



***Enhancing MSME Competitiveness Through Halal Certification
Assistance: A Case Study of Kampung Genteng Candirejo***

**Pendampingan Sertifikasi Halal Untuk Meningkatkan Daya Saing
Produk di Kampung Genteng Candirejo Surabaya**

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Abstrak

Industri halal mengalami pertumbuhan pesat secara global, namun pelaku Usaha Mikro, Kecil, dan Menengah (UMKM) di Indonesia masih menghadapi tantangan dalam memperoleh sertifikasi halal. Kampung Genteng Candirejo di Surabaya memiliki Sentra Olahan Herbal yang telah beroperasi sejak 2008, namun keterbatasan pengetahuan, dukungan teknis, dan biaya menjadi kendala utama dalam mendapatkan sertifikasi halal. Program pengabdian kepada masyarakat ini bertujuan untuk meningkatkan daya saing UMKM melalui pendampingan sertifikasi halal yang mencakup pelatihan, asistensi teknis, dan strategi pemasaran. Metode yang digunakan meliputi edukasi, bimbingan pendaftaran sertifikasi halal, serta monitoring dan evaluasi keberhasilan program. Hasil kegiatan menunjukkan peningkatan pemahaman UMKM terhadap standar sertifikasi halal serta peningkatan jumlah UMKM yang mengajukan sertifikasi. Program ini memberikan dampak positif terhadap keberlanjutan bisnis UMKM serta mendukung visi Indonesia sebagai pusat industri halal global.

Kata kunci: Daya Saing, Industri Halal, Pendampingan, Sertifikasi Halal, UMKM

Abstract

The halal industry has experienced rapid global growth; however, Micro, Small, and Medium Enterprises (MSMEs) in Indonesia still face challenges in obtaining halal certification. Kampung Genteng Candirejo in Surabaya houses a Herbal Processing Center that has been operating since 2008, yet limited knowledge, technical support, and financial constraints hinder its MSME members from obtaining halal certification. This community service program aims to enhance MSME competitiveness by providing halal certification assistance, including training, technical guidance, and marketing strategies. The methodology involves education, certification registration assistance, and program monitoring and evaluation. The results indicate an increased understanding of halal certification standards among MSMEs and a rise in the number of MSMEs applying for certification. This initiative positively impacts MSME business sustainability and supports Indonesia's vision of becoming a global halal industry hub.

Keyword: Assistance, Competitiveness, Halal Certification, Halal Industry, MSMEs

1. Introduction

The halal industry has experienced significant global growth in recent years, driven by increasing consumer awareness and demand for halal-certified products [1]. According to the State of the Global Islamic Economy (SGIE) Report, the global halal market is valued at approximately USD 2.3 trillion, with key sectors including halal food, Islamic finance, pharmaceuticals, cosmetics, and modest fashion [2]. The food sector remains the largest contributor to this market, with an ever-increasing demand for halal-certified meat, dairy, and processed food products [3]. Islamic finance, which provides interest-free banking solutions, has also gained prominence, offering ethical financial instruments that align with Sharia principles [4]. Furthermore, the halal pharmaceutical and cosmetics industries have experienced significant advancements, driven by consumer preferences for products free from non-halal ingredients such as alcohol and porcine derivatives [5]. Meanwhile, modest fashion has gained international recognition, with both Muslim and non-Muslim consumers appreciating its fusion of cultural heritage with modern aesthetics [6]. Despite the immense potential

of the halal economy, micro, small, and medium enterprises (MSMEs), particularly in developing countries like Indonesia, continue to face substantial challenges in obtaining halal certification [7]. These challenges are multifaceted, encompassing bureaucratic hurdles, financial constraints, and a lack of technical expertise in navigating the certification process. Many MSMEs struggle with the complexity of regulatory requirements, which often involve extensive documentation, stringent inspections, and high certification costs. Additionally, limited awareness and understanding of halal certification standards prevent smaller businesses from leveraging the full potential of the halal market [8]. As a result, despite Indonesia being home to the world's largest Muslim population (87% of its 267 million people), a significant portion of its MSMEs remain uncertified, restricting their access to lucrative domestic and international halal markets [9]. This gap underscores the urgent need for targeted interventions, such as structured assistance programs, financial incentives, and policy reforms, to facilitate the halal certification process for MSMEs and enable them to thrive in the rapidly growing global halal economy.

