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Protection of Halal Product Guarantee for Muslim Consumers in Facing The ASEAN Economic Community (AEC)

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Abstract

The halal product guarantee is significant as consumption of halal food among Muslims is an absolute religious commandment. This study addressed the issue of protecting the halal product guarantee for Muslim consumers in the ASEAN Economic Community (AEC). The study used a qualitative research design with a case based approach by making an in-depth analysis of the data collected. The data comprised both primary and secondary data. The primary legal material was sourced from the 1945 Constitution of Indonesia and Law Number 33 of 2014 concerning Halal Product Guarantee while the secondary legal material comprised library searches and archives or official documents such as legal theory books and halal product guarantees and scientific writings. The study adopted a normative juridical approach to emphasize the use of written legal norms and availability of halal food in Indonesia. The data was analyzed using a qualitative analysis method, to ensure scientific conclusions. Findings reveal that Halal certification become mandatory in consumer protection because several countries have Muslim citizens. Halal certification becomes an important factor for a product to launch and sell in the market of the AEC. If implemented, the ASEAN region should have a free flow of halal goods, along with halal compliant services, skilled labor, and capital. The study infers that while facing the AEC, the Indonesian halal industry tends to compete with even non-Muslim countries as well in distributing a halal-certified product.

Keywords: Halal Product Guarantee, ASEAN Economic Community (AEC), ASEAN Qualification Recognition Framework (AQR)

Introduction

The global Halal Industry is estimated to be around USD 2.3 trillion per year. There are three main factors responsible for this growth: first, the Muslim population is growing at 1.8 percent per year; secondly, the increase in economic growth and purchasing power of Muslims; and third, a great potential for halal products in non-

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Muslim countries (Azam & Abdullah, 2020). Truly speaking, while the Muslim countries see halal food products as meeting the needs of the domestic market, the non-Muslim countries see halal food products as business commodities. In a Muslim society, the consumption of food and beverage as well as using halal is non-negotiable, except in an emergency. The halal product guarantee is important because the consumption of food becomes an absolute religious commandment for Muslim society. The Muslim society guides its followers to only consume good food and drink. Halal is a commodity that is fundamental for Muslim consumers since it has a clear legal basis (Effendi et al., 2021). It is also in compliance with the Qur'an, wherein Al-Maidah verse 3 explicitly mentions the type of food that are lawful and unlawful. The unlawful type of food includes the prohibition of eating carrion, blood, pork, the meat of animals slaughtered in the name other than Allah, animals slaughtered for idols, and meat of animals strangled, beaten, fallen, as well as horned/pounded by wild animals. Thus, the Muslim society does not only focus on material and physical development but also those aspects that affect morals, soul (personality), and behavior (AL-Fanjari, 1996).

In Indonesia, the issues related to halal are so contentious that it has drawn the attention of the international community. Muslim customers in ASEAN countries in general and Indonesia in particular, ensure halal characteristics in food, beverages, medication, and cosmetic items, as well as in biological chemical processes and genetic engineering (Chen & Japutra, 2017). The reason why Indonesia became increasingly suspicious about imported products is that these products contained illegal ingredients or raw materials, impermissible in regional and international free trade. Another reason was that these products used many preservatives that risked health or used such additives in processing, storage, and packing that are haram, prohibited by sharia.

Muslim consumers thus consider the halal-ness of a product before consuming it. Prior to consumption of any such product, they demand a halal certification. Indonesia is the initiator of the formation of the World Halal Food Council. The construction was motivated by the halal certification standard carried out by the Indonesian Ulema Council/Majelis Ulama Indonesia (MUI). MUI established a non-profit organization called Institute for the Study of Food, Drugs, and Cosmetics of the Indonesian Ulema Council (LPPOM MUI), whose duty is to issue halal certification. It is one of the world's highly reliable licensing agency (Aziz & Sulaiman, 2014).

