

## Rupiah Depreciation and the Competitiveness of Indonesian Halal Exports: A Critical Review from the Perspective of Islamic International Economics

Yunita Dalimunthe<sup>1</sup>, Inayatul Widad Nasution<sup>2</sup>, M Ridwan<sup>3</sup>, Yusrizal<sup>4</sup>

<sup>1</sup>STAI Al-Hikmah Tebing Tinggi, Indonesia

<sup>2,3,4</sup>State Islamic University of North Sumatra, Indonesia

mfalbashori@amayogyakarta.ac.id \*✉

### ARTICLE INFO

### ABSTRACT

#### Keywords:

Rupiah depreciation;  
export  
competitiveness;  
halal exports; halal  
industry; Islamic  
international  
economy;

**Background:** The depreciation of the rupiah exchange rate is an economic phenomenon that can impact the export competitiveness of Indonesian halal products. While the rupiah's depreciation has the potential to increase product price competitiveness in the international market, it can also increase production costs due to the industry's dependence on imported raw materials and technology. This study aims to analyze the impact of rupiah depreciation on the competitiveness of Indonesian halal exports and examine it from an Islamic international economic perspective.

**Method:** This research uses a qualitative approach with a narrative literature review method. Data was collected from scientific articles, academic books, official institutional reports, and various publications relevant to exchange rates, export competitiveness, halal industry, and Islamic economics. The analysis was carried out using thematic analysis techniques through a process of identification, categorization and synthesis of previous research findings.

**Results:** Hasil penelitian menunjukkan bahwa depresiasi rupiah dapat meningkatkan daya saing ekspor halal Indonesia melalui keunggulan harga di pasar internasional. Namun, dampak positif tersebut dibatasi oleh kenaikan biaya impor dan faktor non-harga, seperti kualitas produk, sertifikasi halal, kapasitas produksi, dan akses pasar global. Dalam perspektif ekonomi internasional Islam, peningkatan ekspor halal harus mendukung prinsip masalahah, al-'adl, dan tawazun

**Conclusion:** Conclusion: Rupiah depreciation can support the competitiveness of Indonesia's halal exports, but its impact remains limited without improvements in product quality, halal certification, production capacity, and market access. Therefore, exchange rate depreciation should be viewed as a supporting factor rather than the primary driver of halal export competitiveness.

Received: 10/29/2025

Revised: 1/8/2026

Accepted: 1/24/2026

#### How to cite this article:

Dalimunthe, Y., Nasution, I.W., Ridwan, M., Yusrizal. (2026). Rupiah Depreciation and the Competitiveness of Indonesian Halal Exports: A Critical Review from the Perspective of Islamic International Economics. *Sharia Economic and Management Business Journal (SEMBJ)*, 7(1), 443-458. <https://doi.org/10.62159/sembj.v7i1.2497>

## INTRODUCTION

Globalization has increased economic integration between countries through increasingly open international trade activities. In this context, exports have become a crucial instrument for increasing economic growth, expanding markets, and earning foreign exchange. The competitiveness of export products is a key factor determining a country's ability to capitalize on global trade opportunities (Salvatore, 2021; Krugman et al., 2022).

One macroeconomic factor influencing export competitiveness is the exchange rate. Changes in the exchange rate affect the relative price of domestic products in the international market. When the rupiah depreciates against the US dollar, Indonesian products become cheaper for foreign consumers, potentially increasing export demand. However, depreciation can also increase production costs for industries that still rely on imported raw materials and capital goods (Mankiw, 2021; Bank Indonesia, 2024).

On the other hand, Indonesia holds significant potential for developing the global halal industry. As the country with the largest Muslim population in the world, Indonesia is supported by a large domestic market, a growing halal ecosystem, and increasing global demand for halal products. The State of the Global Islamic Economy Report shows that global consumption of halal products continues to grow, creating significant opportunities for halal-producing countries, including Indonesia (DinarStandard, 2024; Faisol Riza, 2025).

Indonesia's halal product export performance also shows positive developments. The Ministry of Trade reported that the value of Indonesian halal product exports from January to October 2024 reached USD 41.42 billion, with a halal trade surplus of USD 29.09 billion. This achievement demonstrates the halal sector's increasingly significant contribution to international trade and national economic growth (Ministry of Trade of the Republic of Indonesia, 2024; DinarStandard, 2024).

However, the relationship between rupiah depreciation and halal export competitiveness remains controversial. On the one hand, a weakening rupiah can increase the price competitiveness of Indonesian halal products in the global market, thus boosting exports. However, on the other hand, the high dependence of some halal industries on imported raw materials, machinery, and technology leads to increased production costs when the exchange rate weakens. This condition indicates that the depreciation of the rupiah can provide both opportunities and risks for the development of Indonesian halal exports (Krugman et al., 2022; Bank Indonesia, 2024).

Although extensive research has been conducted on the relationship between exchange rates and exports, several research gaps remain that require attention. First, most previous studies have focused on national export performance in general, while studies specifically analyzing the competitiveness of halal exports are relatively limited (Saragih, 2016; Rosyida & Yuliani, 2024). Second, research on halal exports generally focuses on halal certification, product competitiveness, and halal industry development, while the impact of exchange rate fluctuations on halal export competitiveness has not been comprehensively studied (Hidayatullah et al., 2023; Lubis & Sekarningsih, 2024).

Furthermore, most previous studies have used a conventional economic approach to explain the relationship between exchange rates and exports, resulting in relatively limited integration of an Islamic international economic perspective (Chapra, 2008; Siddiqi, 2006). In Islamic economics, the success of international trade is not only measured by increased export volume and foreign exchange earnings, but also by its ability to achieve public welfare (*maslahah*), justice (*al-'adl*), and balance (*tawazun*) (Chapra, 2008; Kamali, 2017).

Based on these conditions, this study aims to analyze the relationship between rupiah depreciation and the competitiveness of Indonesian halal exports by synthesizing various previous studies and examining their implications from an Islamic international economic perspective. This research is expected to provide a conceptual contribution to the development of Islamic international economic studies, particularly regarding the relationship between exchange rates, halal export competitiveness, and the achievement of *maqasid sharia* in modern international trade (Chapra, 2008; Hidayatullah et al., 2023).

