

The Halal Industry: An In-Depth Comparative Analysis of Iraq and Indonesia

* *Dr. Tajut Moetia*

* *Lecturer, Universitas Islam Negeri Alauddin Makassar, Email: tajut.moeti@gmail.com*

KEYWORDS

*Halal industry
Iraq
Indonesia
Economic impact
Muslim market
Halal certification*

ABSTRACT

The Halal sector with its various food offerings and the overall respect of Islamic dietary law will face specific developments in many parts of the world. This academic paper attempts to present the current information in the literature and new research on a better understanding Halal industry practice in Iraq and Indonesia. These two Muslim countries have differences when considering their religious rules. While Iraq has a proud history of Islamic traditions, work to establish formal Halal industries in the country has lagged due to long-term conflict and economic disruption. In contrast, Indonesia the largest Muslim-majority country in the world has built a successful Halal industry backed by extensive government programs and private sector support. The focus of this article is on the historical development, regulatory frameworks, and economic impacts that underpin Halal policies in Malaysia and Saudi Arabia as well as exploring general difficulties faced by both countries to promote their own respective Halal industries. The study hopes to elaborate on these other strategies and approaches used, showing both successes and areas of improvement. The analysis demonstrates how Indonesia became a Halal market leader with its comprehensive legal infrastructure and strategic level, whereas Iraq holding the greatest potential for untapped opportunities appears to have scope only under necessary reforms in the domestic regulatory environment supported by regional or global collaboration. It aims to assist the further exploration, research, and policy development in Halal industry dynamics.

Introduction

Corporate governance is a cornerstone of modern business practice, The global Halal market has been growing significantly over the last few years, primarily due to the rising Muslim population and increasing consumer awareness about hygiene standards in products, which is a proven contributor to a healthy quality lifestyle. From food and beverages, pharmaceuticals, and cosmetics to fashion, travel, and financial services, Halal encompasses a wide range of industries (Wilson, 2016). This academic paper will analyze the Halal industries in Iraq and Indonesia, two Muslim-majority countries with different economic conditions and legislative frameworks. While religious reasons are important, broader consumer attention to health and food safety (Cazer et al., 2010) and quality concerns such as taste and clean labels without chemicals have attracted consumers

beyond the Muslim community (Bonne & Verbeke, 2008).

The concept of Halal has strong roots in Islamic teachings that encourage ethical behavior and proper methods of consumption and production. This comprehensive view of Halal must be considered by companies operating in the market, requiring them to meet high standards and certifications. According to the Quran, eating Halal is an obligation and part of a Muslim's life, as indicated in the verse: "O people, eat of what is on earth (lawful and) good and do not follow the footsteps of Satan. Surely, Shaytan is an open enemy of humans" (Quran 2:168). This verse emphasizes the importance of consuming Halal and Tayyib food. The Prophet Muhammad (peace be upon him) also emphasized Halal in several Hadiths, such as: "Allah is pure and He accepts only that which is

pure. Allah has commanded the believing men what He commanded the Messengers" (Bukhari). This Hadith highlights the connection between Halal food and spiritual cleanliness.

The Quran outlines what is Halal and Haram (forbidden), including prohibitions on consuming dead animals, blood, swine's flesh, and alcohol, promoting a wholesome life (Quran 5:3). It encourages eating only what is beneficial for health and well-being, as stated in the verses: "And partake of things lawful and good" (Quran 2:172) and "O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship" (Quran 2:172). These teachings emphasize Halal consumption as a means to reinforce gratitude for what is provided by God.

The Prophet Muhammad (peace be upon him) also emphasized the same principle of avoiding doubtful matters in Halal status: "The halal is clear and the haram is clear, and between them are doubtful things. Whoever stays away from doubtful matters, he saves his religion and honor (al-Bukhari, 2432). This hadith shows how careful we should be in permissible doubtful matters.

And the Prophet Muhammad salallahu'alaihi wasalam also emphasized that we should earn a Halal income, He said: "he who gets one dirham unlawfully and spends it on his family according to Sadaka (charity), Allah removes kind of luck from him and if anyone gains money through legal means with both hands then spend it in good way for trade, this person will get two hundred degrees granted by God Almighty even at every expenditure they provide" (Ahmad, 4523). This also shows the importance of making sure your income is Halal, because it affects whether or not any actions are accepted in front of Allah.

