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# THE ROLE OF LOCAL GOVERNMENT IN STRENGTHENING THE GROWTH OF THE HALAL INDUSTRY SECTOR IN MICRO, SMALL AND MEDIUM ENTERPRISES IN SAMBAS REGENCY

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## ABSTRACT

This research is a qualitative field research. This type of research is descriptive, because it describes the situation and conditions of halal business actors in Sambas Regency. Data collection techniques use observation, interviews and documentation techniques. The data technique used is SWOT analysis or method. The results of the study indicate that: 1) Guaranteeing halal food products can not only guarantee the creation of protection for consumers, but also protection for every Muslim in Sambas Regency, 2) There are positive impacts faced by UMKM business actors in Sambas Regency with halal certification, 3) supporting factors with halal certification provide protection for every consumer, as a means of business development so that they can continue to compete to obtain higher income and maintain business in an era of increasingly tight market competition. The implication of this research is that the active role of local governments in encouraging MSMEs in the halal industry sector has strategic implications for regional economic growth. This will create a more inclusive, competitive, and sustainable business ecosystem. Therefore, the role of local governments in the halal industry sector not only impacts quantitative economic growth but also has long-term effects in building regional economic independence based on halal and thayyib values.

**Keywords:** Role of Regional Government, Economic Growth, UMKM, Sambas Regency

## 1. INTRODUCTION

All products used and consumed by the public must have a legal basis to provide ownership rights and a sense of security in consuming them. Halal products are now a global consumption trend, in both Muslim and non-Muslim countries. No less than USD 650 million in halal product transactions occur annually. In the Netherlands, as in other European countries, the market for halal food products is growing, in accordance with Islamic food laws. Japan also pays serious attention to the halal trend. One indication is the holding of the Japan Halal Expo, which showcases halal products made in Japan. As a country with a majority Muslim population, Indonesia should pay attention to the needs of its citizens in consuming halal products, one way of doing this is by providing halal assurance for the products they consume. The enactment of Law Number 33 of 2014 concerning Halal Product Guarantee actually further emphasizes how urgent the halal-haram issue is in the production chain from business actors to consumers and is


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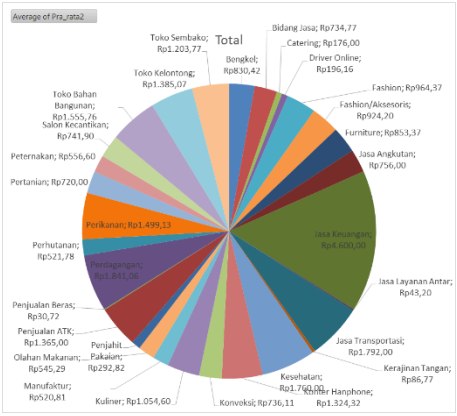
consumed by consumers, where there is also the role of intermediaries such as distributors, sub-distributors, wholesalers, and retailers before it reaches the hands of the final consumer.[1]

The Muslim population worldwide is growing. The Muslim population has reached a quarter of the world's total population and is expected to increase by 30% by 2025, according to Roberts (2010). This situation has encouraged many countries to develop a new paradigm that focuses on halal products, halal treats, and the sharia system. This makes halal-certified products a significant market opportunity. Muslim communities worldwide, especially in Indonesia, have formed a potential market segment due to their specific patterns (consumption of halal products). This consumption pattern is regulated by Islamic teachings, known as sharia.[2]

Sambas Regency, as a border region, holds significant potential in the fisheries, agriculture, and halal industry sectors, driving halal economic growth. Local products such as processed fish, traditional foods, and crafts have high market value, especially if they can penetrate the national and international halal markets. However, the role and efforts of the Sambas Regency government in promoting economic growth through halal industries and products still face numerous complex challenges. One such issue is the low level of awareness and understanding among UMKM of the importance of halal certification, both from a religious perspective and as a quality standard for their product competitiveness. Many businesses remain unfamiliar with certification procedures or perceive the process as expensive and complicated. Furthermore, limited resources, both in terms of budget and halal extension personnel, mean that outreach and mentoring remain uneven across the region.

In the context of globalization and increasing market demand for halal products, lagging behind in building a robust halal economic system could deprive this region of a valuable opportunity to increase community income and create new jobs. Therefore, a more targeted, comprehensive and collaborative role is needed from the Sambas Regency Government so that the potential of the halal economy can become one of the main driving forces of regional economic development, especially in Sambas Regency.

