

CHAPTER II

LITERATURE REVIEW

A. Overview of LPPOM MUI

Research Institute for Food, Drugs, and Cosmetics Indonesian Ulama Council, or the so-called LPPOM MUI is an institution under the Indonesian Ulama Council (MUI), which is an institution in charge of strong researching, reviewing, analyzing and deciding whether the products, including food and its derivatives, medicines and cosmetic products are safe for consumption both in terms of health and in terms of the teaching of Islam that is halal, or permissible and good the consumption of Muslims, especially in Indonesia. The MUI gives recommendations, formulate rules and guidance to service community. The formulation of LPPOM MUI is based on a mandate from the Government / state for the Majelis Ulama Indonesia (MUI) plays an active role in mitigating the case of lard in Indonesia in 1988. LPPOM MUI was established on January 6, 1989 to carry out the inspection and certification of halal. In 1996, to strengthen its halal certification function, LPPOM MUI signed a Memorandum of Cooperation Agreement between the Ministry of Religious Affairs, Ministry of Health and the MUI. The memorandum of agreement was followed by the issuance of the Decree of the Minister of Religious Affairs (KMA) No. 518 of 2001 and No. 519 of 2001 KMA, which amplifies the MUI *halal* certification

bodies and inspection / audit, the determination of the *fatwa*, and issuing *halal* certificates⁴⁵.

In the process and the implementation of halal certification, LPPOM MUI cooperate with the Agency for Food and Drug Administration (POM), Ministry of Religious Affairs, Ministry of Agriculture, Ministry of Cooperatives and SMEs, Ministry of Commerce, Ministry of Industry, Ministry of Maritime Affairs and Fisheries, the Ministry of Tourism and Creative Economy and a number of universities in Indonesia, including Institut Pertanian Bogor (IPB), University of Muhammadiyah Dr. Hamka, University Juanda, UIN, Univeristy Wahid Hasyim Semarang and Makassar Universitas Muslim Indonesia. While relationship institutions have been established with the National Standardization Agency (BSN), Kadin Indonesia Middle East Committee, GS1 Indonesia, and Research in Motion (Blackberry). Lodging with LPPOM, MUI *halal* certification is a requirement on the halal labeling of halal on the packaging for the products circulating in Indonesia⁶.

Institutionally, LPPOM MUI consists of LPPOM MUI center and LPPOM MUI Province amounting to 33. As for stewardship, LLPOM MUI consists of advisory board, coaching board, supervisory board, executive board and experts. The details of the management of LPPOM MUI are as follows⁷:

⁵ Azyumardi Azra, *Menuju Masyarakat Madani: Gagasan, Fakta dan Tanggapan*, 1st edition, (Bandung: Rosdakarya, 2000), pages. 65

⁶ LPPOM MUI, loc.cit, <http://mui.or.id/index.php/2009/05/08/sejarah-lp-pom-mui/> on December 23rd 2016

⁷ LPPOM MUI, Ibid, http://www.halalmui.org/mui14/index.php/main/go_to_section/132/1515/page/1, on 7th August, 8pm.

1. Advisory Council

Chairman : General Chairman of MUI

Vice Chairman : Vice General Chairman of MUI

Member : Minister of Religious Affairs, Minister of Health,
Minister of Agriculture, Minister of Trade, Minister
of Industry, Rector of IPB (Bogor Institute of
Agriculture), Chief of MUI supervising Fatwa
Commission Board, Chief of MUI supervising
Economic

Secretary : General Secretary of MUI

2. Advisory Council

Chief : Prof. Dr. KH. Ma'ruf Amin

Members : Prof.Dr.Hj. Aisjah Girindra, Dr. H. Anwar Abbas, MM.,
M.Ag., Drs. K.H. Hasib Wahab

3. Supervisory Board

Chief : H. Zainut Tauhid Sa'adi, M.Si

Vice : KH. Muhyidin Junaidi, MA

Secretary : H. Misbahul Ulum, M.Si

Members : Prof. Dr. Ir. Tun Tedja Irawadi, MS, Ir. Chilwan Pandji,
M.Apt.Sc

4. Executive Board

Executive Director : Dr. Ir. Lukmanul Hakim, M. Si

Vice Directors : Ir. Hj. Osmena Gunawan, Ir. Hj. Muti Arintawati,

M.Si, Ir. Sumunar Jati

Treasurer : H. Iing Sholihin Noorgiana, SE., MBA.

