# CHAPTER 4

# DESCRIPTIVE ANALYSIS OF ISLAMIC BANKS AND CONTRACTORS

## 4.1 Introduction

This chapter presents the descriptive analysis of the study. It describes the data of Islamic banks gathered from annual reports and of contractors gathered from available public data. This chapter also describes the method of selecting the informants from Islamic banks, infrastructure contractors, and an Islamic financial authority.

## 4.2 Islamic Banks in Indonesia

Islamic banks have operated in Indonesia since the establishment of Bank Muamalat in 1992. Following the enactment of the Islamic Banking Act in 2008, some conventional banks have established Islamic banking units and divisions, while others have founded independent Islamic banks. The number of Islamic banks in the five-year period of 2017-2021 was inconsistent. There were 13 entities in 2017. In 2018, there was an additional Islamic bank in 2018 following the conversion of Bank NTB Syariah. In 2021, there were a total of 12 banks as three major state-owned Islamic banks — Bank Syariah Mandiri (BSM), Bank Negara Indonesia Syariah (BNIS) and Bank Rakyat Indonesia Syariah (BRIS) — merged to become Bank Syariah Indonesia (BSI).

### 4.2.1 Major Shareholders of Islamic Banks

More than 70 percent of the shareholders of Islamic banks in Indonesia are conventional banks, while only 7 percent of shareholders are foreign Islamic banks. Other shareholders include provincial governments, conglomerates, and the public.

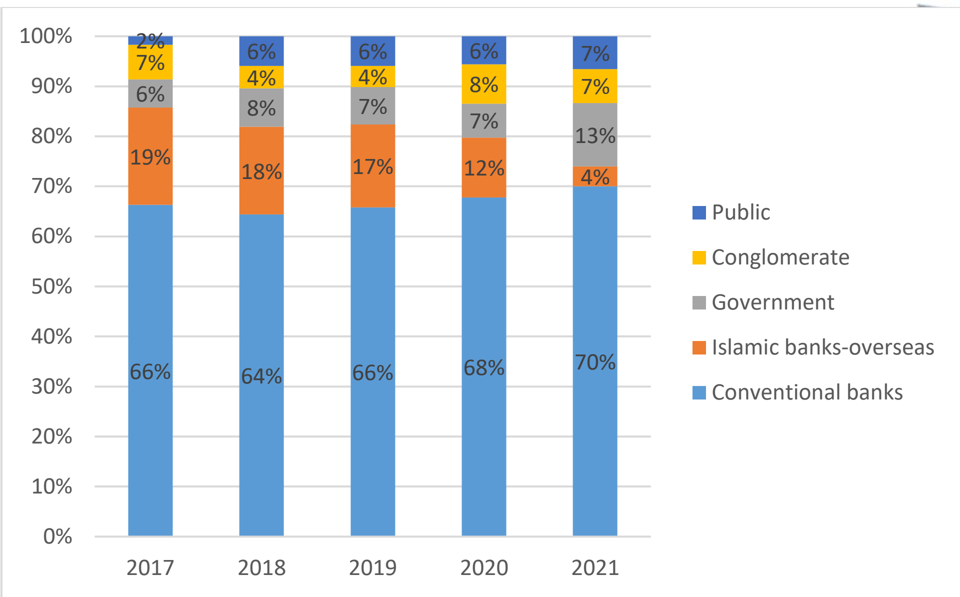


**Figure 4.1:** Shareholders of Islamic Banks in Indonesia

The foreign Islamic banks of Islamic Development Bank and the National Bank of Kuwait hold shares in Bank Muamalat until November 2021, after which the ownership was transferred to the Hajj Fund Authority (BPKH). Another foreign ownership is Dubai Islamic Bank, which owns shares in Bank Panin Dubai Syariah.

The major shareholders of Islamic banks are state-owned conventional banks — Bank Mandiri, Bank Negara Indonesia, and Bank Rakyat Indonesia — that have been operating since a century ago. They respectively hold all shares in Bank Syariah Mandiri, Bank Negara Indonesia Syariah, and Bank Rakyat Indonesia. In 2021, these Islamic banks merged to form Bank Syariah Indonesia (BSI).

Besides the central government, provincial governments also fully own Islamic banks through their conventional banks. For example, Bank Jawa Barat dan Banten owns Bank Jabar Banten Syariah (BJBS). There are two provincial governments that directly own Islamic banks: Bank Aceh Syariah and Bank Nusa Tenggara Syariah.

Some Islamic banks are wholly owned by conventional banks, such as Bank Central Asia Syariah and Bank Victoria Syariah. Other Islamic banks are owned by large foreign conventional banks. BTPN Syariah is owned by Sumitomo Group Japan, while Bank Bukopin Syariah is owned by KB Bank Korea.

Recently, one bank has changed names and ownership several times. After being divested by Maybank Malaysia in 2019, Maybank Syariah changed its name to Bank Net Syariah. Its ownership changed hands once more, and it is now known as Bank Aladin Syariah.

Up to 12 percent of the total shares of Islamic banks are publicly traded on the Indonesian Stock Exchange. These include the shares of Bank Rakyat Indonesia Syariah (BRIS), Bank Tabungan Pensiunan Syariah (BTPN), Bank Panin Dubai Syariah (BPDS), Bank Muamalat, and Bank Aladin Syariah.

The researcher will discuss the characteristics of the shareholders of Islamic banks that may influence the operations and activities of the Islamic banks. This discussion will be presented in the next chapter.

### 4.2.2 Area of Operation of Islamic Banks

Most transactions of Islamic banks occur in Jakarta. According to OJK reports, the share of financial transactions in Jakarta was 43 percent in 2019, 41 percent in 2020, and 40 percent in 2021. Two banks, Bank Aceh Syariah and Bank Nusa Tenggara Barat Syariah, did not operate in Jakarta until 2021. (Bank Aceh Syariah opened a branch office in Jakarta in March 2022). The law specifies that both banks may only operate in their respective provinces. Another bank, Bank Jabar Banten Syariah, also does not operate in Jakarta, though it has some branches there. These three banks are owned by provincial governments, as indicated in their names. The limited area of operation of these Islamic banks was a limitation of the study, considering that the primary method of data collection was interview.

