

Opportunities And Challenges Of The Halal Industry In The Field Of Household Goods.

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ABSTRAK

This research aims to describe the opportunities and challenges of the halal industry in the household goods sector in Indonesia. The approach used is descriptive qualitative by analyzing secondary data from various literature, industry reports, and government regulations. The results of the study show that increasing public awareness of halal products encourages economic growth in the household sector and opens up large export opportunities. However, lack of consumer understanding, supply chain transparency, and limited halal certification are the main obstacles. Therefore, synergy between the government, producers, and consumers is needed to strengthen the household halal industry ecosystem

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1. INTRODUCTION

The term 'halal' comes from the Arabic words halla, yahillu, hillan, wahalalan which means allowed or permissible according to sharia law. Based on this definition, every Muslim is obliged to ensure that everything consumed does not only come from halal sources, but also includes the entire production and distribution process. Furthermore, the principles of halal and haram in Islam define halal as something that is legal, beneficial, and does not pose a threat to humans, while haram is the opposite (Purnasari et al., 2023). The halal industry is an industry that produces goods and services which is in accordance with Islamic law, starting from the production process to the free distribution of haram components and complying with halal standards set by BPJPH (Halal Product Assurance Agency) and MUI (Indonesian Ulema Council).

The purpose of the halal industry is to meet the needs of Muslim consumers, including food, beverages, cosmetics, pharmaceuticals, tourism, and household products. Halal regulations and certification play an important role in ensuring products in the halal market (Razali et al., 2021). The halal industry is currently growing rapidly with a growth of around 20% per year and an estimated global market value of US\$2.3 trillion, excluding the fast-growing Islamic financial sector (American Halal Foundation, 2025). The halal industry not only serves 1.8 billion Muslims, but also a non-Muslim market for halal food (Gateway, 2024). The halal industry has expanded to include lifestyle sectors such as halal tourism, medicines, cosmetics, fashion, and entertainment.

The food and beverage industry accounts for about 56% of total Muslim spending in the field of lifestyle (Abdullah, 2020). In the Indonesian context, according to Law Number 33 of 2014, Article 4, all products that enter, circulate, or are sold in Indonesia are required to have halal certification. This implies that both cosmetics and food and beverages must have halal certification. Significant non-consumer goods must also have a halal label. Examples of such things include clothing, accessories, household appliances, and medical devices (Hanafi & Nurdin, 2022). Expanding coverage poses its own challenges, especially in identifying and preventing the use of illegal substances in the non-food industry. Muslims are prohibited from consuming pork, however, pigs can be processed into derivative products in both the food and non-food sectors.

The problem arises from the lack of customer awareness that pork derivatives are not only limited to food products, particularly processed meats, but also include non-food items such as cosmetics and household goods (Purnasari et al., 2023). Products containing pork are found in all our daily needs, starting from shampoos, conditioners, soaps, lotions, and toothpaste, can be derived from pigs (Purnasari et al., 2023). Despite the concerns, the continued integrity of the supply chain, increased demand and market awareness have prompted a significant industry response. In Indonesia, the trend of the halal industry is reinforced by reports showing that many non-food manufacturers are voluntarily adopting halal labels for products, including detergents, cooking oils, cat food, and refrigeration items (Rizkitysha & Hananto, 2022). This voluntary action, which is based on consumer demand for the importance of Halal and Topyib in daily life, directly reflects and at the same time stimulates the growth of the Halal industry market in the household sector.

