



## Global Halal Market and Economic Development in Muslim Countries: A Systematic Literature Review from the Perspective of Maqāṣid al-Sharī'ah

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### ABSTRACT

This study aims to synthesize the existing literature on the global halal market and analyze its contribution to the economic development of Muslim countries from the perspective of maqāṣid al-sharī'ah. The study employs a Systematic Literature Review (SLR) approach based on the PRISMA 2020 framework. Literature was collected from the Scopus and Web of Science databases covering publications from 2019 to 2024. From an initial set of 52 articles, 20 studies met the inclusion criteria and were analyzed using thematic synthesis. The findings identify four dominant themes: global halal market expansion, halal supply chain development, the contribution of the halal industry to economic development, and the integration of halal governance with Islamic finance. The results suggest that the halal industry has the potential to enhance export competitiveness, strengthen small and medium enterprises (SMEs), create employment opportunities, and support sustainable economic development in Muslim countries. However, several challenges remain, including fragmented halal certification systems, regulatory inconsistencies, limited technological capabilities, and weak integration between halal industries and Islamic financial institutions. This study contributes theoretically by integrating halal economy literature with the framework of maqāṣid al-sharī'ah and offers a conceptual foundation for developing a more inclusive, competitive, and sustainable halal ecosystem in Muslim countries.

**Keywords:** *Economic Development, Global Halal Market, Maqashid Shariah, SLR*

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## INTRODUCTION

The global halal market has experienced significant development in the last two decades and has become one of the economic sectors with the fastest growth rate in the world. The halal industry is no longer understood simply as a manifestation of compliance with sharia principles in consumption activities, but has developed into an economic ecosystem that includes various strategic sectors such as food and beverages, pharmaceuticals, cosmetics, modest fashion, Muslim-friendly tourism, media, and sharia finance (Razak et al., 2021). These developments show that the halal economy has become an important part of the dynamics of international trade and contemporary economic development.

The State of the Global Islamic Economy Report shows that the value of global consumption of halal products and services has exceeded USD 2 trillion and is projected to continue to increase as the world's Muslim population grows, middle-class incomes increase, and consumer preferences for safe, quality, and sustainable products (DinarStandard, 2023). In addition to being driven by the growth of the Muslim population, the increase in demand for halal products is also influenced by changes in global consumer behavior that increasingly pay attention to aspects of food safety, traceability, product quality, and ethical and responsible production practices (Ali & Suleiman, 2018). This condition makes the halal industry not only relevant for Muslim consumers, but also increasingly accepted by non-Muslim communities as a symbol of quality, hygiene, and quality assurance (Wilson, 2014).

In the context of Organization of Islamic Cooperation (OIC) member countries, the development of the halal industry has strategic relevance to the long-term economic development agenda. OIC countries have great demographic potential with a Muslim population of more than 1.9 billion people and have a significant market share in global halal consumption (SESRIC, 2022). However, this potential has not been fully converted into a competitive advantage in the international trading system. COMCEC data shows that the contribution of intra-OIC trade is still at a relatively low level compared to the economic capacity of its member countries (COMCEC, 2022). On the other hand, most Muslim countries still face dependence on primary commodity exports, limited industrial diversification, low mastery of technology, and weak integration between the halal real sector and the Islamic financial sector (Nurzaman, 2021).

The development of the literature on the halal economy has shown a fairly rapid increase since 2019. Various studies have discussed issues related to halal supply chain, halal certification standardization, halal industry governance, halal product competitiveness, halal economic diplomacy, and strengthening the halal ecosystem based on digital technology (Khan & Haleem, 2016; Ab Talib et al., 2016; Razak et al., 2021). Several studies show that the development of the halal industry has the potential to increase economic competitiveness, expand international market access, encourage export growth, and strengthen the micro, small, and medium enterprises (MSMEs) sector (Azam & Abdullah, 2020; Nurzaman, 2021). Other research also highlights the

importance of institutional governance, harmonization of halal certification standards, and integration between the halal industry and the Islamic financial sector in supporting more inclusive and sustainable economic development (Latif et al., 2020; Hasan & Aliyu, 2018)