This study investigates the effect of rupiah depreciation on the competitiveness of Indonesia's halal exports, explores the associated opportunities and risks for the halal industry, and evaluates the

phenomenon through the lens of Islamic international economics. The study seeks to provide a comprehensive understanding of how exchange rate fluctuations influence halal export performance and their implications for sustainable and equitable economic development.

## LITERATURE REVIEW

### Exchange Rate Theory

#### a. Exchange Rate Concept

An exchange rate is the price of one currency expressed in another country's currency. The exchange rate indicates how much domestic currency must be exchanged to obtain one unit of foreign currency. In international trade, exchange rates play a crucial role because they influence the prices of goods and services traded between countries. Changes in exchange rates can impact the competitiveness of a country's products, trade flows, investment, and overall economic stability (Mankiw, 2021).

According to Salvatore (2021), an exchange rate is the relative price between two currencies determined by the interaction of supply and demand in the foreign exchange market. In a floating exchange rate system, exchange rate movements are influenced by various domestic and global economic factors, while in a fixed exchange rate system, the government or central bank plays a role in maintaining exchange rate stability at a certain level.

For countries active in international trade, such as Indonesia, the exchange rate is an important macroeconomic indicator because it influences export and import performance. Changes in exchange rates can determine the level of competitiveness of domestic products in the international market and affect production costs using imported raw materials (Krugman et al., 2022).

#### b. Exchange Rate Appreciation and Depreciation

Changes in exchange rates can take the form of appreciation or depreciation. Appreciation occurs when the domestic currency strengthens against foreign currencies. For example, if the rupiah exchange rate changes from Rp16,500 per US dollar to Rp15,500 per US dollar, the rupiah appreciates because fewer rupiah are needed to purchase one US dollar. This condition makes imported goods cheaper, but can reduce export competitiveness because domestic products become relatively more expensive for foreign consumers (Mankiw, 2021).

Conversely, depreciation occurs when the domestic currency weakens against foreign currencies. For example, the rupiah exchange rate changes from Rp15,500 per US dollar to Rp16,500 per US dollar. In this condition, domestic products become cheaper for foreign buyers, potentially increasing exports. However, depreciation can also increase the cost of importing raw materials and capital goods used in the production process, potentially increasing production costs and inflation (Salvatore, 2021).

In the context of Indonesian halal exports, rupiah depreciation can provide a competitive advantage by making Indonesian halal products more affordable in the global market. However, this benefit may be diminished if the halal industry remains dependent on imported raw materials or technology, the costs of which increase due to the weakening exchange rate.

The dynamics of the rupiah exchange rate become increasingly relevant to study as pressure on the domestic currency increases in the 2025–2026 period. Bank Indonesia Transaction Exchange Rate Data shows that the rupiah exchange rate against the US dollar was around Rp17,500 per US dollar in May 2026. This condition reflects increasing external pressure and global economic uncertainty, which impact the stability of the rupiah exchange rate. This exchange rate depreciation is important to analyze because it has the potential to impact the competitiveness of Indonesian exports, including halal product exports, a strategic sector in Indonesia's international trade.

#### c. Factors Influencing the Exchange Rate

The exchange rate is influenced by various economic factors, both domestic and international. According to Krugman et al. (2022), several key factors influencing exchange rate movements include:

##### 1. Inflation Rate

Countries with lower inflation rates tend to have stronger currencies than countries with high inflation. High inflation causes domestic goods prices to rise, thus reducing product competitiveness and tending to weaken the currency.

## 2. Interest Rates

Changes in interest rates influence international capital flows. Higher interest rates can attract foreign investment, thereby increasing demand for the domestic currency and encouraging exchange rate appreciation.

## 3. Trade Balance

The trade balance reflects the difference between the value of exports and imports. A trade surplus tends to increase demand for the domestic currency because foreign buyers need the country's currency for transactions, while a trade deficit can cause the exchange rate to weaken.

## 4. International Capital Flows

The inflow of foreign direct investment (FDI) and portfolio investment can increase demand for the domestic currency, thereby strengthening the exchange rate. Conversely, capital outflows from a country can cause currency depreciation.

## 5. Economic Conditions and Political Stability

Strong economic growth and stable political conditions tend to increase investor confidence in a country. Conversely, economic and political uncertainty can encourage capital outflows, leading to a weakening exchange rate.

## 6. Monetary Policy and Central Bank Intervention

Central banks can influence exchange rates through interest rate policy, foreign exchange reserve management, and intervention in the foreign exchange market. In Indonesia, Bank Indonesia plays a role in maintaining the stability of the rupiah exchange rate to support national economic stability.

Based on this theory, the exchange rate is a variable that has a significant influence on international trade activity. Changes in the exchange rate, particularly rupiah depreciation, can impact the competitiveness of Indonesian halal exports through both price mechanisms and production costs. Therefore, exchange rate theory is an important foundation for analyzing the relationship between rupiah depreciation and the competitiveness of Indonesian halal exports.

## Export Competitiveness Theory

### a. The Concept of Competitiveness

Competitiveness is the ability of a country, industry, or company to sustainably produce and market products that can compete in the international market. In the context of international trade, export competitiveness indicates a product's ability to maintain and increase its market share amidst global competition. Products with high competitiveness are generally able to offer competitive prices, good quality, and meet the needs and preferences of international consumers (Porter, 2020).

According to the World Economic Forum (2023), competitiveness is determined not only by production efficiency but also by innovation, quality human resources, infrastructure, and a supportive business environment. Therefore, increasing competitiveness is an important strategy for developing countries to strengthen their position in international trade and increase economic growth.

From an international trade perspective, export competitiveness plays a crucial role because it determines a country's ability to capitalize on global market opportunities. The higher the competitiveness of a product, the greater the chance that it will be accepted by international consumers and increase the export value of the country of origin (Salvatore, 2021).

### b. Product Price and Quality as Determinants of Competitiveness

Product price and quality are two key factors influencing export competitiveness. Competitive prices can increase interest from foreign consumers because products become more affordable compared to competitors' products. Under certain conditions, changes in exchange rates can impact a product's price competitiveness. For example, when the rupiah depreciates, the price of Indonesian

products in foreign currencies becomes cheaper, potentially increasing export demand (Krugman et al., 2022).

