

THE ROLE OF ISLAMIC BANKS IN STRENGTHENING THE HALAL VALUE CHAIN IN SOUTH KALIMANTAN

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ABSTRACT

The increase in Islami-based businesses in Indonesia, especially in South Kalimantan, encourages new economic growth. With a focus on the halal value chain, such as Islamic fashion, halal food, and halal tourism. South Kalimantan as a total 97% of the Muslim population is considered to be the main node for future Islamic economic development. The development of the Islamic economy and halal industry involves the local ecosystem by local wisdom. This research aims to determine the potential of halal value chains and the role of Islamic Banks in halal value chains in South Kalimantan. The method used in this research has a constructivist paradigm with a qualitative descriptive approach, where researchers collect data by observing the subjects of managers of Sharia Bank, academics, and MSME actors to find out the role of Islamic Banks. Research data sources were gathered from diverse references, encompassing journals, books, and other pertinent sources. The analysis in this research uses descriptive analysis, namely describing the potential and role of Islamic Banks. The results of this research show that the role of Islamic Banks in strengthening the halal value chain in South Kalimantan is very significant. Apart from being financial institutions, Islamic Banks also act as facilitators in education about halal certification, and collaboration with halal certification institutions and business actors. Islamic Banks also provide social funding assistance for activities related to halal certification requirements. Islamic Banks not only support the financial sector but also contribute to strengthening the halal value chain in South Kalimantan.

Keywords: Halal Industry; Halal Value Chain; South Kalimantan.

ABSTRAK

Meningkatnya usaha berbasis syariah di Indonesia, khususnya di Kalimantan Selatan, mendorong pertumbuhan ekonomi baru. Dengan fokus pada rantai nilai halal, seperti fesyen syariah, makanan halal, dan pariwisata halal. Kalimantan Selatan dengan total 97% penduduknya beragama Islam dianggap sebagai simpul utama pengembangan ekonomi syariah di masa depan. Pengembangan ekonomi syariah dan industri halal melibatkan ekosistem lokal dengan kearifan lokal. Penelitian ini bertujuan untuk mengetahui potensi rantai nilai halal dan peran Bank Umum Syariah dalam rantai nilai halal di Kalimantan Selatan. Metode yang digunakan dalam penelitian ini mempunyai paradigma konstruktivis dengan pendekatan deskriptif kualitatif, dimana peneliti mengumpulkan data dengan melakukan observasi terhadap subjek pengelola Bank Syariah, akademisi, dan pelaku UMKM untuk mengetahui peran Bank Umum Syariah. Sumber data penelitian dikumpulkan dari berbagai referensi, baik jurnal, buku, maupun sumber lain yang relevan. Analisis dalam penelitian ini menggunakan analisis deskriptif yaitu mendeskripsikan potensi dan peran bank syariah. Hasil penelitian ini menunjukkan bahwa peran Bank Syariah dalam memperkuat

rantai nilai halal di Kalimantan Selatan sangat signifikan. Selain sebagai lembaga keuangan, bank syariah juga berperan sebagai fasilitator dalam edukasi tentang sertifikasi halal, dan kerjasama dengan lembaga sertifikasi halal dan pelaku usaha. Bank syariah juga memberikan bantuan dana sosial untuk kegiatan yang berkaitan dengan persyaratan sertifikasi halal. Bank syariah tidak hanya mendukung sektor keuangan tetapi juga berkontribusi memperkuat rantai nilai halal di Kalimantan Selatan.

Kata Kunci: Industri Halal; Rantai Nilai Halal; Kalimantan Selatan.

INTRODUCTION

The financial crises in the world that have emerged continuously have created a new awareness of the new financial system in reforming the architecture of the financial system. This provides an opportunity to look at the Islamic financial system. The Islamic Financial System is part of the broader concept of Islamic economics. The Islamic financial system is not just a commercial transaction but must reach financial institutions to be able to keep up with the demands of the times. The form of a financial system or financial institution that follows Islamic principles is free from the element of usury. Financial contracts that can be developed and can replace the usury system are the *Syirkah* mechanism, namely: *Musyarakah* and *Mudharabah* (profit sharing). This ultimately encouraged Islamic Banks to emerge in all corners of the world. Despite several difficulties, the banking Islamization movement is progressing well. The progress achieved over the last quarter century shows encouraging results (Taqwa & Sukmana, 2018).

The implementation of the Islamic financial system over the last four decades has progressed very rapidly. The initial establishment of Islamic Bank was in the 1940s, in Pakistan at the end of 1950, in Egypt under the name Mit Ghamr Savings Bank in 1963-1967, and Nasser Social Bank in 1971 (Lewis & Latifa M Algaoud, 2007). This initial institution did not last long, at least it provided initial practice in establishing Islamic Bank and became a foundation for developing Islamic Bank. Furthermore, in Indonesia, the development of Islamic Banking in Indonesia is also quite encouraging. Islamic Banking has entered the last ten years, after changes to the Banking Law which was marked by the issuance of Law no. 10/1998, experienced very rapid growth and development. This rapid development has been especially recorded since the issuance of Bank Indonesia regulations granting permission for the opening of new Islamic Bank and the establishment of Islamic Business Units (UUS) (Capra, 2002).

Islamic Banking in Indonesia, comprising Islamic Commercial Bank (BUS), Islamic Business Units (UUS), and Islamic People's Financing Bank (BPRS), continues to exhibit positive growth. In 2021, the resilience of Islamic Banking strengthened significantly, evident in

the Islamic Commercial Bank (BUS) CAR ratio reaching 25.71%. Moreover, the intermediation function of Islamic Banking operates effectively, with Disbursed Financing (PYD) and Third-Party Funds (DPK) registering positive growth at 6.90% (YoY) and 15.30% (YoY), respectively. This led to a 13.94% (YoY) growth in Islamic Banking assets during the period. The total assets, PYD, and DPK of Islamic Banking amounted to IDR 693.80 trillion, IDR 421.86 trillion, and IDR 548.58 trillion, respectively, by the end of 2021. Liquidity in Islamic Banking remains adequate, as indicated by the FDR ratio consistently maintained within the 80-90% range. The daily average AL/NCD ratio consistently exceeds the 50% threshold at 149.28%, and the daily average AL/DPK ratio is also above the 10% threshold, standing at 30.57%. Notably, Islamic Banking credit risk witnessed a decline in gross NPF by 51 bps (YoY), reaching 2.57% (Otoritas Jasa Keuangan Republik Indonesia, 2022).

