

Sukuk Negara as an Alternative for APBN Financing in Indonesia

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Article History:

Received on May 8, 2023

Revised on May 15, 2023

Accepted on May 16, 2023

Abstract

Purpose: In supporting Anggaran Pendapatan dan Belanja Negara (APBN) financing, the government always prioritizes non-debt financing. However, the government also uses debt financing to meet the financing needs of the state budget. One of the alternative efforts that must be made by the Government is to develop Sharia-based on Surat Berharga Negara (SBN) or what can be called Sukuk Negara.

Research Methodology: This research uses a qualitative methodology.

Results: Based on the results of research that has been conducted, it is known that State Sukuk have a major role in driving the growth of Islamic finance in Indonesia and can reduce the financing of the state budget deficit.

Conclusions: State Sukuk play an important role as an alternative sharia-based financing instrument to support APBN financing and reduce dependence on conventional debt financing.

Limitations: This study is limited by its qualitative approach and relies mainly on secondary data, so it does not provide empirical measurement of the direct impact of State Sukuk on APBN deficit financing.

Contributions: This study contributes to the literature on Islamic public finance by highlighting the strategic role of State Sukuk in strengthening Islamic finance and supporting sustainable state budget financing.

Keywords: *Budget Financing, Sukuk Negara, State Budget Deficit*

How to Cite: Riswan, R., Rustam, A., Razak, L. A., Muchran, M. (2023). Sukuk Negara as an Alternative for APBN Financing in Indonesia. *Bukhori: Kajian Ekonomi dan Keuangan Islam*, 2(2), 111-121.

1. Introduction

The Ministry of Finance released Information on the 2021 State Budget with the theme Accelerating Economic Recovery and Strengthening Reform. State revenue for 2021 will increase by IDR 43.7 trillion compared to 2020. Total state revenue for 2021 is IDR 1,743.6 trillion consisting of tax revenue, non-tax state revenue and grants. The state revenue obtained is used for state spending which consists of central government spending and transfers to regions and village funds. Total state spending in 2021 is IDR 2,750 trillion, an increase of IDR 10.8 trillion from 2020. Total state spending that is greater than income is referred to as a budget deficit in macroeconomics.

In 2021, central government spending comprised IDR 1,190.81 trillion for K/L (ministries/agencies) and IDR 809.89 trillion for non-K/L, representing 59.52% and 40.48% of total spending, respectively. The top ten K/L with the highest expenditures were: Ministry of Health (IDR 208.32 trillion), Ministry of Public Works and Public Housing (IDR 152.69 trillion), Ministry of Defense (IDR 125.89 trillion), Ministry of Social Affairs (IDR 105.31 trillion), Indonesian National Police (IDR 102.26 trillion), Ministry of Finance (IDR 87.45 trillion, including Palm Oil BLU IDR 53.51 trillion), Ministry of Education, Culture, Research and Technology (IDR 84.70 trillion), Ministry of Religion (IDR 68.59 trillion), Ministry of Transportation (IDR 33.69 trillion), and Ministry of Communication and

Informatics (IDR 23.41 trillion). The 2021 State Budget recorded a deficit of 5.7% of Gross Domestic Product (GDP), continuing the trend of growing budget deficits in recent years ([Amaliah & Aspiranti, 2022](#)).