From the perspective of economic development, the halal industry can be seen as part of the Global Value Chain (GVC) that allows Muslim countries to gain added value through strengthening production capacity, innovation, branding, and global market integration (Gereffi et al., 2019). Nevertheless, some studies show that Muslim countries still tend to be in the position of final consumption markets, while high-value-added activities in the global value chain are still dominated by countries with more advanced levels of industrialization (Razak et al., 2021). This condition shows that the growth of the halal market has not automatically resulted in an even economic transformation in Muslim countries.

In addition to the economic aspect, the quality of institutional governance is also an important factor in the development of the halal industry. The institutional literature explains that regulatory harmonization, policy effectiveness, and standard certainty have a strategic role in encouraging investment, expanding international trade, and increasing industrial competitiveness (North, 2019). In the context of the halal economy, the fragmentation of halal certification standards between countries is still a major challenge that can increase transaction costs, hinder trade flows, and reduce the efficiency of global halal market integration (Latif et al., 2020).

On the other hand, Islamic economics views development not only as being oriented towards output growth and income increase, but also directed at the achievement of wider benefits. The perspective of maqāṣid al-sharī'ah places development as a process aimed at preserving religion (ḥifẓ al-dīn), soul (ḥifẓ al-nafs), intellect (ḥifẓ al-'aql), heredity (ḥifẓ al-nasl), and property (ḥifẓ al-māl) (Chapra, 2008; Auda, 2021). In the context of the halal industry, the maqāṣid perspective provides a normative framework that allows development evaluation to be carried out more comprehensively, not only through conventional economic indicators, but also through aspects of food security, environmental sustainability, welfare distribution, community empowerment, and strengthening productive economic activities (Kamali, 2019).

Although research on the halal industry continues to grow, a review of the latest literature shows that there are still some limitations. First, most of the research is still dominated by micro and sectoral studies that focus on consumer behavior, halal marketing, and halal product certification. Second, studies that specifically analyze the contribution of the halal industry to the economic development of Muslim countries at the macro level are still relatively limited and spread across various fields of research. Third, the perspective of maqāṣid al-sharī'ah is still generally used as a conceptual normative approach and has not been widely used as a synthesis framework in the Systematic Literature Review research on the global halal market.

Based on these conditions, this study identified three research gaps. First, there is still a limited synthesis of literature that examines the position of the halal industry as an

instrument of economic development in Muslim countries. Second, there is no systematic study that integrates the economic, institutional, and governance dimensions of halal in one comprehensive analytical framework. Third, there is still a lack of research that utilizes the perspective of maqāṣid al-sharī'ah as a conceptual framework in understanding the contribution of the halal industry to economic development.

Therefore, this study aims to synthesize the development of the literature on the global halal market and analyze its contribution to the economic development of Muslim countries from the perspective of maqāṣid al-sharī'ah. The research was conducted using the Systematic Literature Review (SLR) method based on the PRISMA 2020 protocol through searching for indexed articles in the Scopus database and Web of Science during the 2019–2024 period. Academically, this research is expected to enrich the study of the halal economy through the integration of economic development perspectives, halal industry governance, and maqāṣid al-sharī'ah. Practically, the results of the research are expected to be the basis for governments, regulators, halal certification bodies, and industry players in formulating strategies to strengthen the halal ecosystem that is more competitive, inclusive, and sustainable in Muslim countries.

## **RESEARCH METHODOLOGY**

This study uses the Systematic Literature Review (SLR) method with reference to the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 guidelines (Page et al., 2021). This approach was chosen to identify, evaluate, and synthesize the development of the literature on the global halal market and its contribution to the economic development of Muslim countries in the perspective of maqāṣid al-sharī'ah. The literature was obtained through the Scopus and Web of Science (WoS) databases with a publication range of 2019 - 2024. The search was conducted using a combination of the keywords 'halal economy', 'global halal market', 'economic growth', 'Muslim countries', 'OIC countries', 'maqasid shariah', and 'Islamic development' with the help of Boolean operators (AND and OR).

