



The Role of Islamic Banks in Halal Tourism Development: Evidence from Central Java Indonesia

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ABSTRACT

Halal tourism has been introduced as a business trend in various countries, particularly Indonesia. Its existence requires the support of various sharia-based financial institutions, such as Islamic banks. However, its role in this industry has not yet been seen in the regions. This paper aims to analyze the role and position of Islamic banks in halal tourism development in Indonesia areas in particular. The present study was conducted in Central Java, including Pekalongan City, Semarang City, and Surakarta City. two types of data, both primary and secondary. The data were collected through observations at destinations and interviews with Islamic banks and tourism business actors. Secondary data is collected through the assessment of documents, such as journal articles, books, research reports, and websites. This study showed that Islamic banks are an essential part of regional halal tourism, which act as a supporting facility in the form of institutions. The role of Islamic banks in halal tourism development has not been maximized since there has not been good cooperation with tourism business actors. However, existing Islamic banks have played an indirect role well for tourism business actors (SMEs) and visitors. The position of Islamic banks in developing regional halal tourism is as a supporting facility. In the halal tourism ecosystem, Islamic banks are part of the ecosystem. This study implied that halal tourism would develop if it is supported by Islamic banks that play a significant role in implementing halal tourism.

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Introduction

Halal tourism has been introduced as a tourism business trend. It is growing and developing in Indonesia, such as Lombok West Nusa

Tenggara (Faza, 2019), Aceh (Fadilah, Widyastuti, & Rizqullah, 2020), Padang West Sumatra (Surya, 2018), East Java Province (Priyono, 2018), North Sumatra (Bismala & Siregar, 2019), and other provinces and cities.

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This halal tourism practice has developed in countries with Muslim minority populations, such as Thailand, Singapore, Japan, New Zealand (Abdul-Razzaq, 2016), and others. Several Muslim-majority countries have practiced, such as Indonesia (Jaelani, 2017), Malaysia (Bhuiyan, Siwar, Ismail, & Islam, 2011), Ethiopia (Ahmed & Akbaba, 2018), Bangladesh (Bhuiyan & Darda, 2018), Oman (Rehman, 2019), Turkey (Friket, 2016), Jordan and Egypt (Qaddahat, Attalla, & Hussein, 2016) tag. CrescentRating released that Muslim tourists worldwide are increasing yearly; in 2013, as many as 103 million raised in 2020 by 160 million (CrescentRating, 2020). Regarding economic transactions, the halal industry is IDR 25.8 trillion (Nur, 2021). In that case, the halal tourism industry has bright prospects in Indonesia as well as the world.

The role of Islamic bank studies in halal tourism is still limited. Several studies have been carried out, such as the study by Abduh & Omar (2012). According to him, Islamic banks can generally contribute to the country's economic growth and, in particular, function as social intermediation, group-based financial servants, savings drivers, and others (Dusuki, 2008). In halal tourism ecosystem context, the existence of Islamic banks is very strategic since it is related to institutions supporting halal tourism (Nugroho, Utami, & Doktoralina, 2019; Rahtomo, 2018; Sukoso, Wiryawan, Kusnadi, & Sucipto, 2020). Several research studies on the role of Islamic banks in halal tourism development were carried out by Sidharta (2018). He argued that it contributed well. Islamic banks with various financing schemes may support halal tourism for business actors (Ameraldo & Husaini, 2019). On the other hand, realizing a halal ecosystem supports

the development of the Islamic banking industry (Sidang & Iswandi, 2020). For this reason, a more comprehensive explanation is needed, particularly for regional halal tourism.

This research was focused on the role and position of Islamic banks of halal tourism development in Pekalongan City, Semarang City, and Surakarta City. Several Islamic banks have been established in these cities, yet an extensive description has not been obtained. On the other hand, an in-depth study of the position of Islamic banks in the tourism industry has not yet received a complete picture. Therefore, this paper is focused on assessing the role and position of Islamic banks in regional halal tourism.

