



## IMPLEMENTING HALAL LEGAL POLICIES IN THE GLOBAL MARKET: A QUALITATIVE STUDY OF TRADE PRACTICES IN SOUTHEAST ASIA AND THE MIDDLE EAST

### IMPLEMENTAÇÃO DE POLÍTICAS LEGAIS HALAL NO MERCADO GLOBAL: UM ESTUDO QUALITATIVO DAS PRÁTICAS COMERCIAIS NO SUDESTE ASIÁTICO E NO ORIENTE MÉDIO

HENDRI HERMAWAN ADINUGRAHA

State Islamic University of K.H. Abdurrahman Wahid Pekalongan, Indonesia.  
<https://orcid.org/0009-0003-5488-8252>; [hendri.hermawan@uingusdur.ac.id](mailto:hendri.hermawan@uingusdur.ac.id)

#### ABSTRACT

**Objective:** The objective of this study is to describe the practices, challenges, and adaptation strategies of industry players and to understand how differences in halal legal policies affect the efficiency of cross-regional trade.

**Methods:** This study employs a qualitative approach, utilizing a literature review and descriptive-comparative analysis based on documents and interview results.

**Results:** The main findings reveal that Indonesia, Malaysia, and Saudi Arabia employ distinct halal legal models, ranging from state-centric approaches to conservative fiqh-based systems. These variations result in structural barriers such as double certification, standard inconsistencies, and product rejection due to differences in Sharia law interpretation. Exporters and industry associations tend to support harmonization through mutual recognition mechanisms, whereas regulators are more cautious due to concerns about national legal and religious authority. The main novelty of this research lies in mapping business actors' adaptation strategies to halal law differences and contextual understanding of fiqh dynamics in global trade relations.

**Conclusion:** This study concludes that to create an inclusive global halal system, cross-border collaboration that respects the diversity of schools of thought is necessary, as well as strengthening halal diplomacy in international forums.

**Keywords:** halal law; international certification; regulatory harmonization; cross-border trade.

#### RESUMO

**Objetivo:** O objetivo deste estudo é descrever as práticas, os desafios e as estratégias de adaptação dos participantes da indústria e compreender como as diferenças nas políticas legais halal afetam a eficiência do comércio inter-regional.





**Métodos:** Este estudo utiliza uma abordagem qualitativa, utilizando revisão bibliográfica e análise descritivo-comparativa com base em documentos e resultados de entrevistas.

**Resultados:** Os principais resultados revelam que Indonésia, Malásia e Arábia Saudita empregam modelos jurídicos halal distintos, que variam de abordagens centradas no Estado a sistemas conservadores baseados em fiqh. Essas variações resultam em barreiras estruturais, como dupla certificação, inconsistências nas normas e rejeição de produtos devido a diferenças na interpretação da Sharia. Exportadores e associações industriais tendem a apoiar a harmonização por meio de mecanismos de reconhecimento mútuo, enquanto os reguladores são mais cautelosos devido a preocupações com as autoridades legais e religiosas nacionais. A principal novidade desta pesquisa reside no mapeamento das estratégias de adaptação dos agentes empresariais às diferenças na lei halal e na compreensão contextual da dinâmica do fiqh nas relações comerciais globais.

**Conclusão:** Este estudo conclui que, para criar um sistema halal global inclusivo, é necessária uma colaboração transfronteiriça que respeite a diversidade de escolas de pensamento, bem como o fortalecimento da diplomacia halal em fóruns internacionais.

**Palavras-chave:** lei halal; certificação internacional; harmonização regulatória; comércio transfronteiriço.

## 1 INTRODUCTION

The halal industry has grown into a global economic force that encompasses not only food consumption but also extends to the cosmetics, pharmaceutical, tourism, and Islamic finance sectors (Nurillah, 2023). This phenomenon reflects significant growth in global demand for halal products, particularly in Southeast Asia and the Middle East (Tri Ratnasari et al., 2019), which serve as both major consumer and producer hubs within the global halal ecosystem (Akim et al., 2023). Recent data indicate that the halal market value in the Middle East has reached USD 380 billion, surpassing the USD 230 billion in Southeast Asia. However, the number of official halal certifications in Southeast Asia is higher, reaching 75,000 compared to 46,000 in the Middle East. This disparity underscores the complexity of halal regulatory frameworks and their implementation across different regions (Nurdiansyah, 2018).

As demand for halal products increases, countries in Southeast Asia, such as Indonesia and Malaysia, are strengthening their halal regulations and certification systems (Mabkhot, 2023). Indonesia, through Law No. 33 of 2014 on Halal Product Assurance, has made halal certification a legal requirement (Magfiratun & Awaludin, 2024). Malaysia, through its JAKIM agency, has long been a pioneer in internationally

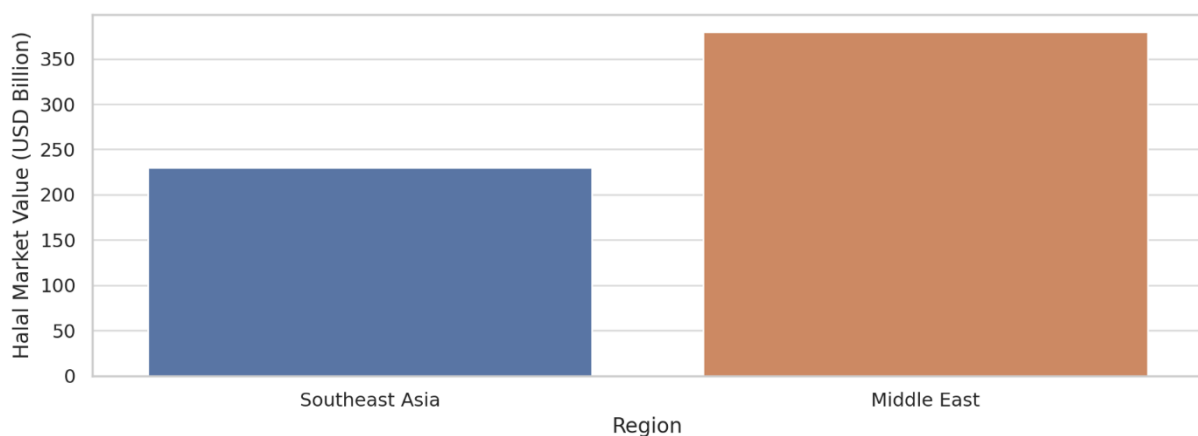




recognized halal standardization (Yakub & Zein, 2022).