However, competitiveness is not solely determined by price. Product quality is also a crucial factor in winning the competition in the global market. International consumers are increasingly paying attention to aspects of quality, safety, production standards, sustainability, and product certification. High-quality products tend to have greater added value and are able to maintain consumer loyalty despite intense price competition (Porter, 2020).

In the halal industry, product quality is measured not only by physical and functional aspects but also by compliance with halal standards. Halal certification is one quality indicator that can increase consumer trust and strengthen the competitiveness of Indonesian halal products in the international market. Thus, the combination of competitive prices and guaranteed quality is a crucial factor in increasing the competitiveness of Indonesian halal exports.

### c. Comparative Advantage and Competitive Advantage

The theory of comparative advantage was first proposed by David Ricardo, who explained that a country will benefit from international trade if it focuses production on goods that can be produced at a relatively lower cost than other countries. Comparative advantage indicates a country's ability to produce goods or services more efficiently based on its existing resources (Salvatore, 2021).

In the Indonesian context, the availability of abundant natural resources, a large Muslim population, and a growing national halal ecosystem can provide sources of comparative advantage in developing the halal industry. This potential provides an opportunity for Indonesia to become one of the largest producers and exporters of halal products in the world.

In addition to comparative advantage, the concept of competitive advantage proposed by Porter emphasizes that competitiveness is determined not only by resource factors, but also by the ability to create innovation, improve quality, production efficiency, and develop superior business strategies. Competitive advantage is dynamic and can be developed through technology investment, human resource development, brand development, and product quality improvement (Porter, 2020).

For the Indonesian halal industry, competitive advantage can be realized through strengthening halal certification, product innovation, improving production quality, utilizing digital technology, and expanding international market access. By combining comparative and competitive advantages, Indonesia has a greater opportunity to increase the competitiveness of halal exports in the global market.

Based on this theory, export competitiveness is the ability of a product to compete and maintain its position in the international market, influenced by price, quality, and a country's inherent competitive advantages. In this study, the export competitiveness theory is used to explain how rupiah depreciation can affect the ability of Indonesian halal products to compete in the global market through changes in relative product prices and other supporting factors.

## Halal Industry and Exports

### a. Halal Industry Concept

The halal industry is an economic sector that produces goods and services in accordance with Islamic Sharia principles, including in production, distribution, marketing, and consumption. The concept of halal relates not only to the halalness of raw materials but also encompasses aspects of safety, hygiene, quality, and ethics throughout the entire production chain. Therefore, the halal industry has developed into an economic ecosystem encompassing various sectors, such as food and beverages, cosmetics, pharmaceuticals, Muslim fashion, halal tourism, and Islamic financial services (DinarStandard, 2024).

According to Law Number 33 of 2014 concerning Halal Product Assurance, a halal product is a product that has been declared halal in accordance with Islamic Sharia. Halal certification is an important instrument in ensuring consumer confidence in products circulating in the market. As its development progresses, the halal industry is not only aimed at Muslim consumers but also attracts non-Muslim consumers due to its perceived higher standards of quality, hygiene, and safety (Ministry of Industry, 2024).

The halal industry is currently one of the fastest-growing economic sectors in the world. The growth of the global Muslim population, increasing awareness of the halal lifestyle, and the development of international trade have driven increased demand for various halal products in the global market (DinarStandard, 2024).

#### b. Indonesian Halal Products

Indonesia has significant potential for halal industry development, supported by the world's largest Muslim population and abundant natural resources. Indonesian halal products have developed across various sectors and are beginning to demonstrate considerable competitiveness in the international market.

One leading sector is the halal food and beverage industry, which is the largest contributor to the national halal ecosystem. Furthermore, Indonesia also has significant potential in the halal cosmetics industry, which is gaining popularity due to growing consumer awareness of the safety and halal nature of cosmetic products. In the Muslim fashion sector, Indonesia is known as a center for the development of modern Muslim clothing that combines Sharia values with global fashion trends. Meanwhile, the halal pharmaceutical sector is also showing positive developments in line with the increasing public demand for health products that comply with Sharia principles (Ministry of Industry, 2024).

The government continues to promote the competitiveness of Indonesian halal products by strengthening halal certification, developing halal industrial areas, and expanding export market access. These efforts are expected to establish Indonesia as a global hub for the halal industry and increase the contribution of halal exports to the national economy.

#### c. Global Halal Market Opportunities

The global halal market is one of the fastest-growing markets in the world. The increasing Muslim population, projected to reach nearly 30 percent of the world's population in the coming decades, is a major factor driving the growth in demand for halal products. Furthermore, consumer awareness of product quality, safety, and sustainability is increasing the appeal of halal products in various countries (State of the Global Islamic Economy Report, 2024).

The State of the Global Islamic Economy report shows that global consumption of halal products continues to increase annually, spanning the food, cosmetics, pharmaceuticals, Muslim fashion, media, and halal tourism sectors. Countries such as Saudi Arabia, the United Arab Emirates, Malaysia, Turkey, and Indonesia are key markets and important producers in the global halal industry (DinarStandard, 2024).

For Indonesia, the development of the global halal market presents a strategic opportunity to increase exports and strengthen its position in international trade. With a large Muslim population, support for halal regulations, and adequate resources, Indonesia has the potential to become a global hub for halal production and export. However, to take advantage of these opportunities, it is necessary to improve product quality, innovation, production efficiency, and strengthen competitiveness in the international market.

## . Islamic International Economic Perspective

#### a. Trade in Islam

Trade is one of the economic activities highly recommended in Islam. Since the time of the Prophet Muhammad (peace be upon him), trade has been an important means of meeting the necessities of life, improving the welfare of society, and strengthening relations between regions and nations. Islam views trade as a permissible activity as long as it is conducted based on the principles of honesty, justice, mutual consent, and does not contain elements prohibited by sharia such as usury, gharar, gambling, or fraud (Karim, 2020).