This proves the rapid development of Islamic financial institutions in Indonesia. Of course, this must also be combined with other aspects. One of the aspects currently being highlighted is related to the halal industry in Islamic financial institutions. Bank Indonesia continues to encourage Islamic economic and financial transformation (EKSyar) as a new source of economic growth. The EKSyar transformation was carried out optimally to contribute to national economic growth, as stated by the Governor of Bank Indonesia, Perry Warjiyo.

EKSyar's transformation is realized by establishing a halal value chain ecosystem in key sectors, serving as a catalyst for new economic growth. The fundamental principle of EKSyar centers on promoting the efficient utilization of all resources and technology to consistently drive productive economic activities. The contribution of EKSyar's policies to national economic recovery is manifested in three key aspects. Firstly, it plays a crucial role as an integral part of Bank Indonesia's primary policy mix, fostering synergies among different authorities. Secondly, it contributes by bolstering the resilience of Islamic-based businesses through economic empowerment grounded in partnership principles, encompassing both Islamic Micro, Small, and Medium Enterprises (MSMEs) and economic units associated with Islamic boarding schools. Lastly, EKSyar plays a pivotal role in optimizing Shari social finance (*zakat, infaq, alms, and waqf*) per principles that inclusively address the challenges of increasing poverty and widening inequality.

This emphasizes that Islamic Banking must play a greater role in building the national Islamic economic ecosystem. but behind it all, there are of course many challenges and obstacles. The challenges faced by the halal value chain ecosystem are that there are great opportunities to

develop Islamic-based halal products. *Thayyiban* halal products are very good for inspiring creativity and innovation in the Islamic industry, this is supported by comparative and competitive advantages. *Thayyiban* halal products require a good ecosystem, the challenge is to build a light touch, meaning regulations and bureaucracy should not interfere too much and there will be no invisible authority or annoying regulations. Second, it is called a Sharia-based ecosystem.

One of the provinces in Indonesia that is the focus for this is South Kalimantan. South Kalimantan is one of eight provinces designated for the development of Islamic economics and finance in Indonesia. With a Muslim population of more than 97 percent (Dinas Komunikasi dan Informatika Provinsi Kalimantan Selatan, 2023), South Kalimantan is believed to be the main node in improving the Islamic economy and finance in the future. Vice President Ma'ruf Amin expressed his confidence in South Kalimantan as the main node in improving the Islamic economy and finance, especially in South Kalimantan. According to Vice President Amin, the formation of KDEKS in South Kalimantan reflects the strong commitment of all stakeholders led by the National Committee for Islamic Economics and Finance (KNEKS) in encouraging the improvement of Islamic economics and finance in the country (Yulianus, 2023).

"In the future, by strengthening cooperation with stakeholders, both at the center and in the regions, I hope that KDEKS South Kalimantan can explore and develop potential and accelerate the implementation of Islamic economics and finance in South Kalimantan," In developing Islamic economics and finance, the Vice President continued, there are four focus areas, namely the development of the halal product industry, the Islamic financial services industry, Islamic social funds, and Islamic business and entrepreneurship. "I certainly hope that the presence of KDEKS in South Kalimantan can accelerate various achievements in these four fields".

Indicators related to strengthening the halal value chain are these indicators are measured by six sectors, namely food, financial services, Muslim-friendly travel, modest fashion, pharmaceuticals, and cosmetics, as well as media and recreation," he said. This increase in ranking cannot be separated from the enactment of Law Number 33 of 2014 concerning Halal Product Guarantees in October 2019. Apart from that, Indonesia already has the Indonesian Islamic Economic Masterplan 2019-2024 which has four main strategies.

The reality of the great potential in the halal value chain in South Kalimantan is an important basis for further investigation. On the other hand, the role of Islamic Banks as a key element in strengthening the halal value chain in this area encourages a deeper understanding of

their role and impact. The potential of the halal value chain in South Kalimantan shows great opportunities for economic growth and community development. However, obstacles such as lack of understanding, limited infrastructure, and market expansion are still challenges that need to be overcome. Therefore, it is important to investigate further and identify the inhibiting and driving factors in it.

Islamic Banks, as an integral part of the Islamic financial ecosystem, have great potential to provide sustainable financial support and following Islamic principles in strengthening the halal value chain. However, their role has not been fully optimized, and this research is aimed at detailing potential contributions as well as barriers that may be encountered. By detailing this background, it is hoped that the research can provide a more complete picture and understand the complex dynamics between the potential of the halal value chain in South Kalimantan and the crucial role of Islamic Banks in advancing it.

RESEARCH METHOD

The method used in this research has a constructivist paradigm with a qualitative descriptive approach and uses a case study method, with the aim of this research being to describe or define a problem. Qualitative research is research that aims to understand a phenomenon about what the research subject experiences. Various dimensions of the lives of research subjects such as behavior, motivation, actions, perceptions, etc. are studied holistically, by describing them completely in the form of words and language, in certain natural contexts and using scientific methods (Sugiyono, 2017).

In the context of the potential of the halal value chain in South Kalimantan, the use of constructivist methods with a qualitative descriptive approach and case studies can provide an in-depth understanding of the dynamics and complexity of halal values in various aspects of local community life. The method allows researchers to explore key factors such as consumer behavior, producer motivation, and environmental factors that influence the halal value chain in the region. Through a qualitative descriptive approach, research can describe in detail how halal values are produced, distributed, and consumed in South Kalimantan. This includes the role of local business actors, halal production practices, and consumer preferences for halal products. By understanding holistically, this research can open insight into the potential for developing halal value chains in the region.

Meanwhile, when referring to the role of Islamic Banks in the halal value chain, the case study method can provide a deeper understanding of how Islamic financial institutions contribute

to strengthening and developing the halal value chain. Research can explore the role of Islamic Banks in supporting financing for halal business actors, implementing appropriate Islamic financial practices, and providing innovative solutions to improve the halal value chain ecosystem in South Kalimantan. Thus, the use of this method not only provides a general overview but also opens up space to specifically analyze how the dynamics of halal values can be strengthened through the involvement of Islamic Banks in supporting business actors and local communities in South Kalimantan.

This research uses empirical-normative research methods. This research method uses a mixed method, namely field research (Moleong, 2015) and literature research, where the initial research uses empirical field data and other primary data, the author then focuses on library literacy materials, namely research conducted through library materials or library literature as written sources as a first step in preparing a research framework and deepening theoretical studies (Mulyadi, 2012). Data was collected using a review technique of references that are relevant and related to the problems to be studied, especially the Concept of Islamic Economic and Financial Transformation within the halal scope of the Islamic financial industry.

