ABSTRACT

Efraim Fernando Nainggolan, *" Exchange Rate IDR of USD Its Influence On Inflation Rates in Indonesia". Under Guided :* Prof. Dr. Hj. Umi Narimawati, Dra., SE., M.Si.,

The exchange rate is one of the factors that affect inflation and other economic variables besides. The greater the influence of post-crisis exchange rate when the amount involved in a high exchange rate volatility will obviously adversely affect economic performance, especially price stability which is reflected in the rate of inflation. The purpose of this study was to determine the development exchange rate IDR of USD, knowing how the inflation rates growth andto know the influence exchange rate IDR of USD on the inflation rate in Indonesia. In this study the authors used two variables: exchange rate IDR of USD as independent variable (X) and the inflation rates as the dependent variable(Y).

The method used in this study descriptive and verification method with quantitative approach, where the unit of analysis used in this study exchange rate IDR of USD and inflation rate are taken from the Indonesian monetary economic statistical reports from years 2008 to 2009. Quantitative analysis using simple linear regression analysis, correlation, coefficient of determination, and hypothesis testing (t test) with the help of the use of SPSS 11.5 for windows.

Exchange rate IDR of USD in the year 2008-2009 was shadowed by heavy pressure from the subprime mortagage crisis in the United States. Broadly speaking Rupiah began to weaken in the year 2008 and gradually recovered at the end of 2009. Growth rate of inflation in the year 2008-2009 has fluctuated, the inflation rate had reached 12.14% in September 2008 and gradually declined in year 2009. Based on the results, the determination coefficient (Kd) = 2.6% which means 2.6% inflation rate is influenced by exchange rate of IDR of USD, while the remaining 97.4% influenced by other factors such as high oil prices and rising fuel prices types of gasoline and diesel in the country. Results of hypothesis testing showed tcount (0.761) <ttable (± 2.074), then Ho rejected and Ha accepted meaning of exchange rate IDR of USD did not significantly influence the inflation rate in Indonesia in 2008-2009.

Keyword : Exchange Rate, Inflation, Economy Performance.