The consumption of halal products is also stipulated under various Indonesian laws (Arifin, 2020). For instance, Article 4 letter (a) of Law Number 8 of 1999 concerning Consumer Protection (UUPK), "consumer rights" protects the rights to comfort, security, and safety in consuming goods and services". This law ensures that every consumer, particularly the Muslims, in Indonesia should have the access to halal products. This rule is supported by other laws and regulations such as Law no. 33 of 2014 concerning Halal Product Guarantee, whose article 1 paragraph (2) stipulates, "Halal Product is the commodity declared halal due to Islamic law". The existence of this product is important in daily life because it becomes a basic need for humans. Likewise, there are laws like Law no. 23 of 1992 concerning Health, Law No. 7 of 1996 concerning Food and Government Regulation of Indonesia, and Law No. 69 of 1999 concerning Halal Labels and Advertising, which stipulates similar regulations.

This research aimed at finding ways and means within a normative juridical scenario how to protect the halal product guarantee for Muslim consumers in facing the ASEAN Economic Community (AEC). To achieve this objective, the study analyzed the standard of halal practices in ASEAN countries such as through certification and legal frameworks and developing the ASEAN Qualification Reference Framework (AQRF) on halal management.

Literature Review

• *Protection Of Halal Product Guarantee Through Regulations*

Among several laws related to Food, health and consumer protection which directly or indirectly determine the accessibility of halal products to the Indonesian citizen, the Law Number 33 of 2014 concerning Halal Product Guarantee (UUJPH) is the only one that goes a step ahead. This Law ensures the halal-ness in the production chain, which includes intermediaries such as distributors, sub-distributors, wholesalers, and retailers, until the product reaches the final consumer. The Law ensures the legal certainty about food and other products for the consumers. It issues guidelines for processing, production, and marketing, of the halal products. The also provides halal certification to consumers, which not only benefits the consumers but also the producers, marketers and retailers. The halal product guarantees benefits to the industries as they are able to increase their sales. The halal products are not only demanded by Muslim consumers but also by the non-Muslims for their high quality and good for human health (Amin, 2010).

The Law Number 33 of 2014 is also in line with the provisions of the Islamic law that the first and foremost purpose of human life is to worship and serve Allah. There is no way Allah can accept one's worship and prayers when the food and drink are not pure. Therefore, one needs to ensure that the food and drinks consumed are halal and *thayyib* guaranteed. This is supported by the words *halalan thayyiban* (Qur'an: 2: 168) that not all halal food will become *thayyib* for consumers. For instance, a diabetic patient is sick with high sugar levels but still consumes sugar. This sugar is lawful for consumption but not good for the patient (Permata, 2018).

Law No. 8 of 1999 concerning the Consumer Protection (Consumer Law) covers the principles of benefit, justice, balance, safety, and security, as well as legal certainty (Kristiyanti, 2009). Article 4 of this law guarantees legal protection for consumers in many ways: (i) the right to security, comfort, and safety in consuming goods and services; (ii) the right to select the product in line with the exchange rate and the promised conditions as well as guarantees; (iii) the right to correct, clear, and provide honest information regarding the condition as well as a guarantee of goods and services; (iv) the right to have their opinions or complaints on the used products; (v) the right to obtain advocacy, protection, and efforts to properly settle consumer disputes; (vi) the right to receive consumer guidance and education; (vii) the right to be treated or served properly and honestly in a non-discriminatory manner; (viii) the right to receive compensation or replacement when the product received is not in line with the agreement; and (ix) the rights are regulated in other statutory provisions.

Likewise, Article 5 of the Consumer Law regulates consumers as follows: (i) to ensure security and safety, read or follow instructions and procedures for using the product; (ii) to have good faith in making transactions for the purchase of goods and

services; (iii) to pay due to the agreed exchange rate; and (iv) to follow the legal efforts to properly settle consumer disputes. These laws ensure that consumers have the right to obtain correct, clear, and honest information regarding the products' conditions (Syawali & Imaniyati, 2000). They are also obliged to follow instructions and procedures for using goods and services for security and safety. This shows entrepreneurs provide correct, clear, and honest information regarding the product's condition, as well as explain its use, repair, and maintenance (Nasution, 1995). This includes the delivery of information related to the product needs to provide certainty and guarantee that the food is halal (Mudhafier & Wibisono, 2004). This is important for Muslim consumers because consuming a halal product is non-negotiable (Abadi, 2011).