Vice Treasurer : Drs. H. Zuhdi

Head of Halal Information Div. : Farid Mahmud, SH

Head of Socialization and Promotion of Halal : Lia Amalia, ST., SSi., MT

Head of Supporting Provincial LPPOM MUI : Dr. Ir. Aji Jumiono, M.Si

Head of Auditing Div.: Dr. Ir. Mulyorini R. Hilwan, M.Si

Vice Auditing Div.: Dr. Ir. Hj. Liesbetini Hartoto, M.Si

Head of Halal Assurance System Div.: Dr. Ir. Sugiarto, M.Si

Head of Public Relation and Institutional Div. : Ir. Hendra Utama

Head of Standard and Quality Guarantee Div. : Dr. Ir. H. Muslich, M.Si

Head of MIS & ICT Div. : Dr. Mohammad Iqbal, S.Kom. MMSI

Head of Human Resource dan General Affairs Div. : Drs. H. Ahmad
Baidun, M.Si

Head of Training & Personal Certification Div. : Ir. Nurwahid, M.Si

Head of Halal Research and Development Div. : Prof. Dr. Hj.
Purwantiningsih, M.Si

Vice Halal Research and Development Div. : Dr. Ir. H. Joko Hermanianto,
M.Sc

5. Experts

Chief : Prof. Dr. Ir. Khaswar Syamsu, M.Sc

Vice : Prof. Dr. Ir. Hj. Serdanawati Yasni, M.Sc

Members : Prof. Dr. H. Norman Razief Azwar, Prof. Dr. Djumali

Mangunwidjaja, Dr. Heni Nuraini, M.Si, Dr. Ir. Budiartman,
M.Sc, Dr. Ir. Fery Kusnandar, M. Sc., Dr. Ir. Sri Mulijani,
M.Sc

B. Regulation of *Halal* Product

In Islam, *Halal* and *haram* in the rules of Islamic law is the benchmark to be followed by every muslim in this life. If there is no rules of *halal* and *haram* then there is no difference with the non-muslims. In general, the rules of *halal* and *haram* covers all aspects of muslim life both aspects of worship and community. One of the issues covered in the lawful and unlawful is the food problem, which can be food products, beverages, pharmaceuticals, cosmetics and so on. Awareness of the importance of the Islamic halal food is an implementation of the *Qur'an* which constantly encourages and reminds the believer in consuming foods always consume foods that are *kosher* and *Thayib*. Several verses of the *Qur'an* as QS. Al-Baqarah: 168, QS. Al-Maidah: 88, QS. Al-Nahl: 114, explicitly told the Muslims even humans in general to consume food that is *halal*⁸.

The word *halal* in the language of the Arabic word derived *halla-yahillu-hillan* which means freeing, releasing, solve, disperse and allow. *Halal* means: a) all things that cause a person not to be punished if used, b) something that can be done by syarak, c) the inverse from unclean, Synonymous with the

⁸ Sukiati, *Konsep Halal dan Haram Dalam Alquran*, pages. 20.

permissible or allowed but not required. According to Al-Jurnjani, understanding lawful within the meaning of the permissibility of using objects or what is needed to meet the physical needs, Including food, beverages or drugs, or understanding lawful means skill in using, eating, drinking and doing something allowed by *nash*⁹.