The study of the role of Islamic banks in halal tourism in Indonesia was considered essential for various reasons. Indonesia constitutes a country that has published a development strategy for halal tourism. According to GMTI (Global Muslim Travel Index) published by Crescent Rating (CrescentRating, 2020), Indonesia has received several international awards. Through the Ministry of Tourism of the Republic of Indonesia, in collaboration with CrescentRating, the Government of Indonesia gave awards to halal tourism in a category through the Indonesia Muslim Travel Index (IMTI) (CrescentRating, 2019). Central Java Province was awarded as a leading halal tourist destination (Disporapor Jateng, 2019). According to the author, this province also has a religious tourism map that is increasingly strengthening halal tourism's potential (Central Java Provincial Government, 2019). A description of the development of the number of tourist visits in the three cities is quite a lot, in Pekalongan City, there are as many as 24,812 tourists; in Semarang City, 4,193,000 tourists;

and in Surakarta City, 1,420,315 tourists. Foreign tourists visit most of Malaysia, Singapore, China, India, the United States, and others (Disporapar Central Java, 2019).

This research was focused on the role and position of Islamic banks of halal tourism development in Pekalongan City, Semarang City, and Surakarta City. Several Islamic banks have been established in these cities, yet an extensive description has not been obtained. On the other hand, an in-depth study of the position of Islamic banks in the tourism industry has not yet received a complete picture. Therefore, this paper is focused on assessing the role and position of Islamic banks in regional halal tourism. This study is intended to complement the limited research on the relationship between Islamic banks and halal tourism, especially in the regions. The areas that are the focus of this study are Pekalongan City, Semarang City, and Surakarta City. According to Ismanto (2022), these three cities are feasible halal tourism destinations.

Literature Review

Sharia Bank and Halal Tourism

In the ecosystem of the halal business, a tie between Islamic banks and halal tourism develops. The two are dependent on and complement one another to create the ideal environment from several angles. Islamic banks serve as institutions that offer funds to companies run by companies supporting the adoption of halal tourism, such as lodging, transportation, food, and other industries. However, Islamic banks require these initiatives as collaborators in financing, funding, and services (Ziauddin, 1994).

Supporting Halal Tourism in the Regions

Multiple parties must promote the development of halal tourism. If the pent-helix theory is considered, there is support from the government, academia, the community, businesspeople, and the media (Chamidah et al., 2020). There must be attractions, access, amenities, and supporting infrastructure while discussing the philosophy of tourism (Ismanto, 2022). Islamic banks are in a position to support institutions as facilities. Its existence expedites and enhances the regional organizing process' excellence.

The Method, data, and analysis

This research focuses on assessing the position and role of Islamic banks in the development of halal tourism in Central Java, especially in Pekalongan City, Semarang City, and Surakarta City. The data, both in the form of primary and secondary data, were obtained from observations in the field. Besides, an interview with informants was taken place. Interviews were conducted with local governments (tourism offices), Islamic bank managers, and halal tourism business actors in three cities. Document data is obtained through the assessment of books, journal articles, research reports, websites, and other data that supports the research theme.

The data obtained were analyzed by the content analysis method (Payne & Payne, 2004), an investigation technique that seeks to elaborate objectively and systematically. On the other hand, thematic analysis (Braun & Clarke, 2006) was used in this study, which is one way to analyze data to identify patterns and find themes through data that researchers have collected. The data obtained from the interviews and observations are sought for the meaning, and then a complete conclusion is

drawn from each theme received. The results are presented with stages developed by Miles & Huberman (1984) with three flows of activities that coincide: data reduction, data presentation, and conclusion drawing/verification.

Result and Discussion

The Development of Halal Tourism in Three Cities in Central Java

Three cities in Central Java province, Pekalongan City, Semarang City, and Surakarta City, have good tourism destinations and development. These three cities are ready to implement halal tourism from various theories, GMTI, IMTI, and Fatwa DSN MUI No.108/X/2016 concerning the implementation of sharia-based halal tourism (Ismanto, 2022). Central Java Province has many tourist destinations supporting halal tourism, such as the religious tourism of walisongo, tombs of scholars, sacred sites such as historical masjids, and others. Furthermore, Central Java constitutes a leading halal destination to the Tourism Ministry of the Republic of Indonesia in 2019 (Pribadi, 2020). On the other hand, in the Central Java Provincial Government, the development of the halal industry, as conveyed by the Deputy Governor, is relatively high (jatengprov.go.id, 2021). In addition, the potential of halal tourism attractions is spread in various regions, such as Pekalongan City, Semarang City, and Surakarta City, which are ready to implement halal tourism (Ismanto, 2022).