• *Halal certification as halal product guarantee for the ASEAN Economic Community (AEC).*

Halal product guarantee is needed to ensure that the quality of the food can compete in the free market. This halal certification is one of the protections of the halal product guarantee in the ASEAN Economic Community (AEC). The AEC has five main pillars including the free flow of goods, services, investment, skilled labor, and capital (Setyaningsih & Marwansyah, 2019). In the AEC, policies are made to create a fair competition climate, ensure consumer protection, prevent copyright infringement, create efficient, safe, and integrated transportation networks, eliminate Double Taxation, as well as increase trade with electronic media (Muhammed et al., 2019). The AEC tends to become an area that has equitable economic development, with a priority on Small and Medium Enterprises. Table 1 presents the status of certification in the ASEAN countries.

Table 1 Certification status in the ASEAN countries

Country	Institution	Private/ Public Certification	
Brunei	Majelis Ugama Islam Brunei/MUIB	Public	Government
Indonesia	Majelis Ulama Indonesia/MUI	Public	Semi-Government
Malaysia	Jabatan Kemajuan Islam Malaysia/JAKIM	Public	Government
Singapura	Majelis Ugama Islam Singapore/MUIS	Public	Government
Filipina	<ul style="list-style-type: none"> • Islamic Dawa Council of the Philippines • Halal Development Institute of the Philippines • Mindanao Halal Authority • Muslim Mindanao Halal Certification Board • Halal International Chamber of Commerce 	Private	NGO
Vietnam	Halal Certification Agency/HCA Vietnam	Private	NGO
Thailand	The Central Islamic Committee of Thailand (CICOT)	Private	NGO
Laos	(no halal committee)	-	-
Kamboja	Highest Council for Islamic Religious Affairs of Cambodia	Public	Semi-Government
Myanmar	Myanmar Halal Certification Committee/ MHCC)	Public	Semi-Government

Source: Setyaningsih & Marwansyah, 2019.

Table 1 reveals that halal certification is mostly done by public government institutions in ASEAN countries. In Indonesia halal certification institutions are semi-governmental, which means that they do not have their own legal sanctions but have operational procedures and standards.

The impact of halal certification has attracted a major attention in the international trade market as they see these measures as safeguarding customers' interest and as a strategy to deal with the issues of globalization of product marketing (Afendi, 2020). Table 2 highlights the companies that have been issued certifications since 2015 for various products requiring halal guarantee.

Table 2 Halal Certification in Indonesia 2015-2020

Year	Total Companies	Halal Certificates	Total Products
2015	6,666	7,014	64,121
2016	10,180	10,322	68,576
2017	7,940	8,676	77,256
2018	6,564	7,392	114,264
2019	7,198	8,157	127,286
2020	11,249	17,398	204,222

Source: Indonesian Council of Ulama, 2020.

It is also stated that the halal-ness of a product is determined based on the Fatwa of the Indonesian Ulema Council and the results of the halal inspection agency's inspection and testing in the form of a halal certificate registered by the Minister. Halal certificates and seals provide customer protection from a variety of products that are not regarded Shari'a compliant, which is especially important in Indonesia, which has a Muslim majority, and can become a competitive advantage. The certification and inclusion of the halal label of a new product has touched a small number of Indonesian producers, based on facts about the distribution of food and beverages in Indonesia (Ambali & Bakar, 2014; Fauzi, 2022).