**Figure 1. UMKM in Sambas Regency**




Data source: DISKUMINDAG Kabupaten Sambas Tahun 2024

Based on the table above, there are 5,487 UMKM in Sambas Regency. In April 2024, DISKUMINDAG issued halal certification for 50 UMKM in the micro sector. Therefore, the

[1]M. Aziz, "The perspective of Maqashid Al-Syariah in the implementation of halal product guarantees in Indonesia after the enactment of Law Number 33 of 2014 concerning halal product guarantees.", *Al Hikmah: Journal of Islamic Studies*, *Vol. 7 No. 2,* (2017), 78-94.

[2]Ridwan Muhammad Pane, "Analysis of Consumer Behavior on the Implementation..., 143.

importance of the Regional Government's role in supporting economic growth for UMKM in providing halal certification for the community in Sambas Regency, a comprehensive study is needed to determine how the Regional Government of Sambas Regency plays a role in implementing development and development towards economic growth in Sambas Regency, because the Regional Government is slow to address existing problems in terms of economic development and is also slow to provide an understanding regarding which products already have halal and non-halal labels among the Muslim community of Sambas Regency.

## 2. METHODS

This research is field research, which is systematically conducted by collecting data from the field. This type of research is descriptive qualitative, which provides a factual and systematic description of situations and events, including factors, characteristics, and relationships between phenomena, for the purpose of accumulation.[3]

The approaches used in this research are normative, conceptual, and comparative. The normative approach is used to analyze the provisions of the Quran, Hadith, and Islamic jurisprudence books related to economic development and halal product labeling. The conceptual approach stems from local government and Indonesian Ulema Council policies and theories related to the development of the Halal Economy and Products. The data sources used by the researcher were primary and secondary data. The data analysis in this discussion employed descriptive analytic techniques, namely data analysis techniques that describe, interpret, classify, and compare phenomena.[4] Data analysis in this study was carried out both when the researcher was in the field and after the data was collected.

This research also uses the SWOT method. This involves collecting data and clarifying the events being studied. The analysis stage occurs after the supporting data has been collected. Once all information has been gathered, the data can be input into the SWOT analysis. Only after the data has been analyzed can decisions be made that are appropriate to the company's situation.[5]

## 3. RESULTS AND DISCUSSION

### The Role of Regional Governments in Encouraging UMKM in the Halal Industry Sector

Halal is an Arabic term meaning permissible, legal, and in accordance with Islamic law or sharia. When associated with pharmaceutical products, food, and beverages, halal can be interpreted as pharmaceutical products, food, or beverages that are permissible for consumption by Muslims. The implementation of the ASEAN Economic Community (AEC) starting in 2015 has become a crucial point for macro and small and medium enterprises to be more active in improving the quality of their products and services. This is a consequence of increasingly fierce competition between businesses due to global interactions between producers, consumers, and producers and consumers, especially in the Southeast Asian region. Consequently, UMKM that are not creative and careful in improving the quality of their products will be abandoned by consumers, which can impact the sustainability of these UMKM. Sambas Regency is one of the regions with thousands of UMKM that contribute to developing the regional economy. As an international tourist destination, the existence of UMKM greatly supports the existence of tourist

[3]Lexy. J. Moleong. *Qualitative Research Methodology*. (Bandung: Remaja Rosdakarya, 2007), 4.
[4]Noeng Muhajir. *Qualitative Research Methodology.* (Yogyakarta: Rake Surasin, 1998), 111.
[5]Freddy Rangkuty, "*SWOT Analysis: The Opportunity Behind....,* 20.

cities. UMKM, particularly in the food sector, as an integral part of tourist cities, must be able to guarantee the quality of their products, including halal certification, to ensure consumer comfort and satisfaction. However, more than 50% of UMKM, particularly in the food sector, in cities and regencies across Indonesia still lack halal-certified products.[6]

Halal certification is a process of obtaining a halal certificate through several stages of inspection to prove that the ingredients, production process, and halal assurance system meet the standards of the Indonesian Ulema Council's Food, Drug, and Cosmetics Assessment Institute. The purpose of halal certification is to provide certainty of a product's halal status as a form of fulfilling consumer rights. Consumer confidence in a product's halal status will influence the number of consumers purchasing that product. Previously, applications for halal certification by producers were voluntary. However, following the enactment of Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Assurance, applications for halal certification by producers are mandatory. The provisions regarding the mandatory halal certification for all products are stipulated in Article 4, which states: "Products entering, circulating, and traded within the territory of Indonesia must be halal certified".[7] Still referring to the aforementioned law, the mandatory halal certification for all products in Indonesia will take effect five years after the law's enactment. This means that 2019 will be the year the law is implemented, requiring all products, including food, to be halal certified.[8]