According to Quraish Shihab, the word *halal* is derived from a word meaning loose or detached. Something that *halal* is detached from is worldly ties and *ukhrawi* danger. Therefore the word *halal* also means allowed. The word literally means *Thayib* is means tasty, good, healthy, reassuring and foremost. *Thayib* says “relation to food means food that was not dirty in terms of substance or damaged (expired), or mixed with excrement, or it could mean the food is appetizing for those who eat it and not harm the physical and minds¹⁰”.

Halal and *haram* in Islam a food has been clear, in several verses of the *Qur'an* and *Hadith* explained:

1. QS Al Baqarah: 168

يَتَأْتِيهَا النَّاسُ كُلُّوْا مِمَّا فِى الْاَرْضِ حَلٰلًا طَيِّبًا وَلَا تَتَّبِعُوْا خُطُوٰتِ
الشَّيْطٰنِ اِنَّهٗ لَكُمْ عَدُوٌّ مُّبِيْنٌ ﴿١٦٨﴾ It

means: "O mankind, eat of the lawful and good from what is contained

⁹ Tim Penyusun Ensiklopedi, *Ensiklopedi Hukum Islam* (Jakarta: Ichtiar Baru. 2001), page. 506

¹⁰ M. Quraish Shihab, *Wawasan Al-Quran* (Bandung: Mizan. 1996), page. 148.

in the earth, and do not follow the steps of Satan, for surely the devil is a clear enemy."

2. QS Al Baqarah: 173

إِنَّمَا حَرَّمَ عَلَيْكُمُ الْمَيْتَةَ وَالدَّمَ وَلَحْمَ الْخِنزِيرِ وَمَا أُهْلَ بِهِ لِغَيْرِ اللَّهِ
فَمَنْ اضْطُرَّ غَيْرَ بَاغٍ وَلَا عَادٍ فَلَا إِثْمَ عَلَيْهِ إِنَّ اللَّهَ غَفُورٌ رَحِيمٌ

"He has only forbidden you dead meat, blood, the flesh of swine, and animals (when slaughtered) is called (name) besides Allah. But whoever is forced (to eat) is he does not want it and not (also) exceeds the limit, then there is no blame on him. Allah is Forgiving, Merciful. "

In verse 173 Allah describes the types of foods prohibited items, namely the carrion, blood, pork, and Slaughtered animals in the name of other than Allah. Prohibition Also eat four types was Mentioned in other surahs. See, for example, in Al-An'am: 145 Also Al Maidah: 3¹¹.

3. Hadits

On the authority of Abu Huraira (may Allah be pleased with him), who said: The Messenger of Allah said: "Allah the Almighty is good and accepts only that which is good. Allah has commanded the Faithful to do that which He commanded the Messengers, and the Almighty has said: "O ye Messengers! Eat of the good things, and do right.." (Quran 23:51).

¹¹ Departemen Agama Republik Indonesia, *Al-Qur'an dan Terjemahannya*, (Jakarta: CV. Karya Insan Indonesia, 2004), pages 99

And Allah the Almighty has said: “O ye who believe! Eat of the good things wherewith We have provided you..” (2:172). Then he mentioned (the case of) a man who, having journeyed far, is disheveled and dusty and who spreads out his hands to the sky (saying): “O Lord! O Lord!- while his food is unlawful, his drink is unlawful, his clothing unlawful, and he is nourished unlawfully, so how can he be answered!” (Muslim).

- On the authority of Abu Ya'la Shahddad ibn Aus, the Messenger of Allah said: “Verily Allah has prescribed proficiency in all things. Thus, if you kill, kill well; and if you slaughter, slaughter well. Let each one of you sharpen his blade and let him spare suffering to the animal he slaughters” (Muslim).
- In an incident narrated by Rafi' bin Khadij, the Prophet told Muslims who wanted to slaughter some animals using reeds, “Use whatever causes blood to flow, and eat the animals if the Name of Allah has been mentioned on slaughtering them...” (Bukhari).
- Narrated Abu Thalaba: “Allah's Messenger forbade the eating of the meat of beasts having fangs” (Bukhari).
- Narrated Ibn Umar: “The Prophet cursed the one who did Muthla to an animal (i.e. cut its limbs or some other part of its body while it is still alive” (Bukhari)¹².

