



INDONESIA'S HALAL ECONOMY: MARKET OPPORTUNITIES AND BUSINESS POTENTIAL

**Webinar: “Indonesia’s Halal Market & Certification Ecosystem”
30 June 2026**

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Today's Focus

- 1 A better understanding of Indonesia's economic and consumer market
- 2 Indonesia as one of the largest halal markets in the world
- 3 Business opportunities for European companies
- 4 Market entry considerations and challenges

Location



Indonesia Demographic & Profile



- Indonesia is the **world's largest archipelagic state** with **over 17,000 islands**, including Sumatra, Java, Sulawesi, and parts of Borneo and New Guinea
- Population **close to 300 million people**, 60% are young people
- The **world's fourth-most populous country** and the **most populous Muslim-majority country** and 4 other main religions.
- Java, the world's most populous island, is home to more than half of the country's population.
- Languages: Bahasa Indonesia as official language and **more than 3000 dialects**.
- Jakarta population: over **42 million people**
- **Member and Founding Father of ASEAN** and the only **G20 member state** and **BRICS** in Southeast Asia.
- Indonesia ranks 73rd of Ease of Doing Business (2020)



And in 2030



\$1.8 trillion market opportunity in: consumer services; digitalization; education; renewable energy; manufacturing; retail and trade



71% of population in cities producing 86% of GDP



135 million consuming class



7th largest economy

Why Halal Matters?

Halal today covers:

- ✓ Food & Beverage
- ✓ Consumer Goods
- ✓ Cosmetics
- ✓ Logistics
- ✓ Pharmaceuticals
- ✓ Packaging
- ✓ Healthcare
- ✓ Ingredients
- ✓ Fashion & Textiles
- ✓ Chemicals
- ✓ Tourism
- ✓ Digital platforms
- ✓ Hospitality
- ✓ Retail



Indonesia: One of the World's Largest Halal Markets



- Largest Muslim population globally
- Huge domestic demand
- Government support
- Expanding halal ecosystem
- Increasing international investment



Indonesia's halal industry and supply chain contribute roughly 27% of national GDP, showing that halal has become a major economic pillar rather than only a religious matter.



Understanding Indonesian Consumers

Today's consumers look for:

- ✓ Quality
- ✓ Safety
- ✓ Transparency
- ✓ Sustainability
- ✓ Ethical production
- ✓ Halal assurance



Halal certification increasingly serves as a signal of quality and trust, including for many non-Muslim consumers.

National Medium-term Development Plan



YEAR 2029

NATIONAL ECONOMIC GROWTH TARGET

8%

MANUFACTURING GROWTH TARGET

8,14%

MANUFACTURING CONTRIBUTION TARGET

21,9%

Asta Cita (Eight Aspiration)

incorporated into National Priorities in the RPJMN 2025-2029

- 1 Strengthening the ideology of Pancasila, democracy, and human rights
- 2 Strengthening the nation's defense and security systems and promoting national self-reliance through self-sufficiency in food, energy, and water, as well as developing a Sharia economy, digital economy, green economy, and blue economy
- 3 Increasing quality job creation, encouraging entrepreneurship, developing creative industries, and continuing infrastructure development
- 4 **Enhancing human capital development, advancing science and technology, improving education and healthcare, supporting sports excellence, promoting gender equality, and empowering women, youth, and individuals with disabilities**
- 5 Continuing downstreaming and industrialization to increase domestic value-added
- 6 Focusing on rural and grassroots development to promote economic equality and poverty eradication
- 7 Strengthening political, legal, and bureaucratic reforms, as well as intensifying efforts to prevent and eradicate corruption and drug abuse
- 8 Promoting harmonious coexistence with the environment, nature, and cultural values, and fostering greater interfaith tolerance to build a just and prosperous society

Where Are the Opportunities for European Companies?

FOOD & BEVERAGE

DAIRY 	CHEESE 	CHOCOLATE 
SNACKS 	BEVERAGES 	INGREDIENTS 

COSMETICS

SKINCARE 	NATURAL PRODUCTS 	ORGANIC COSMETICS 
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PHARMACEUTICALS

SUPPLEMENTS 	MEDICAL PRODUCTS 
OTC MEDICINES 	

FASHION

SUSTAINABLE TEXTILES 	PREMIUM FASHION 	LEATHER ALTERNATIVES 
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دول
HALAL

Diverse Opportunities
Across Key Industries

HOSPITALITY

HOTELS 	TOURISM 	CULINARY 
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TECHNOLOGY

TRACEABILITY  From farm to table	DIGITAL CERTIFICATION 	SUPPLY CHAIN 	FOODTECH 
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Building a Better Future

-  Ethical
-  Sustainable
-  Innovative
-  Inclusive

Together for a
Halal – Sustainable – Global
Ecosystem

Why European Companies Have Strong Potential?

European businesses are already recognised for:

-  High product quality
-  Sustainability and responsible production
-  Innovation and advanced technology
-  Manufacturing excellence
-  Strong food safety and quality standards
-  Premium branding and consumer trust

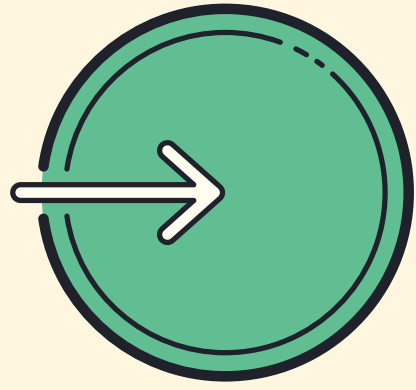
Adding halal certification creates access to:

-  Indonesian consumers
-  Strategic hub for ASEAN (680+ million consumers)
-  Wider global halal markets



A New Opportunity: Indonesia–EU CEPA

- Negotiations have reached a political conclusion, **with implementation targeted for 2027**, subject to ratification.
- The agreement is expected to strengthen **trade and investment** between Indonesia and the European Union.
- It aims to **reduce trade barriers, improve market access**, and create a **more predictable** business environment.
- Companies that prepare for the Indonesian market now will be well positioned to benefit when the agreement enters into force.



Market Entry Considerations

Successful companies usually prepare for:

- ✓ **Product adaptation:**
 - **Ingredients**
 - **Packaging**
 - **Labelling**
- ✓ **Local regulations**
- ✓ **Distribution channels**
- ✓ **Consumer preferences**
- ✓ **Halal certification**
- ✓ **Local partnerships**



Common Challenges

European companies often face:

- ✗ **Regulatory complexity**
- ✗ **Different consumer behaviour**
- ✗ **Certification process**
- ✗ **Import procedures**
- ✗ **Local competition**
- ✗ **Cultural understanding**



The good news?

These challenges become manageable with the right local partners.

Summary

Indonesia offers:

- ✓ One of the world's largest halal consumer markets
- ✓ Growing middle class
- ✓ Strong government commitment
- ✓ Opportunities across many industries

Success depends on:

- ✓ Market understanding
- ✓ Local partnerships
- ✓ Regulatory compliance
- ✓ Halal certification

CCIIP would be glad to help bridge European and Indonesian businesses successfully.





Thank you!



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**CCIIP - Chamber of Commerce and
Industry Indonesia Portugal**