



Sukuk Issuance in Indonesia: Orientation, Opportunities, and Challenges

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Abstract

The study aimed to analyze the orientation of Surat Berharga Syariah Negara/Sukuk (SBSN) issuance in accordance with the three main orientations (1) infrastructure development; (2) labor-intensive sector; (3) and optimizing regional potential. This research method uses secondary data qualitative methods. The results of the study indicate that the SBSN project in 2013-2022 has met the orientation towards these three main things. However, in addition to the enormous potential for SBSN to be developed, there are still challenges in developing Sukuk that labor-intensive and optimizing regional potential oriented. This research is expected to be able to increase knowledge about the orientation direction of SBSN issuance, and the results of this study are expected to be input for the Government as the party issuing SBSN and the Ministry or Institution as the recipient of SBSN financing to develop SBSN financing projects oriented to the labor-intensive sector, and optimizing regional potential because these two things can provide great opportunities in Indonesia's economic growth.

Keywords: Sukuk Orientation, Sukuk Opportunities, Sukuk Challenges

Introduction

The Global Competitiveness Report 2019 reports that Indonesia has the second lowest infrastructure indicator and the first lowest innovation capability indicator, among other indicators. This has resulted in Indonesia still lagging behind when compared to other countries, and it is possible that Indonesia is still experiencing infrastructure gaps in several regions. In response to this, in recent years, the Government has been increasing infrastructure development in many sectors. Therefore, innovation in the financial sector is needed to explore funding sources that can be used for infrastructure financing (Fauziah & Nurwahidin, 2020).

The Government innovates in developing financing instruments by creating sharia-based financing instruments through the issuance of State Sharia Securities (SBSN) or State Sukuk (Ridwan & Barokah, 2022). This innovation is also a response to the development of the Islamic finance industry in the country and abroad

(internationally). The development of the Islamic finance industry requires investment instruments that are in accordance with sharia principles as a means to develop their financial assets. The provision of sharia financial instruments by the Government can be the main choice for sharia financial industry players because Government securities are investment instruments with minimal risk. The development of this financing instrument is also carried out so that there is a spread of types of investors with different tenor preferences (Hariyanto, 2017).

Indonesia, as a country with the largest Muslim population in the world (Febriandika, Wijaya & Hakim, 2023), has concerns about developing an Islamic economy. Islamic economy roots from the Surah Al Baqarah verses 275 where it is acceptable to engage in buying and selling (Windiastuti & Athief, 2019). Islamic economic activity has the potential to continue to grow so that it can compete with the conventional economy that has existed for a long time. The progress of existence is inseparable from several challenges, especially at the level of providing human resources (SDI) that support the growth of Islamic finance (Alam, 2016). One of the problems with the lack of human capital in Indonesia is the low level of financial literacy, especially Sharia financial literacy (Ashfahany, Alam, Wulandari, & Adriansyah, 2022).

The presence of Islamic banking is a complement to the existing conventional banking system (Athief & Ma'ruf, 2023). Entering the era of the industrial revolution 4.0, the politics of developing Islamic banking law must take on a role to prevent the law from becoming an obstacle in-state activities, so one way that can be done as an effective and efficient form of action is through optimizing information technology in the field of Islamic banking (Syamsuddin & Diarti, 2022). Investment, especially foreign direct investment, is an important factor in driving and encouraging economic growth and sustainable investment (Taufik, 2014). Sustainable development is a process of change in which all activities, such as resource exploitation, investment direction, technological development orientation, and institutional change, are in harmony and increase present and future potential to

meet human needs and aspirations. So economic and social development goals must be pursued with sustainability (Fauzi & Oxtavianus, 2014).

As a Sharia Securities, SBSN has different characteristics from bonds. SBSN is not a bond but a proof of joint ownership of an asset or project. Every SBSN issued must have an underlying asset or assets that are used as the basis for issuance. Ownership claims on SBSN are based on specific assets or projects. The use of SBSN funds must be used for halal business activities. Rewards for SBSN holders can be in the form of margin rewards or profit sharing, according to the type of contract used in the issuance of SBSN (OJK, 2017).

