

Exploring the Synergy between Islamic Banking and Halal Tourism Development in Indonesia: A Qualitative Analysis Using NVivo

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Abstract

*This study explores the synergy between Islamic banking and halal tourism development in Indonesia using a qualitative content analysis approach supported by NVivo software. Halal tourism, a rapidly growing segment of the global travel industry, has been recognized as a key driver of Indonesia's halal economy. At the same time, Islamic banking has demonstrated steady growth and offers financing instruments that align with sharia principles, such as *mudharabah*, *musharakah*, and *qard al-hasan*. Despite this potential, the integration between these two sectors remains underexplored. Drawing on 65 secondary sources, including government policies, academic publications, industry reports, and media coverage, this research identifies three overarching themes: financial support and inclusion, policy and regulatory frameworks, and challenges and sustainability. The findings reveal that Islamic banking plays a critical role in providing sharia-compliant financing and empowering SMEs in the halal tourism sector, while government initiatives offer regulatory backing. However, fragmented policy implementation, infrastructural gaps, low consumer awareness, and limited innovation in Islamic financial products continue to constrain the sector's long-term growth. This study extends the literature by systematically mapping the interrelationship between Islamic banking and halal tourism, offering insights into opportunities and barriers. The results highlight the importance of financial inclusion, policy harmonization, and innovation in building a sustainable halal tourism ecosystem. Recommendations include fostering collaboration between financial institutions, regulators, and industry players to position Indonesia as a global leader in halal tourism.*

Keywords: *Islamic banking, halal tourism, NVivo analysis, financial inclusion, Indonesia*

1. INTRODUCTION

Tourism has become one of the fastest-growing industries in the global economy, accounting for more than 10 percent of global GDP and employing millions of people worldwide (Almeira et al., 2023). Within this context, halal tourism has emerged as a dynamic niche market that caters to the specific needs of Muslim travelers who seek sharia-compliant products and services. According to the Global Muslim Travel Index (GMTI) 2023, the Muslim travel market is projected to reach 230 million travelers by 2028, generating nearly USD 225 billion in spending (Mastercard-CrescentRating, 2023); (Hasan, 2025); (Rahman et al., 2019). This trend demonstrates the increasing economic significance of halal tourism, particularly for Muslim-majority countries. Indonesia, ranked consistently among the top destinations in the GMTI, possesses abundant cultural heritage, natural beauty, and the world's largest Muslim population, making it uniquely positioned to capture this expanding market (Din et al., 2017); (Azam et al., 2019).

Parallel to this development, Islamic banking in Indonesia has shown steady progress as part of the broader Islamic finance ecosystem. Based on data from the Financial Services Authority (OJK), the market share of Islamic banking reached around 7.5 percent in 2024, with total assets surpassing IDR 800 trillion ((OJK), 2024) (Octrina & Mariam, 2021); (Hasan, 2020). While this share remains relatively modest compared to conventional banking, the sector demonstrates strong growth potential supported by government initiatives, digital transformation, and increasing consumer awareness of sharia-compliant finance. Islamic banking instruments such as *mudharabah*, *musharakah*, sukuk financing, and microfinance

schemes not only provide ethical financial alternatives but also have the capacity to support inclusive economic development (Ahmad & Haron, 2021).

The synergy between halal tourism and Islamic banking therefore offers a strategic opportunity for Indonesia to strengthen its position in the global halal economy. Islamic banking can play a critical role in financing tourism-related businesses, enhancing the trust of Muslim travelers, and ensuring that tourism services comply with sharia principles (Hasan et al., 2021). At the same time, the growth of halal tourism generates demand for innovative financial products tailored to the tourism sector, creating a mutually reinforcing relationship (Azam et al., 2019).