### 4.2.3 Islamic Bank Financing to Contractors

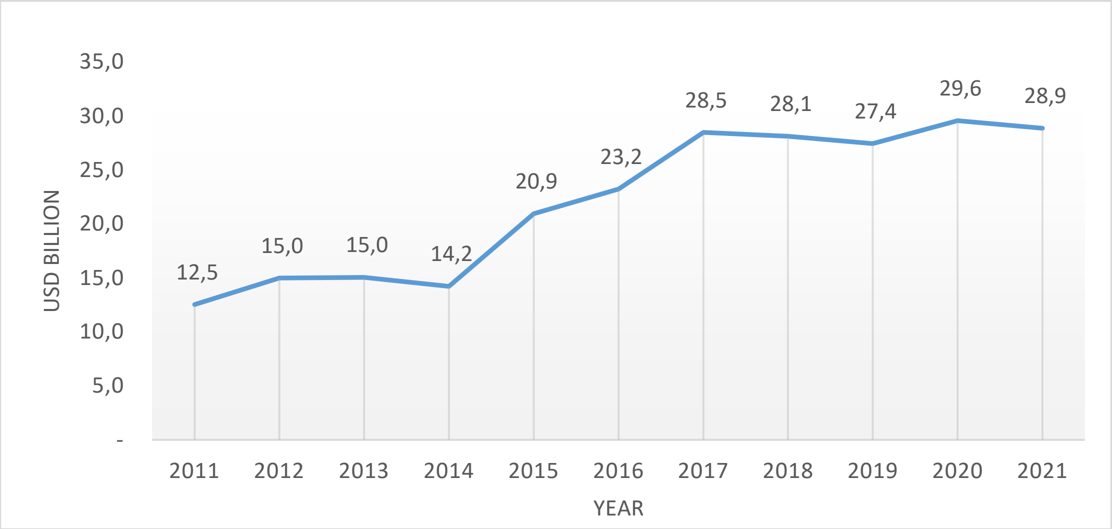


**Figure 4.2:** National Infrastructure Budget

Changes in the macro environment in the last ten years have affected the operations of conventional and Islamic banks alike. In 2014, the seventh Indonesian president and his cabinet turned their focus on road infrastructure development. In 2017, the national infrastructure budget increased by 40 percent, and this trend continued until 2021. After his re-election in 2019, the incumbent president continued his focus on infrastructure. This program is expected to continue until the 2024 presidential election.

However, changes in the national infrastructure budget since 2017 have not been accompanied with changes in construction financing and loan from Islamic and conventional banks. Figure 4.3 shows the value of financing for construction in the past ten years (2011–2021). It can be seen that there was no significant increase in bank financing or loan for construction before and after the introduction of the new infrastructure policy in 2017.

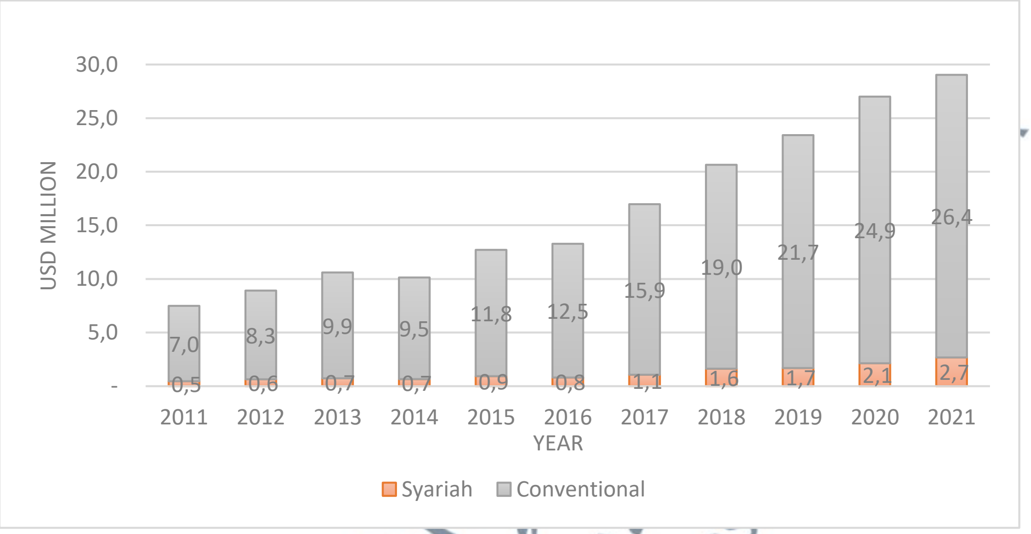


**Figure 4.3:** Financing to the Construction Segment

The figure also shows the relatively small value of construction financing of Islamic banks compared to conventional banks. In 2017–2021, financing from Islamic banks to the construction sector was less than one-tenth of total bank financing for the sector.

Not all Islamic banks provide financing for the construction sector, and the share of financing for the construction segment also varies by bank. While some major Islamic banks provide financing to contractors, its share of total financing varies between the banks, at most above 10 percent. Islamic banks that provide high financing value to contractors are BSM, BNIS, BRIS, BMI, and BAS. In 2020, each of these banks provided more than Rp1billion in financing to contractors, whereas the other banks collectively provided under Rp1 billion. The Islamic banks provided financing to contractors with different contracts. Most used *murabahah* and *musharakah*, while others used *qardh*.

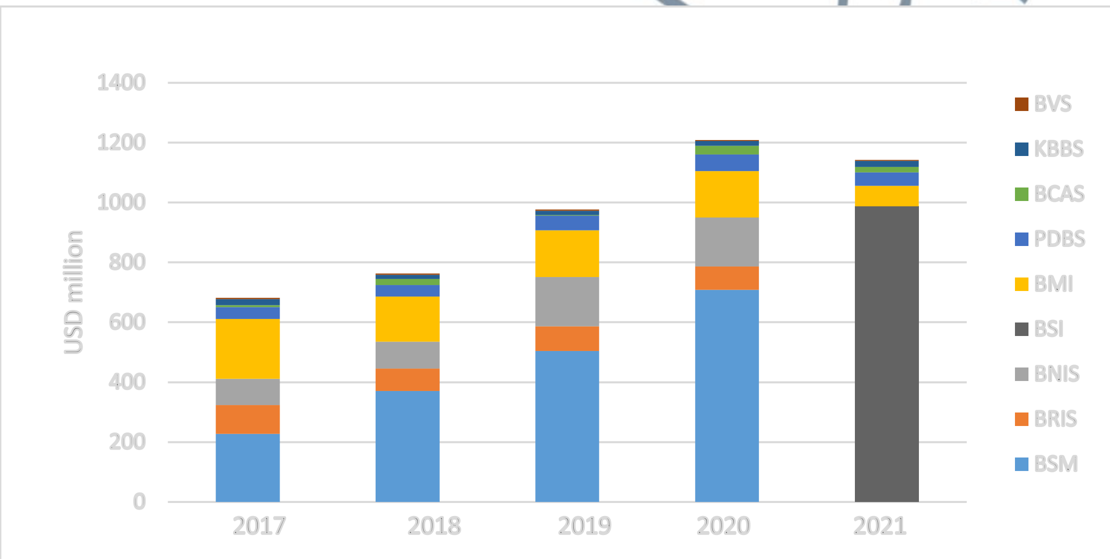


**Figure 4.4:** Financing by Major Islamic Banks to the Construction Segment

Additionally, the detail of information disclosed in the annual reports of each bank varies. BNIS and BRIS reported third-party financing with details of the company but not the type of contract. On the other hand, BSM disclosed the use of *musharakah* contract to finance construction projects and related companies, among which are contractors. However, it did not disclose the name or value of *musharakah* financing to the related contractors, only the overall value.