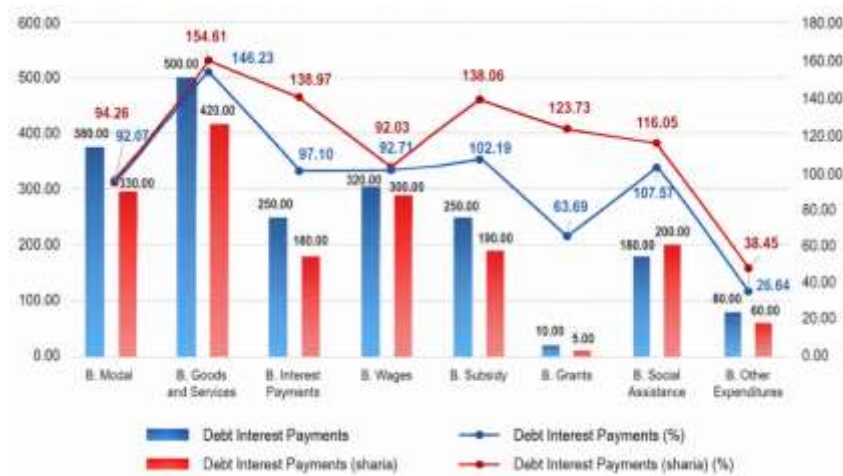


Figure 1. Realization of central government expenditures

Figure 1 compares government expenditure allocations financed through conventional debt and Sharia-compliant financing across various sectors, showing that Sharia financing generally records higher proportional allocations, particularly in goods and services, subsidies, and wages, while both financing schemes allocate relatively smaller amounts to grants and other expenditures. In 2021, the largest central government expenditures were goods (IDR 530.06 trillion), personnel (IDR 387.75 trillion), and debt interest (IDR 343.50 trillion). Major spending drivers included COVID-19 programs, infrastructure, defense modernization, and palm oil subsidies. The budget deficit was 4.57% of GDP (IDR 775.06 trillion), below the target of 5.7%, supported by higher revenues from rising commodity prices and economic recovery.

Table 1. Ratio of budget surplus/(deficit) to GDP in 2021 (in trillion Rupiah)

Indicator	2021 State Budget (Law No. 9/2020)	2021 Realization
Budget Surplus / (Deficit) (IDR trillion)	1,006.38	775.06
Annual Nominal GDP (IDR trillion)	17,655.8	16,970.79
Deficit to GDP (%)	5.70	4.57

Table 1 shows, with the relaxation of the state budget deficit 3% and the Government's commitment to continuing the policy of accelerating the handling of the impact of the Covid-19 pandemic and encouraging national economic recovery, the need for state budget financing for 2021 is still quite high. Realization of budget financing for 2021 reached IDR 871.73 trillion or 86.62 % of the APBN target. Until mid-2021, the pandemic condition still showed no sign of ending. In fact, a delta variant was found with a faster transmission rate and high mortality rate, and has a very broad impact throughout the world. This delta variant causes an increase in daily cases in almost all countries in the world, so that several countries apply a lock down. Responding to these conditions, the Government of Indonesia implemented Pemberlakuan Pembatasan Kegiatan Masyarakat (PPKM) to control transmission by limiting community activities ([Ilmia, 2020](#)).

This policy encourages an increase in government spending, so extraordinary steps are needed to support this policy. [Trilaksono \(2021\)](#), in supporting the Government's extraordinary steps, one of the steps taken by the Government is refocusing the budget to support the handling of Covid-19 and national economic recovery which is carried out through tightening, shifting and cutting the budget in 2021.

Government spending is directed at supporting health management policies, protecting purchasing power society, as well as maintaining the resilience of the business world and national economic recovery when fiscal capacity is limited. Various government efforts to reduce the number of Covid-19 have resulted in a reduction in the number of cases of the delta variant in Indonesia in 2021. In supporting APBN financing, the government always prioritizes non-debt financing ([Nisak, 2022](#)). However, considering the limitations of non-debt financing, the government also uses debt financing to meet the financing needs of the state budget. Debt financing in 2021 is carried out prudently to support the 2021 State Budget, aimed at accelerating the handling of Covid-19 and protecting the economy from the threat of a prolonged crisis ([Solventiani, 2021](#)).

One of the alternative efforts that should be carried out by the Government is to develop sharia-based SBN. Given that the Islamic finance industry has increased rapidly in Indonesia as a result of public awareness of using sharia-based financial products. SBN instruments that comply with sharia principles are Surat Berharga Syariah Negara (SBSN) or Sukuk Negara, which consists of three types, namely Sukuk Negara Ritel (SR), Sukuk Negara Tabungan (ST), and Cash Waqf Linked Sukuk (CWLS) ([Abitaha & Soelistyo, 2021](#)). Law Number 19 of 2008 defines State Sharia Securities (SBSN) or what can be called State Sukuk as state securities issued based on sharia principles, as evidence of the share of participation in SBSN assets, both in rupiah and foreign currency. Chapter III Market 4 states that SBSN is issued with the aim of financing the State Revenue and Expenditure Budget including project development ([Ardi, 2018](#)).

