

# CHAPTER I

## INTRODUCTION

### 1.1 Project Background

Globally, Muslims are the second most popular religion with 1.91 billion people, with Indonesia as its biggest contributor as reported by World Population Review (2020). According to The Royal Islamic Strategic Studies Center (2021), Indonesia is the country with the largest Muslim population in the world with a total of 231,055,500 Muslims, which is 86.7% of the total Indonesian population (p.259). Given that the Muslim population in Indonesia is extensive, this can be a good potential target market with the high demand in the halal culinary industry sector. Moreover, Indonesia is the first-ranked halal food consumer market in the world in 2021 with \$146.7 billion in spending as stated by Dinar Standard (2022, p.11). Furthermore, the provisions made by the Indonesian government encourage the development of Indonesia's halal industry even more. Kementerian Agama Republik Indonesia (2021) explained that starting in October 2019, the Indonesian government made provisions requiring food, beverages, slaughter products, and slaughter services to have halal certification. This is in accordance with Undang Undang (UU) Nomor 33 Tahun 2014 concerning Jaminan Produk Halal (JPH) and Peraturan Pemerintah (PP) Nomor 39 Tahun 2021 concerning Penyelenggaraan Bidang Jaminan Produk Halal.

The provisions regarding halal certification require entrepreneurs in the halal food and beverage industries to prioritize the halalness of their products by applying a halal certification. Fauzia (2022) explained that after the issuance of UU Nomor 33 Tahun 2014 concerning JPH, the halal certification process is no longer entirely handled by Majelis Ulama Indonesia (MUI), but Badan Penyelenggara Jaminan Produk Halal (BPJPH), as well as Lembaga Pemeriksa Halal (LPH), are also involved in the process. BPJPH is in charge of establishing regulations, receiving and verifying product submissions to be certified halal from business owners, and issuing halal certificates along with halal labels. Therefore, Permana (2022) mentioned that since the issuance of Keputusan Kepala BPJPH Nomor 40 Tahun 2022 concerning Penetapan Label Halal, gradually the halal label of the MUI

is no longer valid and the new halal label issued by the BPJPH applies nationally as of March 1, 2022.

LPH is in charge of inspecting and/or testing the halalness of the product submitted for its halal certification. Meanwhile, MUI has the authority to determine the halalness of products through a halal fatwa trial. With the recognition of the halalness of a product through the inspection and/or testing by the LPH, as well as the halal fatwa trial issued by the MUI, the tested product must be halal following Islamic law, in accordance to the definition of halal products in UU Nomor 33 Tahun 2014. In Islamic law, halal itself means that the food is free from carrion, blood, pork, and animals that are strangled, beaten, fallen, gored, as well as those slaughtered without mentioning the name of Allah (Al-Qur'an Surah Al-Maidah: 3). Khamr or alcoholic beverages is also considered haram for Muslims, as it is stated that consuming khamr is a heinous act and is like doing the devil's work (Al-Qur'an Surah Al Maidah: 90). However, within the Muslim population, their knowledge regarding the halalness of a product varies. With this condition, several food and beverage sector companies often deceive consumers with products that have not yet been proven to be halal. Therefore, food and beverage sector companies in Indonesia must prioritize the needs of their consumers, where in this case most of the population in Indonesia are Muslims.

To meet the needs of Muslim consumers, restaurants or food and beverage outlets in Indonesia have to consider the application of halal food in their outlets, as what is now currently familiar to Indonesian society is Japanese cuisine. As of March 2021, in accordance to Chef's Wonderland (2021), TripAdvisor estimates that there are about 1,000 Japanese restaurants in Indonesia. However, often the ingredients of Japanese cuisine and how it's processed are not widely known by the public, whether it is safe for consumption or not for halal food consumers. Thus, the identification of the problem in this storytelling is Indonesian society's lack of information regarding halal food, especially in Japanese cuisine or restaurants in Indonesia. Moreover, there are a lot of Japanese restaurants that have misused the halal logo to identify their business as a safe place for halal food consumers, without any halal certification. This problem can lead to controversy in the food and beverage sector.

