



THE ROLE OF SMALL AND MEDIUM INDUSTRIAL CENTERS IN THE DEVELOPMENT OF HALAL FASHION AND INNOVATION OF LUNGGI SAMBAS WOVEN FABRIC IN THE INDONESIA-MALAYSIA BORDER REGION

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ABSTRACT

Halal fashion is developing as part of the halal industry and creative economy, while also opening up opportunities for the preservation of traditional textiles as a basis for value-added products. In the context of the Indonesia-Malaysia border region, Sambas Lunggi Weaving (Sambas songket) has cross-border market potential, but its development requires institutional strengthening so that production, innovation, and marketing can be sustainable. This study aims to analyze the role of the Small and Medium Industry Center (IKM) of Tenun Desa Sumber Harapan, Sambas Regency, in the development of halal fashion and Lunggi Weaving innovation, as well as to identify obstacles that affect its competitiveness. The method used is descriptive qualitative through observation, in-depth interviews, and documentation. Data analysis applied the Miles–Huberman model with triangulation of sources, time, and methods to maintain the validity of the findings. The results of the study show that the IKM Tenun center strengthens halal-thayyib production practices, including the use of natural dyes from plants, encourages innovation through product diversification from fabrics/scarves to accessories and fashion products, and takes advantage of cross-border marketing opportunities through cross-border buyer visits and activity-based regional promotions. The main obstacles include relatively high prices, limited quality raw materials, competition from substitute products, and the absence of official halal certification. These findings confirm the IKM center as a strategic node for strengthening the competitiveness of halal fashion based on traditional textiles in the border region.

Keywords: IKM Center; Sambas Lunggi weaving; Halal fashion; Border region

1. INTRODUCTION

The fashion industry is a rapidly growing sector, driven by the potential of local designers and economic growth, which significantly influences consumer choices in meeting their needs (Supertini et al., 2020). The global fashion business currently exploits the economy and captures

a significant share of the world market, with trends that reflect and simultaneously push the boundaries of culture and society (Jailani et al., 2022). These developments encourage companies to create sustainable competitive advantages through product innovation and effective marketing strategies, including adapting to sharia principles to attract the growing Muslim consumer segment (Sitepu & Akustia, 2024). The "halal lifestyle" phenomenon has also driven increased demand for halal industry products that are not only related to beliefs but also emphasize health, safety, ethics, and environmental sustainability (Wahyuni & Achiria, 2020).

Halal fashion is a crucial segment that integrates Sharia values with contemporary fashion trends, offering products that meet the standards of modesty, cleanliness, and comfort in accordance with Islamic teachings (Listyadewi, 2023). This is in line with Indonesia's vision to become the world's center of sharia economics through the Muslim fashion sector, even though it still faces challenges ranging from raw material procurement to marketing (Rahayu & Ningtyas, 2021). However, Indonesia's enormous potential as a Muslim-majority country can be leveraged to become a leading producer of halal products, as demonstrated by Muslim-minority countries such as China and France in the halal fashion industry (Assegaf, 2023).

In fact, Indonesia has achieved third place in the global Muslim fashion industry, demonstrating its capability to compete in an international market dominated by halal fashion producers such as Japan, Thailand, Australia, South Korea, and China (Maulana & Zulfahmi, 2022). Thus, focusing on innovation and strengthening Small and Medium Industries is crucial to optimizing this potential (Jailani et al., 2022). One of the traditional fabrics of the archipelago that has great potential to be developed as a basis for halal fashion is Lunggi Sambas woven fabric (Sambas songket). This weave is rich in motifs, closely linked to Malay cultural identity, and demonstrates the ability to adapt from its traditional function to a value-added product that is relevant to modern market needs.

