



Halal procurement strategy in the food industry in Indonesia

Albertty Indriansyah¹, Mohammad Iqbal Irfany^{1,*}, Marco Tieman¹

¹ Faculty of Economics and Management, IPB University, Jl. Agatis, Dramaga Campus IPB, Bogor, West Java, 16680, Indonesia

² LBB International, Millerz Square, No 357, Old Klang Road, Kuala Lumpur, 58000, Malaysia

ABSTRACT

Indonesia is a Muslim-majority country with significant potential to develop a solid halal industry. A critical area for growth in this sector is halal procurement, which has been observed to remain under-researched, particularly in the Indonesian context. Therefore, this study aims to address the gap by identifying challenges and proposing strategic solutions for halal procurement in the food industry of the nation. To achieve the stated objective, data was collected through expert interviews, Analytical Network Process (ANP) was adopted as the decision-making methodology, and Strength, Weakness, Opportunity, and Threat (SWOT) analysis was carried out. The results showed that strength factor was the first priority in advancing halal procurement in food sector in Indonesia. Specifically, the most influential factors identified include the availability of raw materials, the lack of value-added commodities, the guarantee of continuous raw material supply, and the presence of numerous global competitors, all of which served as the strength, Weakness, Opportunity, and Threat to the halal food industry.

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1 Introduction

The halal industry is a sector whose growth has been observed to be on an upward trajectory. According to the State of Global Islamic Economy Report, consumer opportunity in halal sector is projected to reach USD 2.8 trillion by 2025, growing at a rate of 9.1%, with a four-year Cumulative Annual Growth Rate (CAGR) of 7.5%. The report showed that the largest segments in halal industry included halal food, fashion, media and recreation, Muslim-friendly tourism, halal pharmaceuticals, and cosmetics, thereby reflecting the immense potential of the global halal market.

As a country with a Muslim population comprising 87.2% of its approximately 277 million people, Indonesia represents nearly 13% of the global Muslim population (World Population Review 2023). This positions the country in the right spot to capitalize on the vast opportunity in halal industry. It is also important to elucidate that Indonesia is ranked fourth in the Global Islamic Economy Indicator (GIEI) 2021/2022, and second in halal food sector. Despite its status as the largest consumer of halal food in the world, the country has not yet seen a corresponding increase in halal food production (Waharini 2020).

According to a previous study, a key factor that can be leveraged to increase production lies in the procurement process, an essential component of halal supply chain (Shari *et al.* 2022). The procurement process spans from sourcing raw materials to delivering finished products (Shakira *et al.* 2021), and in the context of halal industry, this process typically requires a robust and automatic traceability system. Halal traceability in food production companies is crucial for ensuring halal status of products. This system includes tracking comprehensive production information from upstream to downstream to ensure that both semi-finished and final products are traceable and guaranteed halal before distribution to consumers. In Indonesia, halal tracing is carried out manually, and this manual process has been observed to be time-consuming and labor-intensive, signifying a clear need for system development to enhance the integrity of halal certification (KNKS 2021). It is also essential to state that the development of halal procurement in Indonesia has been accompanied by increasing public demand for assured halal certification from food producers (BI 2022).

Various companies produce halal products, but the process adopted by

the majority has been found to not fully comply with Islamic law (Junusi 2020). These companies tend to focus solely on sourcing halal raw materials without addressing the broader issue of the low guarantees in halal supply chain, thereby presenting a significant risk of contamination with haram substances in supply chain process. To better manage halal risks and food safety, it is essential to integrate halal principles into the procurement strategy (Tieman *et al.* 2020). Through this approach, the procurement team in a company would ensure suppliers possess halal certification, use halal raw materials, and adhere to production processes that are in line with Islamic requirements (Tieman & Ghazali 2013).

According to Rusydiana *et al.* (2023), various studies have been carried out on halal supply chain since 2016, with a predominant focus on the food sector. However, studies on halal procurement, particularly in the Indonesian context, remain limited. Considering the stated gap, this study aims to analyze the process of halal procurement in the context of food industry in Indonesia. In order to achieve the objective, the investigation included the adoption of Strength, Weakness, Opportunity, and Threat (SWOT) analysis and the development of relevant strategies for advancing halal procurement in the country. Lastly, Analytical Network Process (ANP) method was used to prioritize actions based on expert opinions, with the goal of establishing a procurement system that ensures halal integrity in food industry.