The purpose of the Indonesian Ulema Council's halal certification is essentially to protect consumer rights, particularly Muslim consumers. MUI halal certification aims to determine whether or not a product is worthy of receiving halal certification. The determination of halal certification is made at an MUI meeting after an audit by relevant parties, namely LPPOM MUI, BPOM, the Health Office, and several related agencies. The benefits of MUI Halal Certification essentially have several urgencies, in addition to the interests of consumers and business actors, as well as the interests of the government itself, in this case the local government and MUI itself.[9]

Halal certification is useful for alleviating consumer doubts about the halal status of food products. Consumer doubts about the halal status of food products have occurred in Jatinangor. For example, rumors about the use of chickens that died yesterday spread quickly among consumers and had a very detrimental impact on producers, reducing or even eliminating sales. Meanwhile, producers found it difficult to dispel these concerns, as they lacked proof of halal certification issued by the Indonesian Ulema Council.[10]

Based on field observations and initial observation results, there are reports from DISKUMINDAG or halal socialization activities, the following are several UMKM actors, especially in the food sector in Sambas Regency, that they do not yet have halal product certification, because: (1) They do not understand the importance of halal certification and its impact on UMKM;

[6]M. Aziz, The perspective of Maqashid Al-Syariah in the implementation of halal product guarantees in Indonesia after the enactment of Law Number 33 of 2014 concerning halal product guarantees. *Al Hikmah: Jurnal Studi Keislaman*, Vol. 7 No. 2 (2017), 78-94.

[7]Law no. 33 of 2014

[8]Charity, M. L. (2017). *Halal products guarantee in Indonesia*. *Jurnal Legislasi Indonesia*, Vol. 14 No. 2 (2017), 99-107.

[9]D. Cahyono, *The Influence of Religiosity, Subjective Norms and Perceived Behavioral Control on the Intention to Purchase Halal-Labeled Snack Food Products (A Study on Students of Muhammadiyah University of Purworejo)* (Doctoral dissertation, Manajemen-FE, 2017).

[10]Akim, A., Purnama, C., Konety, N., & Shalihah, F. A. Evaluation of the Socialization Activity on Halal and Non-Halal Imported Products for Students of Madrasah Aliyah Persis 24 Rancaekek Bandung. Agrokreatif*: Scientific Journal of Community Service,* Vol. 6 No. 2 (2020), 181-194.

(2) UMKM actors do not understand how to apply for halal certification for their products; (3) UMKM actors do not understand the use of halal certification so they choose to postpone processing it; and (4) UMKM actors consider the process of applying for halal certification to be very complicated. UMKM actors have a strong motivation to develop their businesses to be of higher quality, including guaranteeing halal products, so that marketing can expand to a wider area, and can be marketed in outlets that always demand product quality assurance.[11]

The Sambas Regency Government is encouraging all village UMKM to obtain halal certification, especially those producing processed foods. Halal certification is crucial for enabling superior products produced in each village to more easily penetrate a wider market. Therefore, the Sambas Regency Cooperatives, Micro Enterprises, and Trade Office (Diskumindag) is holding technical guidance or bimtek (technical guidance) for UMKM on how to obtain halal certification.

The Head of the Sambas Kumindag Office, I Ketut Sukarja, stated that the activity demonstrates Regent Satono's support for the One Village, One Superior Product program.

"The 50 participants will receive a full technical guidance session, providing them with an understanding of halal certification facilitation," he said. The participants came from Galing, Tebas, Sambas, Tekarang, and Pemangkat sub-districts. "Of course, I hope that during the technical guidance activities, participants will understand the material presented," he said. "So that they will truly understand the requirements for obtaining halal certification," he concluded.[12]

An interview with Ms. Miswinda, the head of the Halal Study Center in Sambas Regency, stated:

"We hope the Regional Government will pay attention and fully support the facilitation of halal certification applications for businesses in Sambas Regency. She informed that businesses that have not yet received or do not yet have halal certification can inquire and consult with the Halal Study Center at Sultan Muhammad Syafiuddin University, Sambas. Sultan Muhammad Syafiuddin University, Sambas, currently has a Halal Study Center for coaching and mentoring for businesses," she concluded. Regarding the current situation regarding the number of halal supervisory facilities in Sambas Regency, I believe it is sufficient, although not yet a large number. This will facilitate consultations for businesses regarding halal certification. Halal assistants will be available to provide training for businesses interested in registering their products for halal certification".[13]

In QS. Al-Baqarah verse: 168, it is stipulated that Allah SWT requires us to consume halal and good food from what is on earth. Furthermore, QS Al-Baqarah, verse 173 stipulates that food that is forbidden to eat is carrion, blood, pork, and animals slaughtered without mentioning the name of Allah SWT. This provision creates a desire for Muslims to always pay attention to the products they buy and/or consume by always checking whether the product is labeled halal or not. According to Jhering, interests are something that determines the law, especially the interests of society. Therefore, the law is tasked with regulating a balance and harmony between these interests. One of the balances and harmony that need to be regulated by law is the balance of interests between product users and business actors who own the product. And to realize the

[12]The results of the statement from Mr. I Ketut Sukarja as the head of the Sambas Regency Trade and Industry Service, Selasa, 2 Juli 2024.

