

ABSTRACT

Cigarette consumption in Indonesia has continued to rise from 2019 to 2023 despite implementing various control policies. This study aims to analyze the impact of cigarette prices, per capita income, and cigarette production volume on per capita cigarette consumption in Indonesia. The data used in this research are sourced from the Central Bureau of Statistics (BPS) and other relevant publications covering 2019 to 2023. The analytical model employed is multiple linear regression using the Ordinary Least Squares (OLS) approach.

The study's results indicate that cigarette prices have a positive and significant effect on cigarette consumption, meaning that an increase in cigarette prices leads to a rise in consumption. Per capita income has a considerable positive impact, suggesting that higher income drives higher cigarette consumption. Additionally, cigarette production volume also positively influences per capita cigarette consumption, indicating that the greater the production of cigarettes, the higher the consumption rate.

Keywords: Cigarette Prices, Per Capita Income, Cigarette Production, Cigarette Consumption, Indonesia