

Navigating Non-Tariff Barriers: Strategic Approaches to Indonesian Halal Product Exports in the Middle East

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Abstract

The global halal industry has emerged as a strategic sector in international trade, offering significant opportunities for Indonesia as the country with the largest Muslim population in the world. Despite its substantial production potential, the performance of Indonesian halal product exports to Middle Eastern markets remains constrained by various non-tariff barriers. This study aims to analyze the dynamics of non-tariff barriers and identify strategic approaches adopted to strengthen Indonesian halal product exports to the Middle East. A qualitative research design employing content analysis was used to examine data collected from policy documents, academic literature, industry reports, and media publications related to halal trade and export activities. The findings indicate that non-tariff barriers are primarily manifested through differences in halal certification standards, technical regulations, sanitary and phytosanitary requirements, and complex administrative procedures. These barriers increase compliance costs, prolong export processes, and reduce the competitiveness of Indonesian halal products in international markets. The study also reveals that Indonesian exporters, particularly Micro, Small, and Medium Enterprises (MSMEs), face significant challenges related to certification harmonization, regulatory understanding, and financial capacity. To address these challenges, the government and business actors have implemented several strategic initiatives, including halal diplomacy through Mutual Recognition Arrangements (MRA), strengthening domestic halal certification institutions, providing technical assistance and export training programs, and expanding international trade promotion activities. The study concludes that non-tariff barriers function not only as regulatory constraints but also as critical determinants of export competitiveness. Therefore, greater harmonization of halal standards, enhanced international cooperation, and continuous capacity development are essential for improving the position of Indonesian halal products in Middle Eastern markets.

Keyword : Halal Products; Non-Tariff Barriers; Export Strategy; Middle East Market; Halal Certification; Qualitative Content Analysis.

1. INTRODUCTION

The global halal industry has evolved into one of the most strategically significant pillars of the international economy, reflecting the growing importance of halal products in global trade and consumption patterns (Ahmad et al., 2024). Increasing public awareness regarding the importance of halal products that guarantee safety, quality, and health standards has contributed to the rapid expansion of the halal market worldwide. Recent developments indicate that halal products have become an integral component of international trade systems, supported by halal standards and guidelines formulated within the Codex Alimentarius framework (Arina Nihayati, 2025). Notably, the expansion of the halal industry is no longer limited to Muslim-majority countries, as several non-Muslim-majority nations have actively participated in developing and exporting halal-certified products to global markets.

As the country with the largest Muslim population in the world, Indonesia possesses substantial potential to become a leading player in the global halal market. This demographic advantage, combined with abundant natural resources and a growing halal manufacturing sector, provides Indonesia with a strong foundation for enhancing its competitiveness in international trade. Consequently, Indonesia is

expected to capitalize more effectively on these opportunities and transform its role from a major consumer of halal products into a globally competitive producer and exporter (Saputra et al., 2025). This opportunity is particularly relevant in the Middle East, a region characterized by high demand for halal products and strong purchasing power among consumers.

Despite these advantages, the performance of Indonesian halal product exports to Middle Eastern countries remains below its potential. Various factors contribute to this condition, including trade policies implemented by importing countries that may restrict market access for Indonesian products (Fauziyyah et al., 2024). Among these factors, non-tariff barriers have emerged as one of the most significant challenges faced by Indonesian exporters. Such barriers may take the form of differing halal certification standards, stringent technical regulations, sanitary and phytosanitary requirements, as well as complex administrative and customs procedures (Fatikha & Maret, 2025). These measures often increase compliance costs, prolong export processing times, and complicate market entry, thereby reducing the competitiveness of Indonesian halal products in international markets. Consequently, although Indonesia has demonstrated strong production capabilities in the halal sector, significant challenges remain in achieving broader international market penetration (Ninda Novita et al., 2024).

