SUKUK GROWTH COMPARATION. WHY DOES INDONESIA LOSE WITH MALAYSIA?

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Abstrac

The development sukuk of Indonesia is very slow. Even though Indonesia has been considered a potential market in the Islamic finance industry. The purpose of this research is to analyze the causal factors in the slowdown of sukuk growth. Macroeconomic variables between Indonesia and Malaysia. And measuring the magnitude of the influence of macroeconomic variables on the growth of sukuk. This research method uses descriptive analysis methods, as well as a combination of quantitative and qualitative research. The research data are data on the BI Rate, inflation, time deposits, sukuk, economic growth, deposits and the money supply. The time range is 8 years starting from 2008 to 2015 in the form of a monthly time series. The result is variable deposits, SBI, GDP, inflation, deposits of Islamic banking, the money supply has an effect of 96% on the growth of sukuk in Indonesia, while the remaining 4% is influenced by other variables. The growth of Malaysian sukuk is much bigger and faster than Indonesia, namely reaching 97.5% and usually 2.5% is influenced by other factors. Government efforts in sukuk growth solutions in Indonesia suggest that the distribution of APBN funds to Islamic banking and investment into sukuk is mainly in the infrastructure sector.

Keyword: Sukuk, macro variable, path analysis, Malaysia

Preliminary

Islamic sharia-based financial concepts have been widely accepted in the world and have become alternatives, both for sharia compliant markets (syariah compliance), and for conventional markets as a source of profit (profit source). One of the Sharia financial instruments that have been issued by both the state and corporation is sukuk or Islamic bonds. At present, several countries have become regular issuers from sukuk, for example Malaysia, Bahrain, Brunei Darussalam, United Arab Emirates, Qatar, Pakistan, and Germany State of Saxony.

The number of sukuk issuers from year to year has increased because market opportunities will be very responsive to sukuk issuance. Almost all sukuk issued, absorbed by the market, in some cases even caused excess demand. The Islamic bond industry in Indonesia is expected to grow as in Malaysia, which has achieved results above US $ 3 billion. In addition, the potential of investors from Muslim countries around the world reaches above US $ 7000 billion. An amount that is not small and very significant to be a prospective market for sharia bonds going forward. That is an opportunity for the development of Islamic bonds in Indonesia to attract investors, especially foreign investors, because the majority of Indonesia's population is Muslim (Dede, 2011). This opportunity is a challenge as well as a very large and broad market in Indonesia, considering that Indonesia is the largest Muslim-occupied country in the world, reaching 250 million. Besides that, the market share of Islamic economics has reached 8.4% of the national economic market share and the market share of Islamic banking has also reached 5.4% of the total national banking market share.

Table.1 Total Amounts and Amounts of Sukuk and Sukuk Outstanding Emissions 2002-2014

Year	Sukuk Emission		Outstanding sukuk	
	Total value (billion)	Total number	Total value (billion)	Total Number
2002	175	1	175	1
2003	740	16	740	6
2004	1424	13	1394	13
2005	2009	16	1979	16
2006	2282	17	2179	17
2007	3174	21	3029	20
2008	5498	29	4958	24
2009	7015	43	5621	30

2010	7815	47	6121	32
2011	7915	48	5879	31
2012	9790	54	6883	32
2013	11994	64	7553	36
2014	12727.4	68	7391	36

Source: Directorate of Sharia Banking - Financial Service Authority

Based on data from the Sharia Banking Directorate above, that sukuk in Indonesia experienced a significant development. It can be checked that in the 2002 period, 2014, the value of sukuk emissions has experienced a growth of 7.172 percent, meaning that the value of sukuk emissions has increased 70 times from the base year. This growth is in line with the development of the number of sukuk issued. This phenomenon shows the high interest of corporations or institutions for Islamic financial instruments as an option in investing in the financial sector. In addition, the standardized value of sukuk has also experienced significant developments up to 2014, namely the value of IDR. 7,391 billion -. This value is almost reaching 50% percent of the value of sukuk emissions. So that it can be concluded that in 2014 the total value of sukuk that has been paid (due) is more than 50 percent of total sukuk emissions.