[13]Interview with Mrs. Miswinda as Head of Halal Studies in Sambas Regency, selasa, 17 Juni 2025.

balance of protection of consumer interests and business actors so as to create a healthy economy, a set of laws and regulations is needed, one of which is Law No. 8 of 1999 concerning Consumer Protection, which is intended to protect consumers regarding the products they use or consume so that there is no feeling of anxiety about consuming food and/or beverage products. To implement this protection, Stammler said that "people want to do something, certainly to pursue a goal," meaning that the goal determines the action. Actions as material are given form by the desired goal. So, in achieving the goal of protecting consumers to get a sense of security regarding the products they consume, there must be actions from business actors to provide that protection in the form of certifying their products as halal products for consumption by Muslim consumers. To realize these actions by business actors, the state created a set of regulations, namely by ratifying Law No. 33 of 2014 concerning Halal Product Guarantees. However, that does not mean that the state's actions in realizing these actions by business actors do not stop with the ratification of the law, there are other actions that must be taken by the state to guarantee basic human rights, namely the right to feel safe in consuming products. The action that must be taken by the state as a form of protection for consumer rights regarding the halalness of a product is to immediately establish a Halal Inspection Institution, hereinafter abbreviated as LPH, which is an institution that carries out inspection and/or testing activities on the halalness of products. The establishment of this institution is based on Article 12 of Law No. 33 of 2014, which is a collaboration between the government and the community, and based on Article 13, this LPH must be proposed by a legal Islamic religious institution, which must have 3 (three) halal auditors and have a laboratory or a cooperation agreement with another institution that has a laboratory. So here is the role of the state, namely to back up the establishment of this institution so that the implementation of halal certification for a product that is produced and/or entered into the country, as a manifestation of protection for product use, so that the role of the state is realized, namely protecting every citizen to achieve social justice.[14]

The state recognizes and respects regional governments as stipulated in law. The state also recognizes and respects the unity of customary law communities and traditional rights in accordance with societal development and the principles of the Unitary State of the Republic of Indonesia. W.S. Saire explained that government is a state organization that emerges and exercises power. According to Wilson, government is an organizing force, and is not always associated with armed forces, but rather two or more individuals from various community groups organized by an organization to achieve shared goals and objectives, with matters of public concern.

Law No. 23 of 2014 concerning Regional Government explains that Regional Government is the administration of government affairs by regional governments and regional representative councils according to the principles of autonomy and assistance tasks, with the principle of the broadest possible autonomy within the system and principles of the Unitary State of the Republic of Indonesia, as stipulated in the 1945 Constitution of the Republic of Indonesia. The Regional Government is the regional head as an element of the Regional Government administration who leads the implementation of government affairs that fall under the authority of the autonomous region. In the local government arena, regional heads, as administrators, have the authority to direct policies and implement work programs for the next five years. The power granted by law to regional heads should have a positive domino effect. The authority of regional heads extends beyond bureaucratic management; the law also authorizes them to formulate policies for regional economic development, based on the development of leading sectors with competitive value and

[14]Abdurrahman Konoras. *Halal Product Assurance in Indonesia (Consumer Protection Perspective)*. (Depok: Raja Grafindo Persada, 2017).

a global orientation in their respective regions. This concept is known as local economic development. Local economic development is a fundamental change in the factors and activities related to regional economic development. Local economic development is essentially a partnership process between local governments and stakeholders. The private sector has the potential to manage natural resources, human resources, and institutions.

Through this partnership model, the goal is to encourage the growth of regional economic activity and create new jobs.[15]

Local economic development essentially emphasizes "endogenous development" policies, namely utilizing the potential of local human, institutional, and physical resources. Local economic development aims to increase the number and opportunities for local communities. To achieve this, local governments and community groups are required to take the initiative and not simply play a passive role. Every policy and decision is interconnected with other public aspects or has a multiplier social effect. Local economic development is an economic development process in which endogenous stakeholders (local governments, the private sector, and the community) play an active role in managing local resources to create jobs and stimulate regional economic growth. The principle of implementation is that stakeholders are crucial in determining the sustainability of economic development. According to implementation, the objectives of local economic development include:[16]

a) forming a partnership network between economic actors so that potential can be utilized by increasing market capacity at the local, regional and global levels;

b) Increasing the capacity of regional institutions (local government, private sector and community) in their management;

c) The occurrence of collaboration between interest groups (institutions, businesses and society); and

d) Collectively, we can encourage conditions that are conducive to regional economic and employment growth.