2 Literature Review

According to Law Number 3 of 2014 (UU 2014) concerning Industrial Affairs, an industry comprises all forms of economic activity that process raw materials and utilize industrial resources to produce goods with added value or greater benefits, including industrial services. Halal industry, in particular, consists of various economic units, all of which are included in the production and distribution of goods and services permissible under Islamic law. Among these units is the halal food industry, which includes a wide range of activities such as the processing, preparation, preservation, and of food products. Within the industry, it is essential to maintain halal integrity of products, from sourcing raw materials that do not include prohibited substances to ensuring that production processes strictly adhere to Islamic law.

*Corresponding author.

E-mail addresses: iqbal.irfany@apps.ipb.ac.id



As emphasized by Rusydiana *et al.* (2023), halal supply chain management comprised four key activities, namely halal procurement, halal manufacturing, halal distribution, and halal logistics. Khairani *et al.* (2019) further emphasized this subject, stating that halal food supply chain comprised the processing of halal food products from suppliers to consumers, with various stakeholders working to ensure halal status of food products remains intact in the entire supply chain.

Halal procurement is a crucial component of halal supply chain management, and this is primarily because the component ensures that halal integrity is maintained in the entire supply chain process through appropriate practices (Novianti *et al.* 2020). Khairani *et al.* (2019) describes halal procurement as synonymous with halal purchasing since the primary focus of the activity was safeguarding halal status of products across supply chain. The foundation of halal procurement is built on reputation and risk management, thereby necessitating a well-defined strategy to ensure its effectiveness. An optimal procurement strategy requires a focus on market efficiency and storage considerations to maintain the quality of halal products and services. According to Tieman *et al.* (2020), the responsibility for developing a successful halal procurement strategy lies not only with the purchasing department but also with top management.

A study was conducted by Tieman & Ghazali (2013) with the aim of examining halal purchasing principles through expert discussions. The exploration showed that an essential relationship existed between halal purchasing and procurement strategies, underscoring the importance of the purchasing function in halal supply and value chain. Additionally, a further exploration was carried out by Tieman *et al.* (2020) on halal procurement strategies in food industry in Malaysia. The investigation, conducted through Focus Group Discussions (FGD), showed that the complexity of halal procurement necessitated a backup plan for sourcing critical halal good. This emphasized the importance of risk management in supplier selection, promoting the prioritization of local suppliers, and fostering internal collaboration in companies.

3 Methodology

3.1 Sources and Methods of Data Collection

The data used in this study consist of both primary and secondary sources. Primary data were collected through in-depth interviews and questionnaires completed by respondents, including practitioners, regulators, and academics with expertise in halal products. Meanwhile, secondary data were gathered from journals, theses, government websites, and other relevant literature to support the investigation. A non-probability sampling method, specifically purposive sampling, was adopted, in which data were collected from non-randomly selected respondents. Each of the study participants were selected based on respective knowledge level and experience related to the study topic. A total of six individuals participated in the study, including two academics specializing in halal products, three practitioners from the fast-moving consumer goods (FMCG) industry, the frozen processed food industry, and food manufacturing respectively, and a regulator from Halal Product Assurance Organizing Agency (BPJPH). It is important to establish that the validity of the present investigation is not dependent on the number of respondents but rather on the expertise and relevance of respondents to the subject matter.

3.2 Descriptive Analysis

A descriptive qualitative study was a straightforward qualitative technique characterized by an inductive method. This method includes drawing conclusions from initial observations after conducting in-depth interviews and analyses. The process of qualitative descriptive data analysis consists of three key stages namely data reduction, data display, and conclusion drawing.

3.3 General Description of Strength, Weakness, Opportunity, and Threat Analysis (SWOT)

SWOT analysis is a widely used technique in strategic planning for formulating strategies across various entities, including companies, industries, governments, and countries (Idris *et al.* 2022). In the industrial context, SWOT analysis is typically utilized for planning growth strategies, expansion, market research, environmental scanning, and entire strategic analysis. Wheelen & Hunger (2012) described SWOT analysis as a straightforward method for developing policies or strategies. It helps identify opportunity by examining internal strength and external opportunity while also considering internal weakness and external threat.

