

Based on these considerations, in-depth interviews, which include structured and unstructured interviews, were chosen as the main method of data collection in this research, the data obtained was then analyzed using explorative analysis, the selection of in-depth interviews was based on the aim of exploring the informants' perceptions and views in depth regarding this topic.

No	Research Question	Data Collection Method	Analysis
1	What are perception of Malaysian halal-certified companies on Indonesia halal certification?	Primary Data: In-depth Interviews Secondary Data: Literature Review	Explanatory analysis
2	What challenges and opportunities do Malaysia halal-certified companies encounter when exporting to the Indonesia halal market?	Primary Data: In-Depth Interviews Secondary Data: Literature Review	Explanatory analysis
3	Are Malaysia Halal-certified companies interested in exporting their	Primary Data : In-Depth Interviews Secondary Data : Literature Review	Explanatory analysis

products to Indonesia's halal market?		
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Table 3.1 1 Research Methodology

3.3 Population and Sample Selection

Sampling is defined as process of selecting certain individuals, objects, or event that are considered representative of the entire population (Sekaran, U., & Bougie, 2016). Choosing the right sampling technique is very important in qualitative research because it directly influences the validity of research finding and results. In qualitative research, there are sampling methods, such as convenience sampling, purposive sampling, snowball sampling, and theoretical sampling (Deborah & RM Marjorie Atchan, 2016). Target population consists of halal-certified companies in Malaysia, particularly those in Kedah a region known for its halal industry activities, based on data from the halal directory website there are 620 halal-certified companies in Malaysia, specifically in Kedah, a purposive sampling techniques is used to select informants who are industry experts or decision-makers in halal-related business, the research selected five companies as the sample for this study.

Research in this study chose to use purposive sampling techniques, especially judgment sampling, as a sampling method. (Deborah & RM Marjorie Atchan, 2016) Purposive sampling recruits participants based on certain predetermined criteria, relevant to the research question. This is in line with the views (Sekaran, U., & Bougie, 2016) in the book research methods for business with states that purposive sampling allows research to obtain the necessary information from certain individuals who are considered relevant.

Due to limited time and the number of informants available, a judgment sampling technique was chosen to ensure that the informants interviewed were the most suitable and competent individuals, the selected informants are those who are in strategic positions, have high knowledge, experience and expertise in the relevant fields, so they can provide the required information with this technique researchers can access data that is right on target and supports the achievement of research objectives.

3.4 Data Collection Method

Research data can be obtained from primary or secondary sources, primary data sources include information collected directly through interviews, questionnaires, or observations, while secondary data sources include information originating from books, company annual reports, economic indicators, and other similar sources (Sekaran, U., & Bougie, 2016).

In this research, research rely on primary data obtained through in-depth interviews with informants who have expertise in fields relevant to the research topic, apart from that secondary data such as books and journal articles are also used to support and enrich the findings produced, this approach ensures that the data collected is comprehensive and relevant to answering research questions.

3.4.1 In-depth Interviews

Semi-structured interviews are a qualitative research method that allows for a unique knowledge construction process between research and participants, thereby providing in-depth insight into their social world (Leigh Barrick, 2020). In the research,

researchers used semi-structured interviews which combine structured and unstructured interview elements.

The initial questions were designed based on the research objective to obtain relevant information, the researcher prepared the same set of questions for all informants, thereby providing a consistent framework, however flexibility is still implemented by providing space to ask additional questions during to interview session, these additional questions aim to clarify answers, dig deeper into information, and again a better understanding of the issues that emerged during the interview, this approach that the data collected is not only targeted but also rich and in-depth.

3.4.1.1 The Development of Interview Protocol

An interview guide, also known as an interview protocol plays an important role in providing direction to research during the data collection and analysis process (M. Gordon Hunter, 2012). Interviews protocols help research ensure that questions are aligned with research objectives, thereby enabling comprehensive, accurate, and reliable data collection.

This study the interview protocol was developed in two languages, namely English and Malay to accommodate informants who understand and can speak both languages. The interview protocol was reviewed and validated by the research supervisor from the Islamic business school, University Utara Malaysia to ensure its accuracy and relevance.

Interview questions were carefully designed based on previous literature review, relevant reading material, and discussions with the supervisor. The preparation of

these questions was carried out to ensure that the questions asked of informants were in accordance with the research questions and relevant to the context of this study, this aims to support in-depth and targeted data collection in line with research needs.

3.4.1.1 Theme: Perception of Indonesia's Halal Certification Standards

Research want to examine perceptions of Indonesia's halal certification standards, to answer the first research objective, the research has developed interview questions as below:

1. How familiar are you with Indonesia's halal certification process?
2. What are you overall perceptions of Indonesia's halal certification compared to Malaysia's?
3. Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?

3.4.1.1.2 Theme: Trust and Acceptance Factors

Research want to examine the factors of trust and acceptance of Indonesian halal certification, to answer the second research objective the researcher has developed interview question as below:

1. What factors influence your trust in halal certification from other countries, specifically Indonesia?
2. How confident are you in the reliability and transparency of Indonesia's halal certification body?
3. Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?

3.4.1.1.3 Theme: Comparative Insight and Future Outlook

Researchers want to examine comparative insights and future views regarding Indonesian halal certification, to answer the third research objective, the researcher has developed interview questions as below:

1. In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?
2. What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?
3. How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future?
4. Are there export opportunities to expand Malaysian products to Indonesia?

3.5 Expert Reviews

The interview questions were reviewed and validated by the research supervisor who is an expert in Halal management. This process was carried out to ensure that the questions prepared can be clearly understood and are in accordance with the objectives of the study. Initially the researcher developed nine questions, but after going through a review and validation process by experts, several improvements were made, and number of questions was finally adjusted to ten.

3.6 Pilot Test

Trial or pre-test is carried out after the interview questions have been developed, testing is carried out mainly to identify whether the informant is able to understand each question before the interview session. Explained that the pretested is an

opportunity for researchers to revise the material they have studied. The aim of conducting a pilot test is to ensure that the questions prepared can be understood and that informants feel comfortable with the questions given (Hurst et al., 2015).

Pilot test was carried out on one of the informants by giving a series of interview questions before the interview was scheduled, the questions given can be understood and the informant can answer questions according to the researcher's needs during the actual interview.

3.7 Getting Access

Before actual fieldwork begins researchers need to gain access to informants to conduct face-to-face interviews, the researcher approached the informant by contacting the informant's contact and arranging an interview schedule, during the period of contacting informants, researchers also brought an official letter from the Islamic Business School, University Utara Malaysia as a student confirmation letter. The researcher succeeded in setting an appointment date with the informant immediately but the informant will contact him again to schedule an interview to be conducted, finally the actual fieldwork can begin after obtaining consent from the informants.

3.8 Actual Fieldwork

Field research actually began after the researcher received permission from the informants to meet and prepare for interviews. Interviews were conducted by researchers for data collection purposes, researchers have used various communication channels to gain access to informants.

3.8.1 The Interview Staged

There are three stages in the interview process, namely starting from entry, during the interview, and ending with exit. At the entry stage, the researcher greeted the informant and expressed his gratitude for the informant's willingness to take the time and accept the interview appointment, the opening of the interview is carried out to create a warm and comfortable atmosphere for both parties.

The researcher started the interview by introducing himself and explaining the purpose of the interview, then the researcher provided an explanation about confidentiality, rules and interview flow to the informant, the researcher also asked the informant for permission to record the interview, after an understanding was established between the researcher and the informant, the interview continued to the next stage.

After the researcher observed the informant's readiness, the interview session began with a list of questions that had been prepared by the researcher beforehand. At this stage, the researcher must listen carefully to obtain the information needed, the challenging part for researchers is listening, understanding, and writing down answers, researchers need to determine and summarize the answers given by informants. At this stage, the researcher has started asking questions that are not listed to follow up on the answers given in order to obtain further explanation from the informant.

At the end of the interview stage, the researcher ended the interview session and thanked the informant for the time, commitment and cooperation given to complete the session, appreciation gifts were given to informants before leaving the session.

3.9 Data Analysis

In qualitative research, there are important steps involved in data analysis, data reduction or what is also known as data condensation, data presentation and drawing conclusions each step has a different function. Data reduction involves the process of selecting, coding and categorizing data. Meanwhile, data presentation shows how the researcher presents the data and the presentation of the data will help the researcher to draw conclusions based on the patterns that exist in the reduced data set (Sekaran, U., & Bougie, 2016). For this research, the researcher chose the Creswell research design which involves five main steps in analyzing the data (Charli et al., 2022). This research design will be described as follows:

i. Read Transcript

The first step in data analysis is organizing and preparing the data for analysis which involves transcribing interviews and reading transcripts, after completing all interviews with informants, the researcher began writing interview transcripts. Researchers need to listen to the same audio recording several times to avoid data loss and misinterpretation, for cases where the researcher is not permitted to record the interview session, the researcher refers to the notes written during the session and adds supporting information such as expressing the perceptions given by the informant and the researcher types them using Microsoft Word, after completing the transcription, the researcher read again to get a clear picture of the ideas and data.

ii. Reading and Labelling Code

In this step, a detailed analysis is carried out using a coding process. According to (Sekaran, U., & Bougie, 2016) coding is an analysis process carried out by reducing,

rearranging and integrating the data received to form a theory. Coding will help researchers to write comprehensive conclusions about the data. Researchers read the transcripts and label them according to sentences or words related to the research objectives using hand coding.

iii. Category Labels

After identifying the codes, the researcher organizes the coding units by separating them according to their categories by naming and grouping them according to their categories.

iv. Decide on Theme

(Vaismoradi et al., 2016) In qualitative research, themes are used as attributes, descriptors, elements, and concepts that help organize a group of recurring ideas, themes are important in helping researchers answer research questions. In this research, researchers examine codes and develop themes that will lead researchers to research objectives, the themes will act as findings and are important in guiding the researcher in writing the findings.

v. Drawing Conclusions

(Sekaran, U., & Bougie, 2016) The final process in qualitative analysis is drawing conclusions, this is the stage for researchers to express, answer, and elaborate research questions, this can be done by determining identified themes, by thinking of explanations for observed patterns and relationships, or by making contrasts and comparisons.