Table 1. SBSN and Bonds

Similarities	
SBSN and Bonds	<ol style="list-style-type: none"> 1. SBSN and Bonds is an instrument for financing the State Budget (APBN) 2. Guaranteed 100% by the Government 3. Publishing method: auction, bookbuilding or initial offer, and private placement 4. Can be traded in the secondary market with the potential for capital gains
Differences	
SBSN	Bonds
Instrumental properties is Letter of proof ownership assets	Instrumental properties is Letter of acknowledgment debt
UU No.19/2008	UU No.24/2001
Need underlying asset or the assets on which the issuance is based	No need underlying asset
Need SPV (Special Purpose Vehicle) or person who appointed to issue the Securities	No need SPV
Publishing purpose is to finance the state budget and project development	Publishing purpose is to finance ABPN
Use of funds is free (depending on the Islamic Shari'a agreement)	Use of funds must comply with the islamic law
Return profit sharing or rewards	Return bonds interest
Ijarah Sale and Lease Back, Ijarah Asset to be Leased, Ijarah Al-Khadamat, and Wakalah	No need akad

Source: (Direktorat Jenderal Pengelolaan Pembiayaan dan Risiko, 2017)

SBSN was first issued by the Government on August 26, 2008, with series IFR0001 and IFR0002 based on Law Number 19 of 2008 concerning State Sharia Securities (SBSN) with the aim of being a source of funding for the State Budget or APBN (State Revenue and Expenditure Budget). Then in 2013, the Government developed a special SBSN for earmarked infrastructure project financing or specific financing for certain activities and projects directly to the Ministry or Institution that has been allocated in the APBN, which is called Project Financing Sukuk or Project Based Sukuk (PBS). SBSN series has developed every year, the Government has issued seven series of SBSN in Indonesia, the series of SBSN is:

1. IFR (Islamic Fixed Rate) is a series of SBSN issued in the domestic market with corporate investors with a tenor of 3-15 years. The contract structure in the IFR series is Ijarah Sale and Lease Back with the underlying asset type in the form of BMN (Barang Milik Negara or State Property) is used to finance the APBN.
2. SNI (Sukuk Negara Indonesia) is a series of SBSN issued in the international market with international corporate investors with a tenor of 3-15 years. The contract structure in the SNI series is Ijarah Sale and Lease Back, Ijarah Assets to be Leased and Wakalah with underlying asset types in the form of BMN (Barang Milik Negara or State Property) is used to finance the APBN and to the development of Government projects.
3. SPN-S (Surat Perbendaharaan Negara-Syariah) is a series of SBSN issued in the domestic market with corporate investors with a tenor of 1 years. The contract structure in the SPN-S series is Ijarah Sale and Lease Back with the underlying asset type in the form of BMN (Barang Milik Negara or State Property) is used to finance the APBN.
4. SR (Sukuk Ritel) is a series of SBSN issued in the domestic market with individual investors of Indonesian Citizens (WNI) with a tenor of 3-4 years. The contract structure in the SR series is Ijarah Sale and Lease Back and Ijarah Asset to be Leased with underlying asset types in the form of BMN (Barang Milik Negara or State Property) is used to finance the APBN and to the development of Government projects.

5. ST (Sukuk Tabungan) is a series of SBSN issued in the domestic market with individual investors of Indonesian Citizens (WNI) with a tenor of 2 years. The contract structure in the ST series is Wakalah with the underlying asset type in the form of BMN (Barang Milik Negara or State Property) is used to the development of Government projects.
6. SDHI (Sukuk Dana Haji) is a series of SBSN issued in the domestic market with investors from the Ministry of Religion with a tenor of 3-5 years. The contract structure in the SDHI series is Ijarah al Khadamat with the underlying asset type in the form of Hajj Services whose application is used to finance the APBN.
7. PBS (Project Based Sukuk) is a series of SBSN issued in the domestic market with individual investors of Indonesian Citizens (WNI) and corporations with a tenor of 3-15 years. The contract structure in the PBS series is Ijarah Asset to be Leased with the underlying asset type in the form of BMN (Barang Milik Negara or State Property) is used to the development of Government projects (Hariyanto, 2017).

