EXPORT AND IMPORT

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Abstract
The purpose of this study is to analyze the effect of exports and imports on economic growth in Indonesia in the long term and short term. The data used in this study is secondary data obtained from the World Bank 2000-2016. The analysis used is regression analysis using Error Correction Model (ECM) Method. Tests used in the model are Stationarity Test, R-Square Test, F Test and T Test. The result of this research is that long term, export variable and exchange rate influence to economic growth while import does not have an effect on economic growth. In the short run, export and import variables affect economic growth, while exchange rates have no effect on economic growth.

Keywords: Export, Import, Economic Growth, ECM

INTRODUCTION
The current economic development of a country cannot be separated from the condition of the global economy. Economic relations between countries become an important factor that affects the economic development of each country. This condition causes competitiveness as one of the decisive factors in competition between countries to benefit from the increasingly open world economy. The benefits of the opening of the world economy can be seen from the state of a country's balance of payments.

According to Bank Indonesia, the balance of payments is a record of economic transactions between Indonesians and non-residents at a certain period. A country's balance of payments is said to be surplus if there is excess trade and investment funds compared to obligations paid to the state while it is said that the deficit if imports are greater than exports. The state of the balance of payments that is surplus or deficit affects Indonesia's economic growth. The relationship between international trade and economic growth is the most discussed topic in the economic field but still controversial. The emergence of literature on endogenous growth enables a greater role of external openness of countries in the process of technological development compared to the traditional Solow growth model. This new approach emphasizes that technological innovation emerges in response to economic incentives where institutional environment, law, openness and economic integration affect the speed and direction of technological change (Aghion et al., 1998; Grossman & Helpman, 1994).

On the other hand, much empirical literature suggests that international trade and more open trade policies are major factors for explaining economic growth. Countries with more liberal trade attitudes allow enjoying higher amounts of liberal input at lower costs resulting in higher growth (Edwards, 1992, 1993).

According to Thirlwall (1979), the balance of payments acts as a constraint on the rate of output growth. An increase in domestic output due to rising imports can lead to a balance of
payments deficit that allows for a decrease in demand or depreciation of the real exchange rate. Countries are growing faster in the face of higher income elasticity for exports than imports. This is because no country is growing faster than the rate of payments to be paid because the large ratio of foreign debt to GDP led to a collapse in international and external confidence. A high current account deficit does not matter when the government budget is balanced and savings and investment decisions are taken optimally by private agencies (Corden, 2007). However, according to Edward (2002), external deficits should be a concern in implementing policies even if the current account deficit does not lead to a currency crisis. In other words, it's not on how big the deficit is but how the country runs an unsustainable deficit. In general, the current account deficit that does not exceed 5% of GDP is considered unsustainable so above this threshold began the adjustment process (Freund, 2005).

**Exchange Rate**

Mankiw (2018) divides exchange rates by two types. First, foreign currencies whose value can be exchanged or also called nominal exchange rates. For example, the US dollar and The Indonesian Rupiah are Rp. 15,000 per dollar. Economic actors can exchange 1 dollar for Rp. 15,000 in the money market. When Indonesians try to earn dollars, they pay Rp. 15,000 per dollar they want to buy. On the other hand, Americans, who want to buy rupiah earn Rp. 15,000 for every dollar spent. The real exchange rate for products between countries is the real exchange rate. Effective exchange rates are sometimes referred to as trading loans.

In the history of economic development, exchange rates have several theories. This theory or evaluation is used as a tool to analyze exchange rate fluctuations. Traditional exchange rate theory of trade flow and purchasing power parity is essential in long-term analysis. While modern exchange rate theory focuses its research center on capital markets as well as international capital flows and also short-term flow explanations try to explain short-term flows.