3.10 Trust

Trustworthiness in qualitative research is always questioned by positivist researchers. This is because the concepts of validity and reliability of qualitative data cannot be handled in the same way as not attractive research, there are four main criteria needed by qualitative researchers to gain trust. These criteria are credibility (preferred over internal validity), transferability (preferred over external validity/generalization), dependability (preferred over reliability) and (preferred over objectivity) (Morse, 2015).

The main criterion questioned by other researchers is the credibility of qualitative data which involves the internal validity of the data, the credibility of qualitative data is important to ensure research is measured or tested according to what it is actually intended to do. Meanwhile, the transferability of qualitative data is related to external validity.

This relates to how far the findings of a study can be applied to other situations or populations because the number of respondents is small, on the other hand qualitative dependence relates to the results that will be obtained by other researchers on the same topic carried out using the same research methods, in the same context with the same respondents as to whether the results will be obtained, thus researchers need to report their research in detail so that if there is other research on the same topic, it is not necessary to obtain the same results. The concept of confirm is related to the objectivity of qualitative research, it is important to ensure that qualitative research findings come from the ideas, knowledge, and experiences of respondents, not the researchers' preferences.

3.11 Conclusion

This chapter outlines the research methodology used in this study, the researcher used in-depth interviews to collect qualitative data, with interviews conducted among experts in the halal industry, in analysed the data the researcher adopted a qualitative approach based on Creswell's research design the findings will be discussed further in the next chapter.



CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter presents the results of the research based on interviews conducted with five informants from halal-certified companies in Malaysia. The data collected includes their views on halal certification in Indonesia, trust and acceptance factors, and comparison of certification standards with other countries.

4.2 Background of the Informants

Informants Code Name	Gender	Institution	Position	Experience (Years)
P1	Female	Halagel Malaysia	Senior Marketing Executive	6
P2	Female	Epson Malaysia	Senior Marketing Executive Halal	4
P3	Male	Maker Recipe Sdn. Bhd	Senior Executive Halal	5
P4	Male	Frozen benches	Senior Executive Halal	6
P5	Male	The luxe Production	Senior Marketing Executive Halal	5

Table 4.1 1 Background of Informants

4.3 Results

The findings obtained from this study are mainly aimed to answer the research questions based on the data collected from the informants, the analysis can be divided into three main themes. The first theme will focus on the informants' opinions

regarding their views on Halal certification in Indonesia and its impact on Halal-certified companies in Malaysia. The second theme is the trust and acceptance factor. The third theme will investigate how the informants' perceptions relate to comparative views and future views in increasing Halal product export trade, as well as the obstacles and opportunities that can be utilized.

4.3.1 Halal Certified companies in Malaysia's views on halal certification in Indonesia

The rapid growth of the halal certified product and service industry in Malaysia has contributed to the expansion and development of the halal sector at both domestic and international levels, the comprehensive halal certification system in Malaysia has driven the evolution of procedures and standards applied to products and services offered by halal certified companies. Covering a wide range of products and services such as food, cosmetics, pharmaceuticals, and other products, in this context, the views of halal certified companies in Malaysia towards halal certification in Indonesia are increasingly important, considering the large export potential of halal products and the differences in standards and procedures in the two countries.

The researcher has interviewed five informants from halal-certified companies in Malaysia with different positions to collect data regarding their views on halal certification in Indonesia. According to informants P1 and P2, they consider Indonesian halal certification as a good opportunity to expand the market for halal products, although they realize that there are some differences in procedures and standards that need to be adjusted. Meanwhile, informant P3 stated that although Indonesian halal certification is important, they feel the need to better understand the

differences in certification regulations and procedures in order to ensure product conformity with applicable standards in Indonesia. Informants P4 and P5 also supported this view by adding that Indonesian halal certification provides strategic advantages to improve product competitiveness, but companies need to get further guidance regarding regulations and procedures to make the certification process more effective.

4.3.1.1 Adaptation of Malaysian Halal certified Companies to Halal Certification Procedures in Indonesia

Describing how companies that already have halal certification in Malaysia adjust to the differences in halal certification procedures in Indonesia, from the interview results, respondents revealed that although there are similarities in the certification process, there are also some differences in the system, standards, and documents required. Additionally regulatory changes in Indonesia, such as the transfer of certification authority to BPJPH are also a concern for these companies in understanding and adapting the certification process.

The following are the answers given by five informants regarding their views on adaptation of Malaysian halal certified companies to halal certification procedures in Indonesia:

“We see Indonesia's halal certification as a great opportunity to expand our halal product market, although there are some differences in procedures that we have to adjust to”. (P1)

“Initially, we only focused on Malaysian halal certification, but with the increasing demand in Indonesia, we also followed the halal certification process there”. (P2)

"Currently, we see halal certification in Indonesia as an important additional standard to reach the Indonesian market, although there are some differences in the requirements compared to Malaysia.”(P3)

“From my reading, I have a little basic understanding of the halal certification process in Indonesia, especially after the enactment of the Halal Product Guarantee Law, I know that now halal certification in Indonesia is under BPJPH, no longer under MUI as before, but BPJPH continues to work with MUI in the process.”(P4)

“We initially has limited knowledge about Indonesia’s halal certification process, but began learning when applying for our OEM company, the procedures are largely similar to Malaysia’s, with only minor differences in the system and standards, from documentation to audits and verification.” (P5)

All informants agreed that the importance of halal certification in Indonesia as an additional standard that can open up market opportunities in Indonesia, some informants already understand the halal certification procedure in Indonesia, it is seen as a strategic opportunity for halal certified companies in Malaysia to expand their market, although the process requires adjustments.

In line with (Warto & Samsuri, 2020) halal certification has a positive impact on halal businesses in Indonesia, providing protection and guarantee of halal products for consumers, and increasing consumer confidence in products, with a middle-class population that is predominantly Muslim, halal certification is the key to entering the

global halal food market and creating a conducive business climate. Supported by research (Rokhsana, 2019) halal certification also contributes to the growth of the national halal industry, attracting investment, and expanding export access to countries with high demand for halal products, the existence of halal certification remains an important standard in ensuring product quality and safety in Indonesia.

4.3.1.2 Malaysian Companies' Strategy in leveraging Indonesia Halal certification for Market Expansion

This sub-theme highlights how halal-certified companies in Malaysia view Indonesia halal certification as a strategic opportunity to expand market access, especially in ASEAN. Interviews revealed that Malaysian companies are working closely with halal institutions in Indonesia to ensure compliance with halal standards, enhance global competitiveness, and leverage the recognition halal certification in certain countries, in addition a comparison between Malaysia's JAKIM halal certification and Indonesia's BPJH halal certification was also made, with JAKIM considered more internationally recognized, while Indonesia has great potential as a halal market due to its large Muslim.

“This refers to the process of meeting halal standards that are recognized in the ASEAN market, where Indonesian halal certification is seen as an opportunity to expand market access and strengthen the competitiveness of Malaysian companies in the export sector”. (P1)

“The company will appoint related institutions or partners in Indonesia to ensure that the halal certification process is fulfilled, so that the products produced can be

accepted in the Indonesian market and other countries that recognize Indonesian halal certification”. (P2)

“The company views that cooperation with halal institutions in Indonesia, either as agents or strategic partners, is an important step to ensure that their products comply with applicable halal standards and increase competitiveness in the global market”. (P3)

“Malaysia and Indonesia have their own strengthens in halal certification, Malaysia through JAKIM, offers a centralized and internationally recognized system, while Indonesia, through BPJPH is growing in importance, Malaysia leads in global halal standards but Indonesia holds strong market potential due to its large Muslim population”. (P4)

“Personally, I see that the halal certification process in Indonesia and Malaysia is quite similar, However I believe JAKIM’s certification has a stronger legal foundation and greater international recognition JAKIM’s influence extends globally, while Indonesia’s certification is more accepted within Muslim countries especially in Southeast Asia”. (P5)

This finding is in accordance with (Tohe et al., 2021) the differences in halal certification in Indonesia and Malaysia, where Indonesia developed a more stable system through civil society movements, while Malaysia was influenced by politics and the complexity of the federation. The above research is not in line with the research (Sofiana et al., 2021) halal certification in Malaysia is more organized with JAKIM as the sole authority, while Indonesia involves BPJPH, MUI, and LPH making

the process more complex, Malaysia also has a strict monitoring system and requires halal managers in companies, while Indonesia still faces challenges in coordination and enforcement of regulations.

4.3.1.3 Credibility and Trust Standards of Indonesia Halal Certification in the views of Malaysian Companies

Discussing how halal-certified companies in Malaysia assess the credibility of Indonesian halal certification, especially the role of BPJPH and MUI in ensuring halal standards. Interviews show that despite technical differences with Malaysian standards, Indonesian halal certification is transparent, strict, and has strong regulations. Factors such as clarity of procedures the requirement for halal certification, and BPJPH recognition by JAKIM also increase Malaysian companies' trust in this system, despite some challenges in harmonizing international standards.

"A particular aspect of Indonesian halal certification that is considered credible is the existence of BPJPH which has a good reputation in setting halal standards, I believe that the certification process must meet strict halal principles and be in line with the requirements in other countries". (P1)

"Before we market products with Indonesian halal certification, we ensure that the certification standards have been thoroughly checked by our internal party, Our company sees that Indonesia has a fairly strict certification process, although there are some differences in standards with our country, in terms of trust we see the potential for cooperation to ensure that the standards become best practices and are recognized internationally". (P2)

“Every product submitted for halal certification in Indonesia needs to go through a thorough evaluation by our internal team to ensure its compliance with the halal concept, we see that the transparency aspect in the Indonesian halal certification process is quite good, but there are some technical elements that need further harmonization with international standards”. (P3)

“Indonesia’s halal certification shows state commitment and is supported by MUI’s credibility, however the transition from LPPOM MUI to BPJPH has caused some confusion in the process”. (P4)

“I find Indonesia halal certification trustworthy because it’s detailed, systematic, and free from dubious elements, our factory uses many raw materials from Indonesia, such as coconut oil all of which are halal-certified, I also believe BPJPH has a strong reputation and is widely recognized, even by JAKIM in Malaysia” (P5).

