

THE EFFECT OF DOLLAR EXCHANGE RATE, GROSS DOMESTIC PRODUCT (GDP) AND CREDIT INTEREST RATES ON INDONESIAN FURNITURE EXPORT VOLUME

Ni Gede Ayu Puspita Dewi

Faculty of Economics and Business, Udayana University
ayupuspitadewi515@gmail.com

Ni Ketut Budiningsih

Faculty of Economics and Business, Udayana University
budiningsih@unud.ac.id

Abstract. International trade occurs in all countries to increase the economic growth of a country including Indonesia. Indonesia's largest exports are in the non-oil and gas sector, especially the processing industry. One of the exports that utilizes natural resources to be processed and then traded is the furniture industry export, although the total furniture exports are not higher than other processing industry sectors, the furniture industry has great potential in the future. Furniture exports are one of the important sectors in the Indonesian economy, which contributes significantly to state revenue and job creation. The purpose of this study is to analyze the influence of the Dollar exchange rate, GDP and Credit Interest Rates in the long term and short term on the volume of furniture exports in Indonesia. This study uses quantitative data with a time span of 30 years, namely from 1994-2023 using the Error Correction Model (ECM) analysis method. The results of this study indicate that the Dollar exchange rate variable in the long term has a positive and significant effect on the volume of furniture exports in Indonesia, while in the short term it has a positive and insignificant effect on the volume of furniture exports in Indonesia. The GDP variable in the long term has a negative and significant effect on the volume of furniture exports in Indonesia, while in the short term it has a positive and significant effect on the volume of furniture exports in Indonesia. The Credit Interest Rate variable in the long term and short term has a negative and significant effect on the volume of furniture exports in Indonesia.

Keywords: Dollar Exchange Rate, GDP, Credit Interest Rate, Export Volume.

INTRODUCTION

Opening up access to international trade is a new challenge that must be faced in the Indonesian economy and is capable of driving increasingly rapid economic growth.(Andreas, 2015). Non-oil and gas exports play a very important role in a country's economy, especially for developing countries that are trying to strengthen the non-oil and gas sector as the main pillar of the economy. According to the Central Statistics Agency, in 2023 the export of oil and gas products will be 15,922 million US dollars and non-oil and gas products will be 242,874 million US dollars. This means that non-oil and gas export products are far superior to oil and gas export products. Non-oil and gas exports play a very important role in a country's economy, especially for developing