Countries in the Middle East, such as Saudi Arabia and the United Arab Emirates, have also established strict halal legal systems through their local authorities. Still, their approaches often differ, depending on fiqh interpretations and each country's national legal system (Qaddhat et al., 2016). These differences create unique challenges for businesses seeking to export or import halal products between these regions.

**Figure 1.** Comparison of Halal Market Value between Southeast Asia and the Middle East



**Table 1.** Comparison of the Halal Industry between Southeast Asia and the Middle East

Region	Halal Market Value (USD Billion)	Number of Official Halal Certifications	Major Countries
Southeast Asia	230	75,000	Indonesia, Malaysia
Middle East	380	46,000	Saudi Arabia, United Arab Emirates

Source: Qadri & Bhatti (2021)

The urgency to research this topic arises from the increasing complexity of cross-border halal trade, particularly between Southeast Asia and the Middle East. Differences in legal systems, certification standards, and recognition among halal institutions have hindered trade efficiency and created potential for legal conflicts. Business actors often face administrative obstacles, double certification, and product rejection due to non-compliance with halal regulations. Therefore, understanding how halal legal policies are implemented and translated into trade practices is essential to pave the way for more inclusive and accommodating global standard harmonization





that accommodates the diversity of schools of thought and national legal systems.

The main issue in this research lies in the gap between halal law theory as a universal concept and its implementation, which is highly dependent on national jurisdiction (Khalimy et al., 2023). There has been little in-depth research explaining how halal legal policies are implemented in trade between regions that differ in terms of law, culture, and politics. Additionally, cross-regional studies combining Southeast Asia and the Middle East remain limited, despite both being key players in the global halal industry. This research gap highlights the need to adopt a qualitative approach to investigate the practices, perceptions, and experiences of industry actors, regulators, and halal certification bodies in both regions.

This study employs the theories of legal transplantation and international legal harmonization as its conceptual framework. The theory of legal transplantation (Ewald, 1995) explains how a country's legal system can adopt or adapt laws from another country. In the context of halal law, this theory is used to analyze how the halal certification and regulatory systems of one country are applied or adapted by another country in trade. Meanwhile, the theory of international legal harmonization provides an analytical framework to examine the extent to which halal regulations can be harmonized globally through institutions such as the OIC/SMIIC and the World Halal Council, without compromising national legal autonomy (Moscoso, 2022).

Previous studies have highlighted important aspects of the halal legal system. For example, research by Semic et al. (2023) emphasizes the importance of integrating halal systems among OIC member states to accelerate trade flows. Another study by Yustianingsih et al. (2024) reveals that inconsistencies in halal standards pose a significant barrier to Malaysia's food exports to the Middle East. Meanwhile, research by Abdul Halim et al. (2024) mentions that halal certification from the sending country is often not recognized by the destination country due to differences in madhhab or the absence of an MoU between certification bodies. However, there has been no systematic research comparing the implementation of halal law in trade between these two major regions.

This research is vital because it will provide tangible theoretical and practical contributions. Theoretically, this study can expand understanding of the dynamics of halal law in a cross-border context and strengthen discussions on the possibility of global harmonization of halal law (Johan & Plana-Casado, 2023). Practically, the results of this research can serve as a reference for policymakers, certification bodies,





and industry players in developing collaborative strategies to simplify the halal trade process between countries. This research will also help identify the main challenges faced by businesses and formulate policy recommendations based on relevant and contextual field data.

This study is grounded in an academic commitment to providing a deep and contextual understanding of the dynamics of halal law in the global market. This research will not only describe policy differences between countries but also reveal actual practices in the field, the perceptions of stakeholders, and the adaptation strategies used to overcome cross-jurisdictional legal challenges. With a qualitative approach based on in-depth interviews and legal document studies, this research is expected to provide a comprehensive picture of the implementation of halal legal policies in international trade practices, particularly in Southeast Asia and the Middle East.

## 2 METHODS

This study employs a qualitative approach, utilizing a descriptive-comparative research design, to gain an in-depth understanding of the implementation of halal legal policies in cross-regional trade practices between Southeast Asia and the Middle East. The researcher chose this approach because the primary focus of the research is to explore contextual legal social phenomena that are not quantitatively structured and are influenced by cultural, political, and religious factors. Data collection was conducted through a literature review and analysis of relevant legal documents, including national laws, halal regulations, and international standards published by organizations such as the OIC/SMIIC, JAKIM, BPJPH, MUI, SASO, and GSO. Additionally, data was collected through in-depth interviews with business operators, officials from halal certification bodies, and halal industry associations in Indonesia, Malaysia, and Saudi Arabia.

The data sources in this study consist of primary and secondary data. Primary data were obtained from interviews and limited observations of halal product export and import practices. Secondary data was sourced from scientific journals, international agency reports, legislation, and official publications from national and international halal agencies. The types of data collected were qualitative narrative, regulatory, and textual data (Martin, 2014).





Data analysis was conducted inductively using content analysis techniques and a thematic approach. The researcher grouped the findings into specific categories, including variations in halal laws, bureaucratic challenges, and business adaptation strategies. The collected data were then analyzed comparatively across countries to identify implementation patterns, regulatory gaps, and socio-legal factors influencing these differences. This analysis was conducted by considering the cultural, legal, and religious structures in each research area. This approach was chosen to ensure that the research results provided a holistic and in-depth understanding of the issues being studied (Maldonado et al., 2021).

### 3 RESULTS AND DISCUSSION

#### 3.1 VARIATIONS IN THE IMPLEMENTATION OF HALAL REGULATIONS BETWEEN SOUTHEAST ASIAN AND MIDDLE EASTERN COUNTRIES

This study reveals three key findings in the implementation of halal regulations in Indonesia, Malaysia, and Saudi Arabia. First, there are fundamental differences in the form and legal force of halal. In Indonesia, halal certification is mandatory under Law No. 33 of 2014 on the Guarantee of Halal Products. This places halal in the realm of binding and punitive state regulation (Magfiratun & Awaludin, 2024). In Malaysia, although halal certification is not mandatory across the board, the existence of JAKIM as an authoritative institution integrated with the state administrative system ensures that Malaysian halal standards remain widely recognized by the global market (Sofiana et al., 2021). Conversely, in Saudi Arabia, the halal legal approach relies more on the Hanbali fiqh system and fatwas from religious authorities, such as the Gulf Standardization Organization (GSO) in collaboration with the Saudi Standards, Metrology and Quality Organization (SASO), without a single regulation comprehensively governing the obligation of domestic halal certification (A. Azam, 2016).

