Not Only Has a Large Domestic Market, but Indonesia Also Has the Opportunity to Become the World’s Leading Halal Producer

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Not Only Has a Large Domestic Market, but Indonesia Also Has the Opportunity to Become the World’s Leading Halal Producer

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In the global economic recovery efforts, the sharia economy has been raised as the main agenda in various countries. It is an essential part of post-pandemic economic recovery policies. The Islamic economy and halal industry have also been seen as sources of new growth engines, domestically and globally.

In this regard, the government seeks to accelerate the development of the national halal industry and realize the vision of "Indonesia as the World’s Leading Halal Producer". Taking advantage of its demographic bonus and as the country with the largest Muslim population in the world, Indonesia is certainly capable of being the largest market for halal products globally.

"Indonesia, as the home of the largest Muslim population of 229.6 million in 2020, has Muslim expenditure (for halal products and services) reaching USD 184 billion in 2020 and is estimated to reach USD 281.6 billion in 2025. So, this is a big market," said Coordinating Minister for Economic Affairs Airlangga Hartarto in his remarks at the 2022 Indonesia Halal Industry Award (IHYA) in Jakarta, Friday (9/12).

The State of the Global Islamic Economy Report 2022 revealed that Indonesia's sharia economy indicators continue to improve, where Indonesia has managed to rank fourth in the world. In addition, Indonesia is one of the world’s largest consuming countries for halal products, accounting for 11.34% of global halal expenditure.

In the halal food sector, Indonesia is the second-largest consumer in the world, while in the halal cosmetics sector, it is the fourth-largest consumer. With the huge demographic potential, the government will also encourage Indonesians to use and foster pride in locally-made halal products.

Seeing the enormous potential markets both from within and outside the country, repositioning needs to be done so that Indonesia is not only a target market but also capable of driving an increased production of the halal product. Therefore, the development of the halal industry will continue to be accelerated sustainably to meet domestic and foreign demand.

Competition to seize the global market share for halal industry is also quite tight, where the halal industry is not only limited to Muslim countries. Therefore, the Indonesian halal industry must be more competitive than other countries because export opportunities can also be pursued apart from having a large domestic market potential.

Coordinating Minister Airlangga welcomed the IHYA 2022 event as a form of socialization and education

about the halal industry in Indonesia, and expressed appreciation to the Ministry of Industry for its efforts in developing and empowering the national halal industry.

"The IHYA 2022 event is expected to be a form of socialization and education as well as a trigger and booster for the domestic industry. So once again, I express my gratitude to the Ministry of Industry. May Allah SWT bless every step we take to advance the national halal industry," said Coordinating Minister Airlangga.

On the same occasion, Minister of Industry Agus Gumiwang Kartasasmita, through the Indonesia Halal Industry Award 2022, gave awards to companies, institutions, and local governments, in 20 award categories and added one Best of The Best award. (map/kun/fsr)

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