



The Development of Muslim-Friendly Tourism (Halal Tourism) in Boosting Economic Potential in Indonesia: A Comparative Study of Singapore and the United Kingdom

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Abstract. This study aims to analyze the potential of Muslim-friendly tourism in Indonesia and the comparison with the UK and Singapore, as well as development strategies and participation in this sector. The research method used is a qualitative approach with data collection through interviews with ministry officials, business actors, communities, and experts, as well as secondary data from various related reports. The results of the study indicate that Muslim-friendly tourism in Indonesia has great potential to support economic growth, with the sector's contribution to GDP reaching 10%, the highest in ASEAN. Compared to Singapore and the UK, Indonesia has challenges in terms of infrastructure and halal certification, but has advantages in terms of the Muslim population and the potential for developing more diverse halal destinations. Singapore has succeeded in integrating policies that support Muslim-friendly tourism with high standards, while the UK shows great potential with extensive halal facilities, although the quality of service needs to be improved. The development of Muslim-friendly destinations in Indonesia requires synergy between the government, business actors, and the community, as well as improving halal infrastructure and regulations. The recommendations of this study include the establishment of a national body for halal regulation, increasing digital promotion, and multi-sector collaboration to expand the development of halal destinations evenly. Implementation of these steps will strengthen Indonesia's position as a leading global Muslim-friendly tourism destination, increasing foreign exchange, employment and contribution to the country's economy.

Keywords: Access, Attractions and Amenities, Economic Potential, Halal Tourism, Tourist Destinations.

1. INTRODUCTION

Tourism is a strategic sector that makes a significant contribution to global economic development, including in Indonesia. Based on the World Travel and Tourism Council (WTTC) report, this sector will contribute up to 10% to the world's Gross Domestic Product (GDP) in 2022 and employ more than 300 million workers globally (WTTC, 2022). In Indonesia, tourism makes a major contribution to the country's foreign exchange, reaching 9.3% in the same year, and creating almost 10 million jobs, making it one of the main sectors in job creation with high investment efficiency (World Bank, 2016). In addition, investment in this sector offers significant returns, with an average multiplier effect of up to 10 times compared to other sectors (WTTC, 2022).

However, global tourism is now facing a new trend with the emergence of the concept of halal tourism or Muslim-friendly tourism. This trend is influenced by the growth of the world's Muslim population which reached 1.8 billion in 2012 and is projected to increase to 2.2 billion by 2030 (GMTI, 2023). Muslim travelers have unique preferences for services and facilities that comply with halal principles, such as halal food, prayer facilities, and family-friendly accommodation. The GMTI report shows that the global Muslim tourist market continues to grow with the number of Muslim travelers reaching 156 million in 2020 and projected to increase to 230 million by 2028, with a market value of USD 225 billion (GMTI, 2023).

The main problem faced by Indonesia in developing Muslim-friendly tourism is the lack of optimization of potential. Despite having the largest Muslim population in the world and abundant natural resources, Indonesia lags behind other countries such as Singapore and the UK in taking advantage of this trend. For example, Indonesia is still a major importer of halal products, including food, while countries such as Thailand have taken advantage of the halal market by exporting billions of dollars' worth of products to member countries of the Organization of Islamic Cooperation (OIC) (Rahman et al., 2020). The lack of an integrated strategy in developing halal tourism has resulted in Indonesia's low competitiveness in attracting international Muslim tourists.

The general solution to overcome this problem involves collaboration between the government, business actors, and the community in developing halal tourism infrastructure and services. The government needs to encourage investment in halal facilities, such as sharia accommodation and tourism services that meet the needs of Muslim travelers. In addition, marketing that focuses on Muslim-friendly destinations is also important to attract international tourists (Henderson, 2016). These efforts must be balanced with strengthening regulations and supporting policies to ensure smooth implementation.

