

## **ABSTRACT**

*The development of technology has provided an innovation in financial sector. One form innovation of the financial sector is the existence of non cash payment system. The existence of non cash payment system, will improve efficiency then increase savings and investment. Increasing of savings for investment, will increase the capital and eventually boost economic growth.*

*This research aims to analyze the effect of non cash payment to investment and the effect of investment to economic growth used a simultaneous form model and Two Stage Least Square (TSLS). This research used observation data period 2004 – 2017 of five selected ASEAN countries, there are Indonesia, Malaysia, Thailand, Philippines, and Vietnam*

*The results of the analysis shows that transaction volume of Automated Teller Machine (ATM) affect positively and significantly the investment, also investment affect positively and significantly the economic growth. This research conclude that increasing of non cash transaction can increase the investment, and increasing of investment as the result of non cash transaction can increase the economic growth.*

**Keywords** : *Non Cash Transaction, Eficiency, Investment, Economic Growth, Two Stage Least Square*