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THE IMPACT OF ISLAMIC BANK FINANCING ON BUSINESS*

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Abstract. From the test results concluded that the Local Number Index (LNI) variable (business tendency index) affects Local Number Portability (LNP) variable (Islamic bank financing). The LNP variable (Islamic bank financing) does not affect this variable (business tendency index). So, there is one-way causality from the LNI (business tendency index) to LNP (Islamic bank financing). Other statistical test results showed that there is a long-term relationship between Islamic bank financing and business tendency. This is clarified by the results obtained from Johansen cointegration test. The result of cointegration test in this research is there is long-term relationship between syariah bank financing and business tendency. From the test results can be seen that the trace statistic is greater than the critical value of 5%. So in the long term, Islamic financing variables and business tendencies will affect each other. This shows that the financing of sharia banks whose allocation of financing is directed to the real sector, even forbidden to finance riba investments and speculation, will drive the business nationally, and vice versa, business that runs well and smoothly, will contribute to the development of Islamic banking performance.

Keywords: business tendency; conventional banks; Islamic banks; Islamic Bank financing; Johansen Cointegration test

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1. Introduction

Islamic bank is implemented as an intermediary institution that serves to connect between parties who have surplus funds with those who need funds, such as employers, government and household sector. The intermediary function undertaken here is expected to drive the real sector. A company needs efficient working capital to ensure that their company's operations run stable (Zariyawati et al. 2016; Hilkevics, Semakina 2019).

Banking activities in the real sector is to channel financing to the business sector. Islamic banks are more oriented on real sector compared to conventional banks. Financing distribution activities will increase the venture capital sector. Capital issues in Islamic economic perspective is very important. The capital is wealth that helps generate further wealth, encompassing everything that gives personal satisfaction, but also helps generate more wealth. Capital is wealth obtained by the results of his own and then used to produce more wealth.

Islamic Banking in its efforts to boost the real sector can be seen in the data published by Bank Indonesia through Islamic Banking Statistics data published every month. Financing provided by Islamic bank based on the type of contract is shown in Table 1. The data shows composition of financing channeled by Sharia Commercial Bank and Sharia Business Unit in 2010-2014, where the distribution of financing with *murabaha* scheme shows the highest number compared to other financing contracts. The dominance of financing is in the financing of *mudharaba*, *musharaka* and *murabaha*. The financing of *istisna*'a contracts which is channeled by sharia bank and sharia business unit in 2010 amounted to the lowest 347 billion rupiah. In contrast to *musharaka* and *mudharaba* financing, it turns out that from 2010 to 2014 has increased and ranks second and third after *murabaha* financing. This indicates that Islamic Bank in financing distribution is more directed at low-risk financing that is *murabaha*, and leads also to *musharaka* financing because there is sharing risk and return to the customer.

Table 1. Composition of Financing Giving Sharia Banks and Sharia Business Units in Indonesia 2011 – 2014 (Billion Rupiah)

Aqad	2010	2011	2012	2013	2014
Mudharaba	8,631	10.229	12,023	13,625	13,322
Musharaka	14,624	18,960	27,667	39,874	38,685
Murabaha	37,508	56,365	88,004	110,565	109,803
Salam	0	0	0	0	0
Istisna'a	347	326	376	582	547
Ijarah	2,341	3,839	7,345	10.481	10,451
Qardh	4,731	12,937	12,090	8,995	8,590
Others	0	0	0	0	0
Total	68,181	102,655	147,505	184,122	181,398

Source : Bank Indonesia Statistics Islamic Banking 2012

Islamic bank's concern for lower middle class society can be seen in the channeling of funds. Table 2 shows the role of Islamic banks in channeling the funds to small and medium enterprises (SMEs) who get serious attention from the government lately.

