

Perfection of Shariah Share in the progressiveness of the *Halal Value Chain*

Muflih Adi Laksono¹

STISNU Nusantara Tangerang: Email: muflih83@gmail.com

ABSTRACT. *Islamic capital market is one part of the capital market in Indonesia, stock prices are always fluctuating as well as commodities sold in the goods market according to the law of supply and demand. This research is descriptive qualitative discusses how the perfection of Islamic stocks on the development of the Islamic economy through strengthening the halal value chain in all of industries. Halal value chain is an economic sector that plays a role in economic progress. Considering the huge potential of Indonesia's sharia economy, making Indonesia a consumer of halal products in the international market.*

Keywords: *Islamic stocks, Halal value chain, shariah share*

1. INTRODUCTION

Indonesia is a country where the majority of the population is Muslim, this greatly affects the perfection value of sharia shares, because the Muslim community will prefer *halal oriented* but still *profit* as Islamic economics regulates stocks. The IDX explained that sharia shares are securities in the form of shares that do not conflict with sharia principles in the capital market, the definition of shares in the context of sharia shares refers to the definition of shares in general as regulated by law and the OJK. According to the OJK, the concept of shares is included in the concept of *musyarakah* or *syirkah activities*, which is an activity of capital participation with the right to share business results. When there are two types of sharia shares that have been recognized in the Indonesian capital market, namely shares that are declared to meet the selection criteria for sharia shares based on the Financial Services Authority regulation Number 35/POJK.04/2017 concerning criteria and issuance of a list of sharia securities, the second is shares listed as sharia shares by issuers or sharia public companies based on the regulation of the Financial Services Authority Number 17/POJK.04/2015.

Sharia stocks themselves are very familiar to investors (*traders*) because Indonesia has enormous potential to become a world halal producer, the potential of the halal industry is balanced with the potential of a large national Islamic finance industry. The value of the perfection of sharia shares greatly affects the development of the halal industry or often referred to as the *halal value chain*, *value chain* is known as a value chain which is a series of activities carried out by a company to produce products or services.

Conceptually, shares are securities, which are proof of equity participation in companies with evidence of such participation, shareholders are entitled to receive a share of the results or *dividends* from the company's business, because basically investors in investing try to reduce the risks that will arise, both long-term and long-term. short-term. The role of the sharia economy is still very minimal due to the development of various sectors in the sharia economic ecosystem that is still not optimal, the scope and development that is still leaning towards the financial sector is also one of the existing obstacles. The more rapid development of the Islamic economy is triggered by many factors, including the urgent need for a financial system free from usury, responsive regulations related to Islamic financial needs, and a model for developing a sharia economic system that is already available globally for replication.

On the other hand, what causes the real sector to have not developed is the perception and reality that most of the industrial sectors in Indonesia have substantially met the halal requirements, but this assumption has proven to be detrimental, because certification of various products is the main requirement in fulfilling market demand. The Financial Services Authority has compiled a master plan for the Indonesian financial services sector for 2021-2025 which is the basic framework for the strategic direction of developing an integrated and comprehensive financial services sector to create a stable, contributing and inclusive financial industry in supporting Indonesia's economic growth. Basically, Indonesia has a very high potential in capturing a global halal industry market opportunity, but a lot of policy strengthening is still needed, some of the biggest challenges are social diversity that can affect the consumption pattern of the halal industry and the capacity of industry players, especially MSMEs, to understand is still relatively low. *halal value chains*. The perfection of sharia stocks that continues to develop at this time is very influential on the level of literacy of halal industrial products, therefore it continues to be developed for investors to provide significant progress and the need for a strategy to accelerate the development of the halal industry in Indonesia.

Based on some of the conditions above, it is necessary to re-discuss and understand more deeply, namely about how the perfection of sharia shares on the progress of the *halal value chain* considering the huge potential for the sharia economy, in particular, namely to increase the competitiveness of various regions, so policy orientation must minimize all challenges and can capture opportunities well. Awareness of opportunities for the halal industry must be carried out to all levels of stakeholders, including the government, academia, business actors, industry, and at the consumer level.

