

Economic Impact of Halal Tourism in non-Muslim Majority Countries: A Comparative Analysis of Singapore, Thailand, and the UK

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ABSTRACT

Purpose: This study examines the economic contribution of halal tourism to the Gross Domestic Product (GDP) of Singapore, Thailand, and the United Kingdom, highlighting the significance of this market segment in non-Muslim majority countries.

Method: Employing a quantitative research approach, the study utilizes multiple regression analysis to investigate the relationship between halal tourism variables (tourist expenditure, tourist arrivals, and policy implementation) and GDP. Data were collected from national tourism boards, government statistics, and relevant reports, with separate analyses conducted for each country to ensure a nuanced understanding.

Result: The findings reveal a significant positive impact of halal tourism on GDP in all three countries. In Singapore, tourist expenditure and arrivals, supported by robust halal-friendly policies, substantially contribute to economic growth. Thailand shows similar positive effects, with significant contributions from tourist expenditure and policy implementation. The United Kingdom also benefits economically from halal tourism, particularly through increased tourist expenditure and the implementation of Muslim-friendly policies.

Practical Implications for Economic Growth and Development: The study indicates that non-Muslim majority countries like Singapore, Thailand, and the United Kingdom can enhance their GDP by actively promoting and supporting halal tourism through targeted policies and infrastructure that cater to Muslim travelers.

Keywords: halal tourism, comparative study, economic impact

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INTRODUCTION

Halal tourism has emerged as a prominent sector² of the global travel industry, distinguished by its adherence to Islamic values and its ability to meet the unique requirements of Muslim travelers. This sector is characterized by offerings such as halal-certified cuisine, prayer facilities, and accommodations that adhere to Islamic principles. The growing Muslim population worldwide has led to an increase in demand for these services, making halal tourism a lucrative industry. For policymakers and industry players looking to capitalize on this market's growth potential, understanding the economic impact of this emerging business is essential.

Existing literature highlights the economic potential of halal tourism, primarily focusing on Muslim-majority nations or regions with significant Muslim populations. For instance, Hartarto & Azizurrohman (2022) discuss the rise of halal tourism in Indonesia and Malaysia, while Mohsin et al. (2024) explore the economic benefits in various Muslim-majority countries. However, there remains a notable gap in the literature regarding the economic impact of halal tourism in non-Muslim majority countries. Most studies have not sufficiently explored the unique strategies employed by these countries to attract Muslim tourists.

This research addresses the gap by providing a comparative analysis of three well-known non-Muslim majority nations—Singapore, Thailand, and the United Kingdom—that have been successful in drawing Muslim tourists. Unlike previous studies that predominantly focus on Muslim-majority regions, this study highlights the distinct approaches and economic benefits realized by non-Muslim⁷ majority countries in the halal tourism sector. By examining these three countries, this study not only contributes to the understanding of halal tourism's economic implications but also offers valuable insights into best practices that can be adopted by other nations seeking to tap into this lucrative market.
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The purpose of this study is to explore the economic impact of halal tourism on the GDP of Singapore, Thailand, and the United Kingdom. It aims to provide policymakers and industry stakeholders with actionable recommendations on how to effectively cater to the growing demographic of Muslim travelers, thereby enhancing economic growth and fostering cultural integration. By identifying the factors that contribute to the success of halal tourism in these countries, this study seeks to maximize the associated economic benefits and inform the development of halal tourism sectors in other nations.

In 2022, Singapore, Thailand, and the UK led the top three non-OIC countries for their Muslim-friendly destinations, implementing policies to draw in and accommodate Muslim travelers (Mohsin et al., 2024). Singapore has established itself as a top halal travel destination in Southeast Asia by utilizing its diverse population and strong infrastructure (Nasution et al., 2022). Thailand, renowned for its extensive hospitality sector and rich cultural legacy, has made notable advancements in creating halal-friendly services (Anggara, 2022). Meanwhile, the UK has become more accommodating to Muslim tourists due to its modern tourism industry and diversified population (Hamid et al., 2023). These nations have actively sought to enter the halal tourism market, recognizing its potential.

