

ABSTRACT

Government performance in managing fiscal policy can be measured through fiscal sustainability which can be seen from the ratio of primary balance to Gross Domestic Product (GDP). The primary balance is an indicator that describes the government's ability to pay principal and interest on debt using state revenues which are certainly influenced by several factors. The purpose of this study is to analyze the factors that affect fiscal sustainability in ASEAN member countries in 2000-2020.

This study uses quantitative data in the form of panel data from 2000 to 2020 in 10 ASEAN member countries. The analytical tool in this study uses panel data regression with the Ordinary Least Square (OLS) approach corrected by the Newey-West HAC improvement method and assisted by Eviews 10 software.

The results of this study indicate that the independent variables including government debt, government spending, government revenue, inflation, and the Covid-19 pandemic have a simultaneous influence on the dependent variable, namely the primary balance. Based on partial tests in this study, the results show that the government debt, inflation, and Covid-19 pandemic variables have no effect on the primary balance, while the government expenditure variable has a negative effect and the government revenue variable has a positive effect on the primary balance.

Keywords: *Fiscal Sustainability, Primary Balance, Panel Data, Newey-West HAC, Government Debt.*