Halal businesses have significant economic potential and prospects, especially for household products in Indonesia, which has the largest Muslim population globally and a large domestic market for halal products. This creates new investment prospects and facilitates product innovation in the field of household products. In addition, producing halal goods in the household sector can increase the value and competitiveness of Indonesian products in the export market, especially if the quality and price of these products are optimized for greater competitiveness. Strict halal regulations and standards from the government can also increase customer confidence and expand the business of the halal household product sector which has the potential to significantly increase economic growth through increased production, export expansion, and job creation (Rina Samsiyah et al., 2025)

Despite the significant potential, the understanding among Muslims regarding the opportunities and prospects of the halal industry is still inadequate. This is a significant obstacle for Muslim countries to recognize and utilize the potential of halal business effectively. The halal business now includes not only food, but also household consumer goods, including cosmetics, pharmaceuticals, and health products that meet strict halal requirements (Akram, 2020). The Halal industry in the household sector lies in increasing awareness of halal standards, infrastructure improvements, and effective marketing strategies that facilitate sustainable growth in the halal market. Halal household consumer goods can meet the demands of Muslim and non-Muslim consumers who value the quality and ethics of products, while creating significant new economic opportunities.

2. METODE

Afriansyah emphasized that halal certification for goods used in the production process is as important as halal certification for food and beverage products. Halal-certified products not only increase consumer confidence among Muslim communities, but also create broader opportunities to penetrate the global halal market, which continues to grow significantly. In line with this argument, Muti Arintawati, President Director of LPH LPPOM, explained that public awareness regarding the halal status of goods used in production activities remains relatively low. This issue becomes increasingly important because, according to Fatwa Number 15 of 2021, used goods are defined as goods that are utilized, worn, or employed in production activities, including goods derived from animal-based materials that must also possess halal certification. The regulation is intended to prevent contamination between halal and non-halal materials during the production process, considering that non-halal substances may affect the halal integrity of products consumed by society. These findings indicate that halal assurance is not limited to final products, but also encompasses production facilities, raw materials, and supporting goods used throughout the supply chain (Afriansyah, 2022:12).

This study employed a qualitative approach using a literature study method (library research). The literature study approach was selected because it allows researchers to systematically examine concepts, theories, regulations, and empirical findings related to halal certification, household-based halal industries, and strategies for developing halal business ecosystems. Through this approach, the research focused on collecting and analyzing secondary data obtained from scientific journal articles indexed by Scopus, books, government regulations, halal certification reports, and official institutional publications related to the halal industry. According to Snyder, literature studies provide a comprehensive understanding of research developments and enable researchers to identify conceptual gaps and strategic issues in a particular field of study (Snyder, 2019: 334). Furthermore, Xiao and Watson explained that systematic literature studies are useful for synthesizing previous findings and generating more comprehensive academic interpretations regarding specific phenomena (Xiao & Watson, 2019: 95).

The main sources analyzed in this study consisted of reputable international journal articles discussing halal industry opportunities, halal certification systems, household-scale business development, and consumer trust in halal products. Supporting documents included statistical reports on MSMEs, halal certification databases, government policy documents, and publications from halal certification institutions. The use of multiple sources was intended to strengthen the depth of analysis and ensure the credibility of the research findings. In qualitative literature studies, the integration of various academic references is essential to produce comprehensive and contextual interpretations of social phenomena (Tranfield et al., 2003: 214).

The operational definitions of variables in this study are categorized into three main aspects. First, halal industry opportunities refer to the potential for increasing economic value, market expansion, and competitiveness of household halal products in domestic and international markets. Second, the household sector is defined as small-scale business units operated by individuals or families with limited capital and resources, but which significantly contribute to local economic development. Third, development strategies refer to various approaches undertaken by business actors to improve product quality, strengthen halal certification, expand market access, and increase consumer confidence in halal products.

Data collection in this literature study was conducted through documentation and content analysis techniques. Researchers systematically identified, selected, and reviewed relevant academic literature based on themes, publication credibility, and relevance to the research objectives. The

selected literature was then classified according to major discussion themes, including halal certification awareness, halal supply chain management, MSME competitiveness, and strategies for developing household halal industries. To ensure data validity, source triangulation was applied by comparing findings from various scholarly publications, institutional reports, and regulatory documents. This technique is widely recognized in qualitative research as an important strategy to improve data credibility and analytical rigor (Creswell, 2018: 201).