In Indonesia, corporation sukuk is better known as sharia bonds. In 2002, the National Sharia Council issued a fatwa No: 32 / DSN-MUI / IX / 2002, concerning Ob-ligation of Sharia. The regulation makes sukuk legally strong. However, in the process, sukuk instruments issued by companies (corporation sukuk) as well as by the state (sovereign sukuk) developed very rapidly in the world. However, why is the development of sukuk in Indonesia very slow? Even though Indonesia has been considered a potential market for the development of the Islamic finance industry so far
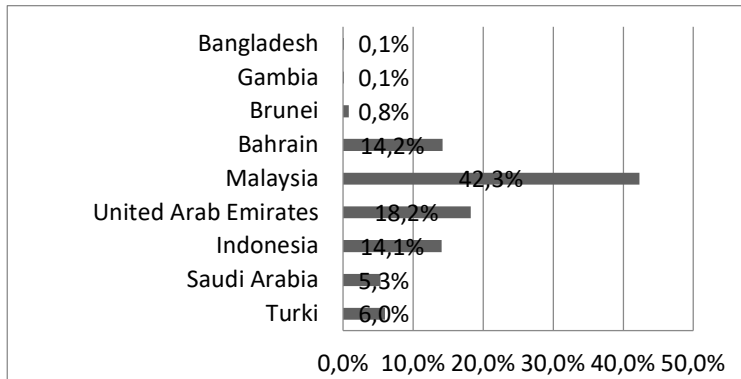
Graph 1 Developments in the Issuance of Global Sukuk 2010-2015
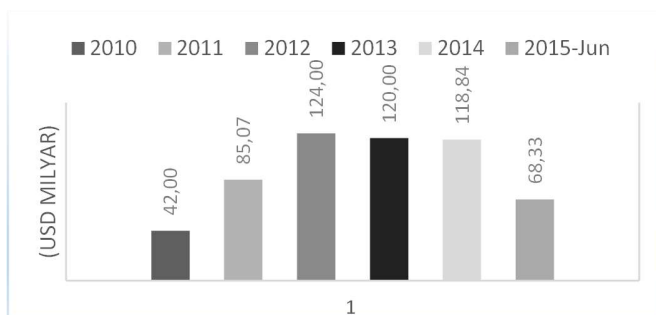
Source: Global Sukuk Report 1Q 2015

In the graph above, the issuance of global sukuk has been fluctuating during 2010. June 2015. In 2015 sukuk issuance decreased significantly. This is because of the withdrawal decision by the Central Bank of Malaysia (BNM) and move to other instruments. The reason behind the decision was due to the impact of rising fuel prices, political problems, and a decline in the value of the Malaysian ringgit (Ahmad, 2015). As a result of the BNM decision, the total global sukuk issuance experienced a drastic decline, which decreased 42 percent from the previous year. From this phenomenon shows the magnitude of the influence of the issuance portion of Malaysian sukuk on total global sukuk issuance so that the impact can significantly affect the number of global sukuk issuance.

Graph 2 Portion of Issuance of Sukuk by the State

Bangladesh	0,1%
Gambia	0,1%
Brunei	0,8%
Bahrain	14,2%
Malaysia	42,3%
United Arab Emirates	18,2%
Indonesia	14,1%
Saudi Arabia	5,3%
Turki	6,0%

0,0% 10,0% 20,0% 30,0% 40,0% 50,0%

Source: Global Sukuk Report 1Q 2015

From the graph above it can be explained that the total issuance of Malaysian sukuk turned out to be 42.3 percent of the total global sukuk issuance. This amount makes Malaysia the largest sukuk issuing country in the world. Although in terms of the number of its population Muslims are not comparable to the population in other Muslim countries. In addition, the difference in the portion of sukuk issuance seems to have a far gap with other Muslim countries, such as the United Arab Emirates, which is only 18.2% in the second position. While Indonesia was in fourth place with a value of 14.1 percent.

According to Achsien (2004), there are many challenges in the growth of Islamic bonds in Indonesia, such as socialization to investors, opportunity costs, liquidity, regulation or legislation. In addition, many macroeconomic variables are factors that influence the development of sukuk in one country. These factors need to be broken down into small parts that can be redefined into a factor that can be a joint influence. Therefore, we need to know more deeply through our own research for the discovery of comprehensive outcomes.

The influence of liquidity, regulation, and legislation on sukuk is caused by the three aspects that provide an overview of the legal security and certainty of an investment instrument, so that the three aspects have a big contribution in making investment decisions by investors, in this case investment sukuk.