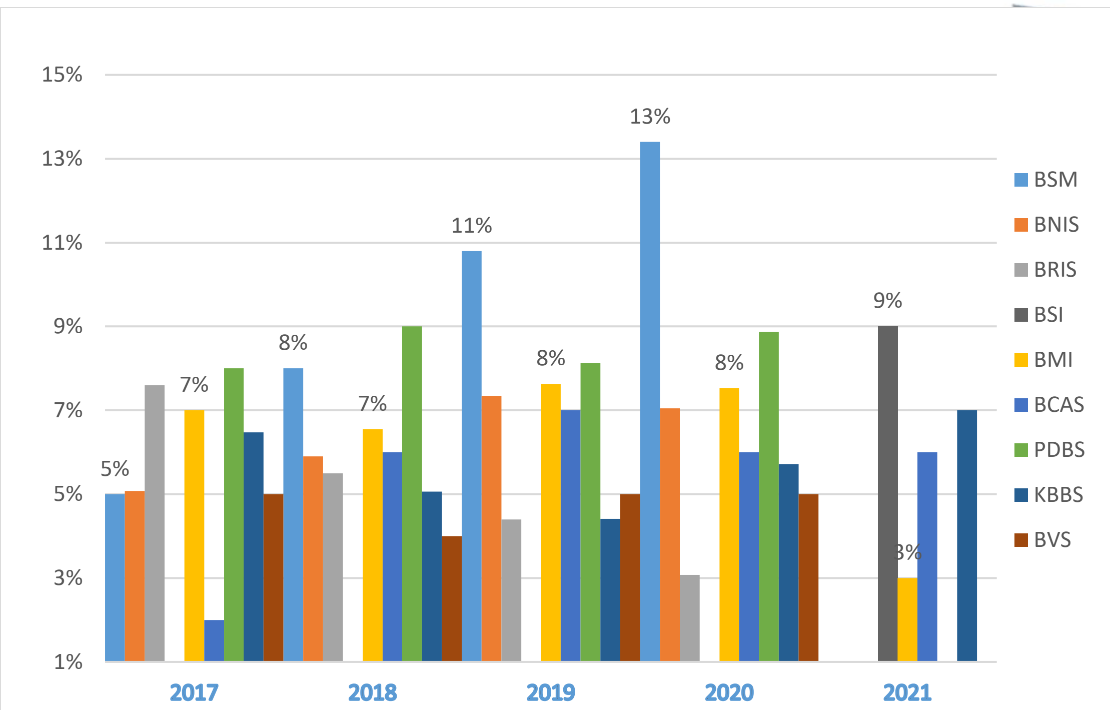


**Figure 4.5:** Share of Construction Financing by Each Islamic Bank

### 4.2.4 *Musharakah* Financing

*Musharakah* is the second most common financing contract in Islamic banking in Indonesia. Figure 4.5 shows the value of *musharakah* financing of each Islamic bank in 2017-2021. The share of *musharakah* financing varies by Islamic bank, ranging from zero to 90 percent. This once again confirms that *musharakah* contract is a commonly used contract. Though *musharakah* represents the second largest form of financing overall, it is not the preferred contract for some banks. For instance, *musharakah* only constitutes around half of financing contracts of BRIS, BNIS, BSM, and Bank Muamalat.

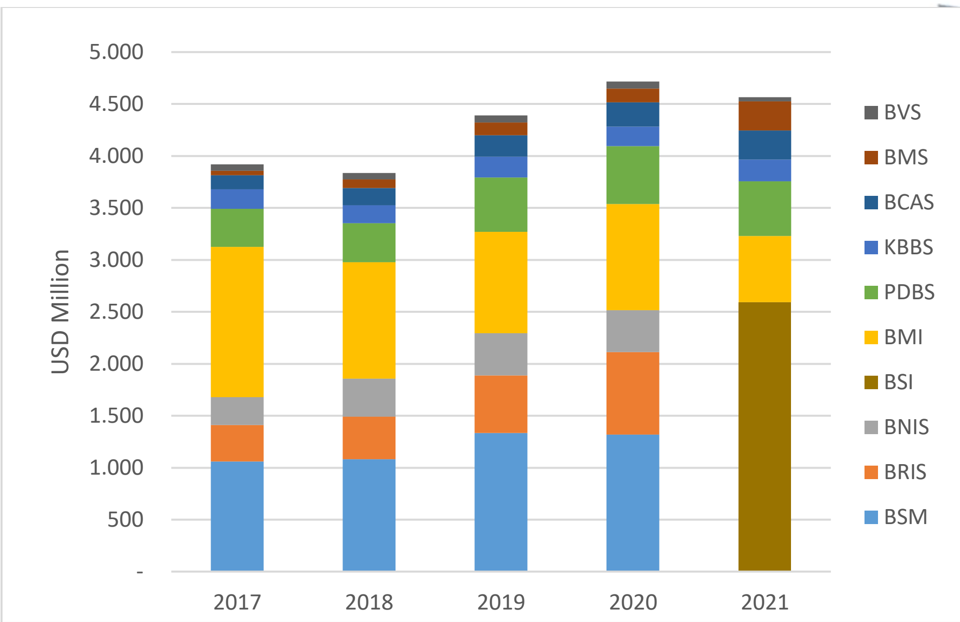


**Figure 4.6:** *Musharakah* Financing Value to Contractors by Each Islamic Bank

Several Islamic banks use *musharakah* to finance manufacturing, mining, electricity/gas/water, and other segments. However, no Islamic bank reported the use of *musharakah* financing for the construction segment. Bank Muamalat and BSM, in their 2019/2020 annual reports, stated that *musharakah* financing was mainly for manufacturing, services, and agriculture. They also disclosed that more than a third of *musharakah* financing was provided to related parties or group of companies. BRI reported in its 2019/2020 annual report that *musharakah* financing was mainly for trading, manufacturing, and other segments.

