

ABSTRACT

The trade balance is one aspect of international trade that can help countries with open economies prosper economically. In Indonesia, there is a disparity in the trade balance value. Further investigation reveals that macroeconomic factors can impact the value of the trade balance.

This thesis aims to analyze the effect of Indonesia's GDP, the GDP of export destination countries, exchange rates, and interest rates on Indonesia's trade balance. The independent variables used in this study are Indonesia's real GDP, the GDP of export destination countries, and interest rates. The dependent variables used are Indonesia's trade balance values obtained from the Central Statistics Agency (BPS) and Bloomberg for 2014 Q1-2024Q4

This thesis uses time series data with an ARDL test estimated using the E-Views 12 program. The R² value is 0.5321, meaning that the relationship between the dependent and independent variables can be explained by 53.21% in the estimation model, with the remaining 46.79% explained outside the estimation model. The results of this study indicate that Indonesia's GDP has a negative effect on the trade balance, the GDP of export destination countries has a positive effect on the trade balance, exchange rates have a negative effect on the trade balance, and interest rates have a positive effect on the trade balance.

Keywords: Trade Balance, Indonesian GDP, GDP of Export Countries, Exchange Rate, BI Interest Rate, Open Economy