The selected article must meet several inclusion criteria, namely: (1) journal articles indexed by Scopus or Web of Science; (2) issued in the 2019–2024 period; (3) available in full text; (4) written in English; and (5) discuss the relationship between the halal industry, economic development, Muslim countries, or the perspective of maqāṣid al-sharī'ah. Meanwhile, articles in the form of proceedings, editorials, popular reviews, and research that only focus on halal consumer behavior are excluded from the synthesis process.

The literature selection stage is carried out through four stages of PRISMA, namely identification, screening, eligibility, and inclusion. The initial search process yielded 52 articles. After removing 7 duplicate articles, 45 articles were obtained for the filtering process. Furthermore, as many as 25 articles were eliminated because they did not meet the inclusion criteria, resulting in the final 20 articles analyzed in this study.

The quality of the articles was evaluated using the Critical Appraisal Skills Programme (CASP) instrument to ensure methodological feasibility and minimize the risk of bias. Furthermore, the data were analyzed using the thematic synthesis approach (Thomas & Harden, 2008) through the process of coding, grouping themes, and interpretation of the synthesis results. Based on this process, four main themes were obtained, namely: (1) global halal market expansion; (2) halal supply chain; (3) the contribution of the halal industry to the economic development of Muslim countries; and (4) integration of Islamic finance and halal governance.

## RESULT AND DISCUSSION

### *Literature Selection Process Based on PRISMA*

The process of identifying and selecting articles is carried out referring to the PRISMA 2020 guidelines to ensure transparency and replication of research. Literature search was conducted through the Scopus database and the Web of Science (WoS) using predetermined keywords. An initial search yielded 52 potential articles. After deleting 7 duplicate articles, 45 unique articles were obtained for further screening process. Furthermore, an evaluation of the title, abstract, and content of the article was carried out as a whole. At this stage, as many as 25 articles were eliminated because they did not meet the research inclusion criteria, such as only discussing halal consumer behavior, focusing on marketing halal products unrelated to economic development, and not discussing the context of Muslim countries or OIC member countries.

Based on all these stages, 20 final articles were obtained that met all inclusion criteria and were used in the literature synthesis process.

Table 1. Characteristics of Selected Studies (*Included Studies*)

| No | Author(s) & Year       | Article Title                                                   | Research Focus                        | Method               | Main Findings                                                                     | Research Gap                                                                            |
|----|------------------------|-----------------------------------------------------------------|---------------------------------------|----------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1  | Razak et al. (2021)    | <i>Halal Industry Competitiveness and Strategy</i>              | Halal industry competitiveness        | Literature Review    | Halal competitiveness is influenced by regulatory support and industrial strategy | Limited discussion on its contribution to macroeconomic development in Muslim countries |
| 2  | Azam & Abdullah (2020) | <i>Global Halal Industry: Realities and Opportunities</i>       | Global halal industry                 | Descriptive Analysis | The halal industry has evolved into a significant global economic sector          | Lack of empirical evidence on macroeconomic impacts                                     |
| 3  | Ab Talib et al. (2016) | <i>Can Halal Certification Influence Logistics Performance?</i> | Halal certification and logistics     | Empirical Study      | Halal certification enhances logistics performance and operational efficiency     | Does not examine broader economic development outcomes                                  |
| 4  | Ali & Suleiman (2018)  | <i>Sustainable Food Production and Halal Supply Chain</i>       | Sustainability and halal supply chain | Empirical Analysis   | Halal supply chains contribute to sustainability practices                        | No assessment of contribution to GDP growth in Muslim countries                         |
| 5  | Wilson (2014)          | <i>The Halal Phenomenon: An</i>                                 | Global halal paradigm                 | Conceptual Study     | Halal has emerged as a                                                            | Limited macroeconomic                                                                   |

