

Research Article

Indonesia's Halal Business Practices with Japan: Promoting Muslim-Friendly Initiatives

Siti Nur Azizah¹, Juhriyansyah Dalle^{2*}, Nurchasanah Satomi Ogata³, Sulaksono⁴, Eny Sulistyowati⁵, Arif Awangga⁶

Universitas Negeri Surabaya, Surabaya, Indonesia.

Email: sitinurazizah@unesa.ac.id

Universitas Lambung Mangkurat, Banjarmasin, Indonesia.

Email: j.dalle@ulm.ac.id

Kyushu International University, Japan.

Email: ohgata@cb.kiu.ac.jp

Universitas Negeri Surabaya, Surabaya, Indonesia.

Email: sulaksono@unesa.ac.id

Universitas Negeri Surabaya, Surabaya, Indonesia.

Email: enysulistyowati@unesa.ac.id

Iblam College of Law, Jakarta, Indonesia.

Email: arifawangga@iblam.ac.id

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Abstract: Japan has its own distinct culture and a welcoming environment for Muslim tourists, making it a popular destination for them to explore. In addition to the Meiji Restoration era, Islam also flourished in Japan. The significant increase in the Muslim population in Japan is closely linked to the influx of people from different countries, particularly those with a predominant Muslim population like Turkey, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan, and Kazakhstan. Japan welcomes Indonesian Muslim tourists and recognises the importance of fostering cooperation in business practices between Indonesia and Japan to cater to their needs. This is crucial considering that the Japanese government does not have an official religion. Efforts to obtain halal certification are crucial for the growth of Japanese halal tourism, ensuring that halal food and drinks are readily accessible. The formulation of this research problem is how to foster the development of halal business practices between Indonesia and Japan by creating an environment that is accommodating to the needs of Muslim consumers. What is the potential of halal tourism in Japan in attracting foreign Muslim tourists by catering to their specific needs and preferences? This research employs an empirical juridical research method, specifically utilising existing laws and regulations to analyse Indonesian Japanese business practices. The aim is to ensure legal certainty, justice, and benefits in the context of halal tourism in Japan. To foster halal business practices in the context of halal tourism activities between Japan and Indonesia, it is imperative to prioritise being accommodating to Muslim individuals. An initiative aimed at catering to the needs of Muslim consumers is the certification process for halal food and beverage products.

Keywords: Halal Business, Japan, Indonesia.

1. Introduction

1.1 Background

Over the past twenty years, the Islamic lifestyle market has experienced significant growth and has emerged as a crucial part of the global economy. This market focuses on providing sharia-compliant products and services, including halal food, Islamic tourism, and Islamic finance. Given the emergence of this new component in the global economy, numerous countries are vying to establish themselves in a sector recognised worldwide as the halal product and service industry. This is supported by the fact that numerous countries with Muslim minority populations have established a halal product and service industry. These countries have formed halal certificate-granting institutions that are affiliated with the

World Halal Council (WHC) federation. Some examples include Halal Food Safety UK in the UK, the Halal Standards Committee in Tatarstan, Russia, and the Institute of Halal Quality Control in Denmark [1].

The growth of the halal products and services sector in the global economy is driven by the increasing number of consumers, thanks to the significant demographic expansion of the world's Muslim population. Research data from the Pew Research Centre reveals that in 2015, the Muslim population accounted for approximately 24% of the world's population, making them a significant target market for the halal products and services industry. The number of Muslims reached a staggering 1.8 billion. The projected increase in this figure is expected to persist, given the anticipated 32% growth in the global population in the coming decades. It is estimated that the Muslim population will experience a substantial rise of 70%, reaching nearly 3 billion by 2060, up from 1.8 billion in 2015 [2].

Ensuring the suitability of food for Muslim communities is of utmost importance. With the influx of food from non-Muslim countries into Muslim nations since the 1970s, it has become crucial to establish dedicated institutions to handle the certification of halal products. Specialised institutions in countries like Malaysia, Singapore, and Indonesia now monitor the halal status of food imported from non-Muslim countries. Currently, halal certification exists in the food / medicine and financial industries, but halal certification will also be developed into other industries, such as cosmetics, tourism, and others.

Prior to the issuance of Law Number 33 of 2014 concerning Halal Product Guarantee (JPH Law), the Indonesian Ulema Council (MUI) had issued halal certificates based on an agreement between the Minister of Religion, the Minister of Health, and the Chairman of MUI. Since 1989 until now, MUI has issued halal certificates without forcing producers to obtain halal certificates, because it is *voluntary*. When MUI carries out the halal certification, they provide a written fatwa that confirms the halal status of a product.

According to Article 4 of the JPH Law, it is required for products entering, circulating, and being traded in Indonesia to have halal certification. Compulsory products include items such as food, beverages, drugs, cosmetics, chemicals, biological products, genetically modified products, and goods commonly used by the community. By ensuring the integrity of the products, business actors can enhance the value they offer in producing and selling halal products. Furthermore, the assurance of halal products also enhances their competitiveness in the global market, thereby making a valuable contribution to the economic growth and development of the State.

In addition to the Meiji Restoration era, Islam also flourished in Japan. The significant increase in the Muslim population in Japan is closely linked to the movement of people from different countries, particularly those with a majority Muslim population like Turkey, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan, and Kazakhstan. Furthermore, during the 1980s, a significant number of individuals from Muslim-majority countries like Iran, Indonesia, and Malaysia, as well as the Muslim countries, migrated to Japan for various reasons. This led to their gradual assimilation into Japanese society, with some even choosing to marry locals and establish their lives in Japan. However, despite the significant growth of Islam in Japan, it has not become the prevailing religion in the country.