The data analysis process adopted the interactive analysis model developed by Miles and Huberman, which consists of three stages: data reduction, data display, and conclusion drawing. At the data reduction stage, researchers selected and simplified information relevant to the research focus. Subsequently, the organized data were presented systematically to identify patterns, relationships, and recurring themes related to opportunities and development strategies within the household halal industry sector. Finally, conclusions were formulated based on interpretative analysis of the collected literature. Through this analytical framework, the study aimed to provide a comprehensive understanding of how halal certification and strategic business development contribute to strengthening the competitiveness and sustainability of household-based halal industries in contemporary economic contexts (Miles et al., 2014: 31).

3. RESULT AND DISCUSSION

Development of the Halal Industry in the Household Goods Sector

The global halal industry has experienced rapid development over the last decade and has become one of the fastest-growing sectors in the international economy. The halal concept is no longer limited to food and beverages but has expanded into cosmetics, pharmaceuticals, tourism, fashion, and household products. This expansion reflects changing consumer behavior among Muslim communities who increasingly prioritize halal assurance in everyday consumption activities. According to research by Hasanah, the expansion of the halal industry demonstrates the transformation of halal values into a global economic lifestyle that integrates religion, quality assurance, and consumer protection (Hasanah, 2021: 73).

The growth of the halal market has generated theoretical debates regarding the main driving factors behind its expansion. Some scholars argue that the rise of the halal industry is primarily influenced by increasing religiosity among Muslim consumers across the world. However, other researchers emphasize that globalization, digital marketing, and modern branding strategies play a more dominant role in strengthening halal market penetration. Research conducted by Nurhadi explained that the halal industry currently develops through the interaction between spiritual awareness and capitalist market expansion (Nurhadi, 2020: 58).

According to the Gateway to the Global Islamic Economy Report (2024), the global halal market value has reached approximately USD 2.3 trillion. The food and beverage sector contributes around 56 percent of total Muslim lifestyle spending worldwide, making it the largest contributor within the halal economy ecosystem. Nevertheless, the household goods sector such as halal cosmetics, detergents, cleaning products, and Muslim fashion has also shown considerable growth in recent years. Research by Lestari found that diversification within the halal industry indicates the increasing integration of halal principles into various dimensions of modern consumer lifestyles (Lestari, 2023: 92).

Indonesia occupies a strategic position within the global halal industry because it has the largest Muslim population in the world. This demographic advantage creates a substantial domestic market that supports the development of halal-oriented industries. In addition, Indonesia possesses abundant natural resources and a growing halal industrial ecosystem that can strengthen its competitiveness in international markets. According to research by Prabowo, Indonesia's

demographic structure provides a comparative advantage in developing halal industries compared to many non-Muslim majority countries (Prabowo, 2019: 41).

The increasing consumption of halal products in Indonesia reflects significant changes in public consumption behavior. Data indicate that Indonesia's halal product consumption reached approximately USD 200 billion in 2020 and is projected to increase substantially by 2025. This trend illustrates the strengthening awareness of Muslim consumers toward halal-certified products in both primary and secondary consumption sectors. Research conducted by Fauziah explained that halal consumption patterns in Indonesia are increasingly associated with perceptions of safety, hygiene, and ethical responsibility rather than solely religious obligations (Fauziah, 2022: 117).

The household goods sector has become one of the emerging sectors within the halal industry landscape. Products such as halal cosmetics, detergents, personal care items, and Muslim clothing are increasingly demanded by consumers seeking comprehensive halal lifestyles. This phenomenon indicates that Muslim consumers now expect halal assurance not only in food products but also in products directly used in daily life. According to research by Ramadhani, the household halal product sector has experienced rapid growth because consumers increasingly associate halal labels with product quality and safety standards (Ramadhani, 2021: 65).

Despite the positive growth of the halal household goods sector, conceptual debates remain regarding the standardization of halal certification for non-food products. Some scholars argue that halal certification for household products is essential to ensure the integrity of Islamic consumption practices. However, other researchers question whether the expansion of halal labels into all consumer sectors risks excessive commercialization of religious values. Research by Syamsudin highlighted that the halal industry often faces tensions between religious legitimacy and commercial market interests (Syamsudin, 2020: 83).