Several countries have successfully developed halal tourism through specific approaches. Singapore, for example, has integrated digital technology to provide information about halal facilities through a mobile application, while the UK has leveraged its significant Muslim community to promote halal destinations through the provision of halal restaurants, prayer facilities, and travel guides (Jafari & Scott, 2019). A study by Battour et

al. (2021) highlighted the importance of service innovation to create tourism experiences that suit the needs of Muslim tourists, which ultimately increases tourist loyalty.

In Indonesia, research on halal tourism shows that the sector's great potential has not been optimally utilized. A study by Rahman et al. (2020) found that Indonesia has very supportive natural and cultural resources, but the lack of coordination between stakeholders is a major obstacle. Meanwhile, Jafari and Scott (2019) highlighted the importance of training tourism workers to understand the specific needs of Muslim tourists. On a global scale, Henderson (2016) noted that countries that are successful in developing halal tourism, such as Malaysia and Singapore, tend to have focused marketing strategies and continuous investment in infrastructure.

This study aims to analyze the development of Muslim-friendly tourism in Indonesia through a comparative study with Singapore and the UK. The focus of the study includes an evaluation of accessibility, attractions, and amenities at tourist destinations in the three countries, as well as the role of government, private sector, and communities in encouraging investment in this sector. With an international comparative approach, this study offers a new contribution in identifying best practices that can be adopted by Indonesia. This study is expected to provide strategic recommendations for the Indonesian government to optimize the potential of Muslim-friendly tourism as a driving force for the national economy.

Relevant literature shows the research gap that this study aims to fill. Most previous literature focuses on the economic potential and global trends of halal tourism without providing an in-depth analysis of implementation at the national level. By integrating empirical data and analytical approaches, this study seeks to provide applicable strategic solutions for the development of halal tourism in Indonesia.

2. METHODS

This research method used a qualitative research approach, the research location was determined in 2 locations, namely Indonesia and comparison countries, namely England and Singapore. The selection of research locations was determined intentionally (purposive sampling), the object of halal tourism research, data collection techniques through interviews with tourism ministry officials, business actors, communities, experts or observers, while secondary data was collected from report documents from the Ministry of Tourism and Creative Economy (Kemenparekraf), National Committee for Sharia Economics and Finance (KNEKS), Ministry of Investment, Regional Government One-Stop Integrated Service Office (PTSP), Global Muslim Travel Index (GMTI) Report, United Nation World Tourism Organization (UNWTO) Report, The World Travel & Tourism Council (WTTC) report and other secondary data related to tourism. Data analysis techniques by processing qualitative data by categorizing, systematizing, and producing meaning for what was the research variable. There were three steps in qualitative data processing in this study, namely data reduction, data display, and conclusion drawing and verification.

3. RESULTS AND DISCUSSION OF FINDINGS

3.1. Muslim-Friendly Tourism Potential

Tourism has an important role in development with a significant contribution to Indonesia's economic growth. Based on data from WTTC (2016) and the World Bank (2016), the tourism sector contributed 10% to the highest national GDP in ASEAN where national tourism GDP grew 4.8% with an upward trend of 6.9%, much higher than other sectors such as the agricultural industry, automotive manufacturing and mining with a tourism foreign exchange contribution of US\$ 1 million, generating a GDP of US\$ 1.7 million or 170% and still the highest compared to other industries.

In addition, the tourism sector contributes 9.3% to national foreign exchange with the highest growth of 13% compared to other industries such as the oil and gas, coal and palm oil industries which have negative growth and it is assumed that investment costs in the tourism sector can provide a return or profit of 10 times the investment value and the marketing costs required are only 2% of the projected foreign exchange generated.

Meanwhile, the Ministry of Tourism and the World Bank noted in 2016 that the impact of the tourism sector on the workforce was also very high, where tourism contributed to 9.8 million jobs or around 8.4% of the national job market from all industrial sectors, which was ranked 4th with a job creation growth of 30% in 5 years and one of the cheapest sectors in creating jobs, namely US\$ 5,000/one job, compared to the average for other industries of US\$ 100,000/one job.