Justification for the permissibility of halal certification of a product in Indonesia can be seen from the perspective of the sharia principles contained in Surah Al Baqarah Verse 168 which reads:

يَا أَيُّهَا النَّاسُ أَكُلُوا مِمَّا عَلَى الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ ١٦٨

“O people, eat what is halal and good from what is on earth, and do not follow the steps of the devil. Indeed, Satan is a real enemy for you”.

This verse underlines the importance of halal and goodness in all forms of transactions, including in terms of products circulating in the market, therefore halal certification in Indonesia aims to ensure that products produced and exported are in accordance

with halal provisions that not only meet sharia standards, but are also acceptable to the global market.

Malaysian companies see Indonesia's halal certification as a positive step in creating transparency and trust in halal product transactions. Indonesia has a strict certification system, the challenge for Malaysian companies is to ensure that halal standards in Indonesia are accepted internationally. Therefore, it is important for Indonesia to maintain consistency and integrity in the halal certification system so that halal products certified in Indonesia can be accepted in the international market without causing doubt.

4.3.2 Trust and Acceptance Factors

The trust and acceptance factor of halal-certified companies in Malaysia towards halal certification in Indonesia is a crucial aspect in supporting the development of the halal sector in both countries. Malaysia's well-established halal certification system encourages trust in the quality and integrity of halal products, while Indonesian halal certification offers great opportunities to expand the export market for halal products. The differences in standards and procedures between the two countries are challenges that affect the level of acceptance of Malaysian companies towards Indonesian halal certification. Building strong trust and acceptance of Indonesian halal certification is an important step to increase collaboration and trade opportunities in the halal sector.

4.3.2.1 Determinants of Malaysian Companies' trust in Indonesia halal certification

Discussing the main factors that influence Malaysian companies' trust in Indonesia halal certification. Based on interview, aspects that are considered important include the credibility of BPJPH, recognition of Indonesian halal certification by JAKIM, transparency of the certification process, and validation of raw materials and sharia monitoring, in addition Indonesia's background as a country with the largest Muslim population is also a factor that increases the level of acceptance of halal certification in the country.

The following are the answers given by five informants regarding their views on the determinants of Malaysia companies' trust in Indonesia Halal certification:

"In my opinion, as part of the ASEAN countries, I trust Indonesia's halal certification more. This is because BPJPH (Halal Product Assurance Agency) selects people who work in it based on criteria that are in accordance with Islamic law. Therefore, the main factor that influences my trust and acceptance of Indonesia's halal certification is my belief in the credibility of the people who work at BPJPH". (P1)

"For me, the main factor is whether Indonesia's halal certification is recognized by JAKIM. If Indonesia is included in the list of countries whose certification is recognized by JAKIM, then that is the main reason for me to give trust and acceptance to the certification" (P2).

"The main factor for me is sincerity in the certification process itself, where the process must be carried out with clear and transparent standards. In addition,

recognition (I'tiraf) from international certification bodies or other countries, including JAKIM, is also very important. This shows that the certification is widely recognized and has credibility at the global level. In addition, the background of the Indonesian nation, which is predominantly Muslim, is also an additional reason, because I am sure they understand the importance of maintaining the halalness of products according to sharia". (P3)

"Trust in halal certification, including Indonesia's depends on clear standards sharia monitoring, and the credibility of the certifying body, international recognition, such as from JAKIM Malaysia also strengthens trust by showing compliance with global standards". (P4)

"This company hasn't applied for halal certification abroad as products are produced and sold locally, however we use halal-certified raw materials from countries like Indonesia and India, trust in certification depends on the standards and process, we comply with requirements like SJPH manuals, GMP, and audits, which help ensure sharia compliance and boost consumer confidence". (P5)

Based on the results of the informant's answers above, trust and acceptance of Indonesian halal certification are a combination of institutional credibility (BPJPH), international recognition (especially from JAKIM), a transparent certification process, and belief in the commitment of the Indonesian people to maintaining halal principles according to sharia. These results are in accordance with the findings of (Bahrudin et al., 2024) that the credibility of institutions such as BPJPH is very important in strengthening the Halal industry ecosystem in Indonesia, BPJPH plays a role in

providing trusted halal certification which in turn increases consumer trust in halal products.

4.3.2.2 Reliability and Transparency as Key Factors in Trusting Indonesia Halal Certification.

Discussing how the reliability and transparency of halal certification in Indonesia are key factors in building trust among Malaysian halal-certified, interviews indicate that transparency in certification procedures, consistency in the implementation of halal standards, and strict audit processes play an important role in increasing acceptance of Indonesian halal certification, in addition closer collaboration between BPJPH and JAKIM improvements to the halal logistics system are also seen as opportunities to strengthen trust and facilities access for Malaysian companies to the Indonesia halal market.

Confidence in the reliability and transparency of Halal certification in Indonesia is an important aspect in determining the extent to which Halal-certified companies in Malaysia can accept and cooperate with the certification system. The Halal certification system in Indonesia offers great opportunities for export market expansion, companies in Malaysia tend to value aspects of transparency, standard compliance, and consistency in the implementation of certification procedures, with efforts to increase trust and ensure transparency from BPJPH in Indonesia, collaboration between the two countries can be strengthened, supporting the growth of the halal sector regionally and globally.

The researcher has interviewed five informants from halal-certified companies in Malaysia with different positions to collect data on the extent to which Malaysian companies believe in the reliability and transparency of Indonesian halal certification. According to informants P1, P2, P4, and P5, they consider that the reliability and transparency of Indonesian halal certification are the main factors in increasing trust in Indonesian halal certification. When BPJPH is able to demonstrate consistency and openness in the certification process, the acceptance of halal certification between the two countries will be easier. Meanwhile, informant P3 highlighted the importance of the cooperation that has been established between Malaysia and Indonesia as an initial step to increase trust in Indonesian halal certification in the future.

The following are five informant responses given regarding confidence in the reliability and transparency of Indonesian halal certification:

“In my opinion, halal certification from Indonesia is no longer in doubt, if it is related to products from China, maybe I will think twice before buying it and will double check to make sure whether the certification body is recognized. However, for products from Indonesia, I no longer need to do that. For example, if I see Nabati or Mie sedap products that clearly display the halal logo from Indonesia, I immediately feel sure and buy it without thinking twice”. (P1)

“For me, I am confident with Indonesian halal certification. For example, when I go to Indonesia, I feel confident with the halalness of the products there. The same goes for Indonesian products that enter Malaysia. If they already have halal certification from Indonesia, I feel confident and do not hesitate to buy them. So, for me, that is convincing enough”. (P2)

“For me, it is important to realize the integration of principles, especially in facing large-scale logistics challenges, so that the process of distributing halal products can run more smoothly. Indonesia can play a role by setting faster, more transparent, and more inclusive standards to strengthen halal certification in the country”. (P3)

“I believe Indonesia’s halal certification, especially through MUI, has high credibility and international recognition, with BPJPH now managing the process, consistency and transparency are still needed, the system works so far but ongoing monitoring is essential to address bureaucratic and regional challenges”. (P4)

“In my opinion, trust and transparency in halal certification bodies, especially in Malaysia, are highly dependent on the audit process. If we only rely on documents, all parties must prepare and submit them, but what is more important is how the audit is carried out. This audit process includes checking all aspects of production, starting from how the product is made, the raw materials used, to checking the label to ensure that there are no non-halal elements. In addition, the cleanliness of the production site is also a major concern so that the products produced truly meet halal standards. So for me, field audits are much more accurate and transparent than just document verification”. (P5)

Based on the results of the interview above regarding the informant's views on the belief and reliability and transparency of halal certification in Indonesia, it is stated that Indonesian halal certification is seen as being able to meet the expectations of trust, providing a sense of confidence to consumers, both at home and abroad. This is in accordance with the findings of (Hosen & Lathifah, 2020) who stated that halal certification in Indonesia plays an important role in increasing consumer trust in

micro, small and medium business products, both domestically and abroad, this is because many consumers prefer halal-certified products as a guarantee that the product meets halal standards.

4.3.2.3 Perceptions of strengths and areas for improvement in Indonesia's Halal certification

Discusses how Malaysian halal-certified companies view Indonesia halal certification in general as something positive, especially due to the compliance with standards and global recognition that has been established by MUI and BPJPH. However, there is a view that standards in Indonesia still need to be improved to be more comparable to Malaysian standards that are already widely recognized, in addition the transition from MUI to BPJPH is considered a challenge that caused confusion at the beginning of its implementation. Nevertheless, trust in the Indonesian halal certification system remain high, with the hope that transparency, consistency, and credibility will continue to be strengthened to increase acceptance in the global market.

Experience of information related to halal certification in Indonesia has a significant influence on the perception of halal-certified companies in Malaysia, both in terms of trust and acceptance. The reliability and transparency of the halal certification system implemented by BPJPH are fundamental elements in determining the extent to which collaboration between the two countries can be established effectively. Positive experiences such as consistent procedures, internationally recognized standards, and transparency in their implementation can strengthen confidence and encourage openness in cooperation. However, challenges such as differences in standards or lack of transparency of information can create negative perceptions that hinder acceptance.

Therefore, continuous efforts to increase trust through optimizing the reliability and transparency of BPJPH are needed to strengthen synergy and support the expansion of the halal sector at the regional and global levels.

The researcher conducted interviews with five informants from halal-certified companies in Malaysia to explore experiences and information that could influence their views on halal certification in Indonesia, both positively and negatively. Based on the responses obtained, informant P1 revealed that transparency and consistency in the Indonesian halal certification process are important factors that can build trust. Their experience with Indonesian halal products that meet these standards gave a strong positive impression.

