

ABSTRACT

Infrastructure has a strategic role in supporting the people's economy. Large infrastructure financing cannot be fulfilled by the infrastructure budget from the State Budget. The government can use sukuk as an alternative to minimize the financing gap for infrastructure construction, and it is free from interest.

The research aims to analyze the effects of variables Infrastructure Budget, Bank Indonesia Rate, Money Supply, and Bank Indonesia Sharia Certificate on Project Based Sukuk in the short term and long term, using the Vector Error Correction Model (VECM) method with Eviews 10. This research uses monthly secondary data for the period 2016-2020.

The research show that in the short term, Infrastructure Budget variable has positive effect to PBS. In the long term, Money Supply variable has negative effect on PBS. BI rate and Bank Indonesia Sharia Certificate variables have no significant effect on PBS in the short term and long term.

Keywords: Infrastructure, Project Based Sukuk, Macroeconomic, VECM