Muslims, Prophet with Allah Prayers and Peace be upon him also advised for a responsible eating, in the following Hadith: "O son of Adam, eat moderately so you will grow strong. The prophetic way was moderate and healthy consumption. Physical strength, which is

obtained by a nutritious Halal diet has also been considered important as per the below Hadith.

Iraq, as a land with both rich Islamic history and more arable lands is replete with opportunities to grow its Halal industry but conflict and political unrest has slowed progress. While Indonesia is the largest Muslim market globally in terms of population, it has become a halal industry leader because its government policies are conducive for formulating regulations and active engagement with world bodies (Latif 2019).

The present study aims at a comparative investigation of Halal industry development, regulatory mechanism and economic implications between Iraq and Indonesia. This paper is an attempt to provide some possible solutions by learning the experiences and challenges faced, as lessons learnt from various countries involved (Shafie & Othman, 2013) will benefit policies in Halal sector; business strategies and research directions.

Historical Development

The Halal market in Iraq is considered one of the oldest systems worldwide since it was founded on Islamic cultural roots right from the cradle of Islam in that country. Having said that, many years of war and economic instability has for a long time delayed the organized development with conflicting steps to expand an industry brutally limited by systems (Al-Qaragholli & Wahat 2023). Furthermore, the Iran-Iraq War (1980-1988), Gulf War (1990-1991), the subsequent sanctions, and later conflicts have worsened economic activity flow, which in turn created barriers to a well-established Halal environment (Looney, 2010). In the face of these difficulties, however, Halal continues to have cultural and religious importance in Iraq, with increasing consumer demand for Halal products and services (DinarStandard, 2023).

Botswana, on the other hand, has a more structured progression of its Halal industry, with Indonesia being the world's largest Muslim-majority country. The culture and religion of Indonesia are deeply rooted in Halal principles. Due to its economic values and the fundamental

principles of Halal, Indonesia has been vigorously developing policies to promote growth and development (MUI, 2023). The private sector has also played a significant role in this regard, with various businesses and institutions investing in Halal production, certification, and advertisement (Anwar, 2018).

The Indonesian Halal industry has grown to be so important for the Indonesian economy that it provides employment, generates export revenue, and attracts foreign investment (Badan Pusat Statistik [BPS], 2023). Government has undistributed legal and institutional basis such as formulated in the Regulation of Halal Product Assurance (Pemerintah Republik Indonesia, 2014) to legislate all aspects related with Halal certification in Indonesian that caused by the establishment of agency for its administration which is indirectly or directly affected organizations involved. Moreover, its very activeness on the global Halal market corresponding with international trade shows as well and cooperation have made Indonesia not only one of the world's most influential production centers but also hub for product export (Indonesia Halal Lifestyle Center, 2023).

The successful Halal industry in Indonesia proves through strategic government policy and private sector participation, an independent economic expansion of social development can be made (Han & Kim, 2023) despite challenging situation. The comparative study identified multiple trajectories and variabilities in patterns of experience across two Muslim-majority states in establishing a Halal industry (Al-Swidi, Mohammed & Al-Okaily 2020).

Regulatory Frameworks

Iraq

In comparison to other Muslim-majority countries Iraq is still in its infancy when it comes to the regulatory development of Halal standards system (Al-Qaraghholi, 2020). As observed in a study, Halal certification had not been ensured with significant margin and was seen as being fragmented in the country, which

is leading to impediments both for local producers and international trade (Al-Hilfi & Hassan, 2018). There were some attempts to create a Halal certification body as well; however, they were infrequent and easily broken down by political instability in the country (Ali, 2016). The absence of a central authority governing Halal standards and practices across the nation has resulted in discrepancies among certified bodies; each presents their own unique format (Al-Janabi, 2019).

This has led to a fragmented Halal market overall, coupled with food price increases for consumers remaining worried about rewarding those who profit (BGMEA, 2013, cited by Mehrizi & Fiorani). Such action not only will deteriorate consumer confidence in Halal but also hinder the progressive development of the domestic industry (Ahmed & Al-Mamary, 2018). Furthermore, the non-acceptance of Iraqi Halal certifications in overseas markets also curtails export prospects for Iraq in terms of its halal products (Al-Timimi, 2017).