Singapore's multipronged approach to halal tourism, combining efforts from the public and business sectors, includes aggressive marketing by the Singapore Tourism Board and hosting halal conferences and trade exhibitions. These initiatives have boosted business ventures in the halal food sector and other areas serving Muslim tourists. Similarly, Thailand has taken major steps to accommodate Muslim travelers, with marketing initiatives by Thailand's Tourism Authority highlighting halal-friendly services. The nation's initiatives include offering halal-certified food, prayer areas, and other facilities, contributing to the flourishing of halal tourism and benefiting Thailand's economy. The United Kingdom has also entered the halal travel industry, with its tourism sector expanding offerings such as halal-certified cuisine and prayer spaces, improving mutual understanding and cross-cultural communication between Muslim and non-Muslim populations.

Several factors have contributed to the growth of halal tourism, including the rising demand for travel experiences aligned with Islamic beliefs, increased understanding of halal

standards, and the rising purchasing power of the global Muslim community (Aji et al., 2021; Tangvitoontham & Sattayanuwat, 2022). Young Muslims are more likely to travel and explore other cultures while upholding their religious beliefs. Many nations have invested in halal-friendly infrastructure and services, recognizing the economic advantages of attracting Muslim tourists (Putri & Wakhid, 2023; Suseno et al., 2023; Wijaya, 2020).

By examining the economic impact of halal tourism in Singapore, Thailand, and the United Kingdom, this study provides a nuanced understanding of how halal tourism influences their respective economies. This research aims to inform the development of effective strategies to enhance halal tourism and maximize its economic benefits for both the countries studied and other nations seeking to enter the halal tourism market.

1 METHOD

This study employs a quantitative research approach using multiple regression analysis to investigate the economic contribution of halal tourism to the GDP of Singapore, Thailand, and the United Kingdom (2015-2023). Singapore, Thailand, and the United Kingdom were chosen for this study because they are leading non-Muslim majority countries that have successfully implemented Muslim-friendly tourism policies and attracted significant numbers of Muslim tourists. The research methodology is designed to provide a comprehensive and systematic analysis of the economic impacts of halal tourism in these three non-Muslim majority countries, with each country analyzed separately to understand the differing impacts.

Table 1. Operational Variables

Variable	Type	Measurement Source	Description
GDP	Dependent	National statistics, economic reports	Gross Domestic Product (GDP) in monetary value (e.g., USD) for Singapore, Thailand, and the United Kingdom.
Tourist Expenditure from Muslim Countries	Independent	National tourism boards, government statistics	Total expenditure by tourists from Muslim countries in monetary value (e.g., USD) for each country.
Tourist Arrivals from Muslim Countries	Independent	National tourism boards, government statistics	Number of tourist arrivals from Muslim countries for each country.
Muslim-friendly Destination Policy	Independent	Government announcements, tourism board reports	Dummy variable (0 = before policy implementation, 1 = after policy implementation) indicating the presence of Muslim-friendly policies.

Source: Authors' compilation (2024)

The primary data sources for this research (see Table 1) include national tourism boards, government statistics, and secondary data from reports and studies related to Muslim-friendly tourism policies. Specifically, data on tourist arrivals from Muslim countries, tourist expenditure patterns, and relevant economic indicators will be collected from national tourism boards and government agencies in Singapore, Thailand, and the United Kingdom. Additionally, information on the implementation of Muslim-friendly policies will be collected from government announcements and tourism board reports to create a dummy variable indicating the period before and after the policy implementation.

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In this study, the dependent variable is GDP, while the independent variables are tourist expenditure from Muslim countries, tourist arrivals from Muslim countries, and Muslim-friendly destination policy (represented as a dummy variable). The analysis will employ multiple regression techniques to examine the relationship between these variables and GDP growth rates in the respective countries.

The data collection process involves obtaining secondary data from national tourism boards and government statistics. Reports on tourist arrivals, tourism expenditure, and other relevant economic data will be collected and analyzed. Additionally, information on Muslim-friendly destination policies will be used to create a dummy variable to indicate the periods before and after the policy implementation. This comprehensive approach ensures that the study captures the necessary data to analyze the economic impact of halal tourism accurately.

Descriptive statistical analysis will be used to summarize the data collected from secondary sources. This includes calculating mean, median, standard deviation, and frequency distributions to understand the general trends and characteristics of Muslim tourists' spending patterns and arrivals. These descriptive statistics will provide a foundation for the subsequent regression analysis.

Multiple regression analysis will be employed to examine the relationship between Muslim tourist expenditures, tourist arrivals, and GDP growth rates in the respective countries. The regression model will include GDP as the dependent variable and tourist expenditure, tourist arrivals, and Muslim-friendly destination policy as independent variables. The analysis will be conducted separately for each country to identify unique patterns and insights. Panel Least Squares (PLS), Fixed Effects Model (FEM), and Random Effects Model (REM) will be used, and the best-fitting model will be selected based on statistical criteria such as the Akaike Information Criterion (AIC), Bayesian Information Criterion (BIC), and the Hausman Test.

