

ABSTRACT

***THE EFFECT OF POLITICAL STABILITY, ECONOMIC GROWTH,
INTEREST RATES, AND EXCHANGE RATES ON FOREIGN DIRECT
INVESTMENT IN INDONESIA, 2007-2021***

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This study aims to determine the effect of political stability, economic growth, interest rates, and exchange rates partially and simultaneously on foreign direct investment in Indonesia in 2007-2021. The research method used is quantitative descriptive method in the form of time series data from 2007-2021 in Indonesia and the data used is secondary data. The analysis used in this study is multiple linear regression analysis with the OLS (ordinary least square) model. The results showed that partially political stability and exchange rates had a significant positive effect, economic growth had an insignificant positive effect, and interest rates had an insignificant negative effect on foreign direct investment in Indonesia in 2007-2021. Simultaneously, political stability, economic growth, interest rates, and exchange rates have a significant effect on foreign direct investment in Indonesia in 2007-2021.

Keywords: political stability, economic growth, interest rates, exchange rates, foreign direct investment (FDI).

ABSTRAK

PENGARUH STABILITAS POLITIK, PERTUMBUHAN EKONOMI, SUKU BUNGA, DAN NILAI TUKAR TERHADAP *FOREIGN DIRECT INVESTMENT* DI INDONESIA TAHUN 2007-2021

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Penelitian ini bertujuan untuk mengetahui pengaruh stabilitas politik, pertumbuhan ekonomi, suku bunga, dan nilai tukar secara parsial dan simultan terhadap *foreign direct investment* di Indonesia tahun 2007-2021. Metode penelitian yang digunakan adalah metode deskriptif kuantitatif berupa data *time series* dari tahun 2007-2021 di Indonesia dan data yang digunakan merupakan data sekunder. Analisis yang digunakan dalam penelitian ini adalah analisis regresi linear berganda dengan model OLS (*ordinary least square*). Hasil penelitian menunjukkan bahwa secara parsial stabilitas politik dan nilai tukar berpengaruh positif signifikan, pertumbuhan ekonomi berpengaruh positif tidak signifikan, dan suku bunga berpengaruh negatif tidak signifikan terhadap *foreign direct investment* di Indonesia tahun 2007-2021. Secara simultan stabilitas politik, pertumbuhan ekonomi, suku bunga, dan nilai tukar berpengaruh signifikan terhadap *foreign direct investment* di Indonesia tahun 2007-2021.

Kata kunci: stabilitas politik, pertumbuhan ekonomi, suku bunga, nilai tukar, *foreign direct investment* (FDI).