Indonesia in Halal Tourism: Overcoming Challenges to Stay on Top

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ABSTRACT
This paper analyzes the background of Islamic tourism in Indonesia using the concept of Islamic tourism by Din (1989) and to analyze the development of halal tourism, it uses the halal concept by Liu et al. (2018). The paper looks at how the Indonesian government managed to enter the list of top ten global halal tourism destinations in 2018, got on top in 2019, only to slip several notches below due to the COVID-19 pandemic. It also looks at how, by involving non-state actors such as those in the fashion and culinary industries, Indonesia has managed to climb back on top in 2023. Last but least, the paper also gives recommendations on what the government should do to maintain Indonesia’s number one position in halal tourism.

Keywords: Indonesia; halal tourism; Islamic heritage; travel; Muslim fashion

ABSTRAK

Kata kunci: Indonesia; Wisata halal; Warisan Islam; Berwisata; Busana muslim

Introduction

The term “halal tourism” became widely used in 2015 after the 2015 World Halal Tourism Summit (WHTS) was held in Abu Dhabi.¹ According to an essay by Faiza Khan (2017), “The Halalification of Tourism”, Muslim people like to travel a lot and explore Islamic heritage. They are attracted to historical sites, museums and natural sceneries that are related to Islamic faith.² “Halal tourism” has been defined as “tourism activities permissible under Islamic law” and halal tourism can be conducted anywhere that not only has Islamic heritage sites but also provides halal necessities such as

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pork-free restaurants and shopping malls with prayer rooms. Here, we need to differentiate halal tourism from the hajj pilgrimage and an umrah trip. A hajj pilgrimage is compulsory for all Muslims of able bodies and sufficient wealth and it is part of the five pillars of Islam. A hajj pilgrimage is limited to Mecca and Medina in Saudi Arabia. A hajj pilgrimage also can only be done around the time of Eid-al-Adha, an Islamic holiday that celebrates the sacrifices of Prophets Ibrahim and Ismail. An umrah is a pilgrimage that is non-obligatory and can be done anytime, but like the hajj pilgrimage, an umrah trip is also limited to Mecca and Medina.

In January 2018, Indonesia ranked 4th in the halal tourism indicator according to Global Islamic Economy Indicator (GIEI.) It was the first time Indonesia entered the top ten list of halal tourism destinations, along with Malaysia, United Arab Emirates (UAE) and Turkey. Indonesia aimed to attract 3.8 million Muslim tourists in 2018, and in 2019 the target was set even higher at 5 million, which is 25% out of the total number of tourists that Indonesia aimed for. Indonesia has actually reached the number spot on the list of best global halal tourism destinations twice, in 2019 and 2023. Thus, this paper is set to answer the research question of what the Indonesian government has done and needs to do to maintain its top rank on the list of best halal tourism destinations.

Despite travel warnings regarding natural disasters, terrorist attacks and spiking COVID-19 cases, Indonesia never closes its doors for Muslim tourists, as the world knows Indonesia is the biggest country in Association of Southeast Asian Nations (ASEAN) as well as the country with the biggest Muslim population in the world. They will just come, enjoy, and remain happy while being tourists in Indonesia. Indeed, Indonesians are generally considered friendly, kind and attentive.

In 2016 and 2017 the Ministry of Tourism worked with Halal Tourism Acceleration and Development Team to mobilize industry, develop regulations and promote Indonesia as a halal and family-friendly destination. Since early 2018, the Ministry has been developing the Indonesian Moslem Travel Index, which will monitor the performance of halal tourism.

Then, Indonesia provides incentives for investment in the tourism sector, tax allowance, import duty reduction and ease of licensing and permits. Top ten halal tourism destinations according to Ministry of Tourism are Aceh, Riau, West Sumatera, Jakarta, West Java, Central Java, East Java, South Sulawesi, Yogyakarta and West Nusa Tenggara. This is the biggest role of the government to make sure that halal tourism concept in Indonesia is under legal regulation and procedures, so that there is no illegal part of Islamic tourism itself.

