

ABSTRACT

Indonesia is currently building a better economy. The Economic growth of Indonesia was continue to be fought to obtain figures that have been set to become growth targets. The rate of inflation is one of the factors that will affect economic growth in a country, including in Indonesia. The government through its economic instruments must keep pressing the inflation rate to the normal level so that is still able to control the economic growth of Indonesia towards a positive direction.

The purpose of this study was to analyze the effect of the money supply, the exchange rate of the rupiahs against the US dollar, and the BI's benchmark interest rate on the rate of inflation in Indonesia. This research uses quantitative descriptive analysis method which is carried out with the help of analytical equipment. The analytical tool is multiple regression analysis with the panel method. The data used are secondary data from 2007-2017 obtained from the publication of the Statistic Centre and publications from the Central Bank of Indonesia webpage.

The analysis shows that the money supply, the exchange rate of the rupiahs against the US dollar and BI's benchmark interest rate have a significant positive effect on the rate of inflation in Indonesia.

Keywords: Economic Growth, Inflation Rate, Indonesia.