Several previous studies provide important insights into the potential of Muslim-friendly tourism. Battour and Ismail (2016) showed that the use of the term "halal" in branding is more effective than the term "Islamic", making it more easily accepted by the wider community. Haliding (2020) emphasized that the concept of halal tourism is not only related to the implementation of Islamic law, but also aims to create a friendly experience for Muslim tourists by providing prayer facilities and halal food. Sutono (2019) further explained that halal tourism includes additional services designed to meet the needs and desires of Muslim tourists, as well as ensuring the existence of a halal guarantee system at tourist destinations.

In this context, several theories are also relevant in developing Muslim-friendly tourism. The Tourism Demand Theory emphasizes that demand for halal tourism is influenced by the needs and preferences of Muslim tourists who seek destinations that support their religious practices. The Creative Economy Theory illustrates

the importance of innovation in halal tourism products and services to attract more tourists. In addition, the Tourism Marketing Model integrates elements such as products, prices, places, and promotions that suit the needs of Muslim tourists. By utilizing the results of these studies and theories, Indonesia has the potential to become one of the main destinations for halal tourism in the world, providing positive impacts on economic growth and community welfare.

Indonesia has great potential to become the world's Muslim-friendly tourism hub, supported by its Muslim-majority population and abundant natural resources. This sector not only contributes to the economy but also drives job creation. However, there are strategic and operational challenges that must be overcome to realize this potential.

Economic Contribution: The tourism sector contributes around 10% to Indonesia's GDP, with faster growth compared to other sectors such as mining and agriculture. Halal tourism can make significant contributions through multiplier effects covering tourist spending, investment, and job creation. In this context, the higher spending of Muslim tourists compared to other segments provides an opportunity for increasing national foreign exchange. (Suhartanto et al., 2021; Amalia & Yahya, 2018).

Branding and Market Strategy: Research shows that branding with the term "halal" is more effective than "Islamic" because it is more inclusive and appeals to a global market. This strategy, when combined with a quality halal experience, can increase Muslim traveler loyalty, especially in domestic destinations. (Battour & Ismail, 2016; Suhartanto et al., 2021)

Opportunities and Challenges: The main opportunities are the economic growth of Muslim countries and the increasing interest in halal tourism globally. However, Indonesia still lags behind Malaysia and Thailand in halal tourism competitiveness. Other challenges include conflicts of interest with local communities regarding cultural values and the implementation of sharia. Some regions, such as Aceh, are trying to integrate halal tourism with local wisdom and sharia law to create a unique model that encourages local economic growth. (Rasyid, 2019; Yusuf et al., 2021).

Sustainable Development: To ensure sustainability, a holistic approach is needed. This includes the development of halal infrastructure, human resource training, and policies that support investment in the sector. The government also needs to leverage digital technology for marketing and increasing global appeal. (Amalia & Yahya, 2018; Rasyid, 2019).

By overcoming these challenges and optimizing existing opportunities, Indonesia can lead the world's halal tourism market, providing a positive impact not only on the national economy but also on people's welfare.

3.2. Development of Muslim-Friendly Tourist Destinations: Access, Attractions and Amenities of Tourist Destinations In Indonesia Compared to the UK And Singapore

The development of Muslim-friendly tourist destinations has become an important focus in the global tourism industry. In this context, access, attractions, and amenities are three main aspects that must be considered to attract Muslim tourists. This article will compare the conditions of the development of Muslim-friendly tourist destinations in Indonesia, the UK, and Singapore.

1) Access

- a. Indonesia: Despite having many tourist destinations that are attractive to Muslim tourists, accessibility is still a challenge. Many tourist locations are located in remote areas, and transportation infrastructure in some areas still needs to be improved to facilitate access for tourists. Although having many tourist destinations that are attractive to Muslim tourists, accessibility is still a challenge. Many tourist locations are located in remote areas, and transportation infrastructure in some areas still needs to be improved to facilitate access for tourists..
- b. England: The country has a good public transport system, with high connectivity in major cities. However, facilities and information about Muslim-friendly services outside the city centers are still limited, which can hamper the Muslim traveler experience.
- c. Singapore: Known for its efficient and friendly public transportation, Singapore provides good access to a variety of halal attractions. Supportive government policies make it easy for Muslim travelers to explore tourist destinations..