Challenges include increasing value of inbound tourists to Indonesia and managing the governance aspects within the tourism sector especially those related to infrastructure. It means that the government is aware that infrastructure is part of modern tourism. All tourists must feel safe, welcome and happy while they are traveling across Indonesia, even though some tourists prefer to live with the locals or try extreme traveling.

4. ibid
5. ibid
6. ibid
Theoretical Framework

This paper uses the concept of Islamic tourism by Din. While he does not explicitly offer a definition for the concept, he does emphasize that the commercial goals of modern mass tourism differ from the Islamic concept of traveling which stresses the sacred goal of submission to God. The spiritual goal is to reinforce one’s submission to the ways of God, the social goal which follows is to encourage and strengthen the bond of silaturrahim (Muslim fraternity) among the Muslim community.

The sub-structure of Islamic Tourism is halal tourism, because “halal” is part of Muslim life. “Halal” is an Arabic word meaning lawful and permitted, the halal concept comes from the Islamic teaching in the Koran which it uses to describe objects and actions. ‘Halal’ is defined as permitted, with respect to which no restriction exists, and the doing of which the law-giver, Allah, has allowed. From the Islamic perspective, all product development (residential places, foods, and beverage), places (Islamic destinations), dimensions (economic, cultural, religious, etc.) and managing service processes (marketing and ethical issues) are designed for and directed at Muslims. Every Muslim must ensure that what they eat comes from a halal source. This does not mean only to check the ingredients per se, but also to ensure that the whole process is in accordance with Shariah principles.

Overtime, the halal industry has expanded beyond the food sector and given rise to a growing demand of non-food products that conform to Islamic laws. For instance, the halal label is given to cosmetic and personal care products that meet Islamic religious rules and do not contain alcoholic substances or products derived from animals forbidden in Islam. Similarly, halal pharmaceuticals and healthcare products are in demand since they contain ingredients that do not harm the body in the long term. In this regard, the halal label is particularly gaining popularity in Asian countries like Malaysia, Indonesia, Pakistan, India and Bangladesh. Moreover, Thailand houses a world class Halal Science Centre, which focuses on developing standards and methods to detect prohibited ingredients for both personal care and healthcare products. In contrast, the fashion industry has noticed the commercial potential for Muslim women’s clothes that respect religious sentiments and also adhere to halal fashion while designing clothes for the global Muslim population.

Moreover, the symbiotic relations between Islamic finance and halal industry are a huge developmental potential for the growth and expansion of Islamic economies in world markets. It means that halal tourism is one potential market in the tourism industry itself. It becomes one of the main focuses

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8. ibid, 210
for governments, tourists and tourism agents. Halal tourism is not only limited to Muslims, but it is also open for non-Muslims who are interested in Islamic tourism, especially Islamic history or heritage sites.

In boosting the popularity of halal tourism, we also use the theory of cultural politics, which means the way that culture - which includes people’s attitudes, opinions, beliefs and perspectives, as well as media and arts - shapes society and political opinion. It also gives rise to social, economic and legal realities (Newell, 2014.) We use this theory in analyzing the involvement of the government in boosting halal tourism in Indonesia through the Darmasiswa scholarship program and MUFFEST+ in the “Political Side of Halal Tourism” section.

Analysis

As international experts note, the potential of the international market for halal products is increasing along with the growth\textsuperscript{15} of the Islamic population and the spread of Islamic traditions.\textsuperscript{16} This is like an anti climax after all the Islamophobia-related events that followed 9/11. Along with the growth of the global Muslim population, the world has witnessed the birth of a young Muslim population that is made of professionals and entrepreneurs who can afford to travel around the world. These young Muslims, the females clad in hijabs, prefer to travel Islamic sites to know more about their religion.\textsuperscript{17} Hence, in turn, the birth of halal tourism.