Sambas Regency is one of the regencies in West Kalimantan Province, strategically located in the Indonesia-Malaysia border area. The nature of the border area presents unique opportunities in the form of cross-border market access, tourism and trade flows, and open inter-regional promotional networks. At the same time, the border also presents challenges in the form of competition from substitute products, price and raw material dynamics, and the mobility of artisan labor. Sumber Harapan Village is known as a producer of Lunggi Weaving in Sambas Regency. Weaving in this village is an important economic activity that involves many artisans, the majority of whom are women. Field data shows that there are 270 artisans in this village, which indicates the role of weaving as a source of livelihood and empowerment. The existence of the Small and Medium Industry Center (IKM) for Weaving in Sumber Harapan Village strengthens this ecosystem, as the center functions as a place of production, an exhibition/gallery space, and a means of guidance.

Small and Medium Industries also serve as a meeting point between artisans, managers, and local governments in developing product added value. The transformation in the utilization of Lunggi Weaving is evident in product diversification; weaving is no longer limited to fabrics and scarves, but has also developed into bags, wallets, skullcaps, tanjak (traditional headwear), shawls, masks, souvenirs, and other derivative products that are marketed at the center. In terms of process, production practices emphasize the use of materials that are understood to be in line

with halal principles (), as well as dyeing threads with natural ingredients from plants such as mengkudu and turmeric. This is important because it reinforces the halal-thayyib narrative and at the same time supports consumer trends towards more environmentally friendly products.

Despite the great opportunities, the development of halal fashion based on Tenun Lunggi Sambas faces real problems. Field findings show obstacles in the form of relatively expensive product prices, limited quality raw materials, and competition with cheaper and more accessible substitute products. In addition, the absence of official halal certification is cited as one of the factors that can reduce competitiveness when products are expanded to a wider market. In the context of border areas, this challenge can be compounded because cross-border markets move quickly, and purchasing decisions are often determined by perceptions of quality, availability, and legitimacy (including formal aspects that consumers trust). Therefore, innovation is key to overcoming these obstacles, with product development and the creation of new designs that align with consumer interests, as well as the use of digital technology for marketing and selling traditional woven products (Fitri et al., 2023).

Previous studies have shown the importance of integrating local wisdom values into marketing strategies to increase the selling value and position of traditional weaving in domestic and international markets. Local wisdom, as a valuable asset that reflects the cultural values and traditions inherent in products, must be preserved and maintained in the development of the creative industry (Nasirah et al., 2025). This indicates that innovation in product design, such as the use of trendy colors and natural dyes, not only attracts the market but also preserves essential traditional aspects (Fitriyani et al., 2023).

This study aims to gain a comprehensive understanding of how the Sumber Harapan Village IKM Weaving Center contributes to the development of Lunggi Sambas-based halal fashion, particularly through strengthening the production process and encouraging innovation in motifs and designs. This study will analyze in depth how product innovation, including diversification into derivative products such as bags and wallets, as well as the use of natural dyeing techniques, can increase product competitiveness in the global halal market (Rahmawati et al., 2021). This approach is expected to provide a comprehensive framework for the sustainable development of Lunggi Sambas woven fabrics, given the importance of halal aspects and cultural uniqueness in the global fashion market (Nasirah et al., 2025).

2. METHODS

This study uses a descriptive qualitative approach to gain an in-depth understanding of the role of Small and Medium Industry Centers (IKM) in the development of halal fashion and innovation in Lunggi Sambas woven fabric in the context of the Indonesia–Malaysia border region. This method was chosen to enable a rich contextual exploration of complex phenomena and relevant interventions in a specific research environment (Fitri et al., 2023). The research focus was placed on the Sumber Harapan Village IKM Weaving Center, Sambas Regency, because this location is the center of production activities as well as a showcase/gallery for Lunggi Weaving products and is located in a border economic landscape that opens up cross-border market opportunities.