In State Sukuk Contracts, SBSN contract structure is divided into four types: (Putri dkk., 2015), (DSN-MUI, 2014), processed (*Ijarah Sale and Lease Back*) is a type of contract in the sale and purchase transaction of assets in State Sukuk with the buyer system leasing the asset to the seller. The contracts used in this agreement are the ba'i contract (sale and purchase) and the ijarah contract (leasing), which are carried out separately. (*Ijarah Asset to be Leased*) is a type of contract in the sale and purchase transaction of assets in State Sukuk with the system of ijarah objects already being specified. Some of the objects already exist when the contract is executed, but the overall transfer is carried out at a predetermined time. (*Ijarah Al-Khadamat*) is a type of contract in a State Sukuk transaction that is used to issue an Indonesian Hajj Fund Sukuk series (SDHI) with an underlying asset in the form of Hajj services. (*Wakalah*) is a contract in the sale and purchase transaction of assets in State Sukuk with a system of proof of ownership of part of the assets managed by the SBSN Issuing Company as a representative or second party of the SBSN holder. The issuance method is divided into three types: (*Auction*) Sales of SBSN where investors submit competitive and non-competitive purchase offers through auction agents.

(*Bookbuilding*) Sales of SBSN through third parties in the form of selling agents where the selling agent collects purchase orders within a certain offering period. (*Private Placements*) Issuance and sale of SBSN by the Government to related parties under agreed terms and conditions

SBSN project financing has good potential and performance better. This can be seen in many projects that are getting more significant and more evenly distributed in all provinces of Indonesia. At first, in 2013 SBSN financing only financed the railway project owned by the Ministry of Transportation. Then in the next years, many Ministries or Institutions began to be interested in taking advantage of financing through SBSN (Fauziah & Nurwahidin, 2020). Then in 2014, the Ministry of Religion began to utilize SBSN financing and in 2015 it was followed by the Ministry of Public Works and Public Housing (PUPR). And until now in 2022, the number of ministries and institutions that have utilized SBSN financing is eight ministries and three institutions. For more than 10 years, SBSN has become one sharia-based primary financing and investment instrument, and many participants in infrastructure development in Indonesia (Direktorat Jenderal Pengelolaan Pembiayaan dan Risiko, 2017).

Literature Review

In his research journal, Beik (2011) explains the very rapid growth of SBSN since it was first published by the Government in 2008. This shows that the role of SBSN for the Government becomes very important, especially as a source of state budget financing. Beik (2011) revealed that the orientation direction of SBSN issuance is more dominated by efforts to fill the APBN deficit because the Government requires very large funds to support the needs of state spending, as well as tax revenues that have not been able to fully cover these needs. However, the multiplier effect on the national economy will not be too large, especially if the funds obtained are used to finance routine operational activities of the Government. Therefore, in addition to filling the APBN deficit, Beik (2011) proposes an orientation toward SBSN issuance based on three main things, namely infrastructure development, labor-

intensive sector, and optimizing regional potential. The difference between this research and several previous studies that have explained above is that in previous research no one has explained it in detail regarding the direction of orientation for the issuance of SBSN in Indonesia and the objectives in this research is to develop one of the research previously by Irfan Syauqi Beik by analyzing the direction of publishing orientation SBSN based on three main things. Additional data from several previous journals were used to support and strengthen the discussion in this study. Journals of prior research results used are:

Aan Nasrullah (2015), research about “Studi Surat Berharga Negara: Analisis Komparatif Sukuk Negara dengan Obligasi Negara Dalam Pembiayaan Defisit APBN” findings that issuance of Government Bonds hurts the posture of the state budget, while the issuance State Sukuk can minimize the risk of default because in every issuance has an underlying asset.

Eri Hariyanto (2017), research about “Efektivitas Penerbitan Sukuk Negara Sebagai Instrument APBN” findings that SBSN position as APBN funding instruments proves an increase in the number of projects realized from year to year. SBSN is a funding instrument APBN that has been running well. This is reviewed from three factors Accuracy, namely the right policy, the right implementation, and the right target.

P. Adiatna and Pradono (2010), research about “Peluang Surat Berharga Syariah Negara (SBSN) Sebagai Alternatif Pembiayaan Infrastruktur Transportasi” findings that SBSN got used as a way out overcoming the problem of lack of Government financing funds for development projects transportation infrastructure. Using the *istishna* contract structure at the time of project construction and the *ijarah* contract at the time of project use until the agreed time.

Syifa Fauziah and Nurwahidin (2020), research about “Pembiayaan Infrastruktur Dengan Sukuk Negara Di Indonesia: Prosedur Dan Struktur” findings that in the infrastructure financing with SBSN there are eight mandatory stages carried out by the project initiator in order to obtain financing. Procedure This is different from another conventional financing.