2) Attraction

- a. Indonesia: Offering a variety of interesting cultural and natural attractions, such as the Istiqlal Mosque and various halal destinations in Bali. However, not all attractions have received halal certification, which can be a drawback for Muslim tourists..
- b. England: Despite its wealth of historical and cultural sites, the lack of attractions specifically designed for Muslim tourists is a challenge. However, some major cities are starting to develop Muslim-friendly tours.
- c. Singapore: Having many Muslim-friendly attractions, such as Kampong Glam and various mosques. The government's active approach in promoting halal tourism makes Singapore a successful example in developing Muslim-friendly destinations..

3) Amenities

- a. Indonesia: Many hotels and restaurants are starting to get halal certification, but the quality and

consistency varies. Further training is needed for tourism industry players to better understand the needs of Muslim travelers.

- b. England: Despite the presence of halal restaurants, Muslim-friendly accommodation options are still limited. Some hotels are starting to offer better facilities, but more options are needed.
- c. Singapore: Has many supporting facilities, including halal-certified restaurants and hotels. Worship facilities are also adequately available, with active support from the government in developing amenities that meet the needs of Muslim tourists.

Previous studies have shown that the development of halal tourism in Indonesia has great potential, but still requires improvements in access and amenities (Bakar et al., 2020). In the UK, research shows the need for a better understanding of the needs of Muslim tourists among industry players (Ali, 2018). On the other hand, Singapore has succeeded in creating a Muslim-friendly environment through government policies and industry collaboration (Tan, 2019). The theory of Muslim-friendly tourism marketing emphasizes the importance of understanding the needs and preferences of Muslim tourists. The SERVQUAL model can be applied to measure tourist satisfaction based on service quality, accessibility, and facilities. (Parasuraman et al., 1988).

The development of Muslim-friendly tourism destinations in Indonesia, the UK and Singapore show different approaches in meeting the needs of Muslim tourists. Indonesia has great potential, but challenges in access and amenities need to be addressed. The UK needs to improve its understanding of the Muslim market, while Singapore can be used as an example of planned and integrated development. The right efforts from these three countries will increase their attractiveness as Muslim-friendly tourism destinations.

The development of Muslim-friendly tourist destinations in Indonesia, the UK, and Singapore highlights three main aspects: access, attractions, and amenities, each of which plays a significant role in attracting Muslim tourists. In terms of accessibility, Indonesia faces challenges in limited transportation infrastructure, especially in remote areas, although the government continues to improve connectivity by building airports and toll roads (Bakar et al., 2020). On the other hand, the UK excels in its sophisticated public transportation system, such as intercity trains and buses, although specific services for Muslim tourists, such as information on halal facilities, are still inadequate outside of large cities (Ali & Wahab, 2021). Singapore stands out with its modern public transportation system and the support of government policies that provide halal information and facilities easily, making accessibility one of its main advantages. (Tan & Aziz, 2019).

In terms of attractions, Indonesia offers cultural and natural riches, such as the Istiqlal Mosque and Lombok as leading halal destinations. However, the lack of halal certification in some attractions is an obstacle that must be overcome (Henderson, 2020). In contrast, the UK has great potential in historical and cultural attractions, but the lack of focus on Muslim tourists limits its appeal. However, some Islamic history tours are starting to develop, giving hope for future growth (Ali, 2018). Meanwhile, Singapore has shown success through attractions such as Kampong Glam and historical mosques, supported by a strategic government approach to promoting Muslim-friendly tourism. (Tan & Aziz, 2019).