The research design was aimed at capturing the center's contributions through four main aspects, namely production (including the practiced "halal-thayyib" character), product innovation and diversification, marketing/promotion, and its impact on the local economy. With this design, the research does not attempt to test causal relationships statistically, but rather constructs evidence-based explanations that can be traced by other researchers through similar procedures. Informants were selected purposively and expanded using the snowball technique, whereby initial informants helped direct the researcher to other relevant informants until the data was considered saturated. In the implementation of the research, interviews involved about ten sources representing elements of the relevant government/agencies, managers/cooperatives of the center, and craftsmen as the main actors in production. This composition was deliberately chosen to enable tracing the role of the center from the policy, managerial, to daily work practices.

Data collection procedures were carried out using three main techniques: observation, in-depth interviews, and documentation. Data collection was carried out through participatory observation, which was conducted directly in the center environment to record production activities, artisan work patterns, product management, and marketing practices on site. Observation was also used to capture material evidence related to the production process associated with halal principles, such as the use of traditional weaving tools and the application of natural dyes from plants (such as mengkudu and turmeric), which are part of the product narrative and ecological added value. In-depth interviews were conducted in a semi-structured manner with open-ended questions, allowing researchers to explore information about the contribution of the center, changes in product form (from fabric/scarves to fashion derivative products), promotional strategies, and obstacles faced by actors, including issues of raw materials, prices, competition, and certification requirements. In-depth interviews with artisans, SME center managers, and relevant stakeholders, as well as document analysis, were conducted to gain a comprehensive understanding of existing practices (Purnama et al., 2020, p. 38).

Data analysis was conducted with reference to the Miles and Huberman model, which includes the stages of data collection, data reduction, data presentation, and conclusion drawing and verification. In the reduction stage, the data from interviews and observations were classified into main themes according to the research focus: (a) the role of centers in halal fashion production, (b) motif/design innovation and product diversification. The data presentation stage was carried out in the form of thematic descriptions and concise matrices so that the interrelationships between themes were clearly visible. Conclusions were not drawn immediately, but were continuously verified by comparing findings between informants, matching them with observational evidence, and checking the consistency of the narrative with available documentation. To ensure the validity of the findings, the study applied source triangulation, time triangulation, and method triangulation. Source triangulation was carried out by comparing information from craftsmen, center managers, and relevant government agencies so as not to rely on a single point of view. Time triangulation was conducted by not relying on a single observation, so that researchers could examine the consistency of practices and the dynamics of activities. Method triangulation was conducted by comparing the results of interviews, observations, and documentation so that the findings were not merely opinions, but were supported by field evidence.

Research ethics considerations were applied in the form of obtaining consent from sources prior to interviews, using data only for academic purposes, and exercising caution in writing information that could be sensitive to individuals (e.g., personal details or household economic issues). The identities of informants were disguised when necessary to protect their privacy, while the results were presented proportionally and based on reliable data.

3. RESULTS AND DISCUSSION

The following results and discussion sections are structured in line with the research objectives in the introduction, namely: (1) analyzing the role of the Sumber Harapan Village Weaving IKM Center in the development of halal fashion (including the production process and halal-thayyib practices), (2) explaining the innovation of Sambas Lunggi Weaving through motif/design updates and product diversification, and (3) outlining the main obstacles that influence its competitiveness in the context of the Indonesia-Malaysia border region.

Overview of the Tenun IKM Center and Its Relevance to Halal Fashion at the Border

Field results show that the IKM Weaving Center in Sumber Harapan Village functions as a hub for production activities as well as a showcase for Lunggi Sambas weaving products. The industrial base is quite strong; there are around 270 craftsmen, the majority of whom are women. This figure is important because (a) it indicates that production capacity is not sporadic, (b) it shows the center as an institution that involves households and women's work, and (c) it provides a strong basis for halal fashion development strategies, which generally depend heavily on consistency in production, quality, and supply. This focus on women's empowerment also reflects the great potential for improving the welfare of families and communities, given the role of this SME center as the backbone of the local economy (Wulansasi et al., 2023). In addition, Sambas' position as a border region strengthens the center's relevance as a point of access to cross-border markets, as the mobility of tourists/buyers from Malaysia is easier than in non-border areas. However, despite its large market potential in the border region, the Sumber Harapan Weaving SME Center still faces challenges in terms of increasing production capacity and standardizing product quality to meet increasingly strict halal market demands (Putridiani & Suryono, 2019). These challenges include funding, access to modern technology, and the need for ongoing training for artisans to achieve global quality standards and relevant halal certification (Febriyanti et al., 2024).