2. Literature Review

2.1 Sukuk Negara

The growth of Islamic finance in Indonesia is now increasing rapidly with a lot of support from the government, scholars and stakeholders ([Hariyanto, 2017](#)). One form of government support for the Islamic finance industry is the launch of the Indonesian Sharia Economic Master Plan for 2019-2024. The vision of the Indonesian Islamic Economics Masterplan is to create an Independent, Prosperous and Civilized Indonesia by Becoming the World's Leading Center for Islamic Economics ([Yuliani, Fitrijanti, & Sari, 2020](#)). Based on this vision, there are four main priorities in developing the Islamic economy in Indonesia, namely, strengthening the halal value chain, strengthening the Islamic finance sector, strengthening Micro, Small and Medium Enterprises (MSMEs), and utilizing and strengthening the digital economy ([Fauziah & Nurwahidin, 2020](#)). One of the fastest growing Islamic financial instruments is sukuk. Sukuk in terminology is the plural form of the word "sakk" which means a certificate or proof of ownership. The National Sharia Council of the Indonesian Ulema Council (DSN-MUI) defines sukuk as long-term securities based on sharia principles issued by issuers to finance income for sukuk holders in the form of profit sharing, margin, or fees, as well as repaying the sukuk funds at maturity ([Handayani & Surachman, 2020](#)).

The momentum of the inauguration of Law Number 19 of 2008 concerning State Sharia Securities made the sukuk market grow rapidly with a total issuance value of IDR 4.67 trillion in the domestic market. The government through the Ministry of Finance responded to the market by issuing State Sukuk as an instrument to finance infrastructure ([Hariyanto, 2017](#)). Since 2012, the government has periodically issued State Sukuk with various schemes. In 2016, the government first issued Retail State Sukuk SR-008 and continued with Retail Sukuk SR-009 in 2017. In 2018, green sukuk was first published as a form of government contribution in supporting the Sustainable Development Goals (SDGs). One indication of the strengthening role of State Sukuk in APBN financing is the increase in the number of issuances of sukuk from year to year. The Directorate of Sharia Financing, Directorate General of Financing and Risk Management (DJPPR) released data that the issuance of State Sukuk has increased very significantly from the first issuance in 2008 ([Paripurna, Hidayat, & Saharuddin, 2023](#)). The number of issuances in 2018 has reached IDR 192.49 trillion. After publishing green sukuk on February 22, 2018 with a five-year tenor worth USD 1.75 billion and listed on the Singapore Stock Exchange and National Association of Securities Dealers Automated Quotations (NASDAQ) Dubai, the accumulated total issuance of State Sukuk from 2008-2018 reached IDR 950.26 trillion ([Abitaha & Soelistyo, 2021](#)).

2.2 *Legal Basis for Issuance of Sukuk Negara*

Issuance of SBSN or State Sukuk is legal because it is based on laws and regulations made by the government and in accordance with sharia principles based on the fatwa of the National Sharia Council Indonesian Ulema Council (DSN-MUI) ([Ilmiyah, 2021](#)). Legal Basis issuance of SBSN or State Sukuk based on the Directorate of Sharia Financing of the of the Ministry of Finance are Indonesia's State Sharia Securities (Sukuk Negara) are governed by Law No. 19 of 2008 and several government regulations. These include rules for SBSN issuing companies (PP No. 56, 57, 67 of 2008) and detailed procedures for issuance and sale, such as bookbuilding (PMK 118/2008), international currency issuance (PMK 152/2008), retail Sukuk (PMK 218/2008), asset management via auction (PMK 11/2009), and direct placements (PMK 75/2009). Together, these regulations provide a legal and operational framework for Sukuk issuance and management in Indonesia.

The sharia compliance of State Sharia Securities (SBSN) in Indonesia is guided by fatwas issued by the National Sharia Council of the Indonesian Ulema Council (DSN-MUI). Key fatwas include DSN-MUI No. 69/DSN-MUI/VI/2008 on State Sharia Securities, No. 71/DSN-MUI/VI/2008 on issuance methods and sale-and-leaseback structures, No. 72/DSN-MUI/VI/2008 on Ijarah-based sale and leaseback, No. 95/DSN-MUI/VII/2014 on Wakalah SBSN, No. 127/DSN-MUI/VII/2019 on Sukuk Wakalah bi al-Istithmar, No. 131/DSN-MUI/X/2019 on Waqf Sukuk, and No. 137/DSN-MUI/IX/2020 covering other Sukuk instruments. These fatwas provide the Islamic legal basis for issuing, structuring, and managing Sukuk in compliance with sharia principles ([Zahra, 2023](#)).