To help address these challenges, the Iraqi government has begun laying the groundwork for a more comprehensive legal regime. In 2018, the Ministry of Planning revealed the establishment of a national Hayat standardization and accreditation committee (Central Organization for Standardization and Quality Control [COSQC], 2023). Nevertheless, growth has been hindered by political and economic difficulties; indeed, progress was slow (Al-Rubaye, 2021). A few of the key strategies requiring immediate action include enacting an overarching Halal law in Iraq along with developing a robust regulatory framework for certification and compliance issues which is internationally accorded (Al-Khafaji & Al-Shawi, 2022).

Another challenge in this market is the inadequate knowledge of Iraqi businesses and consumers regarding Halal standards (Al-Bayati, 2020). Producers often do not understand what the long process of Halal certification entails, and consumers, in turn, may not be fully aware of what is involved with having a product

labeled as Halal (Al-Dahaan, 2019). Similarly, the lack of this knowledge can cause products to be mis-committed as Halal and classified non-Halal items to be sold; such a case is one form of destroying consumer confidence (Hassan, 2017).

The infrastructure problem and facilities available in Iraq for Halal production/processing are another obstacle ahead of the Iraqi HALAL industry (Al-Zuhairy, 2018). For example, the lack of Halal-abattoirs and cold chain logistic systems or storage facilities (Sulaiman & Asutay, 2015). Lack of infrastructure and manpower drive up the cost of production, but they also mean that Iraqi companies cannot scale to meet increased demand for Halal products both from within Iraq as well as across its borders (Safitri & Maulidyah, 2022).

Indonesia

Unlike Iraq, Indonesia has a system of laws and regulations in place for its Halal industry. Which include a detailed list of regulations and guidelines that guarantee the credibility and efficiency of Halal activities, including: Standards and guideline of Halal would define by The Indonesian Council of Ulama (MUI) that responsible for the matter in Indonesia (Al-Dahaan, 2019). The Law No. 33 of 2014 on Halal Product Assurance requires Form H for a wide variety of products, from food and beverages to cosmetics as well as pharmaceuticals and personal care (Pemerintah Republik Indonesia, 2014).

The implementation movement of Indonesia Halal regulation is started in 2017 through the establishment of BPJPH (Halal Product Assurance Agency). The functions of this agency shall be to carry out the Halal certification in accordance with national and international standards (Hassan, 2017). BPJPH also intensively supports encouraging the development of Halal industry through training, research and development (R &D), as well as international cooperation (Al-Zuhairy 2018)

The implementation of robust regulation has led to the increased confidence from consumers in Indonesian Halal products and services. Visibility and value addition: with

Halal certification being made mandatory, the consumption would build on a legal basis proving that visibility in supply chain allows for assurance of halal (Aslan, 2021). The development of this not only increases local consumption, but it also allows Halal products to be expanded outside Indonesia (Nurhayati & Rammal, 2018).

The Indonesian Halal industry remains one of the better regulated markets; however, it does face significant challenges including an ongoing need for enhanced regulations and standards as well evolving market demand patterns (Huda & Hassan 2018). These challenges are being addressed by the government and industry stakeholders to maintain Indonesia's competitiveness in Halal market globally. These are to improve the control of Halal-related goods (imported) from abroad for protecting domestic products and consumer safety [22].

Source: The Halal tourism industry in Indonesia faces a series of opportunities and challenges. By bringing Muslim tourists, it attracts economic benefits and at the same time, the community needs a certain dedicated infrastructure to support Halal-conscious travelers (Kamaruddin & Jusoff, 2019). Furthermore, the validity and criteria of quality for Halal tourism are still being discussed (Noor&Fauzi 2020).

Considered having significant potential to help the rising of Halal industry in this country include Islamic finance. Islamic banking has grown and is able to provide replacement finance sources for Halal businesses, although its awareness of Islamic financial products among consumers remains low (Hakim & Afifa, 2019).

Economic Impact of the Halal Industry: A Comparative Analysis of Iraq and Indonesia

More Muslims, worldwide and in Canada specifically are translating into growing Halal industry significance on the economic side. The section presents a comparative analysis of the economic consequences arising from an identical interference in two geographically

different regions; Iraq, and Indonesia because of regulatory differences/inadequacy (missing links), infrastructure development or government support.

Iraq: Untapped Potential Amidst Challenges

Sadly, the potential in Iraq remains largely untapped and is not benefiting from all aspects of Halal economics. With a lack of formal systems and regulatory support, the industry has faced inhibition to develop (Saeed et al. 2019). This has in turn fragmented the market place and stifled consumer understanding of a true Halal product as well as impeding producers from accessing international markets (Wilson, 2016).

