

## CHAPTER I

### INTRODUCTION

#### A. Research Background

Indonesia, with the largest Muslim population in the world, has great potential for the development of halal tourism. It has comparative advantages in halal tourism, namely cultural diversity, natural beauty, and a large Muslim population.<sup>1</sup> As one of the international and national tourist destinations, Indonesia is also an attractive halal tourist destination. It has been proven to attract foreign tourists, especially Muslim tourists, to invest funds that will increase tourist visits and the local economy.<sup>2</sup> Here is a picture showing the number of foreign and domestic tourist visits.

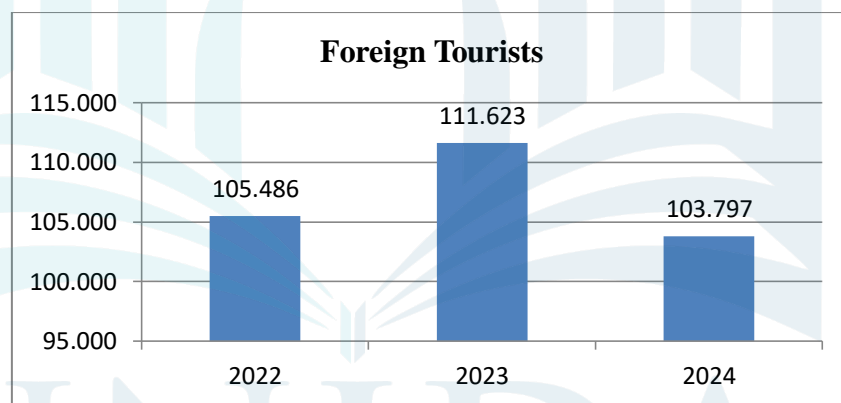


Figure 1. Foreign Tourists 2022-2024 (Million Visits)

Source: BPS DIY 2025

<sup>1</sup> Muhammad Alfian Rumasukun, "Indonesian Halal Tourism Transformation in Its Foreign Trade Policy," *ICONIEB: International Conference on Islamic Economics and Business*, Vol. 2, No. 1, (2023), p. 92–101.

<sup>2</sup> Hasriani and Supriadi Muslimin, "Strategi Pengembangan Wisata Halal Dalam Meningkatkan Ekonomi Kota Makassar Dengan Pendekatan Analisis SWOT", *Al-Azhar Journal of Islamic Economics*, Vol. 5. No. 2, (2023), p. 132-133.

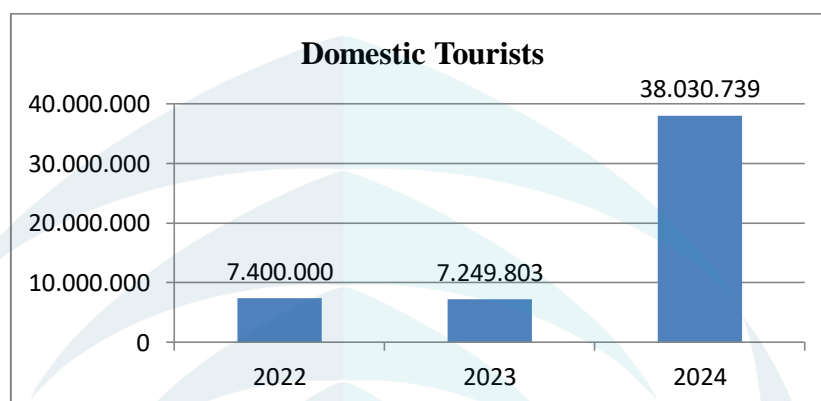


Figure 2. Domestic Tourists 2022-2024 (Million Visits)

Source: BPS DIY 2025

The data presented in Figures 1 and 2 provide an overview of tourist visit trends during the 2022-2024 period. Figure 1 shows data on foreign tourist visits, while Figure 2 presents data on domestic tourist visits.<sup>3</sup> The tourism industry not only generates foreign income but also increases employment opportunities. Therefore, this can lead to more job opportunities, which in turn will reduce the unemployment rate.<sup>4</sup> Tourism areas are currently developing by considering the concept of sustainable development, which has been planned globally throughout the development process. The world has seen many ideas for tourism development, one of which is halal tourism. Indonesia continues to strive to increase halal and sharia tourism. The purpose of establishing halal tourism is to attract tourists, both Muslims and non-Muslims, both inside and outside the country.<sup>5</sup>

<sup>3</sup> Badan Pusat Statistik Provinsi Daerah Istimewa Yogyakarta, “Perkembangan Pariwisata Daerah Istimewa Yogyakarta” (Yogyakarta, 2025).

<sup>4</sup> Hasrianti et al., “Pengaruh Pendapatan Sektor Pariwisata Terhadap Pertumbuhan Ekonomi Di Kabupaten Bantaeng,” *Center of Economic Students Journal*, Vol. 5, No. 4 (2022), p. 408.