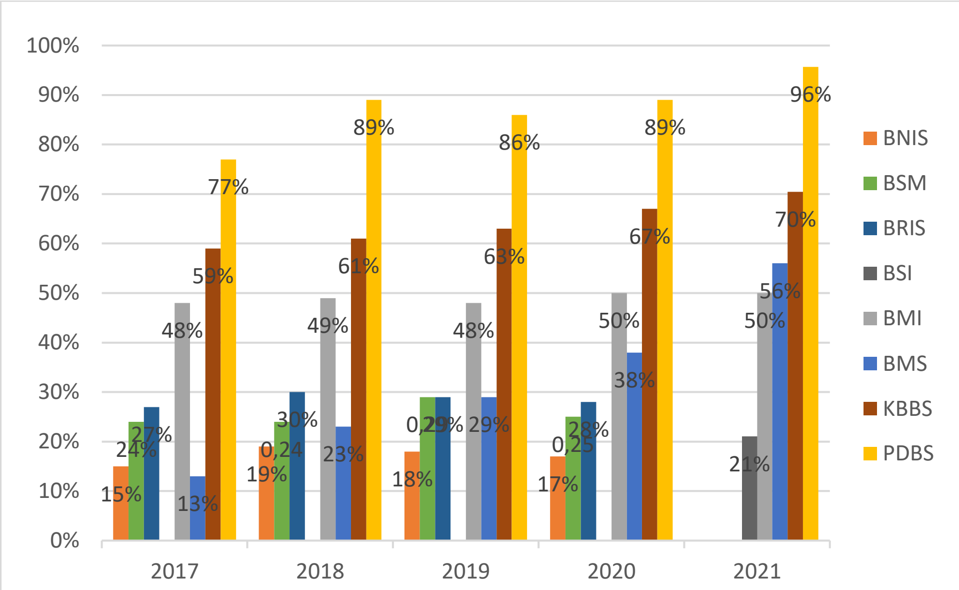


**Figure 4.7:** Share of *Musharakah* Financing by Each Islamic Bank

Some Islamic banks did not use the *musharakah* mode of financing at all, such as BTPN Syariah. Others reported zero *musharakah* financing value in 2017 and 2018. Several banks had a low share of *musharakah* financing, such as BJBS with only 30 percent. Meanwhile, some relatively small Islamic banks saw an increase in *musharakah* financing, such as Bank Aceh Syariah and Bank NTB Syariah. In fact, financing in Bank NTB Syariah was almost entirely based on the *musharakah* contract, growing from 66 percent in 2020. *Musharakah* represented 60 percent of total financing of BCAS, while Bank Victoria Syariah employed *musharakah* in around 80 percent of its financing contracts. However, the value of *musharakah* financing of these banks was still low compared to major Islamic banks. This will be discussed in the subsequent chapters.

Another issue related to *musharakah* financing is that Islamic banks mostly provide it to affiliated companies. These companies are effectively sister firms, as they are owned by the government. Bank Mega Syariah and BRI Syariah provided around 5 percent of their *musharakah* financing to their sister companies, some of which are construction firms. This will also be discussed in the next chapters.

The last topic that should be highlighted in this sub-chapter concerns guarantee or collateral. All Islamic banks declared that *musharakah* financing must be secured with a guarantee or collateral. The form of guarantee and collateral vary in form, including land certificate, vehicle ownership certificate, blocked cash deposit (withheld balance), or fixed deposit. This requirement is stated in the annual financial reports. It will be discussed in the next chapters.

### 4.2.5 Cost of *Musharakah* Financing

Continuing the discussion in Section 1.2.6 regarding the cost of financing, this section describes the margin of *musharakah* financing reported by each Islamic bank. The margin of *musharakah* financing is a factor considered by both the bank and the customer. The bank views it as its income, and the customer views it as the cost.

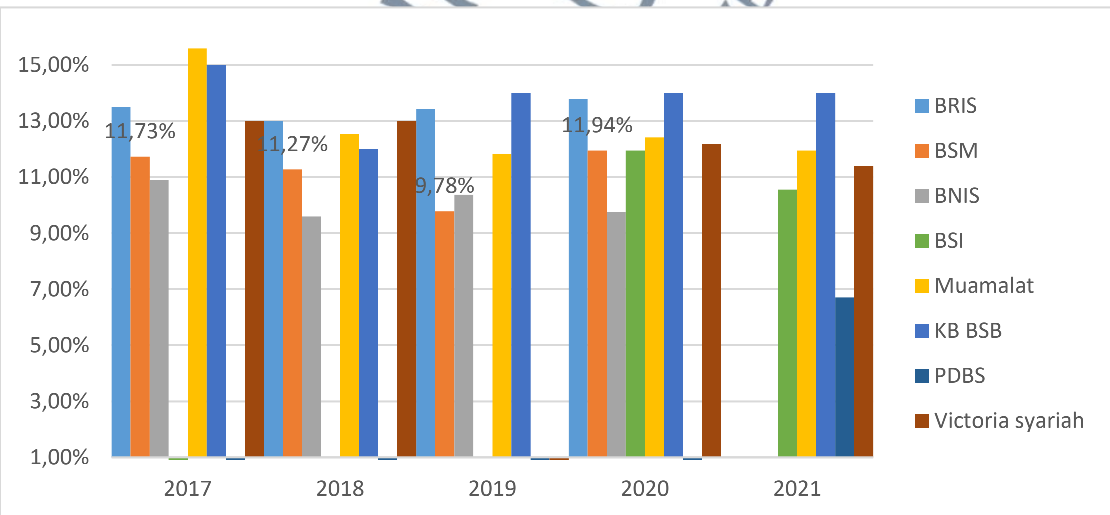


**Figure 4.8:** *Musharakah* Financing Margin

The *musharakah* financing margin as reported by OJK showed a lower trend in 2017–2021. The margins of Islamic banks from *musharakah* financing in 2017–2021 were respectively 10.6 percent, 9.46 percent, 8.76 percent, 8.37 percent, and 8.17 percent. During the same period, the margins from all modes of financing were 11.53 percent, 10.71 percent, 9.95 percent, 9.59 percent, and 9.19 percent.

Each Islamic bank reported a different margin. For example, Bank Muamalat's profit margins in 2019 and 2020 were 11.83 percent and 12.41 percent; BSM's margins were 7.2-11.94 percent in 2020 and 8.46-9.78 percent in 2019; and BRI's margins were 13.75 percent in 2020 and 13.43 percent in 2019.

With regards to the margin of financing for the construction sector, there was no such disclosure in the annual reports of all Islamic banks. Only OJK reported the downwards trend of financing margin to the construction segment, from 10 percent in 2017 to 8.9 percent in 2021.