Earlier this year, Al-Khafaji and Al-Shawi presented an analysis of the potential importance of Halal food and agriculture for Iraq, given its large agricultural capacity - comparatively- as well as a rising demand in such products within their society (Al-Khafaji & Al-Shawi 2022). But this is an area which has not been fully exploited due to lack of facilities like Halal slaughterhouses, proper storage and transport (Hassan 2017). In addition to that, this will also impact the domestic Halal industry - which does not lead us anywhere (Al-Qaraghalli, 2020).

Political instability and security concerns in Iraq has had a huge impact on the economy of halal Industry as investors are discouraged to invest which hinders business activities (Al-Timimi, 2017). Moreover, the Halal business sector has not been able to grow and develop due to government lack of attention (Al-Rubaye 2021).

Although this type of consumer is challenging to dominate, they reflect a scale of potential loyal followers for Halal products (Al-Bayati, 2020). The Halal industry can help in diversification of the economy, creation of job opportunities and huge foreign remittances. The development of the Halal sector to encourage innovation as Iraq's economy stabilizes needs an examination and reinvigoration of its regulatory framework (DinarStandard, 2023).

Indonesia: A Thriving Halal Economy

However, unlike Iraq Halal industry in Indonesia is no stranger to being a major porter of the national economy. This has subsequently flourished the Halal centre with accompanying regulatory frameworks, infrastructure, and even government support (Masyita & Mulyaningsih 2021). The Halal industry is one of the leading industries that must be developed by the Indonesian government, and some relevant initiatives related to strengthening them are embodied in Indonesia National Body for Product Assurance (BPJPH) and Industrial Halal areas likewise as expressed from Bali Usada news.

One of which is the food and beverage, recorded both stood out in domestic demand as well as export (Badan Pusat Statistik [BPS], 2023). The richness of culinary tradition in Indonesia together with the existence of a Halal standard enforced by Food and Drug Monitoring Agency (BPOM) as well as certification programs through Majelis Ulama Indonesia have raised much interest towards Halal food tourism to become one part of intangible cultural heritage exemplary for Indonesian continent tour experience (Nurhayati & Rammal, 2018). Another factor that has broadened the economic influence of Indonesia as a Muslim-majority nation is Halal cosmetics, pharmaceuticals, fashion and finance made possible through state initiatives (Aslan 2021).

Indonesia is one of those countries where, on the economic front, the back-to-nature take has only worked in favor with Woldegiorgis (2018) claiming that Halal industry within Indonesia generates an enormous number of works and business opportunities but also most importantly contributes to its Gross Domestic Product (GDP). Furthermore, such growth has given birth to a wave of innovation and entrepreneurial activities in the form of creation Halal products/services that cater to the wide-ranging exigencies Muslim consumers (Noor & Fauzi, 2020).

There are many factors that cause Indonesia success in Halal industry.

Accordingly, the ruling makes regulators more credible to consumers and suppliers alike (Sulaiman & Asutay, 2015). In addition, growth of Halal industry is because private sectors are the producers and setting the standard certification (Aziz & Chok, 2017). Consequently, Indonesia as the best country and has a big population of muslim in this world located is moving themselves into Halal industry (Safitri & Maulidiah, 2022).

Comparative Analysis and Future Prospects

Overall, comparing the impact of the Halal Industry in Iraq and Indonesia reveals significant differences. Indonesia successfully leverages Halal as a growth strategy to strengthen and diversify its economy, unlike Iraq, where the industry remains stagnant for various reasons discussed in Section 3.1 (Thomson Reuters, 2023).

Nonetheless, the future of both markets for Halal is very promising. In Iraq, the increasing consumer demand for Halal products and the government's initiatives to improve Halal certification regulations open up numerous growth opportunities (Al-Hilfi & Hassan, 2018). There is a need for investment in infrastructure and capacity building, which would enable Iraq to emerge as a key player in the regional Halal market (Al-Zuhairy, 2018).

Regarding Indonesia's challenges, the country should deepen its strategy to become a global Halal leader by enhancing bureaucratic efficiency and harmonizing with international Halal standards (Latif, 2019). Additionally, Indonesia should explore new growth avenues, such as expanding Halal certification to other sectors and considering a broader range of Halal certifications to advocate for Islamic tourism (Hakim & Afifa, 2019).