3.4 General Description of Analytic Network Process (ANP)

ANP method is a decision-making method that evaluates the level of importance by considering multi-criteria relationships in ANP network. This method elucidates the dependency factor model and provides systematic feedback (Kadoić *et al.*, 2017). According Rusydiana & Devi (2013), ANP

method was founded on four axioms including reciprocity, homogeneity, priority, and dependence. Furthermore, Ascarya (2011) outlined the key stages of the method, which included (1) model construction, (2) quantification of models, and (3) synthesis and analysis.

4 Result

Based on the literature reviewed and the in-depth interviews with various experts, four key elements, including strength, weakness, opportunity, and threat were identified. These elements served as the foundation for formulating halal procurement strategies in food industry of Indonesia (Table 1). Figure 1 shows ANP network chart consisting of four criteria, with each criterion comprising five sub-criteria.

Table 1: Strength, weakness, opportunity, and threat elements

Internal factors	
Strength (S)	Weakness (W)
S.1 Availability of raw material resources	W.1 Lack of value-added, competitive commodities
S.2 Technological innovations in raw materials began to be developed	W.2 Still high imports of food commodities
S.3 National standards in production are available	W.3 Lack of utilization of technology in the raw material industry
S.4 Increased diversification of food products	W.4 Lack of efficiency of processing processes and product quality assurance
S.5 Increase in the number of halal food exports	W.5 Lack of understanding of halal supply chain in halal food production system
External factors	
Opportunity (O)	Threat (T)
O.1 Government support through Law No. 33 of 2014	T.1 Supply of imported raw materials that meet halal criteria is still limited
O.2 Growth in demand for halal products globally	T.2 Substitution material innovation is still limited
O.3 The existence of import substitution policies that continue to grow	T.3 Differences in standardization of certification and logistics of halal products in each country
O.4 Increasing halal lifestyle among the community	T.4 Strengthening the pillars of halal industry (government, infrastructure, human resources, and funding services) that have not been optimal
O.5 Availability of raw material continuity guarantee	T.5 Many global competitors in halal food industry in the world

Table 2: Criteria aspects of strength, weakness, opportunity, and threat

Criteria	Geometric mean	Rank	W
Strength	0.379	1	0.7222
Weakness	0.141	3	
Opportunity	0.326	2	
Threat	0.082	4	

Table 3: Criteria aspects of internal factors

Internal factors			
Strength (S)	Geometric mean	Rank	W
S.1 Availability of raw material resources	0.308	1	0.3777
S.2 Technological innovations in raw materials began to be developed	0.179	2	
S.3 National standards in production are available	0.155	5	
S.4 Increased diversification of food products	0.141	4	
S.5 Increase in the number of halal food exports	0.159	3	
Weakness (W)	Geometric mean	Rank	W
W.1 Lack of value-added, competitive commodities	0.218	1	0.2888
W.2 Still high imports of food commodities	0.169	4	
W.3 Lack of utilization of technology in the raw material industry	0.157	5	
W.4 Lack of efficiency of processing processes and product quality assurance	0.208	2	
W.5 Lack of understanding of halal supply chain in halal food production system	0.200	3	