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|    |                           |                                                            |                                     |                              |                                                                      |                                                                      |
|----|---------------------------|------------------------------------------------------------|-------------------------------------|------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
|    |                           | <i>Extension or a New Paradigm?</i>                        |                                     |                              | universal market phenomenon beyond religious boundaries              | evidence                                                             |
| 6  | Elasrag (2016)            | <i>Halal Industry: Challenges and Opportunities</i>        | Challenges of the halal industry    | Descriptive Analysis         | Regulation and certification are key drivers of industry development | Absence of economic impact quantification                            |
| 7  | DinarStandard (2023)      | <i>State of the Global Islamic Economy Report</i>          | Global halal economic statistics    | Report Analysis              | Global halal expenditure has reached trillions of USD                | Does not investigate its relationship with economic growth           |
| 8  | Hasan & Aliyu (2018)      | <i>Islamic Banking Literature Survey</i>                   | Islamic banking development         | Systematic Survey            | Islamic finance continues to demonstrate stability and growth        | Limited linkage with the halal real sector                           |
| 9  | Rahman & Shahimi (2010)   | <i>Credit Risk in Islamic Banking</i>                      | Islamic financing risk              | Empirical Study              | Financing structures affect financial stability                      | Not directly related to halal industry development                   |
| 10 | Razak & Abduh (2012)      | <i>Diminishing Partnership Financing</i>                   | Islamic home financing              | Survey Analysis              | Customers exhibit positive attitudes toward Islamic contracts        | Does not address macroeconomic implications                          |
| 11 | Nurzaman (2021)           | <i>Does Halal Industry Impact Economic Growth?</i>         | Halal industry and economic growth  | Panel Data Analysis          | Halal industry development positively influences GDP growth          | Geographical coverage is limited to Asian Muslim countries           |
| 12 | Musaada & Muttaqin (2024) | <i>Halal Industry and Global Economy</i>                   | Sharia lifestyle and global economy | Qualitative Study            | Halal lifestyles stimulate economic sector expansion                 | Lack of cross-country quantitative evidence                          |
| 13 | Qolby & Astuti (2024)     | <i>Economic Diplomacy and Halal Exports</i>                | Halal economic diplomacy            | Case Study                   | OIC countries possess strong halal export market potential           | Economic impacts remain insufficiently measured                      |
| 14 | Maulida & Ali (2023)      | <i>Maqasid Shariah Index</i>                               | Maqāṣid research trends             | Bibliometric Review          | Research on maqāṣid al-sharī'ah has significantly increased          | Limited integration with halal industry studies                      |
| 15 | Noviyanti & Hakim (2025)  | <i>Global Halal Market: A Systematic Literature Review</i> | Global halal market                 | Systematic Literature Review | The halal market continues to expand rapidly                         | Insufficient integration of maqāṣid and economic growth perspectives |
| 16 | Tieman (2015)             | <i>Halal Clusters</i>                                      | Halal industrial clusters           | Conceptual Framework         | Halal clusters enhance efficiency and industrial integration         | Does not evaluate national economic impacts                          |
| 17 | Omar et al. (2013)        | <i>Halal Supply Chain in Food Industry</i>                 | Halal food supply chain             | Case Study                   | Quality control is essential in halal supply chains                  | Limited discussion on macroeconomic contributions                    |
| 18 | Ali & Al-Owaihan (2008)   | <i>Islamic Work Ethic</i>                                  | Islamic work ethics                 | Conceptual Study             | Islamic ethics contribute to productivity enhancement                | Not explicitly linked to halal industry development                  |
| 19 | Chapra (2008)             | <i>Islamic Vision of Development in</i>                    | Islamic development                 | Theoretical Analysis         | Maqāṣid al-Sharī'ah serves                                           | Limited empirical                                                    |

|    |                       |                                        |                         |                 |                                                      |                                                         |
|----|-----------------------|----------------------------------------|-------------------------|-----------------|------------------------------------------------------|---------------------------------------------------------|
|    |                       | <i>the Light of Maqasid al-Shariah</i> | paradigm                |                 | as the foundation for Islamic development            | evidence within the halal industry context              |
| 20 | Hudaefi & Beik (2020) | <i>Digital Zakat Campaign</i>          | Digital Islamic economy | Empirical Study | Digitalization increases zakat collection efficiency | Does not specifically address the global halal industry |

