

ABSTRACT

DETERMINANTS OF THE PERFORMANCE OF THE MANUFACTURING SECTOR ON THE ISLAND OF JAVA, 2015–2024

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This study analyzes the effects of Labor Force Size, Infrastructure, Foreign Direct Investment (FDI), and Technology on the performance of the manufacturing sector in six provinces on the island of Java for the period 2015–2024 using the Autoregressive Distributed Lag (ARDL) panel method in EViews 14. The results indicate that in the long run, FDI and Infrastructure have a positive and significant effect, while Labor Force and Technology have a negative and significant effect on the performance of the manufacturing sector. In the short run, Technology has a positive and significant effect, whereas the Labor Force has a negative impact. Conversely, FDI has a non-significant positive effect, and Infrastructure shows no significant effect on the aggregate performance of the manufacturing sector. This study recommends that the government prioritize improving labor quality and the efficiency of technology investment to promote sustainable performance in the manufacturing sector on the island of Java.

Keywords: *Manufacturing Sector Performance, Labor Force, Infrastructure, Foreign Direct Investment, Technology.*