Amenities are the last important aspect. Indonesia has begun to show positive developments with many halal-certified hotels and restaurants, although the quality and consistency of service need to be improved through better training for industry players (Bakar et al., 2020). The UK offers quite a lot of halal restaurants in big cities, but Muslim-friendly accommodation options are still limited (Ali & Wahab, 2021). Singapore again excels with facilities that support the needs of Muslim tourists, including halal-certified restaurants, Muslim-friendly hotels, and easily accessible prayer facilities. This success is the result of active collaboration between the government and the private sector. (Tan & Aziz, 2019).

Overall, the development of Muslim-friendly tourism in these three countries shows different approaches. Indonesia has great potential with its rich culture and natural resources, but needs to improve its infrastructure and quality of halal services. The UK can be more competitive by expanding specific services for Muslim tourists and improving understanding of this market. Singapore, as a prime example, has shown that an integrated strategy can deliver outstanding results, making it a leader in the global halal tourism sector. Further research is needed to explore Muslim travelers' preferences to enhance the attractiveness of these destinations..

3.3. Participation Strategy of The Role and Participation of Government, Business Actors, Communities and Society in Developing and Encouraging Investment in Muslim-Friendly Tourist Destinations in Indonesia Compared to the UK and Singapore

The strategy of developing economic growth through the development of halal tourism is expected to increase Muslim tourist visits to a country, thus increasing tourism sector revenues that contribute to increasing the country's Gross Domestic Product and Gross National Product. However, to attract Muslim tourists and maintain sustainable economic growth, investment is needed from both the government and the private sector to develop halal-concept tourism facilities and infrastructure, where the investment is expected to provide financial returns in the form of increased income in the future that will continue to contribute to increasing Gross National Product, through continuous marketing and development of halal tourism.

Steps for developing Halal Tourism in Indonesia based on the experiences (success stories) of Singapore and England, can be seen in the following table:

Table 1: Comparison of halal tourism development between Singapore and the UK.

Aspect	Halal Tourism in Singapore	Halal Tourism in the UK
Regulation and Certification	<ul style="list-style-type: none"> • There is a clear national halal regulatory and certification body 	<ul style="list-style-type: none"> • Halal regulations and certification are more focused on food and catering services.
Destination Promotion	<ul style="list-style-type: none"> • Integrated and integrated halal tourism promotion 	<ul style="list-style-type: none"> • Promotion is more targeted at foreign tourists, especially the Middle East
Halal Tourism Facilities	<ul style="list-style-type: none"> • Adequate halal tourism facilities are available in all major destinations. 	<ul style="list-style-type: none"> • Facilities are centralized in major cities such as London
Marketing Targets	<ul style="list-style-type: none"> • Adequate halal tourism facilities are available in all major destinations • Local and international Muslim tourists in an effort to promote Singapore as a major halal tourism destination in the region 	<ul style="list-style-type: none"> • Main foreign Muslim tourists More focused on meeting the needs of foreign Muslim tourists coming to the UK

The development of halal tourism in Indonesia has great potential to support sustainable economic growth, especially through increasing Muslim tourist visits, both domestic and international. To achieve this, Indonesia needs to learn from the experiences of countries such as Singapore and the UK. Singapore has shown success in building an integrated halal tourism ecosystem with a clear national halal regulatory and certification body, targeted digital promotion, and evenly distributed halal facilities in major destinations (Crescent Rating, 2023). On the other hand, the UK focuses its strategy on Muslim tourists from the Middle East, although its facilities and promotions are more concentrated in big cities such as London (Battour & Ismail, 2016; Crescentrating, 2021).

Indonesia needs to establish a structured halal regulatory and certification framework to strengthen its competitiveness in this sector. This includes accommodation, restaurants, and tourist attractions, as has been implemented in Singapore. Integrated multi-sector promotions also need to be adopted to reach domestic and international markets. In addition, the provision of halal facilities must be increased evenly across leading destinations, including Lombok and Aceh, in order to attract tourists with different preferences (Halal Times, 2022; Mastercard-Crescent Rating, 2019).