The success of regional economic growth can be measured by looking at several institutions, namely:Expansion of employment and business opportunities for small communities;

a) Increasing income for the community;

b) Empowering micro and small business institutions in the production and marketing process;

c) Empowering institutional partnership networks between government, private sector and local communities.

**Regional Government Policy in Providing Halal Certification to Business Actors**

Halal certification in Indonesia has undergone a shift in recent developments. Previously handled by the Indonesian Ulema Council, a non-governmental organization, since the enactment of the Halal Product Assurance Law, certification has been handled by the state through the Halal Product Assurance Agency. The Indonesian Ulema Council retains the authority to determine whether halal or haram products are permissible. However, the formal processes, including

[15]N., Purnama & Adilla Konety, Understanding of Micro, Small and Medium Enterprises in Jatinangor regarding Halal Certification Obligations for Food Products. Kumawula: *Journal of Community Service,* Vol. 1, No. 1 (2018), 31-49.

[16]Rokhim, Abdul. (2013). "Government Authority in the Context of the Welfare State". *FH Unismah Malang. Scientific Journal*. Vol XIX, No. 36. (February 2020), 18

scientific examination and certificate issuance, fall under the authority of BPJPH. To ensure that all religious adherents can worship and practice their religion, the state is obligated to provide protection and assurance regarding the halal status of products consumed and used by the public. Halal product assurance should be implemented in accordance with the principles of protection, justice, legal certainty, accountability and transparency, effectiveness and efficiency, and professionalism. Therefore, halal product assurance aims to provide comfort, security, safety, and certainty of the availability of halal products for the public in consuming and using products, as well as increasing added value for businesses producing and selling halal products.[17]

Article 4 of the Halal Product Guarantee Law states: "Products entering, circulating, and traded in the territory of Indonesia must be halal certified." The content of this article does not mean that every product sold by entrepreneurs must be halal and not that they are not allowed to trade in goods that are not halal or haram according to Islam, but the intent of the content of Article 4 is that entrepreneurs may trade in goods that are not halal, but must state that the goods are not halal. Once they have obtained a halal label, they must maintain their halal status and maintain their halal status. The point is that entrepreneurs are not prohibited from trading goods that are haram according to Islam, but they must be honest that if halal, they must have a halal label, preferably if there are haram elements, they must state that they are not halal. Furthermore, discussing Article 4 must also be linked to the contents of several articles that regulate legal sanctions for violations of halal issues, such as:

Article 25 states: Business actors who have obtained a Halal Certificate are obliged to:

a) include a Halal Label on Products that have received a Certificate;

b) maintaining the halal status of products that have obtained Halal Certificates;

c) separating locations, places and slaughtering, processing tools, storage, packaging, distribution, sales and presentation of Halal and non-halal products;

d) renew the Halal Certificate if the validity period of the Halal Certificate expires; and

e) report changes in the composition of materials to BPJPH.

Article 25 of Law Number 33 of 2014 "Halal certificate holders are required to affix halal labels to their products. They must also maintain halal certification, extend the validity period of the certificate, and differentiate between halal and non-halal product manufacturing processes. Businesses are also required to report any changes in the composition of raw materials. The sanctions for certificate holders who violate this article are as follows:.

According to Article 22 of Law Number 33 of 2014, there are three types of punishments given to violators.

a) in the form of a written warning.

b) administrative fines and

c) revocation of halal certificate.

Furthermore, Article 26 states; (1) Business Actors who produce products from materials originating from prohibited materials as referred to in Article 18 and Article 20 are exempted from applying for a Halal Certificate. (2) Business Actors as referred to in paragraph (1) are required to

[17]Marzuki Alie, "Trade between Muslim Countries: The Role of Indonesia-Asia in Halal Business". Halal Convention Based on Dinar Dirham in Commencement of the Islamic World Trade Expo 2012, Kelantan Trade Centre, 18 Juni 2012.

include a statement stating that their products are not halal. The meaning of this article is that every product to be distributed must be halal, by including a halal label from the MUI and BPJPH. What is meant by "not halal statement" is a statement stating that it is not halal which is an inseparable part of the product. The statement can be in the form of a picture, sign, and/or writing. This article does not mean that in Indonesia there may not be any products that are prohibited for sale, but for those that are not halal, they do not need to be certified halal, but it is sufficient to provide a non-halal label.

