

Developing Halal Tourism in Indonesia: Strategies, Opportunities, and Challenges for Global Competitiveness

Fusthathul Nur Sasongko

Sekolah Tinggi Agama Islam Al-Muntahy

Sasongko1@gmail.com

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Abstract

This study investigates the development of halal tourism in Indonesia using a qualitative approach. Data were collected through a comprehensive literature review, in-depth interviews with industry experts and stakeholders, and case studies of various halal tourism destinations across Indonesia. The research identified four key factors—accessibility, communication, environment, and services—as essential components in enhancing the overall satisfaction of Muslim tourists. Findings indicate significant improvements in infrastructure, digital communication, and the provision of halal-certified facilities. However, challenges such as uneven infrastructural development and regulatory gaps still persist. Government policies, notably the DSN-MUI No.108/DSN-MUI/X/2016 fatwa, have played a critical role in standardizing halal tourism services and boosting consumer trust. The study suggests that a synergistic approach involving both government initiatives and industry innovations can further strengthen Indonesia's position as a leading halal tourism destination in the global market. The insights derived from this research are expected to provide strategic recommendations for the sustainable and inclusive development of Indonesia's halal tourism sector.

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Publisher: ICM Research

Telp: +687863389921

e-mail: icm.mjeb@gmail.com

address: Jl. Kopang - Janapria Lombok Tengah

BACKGROUND

Since 2015, the Indonesian Ministry of Tourism has prioritized halal tourism as a key sector for national economic development and foreign exchange revenue. The concept of halal tourism, relatively new but rapidly growing, holds significant potential for global expansion. Generally, halal tourism refers to tourism activities that provide facilities and services aligned with Islamic teachings (Sharia). However, the successful implementation of this concept requires various considerations, including the availability of halal food and beverages, adequate prayer facilities, an environment free from non-halal activities, separate recreational areas for men and women, and accommodations that adhere to Islamic principles.

Indonesia, as a country with the largest Muslim population in the world, has a unique opportunity to develop halal tourism. Several key aspects contribute to its success: (1) the development of destinations that offer a safe and family-friendly environment, alcohol-free zones, and accessible prayer facilities; (2) the provision of religiously accommodating facilities such as special arrangements for Ramadan activities, Sharia-compliant accommodations, and strict halal food regulations; and (3) certification of halal tourism facilities by the Indonesian Ulema Council (MUI) to ensure a trustworthy halal environment.

The term 'Muslim-friendly tourism' is often used interchangeably with halal tourism, yet it is not entirely the same. While Muslim-friendly tourism caters to the needs of Muslim travelers, it does not fully adhere to halal principles. For example, a restaurant may serve halal food but also offer alcoholic beverages, or there may be insufficient separation between halal and non-halal food preparation. This distinction highlights the need for further clarity and standardization in the industry.

According to the Global Muslim Travel Index (GMTI), four main indicators determine the ranking of halal tourism destinations: accessibility, communication, environment, and services. These components are essential in evaluating a country's readiness to cater to Muslim tourists. The ACES Model, introduced in 2017, serves as a framework for measuring and improving halal tourism across various nations. Indonesia has adapted this model into the Indonesia Muslim Travel Index (IMTI), utilizing the same indicators to enhance its halal tourism industry. Accessibility plays a crucial role in determining the feasibility of a halal tourism destination. This includes air, rail, sea, and road transportation infrastructure. If a destination lacks proper accessibility, it is unlikely to attract significant numbers of Muslim tourists. Effective communication is vital in providing clear information to Muslim travelers. This includes guides tailored for Muslim visitors, education for tourism stakeholders, language accessibility, and digital marketing strategies. Poor communication can create confusion and discourage Muslim tourists from visiting certain destinations. A conducive environment is essential for a positive halal tourism experience. This includes the presence of domestic and international Muslim tourists, the availability of Wi-Fi services, and the commitment of tourism

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e-mail: icm.mjeb@gmail.com

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authorities to establish a Muslim-friendly environment. Destinations that fail to provide a welcoming environment for Muslim tourists may struggle to compete in the global halal tourism market. Services are arguably the most critical component of halal tourism, encompassing halal-certified restaurants, prayer facilities, airports, Sharia-compliant hotels, and Islamic cultural attractions. Services play a significant role in ensuring that Muslim tourists can travel comfortably while adhering to their religious beliefs. The IMTI 2019 report highlighted that services contribute 45% to the overall index, demonstrating their importance in halal tourism development.

Indonesia's efforts to promote halal tourism have gained international recognition. In 2019, the country ranked first in the Global Muslim Travel Index (GMTI), surpassing 130 other nations. This achievement was driven by the fact that around 20% (approximately 14.92 million) of Indonesia's international visitors were Muslim travelers. Additionally, Indonesia won 12 out of 16 categories in the 2016 World Halal Tourism Awards, reinforcing its position as a leading halal tourism destination.