¹² Syekh Muhammad Yusuf Qardlaawi, *Halal dan Haram Dalam Pandangan Islam* (1980) accessed from on www.google.com, August 25th 2017, 9pm

Under Indonesian Legislation, guarantee to consume halal products have been regulated by the government through the Food Act (Law 7 of 1996 on Food, which has been changed to Law No. 12 of 2012 on Food). Article 69 (g) of Food Act said that: "Implementation of Food Safety is done through the guarantee of halal products for the required". Based on this Acts, the government has made it clear that the implementation of the food system in Indonesia must ensure the availability of halal products to the public by the implementation of a halal guarantee system. This is also supported by the Consumer Protection Act. On the article 4 (a) said that "The right to comfort, safety and safety in consuming goods and / or services". With this the government should ensure the availability of halal products to ensure the safety and comfort of consumers in this case is the Muslim community in Indonesia which is the majority of the population in Indonesia.

In terms of halal labeling, the government has also regulated it through Government Regulation no. 69 of 1999 on label and food advertisement. On the article of 10 said that : "(1). Any person who manufactures or includes food packed into Indonesian territory for trade and declares that the food is lawful for Muslims, shall be responsible for the correctness of such statements and shall include information or halal writings on the Label. (2). The statement of halal as referred to in paragraph (1) shall constitute an inseparable part of the Label." And article 11 said that: "(1). In order to support the truthfulness of the halal statement as meant in Article 10 paragraph (1), any person producing or importing food packed into Indonesian territory for trading shall first check the

food to an accredited examiner in accordance with the provisions of the laws and regulations. Apply. (2). The inspection as referred to in paragraph (1) shall be carried out in accordance with the guidelines and procedures stipulated by the Minister of Religious Affairs by considering and recommending religious institutions having competence in the field". In this law it is clear that every product that is circulated or traded in Indonesia must be justified halal¹³.

Furthermore, there is also a Halal Product Guarantee Act (Act No 33 of 2014 on Halal Product Guarantee) which further reinforces the halal product. In this law the government has firmly stated that the halalness of a product is an obligation. In the article 4 which said: "Incoming, outstanding, and traded products in the territory of Indonesia shall be halal certified". Further will be the authors discussed in the discussion chapter.

C. Overview of Food Package

Based on the Indonesian dictionary, food has the meaning of: everything that can be eaten (such as snacks, side dishes, cakes). All the ingredients that we eat or enter into the body that make up or change body tissues, energize, or regulate all processes in the body. Meanwhile, the Indonesian dictionary defines packaging as orderly, neat and clean. And based on Law no. 7 of 1996 on Food defines the packaging as materials used to accommodate and or wrap food, whether in direct contact with food or not. Based on the above definition, packaged foods are foods that are neatly

¹³ Government Regulation No. 69 of 1999 on Label Food and Food Advertisement, article 10

wrapped, clean and have an expiration date for sale in a predictable time frame. The materials used to create packaging wrappers are also governed by the Law on Food. Article 16 Paragraph (1) states that any person producing food for distribution shall be prohibited from using any substance as a prohibited food packaging and / or which may release harmful contamination or harm to human health. And in article 1 (10) defines a food packaging material that is used to contain or wrap food, either in direct contact with food or not.

