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HALAL CERTIFICATION ISSUES-SOLUTIONS IN INDONESIA: AN EXPLORATORY STUDY

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Abstract

This study aims to explore the problems and formulate solutions related to the implementation of halal certification for MSMEs in Indonesia. Employing a qualitative content analysis approach, ten articles published between 2019 and 2024 were analyzed using a mind map chart to identify key issues and integrated solutions. The findings highlight five major areas of concern: regulations, business actors, support systems, implementation processes, and public outreach. Key challenges include an underdeveloped legal structure, high certification costs, low awareness among business actors, and inadequate infrastructure and support. Proposed solutions involve offering free halal certification, enhancing outreach efforts, digitizing the certification system, strengthening institutional support, and providing technical assistance. This research offers a comprehensive mapping of problems and solutions, an approach not previously undertaken. It underscores the need for synergy between the government, support institutions, and MSMEs to build a more inclusive and effective halal certification ecosystem in Indonesia.

Abstrak

Penelitian ini bertujuan untuk mengeksplorasi problematika dan merumuskan solusi dalam pelaksanaan sertifikasi halal bagi pelaku UMKM di Indonesia. Dengan pendekatan analisis konten kualitatif, 10 artikel terpilih dari tahun 2019-2024 dianalisis menggunakan alat pemetaan mind maps chart untuk mengidentifikasi tantangan utama dan solusi yang terintegrasi. Hasil penelitian mengungkapkan lima aspek problematika utama: regulasi, pelaku usaha, sistem pendukung, implementasi, dan sosialisasi. Tantangan meliputi ketidaksiapan struktur hukum, biaya yang memberatkan, rendahnya kesadaran pelaku usaha, serta keterbatasan infrastruktur dan pendampingan. Solusi yang diusulkan meliputi program sertifikasi halal gratis, peningkatan sosialisasi, digitalisasi sistem, penguatan dukungan kelembagaan, dan pendampingan teknis. Penelitian ini berkontribusi dengan menyajikan pemetaan komprehensif problematika dan solusi tentang pelaksanaan sertifikasi halal bagi pelaku UMKM di Indonesia. Dalam implikasinya diperlukan sinergi antara pemerintah, lembaga pendukung, dan UMKM untuk menciptakan ekosistem sertifikasi halal yang lebih inklusif dan efisien di Indonesia.

INTRODUCTION

Indonesia, as a country with the largest Muslim population in the world, has strong potential in the development of the halal industry (Ermis, 2017; Saputri, 2020). This is shown by the value of domestic spending across halal economic products and services, which reached US\$184.0 billion in 2020 and is predicted to increase to US\$281.6 billion in 2025 (Nasrullah, 2018). The implementation of Law Number 33 of 2014 concerning Halal Product Assurance is the legal basis that requires halal certification for all products circulating in Indonesia, including products produced by Micro, Small, and Medium Enterprises (Fauzi et al., 2024; Rajagopal et al., 2011). This regulation ensures consumer protection, strengthens halal industry standards, and promotes ethical and religious compliance in business practices. However, the implementation of this regulation often encounters various obstacles, both in terms of the understanding of business actors and from technical and administrative aspects (Husna & Caniago, 2022; Laili & fajar, 2020).

Research conducted across various regions reveals that many MSME actors lack awareness of the significance of halal certification, with some perceiving it merely as a formality. This limited understanding hampers compliance efforts and undermines the broader objectives of halal assurance in protecting consumers and promoting ethical business practices (Fitriyania et al., 2024; Warto & Arif, 2020). Research in Bantan District, Bengkalis Regency, for example, shows that there are still MSME actors who have not carried out halal certification, and identified factors that support and hinder the process



(Rosita et al., 2023). In addition, several studies show that MSME actors face various problems, including low income, which makes it difficult for them to take care of halal certification (Kasanah & As Sajjad, 2014; Zulaiha & Saepurohman, 2024). Furthermore, other research also shows that there are challenges in the certification procedure itself. The long and complicated process is often a barrier for business actors to obtain a halal certificate (Warto & Arif, 2020). In addition, low legal awareness and understanding of information technology are also inhibiting factors in applying for halal certification online (Fauzi et al., 2024). Therefore, a more comprehensive approach is needed to provide effective assistance and socialization to MSME actors regarding the importance of halal certification and how to manage (Putera & Rakhel, 2023; Salaheldeen & Battour, 2024).