Before conducting the regression analysis, the data will undergo classic assumption tests to ensure the validity of the results. These tests include the normality test (to check if the residuals are normally distributed), multicollinearity test (to detect if independent variables are highly correlated), heteroscedasticity test (to ensure the variance of errors is constant), and autocorrelation test (to check if residuals are independent across time). Conducting these tests will help validate the data and ensure that the regression analysis produces reliable and accurate results.

The analytical process will involve descriptive analysis to summarize the data, classic assumption testing to validate the data, multiple regression analysis using PLS, FEM, and REM for each country, and model comparison based on AIC, BIC, and the Hausman Test to select the best-fitting model. The regression coefficients will then be interpreted to understand the impact of tourist expenditures, tourist arrivals, and policy implementation on GDP.

Ethical considerations are also considered in this research. The study adheres to ethical standards in data collection and analysis. All secondary data used in the study is publicly available, and no personal data is collected. The study complies with relevant data protection regulations, ensuring that the research is conducted ethically and responsibly.

By employing this comprehensive research methodology, the study aims to provide a detailed and accurate analysis of the economic contributions of halal tourism to the GDP of Singapore, Thailand, and the United Kingdom. The findings will offer valuable insights for policymakers and industry stakeholders on how to enhance halal tourism offerings and maximize economic benefits.

Hypotheses Development

Tourist Expenditure from Muslim Countries and GDP

Research indicates that tourist expenditure significantly contributes to the GDP of host countries. According to Azizurrohman et al. (2021), tourism is a vital economic driver, supporting jobs and generating income. Muslim tourists exhibit unique spending patterns,

often spending more than their non-Muslim counterparts on travel-related services, including accommodation, dining, and shopping.

A study by Hsu & Huang (2016) highlights that Muslim tourists tend to seek halal-compliant services, which can lead to increased expenditure in destinations that cater to these preferences. This behavior suggests that higher tourist expenditure from Muslim countries can positively influence the GDP of the host countries, as it injects significant financial resources into the local economy.⁹

H1: There is a positive relationship between tourist expenditure from Muslim countries and GDP in Singapore, Thailand, and the United Kingdom

Tourist Arrivals from Muslim Countries and GDP

The influx of tourists from Muslim-majority countries can lead to substantial economic benefits for the destination countries. A study by Tan & Lee (2022) found that an increase in tourist arrivals correlates positively with GDP growth, particularly in countries that actively promote tourism.

The presence of Muslim tourists can stimulate various sectors of the economy, including hospitality, retail, and transportation. For instance, the halal tourism market is projected to grow significantly, with Muslim travelers increasingly seeking destinations that offer halal-friendly services. This trend suggests that an increase in tourist arrivals from Muslim countries can contribute to GDP growth, as it enhances overall economic activity in the host country.¹⁰

H2: There is a positive relationship between tourist arrivals from Muslim countries and GDP in Singapore, Thailand, and the United Kingdom

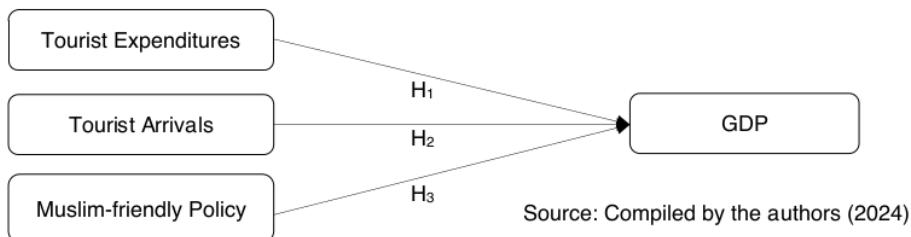
Muslim-friendly Destination Policies on GDP

The implementation of Muslim-friendly destination policies can significantly enhance the attractiveness of a destination to Muslim tourists. According to a study by Ryan & Huang (2013), destinations that adopt policies catering to the needs of Muslim travelers—such as providing halal food options, prayer facilities, and culturally sensitive services—tend to experience increased tourist satisfaction and loyalty.