- *Previous studies*

Azam and Abdullah (2020) explain the realities and opportunities of the global halal industry by observing the factors that determine the increase in demand for halal products. They see the demand for halal products as opportunities for global development of the market. The study based its findings on the analysis of the secondary data and found out three major factors that drive the growth of the global halal market: first, rapid growth of the Muslim population (1.8 per cent per annum); second, growing economic development and hence increasing purchasing power among the Muslim; and third, the rise of a potential halal market in non-Muslim nations.

Borzooei and Asgari (2013) explored the halal industry and felt to establish a centralized halal hub. The study conducted exploratory research and collected data through semi-structured in- depth interviews to obtain the perceptions of Halal experts to establish a Halal hub. The study recommended the synergy of human capital, media, research and development, events, country's capability, public and governmental support, marketing strategy, and infrastructure to establish this hub.

In another study, Hasyim (2019) reviewed the State Law No. 33/2014 on Halal Product Assurance and demanded to make halal certification mandatory. The study exposed that Indonesia is facing a great challenge in becoming a global halal hub due to three reasons; (i) responses related to food exclusivity is restricted only to a small section of the society in Indonesia; (ii) Law No. 33 of 2014 concerning the guarantee

of halal products is very flexible in implementing halal standards; and (iii) smaller shops like street vendors fail to comply with halal certification regulations as they do not get value for their business. Pamukcu and Sariisik (2021) advocate the standardization of halal tourism in hospitality industry. They studied the expectations of hotel guests regarding the halal standards and found that hotel guests preferred halal food and Islamic lifestyle as criteria to choose hotels. Khan, Khan, and Haleem (2018); Khan, Khan, and Haleem (2019) studied how to achieve harmonization of halal by using integrated weighted IRP-Fuzzy TISM approach towards evaluation of initiatives to harmonizing Halal standards. the study recommended to eliminate trade barrier of Halal and to ensure the availability of halal consumables to larger masses.

Othman, Shaarani, and Bahron (2016) discussed the level of knowledge halal quality assurance practices and the commitment of food industries in the implementation of halal in Malaysia. The study categorized major contributors of halal food sector into two: the multinational and small medium enterprise (SME). The findings revealed the level of knowledge, halal quality assurance practices and commitment to be at a good level while there was a need to push the certification process. Mohd Nawawi et al. (2020) explored the development of halal industry in Thailand and investigated the factors behind the country's success as one of the largest exporters of halal-certified foods and products in the Southeast Asian region, in spite of Thailand being a non-Muslim-majority country. The findings reveal that a strong presence of global halal industry in Thailand is because of its bustling tourism industry that helps to bolster the country's halal branding, its uniformity of halal definition and standards and effective support to the local SMEs (Harahap, 2019; Katuk et al., 2020).

Abdul Rahman et al. (2018) raised the issue of halal cargo and halal warehouses. The study was carried out in the context of Malaysia, and showed what challenges are faced in the storage of halal product for import and export purposes in halal cargo warehouses. The study found that the Malaysian government wished to ensure that halal products do not get contaminated and should comply with halal logistics standard throughout the supply chain process. a similar study by Zailani et al. (2017) discussed Halal logistics in Malaysia and the key role it played in protecting the halal integrity of halal food through proper transportation, storage and handling along the supply chain until it reaches its final destination. The study also discussed challenges of halal logistics such as ambiguous halal guidelines, lack of international halal certification, lack of collaboration among governing agencies, and a lack of cost-effective standards of halal practices.

Two recent studies Khan, Haleem, and Khan (2021) and Hidayat, Rafiki, and Nasution (2021) identified a few factors towards effective management of Halal supply chain (HSC) and provided a framework by evaluating Halal practices for a sustainable performance measurement. They showed how to face challenges and avail new opportunities.

