

ABSTRACT

ANALYSIS OF THE EFFECT OF INVESTMENT (PMDN AND PMA) AND ORIGINAL LOCAL REVENUE (PAD) ON REGIONAL GROSS DOMESTIC PRODUCT (GDP) LAMPUNG PROVINCE

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National development activities not be separated from the role of all local government who have successfully utilize all available resources of each region. As an effort to enlarge the role and capabilities in the development area, local governments are required to be more independent in financing domestic operations. High rates of economic growth as indicated by the high value of Gross Domestic Regional Product indicates that the area is experiencing progress in the economy. Excavation and increase the role of regional income as well as investors in investing in regional development is expected to be one factor driving regional growth. Local governments must implement the regional development planning approach from bottom to top for regional developments is carried out with the desire and in accordance with the existing potential for sustainable development can be achieved.

The main purpose of writing this research is to determine the effect of the level of investment both domestic and foreign investment and influence original local revenue (PAD) on the Growth of Gross Domestic Regional Product (GDRP) in Lampung province in 1998-2008 period.

The research was conducted in Lampung province using secondary data with time series 1998-2008 are sourced from the provincial statistical BPS Lampung, Lampung Province Bank Indonesia, as well as other literature related to the problem and the purpose of this research. Model analysis with the econometric model used is Ordinary Least square equation method (OLS) using Eviews 4.1 program as a data processor research.

Based on estimated results, obtained that level of investment (domestic and foreign investment) have negative and statistically significant to GRDP Lampung province, and The original income has positive and statistically significant to GRDP Lampung province.