2. LITERATURE REVIEW

2.1. Definition of Shares and Shariah Shares

The most sought-after and in-demand financial market instruments are shares (Santyaningtyas, 2019: 97), shares can be defined as a sign of a person's or business entity's equity participation in a company or limited

liability company. Shares themselves are securities as evidence of participation in a company that shows ownership of the company, while sharia shares are shares of companies whose business activities and management do not conflict with sharia principles in the capital market. Sharia shares are included in the Sharia Securities List. The profits obtained from the company are called *dividends*, the distribution of *dividends* is determined at the close of the financial statements based on the GMS (Soemitra, 2009: 137). The criteria for sharia shares are in accordance with the fatwa of the National Sharia Council Number: 40/DSN-MUI/X/2003 concerning the Capital Market, the Financial Services Authority determines the criteria for sharia shares, namely as follows:

1. The company does not conduct business activities that are contrary to sharia principles.
2. Do not conduct transactions that are contrary to sharia principles in the capital market.
3. Total interest-based debt compared to total *assets* of the company does not exceed 45%, and non-halal income compared to total income does not exceed 10%.

The determination of the criteria for sharia shares is taken based on the fatwa of the National Sharia Council - Indonesian Ulema Council which is the result of the *ijtihad* of scholars who have the ability and expertise in the field of *muamalah fiqh* in Indonesia. The concept of the fatwa was taken based on *fiqh* rules and on the conditions of the Indonesian financial and economic markets which have not made it possible to apply sharia economy in total so that tolerance limits are set that are adapted to these conditions.

According to *syara'* and legislation, the sale and purchase of shares is legal at a fixed price. As for if the price is uncertain and deferred until the time of transaction, then it is not allowed (Az-Zuhaili, 2011: 89), because it contains an element of *jahaalah* in the price (not known clearly and with certainty). Because according to the majority of scholars, clarity and certainty of a price is a condition for the validity of buying and selling. Imam Ahmad, Ibn Taimiyah, and Ibn al Qayyim allowed buying and selling at a price that would be fixed.

(Az-Zuhaili, 2011: 184) The *Majma' al-Fiqh al-Islami* session which took place at the seventh round of congress in Jeddah, Saudi Arabia from 7-12 Dzulqad'ah 1412 H/9-14 May 1992 AD. to the table of *Majma' al-Fiqh al-Islami* related to the issue of "Financial markets, stocks, *ikhtiyaar*, commodities, and credit cards" namely:

1. Participating in investing in a company.
 - a. The law of origin of *muamalah* (business transactions) is halal, so establishing a company with joint capital (company) that has orientation, goals, and legal business activities is permissible.

- b. is *ishaam* (contribute) to companies whose basic orientation is haram, such as transacting with the usury system, producing, or trading things that are forbidden.
 - c. The *musaahamah* (cooperation with the motive of mutual benefit) in companies that sometimes carry out business transactions that are forbidden, has not been decided at the trial.
2. Underwriting (*underwriting*).

Underwriting is an agreement at the time of establishment of a company with a party that provides a commitment to guarantee all the issuance of shares or part of it. The guarantor may receive compensation for the work activities performed.
3. Payment of share value at the time of *ikhthitaab* (registration) in a non-cash way or in installments.

By syara' there is no prohibition on paying part of the installments for the nominal value of the listed shares and deferring the payment of the remaining installments.
4. Shares for the holders.

Share certificates are evidence or certificates of ownership of the said share rights, so by law there is no prohibition against issuing shares of a company in this way.
5. The object of the contract in the sale and purchase of shares.

The object of the contract in the sale and purchase of shares is a portion or part in a general and global form of *assets*. While the share certificate is a proof or document of ownership of the right of the part or portion.
6. Preferred stock (privileged).

Companies are not allowed to issue preferred shares that have financial priority and privileges which have the consequence of a definite guarantee of capital, or a guarantee and certainty of getting a definite share of *dividends*.
7. Conduct stock transactions by way of usury.