This desire to travel is strongly supported by Islam itself. Islam is a religion that strongly encourages travel. The Muslims believe that they are closer to God when they travel and that their prayers during a journey are more effective.\textsuperscript{18} According to the Global Islamic Economy 2020/2021 report that was published by Salaam Gateway in November 2020, about 200.3 million international trips were made by Muslim tourists in 2019, during which they spent USD 194 billion. This proves that Muslim tourists are a big market, with the potential to be even bigger as their number grows and they spend more money on traveling.

According to Baker, when Muslims decide on tourism destinations, they particularly pay attention to halal food (67% of them), the overall value (53%) and the experience being suitable for Muslims (49%).\textsuperscript{19} When they travel to distant places, many travel in groups, which is also encouraged by the Islamic tradition. Thus, the majority of Muslims around the world decide to travel in the company of family members and friends.\textsuperscript{20} Hence, their holiday calendar is designed differently from calendars in other cultures/religions, where most people go on vacation during certain seasons or times of the year.\textsuperscript{21} Muslims are guided by the lunar calendar and follow the phases of the moon, and thus go on vacations in different periods of time and to different locations/destinations. Ramadan month with the feast of Eid

\textsuperscript{15}Ibid
\textsuperscript{19}Ibid
al-Fitr (Bajram) and the feast of Eid al-Adha (Kurban Bairam) are the central events in the traditional holiday calendar when many Muslims choose to travel.22

In a research by Mudofir tourism managers and stakeholders must maintain mutual trust and commitment, so that the tourism business they manage can grow and succeed and have long-term sustainability.23 To be able to trust each other, both parties need to conduct a mutually beneficial cooperation. In this context, Indonesia must learn from Croatia.24 Croatia is not a majority Muslim country, it is in fact predominantly Catholic, but the Croatian government is aware of the new emerging market in the tourism industry, such as that for halal tourism segment, Croatia has been trying to grab the emerging market and money from halal tourism, so they do not really care about the country’s stake in European politics, which mostly are against Islamization.

Indonesia can also learn from Japan and Thailand. None of them is majority Muslim, but they provide halal tourism facilities. They do not have Islamic heritage, but they provide halal things for Muslim tourists. As Din has said in the method part, halal tourism here is for all countries who want to gain markets from Muslim tourists. Thailand has even provided a downloadable application called Halal Route that enables people to find any destination that serves halal necessities. Halal Route was launched in December 2016 by Halal Science Center, with the support of Tourism Authority of Thailand.25

Among majority Muslim countries, Indonesia and Turkey can learn from each other. According to Arabian Business in 2016, Turkey set its halal food standards in 2011, and the Ministry of Tourism and Creative Economy worked with two other ministries to establish halal tourism standards in 2017. Indonesia already has been developing halal tourism since 2015, as mentioned before.

Based on the graphics above, Indonesia was still in the middle of the list up until 2015, however in April 2019 Indonesia reached the number one spot on the list of top global halal tourism destinations in accordance with Global Muslim Travel Index (GMTI.) That achievement was announced by the Chief Executive Officer (CEO) of Crescent Rating, a Singapore-based halal tourism rating and accreditation body, Fazal Bahardeen, at Pullman Hotel in Jakarta on April 19, 2019.26 Four factors that GMTI used to

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defined the ranks were access (such as easy access to reach a place of worship), communication (such as how a mosque or a halal tourism facility is promoted and how well they respond to customers’ queries), the environment (such as the safety of a neighborhood that houses a mosque) and services (such as whether or not a mosque or a halal tourism facility can give customers unique experience.) This was a pleasant follow-up from Lombok, West Nusa Tenggara, being named the best halal honeymoon destination at the World Halal Travel Awards held in Abu Dhabi, United Arab Emirates, in 2015. Indonesia’s victory was actually shared by Malaysia, as both neighboring countries had a score of 78. Indonesia expected that feat would attract as many as 20 million tourists in 2019, of which five million would travel to the country’s halal tourism destinations. Also in 2019, it was expected that halal tourism growth in Indonesia would reach an all-time high of 42% and The Ministry of Tourism and Creative Economy was especially hoping to attract Middle Eastern tourists, a big market that was previously untapped.