Nevertheless, significant challenges remain. Limited financial literacy among small and medium enterprises in the tourism industry, regulatory fragmentation, and insufficient collaboration between stakeholders often constrain the full integration of Islamic banking into halal tourism development (Asad et al., 2021). Moreover, existing academic studies have generally examined Islamic banking and halal tourism separately, without adequately exploring their interconnections. Addressing this research gap is essential for formulating effective strategies that link finance and tourism in a sustainable and sharia-compliant manner (Fahmi, 2019).

This study employs a qualitative content analysis approach to investigate the interrelationship between Islamic banking and halal tourism in Indonesia. Using NVivo software, the research systematically analyzes secondary sources such as government policies, industry reports, scholarly literature, and media coverage. By identifying recurring themes and patterns, the study aims to highlight opportunities, challenges, and pathways for synergy between these two sectors. The findings are expected to provide valuable insights for policymakers, financial institutions, and tourism stakeholders in advancing sustainable economic development and strengthening Indonesia's competitiveness in the global halal economy.

2. REVIEW OF LITERATURE

Halal Tourism

Halal tourism has become one of the most significant segments in the global tourism industry, driven by the growing population of Muslim travelers who seek destinations and services that align with their religious values and lifestyles. It encompasses a wide range of activities and services, including halal-certified food and beverages, sharia-compliant accommodation, prayer facilities, modest entertainment, and the avoidance of non-halal practices such as alcohol consumption and gambling. Beyond religious adherence, halal tourism also reflects broader social and economic values such as inclusivity, cultural sensitivity, and ethical consumption (Battour et al., 2018).

Globally, halal tourism has been recognized as a major contributor to the Muslim economy. Reports such as the Global Muslim Travel Index (GMTI) highlight that Muslim tourist expenditure is projected to reach USD 225 billion by 2028, positioning halal tourism as one of the fastest-growing markets. This trend demonstrates not only its potential for Muslim-majority countries but also its relevance in non-Muslim countries that increasingly provide halal-compliant facilities to attract Muslim travelers (Rahman et al., 2019). In Indonesia, the government has responded to this trend by formulating strategic initiatives such as the Master Plan for Sharia Economy 2019–2024 and the designation of specific provinces—such as West Nusa Tenggara, Aceh, and West Sumatra—as pilot regions for halal tourism (KNEKS, 2024).

Nevertheless, scholars such as (Henderson, 2016) and (El-Gohary, 2016) emphasize that the sustainable development of halal tourism requires more than branding and promotion. It depends heavily on institutional support, regulatory clarity, financial accessibility, and coordinated action among tourism stakeholders. Without robust financing mechanisms, halal

tourism enterprises—particularly small and medium-sized businesses—may face constraints in expanding their operations or improving service quality.

Islamic Banking and Economic Development

Islamic banking, rooted in sharia principles, prohibits interest (*riba*), excessive uncertainty (*gharar*), and investments in prohibited (*haram*) industries, while promoting equity, fairness, and ethical transactions. It offers a range of instruments such as *mudarabah* (profit-sharing), *musharakah* (joint venture partnerships), *murabahah* (cost-plus financing), *ijara* (leasing), *sukuk* (Islamic bonds), and *qard al-hasan* (benevolent loans) (Suharto, 2018). These instruments are not only alternatives to conventional finance but also align with the objectives of sharia (*maqasid al-sharia*), which seek to promote social justice, economic inclusivity, and sustainable development (Dusuki & Abdullah, 2007); (Bedoui & Mansour, 2015).

In the Indonesian context, Islamic banking has experienced remarkable growth over the past two decades. According to the Financial Services Authority (OJK), Islamic banks' assets surpassed IDR 800 trillion in 2024, representing a market share of 7.5 percent in the national banking sector. This growth, although still modest compared to conventional banks, reflects the rising public demand for sharia-compliant financial services. Scholars such as (Ascarya, 2017) highlight the role of Islamic banking in enhancing financial inclusion by reaching underbanked communities, particularly in rural and Muslim-majority regions. Meanwhile, (Dusuki & Abdullah, 2007) argue that Islamic banking contributes not only to economic growth but also to entrepreneurship development, social welfare, and poverty alleviation through its risk-sharing instruments and ethical orientation.