From a businessman's perspective obstacles related to perception and awareness were found, where many MSME actors consider halal certification not important because they assume that the use of safe basic ingredients is enough to prove the halalness of a product (Farouk, 2023). This limitation of understanding is exacerbated by technical obstacles such as limited access to technology and difficulties in using the halal application system itself (Fauzi et al., 2024). The lack of socialization about the free halal certification program and the lack of information about procedures and legal sanctions make many MSME actors not understand the importance of halal certification (Susilo et al., 2024). This shows that there is a significant information gap in the socialization aspect (Asri & Ilyas, 2022).

The implementation aspect shows obstacles in the form of a long and bureaucratic process flow, with a completion time of up to three months. The still burdensome cost of certification, especially for micro businesses, further complicates this situation (Fitri & Mardiah, 2023; Zulaiha & Saepurohman, 2024). The limited number of PPH companions and incentives that are not commensurate with the workload are also the main obstacles in the support system (Kusnadi, 2019).

In this context, this study aims to explore the problems faced in the implementation of halal certification in Indonesia and find solutions that can be implemented to increase awareness and understanding among business actors (Laili & fajar, 2020; Raimi et al., 2024). By identifying existing challenges and solutions, it is hoped that this research can make a significant contribution to improving the effectiveness of halal certification implementation in Indonesia, which in turn will support consumer protection and increase the competitiveness of halal products in the global market (Ismail et al., 2021). In this case, it is necessary to have an integrated approach in overcoming the problems of halal certification through the free halal certificate program, increasing socialization, system development, institutional support, financial assistance, and technical assistance (Fauzi et al., 2024; Putera & Rakhel, 2023; Salaheldeen & Battour, 2024).

The novelty of this article lies in the classification of halal certification problems and solutions in the mind map chart. This systematic mapping based on five main aspects has never been done in previous studies, making a significant contribution to understanding and handling halal certification problems in Indonesia. The existence of the above problems requires strong synergy between various stakeholders, ranging from the central government to the regions, to create an ecosystem that supports the implementation of effective and efficient halal certification for MSME actors in Indonesia (Rajagopal et al., 2011; Salaheldeen et al., 2024). A holistic approach is needed that considers various aspects and needs of MSME actors in the halal certification process.

Literature Review

Problems of Halal Certification in Indonesia. Based on the search that has been carried out on 10 selected papers from the last 5 years from 2019–2024, the author summarizes the research on the Problems of Halal Certification for MSME Actors in Indonesia in the following Table 1:

Table 1. Description of selected articles on Halal Certification Problems for MSME Actors in Indonesia

No	Author	Title	Years	Journal
1	Susilo, J. S. A	Problematika Penerapan Pasal 4 Undang – Undang No. 33 Tahun 2014 Tentang Jaminan Produk Halal Di Kota Sukabumi.	2024	<i>Aliansi: Jurnal Hukum, Pendidikan Dan Sosial Humaniora</i> , 1(2), 31 – 39.
2	Fitriyani, A., Nasco, M. Z., & Sirait, P. H. D	Problematika Kewajiban Sertifikasi Halal Bagi Usaha Mikro, Kecil, Dan Menengah Berdasarkan Teori Gustav Radbruch.	2024	<i>Jurnal BATAVIA</i> , 1(02), 96 – 103.
3	Jumiono, A., Fitri, Z. E., & Mardiah, M	Kajian Sertifikasi Halal Gratis (Sehati) Dengan Skema Self Declare Pada UMKM Dapur Mimi.	2023	<i>Jurnal Ilmiah Pangan Halal</i> , 5(1), 6 – 15.
4	Zulaiha, S., & Saepurohman, M.	Problematika Pengajuan Sertifikasi Halal: Studi Kasus UMKM di Pasar Kordon.	2024	<i>As-Syirkah: Islamic Economic & Financial Journal</i> , 3(2), 835 – 846.
5	Kusnadi, M.	Problematika penerapan undang – undang jaminan produk halal di indonesia.	2019	<i>Islamika</i> , 1(2), 116 – 132.
6.	Laili, D. N. F., & Fajar, F.	Analisis Problematika Pelaksanaan Sertifikasi Halal Bagi Pelaku Umkm Di Bangkalan.	2022	<i>Masyrif: Jurnal Ekonomi, Bisnis dan Manajemen</i> , 3(2), 147 – 155.
7	Simbolon & Hidayat	Halal Certification Procedures and Problems in Indonesia	2022	<i>Masyrif: Jurnal Ekonomi, Bisnis dan Manajemen</i>
8	Kasanah, N., & Sajjad, M. H. A.	Potensi, Regulasi, dan Problematika Sertifikasi Halal Gratis.	2022	<i>Journal of Economics, Law, and Humanities</i> , 1(2), 28 – 41.
9	Husna, H., & Caniago, S.	Problematika Sertifikasi Halal Pada Produk Industri Kerupuk Di Surau Pinang.	2022	<i>JISRAH: Jurnal Integrasi Ilmu Syariah</i> , 3(1), 99 – 109.
10	Usnan, U., Rahmadani, A., & Maharani, K. L.	Problematika Dan Strategi Optimalisasi Sertifikasi Halal Di Indonesia.	2024	<i>Journal of Islamic Economics and Finance</i> , 2(3), 100 – 110.