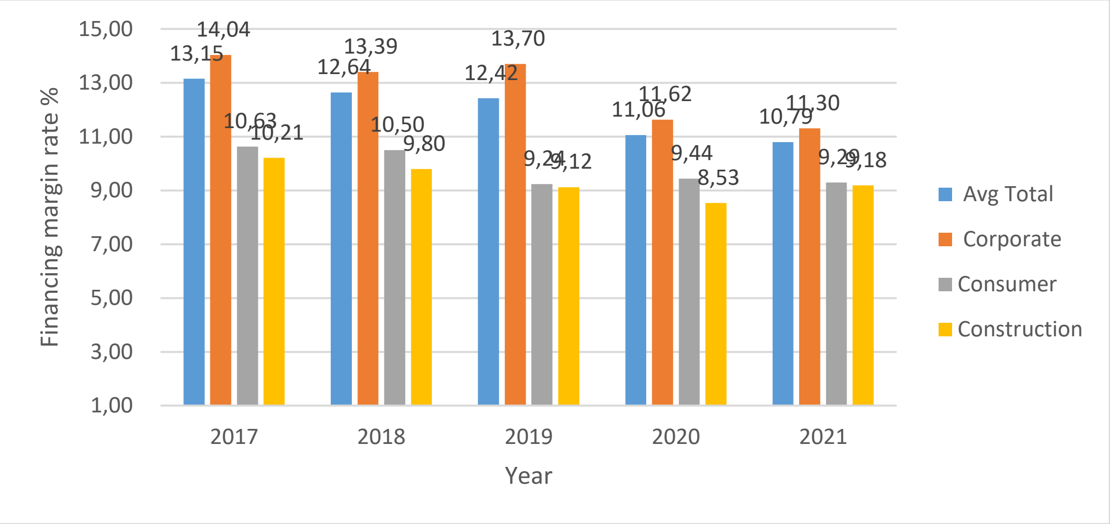


**Figure 4.9:** Margin of Financing to the Construction Segment

The statistics revealed that the average financing margin of Islamic banks in 2017-2021 was 12.01 percent. In 2017, it was 13.15 percent, and in 2021, it decreased to 10.79 percent. The average for the corporate segment also decreased from 14.04 percent in 2017 to 11.03 percent in 2021. The highest margin came from the wholesale trading segment with an average margin of 18.59 percent. The home hospitality service segment had a high average margin of 41 percent. The lowest margin was reported from the mining and quarry segment with 3.6 percent.

### 4.2.6 Nonperforming Financing

This section emerged following discussions with the Islamic bankers during the interviews. Some informants explained that financing construction carry some risks, among them stalled construction project. If the project is stalled or abandoned for any reason, payments to the contractors may also be delayed, which in turn will affect their ability to repay their financing.

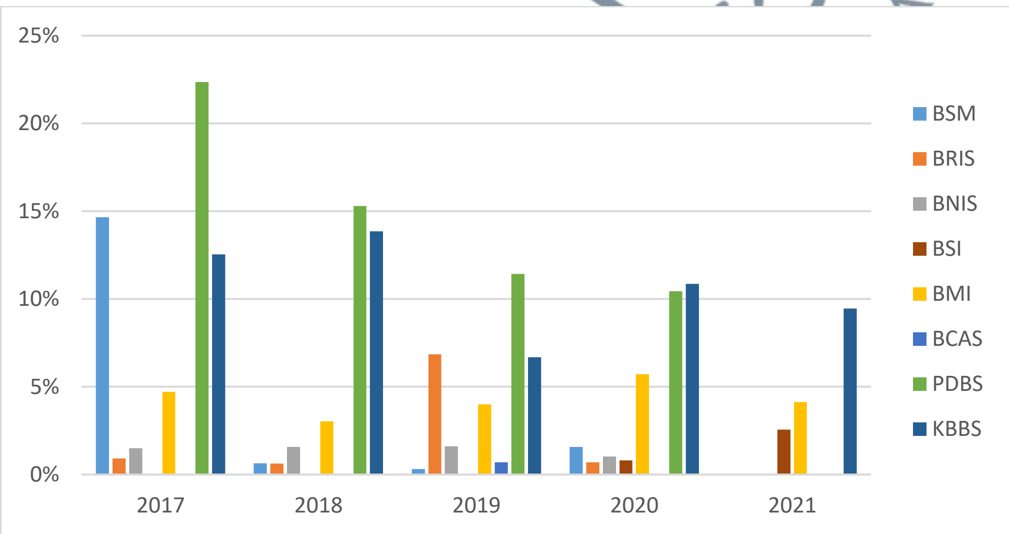


**Figure 4.10:** Nonperforming Financing to Construction Segment

The value of nonperforming financing in the Islamic banking industry was at a high level of 7 percent in 2014. However, this situation did not occur in major Islamic banks. For instance, in 2019/2020, the shares of nonperforming financing in Bank Muamalat (4%), BSM (3%), and BRIS (3-4%) were far below the Islamic bank industry total. Figure 4.9 shows that BSM had a high share of nonperforming financing in 2017, but it was able to lower it in subsequent years. Some Islamic banks still have nonperforming financing until now, but the value is lower compared to previous periods.

Nonperforming *musharakah* financing for the construction segment showed similar trends. It was higher in the initial sample years (2017–2018), but it decreased in later years. A clear example of this is BRIS (Figure 4.10). Thus, the data showed that, in terms of financing to contractors and *musharakah* financing, there was lower nonperforming financing in the later years of the sample period compared to the initial years.

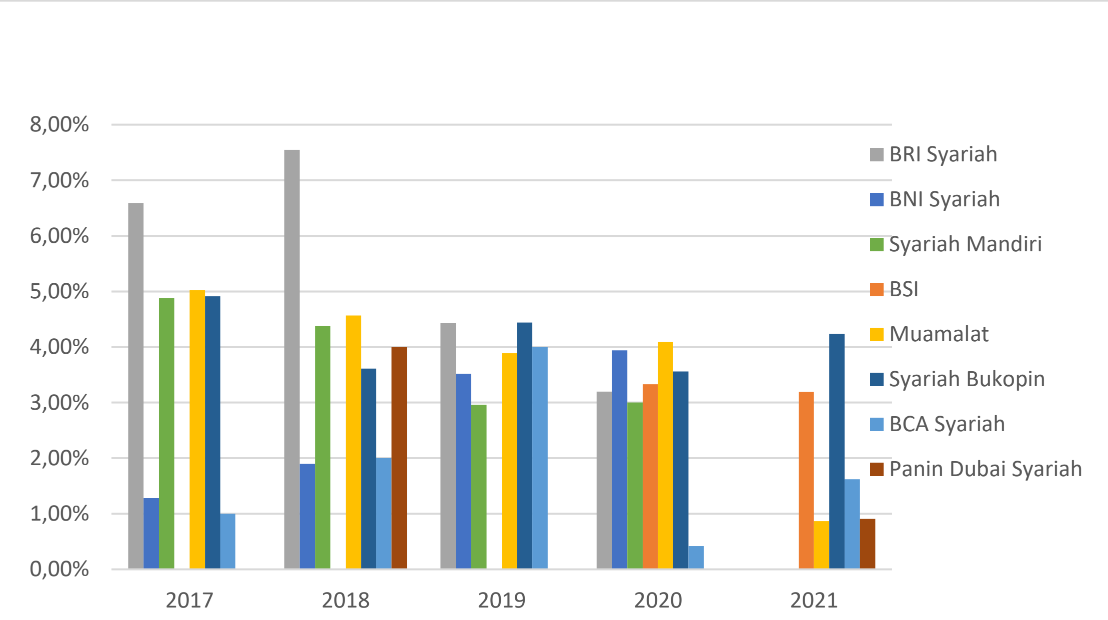


**Figure 4.11:** Nonperforming *Musharakah* financing

### 4.2.7 Other Declared Information Related to Construction

This section describes latest descriptive data related to the construction business in the annual reports of the Islamic banks. Discussion of this information in this study is of great import. Some annual reports of Islamic banks disclosed information about specific business that they are concerned with during the period of the report. The researcher identified several construction issues that were disclosed in the annual reports. Some of the disclosures related to the Islamic bank's plan to finance the construction segment. Some Islamic banks provided specific statements in defining their strategy. Others discussed previous year's condition of construction financing. Still others disclosed their specific financing products for the contractors. Table 4.1 lists the statements found in the annual reports.