Directorate of Sharia Financing, Directorate General of Financing and Risk Management, Ministry of Finance explained that the purpose of issuing Retail State Sukuk is as follows:

- a. Funding the State Budget and financing the development of infrastructure projects in Indonesia
- b. Expanding the domestic investor base
- c. Providing alternative instruments or investment diversification for retail investors
- d. Support the development of Islamic financial markets
- e. Support the stability of the domestic financial market ([Nurhaeti & Nasrulloh, 2022](#)).

Up to February 25, 2021, the issuance of State Sukuk has accumulated Rp 1,657.25 T, with a portion that has continued to increase since 2008 ([Anam, 2018](#)). In addition, the purpose of issuing State Sukuk is to encourage the development of the Islamic financial market in Indonesia benchmarking the Islamic financial market, and developing alternative investment instruments ([Khatimah, 2018](#)). Given that the majority of Indonesia's population is Muslim, it is necessary to have various types of sharia investment instruments that can be chosen by the public. The existence of State Sukuk is expected to be able to enlarge market share Islamic financial market in Indonesia.

2.3 *Parties Involved in State Sukuk Issuance*

The Directorate General of Sharia Financing of the Ministry of Finance states that in the issuance of State Sukuk there are several parties involved. In the issuance of State Sukuk (SBSN), the key parties include the obligor, the government represented by the Directorate General of Financing and Risk Management (DJPPR) of the Ministry of Finance, responsible for nominal and compensation payments ([Wardhani, 2020](#)). The Special Purpose Vehicle (SPV), or SBSN Issuing Company, and acting both as government representative and trustee for investors ([Mawardi, Widiastuti, & Al Mustofa, 2022](#)), investors, who are entitled to margins and principal repayment; sharia advisors, represented by DSN-MUI, providing fatwas and guidance on sharia compliance; and trustees, who safeguard SBSN assets and represent sukuk holders' interests according to Law Number 9 of 2008.

In addition to the five main parties, other stakeholders in SBSN issuance include the Directorate General of Budget of the Ministry of Finance, which provides underlying assets in the form of government projects and selects state property as collateral; relevant government ministries or institutions responsible for managing these underlying assets; and legal consultants who conduct due diligence, assist in preparing legal documents, and advise the government on the issuance process. Issuance of SBSN will run well if there is also good cooperation between the parties involved. Good cooperation between parties will allow the issuance of SBSN to be carried out in accordance with the goals set by

the government. So that maintaining cooperation is something that must be jointly pursued so that the issuance of SBSN can run sustainably.

2.4 Underlying Assets in State Sukuk Issuance

Underlying assets are assets used as objects or basis for transactions in the issuance of sukuk. Assets used as the basis for issuing sukuk must have economic value and/or have cash receipts in the form of tangible or intangible goods, including projects that will be built or are being built (Ariff, 2018). Underlying assets is one of the crucial aspects that distinguishes between the issuance of State Sukuk and Government Securities. absence underlying assets or object used as the basis for issuance, the securities issued will have the nature of a debt instrument (Khatimah, 2017). Law Number 19 of 2008 concerning State Sharia Securities in Article 1 paragraph 3 explains that SBSN assets or underlying assets are SBSN financing objects and/or State- Owned Goods that have economic value, in the form of land and/or buildings or other than land/buildings, which in the context of issuing SBSN are used as the basis for issuing SBSN. In addition, the government also has the authority to use State Property as the basis for issuing SBSN or as underlying assets. Types of State Sukuk Chapter II Article 3 Law No. 19 of 2008 concerning State Sharia Securities states that SBSN or state sukuk can be issued with several types of contracts, namely, SBSN Ijarah issued based on an ijarah contract, *mudharabah* SBSN issued based on a mudharabah contract, *musyarakah* SBSN issued based on a *musyarakah* contract 4, trishna SBSN issued based on an istishna contract, SBSN issued based on other contracts as long as they do not conflict with sharia principles, and SBSN issued based on a combination of two or more contracts.