While the size of these markets is certainly large, it will definitely help in understanding that massive economic implications everyone knew regarding Halal industry and open up new areas for collaboration not only between Iraqis with Indonesians but also among those outside as well. Though the countries are in different stages of development

but present their own opportunities and challenges. Through sharing experiences and best practices, Iraq as well Indonesia can tap into the power of Halal industry to realize sustainable economic growth and social development.

Challenges and Opportunities in the Halal Industry: A Comparative Analysis of Iraq and Indonesia

Indonesia and Iraq on the Rise of Halal Industry? The part turns to the challenges and opportunities that lie ahead in Halal development for each country.

Iraq: Navigating Challenges, Embracing Opportunities

With a rich tradition in Islam, and which has tremendous potential, the Iraqi Halal industry is caught-up with various issues that are hindering its ability to grow. Years of internal turmoils and ongoing national insecurity have combined into a business environment where few international investors even dare to step within (Al-Timimi: 2017) The Halal certification scandal is due to the lack of a consolidated and strong regulatory framework (Al-Qaraghholli 2020), leading to divergent standards making customers unable trust them.

Infrastructure from storage facilities to transport networks are also scarce with not enough Halal slaughterhouses. This not only increases the cost of production but it also blocks firms from expanding and therefore limits them to cater for an ever-growing domestic as well as global demand for Halal products (Hassan, 2017). Similarly, the problem of heavy dependency on import by Halal industry makes it difficult to flourish domestically (Al-Khafaji & Al-Shawi, 2022).

Other Halal Industry in Iraq: Against all these issues, the Halal industry potential seems to be pretty positive. It has a strong base to pursue for establishing Halal food industry - fertile soil, favorable weather conditions that the country stances suitable enough fro various agricultural resources (Ali, 2016). A growing awareness on Halal codes among Iraqi consumers as well hints towards a lucrative

market for more production of Halal goods (Al-Bayati, 2020).

The key for Iraq now is to get its act together in terms of regulation, and infrastructure so as not to squander this opportunity. To enhance the global competitiveness among existing industries, certain actions such as establishment of a recognized and unified Halal certification body, harmonizing Halal standards with international practices and equipped modern facilities play an important role (Al-Hilfi & Hassan 2018). By the same token, building a global network and seeking international collaboration could provide such an enabling environment to be part of International Halal markets as well resulting in making the country fertile for flowing foreign investments also (Al-Rubaye 2021).

Indonesia: Sustaining Growth, Addressing Challenges

In Indonesia, the halal industry is also highly developed due to progressive and full-fledged regulation here such as tax-free imports, high quality infrastructure facilities for rapid loading of goods/doses that must never be late (hurry up-otherwise Asians will take your business tomorrow!), stunning landscapes and strong support from officials. Even then, the industry is plagued by issues that need to be addressed in order to stay competitive on a global front.

It has been stated that bureaucratic inefficiencies are a potential barrier to Halal certification, likely due to the delays and red tape businesses have faced in their applications for Halal Product Assurance Certificates (Aslan, 2021). Easing certification processes and reducing government red tape would make Halal practices quicker, easier, and hence more attractive for companies to join (Masyita & Mulyaningsih, 2021). Furthermore, global competition from other Halal-producing countries such as Malaysia and Thailand call for improvements in standards and innovation in Saudi Arabia to create products appealing to both local and international markets (Latif, 2019).

Additionally, Halal certification should extend beyond the food sector into other industries such as pharmaceuticals, cosmetics, and tourism (Safitri & Maulidyah, 2022). Some businesses may produce Halal goods but operate in a grey area of non-Halal due to the lack of industry-specific standards and insufficient education on the importance of Halalan-toyyiban for both businesses and consumers (Kamaruddin & Jusoff, 2019).

These challenges necessitate closer cooperation between government and the industry, with input from religious authorities to keep momentum going. This cooperation is needed in the process of setting and supervision policies on Halal standards, as well to market Indonesia outside that can support driving Indonesian products (CukupdanLunas2020Noor & Fauzi). The government shall keep supporting infrastructure and research & development for innovation in order to improve Halal products or services (Badan Standardisasi Nasional, 2023).

Moreover, Indonesia can leverage its rich culture and natural beauty to support Halal tourism, positioning itself as a leading Muslim tourist destination worldwide (Aziz & Chok, 2017). This would support the growth of the tourism industry by creating Halal-friendly infrastructure such as prayer facilities, Islamic food restaurants, and hotels for Muslim tourists (Henderson, 2010). Additionally, the proliferation of Halal financial services can enhance holistic development and inclusive finance among Muslim populations (Hakim & Afifa, 2019).