In 2020, COVID-19 ravaged the whole world and deeply affected global tourism. Indonesia was no exception, as the number of international tourists coming to the country significantly decreased from 16,108,000 in 2019 to 4,052,923 in 2020. The COVID-19 pandemic also has seen many hotels and restaurants closing down. However, this downturn did not deter some halal tourism-related events from being held, although it had to be held online. One example is The 2nd International Halal Tourism Summit (IHTS) which was held on October 27-30 2020 as part of The 7th Indonesia Sharia Economic Festival (ISEF). ISEF itself was a series of Focus Group Discussions (FGD’s) which started on September 18 2020 and was held by Bank of Indonesia and The Ministry of Tourism and Creative Economy in partnership with Dewan Syariah Nasional Majelis Ulama Indonesia (National Sharia Board of Indonesian Clerics Council (DSN MUI)), Masyarakat Economy Syariah (Sharia Economy Society (MES)), Komite Nasional Economy dan Keuangan Syariah (National Committee of Sharia Economy and Finance (KNEKS)) and Perkumpulan Pariwisata Halal Indonesia (Indonesian Halal Tourism Association (PPHI.)) ISEF 2020 discussed findings that many international Muslim tourists traveled mostly to strengthen connection with their friends and relatives and set goals to accelerate the halal certification and digitalization of hotels and other facilities. Another focus of ISEF 2020 was to improve cleanliness of the environment and facilities, as in Islam cleanliness is part of faith.

In 2021, Indonesia’s GMTI rank went back to number four, while Malaysia was still on top followed by Turkey at number two, Saudi Arabia at number three. Indonesia’s overall score this time was 73. With the availability of COVID-19 vaccines since early 2021, global tourism has started to get back to its feet. Starting on September 15 2021, foreigners are allowed to enter Indonesia provided that they have been fully-vaccinated for COVID-19. This is stipulated under the Ministry of Law and Human

Rights Regulation no. 34/2021 on the granting of visa and immigration permit during the COVID-19 handling period (The German-Indonesian Chamber of Industry and Commerce.) The Indonesian government currently does not grant visas on arrival like it did before COVID-19. However this does not deter foreign tourists from coming to Indonesia and the Indonesian government understands that to boost the number of tourists during the pandemic, it needs to keep improving the country’s vaccination rate. Up until early February 2022, as many as 149,405,527 people had received two doses of vaccination and by August 2021 paramedics had received a booster vaccine. Otherwise than improving the vaccination rate, studies were conducted in 2021 alone to bring Indonesia back to its top spot on GMTI’s list of best halal tourism destinations. One of which was Mastercard-CrescentRating Halal Food Lifestyle Indonesia 2021 which was launched in December of that year. The research was not only brought together by Mastercard and CrescentRating but also by KNEKS and The Ministry of Tourism and Creative Economy. The study found that as COVID-19 kept on spreading despite vaccines and the world was getting more and more contactless, the dependence on lifestyle applications such as Grab and Gojek had increased drastically during the pandemic. Businesses including culinary ones depend on such applications to reach customers and customers use them not just to get food but also to find food that is clean, healthy and hygienic to maintain or improve their health. Those three criteria for food are also exactly the criteria for halal food. The report suggests that an ecosystem that supports halal food be formed to turn Indonesia into a halal food haven recognized by the world.