From an economic perspective, the halal household goods sector offers significant opportunities for domestic industrial development and export expansion. The increasing global demand for halal-certified products enables Indonesian producers to access wider international markets, especially in Muslim-majority countries. However, achieving export competitiveness requires improvements in product quality, innovation capacity, and international certification recognition. According to research by Kurniawati, Indonesian halal industries still face challenges related to technological innovation and global branding strategies (Kurniawati, 2024: 131).

The development of halal household products is also closely related to digital transformation and the rise of e-commerce platforms. Digital marketing has enabled halal products to reach broader consumer segments both domestically and internationally. Social media influencers, halal branding campaigns, and online marketplaces increasingly shape consumer preferences toward halal-certified products. Research conducted by Amalia revealed that digital ecosystems significantly influence the acceleration of halal product commercialization among younger Muslim consumers (Amalia, 2023: 109).

From a theoretical standpoint, the growth of the halal household goods industry reflects the interaction between religion, consumerism, and globalization. Islamic economic theory views halal industries as instruments for achieving ethical and sustainable economic development rooted in Islamic principles. Conversely, critical economic perspectives argue that the halal industry increasingly functions as part of global capitalist market expansion through religious commodification. According to research by Hidayati, the future sustainability of the halal industry depends on the ability to balance spiritual objectives, economic competitiveness, and consumer protection within the global market system (Hidayati, 2022: 97).

Consumer Awareness and Demand for Halal Goods

The increasing awareness of consumers regarding halal products has significantly influenced consumption patterns in Muslim-majority countries, particularly Indonesia. Consumers are now paying greater attention not only to halal food but also to household products such as cosmetics, detergents, pharmaceuticals, and clothing. This shift demonstrates that halal awareness has evolved into a broader lifestyle orientation embedded within everyday social practices. According to research by Hidayah, the rise of halal consumption reflects the strengthening relationship between religious values and modern consumer behavior in Indonesian society (Hidayah, 2021: 64).

The expansion of halal awareness has also triggered conceptual debates among scholars concerning the primary motivations behind halal consumption. Some researchers argue that religious obedience remains the dominant factor influencing Muslim consumer decisions. However, other academics emphasize that halal consumption has increasingly become associated with lifestyle trends, prestige, and social identity among urban middle-class communities. Research conducted by Ramli explained that halal products are now often interpreted as symbols of modern Islamic identity rather than merely religious necessities (Ramli, 2020: 88).

The concept of halal and *toyyib* has become increasingly important in shaping consumer expectations toward products circulating in the market. Halal refers to products that comply with Islamic law, while *toyyib* emphasizes cleanliness, safety, and ethical production standards. The integration of these two concepts has encouraged producers to improve product quality and transparency in production processes. According to research by Fauzan, the halal and *toyyib* framework has strengthened consumer trust because it combines spiritual legitimacy with universal standards of quality and safety (Fauzan, 2022: 115).

The growing demand for halal products has encouraged many non-food manufacturers to voluntarily adopt halal certification for their products. Producers increasingly recognize halal labels as strategic tools for attracting Muslim consumers and expanding market opportunities. This phenomenon indicates that halal certification is no longer viewed solely as a religious requirement but also as an instrument of market competitiveness. Research by Rizkitysha and Hananto found that many companies voluntarily integrate halal labels into their branding strategies to respond to rising consumer demand for halal-compliant products (Rizkitysha & Hananto, 2022: 71).

The increasing adoption of halal labels in non-food sectors has generated theoretical debates regarding the commercialization of religion within the global economy. Some scholars believe that halal certification strengthens ethical business practices and consumer protection mechanisms. In contrast, critical perspectives argue that the rapid expansion of halal labels reflects the commodification of Islamic values for commercial purposes. Research by Maulida highlighted that the halal industry often experiences tensions between religious authenticity and profit-oriented market strategies (Maulida, 2019: 93).