The main basis for the permissibility of trade in Islam is found in the words of Allah SWT in Surah Al-Baqarah, verse 275:

ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا<sup>ا</sup>

"Allah has permitted buying and selling and prohibited usury." (QS. Al-Baqarah: 275)

This verse shows that Islam provides ample scope for trade activities as a means of gaining profit and improving economic prosperity. Therefore, international trade can be viewed as a form of transaction that is permissible as long as it is carried out in accordance with Sharia principles.

In the modern economic context, international trade not only serves as a means of exchanging goods and services, but also as an instrument for increasing economic growth, expanding markets, and creating social prosperity. Islam views trade activities as part of human endeavors to utilize the resources bestowed by Allah SWT to achieve shared prosperity (Chapra, 2021).

b. The Principle of Justice (Al-'Adl)

Justice (al-'adl) is one of the fundamental principles of the Islamic economic system. All economic activities, including international trade, must be carried out fairly without harming any party. Justice in trade includes honesty in transactions, transparency of information, fair pricing, and protection of the rights and obligations of all parties involved (Chapra, 2021).

The principle of justice aims to create a balance between individual interests and societal interests. In international trade, justice can be achieved through trade practices that are non-exploitative and non-discriminatory, and provide proportional benefits to all parties. Therefore, export and import activities are not solely oriented towards economic profit but also consider ethical and social welfare aspects.

In the context of this research, the increase in halal exports due to the rupiah depreciation must remain oriented towards the principle of justice, namely, not giving rise to practices that harm producers, consumers, or trading partner countries.

c. The Concept of Maslahah

Maslahah refers to everything that brings benefits and prevents harm to society. In Islamic economics, economic policies and business activities must be directed towards achieving public welfare and upholding the objectives of sharia (maqasid syariah), namely safeguarding religion, life, intellect, lineage, and property (Auda, 2021).

The concept of maslahah is an important foundation for economic decision-making because Islam considers not only material benefits but also the social and moral impacts they generate. Therefore, international trade that increases public income, expands employment opportunities, and stimulates economic growth can be categorized as a beneficial activity.

In the context of Indonesian halal exports, increasing the competitiveness of halal products in the global market is expected to not only generate economic benefits but also benefit the wider community through improved welfare, employment, and strengthening the national economy.

## METHOD

This research employed a qualitative approach using a literature review. This method was chosen because the research aimed to analyze and synthesize various scientific findings regarding the relationship between rupiah exchange rate depreciation, halal export competitiveness, and the principles of Islamic international economics. Literature review enables researchers to identify patterns, trends, and research gaps that have developed in the literature, thus generating a more comprehensive conceptual understanding (Snyder, 2019; Paul & Criado, 2020).

The approach used was a narrative literature review using thematic synthesis techniques. This approach integrates various empirical and conceptual research findings relevant to the research topic. According to Xiao and Watson (2019), a narrative review is an effective method for building a conceptual framework and developing a theoretical understanding of a still-developing phenomenon.

The research data sources consisted of secondary data obtained from reputable national and international journal articles, scientific proceedings, official institutional reports, and academic books relevant to the themes of exchange rates, international trade, the halal industry, and Islamic economics. The literature used prioritized publications from 2022–2025 to ensure the information was up-to-date and relevant to the latest developments in the global halal industry. Furthermore, several classic works in international economics and Islamic economics were retained as the primary theoretical foundation.

The literature collection process involved identifying, selecting, and evaluating sources. During the identification stage, researchers searched for articles using keywords such as exchange rate, rupiah

depreciation, halal export, halal industry, export competitiveness, and Islamic international economics. The selection phase was conducted by considering topic suitability, publication quality, and their contribution to the research objectives. Next, the selected literature was evaluated and categorized into several main themes: exchange rate depreciation, export competitiveness, the halal industry, and the Islamic international economic perspective.

Data analysis was conducted using thematic analysis techniques as proposed by Braun and Clarke (2022). The analysis involved grouping research findings into specific themes, identifying relationships between variables, and synthesizing the findings to obtain conceptual patterns explaining the relationship between rupiah depreciation and Indonesia's halal export competitiveness. The synthesis results are then interpreted using an Islamic international economic perspective that emphasizes the principles of *maalahah*, *al-'adl*, and *tawazun* as the normative foundations for international trade activities.

Through this approach, this study not only describes the phenomena that occur but also develops a conceptual model explaining how rupiah depreciation can impact the competitiveness of Indonesian halal exports by strengthening the national halal industry and achieving the objectives of *maqasid sharia* in the context of global trade.

## RESULTS AND DISCUSSION

### The Condition of the Rupiah and Indonesia's International Trade

The rupiah exchange rate is a macroeconomic variable that plays a strategic role in determining Indonesia's international trade performance. In recent years, the rupiah's exchange rate has fluctuated, influenced by various factors, such as changes in global interest rate policies, inflationary pressures, geopolitical uncertainty, and the dynamics of international capital flows. As a country that implements a managed floating exchange rate system, the stability of the rupiah is a critical concern because it is directly related to national economic competitiveness and foreign trade activity.

In international economic theory, changes in exchange rates affect the relative prices of goods and services traded between countries. When the rupiah depreciates against the US dollar, Indonesian products become relatively cheaper for foreign consumers, potentially increasing export demand. Conversely, imported goods become more expensive for domestic consumers and producers. This mechanism explains why the exchange rate is often considered an instrument influencing a country's export competitiveness (Salvatore, 2023).

This situation is also evident in various studies that highlight the relationship between the exchange rate and Indonesia's export performance. Saragih (2016) explained that rupiah depreciation tends to increase the trade surplus by improving the price competitiveness of export products. Similar findings were also demonstrated by Rosyida and Yuliani (2024), who found that the exchange rate had a significant positive effect on Indonesian halal product exports. Research by Widyastuti, Zulaikah, and Budimansyah (2024) further strengthens this argument by showing that rupiah depreciation contributes to increased halal product exports over a period of time.

However, the relationship between rupiah depreciation and increased exports is not always linear. A literature synthesis indicates that the benefits of rupiah depreciation are significantly influenced by the structure of the domestic industry. Industries that are highly dependent on imported raw materials tend to face increased production costs when the exchange rate weakens. This condition causes some of the benefits gained from increased price competitiveness to be reduced due to increased production input costs. In other words, rupiah depreciation can have different impacts on each economic sector depending on its level of dependence on imports.