The first contract used in the issuance of State Sukuk is Ijarah. State Sukuk issued for the first time use a contract Ijarah sale and lease back with underlying issuance or the object of issuance is State Property in the form of land and buildings (Ramdhani, bin Masruhen, Ibrahim, Pramitha, & Lubis, 2022). Ijarah contracts are used in the issuance of state bonds because they are simple and easy to understand. Making it easier for potential investors to understand the flow of transactions in Sukuk Ijarah.

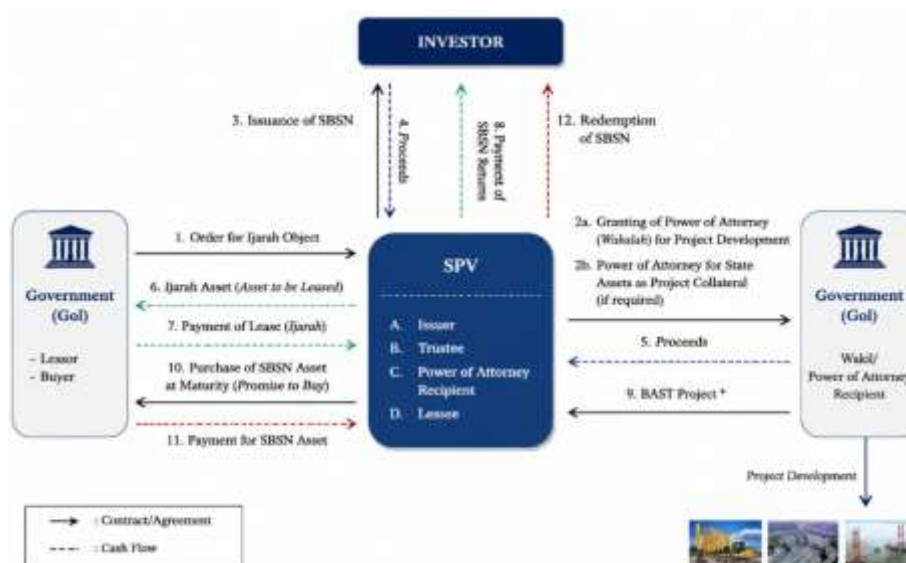


Figure 2. Structure of SBSN ijarah assets to be leased

Figure 2 illustrates the structure of SBSN Ijarah Assets to be Leased involving investors, the Special Purpose Vehicle (SPV), and the government. The scheme explains the flow of contracts, asset leasing, proceeds, rental payments (*ujrah*), and SBSN repayment in financing government development projects through sharia-compliant mechanisms. The second contract used in issuing State Sukuk is a *Mudharabah* contract. The *mudharabah* issuance scheme refers to the fatwa of the National Sharia Council Indonesian Ulema Council (DSN-MUI), namely, DSN Fatwa Number 137 of 2020 Regarding Sukuk, DSN Fatwa Number 115 of 2017 Concerning *Mudharabah* Contracts, and DSN Fatwa Number 07 of 2000 concerning *Mudharabah* Financing. *Mudharabah* Sukuk, namely State Sukuk issued based on a *Mudharabah* agreement or contract in which one party is the owner of capital (*shahibul maal*) which

provides all the capital with the manager (*mudharib*), profits from the cooperation will be shared based on a pre-agreed ratio. Meanwhile, the losses incurred will be fully borne by the party who is the owner of the capital ([Hendratni, Soemarsono, & Harsono, 2021](#)).