It is not allowed to buy shares using usury debt loans provided by brokers when the buyer is temporarily in the hands of the broker as a pledge to guarantee the debt loan. In addition, a person is also not allowed to sell shares that he does not own but he is only limited to getting a promise from the broker to be given a share debt loan when the handover is carried out, because the transaction is included in selling something that is not owned.
8. Trading shares or pawning them.

That it is legal to trade or pawn shares while still paying attention to and being able to comply with all the rules and regulations of the company.
9. Issuance of shares accompanied by issuance costs.

stipulation of additional fees with a certain percentage amount to be paid together with the payment of the value of the shares, as long as

the additional costs must be calculated and calculated proportionally, then the law is allowed.

10. Issuance of additional shares or discount on issuance.

It is permissible to issue new shares to increase and increase the company's capital provided that the new shares are issued at the real value of the old shares or at the market value.

11. Company guarantees against the purchase of shares.

12. Limited liability company limited liability.

According to syara', there is no prohibition against establishing a limited liability company in accordance with the capital.

13. Limit the circulation of stock transactions only through licensed brokers and apply fees for conducting transactions on the stock market.

14. Priority rights.

15. Proof (certificate) of the right to own.

Sharia principles in the capital market are the principles of Islamic law in sharia activities in the capital market based on the DSN-MUI fatwa as long as the said fatwa does not conflict with OJK regulations based on the MUI. Securities comply with sharia principles in the capital market so that they become sharia securities if the activity and type of business, as well as the business management method of the party issuing the securities; contract, method of management, and assets of mutual funds; contract of management method, and financial assets that make up a portfolio of asset-backed securities issued collective investment contracts for asset-backed securities; contract, management method, and wealth of real estate investment funds in the form of collective investment contracts; the contract and its portfolio in the form of a collection of receivables or the division of house ownership; contract, management method, and or assets underlying the sukuk; contract of management method, and or assets that underlie other securities stipulated by OJK.

As an example, we can see several types of Islamic stocks listed on various stock indices on the Indonesia Stock Exchange and the Syariah Stock List, but basically the following list can change over a certain period of time. stock *Jakarta Islamic Index* which contains approximately 30 sharia stock issuers per August 2021 to November 2021 are as follows:

1	Tjiwi Kimia Paper Factory Tbk (TKIM)	16	Semen Indonesia (Persero) Tbk (SMGR)
2	Telkom Indonesia (Persero) Tbk (TLKM)	17	Barito Pacific Tbk (BRPT)
3	Chandra Asri Petrochemical Tbk (TPIA)	18	Charoen Pokphand Indonesia Tbk (CPIN)
4	United Tractors Tbk	19	Erajaya Swasembada Tbk

	(UNTR)		(ERAA)
5	Unilever Indonesia (UNVR)	20	XL Axiata Tbk (EXCL)
6	Wijaya Karya (Persero) Tbk (WIKA)	21	Indofood CBP Sukses Makmur Tbk (ICBP)
7	Ace Hardware Indonesia Tbk (ACES)	22	Japfa Comfeed Indonesia Tbk (JPFA)
8	Adaro Energy Tbk (ADRO)	23	Kalbe Farma Tbk (KLBF)
9	AKR Corporindo Tbk (AKRA)	24	Merdeka Copper Gold Tbk (MDKA)
10	Aneka Tambang Tbk (ANTM)	25	Mitra Keluarga Karya Sehat (MIKA)
11	Bank Syariah Indonesia Tbk (BRIS)	26	Media Nusantara Citra Tbk (MNCN)
12	Perusahaan Gas Negara Tbk (PGAS)	27	Vale Indonesia Tbk (INCO)
13	Bukit Asam Tbk (PTBA)	28	Indofood Sukses s Makmur Tbk (INDF)
14	PP (Persero) Tbk (PTPP)	29	Indah Kiat Pulp & Paper Tbk (INKP)
15	Pakuwon Jati Tbk (PWON)	30	Indocement Tunggul Prakarsa Tbk (INTP)

Source: data processed by the author.

