

ABSTRACT

The study was designed to look at the relationship and the level of the exchange rate effect of inflation on export growth in Indonesia. This study sampled in 2005 and 2011. This study uses monthly data. The data used in this study is secondary data obtained from the institutions or agencies such as Bank Indonesia (BI) and the Central Statistics Agency (BPS).

Using a simple regression model, the data is processed according to the rules of econometrics and also tested with classical assumptions. The processed data is then presented, and also included the results of the interpretation and discussion of the results of the regression that has been done

The results of this study showed a significant effect between the exchange rate and the inflation rate to the development of Indonesia's exports.

Keywords: Inflation rate, exchange rate, Indonesia's exports volume.