

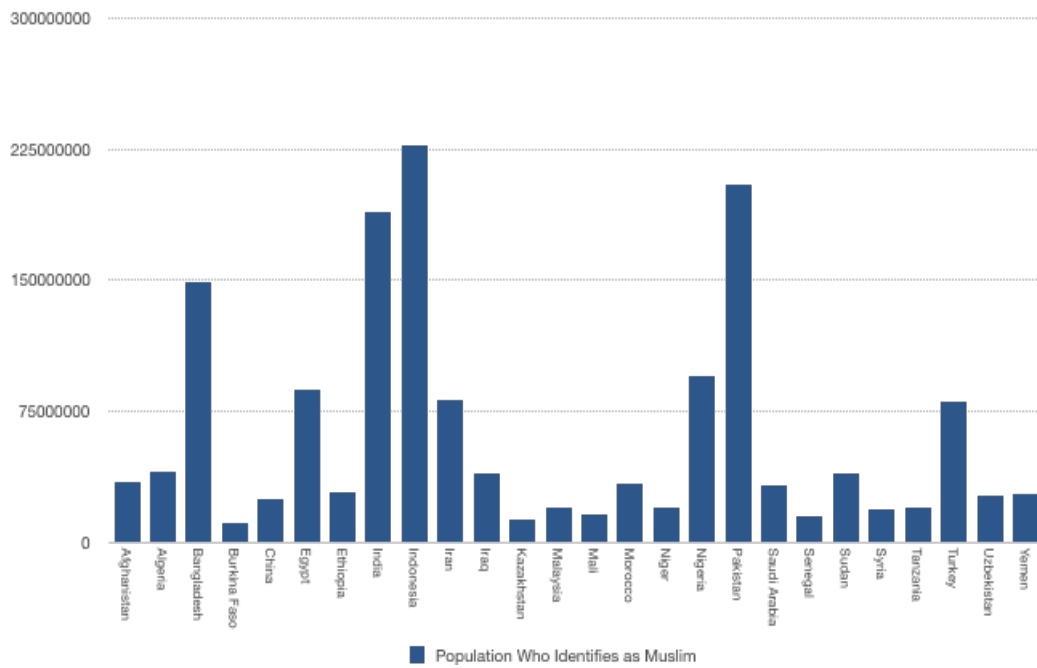
CHAPTER I

INTRODUCTION

A. BACKGROUND

Indonesia as a Muslim country with the largest population in the world will become a pioneer and centre for the development of Islamic finance in the world.

Based on Figure 1.1, the Muslim population in Indonesia is 227.226.404.



Source: Worldatlas.com Data, 2018

FIGURE 1.1
Countries with the largest Muslim populations

Indonesia's potential as a "global player" in Islamic finance in the world, because: (i) the large of Muslim population is potential will be a customer of the Islamic financial industry; (ii) the relatively high economic growth (the range 5% -

6,5%) supported by stability of economic; (iii) the increasing Indonesia's rating sovereign credit to investment grade which will increase investor interest in investing in the domestic financial sector, including the Islamic financial industry; and (iv) Indonesia has abundant natural resources that can used as underlying assets for transactions in the Islamic financial industry (Alamsyah, 2018).