ABSTRACT

The Effect of Non-Cash Payment Instruments and Interest Rates on the Velocity of Money in Indonesia

By

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The development of digital technology in the financial sector has driven a shift in people's behavior in conducting transactions, from initially paying using cash to shifting to using non-cash payments. This study aims to determine the effect of E-money, ATM/Debit cards, SMS/Mobile Banking, interest rate, and covid-19 dummy on the Velocity of Money in Indonesia in the period January 2013 to December 2024. The method used is the Error Correction Model (ECM). This study uses data sourced from Bank Indonesia and Badan Pusat Statistik. The results show that in the long term, SMS/Mobile Banking and a covid-19 dummy had a negative and significant effect on the velocity of money. Meanwhile, e-money, ATM/Debit cards, and interest rates did not significantly affect the velocity of money. In the short term, ATM/Debit cards had a negative and significant effect, while SMS/Mobile Banking had a positive and significant effect on the velocity of money. Meanwhile, e-money, interest rates, and a covid-19 dummy had no significant effect on the velocity of money.

Keywords: Velocity of Money, E-money, ATM/Debit Card, SMS/Mobile Banking, Interest Rates, Covid-19 Dummy

ABSTRAK

Pengaruh Instrumen Pembayaran Non-Tunai dan Suku Bunga Terhadap *Velocity of Money* di Indonesia

Oleh

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Kemajuan teknologi digital di sektor keuangan telah menyebabkan perubahan dalam kebiasaan masyarakat dalam bertransaksi, dari yang sebelumnya mengandalkan uang tunai kini mulai beralih ke sistem pembayaran non-tunai. Penelitian ini bertujuan untuk menganalisis bagaimana pengaruh *E-money*, kartu ATM/Debet, *SMS/Mobile Banking*, suku bunga, dan dummy covid-19 terhadap *velocity of money* di Indonesia selama periode Januari 2013 hingga Desember 2024. Metode analisis yang digunakan adalah *Error Correction Model* (ECM), dengan data yang diperoleh dari Bank Indonesia dan Badan Pusat Statistik. Temuan dalam penelitian ini mengungkapkan bahwa dalam jangka panjang, *SMS/Mobile Banking* dan dummy covid-19 berpengaruh negatif dan signifikan terhadap *velocity of money*. Sedangkan, e-money, kartu ATM/Debet, dan suku bunga tidak berpengaruh signifikan terhadap *velocity of money.* Dalam jangka pendek, kartu ATM/Debet berpengaruh negatif dan signifikan, SMS/Mobile Banking berpengaruh positif dan signifikan terhadap *velocity of money.* Sedangkan, e-money, suku bunga, dan dummy covid-19 tidak berpengaruh signifikan terhadap *velocity of money.*

Kata Kunci: *Velocity of Money*, E-money, Kartu ATM/Debet, *SMS/Mobile Banking*, Suku Bunga, Dummy Covid-19