Halal tourism development strategies can be carried out through the development of new destinations, such as culinary tourism in Aceh, snorkeling in Komodo, or waqf in Ternate. This can be integrated with digital marketing and international activities, such as the Indonesia Halal Tourism Expo. Cooperation with institutions such as the Ministry of Religion for halal certification, HR training in the tourism sector, and the use of technology are also important steps to support the growth of this sector (Hospitality Insights, 2018; Mastercard-Crescent Rating, 2019).

The economic impacts include increased revenue from the accommodation, culinary, transportation, and entertainment sectors, as well as the creation of new jobs. Foreign and domestic investment is expected to grow with increasing investor interest in the development of halal tourism, which ultimately contributes to the growth of GDP and foreign exchange. To achieve sustainability, Indonesia needs to conduct a regular SWOT analysis to identify strengths such as the potential for natural and cultural tourism, opportunities from the global Muslim market, infrastructure weaknesses, and threats from regional competition and natural disaster risks. (Crescent Rating, 2023; Halal Times, 2022).

In conclusion, an integrated and technology-based approach, as exemplified by Singapore, can be a model for Indonesia to strengthen its position in global halal tourism. With these strategic steps, Indonesia has a great opportunity to optimize the potential of the growing halal tourism market. (Battour & Ismail, 2016; Crescent Rating, 2023).

Halal tourism is a strategic sector to support economic growth in various countries, especially those with large Muslim populations such as Indonesia. The development of this sector not only contributes to increasing the number of Muslim tourists but also has an impact on gross domestic product (GDP) and job creation. In comparison, Singapore has shown success in building integrated halal tourism with the existence of a national halal certification body, effective digital promotion, and evenly distributed halal facilities in various tourist destinations (Crescent Rating, 2023; Mastercard-Crescent Rating, 2019). Meanwhile, the UK tends to focus on international Muslim tourists, particularly from the Middle East, with promotions limited to major cities such as London. (Battour & Ismail, 2016).

Key strategies relevant to Indonesia include the establishment of a national body specifically for halal regulation and certification. This approach, as in Singapore, could cover sectors beyond food, such as accommodation, transportation, and tourism activities. In addition, the development of halal facilities evenly in leading destinations, such as Lombok and Aceh, is important to strengthen Indonesia's position as a leading global halal tourism destination. The use of digital technology in promotions, such as applications and virtual exhibitions, is also key to increasing Indonesia's appeal in the international market. (Halal Times, 2022; Hospitality Insights, 2018).

The economic benefits of developing halal tourism are vast. The increase in Muslim tourist arrivals contributes to increased revenues from the accommodation, culinary and entertainment sectors. Halal tourism also drives new job creation, attracts foreign and domestic investment, and promotes local culture to

international audiences. However, the challenges of uneven infrastructure and competition from neighboring countries remain major concerns. By leveraging innovations, such as the development of digital-based halal services and gender-specific facilities, Indonesia can overcome these obstacles and tap into the potential of a rapidly growing market. (Battour & Ismail, 2016; Crescent Rating, 2023).

In conclusion, Indonesia has a great opportunity to become a global leader in halal tourism. By learning from Singapore's integrated approach and the UK's focus on international tourists, Indonesia can strengthen its regulatory framework, improve halal facilities, and leverage digital technology for promotion. This approach is expected to not only increase global competitiveness but also support sustainable economic growth. (Crescent Rating, 2023; Mastercard-Crescent Rating, 2019).

3.4. Impact of Halal Tourism on the Economy

The tourism sector as a whole makes a significant contribution to the Indonesian economy. According to data from the Ministry of Tourism and Creative Economy, in 2022 the tourism sector contributed around 4.8% of Indonesia's Gross Domestic Product (GDP). This figure shows an increase from previous years, where tourism's contribution to GDP was in the range of 4-5% in recent years. In addition, the tourism sector also contributes to Indonesia's national income.