Source: Data processed in 2024

Based on a systematic search of ten selected papers from Google Scholar, the problems of halal certification for MSME actors in Indonesia show interrelated phenomena, including aspects of certification costs that are considered burdensome for micro and small business actors, limited understanding and literacy regarding halal

certification procedures that result in difficulties in fulfilling administrative requirements, technical obstacles in adjusting the production process to meet standards halal standards, limited access to assistance and consultation from the authorities, especially in areas far from city centers, as well as the challenge of maintaining the consistency of the halal assurance system after certification has been obtained which requires long-term commitment and continuous monitoring.

Jasmine Syifa (2024) explained that the halal certification problems faced by micro and small business actors in Sukabumi are related to the lack of information about halal certification obligations and procedures that are considered difficult. Many business actors are not aware of sanctions if their products are not halal certified, as well as a lack of interest in registering, due to a lack of socialization about the free halal certification program. This is a challenge in the implementation of Law No. 33 of 2014 concerning Halal Product Assurance, which requires all products circulating in Indonesia to have a halal certificate (Susilo et al., 2024). Not only that, the obligation of halal certification for MSMEs in Indonesia faces various challenges, including high costs and unclear implementation of certification facilities regulated in Law No. 33 of 2014 concerning Halal Product Assurance. While halal certification is considered important to provide legal certainty and increase consumer confidence, many micro and small businesses feel burdened by unclear costs and procedures, which can hinder their compliance with these regulations and reduce the competitiveness of their products in the market (Fitriyania et al., 2024).

There are limited access for business actors to the SIHALAL system because the account is managed by a PPH companion, there is no validity period on halal certificates issued through a self-declaration scheme that is at risk of changes in materials and production processes, as well as incentives for PPH companions that are not commensurate with the additional workload such as finding business actors, creating NIBs, emails, and SIHALAL accounts, and input all business data (Fitri & Mardiah, 2023). There is also the assumption of MSME actors that halal certification is not important because they have used basic ingredients that are safe and proven to be halal without a mixture of haram ingredients, lack of knowledge about halal certification with 85% of respondents stating that they do not know, perception that the application process is complicated, and limited funds to obtain halal certificates (Zulaiha & Saepurohman, 2024).

The next problem is the unpreparedness of the legal structure where BPJPH as the organizing body is not ready to run the halal process system, the burdensome and incomplete substance of the JPH Law because many supporting regulations have not been passed, the delay in the issuance of the PP of the JPH Law which was only issued in May 2019 (3 years back from the target), as well as various criticisms from relevant ministries such as the Ministry of Health regarding drug exemptions from halal certification and the Ministry of Industry which considers the implementation of the JPH Law burdens the business world and hinders investment (Kusnadi, 2019).

The need for literacy in this case is also a discussion about the lack of knowledge about halal certification including its procedures and requirements, the certification process that takes a long time so that MSME actors are reluctant to register (it takes about 3 months), and the low legal awareness of both producers and consumers about the importance of halal certification. This is evidenced by data that out of around 166,000 food companies in Bangkalan, fewer than 100 MSMEs already have halal certification (Laili & fajar, 2020).

Similar to research by Kasanah & As Sajjad (2014), the lack of halal awareness and socialization of programs for MSE actors, the lack of optimal support of related stakeholders where supporting regulations and rules are still limited at the central level,

business actors who are not responsive to digital regulations and services due to limited understanding of technology, and the role of PPH companions has not been maximized as seen from the small number of MSEs accompanied and still many files that are returned because they do not meet the requirements. Also, the research on Halal Certification Problems in Cracker Industry Products in Surau Pinang Husna & Caniago (2022) explained the lack of understanding and knowledge of industry owners about the halal certification process, the lack of understanding of registration procedures, and the absence of participation in socialization about halal certification from BPJPH and MUI. This causes industry owners to directly include halal labels on packaging without going through an official certification process because they consider raw materials and production processes to be halal.

In addition, the implementation process is long and bureaucratic and prone to conflicts of interest, business actors are still charged fees, accountability and transparency of performance that still need to be regulated, the number of halal certificates circulating in Indonesia has not been maximized, the number of imported products, and economic uncertainty are major obstacles for the Indonesian halal industry (Amini et al., 2024; Simbolon & Hidayat, 2021). Usnan (2024) divides the problems in the implementation of halal certification into 4 main classifications, namely: regulatory aspects where legal substance is considered still complicated in the halal certification process, aspects of perception and behavior of business actors who consider halal certification not important and difficult to manage, knowledge aspects related to the lack of understanding of business actors about halal certification regulations and mechanisms, As well as aspects of the support system in the form of a lack of synergy between halal assurance providers and infrastructure facilities that have not been maximized.