In addition to the *Jakarta Islamic Index stock index*, there is a stock index that also provides Islamic stocks in the Indonesian capital market. The other sharia stock indexes are:

1. *Jakarta Islamic Index (JII)*

The first index of sharia shares is the *Jakarta Islamic Index (JII)*, the Indonesia Stock Exchange conducts and also determines the selection of sharia shares which are elements of the *Jakarta Islamic Index*. The liquidity criteria used in selecting 30 sharia stocks to become the constituents of the *Jakarta Islamic Index*, namely

- a. sharia shares that are included in the constituents of the Indonesian Sharia Stock Index have been recorded for the last 6 months.
- b. Selected a number of 60 stocks based on the highest average market capitalization during the last 1 year.
- c. From the 60 stocks, 30 stocks were selected based on the order of the highest average value from daily transactions in the regular market.
- d. Of the 30 remaining shares, these are selected shares.

2. *IDX-MES BUMN 17*

IDX-MES BUMN 17 is an index that measures the price performance of 17 BUMN sharia stock issuers. Affiliates of the stock

index have a very large amount of liquidity and market share capitalization and are also supported by the issuer's positive fundamentals. IDX-MES BUMN 17 is the result of a collaboration between the IDX and the Islamic Economic Community Association. The Indonesia Stock Exchange determines the selection of sharia shares that become the constituents of IDX-MES BUMN 17 as follows:

- a. Sharia shares that are included in the constituents of the Indonesian Sharia Stock Index.
 - b. Shares of BUMN or its affiliates.
 - c. Of the selected stocks, 17 constituent stocks were selected based on their liquidity and fundamentals.
3. Indonesian Sharia Stock Index (ISSI)

ISSI is a composite sharia stock index listed on the Indonesia Stock Exchange, launched on 12 May 2011, the Indonesian Sharia Stock Index is a parameter of the performance of the Islamic stock market in Indonesia. However, in this index, the Indonesia Stock Exchange does not select sharia shares like other indexes.

4. *Jakarta Islamic Index 70 (JII70)*

The last index of sharia shares is the *Jakarta Islamic Index 70* (JII 70 index) which was launched on 17 May 2018. The elements *Jakarta Islamic Index 70* (JII 70) are the most liquid sharia shares listed on the Indonesia Stock Exchange. stocks that are the constituents of the *Jakarta Islamic Index 70*, while the liquidity criteria applied in selecting the 70 sharia stocks that become the constituents of the *Jakarta Islamic Index 70* are:

- a. sharialast month.
- b. Selected 150 stocks based on the highest average market capitalization recorded in the last 1 year.
- c. Of the 150 shares, 70 were selected based on the highest average daily transaction value in the regular market.
- d. From the remaining 70 shares, the shares are selected.

Sharia shares have a system that makes *investors* feel responsible for the risks that will arise, that shareholders share in the loss of the issuer. Syed Othman Alhabshi in his writing entitled *Development of capital market under Islamic principles* by providing a description of the existence of a capital market that is in accordance with sharia principles optimally can play a role in economic growth and expansion. Sharia principles in activities in the capital market are oriented towards the objectives of implementing sharia principles themselves. According to Syed Othman, the objectives of sharia in economic life such as the realization of the distribution of income and wealth, the creation of a new economic justice and balance can be realized by the application of sharia principles in Islamic activities economic and financial especially the capital market as a *financial institution* that among these

principles there is a *prohibition of interest*. Investors who have a good understanding of the muamalat provisions, benefits, and risks of transactions in the capital market are able to encourage the Muslim community to be able to invest in Islamic stocks which will make progress that is very appropriate for the development of the Islamic economy in Indonesia.

