

ABSTRACT

Investment in the economy are required both to support economic growth and employment expansion. Investment is the first step of economic development. Investment can be made if investors feel secure in the region in their daily activities.

This research aimed to analyze the influence of interest rates, wage rates, inflation, exchange rates, and openness to investment study in Central Java Province from 1982 to 2014. The analytical method used in this research is multiple regression (OLS). Regression model used is the natural logarithm equation. Type of data used is secondary data obtained from Badan Pusat Statistik, Bank Indonesia, Indo-Dapoer (World Bank), other literature such as books, and economic journals.

The results of this research indicate that the variable interest rates, wage rates, inflation, exchange rates significant effect on investment. While the variable openness doesn't significantly influence the investment of. Based on Standardized Coefficient Beta test results showed that the most dominant variable affecting investment in this study is the variable wage rates.

Keywords: *Investment, Interest rates, Wage rates, Inflation, Exchange rate (Rp/US\$), Openness, OLS*