Field findings also show that Sambas Lunggi Weaving has a wealth of motifs and a strong identity, one of which is the distinctive "pucuk rebung" motif. In the fashion industry, a consistent motif identity serves as a signature that facilitates brand formation and product differentiation. Unlike generic fabrics (mass products), weaving based on traditional motifs has a symbolic advantage: it is not just a material, but also a cultural story (heritage). The contribution of this center is not limited to economic aspects, but also includes the preservation of cultural heritage through the inheritance of traditional weaving techniques and the development of motifs that reflect local wisdom (Nusran & Sitnah, 2023).

Regional institutional support also reinforces the center as an infrastructure for SME/MSME development. This is in line with other research findings that highlight the importance

of local government support in developing MSMEs, especially in terms of training and facilitating halal certification to increase product competitiveness in a wider market (Astuti et al., 2023). These findings position the Tenun IKM Center in Sumber Harapan Village not merely as a "place for weaving," but as a node in the local halal fashion value chain: from material procurement, production, design development, product display/curation, to promotion. Therefore, the role of the center can be analyzed directly within the framework of the research title: (1) halal fashion development, (2) lunggi weaving innovation, and (3) strengthening competitiveness in the Indonesia–Malaysia border region.

The Role of the Sumber Harapan Village Weaving IKM Center In The Development Of Halal Fashion (Including the Production Process And Halal-Thayyib Practices)

Based on a synthesis of interview and observation data, the contribution of the center to the development of halal fashion is evident in the strengthening of production processes that are understood to be in line with sharia (halal) principles while also promoting the aspect of "good/clean" (thayyib). Prominent practices include the use of materials and processes that are considered safe and natural coloring. The study noted the use of dyes from plants such as mengkudu and turmeric in the yarn dyeing stage. Based on the research findings, it is known that in the weaving production process, dyeing is carried out at the stage of preparing the yarns first tied according to the variety of decorations/motifs, then dipped/dyed before weaving, so that the colors and basic patterns are already "locked" on the yarn (this concept is in line with the understanding that dyeing/dipping is done *before* weaving).

Once the yarn is ready (including those that have undergone the dyeing process), the craftsmen proceed to the technical work of preparing the yarn so that it is neat and easy to weave. The first stage is done by winding the yarn from the roll (tukalan) onto *the luwing* to *the kolong* (bamboo section) of a certain size so that the roll is neat and not tangled, because the neatness of the roll affects the smoothness of the next process. Next is *liring*, which is rewinding the yarn from the kolong (or directly from the gelondongan) onto *the plotting* so that the yarn is more ready to be handled in the weaving stage. The neatly wound yarn is then fed into the *penganian* (winding on *a device* to make the roll larger and more organized), followed by *menatar* to arrange/organize the yarn on the loom with precision, and *ngarap/mengubung* to connect the yarns needed to form the motif during the weaving process. After the yarn preparation and arrangement on the loom are complete, the craftsmen create the motif design, then proceed to the core stage of weaving until the fabric is fully formed.

Although the term "halal fashion" is often misunderstood as simply "clothing that covers the aurat," these findings reveal the dimensions of process and material as factors that shape halal-thayyib values, which can be the basis for product differentiation. This paradigm shift highlights that the concept of halal does not only focus on the end result, but also involves all stages of production that meet the standards of cleanliness and safety in accordance with Islamic law (Wulansasi et al., 2023). In addition, small and medium-sized industry centers also facilitate the improvement of human resource quality through training and mentoring, which are essential to meet increasingly strict halal product standards and competitiveness in the global market (Ahyani et al., 2021).

