

**THE DETERMINANTS OF REAL EXCHANGE RATE (RER) IN INDONESIA**

**(1981-2013)**

**THESIS**

**Prepared and submitted to fulfillment of the requirements to achieve the Bachelor  
Degree of Economics in the Department of Economics**

**Faculty of Economy, Andalas University**




**Study Program S-1 Economics**

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**The Determinant of Real Exchange Rate in Indonesia**  
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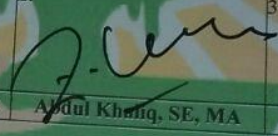
**ABSTRACT**

*this research analysis the determinant of real exchange rate in Indonesia during 1981-2013, this research using secondary data and standar error correction model. The result show all of independent variables have significant impact on real exchange rate in long run. In short run, government expenditure and net capital inflow have insignificant impact on real exchange rate in indonesia*

**Keywords:** Trade Open, Foreign Aid, Government Expenditure, Capital Inflow, Changing of Exchange rate System and Error Correction Model

This thesis has been presented in the thesis examination and successfully passed the thesis examination on January 12<sup>th</sup>, 2018.

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