Japan possesses a remarkable tourism potential that captivates travellers from all corners of the globe. Japan is known for its impressive combination of technological advancement and rich traditional culture. Tourists can buy advanced electronic products like cameras or computers at affordable prices. The efficient transport system that spans the entire region also facilitates seamless travel for tourists between different cities. Additionally, visitors can witness the distinctive architectural style and experience traditional cultural and artistic displays in historical cities like Tokyo.

This combination is further enhanced by its inherent aesthetic appeal. Japan boasts an impressive collection of 20 attractions that have been recognised and listed in UNESCO's world heritage. The attractions featured in the list offer a wide range of experiences, from the serene beauty of natural wonders to the cultural richness of the Tokyo Sensoji temple in Asakusa and Tayto City in Tokyo. Therefore, it is quite common for Japan to be a popular destination that draws tourists from around the globe.

According to data from 2016, Japan is home to around 120,000 Muslims from overseas and 10,000 Japanese Muslims. These individuals are primarily concentrated in three major metropolitan areas: Tokyo, Chukyo, and Kinki. The expansion of Islam in Japan is anticipated to persist, because of the increasing number of marriages between individuals of

different religious backgrounds in Japan. Furthermore, numerous Japanese students are pursuing their education at universities in Arab countries. Japanese students at universities have created a formal discussion community to explore religious topics. This community is undeniably valuable, given the scarcity of Muslim communities in Japan and the limited knowledge that Japanese people have about Islam. There is also a community of Muslims in Japan, ensuring the continued solidarity among Muslims in the country.

To enhance its tourism industry, particularly in relation to food and beverage offerings for foreign tourists, especially those from Muslim countries, the Japanese government is working closely with Muslim non-governmental organisations. These organisations include the Japan Muslim Association (JMA) and the Japan Halal Certification Promotion Organisation (JHCPO). Together, they provide In Japan, there is an estimated population of 230,000 Muslims.

In Tokyo, there are approximately 3,000 Muslims residing in different areas of the city. During the research conducted in Tokyo, it was discovered that there are two organisations dedicated to managing and overseeing halal labelling and certificates for the Muslim community. These organisations are the Japan Moeslim Association (JMA) and the Japan Halal Certification Promotion Organisation (JHCPO).

In regard to halal certification, experts in Islamic religious practices who have knowledge in the relevant fields will be assigned as auditors. The auditors have acquired qualifications from HDC (JAKIM Halal Industry Development Company), a Malaysian educational organisation. JHCPO also received recognition from the Indonesian Ulema Council (MUI) in 2014. JHCPO has taken part in various events and exhibitions, including Tourism Expo Japan 2015,

Japan Halal Expo 2015, Sial Middle East 2016 at Abu Dhabi National Exhibition Centre, Muslim Inbound Expo 2017 at Osaka Sakai Citi Industrial Promotion Centre, Foodex Japan 2018 Exhibit, and the Tokyo Olympics 2020. By 2023, JHCPO will have implemented a system for issuing halal certificates and labelling. Alongside JHCPO, JMA, established in 1952, stands as the largest Islamic organisation in Japan. Efforts are being made to promote a proper understanding of Islam in a way that fosters a harmonious relationship with Japanese society.

The organisation engages in a range of activities, such as helping during natural disasters, offering mutual aid and support both domestically and internationally, publishing various materials, including religious texts, organising lectures and study groups, and facilitating the experience of Islamic life through a programme called "Islamic Camp." The organization takes care of halal certification issues for food and beverages, accommodation facilities, restaurants, and cosmetics. JMA has become a bridge to deepen the relationship between Japan and Islamic countries. The staff working at JMA are foreigners who have lived in Japan for a long time. In addition, JMA also has language support to do business with foreign companies.

Nevertheless, the involvement of JMA and JHCPO in halal certification initiatives is independent of the Japanese government. This implies that the Japanese Islamic non-governmental organisations are striving to implement halal certification for food and beverage products in Japan, with the aim of catering to Muslim tourists and being recognised as Muslim friendly. Muslim friendly refers to an environment that is welcoming and accommodating to individuals of the Muslim faith. Welcoming here, in the sense that Muslims who wish to visit a city or country that is known for being accommodating to their needs will find convenience when travelling there.

For instance, due to the presence of Islamic settlements or numerous establishments offering halal food, tourists visiting the city or country will find it convenient to locate prayer

facilities and halal dining options. The Muslim-friendly environment in Japan has a significant impact on the economic aspects of halal products in Indonesia's halal business practices. It also plays a crucial role in attracting the growth of the halal industry in Japan, which proves to be highly beneficial for Indonesian Muslim tourists during their visits to Japan.

1.2 Problem Formulation

Based on the description above, the problem formulation is as follows:

1. How to develop Indonesia's halal business practices with Japan through *Muslim friendly*?
2. What is the potential of halal tourism in Japan in attracting foreign Muslim tourists in Japan through *Muslim friendly*?

2. Literature Review

2.1 Halal Certification

In the trading system, obtaining halal certification is of utmost importance. It serves as a valuable marketing strategy to effectively navigate the challenges of the free market system. In addition, the halal lifestyle is gaining popularity worldwide, not only in countries where Muslims make up the majority, but also in countries with a non-Muslim majority.