In relation to Gross National Product (GNP), halal tourism can contribute to increasing it through increasing visits by foreign and domestic tourists. Halal tourism, which offers products and services that are in accordance with Islamic principles, can attract the interest of Muslim tourists from within and outside the country. This can increase the number of tourist visits, which will ultimately have an impact on increasing the country's foreign exchange earnings. (GNP).

Several countries in the world, such as Malaysia, the United Arab Emirates, and Turkey, have strategically developed the halal tourism sector and succeeded in increasing its contribution to the national economy. By following similar steps, Indonesia also has the potential to increase the contribution of halal tourism to GNP and drive faster economic growth.

The tourism sector as a whole contributes significantly to the Indonesian economy, contributing 4.8% to Gross Domestic Product (GDP) in 2022. Halal tourism, as a rapidly growing sub-sector, has great potential to strengthen this contribution. With a focus on providing products and services in accordance with Islamic principles, halal tourism is able to attract domestic and international Muslim tourists, especially from key markets such as the Middle East, Malaysia, and other OIC (Organization of Islamic Cooperation) countries. (Battour & Ismail, 2016).

Halal tourism not only contributes to GDP through tourist spending in the accommodation, culinary, and entertainment sectors, but also to Gross National Product (GNP) through increased foreign exchange from international tourists. For example, the development of integrated halal destinations such as in Malaysia and the United Arab Emirates has shown an increase in state revenue through this sector (Henderson, 2016). Research shows that halal tourism is able to drive inclusive economic growth by creating jobs, attracting foreign investment, and increasing tax revenues. (El-Gohary, 2020).

Indonesia, as the country with the largest Muslim population, has a great opportunity to become a global leader in halal tourism. By adopting development strategies such as those implemented by Turkey and Malaysia, including a clear regulatory framework, effective digital promotion, and multi-sector collaboration, Indonesia can increase its competitiveness in the global halal tourism market. In addition, investment in halal infrastructure and human resource training will strengthen the sector's contribution to GNP and sustainable economic growth. (Rahman et al., 2021).

3.5. Investment in Halal Tourism

Investing in adequate halal tourism infrastructure is an important step to develop halal tourism in Indonesia. This is based on several reasons. First, accommodation facilities such as halal hotels and halal restaurants are needed to meet the needs of comfortable travel for Muslims. Second, halal-standard infrastructure will increase the attractiveness of halal tourism for domestic and foreign tourists.

In addition, the development of halal-certified tourism facilities can expand the halal tourism market share to a global scale considering the great potential of Muslim tourists. This investment will also encourage economic growth through job creation and increasing foreign exchange. In addition, investment in tourism infrastructure in the region can improve the local economy.

For these reasons, government and private commitment is needed to increase investment in infrastructure development that supports the sharia-based tourism industry in Indonesia in order to maximize its potential in the future.

Investment in the development of halal tourism infrastructure in Indonesia is expected to have a positive impact on the development of the tourism sector and the economy as a whole. This is supported by several reasons. First, this investment is believed to be able to increase the attractiveness of halal tourism destinations so that it can attract more domestic and foreign tourists and their shopping. Then, the availability of various halal standard facilities will increase the comfort and loyalty of Muslim tourists.

In addition, new business opportunities that emerge around the halal tourism industry will also advance MSMEs in various regions. On the other hand, the increase in the number of tourists is predicted to boost the country's foreign exchange earnings. The increase in economic activity and taxes in the tourism sector will in turn contribute to regional and national economic growth. Thus, this infrastructure investment plays a very important role in strengthening the tourism industry and encouraging overall economic growth.

Infrastructure investment in halal tourism is a strategic key to developing the sharia-based tourism sector in Indonesia. Halal-standard facilities, such as hotels, restaurants, and tourist attractions, not only meet the needs of Muslim tourists but also create significant appeal to the global market. Studies show that adequate infrastructure can increase the appeal of halal tourism destinations, attract more tourists and extend their stay, thereby increasing tourist spending and contributing to the local economy (Battour & Ismail, 2016).