In detail, tourism development in three cities in the province of Central Java is described as follows. Pekalongan City has attractive tourism potential and is a halal destination (Ismanto,

2019) and (Nurwilda, 2020). It was supported by the academic region (Ismanto & Madusari, 2020a). In addition, halal tourism would be supported by many aspects such as attractions, access, amenities, the environment, communication, and supporting facilities (CrescentRating, 2020). In the supporting facilities aspect, several institutions play an essential role, such as banks and financial institutions, government offices, public facility offices, halal certification bodies, tourism agents, religious organizations, and Islamic boarding schools (Suyudi, Muhlis, & Mansur, 2019), universities (Chamidah, Guntoro, & Sulastri, 2020), and other institutions.

Pekalongan City has various tourist attractions, including natural tourism, culture, history, religion, shopping, special interests, and annual tourist events. This tourism variety has attracted people from outside Pekalongan City, although the number is not optimal. On the other hand, Pekalongan City also has a well-known superior product: a batik. Batik is the mainstay product of this region and has been known in various parts of Indonesia. The existence of batik is supported by the branding "World City of Batik," which also gives the impression of the city's characteristics (Susanti, 2018). UNESCO's recognition of Pekalongan City as the world's most creative city adds to the uniqueness of this city. So, it is not an exaggeration if the city has the feasibility to be a halal tourism destination (Ismanto, 2019; Ismanto & Madusari, 2020b)

Pekalongan is known as a religious area because the people are predominantly Muslim. Islamic culture and traditions are widely practiced and celebrated in this region. Some of these activities have attracted people from outside the city, the province, and even the country to visit.

Among the religious activities that became an attraction was a world gathering of clerics held in Pekalongan, a Friday recitation of *kliwon* in Kanzus Sholawat led by national figure Habib Luthfi bin Yahya. Islamic traditions and cultures used as celebrations in this city are the celebrations of *syawalan*. It takes on the seventh day after Eid al-Fitr (Giant Lopis) (Rosidin, 2016), the *maulud* celebration of the Prophet Muhammad SAW in the form of a red and white march and a long parade of talismans, and also *haul* Habib Ahmad al-Athas at the Tomb of Sapuro.

Not much different from Pekalongan City, Semarang City also has several fascinating tourist destinations, such as natural, culinary, and historical tourism. Among the most visited tourist attractions are the Old City Area, Catfish Park, Marina Beach, Jatibarang Reservoir and Kreo Cave, Tijomoyo Zoo, and Ranggawarsito Museum. Semarang also has considerable potential to be a halal tourism destination from several tourism supporters, such as religious tourism such as mosques (Perdana, Adinugraha, & Sartika, 2020), and sharia lodging facilities (Suwardono, 2015).

The city of Surakarta, which is known as the city of culture, also has several interesting tourist attractions to visit. Among the tourist attractions owned are natural tourism, cultural and traditional tourism, culinary tours, educational tours, historical tours, religious tours, experience tours, agendas/events, and festivals tourists regularly hold annually. Surakarta has become a halal tourism destination according to GMTI (Saeroji, Wijaya, & Wardani, 2018), as well as the potential of its creative industry (Nashirudin, Haris, & Wati, 2018). In addition, Surakarta also has an attractive religious tour package

(Central Java Provincial Government, 2019). Supporting facilities in the form of sharia-based lodging are also available in this city (Fitriana, 2017).

Semarang has some exciting tourist attractions, especially the old city, which was revitalized as a cultural tourism city (Yuliati, 2019). Religious tourism in the form of Kauman Mosque (Yuliana K & Kurniati, 2013), the Great Mosque of Central Java, the Tomb of Ki Ageng Pandanaran, Tomb of Kyai Soleh Darat. Typical culinary tours such as Lumpia, Bandeng Presto, Wingko Babat, and other specialties are available. A historical tour of the old city has become a mainstay of the local government. In addition to natural attractions such as the Jatibarang reservoir and Kreo Cave. Many researchers argued that Semarang has the feasibility to be halal tourism destination (Insetyonoto, 2019; Ismanto, 2022; Prime et al., 2020)

Surakarta is known as a cultural city because there is Surakarta Palace is a famous historical relic. This city also has a myriad of cultures that are still displayed to this day and are a unique attraction for tourists, such as *kethoprak*, *wayang kulit* performances, and dance performances (Surakarta City Government, 2021). Keraton Surakarta is the main tourist attraction with a history and nuances of Javanese and Islamic culture (Gunawan, 2019), such as cultural *kirab* (Prasetyo, 2017). Solo culinary tourism also has a distinctive and famous taste (Saeroji & Wijaya, 2017). Researchers believe that Surakarta deserves to be a halal tourism destination (Saeroji et al., 2018) and has been supported by facilities such as sharia hotels (Rahmanto & Hartini, 2020).