There are numerous advantages to obtaining halal certification for businesses. (1) It helps to instill trust and confidence in consumers regarding the product. (2), it opens opportunities to tap into the global halal food market: (3) Halal certification serves as a dependable guarantee to back up claims of halal food. (4) It enhances the marketability of the product in the industry. In Lewoleba, Kayus Kayowuan highlights the advantages of obtaining halal certificates for business operators:

(1) These include demonstrating a sense of responsibility towards Muslim consumers, (2) enhancing consumer trust and satisfaction, (3) bolstering the company's reputation and competitiveness, and (4) serving to expand the marketing reach. (5) enhance competitiveness and boost sales (2018: 335). The benefits of halal certification and labelling from the perspective of business actors are as follows:

(1) Offer a competitive edge for business players and serve as a powerful marketing tool; (2) Demonstrate that products not only fulfil halal requirements but also adhere to rigorous hygiene protocols [3]. In addition, the importance of halal certificates for business actors can be seen from two perspectives. (1), it reflects the moral responsibility of business actors towards consumers. (2), it serves as a valuable marketing tool to enhance consumer confidence.

a. Implementation of Halal Certification in Japan

The Japanese government supports the halal certification process due to the promising potential of the global halal market. The market value is incredibly high, reaching trillions of dollars. The rise in popularity of the halal lifestyle can be attributed to the growing Muslim population [4].

Currently, in *Japan*, there are approximately ten halal guarantor institutions, namely (1) *Japan Muslim Association (JMA)*, (2) *Japan Halal Association (JHA)*, (3) *Nippon Asia Halal Association (NAHA)*, (4) *Muslim Professional Japan Association (MPJA)*, (5) *Japan Halal Unit Association (JHUA)*, (6) *Japan Islamic Trust (JIT)*, (7) *Islamic Center Japan (IC)*, (8) *Kyoto Halal Council (KHC)*, and (9) *Islamic Center Japan (IC)* (10) *Japan Halal Certification Promotion Organization (JHCPO)*. *Japan Muslim Association (JMA)* has been certified

by the Indonesian Ulema Council (MUI).

In Japan, establishing the halal ecosystem poses a unique challenge, despite the considerable progress made in the halal industry. Despite having a relatively small Muslim population, Japan is actively pursuing the development of the halal industry. This is driven by the recognition that the halal economic industry has the potential to stimulate economic growth on a global scale. One of the reasons is the assurance of safety, hygiene, and quality throughout the entire production process.

b. Halal Restaurants and Minimarkets in Tokyo, Japan

At present, Japan has a limited number of halal food manufacturers and restaurants. Several halal restaurants in Japan choose to serve alcohol, as it is challenging for establishments in this country to thrive without offering it. There are certain restaurants that identify themselves as "halal" or "Muslim-friendly" and provide halal menus alongside their regular menus. However, it's important to note that their dishes are likely prepared in the same kitchen as non-halal dishes. Visitors should exercise caution when dining at certain establishments, as their adherence to halal practices may vary. Nevertheless, certain organisations like JMA and JHCPO are making significant efforts to ensure the safety of Muslim travellers, particularly those from Indonesia, during their journeys in Japan.

Restaurants that cater to halal or Muslim-friendly dietary needs can be found in select cities and hotels, including Tokyo. However, it's important to keep in mind that certain establishments may require reservations of a few days to ensure the preparation of halal food. There are a variety of non-Japanese restaurants that serve a range of cuisines from Bangladesh, Egypt, India, Indonesia, Iran, Malaysia, Morocco, Pakistan, and Turkey. Additionally, some vegetarian restaurants may also offer halal food options.

Outside of major cities, it can be quite challenging to find halal or Muslim-friendly restaurants. For those who enjoy cooking their own meals, certain supermarkets in major cities provide halal products. However, it is worth noting that these products are typically frozen meats rather than pre-cooked meals. There are several restaurants available, such as Halal Wagyu Yakiniku Panga, Indonesian Restaurant Chilli Meguro, and Ayam-Ya Shin-Okachimachi. It is not common to find halal products in most supermarkets in Japan.

In Shinjuku Town, there is a convenience store called Toko Indonesia Okubo. This store is in Shinjuku City, Hyakunincho, Tokyo and offers a variety of halal groceries. It is a convenient option for those looking for Indonesian products in Japan. It's important to be cautious when consuming fast or ready-to-eat cuisine, as some products may include ingredients that may not align with Islamic dietary restrictions. Traditional Japanese cuisine often incorporates rice wine (mirin) into dishes like Sushi. Ramen and various meat dishes often include non-halal meat, a variety of additives and preservatives, rice wine (mirin and/or sake), and animal fat.

Furthermore, vegetable dishes like pickles, soups, breads, snacks, and certain desserts might be considered questionable due to the presence of alcohol, gelatin, animal fat-based margarine, or other ingredients that are not permissible. It can be challenging to fully appreciate the flavours of Japanese cuisine without a thorough understanding of the ingredients and cooking techniques used. In Japan, there has been a recent surge in the popularity of halal food products. Even tourism agencies in various regions, from Hokkaido to Okinawa, develop customised brochures to cater to the needs of Muslim travellers. Similarly, there will be a rise in the number of Muslim tourists visiting Japan. The Japanese government currently allows visa-free entry for several countries, including Muslim-majority countries like Indonesia and Malaysia, among others.

3. Research Objectives and Benefits

3.1 Destination

- a. To find out and examine Indonesia's halal business practices with Japan through *Muslim friendly*.
- b. To find out and examine the potential of halal tourism in Japan in attracting foreign Muslim tourists in Japan through *Muslim friendly*.