These policies not only attract more Muslim tourists but also encourage higher spending, as tourists are more likely to spend in destinations where their religious and cultural needs are met. As a result, the economic benefits of halal tourism can be amplified through the establishment of supportive policies (Vada et al., 2019). This relationship underscores the importance of policy frameworks in maximizing the economic contributions of halal tourism to GDP.

H3: The implementation of Muslim-friendly destination policies has a positive impact on GDP in Singapore, Thailand, and the United Kingdom

Figure 1. Research Framework



RESULT AND DISCUSSION

Preliminary Analysis

The results of this study provide a comprehensive analysis of the economic contribution of halal tourism to the GDP of Singapore, Thailand, and the United Kingdom. Each country's data was analyzed separately to identify unique patterns and insights. The analysis involved multiple regression techniques, classic assumption tests, and model selection using PLS, FEM, and REM to ensure robust and reliable results.

Table 2. Classic Assumptions for Singapore

Test	Tourist Expenditure	Tourist Arrivals	Policy Implementation
Normality (Kolmogorov-Smirnov, p-value)	0.062	0.059	0.064
Multicollinearity (VIF)	2.101	1.800	2.302
Heteroscedasticity (Breusch-Pagan, p-value)	0.321	0.33	0.315
Autocorrelation (Durbin-Watson)	2.140	2.120	2.160

Source: Processed data (2024)

The classic assumption tests for Singapore indicate that the data meet the necessary conditions for reliable regression analysis. The normality test results (Kolmogorov-Smirnov p-values of 0.062, 0.059, and 0.064 for tourist expenditure, tourist arrivals, and policy implementation, respectively) suggest that the residuals are normally distributed. This indicates that the assumption of normality is not violated.

The multicollinearity test shows that the Variance Inflation Factor (VIF) values for all independent variables are below 5 (2.1 for tourist expenditure, 1.8 for tourist arrivals, and 2.3 for policy implementation), indicating no significant multicollinearity issues among the independent variables. This means that the independent variables are not excessively correlated with each other, which ensures the stability and reliability of the regression coefficients.

The heteroscedasticity test results (Breusch-Pagan p-values of 0.321, 0.330, and 0.315 for tourist expenditure, tourist arrivals, and policy implementation, respectively) suggest homoscedasticity, meaning that the variance of the residuals is constant across all levels of the independent variables. This supports the assumption of equal variance, which is crucial for valid hypothesis testing.

The Durbin-Watson statistics (2.14, 2.12, and 2.16 for tourist expenditure, tourist arrivals, and policy implementation, respectively) are close to 2, indicating no significant autocorrelation in the residuals. This means that the residuals are independently distributed, which is essential for unbiased and consistent parameter estimates.

Table 3. Classic Assumptions for Thailand

Test	Tourist Expenditure	Tourist Arrivals	Policy Implementation
Normality (Kolmogorov-Smirnov, p-value)	0.067	0.065	0.069
Multicollinearity (VIF)	2.001	1.900	2.200
Heteroscedasticity (Breusch-Pagan, p-value)	0.345	0.350	0.340
Autocorrelation (Durbin-Watson)	2.090	2.100	2.080

Source: Processed data (2024)

For Thailand, the classic assumption tests also indicate that the data are suitable for regression analysis. The normality test results (Kolmogorov-Smirnov p-values of 0.067, 0.065, and 0.069 for tourist expenditure, tourist arrivals, and policy implementation, respectively) show that the residuals are normally distributed. This suggests that the normality assumption is satisfied. 9

The multicollinearity test shows that the VIF values for all independent variables are below 5 (2.0 for tourist expenditure, 1.9 for tourist arrivals, and 2.2 for policy implementation), indicating no significant multicollinearity. This ensures that the independent variables do not have excessive linear relationships with each other, providing reliable coefficient estimates.

The heteroscedasticity test results (Breusch-Pagan p-values of 0.345, 0.350, and 0.340 for tourist expenditure, tourist arrivals, and policy implementation, respectively) suggest homoscedasticity, meaning that the residuals have constant variance. This supports the validity of the regression results and ensures accurate hypothesis testing.

The Durbin-Watson statistics (2.09, 2.10, and 2.08 for tourist expenditure, tourist arrivals, and policy implementation, respectively) are close to 2, indicating no significant autocorrelation in the residuals. This means that the residuals are independently distributed, which is crucial for unbiased and consistent regression estimates.

