

THE POTENTIAL SYNERGY OF HALAL INDUSTRY AND ISLAMIC BANKING IN BANGKA BELITUNG PROVINCE: SWOT ANALYSIS

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Abstract

The synergy between the halal industry and sharia banking is essential to creating a halal ecosystem in Bangka Belitung Province. Meanwhile, this synergy has not been seen at this time. This qualitative research was conducted through a SWOT analysis to answer the causes of the lack of synergy between Islamic banking and the halal industry. The findings of this research show that the strength of this synergy is the majority Muslim population and religious harmony, abundant natural resources. The weakness of this synergy is that national regulations are not evenly distributed to support the halal ecosystem, and there are many obstacles to the development of Islamic banking. In terms of opportunities, this synergy can be seen in the rapid development of financial technology, the many types of halal industry businesses giving many options for Islamic banks to make financing products. Meanwhile, on the threat, this synergy is constrained by the low level of public literacy. The implication of this study suggests that to establish the best possible synergy between the halal business and Islamic banking, there is a need to improve public literacy and boost market demand.

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1. Introduction

Halal business and Islamic banking should ideally collaborate to protect the sharia values of halal transactions, which avoid performing things that are forbidden by Islam (usury among them). (Mintarja, Wahab, & Masduki, 2017) However, only 5% of halal industry business players in Malaysia use Islamic bank product facilities, while the rest (95%) continue to use conventional banking products, giving the impression that the halal industry is not holistic because conventional banking is still "contaminating" it, whereas Islamic banking should be part of the halal industry. (Jaffar & Musa, 2014) Due to exorbitant fees, a lack of technical innovation, and inconvenient services, business owners choose to seek money from traditional banks rather than Islamic banks. (Utomo, Sekaryuni, Widarjono, Tohirin, & Sudarsono, 2020) To strengthen the halal industry, Islamic banking and the halal industry must collaborate. (Muhamed, Ramli, Aziz, & Yaakub, 2014) Purnomo, Rosidah, and Faridah are all of the same mind. (Antara, Musa, & Hassan, 2016). Halal synergy must be thoroughly carried out by combining the halal business and Islamic banking. When we evaluate the relationship between Islamic banking and the halal business, we see that buses and passengers are both involved. The bus is compared to a sharia bank, and the passengers are halal industry executives. The greater the number of passengers who ride, the greater the demand for buses (Primadhyta, 2017). On July 9, 2019, Halal Product Guarantee Agency (BPJPH) announced a collaboration with four Islamic banks to provide Halal Product Guarantee (JPH). One of the reasons for signing this collaboration is the magnitude of the potential for developing halal products economically. It is hoped that Islamic banking will play a significant role in advancing the halal ecosystem in Indonesia, and vice versa, the halal industry will play a significant role in the development of Islamic banking in Indonesia (Lubis, 2019).

In Malaysia, there has been no cooperation between the halal business and Islamic banking. (Jaffar & Musa, 2014) Meanwhile, in Indonesia, it has only recently begun. This begs the issue of what is causing the delayed collaboration between the halal business and Islamic banks in Indonesia, both internally and outside, as determined by an analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT). The SWOT analysis using these two aspects aims to see better and faster growth between the halal business and Islamic banking (Jiaming, Hao, & Xiaoyu, 2019). The global Islamic economy's development in Indonesia over the previous two years (2017 and 2018) has been encouraging because it has shown indicators of good growth. Several variables are included in this global Islamic economic assessment, including Islamic finance, halal food, halal travel, Islamic apparel, halal media and recreation, and halal pharmaceuticals and cosmetic company. The following data demonstrate Indonesia's global Islamic economic growth:



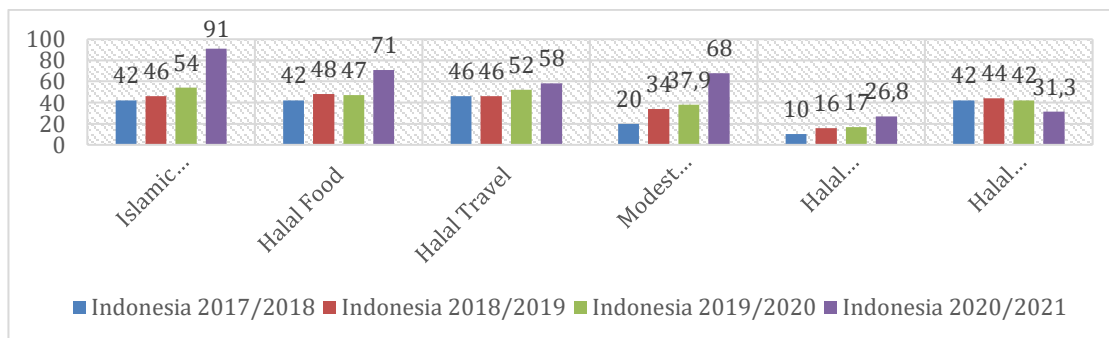


Figure 1. Indonesia's Global Islamic Economy Score

Source: State of the Global Islamic Economy (GIE) Report 2017/2018, 2018/19 and 2020/2021

Indonesia was placed 11th out of 15 countries in 2017/2018, with an average Global Islamic Economy (GIE) score of 42. (Reuters & Standard, 2017) Indonesia's worldwide Islamic economic development improved from 11th to 10th place in 2018/2019, with an average GIE score of 45. A rise in transactions in the halal industry contributed to the increase in GIE score. (Reuters & Standard, 2018) Indonesia was placed 5th in 2019/2020, with an average GIE of 49. Malaysia (average GIE 111), the United Arab Emirates (average GIE 79), and Bahrain (average GIE 60) rounded out the top three places. (Standard & et.al, 2019) Indonesia was placed 4th in 2020/2021 with an average GIE of 68,5 (Standard, 2021).

Bangka Belitung, as one of Indonesia's provinces, has a lot of potential for halal tourism development since it has a beautiful island and a lot of marine and coastal natural resources that can be developed into a halal tourist destination. (Mashithoh, Mulyana, & Wardhan, 2021a) The province's halal tourist management is unquestionable, as evidenced by various national accolades, including the prize given in 2021 to Bangka Belitung for being the most innovative province in terms of halal tourism (Republika, 2021). Bangka Belitung's economic growth is also encouraging. Bangka Belitung's economic growth will be 5.05 percent in 2021, which will be the highest in Sumatra. Even if the province is in the midst of the COVID-19 pandemic, business growth in the Bangka Belitung Islands Province is still stable and able to influence economic growth (Communication and Information Services, 2022). Given the enormous potential for halal tourism and economic growth in the Province of the Bangka Belitung Islands, this paper examines the role of sharia banking in facilitating this growth, as well as the possibility for integrating the halal industry and sharia banking in this province, using a SWOT analysis.

SWOT analysis is important for investors who plan to invest in a company; by reviewing the SWOT analysis, they can evaluate the dangers that the company faces. SWOT analysis is also beneficial in developing a marketing development plan for a corporation in the realm of marketing. The bottom line is that SWOT analysis is extremely beneficial for both the institution and the business environment (Qayyum, Yuyuan, Bhatti, & Shijie, 2022).

While halal ecotourism and halal food have been the focus of prior studies on halal tourism in Bangka Belitung, this study examines the relationship between Islamic banking and the halal business in Bangka Belitung. Meanwhile, in Malaysia, much research has been conducted to determine how to bridge the gap between the halal industry and Islamic banking. Some of the points presented above prompted the author of this article to do a SWOT analysis to assess the potential of the Halal Industry and Islamic Banks in Bangka Belitung.

2. Literature Review

Dahruji, Mashudi, and Bustomi Arisandi performed a SWOT analysis on the Jaddih Hill tourist destination in Bangkalan Regency as part of their halal tourism research. (Dahruji, Mashudi, & Arisandi, 2022) In Bangka Belitung, a SWOT analysis study on halal ecotourism was also conducted. This study emphasizes the significance of community empowerment in the creation of tourism goods. (Mashithoh, Mulyana, & Wardhan, 2021b) It is important to strengthen the promotion and cooperation of actors in the halal business in Bangka Belitung, according to research on halal food in Bangka Belitung (Suhel, Mukhlis, Bashir, & Fitriyanti, 2022). In their study, Zainab Tungal et al. discovered a strong long-term influence of Islamic banking in boosting the halal industry through financing given by Islamic banks. In the meantime, due of the duration of the production process and the large capital required to establish a livestock business, Islamic banking has had little impact on increasing the halal industry in the livestock industry in the short term (Tungal, Hamzah, Ghazali, & Azman, 2017). Despite the fact that the halal industry has become a lifestyle among Muslims and non-Muslims, Norafni's research still finds a barrier between Islamic finance and the halal sector, and the halal industry must retain the integrity of its halal mark. In Malaysia, this study focused on the halal industry and Islamic finance. According to Norafni's findings, the integration of sharia compliance management in the halal industry should follow existing sharia governance standards in financial institutions (Rahim, 2017).