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Table 2. Islamic Financing and Commercial Bank of Islamic Business Unit in Indonesia Based on Financing Card 2007-2011 (Billion Rupiah)

Financing Group	2010	2011	2012	2013	2014
Small and Medium Enterprises	52,570	71,810	90,860	110,086	108,138
In addition to Small and Medium Enterprises*	15,611	30,845	56,645	74,034	73,260
Total	68,181	102,655	147,505	184,120	181,398

* Financing on large enterprises

Source : Bank Indonesia Statistics Islamic Banking 2012

Based on the table, it appears that in 2010 the amount of financing provided 52,57 billions rupiah, and it turns out in 2011 to 71,81 billions rupiah. The growth shows the SMEs financing channeled by the Islamic banking is more directed to SMEs. So it appears that Islamic banks are more direct financing for SMEs. Small and Medium Enterprises are business actors that dominate the Indonesian economy, this is evidenced by its contribution in the Gross Domestic Product (GDP) of about 54.34% and in absorbing labor about 97% (Statistics of Islamic Banking, 2016). This condition directly demonstrates the sharia bank's alignment to SMEs and this is in accordance with the Islamic economic mission to combat poverty, as evidenced by the stronger resilience of SMEs in facing the economic crisis than the big industry.

SMEs financing that has doubled over non-SME financing shows Bank Islam's commitment in providing financing to the small business sector. Islamic banking in addition to still pay attention to profit but must pay attention to aspects of benefits for the ummah. So, by channeling any financing type of contract to the SMEs sector is a form of commitment of Sharia Bank which must always be done consistently in moving the real sector in performing its function as an intermediary institution of sharia.

Small and Medium Enterprises is an essential sector for the national economy. This effort is one kind of effort that is easy to be done by the people, and the majority is driven in the family business, thus the SMEs of an undesirable economic potential part to be ignored. Especially when viewed from contribution in absorption of labor, the SMEs can be relied upon. Data Badan Pusat Statistik (2013) on Survey Report of Value Added Development of SMEs in 2007-2012 shows that the number of workers absorbed by SMEs in 2007 of 90,491,930 people increased to 107,657,509 in 2012.

Business Tendency Index (BTI) is an indicator of economic development efforts that the data obtained from the latest Business Tendency Survey (BTS) conducted by the Central Bureau of Statistics in collaboration with the Business Tendency Indonesia. Indeks Bank (IB) in the fourth quarter 2016 amounted to 106.70, means that business conditions improved from the previous quarter. But the level of business optimism is lower when compared to the third quarter of 2016 (BTI value of 107.89). Islamic bank financing is one of the important elements that support the running and running of business. Therefore, this study examines : Is Islamic banking financing affect the business tendency? Is the business tendency affect the Islamic bank financing?, Are there two mutually influential relationships between Sharia Bank financing and business tendencies? Is there a long-term relationship between Sharia Bank financing and business tendency? What is the impact of sharia bank financing on business tendencies in Islamic economic reviews?.

2. Literature Review

In terms of financing, Islamic banks are different from conventional banks, Islamic banks are more oriented to the real sector compared with conventional banks. It can be traced from the prolonged economic crisis, in which one of the reasons was the collapse of conventional banks experienced due to the negative spread. Negative spread is a condition in which the interest cost to be paid by the bank to depositors is greater than the interest income to be

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received by the bank. This happens because the bank is still obliged to pay interest to the depositors even though the business financed suffered a loss. This obligation is common in banking with interest systems.

The obligation to pay interest to the depositors, and achieve interest spreads, the banks tend to choose to give credit to businesses that have little risk or no risk at all. Consequently, some conventional banks focus more on playing on the money market by lending money to other banks or placing it at Indonesia with the lowest standard of interest, namely Certivicate of Bank Indonesia. This activity has almost no risk.

So the bank will channel funds to the real sector if the rate of profit exceeds the Certivicate Bank Indonesia rate, and even then added a certain risk premium. The higher Certivicate Bank Indonesia interest rate the higher lending rate for the real sector. Meanwhile for the real sector, high interest rates make the business climate difficult because it has to provide funds to pay interest to the bank, even in a loss condition. Finally with the interest system, the real losses of the real sector could be destroyed. So the bank with the interest system will have a negative impact on the economy. Basically the negative impact of the interest system is not directly felt individually in the near future, but the negative impact of the new bank interest is felt on a gradual level of macro, then suddenly economic shocks with a large degree of damage and difficult to cure. Thus, the financing of Islamic banks without interest is oriented to the real sector, so that the economy is healthier and more stable.