In 2019, Indonesia accounted for USD 144 billion in halal product spending, making it the largest halal consumer market among Muslim-majority countries [10]. However, despite this high consumption rate, Indonesia remains a net importer of halal products. This gap has prompted the Indonesian government to launch the Global Halal Hub 2024 initiative to strengthen local production and position the country as the world's leading halal product manufacturer [11]. One of the major obstacles to achieving this goal is the low adoption of halal certification among MSMEs, particularly in sectors such as food and herbal products. Kampung Genteng Candirejo in Surabaya is home to a well-established Sentra Olahan Herbal (Herbal Processing Center), which has been producing herbal products since 2008. However, the lack of halal certification among its MSME members has hindered their market expansion. The issue is exacerbated by limited knowledge of certification procedures, insufficient support from stakeholders, and financial constraints. This problem aligns with the Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure), as it directly impacts MSME development and market competitiveness.

Research has demonstrated that halal certification significantly enhances product competitiveness and market reach [12]. Studies have shown that halal certification contributes to an increase in sales for certified food producers, highlighting its critical role in business growth [13], [14]. However, despite its benefits, many MSMEs still lack access to halal certification due to the absence of structured guidance and technical support. The COVID-19 pandemic further exacerbated the challenges faced by MSMEs in Kampung Genteng Candirejo, reducing the number of active businesses from over 20 to just 13 due to declining sales and financial difficulties. The limited adoption of halal certification in this community has created a significant gap between potential market opportunities and actual business performance. Without immediate intervention, local MSMEs risk losing competitiveness in the increasingly regulated halal market.

To address these challenges, this community service program introduces a structured halal certification assistance program tailored for MSMEs in Kampung Genteng Candirejo. The program integrates several innovative approaches, including capacity building through training sessions on halal certification requirements, technical assistance in the registration process, and market expansion strategies such as branding, labeling, and digital marketing. Unlike previous programs that focused solely on general business development, this initiative specifically targets the certification process, ensuring MSMEs can comply with halal standards efficiently and effectively. This approach aligns with national economic policies and Indonesia's Global Halal Hub 2024 vision.



Figure 1. Sentra Olahan Herbal Surabaya Products

This article aims to document and analyze the implementation of a structured halal certification assistance program for MSMEs in Kampung Genteng Candirejo. It provides insights into the challenges, strategies, and outcomes of the initiative, serving as a reference for similar community engagement efforts. The increasing demand for halal certification in the food and beverage sector has become a significant driving force for MSMEs to certify their products. However, previous efforts by partner institutions to assist MSMEs in

obtaining halal certification were often fragmented and ineffective. These earlier initiatives typically lacked an integrated approach—failing to combine technical guidance, regulatory comprehension, and market readiness—leaving many MSMEs unable to navigate the certification process successfully.

Recognizing these gaps, this community service program introduces a more comprehensive and targeted model tailored to the specific needs of MSMEs. It integrates capacity-building activities through training on halal certification requirements, hands-on technical assistance for registration, and market expansion strategies such as branding, labeling, and digital marketing. Unlike prior programs that focused solely on general business development, this initiative is directly aligned with the halal certification process, ensuring MSMEs can comply with relevant standards more efficiently and effectively. The effectiveness of these solutions was measured through several key indicators: the number of MSMEs successfully submitting halal certification applications, the increase in MSME knowledge and preparedness as observed during mentoring, and the actual issuance of halal certificates by the relevant authorities. These outcomes align with the objectives of the proposed PKM by enhancing MSME capacity, strengthening product competitiveness, and supporting sustainable business development.

This article contributes to the broader body of knowledge on MSME development within the halal industry by presenting a practical and replicable model for certification facilitation. It also serves as a valuable reference for policymakers, business support organizations, and academic institutions interested in strengthening MSME competitiveness through structured certification programs. Furthermore, this study offers empirical evidence linking halal certification with economic sustainability, reinforcing the strategic role of targeted assistance programs in achieving Sustainable Development Goals (SDG) 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure).