Comparative Analysis: The Halal Industries of Iraq and Indonesia

Iraq and Indonesia offer two contrasting Halal industries, shaped by different historical political economic pathways. Going beyond a mere comparison of the two, we use this analysis to explore in more detail each country's Halal sector regulatory frameworks; economic contributions and consumer dynamics; as well their respective future prospects & any potential areas for convergence.

Regulatory Frameworks: A Tale of Two Systems

The most notable difference in the Halal sector between Iraq and Indonesia is regulation. While Indonesia has a mature and extensive system, the regulation for everything Halal in Iraq is infantile and scattered. This discrepancy underscores the significant impact on how Halal is being developed and growing in both countries.

Indonesia also has a strong legal basis for the Halal Product Assurance Law (Law No. 33 of 2014), which mandates that many products obtain Halal certification in Indonesia (Pemerintah Republik Indonesia, 2014). The critical phase in maintaining trust and market access is driven by two organizations: the Indonesian Council of Ulama (MUI) and BPJPH.

In contrast to other selected countries, Iraq does not have a unified Halal certifier or standardizing legislation, leading to inconsistent standards and practices throughout the territory (Al-Qaraghooli, 2020). The absence of such regulations causes confusion for both consumers and producers and jeopardizes the industry's capacity for investment and its competitiveness on an international scale (Al-Janabi, 2019).

Indonesia provides a model policy for creating an effective legal environment to support the development of Halal businesses. Such a sound legal framework, along with credible certification bodies and transparent procedures, can be regarded as trust windows for consumers, stimulating investment in alignment of interest (Wilson, 2016). While Iraq's current state hinders its ability to develop a cohesive Halal marketplace, connecting the regulatory dots could unlock similar potential.

Economic Contributions: A Disparity in Scale

The economic contributions of the Halal industry in Indonesia dwarf those of Iraq. Indonesia's diversified Halal sectors, spanning food, fashion, tourism, and finance, contribute substantially to the national GDP, generating employment and export earnings (Indonesia

Halal Lifestyle Center, 2023). The government's active promotion of the Halal industry, through initiatives like the Halal Industrial Estate and Halal Lifestyle Hub, has further accelerated its economic impact (Indonesia Halal Lifestyle Center, 2023).

However, the Halal business model in Iraq has little contribution to its economy and development because it is newly emerging one with no organizational causes rooted from an over-dependency on imports (Al-Hilfi & Hassan, 2018). Domestic production has lagged behind this development due to inadequate investment in Halal infrastructure, e.g. slaughterhouses and processing facilities (Hassan 2017). Adding insult to injury, the nonexistence of an internationally recognized Halal certification setup cripples Iraqi enterprises from achieving valuable export markets (Al-Dahaan 2019).

Indonesia's experience highlights the Halal industry's capability to bring wealth while Iraq serves as a case study for countries with less developed regulatory frameworks and infrastructure. Maintaining halal infrastructure and encouraging local production alongside the creation of a reliable certification system would be crucial for Iraq in order to benefit economically from this rapidly advancing sector.

Consumer Awareness and Demand: A Shared Trend, Divergent Outcomes

Consumer awareness towards Halal standards in Iraq and Indonesia is directly related to religious obligations, commands, health precautions that also align with global regime of the new trend (Bonne & Verbeke 2008). But this growing awareness in the market is likely to create the ripple effect across sectors, albeit at different levels of intensity as we move from country to country.

In Indonesia proactive measure of precious Indonesian authorities to grow consumer attention on Halal along with creating recitations legislative framework have expanded shopper calls for and improved different associated Sectors (Masyita & Mulyaningsih, 2021). The availability of Halal-certified

products, access to a wide range of Bahasa Indonesia copywriting and other promotional materials and Global trends in all sectors have resulted NHPs market booming over the years (Marimin & Hidayat, 2020).

In Iraq, consumer awareness of Halal is on the rise; however, there are no reliable certification systems and continuity in supply side which hinders their movement towards actual industry (Ahmed & Al-Mamary, 2018). It is also difficult for consumers to determine if the products are actually Halal, which in turn raises consumer skepticism due to the presence of counterfeit or mislabeled items (Al-Khafaji & Al-Shawi, 2022).