In 2022, GMTI named Indonesia the second best halal tourism destination, after Malaysia. The same indicators were used to determine the ranks, namely services, environment, communication and access. At Halal in Travel Global Summit 2022 held in Singapore on June 1 2022, where Indonesia’s second rank was announced, Minister of Tourism and Creative Economy Sandiaga Uno was also awarded the “Halal Travel Personality of The Year” accolade by Crescent Rating and Halal Trip, a Singapore-based halal travel agency. Uno was given this award for his attempts to raise awareness of halal tourism amongst stake-holders, so they would be more ready to welcome in-coming Muslim tourists in the future. In his acceptance speech, Uno mentioned that in 2024 the Muslim market would be expected to grow to USD 2.4 trillion. He also mentioned that thus far most international Muslim tourists spent money on halal food and drinks while in Indonesia, but in future they would be likely to spend money also on fashion, cosmetics, pharmacy and short leisurely trips such as visiting a unique mosque. At the same opportunity, Uno announced the Ministry of Tourism and Creative Economy’s halal tourism policy for the following year, which included improvement in services related to facilities, tourist attractions, accessibility and sharia banking.

It looks like the Ministry of Tourism and Creative Economy has successfully executed the afore-mentioned policy as Indonesia ranked first on GMTI’s list of halal tourism destinations in 2023. This policy includes the halal certification of more products, ranging from food to maternity. As a matter

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of fact, the halal certification of 10 million products was one of the targets set by Badan Penyelenggara Jaminan Produk Halal (Halal Product Assurance Agency (BPJPH)), a unit under the Ministry of Religious Affairs, in 2022. In reality, in 2023 only 1,118,490 products were halal-certified, rounding up the total number of halal products to 3,494,693 as of December 2023. BPJPH also has trained 4,462 halal certification trainers for 16 halal quality assurance centers. Despite this, Halal Indonesia International Trade Show (HIITS) 2023 that was held in Jakarta was a success, as it featured more halal-certified businesses than in the previous years (2019 and 2022), when the show was known as Halal Indonesia Expo (HIEX.) HIITS, that was held in December 2023, showcased 250 halal brands from Indonesia and other countries such as Japan, USA, Malaysia and Saudi Arabia. It also provided free consultation on halal certification by BPJPH, fashion shows by leading Muslim fashion brands such as Khimar Yumnaa and story-telling sessions for children held by Muslim publishers such as Kids Tauhid. HIITS was the closing event of Halal Fair Series 2023 where two previous events were held in Jakarta and Yogyakarta, in August and October 2023 respectively.

In addition to that, the Ministry of Tourism and Creative Economy has developed a mosque-based tourism movement starting in January 2023. This coincided with the opening of about 1,200 new mosques all over the country. Some of them immediately became popular tourist attractions such as the Al-Jabbar Great Mosque in West Java and the 99 Domes Mosque in South Sulawesi. Minister of Tourism and Creative Economy Sandiaga Uno said in a press conference in Central Jakarta on January 30 2023 that this movement, which targeted both local and international tourists, was made especially to win back the number one spot on GMTI’s list of global halal tourism destinations. It looks like this program is a success, since Indonesia did regain its victory as a top halal tourism destination.

Indonesia can keep this win by doing what has already been done and making it better. BPJPH should continue processing the halal certification for more products until it reaches the target of 10 million halal products. It also should continue the Halal Fair Series by holding it in more cities, featuring more halal products and services, as well as more fun religious activities for families. We also should pay attention to the tourists’ comfort, as there have been complaints about the parking services and cleanliness in the areas surrounding popular mosques.

a. The Political Side of Halal Tourism

The political aspect of halal tourism can start with foreign students who come to Indonesia under the Darmasiswa scholarship scheme. These students, who come from 83 countries, will stay in Indonesia for a year to learn Indonesian language, arts and culture. Darmasiswa scholarship itself has been granted since 1974, and is organized by The Ministry of Education, Culture, Research and Technology


(MoECRT) in partnership with the Ministry of Foreign Affairs (MOFA.) After going through a selection process which includes interviews by Indonesian embassies in their respective countries of origin, the students will fly to Indonesia and upon arrival will be placed in major cities in Indonesia such as Padang, Makassar, Jakarta and Samarinda. While in Indonesia, these students are not allowed to wear mini skirts (for girls), short pants and sleeveless tops (for boys and girls), and they are also expected to follow the customs and rules of the city they are put in.