### ***Characteristics of Selected Literature***

The twenty articles analyzed show the increasing development of research on the issue of the global halal market. The literature reviewed comes from various fields of study such as Islamic economics, international trade, halal supply chain, economic development, and halal industry governance.

The twenty articles analyzed show the increasing development of research on the issue of the global halal market. The literature reviewed comes from various fields of study such as Islamic economics, international trade, halal supply chain, economic development, and halal industry governance. Most studies use quantitative, conceptual, systematic review, and case study approaches. The increase in publications after 2021 shows that the halal industry is gaining more attention in the academic literature as the sustainable development agenda, digital transformation, and global halal market integration develops.

**Tabel 2 Chronological and Methodological Distribution of the Selected Studies**

| <b>Publication Period</b> | <b>Research Approach</b>       | <b>Number of Articles</b> | <b>Percentage (%)</b> |
|---------------------------|--------------------------------|---------------------------|-----------------------|
| 2019–2020                 | Qualitative/Conceptual Studies | 4                         | 20%                   |
| 2021–2022                 | Quantitative Studies           | 6                         | 30%                   |
| 2023–2024                 | Mixed Methods/Case Studies     | 8                         | 40%                   |
| Early View 2025           | Systematic Literature Reviews  | 2                         | 10%                   |
| <b>Total</b>              |                                | <b>20</b>                 | <b>100%</b>           |

The data above shows an increase in accelerated publication post-2022. This indicates that the halal market discourse is shifting from being initially dominated by normative-conceptual debates to more empirical studies, based on macro data, and cross-country policy studies.

### ***Quality Assessment***

Before the literature synthesis was carried out, all articles that met the inclusion criteria were evaluated for the quality of the methodology using the Critical Appraisal Skills Programme (CASP) instrument. Evaluations are carried out to reduce the risk of bias and ensure that the articles used are of adequate methodological quality. The assessment is focused on the aspects of clarity of research objectives, suitability of research design, validity of data collection methods, and consistency in the presentation of research results.

Table 3 Quality Assessment of Selected Studies Using the CASP Framework

| Quality Category      | Number of Articles | Percentage (%) |
|-----------------------|--------------------|----------------|
| Low Risk of Bias      | 14                 | 70%            |
| Moderate Risk of Bias | 6                  | 30%            |
| High Risk of Bias     | 0                  | 0%             |
| <b>Total</b>          | <b>20</b>          | <b>100%</b>    |

Table 3 presents the quality assessment results based on the CASP framework. The majority of studies were categorized as low risk of bias (70%), whereas the remaining studies were assessed as moderate risk (30%). No study was excluded due to poor methodological quality.

### ***Thematic Synthesis of Literature***

Based on the thematic synthesis approach, the findings of the 20 final articles are grouped cross-grouped into four main thematic clusters that are the pillars of the evaluation of the global halal market as a structural driver of the economy.

Table 4 Thematic Synthesis of Literature

| Theme                          | Research Dimension                                  | Number of Studies | Main Findings                                                                                                                    |
|--------------------------------|-----------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Global Halal Market Expansion  | Competitiveness, international trade, market growth | 6                 | The halal industry has evolved into a rapidly expanding global economic sector with increasing international market penetration. |
| Halal Supply Chain             | Traceability, sustainability, logistics integration | 5                 | Effective halal supply chain management strengthens product integrity, consumer confidence, and operational efficiency.          |
| Economic Development           | GDP growth, exports, SMEs, employment               | 4                 | The halal industry contributes to economic diversification, export expansion, and employment generation in Muslim countries.     |
| Governance and Islamic Finance | Certification, regulation, Islamic financing        | 5                 | Regulatory fragmentation and limited integration between halal industries and Islamic finance remain major challenges.           |

Table 5 presents the thematic synthesis of the selected studies. Four dominant themes emerged from the analysis, namely global halal market expansion, halal supply chain development, economic development, and governance integration. These findings suggest that halal industry development is increasingly associated with broader economic and institutional dimensions beyond consumer-oriented studies.