From the definition above, it can be concluded that the food packaging is wrapped with regular meals, clean, tidy, and have a packaging label and expiration for sale in the predicted time. The food packaging has a purpose, among others:

1. Protection from physical dangers (vibration, shock, etc.)
2. Protection from external microclimate conditions of packaging (moisture, temperature, light, etc.)
3. Ease of transportation, especially for bulk food (liquid, granules)
4. Determine the appropriate portion for sales and / or consumption
5. Provision of information, because the packaging can be labeled that includes a variety of information, including barcode
6. Aesthetics

D. Overview of importing food product

Import is the activity of entering goods into the customs area. The import transaction is a trade by entering goods from abroad into Indonesian

customs territory by complying with the provisions of applicable law regulation¹⁴. According to Susilo (2008: 101) imports can be interpreted as activities of entering goods from a country (abroad) into the customs territory of other countries. This means that an import activity involves two countries. This case can be represented by the interests of two companies between the two countries, different and certainly also the rules and acts as a supplier and the only acting as a recipient country. Import is defined by buying goods from abroad in accordance with government provisions paid using foreign exchange (Purnamawati, 2013: 13).

The import word under article 1 (13) of Law no. 17 of 2006 on amendment to Law no. 10 of 1995 on Customs, is the activity of entering goods into customs areas. So imported packaged food products is a food product that has been wrapped in such a way as to maintain cleanliness, security and to increase the selling and aesthetic value of packaged food products originating from outside the country of the republic of Indonesia and incorporated into the territory of the republic of Indonesia

In order to be able to import their products, a new company must own several documents. The documents support each other. If one document is missing, the import process will not run. Documents include:

1. API-U / T (Importer Identification Number - Public / Restricted)

¹⁴ Abdul Hafiz Tanjung. (2011). *Akuntansi, Transparansi, dan Akuntabilitas Keuangan Publik (Sebuah Tantangan)*, pages 379

API-U published by BKPM (Investment Coordinating Board) Ministry of Commerce of the Republic of Indonesia. In the document API-U are the types of goods that can be imported, for food products and drinks are categorized BAG IV (HS 1601-2403). Just a note, HS is also called the System Harmoni HS Code. HS Code made internationally with the aim to harmonize / name of a product category, because each country naming a different product. There are 10 digits / numbers in the HS Code, the first 6 numbers are the numbers that apply internationally and 4 points behind is local. In conjunction with API-U products that can be imported is HS 1601 s / d 2403 (4 digits from the front)

2. NIK (Customs Identity Number)

NIK is published is the Director General of Customs and Excise. To get NIK is not too hard as long as its conditions are met and no errors when inputted online.

3. IT (Registered Importers)

IT is published by the Ministry of Trade. IT there are several kinds; No IT Food and Beverage, IT Toys Kids, Traditional Medicine and Herbal IT and others. With IT Certain Products confirms that companies that have IT they are permitted to import according to the category of IT owned.

4. Permission Circulation BPOM

Every food and beverage products are required to register their products to the Food and Drug Administration RI (BPOM). As the implementation of the legislation that has been set. Among them is Law No. 8 of 1999 on

Consumer Protection; Law No. 36 of 2009 on Health; and Law No. 18 Year 2012 on Food, Law No. 33 of 2014 on Halal Product Guarantee, Government Regulation No. 69 Year 1999 on Food Label and Advertisement; Decree of the Minister of Religion No. 518 of 2001 on Guidelines and Procedures for Examination and Determination of Halal Food; and the Minister of Religion No. 519, 2001 on Halal Food Inspection Executing Agency, BPOM in issuing Circulation Permission must cooperate with LPPOM MUI to categorize in terms of whether or not such products are halal. For imported products license number orbit starting letter ML (foreign food), while for domestic products using MD (domestic food). After having a distribution license from BPOM (Registration Number of ML / MD) food and beverage products can be sold to stores.