3.2 Benefits

- a. Theoretical Benefits
- b. Explore, create, and enhance business practices that cater to the needs of the Muslim community in Indonesia and Japan. These practices aim to boost the growth of halal tourism in both countries by ensuring legal compliance through the issuance of halal certificates and the establishment of Muslim-friendly environment.
- c. Suggest to the governments of Indonesia and Japan the establishment of halal business in the field of halal tourism, which can serve as the foundation for fostering trade and tourism relations between Indonesia and Japan, with a focus on catering to the needs of Muslim travellers.
- d. Practical Benefits
 - 1) Beneficial for the Ministry of Religious Affairs and the Ministry of Tourism of Indonesia in developing regulations on halal standardisation in the context of trade, industry, and tourism between Indonesia and Japan. It also offers suggestions to the Japanese Ministry of Health and Tourism on how to support halal certification bodies like JMA and JHCPO to be more accommodating to Muslim needs.
 - 2) Developing Muslim-friendly areas in Japan is beneficial for the halal market, halal shopping, halal culinary, halal tourism, and halal recreation places. Indonesian travel agents who collaborate with Japanese tourism can also enhance their halal trade and industry through this initiative.

4. Research Method

In this research, the methods used are as follows:

4.1 Form of Research

This study utilises the empirical juridical research method, which involves the application of existing laws and regulations to ensure legal certainty, justice, and usefulness. The specific laws and regulations used in this research are Law Number 33 of 2014 concerning Halal Product Guarantee and Regulation of the Minister of Trade of the Republic of Indonesia Number 20 of 2023 concerning Provisions on the Origin of Indonesian Goods and Provisions on the Issuance of Certificates of Origin for Indonesian Origin Goods Based on the Agreement Between the Republic of Indonesia And Japan For An Economic Partnership.

4.2 Data Type

The data utilised include primary and secondary sources. The data collected for this study includes primary data obtained directly from sources such as halal certification agencies in Japan, such as JMA and JHCPO. Additionally, secondary data was gathered by conducting a legal audit of halal law in Japan, which was carried out at the Surabaya State University Library.

4.3 Types of Legal Materials

a. Primary Legal Materials

Primary legal material refers to the essential legal sources that form the basis of the halal business industry, such as laws and regulations.

b. Secondary Legal Materials

Secondary legal materials encompass a wide range of resources that offer insights into primary legal sources. These materials can take the form of books, newspapers/magazines, and scholarly papers that delve into the realm of halal business and the halal industry in Japan and Indonesia.

4.4 Data Collection

The data collection methods are literature study and interviews:

a. Library Research

In this academic study, the focus was on analysing and examining halal business books at Surabaya State University through a comprehensive literature review.

b. Interview

Interviews were conducted by gathering data directly from informants. These individuals included the manager of JMA, Endo-San, the manager of JHCPO, Abdul Qudir Kato in Tokyo, Japan, Fariz, an entrepreneur from Hajiochi Mosque, Tokyo, Japan, and Fuji-San, a staff member from PT OS Selanjaya, an outsourcing company in Tokyo, Japan.

4.5 Data Analysis Method

To address the issues raised in this study, a qualitative data analysis method is employed. This approach is suitable as the data collected is qualitative in nature, eliminating the need for statistical data. The process of data analysis involves presenting, reducing, and verifying data in a continuous and interconnected manner until a conclusion is reached.

5. Research Results and Discussion

5.1 Development of Halal Tourism through Indonesia-Japan Halal Business Practices in a Muslim Friendly Way

The development of Japanese halal tourism and the potential of Indonesian travel agencies to travel in Japan started with the implementation of halal certification, which has significant implications for the Indonesia-Japan halal business. The tourism activities of Indonesian Muslim tourists to Japan present a fascinating opportunity, given Indonesia's status as the country with the largest Muslim population globally. This situation highlights the immense potential that Indonesia possesses in the halal product development industry, both in Japan and globally. Due to the significant Muslim population in Japan, there is a great potential for travel opportunities. This has the potential to boost the economic growth of both Japan and Indonesia.

Indonesia, being a Muslim-majority country, has the potential to establish itself as a leading global hub for halal

economy, with a vast network spanning beyond its borders. According to a publication by the Indonesian Central Bureau of Statistics, the population of Indonesia in 2010 was 237.6 million people. Out of this, the Muslim population accounted for 207,176,162 people, which is approximately 87.18% of the total population. In 2017, the population of Indonesia stood at 261.9 million individuals. In 2019, the number of people reached a total of 269.6 million. This figure demonstrates a significant increase in comparison to 2010 [5]. During a span of 7 years, the Indonesian Muslim population experienced an average growth rate of 1.27%-1.46% per year from 2010 to 2017. The exponential increase in the Muslim population directly impacts the rising demand for halal products. This is evident from the increasing demand for halal products. The government issued Law Number 33 of 2014 concerning Halal Product Guarantee to ensure that consumers have access to products that align with Islamic law. This law is particularly important due to the significant number of Islam followers in the country. It aims to protect the interests of consumers by ensuring that products meet the requirements of Islamic law, including ingredients, manufacturing processes, and packaging.