Despite these achievements, the literature also points to several limitations in the development of Islamic banking in Indonesia. Challenges such as limited product innovation, lack of integration with real economic sectors, and relatively low financial literacy among consumers hinder its full potential. The slow market penetration compared to conventional banking suggests that more strategic efforts are needed to strengthen the role of Islamic banks in supporting key industries, including tourism (Koskelainen et al., 2023); (Lusardi & Mitchell, 2014).

Linking Islamic Banking and Halal Tourism

The relationship between Islamic banking and halal tourism is an area of increasing scholarly interest, as both sectors are interlinked within the broader halal economy. Financial support from Islamic banking is essential for the expansion of halal tourism, especially in financing sharia-compliant hotels, halal restaurants, travel agencies, and related infrastructure. (Samori et al., 2016) highlight that Islamic banking products can enhance the competitiveness of halal tourism destinations by ensuring that financial transactions and business operations remain aligned with Islamic principles.

Similarly, (Hati et al., 2020) found that consumer trust in halal tourism services is reinforced when such services are supported by Islamic financial mechanisms. This trust is not only derived from compliance with sharia standards but also from the perception of ethical and transparent financial management. Other studies, such as those by (Henderson, 2016), suggest that access to Islamic finance can help small and medium-sized enterprises in the tourism sector to scale up operations, innovate in service offerings, and attract a broader base of Muslim travelers.

Despite these insights, existing research tends to examine halal tourism and Islamic banking in isolation rather than as interconnected sectors. Much of the scholarship on halal tourism focuses on consumer behavior, service quality, branding, and destination competitiveness, while studies on Islamic banking concentrate on financial performance, inclusion, and regulatory frameworks. Few have systematically explored the mechanisms through which Islamic banking can directly contribute to halal tourism development,

particularly in the Indonesian context. This underexplored nexus represents a promising avenue for further investigation.

Research Gap

The reviewed literature reveals a growing recognition of the importance of halal tourism and Islamic banking as key components of the halal economy. However, their interrelationship remains insufficiently addressed. Previous studies on halal tourism often highlight demand-side issues such as consumer preferences and destination marketing, while studies on Islamic banking focus predominantly on financial inclusion, product development, and regulatory frameworks. Only a limited number of studies have examined how Islamic banking instruments—such as financing packages for tourism enterprises, sukuk for tourism infrastructure, or microfinance for community-based tourism—are practically utilized to support halal tourism development.

Furthermore, most research relies on case studies or conceptual analyses, with relatively few employing systematic qualitative methodologies that analyze a wide spectrum of data sources. In the Indonesian context, where both Islamic banking and halal tourism are national priorities, there is a need for comprehensive research that maps their synergy, identifies key challenges, and highlights strategic opportunities.

This study addresses these gaps by adopting a qualitative content analysis approach supported by NVivo software. By analyzing secondary data from government policies, academic literature, industry reports, and media coverage, the study aims to capture recurring themes and patterns that illustrate the synergy between Islamic banking and halal tourism. This approach not only contributes to filling the academic gap but also provides practical recommendations for policymakers, financial institutions, and tourism stakeholders in strengthening Indonesia’s position within the global halal economy.

3. METHOD

This study adopts a qualitative research design through document-based content analysis. Unlike studies that employ interviews or focus groups, this research relies exclusively on secondary data sources to ensure both breadth and depth of analysis. The dataset includes peer-reviewed journal articles, government policy documents, industry reports, and credible media publications published between 2015 and 2025, focusing on Islamic banking and halal tourism in Indonesia.

