ABSTRACT


The increasing trend of the world halal products and Muslim population had reached 1.8 billion of 6.5 billion people showed an enormous potential business. It was estimated that 12% or USD 347-500 billion of the global food and agricultural products trading per year was halal products. This study aimed to assess halal agro-industrial development strategy by using a combination of observations, direct comparison method, SWOT analysis (strength, weakness, opportunity, threats) and AHP (Analytic Hierarchy Process) to increase Indonesian competitiveness on global halal business and products. The review began with the identification of global halal agro-industry and its business trend development as by observing and identifying five groups of halal products in Malaysia International halal Showcase (MIHAS) in 2009-2011 period. Accordingly, halal agro-industry development external and internal criteria were identified using SWOT analysis to be compared among six ASEAN countries to determine ASEAN halal agro-industry competitiveness position. Finally, Indonesian halal agro-industry strategy alternatives were formulated under SWOT-AHP method. Data was collected by conducting focus group discussions, depth interviews, questioners which were involving 34 respondents in total consisted of experts, policy makers, industrialists, international customers, associations and academicians. The results showed that the developments of Indonesian halal agro-industry were potentially strategic. Indonesian halal agro-industry were situated in a strategic position, but it was situated in the fifth position among other six ASEAN countries. The development of Indonesian halal agro-industry was formulated to protect halal domestic market and gradually to increase its national competitiveness to become a global halal business excellence. The strategies chosen were developing halal compatible logistics infrastructure, improving legislation and long-term development plans, increasing coordination among the policies and interests, developing advocacy on trading and networking skills, increasing the competitiveness of the domestic halal products, increasing the halal agro-industry research and development mastery, increasing public awareness and the creation of the halal industry champions. The results of this study expected to be used as a reference for various stakeholders for strategic decision making to increase Indonesian halal agro-industry competitiveness.

Keywords: Agro-industry, Halal, Development Strategy, SWOT analysis, Quantitative SWOT-, SWOT-AHP