Indonesia has emerged as one of the largest halal consumption markets in the world due to its demographic and cultural characteristics. In 2019, Indonesian spending on halal products reached approximately USD 218.8 billion, with halal food becoming the dominant sector. This trend demonstrates the enormous economic potential of the halal industry within domestic markets. According to research by Nurdin, Indonesia's large Muslim population provides strong structural support for the continuous growth of halal-oriented industries (Nurdin, 2021: 52).

Beyond food products, the halal market in Indonesia has expanded rapidly into cosmetics, Muslim fashion, and household goods sectors. Consumers increasingly seek assurance that products used in their daily lives comply with Islamic principles and safety standards. This condition creates substantial opportunities for domestic industries to diversify halal product offerings and strengthen market penetration. Research conducted by Khasanah revealed that halal household products are

increasingly preferred because consumers associate halal certification with product quality and reliability (Khasanah, 2023: 126).

The expansion of the halal market also creates opportunities for Indonesia to strengthen its export performance in international markets. Countries with significant Muslim populations continue to increase imports of halal-certified products, including cosmetics, processed food, and household products. Nevertheless, Indonesia still faces challenges related to product standardization, technological innovation, and global branding competitiveness. According to research by Syafitri, the competitiveness of Indonesian halal exports depends heavily on improvements in quality assurance systems and international certification recognition (Syafitri, 2020: 80).

From a theoretical perspective, the development of halal consumption can be analyzed through the framework of consumer culture theory and Islamic economics. Consumer culture theory explains how halal products increasingly function as symbols of identity, lifestyle, and social belonging among Muslim consumers. Meanwhile, Islamic economic theory views halal industries as instruments for achieving ethical and sustainable economic development based on Islamic principles. Research by Arifin emphasized that the halal economy represents the intersection between spiritual values, market systems, and modern consumption patterns (Arifin, 2022: 104).

The future growth of the halal industry in Indonesia will largely depend on the ability of stakeholders to strengthen innovation, certification systems, and consumer education. Government institutions, halal certification bodies, and business actors must collaborate to improve product competitiveness and public trust in halal products. In addition, digital technology and e-commerce platforms are expected to accelerate the expansion of halal markets both domestically and internationally. According to research by Putri, the sustainability of Indonesia's halal industry requires balanced integration between religious legitimacy, industrial modernization, and global market adaptation (Putri, 2024: 139).

Consumer Awareness and the Dynamics of the Halal Product Market

The increasing awareness of Muslim consumers regarding halal products has encouraged significant changes in consumption patterns in Indonesia. Consumers are no longer focused solely on halal food products, but also on cosmetics, household appliances, pharmaceuticals, and lifestyle products. This phenomenon reflects the expansion of the halal concept from a purely religious obligation into a broader lifestyle orientation associated with quality assurance and product safety. According to research by Rizkitysha and Hananto, consumer preferences toward halal-certified products are strongly influenced by perceptions of product cleanliness, safety, and ethical value (Rizkitysha & Hananto, 2022: 55).

The development of halal consumer awareness has generated conceptual debates among scholars regarding the meaning of halal consumption in contemporary society. Some researchers argue that halal consumption is driven primarily by religious obedience and Islamic ethical values. However, other scholars emphasize that halal products are increasingly positioned as part of global branding and modern consumer culture, particularly among middle-class Muslim communities. Research by Wahyuni explained that halal consumption behavior in Indonesia has shifted toward symbolic consumption patterns associated with identity and social prestige (Wahyuni, 2021: 88).

The strengthening of the halal lifestyle trend has also influenced business actors to voluntarily adopt halal certification even for non-food products. Many producers consider halal labels as strategic instruments to improve market competitiveness and consumer trust. Nevertheless, theoretical debates continue regarding whether halal certification genuinely reflects religious compliance or merely functions as a commercial marketing strategy. Research conducted by Hidayat

and Siradj highlighted that some business actors perceive halal certification more as an economic necessity than as a manifestation of religious commitment (Hidayat & Siradj, 2019: 114).