To conduct a systematic analysis, NVivo 14 software was used for coding, categorizing, and mapping thematic relationships. The methodological process was carried out in three stages:

- a. Data Collection and Selection – Identifying and curating documents that meet inclusion criteria.
- b. Coding and Categorization – Applying open and axial coding in NVivo to classify recurring themes such as financing mechanisms, policy frameworks, opportunities, and challenges.
- c. Thematic Mapping and Interpretation – Developing conceptual connections and thematic networks to illustrate the synergy between Islamic banking and halal tourism.

Table 1. Research Procedure Using NVivo-based Content Analysis

Stage	Activities	Tools/Criteria	Outcome
Data Collection	Gathering journal articles, policy documents, reports (2015–2025)	Inclusion criteria: relevance, credibility, publication quality	Corpus of 65 selected documents
Data Preparation	Importing into NVivo 14	Document classification by type and source	Organized database
Coding	Open and axial coding	NVivo nodes and categories	Identified recurring themes

Thematic Analysis	Building thematic networks	Query and visualization tools in NVivo	Key patterns and relationships
Interpretation	Synthesizing results	Triangulation of sources	Insights on synergy between Islamic banking and halal tourism

By employing this structured approach, the study ensures methodological transparency, enhances the credibility of findings, and provides a clear framework for understanding how Islamic banking can support halal tourism development in Indonesia.

4. RESULT & DISCUSSION

The qualitative content analysis of 65 documents yielded several key themes that explain the synergy between Islamic banking and halal tourism in Indonesia. Through NVivo coding and thematic mapping, three major themes and multiple subthemes were identified: (1) financial support and inclusion, (2) policy and regulatory frameworks, and (3) challenges and sustainability issues.

Table 2. Themes and Subthemes Identified from NVivo Coding

Theme	Subthemes	Evidence Source Examples	Interpretation
Financial Support and Inclusion	Sharia-compliant financing, SME empowerment, financial literacy	Government policy reports (2020–2025), Bank Indonesia publications	Islamic banking enables broader participation of SMEs in halal tourism
Policy and Regulation	Master Plan for Sharia Economy, regional halal tourism initiatives, certification schemes	Ministry of Tourism documents, academic articles	Policy alignment is crucial for integrated halal tourism development
Challenges and Sustainability	Limited innovation, low awareness, infrastructural gaps	Industry reports, news articles	Halal tourism growth remains constrained without stronger stakeholder collaboration

Source: Author's analysis using NVivo, adapted from Bank Indonesia (2021), Bappenas (2019), Battour and Ismail (2016), El-Gohary (2020), Henderson (2016), Samori et al. (2016), CrescentRating (2023)

The thematic analysis conducted through NVivo generated three overarching themes with several subthemes that explain the synergy between Islamic banking and halal tourism in Indonesia. These themes are summarized in Table 2.

The first theme, financial support and inclusion, highlights the central role of Islamic banking in facilitating access to capital for halal tourism businesses, particularly small and medium enterprises (SMEs). Evidence from Bank Indonesia (2021) and (Ascarya, 2017) shows that instruments such as *mudharabah* and *musharakah* provide alternatives to conventional interest-based loans, thereby empowering entrepreneurs and enhancing financial literacy within the tourism ecosystem.

The second theme, policy and regulation, emphasizes the importance of government initiatives, such as the Master Plan for Sharia Economy (2019–2024), and the designation of halal-certified destinations. As previous studies (Battour et al., 2018); (Eid & El-Gohary, 2015) suggest, strong regulatory frameworks and certification schemes are necessary to integrate Islamic banking more effectively with halal tourism initiatives. Without policy alignment, the development of halal tourism risks being fragmented and inconsistent across regions.

The third theme, challenges and sustainability, reveals structural and operational constraints. Literature and industry reports (Henderson, 2016); (Samori et al., 2016); (Mastercard-CrescentRating, 2023) indicate that limited product innovation, low consumer awareness, and infrastructural gaps remain major hurdles. NVivo analysis further shows

frequent co-occurrence between “financial barriers” and “policy gaps,” reinforcing the argument that stronger collaboration among stakeholders is required to ensure the long-term sustainability of halal tourism.