From some of the research above, the author classifies the problems of Halal Certification in Indonesia in a mind map chart, which is divided into five aspects: Regulatory Aspects, Business Actor Aspects, Support System Aspects, Socialization Aspects, and finally Implementation Aspects. So that the following mapping is produced:

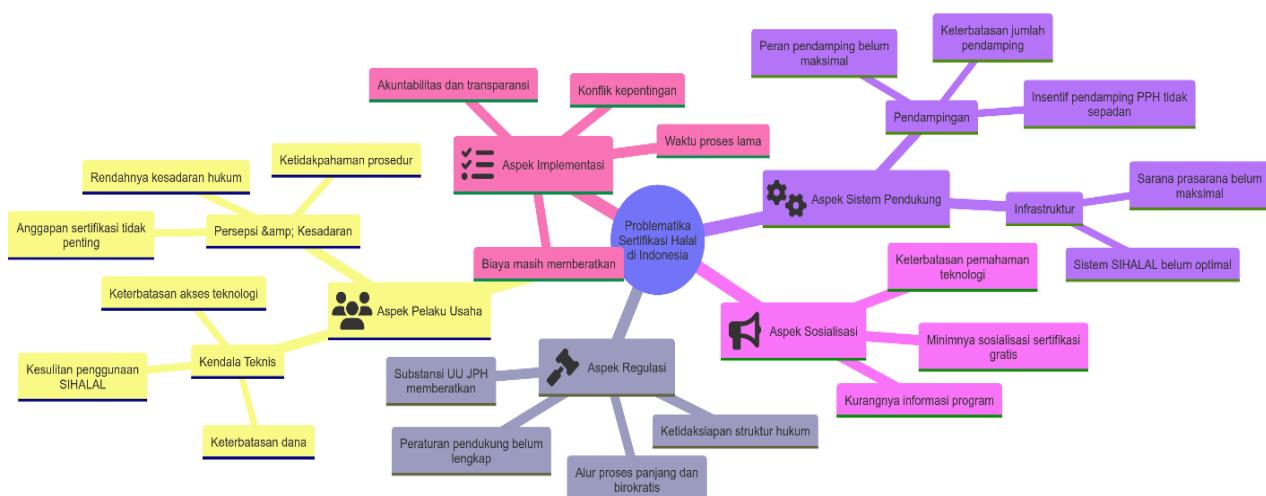


Figure 2. Mindmap Chart of Halal Certification Problems in Indonesia

Source: Google Scholar and Publish or Perish Data processed in 2024

Solutions for the Implementation of Halal Certification in Indonesia. Based on the analysis, several main solutions can be applied in the implementation of halal certification for business actors in Indonesia. Susilo (2024) explained that there is a need to increase socialization and education for micro and small business actors about the importance of halal certification and the procedures that must be followed. The Free Halal Certification Program (SEHATI) launched by the government is also an important solution, where this

program collaborates with various institutions to facilitate business actors in obtaining halal certificates at no cost. In addition, the increase in the number of Halal Inspection Institutions (LPH) in Indonesia is expected to speed up the certification process and provide wider access for business actors. With the synergy between the government, MUI, and LPH, it is hoped that the implementation of Law No. 33 of 2014 can run more effectively and efficiently.

Then, the provision of subsidies and cost assistance from the government eases the financial burden faced by MSME actors. In addition, increasing socialization and education about the importance of halal certification and the process that must be followed is very important, where training and workshops can be held to provide a better understanding. Simplifying the certification process also needs to be done by reducing complicated bureaucracy, including the development of an online system for more efficient certification applications. Cooperation between the government and private institutions or non-governmental organizations can also encourage technical and financial support for MSMEs in obtaining halal certification. Finally, utilizing information technology to facilitate access to information regarding halal certification, including step-by-step guides and platforms for consultations, will be helpful. By implementing these solutions, it is hoped that MSMEs can more easily fulfill their halal certification obligations, which in turn will increase consumer confidence and the competitiveness of their products in the market (Fitriyana et al., 2024).