The research approach used regarding the Concept of Islamic Economic and Financial Transformation within the halal scope of the Islamic financial industry requires a statutory approach, an Islamic economic contextual approach, and a conceptual approach (Suprayogo & Tobroni, 2003).

RESULT AND DISCUSSION

Potential for regional halal value chains in South Kalimantan

The halal value chain is a new concept in the Islamiceconomic system, which includes the flow of activities from production to consumption of goods by consumers, and each process provides added value. The halal value chain of the halal industry is the "soul" that guarantees the ability to consume ethically, namely when users are aware of their responsibility towards sustainable practices. The halal value chain starts from production activities that create added value and profits. In distribution operations, the value chain maintains the value or benefits of a product through product movement and time. Meanwhile, in consumer activities, the halal value chain means the consumption and use of products that have halal value.

According to the 2019 Global Muslim Report, around 1.8 billion Muslims worldwide consume halal products. The Muslim population continues to grow and is estimated to reach 2.2 billion in 2030. This represents great potential for Indonesia to maximize production to meet the

needs of the Halal industry. Indonesia, which has a large Muslim population, must become the center of Islamic economic development, becoming a global halal-producing country. Consumers around the world are increasingly aware of the importance of halal. It can be seen that consumption of halal products has increased in six groups. Therefore, by maximizing the opportunities of the six halal value chain clusters, we can implement a strategy to become a global halal producer (Ningrum, 2022).

Halal industry and products in Indonesia have enormous potential both nationally and globally, not only in the areas of food and beverage, fashion, tourism, Islamic finance, and others. Because the halal industry and products involve all aspects of lifestyle support and very broad cultural trends, they are also suitable for implementation with market demand because the Muslim majority is so high. It is proven from data, one of which is according to the Mastercard and Crescent Rating 2022 reports, that the Muslim population has reached 2 billion or around 25% of the total world population and the largest adherents of Islam are in the Asian region (Maulana, 2022).

This is of course for the industry and halal products in Indonesia have enormous potential both nationally and globally. Furthermore, these potentials must also be halal from upstream to downstream or the halal value chain is guaranteed. The potentials for the national Halal value chain cluster are:

1. **Food and Beverage Cluster** This cluster is the largest industrial sector and contributes around 56% of global Muslim spending in the lifestyle sector.
2. **Halal and Muslim-friendly tourism groups** Halal tourism is a new segment in the halal services sector. related to halal flights and hotel food, halal airlines, Muslim-friendly hotels and beaches, and others. By 2020, it is expected to reach \$300 billion.
3. **Muslim Fashion Cluster** According to the Ministry of Industry, Indonesia's Muslim fashion industry is currently worth \$7.18 billion, ranking third in the world after Bangladesh (\$22 billion) and Turkey (\$14 billion). According to OKI, the Muslim fashion market share in Indonesia is 1.6%.
4. **Halal Media and Entertainment Cluster** Media and entertainment is the third largest sector in terms of consumption by Muslim consumers. The Indonesian market opportunity in this sector is \$20.73 billion and is expected to grow to \$31.82 billion.

5. Halal Pharmaceuticals and Cosmetics Cluster Spending on pharmaceuticals will reach \$94 billion in 2020 and is expected to reach \$129 billion in 2025. The cosmetics sector spends \$65 billion.
6. Renewable energy cluster, Energy needs in human life continue to grow throughout the world. In 2017, 80% of human life depended on energy originating from fossil materials such as oil, gas, and coal. On the other hand, the share of other energy sources such as air energy, nuclear energy, and renewable energy is lower.

Furthermore, the potential for the halal value chain in South Kalimantan can be developed in the tourism, food and beverage, and other product sectors. In the tourism industry, South Kalimantan has many tourist attractions that can be developed into halal tourism, such as the tomb of Habib Basirih in Banjarmasin City. Halal tourism can attract Muslim tourists who want to relax while still paying attention to the halal aspects of food and drinks. In the food and beverage sector, South Kalimantan has many food and beverage ingredients that can be processed into halal products such as coffee, tea, and spices. Halal certification can strengthen the halal food and beverage value chain (Zakiah & et al, 2022).

In other product sectors, the potential for halal value chains can be developed, for example in cosmetics, pharmaceuticals, and fashion. Halal certification can also be applied to these products to strengthen the halal value chain. Developing halal products can increase the competitiveness of domestic products and expand export markets. The Indonesian government has issued various regulations and master plans to strengthen the development of the Islamic economy, especially the halal industry in Indonesia. Some of the efforts made are the development of halal standards that are acceptable to all parties, halal lifestyle campaigns, incentive programs to invest in supporting the halal value chain, and the introduction of a halal certification system. Developing halal value chains in these sectors (Nasrullah, 2018, p. 50).

South Kalimantan can strengthen the regional economy and increase the competitiveness of domestic products. The halal value chain is a new concept in the Islamic economic system, which includes the flow of activities from production to consumption of goods by consumers, and each process provides added value. The halal value chain of the halal industry is the "soul" that guarantees the ability to consume ethically, namely when users are aware of their responsibility towards sustainable practices. The halal value chain starts from production activities that create added value and profits. In distribution operations, the value chain maintains

the value or benefits of a product through product movement and time. Meanwhile, in consumer activities, the halal value chain means the consumption and use of products that have halal value.

According to data from the 2019-2020 Regional Islamic Economic Report published by the National Islamic Economic and Finance Committee council, the South Kalimantan Provincial Government Program. The leading halal industrial sectors that will be prioritized for development are the Muslim-friendly tourism sector and the creative economy such as Muslim fashion and the halal culinary (Direktorat Infrastruktur Ekosistem Syariah, 2020)

Table 1. Halal Industrial Sector Support Program

Halal Food and Drinks	<ol style="list-style-type: none"> 1. Providing technical guidance on halal products and assistance in obtaining halal certification 2. Consumer protection and trade security programs, namely in the form of goods quality testing activities and equipment calibration
Muslim Fashion	Facilitate the participation of business actors in exhibitions, business meetings and trade missions within and outside the region
Muslim friendly tourism	<ol style="list-style-type: none"> 1. Facilitate the participation of business actors in exhibitions, business meetings, and trade missions within and outside the region 2. Development of a Digital Market for Halal Culinary Typical of South Kalimantan, Karang Taruna Village, Tanah Laut Regency

Source: Direktorat Infrastruktur Ekosistem Syariah, Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS), Ikatan Ahli Ekonomi Islam Badan Zakat Nasional, 2021