The role of centers is also evident in product organization and quality identity reinforcement. Lunggi Sambas weaving has a wealth of motifs (dozens to hundreds of motifs), and one of its distinctive motifs is the bamboo shoot. In the context of halal fashion, the uniqueness of the motifs and consistency in production quality serve as a "guarantee" of product reputation, especially when combined with the narrative of natural dyes and traditional weaving processes. In other words, the center contributes by strengthening consumer trust, namely trust due to a strong cultural identity and trust because the production process is positioned in line with halal values. This is in line with findings showing that halal labels can increase product value and guarantee quality, safety, and health for Muslim and non-Muslim consumers, while also increasing the competitiveness of MSMEs in the market (Wulansasi et al., 2023).

The importance of halal certification is also emphasized as an instrument for consumer protection and increasing product sales. The availability of halal certification not only provides religious assurance for Muslim consumers but also increases the attractiveness of products in international markets that increasingly value transparency and production ethics (Vitadiar, 2024). Halal certification also serves as a strategic instrument to increase MSME turnover, build consumer trust, and ensure that products meet the halal standards set by the relevant authorities (Febbyani, 2024). However, findings also indicate that this strengthening of trust is not yet fully optimal due to market formalities, especially those related to certification. Several obstacles mention the absence of official halal certification as a factor that can reduce competitiveness when expanding the market. The implication is that centers have already built a "practical halal" base, but still need to strengthen "legitimate halal" in accordance with modern market demands. The importance of this legality is emphasized by the Indonesian Halal Product Guarantee regulation, which requires all products circulating in the community's public sphere () to have halal certification, including Micro, Small, and Medium Enterprises (Zed et al., 2024). This underscores the urgency for the Sambas Lunggi Weaving IKM Center to immediately obtain halal certification in order to expand its market reach and meet global consumer expectations.

Halal certification can also increase consumer confidence in the products sold, as the halal label is proof that the product has been tested for halal compliance and is safe for consumption (Febbyani, 2024). In addition, halal certification also facilitates access for MSME products to various modern distribution channels such as souvenir shops, supermarkets, and minimarkets, which often require halal labels for products to be marketed (Putra et al., 2021). Therefore, halal certification is crucial for increasing competitiveness and expanding market reach, not only at the local level but also in international markets that have strict requirements for halal products (Prawiro & Fathudin, 2023).

The Innovation of Sambas Lunggi Weaving Through Motif/Design Updates and Product Diversification

Lunggi weaving innovation in the context of the center appears to be strongest through product diversification and design renewal strategies. Data shows that Lunggi weaving is no longer limited to fabrics and scarves but has been developed into various derivative products such as bags, wallets, skullcaps, tanjak, shawls, masks, souvenirs, and others that are displayed and marketed through the IKM Tenun center in Sumber Harapan Village. This diversification is relevant to the development of halal fashion because it expands the spectrum of weaving use to products

that are closely related to the clothing and accessory needs of modern Muslims, as well as opening up a wider market segmentation (not only fabric buyers, but also ready-to-wear buyers). Previous research also indicates that design innovation and raw material quality are important factors in increasing the competitiveness of fashion products, including those labeled halal (Vitadiar, 2024).

The growth opportunities for the traditional weaving sector are also supported by increasing public awareness of local products and culture-based fashion trends (Nasirah et al., 2025). This diversification reflects the strategic adaptation of SMEs to meet broader market demand, including consumer segments seeking halal fashion products with strong local aesthetic value (Wulansasi et al., 2023). Thus, this product innovation not only enriches the Lunggi Sambas Weaving portfolio but also solidifies its position in the growing halal fashion industry, while maintaining a strong cultural identity. Additionally, the development of derivative products such as bags and wallets from Lunggi weaving demonstrates an adaptive response to market dynamics and increasingly diverse consumer preferences, especially in the context of contemporary fashion (Nasirah et al., 2025). Such innovations not only create new economic value but also strengthen the cultural relevance of traditional weaving amid the tide of modernization. This is in line with findings that MSMEs need to continue to innovate to compete, not only in their main products but also through diversification that adds to consumer choice (Fitriyani et al., 2023).

