FOREIGN DIRECT INVESTMENT (FDI) EFFECT ANALYSIS AND INTEREST RATES ON ECONOMIC GROWTH AND INCOME PER CAPITA IN INDONESIA

ABSTRACT

Abstract: The purpose of this study is to determine the development of foreign direct investment (FDI), interest rates, economic growth and per capita income in Indonesia, as well as the effect of foreign direct investment (FDI) and interest rates on economic growth and per capita income in Indonesia in the period from 2000 to 2019. The type of data used in this study is secondary in the form of a time series, with the path analysis research method. The results of the study show that simultaneously, foreign direct investment (FDI) and interest rates have a significant effect on economic growth and per capita income in Indonesia.

Keywords: foreign direct investment (FDI), interest rates, economic growth, income per capita, path analysis, time series.