Financing with profit-sharing system works to increase economic expansion (Ryandono, 2009). Increased profit sharing means increased profits earned by the company. An increased profit means that the income of the entrepreneur increases. If this happens in aggregate, rising incomes will boost the economy of expansion, in the form of rising investment, production, supply demand, and falling unemployment. More implicitly the financing function of Islamic Bank is as follows (Ryandono, 2009).

1. Increase savings and financing
   The paradigm for customers both depositors and financiers at Islamic Bank is the investment paradigm, so that there is a positive relationship between income and risk levels and future results, which can be positive or negative. Increased profit sharing or investment returns will lead to increased supply and investment demand (savings and financing), and conversely, the declining returns or returns will lower demand and supply of investment (savings and financing).
2. Stabilizing prices
   Financing with profit-sharing system, the amount of profit share is not defined and not known in advance, which is set in advance is ratio.Lesar small payments for new results can be determined and determined by the income derived (based of income), so the profit sharing is not an expense capital. This has implications for the results will not affect the cost of production and selling price.
3. Does not cause inflation
   The above has been explained that the revenue share does not affect the price. Thus it can be said that profit sharing does not cause inflation.
4. Not causing an increase in the money supply
   In relation to the money supply, profit sharing is not an inflatoir in the economy and the money supply is only a representation of the real sector in the economy.
5. Positive impact on economic growth
   Profit sharing is an indicator of economic growth, and positively affects economic growth. If the revenue share increases, then economic growth will also increase, and vice versa.

The need for financing is essential for the business world. In maintaining the continuity of a business ranging from the purchase of raw materials, production processes, to marketing requires financing funds that are always readily available. In general, the business sector states the need for financing funds can reach two or three times the initial cost of production because after the product is thrown into the market, uncertain sales funds can be

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directly accepted by the business. Proceeds from long-term product sales at the supplier or distributor. Depending on the precipitation time varies one month, three months or more.

The condition is certainly very disturbing corporate cash flow. Thus the financing disbursed by an Islamic bank that is not determined by interest, but with a profit-sharing system, is very helpful to entrepreneurs in maintaining the continuity of their business. According to the majority of entrepreneurs, the burden of Islamic Bank financing installments that use the profit-sharing system is lower or cheaper than conventional banks that impose the interest rate system, although the difference in interest from Conventional Banks is not too much compared to the margin of Islamic Bank.

3. Method

The approach used in this research is descriptive quantitative research. Descriptive quantitative research is a problem related to the question of the existence of independent variables, either on one or more variables (Anshori, Iswati 2009). Quantitative approach is done by using econometric model.

The purpose of the method of quantitative research is to show the influence between variables, seeking theory, looking for generalizations that have predictive value (Sugiyono 2012). Quantitative approach using econometric analysis method combined mathematical analysis, economic theory and statistics.

The research variables can be interpreted as temporary answers to the research problem, the truth should be tested empirically. The hypothesis is to describe the relationship between two variables, namely causal and variable variables, and there is a comparison of one variable from two samples (Anshori, Iswati 2009). Variable research is an object selected by researchers to study and draw conclusions from the variables studied (Sugiyono 2012). Variables used in this research are as follows:

1. Independent variables are variables that influence or variable causes (Anshori, Iswati 2009). The independent variables in this research are Bank Syariah financing which consists of *mudharaba*, *musharaka* and *murabaha* financing.
2. Dependent variable is not dependent or dependent variable. These variables are referred to as output variables, criteria, consequent (Anshori, Iswati 2009). In this research the dependent variable used is business tendency.

Operational research may take the form of a measured operational definition, or an experimental operational definition. The operational definition measured gives an idea of how the variables or constructs are measured (Anshori, Iswati 2009). The research variables are basically anything in the form of what is determined by the researcher to be studied, so obtained information about it, and then drawn the conclusion (Anshori, Iswati 2009). So in this study operational variables used by researchers are:

1. Bank Syariah Financing (X)
   Bank Syariah financing here is Bank Syariah financing consisting of *mudharaba*, *musharaka*, and *murabaha* financing. Data for Bank Syariah financing consisting of *mudharaba*, *musharaka* and *murabaha* financing, obtained from statistics of sharia banking in the form of quarterly data in the period 2011-2014.
2. Business Tendency (Y)
   In general, this measure is often used as a measure to see or assess the business trends nationally, especially for medium and large businesses, the indexes that describe business and economic conditions in the current quarter and forecasts for the coming quarter. Data on business tendencies used from the Central Bureau of Statistics Indonesia that occurred in Indonesia within the period 2011 to 2014.

