

## Potential Development of Islamic Fintech in Supporting the Growth of the Halal Industry

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### Abstract

**Background:** The halal industry and Islamic fintech are two sectors that are growing rapidly. Both have great potential to support the growth of the Islamic economy and finance. However, there is still potential that has yet to be fully utilized in the development of Islamic fintech to support the growth of the halal industry.

**Objectives:** This paper aims to identify the potential development of Islamic fintech in supporting the growth of the halal industry and analyze the implications of such development.

**Novelty:** This study provides a deeper understanding of the potential and implications of the development of Islamic fintech in the context of the halal industry. This study also guides industry players in utilizing Islamic fintech to support the growth of the halal industry and strengthen the literature and knowledge related to the development of Islamic fintech in the context of the halal industry.

**Research Methodology / Design:** This study uses a qualitative research approach by conducting a literature review on the development of Islamic fintech and the halal industry. The data obtained is compiled and analyzed to identify the potential development of Islamic fintech in supporting the growth of the halal industry.

**Findings:** This study reveals several important findings. First, government involvement in regulatory development has supported the growth of Islamic fintech in the halal industry. Second, collaboration between the technology industry and the financial sector has accelerated the progress of Islamic fintech and optimized financial accessibility in the halal industry. Third, the improvement of Islamic financial literacy and education is an important factor in increasing the adoption of Islamic fintech in the halal industry. Lastly, the utilization of appropriate technologies, such as blockchain and artificial intelligence, has boosted the growth of the halal industry.

**Implication:** The development of Islamic fintech can make a positive contribution to the growth of the halal industry by providing financial solutions that comply with Sharia principles. This opens up opportunities to increase the competitiveness of the halal industry globally. The implications of this study can also serve as a guide for the government, technology industry, Islamic financial institutions, and halal industry players in optimizing the development of Islamic fintech and increasing financial inclusion in the halal industry.

### Keywords:

**Sharia Fintech, Halal Industry, Regulation, Collaboration, Financial Literacy**

### JEL Classifications:

G2, G23, O16, O33, Z12

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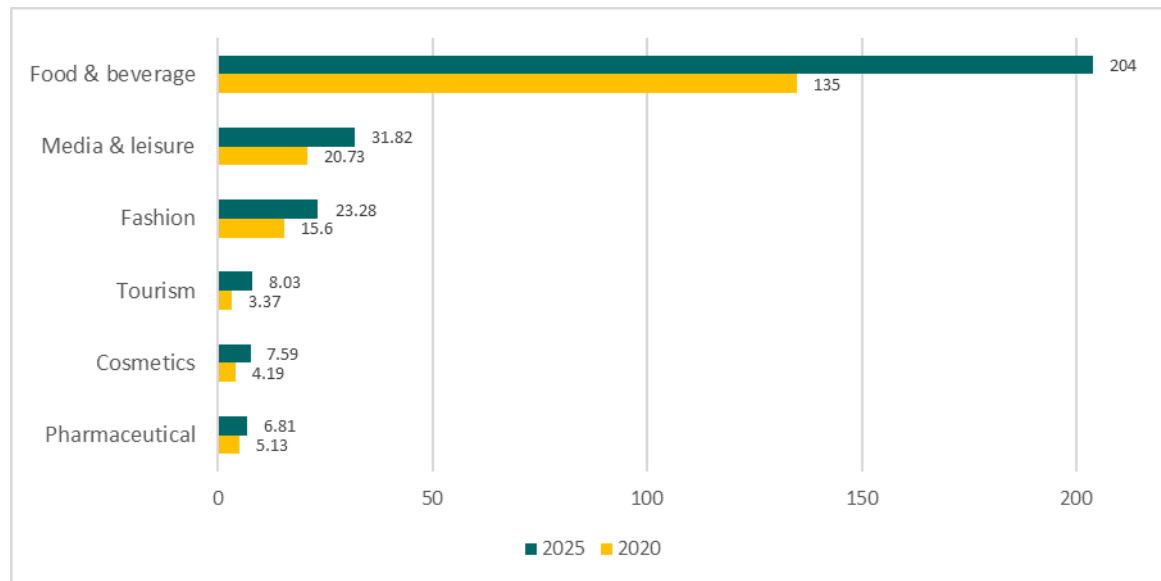
## **A. Introduction**