The purpose of this research is to analyze the causal factors in slowing sukuk growth from macroeconomic variables in Indonesia compared to Malaysia. After knowing these variables, then measuring the magnitude of the influence of macroeconomic variables on the growth of sukuk. So that it can map the pattern of macroeconomic variables that play a big role and have a domino effect on the imbalance in sukuk growth in Indonesia.

If you have found any variables that influence the mapping of comparability between the two countries, then analyze the barrier factors of the growth of the sukuk of the two countries. This stage will produce output results that are used to further analyze business solutions from the government as regulators to accelerate the business of sukuk growth.

Literatur

The Sukuk originally came from Arabic: صكوك, is plural صك or Sakk, which means legal, charitable, check instruments are terms in Arabic that are used for ligation based on sharia principles. In other words, sukuk is a long-term securities based on sharia principles issued by issuers to holders of Islamic ligation that require issuers to pay income to holders of Islamic ligation in the form of profit sharing and repay bonds at maturity (Burhanuddin, 2009) .

Sukuk as Islamic financial products are often equated with bonds (bonds) even though they have somewhat different characteristics. According to Adam (2006), sukuk has general characteristics that make it have the same quality as other conventional financial products, as in the following table:

Table 2. General Characteristics of Sukuk

Can be traded (Tradable)	Sukuk represents the actual owner of a clear asset, asset benefits, or business activities. He can be traded according to market prices

Rateable	Sukuk can be rated by rating agencies, regional and international.
Enhanceable	In addition to the underlying assets or business activities, sukuk can be guaranteed in other collateral based on sharia principles.
Legal Flexibility	Sukuk can be structured and offered nationally and globally with different tax treatment.
Reedemable	The structure of the sukuk allows it to be redeemed.

Resource: Adam (2006)

Some of the advantages of sukuk are being able to reach wider investors, especially for investors who care about sharia aspects. Sukuk is also useful in diversifying portfolios as a source of funds. Sukuk offers a relatively low price, with a high level of demand. Sukuk generally have the same lowest or minimum price compared to conventional bonds. Some of the advantages of sukuk are being able to reach wider investors, especially for investors who care about sharia aspects. Sukuk is also useful in diversifying portfolios as a source of funds. Sukuk offers a relatively low price, with a high level of demand. Sukuk generally have the same lowest or minimum price compared to conventional bonds.

As with bonds, sukuk is also one of the investment instruments in the capital market. So that the risk of sukuk globally is also similar to the risk of conventional bonds. According to the Chartered Financial Analyst (2007) cited by Nurul Huda and Mustofa Edwin (2007), the sukuk risks are; First, the risk of rate of return is the risk that exists in all types of sukuk with a fixed rate. In other conditions, yields are very dependent on the performance of companies in volatile mudharabah contracts.

Second, credit risk. Investors have credit risk at the ijarah sukuk because of default payments on the lease of the underlying asset. Repeat mechanism for higher yields / interest rates with higher defaults. This is not allowed in Islamic law. If the lender has another substitute alternative when the underlying asset cannot cover the loss, the credit risk in the sukuk must be assessed independently.

Third, exchange rate risk (foreign exchange rate risk). Exchange rate risk occurs when the return on the management of an underlying asset is given in a foreign currency. At that time, the issuer can calculate and provide collateral in the purpose of protecting investors from exchange rate movements. Fourth, price / collateral risk. Price level risk will occur when the specification of the asset at the proposed sukuk issuance value is different from the actual market value and report on the value of the underlying asset. Sukuk ijarah is the most vulnerable to this risk because leased assets can depreciate below market prices. Good management of assets is an important factor in dealing with this risk.

Fifth, liquidity risk (liquidity risk). Investors risk the long-term flow of liquidity on the secondary market. In the condition of buy and hold, that is the tendency to buy and hold sukuk sales, thus creating inefficient sukuk ownership patterns. For example, in sukuk salam whose assets are agricultural commodities traded in the securities market. In addition, the Zero Coupon Sukuk in Istisna and Murabahah Sukuk which cannot be sold is bought on the secondary market, because it is caused by debt sale and purchase ((bai ad-dayn). It is also prohibited by the major scholar.