Also in the study of Fitri & Mardiah (2023) explained that improving communication between PPH companions and business actors related to SIHALAL account access, implementing a periodic supervision system for business actors who already have halal certificates, and providing more appropriate incentives to PPH companions, considering the greater workload than just verifying and validating. Also, providing digitalization assistance and SIHALAL registration will succeed in helping MSMEs. Actually, there are two halal certification schemes that MSMEs can choose. Zulaiha & Saepurohman (2024) stated: 1) Regular/Independent Scheme where business actors are responsible for the cost of certification services using LPH (Halal Inspection Agency) registered with BPJPH, and 2) Self Declaration Scheme (SEHATI) which is a free halal certification program from the Ministry of Religion through BPJPH without a penny of cost, on the condition that the product is not risky, uses ingredients that are definitely halal, has a simple production process, and has an NIB. The SEHATI program is funded by the State Budget, APBD, or MSE facilitators with assistance from institutions registered with BPJPH, such as Islamic organizations and accredited universities.

In the study, Problem Analysis of the Implementation of Halal Certification for MSME Actors in Bangkalan, Laili & Faja (2020) explained the need to hold more intensive socialization about halal certification in each sub-district, take advantage of the existence of BUMDes to assist MSME actors in the halal certification registration process, and provide support and assistance to MSME actors in obtaining halal certification, including encouraging MSMEs to register their products so that they can traded nationally.

In terms of preparing the framework of supporting regulations for the JPH Law that are still lacking, especially the incomplete Ministerial Regulations (such as PMA on the implementation of halal product guarantees, PMA on products that have not been halal certified, RKMA on prohibited materials, and regulations from the Minister of Finance on certification fees), improve coordination between related institutions, considering the importance of implementing halal product assurance is cross-sectoral, as well as ensuring the readiness of BPJPH's infrastructure and resources as the main institution before the JPH Law (Kusnadi, 2019).

The research Simbolon & Hidayat(2021) also explains that the Free Halal Certification program which involves collaboration between BPJPH of the Ministry of Religion and various other institutions and ministries is a solution to facilitate MSEs to get free halal certification, digitization of services through the Halal Information System (SIHALAL) to accelerate certification procedures, integration with the OSS system, as well as halal industry development strategies through increasing producer awareness and consumers about the importance of halal certification, the development of e-commerce for halal products, and encouraging MSMEs to obtain halal certification. It also conducts socialization programs to simplify the digital application process and provide technical assistance for MSE actors, Improving the quality and quantity of PPH companions through more intensive training, Increasing the program budget to support the target of 10 million halal certificates, as well as stricter supervision of the verification and validation process to ensure the quality of certification (Kasanah & As Sajjad, 2014).

Similarly, the research on Halal Certification Problems in Cracker Industry Products in Surau Pinang Husna & Caniago (2022) explained that MUI needs to maximize socialization about halal certification to the household industry, especially food producers, then must pay more attention to the use of halal labels and maintain the halalness of ingredients, storage, processing and distribution in accordance with Law No. 33 of 2014, and the Government needs to make strict sanctions regulations related to article 4 Law No. 33 of 2014 so that business actors are encouraged to carry out official halal certification, so that all products in circulation have guaranteed halal certification standards.

Finally, evaluate and review existing regulations so that the rules do not burden and make it difficult for micro and small business actors, then carry out comprehensive socialization and education efforts on regulatory aspects, technical procedures, and build halal awareness with a systematic and measurable approach through the collaboration of various agencies, as well as strengthening and improving the infrastructure to support the halal certification process including halal companion human resources, and strengthening synergy and coordination between halal assurance providers (Usnan et al., 2024).

From some of the research above, the author classifies solutions in carrying out Halal Certification in Indonesia with the Mindmap charts which are divided into five aspects: SEHATI Program (Free Halal Certificate), Socialization Enhancement, System Development, Institutional Support, Financial Assistance, and finally Technical Assistance, so that it can be seen in the mapping as next:

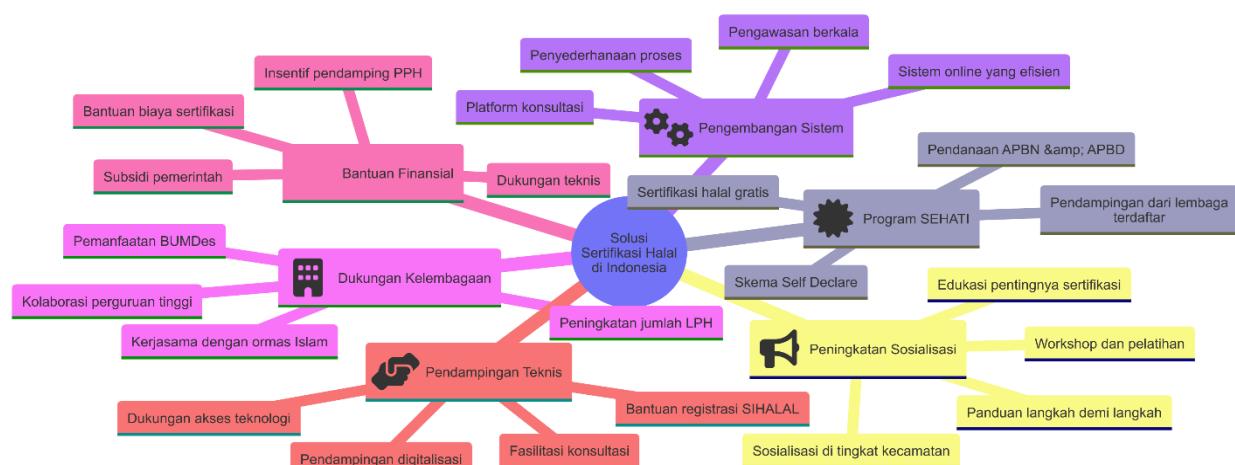


Figure 3. Mindmap Chart Halal Certification Solution in Indonesia
Source: Google Scholar and Publish or Perish, Data Processed in 2024

METHOD

To understand more deeply about the problems and solutions of halal certification in Indonesia, this research uses a qualitative method of content analysis approach. This methodology was chosen because of its reliability in exploring and interpreting textual data regularly (Rukin, 2019; Suprayitno et al., 2024). The data collection process is carried out through a series of structured stages. The first stage begins with a literature search using two leading academic platforms, namely Publish or Perish and Google Scholar (Ismail et al., 2022). The search is focused on specific keywords that are relevant to the research theme, namely "halal problems" and "Halal Certification Solutions". The selection of these keywords aims to identify literature that specifically discusses challenges and solutions in the implementation of halal certification in Indonesia.

From the systematic search process, the researcher managed to identify as many as 189 scientific articles related to the theme of halal certification. Furthermore, to ensure the relevance and quality of the data, a rigorous screening process is carried out based on the criteria of conformity with the focus of the research. Through this careful selection process, 10 papers were finally selected that were considered the most representative and substantial in examining halal certification problems and solutions for business actors in Indonesia.

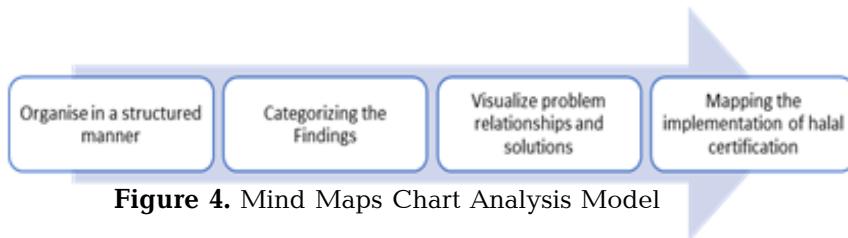


Figure 4. Mind Maps Chart Analysis Model

The data analysis stage was carried out using an in-depth analysis technique on the 10 selected papers. This process involves careful reading and systematic interpretation to identify patterns of problems and solutions proposed in the context of halal certification. To optimize the process of analyzing and visualizing findings, researchers use the mind map chart. The use of this analytical tool allows researchers to: Organize data in a structured and systematic manner, categorize key findings into relevant themes, visualize the relationships between various problems and identified solutions, and map the implementation of halal certification comprehensively (Asfar et al., 2024; Hasyim et al., 2024).

RESULT AND DISCUSSION

Problems of Halal Certification in Indonesia

Indonesia, as a country with the largest Muslim population in the world, has great potential in the development of a promising halal industry (Saputri, 2020). The implementation of Law Number 33 of 2014 concerning Halal Product Assurance has required halal certification for all products circulating in Indonesia (Fatima et al., 2023; Hosanna & Nugroho, 2018; Susilo et al., 2024). Although this regulation aims to provide legal protection and certainty for Muslim consumers, in practice, MSME actors face various challenges and obstacles in the process of obtaining halal certification (Hasan, 2014). The complexity of procedures, limited resources, both in terms of finance and knowledge, as well as uneven supporting infrastructure throughout Indonesia, are obstacles that need to be overcome through several brilliant approaches and solutions to the needs of MSME actors (Asri & Ilyas, 2022; Laili & fajar, 2020). The author makes a summary of the problems of halal certification in Indonesia in the table below:

Table 2. Problems of Halal Certification in Indonesia (*Results of Literature Synthesis Data, 2024*)