**Table 4-1:** Statements Related to Construction Financing in the Annual Reports of Islamic Banks

| Bank | Statement |
|---|---|
| IB1 | IB Modal Kerja Konstruksi Developer (IB Construction Working Capital for Developers): Working capital financing for developers to build residential and non-residential property and housing infrastructure<br>IB Hijrah Modal Kerja Konstruksi Developer (IB Hijrah Construction Working Capital for Developers): Working capital for developers for the construction of housing, shops, offices for resale |
| IB2 | IB2 Griya Konstruksi IB Hasanah:<br>For developers to construct housing and or public or social facilities. Financing to the construction segment increased in 2018 by 53%, from Rp1.16 trillion to Rp1.77 trillion.<br>Financing to the infrastructure sector is provided in terms of supply chain financing and factoring. The construction segment included transportation, logistics, communication. It was also provided through syndicated financing. |
| IB4 | Financing to construction segment in 2020 was lower due to Covid-19 |
| IB5 | Transactions with related firms in the construction segment, namely PT WK1 and PT WK@<br>Green Financing Program for undeveloped areas (AR2019) |
| IB6 | Credit for House Construction |

Analysing the statements in the above table, it could be understood that several banks are interested in the construction segment. However, the construction refers to the construction of houses or shophouses, which means that the target is project owners, not contractors.

## 4.3 Respondents from Islamic Banks

When the researcher decided to collect data using interviews, the interviewees had not been previously identified. Therefore, the researcher determined and met the respondents using several criteria and methods. The respondent criteria, as discussed in Chapter 3, were based on their expected ability to properly answer the interview questions. Analysing the organisational structure of the Islamic banks, the most appropriate informants were the branch manager, corporate credit manager, corporate secretary, and director.

### 4.3.1 Approaching the Respondents

Some annual reports of the Islamic banks described the key persons of their organisations and provided an organisational chart. The personnel information included the names, education, and experience of the chairman, directors, and managers. However, their emails or phone numbers were not disclosed, hence it was not possible to directly contact these key persons. Therefore, the invitations for interview were sent to the main email (helpdesk) of each bank.

To search for the appropriate respondents, the researcher also used the search feature on the professional social media platform LinkedIn. To find and connect with potential informants, the researcher used the keywords ‘Manager’ and ‘Bank X’ (where X is the name of the bank, e.g., BCA Syariah). The query returned some names, and the researcher examined their profile to assess their suitability as potential interviewees. Preference was given to those working in the head office or branch managers. A week after the qualifying test (QT) revision deadline, 22 July 2021, the researcher sent connection requests to several potential interviewees. Only four individuals accepted the request. The researcher then sent them an introductory message and invitation to interview. Three did not reply, while another stated that he was not the appropriate individual to be an interviewee. Another potential respondent later accepted the connection request and was interested in the subject. He expected to receive the questions prior to the interview.

Besides social media, the researcher also visited the head offices of the Islamic banks in Jakarta. These visits were carried out in August 2021. During the visits, no banks accepted the interview invitation immediately. All the proposals were kept at either the reception counter or security desk for further notice. Some banks warmly welcomed the invitation. The visited banks included BJB Syariah, an Islamic bank owned by the government of Banten and Jawa Barat, which has a branch office in Jakarta.

Another interview method was by attending webinar sessions where the key personnel of the Islamic banks were invited as speakers on certain Islamic financial issue, concept, strategy, or application. These occasions provided a good opportunity for the researcher to collect data. The details of the informants are summarized in Table 4.2. Eleven informants were gathered from eight Islamic banks. Two Islamic banks did not reply, whereas another two Islamic banks were excluded because they do not have a branch or office in Jakarta.

**Table 4-2:** Details of Informants

| No. | Bank Name | Informant | Interview Status | Education |
|---|---|---|---|---|
| 1 | IWIB1 | Branch manager | No | - |
| | | Micro area manager | No | - |
| | | Initiation and approval manager | No | - |
| | | Area manager medium retail consumer | No | - |
| 2 | IWIB2 | Division head | Yes | Master in finance |

| No. | Bank Name | Informant | Interview Status | Education |
|---|---|---|---|---|
| 3 | IWIB3 | Division manager business | No | - |
| | | Business team leader | Yes | Degree in business |
| | | Restructuring manager | No | - |
| | | Operations and services manager | No | - |
| | | Business development | Yes | Degree in business |
| 4 | IWIB4 | Excluded – no office in Jakarta | | - |
| 5 | IWIB5 | Head of business development | Yes | Master in finance |
| | | Distribution head | No | |
| | | Corporate secretary (with HC manager) | Yes | Degree in law |
| 6 | IBIW6 | Corporate communication manager | Yes | Degree in business |
| 7 | IWIB7 | Financing risk officer | No | - |
| | | Recovery and restructuring manager | No | - |
| | | Business audit head | No | - |
| | | Organisation development manager | No | - |
| | | Relationship manager | No | - |
| | | Vice president | No | - |
| | | Head of finance and strategy | No | - |
| | | Business development manager | No | - |
| | | Relationship manager | No | - |
| | | Financing analyst head | No | - |
| 8 | IWIB8 | Senior manager | No | - |
| | | Branch manager | Yes | Master in finance |
| 9 | IWIB9 | Excluded – no office in Jakarta | | - |
| 10 | IWIB10 | Director of retail banking | Yes | Master in finance |
| | | Director of product financing | Yes | Doctor in Islamic economics |
| 11 | IWIB11 | Corporate financing manager | Yes | Master in finance |

### 4.4 Construction Firms

To understand more about contractors in Indonesia, preliminary information was gathered from reports published by Statistics Indonesia (bps.go.id). According to the reports, there were around 159,300 contractors in 2020. This figure was lower than the preceding years (2019: 168,868; 2018: 160,576). The contractors are distributed across the country. However, these contractors are not classified by their main specialities, such as infrastructure contractors (roads/bridges/railway/irrigation) or building contractors (high rise buildings/houses). The data also did not indicate the contractors' clients, whether they focus on government, private firms, or individual segments.

Furthermore, the contractors are classified by size into five categories: micro/personal, small, medium, large, and unqualified. The purpose of this classification is to determine the value of projects that the contractors can undertake. Personal/micro contractors are allowed to work on projects with a maximum value of Rp300 million ($21,400); small contractors of up to Rp500 million ($35,700); medium contractors of up to Rp50 billion ($3,571,000); and large contractors of more than Rp250 billion ($17,857,000). Table 4.3 summarises the classification. The table shows the minimum grade of each contractor to qualify for tender bidding, in addition to other qualifications.