Meanwhile, the sanctions for violating these provisions are based on Article 27 of Law Number 33 of 2014, namely:

a) verbal warning sanctions,

b) written warning, and

c) administrative fines

Considering that the majority of Indonesians are Muslims, who desperately need state protection against non-halal goods and those without halal labels, the state invites the public to participate in monitoring products circulating in the market, both domestically and internationally. The state will even award awards to those who actively participate in such monitoring. As stated in Article 53:

1) The community can participate in the implementation of JPH.

2) Community participation as referred to in paragraph (1) can be in the form of: a. conducting outreach regarding JPH; and b. monitoring Halal Products and Products in circulation.

3) Community participation in the form of supervision of Halal Products and Products in circulation as referred to in paragraph (2) letter b is in the form of complaints or reports to BPJPH. Furthermore, Article 54 states: BPJPH can provide awards to communities that participate in the implementation of JPH. As a form of appreciation, BPJPH as an institution that organizes Halal Product Guarantees can provide awards to communities that play an active role in the implementation of Halal Product Guarantees.

In an interview with Mr. Kadarisno, a staff member of the Agro-Industrial Business Development Analysis Division, he stated:

"Sambas Regency is predominantly Muslim, so the Sambas Regency Government's policies are highly committed to supporting economic growth, both in the halal industry and for UMKM in Sambas Regency. The Regional Government and the Sambas Regency Trade and Industry Office (Diskumindag) are monitoring halal businesses that do not yet have halal certification, ensuring that they are enthusiastic about the importance of obtaining halal certification, both regular and self-declared. The Regional Government and Diskumindag strongly encourage halal businesses in Sambas who wish to register their products. Halal certification will be provided free of charge to all businesses in Sambas Regency. Therefore, the Regional Government and Dinkumindag are fully supportive and will facilitate all the needs of Sambas Regency businesses, including training, subsidies or incentives, laboratories, marketing through social media, and competition from neighboring countries and internationally."[18]

Based on the above analysis, halal business actors must be fully aware of the importance of obtaining halal certification, given the current changing lifestyles of the people of Sambas Regency and throughout Indonesia. The presence of businesses operating in the halal industry,

[18]Interview with Mr. Kadarisno as Agro Industry Business Development Analyst, Jum'at, 13 Juni 2025

both in the culinary sector, is part of the progress of the global economy, including in Sambas Regency. Competition is particularly fierce among businesses operating in the halal industry and the culinary sector. This is due to the rapid growth of the halal industry in culinary businesses in Sambas Regency. Every business actor must have a strategy, as a long-term plan implemented by business actors to achieve goals by considering both the internal and external business environment to achieve and increase turnover, resilience, and business development. Various strategies have been implemented, including product labeling produced by MSMEs. This is done to capture and attract customers and maintain a balance with the intense competition in the business world. This is to achieve increased turnover, resilience, and business development. To satisfy customers, gain customer loyalty, and generate repeat orders. The implementation of halal labeling has had a positive impact on MSMEs in Sambas Regency, increasing their confidence in promoting their products. Furthermore, the products have become more widely known, and consumers have less doubts about purchasing and consuming the products they sell, as they are officially halal certified and compliant with Islamic law. This, of course, can also increase their sales value and help them grow their businesses.

Furthermore, an interview with Mrs. Nilda, a halal entrepreneur whose signature chili sauce product has received halal certification, stated that:

"Personally, I strongly agree with this statement about my chili sauce product. Although the ingredients used are all halal, made from natural ingredients and their halal status is beyond doubt, I find it crucial to label my products with halal certification. The Indonesian Ulema Council itself stipulates that a product must have or adhere to a standardized halal certification. Therefore, I am confident in registering my product for halal certification with the Sambas Regency Trade and Industry Office. This provides a sense of security for my customers and consumers when purchasing my products. Furthermore, it helps both UMKM and UMKM in Sambas Regency, like myself, to market their products with greater confidence because no one has to ask about the halal status of my products. I feel much more confident explaining that my products are halal-certified".[19]

An interview with Marina, a halal business owner in Sambas Regency who produces tofu, stated:

"Regarding the tofu product, the business I manage is purely based on market demand, as the government is currently implementing a free meal program. So, I came up with the idea and drive to process and produce tofu. Currently, the local government has not yet provided support for my business. This is purely my own initiative, and the Sambas Regency Government must also provide full support to small businesses in Sambas Regency so that we, as entrepreneurs, can market our products more widely, even to neighboring countries. We face many marketing challenges, one of which is market competition, as many businesses now have halal certification for culinary businesses. Furthermore, it's now much easier to sell our products through social media, including WhatsApp groups, Facebook, Instagram, and others. I truly appreciate the local government's support for UMKM in developing the economy and halal products in Sambas". [20]

Furthermore, an interview with Mr. H. Nashirun as the general treasurer of the Indonesian Ulema Council Sambas Regency, stated that:[21]

[19]Interview with Mrs. Nilda as a halal business actor in Sambas Regency, Rabu, 18 Juni 2025

[20]Interview with Mrs. Marina as a halal business actor in Sambas Regency, Selasa, 17 Juni 2025.

