

ABSTRACT

One of the main Indonesian non-oil and gas commodity is Coal. Since the 1980s, Indonesia has started to dominate the export market for the non-oil and gas commodity category. This happened where in the previous year the export market was still dominated by commodities in the form of oil and gas. This change occurred after the government issued a policy and regulation in the export sector that made producers to improve export performance for the non-oil and gas market. In particular, the coal commodity sector provides historical financial benefits through the high value of exports that generate foreign exchange for the country after commodities in the form of oil and gas. This happens because Indonesia is one of the exporters of coal which has an important role as a supplier of coal in the international market due to Indonesia's abundant coal reserves. In fact, the demand for Indonesian coal exports in the international market accounts for around 24% of world demand. It is exported to other countries in Asia

The aim of this research is to analyze how significant the Coal Export variables affect the Indonesian Economy. Additionally, Coal Exports variables are also going to be analyzed if there's a significance relationship between Coal Exports Volume variables with Demand rate and how big the impact is. The analysis tool in this research is using OLS Methods (Ordinary Least Square). The results of the analysis including variables such as Coal Demand, and significant effect on the exchange rate.

Keywords: Coal Demand, GDP Rate, Indonesian Coal, Coal Export