According to Irfan IS et al., the merger of Islamic finance with the halal economy is necessary for the welfare of humanity as a whole. Irfan et al. coined the term "halal economy" to describe the integration of Islamic finance with the halal industries in their study. Their research discovered that the meeting place between Islamic finance and the halal business is in three elements: education and training, rules to integrate Islamic finance and the halal industry, and constant promotions to enhance awareness of Islamic finance and halal industry (Tungal, Hamzah, Ghazali, & Azman, 2017). According to Nabila Nisha and Mehree Iqbal's research, the greater the synergy between the halal industry ecosystem and Islamic banking, the greater the halal sector's impact on the global market will be. Because of its large Muslim population and halal identity being a concern of inhabitants of Southeast Asian countries, the study's findings revealed Southeast Asia's potential as a liaison for the dynamics of the halal industrial system and sharia banking (Nisha & Iqbal, 2017).

Based on the viewpoints of policymakers and observers, Nurul Aini Muhamed et al. discovered that the integration of the halal sector and Islamic finance in Malaysia has potential for harmonization and mutual support among each other (between the



halal industry and Islamic banking) (Muhamed, Ramli, Aziz, & Yaakub, 2014). The goal of this study is to continue some of the prior investigations mentioned in this literature review, although the site of the study is different. Some of the studies mentioned above are in Malaysia and Bangladesh, but this study conducted in Bangka Belitung.

3. Research Methods

In qualitative research, data is collected by observation, in-depth interviews, documentation, and triangulation. (Sudaryono, 2018) Semi-structured interviews and in-depth interviews were used in this study with a SWOT analysis. Before the researcher goes to the field to gather data, this in-depth interview is tailored to the study questions that have been prepared. (Hazzan et al., 2018) The Indonesian Ulema Council of the Bangka Belitung Islands Province, the Halal Product Assurance Organizing Agency (BPJPH) of the Ministry of Religion, as well as a number of Islamic banks in the province, participated in this study as responders.

After collecting the data, the researchers processed it by examining Strengths, Weaknesses, Opportunities, and Threats (SWOT). This SWOT formulation is completed by linking Strength with Opportunity (S – O). The S – O linking is completed to determine how to optimize the capacity factor that is possessed in optimizing the accessible opportunities. The focus of this research, however, is not simply on S – O; data processing is also done via linking W-O, , S-T, and W-T (Swastiratu, Baga, & Saptono, 2019). The steps of processing research data with the SWOT analysis mechanism are through internal and external factors (Hu, 2020) on the variables studied in a study, after finding internal and external factors, a SWOT matrix is created to see the position of the quadrant synergy between the halal tourism industry and the development of Islamic banks in Bangka Belitung. SWOT analysis is performed after data gathering is completed and the data acquired is complete (Aurelia, Kosmaryandi, & Amanah, 2020). After calculating the weight, rating, and value for each internal and external element, the following SWOT internal and external factor matrix (Prayudi & Yulistria, 2020) is used to determine whether the scores for these two factors are high, moderate, or weak:

Table 1
Internal and External SWOT Matrix

	High 3,0 - 4,0	Moderate 2,0 - 2,99	Weak 1,0 - 1,99
High 3,0 - 4,0	Score I	Score II	Score III
Moderate 2,0 - 2,99	Score IV	Score V	Score VI
Weak 1,0 - 1,99	Score VII	Score VIII	Score IX

Source: Prayudi, 2020

In qualitative research, data is analyzed through inductive analysis to identify specific models and patterns that correspond to the research issue. (Sudaryono,



2018) In assessing the data for this qualitative study, Miles and Huberman's theory is used (Sugiyono, 2016).

