



## INFORMATION

## Summary of Halal Markets Report 2021/2022 in Indonesia

We would like to share the summary of the Halal Markets Report 2021/2022 by Bank Indonesia with Dinar Standard and the Indonesia Halal Lifestyle Centre. This report aims to showcase the potential and opportunities for trade and investment in the Indonesian halal industry and is expected to be a reference for Indonesian halal players and foreign investors alike in formulating their development strategies.

In the report stated that Indonesia is in a good position to become one of the leaders of the global halal economy. It is noted that Indonesia represents the largest halal consumer market in the world with consumer spending worth USD 184 billion and has been identified as a major contributor to the vast global opportunity of USD 1.9 trillion in 2020. Indonesia is also always trending with halal products especially through consumer, trade, and Foreign Investment (FDI).

In designing a halal economic strategy, Indonesia has two important objectives, namely:

1. Boost GDP by USD 5.1 billion through incremental exports, FDI, and import substitution;
2. Develop enabling pillars that will help the full economic potential of the halal economy materialize.

To achieve this goal, Indonesia has several efforts that can be done such as seeking the growth of halal economic exports (with the main export categories to prioritize including the food, fashion, pharmaceutical and cosmetic sectors) with a value of USD 3.6 billion to the Organization of Islamic Cooperation (OIC) and Non-OIC markets. OIC strives for FDI growth with a value of USD 0.5 billion and also import substitution worth USD 1 billion.

In the development of the halal economy there are many sectors covered as follow:

- Halal food and beverage
- Halal pharmaceuticals
- Halal cosmetics
- Modest fashion
- Muslim-friendly travel
- Islamic media/recreation
- Islamic finance

The global halal economic trade opportunities are driven by imports for the 57 member countries of the OIC whose majority of the population are Muslim. Food represents the largest category of OIC imports with USD 200 billion in 2020. However, according to Law No. 33 Year 2014, food and beverage business owners have a grace period of 5 years to fulfill the halal certification obligation, starting October 17th, 2019 to October 17th, 2024. The other sectors are followed by modest fashion with USD 27 billion in imports, medicines with USD 39 billion in imports, and cosmetics with USD 13 billion in imports.

In addition, Indonesia has attracted the largest share of investments with 25% of all recorded transactions which shows the market is ripe for potential investments.

This report also discusses the halal certification process that must be followed for each business, namely:

1. Domestic businesses
  - Regular scheme
  - Self-declare scheme
2. International businesses
  - Final product categories
  - Raw materials, additives, auxiliary materials, and slaughtered goods product categories

Reference:

- Indonesia Halal Markets 2021/2022

If you require the copy of these regulations, please do not hesitate to contact [research@ibai.or.id](mailto:research@ibai.or.id)

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