Theme 1: Financial Support and Inclusion

The analysis reveals that Islamic banking plays a critical role in providing sharia-compliant financing for halal tourism businesses, particularly hotels, restaurants, and travel agencies. Financing instruments such as *mudharabah* (profit-sharing) and *musharakah* (equity participation) are frequently highlighted in government policy reports and academic studies as appropriate models that align with the needs of halal tourism stakeholders. These contracts not only facilitate access to capital but also embody the principles of risk-sharing and ethical investment, which are central to Islamic financial philosophy.

Moreover, Islamic banking contributes significantly to the empowerment of small and medium enterprises (SMEs), which represent the backbone of halal tourism in Indonesia. By offering microfinance products and *qard al-hasan* (benevolent loans), Islamic banks enhance the ability of SMEs to participate in the halal tourism value chain. This financial inclusion is crucial, as SMEs often face difficulties in obtaining credit from conventional banks due to collateral requirements and interest-based lending structures. The availability of sharia-compliant financing therefore broadens participation and reduces barriers to entry for local entrepreneurs.

In addition, Islamic banking plays an educational role through financial literacy initiatives. Several policy documents highlight programs initiated by Bank Indonesia and Otoritas Jasa Keuangan (OJK) to improve public understanding of Islamic financial products. These efforts ensure that business owners, especially in rural and tourism-centered regions, can make informed financial decisions that comply with sharia principles. This literacy dimension strengthens the sustainability of halal tourism businesses by fostering better financial management practices.

Overall, the synergy between Islamic banking and halal tourism under this theme underscores the sector’s potential to foster inclusive economic development. By extending financial access to a wider base of entrepreneurs and ensuring that financing models are consistent with Islamic values, Islamic banking provides not only the capital but also the ethical foundation necessary for halal tourism to flourish in Indonesia.

Theme 2: Policy and Regulatory Frameworks

NVivo analysis highlights that the Indonesian government has launched several significant initiatives to strengthen the halal economy, particularly in the tourism sector. One of the most prominent is the *Master Plan for Sharia Economy (2019–2024)*, which outlines strategic priorities for developing halal products and services, enhancing Islamic financial inclusion, and positioning Indonesia as a global hub for the halal industry. Within this framework, halal tourism has been identified as a key driver of economic growth, with regional designations such as Lombok, Aceh, and West Sumatra being promoted as flagship halal tourism destinations. These initiatives demonstrate the government’s recognition of halal tourism as both an economic opportunity and a cultural identity marker that aligns with Indonesia’s demographic advantage as the world’s largest Muslim-majority country.

However, despite these efforts, the literature and industry reports consistently emphasize regulatory fragmentation and uneven implementation across different provinces and municipalities. While some regions have made significant progress in promoting halal tourism standards—by establishing local halal certification bodies, providing incentives for halal-compliant businesses, and integrating halal tourism into regional development plans—others lag behind due to limited institutional capacity, lack of coordination, or insufficient stakeholder engagement. This disparity creates inconsistencies in how halal

tourism is marketed and managed, which in turn undermines consumer trust and investor confidence.

A key challenge also lies in the standardization of halal certification across various sectors, such as food services, accommodation, and travel agencies. Multiple institutions, including the *Majelis Ulama Indonesia (MUI)* and the Halal Product Assurance Organizing Agency (BPJPH), have overlapping roles in certification processes, often resulting in bureaucratic inefficiencies and delays. Without harmonization, businesses may face higher costs and procedural burdens, discouraging participation, especially among SMEs. Therefore, regulatory coherence and institutional alignment are critical prerequisites for advancing halal tourism in a competitive and sustainable manner.