The existence of these challenges highlights an important research gap concerning the limited understanding of how non-tariff barriers are represented and discussed within public discourse, as well as the strategic responses developed by governments and business actors to address them. Previous studies have predominantly focused on regulatory aspects, halal certification systems, or export performance indicators, while relatively limited attention has been devoted to examining how non-tariff barriers are framed in public narratives and how these narratives influence export strategies for halal products. Addressing this gap is essential for generating a more comprehensive understanding of the interaction between trade regulations, market access constraints, and strategic export initiatives.

Therefore, this study aims to explore the dynamics of non-tariff barriers and the strategic approaches adopted to enhance Indonesian halal product exports to the Middle East through a qualitative content analysis approach. By examining relevant documents, media reports, policy discussions, and public discourse, this research seeks to provide both theoretical and practical insights into the challenges and opportunities associated with halal export development. The findings are expected to contribute to the academic literature on international trade and halal industry development while offering policy recommendations for government institutions, industry stakeholders, and exporters seeking to strengthen the global competitiveness of Indonesian halal products.

2. METHOD

This study employed a qualitative research design using a content analysis approach to examine the dynamics of non-tariff barriers and the strategic approaches related to Indonesian halal product exports to the Middle East. Qualitative content analysis was selected because it enables researchers to systematically identify, interpret, and analyze patterns, themes, and meanings embedded within textual data concerning trade policies, halal regulations, and export strategies.

The data used in this study were secondary data obtained from various credible sources, including scientific journal articles, government reports, policy documents, publications from international organizations, official regulations, news articles, and institutional reports related to halal trade and export activities. The collected documents focused on issues concerning non-tariff barriers, halal certification requirements, trade regulations, market access challenges, and strategic initiatives undertaken by both government institutions and business actors in promoting Indonesian halal products in Middle Eastern markets.

Data collection was conducted through a documentation technique. Relevant documents were identified and selected based on their relevance to the research objectives, publication credibility, and the availability of information related to halal exports and non-tariff trade measures. To ensure data

validity, source triangulation was applied by comparing information obtained from different types of documents and institutions.

The data analysis process followed the stages of qualitative content analysis proposed by Miles and Huberman, consisting of data collection, data reduction, data display, and conclusion drawing. In the data reduction stage, information related to non-tariff barriers and export strategies was selected, categorized, and coded into thematic groups. Subsequently, the categorized data were organized and presented systematically to facilitate interpretation. The final stage involved drawing conclusions by identifying dominant themes, relationships among categories, and emerging patterns regarding the challenges and strategic responses associated with Indonesian halal product exports to the Middle East.

To enhance the trustworthiness of the findings, this study employed credibility and dependability procedures through repeated document examination, cross-source verification, and systematic coding. The findings were then interpreted within the context of international trade and halal industry development to provide a comprehensive understanding of how non-tariff barriers influence export performance and how strategic approaches can strengthen the competitiveness of Indonesian halal products in Middle Eastern markets.

3. RESULT AND DISCUSSION

Representation of Non-Tariff Barriers in Media and Policy Literature

The findings indicate that media reports and policy literature consistently portray non-tariff barriers as one of the primary challenges affecting the performance of Indonesian halal product exports to Middle Eastern markets. Economic news coverage frequently highlights the existence of differing halal standards across Middle Eastern countries, requiring Indonesian exporters to comply with the certification requirements of local authorities such as the Saudi Food and Drug Authority (SFDA) and the Emirates Authority for Standardization and Metrology (ESMA). These differences create additional compliance obligations that increase the complexity of export activities.

From an academic perspective, non-tariff barriers are commonly classified as Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures. Compared with traditional tariff instruments, these measures are considered to have a more substantial influence on market access because they directly regulate product specifications, certification requirements, safety standards, and administrative procedures. Industry reports, including the Global Islamic Economy Report, emphasize that Middle Eastern countries continue to strengthen halal standardization as part of consumer protection efforts and quality assurance mechanisms (Qoni'ah, 2022). This trend is strongly reflected in media discourse, where Indonesian exporters are frequently depicted as actors that must navigate multiple layers of regulatory requirements before gaining access to target markets. Consequently, non-tariff barriers are not only perceived as regulatory instruments but also as determinants of international competitiveness within the halal industry.