Meanwhile, informant P2 stated that they did not have any experience or information that directly impacted positively or negatively on their views. However, P2 still emphasized the importance of reliability and transparency aspects to maintain trust in Indonesian halal certification. Informant P3 highlighted the need to strengthen cooperative relations between Malaysia and Indonesia. According to P3, good collaboration will contribute to a positive perception of Indonesian halal certification, while also helping to overcome obstacles that may arise, informant P4 stated that trust in Indonesian halal certification remains good, with the note that consistency, credibility, and transparency in the new system must continue to be maintained and informant P5 stated that the positive view of halal certification in Indonesia is because it is undergoing the initial stage of the certification process with a thorough and strict audit, with no negative experience or information so far.

Experience and relevant information play an important role in shaping views towards Indonesian halal certification, with an emphasis on transparency, consistency, and cross-border collaboration. The following are five informants' answers given regarding information or experiences that influence the views of halal-certified companies in Malaysia towards Indonesian halal certification, both positively and negatively.

“In my opinion, I consider Indonesia's halal certification as a positive thing because based on the information I got, halal products from Indonesia always meet the expected standards, because in our region, halal certification is something very serious. My level of trust in halal certification in Indonesia is equal to halal certification in Malaysia as well”. (P1)

“Up until now, I still haven't heard much information. Both positive and negative”. (P2)

“In my opinion, from a positive perspective, I feel that the relevant parties in Indonesia have made quite clear guidelines to ensure that every company can comply with the rules that have been set. However, in my opinion, from a negative perspective, halal certification in Indonesia does not have standards as strong as in Malaysia. The standards used by Malaysia are recognized by many countries. So, maybe what Indonesia can improve is improving standards and other related aspects”. (P3)

“My experience with Indonesia halal certification has been mostly positive, MUI's long-standing credibility and the government's legal commitment strengthen trust, however the transition to BPJPH initially caused some confusion due to lack of

uniformity. Overall, trust remains strong, but consistency, credibility, and transparency must be maintained”. (P4)

“Currently, I have no negative experience or information regarding halal certification in Indonesia, in fact I have a positive view because we are in the early stages of the certification and audit process which is carried out in a complex manner”. (P5)

Based on the results of interviews with the informants above, it states that views on Indonesian halal certification are influenced by the experience and information held by stakeholders. Although efforts have been made, there is still an opportunity to improve global standards and awareness in order to strengthen trust and expand the acceptance of Indonesian halal certification in the international market. These findings are in line with (Anggriani et al., 2024) that views on Indonesian halal certification are influenced by experience and information, positive experiences and clear information have been proven to increase the interest and trust of micro, small and medium enterprises to obtain halal certification.

4.3.3 Comparative views and future outlook

Malaysia’s halal certification system has the advantage of having an established track record and global recognition of its integrity and quality. Indonesian halal certification offers great potential with a large domestic market base and support from the world’s largest Muslim population. Differences in standards, regulations and procedures between the two countries create barriers that affect cooperation and acceptance in the halal sector. Strategic collaboration between Malaysia and Indonesia through harmonization of halal certification standards is a great opportunity to enhance

competitiveness in the global market. Building better alignment and overcoming regulatory barriers, both countries can strengthen their positions as leaders in the development of the global halal industry, create greater export opportunities and expand the economic impact of the sector.

4.3.3.1 Comparative Certification Processes and Market Potential in Indonesia

Discusses the comparison of the halal certification system in Indonesia with other countries, especially Malaysia and Thailand, and how the differences in procedures affect the interest of Malaysian companies in exporting their products to Indonesia. Indonesia places halal certification as an initial stage before product registration, in contrast to Malaysian which prioritizes pharmaceutical regulations before halal certification. Trust in halal products from Indonesia remains high compared to non-Muslim countries, with factors such as the mandatory halal certification policy in Indonesia being a particular attraction. Although some companies are still in the early stages of expanding into Indonesia, they see great opportunities due to the large Muslim market and Indonesia's long experience in the halal certification system.

The researcher has interviewed five informants from halal certified companies in Malaysia with different positions to gather their views on Indonesia's halal certification system compared to other countries.

Based on interviews, informants P1, P2, P4, and P5 assessed that the halal certification system in Indonesia is unique compared to other countries, especially in terms of stricter regulations and based on government authority. P1 highlighted that in Indonesia, halal certification is the main stage before a product can be registered with

BPOM, unlike Malaysia which allows registration first before obtaining halal certification. P2 assessed that products from Muslim countries such as Indonesia and Brunei are more trusted in terms of halalness compared to countries such as Thailand and China which have many cases of halal certification forgery. P4 added that Indonesia has great potential as a global market reference center because of its large Muslim population, long experience with MUI, and regulations that require all products to have halal certification, unlike Malaysia which is voluntary, while P5 highlighted how companies based in Malaysia are more focused on the domestic market, and have only just started exploring exports to Indonesia.

On the other hand, informant P3 assessed that the halal certification system in Indonesia has unique characteristics compared to other countries, especially in strict procedures and standards. P3 compared Indonesia with Malaysia and Thailand, where Malaysia prohibits factories that produce non-halal products from producing in one business entity, while in Thailand, companies can produce halal and non-halal products as long as they are carried out in different facilities. P3 saw that although the Indonesian halal certification system provides a stronger guarantee of the halalness of products, this can also be a challenge for companies that are just adapting to stricter regulations and systems that are different from other countries.

The following are five answers given by informants regarding the views of halal-certified companies in Malaysia regarding how the Indonesian halal certification system compares to the halal certification systems in other known countries:

“The halal certification system in Indonesia is currently being developed by BPJPH. Compared to Malaysia, products must go through NEPRA (National Pharmaceutical

Regulatory Agency) first. After the product gets a notification or registration number (MAL number), halal certification can be carried out. However, in Indonesia, the process is reversed. Halal certification must be obtained first before proceeding to the next stage, such as registration at BPOM. This shows that in Indonesia, the halal aspect is the main element and is prioritized compared to other countries". (P1)

"I trust JAKIM halal certification more, if it comes from Muslim countries like Indonesia and Brunei, I tend to be more confident in its halalness, but for products from countries like Thailand and China, I usually check the halal logo again, this is because there are many cases of fake halal logos, I once found a product from Thailand that only included the word 'halal' without proper certification, so far for products from Indonesia, I feel there is no problem and still believe in the halalness guaranteed there". (P2)

"For comparison between Malaysia and Thailand, what I know is that in Malaysia if a company has a non-halal product, then the company is not allowed to issue halal products, on the other hand in Thailand, a company that produces non-halal products can still produce halal food, as long as it is done in a different factory, meaning that in the same brand there can be halal and non-halal products but they are produced in different locations, if compared to Malaysia if a factory is halal certified then all of its products must be halal and cannot be mixed with non-halal, even though they come from the same brand". (P3)

"In Malaysia, there is a halal certification body known as JAKIM, while in the United Arab Emirates (UAE) there is ESMA, the advantages of the halal certification system are highly dependent on the policies of each country, but there are several advantages

in the halal certification system in Indonesia that I can share, first Indonesia has a market with a large Muslim population, Indonesia has great potential to become the main reference in the global halal market, second there is long experience with MUI in halal certification, third halal certification in Indonesia is mandatory for all products, as regulated in the halal product guarantee law, this is different from other countries, such as Malaysia where halal certification is voluntary in Malaysia companies that want to obtain halal certification can apply, but are not required, however having halal certification still provides benefits for products that want to compete in the global market". (P4)

"I have no experience with halal certification systems in other countries besides Malaysia and Indonesia at this time, our company focuses more on the domestic market, and most of our clients are from Indonesia, our products are available in several hospitals in Malaysia, but until now we have not exported to other countries such as India or Thailand, we have only just started exporting to Indonesia, we are still in the early stages of dealing with customs and other administrative processes". (P5)

The following table summarizes the differences between Indonesia's halal certification systematic compared to other countries based on interviews with informants:

Aspect	Indonesia	Malaysia	Thailand	China & Other Countries	UAE (United Arab Emirates)
Halal Certification Authority	BPJPH (with the support of MUI and LPPOM)	JAKIM (Malaysian Islamic Progress Department)	The Central Islamic Council of Thailand (CICOT)	Varies, depending on the certification body in each region	ESMA (Emirates Authority for Standardization and Metrology)
Validity of Certification	Mandatory for all products	Voluntary, but provides a competitive advantage	Voluntary	Depends on each country's policy	Mandatory for certain products
Certification Process	Must be halal first before BPOM	You can register with NEPRA first before halal certification	Can produce halal and non-halal in different locations	Many cases of halal logo forgery (P2)	Referring to global halal standards

Public Trust	High, trusted in other Muslim countries	High, especially in Muslim countries	Low, need to re-verify because there is a case of forgery (P2)	Various, there are cases of halal certification falsification (P2)	Tall, used as standard in the Middle East
Requirements for Companies	All products in one company must be halal (P3)	If a company has non-halal products, it cannot have halal certification (P3)	Can produce halal and non-halal products under the same brand as long as they are in different factories (P3)	There are no strict rules regarding the combination of halal and non-halal in one company.	Following international regulations, depending on the industry sector

Table 4.2.1 Summarize the Differences between Indonesia's halal certification systematic compared to other countries.

This table illustrates that Indonesia's halal certification system has stricter regulations compared to other countries, especially in requiring halal certification for all products and ensuring that halal must be obtained before the registration processes at BPOM. Compared to Malaysia which is still voluntary, this regulation makes Indonesia a stricter but also more trusted halal market at the global level.