Furthermore, the synergy between Islamic banking and government policies becomes particularly important in this regulatory context. Financial institutions can play an enabling role by offering incentives for certified halal businesses, linking financing approval to compliance with halal standards, and partnering with local governments to provide technical assistance. Such integration ensures that halal certification is not merely a symbolic label but part of a holistic ecosystem where financial, regulatory, and operational dimensions reinforce each other.

Overall, the findings suggest that Indonesia's progress in halal tourism is not constrained by lack of vision but by challenges of governance, coordination, and standardization. For halal tourism to reach its full potential, stronger collaboration between regulatory bodies, Islamic financial institutions, and industry players is essential. Only through such multi-stakeholder alignment can Indonesia achieve a consistent, trusted, and globally competitive halal tourism framework.

Theme 3: Challenges and Sustainability Issues

Although halal tourism demand is steadily increasing both domestically and globally, the industry in Indonesia continues to face persistent challenges that hinder its long-term sustainability. Industry reports and academic studies reveal that infrastructural limitations remain one of the most pressing concerns. Many potential halal tourism destinations, particularly those outside major urban centers, lack adequate transportation facilities, accommodation standards, and supporting amenities such as prayer rooms or halal-certified restaurants. This uneven distribution of infrastructure creates disparities in service quality, which in turn weakens Indonesia's ability to position itself as a globally competitive halal tourism hub.

Limited consumer awareness also poses a significant obstacle. Despite government and institutional efforts to promote halal tourism, surveys consistently show that both domestic and international travelers have varying levels of understanding about what halal tourism entails. Some perceive it narrowly as food-related certification, while others remain unaware of broader aspects such as sharia-compliant financing for tourism businesses, the prohibition of non-halal activities, or the ethical values embedded in halal travel. This knowledge gap reduces the effectiveness of marketing campaigns and weakens demand-driven growth, as consumers may not actively seek out halal-compliant services if they do not fully grasp their value proposition.

Another major issue lies in insufficient innovation within Islamic financial products tailored for the tourism sector. While traditional contracts such as *mudharabah* and *musharakah* provide foundational financing options, the industry lacks more specialized instruments that could address the unique needs of tourism entrepreneurs. For example, start-ups in the halal travel sector often require flexible financing schemes, risk-sharing mechanisms, or digital-based microfinance products. However, the adaptation of such innovations remains slow, partly due to regulatory conservatism and partly due to limited

capacity within financial institutions. Without continuous product development, Islamic banking may struggle to keep pace with the dynamic needs of halal tourism stakeholders.

NVivo coding further highlights the frequent co-occurrence between “financial barriers” and “policy gaps,” which suggests that challenges in financing are often compounded by weak or fragmented regulatory frameworks. This interplay demonstrates that sustainability issues in halal tourism are not isolated but interconnected—financial constraints cannot be resolved without supportive policies, and strong policies are ineffective without accessible financial mechanisms. Therefore, stakeholder collaboration emerges as a crucial factor for overcoming these barriers. Industry players, policymakers, local governments, and Islamic financial institutions need to adopt a more integrated approach that combines financial innovation, regulatory harmonization, and community engagement.

In conclusion, while halal tourism in Indonesia holds immense potential, its long-term sustainability is at risk unless structural challenges are systematically addressed. Infrastructure development, consumer education, and financial product innovation should be pursued in tandem, supported by coherent policies and cross-sector partnerships. Only by tackling these challenges holistically can Indonesia ensure that halal tourism evolves from a promising niche market into a sustainable driver of inclusive economic growth.

Visual Representation

The thematic connections identified in NVivo are illustrated in the figure below. The visualization demonstrates how Islamic banking serves as a financial backbone while government policies and sustainability considerations act as mediating factors.