The second finding shows that differences in the structure of halal management institutions impact the speed and efficiency of certification and cross-border recognition processes. MUI in Indonesia, which collaborates with BPJPH (Halal Product Guarantee Agency), faces challenges in the international validation process, particularly when seeking recognition from institutions in the Middle East. Bureaucratic processes and overlapping responsibilities between MUI and BPJPH create difficulties





for businesses seeking to export halal products to the Saudi Arabian market. In contrast, JAKIM in Malaysia has over 84 mutual recognition agreements (MRAs) with foreign halal certification bodies. This success demonstrates that consolidating halal authority under a single national agency streamlines halal diplomacy processes. The GSO, which serves as a regional body for Gulf countries, including Saudi Arabia, employs a fiqh-based harmonization approach and does not always recognize certificates from Southeast Asian countries without a rigorous re-verification process (Muhajir et al., 2023).

The third finding highlights the real impact of variations in halal regulations on the smooth flow of international trade. Several exporters of processed foods and cosmetics from Indonesia stated that their products faced barriers to entry into the Saudi Arabian market because their halal certificates were not directly recognized. They had to undergo a recertification process through local institutions recognized by the GSO. This process was not only time-consuming, but also increased logistics and certification costs. Exporters from Malaysia have better opportunities to penetrate this market because JAKIM has obtained direct recognition from the GSO. This difference indicates that institutional harmonization and mutual recognition are key factors in the success of cross-regional halal product trade (Shaharuddin et al., 2012).

The interpretation of these findings suggests that the successful implementation of halal law depends not only on normative aspects or the substance of the law, but also on institutional factors, halal diplomacy, and international legitimacy. Strong regulations, such as those in Indonesia, may not be effective if they are not accompanied by recognition from key trading partners. Conversely, Malaysia's pragmatic approach has successfully created an efficient, competitive, and more globally accepted halal ecosystem. In Saudi Arabia, the strength of religious legitimacy and the authority of religious scholars result in domestic halal standards being exclusive and conservative, thereby limiting their openness to external influences, which could hinder the integration of the global halal system.

International legal harmonization theory suggests that these results reflect the concept, which posits that legal harmonization involves not only the unification of norms but also requires compatibility in social, legal, cultural, and institutional structures (Swenson, 2018). Malaysia demonstrates adaptive harmonization practices by maintaining local Sharia principles while remaining open to recognition and integration with foreign halal systems. Indonesia remains in a transitional phase, facing





bureaucratic challenges and inconsistencies among state institutions that have not yet been fully harmonized. Meanwhile, Saudi Arabia reflects a conservative model of legal transplantation that is more resistant to external systems, despite being at the heart of the global halal economy.

Trikoz & Gulyaeva (2023) theory of legal transplantation can also be used to explain how Malaysia has successfully adapted halal legal principles from various external sources into its legal system without losing its local character. This transplantation occurs through institutional strengthening, bilateral agreements, and dialogue between international halal institutions. Indonesia is still in the process of finding the correct form of transplantation, amid tensions between religious authorities (MUI) and state authorities (BPJPH). In this case, Watson's theory emphasizes the importance of contextualizing foreign norms so that they can be accepted locally and effectively implemented.

This research also draws support from previous studies. A study by Badrudin et al. (2012) notes that JAKIM's success in regional halal diplomacy has significantly contributed to Malaysia's export competitiveness in the Middle East. Research by Adinugraha et al. (2025) highlights that institutional dualism in halal management in Indonesia causes inefficiency that directly impacts international market perceptions of the validity of halal certification from Indonesia. Meanwhile, research by Alrobaish et al. (2021) indicates that Saudi Arabia's halal system is heavily influenced by conservative fiqh views, which are difficult to harmonize with the more flexible fiqh approach prevalent in Southeast Asia. These three studies validate the findings of this research and reinforce the argument that alignment between legal systems, institutions, and halal diplomacy is crucial to the effectiveness of implementing cross-border halal regulation.

This study makes an essential contribution to the discourse on harmonizing international halal systems. Findings on regulatory variations indicate that initiatives such as the Standards and Metrology Institute for Islamic Countries (SMIIC) of the Organization of Islamic Cooperation (OIC) require strengthening to ensure member countries have common reference standards. Strengthening mutual recognition agreement (MRA) mechanisms between halal institutions is also a strategic solution to reduce the costs of double certification and facilitate the flow of halal trade. Additionally, countries like Indonesia need to establish a single certification system that does not overlap and intensify halal diplomacy to expand global recognition of their halal





standards. Variations in the implementation of halal regulations are not merely technical issues, but are also closely tied to national legal dynamics, the legitimacy of authorities, and institutional capacity. The effectiveness of the halal system is significantly influenced by a country's ability to integrate its legal system with that of its trading partners without compromising the principles of Sharia law that form its foundation. Therefore, understanding the socio-legal framework of each country is key to developing a strategy for harmonizing global halal regulations that is fair, efficient, and inclusive.

### 3.2 CHALLENGES OF HALAL CERTIFICATION IN THE EXPORT-IMPORT TRADE OF HALAL PRODUCTS

This study identified three primary challenges in the process of exporting and importing halal products between Southeast Asia and the Middle East: double certification bureaucracy, inconsistencies in halal standards between countries, and differences in fiqh interpretations underlying national halal regulations.

The first finding reveals that the bureaucracy associated with double certification is a significant burden for halal product exporters, particularly small and medium-sized enterprises (SMEs) in Indonesia and Malaysia. Businesses must incur additional costs and allocate a considerable amount of time to obtain halal certification recognized by the export destination country. In Indonesia, the halal product assurance system is regulated by Law No. 33 of 2014, with the implementing agency being the BPJPH, which collaborates with the MUI as the issuer of halal fatwas. However, certificates issued in Indonesia are not automatically recognized by authoritative bodies in the Middle East, such as the GSO or SASO in Saudi Arabia, so businesses must undergo re-certification through partner institutions in the destination country. This extends the bureaucratic process and increases logistics, inspection, and certification costs, ultimately reducing the competitiveness of Southeast Asian halal products in the Middle Eastern market (Daulay, 2024).