The development and potential of halal tourism in these cities cannot be separated from

various components, including attractions, access, amenity, communication, the environment, supporting facilities, and community empowerment (Ismanto, 2022). Among the supporting facilities are Islamic banks and other forms such as Islamic educational institutions, halal souvenir centers, Islamic hospitals, and others. On the other hand, it is also supported by tourism support efforts such as transportation businesses, food and beverages, accommodation, and others (Qibthiyah, 2018). The meeting point for halal tourism and Islamic banks refers to Islamic economics as the theoretical parent. In contrast, the practical meeting point in the halal industry is the center of activity.

From the description above, it can be concluded that the three cities have the potential, prospects, and readiness to become halal tourism destinations. Pekalongan has the characteristics of halal tourism based on religious tourism, and it is a creative city (religion-creative halal tourism). Semarang is a city of halal tourism based on history (heritage) and intelligent tourism. Surakarta, on the other hand, is a city of halal tourism based on culture and local wisdom (culture-local wisdom halal tourism) (Ismanto, 2022).

Sharia Bank's Position in the Development of Halal Tourism in the Regions

The tourism ecosystem includes elements such as the government, society, business people, and all related industries that support the halal tourism business to synergize to provide the best service to tourists who visit destinations (Nugroho et al., 2019). The halal tourism ecosystem comprises products and services, government support, human resources, and infrastructure (systems) (Rahtomo, 2018). In

this context, Islamic banks and financial institutions are domiciled as supporting institutions useful for tourists and tourism business actors.

As partners of business actors, Islamic banks act as financing institutions and a reservoir for the results of the actors' business (savings) and financing partners. On the other hand, it also provides convenient services for tourists related to financial services. The service for tourists is the convenience of ATMs and other financial services. From this relationship, no concrete descriptions and practices have been found in the area. The city government is focused on strengthening the facilities and infrastructure of tourism destinations. Theoretically, many tourism businesses can become partners of Islamic banks, including 1) tourism attraction businesses, 2) tourism area businesses, 3) transportation service businesses, 4) travel service businesses, 5) food and beverage service businesses, 6) accommodation provision businesses, 7) entertainment and recreational activities, organizing meetings, intensive trips, conferences and exhibitions, 8) tourism information service business, 9) tourism consulting service business, 10) tour service business, 11) tourism business, and 12) SPA business (Qibthiyah, 2018).

Pekalongan is also a trading city of the community's creations and industrial products, such as batik, sarongs, and derivative products. Pekalongan City has 21,791 MSME players with various types of businesses, such as batik, craft, culinary, and other sectors (Radar Pekalongan, 2020). This region has several well-known batik producers and shops, such as Luza, Huza, Qonita, Unggul Jaya, Tiga Negeri, and other batiks. Sarong products such as

Gadjah Duduk, BHS, Wadimor, and batik sarong fabrics are also produced in this city. On the other hand, batik production on the scale of the home industry is also widely carried out by the community. These forms of business require banking services and financial institutions, financing (crediting), collection (funding), and services. That way, economic and financial activities go hand in hand and need each other.

The running of the business world would produce quality products that tourists and visitors need. Not infrequently, this product would be a typical souvenir for tourists. Therefore, financing from financial

institutions, including banks and Islamic financial institutions, is indispensable. The conditions illustrate the symbiosis of mutualism between business actors and the financial world since the objective of establishing Islamic banks and financial institutions is to grow the real sector (Harahap, 2016; Mohieldin & Rostom, 2011). In Pekalongan, there have been ten sharia bank branch offices and 12 Sharia microfinance institutions in the form of sharia cooperatives, BMT, BTM, and others. It is presented in table 1 and table 2. Due to expansion, this Islamic bank is a branch to facilitate customer financial services in the regions.

Table 1.

Islamic Banks in Pekalongan City

Name	Address
Bank Syariah Indonesia	Jl. KH. Wahid Hasyim No. 11A, Kec. East Pekalongan Pekalongan City.
Bank Syariah Indonesia	Jl. H. Agus Salim No. 50, Pekalongan City.
BTN Syariah	Jl. Diponegoro Pasirsari No. 28 Kec. Pekalongan Barat, Pekalongan City.
Bank Jateng Syariah	Jl. Imam Bonjol No. 38, Kergon, Kec. Pekalongan Barat, Pekalongan City.
BTPN Syariah	Jl. Kurinci, Podosugih, Kec. Pekalongan, Pekalongan City.
Bank Sinarmas Syariah	Jl. Gajah Mada No.28 Pekalongan City.
BNI Syariah	Jl. Youth No.52-54. Pekalongan City. (Martyr's Mosque Complex)
Bank Muamalat	Jl. Hayam Wuruk No.142 Pekalongan City.
Bank Danamon Sharia	Jl. Sultan Agung No. 100 Kel. Sugiharwas Kec. Pekalongan Timur,
Gold Solution	Pekalongan City.