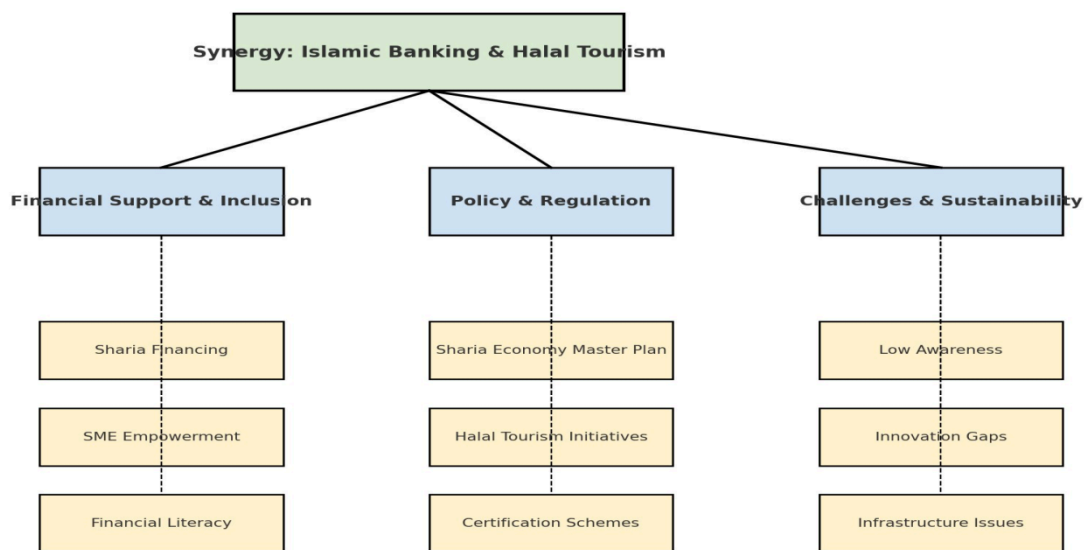


Figure 1. Thematic Map of Synergy between Islamic Banking and Halal Tourism (NVivo Output)

Figure 1 illustrates the thematic map generated from NVivo analysis, showing the synergy between Islamic banking and halal tourism in Indonesia. Three overarching themes were identified: Financial Support and Inclusion, Policy and Regulation, and Challenges and Sustainability.

The first theme, Financial Support and Inclusion, emphasizes the role of Islamic banking in enabling halal tourism businesses to access sharia-compliant financing. Subthemes such as sharia financing, SME empowerment, and financial literacy highlight how Islamic banking facilitates inclusive growth by supporting small and medium enterprises (SMEs) and enhancing their capacity to participate in the halal tourism ecosystem.

The second theme, Policy and Regulation, demonstrates the importance of government initiatives and regulatory frameworks in shaping halal tourism development. Subthemes such

as the Sharia Economy Master Plan, halal tourism initiatives, and certification schemes underline that effective synergy requires alignment between Islamic banking and national as well as regional policies to ensure standardization and compliance across the sector.

The third theme, Challenges and Sustainability, captures barriers that may undermine long-term growth. Subthemes such as low awareness, innovation gaps, and infrastructure issues reflect the fragmented implementation of policies and limited stakeholder collaboration. These findings suggest that without addressing these structural constraints, the sustainability of halal tourism development remains uncertain.

Overall, this thematic map provides a holistic visualization of how financial mechanisms, regulatory frameworks, and structural challenges intersect. It demonstrates that the synergy between Islamic banking and halal tourism is not linear but requires a multi-stakeholder approach that integrates finance, policy, and innovation to achieve sustainable outcomes.

Discussion in Relation to Literature

The findings corroborate previous research by (Samori et al., 2016), who argued that Islamic financial institutions can enhance halal tourism competitiveness. Similarly, (Hasan, 2021) found that sharia-compliant financing increases consumer trust. However, this study goes further by mapping the synergy systematically through NVivo, highlighting that while financial inclusion is crucial, policy fragmentation and sustainability concerns remain major obstacles.

