

ABSTRACT

This research is aimed at recognizing the influence of variables of inflation, exchange rate, and export toward domestic investment in Indonesia in the first quarter of 2008 until the third quarter of 2015 by applying the method of error correlation model (ECM). The research data used in this research were secondary data gathered from Capital Investment Coordinating Board, Bank Indonesia, and Central Bureau of Statistic.

The research indicates that in a long term the variables of export and exchange rate give positive and significant influence toward domestic investment, whilst inflation give negative and significant influence toward domestic investment. In a short term, the variable of inflation and export give positive and significant influence toward domestic investment, whilst exchange rate gives negative and significant influence toward domestic investment.

Keywords : Domestic Investment, inflation, exchange rate, and export..