Source: data processed, 2021.

Islamic banks in Pekalongan City have played an essential role in the community channeled through various financing. On the other hand, people's interest in becoming customers of Islamic banks is also relatively high. Similarly, the role of Islamic banks as financing institutions for MSME customers. Although

there are still shortcomings in Islamic banks, the Pekalongan people have taken advantage of them (Nasrullah, Ismanto, & Nalim, 2017). In Semarang City, there have been seven branch offices of Islamic banks, as presented in table 2 below.

Table 2.

Islamic Banks in Semarang City

Name	Address
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Bank BTPN Syariah	Jl. Brig. Gen. Sudiarto (Majapahit) No. 330 A, Palebon Village, Pedurungan District, Semarang.
Bank Syariah Indonesia Pandanaran Branch	Jl. Pandanaran No.90, Pekunden, Kec. Semarang Tengah, Semarang City, Central Java 14040
Bukopin Sharia Bank	Ruko Gajah Mada Unit 5 Jl Gajah Mada No 97 Semarang.
Bank Sinarmas Syariah	Jl. Dr. Wahidin No. 62B Semarang.
BCA Syariah	BCA Building Semarang Youth Branch Jalan Pemuda No. 90 - 92 Semarang.
Sharia Mega Bank	Ruko Citraland Complex B-3 Simpang Lima, Jl Gajah Mada Semarang Zip Code 50134.
Bank BTN Syariah	Jl Majapahit No 283 A Semarang.
BII Syariah	Jl. Brig. Gen. Sudiarto No. 198 Blok D-E, Semarang 50161.

Source: data processed 2021

Various elements of society utilize Islamic banks in Semarang as savers and recipients of financing (Sinta, Fauzi, & Murniawaty, 2020). The community has many customer motivations to connect with Islamic banks, such as religiosity, quality of service, and products (Nurmaeni, Hasanah, & Widowati, 2020). Islamic bank financing for MSMEs has

also been carried out in Semarang City as working capital (Suretno & Bustam, 2020).

Surakarta has established a branch office of Islamic banks which are quite a lot, that are nine Islamic banks. It was considered many because almost all Islamic banks stand in this city, as seen in table 3.

Table 3.

Islamic Banks in Surakarta City

Name	Address
Bank Syariah Indonesia	Jl. Slamet Riyadi No.388, Sriwedari, Kec. Laweyan, Surakarta City
Bank Bukopin Syariah	Jl. Slamet Riyadi No.271, Sriwedari, Kec. Laweyan, Surakarta City.
Bank Panin Syariah	Jl. Captain Piere Tendean No.173, Nusukan, Kec. Banjarsari, Surakarta City.
BCA Syariah	Jl. Slamet Riyadi No.3-7, Kp. Baru, Kec. Ps. Kliwon, Surakarta City.
Bank Syariah Indonesia	Jl. Brig. Gen. Sudiarto Jl. Slamet Riyadi No.318, Sriwedari, Kec. Laweyan, Surakarta City.
BTN Syariah	Jalan Brig. Gen. Slamet Riyadi No.332, Sriwedari, Kec. Laweyan, Surakarta City.
Bank Syariah Indonesia	Jl. Veteran No.120, Gajahan, Surakarta, Surakarta City.
Bank Jateng Syariah	Jl. Slamet Riyadi No.330d, Sriwedari, Kec. Laweyan, Surakarta City.
Bank Danamon Syariah	Jl. Slamet Riyadi No.312, Sriwedari, Kec. Laweyan, Surakarta City.

Source: data processed 2021.

In the three cities of Central Java, there are already quite a lot of Islamic banks. From this

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existence, it can be concluded that Islamic banks have fulfilled the regional halal tourism ecosystem in terms of supporting facilities. Islamic banks support tourism business actors in financing and play a role for tourists in terms of service facilities.

