ABSTRACT

ANALYSIS OF FACTORS AFFECTING THE FOREIGN EXCHANGE RESERVES IN INDONESIA PERIOD 2000:Q1-2014:Q4

By

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This study aims to determine the effect of the exchange rate (RATE), Gross Domestic Product (GDP), the BI Rate (BIR), and inflation (INF) on foreign exchange reserves (CD) in Indonesia during the period 2000:Q1 - 2014:Q4. The method used in this study is an Error Correction Model (ECM). The data used is secondary data during the period 2000:Q1 - 2014:Q4.

Results showed that the GDP EXCHANGE and significant positive effect on CD in Indonesia with a 95% confidence level and inflation significant negative effect with 90% confidence level. While the variable BI Rate positive effect but not significant.

Keywords: Foreign Exchange Reserves (CD), Exchange Rate (RATE), Gross Domestic Product (GDP), the BI Rate (BIR), Inflation (INF) and Error Correction Model (ECM).