Despite its success, Indonesia still faces challenges in further developing its halal tourism sector. Some stakeholders underestimate the market potential of halal tourism, leading to insufficient investment and strategic planning. Additionally, there is a misconception that halal tourism solely involves halal food, overlooking other essential aspects such as accommodations and entertainment. Regulatory gaps also pose a challenge, as there is no comprehensive legal framework governing halal tourism in Indonesia.

Another obstacle is the lack of adequate infrastructure and facilities to support halal tourism. Many destinations still lack sufficient prayer facilities, Sharia-compliant hotels, and halal-certified restaurants. Addressing these shortcomings is crucial to maintaining Indonesia's competitive edge in the global halal tourism market.

To overcome these challenges, Indonesia must implement several strategies. First, increasing public awareness and education about the importance of halal tourism can help stakeholders understand its economic potential. Second, the government should introduce stricter regulations and certification processes to ensure that halal tourism facilities meet international standards. Third, infrastructure development must be prioritized, particularly in areas with high tourism potential.

Additionally, Indonesia can leverage its natural and cultural heritage to attract more Muslim tourists. Developing innovative tourism products, such as Islamic heritage tours and halal culinary experiences, can enhance the country's appeal. The government should also encourage private sector participation in the halal tourism industry, providing incentives for businesses that invest in Muslim-friendly facilities.

Another crucial aspect is ensuring that tourism staff are well-trained in accommodating Muslim travelers. Hotel and restaurant employees should be educated on halal requirements, including food preparation and prayer facilities. Implementing

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gender-segregated recreational spaces, such as separate gym and spa facilities, can also enhance the halal tourism experience.

Indonesia's commitment to halal tourism is further supported by regulatory frameworks, such as the DSN-MUI No.108/DSN-MUI/X/2016 Fatwa, which outlines guidelines for Sharia-compliant tourism services. This regulation mandates that Islamic hotels avoid providing pornographic content, ensure halal food certification, and maintain proper prayer facilities. Additionally, Indonesia's Halal Product Assurance Law (UU No. 33/2014) requires all products to be halal-certified by 2019, further strengthening consumer confidence. Indonesia should focus on sustainability in halal tourism. With its vast natural landscapes, the country can develop eco-friendly tourism initiatives that align with Islamic values. Sustainable tourism practices can attract millennial Muslim travelers who seek ethical and environmentally friendly travel experiences.

Indonesia must also recognize that halal tourism appeals not only to Muslim travelers but also to non-Muslim tourists who value family-friendly environments. The absence of alcohol in certain hotels and restaurants, along with a focus on safety and cleanliness, can make halal tourism destinations attractive to a broader audience. Halal tourism presents significant opportunities for Indonesia to enhance its tourism sector and economic growth. However, challenges such as regulatory gaps, infrastructure limitations, and lack of stakeholder awareness must be addressed. By implementing comprehensive strategies, including policy reforms, infrastructure development, and public education, Indonesia can strengthen its position as the world's leading halal tourism destination. With continued commitment and innovation, Indonesia has the potential to become a global hub for Muslim-friendly travel, benefiting both domestic and international tourists alike.

METHODOLOGY

This study employs a qualitative research methodology to explore the development, opportunities, and challenges of halal tourism in Indonesia. Data collection methods include a literature review, case studies, and expert interviews. The literature review involves analyzing academic papers, government reports, and industry publications to understand the current state and potential of halal tourism. Case studies examine successful halal tourism destinations in Indonesia, identifying best practices and challenges. Expert interviews with policymakers, tourism operators, and industry professionals provide firsthand insights into regulatory frameworks and market dynamics. The data analysis follows a thematic approach, identifying recurring patterns and themes within the collected data. This method ensures a comprehensive understanding of the factors influencing halal tourism development. The findings of this research aim to offer practical recommendations for policymakers, industry stakeholders, and businesses involved in the halal tourism sector, ultimately contributing to Indonesia's position as a global leader in Muslim-friendly travel.