The type of data used in this study is the secondary data ratio of time series data (time series) which is a collection of observations within a certain time range. The quarterly time series data used from 2011 to 2014 to the third quarter. Secondary data is data taken directly from the official website of BPS and BI.

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The data source used is obtained from BPS and BI which is the population of this research. Data collection is done by documentary method. This method is a way of collecting data with materials or data material that become source, both derived from result of calculation done by official institution that is BPS and BI. Data that has been collected through access at www.bps.go.id and www.bi.go.id then the data will be processed by the author tabulation and will be examined both qualitatively and quantitatively.

1. Secondary data
   Secondary data is data obtained from other party, that is data already available and will be used by researcher. These data include :
   a. The report data for independent variables are Bank Syariah financing and business tendency obtained from BPS Social and Economic Statistics and Bank Syariah banking statistics.
   b. Data on existing business tendencies in Indonesia that can be accessed through www.bps.go.id.

2. Library Studies (library Research)
   Is a data collection technique equipped with reading and studying and analyzing the literature sourced from books and journals that berkatan with research. This is to get the foundation of theories and concepts that are composed. In this case the researcher uses the books and citing journals and takes the appropriate materials to the research.

Model Vector Auto Regression (VAR), is a development of the ADL model. The VAR method was first discovered by Sims (1980). The VAR model is built to overcome where relationships between economic variables can remain unpredictable without the need to emphasize exogenous problems. In this approach all variables are considered endogenous and estimates can be performed simultaneously and sequentially.
The VAR model will be combined with the Vector Error Correction Model (VECM) method of error correction, in addition to using VECM analysis method, it will also use impulse response function and variance decomposition analysis. Like the analysis conducted by Ascarya (2004) (Figure 1).