The halal industry has witnessed remarkable growth on a global scale, accompanied by an escalating demand for halal products and services. According to data published by the National Committee for Islamic Finance, the market value of the Global Islamic Finance Market reached US\$ 2.438 trillion in 2017, with projections anticipating a further increase to US\$ 3.809 trillion by 2023, representing a growth of 56% (Nursanti, 2019). The Global Islamic Commercial Banking Market sector also experienced significant expansion, with its market value reaching US\$ 1.721 trillion in 2017 and predicted to reach US\$ 2.441 trillion in 2023, reflecting a growth rate of 41.8%. Moreover, the findings of the Global Islamic Economy Report from 2016 to 2017 revealed that global spending on halal food and lifestyle products had already surpassed US\$ 1.9 trillion in 2015, and it is projected to reach US\$ 3 trillion by 2021. This substantial potential has sparked competition among both Muslim-majority and non-Muslim countries, as they strive to develop businesses aligned with Sharia principles. The expansion of the halal industry is intricately connected to the progressive growth of the global Muslim population, estimated to approximate 1.8 billion individuals across diverse geographical regions. Consequently, the growth in the number and distribution of Muslims has generated a higher demand for halal-labeled products and services. This surge is not only a result of increased motivation and confidence within the community but also stems from the growing recognition of the importance of halal certifications.

Renowned for its position as the host to the largest Muslim population globally, Indonesia exhibits extraordinary prospects for the advancement of the halal industry. Projections based on data from Dinar Standard indicate that the consumption of halal products in Indonesia is expected to rise to US\$ 282 billion by 2025, marking a 53% increase from US\$ 184 billion in 2020. Such growth is fueled by the prevalence of halal norms and preferences in the daily lives of Indonesians. To capitalize on this expanding market, countries and businesses must enhance their efforts to meet the increasing demand for halal products and services. This involves the establishment and implementation of robust halal certification mechanisms, ensuring products adhere to the strict guidelines prescribed by Islamic principles. Furthermore, collaborations can be forged between countries to create unified standards for halal certifications, increasing international recognition and facilitating trade among diverse market players.

Investments should be directed towards research and development within the halal industry to facilitate product innovation, improve quality, and broaden the range of available halal goods and services. Additionally, educational programs and training initiatives can be implemented to enhance the expertise and capabilities of professionals working in various sectors related to the halal industry. By leveraging the burgeoning global Muslim population and the escalating desire for halal products and services, nations and enterprises can tap into the extensive potential offered by the halal market. This requires strategic planning, collaboration, and continuous adaptation to regulatory and consumer demands. By doing so, the halal industry can make significant

contributions to the global economy while meeting the needs and preferences of a diverse consumer base.



Source: databoks.katadata.co.id, 2023

**Figure 1. Chart of halal product consumption projections from 2020 to 2025 in US\$ billion**

Despite the increasing consumption of halal products, the development of the halal industry is still faced with a number of challenges, including the lack of supportive financial infrastructure, limited accessibility, and lack of technological innovation (K. S. Hasan & Pasyah, 2022). On the other hand, Islamic fintech has become an emerging trend in the global financial sector, combining sharia principles with digital technology (Unal & Aysan, 2022). The halal industry and Islamic fintech are two fields that have proliferated in recent years. The halal industry encompasses a range of offerings that comply with the mandates of Islamic law, while Islamic fintech represents the fusion of Islamic financial principles with information technology to furnish Sharia-compliant financial solutions (Alfarizi & Ngatindriatun, 2022). Both have great potential to support sustainable economic growth and provide benefits to society. Therefore, research on the potential development of Islamic fintech in the halal industry is very relevant and essential.