[21]Interview with Mr. H. Nashirun as General Treasurer of the Indonesian Ulema Council, Sambas Regency, Senin, 16 Juni 2025

"The requirement by the Sambas Regency Regional Government and the Indonesian Ulema Council to provide halal labeling is solely to protect consumers and producers in future business development. When businesses comply with government and Indonesian Ulema Council regulations regarding halal labeling, it is undeniable that they will experience many positive benefits in their business development. As I stated earlier, halal labeling is a step for MSMEs to expand globally. It is clear that this can increase sales, expand businesses that were initially unknown to many people and become more familiar with them, allowing them to purchase their products. And when turnover and demand continue to rise, the resilience of these businesses is undeniable."

The consumer protection implemented by the Sambas Regency Regional Government and MUI by requiring businesses to label their products halal is a step in the development of UMKM. Given the increasingly fierce competition among UMKM, particularly those in the culinary sector, they must be able to consistently attract and increase the number of customers in order to sell their products and services. Businesses are also required to possess the ability to market the products they sell or produce, ensuring that the number of customers does not decline but rather continues to increase.

Data analysis shows that current conditions require business owners and operators to be more creative and innovative by offering products and services with added value. This is what the market they focus on or target for competition demands. Business owners and managers generally strive to meet consumer expectations by building trust and long-term relationships between them and their customers. With the advancement of information technology, competition among businesses is also increasing. Therefore, businesses are required to survive in this competitive environment, which requires them to continuously adapt to changes in the business world. Technological developments must be addressed wisely by utilizing existing technology in their operations. Businesses can leverage technology for promotional purposes and communication with consumers.

**Supporting and Inhibiting Factors Related to the Implementation of Halal Certification in UMKM in Sambas Regency**

The scanning results indicate that the government plays a crucial role in developing the halal industry and raising public and UMKM awareness of halal product certification. Therefore, when the public and businesses are aware of the importance of halal labeling, this will undoubtedly increase and encourage businesses to register their products for halal certification. When this process is implemented properly, it will undoubtedly help UMKM increase their turnover, resilience, and business development. It can also boost the economy in Sambas Regency and reduce unemployment.

The purpose of halal certification is to provide assurance of a product's halal status as a means of fulfilling consumer rights. For producers, specifically UMKM, having halal certification on their products will also increase purchasing interest. The presence of halal certification for a product, especially food, has a significant impact. This also shows that the halal logo has a positive influence on purchasing interest. Conversely, issues of doubt about a product's halal status have also been shown to decrease consumer purchasing interest. A continuous mentoring program for UMKM, particularly in Sambas Regency, has been implemented for UMKM business owners, especially in Sambas Regency.

Currently, interest in halal products is not limited to Muslim consumers. Interest in halal products is increasing over time. For Muslims, consuming halal products is a must, as part of Islamic law. Halal is a principle in Islam that states whether something is permissible or not for

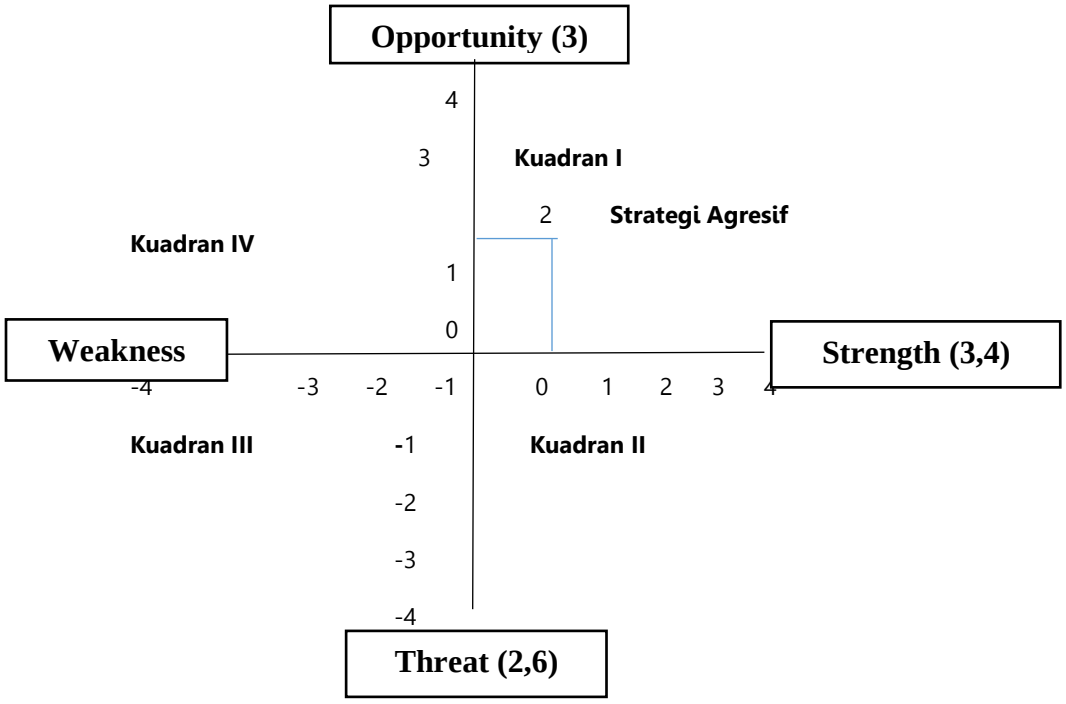
consumption by Muslims according to the Quran, hadith, or ijtihad of scholars. In Indonesia, the halal issue receives greater attention because Indonesia is a country with a Muslim majority population, with a percentage of 87.18%. Halal studies are a matter that needs to be considered in every business sector, including UMKM, which are the main axis of national commerce. To guarantee and provide certainty regarding the halal status of a product, a comprehensive inspection process is required by a trusted institution known as Halal Certification.[22]