2.2. Legal Basis for Sharia Shares

All sharia shares listed on the Indonesian sharia capital market, whether listed on the Indonesia Stock Exchange or not, are included in the Sharia Securities List issued by the Financial Services Authority. (Rifqi, 2010) Based on the DSN-MUI fatwa, both the fatwas stipulated in Bapepam regulations and financial institutions, types of business activities that are contrary to sharia principles include:

1. Gambling business (*maisir*) which is classified as a gambling game or a prohibited trade. In the Qur'an al-Maidah verse 90 it is explained about the prohibition of gambling, namely as *follows, (sacrifice for) idols, to draw fate with arrows, is an act of Satan. So stay away from these actions so that you will get good luck.*
2. Conventional financial institutions (which are feared to contain usury) include conventional banking and insurance. Riba itself is an addition given in the exchange of goods and an addition to accounts payable in exchange for a deferral of payment.
3. Businesses that produce, distribute and trade food and beverages that are classified as haram.
4. Businesses that produce, distribute and provide goods or services that can damage morals and are harmful.
5. Ihtikar or monopoly by buying an item that is needed by the community in an amount that exceeds a lot with the aim of reselling it when the price rises. Islam views that investment is something that must be carried out so that assets become productive and can be more useful for others, and strictly prohibits hoarding wealth, in verse 34 it is explained that: *O you who believe, indeed most of the Jewish scholars and Christian monks actually eat people's wealth in a false way and they hinder (people) from the path of Allah. and those who save gold and silver and do not spend it in the way of Allah, So tell them, (that they will get) a painful torment,*
6. Taghrir is an attempt to influence other people who contain lies or manipulation to be persuaded to carry out certain transactions.

Although sharia shares and ordinary shares (conventional) have many similarities, both have very basic differences, namely sharia shares clearly apply sharia principles which then make everything related to shares not contrary to sharia principles, so that shares Sharia is here for Muslims as well as non-Muslims who want to ensure that it is both halal and safe in investing. Because basically sharia share transactions are the same as conventional shares, namely through securities companies, but in order to avoid the practice of transactions that are not justified by sharia principles such as *short selling* and *margin trading*, investors (*traders*) should choose securities that

implement a *sharia online trading system*, namely contracts. *bai' al-musawamah* whose law is permissible.

Effendy (2001) interprets that halal means permitted or allowed. The word is an antonym of the word haram which means forbidden. The maker of a law who has the right to determine the halal and haram of a commodity is only the Creator who was conveyed by the Prophet. So that halal is a must that must be considered as a form of obedience to Allah to avoid the torments of hell, halal is a limitation on everything that can be consumed or used in daily life, Allah mentions the obligation to consume halal in the Qur'an Surah al-Baqarah verse 168: *O mankind, eat what is lawful and good from what is on earth, and do not follow the steps of the devil; for verily the devil is a real enemy to you.* The verse explains the obligation to eat halal, not only for the Muslim community but for all humans who care about the importance of using halal products. One indicator of halal products is to carry out a series of very strict and standardized certification processes based on the halal product guarantee law or the JPH Law. Amin (2010) explained that halal products are not only chosen by Muslims but also non-Muslims because they have been proven to be safer and very good for the health of the human body. Islamic law identifies the meaning of halal into two things, the first is what it sees from (*dzatihi*) or the content contained in the item, the second is seen from the side other than the essence or *lighairi dzatihi* whether at the time of the transaction the goods were obtained by Allah, namely usury, gharar, maysir or not.

2.3. Interpretation Halal Value Chain

Halal value chain is an industry integrated effort starting from the *input*, production, distribution, marketing, and consumption processes. The distribution and marketing of halal products must show *values*, namely not mixing with non-halal products. *The State of Global Islamic Economy 2020/2021Report* ranks Indonesia's position in the global Islamic economy and finance sector, which is ranked 4th out of a total of 73 countries. *The State of Global Islamic Economy Reportitself* is a report that defines and provides a comprehensive view or assessment of the Islamic economy and its future potential to facilitate investment and growth in the industry.

3. RESEARCH METHODOLOGY

This study uses descriptive qualitative research methods that discuss how the perfection of sharia stocks on sharia economic development through strengthening the *halal value chain* in various industries, *halal value chain* itself is an economic sector that plays economic progress. The data in this study are secondary data obtained from various sources such as journals, books and other supporting articles. Data collection techniques used in this study were observation, interviews and documentation. In accordance with the approach used, data analysis was carried out using several *data reduction*

datadisplay (data presentation), and *conclusion drawing* (Sugiyono, 2015: 252). So that it can produce comprehensive research.