Furthermore, from the Micro, Small and Medium Enterprises (MSME) and Islamic Boarding School Economic Program sectors of the South Kalimantan Provincial Government, namely:

Table 2. MSME Empowerment Program

Sector	List of Mentoring Programs
Halal Food and Drinks	<ol style="list-style-type: none"> 1. Program to create new entrepreneurs in the halal food/beverage MSME sector 2. Small and medium industry development program 3. Agro-based industry development training activities 4. Program to increase industrial technology capabilities 5. Agro-based industrial technology innovation activities
Muslim Fashion	Promotion and marketing of cooperative and small business products
Muslim friendly tourism	<ol style="list-style-type: none"> 1. Tourism development program <ul style="list-style-type: none"> - Tourism promotion/exhibition - Promotion of tourism activities 2. Empowerment activities and increasing community participation and awareness of Muslim-friendly tourism

Source: Direktorat Infrastruktur Ekosistem Syariah, Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS), Ikatan Ahli Ekonomi Islam Badan Zakat Nasional, 2021

The researchers further classified the potential for the halal value chain in South Kalimantan to be developed in the tourism, food and beverage and other product sectors. The following is a more detailed explanation regarding the potential of the halal value chain in these sectors:

1. In the Tourism Sector

In the tourism industry, South Kalimantan has many tourist attractions that can be developed into halal tourism, such as the tomb of Habib Basirih in Banjarmasin City. Apart from that, what is also affected is the religious tourism of the Makah Guru Sekumpul pilgrimage, the pilgrimage to the grave of Datu Kelpaian and other charismatic cleric religious tourism. This makes South Kalimantan Province a target destination for religious tourism from all corners of Kalimantan, even outside the island and abroad. This religious tourism destination is visited by

many tourists and pilgrims from all locations, making it the largest religious tourism destination in Kalimantan, even nationally and internationally, especially when teachers gather together (Nuraulia, 2023).

The grave pilgrimage and haul activities of the charismatic cleric Abah Guru Sekumpul have established South Kalimantan as a famous pilgrimage destination. The grave pilgrimage and haul activities of the charismatic cleric Abah Guru Sekumpul have long established South Kalimantan as a famous pilgrimage destination. This attraction is increasingly complemented by the development of Muslim-friendly tourism in several destinations. The Banjarmasin City Government also has a Regional Regulation on Halal Tourism.

This award was presented by the Deputy Secretary General of the Central MUI, Buya Amirsyah Tambunan, who was accompanied by the Chief Editor of *Republika*, Irfan Junaidi. ASR is a form of *Republika*'s appreciation for Islamic economic and financial actors in supporting the national economy. *Republika* is consistent and continues to strengthen its commitment to encourage actors to maximize the country's Islamic economic and financial potential. ASR is *Republika*'s means of supporting the growth and development of the Islamic economic and financial ecosystem. *Republika* is fully committed to continuing to encourage Indonesia to become the center of the global Islamic economy. Let's be part of the effort to make it happen. ASR 2022 is the 6th such event.

This award for the Best Halal Tourism category was not achieved without reason. This is because South Kalimantan Province is one of the largest religious tourism destinations in the world. Apart from that, South Kalimantan also has natural and cultural tourist attractions that attract tourists. South Kalimantan also holds many festivals, including the Lok Baintan Festival which features the largest floating market in Asia. The development of tourist villages is also continuing and two South Kalimantan tourist villages have succeeded in breaking into the top 100 of the 2022 Indonesian Tourism Village Award (KP REDpot, 2023) .

South Kalimantan has many tourist attractions that can be developed. Halal tourism can attract Muslim tourists who want to vacation by paying attention to the halal aspects of food and drinks. Strengthening the halal tourism industry is very necessary to improve the regional economy and open new job opportunities. Halal tourism can attract Muslim tourists who want to relax while still paying attention to the halal aspects of food and drinks.

The development of halal tourism can improve the regional economy and open up new job opportunities. Indonesia has great potential to increase halal tourism so that it can help economic

growth in Indonesia. In developing halal tourism, there are several things that tourist destinations need to have, such as providing halal food, supporting facilities for worship, and other Muslim-friendly services. With the large potential for halal tourism in South Kalimantan, the development of halal tourism can be a sector that can strengthen the regional economy. The South Kalimantan Government has issued Banjarmasin City Regional Regulation No. 2 of 2021 concerning Halal Tourism to emphasize supporting elements such as hotels, restaurants and others as well as providing places of worship. The Indonesian government has also issued various regulations and guidelines to facilitate the development of halal tourism in Indonesia.

2. Food and Drink

Halal food and drinks have large market potential in Indonesia because Indonesia's population is the largest Muslim population in the world. According to sharia, it is mandatory to consume halal food, and halal certification is required to ensure the halal aspect. Halal certification is a crucial part in strengthening the halal value chain. Strengthening the halal value chain is one of the efforts to achieve Indonesia's vision as the world's leading Islamic economic center. The implementation of our Halal Product Guarantee in Indonesia adheres to the halal concept from upstream to downstream. Halal certification is part of the halal value chain channel. The halal value chain as an integrated effort of the halal industry starting from input, production, distribution, marketing and even consumption is a whole process that involves many related parties. In implementing the halal concept from upstream to downstream, the implementation of Halal Product Guarantee (JPH) in Indonesia uses a traceability approach to ensure the halalness of a product. Thus, halal certification cannot be separated from pre-certification and post-certification conditions.

In the context of the halal industry, the halal value of a product must be maintained from raw materials to finished products that are ready for consumption by the wider community. The implementation of halal value chain management is very necessary to guarantee the halal quality of products. Product handling must be different and separate between halal and non-halal from upstream to downstream. In this way, people can easily differentiate between the two. The halal certification process cannot run well if, for example, the upstream process does not run well. If the infrastructure does not support it, or human capital is still minimal regarding Halal Product Guarantees, of course this is a challenge that we must overcome together.

The Halal Product Guarantee Administering Agency (BPJPH) and other halal stakeholders continue to strive to build and strengthen the halal ecosystem and ensure the halal value chain

runs well from upstream to downstream. If a product has obtained a halal certificate from BPJPH, not only are business actors obliged to consistently maintain the halal status of their product, but the subsequent halal value chain must also be able to ensure that the halal product is well supported until it is consumed by the public. For example, how can halal products be supported by marketing strategies in the market, even strengthening national exports. Also how halal products are supported by adequate promotional events, social capital, and so on. All of these things will be easier to realize when the community's halal awareness is also better built. For the province of Kalimantan, which is a cluster in the food and beverage sector, South Kalimantan has many food and beverage ingredients that can be processed into halal products such as coffee, tea and spices. Halal certification can strengthen the halal food and beverage value chain.

