

ABSTRACT

This study investigates the effectiveness of loan-relaxation policy in promoting electric vehicle (EV) adoption in Indonesia, focusing on Bank Indonesia's 0% down payment (DP) policy for BEV loans. Utilizing an Autoregressive Distributed Lag (ARDL) model with monthly data from 2015 to 2024, the analysis examines the short- and long-run impacts of the policy on BEV sales, while controlling for inflation, fiscal policy, and consumer confidence. The results reveal that the 0% DP policy does not have a significant effect in the short run and long run, possibly due to behavioral inertia or supply-side constraints. Fiscal incentives and inflation also do not have a consistent and significant short-term or long-term effects on BEV uptake. Nevertheless, Inflation exerts a negative influence, particularly in the short run. These findings underscore the importance of policy coordination, suggesting that credit policy tools are most effective when complemented by fiscal measures. The study offers empirical support for integrating climate-related financial risk considerations into financial regulation and contributes to the literature on green finance and sustainable transportation.

Keywords: *ARDL, Green Economy, BEV*

JEL: E44, E58, H23, Q55, C32