4. DISCUSSION

Quoted from a press release from the Coordinating Ministry for Economic Affairs of the Republic of Indonesia that the global economy in 2022 is projected to continue the *recovery* and will make the transition from pandemic to endemic. *The International Monetary Fund* or IMF projects that global economic growth is 4.4% while Indonesia targets economic growth, which is 5.2%. *in 2022* Globally in February 2022 was still below the target of 2.06%.

Basically, the Indonesian government has issued various policies to support sharia economic growth in 2022, one of which is by providing *support stimulus halal value chain*, especially in the halal culinary sector, Muslim fashion, and integrated.

In this case, the Indonesian government has planned a program to be able to increase MSMEs, namely where organizations that focus on empowering women by conducting socialization and education aimed at increasing *knowledge* and creativity as well as halal certification and increasing exports of halal products as well as collaboration with all related parties, it is hoped that the sharia economy and finance will be able to develop the people's economy which can make a major contribution to the national economy. Strengthening *halal value chain* relies on six potential industrial clusters, namely *food and drink*, halal tourism, Muslim fashion, halal recreation media, halal cosmetic pharmacy, and the last is halal energy.

strengthening Progressivity *halal value chain* is included in the 2019-2024 Indonesian Sharia Economic Masterplan, the main strategy is to strengthen the entire value chain of the halal industry in Indonesia, this is done for all clusters and is measured in the *Global Islamic Economy Report*. For Indonesia, halal is an economic potential that cannot be fully utilized, because current economic growth is a measure of achieving national and regional economic development.

In its development, the production of halal industries includes dimension, such as an orientation to environmental and social sustainability. (Nisha & Iqbal, 2017) EMS or *environmental management system* is an integral part of the halal industries, the purpose of which is to be able to provide assurance to stakeholders that halal business operations are in accordance with *environmental management system guidelines*, because the process is able to reduce and controlling waste management costs, saving energy consumption, minimal distribution costs, and improving the image of a company.

quickly emerge consumer choice standardshalal. (Saad, et.al, 2016) The main requirement to be able to strengthen the halal industry is a commitment from a top management level through halal policies which are the basis for strengthening supply chain organizations. The series explained that the halal industry has been recognized for the advantages that have been

offered, but its progress must be based on strengthening regulations and support from stakeholders.

The importance of strengthening branding is needed to be able to strengthen the competitiveness of the halal industry, including its constellation in international, this is in accordance with a theoretical concept that to be able to penetrate new market opportunities, industry players must be able to strengthen their branding position, revolutionize, adopt and adapt to new markets. compete and remain relevant to the existing *market*. In terms of strengthening branding, the halal industry needs instruments that can elevate their branding in a unique product that can be sold to consumers both in the Muslim-majority country and the world's Muslim community, maybe even non-Muslims who want halal products. for certain interests and needs.

When the instruments of the halal industry are more complete and well-patterned and also the halal branding is strong and credible, it will improve the quality of the halal industry which globally will be able to be glimpsed as a global alternative industry in countries where Muslim minorities have styles with various *halal value* in demand.

(Ahyar & Wibowo, 2019) In Indonesia there is a National Sharia Finance Committee which has established six halal industry development strategies, namely: global relations of trade which has the aim of being able to create Indonesia as an international hub in world halal trade and production, the second namely MSMEs that are competitive in creating superior quality MSMEs to produce halal products of international standards and continuity with a sharia economy. The third is that the industrialization of a halal product aims to create a halal industrial area with ongoing quality, quantity, and continuity as well as an increase in the quality of superior human resources, the fourth is halal research that supports the industry, which can develop research on non-halal substitute materials and can increase halal awareness to the entire community, the fifth is the preference for halal a social and *engineering*, and the last is regulatory support and several policies, namely a strategy to strengthen regulations and policies for all sharia economic development and the halal industry.