2. Materials and Method

This community service initiative was conducted in Kampung Genteng Candirejo, Surabaya, a well-established center for herbal product processing. The community consists of micro, small, and medium enterprises (MSMEs) that have been producing herbal products since 2008. However, many of these businesses face challenges in obtaining halal certification, limiting their market expansion. Currently, the number of active MSMEs in this area has declined from over 20 to just 13 due to financial difficulties, particularly following the COVID-19 pandemic. The primary beneficiaries of this program were MSME owners and operators who were actively involved in the production and sale of herbal products. Their role in the program was crucial, as they participated in capacity-building workshops, technical assistance sessions, and consultations to facilitate the halal certification process.

The program involved multiple stakeholders, including academic experts in halal certification and business development, regulatory professionals familiar with the certification process, and industry practitioners specializing in branding and market expansion. These experts played essential roles in knowledge transfer, providing training on halal certification requirements, assisting with document preparation, and guiding MSMEs through the registration process. University researchers contributed expertise in business sustainability and compliance with halal standards, while representatives from government institutions and halal certification bodies provided regulatory insights.

The implementation of this community service activity followed a structured methodology designed to provide a comprehensive solution to the challenges faced by MSMEs. The first stage involved a needs assessment through surveys and interviews to identify the specific difficulties MSMEs encountered in obtaining halal certification. Based on these findings, training sessions were conducted to educate MSME owners on halal principles, certification procedures, and documentation requirements. The next stage provided hands-on technical assistance, including support in filling out certification applications, preparing required documentation, and ensuring compliance with halal standards. Additionally, business development strategies were introduced, covering branding, labeling, and digital marketing to enhance product competitiveness.



Figure 2. Structured methodology diagram



Figure 3. Interview to identify the MSMEs specific difficulties



Figure 4. Training session

Science and technology played a crucial role in this initiative, particularly in streamlining the certification process and improving product traceability. Digital tools were introduced to facilitate online registration and documentation submission, ensuring that MSMEs could efficiently complete the necessary procedures. Additionally, modern food processing and packaging techniques were shared to enhance product quality and meet halal compliance standards. These advancements aimed to improve not only certification success rates but also the overall sustainability of MSME operations.



Figure 5. Hands-on technical assistance

The success of this program was measured using a combination of qualitative and quantitative instruments. Key performance indicators included the number of MSMEs successfully obtaining halal certification, improvements in their understanding of certification requirements, and enhanced business practices following the intervention. Surveys and interviews were conducted before and after the program to assess changes in participants' knowledge and confidence in navigating the certification process. In addition, records of application submissions and approvals were analyzed to quantify the program's impact.

Data collection techniques included direct observation, structured interviews, and participant feedback forms. These methods ensured a comprehensive understanding of the program's effectiveness and provided insights into areas that required further improvement. The collected data were analyzed using a mixed-methods approach, combining statistical analysis of quantitative data with thematic analysis of qualitative responses. This approach allowed for a nuanced evaluation of the program's outcomes, highlighting both measurable achievements and qualitative improvements in business practices.

Overall, the structured intervention aimed to address the challenges faced by MSMEs in Kampung Genteng Candirejo by providing targeted support in the halal certification process. By integrating expert guidance, digital solutions, and business development strategies, this program sought to enhance MSME competitiveness and contribute to the broader goals of Indonesia's Global Halal Hub 2024 initiative. The findings from this initiative not only provide practical insights for policymakers and business support organizations but also offer

a scalable model for similar community engagement efforts aimed at improving MSME participation in the halal economy.

3. Results and Discussion

The implementation of the halal certification assistance program for MSMEs in Kampung Genteng Candirejo yielded significant outcomes in improving certification accessibility and enhancing business sustainability. A total of 13 MSMEs participated in the program, receiving structured guidance on the halal certification process. As a result, 8 MSMEs successfully obtained halal certification, while the remaining five were in the final stages of document submission by the end of the program. This success rate demonstrates the effectiveness of structured technical assistance in overcoming bureaucratic hurdles and knowledge gaps. Table 1 presents key indicators of success based on MSME participation, certification approval rates, and improvements in compliance understanding.

Table 1. Key Performance Indicators of the Program

Indicator	Baseline (Before Program)	After Program Completion
Number of MSMEs with Halal Certification	0	8
MSMEs Completing Certification Documents	2	13
Average Understanding Score (1–10)	4.2	8.7
MSMEs Implementing Branding & Labeling	3	10

The eight halal certification submissions included comprehensive documentation as required by BPJPH and LPPOM MUI standards. Substantively, each submission contained: (1) verification of halal-compliant ingredients, (2) production flow diagrams, (3) hygiene and sanitation records, (4) documentation of Halal Assurance System (SJH) implementation, and (5) declarations of traceability and supply chain compliance. These components were developed during the technical assistance phase and were critical in ensuring compliance with national halal certification standards.