Sixth, sharia compliance risk (sharia compliance risk). In sukuk trading on the market, sukuk structures can occur that do not fulfill sharia aspects. So that sharia rules are made with the aim of protecting Muslim investors from practices that are Islamic principles.

Yield is an advantage in sukuk. The usage can be detailed as follows: Reilly (1994):

1) Yield calculated by the number of coupons received for one year against the price of sukuk is called the current yield.
2) Yield used until maturity is yield maturity
3) Yield to buy back a sukuk is yield to call

The explanation of this yield can be described as follows:

Table 3 Use or yield objectives

Type of yield	Function and purpose

a) *Horizon yield*	a) a) The purpose of measuring the level of sukuk income in the selling maturity condition
b) *Promised yield to call*	b) b) The goal is to buy back
c) *Promised yield to maturity*	c) c) Measure of the level of income projected to the maturity of sukuk
d) *Current yield*	d) d) The unit of profit is the current income level
e) *Nominal yield*	e) e) Can be measured from the coupon rate

Resource   : (Really, 1994: 486)

Method

This research is a combination of quantitative research and qualitative research. In this approach, the researcher makes a complex picture, examines the words, detailed reports from the respondents' views, and conducts studies on natural situations (Cresswell, 1998: 15). This research method also uses descriptive analysis methods. This method is used to identify from the outside about the influence, calculate the magnitude of the influence and impact of the influence and test the effect of independent variables on the dependent variable.

The types of research data are primary and secondary data. The data was taken by the Head of the Sharia capital market body, the Ministry of Finance in charge of Syariah Finance, the Head of the Sharia Financial Services and central bank authorities in Indonesia and Malaysia as well as Bank Indonesia, OJK, and Bank Negara Malaysia. Besides that, it was also conducted by conducting direct interviews with the Sukuk Agency in Malaysia. Research time is 8 years starting from 2008 to 2015 in the form of monthly time series.

The reason for choosing Malaysia as an object of research is that Malaysia is the largest Muslim sukuk country in Southeast Asia. Malaysia dominated the sukuk market by 38 percent of the total global sukuk issuance of US $ 77.1 billion in 2016. Then followed by Indonesia which controls 27 percent of the global sukuk market and 12 percent of the Cayman Islands. This was proven in mid-2007, which recorded total emissions of RM 111.5 billion ($ 33 billion). In addition, the market share of Sharia banking accounts for almost 23% of the total national economy of Malaysia, although 15% of its customers are non-Muslims. While Market Sharia banking share in Indonesia in 2015 was only 4.6%. A distinguishing factor from Indonesia is that three Islamic banks in Malaysia already have assets of US $ 5.4 billion. this can not be achieved yet from the total total of all Sharia banking in Indonesia (FETA, Ministry of Finance 2015).

The method of research analysis is the path analysis method by analyzing the relationship patterns between variables that aim to find out the direct and indirect effects between the independent and bound variables.

a. Sub-Structure Equation I

$(Z = \alpha + \rho yx1 X1 + \rho yx2 X2 + \rho yx3 X3 + \rho yx4 X4 + \rho yx5 X5 + \rho y\varepsilon 1)$

a. **Sub Structure equation II**

$(Y = \alpha + \rho yx1 X1 + \rho yx2 X2 + \rho yx3 X3 + \rho yx4 X4 + \rho yx5 X5 + Z + \rho y\varepsilon 1)$

The table of the method are:

Tabel 3. Research variable

Question	Resources	Method
1. 1. What are the causal factors in slowing sukuk growth from macroeconomic variables in Indonesia compared to Malay?	Book, journal, BI, OJK and Malaysian state bank	Deep Interview Documentation

2.	How much influence do macroeconomic variables have on sukuk growth in Indonesia and Malaysia?	BI rate, inflation, deposit interest	path analysis
3.	What is the mapping of the patterns of economic variables that play a big role and have a domino effect on the imbalance in sukuk growth in Indonesia?	BI rate, inflation, deposit interest, sukuk, economic growth, monetary	path analysis
4.	What efforts should the government do as regulators to accelerate the efforts to grow sukuk in Indonesia and Malaysia?	Primary data in Indonesia Book, journal, BI, OJK and Malaysian state bank	Documentation Deep interview by participant
5.	What are the obstacles to the growth of sukuk in Indonesia compared to Malaysia?	Book, journal, BI, OJK and Malaysian state bank	Documentation Deep interview by participant