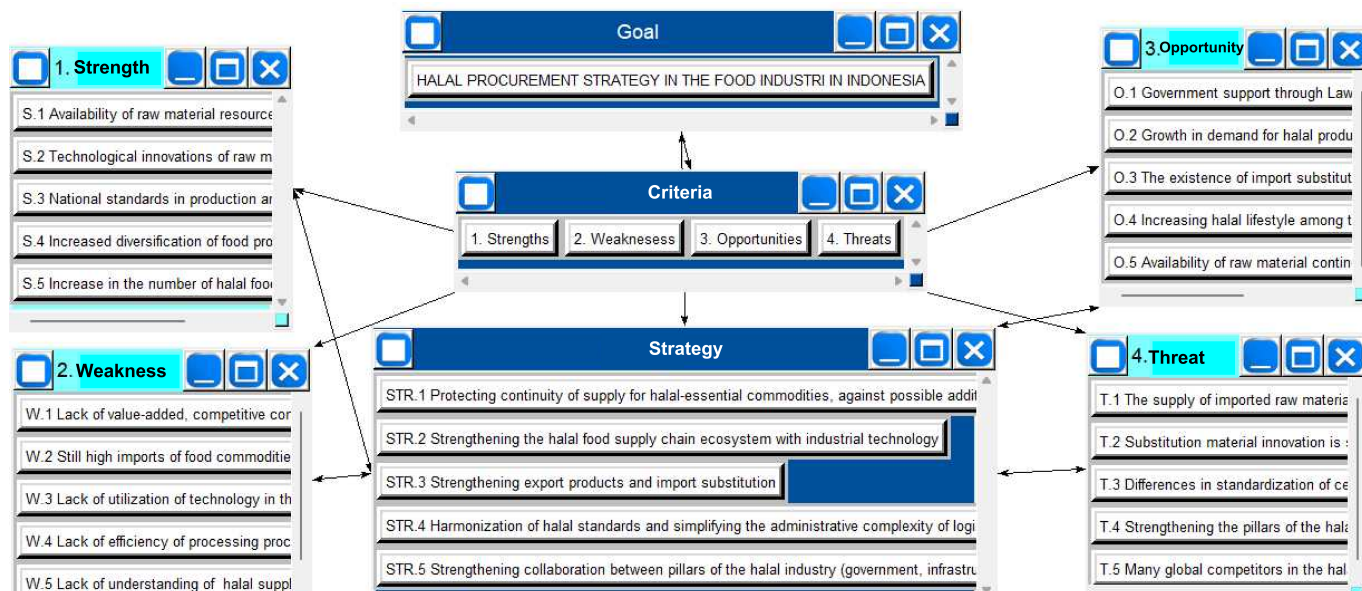


Figure 1: Analytic network process network

Based on the results presented in Table 2, it can be seen that strength aspect holds the highest priority among the four SWOT components, with a score of 0.379. The priority order of the aspects is as follows, 1) strength, 2) opportunity, 3) weakness, and 4) threat. The calculation of respondent agreement value showed a W value of 0.722, meaning 72.22% of respondents concurred that strength aspect was the most influential factor in developing halal procurement to promote Islamic economic growth in Indonesia. Table 3 and Table 4 present the detail of criteria aspects of internal and external factors.

Table 4: Criteria aspects of external factors

External factors			
Opportunity (O)	Geometric mean	Rank	W
O.1 Government support through Law No. 33 of 2014	0.155	4	0.4722
O.2 Growth in demand for halal products globally	0.225	2	
O.3 The existence of import substitution policies that continue to grow	0.124	5	
O.4 Increasing halal lifestyle among the community	0.201	3	
O.5 Availability of raw material continuity guarantee	0.250	1	
Threat (T)	Geometric mean	Rank	W
T.1 Supply of imported raw materials that meet halal criteria is still limited	0.180	33	0.1111
T.2 Substitution material innovation is still limited	0.179	4	
T.3 Differences in standardization of certification and logistics of halal products in each country	0.188	2	
T.4 Strengthening the pillars of halal industry (government, infrastructure, human resources, and funding services) that have not been optimal	0.167	5	
T.5 Many global competitors in halal food industry in the world	0.227	1	

5 Discussion

5.1 Halal Procurement in Food Industry in Indonesia

Halal industry has experienced significant growth globally, as evidenced by the fact that consumers and industry players are increasingly recognizing halal products because of quality and health benefits. The fundamental aspects of these products are categorized into 4Ms, including human resources (man), raw materials (materials), processes (mechanism), and financing (monetary) (BI 2022). These elements were also implicitly addressed by Tieman *et al.* (2020), who explored various halal procurement

strategies in the Malaysian food industry, which served as a reference for the present investigation in the Indonesian context. In this study, respondents for halal procurement sub-section in the food industry included three companies namely two producers and one supplier.

5.1.1 Halal Purchasing Commodities

Halal purchasing commodities must be regarded as critical elements in ensuring halal integrity. All three respondents emphasized that raw materials, primary packaging, water filters, production equipment, cleaning chemicals, hand sanitizers, external packaging services, logistics services, and all production facilities must be certified halal. Additionally, one respondent emphasized the importance of guaranteeing halal status of food additives alongside raw materials.