South Kalimantan has many typical foods and drinks that can be developed into halal products. The following are some typical South Kalimantan foods and drinks, namely: Soto Banjar, Ketupat Kandangan, Manday, Gangan Asam Banjar, Iwak Pakasam / Iwak Basamu, Gangan Humbut, Sate Tulang, Lamang, Ipau, Cacapan, Lamang, Ipau, Cacapan, net, kakoleh, and others. The development of halal food and drinks can improve the regional economy and open up new job opportunities. Halal certification can strengthen the halal value chain for food and beverage products. With the large potential for specialty food and beverages in South Kalimantan, the development of halal food and beverage clusters can be one sector that can strengthen the regional economy. Halal certification can also strengthen the halal value chain for the products produced. South Kalimantan has many specialty drinks that can be developed into halal products. Here are some typical drinks from South Kalimantan: Lahang Bambu, Aloe Vera Ice, Jackfruit Selasih Ice, Corn Ice, Sani Temulawak, Original Robusta Hiranng Coffee, Banjarbaru Gaharu Tea, Kuit Lime Syrup, Teler Ice, Green Bean Juice Ice, Banjarmasin Fruit Ice and others (Erlina, 2023).

The development of halal drinks can improve the regional economy and open up new job opportunities. Halal certification can strengthen the halal value chain for food and beverage products. With the large potential for specialty drinks in South Kalimantan, the development of halal food and beverage clusters can be one sector that can strengthen the regional economy. Halal certification can also strengthen the halal value chain for the products produced. Halal certification can strengthen the halal value chain for food and beverage products. The Indonesian government has issued Presidential Regulation No. 33 of 2019 concerning Halal Product Guarantees to strengthen the halal guarantee system for food and beverage products. Halal

Certification with a halal product certification scheme by BPJPH (Halal Product Guarantee Organizing Agency) through a series of inspection and/or testing processes by an independent Halal Inspection Institute (LPH) and determination of halalness by a competent party, namely the Indonesian Ulema Council (MUI).

This certification aims to provide a sense of security and comfort to the public that the products/services consumed or used are in accordance with Islamic religious rules. Therefore, SUCOFINDO, which is a State-Owned Enterprise which has the competence to carry out audits, certification, and testing, has been trusted as an LPH by BPJPH to become a halal inspection institution, especially through a cooperation process scheme between countries and/or between companies in the world.

Halal certification is regulated in Law No. 33 of 2014 concerning Halal Product Guarantees. Article 4 of the Law states that products entering, circulating, and being traded in Indonesian territory must be certified halal. Apart from carrying out halal certification because it is mandatory, those of you who have a business in the food and beverage industry will get several benefits by carrying out halal testing. Some of these include increasing added value in producing and selling halal products, providing evidence that products can be traded in Indonesia, improving the company's image, and many other useful things. With the various benefits that you can find plus the increasing need for halal products, it is definitely very important to carry out Halal certification. Several reasons why Halal certification is important in the food and beverage industry (Charity, 2017, p. 102):

a. Providing Trust to Consumers

Because the majority of consumers are Muslim, product and service sales will continue to increase and consistency is maintained if producers and sellers have halal certification. Apart from that, what consumers will get from the importance of halal certification are:

Protecting Muslim consumers ;In fact, non-halal food is still widely available in Indonesia, especially in supermarkets. By declaring a food and beverage product to be Halal certified, your product can protect Muslim consumers from consuming products that are confirmed to be Halal.

Provide a sense of security and comfort; Sometimes as Indonesians we need a sense of security and comfort in the food and drinks we consume. With Halal certification, your product can help consumers consume it with a feeling of safety and comfort.

There is no doubt about the product; If your product is placed among other products and is Halal certified. It is a guarantee that your product is fit for consumption and does not contain any indications of things prohibited by Islamic law.

b. Halal Certified Selling Value

By having this halal certification, it can become an attraction for consumers because they are aware of the importance of halal products and become a competitive advantage for competitors.

c. Opportunity to enter the global market

A halal certificate is one of the requirements for exporting products, especially if you want to expand marketing to countries with a Muslim majority. Having a halal certificate can also help Muslim minorities in other countries to obtain halal products.

This is identified with food and drinks, especially local products in South Kalimantan that are halal certified, so the benefits you get include: Increase consumer confidence in the food and beverage products produced, Strengthening the halal value chain for food and beverage products, Increasing the competitiveness of domestic products and expanding export markets, Improve the regional economy and open new job opportunities

With halal certification for food and beverage products, Muslim consumers will have more trust and confidence that the products are halal and in accordance with Islamic law. This can increase the competitiveness of domestic products and expand export markets. Apart from that, developing halal products can also open up new jobs and strengthen the regional economy. The Indonesian government has issued various regulations and guidelines to facilitate halal certification of food and beverage products

3. Other Products

The potential of the halal value chain is not only limited to the food and beverage sector, but also other products such as cosmetics, pharmaceuticals and fashion. In other product sectors, the potential of the halal value chain can be developed, for example in cosmetics, pharmaceuticals and fashion. Halal certification can also be applied to these products to strengthen the halal value chain. Halal certification can also be applied to these products to strengthen the halal value chain

The development of halal products can increase the competitiveness of domestic products and expand export markets. The Indonesian government has issued the 2019-2024 Indonesian Islamic Economic Masterplan to strengthen the development of the Islamic Economy, especially the halal industry in Indonesia (Dzukroni & Afandi, 2022).

The famous cosmetics in South Kalimantan Province are wet powder or cold powder. “Cold powder” or cold powder is a traditional facial treatment based on the local wisdom of South Kalimantan which has been used by Kalimantan women for a long time. Apart from its function as skin care for sunburn, cold powder is also much sought after as a typical souvenir from Banjar, South Kalimantan.

Pharmacy in South Kalimantan Province, for its specialty or local products that use herbal products. Among them are: Saluang Bilum Root, Pasak Bumi Putih, Pasak Bumi Hitam, Pasak Bumi Merah/Black Ginseng, Dayak Onions, Ant Nest, Ulur-Ulur, Raja Mandak, and many other herbs. This herbal medicine has been packaged/packed in such a way that it is ready to use, but not many products have been certified halal.

The fashion in South Kalimantan Province is mainly typical of the local Banjar wisdom such as the purun hat, tapih bahalai, and the typical fabric of South Kalimantan, namely the sasirangan motif. Many business people have created their sasirangan cloth in the form of uniforms, shirts, batik, robes, veils, skullcaps, and even similar clothing, as a form of local specialty of South Kalimantan.