Zuraidah (2012), research about "Sukuk Negara Sebagai Pendorong Pertumbuhan Pasar Keuangan Syariah Indonesia" findings that the Sukuk is one of the financial instruments used as a driving force for the development of the Islamic capital market in Indonesia because Sukuk has many advantages compared to Conventional Bonds and Sukuk is essential for Islamic banking institution investment.

Siti Latifah (2020), research about "Peran Sukuk Surat Berharga Syariah Negara (SBSN) dalam Pertumbuhan Pembangunan Ekonomi Indonesia" findings that SBSN issuance has an important influence on the Government in particular to increase revenue State Budget and encourage the development of the Islamic financial market.

Angrum Pratiwi, Dedy Mainata and Rizky Suci Ramadayanti (2017), research about "Peran Sukuk Negara dalam Pembiayaan Infrastruktur" findings that allocation Indonesia's infrastructure budget through the issuance of SBSN experienced an increase every year. Resulted in the number of projects infrastructure getting bigger and more evenly distributed throughout the provinces of Indonesia.

Rina Antasari, Peny Cahaya Azwari, and Dyah Martiwi (2017), research about "Optimalisasi Peran Sukuk Dalam Menumbuhkan Sektor Rill di Indonesia" findings that publishing optimization Sukuk through the agricultural sector can play a strategic role in Indonesia's economic development.

Fadzlurrahman and Lastuti Abubakar (2019), research about "Pengalokasian Risiko Dalam Pembiayaan Proyek Berbasis Sukuk Guna Mewujudkan Kemudahan Usaha" findings that project SBSN financing can encourage economic growth through the sector investment and infrastructure development that has an impact on convenience business for the people of Indonesia.

Research Methods

This research study uses a qualitative approach and a type of literature study research. This research method uses a secondary data analysis approach which is a method utilizing secondary data as the main data source. The data collection

technique in this study uses documentation techniques by reviewing data from the Ministry of Finance to obtain primary data and analyzing several journals of previous research results and relevant data from the Ministry of Public Works and Public Housing, the Ministry of Transportation, and the Ministry of Agriculture to obtain secondary data.

In this study, there are two types of data sources (Primary data) from the Ministry of Finance in the form of data on SBSN projects, budget allocations, recipient units, values outstanding, number of coupons, SBSN series issued or currently in circulation. (Secondary data) several journals of previous research results as well as relevant data from Ministry of Public Works and Public Housing (PUPR), data from Ministry of Transportation, and data from Ministry of Agriculture who, which reviewed the project SBSN.

Data collection techniques in this study use techniques of documentation. Documentation techniques in this study carried out by examining the three suggestions of Irfan Syauqi Beik regarding directions SBSN issuance orientation in journals of previous research results. Then adjusting its relevance to the primary data source obtained from the website of the Ministry of Finance in the form of data on SBSN projects and on secondary data sources obtained from several supporting journals as well as from Ministry of Public Works and Public Housing (PUPR) website, The Ministry of Transportation, and the Ministry of Agriculture explained regarding the SBSN project.

Data analysis techniques were carried out in three stages: (1) content analysis techniques is used to understand several data sources from previous research journals, which were corroborated with other supporting data, (2) inductive techniques is used to analyze specific matters related with the issuance of SBSN in economic development in Indonesia, (3) a descriptive-analytical technique is used to reveal the relevance of the direction of orientation of SBSN issuance in the main journal which is corroborated by several other supporting journals as well as data from relevant sources.

The content analysis technique is used by the author because this type of research is library research or literature study. According to Fraenkel and Wallen in Milya Sari and Asmendri, content analysis is a technique in analyzing data that aims to examine human behavior indirectly through books, texts, essays, newspapers, novels, magazine articles, and all types of communication that can be analyzed. (Sari dan Asmendri, 2020). This type of data analysis is used to determine the presence of certain words, concepts, themes, phrases, characters, or sentences in a text or series of texts. (Yaniawati, 2020). The author uses content analysis to be able to understand several sources of data from previous research journals which are corroborated by other supporting data.

After the necessary data has been collected, the next step is to process the data by examining the data that has been obtained, especially on special matters relating to this research, such as clarity and suitability of the orientation of SBSN issuance based on Irfan Syauqi Beik's proposal in the journal, and their relevance to other data. After that, carry out the process of grouping the data as needed by means of in-depth review; this is done so that the data that has been obtained is easy to understand. Then, carry out the process of checking data and information from data sources so that the validity of the data can be used in research. And finally, carry out the process of drawing conclusions which will later become data related to the object in this study.

