ABSTRACT

Nowadays, industrial sector is owner of important role in economics in Indonesia. Textile industrial sector is Leading Sector, capable to yield biggest output at Indonesian PDB. In Central Java one of the uppermost industrial sector that is textile industry. Textile industry Central Java is absorber of biggest labour as well as is producer of biggest output. Even producer of biggest output, however value of output yielded by Central Java textile industry have downhill tren from year to year (2001-2005). In accordance with the conveyed, however, this research had purpose to analyze level produce from textile industry sector in Central Java and input any kind of influencing him and also how big influence from each the input to production.

Variable which used in this research is output, raw material, working capital, and labour. Data in this research was used secondary one. Data gathering methods used documentation methods. Data processing was performed by using Eviews program version 6.0. Analysis method the used is analysis of regresi with model of Least Square Dummy Variable (LSDV).

Result of analysis by using LSDV known that raw material variable, working capital, and labour have positive significant influence on output value of output textile industry in Central Java. Result of F-test showed that as a whole, free variable in concomitantly may showed its influence toward textile industries output. The R^2 value as by 0.993249 had means that 99.32 percent of variation of textile industries output value could be explained from variation into three free variables. While the remainder, that is by 0,68 percent was explained by external causes.

Keywords: production factors, textile output value, LSDV