Aspects	Sub Aspects	Issue
1 Business Actors	Perception & Awareness	Low legal awareness The assumption that certification is not important Lack of understanding of the procedure
	Technical Constraints	Limited access to technology Difficulties in using SIHALAL Limited funds
2 Implementation	Process	Accountability and transparency Conflict of interest Long process time Burdensome cost
3 Regulation	Legal Framework	Burdensome substance of the JPH Law Incomplete supporting regulations Long and bureaucratic process flow Unprepared legal structure
4 Supporting System	Assistance	Unmaximized role of halal companions Limited number of companions Inadequate PPH companion incentives
	Infrastructure	Underutilized infrastructure facilities Technological limitations Suboptimal SIHALAL system
5 Socialization	Information	Lack of socialization of free certification Lack of program information

The problem of Halal Certification for MSME actors in Indonesia shows the complexity of challenges that are interrelated and affect each other. Based on systematic tracing of various studies, this problem can be analyzed in several main dimensions that are interconnected. First, from the regulatory aspect, there is a fundamental problem related to the unpreparedness of the legal structure, BPJPH as the organizing management is not yet fully ready to carry out the halal process system. This condition is exacerbated by the substance of the JPH Law, which is considered incomplete and makes things difficult. The delay in the issuance of the JPH Law, which was delayed by up to three years from the initial target, adds to the complexity of this problem (Kasanah & As Sajjad, 2014).

Second, from the perspective of business actors, fundamental problems related to perception and awareness have been identified. Many MSME actors consider halal certification not important because they assume that the use of safe basic ingredients is enough to prove the halalness of their products. This limited understanding is exacerbated by technical obstacles such as limited access to technology and difficulties in using the SIHALAL system, as well as limited funds to obtain certification (Laili & fajar, 2020).

Third, the implementation aspect shows that there are significant obstacles in the process of implementing halal certification. The long bureaucratic process, and also the completion time that can reach three months, are factors that make MSME actors reluctant to register. The cost of certification also looks quite burdensome, especially for micro businesses. This condition is in contrast to what is implemented in Malaysia where their halal system is well managed (Amorim et al., 2023).

Fourth, in terms of the support system, significant challenges persist regarding assistance and infrastructure. The limited number of Halal Product Process (PPH) companions, coupled with inadequate incentives relative to their workload, remains a major constraint. Additionally, inefficiencies in the SIHALAL system and suboptimal infrastructure further impede the halal certification process.

Fifth, the socialization aspect reveals a substantial information gap. Insufficient outreach regarding the free halal certification program, along with limited information on procedures and legal consequences, contributes to a widespread lack of awareness among MSME actors about the importance of halal certification. In one region alone, data indicates that out of approximately 166,000 food businesses, fewer than 100 MSMEs have obtained halal certification.

This problem requires an integrated approach in handling it. Strong synergy is needed between various stakeholders, from the central government to the regions, to create an ecosystem that supports the implementation of effective and efficient halal certification for MSME actors in Indonesia.

Solutions for the Implementation of Halal Certification in Indonesia

The development of the halal industry in Indonesia has experienced significant growth in line with increasing public awareness of the importance of halal products (Asri & Ilyas, 2022; Fitri & Mardiah, 2023). As a country with the largest Muslim population in the world, Indonesia has a huge halal market potential, with the value of domestic spending across halal economic products and services reaching US\$184.0 billion in 2020 and predicted to increase to US\$281.6 billion in 2025. Through Law Number 33 of 2014 concerning Halal Product Assurance, the government has established halal certification obligations for all products circulating in Indonesia (Hosanna & Nugroho, 2018).

However, the implementation of this policy still faces various challenges, especially for Micro, Small, and Medium Enterprises (MSMEs), which have limited resources, knowledge, and access to the certification process. Therefore, a solution is needed to support the implementation of effective and efficient halal certification for business actors in Indonesia (Fauzi et al., 2024; Izhar Ariff Mohd Kashim et al., 2023; Mustapha et al., 2024). Based on the analysis of various studies, solutions to overcome the problem of halal certification for business actors in Indonesia can be explained through several strategic approaches that are integrated (Mustapha et al., 2024; Nawaz et al., 2025).

The following is a solution for the implementation of halal certification in Indonesia, which can be seen in the table below:

Table 3. Solutions in the Implementation of Halal Certification for Business Actors in Indonesia

Category	Sub Category	Solution
1 Free Halal Certification Program	Free Halal Certification Scheme	State Budget & Regional Budget Funding
	Self-Declare	Assistance from registered institutions
2 Increased Socialization	Education	Education on the importance of certification
	Workshop	Workshops and training
	Guide	Step – by – step guide
	Range	Socialization at the sub – district level
3 System Development	Platform Digital	Efficient online system
	Consultation	Consulting platform
	Monitoring	Periodic supervision
	Process	Process simplification
4 Institutional Support	Local Partnerships	Utilization of BUMDes
	Academy	College collaboration
	Organization	Cooperation with Islamic organizations
	Inspection Bodies	Increase in the number of LPH
5 Financial Aid	Subsidies	Government subsidies
	Cost	Certification fee assistance
	Incentive	PPH companion incentives
	Technical	Technical support