Indonesian halal products have a significant opportunity to compete with products from other countries. Regarding Indonesia's trade and tourism relations with Japan, there is a specific regulation, namely Regulation of the Minister of Trade of the Republic of Indonesia Number 20 of 2023. This regulation focuses on the origin of Indonesian goods and the issuance of certificates of origin for goods of Indonesian origin, based on the *Agreement between Indonesia and Japan for an economic partnership*. However, it is worth noting that this regulation does not currently address the requirement for halal certification of Japanese food products, which is important for Indonesian Muslim tourists. Business actors, whether they are Indonesian producers or exporters, who have obtained halal certificates, will find it easier to gain acceptance from consumers of halal products in other countries simply by displaying the halal label on their products. For instance, if a consumer in another country who follows halal dietary restrictions is looking to purchase canned food and is faced with two similar options, they are more likely to choose products that are labelled as halal. This is because they feel assured that the products, they are consuming are genuinely halal and of high quality. When it comes to animal meat, the process of slaughter involves cutting the neck of the animal to obtain the desired meat. Islamic slaughter refers to the practice of slaughtering animals in accordance with Islamic law. The meat produced from Islamic slaughter is known for its rich flavour, tenderness, and high standards of safety and hygiene. This is what piques the interest of consumers from diverse backgrounds in products that offer halal guarantees. Several restaurants in Tokyo, like Halal Wagyu Yakiniku Panga in Taito City, Japan, have obtained halal certification. These establishments proudly display halal labels issued by the Japan Halal Foundation (JHP).

As per Endo-San, the Chairman of JMA, JMA has successfully obtained halal certification through collaborations with JAKIM, BPJPH, Otsuka Mosque, and Hachioji Mosque. In practice, JMA is continuously improving and refining certification mechanisms or procedures for food and beverage products. The process is situated in Asakusa and Chiba, and while there may be variations in halal certification procedures among Islamic countries, JMA does not encounter any issues with this. Every organisation undoubtedly holds distinct perspectives. For instance, community organisations with a focus on Indonesia may differ from those in Sri Lanka, Bangladesh, and Pakistan. In addition, Endo-San points out that JMA has faced challenges in the halal certification process

due to its complexity in halal inspection. The costs associated with using a halal inspection laboratory (LPH) are also quite high. Moreover, many business actors in Japan lack an understanding of the significance of halal certification for Muslim tourists. Meanwhile, JMA is an organisation that operates with a social focus, prioritising the well-being of others. In the future, it is crucial to establish a stronger collaboration between JMA and the Government of Indonesia. Indeed, halal certification is highly accommodating to the Muslim community [6].

There is a growing interest from international communities in the Halal Product Guarantee (JPH) in Indonesia. This is characterised by the numerous requests for hearings and invitations for collaboration from different countries directed towards the Ministry of Religion's Halal Product Guarantee Agency (BPJPH). Recently, BPJPH had a meeting with several halal institutions from Japan. The Japanese delegation, headed by Prof. Satomi Ohgata, was accompanied by several halal institutions, including the Japan Islamic Trust (JIT), Japan Halal Services (JHS), and the NPO Japan Halal Association. They investigated the potential for collaboration with BPJPH. The Deputy Head of BPJPH, Mastuki, expressed his gratitude for the virtual audience and the introduction of cooperation. "We express our highest appreciation for the initiation of hearings and cooperation submitted by halal institutions in Japan to us. And we are open to carrying out cooperation with anyone if it is carried out in accordance with regulatory provisions," said Mastuki through the virtual meeting channel, Tuesday (4/5/2021). International collaboration in the area of halal product assurance is a significant focus for BPJPH, according to Mastuki. International cooperation in the academic field has also become a necessity. Given its close ties to economic and trade cooperation between countries, JPH is an academic field that cannot be overlooked. The World Trade Organisation, or WTO, has recognised the inclusion of halal as a necessary provision in the export-import activities of products between countries. According to the data from BPJPH, Mastuki mentioned that there are currently no official JPH collaborations with Japanese halal institutions. "Nevertheless, six Japanese halal institutions have already submitted applications for cooperation to BPJPH." In the past, two institutions have worked together with MUI. The current cooperation has also ended in 2019 and 2020," explained Mastuki.

In addition, the previous spokesperson for the Ministry of Religious Affairs highlighted several significant matters concerning the advancement of JPH regulations. Additionally, the procedures for JPH international cooperation in accordance with Government Regulation No.39/2021 concerning the Implementation of the JPH Field will be explained. "As per the regulations stated in Government Regulation Number 39/2021 Article 119 Paragraph (2), international collaboration in the field of JPH can encompass JPH development, conformity assessment, and/or recognition of halal certificates". Mastuki explained that the next provision in Article 122 involves international cooperation through the mutual recognition of halal certificates. This cooperation is carried out with the Foreign Halal Institute (LHLN), which has the authority to issue these certificates.

Certificates issued by international halal institutions can be recognised as valid halal certificates under mutual acceptance agreements for halal certificates that are applied reciprocally. The mutual acceptance agreement is implemented by BPJPH with LHLN in the local country. In this scenario, LHLN is established by either the government or Islamic religious institutions that are acknowledged by the local country. The LHLN has received accreditation from a reputable agency in the local country, which is highly regarded in a regional or international accreditation cooperation organisation. "Accreditation agencies in local

countries are institutions that have cooperated in developing mutual recognition schemes and mutual acceptance of conformity assessment results. LHLN accreditation by accreditation agencies in local countries must be carried out in accordance with Indonesian halal standards set by BPJPH." Mastuki explained.