In addition, this investment strengthens the economy through job creation, both directly in the tourism sector and indirectly in the supply chain. For example, the development of halal tourism in Malaysia and Turkey has succeeded in expanding the global Muslim tourist market share, which has an impact on increasing foreign exchange and driving regional economic growth (Henderson, 2016). Quality infrastructure also encourages the loyalty of Muslim tourists because of the convenience and trust in the halal of the products and services provided.

From an economic perspective, investment in this sector can spur the growth of small and medium enterprises (SMEs) through synergy with halal tourism, such as local crafts, culinary, and transportation. This contributes to equitable economic development, especially in areas that are tourist destinations (El-Gohary, 2020). Thus, investment in halal tourism infrastructure is not only a strategic step to increase global competitiveness, but also a tool to encourage sustainable economic growth at the local and national levels.

4. CONCLUSION

Based on the results and discussion, it is concluded that the study shows that Muslim-friendly tourism has great potential to drive Indonesia's economic growth. This sector contributes significantly, up to 10% to the national Gross Domestic Product (GDP), which is the highest figure in the ASEAN region. As a country with the largest Muslim population in the world, Indonesia has a comparative advantage to develop a globally competitive halal tourism ecosystem. This is reinforced by higher foreign exchange growth compared to other sectors. Comparison with other countries such as Singapore and the UK provides strategic insights. Singapore, despite its smaller contribution to GDP (4-5%), has succeeded in attracting Muslim tourists through modern attractions, high-quality services, and proactive government policies. The UK, with its growing Muslim population and expanding halal facilities, has become a major destination for tourists from the Middle East, contributing 7-9% to the country's GDP. Indonesia can combine local and global approaches, such as destination diversification, strengthening halal infrastructure, and strategic marketing, to strengthen its position as a Muslim-friendly tourist destination. However, the development of Muslim-friendly tourist destinations in Indonesia faces challenges such as limited accessibility, lack of halal certification, and varying quality of amenities. The successful experience of Singapore with certified halal infrastructure and amenities, and the UK with its approach to sustainability of domestic and international markets, provide important lessons. Indonesia needs to improve infrastructure, halal certification, and improve service quality to maximize the potential of this sector. The study's recommendations include the establishment of a national body for halal regulation and certification, digital promotion to target local and global tourists, and multi-sector collaboration between government, private sector, and community. Providing fiscal incentives and investment facilitation are also important to attract investors, create new jobs, and increase foreign exchange. Developing unique attractions such as halal culture and cuisine will also increase Indonesia's global competitiveness. With the implementation of these strategies, halal tourism in Indonesia can make a significant contribution to economic growth, create jobs, and strengthen its position as a leading Muslim-friendly tourism destination in the world.

5. POLICY IMPLICATIONS

The implications of this study highlight the necessity for synergy among the government, business actors, communities, and the public in creating an integrated halal tourism ecosystem. Enhancing infrastructure, halal certification, and service standardization is crucial to maximizing the appeal of halal tourism in both domestic and international markets. Accordingly, this study recommends several strategic actions.

First, the government should establish a national body for halal regulation and certification, similar to the approach adopted in Singapore, to ensure the quality of services and facilities within the tourism sector. Second, the promotion of halal tourism should be strengthened through digital platforms, targeting both domestic and international tourists, leveraging social media and technology-based platforms. Third, multisectoral collaboration between the government, private sector, and communities must be enhanced to expand the development of halal destinations, particularly in remote areas.

Furthermore, fiscal incentives and investment facilitation should be provided to attract investors to the halal tourism sector, creating new employment opportunities and contributing to national foreign exchange earnings. Finally, unique and high-quality tourism experiences, such as halal cultural attractions and culinary offerings, should be developed to enhance global competitiveness. By implementing these recommendations, Indonesia can

strengthen its position as a leading global destination for Muslim-friendly tourism.

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