**Export**

Export is the process by which goods or goods are legally shipped from one country to another, usually as part of a commercial process (Mankiw, 2003). Sukirno (2010) explains that "The benefits of exports are expanding markets, increasing the country's exchange rate and increasing employment". According to Sonia and Setiawina (2016), in foreign trade export activities are the most important activities or main activities. Export is the process by which a country's products are brought to another country for sale, based on the quantity of quality, payment terms, and other requirements based on agreements between export actors and import actors in each country. To carry out export activities, goods and services or products produced by each country must be competitive in order to compete and enter the international market.

**Export Mode**

Export is the activity of selling goods or services to another country or foreign country. A good export occurs when the ownership changes from the population to a non-resident, this does not necessarily mean that either in the physical question of the border crossing. However, in certain cases the national account blames a change in ownership even though legally no change in ownership occurs (e.g. cross-border financial leasing, cross-shipping borders...
between affiliates of the same company, goods crossing borders for significant processing for ordering or repair). Also, contraband should be included in export measurements.

**Indirect Export**

Indirect export is a technique in which goods are sold through intermediaries / exporters of the country of origin and then sold by the intermediary. Through, export management companies and export trading companies. This strategy option is suitable for companies that from the beginning have only a very limited purpose, not relying on their growth in the global market. The advantage is that production resources are concentrated and do not need to handle exports directly. The downside is that control over distribution is lacking and knowledge of operations in other countries is lacking. Indirect exports provide various benefits for the company, namely as follows:

1) Companies can export without having to make investments
2) The company only assumes business risks, especially relatively low financial risks
3) Allows companies to have a high degree of flexibility

Disadvantages of indirect exports are:

1) The company has absolutely no regard for the way it is used in selling the goods produced
2) The use of indirect exports leads to the loss of the company's opportunity to get to know the foreign market to be addressed

**Export Cooperation**

Export cooperation strategies should be chosen by companies that will try to have greater control over the marketing process that will be carried out in the global market. Basically, this option has a characteristic between indirect exports and direct exports. Therefore, the advantages and disadvantages of export cooperation lie between the advantages and weaknesses of the strategy possessed by indirect exports and direct exports. This strategy requires companies to cooperate with other companies to carry out various export activities, from planning to supervision. The choice of details of cooperation between companies can vary, depending on the formulation of cooperation that can be built by the companies involved.

**Direct Export**

Direct Export is a way of selling goods or services through intermediaries/ exports located in other countries or export destination countries. Sales are made through distributors and sales representatives of the company. This strategy was chosen when the company has a vision of exploiting the global market more deeply along with the resources and funds at its disposal. Direct exports depend on two principles: companies using distribution networks in other people's global markets or building their own distribution channels as subsidiaries abroad. Direct relationships with end consumers are also categorized as a third model, but very rare. Direct exports have several advantages, namely:

1) The company has much greater control over the planned marketing program.
2) Companies have a greater opportunity to obtain the feedback information needed in conducting marketing program evaluations
Companies have a better chance at observing competitor behavior. However, it should also be noted that this strategy should be made with a clear and firm managerial commitment. Thus, the company can be sure to be ready to use greater resources and funds. In choosing distribution channels abroad, company managers require decision making in three stages, namely: a) The Company needs to decide on the working specifications that the distribution channel needs to achieve; and b) the Company needs to decide on the optimization of the distribution channel mix by comparing the various possible combinations available.

Imports are products that are traded domestically but produced in other countries (Mankiw, 2006). If a country imports a product, it is not the domestic producers but the consumers who benefit from it. Early international trade generates profits in every country where profits outweigh losses (Mankiw, 2006). People's income also affects state revenues. The higher the income of the community, the more income activities must be done (Sukirno, 2004).

**METHOD**

This research uses quantitative approach methods. According to Sugiyono (2019), quantitative methods are scientific approaches that view a reality that can be classified, concrete, observed and measured, variable relationships are causal where the research data is in the form of numbers. In this study focused on explaining the relationship between balance of payments as a dependent variable and economic growth as an independent variable in Indonesia using time series data from 1967-2016. The type of data used in this study is secondary data.