The second finding relates to the inconsistency of halal standards between countries, which leads to inconsistencies in inspection and certification procedures. Malaysia, through JAKIM, has a well-established halal system that more than 80 countries have recognized. However, JAKIM's halal standards do not always align with those of Gulf Cooperation Council (GCC) member states, particularly regarding animal





slaughter, enzyme use, and alcohol-derived ingredients in food and cosmetics. When businesses export products that have passed JAKIM halal certification, they still face re-inspection in the destination country based on different parameters. This highlights that the absence of universally agreed-upon international halal standards is the primary obstacle to integrating the global halal market (M. S. E. Azam & Abdullah, 2020).

The third finding concerns the influence of differences in the interpretation of Sharia law on the implementation of halal certification. Saudi Arabia and several Gulf Cooperation Council (GCC) member countries adhere to the more conservative Hanbali fiqh approach, as opposed to the Shafi'i approach commonly used in Southeast Asia. In interviews with business actors and certification authorities, it was found that products containing alcohol derivatives, even though they have undergone istihalah (substance transformation), are still rejected in some Middle Eastern countries, while in Indonesia and Malaysia, such products are acceptable. This difference not only reflects fiqh dimensions but also illustrates the geopolitical and economic interests that accompany halal regulations between countries (Jalaluddin et al., 2024).

The interpretation of these findings shows that bureaucratic challenges, differences in standards, and variations in fiqh interpretations are systemic barriers to cross-regional trade in halal products. These barriers cannot be overcome simply by improving administrative procedures, but require an international framework that can accommodate the diversity of madhhab views and establish a mutual recognition mechanism. Business actors are not only faced with legal issues but must also navigate an arena fraught with epistemological and institutional differences.

Within the Regulatory Fragmentation Theory and Mutual Recognition Theory, these results can be explained more systematically. Regulatory Fragmentation Theory explains that differences in regulatory systems across jurisdictions can lead to market disintegration and increase transaction costs. This is evident in the halal certification, where differences in standards and legal authorities are a source of fragmentation. Meanwhile, the Mutual Recognition Theory (McArthur, 2021) emphasizes that cooperation between state institutions can be built on the principles of trust and legal equality, enabling products certified in one country to be accepted in another. However, in the halal context, such trust has not yet been fully established, particularly due to issues of religious authority and the validity of Sharia interpretations that have not been collectively agreed upon.





This research is supported by previous studies that align with the findings. Research by Man & Pauzi (2017) confirms that differences in halal standards between countries are the main obstacle to international trade in halal products, particularly between Asian and Middle Eastern countries. Research by Ismail et al. (2023) found that halal product exporters from Malaysia face significant difficulties in obtaining certification recognition from GCC countries despite JAKIM having implemented high standards. Meanwhile, research by Faidah (2017) indicates that the dualism of halal institutions in Indonesia results in certificates issued not being consistently recognized internationally, especially by countries that do not have a Memorandum of Understanding (MoU) with BPJPH or MUI. Furthermore, a study by Zulfa et al. (2023) shows that differences in fiqh interpretations of halal law among majority-Muslim countries have widened the gap between sharia norms and halal industry practices. This research supports the finding that differences in the understanding of principles, such as istihalah and najis, not only create normative differences but also generate tensions in cross-border regulatory frameworks. In many cases, Middle Eastern countries prioritize the validity of sharia law over trade efficiency, while Southeast Asian countries are more pragmatic and accommodating toward international market needs.

This research makes an essential contribution to understanding the complexities of halal product trade between regions. The results show that halal certification challenges are not merely technical or administrative issues, but are intertwined with legal, theological, and political issues. In the short term, countries like Indonesia and Malaysia need to strengthen bilateral cooperation with halal institutions in export destination countries and establish mutually beneficial recognition mechanisms. Harmonization efforts through international organizations such as the Standard and Metrology Institute for Islamic Countries (SMIIC) and the World Halal Council must be enhanced to create inclusive and cross-sectarian global halal standards.

This study also provides an opportunity for policymakers to reflect on the importance of strengthening halal diplomacy, highlighting that it is a crucial factor in building international trust and legitimacy for national certification systems. Governments need to recognize that halal legal policies are not only tools for protecting domestic Muslim consumers but also strategic instruments in global trade politics. Partial harmonization based on agreements on essential Sharia principles represents a realistic middle ground for establishing a fair global halal framework. Thus, the





challenges faced in cross-border halal certification underscore the importance of fostering dialogue between legal systems and fiqh traditions, rather than merely standardizing technical aspects. Efforts to reconcile conservative and moderate approaches to halal law are key to creating an efficient and sustainable international halal trade system.

### 3.3 BUSINESS ACTORS' ADAPTATION STRATEGIES TO DIFFERENCES IN HALAL LEGAL POLICIES

This study reveals that businesses, tiny and medium-sized enterprises (SMEs) in Southeast Asia, face complex challenges when exporting halal products to the Middle East. However, these businesses are not passive. They respond to differences in halal legal policies with various adaptive strategies that are contextual, practical, and sometimes innovative.

The research findings indicate that the primary strategy employed by businesses is relabeling products to comply with the standards of the export destination country. This relabeling process takes into account language requirements, local halal symbols, and ingredient listings mandated by Middle Eastern halal authorities such as GSO and SASO. In Indonesia and Malaysia, products certified by MUI or JAKIM often need to adjust their labels to include halal symbols recognized in the export destination country. This process requires a deep understanding of the technical regulations in each country. It involves adjustments not only to the physical label but also to the supporting documents accompanying the product (Nurfauzia et al., 2023).

The second finding reveals that many businesses, particularly those in the food and cosmetics sectors, establish direct partnerships with internationally recognized halal certification bodies that are recognized by the destination country. In Malaysia, companies targeting the Saudi Arabian market actively collaborate with partners such as GulfTIC and RACS Certification. This collaboration enables companies to obtain additional certifications recognized in the Gulf region without undergoing the lengthy processes typically imposed on foreign products. In Indonesia, such cooperation is also beginning to develop, although medium and large companies still dominate it. SMEs face limitations in accessing information and resources to establish formal partnerships with these international institutions (Mahri et al., 2024).





