

ABSTRACT

Economic growth is one of the main indicators in measuring a country's performance. Economic growth is influenced by various macroeconomic factors, including exports, imports, inflation, and exchange rates. Exports and imports reflect the dynamics of international trade, inflation indicates price stability, while the exchange rate affects international competitiveness.

This study aims to analyze the effect of exports, imports, inflation, and exchange rates on Indonesia's economic growth in the period 2014 to 2023, using quarterly data obtained from the Central Statistics Agency, Bank Indonesia, and the Ministry of Trade of the Republic of Indonesia. The method used is Autoregressive Distributed Lag (ARDL) to test the short-term and long-term relationships between these variables.

The results of the study show that exports have a positive and significant effect on economic growth in the long run. In the short run, exports also demonstrate a significant influence, although the impact tends to be delayed. Imports do not significantly affect economic growth in the long term; however, they have a negative and significant effect in the short term. Inflation exhibits a negative and significant impact on economic growth in both the short and long term. The exchange rate has a significantly negative effect on long-term economic growth, while in the short term, its impact is also significant but tends to be mixed, depending on trade structure and market responses. The dummy variable representing the COVID-19 pandemic period shows a strong negative effect on economic growth, both in the short and long term.

Keywords: Exports, Imports, Inflation, Exchange Rate, Economic Growth, ARDL