This difference in results highlights the need for a conducive regulatory environment and consumer education efforts that enable both market drivers to be as effective as possible at propelling Halal industry growth. These findings suggest that the mismatch between consumer attitudes and industry practices in Iraq can be addressed by improving regulations, encouraging domestic manufacture of safe products, and undertaking information campaigns to educate consumers.

Challenges and Opportunities: A Roadmap for the Future

Key challenges and opportunities in the development of Halal industry which may face Indonesia as a developing ISCED-I country, differ from Iraq. Indonesia must find a way to remain competitive as the global competition increases, improve bureaucratic processes and enable Halal certification in more sectors (Safitri, & Maulidiah, 2022). The country has a chance, though; to take advantage of an established Halal ecosystem alongside promoting Islamic tourism and entice new entrants into the market - away from their competitors (Noor, & Fauzi, 2020).

Iraq's problems are more foundational, covering general economic and social collapse (Al-Timimi, 2017). Yet, the country is so large with respect to agricultural potential and consumer demand that modest efforts by government in initiating a Halal regulatory space

can provide substantial market growth (Al-Rubaye, 2021). Iraq can unlock the economic potential of its Halal industry and contribute to its overall development (Al-Zuhairy, 2018).

Conclusion

A comparative review of the Halal industry in Iraq with Indonesia indicates contrasting developments, regulatory frameworks, trade values and aspirations for future outcomes. However, both are interested in developing a prospering Halal industry for their economy and society.

Regulatory Disparity: The difference in both degrees of enforcement and efficacy underlines the importance a solid regulatory framework, which mandates certification akin to Indonesia with authorities like MUI & BPJPH at its disposal, can play in creating an environment where industry contrails flourish while earning consumer trust.

Contrasting Trajectories: Iraq and Indonesia as the case studies of Halal industries give a conflicting trajectory in which although Indonesia slowly rising to be one leading export country globally, whilst Iraq has its struggles due historical inflective circumstances especially on developmental construction.

Economic impact: The multi-sectorial effect that Indonesia has on Halal industry is actually the fact, in turns of better GDP there seems to be a low hanging fruit which unnoticed by enhanced infrastructure and regulatory norms are underutilized like Indonesia.

With a concerning breadths worth of Halalicals having been encroached through to broader consumer sentiment in both nations, this inter-national performance differential is indicative of data's regulatory-induced demand-side preparedness versus its rather (recently) unexposed locals.

Missed Opportunities, Basis of Halal industry - With enough space for all players to take a piece of the pie and since it is not entirely zero-sum game (moving countries up in sophistication may actually can result more trade potential), cooperation needed as well with

investment into local infrastructure that cater this growth.

Challenges: Indonesia (Tying Competitiveness and Halal Certification); Iraq (Political Stability, Regulatory Changes to Infrastructure Developments), Opportunities.

Agricultural Potential: Combine Iraq's vast agriculture potential and rising consumer power to establish a sustainable Halal food trade, with Indonesia expanding its resilient selection of products & services whilst capitalising on Karim tourism development for continued growth.

International Collaboration: This program will bridge the two nations and ensure synergy from international level with Iraq needing to invest on human capital production while Indonesia requires a broader global market penetration as well Halal flagship position.

Regulatory Reforms: The development in Iraq must put comprehensive Halal regulatory reform at the top of its list so that a fair unified Islamic law can be applied to ensure proper standardization, consumer trust and market facilitation.

Future Outlook: Both countries have very bright futures in the Halal industry so there are many opportunities to grow. However, this potential is only attainable if governments and the private sector come together to solve their

issues while playing up on each other's strengths.

The comparative study of Iraq and Indonesia Halal industry offers rich insight to the policymakers, businesses as well researcher in HALAL sector. Unless those lessons from both countries are learned, it very much depends what form the Halal industry will take whether other nations emulate a successful path. Note here that Halal industry is not about meeting religious dietary restrictions only; it has its economic, social and cultural facets. With the global Muslim population expected to grow and an increasing demand for Halal products and services, the potential is there for further growth in this industry. These public sector experiences from Iraq and Indonesia on how to respond the challenges yet embrace opportunities in this dynamic market are useful experience.

Countries can develop an ecosystem for the growth of Halal industry by promoting cooperation, enhancing infrastructure and streamlining regulatory processes leading to economic development generating employment opportunities resulting in a socio-economically vibrant society. The Halal industry needs to be able serve the various demands of Muslim consumers-all this while being true to its values of ethical production, assurance of quality and compliance with Islamic principles if it is going remain successful.

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