The data was obtained from the World Bank. Operational definition of variables These variables are grouped into 2, namely dependent variables and independent variables. The dependent variables used in the study are economic growth while the independent variables used are export, import and exchange rate. The definition of variables used in this study is: first, Gross Domestic Product (GDP) is the amount of gross value added by all producers in the economy that is taxed and minus subsidies that are not included in the value of a product. The study used a percentage of the annual GDP growth rate at market prices based on a constant Indonesian currency. Data on constant price GDP growth is taken from The World Bank. Second, export (EKS) is the process of selling goods or commodities from one country to another. The exports used in this study are the export of goods and goods that represent the value of all other market goods and services provided to the rest of the world. Such services include the value of merchandise, cargo, insurance, transportation, travel, royalty, license fees and other services such as communications, construction, finance, information, business, personal, and government services. Export data used in US Dollars.

Third, import (IMP) is the activity of entering goods from abroad into the country. The imports used in this study are the imports of goods and services that represent the value of all other market goods and services received from other countries in the world. Such services include merchandise value, cargo, insurance, transportation, travel, royalty, licensing fees and other services such as communications services, construction, finance, information, business, business and government. Import data used in US Dollars.
Fourth, the exchange rate (Kurs) is the price of a currency of a country measured or expressed in another currency. The rate used in this study is the official exchange rate that refers to the exchange rate determined by national authorities or the interest rate determined in the legally approved exchange market. This rate is calculated as an annual average based on the monthly average (The local currency that is relative to the U.S. dollar). In this study to answer the problem, the model used in this time series data is an error correction model or ECM (Error Correction Model) with the main condition that the data is not stationary at the level, but stationary at the degree of integration and variables are integrated. The model used to correct short-term to long-term imbalances. And the multiple regression model uses Ordinary Least Square (OLS). The models used are as follows: The general model of multiple regressions is:

\[ Y_t = \alpha_0 + \alpha_1 X_t + \varepsilon_t \]

Common model of Error Correction Model (ECM):

\[ \Delta Y_t = \alpha_0 + \alpha_1 \Delta X_{t-1} + \alpha_2 \Delta ECT_{t-1} + \varepsilon_t \]

Ordinary Least Square (OLS) multiple regression model:

\[ GDP_t = \alpha_0 + \alpha_1 \text{LOG\_EKSt} + \alpha_3 \text{LOG\_IMPt} + \alpha_3 \text{LOG\_KURSt} + \varepsilon_t \]

Error Correction Model (ECM):

\[ GDP_t = \alpha_0 + \alpha_1 \Delta \text{LOG\_EKSt} + \alpha_3 \Delta \text{LOG\_IMPt} + \alpha_3 \Delta \text{LOG\_KURSt} + \text{ECT}_{t-1} \]

Information:

- \( GDP_t \) = Economic Growth;
- \( \text{LOG\_EKSt} \) = Real export;
- \( \text{LOG\_IMPt} \) = Real import;
- \( \text{LOG\_KURSt} \) = Exchange rate;
- \( \alpha_0 \) = Constanta;
- \( \alpha_1, \alpha_2, \alpha_3 \) = Coefficient;
- \( \varepsilon_t \) = Error term;
- \( \text{ECT}_{t-1} \) = Error Correction Term

The analysis used in this study is a method of quantitative descriptive analysis using theories and data related to this research. Data analysis is used to simplify the data that has been obtained into a form that is easier to read and interpret. In this study, in analyzing data using Microsoft Excel 2007 software and then processed using EViews 7. This is done so that the results obtained can better see the difference in the influence between each variable on primary balance. The stages of data analysis in this study are carried out through several stages, namely:

First, the Stationary Test (Unit Root Test), this stationarity test aims to find out whether the data used is stationary or not. Spurious regression is generated if the data is not stationary. In research, data is basically time-lined data often experience stationary at the series level. So it is necessary to do a differentiation once or twice to produce stationary data. To find out whether the time-held data used is stationary or not stationary, one way that can be done is to use a root unit test (unit roots test).