Several previous studies have examined the potential of Islamic fintech development in supporting the growth of the halal industry. For example, research by Utomo et al., (2020) shows that adopting Islamic fintech in the halal industry can increase efficiency and transparency in financial transactions. Alfarizi & Ngatindriatun, (2022) found that the adoption of Islamic FinTech has a positive impact on the sustainability of the halal industry. Another study by Al-Banna, (2019) found that adopting Islamic fintech in the halal industry can increase the growth of Islamic finance while having a broad impact on the equitable distribution of community welfare. Finally, a study conducted by Hehanussa & Syarifuddin, (2021) found that Islamic fintech can help people gain better access to finance, increase financial inclusion, and encourage halal industry growth. While these studies provide valuable insights, there still needs to be more in understanding the potential development of Islamic fintech in supporting the growth of the halal industry in Indonesia. Some of the areas that need further research include the factors inhibiting and driving the adoption of Islamic fintech in the halal industry, the

impact of Islamic fintech on financial inclusion and halal industry growth, and practical strategies to develop Islamic fintech in the context of the halal industry. By filling the research gap with previous research, this study is expected to provide a more comprehensive understanding of the role and development potential of Islamic fintech in supporting the growth of the halal industry in Indonesia, as well as providing a strategic framework for industry players, government, and related institutions in optimizing the utilization of Islamic fintech in the halal industry. This study has objectives consisting of several aspects, namely analyzing the development of the halal industry and Islamic fintech, identifying the potential for developing Islamic fintech in supporting the growth of the halal industry, analyzing the challenges and obstacles faced in implementing Islamic fintech in the halal industry and formulating effective strategies in developing Islamic fintech for the halal industry.

## **B. Literature Review**

### **B.1. Definition of Sharia Fintech**

Islamic Fintech is a recent development in the field of financial technology that combines the principles of Islamic finance with technological innovation (Rabbani et al., 2021). Sharia Fintech refers to the use of information technology to facilitate financial transactions that comply with Sharia principles in Islam (Qudah et al., 2023). This technology enables the development of financial products and services that comply with Islamic law, such as mudharabah (profit sharing), musyarakah (cooperation), murabahah (selling on margin), and ijara (leasing). In the context of Islamic Fintech, information technology is used to provide solutions and platforms that facilitate the implementation of Islamic financial activities, including in terms of financing, payment, investment, and insurance (Alshater et al., 2022). For example, Islamic peer-to-peer financing platforms use blockchain technology to facilitate financing with the principle of profit sharing between investors and borrowers. In addition, sharia-compliant digital payment applications are also being developed to facilitate daily transactions in accordance with sharia principles (Riyanti, 2022). The use of fintech in Indonesia is effective in increasing financial access. People get the ease of transactions and financial inclusion. Understanding increases, but consumer protection and financial literacy must be improved to ensure optimal benefits. Good regulation is critical in governing the use of fintech to ensure the safety and welfare of society as a whole.

Sharia Fintech has excellent potential to address some of the challenges in the Islamic finance industry, such as lack of access to Islamic financial services, non-transparency and high costs in transactions, as well as difficulties managing risks (Vives, 2017). By combining Islamic principles and innovative technology, Sharia Fintech can provide an efficient, inclusive, and sustainable solution for people who want to transact with Sharia compliance in mind (Ali et al., 2019). Ensuring the success of Islamic Fintech requires supportive policies and regulations, public education and awareness of Islamic financial principles, and collaboration between stakeholders in the fintech ecosystem and the Islamic finance industry (Muryanto, 2022). The growth and adoption of Islamic Fintech will be accompanied by the responsibility to ensure proper Shariah compliance and adequate consumer protection. Overall, Islamic Fintech is a

significant development in the field of fintech that provides solutions for fulfilling financial needs in accordance with Sharia principles. By utilizing information technology and Islamic principles, Islamic Fintech has great potential to advance the Islamic finance industry and provide financial services that are inclusive, transparent, and in accordance with Islamic financial values.