Problem Statement and Research Framework

It is often alleged that the Indonesian government ignores the needs of Muslims, who need legal certainty in issues like the availability of halal food. Though there are

regulations in place such as Regulation of the Ministry of Trade (Permendag) Number 29 of 2019 concerning Provisions on the Export and Import of Animals and Animal Products, which is an amendment and replacement of the Regulation of the Minister of Trade Number 59 of 2016. However, this law contradicts with the regulations related to halal labels and certificates mentioned in Article 4 of Law Number 33 of 2014 concerning Halal Product Guarantees and Article 2 of Government Regulation Number 31 of 2019 concerning Implementation Regulations of Law No. 33 of 2014 concerning Halal Product Guarantees (Krisharyanto, Retnowati, & Hastuti, 2019; Muslimin, 2019). This condition clearly makes Muslims in Indonesia feel doubt about the halal import of animal products they consume.

Another big challenge before the Indonesian government is handling the legal certainty granted by halal certification of imported animal products and contribute to the development of ASEAN Qualification Recognition Framework (AQRF). Figure 1 presents the research framework adopted in the current study where regulations, certificate system as well as Halal standards like HAS 23000 aims at developing the AQRF.

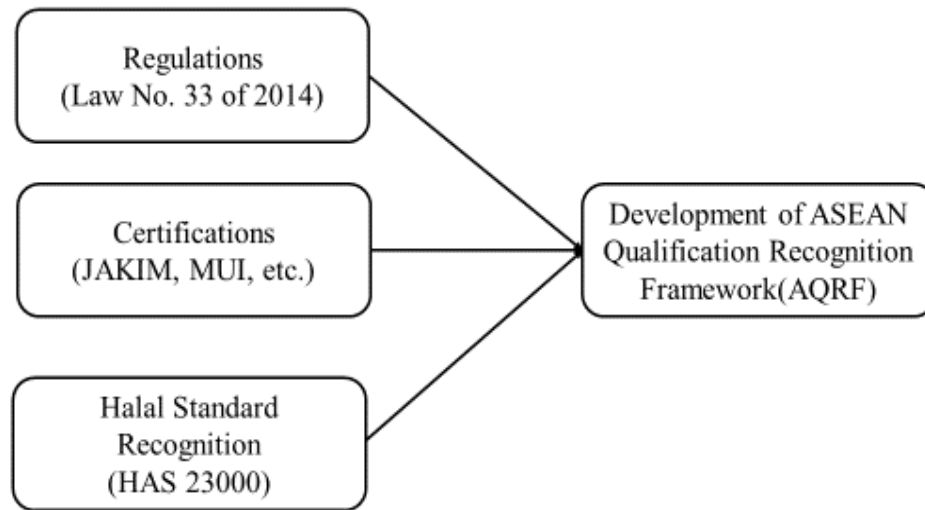


Figure 1. The framework of variables that support the formation of AQRF in the field of halal management.

Previous research studies primarily reveal that although Indonesia has internationally recognized halal standards, but it lacks in implementation in the field, especially for small traders. Like in every country, Indonesia has both standardization and recognition through halal product guarantee agencies which distribute certifications for different types of halal products. Although Indonesia has a halal supervisory competency test agency and a halal auditor as well for international recognition, but it still lacks mutual recognition and cooperation between countries. The ASEAN Qualification Reference Framework (AQRF) follows halal regulations and standards which gained Indonesia the Halal Standard Assurance (HAS 23000). This standard can be used as a reference for halal product standards in other countries. This has been helpful in further strengthening AQRF, setting a benchmark for other Muslim countries to initiate a qualification reference framework.

A greater challenge faced by the Indonesian government is that a majority of these products have fake halal labels. These violations are mostly seen for foreign food products from Malaysia, Brunei Darussalam, Australia, and New Zealand, where suppliers use fake halal logos not from LPPOM MUI. These logos are also printed in dim light to deceive the public. This is contrary to the Article 56, Law Number 33 of 2014 concerning Halal Product Guarantee (Pakpahan et al., 2021).