RESULTS AND DISCUSSION

This research aims to provide a comprehensive overview of the current state of halal tourism in Indonesia and to identify the key factors that contribute to the growth and effectiveness of halal destinations. The initial findings indicate that, although there have been significant achievements in the development of halal tourism, several aspects still need improvement to support competitiveness on the global stage. Our data analysis reveals that the success of halal tourism destinations is heavily dependent on four primary



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Telp: +687863389921

e-mail: icm.mjeb@gmail.com

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pillars: accessibility, communication, environment, and service. Accessibility, defined by the ease with which tourists can reach these destinations, is supported by adequate transportation infrastructure and interregional connectivity that not only increases visitor numbers but also ensures a comfortable experience while exploring these areas. Effective communication strategies are essential for conveying the core values of halal tourism and highlighting the unique strengths of each destination, with digital media and targeted promotions playing a critical role in engaging the Muslim community with its specific needs. Moreover, the physical condition and overall atmosphere of a destination—such as the availability of worship facilities, a clean environment, and the provision of halal food—serve as fundamental indicators of a location's alignment with sharia principles. Equally important is the quality of service, which encompasses everything from the friendliness of staff to the adherence of services to sharia standards; a consistently high level of service not only enhances the destination's reputation but also fosters strong tourist loyalty.

An in-depth literature review has confirmed the robustness and effectiveness of the ACES model (Accessibility, Communication, Environment, and Service) as a tool for evaluating the performance of halal tourism destinations. This model simplifies the identification of each destination's strengths and weaknesses while providing a structured framework for continuous improvement by systematically measuring key performance indicators. Case studies conducted across various regions in Indonesia further illustrate a positive correlation between substantial infrastructure investments and strict adherence to sharia standards with an increase in Muslim tourist arrivals. Enhanced infrastructure—including improved roads, transportation systems, and public facilities—significantly boosts accessibility and tourist comfort, forming the foundational support for the growth of halal tourism. Similarly, destinations that consistently implement sharia-compliant regulations tend to attract a higher number of Muslim tourists, as the availability of dedicated worship facilities, halal dining options, and culturally aligned tourism activities not only builds trust but also creates a unique and attractive destination identity.

The implications of these findings are significant for the future development of halal tourism in Indonesia. Firstly, the results underscore the importance of synergizing infrastructure development with the implementation of sharia-compliant service standards. Secondly, the application of the ACES model provides destination managers and policymakers with a systematic approach to pinpoint areas that require targeted improvement, thereby contributing to more strategic and effective development plans. However, it is important to note that the current research is based on preliminary data, which necessitates further validation through more extensive field studies. Additionally, the diverse regional conditions across Indonesia call for a more context-specific application of the ACES model. Consequently, future research should integrate comprehensive qualitative and quantitative analyses while taking into account local factors, ultimately offering more nuanced insights and strategies for enhancing the competitiveness and sustainability of halal tourism destinations.

Our findings indicate a significant increase in the availability of Sharia-compliant hotels and halal-certified restaurants over the past decade, driven by both market demand and proactive efforts from industry players. Survey responses reveal high levels of consumer satisfaction when facilities strictly adhere to halal standards, emphasizing the importance of quality services in enhancing the experience of Muslim travelers. Additionally, improvements in transportation and connectivity, including enhanced air, rail, and road networks, have made destinations more accessible. These developments have facilitated greater flow of Muslim tourists, further contributing to the overall success of the halal tourism industry. The overall growth in halal tourism visitors over recent years underscores the effectiveness of these strategic improvements and policy implementations. for 5 seconds

Our findings indicate that over the past decade there has been a significant increase in the availability of Sharia-compliant hotels and halal-certified restaurants. This positive trend can be attributed to both the rising market demand and proactive measures taken by industry stakeholders. Survey responses from various tourism experts reveal that consumers express high levels of satisfaction when facilities strictly adhere to halal standards, emphasizing the essential role that quality services play in shaping the

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e-mail: icm.mjeb@gmail.com

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overall experience for Muslim travelers. In addition, improvements in transportation and connectivity—bolstered by enhanced air, rail, and road networks—have made travel destinations considerably more accessible, thereby increasing the flow of Muslim tourists and contributing substantially to the overall success of the industry. Collectively, these factors underscore the critical importance of aligning service quality and infrastructure development with the evolving needs of halal tourism.

CONCLUSION

Based on the study's findings, the development of halal tourism in Indonesia has demonstrated significant improvements in various aspects, particularly in infrastructure, digital communication, and the provision of facilities that adhere to Sharia principles. The key factors supporting this success—accessibility, communication, environment, and services—have proven to be crucial in enhancing the satisfaction and trust of Muslim tourists. Government policies, especially through the DSN-MUI Fatwa No.108/DSN-MUI/X/2016, have played an important role in standardizing operational procedures across the halal tourism sector. However, challenges such as uneven infrastructural development and regulatory gaps still need to be addressed promptly. Collaboration among the government, industry stakeholders, and local communities is essential for creating an effective synergy that drives the sustainable and competitive development of halal tourism destinations in the global market. By integrating innovation, enhancing service quality, and committing to sustainability, Indonesia has the great potential to further solidify its position as a leading halal tourism destination worldwide.

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e-mail: icm.mjeb@gmail.com

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