## **B.2. Definition of Halal Industry**

The Halal industry is an economic sector concerned with the production, distribution and consumption of products and services that comply with the principles of Sharia in Islam (Laluddin et al., 2019). The concept of "Halal" in Islam refers to everything that is permitted and allowed by law, whether in the aspects of food, beverages, cosmetics, pharmaceuticals, or services such as tourism and financial services (Alzeer et al., 2018). The Halal industry involves processes and activities that ensure that products and services meet the ethical and legal requirements of Shariah (Shahabuddin et al., 2020). These requirements include the use of halal ingredients, processing, and production in accordance with Islamic principles, and the presence of halal certification granted by the competent authority. The Halal industry has significant relevance in the current global context, given the increasing demand for halal products from Muslims and also from non-Muslims who believe in the superior quality and hygiene of halal products (Azam & Abdullah, 2020). The Halal industry has great potential to contribute to the economy and strengthen relations between nations, especially in the field of international trade (Wilkins et al., 2019). The Halal industry in Indonesia faces challenges such as a lack of credible halal certification, lack of consumer understanding of halal products, limited infrastructure, and sustainability issues of halal raw material supply. Collaborative efforts between the government, industry and society are needed to overcome these barriers and accelerate the growth of the Halal industry in Indonesia.

The development of the Halal Industry involves various sectors, including production, advertising, distribution, logistics, and certification (Mubarok & Imam, 2020). Various countries and international institutions have encouraged the development of the halal industry by adopting standards and regulations related to the production and marketing of halal products. At the individual level, the Halal Industry encourages consumers to realize the importance of maintaining the halalness of the products they consume or use (Tuhin et al., 2020). It also creates awareness of social and ethical responsibilities in promoting and consuming halal products and services. Overall, the Halal Industry is a growing economic sector in a global context, focusing on the production and marketing of products and services that comply with the principles of sharia in Islam. The Halal Industry has solid economic potential and plays a vital role in meeting the needs of Muslims as well as the world community, who are increasingly aware of the halal label (Laluddin et al., 2019).

## **B.3. Relationship between Islamic Fintech and Halal Industry**

The proximity between Islamic Fintech and the Halal Industry is very close and significantly interrelated. Islamic Fintech can support the growth and development of the Halal Industry in several ways, including Islamic financial transformation, increasing accessibility, safe and sharia-compliant transactions and effective marketing and distribution (Utomo et al., 2020). Islamic Fintech encourages the transformation of the Islamic finance industry by providing innovative solutions that

comply with Sharia principles (Ali et al., 2019). It enables the development of halal financial products and services compatible with Shariah views and values. Islamic Fintech can improve financial accessibility for Halal Industry players, especially for MSMEs and individuals participating in it (Dewi & Adinugraha, 2023). With innovative and accessible digital financial solutions, halal industry players can gain access to financing, payments, investments, and other financial services more efficiently. Islamic Fintech provides a financial infrastructure that is secure, transparent, and compliant with Sharia principles (R. Hasan et al., 2020). It allows Halal Industry players to conduct transactions with legal certainty and desired Islamic values, using mechanisms that avoid usury, gharar, and maysir. Sharia Fintech can assist Halal Industry players in marketing and distributing halal products effectively (Trimulato, 2021). With digital platforms and fintech applications, halal products can be reached by consumers more easily and quickly, increasing the exposure and competitiveness of halal products in the market. Digital platforms can be a solution for developing the Halal Industry in Indonesia. Producers and consumers can easily connect, promote, and market halal products through this platform. However, challenges arise from people who need to become more familiar with technology, especially the older generation. Education and training efforts are needed to ensure broad digital inclusion and active participation from all segments of society. Through the combination of Islamic Fintech with the Halal Industry, there is an opportunity to develop a strong and sustainable ecosystem to face challenges and take advantage of opportunities in the digital era (Rachman, 2019). Both complement each other to achieve the goal of Islamic finance, which is inclusive, sustainable and provides benefits to society and the global economy.