Result and Discussion

Research Results

In 2013 the Government issued six series of Project type SBSN Based Sukuk, including PBS001, PBS002, PBS003, PBS004, PBS005, and PBS006, with a total outstanding value of Rp. 26 trillion and coupons the highest reached 8% in the PBS006 series of the average number of coupons overall by 6%. Next, in 2014 the PBS007 series was the series with the highest coupon of 9% with an outstanding value of up to Rp 1 Trillion, in 2015 the PBS010 series was a coupon series the highest is 9% with an outstanding value of Rp. 1 trillion, at In 2016 and 2017 the PBS012

series is the series with the highest coupon by 9% with a total outstanding value of Rp. 53 trillion, and In 2018-2022 the PBS020 series is the series with the highest coupon of 9% with a total outstanding value of IDR 11 trillion. Then until June 16, 2022 the number of outstanding Project Based SBSN types Sukuk reached 29 series consisting of PBS003, PBS004, PBS005, PBS007, PBS011, PBS012, PBS015, PBS017, PBS018, PBS019, PBS020, PBS021, PBS022, PBS023, PBS024, PBS025, PBS026, PBS027, PBS028, PBS029, PBS030, PBS031, PBS032, PBS033, PBS034, PBS035, PBSNT001, PBSNT002, and PBSNTQ01. The proportion of the number of outstanding SBSN types of PBS is 16.38% of the total outstanding PBS for 2013-2022 as many as 177 series. When viewed from the assessment aspect, the outstanding PBS type SBSN value is IDR 749 trillion by comparison of 22.34% of the total outstanding value of PBS in 2013-2022 for IDR 3,354 trillion. In 2018 the Government started developing the PBS-type SBSN series by issuing PBSNT001, which non-tradable security or cannot be traded by a value outstanding of IDR 1.5 trillion and a fixed coupon of 8%. In the same year, The Government has also begun introducing SBSN of the PBS type to the financial market internationally by issuing USDPBS001 series with an outstanding value reaching USD 100 million with a fixed coupon of 4%. Outstanding volume SBSN of the PBS type from 2013-2022 continues to increase, especially issuance in 2022 which is the largest issuance in line with the Ministry or Institution project financing plan.

Beik (2011), Antasari dkk. (2017), Fadzlurrahman & Abubakar (2019), Siregar (2008), Nuryasman (2008), and Wiranta (2015) formulated three main orientation of sukuk Issuance:

1. Infrastructure development

The orientation direction of SBSN issuance should be aimed as a source of investment funds through the development of state infrastructure such as projects in the energy, telecommunications, transportation, manufacturing industries and so on. Considering that Indonesia has the second lowest infrastructure indicator and still experiences infrastructure gaps in some areas when compared to neighboring countries such as Malaysia and Thailand. For example, the issuance of SBSN for port

construction in the eastern part of Indonesia which is believed to have a positive impact on domestic trade crosses and exports and imports will increase. Another example is the construction of airports and inter-provincial toll roads.

2. Labor Intensive Sector

The orientation direction of SBSN issuance should be aimed at labor-intensive economic sectors, for example, in the agricultural and marine sectors. An example in the agricultural sector is the issuance of SBSN with a Sukuk Salam contract. Each province in Indonesia must have its own advantages in terms of agriculture, by offering Sukuk issued by a region to other regions in need, the funds obtained can be used as capital to start production. Meanwhile, regions that buy Sukuk Salam get certainty in the delivery of the agricultural products needed. Then an example in the marine sector is the issuance of SBSN as a source of funds for the procurement of fishing vessels with ijarah contracts, this can increase the efficiency of fishermen's businesses.

3. Regional Potential Optimization

The orientation direction of SBSN issuance should be aimed at developing tourism infrastructure that is adjusted to the potential of an area so that this potential can develop more rapidly. For example, the issuance of SBSN for the construction of monorail or cable car facilities. Based on the explanation above, the authors classify specifically the orientation direction of SBSN issuance according to the main characteristics of the project being implemented.

