



# ICBE 2019

INTERNATIONAL CONFERENCE ON BUSINESS AND ECONOMY

**THEME:**

**Creating, Managing,  
and Distributing Wealth:  
Fulfilling the ASEAN  
Economic Community  
(AEC) Goals**

- Management of Technology and Innovation
- Resource Management and Sustainable Development
- Entrepreneurship
- Accounting, Business Law, Economics, and Finance
- Governance and Corporate Social Responsibility
- ASEAN Economic Community: Challenges and Prospects

**13-14 March 2019  
Semarang, Indonesia**



# Macroeconomic Condition and Investment in Indonesia: 2004-2017

Widuri Kurniasari\*, Angelina Ika Rahutami

Faculty of Economics and Business Soegijapranata Catholic University, Semarang, Indonesia

---

## Abstract

Investment in general and Foreign Direct Investment (FDI) in particular can be one of ways to handle crisis. Indonesia ever experienced a difficult economy crisis in 1997 and a mini economy crisis in 2005. In crisis period and its recovery, the role of Foreign Direct Investment for a country, especially for developing countries, is really needed. By using FDI, a country can gain opportunities to accelerate its developments and support economy growth by itself. Based on the data, the relationship between Gross Domestic Product and Foreign Investment in Indonesia is evident. It is clearly seen that trend of foreign investment is in line with trend of gross domestic product. The higher the gross domestic product, the higher the foreign investment. The graph shows that Japan describes clearly about this theory. When Japan's Gross Domestic Product increases, its foreign investment is also increases. On the contrary, if Japan's Gross Domestic Product decreases, its foreign investment also decreases. In the figure, it can be seen that the high economy growth stimulates Tiongkok's high growth of foreign investment for Indonesia. This phenomenon still needs to be proven in regression model to determine whether Gross Domestic Product of each country has significant influence towards Foreign Investment for Indonesia or not.

*Keywords:* macroeconomic, investment, indonesia

©2019 The Authors. Published by Center for Entrepreneurship and Lifelong Learning of the School of Business and Economics, University of San Carlos, Cebu, Philippines.

\*corresponding author e-mail: widuri@unika.ac.id