ABSTRACT

Micro, small, and medium enterprises (SMEs) in Indonesia is the largest industry in the number of business units and ability to absorbing labors. Although the size of the contribution to GDP is not high enough, the sector still supported economic stability.

This study aimed to analyze the influence of the number of business units, labors of SMEs, exports of SMEs and investments of SMEs to the economic growth of Indonesia during the period 2003-2012. This study used panel data regression with fixed effect method (FEM). The data used in this research is secondary data which focuses on three sectors of the economy, namely 1) Agriculture, Livestock, Forestry and Fishery, 2) Mining and Quarrying, and 3) Manufacturing Industry, within a period of 10 years. The variables used in this study is economic growth as the dependent variable, while the number of business units, labor of SMEs, export of SMEs and investment of SMEs as the independent variable.

Panel data regression calculation results in this study indicate that a variable number of business units and the investments SMEs have a positive influence and significant impact on economic growth, while the variable labor SMEs and SMEs export value has no effect on economic growth.

Keywords: The number of business unit, labor of SMEs, export of SMEs, investment of SMEs, economic growth, GDP in Indonesia.