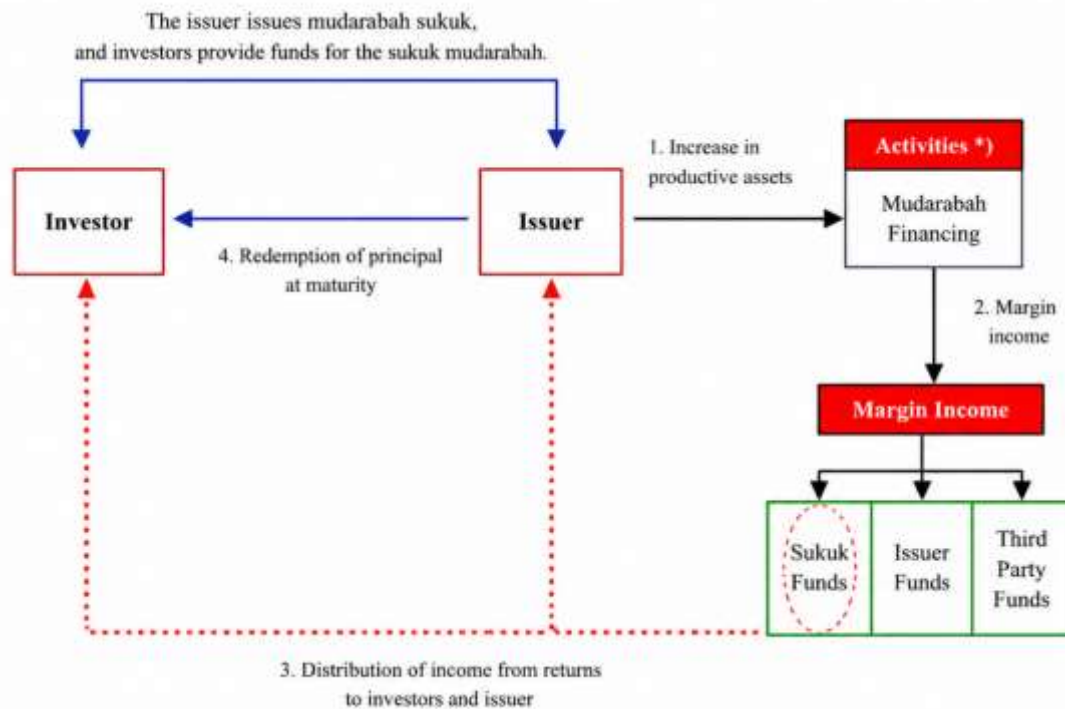


Figure 3. Mudharabah SBSN structure

Figure 3 illustrates the *Mudharabah* SBSN structure involving investors, issuers, and financing activities. In this scheme, investors provide funds through sukuk issuance, which are then managed by the issuer for productive financing activities such as *murabahah* financing. The resulting margin income is distributed between investors and issuers according to the agreed profit-sharing mechanism, while the principal is returned to investors at maturity. The third contract used in issuing State Sukuk is a *musyarakah* contract. The *musyarakah* sukuk issuance scheme refers to the fatwa of the National Sharia Council - Indonesian Ulema Council (DSN-MUI), namely, DSN Fatwa Number 137 of 2020 Regarding Sukuk and DSN Fatwa Number 08 of 2000 Concerning *Musyarakah* Financing ([Rohmah & Herianingrum, 2020](#)).

Musyarakah Sukuk, namely sukuk issued based on a *musyarakah* contract, in which two or more parties work together to combine capital used to build new projects, develop existing projects, or finance business activities. Profits and losses incurred will be shared according to the amount of each capital participation ([Hai, Kassim, & Mohtesham, 2021](#)). The fourth contract used in the issuance of State Sukuk is the *istishna'* contract. The *istishna'* sukuk issuance scheme refers to the fatwa of the National Sharia Council – Indonesian Ulema Council (DSN-MUI), namely, DSN Fatwa Number 137 of 2020 Regarding Sukuk and DSN Fatwa Number 06 of 2000 Concerning the Sale and Purchase of *Istishna'*. *Istishna'* sukuk are sukuk issued based on an *istishna* contract in which the parties agree to buy and sell in order to finance an item/project. Regarding the price and time of delivery as well as the specifications of the goods/projects, it is determined in advance based on an agreement between the parties conducting the sale and purchase ([Khatimah, 2017](#)).

3. Research Methodology

This study uses a qualitative approach. A qualitative approach is used for several purposes, including to better understand every phenomenon that is not widely known by people and is used to examine something in depth. The analysis used was a literature study. Literature study is a comprehensive study conducted by studying various written documents that are relevant to the research theme. Literature study in this study uses several journals that are relevant to the research as well annual report and related

laws, such as the APBN report issued by the Ministry of Finance, the Dewan Syariah Nasional Majelis Ulama Indonesia (DSN MUI) fatwa on State Sukuk and the Law on National Sharia Securities.