Resources : processed by self

Results and Discussion

Macro Variable Development

According to data from bank Indonesia (2018), the development of Indonesian Islamic banks in February 2018 amounted to 13 BUSs, increased by 4 BUSs, 2 BUSs were the conversion of Conventional Commercial Banks and 2 BUS spin off Sharia Business units (UUS) so that the number of UUS in 2010 decreased 21 UUS. The growth of Islamic banking deposits in Bank Indonesia's banking report in 2008 reached IDR. 27,696 billion, then in 2012 it reached IDR 147,512 billion. This is a very good result for the development of Islamic banking deposits. Such growth cannot be separated from good planning carried out by various groups in the progress of Islamic banking. Finally in the future, the growth of deposits in Islamic banking is higher in percentage than conventional bank deposits.

Whereas in Malaysia, the growth in deposits is more volatile than in Indonesia. In aggregate, the total total is greater. In 2008 in the range of 3 thousand in million ringgit. However, deposits declined in the second semester of 2009 when the range fell to 779 in million ringgit (Bank Negara Malaysia, 2017). These figures are strongly influenced by the political conditions of government, through various policies in the economy.

While the rising trend of sukuk continued to climb monthly in 2008 to 2015. At the beginning of January 2008, sukuk emissions were still in the range of IDR 5,498 billion. Lapse of time later precisely in December 2012, sukuk emissions had reached IDR 9,790 billion). Subsequently, sukuk emissions continued to increase significantly (sukuk site in Malaysia). The results of this research in the growth of sukuk in Indonesia have several indicators, including growth tends to be sluggish with an increase in the range of 5-10%. Corporate sukuk is still relatively small compared to the ratio of total sukuk emissions, the contract used is still limited to Ijarah and Mudhorobah, the allocation of sukuk for infrastructure development is still very small, maturity of 5-10 years is relatively short, government funds and private funds are very small invested in Sukuk. This is in line with research from Ascarya (2007) that the government's commitment in developing the Islamic financial system, especially sukuk, is still very minimal. So that clear efforts are needed in strategic levels with the aim of accelerating the development of the Islamic financial system. So that the government must pay more attention to political will in developing the sukuk strategy in the future.

While sukuk in Malaysia have several indicators, among others, there are many product innovations. Besides that sukuk has been issued in many sectors not only in infrastructure. The covenants in the sukuk have experienced many developments, not only from one school to another but from many schools,

especially Imam Hanafi. This conclusion is the result of interviewing researchers with one of the sukuk institutions in Malaysia.

This rapid sukuk growth is in line with Kontan's daily economic & business news, Thursday, June 26, 2008. ukuk has now become an integral part of the global financial system. In 2007, the value of sukuk traded on the global market has increased more than twice compared to 2006, and reached US $ 62 billion compared to 2006 of US $ 27 billion. From 2001 to 2006, sukuk experienced an average growth of 123%. Even projected in the next five years, the sukuk market can penetrate the level of US $ 100 billion, depending on conditions of credit market stability. Meanwhile, Moody's estimates that the sukuk market will increase by 35% per year. In 2010, the global sukuk market was estimated to be able to penetrate up to US $ 200 billion, mainly supported by countries in the Gulf region, Britain, Japan and Thailand.

In 2008, the overall sukuk trade reached IDR 1,385,450 million. Furthermore, in 2009, there has been an increase to IDR 11,051,383 million. Then a very significant increase also occurred, an increase of IDR 34,839,931 million in 2010. This result is a remarkable achievement for the development of sukuk from year to year.

This development is comparable with the growth in Malaysia which is the center of sukuk growth in Southeast Asia. Sukuk in Malaysia continues to experience rapid growth. At the start of the research in 2008, sukuk had reached 5,498 in million ringgit and soared above 100% above 10,000 in million ringgit in 2013. Even at the end of the research year it had reached 13,000 in million ringgit in 2015. sukuk site in Malaysia)

BPS reported that there were fluctuations in the inflation index in 2008 - 2015. Reports from BPS also showed that the inflation rate in 2008 reached an average of 6.22%. Then in 2009 there was a significant decline of 4.52%. then at the end of 2015 the inflation rate continued to decline to the point of 4.52%. The data indicates that inflation is still in the low inflation range because it is averaged in the range of still within 5%. This happened in the range of 2008-2010 in the political situation such as the campaign and the General Election that could be said to be relatively safe and calm. (BPS report)

The deposits used in this research are 12-month deposits. This reference is based on the largest funding reference in deposits in Indonesia, which is on 12-month deposits. In the table above, in the first year the interest rate research was around 7%. Slowly into the following year, in 2009 it reached 8.25% which was the highest interest rate in this research.