Unit root tests are performed using the Augmented H1 method: no unit root (stationary data), H0: there is a unit root (Non-stationary data) Dicky Fuller (ADF), with the following
hypothesis: Statistical results from the estimation results on the ADF method will be compared to McKinnon's critical values at critical points of 1%, 5%, and 10%. If the t-statistical value is smaller than McKinnon's critical value then H0 is accepted, meaning that the data has a unit root or the data is not stationary. If the t-statistical value is greater than McKinnon's critical value then H0 is rejected, meaning that the data has no unit root or stationary data.

Cointegration is a long-term relationship between variables that although individually not stationary, the linear combination between those variables can be stationary. A state of a variable that is not stationary presages the possibility of a long-term relationship between variables in the ECM system. One of the conditions for long-term balance to be achieved is that the balance error must fluctuate around zero. In other words, the error term must be a stationary time-holding data. The purpose of this cointegration test is for all variables to be integrated at the same level. There are several methods that can be used to perform a cointegration test (Enders, 1995).

Third, the technique for correcting short-term imbalances toward long-term balance is called the Error Correction Model (ECM), introduced by Sargan and popularized by Engle-Granger. The ECM model is generally a concept of a time-demand econometric model that aims to balance short-term conditions with long-term equilibrium conditions through an adjustment process. Engle and Granger (1987) argued that if among a number of variables there is cointegration, then a condition called error correction representation is obtained which indicates that the changes that occur to bound variables are not only influenced by free variables but also influenced by the balance of the cointegration relationship. This imbalance of cointegration relationships is indicated by the error-correction term value. In addition, in Econometrics ECM is useful in overcoming the problem of time series data that is not stationary and spurious regression problems. Analysis using ECM through 3 steps of data analysis: 1) Stationary data test, 2) Cointegration test to find out if there is a long-term relationship between variable X with Y, and 3) Composing Error-Correction Model (Gujaratı & Porter, 2009).

RESULTS AND DISCUSSION

In analyzing the results of ECM model estimates in the long and short term previously tested the data. The data used in the study needs to be tested using two data stationary tests: the unit root test and the cointegration test. The data stationarity test conducted on all variables in the model study was based on the Augmented Dickey Fuller (ADF) Test, whose calculations used the help of a computer with the EViews 7 program. Unit root testing is done by inserting intercepts but not entering time trends on DF tests, and by inserting intercepts and time trends on ADF tests.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statistic ADF</th>
<th>Sign</th>
<th>Critical Value 1%</th>
<th>Critical Value 5%</th>
<th>Critical Value 10%</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>-6.751397</td>
<td>&lt;</td>
<td>-3.577723</td>
<td>-2.925169</td>
<td>-2.600658</td>
<td>Stationary</td>
</tr>
</tbody>
</table>

Table 1. Unit Root Test Results with Augmented Dickey-Fuller Test at Level
Based on table 1, it is known that most variables are not stationary at the degree of level. Only stationary GDP variables such as export, import and exchange rate variables are not stationary. Therefore, for the purposes of ECM regression, it is necessary to do a process of inference to the data so that the data is stationary to the same degree. With the same procedure as the steps above, the results of the root test of the Dickey Fuller Augmented Unit (ADF) test on the first degree of difference are as follows.

**Table 2. Results of The Root Test of the Unit with Augmented Dickey-Fuller test on First Different**

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Sign</th>
<th>Critical Value 1%</th>
<th>Critical Value 5%</th>
<th>Critical Value 10%</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable GDP</td>
<td></td>
<td>7.900274</td>
<td>-3.592462</td>
<td>-2.931404</td>
<td>Stationary</td>
</tr>
<tr>
<td>Export Variable</td>
<td></td>
<td>7.475822</td>
<td>-3.574446</td>
<td>-2.923780</td>
<td>Stationary</td>
</tr>
<tr>
<td>Import Variable</td>
<td></td>
<td>5.75339</td>
<td>-3.574446</td>
<td>-2.923780</td>
<td>Stationary</td>
</tr>
<tr>
<td>Variable rate</td>
<td></td>
<td>8.176376</td>
<td>-3.574446</td>
<td>-2.923780</td>
<td>Stationary</td>
</tr>
</tbody>
</table>