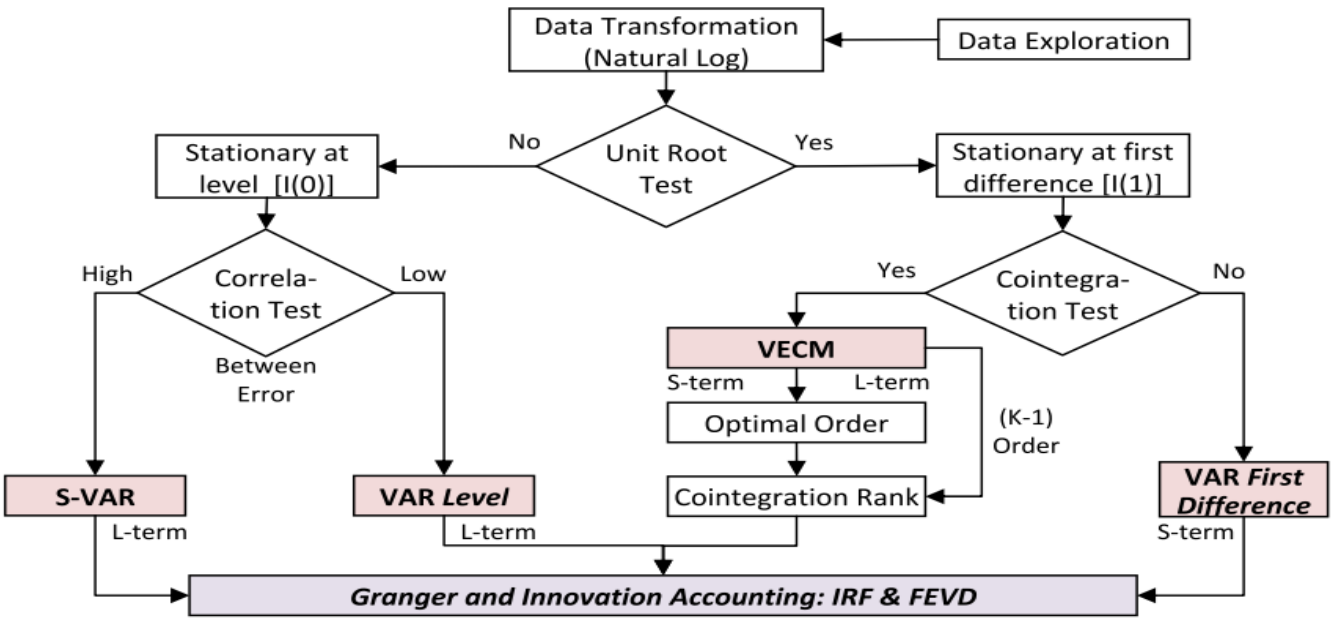

Figure 1. VAR and VECM Analysis Model**.** *Source*: (Ascarya 2004)

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The VECM model was first popularized by Eangle and Granger (1987) to correct short-term disequilibrium against the long term. This method is used in non structural VAR model when time series data is not stasioer at level level, but cointegrated. The presence of cointegration in the VECM model makes VECM the so-called VAR of the ter-ruction. VECM is a model of econometric analysis that can be used to determine the short-term behavior of a variable over its long-term due to the permanent shock.

VECM is an analytical model used to determine the short-term behavior of a variable over its long-term due to permanent shock. VECM analysis can also be used to find solutions to the problem of non-stationary non-stationary time variables and spurious regression in econometric analysis. VECM is used to view a cointegrated data and can see the effects that will appear in the long run and also provide an explanation of data that has no correlation but cointegration.

According to (Gujarati, Dawn 2003) the advantage of using the VECM model equation, namely:
1. Being able to see more variables in analyzing short-term and long-term economic phenomena.
2. Able to assess the consistency of empirical models with econometric theory.

Able to solve the problem of non stationary timeseries variable and direct regression in econometric analysis. This research is used to find out how effective conventional and sharia monetary operation variables influence economic growth in Indonesia. The steps of data analysis conducted in this research are:
1. Determining the variables studied are the variables studied are *mudharaba*, *musharaka*, *murabaha* and business tendency.
2. Determine the data used that is quarter I-IV 2011 to 2014.

The method of testing in this analysis is to use several stages in hypothesis testing, so that will be given a clear picture of the results of testing.
1. Stationary Test
   This stationary test uses Augmented Dickey Fuller (ADF) test using a five percent real level. If the result of t-ADF is smaller than the critical value of MacKinnon, it can be concluded that the data used is stationary (not containing the root of the unit). Through the first difference test all variables will be stationary data if data is found not stationary. Stationary data have a tendency to approach its average value and fluctuate around its average value (Gujarati, Dawn 2003).

The equation of stationary test with ADF analysis in the following equation:

$$\Delta F_t = \alpha_0 + \gamma F_{t-1} + \sum_{i=1}^{p} + \Delta F_{t-1+1}\varepsilon_t \dots\dots\dots\dots\dots\dots\dots \quad \textbf{(1)}$$

Where :
ΔF_t = **first difference form**
α_0 = **Intersep**
γ = **variable tested stationarity**
P = **length of lag used**
ε_t = ***error term***

In the equation it is known that the null hypothesis (H_0) denotes the root unit and the hypothesis one (H_1) denotes no root unit. If in this stasionerity test the ADFstatistik value is greater than the Mackinnon critical value, it can

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be seen that the data is stationary because it does not contain the root unit. Conversely, if the value of ADF statistics is smaller than Mackinnon Critical value, it can be seen that the data is not stastioner at the level of level. Thus, an ADF test must be performed in the form of first difference to obtain stationary data of the same degree.

2. Optimum Lag Selection
   Optimal lag selection is used to remove autologeration in VAR system. In this study used in optimal lag optimizer is using test. If the lag used in the stationary test is too small, the residuals of the regression will not show the white noise process so the model can not accurately estimate the actual error. As a result γ and standard errors are not well estimated.
   However, if too many lags can reduce the ability to process H0 because of too many parameters. The optimum lag determination can be done by looking at the information criteria recommended by Final Prediction Error (EPE), Akaike Information Criterion (AIC), Schwarz Information Criterion (SIC), and Hannan-Quinn (HQ), some of the above criteria use residual sum of square (RSS) weighted. If there is an asterisk in the lag recommended by the above criteria, then it shows the optimal lag. Kritera with FPE or the smallest number of AIC, SIC, and HQ is the lag used.