In the context of Indonesia's international trade, this phenomenon becomes increasingly important when linked to the development of the halal industry. Indonesia has significant potential as a halal product exporter given its large Muslim population, the availability of natural resources, and the development of the national halal ecosystem. However, increasing the competitiveness of halal exports is determined not only by the exchange rate, but also by product quality, halal certification, production capacity, and the industry's ability to meet global market standards (Hidayatullah et al., 2023; Ardiansyah et al., 2023).

Therefore, rupiah exchange rate fluctuations need to be understood not only as a monetary phenomenon but also as a factor that can create both opportunities and challenges for the development of Indonesian halal exports. From this perspective, exchange rate stability is crucial for maintaining a balance between increasing export competitiveness, the sustainability of domestic production activities, and strengthening Indonesia's position in the increasingly competitive global halal market.

**Table 1. Previous Research Synthesis Table**

No	Researchers	Research Object	Method	Key Findings
1	Saragih (2016)	Rupiah depreciation and Indonesian trade	Qualitative descriptive analysis	Rupiah depreciation tends to encourage a trade surplus and increase export competitiveness, although it has an impact on increasing import costs.
2	Hidayatullah, Ihsan, & Ningsih (2023)	Indonesia's halal industry and halal product exports	Secondary data analysis 2015–2021	The halal industry has a positive contribution to increasing exports of Indonesian halal products.
3	Ardiansyah, Lubis, & Rahmani (2023)	Halal industry, exports, and Indonesia's economic growth	Quantitative verification	The halal industry strengthens economic growth by increasing exports.
4	Rosyida & Yuliani (2024)	Macroeconomic factors and halal certification on Indonesia's halal exports	ARDL	The exchange rate has a significant positive effect on Indonesian halal product exports, while halal certification is not significant in the short term.
5	Lubis & Sekarningsih (2024)	Determinants of Indonesia's halal food exports	ARDL	Economic and capital openness are important factors in increasing Indonesia's halal exports.
6	Widyastuti, Zulaikah, & Budimansyah (2024)	Exchange rate, inflation, and exports of Indonesian halal products	Multiple linear regression	The rupiah exchange rate has a positive impact on Indonesian halal product exports.
7	Irwandi et al. (2025)	Competitiveness of Indonesian halal food exports	RCA & DRCA	Indonesia's halal food exports demonstrate a growing comparative advantage in the international market.
8	Faisal & Apriliadi (2021)	Accelerating Indonesian halal MSME exports	Delphi	The success of halal exports is influenced by human resource readiness, policy support, certification, and global market access..

Based on the synthesis of previous research in Table X, it can be seen that the relationship between exchange rate depreciation and increased export competitiveness is an issue that has been widely discussed in both international and Islamic economics literature. In general, most studies indicate that a weakening domestic exchange rate can provide a competitive advantage for export products by lowering their relative prices in international markets.

Research by Saragih (2016) indicates that rupiah depreciation tends to increase Indonesia's trade surplus and export competitiveness, although it can also increase import costs. This finding aligns with research by Rosyida and Yuliani (2024) and Widyastuti, Zulaikah, and Budimansyah (2024), which found that the rupiah exchange rate positively influences the increase in Indonesian halal product exports. These research findings indicate that rupiah depreciation remains a key macroeconomic instrument in boosting national export performance.

However, the synthesis also indicates that the increase in halal exports is not solely determined by the exchange rate. Hidayatullah, Ihsan, and Ningsih (2023) found that the development of the halal industry has a positive contribution to increasing Indonesian halal product exports. This finding is supported by Ardiansyah, Lubis, and Rahmani (2023), who stated that the halal industry contributes to economic growth through increased export activity. Therefore, the competitiveness of halal exports is

influenced not only by external factors such as exchange rate fluctuations, but also by the strength of the domestic halal sector itself.

Furthermore, research by Lubis and Sekarningsih (2024) indicates that economic openness and capital availability are important factors influencing Indonesia's halal food exports. Meanwhile, Irwandi et al. (2025) found that Indonesian halal food products have a growing comparative advantage in the international market. These findings indicate that successful halal exports require the support of a strong industrial structure, high productivity, and the ability to maintain a competitive advantage in the global market.

In addition to macroeconomic factors and industrial capacity, the success of halal exports is also influenced by institutional and human resource aspects. Faisal and Apriliadi (2021) emphasized that human resource readiness, government policy support, halal certification, and global market access are key factors in accelerating Indonesian halal SME exports. These results indicate that increasing the competitiveness of halal exports requires a more comprehensive approach than simply relying on exchange rate depreciation.

Based on the overall synthesis of the results, this study identifies that rupiah depreciation is a supporting factor for increasing the competitiveness of Indonesian halal exports, but not the sole determinant. The effectiveness of rupiah depreciation is highly dependent on the quality of the national halal industry, capital availability, innovation capacity, halal certification, government policy support, and access to international markets. Therefore, increasing the competitiveness of Indonesian halal exports must be understood as the result of the interaction between macroeconomic factors and the fundamental factors of the halal industry.

From an Islamic international economic perspective, these findings demonstrate that the success of halal exports is not solely measured by increased trade volume or economic profits, but also by the ability to create welfare (*maslahah*), justice (*al-'adl*), and balance (*tawazun*) for all stakeholders. Therefore, rupiah depreciation should be viewed as a strategic opportunity that needs to be supported by strengthening the halal industry ecosystem so that the resulting economic benefits can contribute to the achievement of sustainable Islamic economic development goals.

### **Positive Impact of Rupiah Depreciation on Halal Exports**

Based on international trade theory, exchange rate depreciation can increase the competitiveness of domestic products by lowering the relative price of exported goods in the global market. When the rupiah weakens against foreign currencies, Indonesian products become cheaper for foreign consumers, potentially increasing export demand. Under these conditions, exporters gain a competitive advantage because they can offer products at more attractive prices than competing countries with stronger exchange rates.