5.1.2 Management of Halal Procurement in Food Industry in Indonesia

The three respondents concurred on the key elements of procurement management for halal-critical purchases. This was evidenced by the following statements (1) long-term supplier relationships are essential for purchasing halal-critical commodities, (2) securing the continuity of supply for these commodities should be prioritized, even when facing potential additional costs, (3) collaboration with other purchasing organizations can enhance purchasing power for halal-critical sources. Subsequently, one respondent emphasized that collaboration, particularly with distributors or brokers, is crucial (4) simplifying the logistics and administrative processes related to halal-critical sources is important. According to another respondent, a shorter or simpler logistics chain reduces the risk of contamination by non-halal products, as shown by the statements (5) all suppliers providing halal-critical products, services, or work must be halal-certified, and (6) harmonizing halal standards into a single standard in the organization is necessary.

In terms of supplier management, decisions regarding supplier structure, size, the nature of relationships, and monitoring systems were considered important factors. All three respondents had more than one supplier, with supplier locations depending on the type of raw material. One respondent, representing a large industry, mentioned having suppliers at global, regional, and local levels. For instance, coconut water is sourced from regional factory areas, granulated sugar is obtained locally from in Indonesia, and food additives such as flavors, local acidifiers, and preservatives are imported. Respondents who utilized local suppliers signified sourcing materials from owned farms or relying on local resources.

Regarding supplier engagement, two respondents reported a high level of inclusiveness, while one signified a lower level due to the fact that respondent was also a supplier. The depth of supplier relationships was generally high among all respondents, though resource adaptation and interaction with suppliers varied depending on the role of the company. For instance, two respondents, representing large industries as producers, possessed high levels of resource adaptation and supplier interaction. This adaptation tends to streamline coordination and ensure the quality of halal raw materials required by the company. In addition to fostering strong supplier relationships, a robust monitoring and evaluation system is essential. All three respondents implemented benchmarking, vendor ratings, and physical audits to ensure compliance.

5.2 Collaborative Purchasing

The next discussion focuses on the benefits of collaborative purchasing for halal-critical products. In this context, three respondents identified several key advantages including reduced costs, supplier stability, robust halal assurance systems, and protection of certification. Similarly, regarding the collaborative purchases already made and future recommendations, all respondents mentioned directly collaborating with other companies and purchasing halal raw materials through specialized markets. Respondents recommended collaborative purchasing practices such as outsourcing transportation, storage, and value-added logistics services to logistics service providers, as well as outsourcing sourcing and distribution functions to fourth-party logistics providers.

5.3 Strength Sub-Cluster

Strength aspect consists of five key variable elements, with the availability of raw material resources being the top priority, as evidenced by its highest score of 0.308. The priority order in strength aspect is as follows, 1) availability of raw material resources, 2) technological innovation in raw materials is beginning to develop, 3) an increase in halal food exports, 4) the availability of national production standards, and 5) increased diversification of food products. This order of priority signifies that the availability of raw material resources is the most influential factor in developing halal procurement in Indonesia, as shown in Table 3. It is important to state that although Indonesia possesses diverse resources, these resources have not been fully utilized. As a result, respondents stated that if the natural materials were managed systematically, producers would have access to more local suppliers. The calculation of respondent agreement (rater agreement) in this context yielded a W value of 0.3777, meaning that 37.77% of respondents agreed with the priority results, while the remaining had varied opinions.

5.4 Weakness Sub-Cluster

Weakness aspect consists of five elements, with the highest priority being the lack of value-added commodities and competitiveness. The geometric mean value obtained for this element is 0.218, with the following priority order, 1) lack of value-added commodities and competitiveness, 2) inefficiency in processing and product assurance, 3) insufficient understanding of halal supply chain in halal food production system, 4) high dependence on imported food commodities, and 5) limited utilization of technology in the raw material industry. Following the outlined order of priority, it can be seen that the lack of value-added, competitive commodities is the most critical factor hindering the development of halal procurement in Indonesia, as shown in Table 3. While the country has abundant resources, it struggles to compete globally. Based on this fact, enhancing the competitiveness of food commodities is essential. Under this aspect, rater agreement showed a W value of 0.2888, showing that 28.88% of respondents agreed with the priority results, while the remaining offering varied opinions, leading to differences in responses.

