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Indonesian Halal-Based Agro-Industry Products Development Strategy in Anticipating ASEAN Halal Hub

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Abstract

Indonesia as the largest Muslim population in the world needs to act fast building its halal - based agro-industry in order to avoid to role only as a largest market, but also need to set it up to be gradually develop as internationally known as competitive halal products producer . Malaysia, Thailand and Brunei Darussalam as ASEAN members has been globally recognised as the world's halal product hub and building their halal industry as their main platform of agro-industry development to penetrate international market. High level of competition abounds from both Muslim and non-Muslim nations, including ASEAN members, Australia and New Zealand which have been being very aggressive setting up industrial estates for halal products production and marketing their products around the globe. This research proposed the conceptual of theoretical framework on Indonesian Halal-based Agro-industry Product Development Strategy in anticipating ASEAN Halal Hub, which its success depends on a broad range of policy developments related to the law and regulations, support services and infrastructure, human resource development, finance, R&D, marketing and promotional efforts.

Introduction

The improved Muslim consumer's awareness of halal products that has developed in line with the number of Muslim people reaching at 1.8 billion people of 6.5 billion people in the world increasingly confirmed the demand for international halal products. The development of halal products not only occurred in Islamic countries, but also in western countries, because international companies cantered in the countries are currently using the halal concept as a business strategy and marketing. This has been carried out, in the light of globally the world's halal market is very promising, and predicted reaching at 12% of total global trade food and agricultural products with the price in the range of USD 347 - 500 billion (Chee-man, 2006).

With the average large growth of halal product market reaching at seven percents per year and predicted to attain twice in several Asia countries with Muslim

population is large like as Indonesia, People's Republic of China, Pakistan and India in 10 years forward (Sungkar, 2007), then many Muslim as well as Non-Muslim countries attempt to develop and improve the production of halal products fulfilling the world market. This becomes a serious matter if the potency of Indonesian Muslim society is only made as a market by other countries. The condition also at a time become a challenge for Indonesia in order that it can utilize agar the growth of world's halal market for preparing halal products that can be absorbed to meet the need for halal products that is increasingly risen.

The presence of the trend to the improvement of halal food need globally has been predicted by various parties, beginning from businessmen as well as government. In several Asia countries with the large number of Muslim people are Indonesia, Pakistan, India and People's Republic of China, the average growth of halal product market is about seven