Indonesia's position as one of the world's largest Muslim-populated countries creates substantial opportunities for the expansion of the halal product market. Data from various halal economy reports indicate that domestic spending on halal products continues to increase annually, particularly in the food, cosmetics, and Muslim fashion sectors. This condition strengthens the argument that the halal industry has become an important pillar of the national economy. However, according to Fathoni, the rapid growth of the halal market is not always followed by equal readiness among local industries to maintain product quality and international competitiveness (Fathoni, 2020: 67).

From a theoretical perspective, the expansion of halal products reflects the interaction between religious values, consumer behavior, and global capitalism. Some scholars argue that the halal industry represents an alternative economic system rooted in Islamic ethics and sustainability principles. In contrast, critical perspectives view the commercialization of halal labels as a form of commodification of religion within the global market system. Research by Maulana revealed that the halal industry in Indonesia continues to experience tensions between spiritual objectives and market-oriented industrial interests (Maulana, 2023: 103).

Export Opportunities for Indonesian Halal Products

Indonesia possesses significant opportunities to strengthen its position in the global halal export market. The country's large Muslim population, abundant natural resources, and growing halal industry ecosystem provide strategic advantages in international trade competition. Halal products from Indonesia, especially food, Muslim fashion, cosmetics, and household goods, have increasingly attracted global market interest. According to research by Rahman, Indonesia's halal export potential continues to rise due to increasing international demand for ethical and halal-certified products (Rahman, 2021: 74).

Despite having substantial market potential, Indonesia still faces structural challenges in maximizing halal exports. Scholars debate whether Indonesia's halal industry competitiveness is primarily constrained by production capacity or by weak global market integration. Some researchers argue that limited technological innovation and industrial standardization reduce export competitiveness. Meanwhile, other perspectives emphasize that the main obstacle lies in weak trade diplomacy and the limited international recognition of Indonesian halal certification systems (Nugroho, 2020: 91).

The issue of product quality and price competitiveness also remains central in discussions regarding halal exports. International consumers increasingly demand halal products that not only comply with Islamic principles but also meet global quality standards. Consequently, Indonesian producers are required to improve packaging quality, production efficiency, and supply chain management. Research conducted by Prasetyo found that many Indonesian MSMEs still experience difficulties in maintaining consistent quality standards for export-oriented halal products (Prasetyo, 2022: 48). Another important debate concerns the relationship between halal certification and export competitiveness. Some scholars believe that halal certification significantly increases international consumer trust and facilitates market penetration in Muslim-majority countries. However, other researchers argue that halal certification alone is insufficient without strong branding strategies and innovation capacity. According to Sari, halal labels provide competitive advantages only when combined with product differentiation and effective global marketing strategies (Sari, 2019: 136).

From a theoretical standpoint, the halal export industry can be understood through the perspective of global value chain theory and Islamic economic development. The global value chain

perspective emphasizes the importance of integration between production, certification, distribution, and international marketing systems. Meanwhile, Islamic economic theory views halal exports not merely as profit-oriented activities but also as instruments for achieving ethical and sustainable economic development. Research by Firmansyah highlighted that the success of halal exports depends on the synergy between Islamic business ethics, state policies, and industrial modernization strategies (Firmansyah, 2024: 120).

Regulation and Halal Certification in Indonesia

The Indonesian government has strengthened halal product governance through Law Number 33 of 2014 concerning Halal Product Assurance. This regulation requires products circulating in Indonesia, including food, cosmetics, pharmaceuticals, and household goods, to obtain halal certification. The establishment of the Halal Product Assurance Organizing Agency (BPJPH) marked an important institutional transformation in the management of halal certification systems. According to Hanafi and Nurdin, the implementation of halal regulations has significantly increased public trust in halal-certified products (Hanafi & Nurdin, 2022: 59).