5.5 Opportunity Sub-Cluster

Regarding opportunity, the availability of raw material continuity guarantees was observed to be the highest-priority element among the five identified. The geometric mean value for this element is 0.250, with the following priority order, 1) availability of raw material continuity guarantees, 2) growth in global demand for halal products, 3) increasing halal lifestyle adoption among the community, 4) government support through Law No. 33 of 2014, and 5) the ongoing development of import substitution policies. This observation signifies that ensuring the continuity of raw material availability is the most influential factor in advancing halal procurement in Indonesia, as shown in Table 4. These guarantees are highly beneficial for the industry, thereby facilitating expansion and investment, which are steps taken by the government to secure the continuity of goods. Rater agreement in this regard showed a W value of 0.4722, meaning that 47.22% of respondents agreed with the priority results, while the remaining had diverse opinions.

5.6 Threat Sub-Cluster

Threat aspect comprises five elements, which are prioritized as follows, 1) numerous global competitors in halal food industry, 2) discrepancies in the standardization of certification and logistics for halal products across countries, 3) limited availability of imported raw materials meeting halal criteria, 4) limited innovation in substitute materials, and 5) suboptimal strengthening of the pillars of halal industry (government, infrastructure, human resources, and services). The greatest threat identified under this aspect is the presence of numerous global competitors in halal food industry. As global companies expand respective halal ecosystems in response to high demand, Indonesian halal food production capacity has been observed to remain comparatively underdeveloped. This situation could negatively impact the economy if the country ever needs to rely on imports to meet demand. Following the information presented in Table 4, the obtained geometric mean value for this threat was 0.227, and rater agreement had a W value of 0.1111, meaning that 11.11% of respondents agreed with the

priority results, while the remaining had varied opinions, resulting in a range of responses.

5.7 Food Industry Halal Procurement Development Strategy in Indonesia

The strategies formulated in this study are based on an analysis of the four criteria namely strength, weakness, opportunity, and threat. Accordingly, the formulations were carried out with the aim of leveraging opportunity and strength while addressing weakness and mitigating threat. SWOT matrix was used to develop five key strategies, as outlined in Table 5.

Table 5: Strategies based on strengths, weaknesses, opportunities, and threats matrix

External factor		Internal factor	
		Strength (S)	Weakness (W)
Opportunity (O)	SO strategy	WO strategy	
	1. Protecting continuity of supply for halal-essential commodities against possible additional costs (S1, S2, S3, O3, O5)	1. Strengthening halal food supply chain ecosystem with industrial technology (W3, W4, W5, O1, O2, O4)	
Threat (T)	ST strategy	WT strategy	
	1. Harmonization of halal standards and simplifying the administrative complexity of logistics from halal critical sources (S4, S5, T1, T2, T3)	1. Strengthening collaboration between pillars of halal industry (government, infrastructure, human resources, and funding services) (W3, W4, W5, T4, T5)	

Five strategies were derived by combining internal and external factors (SO, ST, WO, and WT), from SWOT analysis are presented. The first strategy was formulated from the integration of strength and opportunity elements (S1, S2, S3, O3, O5). Two strategies were derived from the combination of weakness and opportunity elements, with one strategy from (W3, W4, W5, O1, O2, O4) and another from (W1, W2, O2, O3, O5). Meanwhile, a strategy was developed by combining strength and threat (S4, S5, T1, T2, T3), and the final, from the combination of weakness and threat (W3, W4, W5, T4, T5).

Table 6: Strategy aspects of data

Strategy	Geometric mean	Rank	W
STR.1 Protecting the continuity of supply for halal-essential commodities against possible additional costs	0.209	3	0.528
STR.2 Strengthening halal food supply chain ecosystem with industrial technology	0.218	1	
STR.3 Strengthening export products and import substitution	0.148	5	
STR.4 Harmonization of halal standards and simplifying the administrative complexity of logistics from halal critical sources	0.193	4	
STR.5 Strengthening collaboration between pillars of halal industry (government, infrastructure, human resources, and funding services)	0.210	2	

Table 6 shows the order of priority for the five strategies formed during the development of halal procurement in food industry of Indonesia. The order of strategy priorities is as follows,

5.7.1 Strengthening Halal Food Supply Chain Ecosystem with Industrial Technology

The first priority strategy includes the combination of weakness and opportunity elements (W-O), with a specific focus on strengthening halal food supply chain ecosystem through industrial technology, and this strategy has a geometric mean value of 0.218. Generally, technological advancements have enhanced the preservation of foodstuffs, improved sensory attributes such as taste and smell, refined product appearance, facilitated the development of new food products, elevated quality, and nutritional value, as well as increased productivity in food industry. Industrial technology is particularly crucial because a proper integration of halal ecosystem is essential for ensuring halal assurance, and relying on manual tracking alone would be insufficient.

