

ABSTRACT

INFLATION MANAGEMENT IN INDONESIA AND THE INFLUENCE FACTORS

2005-2012

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Inflation is a problem that has faced by almost every country, even developed or developing countries. In the span of a decade, a lot of economic developments that is interesting to be researched. This study aims to determine effect of money supply to inflation; effect of gross domestic regional product to inflation; effect of exchange rate to inflation in 2005 - 2012. The hypothesis in this research is suspected that money supply, gross domestic regional product, and exchange rate have influences to inflation in Indonesia.

The result of this study is money supply is no longer has positive effect, because the money supply is no longer be a benchmark monetary policy after the inflation targeting system is the only monetary system in Indonesia, the appreciation of exchange rate is indicated for stable economic.that still has influence to impress inflation rate, so that exchange rate has negative effect, and for gross domestic regional product takes effect to inflation in Indonesia.