In the Indonesian context, the integration of Islamic banking into halal tourism has yet to reach its full potential. This implies that greater collaboration between banks, regulators, and industry stakeholders is necessary to transform halal tourism into a sustainable driver of economic development. The findings resonate with the argument of (Battour & Ismail, 2016), who emphasized that halal tourism requires not only a supportive regulatory framework but also financing instruments that align with sharia principles to ensure long-term growth. In line with this, (Henderson, 2016) also pointed out that fragmented policies and the absence of cross-sectoral collaboration often hinder the competitiveness of halal tourism destinations, particularly in emerging economies.

Furthermore, the study underscores that financial inclusion—particularly through Islamic microfinance and tailored investment schemes—can significantly enhance community participation in halal tourism development. This is consistent with the work of (Yazid et al., 2025), who highlighted that access to Islamic financing facilitates entrepreneurial initiatives within the halal industry, thereby promoting inclusive growth. Nevertheless, unlike prior studies that primarily focused on consumer trust and financing mechanisms, the present research provides a more comprehensive framework by capturing the discourse of multiple stakeholders and identifying gaps in sustainability practices, such as environmental stewardship and local empowerment.

Another dimension that emerges from this study is the role of digitalization. While not extensively covered in earlier works, the findings reveal that digital financial services offered by Islamic banks could act as a catalyst in mainstreaming halal tourism, especially among younger generations who are more receptive to mobile-based transactions. This adds to the existing literature by bridging the discussion of halal tourism with financial technology (fintech), which has been relatively underexplored in Islamic finance research.

Taken together, these results imply that the theoretical discourse on halal tourism and Islamic finance needs to move beyond traditional considerations of compliance and competitiveness. It should increasingly incorporate interdisciplinary perspectives, including sustainability, technological adoption, and governance. This study contributes to that shift by offering evidence that a fragmented policy landscape, coupled with limited integration of Islamic banking, restricts the transformative potential of halal tourism in Indonesia.

Addressing these challenges requires a long-term vision where Islamic finance is not only a funding mechanism but also a strategic partner in shaping the halal tourism ecosystem.

5. CONCLUSION

This study highlights the strategic synergy between Islamic banking and halal tourism in Indonesia by employing a qualitative content analysis using NVivo. The findings reveal that Islamic banking serves as a crucial enabler for halal tourism development through sharia-compliant financing, SME empowerment, and financial literacy. At the same time, government policies such as the Master Plan for Sharia Economy provide a supportive regulatory framework, though uneven implementation and fragmented certification processes remain significant barriers. Sustainability issues, including limited infrastructure, low consumer awareness, and lack of innovation in financial products, further constrain the sector's long-term growth.

The study contributes to the literature by systematically mapping the interconnectedness of finance and tourism within the halal economy. Unlike previous research that examined these sectors separately, this analysis demonstrates that financial inclusion, policy alignment, and sustainable practices must be pursued in an integrated manner. For policymakers, the findings underscore the importance of harmonizing regulations, strengthening certification systems, and promoting inter-institutional collaboration. For Islamic banks, the results point to the need for innovative financial products tailored to the tourism sector and for leveraging digital platforms to expand outreach.

Moreover, the findings extend the discourse on halal tourism by situating Islamic banking not merely as a provider of capital but as a strategic development partner capable of shaping the structure and direction of the halal economy. The integration of financial innovation, regulatory reform, and sustainability practices suggests that halal tourism development should be approached holistically, where economic objectives align with ethical values and community empowerment. This approach ensures that the benefits of halal tourism are distributed inclusively, particularly among SMEs and local communities, thereby reinforcing social equity and cultural preservation.

Ultimately, the research suggests that Indonesia's potential to become a global halal tourism hub depends on multi-stakeholder cooperation where Islamic banking is not merely a financing mechanism but a strategic partner in shaping a sustainable, inclusive, and globally competitive halal tourism ecosystem. Future research may further enhance these insights by incorporating digital transformation, fintech integration, and cross-country comparative studies to capture broader dynamics of the halal economy at the global level.

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