### **C. Research Methodology**

This research uses a qualitative approach with case studies and literature review as the methodology used. This methodology is used to analyze Islamic fintech's potential development in supporting the halal industry's growth in Indonesia. In this research, a case study methodology is employed to comprehensively examine the potential growth of Islamic fintech and its role in facilitating the expansion of the halal industry in Indonesia. The investigation involves gathering pertinent data through an extensive literature review and analysis of relevant documents. The information utilized in this study was obtained from various scholarly sources such as scientific journals, books, reports, and other pertinent documents that focus on the development of Islamic fintech and the halal industry. This rigorous data collection process ensures the inclusion of reliable and authoritative resources necessary for comprehensively analyzing the subject matter. The data that has been collected is analyzed descriptively and synthesized. First, the collected data is grouped based on themes to facilitate analysis. Researchers analyzed This qualitative data manually by considering its validity without using the software. The data analysis aims to identify patterns, trends, and factors influencing Islamic fintech's potential development in supporting the halal industry's growth. Data validity in this study was obtained through a triangulation process by comparing and linking various relevant data sources. This was done to verify the validity and accuracy of the data used in the study.

## **D. Result & Discussion**

### **D.1. Potential of Islamic Fintech in Halal Industry**

Sharia Fintech has excellent potential to increase financial accessibility for Halal Industry players (Dewi & Adinugraha, 2023). Through digital platforms and applications, Sharia Fintech enables MSMEs and individuals to gain access to financing, payment services, investments, and other financial products efficiently and quickly (Melda Maesarach, 2023). This is particularly important for MSMEs that often face constraints in access to capital and traditional financial resources. With easier access, Halal Industry players can expand their businesses and drive inclusive economic growth. Islamic Fintech provides the potential to increase the speed and efficiency of transactions in the Halal Industry (Masnita et al., 2021). By using digital technology, payment transactions such as e-commerce, money transfers, and online purchases can be done quickly and efficiently. In addition, the adoption of technologies such as blockchain in Sharia Fintech can also improve the security and integrity of transactions, reduce the risk of fraud, and increase trust in halal business transactions (Bux et al., 2022). Islamic Fintech brings the potential to increase trust and transparency in the Halal Industry. Through technologies such as blockchain and smart contracts, information regarding the origin of raw materials, production processes, halal certification, and product delivery tracking can be transparently uploaded and accessed by consumers (Fan et al., 2020). This will give consumers confidence that the products they buy are genuinely halal and in accordance with their religious principles. This transparency can also help address the issue of counterfeiting and fraud in the Halal Industry. One of the critical potentials of Islamic Fintech in the Halal Industry is the improvement of financial inclusion and empowerment of MSMEs (Fitri & Murniati, 2021). Through fintech platforms, MSMEs can gain access to business capital, financing, and financial services that were previously difficult to reach. This helps MSMEs to grow, increase production, and expand their marketing network. By strengthening the role of MSMEs in the Halal Industry, Islamic Fintech can drive sustainable and inclusive economic growth. By capitalizing on these potentials, the use of Islamic Fintech in the Halal Industry can have a significant impact in supporting the growth and sustainability of the Halal Industry. Easy access to finance, transaction efficiency, transparency, and empowerment of MSMEs can create a strong and sustainable ecosystem and increase consumer confidence in halal products and services (Disli et al., 2023).