The results of the Dickey Fuller Augmented Unit (ADF) root test on the first difference degree showed that all the data had been stationary at the same degree, the first difference. Once the stationarity test through the unit root test and the degree of integration in the first difference are met, the next step is to perform a cointegration test to find out the long-term parameters. Statistical tests that are often used are CRDW tests, DF tests and ADF tests. In this study, the one used to co-integrate was with the Dickey Fuller Augmented Test (ADF). Test the ADF to see if residual cointegration regression is stationary or not.

**Table 3. Results of unit root test against residual with ADF test**

<table>
<thead>
<tr>
<th>Augmented Dickey-Fuller test statistic</th>
<th>t-Statistic</th>
<th>Prob.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test critical values:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1% level</td>
<td>-7.878186</td>
<td>0.0000</td>
</tr>
<tr>
<td>5% level</td>
<td>-3.577723</td>
<td></td>
</tr>
<tr>
<td>10% level</td>
<td>-2.925169</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-2.600658</td>
<td></td>
</tr>
</tbody>
</table>

Based on the ADF test, it is calculated that residuals in the long-term equation are stationary at the level because the ADF statistic is absolutely greater than the critical value of either 1%,
5% or 10% or judging from its probability is 0.0000. This means residual does not contain the roots of the unit so ECM modeling becomes fulfilled. The results of the ECM model in the long term are using OLS regression with Eviews. The results are shown as follows.

**Table 4.** Estimated Results of ECM Models in the Long Term

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-63.07803</td>
<td>22.67858</td>
<td>-2.781393</td>
<td>0.0079</td>
</tr>
<tr>
<td>LOG_EKS</td>
<td>4.323007</td>
<td>1.426257</td>
<td>3.031016</td>
<td>0.0040</td>
</tr>
<tr>
<td>LOG_IMP</td>
<td>-0.976283</td>
<td>0.608031</td>
<td>-1.605646</td>
<td>0.1153</td>
</tr>
<tr>
<td>LOG_KURS</td>
<td>-1.967722</td>
<td>0.555363</td>
<td>-3.543127</td>
<td>0.0009</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.284638</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.236948</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>5.968418</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.001627</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4 is the result of OLS estimation using the ECM model in the long term. The regression results to determine the relationship between dependent variables and independent variables. The dependent variable used is the economic growth rate (GDP) while the independent variable used is the total of exports, the total of imports and the Rupiah exchange rate against the US dollar. The adjusted value of R squared of 0.236948 explains that the independent variables in the model can explain the variation of dependent variables by 23.6948 percent. The F-statistic of 5.968418 shows that independent variables in the long term such as exports, imports and exchange rates have a shared effect on economic growth.

Using a significance rate of 1%, there can be analyzed there are two significant variables, namely the number of exports and the rupiah exchange rate while the import variable is not significant. This can be concluded in the long term that the number of exports and the rupiah exchange rate have a significant effect on economic growth while the total of imports does not have a significant effect on economic growth. The number of imports increases or decreases has no effect on economic growth. From the results of regression test, it can be seen that the number of exports has a positive and significant effect on economic growth. The number of exports increased by 1%, it will increase economic growth by 4.323007%.

If the number of exports decreases by 1 percent it will reduce economic growth by 4.323 percent. This is in line with the theory of international trade, if the number of goods or services exported abroad is increasing then in the country must produce more goods and services as well. The more goods exported abroad, the capital flows into the country are also in large quantities. Capital inflows will be managed through capital funding for large, small and medium-sized businesses.