The Role of Sharia Banks in Halal Tourism in Three Cities

Various studies have shown that banks, including Islamic banks, play an essential role in the business world (Ameraldo, Saiful, & Husaini, 2019). Islamic banks have also played a role in small and medium enterprises (Seibel & Agung, 2006). Islamic banks also play a role in the halal industry (Husain, 2021). In particular, Islamic banks have also played a role in the development of halal tourism (Djakfar, Isnaliana, & Putri, 2021). By referring to the role that previous researchers have described, this sub-chapter outlines the role of Islamic banks in the development of halal tourism in three cities in central Java province.

From the results of observations and interviews in Surakarta, the existence of Islamic banks and financial institutions has not contributed optimally to developing halal tourism. It could be seen in the financing of products and their participation in annual tourism activities. Extraordinary cooperation between local governments, Islamic financial institutions, and business actors has not been carried out. However, as revealed by the following informants, business actors have contacted Islamic financial institutions regarding member (customer) relationships with debtors.

[... we have never been invited by the city government to discuss tourism. Moreover, specifically to provide financing to tourist business actors. If SMEs are customers, yes, it is a form of

personal awareness as financing customers and depositors.]"

From the description above, Islamic banks have been found in three cities: Pekalongan City, Semarang City, and Surakarta City. On the other hand, Islamic banks have played an essential role in the regional economy and society. However, it has not been explicitly mentioned as a halal tourism supporter. Excitingly, Islamic banks have played a role in developing MSMEs in three regions (Nasrullah et al., 2017; Rifai & Wijaya, 2019).

In three cities, Pekalongan, Semarang, and Surakarta, there are many Islamic banks. All Islamic banks in Indonesia have been established in three cities with branch office status. In all three cities, there are many Islamic banks, and the distribution is quite good so that they can be accessed by halal tourism business actors such as MSMEs. The existence of Islamic banks in this area can already be said to meet and complete the chain of the halal tourism ecosystem (Rahtomo, 2018). Islamic banks in these three cities have become a supporting institution for regional halal tourism in supporting facilities (Andriani, 2015; Ismanto, 2022).

Islamic banks in the middle of the city strategically make it easier for the government and tourism business actors to cooperate. The number and presence of the region it is considered to support halal tourism development. The existence of Islamic banks is part of the infrastructure. The readiness to develop halal tourism is supported by the availability of infrastructure, competent human resources in halal tourism, and the acceptance of local residents for Muslim tourists (Bunakov et al., 2019).

Business actors in three cities have utilized Islamic banks. They are intended for the medium and large-scale business segments, while Islamic microfinance institutions are for the micro-segment. On the other hand, Islamic banks may sponsor tourist *events* organized by the Tourism Office. From the description above, existing Islamic banks have not functioned optimally due to the lack of cooperation between the government, tourism business actors, and Islamic banks. Theoretically, Islamic banks and tourism support each other (Zuhro, 2019).

This paper adds to and complements previous studies on the relationship between Islamic banks and the tourism industry, specifically halal tourism. In particular, it strengthens the vital role of Islamic banks in developing regional halal tourism. Among the existing studies are Sidharta (2018), Emerald & Husaini (2019), Fadli (2019), Carlos & Orden-Cruz (2020), and Sidang & Iswandi (2020). The novelty given in this paper is that the study was carried out in areas that have creative-religious tourism characteristics, brilliant tourism heritage, and local cultural wisdom. However, in these three regions, the role of Islamic banks has not been maximized in implementing halal tourism.

Conclusion

Islamic banks play a crucial supporting role in the development of halal tourism in three cities since they are a vital component of the halal tourism ecosystem. The contribution of Islamic banks to halal tourism in the areas has not been fully realized. The current position is more closely tied to the financing of micro, small, and medium-sized firms associated with the tourism

industry than it is to the actual tourism industry. However, as seen by the few ATMs, the presence of Islamic banks in popular tourist destinations is likewise subpar. This study implies that the success of the implementation of halal tourism in the regions can be adequately achieved if cooperation between parties/tourism institutions (halal tourism ecosystem) is well established. In the context of halal tourism, Islamic banks are part of the halal tourism ecosystem that must be increased in their role. For this reason, local governments must bridge between entrepreneurs and Islamic banks to establish profitable cooperation to support halal tourism development. On the other hand, if Islamic banks can finance the halal tourism business, then the institution will also be able to develop properly.

Recommendation

Since this study's scope was limited to just three cities, future researchers must conduct a more thorough investigation into another city. Conducting qualitative research on how tourists perceive halal travel is necessary. Constructing a link between Islamic banks and players in the tourism industry is sound advice for local governments.

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