Syazwan Ab Talib and Bakar Abdul Hamid (2014) proposed a solution to these issues that the Government should encourage more international relations among ASEAN Free Trade Area (AFTA) countries to raise Halal logistics to a higher level, where the Halal market has already reached 2 trillion USD mark (Voak & Fairman, 2020). Due to a rapid rise in the Muslim population, the growing economic growth and thus increasing purchasing power among Muslims, and most importantly the rise of a potential halal market in non-Muslim countries (Ab Halim et al., 2022; Azam & Abdullah, 2020). With the aforementioned, this study aimed to discuss how to ensure the halal product guarantee for Muslim consumers in facing the AEC.

Methodology

The current study used a qualitative research design with a “pragmatic” approach as it dealt with a philosophical worldview (Creswell & Miller, 2000; Patton, 2014) of an issue like halal food guarantee. This type of pragmatism is particularly useful in a case based approach by making an in-depth analysis of a case, program, event, activity, or process; so this study was transformed into a case study design. Since the case study involved taking support from regulations and legislations related to Halal food, the study adopted a normative juridical approach to emphasize the use of written legal norms (Simatupang, 2010). This was necessary to find how a legal framework of halal product guarantees protected the Muslim consumers or the AEC.

The study has an effective strength of the juridical field, which it means that the formal requirements in law were fulfilled, as there exist a number of regulations and practices that monitor the availability of halal food in Indonesia. According to Kelsen (1967), a legal norm can apply if a regulation is based on a higher level norm. It means that in a rule there is a basis according to the applied hierarchy of law. The second one is the effective strength in sociology-based on the reality in society. The law will gain strength through society’s recognition. The last one is philosophically law enforcement, it means that rules can be applied by following the legal ideas as the highest value because without legal ideas, the law becomes meaningless.

Moreover, this study was prescriptive because it described the applicable laws and regulations associated with legal theories. It also explains facts that occur as a reflection of the applicable laws (Simatupang, 2010). The data of research was both primary and secondary data. The primary legal material was sourced from the 1945 Constitution of Indonesia and Law Number 33 of 2014 concerning Halal Product Guarantee while the secondary legal material comprised library searches and archives or official documents such as legal theory books and halal product guarantees and scientific writings.

The data was collected using the library study method with a close reading approach. In this study, Islamic law books were read to ensure the materials were

related to the existing problem. The data was then analyzed through a qualitative analysis method, using various methods like content analysis, coding and construct building to ensure scientific conclusions are drawn (Simatupang, 2010).

Results and Discussion

The findings of the study primarily reveal that although Indonesia has internationally recognized halal standards, but it lacks in implementation in the field, especially for small traders. Like in every country, Indonesia has both standardization and recognition through halal product guarantee agencies which distribute certifications for different types of halal products. Although Indonesia has a halal supervisory competency test agency and a halal auditor as well for international recognition, but it still lacks mutual recognition and cooperation between countries. The ASEAN Qualification Reference Framework (AQRF) follows halal regulations and standards which gained Indonesia the Halal Standard Assurance (HAS 23000). This standard can be used as a reference for halal product standards in other countries. This has been helpful in further strengthening AQRF, setting a benchmark for other Muslim countries to initiate a qualification reference framework (Robbani & Sahid, 2021).

Figure 2 exhibits the spending of Muslim consumers on food and beverages worldwide from 2015 to 2022. In 2015, the global Muslim market spent approx. 1.17 trillion USD for food and beverages, increasing to about 1.25 trillion dollars the following year, reaching 1.93 trillion dollars in 2022. This data also reflects how the leading exporters of halal meat earned billions of USD every year.