### **D.2. Challenges and Barriers of Islamic Fintech in the Halal Industry**

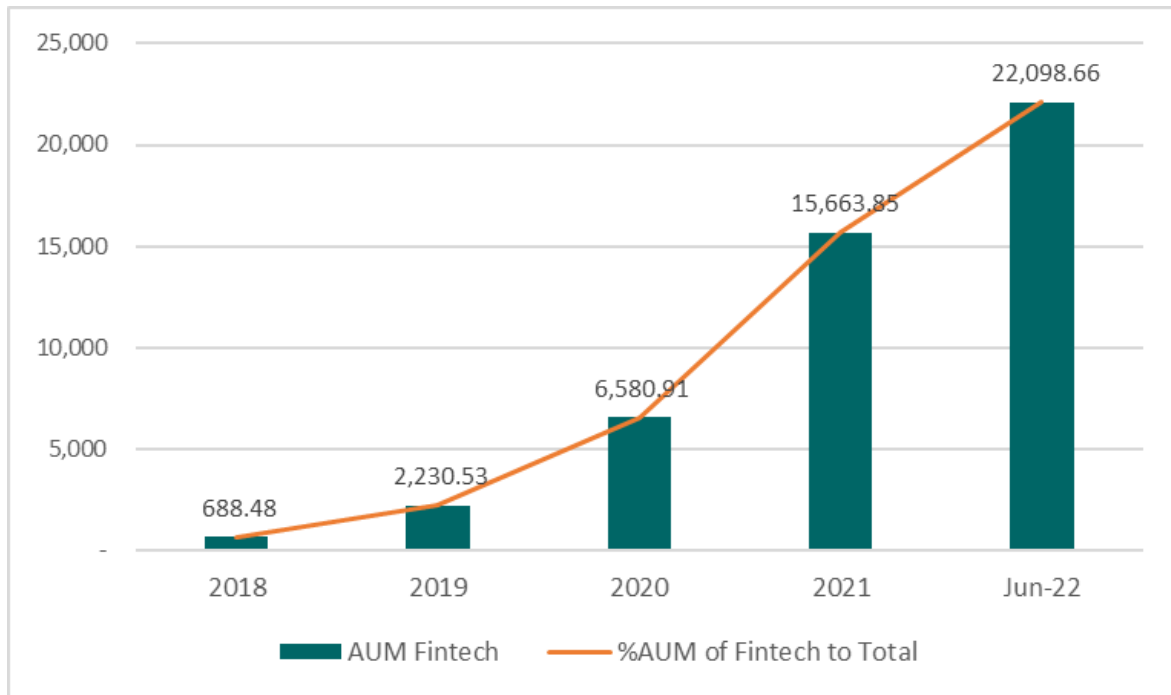
One of the critical challenges facing Islamic Fintech in the Halal Industry is the issue of regulation and shariah compliance (Muryanto, 2022). Clear and consistent regulations are needed to ensure the operations of Islamic Fintech are in accordance with sharia principles and standards set by the authorities. A clear legal framework is needed to protect businesses and consumers and promote sustainable growth for Islamic Fintech (Yuspita et al., 2019). Consumer trust is a critical factor in the success of Islamic Fintech in the Halal Industry (Ashraf, 2019). Trust-related challenges include data security and privacy issues, platform reliability, and consumer protection from harmful business practices. Efforts are needed to ensure the security and privacy of customer data, as well as conducting audits of Islamic Fintech platforms and service

providers to ensure compliance with Shariah principles and consumer interests. Adequate technological infrastructure is required to support the growth of Islamic Fintech in the Halal Industry (Utomo et al., 2020). This challenge includes fast and stable internet connection, reliable communication infrastructure, and adoption of technologies such as blockchain and artificial intelligence (AI). The development of adequate technological infrastructure will enable Islamic Fintech to provide reliable, fast, and secure services to users. Islamic Fintech is faced with the challenge of sustainability and sustainable development of Islamic finance. Efforts are needed to strengthen the Islamic financial ecosystem, including the development of competent human resources in the field of technology and Islamic finance (Ajouz & Abuamria, 2023). In addition, it is necessary to develop innovative products and services that meet the needs of the halal industry and support from existing Islamic financial institutions to maintain the sustainability of Islamic Fintech growth. These challenges can be overcome through cooperation between the government, Sharia authorities, Islamic financial institutions, and Halal Industry players (Lestari & Wiryo, 2023). A clear and responsive regulatory framework, consumer education on the benefits and safety of Islamic Fintech, and increased investment in technology infrastructure are needed. In addition, there is a need for active cooperation to develop adequate human resources and an integrated Islamic financial ecosystem to achieve sustainable growth of Islamic Fintech and the halal industry as a whole (Ibrahim et al., 2021).