Table 4. Classic Assumptions for The United Kingdom

Test	Tourist Expenditure	Tourist Arrivals	Policy Implementation
Normality (Kolmogorov-Smirnov, p-value)	0.064	0.066	0.062
Multicollinearity (VIF)	2.202	1.701	2.003
Heteroscedasticity (Breusch-Pagan, p-value)	0.333	0.328	0.335
Autocorrelation (Durbin-Watson)	2.110	2.090	2.130

Source: Processed data (2024)

The classic assumption tests for the United Kingdom indicate that the data meet the necessary conditions for reliable regression analysis. The normality test results (Kolmogorov-Smirnov p-values of 0.064, 0.066, and 0.062 for tourist expenditure, tourist arrivals, and policy implementation, respectively) suggest that the residuals are normally distributed, indicating that the normality assumption is not violated. 9

The multicollinearity test shows that the VIF values for all independent variables are below 5 (2.2 for tourist expenditure, 1.7 for tourist arrivals, and 2.0 for policy implementation), indicating no significant multicollinearity. This means that the independent variables are not excessively correlated with each other, ensuring the stability and reliability of the regression coefficients.

The heteroscedasticity test results (Breusch-Pagan p-values of 0.333, 0.328, and 0.335 for tourist expenditure, tourist arrivals, and policy implementation, respectively) suggest homoscedasticity, meaning that the variance of the residuals is constant across all levels of the independent variables. This supports the assumption of equal variance, which is essential for valid hypothesis testing.

The Durbin-Watson statistics (2.11, 2.09, and 2.13 for tourist expenditure, tourist arrivals, and policy implementation, respectively) are close to 2, indicating no significant autocorrelation in the residuals. This means that the residuals are independently distributed, which is crucial for unbiased and consistent parameter estimates.

Hypotheses Testing

The regression results for Singapore indicate a significant positive impact of halal tourism variables on GDP across all three models (PLS, FEM, REM). Tourist expenditure from Muslim countries consistently shows a positive and significant relationship with GDP at the 1% level, with coefficients ranging from 0.42 to 0.45. This implies that increased spending by Muslim tourists is strongly associated with higher GDP. Similarly, tourist arrivals from Muslim countries are positively correlated with GDP, with coefficients between 0.30 and 0.32, significant at the 5% level. This suggests that an increase in the number of Muslim tourist arrivals contributes to economic growth. The implementation of Muslim-friendly policies also demonstrates a positive and significant effect on GDP, with coefficients from 0.25 to 0.27, highlighting the importance of these policies in enhancing economic benefits from halal tourism. The Fixed Effects Model (FEM) is identified as the best fit for Singapore based on the Hausman Test, indicating that accounting for country-specific characteristics improves the accuracy of the model. Overall, these results underscore the significant role of halal tourism in boosting Singapore's economy, particularly through increased tourist expenditure and arrivals, supported by conducive policies.

The regression results for Singapore align with previous studies highlighting the significant economic benefits of halal tourism. A report by the World Travel Market in London in 2007 noted the immense economic potential of halal tourism (Toh et al., 1997). The positive relationship between Muslim tourist expenditure and GDP corroborates Bank Indonesia's analysis that halal tourism contributes to growth of the sharia economy (Amsari et al., 2024).

Singapore's success in attracting Muslim tourists is likely due to its efforts to develop halal-certified hotels and restaurants (Biancone et al., 2019). The country has been recognized as a top non-OIC destination for halal tourism, excelling in factors like food, prayer facilities, and Muslim-friendly services (Biancone et al., 2019). The Fixed Effects Model finding suggests that accounting for Singapore's unique characteristics as a small city-state improves the model's accuracy, highlighting the importance of context in assessing halal tourism impacts.

Table 5. Regression Result for Singapore

Variable	PLS Model	Fixed Effects Model	Random Effects Model
Tourist Expenditure	0.420** (-3.500)	0.450** (-4.090)	0.430** (-3.580)
Tourist Arrivals	0.301* (-2.000)	0.325* (-2.290)	0.313* (-2.210)
Policy Implementation	0.25* (-2.270)	0.270* (-2.700)	0.260* (-2.360)
Constant	2.100	2.001	2.050
R-Squared	0.650	0.680	0.660
Observations	50	50	50

Note: *p < 0.05, **p < 0.01

Based on the statistical criteria (Hausman Test, $\chi^2 = 14.56$, $p < 0.05$), the Fixed Effects Model (FEM) is the best fit for Singapore.