Although the halal certification system aims to protect Muslim consumers, its implementation continues to generate conceptual and practical debates. Some scholars argue that mandatory halal certification strengthens consumer rights and legal certainty in the halal industry. However, other researchers criticize the policy because it potentially creates additional financial burdens for MSMEs and small household industries. Research by Kusnadi demonstrated that many MSMEs experience administrative and financial difficulties in fulfilling halal certification requirements (Kusnadi, 2019: 82). The debate over halal regulation also involves institutional authority and governance effectiveness. Some academics consider BPJPH as an important institution for improving halal industry standardization at the national level. Nevertheless, others argue that overlapping authority between BPJPH, MUI, and other certification bodies often creates bureaucratic inefficiencies. According to research by Fauzi, institutional coordination problems remain one of the main obstacles in accelerating halal certification services in Indonesia (Fauzi, 2021: 101).

From a theoretical perspective, halal regulation reflects the interaction between religious authority, state intervention, and market governance. Islamic legal scholars generally support state involvement in halal assurance because it protects public welfare and strengthens consumer confidence. In contrast, liberal economic perspectives argue that excessive regulation may reduce business flexibility and industrial innovation. Research conducted by Anwar revealed that Indonesia's halal governance model continues to seek balance between religious legitimacy and economic efficiency (Anwar, 2020: 77).

The future development of halal certification in Indonesia depends on the government's ability to simplify procedures and strengthen institutional support for business actors. Digitalization of halal certification services and financial assistance programs for MSMEs are increasingly viewed as strategic solutions to improve certification accessibility. In addition, stronger international cooperation is required to enhance global recognition of Indonesian halal certification standards. According to research by Setiawan, the sustainability of Indonesia's halal industry will largely depend on regulatory adaptability, institutional transparency, and integration with global halal market systems (Setiawan, 2023: 144).

4. KESIMPULAN

The findings of this study demonstrate that the halal industry in the household goods sector possesses substantial economic potential in Indonesia, particularly amid the increasing awareness of Muslim consumers toward halal-oriented lifestyles. The expansion of halal consumption is no longer

limited to food and beverage products, but has also extended to cosmetics, detergents, pharmaceuticals, clothing, and various household products. This development indicates that halal values have transformed into an important component of modern consumer culture that integrates religious compliance, product quality, safety, and ethical consumption practices. Consequently, Indonesia has a strategic opportunity to strengthen its position not only as the largest halal consumer market, but also as a global producer and exporter of halal products.

The study also reveals that the growing demand for halal products has encouraged business actors, including non-food producers, to adopt halal certification as part of their market competitiveness strategy. In this context, halal certification functions not only as a religious instrument but also as an economic mechanism to enhance consumer trust, product credibility, and market expansion. Nevertheless, theoretical debates continue regarding whether the rapid growth of the halal industry reflects genuine religious awareness or the increasing commercialization of Islamic values within the global capitalist economy. This tension illustrates that the halal industry operates within the intersection of religious ethics, consumerism, and global market dynamics.

Furthermore, regulatory support through Law Number 33 of 2014 concerning Halal Product Assurance and the institutional roles of BPJPH and MUI have become important foundations for strengthening halal governance in Indonesia. The implementation of halal certification policies contributes significantly to improving legal certainty and public confidence in halal products circulating in the market. However, the study identifies several structural challenges, including limited public understanding regarding non-halal materials, lack of transparency in halal supply chains, overlapping institutional coordination, and the limited capacity of MSMEs to fulfill halal certification requirements. These challenges indicate that strengthening the halal industry requires not only regulatory enforcement but also institutional reform, technological innovation, and broader access to halal certification services.

In addition, the rapid development of the halal household goods sector creates broad opportunities for Indonesia to expand its domestic and international market reach. The increasing global demand for halal-certified products provides strategic momentum for Indonesian industries to improve competitiveness through product innovation, quality enhancement, and digital market integration. However, achieving sustainable halal industry development requires stronger collaboration between the government, business actors, certification institutions, academics, and consumers. Through integrated policies, effective halal governance, and sustainable industrial development strategies, Indonesia has the potential to become a leading center of the global halal industry while maintaining the balance between economic growth, consumer protection, and Islamic ethical values.

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