Furthermore, the trend continued to decline until 2013 to reach the range of 5.75%. Furthermore, in 2014, the deposit interest rate increased to around 7.5%. This inflation rate for developing countries is still relatively low for developing countries. Within 7 years, from 2008 to 2015, the development of SBI experienced fluctuations that were quite up and down. Although the fluctuations are still in a reasonable stage, given the absence of an economic recession in Indonesia. The trend at the beginning of the research began with 8% and then declined around 6% and rose again in the final year of research which reached 7.5%. (BI report).

The GDP used in this research is economic growth at BI. Economic growth in Indonesia is quite good compared to countries in the world, especially in Asia. Indonesia is still the highest country and only lost to China & India. Economic growth in this research began with 6% to 4.71% at the end of 2015. The GDP can be said to be high growth. Only at the beginning of 2015 that only reached 3.50%. (BI report)

In the first year of research M1M2 was in the range of IDR 1,182,383, - billion. Slowly into the following year, in 2015 it reached IDR 4,848,000 billion. The development of M1M2 continued to increase significantly. In accordance with the theory, that the increase in circulation of money continues to develop over time. BI Report)

Comparison of Macro Variable Effects

From the data processing that has been done, we get the results below:

Table 4. about regression models in Indonesia

	B	Beta (W)	t	Sig.
(Constant)	.916		1.275	.205
Bunga_deposito	.064	.020	.452	.653
SBI	-.049	-.022	-.512	.610

Inflasi	.123	.117	4.351	.000
DPK	.091	.209	1.688	.095
PDB	-.435	-.244	-8.735	.000
M1M2	.517	.732	5.830	.000
R2	0.967			
Adjusted R2	0.964			

The resulting regression results have a large R Square which is equal to 96.7%, so it can be interpreted that the variables of interest on deposits, SBI, Inflation, DPK, GDP and M1M2 can explain 96.7%, against sukuk emissions in Indonesia. Then the remaining 3.2% is explained by other variables not included in the test. These results reflect that these variables have a very large and significant influence on the development of sukuk in Indonesia

Table 5. regression models in Malaysia

	B	Beta (W)	t	Sig.
(Constant)	-11115,424		-8,408	,000
Interest deposit	20,194	,004	,031	,975
SBI	-1005,109	-,188	-1,725	,088
Inflation	-11,150	-,009	-,380	,705
DPK	,028	,053	,879	,382
PDB	61,664	,080	3,449	,001
M1M2	,017	,963	17,924	,000
R2	0.975			
Adjusted R2	0.974			

Note: *p<0.05 (Significant)
Resource : data of SPSS

While in Malaysia the influence reached 97.5% of sukuk, which is greater than Indonesia. R square in the two big countries explains that sukuk is very closely related to the volatility of the development of supporting macro variables. The implications were supported by the results of the F / Simultas Test in Indonesia Malaysia which stated that there was a true influence of macro variables on sukuk.

From the equation, it can be interpreted that the results of the t test that the constant variable regression model have a coefficient of 0.916. This means that if other independent variables are considered permanent or are considered non-existent, deposits will experience an increase in deposits of 0.916 billion rupiah. This coefficient can be interpreted as such, because it can be seen from the R-square at the beginning that the amount is 96%, indicating that there are still other variables outside the independent variables that affect the development of Islamic sharia emissions.

From the correlation coefficient for the deposit interest variable is 0.064, it is known that the sukuk variable coefficient is positive at 0.064 which means that any increase in deposit interest by 1% will increase the sukuk by 0.064 billion sukuk. However, from the model the results obtained from the test t obtained p-value of 0.653> 0.05, then H is accepted which means that deposits do not affect sukuk in Indonesia. This interpretation is in line in Malaysia which shows the absence of the effect of deposits on sukuk. Researchers analyze that deposits and sukuk are separate investment instruments. Deposit interest in Indonesia which tends to fluctuate as well as in Indonesia has not significantly affected the growth of sukuk as an investment instrument that is considered to be a competitor between the two.