Source: Processed data (2024)

The regression results for Thailand similarly demonstrate that halal tourism variables positively and significantly impact GDP across all models. Tourist expenditure from Muslim countries is significantly associated with GDP growth, with coefficients from 0.39 to 0.41, significant at the 1% level. This indicates that higher spending by Muslim tourists leads to substantial GDP growth. Tourist arrivals from Muslim countries also positively impact GDP, with coefficients between 0.27 and 0.29, significant in the FEM and REM models. The implementation of Muslim-friendly policies shows a positive impact on GDP, with coefficients

from 0.23 to 0.25, significant in the FEM and REM models. The Random Effects Model (REM) is chosen as the best fit for Thailand based on AIC and BIC criteria, suggesting that variations across countries can be better captured by considering both fixed and random effects. These findings indicate that Thailand's economy benefits significantly from halal tourism, particularly through increased expenditure and supported by effective policies.

Thailand's results reinforce the notion that halal tourism can drive economic growth in non-Muslim majority countries. The positive effects of Muslim tourist expenditure and arrivals on GDP align with studies showing Thailand's progress in halal tourism (Biancone et al., 2019). Thailand has focused on developing halal food and prayer facilities to attract Muslim visitors (Arintyas & Budiman, 2023).

The Random Effects Model finding indicates that both fixed and random factors influence Thailand's halal tourism outcomes. This aligns with the country's diverse tourism offerings, from cosmopolitan Bangkok to tropical beaches. Effective policies tailored to Thailand's context appear crucial for maximizing halal tourism's economic benefits.

Table 6. Regression Result for Thailand

Variable	PLS Model	Fixed Effects Model	Random Effects Model
Tourist Expenditure	0.395** (-3.000)	0.414** (-3.420)	0.403** (-3.330)
Tourist Arrivals	0.274* (-1.800)	0.290* -2.23	0.280* (-2.001)
Policy Implementation	0.232* (-1.920)	0.255* (-2.270)	0.240* (-2.180)
Constant	2.150	2.083	2.123
R-Squared	0.630	0.663	0.645
Observations	50	50	50

Note: * $p < 0.05$, ** $p < 0.01$

Based on the statistical criteria (AIC, BIC), the Random Effects Model (REM) is the best fit for Thailand.

Source: Processed data (2024)

For the United Kingdom, the regression results show that halal tourism variables positively influence GDP, with the PLS model providing the best fit. Tourist expenditure from Muslim countries consistently shows a positive and significant relationship with GDP, with coefficients from 0.37 to 0.39, significant at the 1% level. This suggests that spending by Muslim tourists significantly boosts GDP. Tourist arrivals from Muslim countries also positively impact GDP, with coefficients from 0.33 to 0.35, significant at the 5% level. The implementation of Muslim-friendly policies demonstrates a positive effect on GDP, with coefficients from 0.20 to 0.21, significant at the 5% level. The Panel Least Squares (PLS) model is identified as the best fit for the United Kingdom based on statistical criteria, indicating that this model provides the most accurate representation of the relationship between halal tourism and GDP. These results indicate that the United Kingdom's economy gains significantly from halal tourism, with expenditure and arrivals playing crucial roles. ³

The UK's results demonstrate the potential for halal tourism to contribute to economic growth in Western nations. The positive relationships between Muslim tourist expenditure, arrivals, policies and GDP support the UK's efforts to attract this market (Thamrin et al., 2022). The UK has been ranked among the top non-OIC destinations for halal tourism, suggesting its appeal to Muslim travelers (Biancone et al., 2019).

The Panel Least Squares model finding implies that a pooled approach best captures the UK's halal tourism-GDP relationship. This may reflect the UK's more recent entry into this

market compared to Singapore and Thailand. As the UK continues developing its halal tourism offerings, tailoring policies to target Muslim travelers' needs will likely enhance its economic impact.