Table 2. Main Features of SBSN Project

No	Orientation	Main Features
1	Infrastructure Development	General Infrastructure Projects
2	Labor Intensive Sector	Projects Based on Agriculture Sector, Marine Sector, and Industrial Sector
3	Regional Potential Optimization	Regional Tourism Sector Based Projects

Sources: Beik (2011), Antasari et al., (2017), Fadzlurrahman & Abubakar (2019), Siregar (2008), Nuryasman (2008), and Wiranta, (2015), processed.

Based on the report by Directorate General of Financing and Risk Management, Ministry of Finance in 2013-2022 the issuance of SBSN has fulfilled the orientation towards three main things in accordance with Irfan Syauqi Beik's proposal in his research journal, which is strengthened by several other supporting journals. The grouping of SBSN issuance orientation directions is based on the researchers' development objectives for each project and the main characteristics of the projects being implemented. The orientation toward infrastructure development is grouped according to general infrastructure projects that aim to meet the needs of community facilities and accelerate development throughout Indonesia. Then, the orientation towards labor-intensive sectors is grouped according to infrastructure projects that have the aim of optimizing the potential of human resources, such as in the agricultural sector, marine sector, livestock sector, and industrial sector. And the orientation toward optimizing regional potential is grouped according to infrastructure projects that have other objectives as regional tourism destinations and as a way to improve the economy and regional welfare.

Table 3. SBSN Issuance Orientation Direction 2013-2022

Year	Orientation Direction	SBSN Project*	Total Number Of Projects
2013-2022	Infrastructure Development	Transportation Infrastructure Development, Road and Bridge Infrastructure Development, Hajj Embarkation Project and Marriage Hall Building, PTKIN and Madrasah Building Project Development, National Park Project Development, LLDIKTI and Higher Education Building Project Construction, Laboratory Construction, Housing Development, BMKG Building Project Construction, Development of Phytopharmaceutical Facilities, etc	84

2021	Labor Intensive Sector	Construction of the Bull Treatment Unit Project aimed at the Indrapuri Aceh Superior Cattle Breeding and Forage Center (BPTU-HPT) to carry out the maintenance, production, development, distribution, and distribution of superior livestock breeds, as well as the production and distribution of forage seeds or seedlings.	2
2017-2022	Regional Potential Optimization	Coastal Protection Projects, Dam Management, and Embung Management projects are aimed at increasing the economic benefits of the area, supporting activities in the tourism sector, controlling floods, and conserving coastal reserves.	9
Total			95

**The text in bold is an example of the SBSN project*

Source: Direktorat Jenderal Pengelolaan Pembiayaan dan Risiko (2022), processed.

Discussion

The percentage of the pie chart below shows that most of the orientation towards SBSN issuance from 2013 to 2022 which refers to infrastructure development, with the percentage reaching 88% of the total number of projects implemented. Meanwhile, the percentage of SBSN financing projects that are oriented to the labor-intensive sector and optimizing regional potential is very small compared to the percentage of SBSN projects in terms of infrastructure development. This is because the initial goal of the Government to issue SBSN is to explore sources of subsidies that can be utilized to support public infrastructure financing, which is expected to expand infrastructure development in many sectors and overcome infrastructure gaps in several parts of Indonesia. On the other hand, if the SBSN project based on the labor-intensive sector and optimizing regional potential can be

developed, it will provide great potential for Indonesia's economic growth, considering that infrastructure development through SBSN financing continues to experience extraordinary increases.

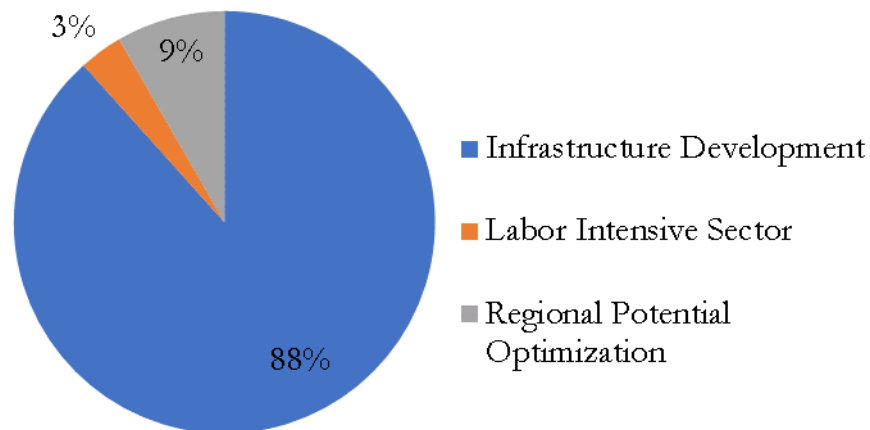


Figure 1. Percentage of SBSN Issuance Orientation Direction 2013-2022

Opportunities and Challenges of SBSN Development Oriented to Labor-Intensive Sector