In addition, Mastuki, who also holds the position of Head of the Halal Registration and Certification Centre, provided an explanation regarding the 10 criteria that LHLN must fulfil to establish a collaboration with BPJPH. "These criterias include LHLN fulfilling the existence of an Organizational Structure, List of Sharia Councils, List of Halal Auditors & their biographies, Scope of Halal Product Inspection Based on Competence and Halal Conformity Accreditation Assessment, Evidence of Local State Recognition of the existence of a Halal Institution," he explained. In addition, it is important for LHLN to demonstrate local State recognition as an Islamic Religious Institution, experience in cooperating with various countries and institutions in the field of Halal certification, possession of valid Halal Certificates, accreditation from the National Standards Agency (ISO 17065 and Sharia Provisions), and the presence of a Cooperation Laboratory that is accredited by ISO 17025 and equipped with PCR equipment for DNA identification and Gas Chromatography (GC). "And one other thing that is very important to know is that this LHLN cooperation with BPJPH must be covered by a G-to-G cooperation or cooperation agreement between the two countries," added Mastuki. When it comes to the requirement for halal supervisors in Japan, Mastuki assured that if the supervisors meet the criteria set by BPJPH, their needs can be fulfilled. "The halal supervisor as a person designated by the business actor as the person responsible for the halal product process must meet the requirements, namely being Muslim and having broad insight and understanding of the law regarding halal," he added. The certification for halal supervisor competency is conducted by BPJPH and can collaborate with institutions that possess the expertise to ensure the excellence of professional competence.

In addition, Abdul Qudir Kato, the representative director of JHCPO, highlights that the halal certification process involves collaboration with the Indonesian Ulema Council (MUI) and JAKIM (Malaysia). This ensures that the halal certification standards are aligned with the recommendations of MUI and JAKIM. JHCPO has partnered with MUI since 2014, with the goal of providing halal certificates to meet the needs of Indonesian tourists visiting Japan in 2014. JHCPO collaborated with MUI during the 2014 Halal Summit in Jakarta. Nevertheless, ever since the Halal Product Guarantee Agency (BPJPH) was established, there has been no collaboration between JHCPO and BPJPH. As a result, the responsibility for providing halal certificates and labels remains solely with BPJPH, while JHCPO serves as a facilitator [7].

In Government Regulation of the Republic of Indonesia Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Field Article 119 states that :

- (1) The government may conduct international cooperation in the field of JPH.
- (2) International cooperation as referred to in paragraph (1) can take the form of: a. JPH development; b. Conformity Assessment; and/or c. recognition of Halal Certificate.
- (3) International cooperation as referred to in paragraph (1) is carried out by BPJPH to implement the results of coordination and consultation between the Minister and the minister who organizes government affairs in the field of foreign affairs.
- (4) International cooperation as referred to in paragraph (1) is based on agreements between countries.
- (5) International cooperation as referred to in paragraph (1) must be implemented in accordance with Indonesia's

foreign policy, the provisions of national laws and regulations, and international laws and customs.

Japan, through its government, does not regulate halal business practices in its country, as Japan does not prioritise religious regulations. The Japanese government actively promotes and facilitates the establishment of halal business practices to cater to the needs of Muslim tourists, including those from Indonesia. Thus, the Japanese government provides support to JMA and JHCPO in their efforts to cater to the needs of the Muslim friendly tourism industry.

The halal certification policy has significant economic advantages and is a highly strategic move to maximise the potential of the captive market. The inclusion of halal certification requirements for businesses, even when they are unaware of it, has had a positive effect on Japan's economic growth. From a broader perspective, the concept of halal products continues to gain popularity in numerous countries worldwide. In addition, considering the growing Muslim population in Japan and the influx of Indonesian Muslim tourists, who come from a country where Muslims make up 87% of the total population, the opportunities are immense. The growth of Japan's tourism industry should prioritise catering to the needs of Muslim travellers.

The development of the halal concept for Japanese business actors promotes the implementation of various policies and emphasises the importance of halal as a business requirement. From an economic perspective, halal products have a significant impact on various aspects of business, including the Indonesian travel agency industry and exports. The influence of Halal on the growth and development of the Indonesia-Japan business can be seen in the following ways:

5.2 Halal certificates issued by non-profit organizations such as JMA and JHCPO can increase the competitiveness of Muslim-friendly businesses in Japan.

Halal-certified products offer additional benefits, not just in terms of health, but also in the economic sector. Halal certificates are valuable assets that not only enhance competitiveness but also serve as effective marketing tools. Additionally, halal certified products offer significant economic benefits. The Halal certificate plays a crucial role in expanding market reach and enhancing the competitive edge of Japanese businesses in catering to Muslim tourists. To cater to the needs of the Muslim tourism market, several Japanese governments provide support to institutions that offer halal certification.

5.3 The Japanese Government's Efforts to Encourage Halal Business Practices in Indonesia-Japan Halal Tourism through Muslim Friendly

Manufacturers of halal products will likely focus on catering to the Muslim community as their primary consumer base. The Asia Pacific region has a significant Muslim population, making it a promising market. Additionally, the markets in North Africa and the Middle East are also highly profitable. At present, the United States and the European Union play a crucial role in meeting the food requirements of countries in the Arabian Peninsula and the Gulf region.

The halal food industry is experiencing significant growth in countries with smaller Muslim populations, including Australia, the United States, and various European and East Asian countries like Japan and South Korea. Non-Muslims are increasingly drawn to halal-labeled meat due to its exceptional quality. This meat is renowned for its rich taste, tenderness, and reputation for being safer and more hygienic. The UK is also constructing a Super Halal Industrial Park (SHIP) in the South Wales region, which is set to

become the hub for halal products in Europe.