By developing halal cosmetic, pharmaceutical and fashion products in South Kalimantan, it can improve the regional economy and open up new job opportunities. Halal certification can also strengthen the halal value chain for the products produced. The Indonesian government has issued various regulations and guidelines to facilitate halal certification of these products.

By developing halal value chains in these sectors, South Kalimantan can strengthen the regional economy and increase the competitiveness of domestic products. Halal certification can also strengthen the halal value chain for the products produced. The Indonesian government has also issued various regulations and master plans to strengthen the development of the Islamic Economy, especially the halal industry in Indonesia.

Developing halal products can increase the competitiveness of domestic products and expand export markets. The Indonesian government has issued various regulations and master plans to strengthen the development of the Islamic Economy, especially the halal industry in Indonesia. Some of the efforts made are the development of halal standards that are acceptable to all parties, halal lifestyle campaigns, incentive programs to invest in supporting the halal value chain, and the introduction of a halal certification system. By developing halal value chains in these sectors, South Kalimantan can strengthen the regional economy and increase the competitiveness of domestic products. The halal value chain is a new concept in the

Islamiceconomic system, which includes the flow of activities from production to consumption of goods by consumers, and each process provides added value. The halal value chain of the halal industry is the "soul" that guarantees the ability to consume ethically, namely when users are aware of their responsibility towards sustainable practices (Yulia, 2015).

The halal value chain starts from production activities that create added value and profits. In distribution operations, the value chain maintains the value or benefits of a product through product movement and time. Meanwhile, in consumer activities, the halal value chain means the consumption and use of products that have halal value. The potential for the halal value chain in South Kalimantan can be developed in the tourism, food and beverage, and other product sectors. In the tourism industry, South Kalimantan has many tourist attractions that can be developed into halal tourism, such as the Guru Sekumpul Tomb in Martapura, the Datu Kelampaian Tomb in Martapura, and the Tombs of Sultan Suriansyah and Habib Basirih in Banjarmasin City. Halal tourism can attract Muslim tourists who want to relax while still paying attention to the halal aspects of food and drinks. In the food and beverage sector, South Kalimantan has many food and beverage ingredients that can be processed into halal products such as coffee, tea, and spices. Halal certification can strengthen the halal food and beverage value chain. In other product sectors, the potential for halal value chains can be developed, for example in cosmetics, pharmaceuticals, and fashion. Halal certification can also be applied to these products to strengthen the halal value chain. However, it is not that there are no obstacles to the process of strengthening the halal value chain, many people or actors are reluctant to certify the halal products they sell, whether from products, food, and drinks, as well as other products. Both business actors who assume that their products are halal first feel guaranteed to be halal, so they tend to ignore this.

Halal certification in Indonesia currently still experiences various obstacles. The tug-of-war between the Indonesian Ulema Council (MUI) and the government, in this case, the Ministry of Religion department, regarding which party has more right to provide halal certificates is still ongoing. In Malaysia, the party responsible for granting halal certificates is given to the government so that all matters related to halal certification are centralized in the government. Apart from being related to halal certification institutions, the reason why there are still so few products or companies that have MUI halal certificates is that business actors don't know about the procedures for obtaining halal certificates. Moreover, many businesses have not been

managed seriously even though they have good prospects in the future, so they will have difficulties when applying for halal certification.

The long procedures that must be followed and the many documents that must be obtained to obtain a halal certificate mean that entrepreneurs are not too enthusiastic about halal certification. Like most countries with large Muslim populations, halal certification bodies are less than optimal because of the assumption that every food product produced in that country is halal so halal certification is not necessary. This is certainly a challenge for all parties, especially the government, to continue to socialize the importance of being certified halal for the common good as well. To maintain the halal quality of a product and guarantee the parties the product. And the benefits of halal certification will also increase the competitiveness of the product.

Developing halal products can increase the competitiveness of domestic products and expand export markets. The Indonesian government has issued various regulations and master plans to strengthen the development of the Islamic Economy, especially the halal industry in Indonesia. Some of the efforts made are the development of halal standards that are acceptable to all parties, halal lifestyle campaigns, incentive programs to invest in supporting the halal value chain, and the introduction of a halal certification system (Yulia, 2015). By developing halal value chains in these sectors, South Kalimantan can strengthen the regional economy and increase the competitiveness of domestic products.

More and more Sharia-based businesses encourage the growth of new economic actors and entrepreneurs as well as a platform for community and individual empowerment. This can be achieved through strengthening halal values by developing ecosystems at various business levels such as in the fields of Islamic fashion, halal food, halal tourism, and creative economy, in South Kalimantan. The development of the Islamic Economy, MSMEs, and the halal industry as a complete ecosystem in the local halal value chain (regional halal value chain) by utilizing local wisdom is the right step to optimize the enormous potential of the Islamic Economy in Indonesia based on local or regional wisdom.

The role of Islamic Bank in strengthening the regional halal value chain in South Kalimantan

Indonesia's economic growth currently relies on the financial sector. Economic growth through the real sector is currently still a big homework for the government. In fact, economic growth through the financial sector does not have a strong foundation if the real sector is neglected. The financial sector also does not produce a direct impact that can be felt directly by

the wider community. Apart from that, if Indonesia wants to achieve targeted economic growth, the real sector must immediately become the main concern. Islamic Banking as a financial institution has a very important role in developments in the real sector, especially in the halal industry (Faletahan & et al, 2022).

In this condition, related to the problem mentioned in the previous discussion regarding the large number of business actors who are reluctant to carry out halal certification, Islamic Banking has a strategic role in developing the halal industry through empowering businesses managed by entrepreneurs who apply for financing in Islamic Banking. The role of Islamic Banking is very active and encourages the existence and expansion of businesses with halal certification, then this can also encourage Indonesian people to become increasingly aware and prioritize the use of products from entrepreneurs who already have halal certification.

The challenges faced by the halal industry can be bridged by Islamic Banking. Guidance for companies providing halal logistics services regarding the importance of maintaining halal products must be carried out. The initial target that must be achieved is the distribution of products from business partners under the guidance of Islamic Bank. In this way, the halal integrity of the product can be guaranteed because the entire production and distribution process of the product to the final consumer is under the supervision of the Islamic Bank (Bakhri & et al, 2022).