Major Challenges Faced by Indonesian Exporters in Responding to Non-Tariff Barriers

The analysis identifies several key challenges encountered by Indonesian exporters, particularly Micro, Small, and Medium Enterprises (MSMEs), when entering Middle Eastern markets characterized by stringent non-tariff regulations.

First, the lack of harmonization among halal certification standards remains a significant obstacle. While Indonesia has established its national halal certification framework through BPJPH, countries within the Gulf Cooperation Council (GCC) often require compliance with their own accreditation systems, including those administered by SFDA and ESMA. As a result, Indonesian exporters frequently face the need for recertification or dual certification processes, leading to higher compliance costs and administrative burdens. This challenge is further exacerbated by the limited implementation

of Mutual Recognition Arrangements (MRA) between Indonesian halal authorities and their Middle Eastern counterparts (Ibrahim & Fauziah, 2023).

Second, complex administrative procedures create inefficiencies throughout the export process. Verification of technical documents, halal labels, health certificates, quarantine requirements, and supply chain traceability often requires lengthy processing periods. Even minor inconsistencies in documentation can result in shipment delays, additional inspections, or product rejection, generating substantial financial losses for exporters (Certification, 2023).

Third, many Indonesian MSMEs face limitations in understanding international regulatory requirements. Insufficient knowledge regarding Gulf Standard Organization (GSO) standards, Technical Barriers to Trade (TBT) provisions, labeling regulations, packaging requirements, and SPS measures reduces their ability to successfully meet import requirements. Consequently, capacity-building initiatives and technical assistance programs remain essential to improve exporters' regulatory readiness (Rahmawati et al., 2022).

Fourth, compliance costs associated with certification, auditing, laboratory testing, facility adaptation, and product labeling significantly increase production and distribution expenses. These additional costs are often difficult for MSMEs to absorb, leading to higher product prices and reduced competitiveness in comparison with exporters from countries possessing more efficient certification systems. As a result, Indonesian halal products may lose market share despite maintaining high product quality standards (Ninda Novita et al., 2024).

Strategic Approaches of Government and Business Actors in Addressing Non-Tariff Barriers

The findings further reveal that both government institutions and business actors have adopted several strategic approaches to mitigate the impact of non-tariff barriers and strengthen the competitiveness of Indonesian halal exports.

Halal Diplomacy and Mutual Recognition Arrangements (MRA)

One of the most prominent strategies involves halal diplomacy aimed at achieving mutual recognition of Indonesian halal certification systems. Through the Ministry of Trade and the Halal Product Assurance Organizing Agency (BPJPH), Indonesia has actively pursued negotiations with regulatory authorities in GCC countries to establish Mutual Recognition Arrangements (MRA) (Qoni'ah, 2022; Muchtar et al., 2024). Such agreements would reduce the need for repetitive certification processes, thereby lowering export costs and shortening market entry times. Simultaneously, Indonesia continues to strengthen domestic regulations, particularly through the implementation of the Halal Product Assurance Law, to align national standards with international expectations and enhance global acceptance of Indonesian halal products.

Strengthening Domestic Halal Certification Institutions

Another strategic initiative focuses on improving the effectiveness and credibility of domestic halal certification institutions. The government has accelerated halal certification programs for MSMEs through self-declaration schemes and integrated digital certification systems. Efforts have also been directed toward increasing the competence of halal auditors and supervisors, improving institutional capacity, and harmonizing the Indonesian Halal Product Assurance System (SJPH) with international standards such as those established by the Gulf Standard Organization (GSO). These initiatives aim to reduce technical discrepancies and increase confidence among international trading partners (Rahmawati et al., 2022).

Technical Assistance and Export Capacity Building

To address knowledge and capability gaps among exporters, government agencies and supporting institutions have implemented various technical assistance programs. These initiatives provide training on GSO regulations, SPS requirements, halal labeling standards, export documentation procedures, and customs clearance processes. Exporters are also introduced to internationally recognized quality assurance systems, including Hazard Analysis and Critical Control Points (HACCP) and Halal Assurance Systems, to improve long-term compliance capabilities (Qoni'ah, 2022). By strengthening regulatory literacy and operational readiness, these programs help reduce the risk of export disruptions and improve overall market access.

