

# The Development of Sovereign Sukuk in Indonesia.

- **Author(s):** Nisful Laila ,Muslich Anshori
- **Abstract:** The purposes of this study is to assess the problems faced by Indonesian government in developing sovereign sukuk, then provide alternative solutions and produce a draft strategy to be applied and find out what determinants in developing sovereign sukuk. The method used is Analytic Network Process (ANP), which has advantages to measure and synthesize a number of factors in hierarchy or network. The initial phase of this study is to conduct a literature survey and in-depth interviews with stakeholders: academicians, practitioners, regulators, and associations to fully understand the problem. Next, creating ANP model, filling questionnaires by expert respondents, data processing by ANP superdecision software, and then results analysis. We conclude that the three most important problems to be solved are related to government commitment (15.5%), adequate transaction infrastructure (10.3%), and adequacy of regulation (9.6%). The three most important solutions that should be the attention of policy makers are the importance of increasing government commitment (12.8%), easiness of transaction (11.1%), and regulatory revision (10.9%). The three most important strategies that need to be implemented soon are making the roadmap of Islamic financial development, in addition to providing infrastructure by the government (11.2%), the importance of supervision in regulatory implementation (11.1%), and the importance of optimizing the government's role in asset identification and tax incentive and competitive sukuk pricing in sovereign sukuk trade (8.6%).
- **Keywords:** Analytic Network Process (ANP), ANP superdecision software, Islamic financial development