4. Results

Several countries are competing for the top spot in the development of the halal industry and Islamic finance. Malaysia remains the leader in the halal industry and Islamic financing, followed by the UAE, Bahrain, and Saudi Arabia. Indonesia is one of the countries that has seen a substantial gain; in 2018, it was placed tenth, but in 2019, it was ranked fifth. (Standard & et.al, 2019). The expansion of the halal business necessitates the involvement of the Islamic finance industry, particularly Islamic banking. The halal industry and sharia banking may work together, and the role of sharia banking in the expansion of the halal sector is critical in terms of the halal value chain. The role of Islamic banks in this scenario is divided into three categories: halal control, halal product distribution in the community, and halal validation.

Sharia banking can help advance the halal industry by (1) providing funding to sharia entrepreneurs and micro, small, and medium-sized businesses (MSMEs). Islamic banks play an important role in sharia entrepreneurs and SMEs by providing cash injections that can boost the competitiveness of sharia SMEs and entrepreneurs. In addition to producers, Islamic banks play a significant role in teaching the public about the necessity of eating halal products and food so that halal awareness is realized in the community. People may not care about the halalness of a product right now, but education from Islamic banks is expected to enhance public awareness of the issue (Rahmayati, 2018) and (Waharini & Purwantini, 2018).

The next role of Islamic banks (2) is in the supervision of the delivery of halal items by Islamic banks through a logistical system that separates halal and non-halal products, storage rooms that are guaranteed halal with hygienic criteria and are segregated from non-halal products. Islamic banks' role here is to educate enterprises that provide halal product delivery services on the process for keeping product halalness from receiving products from producers to providing goods to consumers (Rahmayati, 2018). The final (3) duty of Islamic banks in expanding the halal business is to publicize halal-certified MSMEs. If the MSMEs are part of the Islamic bank empowerment program, the role of Islamic banks in promoting Halal-certified MSMEs to the public as consumers become increasingly significant. Of course, Islamic banks can use existing social funds in Islamic banks to carry out this public advertising (Waharini & Purwantini, 2018).

The expansion of the halal business necessitates synergies with other sectors, and one of the most closely associated sectors to the halal industry is Islamic finance, particularly Islamic banking; this synergy will boost halal compliance (Asmani, Noor, & Wahid, 2019) The role of Islamic banking is important for the development of the halal industry in halal financing distribution to strengthen the capital of halal industry business players, regulations that support the development of the halal industry by being integrated with sharia finance are also one of the factors that must be considered, as are other significant factors. Technology support is also required



for the synergy between the halal business and sharia finance. Crowdfunding services, in addition to sharia banking, cannot be underestimated in supporting the development of the halal industry. Micro-enterprises in the halal industry can use crowdfunding services as an alternative to applying for financing other than sharia banking (Abdullah & Susanto, 2019). The partnership of halal industry participants with the government, academics, religious leaders, and community leaders with the Penta helix model for the development of the halal business with its integration into Islamic finance is critical. (Irma & Yani, 2019) Religious authorities and community leaders play an important role in the development of the halal business, ensuring that it adheres to Shari'a law and does not contradict societal practices (Ghafur Wibowo & Yusuf Khoiruddin, 2020).

Analysis of Strength, Weakness, Opportunity, and Threat (SWOT) Synergy of Halal Industry and Islamic Banking in Bangka Belitung Province

The indicator of a product's halalness is not only related to raw ingredients but also the manufacturing process and the distribution chain from producers to consumers. This process, known as upstream to downstream, is carried out completely transparently and with the notion of trust, following what is stated in the Qur'an and hadith. In Indonesia, few people are concerned about a product's halal process since, with so many Muslim inhabitants, consumers feel certain that the things offered are unquestionably halal. In the case of halal cuisine, for example, purchasers can be confident that the food purchased at a restaurant is halal because the cook is a Muslim (Nirwandar, 2020).