In addition there are other documents that are no less important that must be taken care of. This document is currently only importing of abandonment. These documents include:

1. SKI (Certificate Import) of BPOM
2. LS (Surveyor's Report).

E. The halal labeling on food product

In terms of halal labeling, the government has also regulated it through Government Regulation no. 69 of 1999 on label and food advertisement. On

the article of 10 said that : “(1). Any person who manufactures or includes food packed into Indonesian territory for trade and declares that the food is lawful for Muslims, shall be responsible for the correctness of such statements and shall include information or halal writings on the Label. (2). The statement of halal as referred to in paragraph (1) shall constitute an inseparable part of the Label.” And article 11 said that: “(1). In order to support the truthfulness of the halal statement as meant in Article 10 paragraph (1), any person producing or importing food packed into Indonesian territory for trading shall first check the food to an accredited examiner in accordance with the provisions of the laws and regulations. Apply. (2). The inspection as referred to in paragraph (1) shall be carried out in accordance with the guidelines and procedures stipulated by the Minister of Religious Affairs by considering and recommending religious institutions having competence in the field”. In this law it is clear that every product that is circulated or traded in Indonesia must be justified halal.

Halal labeling in a package of a product has value and position and usefulness to save consumers from things that are legally prohibited. The inclusion of Halal information in the form of Halal Label explicitly becomes an important instrument for producers to communicate the existence of the product. The inclusion of the Halal label contains the consequences of the right to the convenience and security of the consumer in consuming the products applied parallel between the consumer and the producer¹⁵.

¹⁵ Pelu, Muhammad Ibnu As, Label Halal: Antara Spiritualitas Bisnis dan Komoditas Agama Malang: Madani 2009, pages 74

In the world trading, import activities can not be banned easily. Import activities should not become an obstacle for local products to continue to compete with imported products. If the product is the inclusion of legal and competitive price, then this should be thinking businessman finished materials and raw materials as well as importers or distributors to affix a label containing the name, composition and limitations expired in bread by using Indonesian. The law on *Halal* Product Guarantee will boost the competitiveness of national products given the largest market share for business people is the Muslim community, in addition to the development of the international trade regime that has been applying a *halal* label as an instrument of competitiveness and market share expansion (access to market). Indonesia in the face of free trade regional, international and global, is feared of being overrun of food and other products containing or contaminated by unclean elements. The technique of processing, storage, handling, and packing often used preservatives are harmful to health or additional materials that contain the element *haram* forbidden in Islam. The international trading system that issues the certification and halal labeling of *halal* products needs to have good attention in order to provide protection to Muslims consumers around the world as well as a strategy to face the challenges of globalization with the introduction of the free market system within the framework of ASEAN - AFTA, NAFTA, the European Economic Community, and Trade Organizations International (World Trade Organization). The international trading system has long recognized halal provisions in CODEX supported by influential international organizations,

among others, WHO, FAO, and the WTO. Producer countries also export their products to countries including Indonesia's Muslim population. In the international trade the label halal on their products have become an important instrument to gain access to the market to strengthen the competitiveness of domestic products in the international market¹⁶.

A positive response to the interests and inclusion of halal certification on food and other products have been made by the government of the Republic of Indonesia with the issuance of several legislations, inconsistent, overlapping impressed, and not systemic related to certification and inclusion of halal sign. Therefore such arrangements do not provide certainty in law and legal guarantees for muslims to recognize food and other products are halal.

From an economic perspective, a *halal* product guarantee system that is economical, fast at low cost for *halal* certification. *Halal* guarantee system also reflects the lack of oversight and control of *halal* products by the government. On the internal level producers, *halal* product controls most devices require no *halal* insurance system that requires *halal* team within the company to ensure the *halal* products¹⁷.

¹⁶ Part of Halal Facilities and Infrastructure Projects Directorate General of Islamic Community Guidance and Hajj Implementation, *Petunjuk Teknis Pedoman System Produksi Halal*, Jakarta: Departemen Agama, 2003, quoted from the site: <http://www.referensimakalah.com/2013/02/labelisasi-halal-pengertian-dan-tinjauan.html>, on 25th August, 8pm.

¹⁷ Pelu, Muhammad Ibnu As, *Op Cit*, pages 60