The third finding shows that some businesses utilize the services of cross-border halal consultants who have an understanding of regulations in both regions. These consultants play a crucial role in developing certification strategies, preparing compliance documents, and guiding companies to meet the halal legal standards applicable in the target country. In Malaysia, halal consulting services have evolved into a separate sector and are widely used by SMEs. In Indonesia, the use of halal consultants is still relatively new and unstandardized. Still, businesses are beginning to recognize the importance of a professional approach in addressing the complexity of global regulations (Wiwoho et al., 2024).

The interpretation of these three findings reveals that adapting to differences in halal legal policies is not merely a technical issue, but also a form of legal and managerial strategy that involves cross-border regulatory understanding, business diplomacy skills, and the utilization of external resources. For example, relabeling strategies not only adjust the visual aspects of products but also reflect compliance with fiqh principles and positive law in the target country. Collaboration with international certification bodies serves as a diplomatic strategy that strengthens the bargaining position of businesses in the global market. The use of halal consultants demonstrates an awareness that success in penetrating international markets depends on efficiency, legitimacy, and cross-jurisdictional knowledge (Williams et al., 2021).

Anlesinya et al. (2023) Institutional Isomorphism theory posits that the adaptation strategies adopted by businesses represent a form of convergence toward dominant practices in the target country, aiming to obtain market legitimacy and legal recognition. Mimetic isomorphism occurs when businesses imitate practices that have proven successful elsewhere, such as the use of halal consultants or re-certification through international institutions. Coercive isomorphism is evident in relabeling and compliance with the host country's halal symbol regulations, driven by formal regulatory pressure. Meanwhile, normative isomorphism emerges in using certified consultants or collaborating with globally accredited halal organizations as part of the professionalization of halal business practices.

These findings are also supported by previous research. A study by Nawaz et al. (2024) found that businesses in Malaysia tend to be proactive in forming alliances with international certification bodies to accelerate market access in the Middle East. Research by Gruber et al. (2022) noted that relabeling is a crucial strategy for





processed food exporters to prevent product rejection at destination ports. Meanwhile, research by Abdurrouf (2022) highlights the vital role of halal consultants in enabling Indonesian companies to comprehend the regulatory dynamics in Saudi Arabia and the United Arab Emirates. These three studies support the argument that adaptation strategies to differences in halal legal policies are an active response by businesses to the complexity of cross-border laws.

Adaptation strategies can also be viewed through the lens of the Dynamic Capabilities theory proposed by Teece (2018). This theory posits that companies that can quickly integrate, build, and reconfigure internal and external competencies will be more successful in a changing environment. Reloading strategies, international collaboration, and the use of consultants demonstrate that businesses possess dynamic capabilities to adapt to fluctuating and inconsistent regulations. In the global halal law, this capability becomes a critical competitive advantage for SMEs to compete sustainably.

Practically, the results of this study indicate that the government needs to strengthen the support ecosystem for SMEs to access credible and standardized halal consulting services. The government should also encourage national halal institutions, such as BPJPH and JAKIM, to be more active in establishing mutual recognition networks with international partners. Business associations should provide technical training on halal labeling tailored to export markets, including cross-cultural and legal considerations, to support the development of effective labeling practices. This policy support will strengthen SMEs' adaptive capacity in facing the increasingly complex challenges of halal product trade.

The adaptation strategies of business actors to differences in halal legal policies between Southeast Asia and the Middle East reflect the dynamics of the relationship between law, markets, and institutions. Successful adaptation depends not only on compliance with regulations but also on creativity in designing contextual and responsive legal strategies. This research provides important insights that the success of halal product exports is not only determined by the quality of the product itself but also by the ability of business actors to read and navigate the evolving global halal legal landscape.





## 3.4 INDUSTRY PLAYERS' PERCEPTIONS OF GLOBAL HALAL STANDARD HARMONIZATION

This study reveals that industry players' perceptions of global halal standard harmonization tend to be ambivalent. Exporters and industry associations in Southeast Asia and the Middle East support the idea of harmonization because it is considered to simplify certification procedures, reduce export costs, and expand market access. However, regulators in each country have shown caution and even resistance, as harmonization is perceived to have the potential to interfere with local religious authorities and weaken the sovereignty of national legal systems based on Sharia law.

The first finding indicates that exporters in Malaysia and Indonesia view harmonization as a strategic opportunity. They state that differences in halal standards and symbols across countries create confusion in international markets and add to the cost burden of obtaining dual certification. Exporters of processed foods, cosmetics, and pharmaceuticals hope for a global halal standard accepted by all member countries of the Organization of Islamic Cooperation (OIC) to streamline trade processes, making them more efficient and transparent. In Saudi Arabia and the United Arab Emirates, some major industry players also voice support for harmonization, but within conservative fiqh corridors. They emphasize that global standards must continue to respect the principles of Hanbali sharia, which is the basis of halal law in the Gulf countries (Chookaew et al., 2015).

The second finding reveals that industry associations in both Southeast Asia and the Middle East are more progressive in supporting harmonization initiatives, such as those developed by the World Halal Council (WHC) and the Standards and Metrology Institute for Islamic Countries (SMIIC). They view the WHC as a strategic platform that can bridge differences between countries in terms of procedural and administrative aspects of halal certification. In Malaysia, associations such as the Halal Development Corporation (HDC) actively promote harmonization to boost the competitiveness of the national halal industry. In Indonesia, GAPMMI (Indonesian Food and Beverage Entrepreneurs Association) also emphasizes the importance of mutual recognition among halal institutions to facilitate the acceleration of exports. However, industry associations in Saudi Arabia are more selective in accepting global initiatives, due to concerns that standardization not aligned with local schools of thought could weaken religious authority and consumer trust (Kadir et al., 2016).





The third finding stems from interviews with national and regional halal regulators. In Indonesia, BPJPH states that harmonization is a positive step, but it must be monitored to ensure it remains consistent with the national legal framework and MUI fatwas. In Malaysia, JAKIM is open to international cooperation but prioritizes a strict audit system based on MS 1500 as the national reference. In Saudi Arabia, authorities such as SASO and GSO view harmonization as an initiative that must adhere to conservative Islamic legal principles and involve religious scholars as key actors. These differences indicate that regulators' positions on harmonization are strongly influenced by institutional legitimacy, spiritual authority, and domestic political dynamics.