To ensure the safety and protection of Indonesian Muslim tourists visiting Japan, it is crucial to establish international cooperation between the Indonesian government, specifically BPJPH, and Muslim community organisations like JMA and JHCPO. This collaboration will enable Indonesian travel agents to work closely with JMA and JHCPO to implement halal business practices in Japan. By doing so, Muslim tourists will have the assurance of legal certainty and enjoy a secure and protected experience when consuming food and beverages in Japan.

In Japan, there are different types of halal certification bodies, including non-profit organisations, religious corporations, and other forms of organisations. The halal food certification in Japan was initially established in 1986 and was managed by the Japan Muslim Association (JMA). However, the focus of the JMA at that time was not on halal certification for business purposes. As a religious corporation, our primary focus was on voluntarily assisting the community. Currently, there are over ten halal certification agencies in Japan, including the JMA and JHCPO. Some Japanese food and cosmetics manufacturers are also expanding their market to Southeast Asian countries. In order to meet the requirements for export, manufacturers in Japan are actively pursuing halal certification to ensure their products are labelled accordingly. This highlights the importance of halal certification for Japan to successfully enter the Southeast Asian market and cater to the global Muslim market.

Japan is highly motivated to implement halal certification due to the promising prospects of the global halal market. The market value is in the trillions of dollars. The growing Muslim population has contributed to the rise of the halal lifestyle trend (2021: 41).

Currently, in Japan, there are nine halal guarantor institutions, namely (1) Japan Muslim Association (JMA), (2) Japan Halal Association (JHA), (3) Nippon Asia Halal Association (NAHA), (4) Muslim Professional Japan Association (MPJA), (5) Japan Halal Unit Association (JHUA), (6) Japan Islamic Trust (JIT), (7) Islamic Center Japan (IJC), (8) Kyoto Halal Council (KHC), and (9) Islamic Center Japan (IJC). Japan Muslim Association (JMA) and Muslim Professional Japan Association (MPJA) have been certified by the Indonesian Ulema Council (MUI). In Japan, the establishment of the halal ecosystem poses its own set of challenges, despite the considerable progress made in the halal industry. (2023:119)

Despite having a relatively small Muslim population, Japan is actively pursuing the development of the halal industry. This is driven by the recognition that the halal economic industry has the potential to stimulate global economic growth. One of the reasons is the assurance of safety, hygiene, and quality throughout the entire production process (2023 :191).

5.4 The Potential of Halal Tourism in Japan in Attracting Foreign Muslim Travelers in Japan through Muslim Friendly

The potential of halal tourism in Japan has a significant impact on the economic development of Indonesia. This reflects the growing Muslim population in Japan. The emergence of the halal industry in Japan can be traced back to the 1980s, a period marked by economic prosperity. Despite being a country with a Muslim minority, Japan has witnessed a steady increase in its Muslim population. This situation arises due to the increasing number of foreign tourists from Muslim countries who are interested in working in Japan. As a result, the Muslim community is expanding and establishing itself in various regions across Japan. Muslim immigrants are also interested in pursuing education in Japan, not just seeking employment opportunities. In fact, many Muslims in Japan are international students from universities across Japan [8]. According to data from 2016, Japan is home to approximately 10,000 Muslims and 120,000 Muslim migrants. Most Muslims in Japan tend to reside in major metropolitan areas like Tokyo, Chukyo, and Kinki. The increasing concern among Muslim

consumers regarding the halalness of products and the availability of Muslim-friendly places has led to a growing demand for halal food and facilities, the Muslim community and the Japanese government at that time were solely focused on exploring the halal industry within the context of Muslim immigrants. Then in the 2000s, there was a significant surge in foreign visitors to Japan, prompting the Japanese government to take proactive measures to boost its economy by focusing on the development of the halal industry.

The potential of the halal industry is evident from two sectors. First, let's discuss the halal tourism sector and halal trade. Numajiri highlights the significant factors contributing to the flourishing halal industry in Japan, particularly in the realm of halal tourism: inbound and outbound. In the context being discussed, inbound refers to tourists coming from Muslim countries, while outbound refers to Japan's export efforts to Islamic countries [9]. A significant portion of tourists visiting Japan are Muslim. As per the Japan National Tourism Organisation (JNTO), there has been a noticeable rise in the number of Muslim tourists visiting Japan. Most of these tourists come from Malaysia and Indonesia, countries with a significant Muslim population [4]. In 2014, the number of tourists from Indonesia was 158,688, while the number of tourists from Malaysia was 249,534 [10]. The number of tourists continued to increase until 2019. Specifically, Indonesia had 316,363 tourists and Malaysia had 358 tourists 355. Therefore, recognising this reality, the presence of halal facilities holds immense promise for the growth of the Japanese halal industry.

Next on the agenda, Japan's halal food sector. The popularity of halal food in Japan has experienced a significant surge. This can be attributed to the rising number of Muslim tourists each year, particularly from Indonesia and Malaysia. Additionally, the upcoming 2020 Olympics in Japan is expected to attract a significant number of Muslim athletes and tourists. Halal food is sought after not only by tourists, but also by the Japanese Muslim population, who are avid consumers of such food. Halal food produced in Japan has a profound impact on both producers and consumers, including non-Muslim communities in Japan. It is important to ensure that the interest in halal food in Japan extends beyond just the Muslim population to include the non-Muslim population as well. When it comes to the safety and hygiene of halal food, it is widely acknowledged by both Muslim and non-Muslim individuals that halal food provides a higher level of assurance. This is because producers and sellers of halal products are required to obtain halal certification, allowing them to thoroughly examine all ingredients and the manufacturing process of halal products. This process instills a sense of trust and confidence in Muslim and non-Muslim consumers in Japan, as it assures them that the ingredients and processes used in halal products are of high safety and hygiene standards [11]. Due to this, there has been a significant increase in the number of halal certification bodies in Japan over the past five years.

