

ABSTRACT

Bank loans is one source of capital in a business. Micro Small and Medium Enterprises (MSME's) also require bank loans to develop their businesses.

This study aims to determine the effect of inflation, interest rates, and Gross Domestic Product on demand of MSME's credit in Indonesia in the period January 2011 to December 2017. The data used is secondary data. The analytical method used in this study is multiple regression analysis

The result of the research showed that the variable Gross Domestic Product has a significant positive effect on the demand of MSME's credit, while the inflation and interest rates have a negative but insignificant effect on the demand for MSME's credit.

Keywords: Demand of MSME's Credit, Inflation, Interest Rate, Gross Domestic Product