The interpretation of these three findings suggests that, although the idea of harmonizing halal standards is accepted rationally by industry players, its implementation faces significant cultural, political, and religious challenges. Exporters and industry associations are more pragmatic because they directly feel the impact of the lack of integration in the global halal system, such as the cost of recertification, delivery delays, and product rejection at the port of destination. Conversely, regulators tend to maintain the status quo because harmonization is perceived as potentially undermining national legal integrity and religious authority. This tension creates a gap between market aspirations and legal conservatism, which is the main obstacle to the realization of international halal standards.

Within the framework of Legal Pluralism theory (Benda-Beckmann & Turner, 2018), this finding can be explained as a form of interaction between the state legal system and the religious legal system, which are intertwined but not always in harmony. Legal pluralism asserts that, in the Muslim countries, law does not originate solely from state legislation but also from fatwas, customs, and religious social practices. When the discourse on international harmonization emerges, a clash arises between technocratic transnational norms and theological local norms. This theory suggests that legal uniformity is not readily accepted in societies that prioritize religious values and local legal traditions.

In another framework, the theory of Regulatory Regionalism also provides insight into the tendency of regions, such as ASEAN and the GCC, to develop regional halal systems in response to globalization (Salajan et al., 2024). Instead of adopting a single global halal system, countries in these regions tend to form their regulatory blocs, such as the ASEAN Guidelines for Halal Food and GCC Halal Standards, as a





form of protection for local industries while strengthening the legal identity of the region. The rejection by some countries of the dominance of WHC or SMIIC halal standards can be seen as a form of regional resistance to global hegemony that may not align with local fiqh.

This research is also supported by previous literature. A study by Adiani (2024) notes that resistance to halal harmonization is more due to differences in authority and sources of legitimacy, rather than purely technical differences. Research by Laila et al. (2023) indicates that Malaysian exporters support harmonization because it can enhance the competitiveness of their products in the international market; however, they face challenges due to the lack of uniform recognition among halal institutions. A study by Elasrag (2016) states that the WHC initiative faces challenges in gaining comprehensive recognition from countries with conservative fiqh systems, particularly in the Middle East, due to the limited involvement of local scholars in the formulation of the standard.

These findings make an essential contribution to the global halal legal discourse. This research emphasizes that harmonization is not merely the unification of procedures or the elimination of administrative differences, but a complex legal dialogue process between state systems and religious norms. Harmonization will be more effective if it is based on the principles of mutual respect among schools of thought, equal institutional recognition, and the involvement of scholars from various fiqh traditions in decision-making forums. A single standard can only be achieved if key actors from multiple regions are given space to contribute substantively, rather than merely being recipients of policy.

Therefore, a more realistic strategy is to develop mutual recognition agreement (MRA) mechanisms between national and regional halal institutions, allowing each country to maintain its system while still opening space for mutual recognition (Blyde, 2023). This step aligns with the principle of inclusivity in Islam and preserves the diversity of fiqh, which is a richness of Sharia law. Governments and certification bodies in Southeast Asia and the Middle East must actively build collaborative networks through institutions such as SMIIC, WHC, and the IHI Alliance to create flexible and adaptive common core standards tailored to local needs.

The perceptions of industry players regarding global halal standard harmonization are dynamic and influenced by institutional positions, market interests, and the legal and religious frameworks of each country. Harmonization is not a concept





that is entirely rejected, but it is considered on the condition that fiqh values and local authorities are respected. This study emphasizes that the path toward global halal legal harmonization must be built on the foundation of dialogue among authorities, openness to fiqh, and the awareness that halal globalization is not about standardizing beliefs but about unifying visions within the diversity of Islamic law that remains authentic and valid under Sharia law.

## 4 CONCLUSION

Based on the research findings described above, it can be concluded that the implementation of halal legal policies in the global market, particularly in trade practices between Southeast Asia and the Middle East, reveals fundamental differences in the form of regulations, institutional authorities, and the legal and sharia legitimacy applicable in each country. This study addresses the central issue of how halal regulations are applied differently by countries such as Indonesia, Malaysia, and Saudi Arabia, and how these differences directly impact the export-import process of halal products. The research has proven that although the principles of halal are based on universal Islamic teachings, their regulatory practices are highly dependent on national legal structures, adopted schools of thought, and state administrative systems. In Indonesia, the obligation for halal certification has not been able to optimally enhance export competitiveness due to ongoing challenges in international recognition. Malaysia has achieved greater success through institutional integration and an active diplomatic approach. Meanwhile, Saudi Arabia adheres to a conservative approach based on Hanbali fiqh, making the halal system exclusive and difficult for foreign businesses to access.

The significance of this research lies in its contribution to expanding the scope of academic discussion on the harmonization of international halal law, using a cross-regional empirical approach that is still rarely done. In addition to addressing theoretical gaps, this research provides practical insights that can serve as a basis for policy-making by national halal institutions and international organizations. This conclusion clarifies that the primary challenges in implementing global halal law stem from the lack of harmonization of standards, weak mutual recognition among institutions, and the predominance of a particular fiqh perspective. To achieve an





inclusive and effective global halal system, transnational cooperation that upholds the principle of mutual respect between schools of thought is needed, as well as harmonization efforts that respect the diversity of social and legal systems in each country.

## REFERENCES

ABDUL HALIM, N. R., Mutalib, S. A., Abd Ghani, M., & Hashim, H. (2024). Non-conformance report (NCR) on Malaysia halal certification: A case study among small-medium scale food enterprises (SMEs) in Malaysia. *Food Control*, 160. <https://doi.org/10.1016/j.foodcont.2024.110298>

ABDURROUF. (2022). The Role of Productive Zakat in the Development of the Halal Industry and Improving the Economy of the Ummah. *NUsantara Islamic Economic Journal*, 1(1). <https://doi.org/10.34001/nuiej.v1i1.166>

ADIANI, W. (2024). Understanding Through the Click: How Social Media Guides or Misleads the Issue of Halal Products. *Advanced Qualitative Research*, 2(1). <https://doi.org/10.31098/aqr.v2i1.2189>

ADINUGRAHA, H. H., Shulthoni, M., & Al-kasyaf, M. Z. (2025). Model of halal management practices in Islamic banking: empirical evidence from Bank Syariah Indonesia. *QTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 14(1), 25–46. <https://doi.org/https://doi.org/10.46367/iqtishaduna.v14i1.2333>

AKIM, A., Konety, N., Puspita Sari, V., & Nidatya, N. (2023). The Effect of Digital Technology on the Development of Halal Tourism in Southeast Asia. *Edunity Kajian Ilmu Sosial Dan Pendidikan*, 2(8). <https://doi.org/10.57096/edunity.v2i8.139>

