

ABSTRACT

The global financial crisis that occurred recently, especially in 2008 in the United States, reminded the policymakers that financial market stability has a systemic element that cannot be ignored. The central bank's focus on monetary policy to maintain price stability causes the central bank to pay less attention to what arises from the macroeconomic linkages with the financial system. Bank Indonesia began implementing a mix of monetary and macroprudential policies in 2010.

This study aims to analyze the impact of monetary policy and macroprudential policy on household consumption credit and non-financial company credit in Indonesia with observations from 2016Q1 to 2021Q4 using the Structural Vector Autoregression (SVAR) method.

The results of this study show that there is a negative response from household credit and non-financial company credit to monetary policy shocks, while both types of credit shows fluctuative responds to macroprudential policy. However, it was found that the role of monetary policy was not significant in influencing credit levels.

Keywords: monetary policy, macroprudential policy, household credit, non-financial company credit, SVAR