The labor-intensive sector is one way that can be done to strengthen the structure of the Indonesian economy because the labor-intensive sector can be a strategic step in spurring job creation by optimizing the potential of human resources better. The development of SBSN that is oriented to the labor-intensive sector can also be one of the supports in the availability of efficient authorized capital, considering that increasing productivity and innovation processes require high costs. In the journal of previous research by Irfan Syauqi Beik (2011) Labor-intensive economic sectors such as the agricultural sector and the marine sector can have an impact on improving the welfare of the Indonesian people as a whole and can be an effort to eradicate poverty because of the high absorption of labor in the agricultural sector and the marine sector. Then in the journal of previous research by Rina Antasari, Peny Cahaya Azwari, and Dyah Martiwi (2017) The labor-intensive sector through the agricultural sector can have a significant impact on the growth of the real sector in Indonesia because the agricultural sector is a public food source that

occupies an important position as a foreign exchange earner and can stably face the economic crisis because its production is based on domestic resources. This is evident when Indonesia experienced an economic crisis in 1998, only the agricultural sector could grow in a positive direction when the rate of economic growth grew in a negative direction.

In addition, according to previous research by Fadzlurrahman and Lastuti Abubakar (2019) SBSN development that is oriented towards infrastructure development can have a direct effect on the labor-intensive sector through the industrial sector in realizing ease of doing business for the community. Fadzlurrahman and Lastuti Abubakar explained that one of the assessment indicators used by the Easy of Doing Business (EoDB) or the Ease of Doing Business Index is the connection of electricity, electricity is a very important requirement in conducting a business. Therefore, the development of electricity infrastructure has great potential in helping electricity supply projects. for the community and can be a useful facility to facilitate the mobility of goods and services produced.

On the other hand, the Ministry of Public Works and Public Housing (2021) has optimally utilized alternative SBSN financing in infrastructure development and maintenance in order to develop the potential of the local community's labor-intensive sector by improving the quality of national road services. The PUPR Ministry carries out road maintenance on the East Sumatra Cross section of the Penawar-Gedong Aji Baru-Rawajitu section to improve connectivity between the Bumi Dipasena shrimp farming industrial area in Tulangbawang and the economic center of Lampung city to Bakauheni Port. Improving the quality of road services can provide a smooth distribution of goods and services which will have an impact on increasing national fishery exports. To realize the development of SBSN that is oriented to the labor-intensive sector, there are several challenges that need to be considered. First, there are still many Ministries or Institutions that tend to choose conventional bonds, investment fund accounts, commercial banking loans, and grants from abroad to finance project plans to be implemented. Second, it is necessary to improve the quality of human resources because of the many foreign

competitiveness that has emerged with high innovation and creativity. Third, there is a need for education and socialization regarding SBSN to the public because there are still many people who are unfamiliar with this, especially to parties related to several sectors described above.

For the Ministry of Agriculture. The Ministry of Agriculture should get make optimal use of SBSN financing in every planned activity or project, especially in the agricultural sector, considering The Ministry of Agriculture only implemented 1 type of SBSN project in 2021. If this can be realized, then it will be a driving factor in developing oriented SBSN in the labor-intensive sector through the agricultural sector because the sector of agriculture can significantly impact real sector growth in Indonesia.

For the Ministry of Energy and Mineral Resources. According to the journal's previous research results, the author concludes that the Ministry of Energy and Mineral Resources can try to capitalize on financing SBSN in each activity plan or project. Because SBSN financing has great potential 66 accommodates the electricity supply project for the community for business convenience. If this can be realized, then it will be a driving factor in developing the SBSN oriented towards the labor-intensive sector.