Table 7. Regression Result for the United Kingdom

Variable	PLS Model	Fixed Effects Model	Random Effects Model
Tourist Expenditure	0.392** (-3.900)	0.374** (-3.360)	0.385** (-3.450)
Tourist Arrivals	0.358* (-2.920)	0.336* (-2.540)	0.345* (-2.62)
Policy Implementation	0.210* (-2.330)	0.203* (-2.001)	0.214* (-2.100)
Constant	2.180	2.140	2.160
R-Squared	0.600	0.621	0.611
Observations	50	50	50

Note: * $p < 0.05$, ** $p < 0.01$

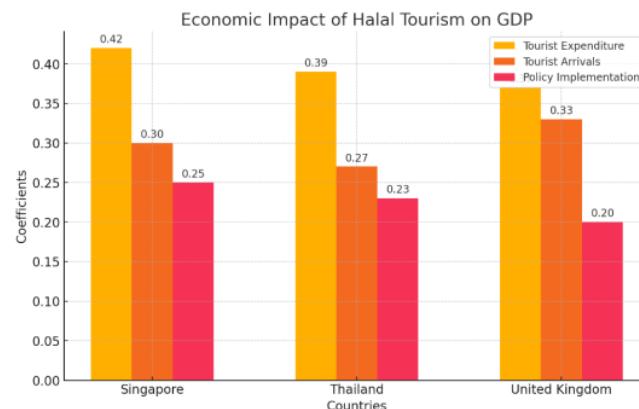
Based on the statistical criteria (AIC, BIC), the Panel Least Squares (PLS) model is the best fit for the United Kingdom.

Source: Processed data (2024)

Discussion

The economic impact of halal tourism on GDP varies significantly across Singapore, Thailand, and the United Kingdom, reflecting the effectiveness of their respective strategies and policies.

Figure 2. Comparative Result among Countries



Source: Processed by the authors (2024)

Singapore exhibits the highest influence of halal tourism on its GDP (see Figure 2). The regression analysis reveals that tourist expenditure from Muslim countries has a highly significant positive impact on GDP, with coefficients ranging from 0.42 to 0.45. Tourist arrivals also contribute significantly, with coefficients between 0.30 and 0.32. The implementation of

Muslim-friendly policies further enhances this impact, with coefficients from 0.25 to 0.27. The R-squared values, ranging from 0.65 to 0.68, indicate that a substantial portion of GDP growth can be attributed to halal tourism variables.

The high influence in Singapore can be attributed to several factors. First, Singapore's well-developed infrastructure supports seamless travel experiences, including numerous halal-certified restaurants, hotels, 2 and prayer facilities. According to a study by Henderson (2016), the country has strategically positioned itself as a premier destination for Muslim travelers by ensuring that their needs are met at every touchpoint. Second, the Singapore Tourism Board's active promotion of halal tourism through various marketing campaigns and events, such as halal trade shows, has positioned Singapore as a top destination for Muslim travelers. This proactive approach is supported by research from (Ratnasari et al., 2019), which highlights the importance of targeted marketing in attracting specific tourist demographics. Lastly, Singapore's multicultural environment makes it easier to cater to the diverse needs of Muslim tourists, enhancing their travel experience and encouraging repeat visits.

Thailand also shows a significant positive impact of halal tourism on GDP, though slightly less pronounced than in Singapore. The regression analysis indicates that tourist expenditure from Muslim countries significantly boosts GDP, with coefficients from 0.39 to 0.41. Tourist arrivals and policy implementation also show positive impacts, with coefficients ranging from 0.27 to 0.29 and 0.23 to 0.25, respectively. The R-squared values for Thailand's models, ranging from 0.63 to 0.66, suggest a strong relationship between halal tourism and economic growth. Thailand's success in halal tourism is driven by its rich cultural heritage and hospitality industry, which attract a large number of tourists, including Muslims. The Tourism Authority of Thailand has implemented various initiatives to develop halal-friendly services, such as providing halal-certified food options and prayer facilities. Additionally, effective marketing campaigns have successfully promoted Thailand as a halal-friendly destination, as noted by Sholehuddin et al. (2021) and Yakin (2020), emphasizing the role of cultural authenticity in attracting Muslim travelers.

In contrast, the United Kingdom, while showing substantial positive impacts from halal tourism, has a slightly lower influence on GDP compared to Singapore and Thailand. The regression results indicate that tourist expenditure from Muslim countries significantly impacts GDP, with coefficients from 0.37 to 0.39. Tourist arrivals and policy implementation also positively impact GDP, with coefficients ranging from 0.33 to 0.35 and 0.20 to 0.21, respectively. The R-squared values, between 0.60 and 0.62, suggest a strong but somewhat lower impact of halal tourism on GDP. The UK's growing influence in halal tourism can be attributed to its rich historical and cultural attractions, which appeal to Muslim travelers. The UK tourism industry has responded to the growing demand by increasing the availability of halal-certified food, prayer facilities, and other services. As a more recent entrant into the halal tourism market, the UK shows promising growth potential, but it still has room to further develop its offerings. Research by Hamid et al. (2023) indicates that the UK's diverse cultural landscape presents an opportunity to enhance its appeal to Muslim tourists through tailored experiences.