   Akaike Information Criterion (AIC) : $-2\frac{1}{T} + 2(k+T) \ldots\ldots\ldots\ldots$ (2)

   Schwarz Information Criterion (SIC) : $-2\frac{1}{T}\, k \frac{\log(T)}{T} \ldots\ldots\ldots\ldots\ldots\ldots$ (3)

   Hannan-Quinn (HQ) : $-2\frac{1}{T} + 2k\log(\frac{\log(T)}{T}) \ldots\ldots$ (4)

   Where :
   1 = number of observations
   K = parameters to be estimated

3. Cointegration Test (Johansen's Cointegration Test)
   The cointegration test is used to see the long-term balance among the observed variables. Widarjono (2007) explains that one approach that can be used in cointegration test is by Johansen's Multivariate Cointegration Test method. The test developed by Johansen can be used to determine the cointegration of a number of vaiabel (vectors). This residual testing procedure is similar to stastionerity testing. To determine whether the data is cointegrated or not, it can be seen by comparing the Max-Eigen value and its trace value. If the Max-Eigen value and its trace value are greater than the critical values of 1% and 5%, then the data is cointegrated and has a long-term relationship.

4. *Vector Error Correction Model* (VECM)
   VECM is a test form that is executed when the VAR test shows cointegration. After the discovery of cointegration, the VECM test was performed. This test is a model used to correct the regression equation or variables indivinally un stationary back to its equilibrium value in the long run. In using VECM model then through impulse response function and variance decomposition to know short-term behavior of a variable to its long-term value. According to Ascarya (2010) that in general VECM can be formulated in the following equation:

$$\begin{pmatrix}\Delta y_{1t}\\ \Delta y_{2t}\\ \Delta x_{1t}\\ \Delta x_{2t}\end{pmatrix} = r\begin{pmatrix}\Delta y_{1-1}\\ \Delta y_{2t-1}\\ \Delta X_{1t-1}\\ \Delta X_{2t-1}\end{pmatrix} + \begin{pmatrix}\alpha_{1t}\\ \alpha_{2t}\\ \alpha_{31}\\ \alpha_{41}\end{pmatrix} x\,[\beta_{11}\beta_{21}\beta_{31}\beta_{41}]x\begin{pmatrix}y_{1t-1}\\ y_{2t-1}\\ x_{1t-1}\\ x2t-1\end{pmatrix} \ldots\ldots\ldots\ldots \quad (5)$$

Short-term Long-term

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5. Impulse Response Function
   The coefficients on the VECM equations are difficult to interpret so that impulse responses are used to interpret the VECM model equations. The impluse response function describes the rate of shock from one variable to another variable over a certain time span, so it can be seen how long the effect of a variable's shock on another variable until the effect is lost or returns to the equilibrium point. Impulse response in this research is focused to find out varibabel response of Syariah bank financing as well as business tendency variables.

6. Variance Decompositions
   Variance Decompotition or also called forecast error variance decompotition is a device in the VECM model that will separate the variation of a number of variables that are estimated to be shock components or to be innovation variables, assuming that the innovation variables are not mutually correlated. Then the decompotition variance will provide information on the proportion of the movement of the effect of shock on a variable to the shock of another variable in the current period and the period to come.

4. Results

By using VAR, variance decomposition and impulse-response function are generated to further assess the interaction relationship between variables, especially shariah bank financing proxy and business tendency. The results of this study test, examines the relationship between causalitas Islamic Banking Financing and Business Tendency Index in Indonesia. The results obtained from this research are (Table 3):

Table 3. Result of Causality Test between Sharia Bank Financing and Business Tendency

Granger causality Wald tests

Equation	Excluded	chi2	df	Prob > chi2
lni	lnp	9.3227	2	0.009
lni	ALL	9.3227	2	0.009
lnp	lni	.68212	2	0.711
lnp	ALL	.68212	2	0.711

Source: Data Processed

From the test results above can be concluded that:
1. The LNI variable (business tendency index) affects the LNP variable (sharia bank financing).
2. Variables LNP (Islamic bank financing) does not affect other variables (business tendency index).

