

ABSTRACT

The Influence of Bank Credit and Market Capitalization on Gross Domestic Product Indonesia during Januari 2005- Juni 2013

by

JIMI SUNARYO

This research aims to obtain empirical evidence the influence of bank credit and market capitalization on gross domestic product Indonesia. The secondary data as used in the research such as time series montly and per three monts data during Januari 2005 until Juni 2013. The analytical model used in this study is Vector Error Correction Model (VECM). The research finding indicate that progress on volume of bank credit significantly influence gross domestic product both short term and long term while variable market capitalization only significantly influence in long term. This research also shows that that progress on volume of bank credit could contributed to influence gross domestic product about 2.011% while market capitalization give bigger contribute than bank credit, ii is could reach 6.923% .

Key words: Bank Credit, Market Capitalization, Gross Domestic Product and VECM