6 Technical Assistance	Technology Digitization System Consultation	Technology access support Digitalization assistance SIHALAL registration assistance Consultation facilitation
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The SEHATI (Free Halal Certification), program mentioned in Asri & Ilyas (2022), is an important breakthrough launched by the government to facilitate MSME actors. This program allows business actors to obtain halal certification at no cost, provided that the product is not risky, uses ingredients that are halal, and has a simple production process. This program is funded through the State Budget, APBD, or MSE facilitators with assistance from institutions registered with BPJPH. Increasing socialization and education are a crucial component in the settlement strategy (Usnan et al., 2024). The implementation of more intensive socialization in each sub-district, accompanied by workshops and training, can increase the understanding of business actors about the importance of halal certification and the procedures that must be followed. This approach needs to be supported by the use of information technology to facilitate access to information and consultation.

System development and digitization of services through the Halal Information System (SIHALAL) is a strategic step to accelerate and simplify the certification procedure. Integration with OSS systems and simplification of digital application processes can help reduce complicated bureaucracy (Simbolon & Hidayat, 2021). However, this needs to be balanced with digitalization assistance for MSME actors who still experience difficulties in accessing technology (Amorim et al., 2023; Lypez Cifuentes & Sonnino, 2024; Nawaz et al., 2025). Institutional support is an important factor in the implementation of this solution (Fitri & Mardiah, 2023; Fitriyana et al., 2024; Mustapha et al., 2024). An increase in the number of Halal Inspection Institutions (LPH) and strengthening coordination between related institutions can speed up the certification process. The use of BUMDes as a local companion and collaboration with universities and Islamic organizations can expand the reach of assistance to MSME actors.

Financial assistance not only includes free certification programs, but also subsidies and cost support from the government to ease the financial burden of MSME actors (Kusnadi, 2019). This includes increasing incentives for PPH companions by their workload in helping business actors. Technical assistance is an important aspect in ensuring the success of the halal certification program (Fitri & Mardiah, 2023; Susilo et al., 2024). This includes assistance in the preparation of documents, assistance in the production process to meet halal standards, and periodic supervision of business actors who already have halal certificates. This assistance also includes aspects of digitization and SIHALAL registration. No less important is the evaluation and improvement of existing regulations to ensure that the rules do not burden micro and small business actors. The creation of strict but proportionate sanctions regulations can encourage business actors' compliance with halal certification obligations without hindering their business growth (Asri & Ilyas, 2022; Fitriyana et al., 2024).

The implementation of these solutions requires an integrated and sustainable approach between institutions (Abdul Halim et al., 2024; Izhar Ariff Mohd Kashim et al., 2023; Lypez Cifuentes & Sonnino, 2024), taking into account the needs and capacities of MSME actors. Synergy between various stakeholders, ranging from the central government to the regions, accompanying institutions, to business actors themselves, is the key to the success of the halal certification program in Indonesia.

CONCLUSION

Based on the findings, this study highlights that halal certification in Indonesia, particularly for MSMEs, is hindered by various regulatory, technical, and socio – cultural challenges. Regulatory unpreparedness, limited access to technology, low legal awareness among business actors, and complex certification procedures all contribute to the slow and uneven implementation of halal certification. In light of this, the study aims to achieve three main objectives. *First*, from the regulator's perspective, to identify gaps in policy implementation and propose actionable recommendations to strengthen institutional readiness and regulatory support. *Second*, from the business actors' perspective, to understand the barriers MSMEs face in complying with halal certification requirements and to suggest strategies for improving awareness, accessibility, and motivation among entrepreneurs. *Third*, from the certification process perspective, to evaluate the effectiveness and efficiency of current certification mechanisms and recommend ways to simplify procedures, enhance digitalization, and expand institutional capacity.

To address these issues, a multifaceted approach is proposed, including the implementation of the Free Halal Certification program, enhancement of education and outreach for MSMEs, expansion of Halal Inspection Institutions (LPH), and strengthened collaboration between stakeholders. Simplifying bureaucratic procedures and providing incentives for halal facilitators are also crucial components for creating a supportive ecosystem.

In conclusion, the successful implementation of halal certification in Indonesia requires an integrated and inclusive strategy involving cross – sectoral synergy among regulators, business actors, and supporting institutions. By addressing challenges across all dimensions, the halal certification ecosystem can be improved to support the sustainable growth of MSMEs and reinforce Indonesia's leadership in the global halal industry.

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