ANALYSIS OF DEMAND FOR FOREIGN CURRENCY DEPOSITS IN THE NATIONAL PRIVATE COMMERCIAL BANK IN INDONESIA (PERIOD 2005: Q1 – 2014: Q2)

By

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ABSTRACT

This research aims to identify and analyse the demand of foreign exchange deposits in foreign exchange in Indonesia. Variable used is the LIBOR interest rates, per capita GDP, exchange rates and interest rates on deposits in rupiah. In this study, the data used are derived from quarterly data on Bank Indonesia (BI) and the Central Bureau of statistics (BPS) over the period 2005-2014: Q1 Q2, by using methods of the analysis of the Error Correction Model (ECM).

The results showed that the variable interest rate LIBOR, the per-capita GDP, exchange rates and interest rates on deposits in rupiah a positive and significant impact. F-test statistic show that simultanesously all independent variables used in the model have a significant effect in the short term against the dependent variable is the currency demand deposits in foreign exchange in Indonesia.

Key words: Analysis of demand for foreign currency deposits. LIBOR interest rates, GDP per capita (GDP), exchange rates, interest rates on deposits in rupiah. method of Error Correction Model