The progressive *halal value chain* in production, distribution, marketing itself can increase listings in the Islamic capital market which will be more varied and more numerous and will support the program launched by the Indonesia Stock Exchange, division, which will increase and target 30 percent of sharia investors in 2022.

In view of the increasing millennial society who are literate in stock market technology, the development of sharia stock perfection by venturing into virtual applications is also very much needed to attract investors from the millennial circle. As has been done by other Sharia Financial Institutions (LKS) such as sharia cooperatives which have penetrated online that are very easy to attract investors virtually, which are currently being introduced as Peer to Peer (P2P) Lending which has the main purpose to collect

crowdfunding from the public to finance certain businesses or sharia cooperatives and sharia banks that have opened themselves to accept new members and customers virtually.

Sharia stocks require superior sharia products from sharia-based companies and business activists who are the foundational source of shares circulating in the sharia capital market. For this reason, the *progress of the halal value chain* every year needs to be monitored as a readiness and basic need for the foundation of the sharia market in society and the sharia stock market in the sharia capital market.

progress of the halal value chain in Indonesia, whose citizens have a very high awareness of the halalness of a product, besides being able to encourage many Halal-based companies to go public in the sharia capital market by increasing credibility in *halal value*, is also useful for smaller companies to gain profit. as many users as possible and obtain good quality credibility which will eventually attract the interest of many parties to invest, produce similar products that can impact *halal value* which is increasingly sought after and developed. So that at some point it will make the economy in Indonesia grow and develop in this Muslim-majority country. The perfection of Islamic stocks in the capital market will also not be separated and is always directly proportional to the progress *Halal value chain* where the increase and demand in both will affect the other.

5. CONCLUSION

Rationally, strengthening *the halal value chain* relied on six potential industrial clusters, namely *food and drink*, halal tourism, Muslim fashion, halal recreational media, halal cosmetic pharmacy, and lastly, halal energy. Policymakers can formulate critical and strategic factors that can encourage the successful implementation of the *halal value chain*, and the government as a *stakeholder* explains several critical factors in compiling a rule that can *support* the formation of a halal product which is a basic need for a product that can be used as a shared base. sharia that will be traded in the Indonesian Islamic capital market.

The definition of halal refers to *toyyib* or goodness, and everything that is permissible in Islam and is good for humans. One of the things that emphasize the influence of the halal industry on the economy is the impact on regional competitiveness. Based on these conditions, a strategy for accelerating the development of the halal industry in the territory of Indonesia, given that the potential is very large for the economy, especially for increasing the competitiveness of a region. The halal context is not only limited to consumption, but also the entire production process and service.

6. REFERENCES

Az-Zuhaili, W. (2011). *Islamic Fiqh Wa Adillatuhu: Islamic Economic System, Financial Markets, Hadd Zina Law, Qadfh, Theft*. Jakarta: Human Echo.

Financial Services Authority, *Frequently Asked Questions: Islamic Capital Market*.

Lathifah, HM, et al. (2021). The Impact of the Covid-19 Pandemic on Sharia Stock Prices in Indonesia. *JIEI*: 7 (01).

Ministry of National Development Planning/ National Development Planning Agency. (2018). *Masterplan for Islamic Economics in Indonesia 2019-2024: Results Analysis of Islamic Economics in Indonesia*.

Muhammad. R. (2010). *Accounting Islamic Financial* Yogyakarta: P3EI.

Santyaningtyas, AC and Dina, TW (2019). *Sharia Investment*. Jember: UPT Printing and Publishing UNEJ.

Soemitra, A. (2009). *Islamic Banks and Financial Institutions*. Jakarta: Kencana.

Sugiyono. (2015). *Quantitative, Qualitative, and R&D Research Methods*, Bandung: Alfabeta.

<https://jurnal.stie-aas.ac.id/index.php/jei/article/download/1772/1037>

[https://www.kemenkeu.go.id/publikasi/berita/penguatan-halal-value-chain - government-support-for-sharia-economy/](https://www.kemenkeu.go.id/publikasi/berita/penguatan-halal-value-chain-government-support-for-sharia-economy/). (15-03-2020 1.26pm).