

ABSTRACT

THE EFFECT OF INFLATION, INTEREST RATE, AND ECONOMIC INFRASTRUCTURE TO FOREIGN INVESTMENT IN INDONESIA IN 2005-2019

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This study aims to determine: 1) the effect of inflation, interest rates of SBI, road infrastructure and telecommunication infrastructure to the foreign investment in Indonesia in 2005 to 2019 ; 2) the effect of inflation, interest rates of SBI, road infrastructure and telecommunication infrastructure together to the foreign investment in Indonesia in 2005 to 2019. The data used is secondary data sourced from the website of the Central Bureau of Statistics, The Investment Coordinating Board of the Republic of Indonesia and Ministry of Public of Works and Housing. The method used is the OLS method with multiple linear regression and hypothesis testing using a partial test (t test) and (F test). The results show that: 1) partially, inflation and interest rate have a positive and negative significant effect while road infrastructure and telecommunication infrastructure has a negative and positive significant effect to the foreign investment in Indonesia in 2005 to 2019; 2) collectively, inflation, interest rate, road infrastructure and telecommunication infrastructure have a significant effect to the foreign investment in Indonesia in 2005 to 2019.

Keywords: Foreign Investment, Inflation, Interest Rate, Road Infrastructure, and Telecommunication Infrastructure