These findings on design innovation are consistent with research discussing the creation of Lunggi Sambas weaving motifs based on digital illustrations/pixel art as a strategy for motif development and design efficiency (Salahudin and Hidayat, 2022). This means that Lunggi Weaving innovation has moved towards the use of technology (digital design) and modern creativity, not stopping at the reproduction of old motifs. This confirms that the development of halal fashion based on weaving is not "forcibly changing tradition into modernity," but rather managing adaptation so that tradition remains an identity, while design follows trends.

In addition to product form diversification, innovation also occurs through market taste adaptation: motifs and colors still refer to Sambas identity but appear more adaptive and "modern" through design combinations and the use of weaving as a clothing element (not just the main fabric). Promotional activities in the form of design competitions and weaving carnival events serve as spaces for social innovation, where practitioners test designs, validate trends, and build creativity together. This increase in creativity is in line with the need for Muslim fashion businesses to strengthen new ideas in order to win domestic and international market competition (Nisya & Baidun, 2019). Thus, the innovation of lunggi weaving facilitated by the IKM Tenun center in Sumber Harapan Village can be understood as an effort to "connect tradition with the halal fashion market."

When lunggi weaving becomes a material/accent for modest fashion, cultural values are preserved but economic function is enhanced through ready-to-wear products that have a faster turnover. This strategy is important because stagnant traditional products are more vulnerable to competition from cheaper substitute products. Therefore, small and medium-sized industrial centers play a crucial role in facilitating sustainable innovation, encouraging design adaptation, and expanding the market reach for Lunggi Sambas woven products (Fitriyani et al., 2023). The ability to adapt to market changes and implement new ideas through product innovation is key

to business sustainability, especially for micro, small, and medium enterprises (Putri & Vanomy, 2022).

The Role of IKM Centers in Indonesia–Malaysia Border Marketing

The border dimension gives Lunggi weaving marketing a unique character. Research findings show that product distribution is not limited to local markets; marketing can reach beyond the region, even opening up access to cross-border buyers due to the geographical proximity to Malaysia, where buyers can come directly to the center to see the production process and purchase products. This marketing model reinforces *experiential* marketing value, where consumers not only purchase goods but also witness the process, understand the cultural story, and build a connection with the product. This experience-based marketing not only enhances product value but also fosters stronger customer loyalty, which is difficult for competitors to replicate (Nasirah et al., 2025).

This marketing model also has the potential to encourage innovation in design and production, as direct interaction with consumers can provide valuable feedback on market preferences and needs (Fitriyani et al., 2023). This is in line with research showing that direct interaction with consumers can result in adaptive and relevant design innovations (Sodik et al., 2025). Innovation also occurs in the aspect of digital marketing, although further development is still needed, given the vast market potential in the digital era (Lita et al., 2020). The use of digital platforms for promotion and sales can expand the market reach of Lunggi weaving to international consumers, transcending physical geographical boundaries (Putri et al., 2018). Developing the digital capabilities of MSMEs through training and mentoring is crucial to maximizing the potential of the online market (Swastuti, 2020). The promotional network is also strengthened by collaboration with local governments. Public activities such as design competitions and weaving carnivals serve as promotional channels as well as social legitimization for the products. Thus, the role of centers in border areas does not stop at production but extends to the function of culture-based economic diplomacy, namely introducing Lunggi weaving as the identity of Sambas as well as a halal fashion commodity. This is supported by the fact that tourist destinations in the border region, such as the Riam Merasap Waterfall and Belampar Market, have attracted foreign and domestic tourists to shop for local products such as woven crafts, textiles, and Sambas specialties (Elyta & Nuzulian, 2020).