Aside from halal cuisine, the growth of halal tourism produces a desire for rural areas to flourish and grow under the halal tourism trend, because some villages are employed as halal tourist attractions. The notion of this halal tourism village has piqued the interest of some overseas travelers. As a result of this trend of halal tourism villages, the creation of sharia hotels and MSMEs in rural areas is also growing, as is the economic infrastructure in rural areas. This is an opportunity for Islamic banks to collaborate with the halal industry by financing halal tourism players in rural areas and rural SMEs, which serve as the foundation for the growth and development of halal tourism villages. Islamic banking can be involved in financing sourced from both internal and external sharia banks through this halal tourism community. Internal sharia banking financing can be transferred to halal tourism village players via *mud}a>rabah*, *musha>rakah*, *wadi>'ah*, and *qard}h}asan* contracts. Meanwhile, through the external mechanism of Islamic banks, monies from zakat, infaq, alms, and waqf are raised (Noviarita, Ameraldo, & Husaini, 2019).

Islamic banks should provide unique products that support halal tourism industry participants and MSMEs that support the expansion of halal tourism to support the development of the halal tourism industry. Irany Sidharta discovered this while conducting interviews with halal tourism actors. As a financial intermediary founded on Sharia principles, Islamic banks must consider and develop a particular financing product to assist halal tourism (Sidharta, 2017). The internal and external factors of halal industry and Islamic Banking in Bangka Belitung Province are identified:



Table 2. Internal and External Factors

No	Internal Factors	External Factors
	Strengths	Opportunity
1	The majority of Bangka Belitung's population is Muslim and there is religious harmony	Preference for halal products from Muslim and non-Muslim consumers
2	Has Islamic microfinance institutions	Attention to the management of halal certification by Muslim and non-Muslim business actors
3	Sharia Rural Banks (BPRS) have their target market	The rapid growth of financial technology provides opportunities for the growth of the halal industry and Islamic banks to grow rapidly
4	There is government support in providing financial subsidies for business actors in the halal industry	Positive trends in the growth potential of the halal industry and Islamic finance globally
5	The abundance of natural resources as the main ingredients of halal food and drinks and beautiful nature becomes a strong capital to serve as a halal tourist destination	High market demand for halal products is increasing rapidly throughout the world
6	The involvement of the younger generation in developing the economy	The many types of halal industrial businesses provide many opportunities for Islamic banks to make financing products
No	Internal Factors	External Factors
	Weakness	Threats
1	Uneven regulations that support the development of halal tourism nationally	The level of public literacy about Islamic finance is still low
2	There are still many obstacles in the development of Islamic banking	Global halal industry market competition
3	The level of literacy and public understanding of the halal industry is still low	There are still many halal industry players who do not understand the mechanism for managing halal certification
4	The risk of Islamic bank financing is still high in the productive sector (through <i>mud}a>rabah</i> , and <i>musha>rakah</i> contracts).	The COVID-19 outbreak has had an impact on the growth of the halal industry and the performance of Islamic finance internationally
5	The quality of human resources to manage the halal industry is still weak, especially in the halal food and beverage industry	There is no integrated halal standard internationally
6		Public awareness of halal products is still low

Source: Data collection results, 2021

After determining the internal and external elements of strength and weakness, as well as opportunities and threats, the following steps are taken by Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE):



Table 3
Matrix of Internal Factor Evaluation

No	Internal Factors	Weight	Rating	Score
	Strengths			
1	The majority of Bangka Belitung's population is Muslim and there is religious harmony	0,1	5	0,5
2	Has Islamic microfinance institutions	0,1	4	0,4
3	Sharia People's Financing Bank (BPRS) has its own target market	0,07	4	0,27
4	There is government support in providing financial subsidies for business actors in the halal industry	0,07	3,5	0,23
5	The abundance of natural resources as a staple food and halal drinks as well as beautiful nature becomes a strong capital to serve as a halal tourist destination	0,1	5	0,5
6	The involvement of the younger generation in developing the economy	0,07	3,5	0,23
No	Weakness	Weight	Rating	Score
1	Uneven regulations that support the development of halal tourism nationally	0,1	2,5	0,267
2	There are still many obstacles in the development of Islamic banking	0,1	2,5	0,267
3	The level of literacy and public understanding of the halal industry is still low	0,1	2	0,214
4	The high risk of Islamic bank financing in the productive sector (through <i>mudharabah</i> , and <i>musharakah</i> contracts)	0,07	2,5	0,18
5	The quality of human resources to manage the halal industry is still weak, especially in the halal food and beverage industry	0,07	2	0,14
Total		1		3,36

Source: Data processing results, 2021

When referring to table 1 on the matrix of internal and external elements, it is determined that the score of 3.36 is in the high group because it is between 3.0 - 4.0. The majority of Bangka Belitung's population is Muslim and there is religious harmony. The wealth of natural and beautiful natural resources have the highest score (with a value of 0.5) on the internal strength criteria. On the internal element of weakness, the highest score (with a value of 0.267) is in the unequal legislation that encourages the national development of halal tourism, and there are still numerous impediments in the development of Islamic banking.