So, there is one-way causality from this (business tendency index) to the lnp (sharia bank financing). This indicates that the increased business tendency will affect the performance of Islamic banks, because with conducive business conditions, will improve the economy, will affect the public's ability to save and make requests for funds to banks, including sharia banks. Meanwhile, the contribution of sharia banks is relatively small to the economy, which is about 5-6%, then the small change in the Islamic banking does not impact on business performance.

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The results of subsequent statistical tests show that there is a long-term relationship between sharia bank financing and business tendency. this is clarified by the results obtained from the Johansen cointegration test. The result of cointegration test in this research is there is long-term relationship between syariah bank financing and business tendency. The result of cointegration test in this research is shown by Table 4.

Table 4. Long Term Test Results between Sharia Bank Financing and Business Tendency

Johansen tests for cointegration

Trend: constant — Number of obs = 35
Sample: 2008q2 - 2016q4 — Lags = 1

maximum rank	parms	LL	eigenvalue	trace statistic	5% critical value
0	2	56.946376	.	35.5866	15.41
1	5	73.160627	0.60407	3.1581*	3.76
2	6	74.739682	0.08628		

From the results above can be seen that the trace statistic is greater than the critical value of 5%. So in the long term, Islamic financing variables and binary temdensi will affect each other. This shows that the financing of sharia banks whose allocation of financing is directed to the real sector, even forbidden to finance riba investment and speculation, will drive the business nationally, and vice versa, business that runs well and smoothly, will contribute to the development of Islamic banking performance.

5. Discussion

Research conducted (Loong et al. 2017), shows that sharia banks as interest-free banks, the financing is directed to the real sector, and is not allowed for investments that contain elements of interest and speculation. Similarly (Laila, Widihadnanto 2017; Laila et al., 2019) states that established syariah banking industry significantly contributes to the economy. The results of this study generally show, in the long run, the financing of sharia banks that are represented through *mudaraba, musharaka* and *murabaha* positively and significantly related to business tendency in Indonesia. This shows empirically that the existence of Islamic bank financing is not only theoretically and ideologically able to derogify the activities of the economy of a country, but this theory can be proven empirically within the scope of banking and economic sectors in Indonesia. The results of this study are also supported by findings (Hesham, McCoy 2014) which states the importance of the Islamic banking industry in driving the economy. Similarly (Sulayman 2015) states that the establishment of sharia financial activities has created new investment opportunities and encourages people to do business.

The absence of interest rates combined with the existence of other Islamic financial instruments such as zakat, Chapra argue that sharia economy can minimize speculative demand money and make the total demand for money in the economy become more stable (Chapra 2001). Similarly, (Herianingrum, Syapriatama 2016) stated that the IRF results explain that the interest rate channel has difficulties to achieve the macroeconomic targets while Islamic monetary instruments indicate the potential for output growth and curb inflation.

Through the results of this study also, Islamic bank financing has effectively played its role as an Islamic financial institution that facilitates the mobilization of business activities. Therefore, it can be said that government policy

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to develop sharia banking in Indonesia is considered effective during the development of sharia banking sector and business growth are strongly interconnected. This study also indicates that the increase in Islamic bank financing in Indonesia will provide benefits to economic development or business and this is important in the long term for the development of the welfare of the community. This finding is supported by research results which states drive the business sector will drive the economy and will affect the welfare of the community (Kayed, 2011).

Conclusions

The results of this study indicate that there is a long term relationship between Bank Syariah financing with business tendency. This shows that although the contribution of Bank Syariah to the national economy is relatively small and the test results show no effect on business tendency, the characteristics of syariah bank as interestless bank, using profit sharing system, plus also other caracteristic that does not permit to invest in speculation and system interest, the sharia bank will have a significant positive impact on the business tendency or the real sector. The findings of this research are among others that business tendency influences on syariah banks, and supported by other research results, which states the importance of the development of sharia banks because their characteristics are different from conventional banks, it is necessary to support its existence as it is proven to be able to move the real sector in various business lines.

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