Based on the results of interviews with the informants above, it states that the comparison of halal certification in Indonesia with other countries is different, in general the informants consider that the halal certification system in Indonesia is stricter and more structured than other countries. The results of the informants above are supported by research (Yustianingsih et al., 2024) which states that Indonesia has clear laws on halal product assurance which include procedures and sanctions, providing a strong legal basis. In contrast to research (Hosen & Lathifah, 2020) which states that there are significant differences in halal certification between Indonesia and other countries such as Malaysia, Singapore, and Brunei Darussalam, halal standards in Malaysia and Singapore are more internationally accepted compared to Indonesia which shows the need for improvement in halal regulations in Indonesia.

4.3.3.2 Enhancing the Acceptance of Indonesian Halal Certification Among Malaysian Companies

Malaysian companies' views on Indonesia halal certification and factors that can increase its acceptance, although Indonesia halal certification is trusted by the Malaysian public, several challenges still remain such differences in standards with Malaysia's MS1500 and lack of harmonization with international halal certification bodies, to increase the trust of Malaysian companies efforts such as harmonization of standards, bilateral cooperation, increasing the efficiency of the certification process, and digitalization of system are needed, with these steps Malaysian companies that have been halal certified will be more interested in exporting their products to Indonesia.

“I think it is better to maintain the current system because it shows how firm Indonesia's stance is in implementing halal standards, halal certification should be prioritized before the notification process and subsequent stages, unlike other countries, as I mentioned earlier, there products can be registered and notified first, while their halalness is not necessarily guaranteed, but in Indonesia there is no doubt that safety and halalness are not just halal status but also reflect aspects of product safety, product safety and purity are very much considered, therefore the system in Indonesia has its own advantages”. (P1)

“Currently, I think the Malaysian public's acceptance of Indonesian halal certification is quite good, like myself, maybe because we see Indonesia as a Muslim country, so it is more trusted compared to other countries such as Thailand or China, because as I said before, in some of these countries there are products that look perfect or just include the word halal, but the logo is not necessarily genuine, currently more and more products from Indonesia are entering Malaysia, both cosmetics and food, maybe in the future if more Indonesian products are exported to Malaysia, the acceptance of the Malaysian public will be more familiar and accustomed to these products”. (P2)

“I think there are some changes that can be made to increase the acceptance of Indonesian halal certification among Malaysian companies, first there needs to be an effort to align halal standards with other countries through cooperation between the two parties, so that Indonesian halal certification can be more easily recognized and accepted by companies in Malaysia, second the certification process also needs to be more efficient, with better communication so that companies in Malaysia increasingly believe in the halalness of products from Indonesia, third it is important to promote

awareness and education programs about Indonesian halal certification to the international market, including Malaysia, with increased understanding, Malaysian companies will be more familiar and confident with Indonesian halal standard". (P3)

"Based on peer's experiences, Indonesian halal certification could gain wider acceptance among Malaysian companies if it aligns more with global standards and institutions like JAKIM, ISMA, and GIMDES, harmonizing with Malaysia's MS1500 and meeting ISO 27 would ease exports, consistent implementation by BPJPH across regions is also build trust and reduce bureaucratic issues". (P4)

"In my view, to increase acceptance of Indonesian halal certification among Malaysian companies, the standards should be more uniform and consistent with those in Malaysia, for example Malaysia uses ICHS which is simpler for small businesses, while Indonesia's system is more complex also the certification processes in Indonesia would be more efficient if it were digitized instead of relying on manual forms like the SPJP in word format". (P5)

Based on the results of interviews with the informants above, it can be stated that to increase the acceptance of Indonesian halal certification in Malaysia, it is necessary to align standards with international institutions such as Jakim and Adjustment with MS1500 and ISO, the certification process must also be more efficient through a digital system, while consistency and transparency in its implementation need to be maintained, in addition, promotion and education about Indonesian halal certification in the international market will strengthen the trust of Malaysian companies. In line with research (Melga Sari et al., 2024) the acceptance of halal certification in Indonesia among Malaysian companies can be increased through several main

strategies such as JAKIM and ISMA to be more recognized globally, as well as the implementation of a more modern and efficient certification system. Supported by research (Aurahma & Arsyianti, 2023) aligning standards with international halal certification such as JAKIM, increasing the efficiency of the certification process with a digital system based on AI and blockchain, and optimizing the role of BPJPH in verification and supervision.

4.3.3.3 The Strategic Role of Indonesian Halal Certification in ASEAN Market Integration

Indonesian halal certification is viewed in the context of ASEAN halal market integration and its impact on Malaysian companies' interest in exporting their products to Indonesia. Interviews indicated that Indonesia has great potential as a halal certification hub in the region, especially due to its more stringent certification system and rapid development compared to other ASEAN countries. However, challenges remain regarding harmonization of standards and international recognition, with increased regional cooperation and more active role of BPJPH, Indonesia halal certification can be more trusted and recognized, thus attracting more Malaysian companies to expand their market to Indonesia.

“In my opinion, Indonesia can be a role model in the halal certification system in ASEAN because it prioritizes the halal aspect before other processes, other ASEAN countries can follow this approach so that halal standards in the region are more uniform and reliable, in addition, stricter Indonesian halal certification can strengthen Indonesia's position in the ASEAN halal market and facilitate the trade of halal products in this region”. (P1)

“Currently, there is an agreement between Malaysia and Indonesia regarding halal certification, but when compared, I see that the halal system in Indonesia is developing more rapidly, for example, products such as Indomie have reached the international market, even available in the United States, in my opinion Indonesia will continue to develop rapidly in the halal industry, but I also hope that Malaysia will be able to follow this development”. (P2)

“If viewed from the perspective that has been mentioned previously, the halal standards managed by the MUI are still national in nature and have not been as widespread as in Malaysia, which has been recognized in several ASEAN countries, while in Indonesia a further approach is needed so that halal certification can be more widely accepted, therefore the implementation of new halal standards under the Ministry of Religion, no longer under the MUI is a very positive step with this standard, the trust of Muslims in Indonesia can increase, while creating a more stable, safe, and widely applicable certification system throughout Indonesia”. (P3)

“In my opinion, halal certification has a very large potential and plays an important role in shaping the halal market in Asia in the future, there are several factors that can be considered in its development, first, Indonesia's strategic position as the largest halal market in Asia provides a great opportunity to strengthen its influence, second, ASEAN economic integration can also be a driving factor in strengthening cooperation and standardization of halal certification between countries, in addition, increasing the role of BPJPH is very important after taking over the role of halal certification, BPJHP must develop faster to ensure the certification process runs efficiently and maintain consistency in its implementation”. (P4)

“I believe Indonesia plays a significant role in the ASEAN halal market due to its large Muslim population, stricter halal standards will boost trust in Indonesian products, with growing halal product availability consumers from countries like Malaysia and Thailand are more confident buying from Indonesia, as ASEAN cooperation grows, Indonesia halal certification will gain more credibility and international recognition”. (P5)

Based on the results of the answers of the five informants above, it can be said that the role of Indonesian halal certification in the ASEAN halal market is predicted to continue to grow along with various supporting factors such as strict certification standards, growth of the halal industry, changes in the certification management system, and ASEAN economic integration, with the strengthening of regulations and cooperation between countries, Indonesia has the potential to become a leader in the ASEAN halal market and have higher competitiveness at the global level.

The above results are in line with research (Sunaryo et al., 2019) cooperation and networking between ASEAN halal institutions will strengthen certification, help overcome challenges related to the uncertainty of halal norms and documentation, thus enabling Indonesian halal products to compete more effectively in regional and global markets in the future. Supported by research (Herdiana, 2021) halal certification in Indonesia is very important for the integration of the ASEAN halal market with the largest Muslim population, the implementation of strict certification will increase consumer confidence and competitiveness, making Indonesia a center for halal production and distribution which will strengthen its position in global challenges and support the global economy.

4.3.3.4 Opportunities and Challenges for Malaysian Halal-Certified Companies in Entering the Indonesian Market

Discusses the interest of Malaysian halal-certified companies in exporting their products to Indonesia, as well as the opportunities and challenges they face, interviews indicate that Indonesia is a potential target market due to its large Muslim population and high demand for halal products. However, stringent regulatory processes, such as BPOM requirements and halal certification documents, are major challenges for Malaysian companies, however Indonesian consumers' trust in Malaysian products and the potential harmonization of halal standards across ASEAN open up great opportunities for future business expansion.

“Yes, it must be because in Indonesia the Muslim population is high so the opportunity for us to make a good product positioning should be Indonesia as one of the destination choices, honestly we do have products here that we have tried to export to Indonesia, but the process is still at the BPOM stage, so I want to tell you that it is still at the BPOM level, hopefully after the process is complete we can market our products in Indonesia, if other than Indonesia, there are also exports to other countries, we export to Thailand to China especially to parts that have Muslim communities then we also export to Kazakhstan, when compared to Thailand it feels easier to enter there, in Indonesia there are many processes that we have to go through, we have to submit many documents then later there will be feedback again for example they ask about certain ingredients whether the supporting documents, so they are quite thorough. So far, Alhamdulillah, we have succeeded in entering several products into Indonesia, one of which is toothpaste and shower gel”. (P1)

“Yes, we do have thoughts in that direction, although there are no concrete plans yet because if you look at it from a food perspective, Malaysia and Indonesia have many similarities, for example, our company produces instant coffee in Indonesia and there are also many similar products so there is a big opportunity to enter the market there, but for now we have not realized it because of the quite a lot of export requirements”.

(P2)

“Yes, I am very interested because this is a great opportunity to develop our products in Indonesia while promoting products from Malaysia, especially from Kedah, the existing halal certification is very supportive and I hope this opportunity can be realized in the future”.

(P3)

“Yes, exporting to Indonesia is a great opportunity because the demand for the halal market there is very high, halal food, beverage, cosmetic, and clothing products have strong demand, besides that, trust in Malaysian products is also quite high in Indonesia, thus providing an advantage for Malaysian products in the market, Malaysia itself has set more global halal standards than Indonesia, thus facilitating the export process, but Indonesia has great potential to become a leader in the halal market in Asia if it is able to harmonize halal standards and improve its certification system with the development of a new certification system, it is hoped that the export opportunities for Malaysian halal products to Indonesia will be more open”.