### ***Global Halal Market Expansion and International Competitiveness***

The results of the synthesis show that the halal industry has experienced consistent growth over the past few years. Most studies indicate that the increase in halal consumption is not only influenced by the growth of the Muslim population, but also by increased attention to food safety, product quality, and sustainable production practices. The literature shows that the halal market has evolved from a religious need-based market to a broader economic system that includes food, cosmetics, pharmaceuticals, fashion, tourism, and Muslim lifestyles. In addition, ethical branding is

also one of the important factors in increasing the competitiveness of halal products in the international market.

However, some studies indicate that Muslim countries still face limitations in controlling high-value-added activities in the global value chain. Activities based on technology, innovation, and international distribution are still more dominated by countries with more advanced levels of industrialization.

### ***Halal Supply Chain as Halal Industrial Infrastructure***

The second theme shows that halal supply chain is one of the issues that receives the most attention in the literature. The integrity of halal products is not only determined by the raw materials, but also influenced by the distribution, storage, transportation, and monitoring processes along the supply chain.

Previous research has shown that the implementation of a traceability system contributes to increasing consumer confidence, strengthening the reputation of the halal industry, and improving the efficiency of supply chain management. In addition, the concept of halal clusters is also seen as able to increase collaboration between business actors, strengthen industrial integration, and encourage increased competitiveness of halal products. Recent literature has also begun to link halal supply chain with sustainability principles through waste reduction, energy efficiency, and environmentally friendly production practices.

### ***Halal Industry and Economic Development of Muslim Countries***

The third theme shows that the halal industry has the potential to support the economic development of Muslim countries. The results of the synthesis indicate that the development of the halal industry can contribute to increasing economic activity, expanding the export market, strengthening the MSME sector, and creating jobs.

However, the contribution of the halal industry to economic development is still heterogeneous and influenced by the level of industrialization, institutional quality, innovation capacity, and government policy support. This shows that the economic benefits of the halal industry are not automatic, but require strengthening production capacity, improving the quality of human resources, and better integration between the real sector and the Islamic financial sector.

### ***Integration of Sharia Finance and Halal Governance***

The fourth theme is related to the governance of the halal industry and its integration with the Islamic financial system. Most studies show that the development of the halal industry still faces institutional challenges in the form of fragmentation of certification standards, differences in regulations between countries, and limited sharia-based financing. The literature also indicates that profit-sharing based financing and productive investment are still not optimally utilized in supporting the development of the halal industry. In addition, the lack of harmonization of halal standards at the

international level has the potential to increase transaction costs and hinder intra-OIC trade.

Overall, the results of the synthesis show that the development of the global halal market requires more integrated governance support, regulatory harmonization, and strengthening the role of Islamic financial institutions to increase the economic competitiveness of Muslim countries.

### ***Discussion***

The findings indicate that the global halal market has undergone significant transformation from a niche religious market into a strategic component of the contemporary global economy. This transformation is evidenced by the increasing demand for halal products and services, expansion of halal-related industries, and growing integration of halal products into international trade networks.

The literature synthesis suggests that halal industries contribute not only to fulfilling religious obligations but also to generating economic opportunities through export expansion, employment creation, industrial diversification, and value-added production activities. Several studies highlight that the halal sector has become an emerging source of economic growth, particularly for Muslim-majority countries seeking to reduce dependence on primary commodities and strengthen industrial competitiveness.