5.7.2 Strengthening Collaboration Between Pillars of Halal Industry (Government, Infrastructure, Human Resources, and Funding Services)

The second priority strategy for developing halal procurement in Indonesian food industry is to strengthen collaboration among the pillars of halal industry, including government, infrastructure, human resources, and service. This strategy, derived from combining weakness and threat elements (W-T), was observed to have a geometric mean value of 0.210. The government, as the policymaker of laws and regulations, plays a crucial role in supporting halal supply chain ecosystem by facilitating necessary resources and support for food industry stakeholders. Accordingly, infrastructure, particularly in logistics, must be developed to meet industry requirements and reinforce halal chain. Following the importance of infrastructure, addressing the lack of human resources knowledgeable about halal supply chain is essential, and this can be achieved through targeted training and education. Lastly, the service pillar, comprising financial services and funding, must ensure that funds are distributed according to Sharia-compliant procedures.

5.7.3 Protecting Continuity of Supply for Halal-Essential Commodities against Possible Additional Costs

The third priority strategy for developing halal procurement in Indonesian food industry includes protecting the continuity of supply for essential halal commodities, specifically against additional costs. Ensuring a stable supply of raw materials, including imports, is critical for expanding and investing in the industrial sector, which in turn supports national economic growth. This strategy, derived from combining strength and opportunity elements (S-O), has a geometric mean value of 0.209.

5.7.4 Harmonization of Halal Standards and Simplifying the Administrative Complexity of Logistics from Halal Critical Sources

The fourth priority strategy includes harmonizing halal standards and simplifying the administrative complexity of logistics from halal critical sources. This strategy, derived from combining strength and threat elements (S-T), has a geometric mean value of 0.193. Harmonizing and standardizing halal certification across countries is essential to streamline the certification process. According to National Committee for Sharia Economics and Finance (KNKS) (2018), international acceptance of Indonesian halal standards can clarify audit models for halal certification bodies, simplify production processes by reducing the need for recertification, and enhance consumer rights.

5.7.5 Strengthening Export Products and Import Substitution

The fifth priority strategy for halal procurement development in food industry focuses on strengthening export products and import substitution. This strategy, combining weakness and opportunity elements (W-O), showed a geometric mean value of 0.148. Considering the growing demand and awareness of halal products, Indonesia has substantial opportunity to enhance its halal exports. Additionally, import substitution policies, as stated by BI (2022), aim to reduce reliance on imported goods through promoting

domestic alternatives. This method supports industrial growth, avail job opportunity, and conserves foreign exchange, thereby benefiting both the economic and industrial sectors.

6 Conclusion

In conclusion, Indonesian halal industry was observed to possess significant strength and opportunity in the market. The observation was evidenced by the fact that the strength aspect of the SWOT analysis conducted was the top priority, followed by opportunity. It is important to also establish that although the weakness and threat observed did not pose major obstacles, these aspects should be managed appropriately by leveraging existing strength and seizing opportunity to optimize halal procurement practices.

During the course of this study, a sequence of relevant strategies was formulated for the development of halal procurement in food industry in Indonesia. These strategies, based on priority order, included strengthening halal food supply chain ecosystem with industrial technology, strengthening collaboration between the pillars of halal industry (government, infrastructure, human resources, and funding services), protecting the continuity of supply for halal essential commodities against possible additional costs, harmonizing halal standards, simplifying the administrative complexity of logistics from halal critical sources, as well as strengthening export products and import substitution. This investigation was limited to the FMCG, processed frozen food, and food manufacturing industries. Therefore, future explorations could utilize the same strategies that have been formulated to explore other halal industries.

Conflict of Interest

The authors declare no conflict of interest.

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