Islamic banking as a financial institution has a very important role in the development of the real sector, especially in the halal industry. Some of the roles of the Islamic Bank in strengthening the regional halal value chain in South Kalimantan are:

1. Facilitator of Halal Certification Education Socialization Activities

Islamic Banking in South Kalimantan has an important role as a facilitator of halal certification educational outreach activities in the halal value chain. Islamic Bank can facilitate socialization and education activities related to halal lifestyles by implementing several programs, such as the Islamic financial literacy program (Hidayah & Kartini, 2016, p. 75). Education regarding halal products needs to be carried out. The public must be given the understanding that consuming products labeled halal is important because halal labels on products, for example on food, are a guarantee of the halalness of the product. One way that can be done is by promoting a halal lifestyle. Providing an understanding that halal is a necessity, not just an obligation that must be fulfilled.

Various kinds of activities for education or halal Islamic Banking certification activities in the South Kalimantan Province region and even in Central Kalimantan. Islamic Banking parties, be it Bank Syariah Indonesia or Bank Muamalat, are ready to provide financial or similar assistance to make events related to the theme of halal certification a success. Even an annual event held by Bank Syariah Indonesia at the BSI Lifestyle Expo 2023. In this event, one of the agenda items was free halal certification. Other agendas cannot be separated from strengthening the halal chain, namely: fashion shows, live talk shows, bazaar demo experiences, various foods and drinks, free health checks, and other agendas. Of course, it cannot be separated from the nuances of halal branding and others.

This is a form of educational step that Islamic Banking continues to intensify in the form of campaigning for halal products. These halal products come with the certainty of halal certification which guarantees the halalness of a product or service.

2. Providing Corporate Social Responsibility (CSR) or Social Fund Assistance for mandatory halal activities

Islamic Banks can allocate Corporate Social Responsibility (CSR) funds to promote products from their partners. There are various promotional means that can be used, for example by holding a bazaar or culinary festival for halal products. Apart from bazaars and culinary festivals, promotion of a halal lifestyle can also be done through talk shows and seminars. The content of the event can vary, for example about the importance of using halal products, the benefits of halal products, and how to search for halal products. Islamic Bank also require prospective customers to register the business they manage with a halal institution. Thus, the role of Islamic Banks does not stop at the production process, but also product marketing.

This is indeed carried out by Islamic Banking in South Kalimantan as previously discussed, both for events or events held by internal parties in the Islamic Banks itself in the form of a bazaar or expo, or other forms. Externally, we also provide financial assistance or the like to halal guarantee institutions or related parties, especially MSMEs (Setiyowati & Azqiya, 2022), who work together to carry out halal mandatory requirements and provide educational outreach regarding this matter.

Furthermore, Islamic Banking will also provide CSR or social assistance to business actors who have been certified according to their criteria (Arifin, 2017). Plans and schemes have been prepared in such a way as a form of campaigning for halal products.

3. Islamic Banking Collaboration with halal certification institutions

Islamic Banking in Indonesia has an important role in supporting the development of the halal industry, including in terms of halal certification. The following are several examples of Islamic Banking collaboration with halal certification institutions:

Bank Indonesia together with related Ministries/Institutions, Islamic Banking and business actors have committed to supporting the acceleration of halal certification and strengthening the Global Halal Hub to create an integrated ecosystem to encourage business actors, especially IslamicMSMEs, to penetrate the global market. According to Antara daily news, during 2022 BI has developed several halal certification acceleration programs, such as facilitating halal certification for around 1144 business actors, consisting of 962 for the self-declare scheme and 168 for regular, as well as strengthening the competence of Halal Product Process (PPH) companions in the form of facilitating workshops for PPH based on mass organizations, universities, and associations.. Islamic Banking can facilitate halal certification for products produced by business actors in South Kalimantan, including cosmetic, pharmaceutical, and fashion products. Bank Syariah Indonesia, for example, holds educational and outreach programs related to halal products. BPJPH and Islamic Banks have also collaborated in providing halal product guarantee services.

Islamic Banks can also provide instructions to their customers to obtain halal certification from halal institutions. Islamic Bank have direct relationships with their customers, who are business actors or entrepreneurs who operate directly in the real sector and run various businesses (Rosayid, 2023). As stated by Mr. RP from the Halal Task Force of the Ministry of Religion, Central Kalimantan Province, they often carry out halal campaigns and are sponsored by Bank Indonesia and Bank Syariah Indonesia. He added, next year 2024 there will be a large-scale event related to the halal campaign and will ask for sponsorship from Islamic Banks.

By collaborating with Islamic Banking with halal certification institutions, the development of halal products in Indonesia can be made easier and strengthen the halal value chain for the products produced. The Indonesian government has issued various regulations and guidelines to facilitate halal certification of these products (Faridah, 2019).

4. Islamic Banking cooperation with business actors

In this case, it is hoped that government support will issue these regulations, for example in the form of a law, circular letter, or fatwa that there is an obligation for every company operating in the halal industry to financially cooperate with Islamic Banking. For example, if company A wants to label its products as halal, then company A already has a small amount of

funds that have been entrusted to a Islamic Bank or has collaborated through financing with a Islamic Banks. This will of course also improve the Islamic financial industry in Indonesia. There is a form of reciprocity between the real halal industry and Islamic Banking. The real halal industry, both from the halal tourism sector, the food and beverage sector, and other product sectors including cosmetics, herbal medicines, and fashion typical of southern Kalimantan.

Financing to business actors related to these sectors involving halal elements of the products sold. Regarding this regulation, we continue to campaign for products that are certified halal. So Islamic Banking also participated in the halal campaign. From the financing sector, business actors will participate in assisting in the process of certifying halal products for these business actors (Ningrum, 2022, p. 46).

As stated by DR as BOSM BSI, if there are business actors who want to provide financing, BSI will immediately help with the management of halal certification related to the products sold by the business actor. BSI facilitates the processing of halal certification for MSMEs who wish to apply for business financing. So apart from looking at the type of business proposed, BSI also makes efforts to ensure that its customers have halal certification for these MSMEs. Because we know that there are still many MSME players who are lazy about processing halal certification for reasons of time and energy, for this reason BSI collaborates with halal assistance parties.

The role that Islamic Banks can play in supporting the halal value chain in South Kalimantan is of course a form of supporting the halal campaign that has been established by the government (Gunawan & Maryono, 2022). This is a form of Islamic economic transformation that is being pursued through the development of a halal value chain ecosystem in leading sectors, as a source of new economic growth. The basic principle of EKSyar is to encourage the optimal use of all resources and technology, which will always lead to productive economic activity.