A synthesis of previous research indicates that the relationship between exchange rate depreciation and increased exports also applies to Indonesia's halal sector. Rosyida and Yuliani (2024) found that the exchange rate had a significant positive effect on Indonesian halal product exports. Similar findings were obtained by Widyastuti, Zulaikah, and Budimansyah (2024), who showed that rupiah depreciation contributed to increased halal product exports. These results indicate that rupiah depreciation remains a factor that can drive the competitiveness of Indonesian halal products in the international market.

This opportunity is becoming increasingly important given the continued growth trend of the global halal market. Hidayatullah, Ihsan, and Ningsih (2023) explain that the development of the halal industry has positively contributed to increasing Indonesian halal product exports. These findings indicate that the benefits of rupiah depreciation will be more optimal if supported by strong halal industry growth, improved product quality, and the ability to meet international halal standards.

In addition to increasing export volume, rupiah depreciation also has the potential to expand international market access for Indonesian halal products. Halal food products, halal cosmetics, Muslim fashion, and halal pharmaceuticals have greater opportunities to compete in various countries with large Muslim populations as well as non-Muslim countries that show increasing demand for halal products. In this context, the price competitiveness generated by rupiah depreciation can be a supporting instrument for expanding Indonesia's market share globally.

However, a literature synthesis shows that the increase in halal exports is not solely determined by changes in the exchange rate. Research by Irwandi et al. (2025) found that the competitiveness of Indonesian halal food exports is also influenced by the comparative advantages of national products. Meanwhile, Faisal and Apriliadi (2021) emphasized the importance of halal certification support, human resource quality, and international market access in driving the success of halal exports. Thus, rupiah depreciation can be viewed as a driving factor strengthening the competitiveness of halal exports, but its effectiveness is highly dependent on the fundamental strength of the national halal industry.

Based on this analysis, it is clear that rupiah depreciation presents a strategic opportunity for increasing Indonesian halal exports by improving price competitiveness and expanding international markets. However, this opportunity can only be optimally utilized if supported by strengthening product quality, halal certification, production capacity, innovation, and the sustainable development of the national halal ecosystem.

### **Negative Impact of Rupiah Depreciation on the Halal Industry**

While rupiah depreciation has the potential to increase the competitiveness of Indonesian halal exports, it also poses various challenges to the sustainability of the national halal industry. One of the most significant impacts is the increased cost of importing raw materials, production machinery, technology, and various supporting components still used by some halal industry players. When the rupiah exchange rate weakens against foreign currencies, companies' costs to acquire imported production inputs increase, thereby increasing overall operational costs.

This phenomenon demonstrates that the benefits of rupiah depreciation on exports are not always accompanied by increased corporate profits. In many cases, increased production costs due to the high cost of imported raw materials can reduce profits derived from increased export volume. This is particularly true in industrial sectors with a high dependence on imported raw materials and technology. Therefore, the impact of rupiah depreciation on the halal industry cannot be simply understood as a factor that always benefits the export sector.

The synthesis of previous research indicates that halal export competitiveness is influenced not only by changes in the exchange rate but also by fundamental industry factors. Lubis and Sekarningsih (2024) found that economic openness and capital availability play a crucial role in increasing Indonesia's halal food exports. These findings indicate that the industry's ability to access production resources is a determining factor in export success. As the rupiah depreciation increases the cost of importing raw materials and capital goods, the industry's ability to maintain productivity and efficiency becomes increasingly crucial.

In addition to increasing production costs, rupiah depreciation also has the potential to generate inflationary pressure through rising prices of imported goods. Rising inflation can lead to higher distribution, logistics, and operational costs for companies, increasing the production burden borne by businesses. In the long term, this condition can reduce the competitiveness of the halal industry if not balanced by increased efficiency, innovation, and strengthening the domestic supply chain.

Another challenge that needs to be considered is the risk of declining industry capacity for business expansion. Rising prices of imported machinery and technology can hinder investment and modernization of production processes, which are needed to improve the quality of Indonesian halal products in the global market. In fact, research by Faisal and Apriliadi (2021) shows that the success of halal exports is determined not only by price factors, but also by the quality of human resources, policy support, halal certification, and the ability to meet international market standards.

Based on this analysis, it is clear that the rupiah depreciation has complex consequences for the Indonesian halal industry. On the one hand, a weakening exchange rate increases the price competitiveness of export products. However, on the other hand, the rising cost of imported raw materials, inflationary pressures, and high investment costs can reduce the benefits the industry derives. Therefore, strengthening the use of local raw materials, developing domestic supporting industries, and increasing production efficiency are important strategies to minimize the negative impact of rupiah depreciation on the national halal industry.

### **Critical Synthesis: Rupiah Depreciation as an Opportunity and Risk for Halal Exports**

The literature synthesis indicates that rupiah depreciation presents both opportunities and risks for the development of Indonesian halal exports. On the one hand, a weakening exchange rate increases the price competitiveness of Indonesian products in the international market, potentially driving increased exports. This finding aligns with research by Rosyida and Yuliani (2024) and Widyastuti, Zulaikah, and Budimansyah (2024), which showed that the exchange rate has a positive effect on Indonesian halal product exports.

On the other hand, rupiah depreciation also increases the cost of importing raw materials, production machinery, and technology, which are still needed by some parts of the national halal industry. This situation can increase production costs and reduce profits derived from increased exports. These findings indicate that the benefits of rupiah depreciation are not always optimally felt by all industry players.

Furthermore, research by Hidayatullah, Ihsan, and Ningsih (2023) and Lubis and Sekarningsih (2024) shows that the success of halal exports is determined not only by the exchange rate, but also by the strength of the halal industry, the availability of capital, and the ability to capitalize on global market opportunities. Therefore, the impact of rupiah depreciation on halal exports is highly dependent on the fundamental conditions of the domestic industry.

Based on these synthesized results, this study argues that rupiah depreciation is a supporting factor in increasing the competitiveness of Indonesian halal exports, not the primary determinant. Therefore, the benefits of rupiah depreciation need to be supported by strengthening the halal industry, increasing the use of local raw materials, and developing a sustainable halal ecosystem.

### **Islamic International Economic Perspective**

From an Islamic international economic perspective, the success of international trade is measured not only by increased export volume or foreign exchange earnings, but also by its ability to create welfare (*maslahah*), justice (*al-'adl*), and balance (*tawazun*) in economic activity. Therefore, the increase in halal exports due to the rupiah depreciation must be assessed not only in terms of its economic benefits but also in terms of its impact on societal welfare and sustainable economic development.

