INDONESIA HALAL PRODUCTS IN THE GLOBAL MARKET COMPETITION

Jakarta, 13 November 2019

KADIN, Permanent Committee on The Middle East & OIC Countries
INHALIFE 2019
1. **TANGIBLE MARKET - 3 TRILLIONS USD PER YEAR**
   - Food & Beverages - 1.66 trillions USD per year
   - Pharmaceutical - 506 billions USD per year
   - Cosmetics - 230 billions USD per year
   - Others - 600 billions USD per year

2. **INTANGIBLE MARKET**: Culture, brand

3. **POTENTIAL HALAL PRODUCTS**
   - 89% of available food products are naturally halal
   - Trend of usage of halal products among non-muslim consumers worldwide is increasing
4. POTENTIAL CONSUMERS OF HALAL PRODUCT

- Would Population: 7.6 billions
- Muslim Population in the world: 1.83 billions (24%)
- Population in OIC countries: 1.45 billions (83% Muslim)
- Muslim Population in the Non-Muslim Countries: +/- 250 millions
HALAL SUPPLY CHAIN

1. Consumables
2. Hotel and tourism
3. Hospital
4. Halal Industrial Zone
<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDONESIA</td>
<td>9.607</td>
<td>7.556</td>
<td>5.840</td>
<td>7.131</td>
<td>7.501</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>9.937</td>
<td>7.632</td>
<td>7.611</td>
<td>8.725</td>
<td>8.963</td>
</tr>
</tbody>
</table>

**Source:** UN Comtrade, ITC Database
### Major Exports to OIC
- Palm Oil: 14%

### Major Imports from OIC
- Petroleum Oil & Gas: 47%
- Cocoa Beans: 12%
- Polymers of Ethylene: 12%
- Powered Aircraft: 15%
- Unwrought Aluminum: 12%

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**Source:** UN Comtrade, International Trade Center, diolah Pusdatin KT3-TIMUR TENGAH
<table>
<thead>
<tr>
<th>Regions</th>
<th>Population</th>
<th>GDP Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1 billion</td>
<td>US$ 2,114</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>611 million</td>
<td>US$ 3,880</td>
</tr>
<tr>
<td>Midle East</td>
<td>426 million</td>
<td>US$ 20,000</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>609.8 million</td>
<td>US$ 9,881</td>
</tr>
</tbody>
</table>

Source: SESRIC OIC, UN Stats
INDONESIA HALAL INDUSTRIAL ZONE

1. Initiated by Ministry of Industry, Kadin (Middle East Committee), LPPOM MUI in 2014
2. Conducted a joint study with Malaysia Halal Industrial Zones
3. Supported by Bank Indonesia, Pelindo, Association of Indonesia Industrial Zone, local authority (governor)
4. Being prepared the decree of the Ministry of Industry
CONSTRAINTS AND RECOMMENDATIONS

• LIMITED UNDERSTANDING OF SME BUSINESSMEN ABOUT THE POTENTIAL, OPPORTUNITIES AND COMPETITION FOR THE EXPORT OF HALAL PRODUCTS. FOR THIS REASON, IT IS NECESSARY TO APPLY THE LITERACY PROGRAM TO SME BUSINESSMEN, HOW TO GIVE THEM A BETTER UNDERSTANDING, CHARACTER AND ETHOS OF COMPETITIVENESS, IN ORDER FOR THEM TO UNDERSTAND THAT HALAL PRODUCTS CAN ENHANCE AND STRENGTHEN THE GROWTH OF THEIR BUSINESSES.

• LEGAL CONFIRMATION IS NEEDED TO REGULATE THE EXPORT OF HALAL PRODUCTS, BECAUSE NEITHER THE LAW, GOVERNMENT REGULATIONS NOR MINISTERIAL REGULATIONS REGARDING THE GUARANTEE OF HALAL PRODUCTS HAVE YET TO REGULATE THE EXPORT OF HALAL PRODUCTS.
CONSTR A I N T S  .......... 

• **STRENGTHENING DIPLOMATIC REPRESENTATIVES (KBRI AND KJRI) AND ITPC ON UNDERSTANDING INDONESIAN HALAL PRODUCTS IN ORDER TO BE ABLE TO PENETRATE AND DISSEMINATE INFORMATION TO BUSINESSMEN (IMPORTERS) IN THE DESTINATION COUNTRY.**

• **THE HALAL INDUSTRY CANNOT BE SEPARATED FROM THE TECHNOLOGY THAT HAS NOW MOVED TOWARDS INDUSTRY 4.0. ALTHOUGH FOOD TECHNOLOGY (FOOD SCIENCE) IN INDONESIA HAS DEVELOPED, BUT TO STRENGTHEN GLOBAL FOOD TECHNOLOGY COMPETITION, A NATIONAL HALAL PRODUCT STUDY CENTER IS NEEDED BY INVOLVING UNIVERSITIES AND ACADEMICS. MOST DOMESTIC UNIVERSITIES ALREADY HAVE HALAL PRODUCT RESEARCH FACILITIES AND PROGRAMS.**
THANK YOU