Because the study is limited to Jakarta, only contractors based in Jakarta were considered. In 2020, there were 9,714 contractors based in Jakarta. These contractors are allowed to do construction work throughout the nation without any restriction. Similarly, contractors outside of Jakarta can carry out works in Jakarta.

**Table 4-3:** Classification of Contractors by Size

| No. | Business Class | Qualification | Value of Project (Rp) |
|---|---|---|---|
| 1 | Micro/Personal | Personal | ≤ 300 million |
| 2 | Small | K1 | ≤ 1 billion |
| | | K2 | ≤ 1.75 billion |
| | | K3 | ≤ 2.5 billion |
| 3 | Medium | M1 | ≤ 10 billion |
| | | M2 | ≤ 50 billion |
| 4 | Big | B1 | ≥ 250 billion |
| | | B2 | |
| | Unqualified | Expired/no permit | |

### 4.4.1 Established Contractors

State-owned construction companies in Indonesia were established by Dutch colonials before the independence. There are currently about 10 state-owned construction companies. Some of these companies have become large conglomerates with horizontal and vertical integration capabilities, providing not only construction services but also supplying construction materials, such as precast and steel structure, and expanding to property management and toll road investments. Among these established state-owned contractors are PT Wijaya Karya Tbk, PT Waskita Karya Tbk, PT Hutama Karya Tbk, PT Adhi Karya (persero) Tbk, PT Pembangunan Perumahan Tbk, PT Brantas Abipraya (persero), PT Nindya Karya, PT Amarta Karya (persero), and PT Istaka Karya. Most of these firms have a company website, hence information about them can be easily collected. However, the focus of this research is not on these contractors, as their financing are regulated by the government.

The term ‘contractor’ in Indonesia is used in the Indonesian Stock Exchange to refer to the infrastructure segment. However, this segment does not fall within the scope of this research, as the listed companies in the segment are not only focusing on infrastructure projects but also private sector works whose details are not open to the public. Information about these companies is also not difficult to gather, especially in terms of financial information.

### 4.4.2 Infrastructure Contractors

The previous discussion leads to the question on how to find infrastructure contractors. Section 4.4 states that there are 159 thousand contractors, while Section 4.4.1 explains that there are ten state-owned contractors, and that some companies are listed on the stock market. Subtracting these, there remain 158,970 contractors. How, then, can infrastructure contractors be identified?

### 4.4.3 Tenders by Infrastructure Contractors

Reports on contractors on the website of Statistics Indonesia did not provide any information about the specialisation and projects of the contractors. The available information was their names, grades, and address. Information about their specialisation is important to determine the interview sample.

One way of determining the specialisation of the contractors is by examining the projects on which they bid. Therefore, the researcher first gathered information on infrastructure project tenders provided by the Ministry of Public Works and Housing. The information is publicly available at lpse.go.id, thus it is possible to see which contractors focus on infrastructure projects. The researcher looked up the tenders in September 2021 using the steps below:

1. Accessing https://lpse.pu.go.id/eproc4/lelang
2. Setting the work type to construction works
3. Project name contains ‘road’
4. Budget year: 2021

5. Exclude: State-owned contractors
6. In the search box, the query '*jalan*' was inputted.

The tender for the 2021 national road project began in October 2020. It was found that there were 636 tenders in cities and provinces across the country. The values of the projects varied. The smallest was \$88,856 (Rp1,243 billion) in the province of Papua, and the largest was \$45.4 million (Rp636,565 billion) in Batang, Jawa Tengah.

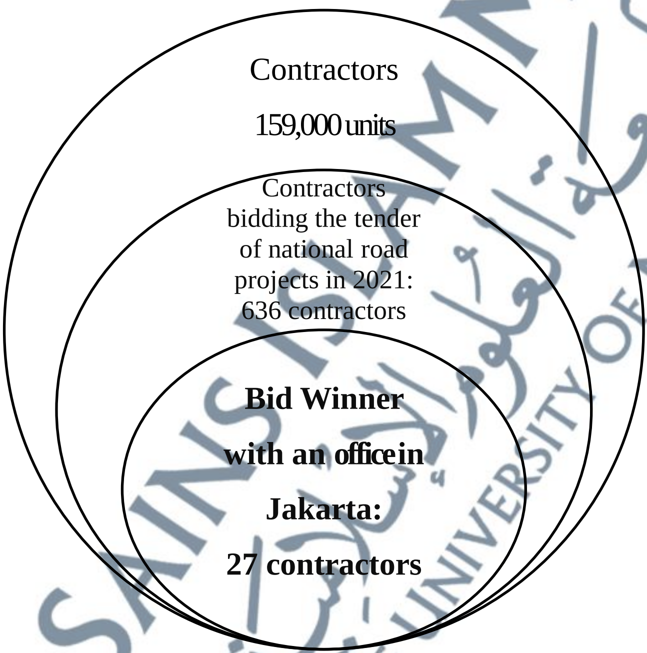


**Figure 4.12:** Sampling Infrastructure Contractors

### 4.4.4 Contractor Respondents

Because the study is limited to Jakarta, only contractors based in Jakarta were selected. In 2021, there were 27 Jakarta-based contractors that won the contract for national road projects. Some of the contractors won more than one project. These contractors did not include state-owned firms. The projects that they won were spread across the country with varying values. The smallest was \$182,326 (Rp2,5 billion) in Bangka Belitung and the largest was \$14,860,869 (Rp208 billion) in North Kalimantan.