(P4)

“We’re currently in the process of Indonesia, fulfilling requirements like HS codes, although Indonesia has strict halal regulations, we see this as both a challenge and a big opportunity, with strong consumer awareness of halal products, especially in

cosmetics Indonesia offers great market potential compared to other countries like Thailand". (P5)

Based on the results of the interview above, it can be stated that the export opportunities for Malaysian products to Indonesia are very large, especially because of the high demand for the halal market and trust in Malaysian product standards, but the main challenges faced are strict regulations and complex certification processes including BPOM requirements and supporting documents that must be met. Indonesia has the potential to become the center of the halal market in Asia if it can harmonize its certification standards, with the support of a strong halal certification system, Malaysian companies are optimistic that they can expand their market in Indonesia, especially for halal food, beverage, cosmetic and clothing products. Supported by research (Herdiana, 2021) The export opportunities for Malaysian halal products to Indonesia are large due to high demand but are hampered by the challenges of harmonizing certification standards, competition in ASEAN, especially with Thailand, also affects exports if Indonesia can improve regulations and align its certification with global standards, including Malaysia, then halal trade between the two countries will be smoother and more competitive. Supported by research (Budiyo et al., 2022) the export opportunities for Malaysian halal products to Indonesia are large, the main challenge is the complex certification process if halal standards are more harmonious exports will be easier and strengthen halal trade in ASEAN.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusion and recommendations derived from the study in the views of Malaysian halal certified companies towards Indonesia halal certifications and their export opportunities. The study aims to explore their views on Indonesian halal certification, identify the challenges and opportunities in entering the Indonesian market, and assess their interest in exporting halal products to Indonesia. The findings of this study provide insight that can contribute to improving the halal certification processes and strengthening trade relations between Malaysia and Indonesia.

5.2 Summary of Findings

The main objectives of this study are to explore the perceptions of Malaysian halal certified companies towards Indonesia halal certification, identify the challenges and opportunities faced by Malaysian halal certified companies in entering the Indonesian halal market, assessed the interest of Malaysian halal certified companies in exporting their products to Indonesia.

Achieve these objectives this study adopted a qualitative approach with in-depth interviews as the primary method of data collection, five informants from the halal industry in Malaysia were selected through purposive sampling technique, thematic analysis was used to identify key patterns in their perspective and experiences regarding Indonesian halal certification. The research findings show that Indonesian halal certification has a significant impact on Malaysian halal product exports, although Indonesia is considered a promising halal market, there are various challenges such as

differences in regulations between BPJPH and JAKIM, lack of transparency in certification procedures, and high time and cost in obtaining Indonesian halal certification. Great potential to increase synergy between the two countries through mutually beneficial certification recognition and simplification of administrative processes for Malaysian exporters.

The study also found that trust in Indonesia's halal certification system is crucial factor for Malaysian companies in deciding to expand into the Indonesian market, informants acknowledge that Indonesia's halal certification system is increasingly structured, but improvements are still needed in aligning standards with international framework and improving industry understanding of certification procedures, in addition given the increasing global demand for halal products, an internationally recognized halal certification system will increase Indonesia's competitiveness in the global market.

Findings from previous studies support this conclusion, research by (Warto & Samsuri, 2020) emphasized that strict halal standards can increase exports of halal products to countries with strict halal regulations. Similarly, (Setyaningsih & Marwansyah, 2019) found that companies' understanding of various halal standards in various countries significantly influenced their business expansion strategies. These studies are in line with this research, highlighting the importance of harmonizing halal standards to facilitate market access.

5.3 Limitation of Study

There are several limitations in this study that need to be considered for future improvements, one of the main limitations is the limited geographical coverage, where this study only focuses on halal-certified companies based in Malaysia, if the scope of the study is expanded to other countries, it is likely that more perspectives will be found that can enrich the understanding of halal certification at the global level, in addition, time constraints are also a factor that limits the number of informants that can be interviewed, so the results of this study may not be fully representative of the entire Malaysian halal industry. Finally, because halal regulations in Indonesia continue to evolve, the results of this study may need to be updated periodically to ensure relevance to the latest policies.

5.4 Recommendation

Based on the research results, there are several recommendations that can be proposed to improve the effectiveness of Indonesian halal certification and strengthen halal product trade between Malaysia and Indonesia. First, efforts are needed to harmonize halal standards between BPJPH and JAKIM in order to reduce administrative barriers for Malaysian exporters, recognition of cross-country certification can help accelerate the export process and increase the competitiveness of halal products in the global market, second transparency in halal certification procedures in Indonesia needs to be improved to make them easier to understand by industry players, this can be done by providing clearer guidelines and improving communication between certification bodies and exporters, third government support in the form of incentives or policies that are friendly to exporters can help Malaysian companies be more confident in entering the Indonesian

market. In addition, joint promotion between Malaysia and Indonesia regarding agreed halal standards can increase consumer confidence in certified halal products.

5.4.1 Recommendations for Indonesian Halal Certification and Export

Opportunities

Improving the competitiveness of Indonesian halal certification in the global market, several steps can be taken. First, BPJPH needs to cooperate with international certification bodies so that Indonesian halal certificates are more recognized at the world level. Second, simplifying the certification process for foreign companies can help increase investment interest in the Indonesian halal industry. Third, the Indonesian government can provide further support for small and medium enterprises in obtaining halal certification so that they are better prepared to enter the export market. In addition, a more aggressive promotional strategy is needed to increase global awareness of the superiority of Indonesian halal products.

5.4.2 Recommendations for Future Research

Future research can expand this study with a wider scope, both in terms of geography and methodology, further research can include the perspectives of industry players from various countries to get a more comprehensive picture of global halal standards. In addition, a more in-depth study of the impact of halal certification on consumer preferences can also be a relevant topic to explore, the use of digital technology in the halal certification process is also worthy of further research, considering the growing trend of digitalization in the halal industry.

5.5 Conclusion

This study revealed that Malaysian halal-certified companies have mixed views on halal certification in Indonesia, although Indonesia has great potential as a halal market, there are several challenges that need to be addressed to improve accessibility for Malaysian exporters. Trust in Indonesian halal certification can be improved through harmonization of standards, transparency of the process, and wider recognition at the international level, with the increasing demand for halal products in the global market, collaboration between Malaysia and Indonesia in the halal industry can be a strategic step to strengthen the position of both countries as the world's halal hub.

Thus, this study is expected to provide insight for stakeholders in the halal industry to continue to improve the quality of certification and expand opportunities for halal product exports, the sustainability of the development of a more transparent and efficient certification system will be the main key to increasing the competitiveness of the halal industry at the international level.

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APPENDIX

APPENDICES

APPENDIX A

(CONSENT FORM)

APPENDIX B

(COVER LETTER OF DATA COLLECTION)

APPENDIX C

(INTERVIEW TRANSCRIPTS)



UUM
Universiti Utara Malaysia

CONSENT FORM

RESEARCH TITLE:

**MALAYSIA HALAL-CERTIFIED COMPANIES' VIEWS ON INDONESIA
HALAL CERTIFICATION AND EXPORT OPPORTUNITIES**

RESEARCHER'S NAME:

HAVNA AMIRUDDIN

1. I confirm that I have read and understand the participant information sheet for the above study.
2. I understand that my participation is voluntary and that I am free to withdraw without giving any reason.
3. I have been clearly informed and agree to take part in this study.
4. I believe that the information provided is solely for research purposes and is confidential.

.....

Participant's signature

.....

Date

Please proceed to answer the questionnaire on the next page.

This consent form must be returned to us together with the questionnaire.

Thank you.



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No. Rujukan : UUM/COB/IBS/A-4/1
Tarikh : 23 Disember 2024

KEPADA SESIAPA YANG BERKENAAN

Tuan,

PERMOHONAN KEBENARAN UNTUK MENJALANKAN KAJIAN AKADEMIK

Dengan segala hormatnya saya merujuk kepada perkara di atas.

2. Adalah dimaklumkan bahawa pelajar berikut sedang giat menjalankan kajian penyelidikan seperti berikut:

Nama : HAVNA AMIRUDDIN
No. Matriks : 833432
Kursus : MASTER IN ISLAMIC FINANCE AND BANKING (MIFB)
Fakulti : PUSAT PENGAJIAN PERNIAGAAN ISLAM (IBS)
UNIVERSITI UTARA MALAYSIA
Tajuk Kajian : MALAYSIA HALAL – CERTIFIED COMPANIES' VIEWS ON
INDONESIA HALAL CERTIFICATION AND EXPORT
OPPORTUNITIES
Penyelias Kajian : DR. NOR AINA BINTI MHD KHOTIB

3. Sehubungan dengan itu, saya memohon agar pihak tuan dapat memberi kebenaran kepada pelajar ini untuk menjalankan kajian akademik beliau seperti yang dipohon.

4. Sekiranya ingin mendapat maklumat lanjut tentang perkara ini, sila hubungi dengan Havna Amiruddin di talian +62 81361961940/+60 1153780557 atau e-mel safna082001@gmail.com.

Segala maklumbalas serta maklumat data berkaitan kajian ini amat dialu-alukan dan kerjasama tuan dalam menjayakan kajian ini amatlah dihargai dan didahului dengan ucapan terima kasih.

Sekian.

"MALAYSIA MADANI"
"BERKHIDMAT UNTUK NEGARA"
"KEDAH SEJAHTERA-NIKMAT UNTUK SEMUA"
"ILMU BUDI BAKTI"

Saya yang menjalankan amanah,

DR. MOHD FIKRI BIN SOFI
Penyelaras Program MIFB & MIBS
Pusat Pengajian Perniagaan Islam
Universiti Utara Malaysia

Universiti Pengurusan Terkemuka
The Eminent Management University



INTERVIEW TRANSCRIPTS 1

Informants 1

Date: 13 January 2025

Time: 10.00 pm

The interviews session was held at Halagel Malaysia Company and its' taken about forty-five minutes.