Opportunities and Challenges of SBSN Development Oriented to Optimizing Regional Potential

Management of the potential of natural resources through the tourism sector is one way that can be done to improve the economy and welfare of the region as well as create new jobs for the local community. The development of SBSN which is oriented towards optimizing regional potential can be an opportunity for Indonesia's sustainable economic growth, considering that in 2020 the Covid-19 pandemic has made the Indonesian economy experience a drastic decline. Based on the table above, The Government has just implemented three types of SBSN projects in terms of optimizing regional potential, namely coastal safeguard projects, dam management projects, and reservoir management projects (reservoirs or artificial lakes). According to research by Chairil N Siregar (2008) optimizing regional potential on remote

islands that are geographically very rich in land and abundant natural resources can increase resilience, security, national integrity, and can reduce development gaps between regions and social groups. Meanwhile Nuryasman MN(2008) stated that optimization of regional potential can bring the regional economy to a higher degree of economic growth and contribute to the national economy.

In addition, Dayat NS Wiranta (2015) stated that The development of regional superior products has the potential to reach international markets if cooperation between economic actors can run well and obstacles such as capital can be overcome because the development of regional potential will affect the increase in regional original income and the welfare of the local community. In this case, the Government can develop SBSN issuance projects that are oriented towards optimizing regional potential if it is felt that investment entering and developing in the region does not encourage the growth of local investment. Because the potential of SBSN in assisting Ministry or Institutional projects is very large, this has been proven by the Ministry of Public Works and Public Housing(2021)in carrying out the construction of the Tana Toraja tourism support road. The development of tourism infrastructure in the National Tourism Strategic Area (KSPN) of Tana Toraja is a form of effort to increase the attractiveness of foreign and domestic tourists both in terms of religion, history, customs, culture, nature, or agrotourism.

To realize the development of SBSN that is oriented towards optimizing regional potential, there are several challenges that need to be considered. First, inadequate infrastructure such as road access to tourist attractions and public facilities in tourism areas. Second, the Government's lack of attention in exploiting the potential of regions on remote islands which can cause the nationalism of the local population to fade, especially those who live on small islands bordering the two countries. Third, the management of natural resource potential in remote areas that has not been well coordinated, if this continues, it will lead to illegal exploitation by foreign parties. Fourth, local Governments must have the ability to innovate so that the policies issued can increase the standardization of regional potential with high competitiveness. Fifth, coordination and connectivity between the Central

Government, Regional Governments, and local communities must always be improved so that policies for optimizing regional potential can run well.

For the Ministry of Tourism and Creative Economy. Should The Ministry of Tourism and Creative Economy try to utilize SBSN financing in every activity plan or his projects like super tourism destination development projects priority (DPSPor Destinasi Pariwisata Super Prioritas). Because SBSN financing has a great potential major in improving the tourism industry and can create new job opportunities for local people. If be realized, it will be a driving factor in developing SBSN that is oriented towards optimizing potential regions through the tourism sector.

Conclusion

Issuance of SBSN in 2013-2022 has fulfilled the orientation direction on three main things; (1) infrastructure development; (2) labor-intensive sectors; and (3) optimization of regional potential. The direction of the SBSN project orientation is dominated by infrastructure development, with a percentage reaching 88% of the total number of projects implemented. Then, the labor-intensive sector and optimizing regional potential have a very small number of SBSN projects, with percentages are only 3% and 9%, respectively. SBSN development opportunities that are oriented towards solid sectors work, among others, can strengthen the structure of the economy Indonesia, can be a strategic step in spurring job creation, and can be one of the supports in the efficient availability of authorized capital. And for the challenge that must be faced is that there are still many Ministries or Institutions that tend to choose another financing; there needs to be increased quality of human resources and the need for education and socialization regarding SBSN to the public. Opportunities for optimization-oriented SBSN development regional potential, including boosting the economy and regional welfare, can increase economic growth in sustainable Indonesia. For the challenge that must be faced is the infrastructure that needs to be more adequate, the lack Government attention in exploiting the region's potential is necessary; there is an increase in coordination and connectivity between several parties. This research is expected to add to knowledge regarding the

orientation direction of SBSN issuance. It can be a reference for further research, especially related analysis of the direction of SBSN orientation in Indonesia's economic development. The results of this study are expected to be input for the Government as the party issuing the SBSN and Ministries or Institutions as units of recipients of SBSN financing to develop oriented SBSN financing projects in the labor-intensive sector and optimizing regional potential because secondly, it can provide great opportunities for growth Indonesia's economy considering infrastructure development through SBSN financing has experienced a remarkable increase.

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