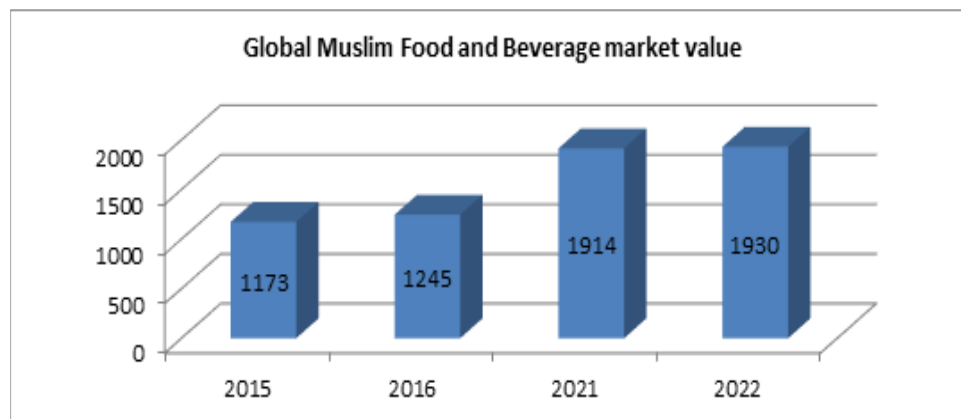


Figure 2 Spending of Muslim consumers on food and beverages

While discussing the issue of the protection of halal product guarantee for Muslim consumers in the face of the ASEAN Economic Community (AEC), the Law Number 33 of 2014 concerning Halal Product Guarantee promised a lot as a law to regulate the halal-ness of a product and ensure its legal certainty as well. This is in line with the state's obligation to protect the entire Indonesian and provide public welfare, in accordance with the Article 29, 1945 Constitution of the Republic of Indonesia.

The formation of this Halal Product Guarantee Law includes (i) Philosophical Foundation, which cites the preamble of the 1945 Constitution, to reiterate that halal and haram are basic things in society because they are related to God; (ii) Sociological

Foundation, which is based on the principle that since there are several doubtful halal products lacking instructions about its halal-ness, so people have the constitutional right to obtain this information legally; (iii) Juridical Foundation, which requires that a maximum juridical protection must be given to Muslims to live healthily and not being trapped through products that are not halal; (iv) Psycho-political foundation, which requires that the industrial world needs to be involved in not becoming a force that rejects the halal product guarantee draft law. This is because they believe the halal guarantee system creates a high-cost economy; and (v) Economic Foundation, which believes that all developed countries should have a direction for consumers to obtain halal food (BPHN, 2021).

The halal product guarantee is therefore mandatory in the international trade system. The Law Number 33 of 2014 concerning Halal Product Guarantee provides comfort, security, safety, and certainty for the public, as well as added value for business actors. Article 1 paragraph 1, Law Number 33 of 2014 identifies products related to food, beverages, drugs, cosmetics, chemical, biological, and genetically engineered, as well as goods used by the public. Meanwhile, a halal product is a commodity declared halal due to Islamic law, as stated in Article 1 paragraph 2 and 3 of Law Number 33 of 2014. Likewise, Article 1 paragraph 3 and paragraph 5 of Law Number 33 of 2014 state that the commodity needs to pass through a process to ensure halal-ness when being traded. This is to ensure the product gets a guarantee as evidenced by a halal certificate.

The purpose of holding a halal product guarantee includes (i) providing comfort, security, safety, and certainty for the public; and (ii) adding value for business actors to produce and sell halal products. Business actors who apply for a halal certificate are required to provide correct, clear, and honest information. They are expected to separate the location, place, and means of slaughtering, processing, storing, packaging, distributing, and selling, as well as presenting halal and non-halal products. It is necessary to report to the Halal Product Guarantee Administration Agency (BPJPH) when there is a change in the composition of the ingredients, stated in Article 2 of Law Number 33 of 2014.

In entering the AEC era, Indonesia has become a target for the circulation of products from abroad. The existence of the country to have the largest Muslim population brings about the issue of halal attraction for food producers in Asia. This causes several food manufacturers from abroad to include halal labels on their products. These products also come from other countries such as China, Korea, Japan, and Taiwan. Recently, the food has been certified halal because consumers are predominantly Muslim, but the Indonesian Ministry of Trade is still being misled. The government's plan to require halal certification becomes an effort to increase competitiveness to face the ASEAN free market and filter foreign products. Also, the government selects the products that can enter and be traded in Indonesia, particularly during the free market (Setyaningsih & Marwansyah, 2019).