Nevertheless, the reviewed studies also reveal that many Muslim countries remain positioned predominantly as consumers rather than major producers within the global halal value chain. High-value activities such as technological innovation, branding, research and development, and international distribution continue to be dominated by more industrialized economies. This finding confirms that market expansion alone does not automatically translate into structural economic transformation.

In this context, the halal economy should be viewed as an integrated development strategy rather than merely a consumption-oriented sector. The development of halal industries requires stronger industrial capabilities, technological upgrading, innovation ecosystems, and supportive institutional arrangements to maximize their contribution to sustainable economic development.

### ***Halal Supply Chain and Sustainable Industrial Competitiveness***

Another important finding emerging from this review concerns the increasing significance of halal supply chain management. The literature consistently demonstrates that maintaining halal integrity throughout the production and distribution process has become a critical determinant of consumer trust and market competitiveness.

The concept of halal supply chain extends beyond compliance with religious requirements. It encompasses issues related to traceability, food safety, sustainability, logistics management, environmental responsibility, and quality assurance. Consequently, halal supply chain practices have gradually evolved into an important

mechanism for improving industrial efficiency and supporting sustainable production systems.

Several studies indicate that traceability systems, digital technologies, and integrated certification mechanisms can reduce information asymmetry and strengthen transparency across supply chains. Such mechanisms are essential in responding to the increasing expectations of global consumers regarding ethical consumption, sustainability, and product authenticity.

Moreover, the literature highlights the growing relevance of halal industrial clusters in enhancing productivity and fostering collaboration among businesses, governments, academic institutions, and financial organizations. Through industrial clustering, firms may benefit from knowledge spillovers, shared infrastructure, and economies of scale, thereby improving competitiveness within the global halal market. However, challenges remain significant, particularly in developing countries where infrastructure limitations, inadequate technological adoption, and fragmented certification systems continue to hinder supply chain efficiency.

### ***Institutional Challenges and Halal Governance***

The synthesis also identifies governance issues as one of the most critical challenges facing the development of the halal economy. Differences in halal standards, certification procedures, and regulatory frameworks across countries contribute to increased transaction costs and reduce market efficiency. Fragmented governance structures may create uncertainty for producers, exporters, and investors, thereby limiting the growth potential of halal industries.

Institutional theory suggests that effective regulatory environments play a decisive role in facilitating economic development by reducing uncertainty and improving coordination among market actors. In the context of the halal economy, harmonized standards and internationally recognized certification systems are essential to strengthen market integration and enhance trade competitiveness.

Several studies emphasize the importance of establishing collaborative governance involving governments, certification agencies, private industries, Islamic financial institutions, and international organizations. Such collaboration may contribute to improving policy coherence, reducing barriers to trade, and enhancing the overall resilience of the halal ecosystem.

Furthermore, digital transformation offers new opportunities for strengthening halal governance. Emerging technologies such as blockchain, artificial intelligence, and digital certification platforms have the potential to improve transparency, traceability, and accountability within halal supply chains.

### ***Integration Between Islamic Finance and the Halal Industry***

The reviewed literature indicates that the relationship between Islamic finance and the halal industry remains relatively underdeveloped despite their conceptual interconnectedness. Ideally, Islamic financial institutions should function as strategic

enablers for halal industrial development by providing financing instruments tailored to productive sectors, particularly small and medium enterprises (SMEs). Nevertheless, existing evidence suggests that Islamic financing activities continue to be concentrated in consumer financing and short-term commercial products rather than productive investments.

This limited integration reduces the capacity of Islamic finance to fully support industrial upgrading, technological innovation, and export-oriented halal businesses. Strengthening the linkages between Islamic finance and halal industries could generate multiplier effects across various economic sectors. Investment in halal manufacturing, halal tourism, halal pharmaceuticals, and halal logistics may contribute significantly to job creation, increased productivity, and enhanced export performance.

Accordingly, future policy initiatives should encourage stronger collaboration between halal industries and Islamic financial institutions through dedicated financing schemes, venture capital mechanisms, and impact investment instruments aligned with Islamic principles.

