

ABSTRACT

This study aims to determine the effect of regional original income (PAD), balancing funds, capital expenditures and labor on economic growth in the districts/cities of Riau province.

The data used in this study are time series and cross section data from 2017-2021, which are sourced from the Central Bureau of Statistics of Riau Province. The independent variables in this study are Gross Fixed Capital Formation (PMTB), Capital Expenditure (BMoDAL) and Labor (TK), while the dependent variable is Economic Growth (PED). This study uses panel data with the Random Effects Model approach using the EViews version 10 computer application program.

From the results of the study it was found that the Formation of Gross Fixed Capital, Capital Expenditures and Labor had a positive effect on Economic Growth in the Districts/Cities of Riau Province. Simultaneously, Gross Fixed Capital Formation, Capital Expenditures and Labor together have a significant effect on Economic Growth in the Districts/Cities of Riau Province. Based on the partial test, Labor has a significant effect on Economic Growth in the Districts/Cities of Riau Province, while Gross Fixed Capital Formation and Capital Expenditure have no significant effect on Economic Growth in the Districts/Cities of Riau Province.

Keywords: Gross Fixed Capital Formation, Capital Expenditures, Labor and Economic Growth