NO.	QUESTIONS	ANSWERS
1.	How familiar are you with Indonesia's halal certification process?	<i>We see Indonesia's halal certification as a great opportunity to expand our halal product market, although there are some differences in procedures that we have to adjust to</i>
2.	What are your overall perceptions of Indonesia's halal certification compared to Malaysia's?	<i>This refers to the process of meeting halal standards that are recognized in the ASEAN market, where Indonesian halal certification is seen as an opportunity to expand market access and strengthen the competitiveness of Malaysian companies in the export sector</i>
3.	Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?	<i>A particular aspect of Indonesian halal certification that is considered credible is the existence of BPJPH which has a good reputation in setting halal standards, I believe that the certification process must meet strict halal principles and be in line with the requirements in other countries</i>
4.	What factors influence your trust in halal certifications from other countries, specifically Indonesia?	<i>In my opinion, as part of the ASEAN countries, I trust Indonesia's halal certification more. This is because BPJPH (Halal Product Assurance Agency) selects people who work in it based on criteria that are in accordance with Islamic law.</i>

		<i>Therefore, the main factor that influences my trust and acceptance of Indonesia's halal certification is my belief in the credibility of the people who work at BPJPH</i>
5.	How confident are you in the reliability and transparency of Indonesia's halal certification body?	<i>In my opinion, halal certification from Indonesia is no longer in doubt, if it is related to products from China, maybe I will think twice before buying it and will double check to make sure whether the certification body is recognized. However, for products from Indonesia, I no longer need to do that. For example, if I see Nabati or Mie sedap products that clearly display the halal logo from Indonesia, I immediately feel sure and buy it without thinking twice</i>
6.	Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?	<i>In my opinion, I consider Indonesia's halal certification as a positive thing because based on the information I got, halal products from Indonesia always meet the expected standards, because in our region, halal certification is something very serious. My level of trust in halal certification in Indonesia is equal to halal certification in Malaysia as well</i>
7.	In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?	<i>The halal certification system in Indonesia is currently being developed by BPJPH. Compared to Malaysia, products must go through NEPRA (National Pharmaceutical Regulatory Agency) first. After the product gets a notification or registration number (MAL number), halal certification can be carried out. However, in Indonesia, the process is reversed. Halal certification must be obtained first before proceeding to the next stage, such as registration at BPOM. This shows that in Indonesia, the halal aspect is the main element and is prioritized compared to other countries</i>
8.	What changes, if any, would encourage greater acceptance of	<i>I think it is better to maintain the current system because it shows how firm</i>

	Indonesia's halal certification among Malaysian companies?	<i>Indonesia's stance is in implementing halal standards, halal certification should be prioritized before the notification process and subsequent stages, unlike other countries, as I mentioned earlier, there products can be registered and notified first, while their halalness is not necessarily guaranteed, but in Indonesia there is no doubt that safety and halalness are not just halal status but also reflect aspects of product safety, product safety and purity are very much considered, therefore the system in Indonesia has its own advantages</i>
9.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>In my opinion, Indonesia can be a role model in the halal certification system in ASEAN because it prioritizes the halal aspect before other processes, other ASEAN countries can follow this approach so that halal standards in the region are more uniform and reliable, in addition, stricter Indonesian halal certification can strengthen Indonesia's position in the ASEAN halal market and facilitate the trade of halal products in this region</i>
10.	How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future and Are there export opportunities to expand Malaysian products to Indonesia?	<i>Yes, it must be because in Indonesia the Muslim population is high so the opportunity for us to make a good product positioning should be Indonesia as one of the destination choices, honestly we do have products here that we have tried to export to Indonesia, but the process is still at the BPOM stage, so I want to tell you that it is still at the BPOM level, hopefully after the process is complete we can market our products in Indonesia, if other than Indonesia, there are also exports to other countries, we export to Thailand to China especially to parts that have Muslim communities then we also export to Kazakhstan, when compared to Thailand it</i>

		<i>feels easier to enter there, in Indonesia there are many processes that we have to go through, we have to submit many documents then later there will be feedback again for example they ask about certain ingredients whether the supporting documents, so they are quite thorough. So far, Alhamdulillah, we have succeeded in entering several products into Indonesia, one of which is toothpaste and shower gel</i>
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INTERVIEW TRANSCRIPTS 2

Informants 2

Date: 14 January 2025

Time: 10.00 pm

The interview session held at Epson Malaysia Company and its' taken about forty-five minutes.

NO.	QUESTIONS	ANSWERS
1.	How familiar are you with Indonesia's halal certification process?	<i>Initially, we only focused on Malaysian halal certification, but with the increasing demand in Indonesia, we also followed the halal certification process there</i>
2.	What are your overall perceptions of Indonesia's halal certification compared to Malaysia's?	<i>The company will appoint related institutions or partners in Indonesia to ensure that the halal certification process is fulfilled, so that the products produced can be accepted in the Indonesian market and other countries that recognize Indonesian halal certification</i>
3.	Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?	<i>Before we market products with Indonesian halal certification, we ensure that the certification standards have been thoroughly checked by our internal party, Our company sees that Indonesia has a fairly strict certification process, although there are some differences in standards with our country, in terms of trust we see the potential for cooperation to ensure that the standards become best practices and are recognized internationally</i>
4.	What factors influence your trust in halal certifications from other countries, specifically Indonesia?	<i>For me, the main factor is whether Indonesia's halal certification is recognized by JAKIM. If Indonesia is included in the list of countries whose certification is</i>

		<i>recognized by JAKIM, then that is the main reason for me to give trust and acceptance to the certification</i>
5.	How confident are you in the reliability and transparency of Indonesia's halal certification body?	<i>For me, I am confident with Indonesian halal certification. For example, when I go to Indonesia, I feel confident with the halalness of the products there. The same goes for Indonesian products that enter Malaysia. If they already have halal certification from Indonesia, I feel confident and do not hesitate to buy them. So, for me, that is convincing enough</i>
6.	Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?	<i>Up until now, I still haven't heard much information. Both positive and negative</i>
7.	In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?	<i>I trust JAKIM halal certification more, if it comes from Muslim countries like Indonesia and Brunei, I tend to be more confident in its halalness, but for products from countries like Thailand and China, I usually check the halal logo again, this is because there are many cases of fake halal logos, I once found a product from Thailand that only included the word 'halal' without proper certification, so far for products from Indonesia, I feel there is no problem and still believe in the halalness guaranteed there</i>
8.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>Currently, I think the Malaysian public's acceptance of Indonesian halal certification is quite good, like myself, maybe because we see Indonesia as a Muslim country, so it is more trusted compared to other countries such as Thailand or China, because as I said before, in some of these countries there are products that look perfect or just include the word halal, but the logo is not necessarily genuine, currently more and more products</i>

		<i>from Indonesia are entering Malaysia, both cosmetics and food, maybe in the future if more Indonesian products are exported to Malaysia, the acceptance of the Malaysian public will be more familiar and accustomed to these products</i>
9.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>Currently, there is an agreement between Malaysia and Indonesia regarding halal certification, but when compared, I see that the halal system in Indonesia is developing more rapidly, for example, products such as Indomie have reached the international market, even available in the United States, in my opinion Indonesia will continue to develop rapidly in the halal industry, but I also hope that Malaysia will be able to follow this development</i>
10.	How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future and Are there export opportunities to expand Malaysian products to Indonesia?	<i>Yes, we do have thoughts in that direction, although there are no concrete plans yet because if you look at it from a food perspective, Malaysia and Indonesia have many similarities, for example, our company produces instant coffee in Indonesia and there are also many similar products so there is a big opportunity to enter the market there, but for now we have not realized it because of the quite a lot of export requirements</i>

INTERVIEWS QUESTIONS

Informants 3

Date: 15 January

Time: 10.00 pm

The interviews session was held at Maker Recipe Sdn. Company and its' taken about forty-five minutes.

NO.	QUESTIONS	ANSWERS
1.	How familiar are you with Indonesia's halal certification process?	<i>Currently, we see halal certification in Indonesia as an important additional standard to reach the Indonesian market, although there are some differences in the requirements compared to Malaysia</i>
2.	What are your overall perceptions of Indonesia's halal certification compared to Malaysia's?	<i>The company views that cooperation with halal institutions in Indonesia, either as agents or strategic partners, is an important step to ensure that their products comply with applicable halal standards and increase competitiveness in the global market</i>
3.	Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?	<i>Every product submitted for halal certification in Indonesia needs to go through a thorough evaluation by our internal team to ensure its compliance with the halal concept, we see that the transparency aspect in the Indonesian halal certification process is quite good, but there are some technical elements that need further harmonization with international standards</i>
4.	What factors influence your trust in halal certifications from other countries, specifically Indonesia?	<i>The main factor for me is sincerity in the certification process itself, where the process must be carried out with clear and transparent standards. In addition,</i>

		<i>recognition (I'tiraf) from international certification bodies or other countries, including JAKIM, is also very important. This shows that the certification is widely recognized and has credibility at the global level. In addition, the background of the Indonesian nation, which is predominantly Muslim, is also an additional reason, because I am sure they understand the importance of maintaining the halalness of products according to sharia</i>
5.	How confident are you in the reliability and transparency of Indonesia's halal certification body?	<i>For me, it is important to realize the integration of principles, especially in facing large-scale logistics challenges, so that the process of distributing halal products can run more smoothly. Indonesia can play a role by setting faster, more transparent, and more inclusive standards to strengthen halal certification in the country</i>
6.	Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?	<i>In my opinion, from a positive perspective, I feel that the relevant parties in Indonesia have made quite clear guidelines to ensure that every company can comply with the rules that have been set. However, in my opinion, from a negative perspective, halal certification in Indonesia does not have standards as strong as in Malaysia. The standards used by Malaysia are recognized by many countries. So, maybe what Indonesia can improve is improving standards and other related aspects</i>
7.	In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?	<i>For comparison between Malaysia and Thailand, what I know is that in Malaysia if a company has a non-halal product, then the company is not allowed to issue halal products, on the other hand in Thailand, a company that produces non-halal products can still produce halal food, as long as it is</i>