The discussion shows that rupiah depreciation can increase the competitiveness of Indonesian halal exports by lowering the relative price of products in the international market. From a *maslahah* perspective, this situation can create an opportunity to increase business income, expand employment, and encourage the growth of the national halal sector. This view aligns with the thinking of Muhammad Umer Chapra, who emphasized that economic activity should be directed towards improving the welfare of society as a whole.

However, Islamic economics also emphasizes the importance of the principle of *al-'adl* (justice). The benefits derived from increased exports should not be enjoyed solely by certain groups but should have a broader impact on businesses, workers, and society. Therefore, strengthening the national halal industry needs to be accompanied by policies that support equitable distribution of economic benefits and the development of inclusive halal businesses.

Furthermore, the principle of *tawazun* (balance) dictates that increased exports must be balanced with strengthening domestic production capacity and reducing dependence on imported raw materials. This balance is crucial so that the benefits of rupiah depreciation are not merely short-term but also contribute to the sustainable competitiveness of the halal industry. In this context, the success of Indonesian halal exports is determined not only by changes in the exchange rate but also by the ability to build a strong and globally competitive halal ecosystem.

Therefore, the Islamic international economic perspective views rupiah depreciation as an opportunity that can be exploited to increase halal exports, as long as it is directed towards achieving *maslahah* (beneficial welfare), *al-'adl* (adl), and *tawazun* (balance). This approach demonstrates that the primary goal of international trade in Islam is not merely to gain economic profit, but also to achieve sustainable societal welfare and prosperity.

### **Conceptual Model of Halal Export Competitiveness from an Islamic International Economic Perspective**

The conceptual model in this study is based on a synthesis of various previous studies discussing the relationship between exchange rates, export competitiveness, the halal industry, and Islamic economic principles. Research by Saragih (2016), Rosyida and Yuliani (2024), and Widyastuti, Zulaikah, and Budimansyah (2024) indicates that rupiah exchange rate depreciation has a positive impact on increasing exports, including exports of Indonesian halal products. These findings indicate that a weakening exchange rate can increase the price competitiveness of domestic products in the international market.

However, the increase in halal exports is not solely determined by the exchange rate. Hidayatullah, Ihsan, and Ningsih (2023) found that the development of the halal industry positively contributed to the increase in Indonesian halal product exports. This finding is supported by Ardiansyah, Lubis, and Rahmani (2023), who stated that the halal industry plays a role in strengthening economic growth through export activities. Thus, the competitiveness of halal exports is influenced by the strength of the national halal industry ecosystem, in addition to macroeconomic factors.

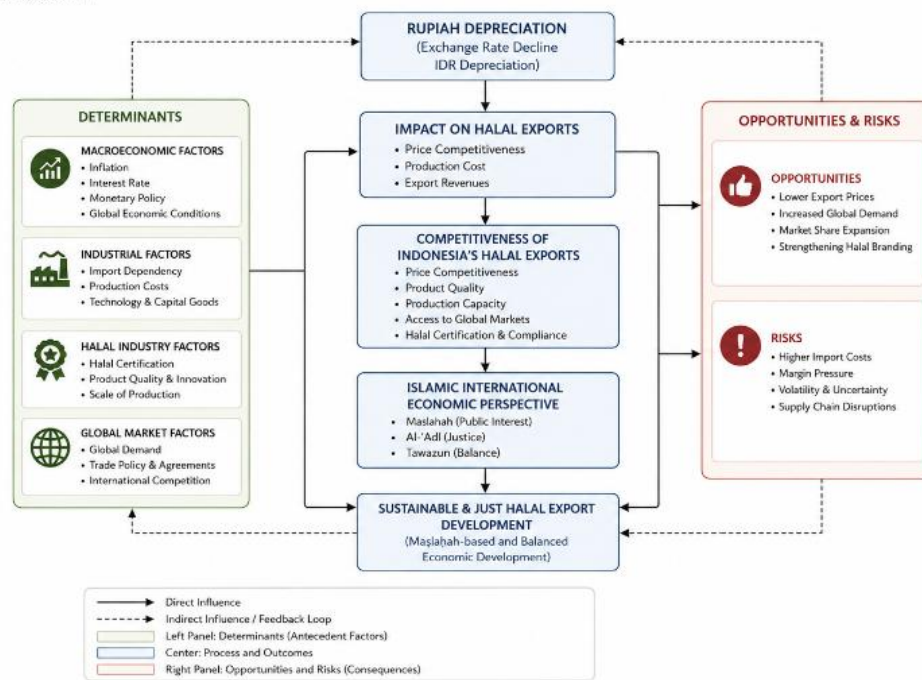
Furthermore, research by Lubis and Sekarningsih (2024) indicates that economic openness and capital are important factors in increasing Indonesia's halal food exports. Meanwhile, Irwandi et al. (2025) found that Indonesian halal food products have a growing comparative advantage in the international market. These research findings indicate that successful halal exports require support from productivity, production capacity, product quality, and the ability to maintain a competitive advantage in the global market.

In addition to economic and industrial factors, Faisal and Apriliadi (2021) emphasize that halal certification, quality human resources, government policy support, and international market access are strategic factors in accelerating Indonesia's halal exports. Therefore, the success of halal exports cannot be explained solely by changes in exchange rates, but must be understood as the result of the interaction of various mutually supporting factors.

From an Islamic economic perspective, international trade activities are not only oriented towards increasing economic profits but must also achieve welfare (*maslahah*), justice (*al-'adl*), and balance (*tawazun*). According to Muhammad Umer Chapra (2000), Islamic economic development should be directed at improving overall human welfare through the equitable distribution of benefits. This view is reinforced by Nejatullah Siddiqi (2001), who emphasized that economic activity must be able to create a balance between individual and social interests.

Based on this synthesis, this study proposes that the relationship between rupiah depreciation and Indonesia's halal export competitiveness is mediated by the strength of the national halal industry, including halal certification, product quality, production capacity, and global market access. Furthermore, all halal export activities should be directed toward achieving the objectives of *maqasid sharia* through the realization of *maslahah*, *al-'adl*, and *tawazun*. This model offers an integration of conventional international economic approaches and Islamic economics to more comprehensively explain Indonesia's halal export competitiveness.

