

# Syariah-compliant hotel doing good business

**Business jumps despite Jakarta hotel not selling alcohol and serving only halal food**

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A couple checking into this hotel in central Jakarta's Menteng district should expect to be asked to show proof of marriage or kinship.

Though it is a syariah-compliant hotel, there is no hint, such as Islamic verses on the wall, that it is one. It also accepts non-Muslim guests. Only a sign at the reception counter states clearly that all couples who want a room must comply with the policy.

Sofyan Hotel Betawi took a big risk when it decided to switch to the syariah-compliant business model in 1994 despite facing stiff competition from other hotels in the area. Some of them have very lax policies, charge hourly rates and are known to be used by lovers for a tryst.

Despite not selling liquor and offering only halal food, the hotel managed to see a 20 per cent jump in business last year from the year before, thanks to a growing pool of Muslim tourists from South-east Asia and the Middle East.

"The increasing revenue tells us how large the potential of this market is, but how limited the supply of such places is," Sofyan Hotel's president director B. A. Hadisantoso told The Sunday Times in an interview.

The hotel follows syariah business guidelines: it does not put up



Ms Nila Nurfitriana, 29, minding the front desk at Sofyan Hotel Betawi in Jakarta. The sign on the counter says the hotel is syariah-compliant.

pictures depicting humans or animals; and it provides prayer mats and a copy of the Quran in every room.

While some may see the emergence of these hotels as a possible sign of creeping Islamisation of Indonesia, the authorities and market watchers say it is merely a response to market demand.

"Syariah tourism is a global trend and it's ironic that we, the largest Muslim majority country in the world, are not seizing this opportunity," Jakarta Tourism and Culture Agency head Arie Budhiman told reporters.

His comments came after Jakarta governor Joko Widodo announced plans to issue a gubernatorial decree this year on halal certification. Only 315 food outlets out

of some 8,000 have been certified halal by the Indonesia Ulema Council.

To boost the sector, the Tourism Ministry is supporting operators like Sofyan Hotel and has singled out 12 destinations suitable for syariah tourism, and is completing a set of guidelines on syariah tourism.

According to the ministry's data, half of the tourists to Jakarta are Muslims from the Middle East and South-east Asian countries, while 90 per cent of domestic tourists in Jakarta are Muslims.

In 2011, there were 239 trips made by domestic tourists, who spent 158 trillion rupiah (\$\$17.4 billion). Some 80 per cent of this came from Muslim travellers.

Banks, too, are getting into the

act. Panin Syariah Bank became the first of 11 Islamic banks to list on the stock exchange last Wednesday, driven by what it sees as a huge but untapped potential in syariah-compliant lending to small and medium companies.

Indonesia's Islamic fashion and cosmetics industry has been leading the way and is now worth US\$100 billion (\$\$127 billion).

A younger generation of corporate leaders such as 35-year-old Mr Hadisantoso is partly responsible for the revival in the syariah market.

"It is a lack of awareness that causes people to misunderstand the syariah concept, but implementing it is actually easy. As people become more educated, some embrace Islamic fashion and choose the Islamic lifestyle and prefer, if available, an Islamic-friendly place to stay," said the Singapore Management University graduate.

He plans to market the hotel's halal restaurants, which offer sushi and Thai food prepared without using sake or lard.

But success did not come instantly for Sofyan Hotel.

It had to turn away as many as 1,000 people annually for the first few years after switching to the syariah-compliant model. Some of them got angry and threatened the hotel's staff.

Mr Hadisantoso has no regrets.

"We lost the hourly customers and saved money cleaning sheets, which had to be changed up to four times a day. We now charge more per room and our washing costs have gone down," he said.

"Since we are the pioneer in this, it's been win-win for us," he added.

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