		<i>done in a different factory, meaning that in the same brand there can be halal and non-halal products but they are produced in different locations, if compared to Malaysia if a factory is halal certified then all of its products must be halal and cannot be mixed with non-halal, even though they come from the same brand</i>
8.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>I think there are some changes that can be made to increase the acceptance of Indonesian halal certification among Malaysian companies, first there needs to be an effort to align halal standards with other countries through cooperation between the two parties, so that Indonesian halal certification can be more easily recognized and accepted by companies in Malaysia, second the certification process also needs to be more efficient, with better communication so that companies in Malaysia increasingly believe in the halalness of products from Indonesia, third it is important to promote awareness and education programs about Indonesian halal certification to the international market, including Malaysia, with increased understanding, Malaysian companies will be more familiar and confident with Indonesian halal standard</i>
9.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>If viewed from the perspective that has been mentioned previously, the halal standards managed by the MUI are still national in nature and have not been as widespread as in Malaysia, which has been recognized in several ASEAN countries, while in Indonesia a further approach is needed so that halal certification can be more widely accepted, therefore the implementation of new halal standards under the Ministry of Religion, no longer under the MUI is a very</i>

		<i>positive step with this standard, the trust of Muslims in Indonesia can increase, while creating a more stable, safe, and widely applicable certification system throughout Indonesia</i>
10.	How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future and Are there export opportunities to expand Malaysian products to Indonesia?	<i>Yes, I am very interested because this is a great opportunity to develop our products in Indonesia while promoting products from Malaysia, especially from Kedah, the existing halal certification is very supportive and I hope this opportunity can be realized in the future</i>



INTERVIEWS QUESTIONS

Informant 4

Date: 17 January 2025

Time: 10.00 pm

The interview session held at Frozen Benches Company and its' taken about forty-five minutes.

NO.	QUESTIONS	ANSWERS
1.	How familiar are you with Indonesia's halal certification process?	<i>From my reading, I have a little basic understanding of the halal certification process in Indonesia, especially after the enactment of the Halal Product Guarantee Law, I know that now halal certification in Indonesia is under BPJPH, no longer under MUI as before, but BPJPH continues to work with MUI in the process</i>
2.	What are your overall perceptions of Indonesia's halal certification compared to Malaysia's?	<i>Malaysia and Indonesia have their own strengthens in halal certification, Malaysia through JAKIM, offers a centralized and internationally recognized system, while Indonesia, through BPJPH is growing in importance, Malaysia leads in global halal standards but Indonesia holds strong market potential due to its large Muslim population</i>
3.	Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?	<i>Indonesia's halal certification shows state commitment and is supported by MUI's credibility, however the transition from LPPOM MUI to BPJPH has caused some confusion in the process</i>
4.	What factors influence your trust in halal certifications from other countries, specifically Indonesia?	<i>Trust in halal certification, including Indonesia's depends on clear standards sharia monitoring, and the credibility of the certifying body, international recognition, such as from JAKIM Malaysia also</i>

		<i>strengthens trust by showing compliance with global standards</i>
5.	How confident are you in the reliability and transparency of Indonesia's halal certification body?	<i>I believe Indonesia's halal certification, especially through MUI, has high credibility and international recognition, with BPJPH now managing the process, consistency and transparency are still needed, the system works so far but ongoing monitoring is essential to address bureaucratic and regional challenges</i>
6.	Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?	<i>My experience with Indonesia halal certification has been mostly positive, MUI's long-standing credibility and the government's legal commitment strengthen trust, however the transition to BPJPH initially caused some confusion due to lack of uniformity. Overall, trust remains strong, but consistency, credibility, and transparency must be maintained</i>
7.	In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?	<i>In Malaysia, there is a halal certification body known as JAKIM, while in the United Arab Emirates (UAE) there is ESMA, the advantages of the halal certification system are highly dependent on the policies of each country, but there are several advantages in the halal certification system in Indonesia that I can share, first Indonesia has a market with a large Muslim population, Indonesia has great potential to become the main reference in the global halal market, second there is long experience with MUI in halal certification, third halal certification in Indonesia is mandatory for all products, as regulated in the halal product guarantee law, this is different from other countries, such as Malaysia where halal certification is voluntary in Malaysia companies that want to obtain halal certification can apply, but are not required, however having halal certification still provides benefits for</i>

		<i>products that want to compete in the global market</i>
8.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>Based on peer's experiences, Indonesian halal certification could gain wider acceptance among Malaysian companies if it aligns more with global standards and institutions like JAKIM, ISMA, and GIMDES, harmonizing with Malaysia's MS1500 and meeting ISO 27 would ease exports, consistent implementation by BPJPH across regions is also build trust and reduce bureaucratic issues</i>
9.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>In my opinion, halal certification has a very large potential and plays an important role in shaping the halal market in Asia in the future, there are several factors that can be considered in its development, first, Indonesia's strategic position as the largest halal market in Asia provides a great opportunity to strengthen its influence, second, ASEAN economic integration can also be a driving factor in strengthening cooperation and standardization of halal certification between countries, in addition, increasing the role of BPJPH is very important after taking over the role of halal certification, BPJHP must develop faster to ensure the certification process runs efficiently and maintain consistency in its implementation</i>
10.	How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future and Are there export opportunities to expand Malaysian products to Indonesia?	<i>Yes, exporting to Indonesia is a great opportunity because the demand for the halal market there is very high, halal food, beverage, cosmetic, and clothing products have strong demand, besides that, trust in Malaysian products is also quite high in Indonesia, thus providing an advantage for Malaysian products in the market, Malaysia itself has set more global halal standards than Indonesia, thus facilitating the export</i>

		<i>process, but Indonesia has great potential to become a leader in the halal market in Asia if it is able to harmonize halal standards and improve its certification system with the development of a new certification system, it is hoped that the export opportunities for Malaysian halal products to Indonesia will be more open</i>
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INTERVIEWS QUESTIONS

Informant 5

Date: 21 January 2025

Time: 10.00 pm

The interview session held at Luxe production Company and its' taken about forty-five minutes.

NO.	QUESTIONS	ANSWERS
1.	How familiar are you with Indonesia's halal certification process?	<i>We initially has limited knowledge about Indonesia's halal certification process, but began learning when applying for our OEM company, the procedures are largely similar to Malaysia's, with only minor differences in the system and standards, from documentation to audits and verification.</i>
2.	What are your overall perceptions of Indonesia's halal certification compared to Malaysia's?	<i>Personally, I see that the halal certification process in Indonesia and Malaysia is quite similar, However I believe JAKIM's certification has a stronger legal foundation and greater international recognition JAKIM's influence extends globally, while Indonesia's certification is more accepted within Muslim countries especially in Southeast Asia</i>
3.	Are there specific aspects of Indonesia's halal certification that you find particularly trustworthy or concerning?	<i>I find Indonesia halal certification trustworthy because it's detailed, systematic, and free from dubious elements, our factory uses many raw materials from Indonesia, such as coconut oil all of which are halal-certified, I also believe BPJPH has a strong reputation and is widely recognized, even by JAKIM in Malaysia</i>

4.	What factors influence your trust in halal certifications from other countries, specifically Indonesia?	<i>This company hasn't applied for halal certification abroad as products are produced and sold locally, however we use halal-certified raw materials from countries like Indonesia and India , trust in certification depends on the standards and process, we comply with requirements like SJPH manuals, GMP, and audits, which help ensure sharia compliance and boost consumer confidence</i>
5.	How confident are you in the reliability and transparency of Indonesia's halal certification body?	<i>In my opinion, trust and transparency in halal certification bodies, especially in Malaysia, are highly dependent on the audit process. If we only rely on documents, all parties must prepare and submit them, but what is more important is how the audit is carried out. This audit process includes checking all aspects of production, starting from how the product is made, the raw materials used, to checking the label to ensure that there are no non-halal elements. In addition, the cleanliness of the production site is also a major concern so that the products produced truly meet halal standards. So for me, field audits are much more accurate and transparent than just document verification</i>
6.	Have you encountered any information or experiences that have positively or negatively influenced your view of Indonesia's halal certification?	<i>Currently, I have no negative experience or information regarding halal certification in Indonesia, in fact I have a positive view because we are in the early stages of the certification and audit process which is carried out in a complex manner</i>
7.	In your view, how does Indonesia's halal certification system compare to other international halal certifications you are familiar with?	<i>I have no experience with halal certification systems in other countries besides Malaysia and Indonesia at this time, our company focuses more on the domestic market, and most of our clients are from Indonesia, our products are available in several hospitals in Malaysia, but until now we have not</i>

		<i>exported to other countries such as India or Thailand, we have only just started exporting to Indonesia, we are still in the early stages of dealing with customs and other administrative processes</i>
8.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>In my view, to increase acceptance of Indonesian halal certification among Malaysian companies, the standards should be more uniform and consistent with those in Malaysia, for example Malaysia uses ICHS which is simpler for small businesses, while Indonesia's system is more complex also the certification processes in Indonesia would be more efficient if it were digitized instead of relying on manual forms like the SPJP in word format</i>
9.	What changes, if any, would encourage greater acceptance of Indonesia's halal certification among Malaysian companies?	<i>I believe Indonesia plays a significant role in the ASEAN halal market due to its large Muslim population, stricter halal standards will boost trust in Indonesian products, with growing halal product availability consumers from countries like Malaysia and Thailand are more confident buying from Indonesia, as ASEAN cooperation grows, Indonesia halal certification will gain more credibility and international recognition</i>
10.	How do you see the role of Indonesia's halal certification in the ASEAN halal market evolving in the future and Are there export opportunities to expand Malaysian products to Indonesia?	<i>We're currently in the process of Indonesia, fulfilling requirements like HS codes, although Indonesia has strict halal regulations, we see this as both a challenge and a big opportunity, with strong consumer awareness of halal products, especially in cosmetics Indonesia offers great market potential compared to other countries like Thailand</i>