**Table 4-4:** Sample Contractors in Jakarta and their Road Construction Projects, Budget 2021

| No | Contractor name | Tender ID | Tender Date | Value (IDR) | Value (USD) | Project location |
|---|---|---|---|---|---|---|
| 1 | PT. IC01 | 70937064 | 13-Jan-21 | 2,468,400,350 | 182,326 | Perawas Badau BABEL |
| | | 70426064 | 28-Dec-20 | 3,442,567,704 | 254,104 | Tanjung Ru Tanjung Kelayan BABEL |
| 2 | PT. IC02 | 71489064 | 30-Jan-21 | 147,686,548,000 | 12,604,571 | Tumbang Hiran KALTENG |
| | | 70305064 | 21-Dec-20 | 44,938,281,000 | 3,892,132 | Mangun Jaya Tuba SUMSEL |
| 3 | PT. IC03 | 69134064 | 26-Nov-20 | 9,482,787,289 | 833,87 | Selat Lampa Ranai KEP. RIAU |
| 4 | PT. IC04 | 72360064 | 17-Mar-21 | 90,745,008,365 | 7,129,382 | Weleri Semarang JAWA TENGAH |
| 5 | PT. IC05 | 72382064 | 20-Mar-21 | 69,260,956,686 | 6,593,112 | Cikampek Pamanukan JABAR |
| 6 | PT. IC06 | 69887064 | 11-Dec-20 | 10,109,514,000 | 904,776 | Pagimana Biak Batui SULTENG |
| 7 | PT. IC07 | 67559064 | 09-Nov-20 | 12,632,352,000 | 1,083,494 | Sanggau Tebelian KALBAR |
| 8 | PT. IC08 | 68738064 | 22-Nov-20 | 44,339,450,171 | 3,641,957 | Bagan Jaya Tembilahan RIAU |
| 9 | PT. IC09 | 73258064 | 28-May-21 | 13,396,244,426 | 956,875 | Mabes AD Rumpin Bogor JABAR |
| 10 | PT. IC10 | 67044064 | 04-Nov-20 | 40,394,724,000 | 3,614,839 | Dodinga Payahe Weda MALUKU UT |
| 11 | PT. IC11 | 67403064 | 06-Nov-20 | 22,000,000,000 | 1,747,227 | Piru Liang MALUKU |
| 12 | PT. IC12 | 67194064 | 05-Nov-20 | 12,999,999,000 | 1,013,855 | Liang Tamilow MALUKU |
| 13 | PT. IC13 | 72333064 | 15-Mar-21 | 83,210,712,000 | 6,825,426 | Pulau Gede Umer MALUKU UTARA |
| 14 | PT. IC14 | 70785064 | 08-Jan-21 | 11,375,254,000 | 1,065,072 | Sultan Agung Karawang JABAR |
| 15 | PT. IC15 | 67237064 | 05-Nov-20 | 12,001,096,314 | 1,154,304 | Daan Mogot Tangerang BANTEN |
| 16 | PT. IC16 | 72280064 | 10-Mar-21 | 69,897,095,179 | 5,760,318 | Pemalang Pleleng JATENG |
| | | 71715064 | 05-Feb-21 | 166,441,898,000 | 14,860,869 | Long Semamu Long Bawan KAL UT |
| | | 70796064 | 08-Jan-21 | 47,333,190,236 | 3,925,665 | Kedung Halang Ciawi JABAR |
| 17 | PT. IC17 | 70754064 | 07-Jan-21 | 21,634,349,266 | 2,101,847 | Nagreg Ciamis JAWA BARAT |
| 18 | PT. IC18 | 71852064 | 15-Feb-21 | 69,492,072,440 | 6,744,260 | Serdang Merak BANTEN |

**Table 4.4,** continued

| No | Contractor name | Tender ID | Tender Date | Value (IDR) | Value (USD) | Project location |
|---|---|---|---|---|---|---|
| 18 | PT. IC18 | 72590064 | 01-Apr-21 | 42,921,924,163 | 4,016,451 | Amuntai Tanjung KALSEL |
| | | 71041064 | 15-Jan-21 | 100,424,280,000 | 9,206,341 | Henes Laktutus NTT |
| 19 | PT. IC19 | 67937064 | 11-Nov-20 | 35,685,262,497 | 3,463,824 | Rembang Cepu JATENG |
| 20 | PT. IC20 | 72737064 | 15-Apr-21 | 20,800,000,000 | 1,857,143 | Bangkalan Sampan JAWA TMUR |
| 21 | PT. IC21 | 67236064 | 05-Nov-20 | 7,672,425,951 | 700,558 | Binuangen Cibarenok BANTEN |
| 22 | PT. IC22 | 67949064 | 11-Nov-20 | 15,730,845,000 | 1,404,537 | Long Nawang KAL UT |
| 23 | PT. IC23 | 69144064 | 26-Nov-20 | 139,934,247,452 | 12,493,251 | Konawe Pohara SULTRA TMUR |
| 24 | PT. IC24 | 71274064 | 25-Jan-21 | 6,395,437,700 | 571,429 | Sejiram Tepuai KALBAR |
| 25 | PT. IC25 | 70980064 | 13-Jan-21 | 9,922,528,000 | 980,542 | Malala Tonggolobibi SULTENG |
| 26 | PT. IC26 | 70794064 | 08-Jan-21 | 13,882,850,575 | 1,309,766 | Cilodong Sawangan JAWA BARAT |
| 27 | PT. IC27 | 72118064 | 26-Feb-21 | 39,985,884 | 3,571,429 | Long Bangun KALTIM |

Google was initially used to find brief information about the contractors and their businesses. However, most of the contractors did not have a website. Only PT. Widya Sapta Contractor (wasco.co.id) and PT. Yasa Patria Perkasa (yasapatriaperkasa.co.id) had a company website.

Data were collected from the sample contractors from September to October 2021. All interview data were collected face-to-face during direct visits to their offices.

**Table 4-5:** Contractors and Their Informants

| No | Contractor name | Inter view status | Informant | Education |
|---|---|---|---|---|
| 1 | PT. IC01 | Yes | Project superintendent | Degree in civil engineering |
| 2 | PT. IC02 | Yes | Finance manager | Degree in Accounting |
| 3 | PT. IC03 | No | | |
| 4 | PT. IC04 | No | | |
| 5 | PT. IC05 | Yes | Finance manager | Degree in Accounting |
| 6 | PT. IC06 | No | | |
| 7 | PT. IC07 | No | | |
| 8 | PT. IC08 | Yes | Admin manager | Degree in business |
| 9 | PT. IC09 | No | | |
| 10 | PT. IC10 | Yes | Tax & admin manager | Degree in business |
| 11 | PT. IC11 | No | | |
| 12 | PT. IC12 | Yes | Director | Degree in engineering |
| 13 | PT. IC13 | Yes | Director | Master in management |
| 14 | PT. IC14 | Yes | Director | Master in engineering |
| 15 | PT. IC15 | Yes | Administration manager | Degree in business |
| 16 | PT. IC16 | No | | |
| 17 | PT. IC17 | Yes | Project manager | Degree in engineering |
| 18 | PT. IC18 | Yes | Project superintendent | Degree in civil engineering |
| 19 | PT. IC19 | No | | |
| 20 | PT. IC20 | Yes | Project manager | Degree in engineering |

**Table 4.5**, continued

| No | Contractor name | Interview status | Informant | Education |
|---|---|---|---|---|
| 22 | PT. IC22 | Yes | Administration manager | Degree in business |
| 23 | PT. IC23 | No | | |
| 24 | PT. IC24 | No | | |
| 25 | PT. IC25 | Yes | Finance manager | Master in management |
| 26 | PT. IC26 | Yes | Project manager | Master in management |
| 27 | PT. IC27 | Yes | Director | Degree in engineering |

## 4.5 Islamic Financial Authority

Respondents from Islamic financial authorities were approached through LinkedIn. Connection requests were sent to potential informants. Only one respondent accepted the invitation for interview. The informant was a policy analyst from the National Committee on Islamic Economics (KNEKS).