The existence of cross-border markets managed by local businesses further strengthens the appeal of this region for foreign tourists, creating economic opportunities for local MSMEs (Elyta & Nuzulian, 2020). The involvement of local and central governments and communities in festivals such as Wonderful Indonesia, which successfully attracted thousands of visitors from neighboring countries, confirms the significant economic potential that can be generated from this cross-sector synergy (Haryaningsih et al., 2022). In this context, IKM centers play a strategic role in optimizing the potential of the border market by facilitating improvements in product quality and digital marketing capabilities to attract more buyers from Malaysia and neighboring countries. The use of digital media, such as the development of website-based digital storefronts and promotion through various social media platforms, has proven effective in expanding market reach and increasing the visibility of handicraft products, including woven goods (Musyrifah et al., 2023). Optimizing competitive pricing strategies, accompanied by seasonal discounts, is also

crucial to attract consumers, both local and tourists. Additionally, improving the quality of human resources through regular training for weavers and business actors in customer service and digital marketing is also essential to support the competitiveness of products in the border market (Nasirah et al., 2025).

The Main Obstacles That Influence Its Competitiveness In The Context Of The Indonesia-Malaysia Border Region

Despite the significant contribution of the center, the study also confirms the existence of structural barriers that affect the sustainability of development. The most consistent obstacles are relatively high prices, limited quality raw materials, competition from cheaper/more accessible substitute products, and the absence of official halal certification. Halal certification is crucial given the large potential of the global Muslim market, and its absence can hinder product expansion into broader market segments (Wulansasi et al., 2023). In addition, the lack of access to capital and modern technology is also a significant obstacle that limits the ability of the SME Weaving Center in Sumber Harapan Village to increase production capacity and product quality. These obstacles underscore the need for coordinated policy intervention from the government and related institutions to support the sustainable growth of the local weaving industry (Ernawati, 2021).

Field findings also show that consumers are sensitive to price and ease of access, meaning that traditional products risk losing out without a strong differentiation strategy. In this study, these obstacles can be understood as a "gap" between the cultural value/uniqueness of the product and modern market mechanisms. Lunggi weaving has high cultural value and a more complicated production process (which affects costs), while the market often compares it to cheaper products. This is where the role of SME centers becomes crucial. Weaving SME centers need to strengthen their value proposition strategy through quality curation, standardization, halal-thayyib narrative packaging (including natural dyes), and experience-based promotion. At the same time, certification requirements demand cross-party support because weavers generally lack strong administrative resources. Weaving SME centers can become mentoring aggregators to facilitate the legality/certification processes required by the market. This is in line with research findings indicating that there are still concerns regarding the quality and authenticity of Indonesian halal products, especially in terms of certification and monitoring, which can damage the reputation of products and hamper their competitiveness in the global market (Istiqlal, 2023).

Additionally, the border context poses the risk of labor mobility (artisans being attracted to work abroad for higher wages), which can reduce local production capacity. Thus, strengthening the center is not only to increase sales but also to maintain the sustainability of the artisan community through economic incentives, skill , and expansion into a more stable market. This strengthening also requires easy access to capital, training, and marketing support to boost the competitiveness of Lunggi Sambas woven products (Latif et al., 2022).

Increased public awareness of the halal lifestyle also opens up great opportunities for the development of the halal fashion industry in Indonesia (Qanita et al., 2022). This strengthening requires intensive education on the importance of halal certification and product legality to increase consumer confidence, especially in border areas (Herdina et al., 2023). Based on the

interpretation of the findings, the following implications can be used as brief recommendations for strengthening the Lunggi Sambas Weaving SME center:

- 1) Quality standardization. Since natural dyes (mengkudu/turmeric) are the main differentiator, the center needs to promote simple SOPs (dyeing, drying, and maintenance processes) to ensure consistent quality and credible "natural" claims.
- 2) Two-line product strategy (premium and affordable). Overcome price barriers without damaging the premium image through a derivative line (accessories, souvenirs) as an entry product; the premium line remains aimed at main fabrics/clothing.
- 3) Scheduled design innovation program. Carnival/design competitions can be formalized into an innovation calendar; collaboration with universities/digital designers aligns with digital motif innovation research.
- 4) Facilitate market certification/legitimization. Halal certification barriers indicate the need for collective assistance. Centers can become document and process aggregators, so that costs and administrative burdens are not borne individually.
- 5) Strengthening more systemic border marketing. Since Malaysian buyers can come directly, the center needs to strengthen its digital catalog, educational weaving tour packages, and cross-border reseller networks so that the market does not rely solely on visits.