During the implementation of the PKM, several challenges arose, particularly during the training sessions. Participants had varying levels of education and digital literacy, making it difficult for some to grasp halal certification procedures and use online systems. Many MSME owners also had limited time to attend full sessions due to ongoing business activities, requiring the training schedule to be adapted for flexibility. In addition, most MSMEs lacked standardized documentation and were unfamiliar with preparing halal-related records, such as supplier traceability and SJH compliance. To address these issues, the program offered simplified materials, hands-on digital assistance, editable templates, and flexible mentoring. Coordination with certification bodies also posed delays, which were mitigated through active communication facilitated by the PKM team.

Overall, the program's impact was evident. MSMEs reported a significant improvement in their understanding of halal certification, with post-program assessments showing a rise in the average knowledge score from 4.2 to 8.7. Furthermore, 10 MSMEs adopted improved branding and labeling practices, strengthening their market appeal and aligning with industry standards. These results align with previous research highlighting the positive impact of halal certification on MSME growth [15], [16]. The findings confirm that targeted support programs significantly improve certification adoption, supporting the objectives of Indonesia's Global Halal Hub 2024 initiative [17]. A critical factor in the program's success was the capacity-building sessions, which included hands-on training in certification requirements, halal assurance systems, and digital tools for documentation submission. Before the intervention, MSME owners lacked familiarity with certification procedures, leading to common errors in documentation. Post-training assessments revealed a marked improvement in their ability to complete applications correctly, as reflected in the average knowledge score increase from 4.2 to 8.7. This aligns with studies emphasizing the importance of structured training in increasing MSME compliance with regulatory standards [18].

Beyond certification, the program facilitated branding and market expansion strategies to enhance the competitiveness of halal-certified products. By the end of the initiative, 10 MSMEs had implemented improved labeling and branding strategies, aligning with best practices in halal product marketing. This supports prior findings that halal branding significantly enhances consumer trust and marketability [19], [20]. Despite these achievements, several challenges emerged during implementation. One major obstacle was the financial burden of certification fees, which remained a concern for MSMEs with limited capital. While partial funding assistance was provided, some businesses struggled with associated costs such as laboratory testing and product reformulation to meet halal standards. This financial constraint has been widely recognized as a barrier to halal certification, as highlighted by previous studies [21].

Another challenge was the complexity of regulatory requirements, which required MSMEs to prepare detailed documentation, including supply chain verification and raw material compliance [22]. While digital tools streamlined part of the process, bureaucratic delays from certifying bodies posed an additional hurdle

[23]. These findings support existing literature emphasizing the need for policy reforms to simplify halal certification procedures for MSMEs [24]. Overall, this community service program successfully demonstrated that structured assistance significantly improves halal certification adoption among MSMEs. The combination of technical guidance, training, and branding support not only facilitated certification but also enhanced business resilience. These results offer a scalable best-practice model for similar MSME development programs in Indonesia and other emerging halal markets. Future initiatives should focus on financial incentives and regulatory simplifications to further accelerate MSME certification adoption, contributing to the broader goals of economic growth and global halal industry expansion.

4. Conclusion

The halal certification assistance program for MSMEs in Kampung Genteng Candirejo successfully addressed key barriers to certification by providing structured guidance, capacity-building training, and market expansion strategies. As a result, 8 out of 13 participating MSMEs obtained halal certification, while the remaining 5 progressed to the final stages of document submission. The program significantly enhanced MSME understanding of certification requirements, as reflected in the increased average knowledge score from 4.2 to 8.7. Additionally, 10 MSMEs implemented improved branding and labeling strategies, strengthening their market positioning.

These findings highlight the critical role of targeted assistance programs in increasing MSME compliance with halal standards and improving their competitiveness in the halal industry. The program's success underscores the need for sustained financial and technical support, as well as policy reforms to simplify certification procedures. Future initiatives should explore funding mechanisms and streamlined regulatory processes to further support MSMEs in obtaining halal certification. By facilitating wider adoption, such interventions contribute to economic growth, market expansion, and Indonesia's vision of becoming a global halal hub, aligning with SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation, and Infrastructure).

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