This literature study was conducted systematically by identifying, reviewing, and synthesizing relevant academic sources and official documents related to State Sukuk as an alternative instrument for APBN financing. A literature review is appropriate because it allows researchers to collect and integrate prior findings, strong then the theoretical foundation, and evaluate the development of knowledge related to a specific topic. Snyder (2019) explains that a literature review is a research methodology that can be used to synthesize existing studies, identify research gaps, and build a strong basis for further academic discussion. Therefore, this approach is considered suitable for examining the role of State Sukuk in supporting state budget financing through sharia-compliant instruments.

4. Results and Discussion

4.1 Reviewing State Budget Posture in Indonesia

One of the goals of the National Development which is continuously carried out by the government aims to provide people's welfare, including providing good infrastructure, education and health facilities for all groups, providing subsidies to disadvantaged groups and providing citizens with a sense of security and peace (Hendratni et al., 2021). All of these things require a large budget contained in the APBN structure. As the population increases, the government's burden in spending the State Budget for the welfare of the people also increases. State spending has increased significantly, if it is not matched by the same amount of income, then what will happen is a deficit in the state budget.



Figure 4. Indonesia's 2015-2021 state budget deficit

Figure 4 shows, from the Ministry of Finance shows that from year to year, the trend of Indonesia's state budget is experiencing a sizeable deficit. The surge in the deficit occurred in 2020 and 2021 due to the influence of the Covid-19 pandemic which has shaken many countries in the world, including Indonesia. The government has taken various ways to reduce the state budget deficit, one of which is to encourage tax and non- tax revenues.

Description	Target 2021 (Trillion)	Realization as of December 31, 2021		
		IDR (Trillion)	Δ% '20-'21	% Realization
Income Tax (PPh)	683.77	696.51	17.25	101.86
- Non Oil and Gas	638.00	643.65	14.73	100.88
- Oil and Gas	45.77	52.86	60.06	115.50
VAT & Sales Tax on Luxury Goods	518.55	550.97	22.35	106.25
Non-Tax State Revenue	14.83	18.92	-9.68	127.61
Other Taxes	12.43	11.13	63.84	89.51
Total	1,229.58	1,277.53	19.16	103.90

Figure 5. Realization of 2021 tax revenue

Figure 5 show the year 2021 is called a proud year by the Directorate General of Taxes because tax revenues have reached the state budget target. Realization of tax revenue in 2021 amounted to IDR 1,277.53, growing 19.16 % (yo) compared to 2020. The achievement of tax revenues of up to 103.90 % of the 2021 State Budget target is influenced, among other things, by increased taxpayer compliance (WP) in paying taxes. In addition to state revenue from taxes, the government is also encouraging other sources of income, namely Non-Tax State Revenue (PNBP). PNBP comes from natural resource revenues from the oil and gas and non-oil and gas sectors, KND (Separated State Assets) revenues, other non-tax state revenues, and BLU (Public Service Agency) revenues.

Realization of the 2021 State Budget Revenue Recording the Highest Record

State Budget Revenue (Billion Rupiah)	2021 State Budget (APBN 2021)	Realization as of December 2021	% of State Budget (APBN)	% Growth (yoy)
State Revenue Not from Tax	298,204.17	451,978.06	151.37	31.46
A. Natural Resource Revenue	104,708.84	150,819.59	144.87	55.12
1. Oil and Gas	74,999.72	98,806.35	130.68	41.87
2. Non Oil and Gas	29,709.12	52,813.23	181.43	87.65
a. Mining Revenue	22,100.54	44,774.74	202.60	131.41
b. Forestry Revenue	4,633.28	5,891.20	117.08	22.66
c. Fishery Revenue	957.19	704.19	73.99	17.90
d. Geothermal Revenue	1,438.12	1,929.11	134.14	(1.68)
B. Non-Tax State Revenue (PNBP)	26,130.49	30,496.37	116.71	(53.85)
C. Other State Revenue	109,174.70	151,118.29	138.42	35.90
D. State Revenue from Grants	58,790.14	119,543.82	203.34	72.48

Figure 6. Realization of non-tax state revenue for 2021

Figure 6 shows in 2021, PNBP reached IDR 451.98 trillion, or 151.57% of the budget target. Growth was driven by higher commodity prices, increased revenue from ministries/agencies, and BLU income. Despite this, pandemic-related spending on health, social assistance, and economic recovery exceeded revenues, prompting the government to cover the budget deficit through borrowing.