ALROBAISH, W. S., Vlerick, P., Luning, P. A., & Jacxsens, L. (2021). Food safety governance in Saudi Arabia: Challenges in control of imported food. In *Journal of Food Science* (Vol. 86, Issue 1). <https://doi.org/10.1111/1750-3841.15552>

ANLESINYA, A., Amponsah-Tawiah, K., Dartey-Baah, K., Adeti, S. K., & Brefo-Manuh, A. B. (2023). Institutional isomorphism and sustainable HRM adoption: a conceptual framework. *Industrial and Commercial Training*, 55(1). <https://doi.org/10.1108/ICT-03-2021-0013>

AZAM, A. (2016). An empirical study on non-Muslim's packaged halal food manufacturers: Saudi Arabian consumers' purchase intention. *Journal of Islamic Marketing*, 7(4). <https://doi.org/10.1108/JIMA-12-2014-0084>

AZAM, M. S. E., & Abdullah, M. A. (2020). Global Halal Industry: Realities And Opportunities. *International Journal of Islamic Business Ethics*, 5(1). <https://doi.org/10.30659/ijibe.5.1.47-59>

BADRULDIN, B., Mohamed, Z., Sharifuddin, J., Rezai, G., Abdullah, A. M., Latif, I. A.,





- & Mohayidin, M. G. (2012). Clients' perception towards JAKIM service quality in Halal certification. *Journal of Islamic Marketing*, 3(1). <https://doi.org/10.1108/17590831211206590>
- BENDA-BECKMANN, K. von, & Turner, B. (2018). Legal pluralism, social theory, and the state. *Journal of Legal Pluralism and Unofficial Law*, 50(3). <https://doi.org/10.1080/07329113.2018.1532674>
- BLYDE, J. S. (2023). Your assessment is welcome here: the trade impacts of mutual recognition agreements. *Applied Economics Letters*, 30(6). <https://doi.org/10.1080/13504851.2021.2022088>
- CHOOKAEW, S., chanin, O., Charatarawat, J., Sriprasert, P., & Nimpaya, S. (2015). Increasing Halal Tourism Potential at Andaman Gulf in Thailand for Muslim Country. *Journal of Economics, Business and Management*, 3(7). <https://doi.org/10.7763/joebm.2015.v3.277>
- DAULAY, A. (2024). How Indomie Survived and Led in the Middle East. *International Journal of Management Science and Application*, 3(2). <https://doi.org/10.58291/ijmsa.v3i2.133>
- ELASRAG, H. (2016). Halal Industry: Key Challenges and Opportunities. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2735417>
- EWALD, W. (1995). Comparative Jurisprudence (II): The Logic of Legal Transplants. *The American Journal of Comparative Law*, 43(4). <https://doi.org/10.2307/840604>
- FAIDAH, M. (2017). Sertifikasi Halal di Indonesia dari Civil Society menuju Relasi Kuasa antara Negara dan Agama. *ISLAMICA: Jurnal Studi Keislaman*, 11(2). <https://doi.org/10.15642/islamica.2017.11.2.449-476>
- GRUBER, J., Kanninen, O., & Ravaska, T. (2022). Relabeling, retirement and regret. *Journal of Public Economics*, 211. <https://doi.org/10.1016/j.jpubeco.2022.104677>
- ISMAIL, M. B., Mohamad, N. B., & Ahamat, A. (2023). Learning Orientation as Mediator between International Entrepreneurial Orientation and International Firm Performance in Global Halal Industry. *Global Journal Al-Thaqafah, Special Issue*. <https://doi.org/10.7187/GJATSI072023-5>
- JALALUDDIN, J., Azhar, A., Muzainah, G., Aseri, M., & Fahmi Al Amruzi, M. (2024). Proliferation of Halal Regulation and Enforcement in Indonesia and Malaysia. *Journal of Human Rights, Culture and Legal System*, 4(1). <https://doi.org/10.53955/jhcls.v4i1.126>
- JOHAN, E., & Plana-Casado, M. J. (2023). Harmonizing Halal in ASEAN: Analysis of Halal Food Guidelines under the ASEAN Way Approach. *Journal of ASEAN Studies*, 11(1). <https://doi.org/10.21512/jas.v11i1.9682>
- KADIR, M. H. A., Rasi, R. Z. R. M., Omar, S. S., & Manap, Z. I. A. (2016). Halal Supply CHAIN MANAGEMENT STREAMLINED PRACTICES: Issues and Challenges. *IOP*





Conference Series: *Materials Science and Engineering*, 160(1).  
<https://doi.org/10.1088/1757-899X/160/1/012070>

KHALIMY, A., Yusriadi, Y., Setyowati, R., Syahrudin, S., & Abdul Wadud, A. M. (2023). The Intersection of the Progressive Law Theory and the Self-Declaration Concept of MSEs Halal Certification. *Journal of Indonesian Legal Studies*, 8(1).  
<https://doi.org/10.15294/jils.v8i1.66087>

LAILA, N., Ratnasari, R. T., Ismail, S., Mohd Hidzir, P. A., & Mahphoth, M. H. (2023). The intention of small and medium enterprises' owners to participate in waqf: the case of Malaysia and Indonesia. *International Journal of Islamic and Middle Eastern Finance and Management*, 16(3). <https://doi.org/10.1108/IMEFM-01-2022-0014>

MABKHOT, H. (2023). Factors Affecting the Sustainability of Halal Product Performance: Malaysian Evidence. *Sustainability (Switzerland)*, 15(3).  
<https://doi.org/10.3390/su15031850>

MAGFIRATUN, S., & Awaludin, M. (2024). Signification of Halal Product Assurance Post Law No. 11 of 2020 in Society 5.0 Era. *KnE Social Sciences*.  
<https://doi.org/10.18502/kss.v9i2.14978>

MAHRI, A. J. W., Juliana, J., Monoarfa, H., Rohepi, A. P., & Karim, R. (2024). Integrating country of origin, brand image and halal product knowledge: the case of the South Korean skincare in Indonesia. *Journal of Islamic Marketing*, 15(1).  
<https://doi.org/10.1108/JIMA-12-2021-0390>

MALDONADO, F. L. M., Yáñez, K. A. Y., & Salgado, J. D. M. (2021). An approximation to the legal research methodology. *Revista Pedagogia Universitaria y Didáctica Del Derecho*, 8(2). <https://doi.org/10.5354/0719-5885.2021.60341>

MAN, S., & Pauzi, N. (2017). The Implication of Differences in Halal Standard of Malaysia, Indonesia, Brunei and Singapore. *The Journal of Muamalat and Islamic Finance Research*, 14(2). <https://doi.org/10.12816/0045784>

MARTIN, L. E. and A. D. (2014). An introduction to empirical legal research. In *International Journal of Social Research Methodology*.