Table 1. The Role of the Sambas Lunggi Weaving IKM Center in the Halal Fashion Value Chain

Role of the IKM Center	Field Findings	Contribution to Halal Fashion	Challenges
Production & material/process practices	Use of natural plant-based materials and dyes (e.g., noni, turmeric) in the yarn dyeing process; traditional wooden looms; manual processes.	Strengthening the halal-thayyib narrative (safe/clean/natural materials) and product identity.	Not yet supported by formal halal certification.
Motif/design innovation	Adjusting colors/patterns to align with modern tastes; supporting creative events (carnivals/design competitions).	Expanding appeal to the modern halal fashion market.	Pressure from cheaper substitute products.
Product diversification	Weaving is not just about fabric/scarves; it has evolved into bags, wallets, caps, headscarves, shawls, masks, souvenirs, etc.	Opening up the modest wear & accessories segment; increasing added value.	Relatively high prices affect purchasing power.
Marketing & promotion	Promotion through local events; marketing outside the region (Jakarta/Java) and across borders; Malaysian buyers come directly due to the border.	The border serves as a cross-border market channel for halal fashion.	Competition and access to quality raw materials.
Local economic impact & empowerment	There are approximately 270 artisans, the majority of whom are women.	Halal fashion based on weaving serves as a catalyst for women's income and employment.	Labor mobility to Sarawak/Brunei (wage incentives) has the potential to reduce local capacity.

(Source: Processed data (2025))

Overall, the research findings show that the Weaving SME Center in Sumber Harapan Village plays a role in the development of halal fashion through strengthening halal-thayyib-based production (including the use of natural dyes), incubating lunggi weaving innovation through product diversification and design renewal, and strengthening marketing that takes advantage of the Indonesia-Malaysia border and institutional promotional support. However, the optimization of the role of the weaving SME center is still limited by factors such as price, raw materials, competition, labor mobility, and the need for official halal certification. Therefore, strengthening the center's ecosystem needs to be directed towards quality standardization, production efficiency, supply chain strengthening, legal/certification facilitation, and cross-border promotion based on experience and cultural identity. This development is in line with the need to improve halal literacy among business actors and the community, as well as the harmonization of regulations that support an efficient and affordable halal certification system (Bakhri, 2020; Susilawati et al., 2021).

4. CONCLUSION

Based on the research results, it can be concluded that the Sumber Harapan Village IKM Weaving Center plays an important role as a driving force for the development of halal fashion based on Lunggi Sambas weaving in the Indonesia-Malaysia border region. This role is evident through the strengthening of production practices that emphasize halal-thayyib values, particularly the use of materials and processes that are understood to be in line with sharia principles and the use of natural dyes from plants. The center also encourages innovation in Lunggi weaving through design updates and product diversification from fabrics/scarves to various fashion and accessory products that are more adaptive to modern market needs, while expanding the consumer base. The border context provides strategic advantages in the form of cross-border market opportunities and experience-based marketing, as buyers can come directly to see the production process and purchase products. However, the development of Tenun Lunggi halal fashion still faces major obstacles in the form of relatively high product prices, limited quality raw materials, competition with cheaper and more accessible substitute products, and the lack of official halal certification needed to strengthen broader market confidence. Therefore, strengthening the center's ecosystem needs to be directed towards standardization in quality and process documentation, sustainable design innovation, tiered product strategies (premium and affordable), legal/certification facilitation, and strengthening more systematic border marketing so that Tenun Lunggi Sambas becomes more competitive as a leading halal fashion product in the border region.

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