

ABSTRACT

This study aims to determine and analyze the effect of Exchange Rate, Inflation, and Export to Indonesia Foreign Exchange Reserves in the short and long term in the period 1987-2016. This research uses E-views 7 program with Error Correction Model (ECM) regression method and conducted Classic Assumption Test. The results of this study indicate that the simultaneous variables Exchange, Inflation, and Exports affect the Reserve Foreign Exchange Indonesia. Partially, Exchange Rate and Export variables have positive and significant effect on Indonesia Foreign Exchange Reserve in both short and long term. While Inflation does not significantly influence Indonesia's foreign exchange reserves either in the short term or long term.

Keywords : Exchange Rate, Inflation, Export, Foreign Exchange Reserves, Error Correction Model