Relating to the issues mentioned above, the authors have conducted a survey with a total of 90 Muslim respondents. The survey shows that most of the respondents (71 respondents) highly prioritize restaurants' halalness when choosing restaurants, with further details below, with a value of 1 (one) being not very much and a value of 5 (five) not very much:

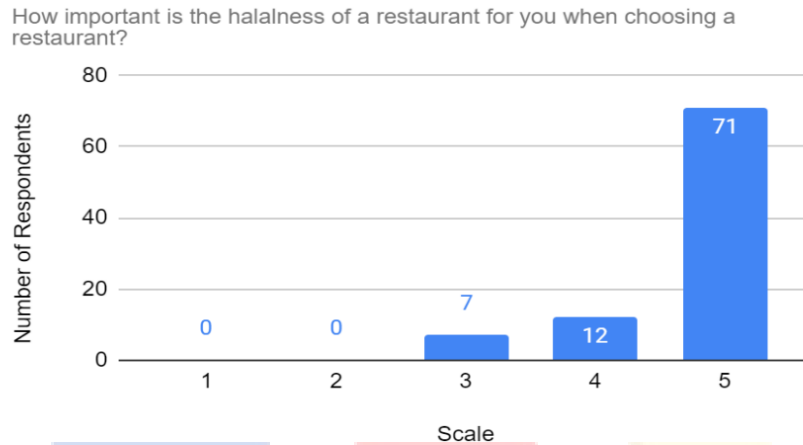


Figure 1.1 Respondents' Scale on Prioritizing Restaurant's Halalness

In the survey, the authors also found that the majority of the respondents rate their knowledge about halal food as a 4 (four), with a value of 1 (one) being not very broad and a value of 5 (five) being very broad, as seen on the table below:

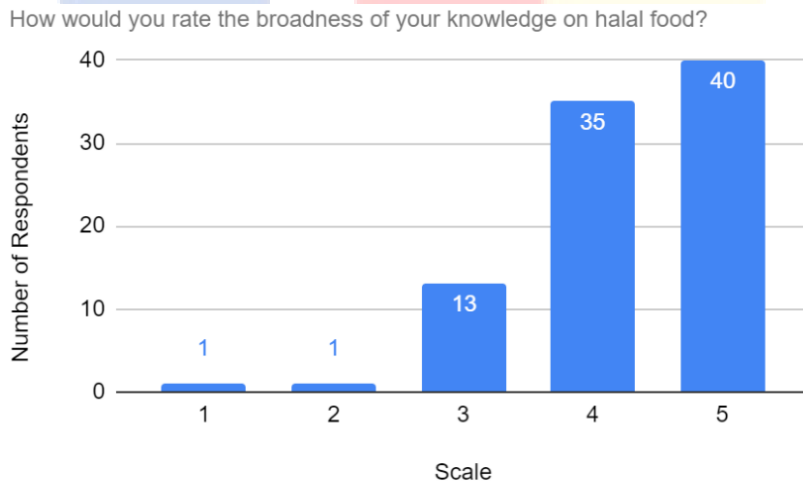


Figure 1.2 Broadness of Respondents' Halal Knowledge

Yet, 45 (38.1%) respondents still think that Shoyu (Japanese Soy Sauce) is one of the halal ingredients in Japanese cuisines. The survey also shows that 65 (72.2%) respondents have eaten at a Japanese restaurant, but 42 (46.7%) respondents do not

think that the Japanese restaurants they have dined at have a halal certification. Therefore, Japanese restaurants in Indonesia should be well educated and understand the value of having a halal certification, as the majority of Indonesians who are Muslims, mostly prioritize a restaurant's halalness. Hereby, the title chosen by the authors for this storytelling is **"The Value of Halal Certification for Japanese Restaurant Business in Indonesia."**

## **1.2 Problem Formulation**

Based on the introduction of the storytelling topic, the problem statements in this study are:

1. Why do Japanese restaurants in Indonesia need halal certification?
2. What is the value of having halal certification for Japanese restaurants in Indonesia?

## **1.3 Project Purpose**

Based on the introduction and the problem statement that have been listed, the objectives of preparing this storytelling are:

1. To discover the crucial aspect in the need of halal certification for Japanese restaurants in Indonesia.
2. To dive into the value of halal certification for Japanese restaurants in Indonesia.

## **1.4 Target Audience**

The target audience for composing this storytelling is:

1. Young entrepreneurs who own or are starting a halal Japanese restaurant in Indonesia.
2. Young Muslims who are halal food consumers, live in urban areas, and prefer eating outside.
3. Muslims who are Japanese food enthusiasts.