Figure 1. Conceptual Framework: The Impact of Rupiah Depreciation on the Competitiveness of Indonesia's Halal Exports in the Perspective of Islamic International Economics



Source: Authors' Elaboration.

Figure 1. Conceptual Model of Halal Export Competitiveness in the Perspective of Islamic International Economics

Unlike previous studies that generally analyzed the influence of the exchange rate or the development of the halal industry partially, this study offers an integrative conceptual framework that links rupiah depreciation, halal export competitiveness, fundamental factors of the halal industry, and the maqasid sharia within a single analytical model. Thus, this study makes a conceptual contribution to the development of Islamic international economic studies, particularly in explaining the competitiveness of Indonesian halal exports in the global market.

## CONCLUSION

The results indicate that rupiah depreciation has the potential to increase the competitiveness of Indonesian halal exports by increasing product price competitiveness in the international market. However, this benefit is not automatic because the weakening exchange rate also increases the cost of importing raw materials, capital goods, and technology, which are still needed by some parts of the national halal industry. Therefore, the effect of rupiah depreciation on Indonesian halal exports depends on the fundamental strength of the industry, particularly the level of use of local raw materials, production efficiency, and the ability to maintain competitiveness in the global market.

From an Islamic international economic perspective, the success of halal exports is measured not only by increasing trade volume and economic profits, but also by their ability to realize welfare, justice, and balance. Therefore, the development of Indonesian halal exports requires support from strengthening the halal industry ecosystem, increasing domestic added value, and policies that promote sustainable public welfare. These findings confirm that rupiah depreciation is a supporting factor, not a primary determinant, in increasing the competitiveness of Indonesian halal exports.

## REFERENCES

- Auda, J. (2021). *Maqasid Al-Shariah as Philosophy of Islamic Law: A Systems Approach*. London: The International Institute of Islamic Thought.
- Bank Indonesia. (2024). *Indonesian Economic Report 2024*. Jakarta: Bank Indonesia.
- Booth, A., Sutton, A., & Papaioannou, D. (2021). *Systematic Approaches to a Successful Literature Review*. Sage Publications.

- Braun, V., & Clarke, V. (2022). *Thematic Analysis: A Practical Guide*. Sage Publications.
- Chapra, M. U. (2008). *The Islamic vision of development in the light of maqasid al-shariah*. Islamic Research and Training Institute, Islamic Development Bank. <https://isdbinstitute.org/product/the-islamic-vision-of-development-in-the-light-of-the-maqasid-al-shariah/>
- Chapra, M. U. (2021). *Islam and the Economic Challenge*. Leicester: The Islamic Foundation.
- Chapra, M. U. (2021). *Islam and the economic challenge*. The Islamic Foundation.
- DinarStandard. (2024). *State of the global Islamic economy report 2024/2025*. DinarStandard. <https://www.dinarstandard.com/post/sgier-2024-25>
- Faisol Riza. (2025). *Statement by the Deputy Minister of Industry on the Export Performance of the Indonesian Halal Industry*. (VOI)
- Hidayatullah, M., Rahman, A., & Fauzi, M. (2023). Competitiveness of Indonesian halal products in international trade. *Journal of Islamic Economics*, 15(2), 112–128.
- Karim, A. A. (2020). *Islamic Macroeconomics*. Depok: Rajawali Pers.
- Ministry of Religious Affairs of the Republic of Indonesia. (2022). *The Qur'an and Its Translation*. Jakarta: Lajnah Pentashihan Mushaf Al-Qur'an.
- Ministry of Trade of the Republic of Indonesia. (2024). *Indonesian Halal Product Exports Reach IDR 673.90 Trillion: Potential in Global Trade*. (kemendag.go.id)
- Ministry of Trade of the Republic of Indonesia. (2024). *Report on the Development of Indonesian Halal Product Exports*. Jakarta: Ministry of Trade.
- Ministry of Trade of the Republic of Indonesia. (2024). *Statistics on Indonesian Halal Product Exports in 2024*. Ministry of Trade of the Republic of Indonesia.
- Ministry of Industry of the Republic of Indonesia. (2024). *Development of the National Halal Industry*. Jakarta: Ministry of Industry.
- Krugman, P. R., Obstfeld, M., & Melitz, M. J. (2022). *International Economics: Theory and Policy* (12th ed.). New York: Pearson Education.
- Lubis, A., & Sekarningsih, R. (2024). Analysis of Indonesian halal export opportunities in the global market. *Journal of Islamic Economics and Business*, 10(1), 45–61.
- Mankiw, N. G. (2021). *Principles of Economics* (9th ed.). Boston: Cengage Learning.
- Paul, J., & Criado, A. R. (2020). The art of writing literature review: What do we know and what do we need to know? *International Business Review*, 29(4).
- Porter, M. E. (2020). *The Competitive Advantage of Nations*. New York: Free Press.
- Republic of Indonesia. (2014). *Law Number 33 of 2014 concerning Halal Product Assurance*. Jakarta: State Secretariat.
- Rosyida, N., & Yuliani, S. (2024). The Effect of Halal Certification on the Export Competitiveness of Indonesian Halal Products. *Indonesian Journal of Islamic Economics*, 14(1), 78–94.
- Salvatore, D. (2021). *International Economics*. Hoboken, NJ: John Wiley & Sons.
- Salvatore, D. (2021). *International Economics*. New York: Wiley.
- Siddiqi, M. N. (2006). *Islamic Economics: Current State of Knowledge and Development of the Discipline*. Islamic Development Bank.
- Snyder, H. (2019). Literature Review as a Research Methodology: An Overview and Guidelines. *Journal of Business Research*, 104, 333–339.
- World Economic Forum. (2023). *The Global Competitiveness Report 2023*. Geneva: World Economic Forum.
- World Trade Organization. (2024). *World trade statistical review 2024*. World Trade Organization.

Xiao, Y., & Watson, M. (2019). Guidance on conducting a systematic literature review. *Journal of Planning Education and Research*, 39(1), 93–112.