<sup>5</sup> Abdul Basit, ‘Strategi Pengembangan Pariwisata Halal Di (Halal Tourism Development Strategy In Kuta Mandalika , Central Lombok Regency)’, *Tourism Scientific Journal*, Vol. 7. No. 1, (2021), p. 130-131.

In literature, the term "halal tourism" is often equated with several other terms, such as "Islamic tourism/Islamic tourism", "Sharia tourism", "halal tourism", "halal-friendly tourist destinations", and so on. Sharia tourism does not eliminate conventional tourism, but is an additional product from the business side. A new approach to Indonesia's tourism growth that maintains Islamic culture and principles while maintaining regional characteristics and uniqueness, is increasingly relevant to the growth of the global Muslim travel market.<sup>6</sup>

The global Muslim travel market is showing significant growth, with projections reaching 230 million international arrivals and USD 225 billion in spending by 2028. In 2023, around 145 million Muslim international arrivals were recorded, which is about 90% of the pre-pandemic level of 2019. Indonesia, with 20% or around 14.92 million foreign tourists visiting Indonesia are Muslims, Indonesia is considered the Best Halal Tourism in the World according to IMTI (Indonesia Muslim Travel Index) by adopting the ACES GMTI (Global Muslim Travel Index) model. Halal tourism has many opportunities.<sup>7</sup> In addition, the number of Indonesian Muslims and the number of destinations available can increase halal tourism.<sup>8</sup>

Several areas in Indonesia are now Muslim friendly tourist attractions. According to the Indonesia Muslim Travel Index 2023 Report, there are fifteen largest regions, namely West Nusa Tenggara, Aceh, West Sumatra, DKI Jakarta, Central Java, West Java, DI Yogyakarta, East Java, South Sulawesi, South Kalimantan, Riau, Riau Islands, Bangka Belitung Islands, Banten and South Sumatra. In this ranking, the Special Region of Yogyakarta is ranked seventh out

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<sup>6</sup> Nur Ainun Siregar, Yusrizal, and Nurul Jannah, 'Strategi Pengembangan Pariwisata Halal Di Kabupaten Padang Lawas Utara', *ManBiz : Journal of Management & Business*, Vol. 3.No. 1, (2024), p. 214.

<sup>7</sup> Fazal & Safdar Khan Bahardeen, "Mastercard Crescentrating Global Muslim Travel Index 2024," *Crescent Rating*, 2024, p. 18.

<sup>8</sup> Doni Yusuf Bagaskara and Rohmadi, 'Analisis SWOT Potensi Halal Tourism Di Indonesia Dengan NVivo : Studi Literature Review', *Journal of Economics Research and Policy Studies*, Vol. 4. No. 1, (2024), p. 2.

of fifteen.<sup>9</sup> With its rich culture and deep history, especially those related to Islam, it is a major attraction for Muslim tourists. The Karaton Yogyakarta, as the center of Javanese culture and a symbol of power of the Ngayogyakarta Hadiningrat Sultanate, has a very strong historical and religious value. The architecture, layout, and several rituals and traditions that are still preserved in the Karaton are a special attraction for Muslim tourists.<sup>10</sup>

The strong Islamic historical heritage in Yogyakarta is an important capital in the development of halal tourism. The Karaton Yogyakarta, also known as the Karaton Ngayogyakarta Hadiningrat, was the residence of the Ngayogyakarta Hadiningrat Sultanate, a kingdom that was part of the Mataram Sultanate. The Ngayogyakarta Hadiningrat Sultanate itself is an Islamic kingdom that is the heir to the Mataram Sultanate both in terms of territory and heritage. This kingdom became the center of the spread of Islam, especially in the Yogyakarta region.<sup>11</sup> Because the development of sharia tourism in Yogyakarta requires a creative process, the creative industry can be optimized. The Creative Industry must be a more important part of Yogyakarta's sharia tourism, while Yogyakarta also has a religious culture. The government and companies in the Special Region of Yogyakarta have not utilized this advantage.<sup>12</sup>

The development of halal tourism in Karaton Ngayogyakarta has great potential, but there are still several challenges that need to be overcome. These challenges can be seen from several perspectives, such as the increase in Muslim tourists, tourism business actors, and the government. Some of the challenges identified in this study include a lack of infrastructure, a lack of number of tour

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<sup>9</sup> Bahardeen, "Mastercard Crescentrating Global Muslim Travel Index 2024."

<sup>10</sup> Aryani Widyakusuma and Rismawan Arief, "Kajian Nilai Budaya Tradisi Pada Arsitektur Bangunan Adat Jawa Bangsal Kencono Keraton Yogyakarta," *Jurnal Trave*, Vol. XXVII, No. 1 (2023), p. 3.

<sup>11</sup> Karaton Ngayogyakarta Hadiningrat, "Sejarah Karaton Ngayogyakarta," at [09:00], <<https://www.kratonjogja.id/>>, viewed on 5 Februari 2025.