4.2 Position of State Sukuk in APBN

Deficit Financing In 2021 Indonesia's total debt is IDR 6,908.87 trillion. Government Securities (SBN) consisting of Government Securities (SUN) and State Sharia Securities (SBSN) are the largest source of financing for Indonesia's APBN deficit, which is around 88.15% or IDR 6,090.31 trillion. The remaining deficit of 11.85% or IDR 818.56 trillion was financed by domestic and foreign loans. The government's policy to finance the APBN deficit with a majority of domestic financing compared to foreign financing was the impact of the 1998 economic crisis, because financing from abroad was more vulnerable to exchange rate risk (currency risk).



Figure 7. State debt financing

Figure 7 shows Indonesia's debt at the end of December 2021 at Rp6,908.87 trillion, with State Securities (SBN) accounting for 88.15% and loans 11.85%, and a debt-to-GDP ratio of 41.00%. SBSN

have become a main financing instrument alongside Government Bonds and direct loans, funding 3,447 projects in 2021 (Latifah, 2020). Government infrastructure projects include railways, roads, bridges, airports, water resources, educational facilities, and research infrastructure. Unlike SBN, SBSN are backed by underlying assets, as stipulated in Law No. 19 of 2008 Article 4 and PP No. 56 of 2011, financing projects aligned with strategic government policies such as infrastructure, public facilities, and domestic industry development (Rafki, 2022).



Figure 8. Expenditure realization of 15 ministries or institutions with the biggest ceiling

Figure 8 shows that in 2020–2021, the Ministry of Health, Ministry of Public Works and Public Housing or Kementerian Pekerjaan Umum dan Perumahan Rakyat (PUPR), and Ministry of Social Affairs experienced increased budget realizations, reflecting priorities in health, infrastructure, and social assistance. The government could expand the use of Project-Based Sukuk (PBS) for infrastructure financing, freeing PUPR resources for other ministries and optimizing state revenue (Hariyanto, 2017; Ramadayanti, Mainata, & Pratiwi, 2018). SBSN complements Government Bonds, allowing the government to balance project and general financing while minimizing debt costs (Mahmudah, Ghozali, & Ritonga, 2022).

5. Conclusions

5.1 Conclusion

The issuance of SBSN or State Sukuk has functioned optimally as one of the instruments used to finance the state budget deficit and government project development. SBSN issued by the government uses several contracts and types to expand the reach of investors and increase government project financing. The increase in the number of SBSN issued each year does not only function as an instrument for financing the state budget deficit, but also as a catalyst for Indonesia's economic growth. In addition to the benefits for the Indonesian economy, the issuance of SBSN also encourages the growth of the national Islamic finance industry and adds alternative Islamic investment instruments for the public.

5.2 Research Limitations

This study is limited by its qualitative approach and reliance on secondary data sources, such as government reports, regulations, and previous studies. In addition, the study mainly focuses on the role of SBSN in APBN financing in Indonesia without providing empirical comparisons with other financing instruments or cross-country analyses.

5.3 Suggestions and Directions for Future Research

Future research is expected to apply quantitative or mixed-method approaches to measure the effectiveness of SBSN in supporting economic growth and reducing the state budget deficit. Further studies may also compare the implementation of State Sukuk in different countries and analyze the long-term impact of SBSN on the development of the Islamic finance industry and national fiscal sustainability.

Acknowledgements

The authors would like to express their sincere gratitude to all parties who contributed to this study, including academic institutions, researchers, and government agencies that provided valuable references and supporting data related to State Sukuk and APBN financing in Indonesia.

Authors Contributions

RR contributed to conceptualization, literature review, methodology, and writing of the original draft. AR was responsible for data analysis, interpretation of findings, and manuscript revision. LAR contributed to data collection, validation, and theoretical development. MM handled supervision, editing, and final approval of the manuscript.

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