Article 4, Law Number 33 of 2014 concerning Halal Product Guarantee states that a halal certificate needs to be included on food that enters the country from abroad. According to the Director of LPPOM MUI, Lukmanul Hakim, the certificate need not have double standards such as mandatory or voluntary to distinguish halal and haram products. This is because Indonesia has ratified the establishment of the World Trade Organization (WTO). Moreover, this makes the quality of food consumed by the

community to be clear. The products of domestic producers are given subsidies due to the management of the halal certificate (Setyaningsih & Marwansyah, 2019).

The application of this certificate for imported food and beverages is carried out in stages. Therefore, this study involves the Indonesian Ulema Council (MUI), the Ministry of Religion, the Ministry of Industry, the Ministry of Trade, as well as the Food and Drug Supervisory Agency. The Ministry of Religion examines the issue of halal certification, while BPOM examines the contents in it. However, the existence of this certificate causes the price of imported products to become expensive. It becomes an important and strategic tool for securing food in the country. The certificate helps to filter the product and provide a sense of security for Indonesians who are mostly Muslims (Setyaningsih & Marwansyah, 2019).

Automatically, the inclusion of a halal certificate clarifies the quality of food consumed by the public. This is because almost all modern markets and supermarkets in Indonesia are flooded with imported products. The majority of these products have fake halal labels to gain profits. There are two types of violations: (i) Foreign food producers such as Malaysia, Brunei Darussalam, Australia, New Zealand, and others use halal logos that are not from LPPOM MUI; (ii) Producers use the Asia Pacific halal logo printed in dim light to deceive the public. A total of 15 foreign foods with fake labels were discovered in Medan, Bandung, Jakarta, and Surabaya in 2016 alone. Generally, these products come from China and Korea, which is contrary to the Article 56, Law Number 33 of 2014 concerning Halal Product Guarantee.

The inclusion of a fake label is a crime to deceive consumers that certain products are halal. Furthermore, the WTO issued a facility agreement to cut costs at ports and simplify processes as well as permits to facilitate free trade in the AEC. This facility is expected to reduce ASEAN transaction costs to increase export competitiveness and easily reach a single market as well as a production base for goods, services, and investment (ASEAN Secretariat, 2015). The facility agreement is carried out in the free trade of the AEC for the following purposes, namely: (i) Assess the condition of trade facilities in ASEAN; (ii) Develop and implement a comprehensive facility program to simplify, harmonize, and standardize procedures, processes, as well as information related to customs and trade; (iii) Increase transparency and visibility of all actions as well as interventions carried out by stakeholders in international transactions; (iv) Establish a cooperation mechanism for regional trade facilities; (v) Establish an ASEAN Trade Facilitation Repository; (vi) Develop national efforts to support and ensure the effective implementation of regional-level initiatives; and (vii) Develop a comprehensive building program to ensure smooth implementation.

Conclusion

To conclude, this study showed that the halal product guarantee is important because the consumption of halal food becomes an absolute religious commandment for Muslim society. This society does not only focus on material and physical development but other aspects as well like the morals, soul (personality), and behavior. Muslim consumers consider the halal-ness of a product before consuming it. Certainly, they feel at ease when the producer has a halal guarantee. In this study, the problem discussed is how to protect the halal product guarantee for Muslim consumers in the ASEAN Economic Community (AEC).

The process of procuring halal certification is a step towards consumer protection because several countries have Muslim citizens. This certificate becomes an important factor in offering products for those joining the free market of the AEC. The AEC aims to make countries in the ASEAN have a free flow of goods, services, investment, skilled labor, and capital including the Indonesian halal industry. This industry does not only trend among Muslim consumers but also followers of other religions. In facing the AEC, Indonesia's halal industry tends to compete with other countries in distributing a halal-certified product. To face the AEC, the protection against halal product guarantees for Muslim consumers is indicated through the existence of certification.

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