Fariz mentioned that there are approximately 30 halal certification institutions in Japan. When considering institutions from other countries as well, the total number exceeds 300. Familiar domestic institutions include [12]:

- NAHA (Nihon Asia Halal Association).
 - JMA (Japan Muslim Association).
 - JHA (Japan Halal Association).
 - ICJ (Islamic Center of Japan) located at 125ty-3+/-JIT/ Otsuka Masjid, Tokyo、日本イスラム文化センター/マスジド大塚.
 - Otsuka Mosque, Tokyo.
 - MPJA (Muslim Professional Japan Association); and
 - Japan Halal Certification Promotion Organization (JHCPO).
- On average, they refer to fatwas issued by JAKIM (Malaysia), MUI (Indonesia) and MUIS (Singapore). Furthermore, Fariz explained halal certification and its obstacles:
- From the point of view of halal certification institutions/agencies.

- Lack of transparency by food and beverage manufacturers in Japan regarding product composition.
- Differences/hilafiyah regarding the law of halal products.
- From manufacturers/businesses.
- The change of seasons in Japan affects the composition/ingredient materials to be used (especially fats, oils), in order to maintain quality while there is no substitute substance/material.
- Small *market cap* is not worth the investment.
- Use of alcohol and treatment of products with alcohol from different products, as alcohol (not khmr) is necessary in the *manufacturing process*.

But despite the various obstacles or barriers to the halal certification process through the JMA or JHCPO, Fujisan, Staff from PT. OS Selanjaya, *Outsourcing Company*, whose address is Marunouchi Trust Tower Main 19F, 1-8-3, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan, Japanese cultural traditions in people's lives are:

- *Care* for others.
- The work ethic of the Japanese people places a high value on occupational safety and health.
- *Halal lifestyle* is healthy (non-religious).
- Trust in business.
- Mutualist symbiosis.
- Written law is not an option.
- Habit becomes law.
- The community controls the business, while the government is merely a facilitator.

Fuji-San asserts that halal business practices revolve around fostering a sense of mutual respect between business actors and consumers. Furthermore, the institutions within the Muslim community that are involved in business tend to be more accommodating to Muslim practices and beliefs [13]. When visiting Tokyo, Japan, there are tourist destinations that prioritise the safety and comfort of Muslim tourists. These places provide suitable routes and facilities for praying and eating, ensuring a pleasant vacation experience. The Tokyo city government has taken steps to make the city more accommodating for Muslim visitors. Meanwhile, in the realm of tourism and creative economy businesses, there is a focus on providing additional services that cater to the halal category. For instance, a hotel that caters to the needs of Muslim travellers has embraced halal tourism [14, 15].

6. Conclusion and Suggestions

Conclusion

- The establishment of halal business practices in Indonesian halal tourism with Japan through Muslim friendly starts with the halal certification process stage. This process is not only carried out by JMA or JHCPO or other Japanese Muslim community-based non-profit organisations, but also involves cooperation with the Indonesian Ulema Council (MUI). This ensures that the halal certification standards are in line with MUI recommendations. JHCPO has been working together with MUI since 2014, with the goal of providing halal certificates to help Indonesian tourists visiting Japan in 2014. JHCPO's cooperation with MUI was carried out when the 2014 Halal Summit was held in Jakarta. Nevertheless, ever since the Halal Product Guarantee Agency (BPJPH) was established, there has been no collaboration between JHCPO and BPJPH. As a result, the issuance of halal certificates and labels remains the responsibility of BPJPH, with JHCPO serving merely as a facilitator. The halal certification process conducted by non-profit organisations in Japan requires support from the

Japanese government. This is because the government currently lacks sufficient regulations for the advancement of halal certification, as Japan is not a religiously oriented country. Consequently, the implementation of halal business practices in halal tourism within Japan can only be achieved through Muslim-friendly initiatives.

- Japan's exceptional cultural value makes it a highly attractive destination for tourists, including those from the Muslim community. Before visiting Japan, it is important for Muslim tourists to familiarise themselves with the availability of halal food options. In this case, the process of halal certification of food and beverages in Japan, especially in Tokyo, is facilitated by non-profit organisations like JMA, JHF, and JHCPO. These organisations publish Tokyo Muslim as a travel guide for those visiting the city of Tokyo. Halal business practices revolve around fostering a relationship of mutual respect between business actors and consumers. Furthermore, Muslim community organisations that are involved in business tend to be more accommodating to the needs of the Muslim community.

Recommendations

- To maximise the potential of the halal business in the context of halal tourism in Japan, it is crucial to implement various strategies to accelerate optimisation. One of these strategies is... 1) It is important for both the governments of Indonesia and Japan to play a significant role in supporting halal tourism in Japan, as it has a direct impact on the Indonesian economy. Despite Japan not being a religious country, their intervention is crucial in this matter. 2) The Law Number 33 of 2014, which guarantees the authenticity of halal products, can serve as a catalyst for fostering collaboration between Japan and Indonesia in the field of halal tourism.
- It is advisable for BPJPH and Japanese halal certification non-profit organisations, such as JMA and JHCPO, along with other relevant entities, to collaborate in developing halal standardisation guidelines.

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