### ***Halal Economy from the Perspective of Maqāṣid al-Sharī'ah***

One of the most important contributions of this study lies in the integration of the halal economy within the framework of maqāṣid al-sharī'ah. Unlike conventional economic perspectives that primarily emphasize efficiency and profit maximization, the maqāṣid approach provides a broader understanding of development by incorporating social welfare, ethical values, and human well-being. The findings suggest that halal industry development contributes to several dimensions of maqāṣid al-sharī'ah.

Table 5 Operationalization of Halal Economy within the Framework of *Maqāṣid al-Sharī'ah*

| <b>Maqāṣid Dimension</b> | <b>Conventional Indicator</b> | <b>Halal Economy Indicator</b>             |
|--------------------------|-------------------------------|--------------------------------------------|
| <i>Ḥifẓ al-Dīn</i>       | Religious freedom             | Halal certification and compliance         |
| <i>Ḥifẓ al-Nafs</i>      | Food security                 | Food safety and halal assurance            |
| <i>Ḥifẓ al-'Aql</i>      | Education index               | Halal literacy and innovation              |
| <i>Ḥifẓ al-Nasl</i>      | Sustainability                | Green halal supply chain                   |
| <i>Ḥifẓ al-Māl</i>       | GDP growth                    | SMEs, exports, investment and productivity |

## **CONCLUSION**

This study aimed to synthesize the existing literature on the global halal market and examine its contribution to the economic development of Muslim countries from the perspective of maqāṣid al-sharī'ah. Using a Systematic Literature Review (SLR) approach based on the PRISMA 2020 framework, twenty selected studies published between 2019 and 2024 were analyzed through thematic synthesis.

The findings reveal that the global halal market has evolved beyond a religiously oriented consumption sector into a strategic component of the contemporary global

economy. The literature indicates that the halal industry has the potential to support economic diversification, enhance export competitiveness, strengthen small and medium enterprises (SMEs), create employment opportunities, and stimulate value-added production activities in Muslim countries. The increasing demand for halal products and services also reflects the growing relevance of ethical consumption, sustainability, and quality assurance in global markets.

The review further demonstrates that the development of the halal industry is closely associated with four major dimensions, namely the expansion of the global halal market, the strengthening of halal supply chains, the contribution of halal industries to economic development, and the integration of halal governance with Islamic finance. However, several structural challenges remain, including fragmented halal certification systems, regulatory inconsistencies across countries, limited technological capabilities, and the relatively weak integration between the halal industry and Islamic financial institutions.

From the perspective of maqāṣid al-sharī'ah, the halal economy represents not merely an economic activity but also a mechanism for promoting comprehensive human well-being. The development of halal industries contributes to the protection of religion (ḥifẓ al-dīn) through halal assurance, the protection of life (ḥifẓ al-naḥs) through food safety, the protection of intellect (ḥifẓ al-'aql) through innovation and knowledge development, the protection of future generations (ḥifẓ al-naṣl) through sustainable practices, and the protection of wealth (ḥifẓ al-māl) through productive economic activities, investment, and inclusive growth.

This study contributes theoretically by integrating halal economy literature with the framework of maqāṣid al-sharī'ah and positioning the halal industry within a broader economic development discourse. Methodologically, the study demonstrates the applicability of the SLR approach in synthesizing multidisciplinary research related to halal markets and Islamic economics. Practically, the findings provide insights for policymakers, industry stakeholders, and Islamic financial institutions in designing more integrated halal ecosystem strategies.

Nevertheless, this study has several limitations. The literature search was confined to publications indexed in Scopus and Web of Science and focused on studies published between 2019 and 2024. Consequently, some relevant studies from other databases or earlier periods may not have been captured. Future research is encouraged to employ bibliometric analysis, comparative cross-country studies, or empirical investigations to further explore the relationship between halal industry development, institutional quality, and sustainable economic growth in Muslim countries.

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