Table 4. Matrix of External Factor Evaluation

No	External Factors	Weight	Rating	Score
	Opportunity			
1	Preference for halal products from Muslim and non-Muslim consumers	0,06	4	0,25
2	Attention to the management of halal certification by Muslim and non-Muslim business actors	0,09	4,5	0,42
3	The rapid growth of financial technology provides opportunities for the growth of the halal industry and Islamic banks to grow rapidly	0,09	5	0,47
4	Positive trends for the growth potential of the halal industry and Islamic finance globally	0,09	4,5	0,42
5	High market demand for halal products is increasing rapidly throughout the world	0,06	4	0,25
6	The many types of halal industrial businesses provide many opportunities for Islamic banks to make financing products.	0,09	5	0,47
No	Threats	Weight	Rating	Score
1	The level of public literacy about Islamic finance is still low	0,09	2,5	0,23
2	Global halal industry market competition	0,09	2	0,19
3	There are still many halal industry players who do not understand the mechanism for managing halal certification	0,09	2	0,19
4	The COVID-19 outbreak has had an impact on the growth of the halal industry and the performance of Islamic finance internationally	0,06	2,5	0,16
5	There is no integrated halal standard internationally	0,06	2	0,13
6	Public awareness of halal products is still low	0,09	2	0,19
Total		1		3,36

Source: Data processing results, 2021

The external factor of synergy between the halal industry and Islamic banking in Indonesia has a score of 3.36, and when referring to table 1 on the matrix of internal and external factors, it is determined that this score of 3.36 is in the high category since it is within 3.0 - 4.0. On the external factor of opportunity, the highest score (with a value of 0.47) is in the rapid growth of financial technology, which provides opportunities for the halal industry and Islamic banks to grow rapidly, as well as the many types of halal industry businesses, which provide many opportunities for Islamic banks to make financing products. While the external threat component has the highest score (0.23), it is the level of public literacy about Islamic finance is still



low. After testing with IFE and EFE matrices, a SWOT matrix analysis of internal and external components was performed, with the method shown in Table 5:

Table 5
SWOT Matrix

SWOT Sinergy	Internal	
External	Strengths (S)	Weakness (W)
		<ol style="list-style-type: none"> 1. The majority of Bangka Belitung's population is Muslim and there is religious harmony. 2. Has Islamic microfinance institutions 3. Sharia Rural Banks (BPRS) have their target market 4. There is government support in providing financial subsidies for business actors in the halal industry. 5. The abundance of natural resources as the main ingredients of halal food and drinks and beautiful nature becomes a strong capital to serve as a halal tourist destination 6. The involvement of the younger generation in developing the economy
Opportunities (O)	Strategi S-O	Strategi W-O
<ol style="list-style-type: none"> 1. Preference for halal products from Muslim and non-Muslim consumers. 2. Attention to the management of halal certification by Muslim and non-Muslim business actors. 3. The rapid growth of financial technology provides opportunities for the growth of the halal industry and Islamic banks to grow rapidly 4. Positive trends in the growth potential of the halal industry and Islamic finance globally 5. High market demand for halal products is increasing rapidly throughout the world 	<ol style="list-style-type: none"> 1. Maximizing the preference for the halal industry from Muslim and non-Muslim consumers. 2. Always preserve natural resources and natural beauty for raw materials for halal food and drinks as well as halal tourism objects. 3. Increasing the role of the younger generation in economic development. 4. Maintaining high market demand for halal products. 	<ol style="list-style-type: none"> 1. Increase the issuance of regulations from each province to support the development of halal tourism 2. Reducing obstacles in the development of Islamic banking. 3. Increasing the dissemination of financial technology literacy for halal industry players and sharia bank bankers.