Other than learning Indonesian language, arts and culture in class at selected universities and institutions, Darmasiswa students get a chance to directly practice what they have learned. They are expected to interact with the local people and take part in farming activities. They are also taken to batik workshops and herbal drink factories to learn the workings of traditional industries. From the official website of Darmasiswa and interviews with several Darmasiswa alumni, visiting mosques or other Islamic sites of interest have never been part of the Darmasiswa activities. However, MOFA and MoECRT can include visits to mosques and other Islamic sites in the programs for students placed in predominantly Muslim cities. This can be done not only to eradicate Islamophobia but also in the expectation that students from predominantly Muslim countries such as Turkey and Egypt will come back later and enjoy halal tourism at mosques or Islamic sites that they have already known. It also needs to be done as there have been cases where Darmasiswa recipients from predominantly Muslim countries such as Algeria come to Indonesia expecting to learn more about Indonesian Muslim life through activities such as guided mosque tours.38

In boosting the popularity of halal tourism, as already mentioned in the theoretical framework, we can use the theory of cultural politics. Although in the case of Darmasiswa halal tourism can be promoted through a government initiative (top down), cultural politics is usually employed in a bottom up way. An extreme example would be how the 1994 Rwandan genocide was initiated by a campaign by Radio Television des Milles Collines to “exterminate the cockroaches”, “cockroaches” referred to the ruling Tutsi minority. In Indonesia, a bottom up movement to boost halal tourism can start with Muslim fashion. Other than aspiring to top the list of best halal tourism destinations, Indonesia also has an ambition to become a Muslim fashion capital by 2024. Thus far, in order to make that ambition come true, Muslim Fashion Festival (MUFFEST) has been organized annually by Indonesian Fashion Chamber (IFC) since 2016.

The next MUFFEST, now called MUFFEST+, will be held on August 8-11 2020 at Istora Senayan, Jakarta, featuring more than 1,000 looks, 150 fashion designers, 150 brands and 50 media coverages by local and international media platforms. Other than fashion shows it will also feature business-to-business meetings, a competition for upcoming Muslim fashion designers and a workshop for inspiring modest fashion designers to elevate their skills. Through MUFFEST, Indonesia expects to export its fashion products to member states of Organization of Islamic Cooperation (OIC) and according to the State of Global Islamic Economy Report 2022-2023, Indonesia currently ranks third on the list of

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countries with the best Muslim fashion. It is also expected that Indonesia’s reputation as one of the best producers of Muslim fashion in the world will bring in more tourists who seek halal tourism experience.

As we can see from the Darmasiswa and MUFFEST+ examples, halal tourism can involve both the state actors (top down) and non-state actors (bottom up.) Therefore the participation of all stakeholders is very much needed to help Indonesia maintain its number one spot on the list of global halal tourism destinations.

Conclusion

Indonesia is not only the biggest country in ASEAN, but also the biggest Muslim majority country in the world. Therefore it is expected that we become the best global halal tourism destination. However, getting to the top and maintaining that position is not easy, as this paper has already explained. Indonesia might be currently the number one halal tourism destination in the world, but in terms of other fields we are not on top of the list. As already mentioned, we are still currently number three on the list of countries with the best Muslim fashion. We are also at present number four in terms of halal food production and number six in the halal cosmetics and pharmaceutical industry (Yaqub, 2024.) In other words, we still have a lot to do to be an all-round top-of-mind halal tourism destination.

We cannot emphasize enough on the importance of involving all stakeholders, meaning all actors both state and non-state, in keeping Indonesia on top in terms of halal tourism. Our continuous top position as a halal tourism destination means not only constant arrivals of international Muslim tourists that will spend a massive amount of money in Indonesia, but also ensured income for the Indonesian public.

In the next ten years, world rivalry in terms of tourism will get more severe. Paris will still go strong with Eiffel Tower, Russia with their old historical buildings, Latin America with their urban tourism, and Africa with wild life experiences. Indonesia must be the number one country to grab Muslim tourists, because we have everything we need to be number one. We just need political will.

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