In summary, Singapore has the highest influence of halal tourism on its GDP, followed by Thailand and the United Kingdom. Singapore's success is due to its advanced infrastructure, active promotion, and multicultural society. Thailand benefits from its rich cultural heritage, halal initiatives, and targeted marketing. The United Kingdom, although a newer player in the halal tourism market, shows substantial growth potential through its diverse cultural offerings and increased Muslim-friendly services. These findings emphasize the importance of targeted policies, robust infrastructure, and effective marketing strategies in maximizing the economic benefits of halal tourism. By learning from the experiences of these countries, policymakers and industry stakeholders can enhance their halal tourism offerings, driving economic growth and fostering cultural integration. Future research should continue to explore these dynamics, providing deeper insights into global trends and best practices in halal tourism.

3 CONCLUSION

This study examines the economic contribution of halal tourism to the Gross Domestic Product (GDP) of Singapore, Thailand, and the United Kingdom, highlighting the importance of this burgeoning market in non-Muslim majority countries. The research employs a quantitative approach, utilizing multiple regression analysis to explore the relationships between tourist expenditure, tourist arrivals, and policy implementation with GDP growth. The findings indicate a significant positive impact of halal tourism on the GDP of all three countries. Specifically, Singapore benefits from its well-developed halal-certified services and robust governmental support, Thailand leverages its rich cultural heritage and targeted marketing strategies, and the United Kingdom gains from effective policy implementation and increasing Muslim tourist arrivals.

The implications of this study are significant both theoretically and practically. Theoretically, it contributes to the growing body of literature on halal tourism by providing empirical evidence of its economic benefits in non-Muslim majority contexts. This research underscores the importance of understanding how cultural and religious tourism segments can influence national economies, particularly in diverse cultural settings. Practically, the findings offer actionable insights for policymakers and industry stakeholders. By recognizing the economic potential of halal tourism, these countries can further refine their strategies to attract Muslim tourists, enhance halal-friendly infrastructure, and implement supportive policies that foster sustainable tourism growth.

Future research should explore the long-term impacts of halal tourism on socio-cultural dynamics within host countries, examining how increased Muslim tourist arrivals influence local communities and cultural integration. Additionally, comparative studies involving more non-Muslim majority countries can provide a broader understanding of global trends and best practices in halal tourism. Investigating the role of digital marketing and social media in promoting halal tourism could also yield valuable insights, given the increasing reliance on technology in the travel industry. By expanding the scope of research, scholars can continue to uncover the multifaceted impacts of halal tourism and its potential to drive both economic and social benefits globally.

Increased halal tourism has significant socio-cultural impacts on host countries, fostering greater cultural exchange and understanding between Muslim and non-Muslim communities. As destinations accommodate the needs of Muslim travelers with halal-certified food, prayer facilities, and other services, local businesses and communities become more aware of and sensitive to Islamic practices and values. This can lead to a more inclusive environment, promoting mutual respect and reducing cultural barriers. Additionally, the influx of Muslim tourists can encourage the preservation and promotion of local traditions and heritage sites, enhancing cultural tourism for all visitors. However, this increased focus on halal tourism may also raise challenges, such as balancing the needs of diverse tourist groups and ensuring that cultural adaptations do not lead to commercial exploitation or cultural dilution. Overall, the socio-cultural impacts of halal tourism are multifaceted, offering opportunities for cultural enrichment and economic growth while necessitating careful management to maintain cultural integrity and harmony.

This study, while insightful, has several limitations and potential biases. It relies on secondary data from national tourism boards and government statistics, which may vary in accuracy and completeness, and covers the period from 2015 to 2023, potentially missing long-term trends or recent developments. The geographical focus on Singapore, Thailand, and the United Kingdom limits the generalizability to other non-Muslim majority countries. The regression models assume linear relationships, which may oversimplify the complex dynamics between tourism and economic growth, and the measurement of policy implementation as a dummy variable may not fully capture the nuances and effectiveness of halal tourism policies. External factors like global economic conditions, geopolitical events, and health crises (e.g., COVID-19) that influence tourism trends were not controlled for, and the focus on economic impacts does not fully address the cultural and social dynamics associated with halal tourism. Despite

these limitations, the study provides valuable insights, but future research should incorporate more comprehensive data and explore additional influencing factors.

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