To provide a more flexible overview of the SWOT analysis conducted, a table of internal and external factors was used, presented in the form of a questionnaire to the research respondents. In this questionnaire, the researchers selected 12 respondents to complete the prepared questionnaire. The selection of respondents was based on the researcher's considerations, namely, individuals holding positions within the company and familiar with matters related to the problem being studied.

**Internal and External Score Comparison Chart**

| **Internal** | **External** |
|---|---|
| Strengths – Weaknesses | Opportunities – Threats |
| 3,4 – 2 | 3 – 2,6 |
| 1,4 | 0,4 |
| **X** | **Y** |

From the comparison results above, it can be seen that the strengths score is greater than the weaknesses score by a difference of 1.4, and the opportunities score is greater than the threats score by a difference of 0.4. Therefore, the results of the internal and external factor analysis obtained can be depicted in the SWOT analysis diagram below:




[22]Ferlinda Wardani Asriani, Analysis of the Influence of Land Area, Capital and Labor Costs on the Income Level of Salt Farmers in Pinggir Papas Village, Kalianget District, Sumenep Regency, *Jurnal Ilmu Ekonomi (JIE),* Vol. 3, No 2.

Information:

Quadrant I: This is a very advantageous situation. These UMKM have the potential and strengths to capitalize on the opportunities presented. The strategy that must be implemented in this situation is to support regional government policies for more aggressive economic growth and halal products (a growth-oriented strategy).

Quadrant II: Despite facing various threats, these UMKM still possess internal strengths. The strategy they must implement is to leverage these strengths to capitalize on long-term opportunities through a diversification strategy (product/market).

Quadrant III: MSMEs face enormous market opportunities, but on the other hand, they face several internal constraints/weaknesses. Business conditions in quadrant 3, including product categories or business units with low market share, focus the strategy of these UMKM on minimizing.

Quadrant IV: This is a very unfavorable situation, the UMKM actors face various threats and internal weaknesses.

The results of the SWOT analysis obtained an average score of Strengths = 3.4, Weakness score = 2, Opportunities score = 3 and Threats score = 2.6.

## 4. CONCLUSION

Based on the results of research and discussion on the study of Regional Government policies in supporting economic growth and halal products in Sambas Regency, the following conclusions can be drawn:

a. Guaranteeing the halal status of food products not only ensures the creation of consumer protection for every Muslim, it can also encourage a healthy business climate and produce resilient business actors in facing competition by providing quality products with high selling power.

b. There are positive impacts felt by MSME business actors in Sambas Regency with halal certification, such as: (1) they can more easily market their products without any doubt, (2) they can convince buyers or consumers that the products they produce and sell are halal and good (thayyib) for consumption even in the long term, (3) continuous increase in income which can maintain and develop their business.

c. The supporting factors for the existence of halal certification are as follows: (1) as consumer protection, (2) as a means of business development so that it can continue to compete in order to obtain increased revenue, (3) as a means to maintain business in an era of increasingly tight trade competition. While the inhibiting factors are as follows: (1) still minimal public awareness of the halal nature of products, (2) lack of interest of business actors in registering for halal certification, (3) Regional Government and religious organizations have not fully supported halal products in obtaining halal certificates for business actors in Sambas Regency.

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