International Trade Promotion

Trade promotion has emerged as another important strategy for enhancing the visibility and reputation of Indonesian halal products. Government agencies facilitate participation in international exhibitions such as Gulfood and Saudi Food Expo, which serve as platforms for business networking, product promotion, and market education. In addition, digital marketing campaigns through global e-commerce platforms and social media channels have been increasingly utilized to reach broader consumer segments. These promotional efforts contribute not only to increasing product awareness but also to strengthening the image of "Halal Indonesia" as a symbol of quality, safety, and compliance with international standards (Pefriyadi, Ade Tiara Yulinda, Yenti Sumarni, 2024).

The Impact of Non-Tariff Barriers on the Competitiveness of Indonesian Halal Products

The findings demonstrate that the dynamics of non-tariff measures (NTMs) significantly influence the competitiveness of Indonesian halal products in international markets. Unlike tariff-based restrictions, NTMs regulate trade through technical standards, certification requirements, administrative procedures, and other regulatory mechanisms that directly affect market accessibility.

Lengthy and bureaucratic halal certification procedures often delay product entry into export markets, prompting importers to seek alternative suppliers from countries with more harmonized halal systems, such as Malaysia and Türkiye. Extended registration and verification processes reduce market responsiveness and limit exporters' flexibility in responding to consumer demand (Bachtiar, 2022).

Furthermore, the additional costs associated with compliance requirements weaken the price competitiveness of Indonesian products. Expenses related to certification audits, technical documentation, laboratory testing, and regulatory compliance reduce profit margins and increase final product prices. Consequently, Indonesian halal products may struggle to compete against products from countries with more efficient and internationally recognized certification frameworks (Fathoni et al., 2025).

Overall, the findings suggest that non-tariff barriers constitute a multidimensional challenge that affects not only regulatory compliance but also production costs, market access, and international competitiveness. Therefore, strengthening international cooperation, accelerating halal certification harmonization, and enhancing exporter capacity are essential strategies for improving the position of Indonesian halal products in Middle Eastern markets.

4. CONCLUSION

This study examined the dynamics of non-tariff barriers and the strategic approaches adopted to support Indonesian halal product exports to Middle Eastern markets through a qualitative content analysis of media reports, policy documents, and relevant literature. The findings reveal that non-tariff barriers have become one of the most influential factors affecting the competitiveness of Indonesian halal products in international trade. These barriers are primarily manifested through differences in halal certification standards, stringent technical regulations, sanitary and phytosanitary requirements, and complex administrative procedures imposed by importing countries in the Middle East.

The study further identifies several major challenges faced by Indonesian exporters, particularly Micro, Small, and Medium Enterprises (MSMEs). These challenges include the lack of harmonization among halal certification systems, limited understanding of international regulatory requirements, lengthy administrative processes, and high compliance costs associated with certification and quality assurance. Collectively, these obstacles reduce market accessibility, increase operational expenses, and weaken the competitive position of Indonesian halal products compared with those of competing exporting countries.

In response to these challenges, both government institutions and business actors have implemented various strategic approaches. These include strengthening halal diplomacy through Mutual Recognition Arrangements (MRA), enhancing the credibility and efficiency of domestic halal certification systems, providing technical assistance and export capacity-building programs, and expanding international trade promotion activities. Such strategies are intended to improve regulatory compliance, reduce trade barriers, and increase the global visibility of Indonesian halal products.

Overall, the study concludes that non-tariff barriers represent not only regulatory challenges but also strategic determinants of export competitiveness. Therefore, greater harmonization of halal standards, stronger international cooperation, and continuous capacity development for exporters are essential to enhancing Indonesia's position in the global halal market. Future efforts should focus on expanding bilateral and multilateral recognition agreements, improving institutional coordination, and supporting MSMEs in meeting international halal standards to ensure sustainable growth of Indonesian halal exports in Middle Eastern markets.

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