6. The many types of halal industrial businesses provide many opportunities for Islamic banks to make financing products.		
Threats (T)	Strategi S-T	Strategi W-T
<ol style="list-style-type: none"> 1. The level of public literacy about Islamic finance is still low 2. Global halal industry market competition 3. There are still many halal industry players who do not understand the mechanism for managing halal certification. 4. The COVID-19 outbreak has had an impact on the growth of the halal industry and the performance of Islamic finance internationally. 5. There is no integrated halal standard internationally. 6. Public awareness of halal products is still low 	<ol style="list-style-type: none"> 1. Improving the community's sharia financial literacy through education and socialization. 2. Prepare Islamic bank products and halal industries that are ready to compete globally. 3. Increase training on the mechanism for managing halal certification for halal industry players. 4. Increase public awareness of halal. 	<ol style="list-style-type: none"> 1. Improving the competence and quality of halal industry and sharia banking managers who can compete globally. 2. Minimize the impact of the COVID-19 outbreak on the performance of the halal industry and Islamic banks. 3. Minimize the risk of financing in Islamic banks and the risk of the halal industry.

Source: SWOT analysis results, 2021

Based on the SWOT matrix analysis, the synergy between the halal industry and sharia banking must maximize consumer preferences and market demand for the domestic halal industry in the Strengths – Opportunities (S-O) strategy so that the halal ecosystem's market share can be increased and taken into account globally. Because this is a blessing that not all countries have, the number of natural resources and the beauty of their natural resources must be conserved to continue to support the halal industrial ecology. To support the growth of the halal industry nationally, the SWOT matrix study on the Weakness – Opportunities (W-O) approach for the synergy of the halal industry and Islamic banking must be supplemented with nationally fair rules for each province. Similarly, various barriers to boosting Islamic banking's market share must be removed to maximize the synergy between Islamic banking and the halal economy. This synergy must also coincide with the advancement of financial technology, as the function of technology in the financial industry cannot be ruled out at this time.

SWOT matrix analysis on the Strengths – Threats (ST) strategy, the synergy between the halal industry and sharia banking must minimize threats in the form of weak Islamic financial literacy and the halal industry in the community, so far people are not so familiar with the products and contracts of Islamic financial institutions and the halal industry; therefore, literacy education and socialization



must be more emphasized so that the literacy level of the community increases. Islamic banking and the halal business must also continue to innovate to create products that the community requires. Meanwhile, halal sector actors must be trained on how to manage halal certification and how to keep it current.

The Weakness – Threats (WT) strategy for the synergy of the halal industry and sharia banking is to minimize and eliminate weaknesses and threats to the growth of the halal industry and sharia banking by increasing the competence and quality of human resources for halal industry business managers and sharia banking bankers to compete in the global market. Similarly, the risks inherent in halal business and Islamic banking must be identified as early as feasible so that preventative measures can be developed to mitigate existing dangers. External risks (the impact of the COVID-19 outbreak) must be considered in addition to internal hazards in the halal business and sharia banking.

5. Conclusion and Suggestion

Conclusion

The synergy of the halal industry and sharia banking in achieving a halal economic ecosystem in Bangka Belitung Province may be seen in the role of Islamic banks in this scenario, which can be divided into three types: halal control, halal product provision in the community, and halal validation. If the synergy is more detailed, it will be seen through (a) empowerment carried out by Islamic banks in Micro, Small and Medium Enterprises (MSMEs) focusing on the halal industry, and (b) supervision carried out by Islamic banks in the supply of halal products through a logistics system that separates halal and non-halal products, non-halal, and (c) the role of Islamic banks in publicizing halal-certified MSMEs. Analysis of the synergy between the halal business and Islamic banking in terms of its strengths, weaknesses, opportunities, and threats (SWOT). In terms of Strength, it is undeniable that Bangka Belitung main advantages are its predominantly Muslim population and religious harmony, has Islamic microfinance institutions, and the wealth of natural resources. In terms of Weakness, the low synergy between the halal industry and Islamic banking in terms of unequal regulations that support halal tourism development is a source of concern on a national scale, and there are roadblocks to development of Islamic banking. The opportunity resides in the rapid rise of financial technology, which allows for the rapid growth of the halal industry and Islamic banks, as well as the many different types of halal industry businesses, which provide various options for Islamic finance.

Suggestion

The adoption of a quantitative research approach with the addition of extra indicators and variables is recommended for the next research on this topic. Then, in order to conduct comparison studies with other provinces on this topic.

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