### **D.3. Implementation of Sharia Fintech in the Halal Industry in Indonesia**

Indonesia has experienced rapid development in the fintech industry, including sharia fintech. The Indonesian government has issued regulations and policies that support the growth of Sharia fintech, such as the Sharia Economic Development Master Plan and the Sharia Fintech Master Plan, which aim to encourage innovation in the Sharia finance sector. This has encouraged many Sharia fintech startups to emerge in Indonesia, which offers various services such as Sharia financing, Sharia insurance, and technology-based payment services. According to information published by the Indonesian Sharia Fintech Association, there are twenty Sharia fintech providers in Indonesia, consisting of Sharia P2P lending platforms, digital financial innovation, and securities crowdfunding. Currently, the development of sharia fintech shows promising potential. The Indonesian Sharia Fintech Association noted that the Sharia fintech industry experienced growth of around 130% from 2020 to 2021 and increased to 180% in 2022. Collaboration between Islamic fintech and Islamic banking institutions is also a driver for the growth of the Islamic fintech industry.





Source: KSEI (2022)

**Figure 2. Fintech Asset Under Management growth chart**

The partnership between Islamic fintech and the halal industry has great potential to support each other and strengthen the growth of both (Cipta & Hatamar, 2023). The current growth of the Islamic economic sector is closely related to the increasing consumption potential of halal products globally. According to data, the number of Muslim populations worldwide in 2015 reached 1.7 billion people, which then increased to 1.8 billion people in 2019. This projection of the Muslim population shows a continuing upward trend and is expected to reach 2.9 billion people by 2060. Based on the State of the Global Islamic Economy (SGIE) 2022 report, Indonesia has the potential to become the largest market for halal products in the world and contribute as a significant producer of halal products.

**Table 1. Halal industry rankings for the food, fashion, and pharmaceutical sectors**

Rank	Halal Industry		
	Halal Food	Modest Fashion	Pharma and cosmetics
1	Malaysia	United Arab Emirates	Singapore
2	Indonesia	Turkey	Malaysia
3	Turkey	Indonesia	Netherlands
4	Rusia	China	Belgium
5	United Arab Emirates	Spain	France
6	Kazakhstan	Italy	Egypt
7	Singapore	Singapore	Turkey
8	Saudi arabia	France	United Arab Emirates
9	South Africa	Malaysia	Indonesia
10	Australia	Germany	United Kingdom

Source: SGIE Report 2022

Through Islamic fintech, the halal industry can improve financial accessibility, accelerate transactions, and increase trust through payment and financing systems that

comply with Sharia principles (Abdullah & Oseni, 2017). On the other hand, the halal industry can provide extensive business opportunities for Islamic fintech, such as consumer financing for halal products, payment processing services for halal businesses, and the development of technology-based applications to improve efficiency in the halal industry.

The reception and integration of Islamic fintech within the halal industry of Indonesia have garnered notably affirmative responses. Individuals seeking financial solutions compliant with Sharia principles are progressively acknowledging the presence of Sharia fintech as a more streamlined and effective option for fulfilling their financial requirements. The increasing awareness of Sharia fintech's viability stems from its ability to offer a convenient and efficient avenue for meeting the financial needs aligned with Islamic principles (Hehanussa & Syarifuddin, 2021). The existence of an Islamic fintech platform that can be accessed through mobile devices has made it easier for people to access Islamic financial services more quickly and practically. In addition, the cooperation between Islamic fintech and existing Islamic financial institutions has also given the public additional confidence in Islamic fintech services (Sa'ad et al., 2019). Nonetheless, there are still challenges in increasing the adoption of Islamic fintech in the halal industry. Some people still need to be educated on the benefits and safety of using Islamic fintech. Intensive education and socialization on the benefits and processes of Islamic fintech needs to be done to increase the confidence level and public adoption of this service (Shinkafi et al., 2019). With further development and the right approach, the implementation of Islamic fintech in the halal industry in Indonesia has great potential to increase financial inclusion, accelerate the growth of the halal industry, and provide benefits to society at large.