In addition, the correlation coefficient for the SBI variable is -0.049 with the SBI variable-bell coefficient being negative at -0.049 which means that every 1% increase in SBI will reduce sukuk by -0.049 billion Islamic banking deposits. The results of the t test obtained p-value of 0.610> 0.05, then H1 was accepted which meant that SBI had no effect on sukuk in Indonesia. This conclusion is also the same in Malaysia, that Malaysian interest rates do not affect sukuk. Interest rates still have not had a reciprocal effect on sukuk.

From the table it is also known that the correlation coefficient for the inflation variable is 0.123. It is known that the inflation coefficient of inflation is positive at 0.123, which means that every increase in 1 rupiah of inflation will reduce sukuk by 0.123 billion sukuk. The results of the t test obtained p-value of 0.000 <0.05, then Ho was rejected, which means that inflation affects the sukuk in Indonesia. The incident was inversely proportional to Malasyia, which stated that inflation had no effect on sukuk. When viewed from the data that inflation in Malaysia is not patterned. Increases and decreases can occur every month and even then the volatility is often and large. It is very different from the growth of sukuk which continues to increase continuously every month and year.

In the table above also known, the correlation coefficient for the DPK variable is 0.091. It is known that the variable coefficient of DPK is positive at 0.091 which means that every increase of 1 rupiah DPK will increase the sukuk by 0.091 billion sukuk. The results of the t test obtained p-value of .095 <0.05, then Ho was accepted, which means the price of deposits did not affect sukuk. Even this is the same as Malaysia. Deposits do not affect the growth of sukuk. Although Malaysia is very large in its Islamic bank assets, it does not occur in its deposits. Seeing from its growth in the early years of research is still slow, but in 2010-2015 experienced a continued upward development.

The Beta model results globally that the development of sukuk in Indonesia, the biggest macroeconomic factor that affects money supply, is GDP and finally inflation. This means that if the Indonesian government concentrates on sukuk plants, priorities and strategies are needed in the circulating financial arrangements, then GDP and inflation. Compared to Malaysia, from the Beta model the biggest macroeconomic factor that affects is GDP then money supply. Likewise with Malaysia, the Malaysian government must provide more optimization and priority to the GDP and money supply policies. In fact this has been reflected in the three growth rates of sukuk emissions in Malaysia because of the high GDP in the country.

The barrier to sukuk growth in Indonesia compared to Malaysia is: the contract used is still limited with Ija-rah and Mudhorobah, the allocation of sukuk for infrastructure development is still very small, the maturity range is 5-10 years which is relatively short and government funds and private funds are very little is invested in Sukuk. This is somewhat in line with the results of research from Armadita (2013) that Indonesia is still limited to human resources in the sector. In terms of product innovation, it is still very limited because the Islamic capital market regulation is lacking in updates. As well as from the accounting side, that sukuk has not been regulated in the standard Sharia PSAK. This is also in line with Blair (2005) that the growth of sukuk in Indonesia is still hindered from less innovative contracts, such as the Bai al Inah ban which is not permitted in Indonesia because of the risk of non-compliance with sharia principles or shariah compliance risk.

Conclusion

Factors that influence the growth of sukuk in Indonesia are internal and external. Internal factors include company profits, leverage, ham prices, company profit projections, operating expenses, and so on. While external factors include inflation, economic growth, exchange rates, gold prices, GDP, economic growth and so forth.

Variable deposits, SBI, GDP, inflation, TPF Islamic banking, the money supply has an effect of 96% on the growth of sukuk in Indonesia. While the remaining 4% is influenced by other variables. And the mapping of sukuk in Indonesia is different, Malaysia is much larger than Indonesia. In Indonesia, sukuk is affected by 96% by variable deposits, SBI, GDP, inflation, Deposits, Islamic Banking, the money supply, but in Malaysia it is affected by 97.5%.

Government efforts in sukuk growth solutions in Indonesia suggest that the distribution of APBN funds to Islamic banking and investment into sukuk is mainly in the infrastructure sector. Likewise also for the allocation of religious funds: zakat, infaq, almsgiving, Ministry of Religion. So that more massive, structured and long-term socialization and education is needed. In the long term, it is expected that the government will be more concerned in the development of special institutions themselves that focus on sukuk.

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