This will increase the amount of output of both goods and services that will increase economic growth in the long run. The rupiah rate negatively affects economic growth and is significant. If the rupiah rate increases (Depreciation) by 1 percent it will reduce the economic growth rate by 1.967722%. While the rupiah rate decreased (Appreciation) by 1 percent, it will increase the economic growth rate by 1.977 percent. If the exchange rate depreciates or the value of domestic money decreases then the goods imported will rise in price. The increase in
imported goods will increase production goods imported from abroad so that domestic products decrease which will decrease domestic economic growth. The short-term results of the Error Correction Model (ECM) estimate are indicated by the results below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-0.666708</td>
<td>0.320740</td>
<td>-2.078655</td>
<td>0.0438</td>
</tr>
<tr>
<td>D(LOG_EKS)</td>
<td>6.344579</td>
<td>2.565819</td>
<td>2.472731</td>
<td>0.0175</td>
</tr>
<tr>
<td>D(LOG_IMP)</td>
<td>2.895370</td>
<td>1.459956</td>
<td>1.983190</td>
<td>0.0539</td>
</tr>
<tr>
<td>D(LOG_KURS)</td>
<td>1.651570</td>
<td>1.789498</td>
<td>0.922924</td>
<td>0.3613</td>
</tr>
<tr>
<td>ECT</td>
<td>-1.036208</td>
<td>0.146975</td>
<td>-7.050228</td>
<td>0.0000</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.691479</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.662096</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-statistic</td>
<td>23.53329</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prob(F-statistic)</td>
<td>0.000000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The estimated figure of table 5 obtained the variable coefficient of ECT (Error Correction Term) which is 1.036208 which means that the difference between the growth rate and the balance value will be adjusted within 1 year. The ECT coefficient is used to measure the regression and response of any period that deviates from equilibrium. According to Widarjono (2009), the ECT coefficient in the form of absolute values explains how fast it takes to get a balanced value.

An ECT value of -1.036208 with a probability of 0.0000 which means significant at a significance rate of 1 percent so that the ECM model in the short term is valid or good enough. The adjusted value of R2 of 0.662096 means that 66.21 percent of the variation of economic growth variables together can be explained by free variables consisting of exports, imports and exchange rates. The remaining 33.79 percent was explained by other variables outside the model. The F-statistics of 23.53329 show that independent variables such as exports, imports and exchange rates together have an effect on economic growth rates. The two variables are significant export variables at a significance rate of 5 percent and imports are also significant at a significance rate of 10 percent, while the exchange rate is not significant in the short term.

The exchange rate in the short term or less than five years has no effect on economic growth. The rate of exchange rates that increase or decrease has no effect on economic growth. Exports have a positive and significant effect on economic growth in the short term. The export coefficient of 6.344579 means that if exports increase by 1% it will increase economic growth by 6.344 percent and if exports decrease by 1% it will decrease economic growth by 6,344 percent. Increased exports will encourage an increase in domestic production. Increased production will move the wheels of the domestic economy so that economic growth increases. Imports have a positive and significant effect on economic growth.

The import coefficient of 2.895370 means that if imports increase by 1% it will increase economic growth by 2.895 percent and if imports decrease by 1% it will decrease economic growth by 2.895 percent. Goods and services are used to meet the needs of the community and as raw materials of production many imported from other countries. If goods and services imported from abroad increase, it will encourage an increase in domestic economic activities.
both production, consumption and distribution. If economic activity goes well, it will increase economic growth.

CONCLUSION

The conclusion that can be drawn from this study is that in the long run, the number of exports and the rupiah exchange rate have a significant effect on economic growth while the total of imports does not have a significant effect on economic growth. This is in line with the theory of international trade, if the number of goods or services exported abroad is increasing then in the country must produce more goods and services as well. The increase in imported goods will increase production goods imported from abroad so that domestic productivity decreases which will decrease domestic economic growth.

In the short term, there are two significant variables. The two variables exist - export variables are significant at a significance rate of 5 percent and imports are also significant at a significance level of 10 percent, while the exchange rate is not significant in the short term. Increased exports will encourage an increase in domestic production. Increased production will move the wheels of the domestic economy so that economic growth increases. If goods and services imported from abroad increase, it will encourage an increase in domestic economic activities both production, consumption and distribution. If economic activity goes well, it will increase economic growth.

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