Halal Value Chain is included in the Indonesian Economic Master Plan (MEKSI) 2019-2024. The essence of this master plan is to strengthen the entire Halal Value Chain from upstream to downstream of the Indonesian Halal industry. All priority clusters are measured in the Global Islamic Economic Report ranking and clusters/aspects needed for the national economy. According to the National Islamic Economic and Financial Commission (KNEKS), all Islamiceconomic elements and institutions must work hard to build a halal Value Chain. The 2019-2024 National Development Planning Agency (Bapenas) has at least five superior programs for strengthening the halal Value Chain, namely:

- a. Establishment of halal industrial areas following the comparative advantages of each region and the interconnectedness of different regions
- b. Strengthen infrastructure and strengthen the effectiveness and standardization of the Indonesian halal certification process (Halal Center, Halal Guarantee Agency, BPJPH Representatives, Halal Information System, and so on).
- c. Increasing public outreach/education about the halal lifestyle.
- d. Incentive scheme for local and global players who invest to support comprehensive HVC development (starting from raw materials, production, distribution, and promotion).
- e. Expanding the Indonesian halal product market, including standardization and harmonization (Deputi Bidang Ekonomi Desainer, 2019).

Furthermore, from this point, the five superior programs for strengthening the halal Value Chain, especially in terms of the role of Islamic Banking in South Kalimantan, broadly illustrate that:

First, Financing or Business Capital Assistance Based on Local Comparative Advantage: Efforts to encourage regional comparative advantages through financing or business capital assistance is an important step in supporting the local economy. However, it seems that Islamic Banking still does not fully offer products or services that focus on regional comparative advantages. This is an obstacle that needs to be overcome because by providing special financing for businesses that rely on local resources and expertise, the potential for local economic growth can be increased.

Second, Synergy with Halal Certification Institutions: Collaboration between Islamic Banking and halal certification institutions is a positive step that helps strengthen the effectiveness of halal campaigns. This collaboration could include developing financial products that meet halal standards, as well as joint campaigns to increase public awareness of the importance of halal certification. This collaboration can be an effective model for promoting halal products and services.

Third, Public Education about Halal Products: Islamic Banking has played an important role in educating and inviting the public to understand and support halal products. This step is very important to increase people's understanding of the importance of compliance with halal principles and help them make choices that are in line with Islamic values.

Fourth, Incentive Schemes: Although the implementation of incentive schemes is not yet very visible, Islamic Banks and the government need to consider incentives that can encourage

more businesses to produce and market halal products. Incentive schemes such as tax breaks, low-interest financing, or technical assistance can help drive the halal economy.

Fifth, Standardization and Harmonization: Islamic Banking efforts to promote standardization and harmonization in halal products and services must continue to be encouraged. This can include organizing various events, collaborating with halal certification bodies, providing assistance, and helping prospective customers who are not yet halal certified to meet halal standards. This reflects Islamic Banking's commitment to realizing a strong and trusted halal value chain.

Overall, Islamic Banking has great potential to become a pioneer in the halal product industry, but there are still several aspects that need to be improved, especially in terms of financing local businesses, implementing incentive schemes, and continuing to encourage standardization and harmonization in halal products and services. Regarding this matter, the researchers relate to the facts that have been obtained regarding the role played by Islamic Banking in the halal transformation of the Islamic financial industry. This transformation has been carried out, especially in terms of the synergy between the parties is well established, providing assistance and education related to halal branding also continuing to be encouraged, but in terms of financing which is directed towards local halal brands for which there is no program yet.

Furthermore, if the role of Islamic Banking is linked to the transformation of the Islamic financial industry regarding financing that leads to local halal brands::

1. Synergy in Transformation: Islamic Banking has played an important role in supporting the transformation of the Islamic financial industry, especially in the context of halal products and services. The synergy between Islamic Banking, halal certification institutions, government, and business actors has resulted in strong collaboration. This includes collaboration to develop financial products that meet halal requirements and provide a better understanding of the importance of halal certification. This transformation is a positive step in developing a Sharia-based economy.
2. Providing Assistance and Education: Islamic Banking has taken a role in providing assistance and education regarding halal branding. This includes helping business actors understand and apply halal principles in their production. This helps improve product quality and increase competitiveness in a market that is increasingly concerned about halal products.

3. Financing towards Local Halal Brands: One important step that still needs to be improved is financing that specifically targets local halal brands. This can be achieved in the following ways:
 - a. Special Financing Programs: Islamic Banking can design financing programs specifically aimed at small and medium businesses that focus on local halal products and brands. This can include competitive interest rates and terms that suit the characteristics of halal businesses.
 - b. Encouraging Innovation: Financial support from Islamic Banking can be used to encourage innovation in the development of local halal products. This includes funding for research and development, new product development, and efforts to improve the quality and competitiveness of halal products.
 - c. Strategic Partnerships: Islamic Banking can establish strategic partnerships with local halal manufacturers and brands. This can include financing for business expansion, marketing, and distribution of local halal products.

With a financing program aimed at local halal brands, Islamic Banking can play a more proactive role in supporting sharia-based economic development. This will provide incentives for entrepreneurs to invest in the production of local halal products, thereby creating greater economic opportunities and increasing the competitiveness of halal products in the global market.

CONCLUSION

The potential for regional halal value chains in South Kalimantan can be developed in the tourism, food, and beverage sectors as well as other products, including cosmetics, pharmaceuticals/medicines, and fashion that are synonymous with regionalism. The halal value chain starts from production activities that create added value and profits. In distribution operations, the value chain maintains the value or benefits of a product through product movement and time. Meanwhile, in consumer activities, the halal value chain means the consumption and use of products that have halal value. To realize this, in supporting the halal value chain, it is important or urgent to have the product certified as halal. By developing the halal value chain in these sectors, South Kalimantan can strengthen the regional economy and increase the competitiveness of domestic products by utilizing local wisdom, which is the right step to optimize the enormous potential of the Islamic economy in Indonesia based on local or regional wisdom.

The role of Islamic Banks in strengthening the halal value chain in South Kalimantan which has a significant impact on the halal Islamic industry in Indonesia. The role of Islamic Banks is not only limited to the financial industry sector but also in strengthening the halal value chain. This role is related to Facilitator of Halal Certification Education Socialization Activities, Corporate Social Responsibility (CSR) or Social Fund Assistance for mandatory halal activities, Islamic Banking Cooperation with institutions with halal certification, and Islamic Banking Cooperation with business actors. The financing program is expected to target local halal brands, Islamic Banking can play a more proactive role in supporting sharia-based economic development. This will provide incentives for entrepreneurs to invest in the production of local halal products, thereby creating greater economic opportunities and increasing the competitiveness of halal products in the global market.

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