<sup>12</sup> Muhammad Iqbal and Aulia Farhanuddin Rambe, 'Analisis Potensi Industri Makanan Halal Sebagai Pendukung Pariwisata Syariah Di Kota Yogyakarta', *AJIE - Asian Journal of Innovation and Entrepreneurship*, Vol. 06. No. 2 (2023), p. 67.

guides, and a lack of public understanding of the concept of halal tourism.<sup>13</sup> These challenges have also been highlighted in other studies. For example, Nesa Ibnu Sina and Muchamad Zaenuri (2021), in their journal entitled "Development of Halal Tourism Objects Through Human Resources" with the object of Taman Sari Yogyakarta, emphasized the importance of the role of human resources in the development of halal tourism. They found that the development of knowledge about service procedures, the development of knowledge about equipment and equipment of tourist attractions, and the development of human resource behavior are important factors in the development of halal tourism.<sup>14</sup>

This finding is very relevant to the challenges faced in the development of halal tourism in Karaton Ngayogyakarta. The lack of a number of tour guides, for example, shows the need to improve the knowledge and skills of human resources in the field of halal tourism. In addition, the lack of public understanding of the concept of halal tourism also indicates the need for efforts to increase the awareness and understanding of human resources about halal tourism, so that they can play an active role in the development of halal tourism in the Karaton Ngayogyakarta. This comparison shows that the challenges in the development of halal tourism are not only unique to Karaton Ngayogyakarta but are also faced in other areas. Therefore, the development of halal tourism in Karaton Ngayogyakarta requires the collaboration of several strategies. Meanwhile, the halal tourism development strategy in Indonesia that can be used is 9 strategies owned by the Ministry of Tourism and Creative Economy and also the ACES GMTI model adopted by IMTI.

In addition to ensuring that the halal tourism development strategy chosen is on target and sustainable, the value chain framework can be used to analyze the activities involved in this industry. Value chain, introduced by Michael Porter, describes a series of activities carried out by a company to create value for

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<sup>13</sup> Siti Amirul Nur Sundari, "Carik Kawedanan Radya Kartiyasa Karaton Ngayogyakarta", Kawedanan Tandha Yekti, 14 November 2024, ( 09:00).

<sup>14</sup> Nesa Ibnu Sina Muchamad Zaenuri, "Pengembangan Objek Pariwisata Halal Melalui Sumber Daya Manusia," *Jurnal Pemerintah Dan Kebijakan (JPK)*, Vol. 2, No. 2 (2021), p. 85.

customers.<sup>15</sup> Therefore, an in-depth analysis of various interrelated factors is needed. SWOT analysis was chosen for its ability to map strengths, weaknesses, opportunities, and threats in a comprehensive and structured manner.<sup>16</sup> Thus, the SWOT analysis will be a strong foundation for designing a halal tourism development strategy of Karaton Ngayogyakarta that is not only economically sustainable, but also contributes to cultural and environmental preservation. Therefore, this study raises this issue with the title "SWOT Analysis of Halal Tourism Development in Karaton Ngayogyakarta Hadiningrat".

## **B. Research Questions**

Based on the above background, the researcher formulated the problems of this research, namely:

1. What are the strengths and weaknesses of Karaton Ngayogyakarta Hadiningrat in halal tourism?
2. What are the opportunities and threats of Karaton Ngayogyakarta Hadiningrat in halal tourism?

## **C. Research Objectives**

The purpose of this study is to find out the results of the answer to what has been the formulation of the problem above. So the objectives of this research are as follows:

1. Analyzing the strengths and weaknesses of Karaton Ngayogyakarta Hadiningrat in halal tourism.
2. Analyze the opportunities and threats of Karaton Ngayogyakarta Hadiningrat in halal tourism.

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<sup>15</sup> Nuratikah et al., "Halal Value Chain Dalam Meningkatkan Keunggulan Kompetitif Pada Bisnis Kuliner," *COSMOS: Jurnal Ilmu Pendidikan, EKonomi Dan Teknologi* 1, no. 3 (2024): 72–87.

<sup>16</sup> Freddy Rangkuti, *Analisis SWOT: Teknik Membedah Kasus Bisnis* (Jakarta: PT. Gramedia Pustaka Utama, 2006).

#### **D. Research Benefits**

The results of this research are expected to be useful for various parties:

##### **1. For Academics**

This research makes a very valuable contribution to the academic world, especially in the field of halal tourism. The results of this research can enrich the treasures of science, become an important reference in the development of curriculum and teaching materials, and stimulate further research. The findings in this study can be used to evaluate and improve the quality of learning, so that students can deeply understand the potential and challenges in developing the halal tourism industry in Yogyakarta.

##### **2. For Researchers**

For researchers, this research is an excellent opportunity to develop intellectual capacity and scientific writing skills. The research process has provided valuable experience in designing research, collecting data, analyzing data, and compiling research reports. The results of this research can be the basis for writing scientific articles, seminar papers, or even books that discuss the potential of the halal tourism industry in Yogyakarta. By publishing the results of their research, researchers can not only contribute to the development of science, but can also increase academic visibility and reputation.