#### **D.4. Sharia Fintech Development Strategy for Halal Industry**

The government needs to be actively involved in the development of supportive regulations to accelerate the development of Islamic fintech in the halal industry (Utomo et al., 2020). The government needs to engage with responsible authorities to develop a clear and responsive regulatory framework that ensures sharia fintech compliance with sharia principles, protects consumers, and encourages innovation. Government involvement can also include providing incentives, financial support, and collaboration with Islamic financial institutions to encourage the growth of Islamic fintech in the halal industry. Collaboration between the technology industry and financial parties, including Islamic financial institutions and halal industry players, is an essential strategy in the development of Islamic fintech (Muhammad & bin Ngah, 2020). Through this collaboration, halal industry players can utilize the technological innovations offered by Islamic fintech to improve operational efficiency, financial accessibility, and customer experience. On the other hand, the financial sector can utilize their knowledge and experience in Islamic finance to help Islamic fintech comply with sharia principles and strengthen consumer confidence. Improving Islamic financial literacy and education is a crucial step to increase the adoption of Islamic fintech in the halal industry (Altuntaş, 2019). The public needs to be given a better understanding of the concepts and benefits of Islamic finance, as well as the safety and benefits of using Islamic fintech. The government, educational institutions, and Islamic financial institutions can play a role in providing Islamic financial literacy and education programs, whether in the form of seminars, training, or online

educational materials. Islamic financial education also provides people with a better understanding of responsible financial management, shariah-compliant investments, and long-term financial planning (Alfarisi, 2020).

The utilization of appropriate technology is an important strategy to encourage the growth of the halal industry through Islamic fintech (Utomo et al., 2020). The use of technologies such as blockchain, artificial intelligence (AI), and data analytics can be used to optimize business processes, increase transparency and security, and accelerate transactions in the halal industry. In addition, the use of technology can also expand financial accessibility for people in remote areas or unserved by traditional financial infrastructure. This appropriate utilization of technology needs to be supported by investment in infrastructure development and human resource training so that actors in the halal industry can take maximum advantage of it (Muhammad & bin Ngah, 2020). Through these strategies, the development of Islamic fintech in the halal industry in Indonesia can be supported and accelerated. Government involvement, collaboration between the technology industry and the financial sector, improvement of Islamic financial literacy and education, and utilization of appropriate technology will bring benefits to the growth of Islamic fintech and the halal industry, as well as provide more inclusive financial accessibility to the community.

## **E. Conclusions & Policy Recommendation**

Through this research, the implementation of Islamic fintech in the halal industry in Indonesia has great potential to increase financial inclusion, accelerate the growth of the halal industry, and provide benefits to society at large. The development of Islamic fintech in Indonesia has been supported by supportive government regulations and policies, which have enabled the emergence of many Islamic fintech startups offering various Islamic financial services. The public response and adoption of Islamic fintech in the halal industry is quite positive. However, further efforts are still needed to educate the public about the benefits and safety of using Islamic fintech.

The results of this study have important implications for the development of Islamic fintech and the halal industry in Indonesia. It underscores the importance of government support in developing supportive regulations, collaboration between the technology industry and financial institutions, improving Islamic financial literacy and education, and utilizing appropriate technology. By implementing these strategies, the growth of Islamic fintech in the halal industry can be accelerated, and society can benefit more broadly.

Based on the findings of this study, there are several recommendations for the development of Islamic fintech in the halal industry in Indonesia. First, there needs to be close cooperation between the government, technology industry, Islamic financial institutions, and halal industry players to create a conducive ecosystem for the growth of Islamic fintech in the halal industry. Next, the government needs to continue developing regulations that are supportive and responsive to Islamic fintech, taking into account technological developments and the needs of the halal industry. Furthermore, intensive Islamic financial literacy and education programs are needed, both for the general public and halal industry players, so that they can understand the benefits, security, and principles of using Islamic fintech. Finally, the utilization of appropriate technology needs to be improved through investment in infrastructure development and human resource training so that the development of the halal industry can be supported efficiently and effectively.

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