ABSTRACT

M.K. ASWAN RAMBE. Analysis of Economic Factors Influencing on the Government Bond Issuance. Under direction of ARIEF DARYANTO and LUKMAN M. BAGA

The purpose of this study was to describe the period 2001-2010 Indonesia's macroeconomic conditions, analyze and measure the effect of macroeconomic variables: national income, the interest rate of Bank Indonesia Certificates (SBI), the money supply, inflation rate, and the rupiah against the issuance of government bonds, and formulate policy implications of the influence of macroeconomic variables to the issuance of government bonds. The data used are secondary data in the form of time series quarterly period 2001-2010 are analyzed quantitatively using multiple linear regression analysis with ordinary least squares methods (OLS). The results showed that Indonesia's macroeconomic conditions during the period 2001-2010 is generally quite good and relatively stable. This was reflected in the development of several macroeconomic variables that are still under control. Macroeconomic variables have a significant effect on the issuance of government bonds, either in unison or partial. Variables that have the most impact on the issuance of state bonds in the following manner is the money supply, exchange rate, inflation, national income, and the SBI rate. Policies that can be taken to minimize the risks in government bond issuance and management is increased state revenues need to be cultivated through programs such as the intensification and expansion of the tax base and to renegotiate the contracts of work and contract work exploitation of mineral, coal, and oil and gas. Improving the effectiveness of the use of the budget, including address leakage in the distribution of subsidies and capital spending ministries/state agencies, improve coordination in order to control the money supply through the sale of SBI, the purchase of securities, or intervention in foreign exchange markets. Delaying/reducing debt through the issuance of additional government bonds in foreign currencies, and when the exchange rate is depreciating in order to minimize exchange rate risk. Prioritize the issuance of government bonds with fixed rate and to program the switch through the exchange of government bonds with floating rate to minimize interest rate risk.

Keywords: government bonds, national income, the money supply, interest rates of SBI, inflation, exchange rates.