MCARTHUR, J. (2021). The inclusive university: A critical theory perspective using a recognition-based approach. *Social Inclusion*, 9(3).  
<https://doi.org/10.17645/si.v9i3.4122>

MOSCOSO, M. A. A. (2022). Harmonization Between Human Rights And Foreign Investment In Latin America, Through The Arbitration Investment Tribunals, Based On Neil Maccormick's Theory. *Revista Direito GV*, 18(3). <https://doi.org/10.1590/2317-6172202228>

MUHAJIR, Nisa, I. S., Munawar, A., & Karimullah, S. S. (2023). Agus Moh Najib's Thoughts on the Interconnection of Islamic Law and National Law. *Jurnal Ilmiah Al-Syir'ah*, 21(1). <https://doi.org/10.30984/jis.v21i1.2321>

NAWAZ, M., Hameed, W. U., & Bhatti, M. I. (2024). Integrating business and market





intelligence to expedite service responsiveness: evidence from Malaysia. *Quality and Quantity*, 58(2). <https://doi.org/10.1007/s11135-023-01689-6>

NURDIANSYAH, A. (2018). Halal Certification and Its Impact on Tourism in Southeast Asia: A Case Study Halal Tourism in Thailand. *KnE Social Sciences*, 3(5). <https://doi.org/10.18502/kss.v3i5.2323>

NURFAUZIA, F., Zahra, D. A., Manajemen, P., Ekonomi, F., Bisnis, D., Angkrek, J., No, S., Situ, K., Sumedang, K., & Sumedang, U. (2023). A study On The Halal Food Supply Chain Using 3 Countries Perspective. *SINTESA*, 14(1).

NURILLAH, S. L. (2023). The Importance of Halal Certificates in Halal Food Using the Digital Platform. *International Journal of Law Dynamics Review*, 1(2). <https://doi.org/10.62039/ijldr.v1i2.20>

QADDHAT, R., Attaalla, F., & Hussein, M. M. (2016). Halal Tourism : Evaluating Opportunities and Challenges in the Middle East “Jordan and Egypt.” *Journal of Faculty of Tourism and Hotels, Fayoum University*, 10(2).

QADRI, H. M. ud D., & Bhatti, M. I. (2021). Contemporary Issues in Islamic Social Finance. In *Contemporary Issues in Islamic Social Finance*. <https://doi.org/10.4324/9781003050209>

SALAJAN, F. D., Barnes, T. L., & Becker, A. (2024). Comparative regionalism cases of artificial intelligence governance in education: the Caribbean Community and the European Union. *Round Table*, 113(1). <https://doi.org/10.1080/00358533.2024.2307793>

SEMIĆ, A., Hodžić, A., & Obralić, E. (2023). The benefits of integrating of halal requirements with quality management and food safety systems in the food industry. *Ekonomski Izazovi*, 12(24). <https://doi.org/10.5937/ekoizazov2324060s>

SHAHARUDDIN, A., Mas'ad, M. A., Safian, Y. H. M., Shafii, Z., Salleh, A. Z., Alias, M. H., Seman, J. A., Laldin, M. A., & Khir, M. F. A. (2012). Fatwas on Islamic capital markets: a comparative study between Malaysia and Gulf Co-Operation Council ( GCC ). *ISRA Research Paper, No:40/2012*(2012).

SOFIANA, R., Utama, S., & Rohim, A. (2021). The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia. *Journal of Human Rights, Culture and Legal System*, 1(3). <https://doi.org/10.53955/jhcls.v1i3.16>

SWENSON, G. (2018). Legal pluralism in theory and practice. *International Studies Review*, 20(3). <https://doi.org/10.1093/ISR/VIX060>

TEECE, D. J. (2018). Dynamic capabilities as (workable) management systems theory. *Journal of Management and Organization*, 24(3). <https://doi.org/10.1017/jmo.2017.75>

Tri Ratnasari, R., Gunawan, S., Alif Rusmita, S., & Prasetyo, A. (2019). Halal Food Certification to Improve the Competitiveness of East and Middle Business in Indonesia. *KnE Social Sciences*, 3(13). <https://doi.org/10.18502/kss.v3i13.4266>





TRIKOZ, E. N., & Gulyaeva, E. E. (2023). The Communicative Function of Legal Transplants in Mixed Legal Systems. *Kutafin Law Review*, 10(3). <https://doi.org/10.17803/2713-0533.2023.2.25.515-543>

WILLIAMS, K., Rung, S., D'Antoine, H., & Currie, B. J. (2021). A cross-jurisdictional research collaboration aiming to improve health outcomes in the tropical north of Australia. In *The Lancet Regional Health - Western Pacific* (Vol. 9). <https://doi.org/10.1016/j.lanwpc.2021.100124>

WIWOHO, J., Trinugroho, I., Kharisma, D. B., & Suwadi, P. (2024). Islamic crypto assets and regulatory framework: evidence from Indonesia and global approaches. *International Journal of Law and Management*, 66(2). <https://doi.org/10.1108/IJLMA-03-2023-0051>

YAKUB, A., & Zein, F. (2022). Halal Certification in Government and Non-Governmental Organizations: A Comparative Analysis of Indonesia, Malaysia, and Thailand. *Jurnal Cita Hukum*, 10(1). <https://doi.org/10.15408/jch.v10i1.25747>

YUSTIANINGSIH, L., Mufid, A., Maifiah, M. H. M., & Gunawan, S. (2024). Comparison Study of Halal Management System in Indonesia and Malaysia. *Halal Research Journal*, 4(1). <https://doi.org/10.12962/j22759970.v4i1.1027>

ZULFA, E. A., Ismail, T. Q., Hayatullah, I. K., & Fitriana, A. (2023). Regulation and law enforcement on the protection of halal products in Indonesia. *Cogent Social Sciences*, 9(2). <https://doi.org/10.1080/23311886.2023.2273344>

