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EFFECT ANALYSIS OF EXPORTS, IMPORTS, AND MANUFACTURING ON INDONESIA'S GDP FROM 1990 TO 2019

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Abstract

This study's primary purpose is to determine and assess the impact of exports, imports, and manufacturing in Indonesia from 1990 to 2019. The secondary data utilized by the researcher in this study spans the years 1990 to 2019. Imports and exports of commodities and services in the 1990s, when there was no import-export ease, compared to 1998, when Indonesia had import-export ease. The issue was that a monetary crisis caused Indonesia's economic structure to become somewhat disorganized, as the rupiah exchange rate and inflation rose, and enterprises with foreign debts were compelled to repay them in multiples of their original sums. In this study, researchers conducted tests using the eviwes 10 application and the ECM (Error Correction Model) approach, with data on the growth rate of exports, imports, and economic growth obtained from the World Bank from 1990 to 2019. The data acquired in the form of numbers that are analyzed and display the status of being stationary. Exports are stationary with a probability of 0.0000, where the value is less than 5%, imports are stationary with a probability of 0.0021, where the value is less than 5%, and manufacturing is stationary with a probability of 0.0021, where the value is < 5%, and GDP or economic growth is 0.0147, which is less than 5%.

Keywords: Export, GDP, Import, Manufacturing

1. INTRODUCTION

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Development in developing countries, such as Indonesia, places a greater emphasis on economic development, because if a country's economy sees considerable or continuous growth on occasion, it will lead to development success in a variety of other areas. Economic development is dependent on economic growth since economic growth is fostered by economic development and vice versa. Economic growth will play a crucial role in aiding economic development. Economic growth can also be defined as a development in the type of economic activity that leads to commodities exchange in goods and services and higher communal production.

High and sustainable economic growth is a condition for ongoing economic development. Mustika, Haryadi and Siti Hodijah (2015) state that Economic growth is one of the long-term economic difficulties of a country, characterized by a country's improvement over a period of time, and is also related with an economy's expanding production capacity, which manifests itself as an increase in national income. The importance of economic growth to the success of economic development cannot be overstated. In macro analysis, economic growth attained by a nation is quantified by examining the nation's real national income. Economic growth indicates the amount to which economic activity will provide greater income for a community within a specified time frame. Because economic activity is essentially a process of using production factors to produce output, which results in a flow of compensation for community-owned production factors. It is anticipated that people's income as a component of production will expand in tandem with economic expansion.

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The Indonesian government's efforts to increase economic growth apply an inward-looking and outward-looking strategy in the development of its industry. The inward-looking policy is a development strategy that places greater emphasis on domestic substitutes for imported goods. In addition, there are other development policy strategies, namely outward looking policies which emphasize more on efforts to encourage the creation of free trade through export promotion strategies. The rate of economic growth and the growth rates of all macroeconomic variables are dependent on the rate of innovation growth. In an increasing number of economies, innovation is the primary driver of economic expansion. Innovation involves the introduction of new products or services as well as new models. Because the greater an innovator's ability to share and collaborate, the greater the innovation output, and thus the increase in the economy's total production. In the process of innovation-based economic growth, social capital plays a significant role in innovation.

In increasing a growth, there needs to be a linkage or social capital connection for innovation activities, and innovation for economic growth activities. Global economic competition that is happening in most countries in the world, including Indonesia, shows that the balance of a country's economy cannot only rely on the private sector but also the contribution of the government sector is very reliable. Specifically government expenditure, government investment that can create jobs, and net exports that can boost national GDP.

The ability of a country to raise its output at a development rate that is faster than its rate of population growth is one of the most crucial aspects of economic growth. (Safari & Fikri, 2016). Additionally, there is the gross domestic product (GDP) or national income. On the one hand, an increase in national income (GDP) will increase people's purchasing power or purchasing power to be interested in importing, and on the other hand, an increase in national income will increase the community's ability to always carry out the production process that can ultimately be exported abroad. Gross Domestic Product (GDP) is the price of goods and services produced in an economy or the value of goods and services produced within a specific time period (Nopiana et al., 2022). For developing countries such as Indonesia, the increase in imports if it exceeds the increase in exports will make the domestic economy weaken (Dewi, 2018). Based on the above background, this study aims to determine and analyze the influence of exports, imports, and manufacturing in Indonesia in the period 1990-2019.

2. LITERATURE REVIEW

2.1. Economic Growth Theory

Recognizing Economic Growth According to Boediono in (Fajri, 2016), "economic growth is the long-term process of raising per capita output." The focus is on three factors: the process, the output per capita, and the long-term." This section focuses on the dynamic features of an economy. Thus, Economic growth evaluates the success of an economy's development. The capacity of a country to generate products and services will expand from one time to the next. This enhanced capability results from the incorporation of both qualitative and quantitative production elements. Investment will increase capital goods, and technology utilization will also increase. In addition, the workforce grows as a result of population growth and the improvement of individuals' education and abilities. As defined by Arsyad (2005) that "The key distinction between economic growth and

economic development is that the level of per capita income continues to rise during economic development, whereas economic growth is not necessarily followed by an increase in per capita income." Economic growth is defined as an increase in Gross Domestic Product/Gross National Income, regardless of whether the increase is bigger or smaller than the population growth rate or whether there are changes in the economic structure. Economists have struggled for a long time to comprehend the concept of economic growth in a country or culture. We can explore several ideas of economic growth derived from their reasoning. The theory of economic growth can be divided into a number of categories, including classical theory, neoclassical theory, neokeynes theory, W.W. Rostow theory, and Karl Bucher theory (Lucyani, 2009)

Since the 17th century, the classical theory of economic growth has been developed. Adam Smith and David Ricardo are the two individuals who have had the greatest impact on the development of this classical theory. Adam Smith, according to Economic Growth Theory, is a legendary figure who writes extensively about economic theories, particularly economic growth (Economics & Economics, 2018). "The Theory of Economic Development" by Joseph A. Schumpeter explores the importance of entrepreneurs in economic growth. determined that the economic expansion process is fundamentally an invention process carried out by innovators and entrepreneurs (Joseph A Schumpeter, 2003).

- 1) Economic Growth according to Robert Solow Robert Solow contends that Economic Growth is a set of actions resulting from four primary factors: people, capital accumulation, modern technology, and outputs.
- 2) Neokeynes theory
 - Roy F. Harrod and Evsey D. Domar are names associated with the Neokeynes theory. The perspectives of the two figures concern the impact of investment on aggregate demand and production capacity expansion. Because this investment can subsequently contribute to economic expansion. According to this Neokeynes hypothesis, investment is a crucial factor in determining economic growth success.
- 3) WW Rostow theory
 - He discussed economic growth and Development Theory with detail. In one of his books titled The Stages of Economics: A Non-Communist Manifesto, he expresses a variety of ideas. In the book, Rostow employs a historical perspective to describe the economic development of a society. According to him, the process of economic growth in a society involves several stages, including:
 - a) Traditional society
 - b) Preconditions for take off
 - c) The take-off stage
 - d) Maturity
 - e) high mass consumption (Mohammadi et al., 2017)

Karl Bucher's Theory Like Rostow, Karl Bucher has his own opinion regarding the stages of economic development that occur in a society. Karl Bucher identified the following phases of economic growth:

- a) Production for own requirements (closed household)
- b) The economy as a means of expanding market product exchange (city households)
- A national economy where trade plays an increasingly significant role (country households)
- d) Commerce that has expanded across international borders (world households).

2.2. Export Theory

Description of Export activity is a trading system that involves releasing goods from within the country for export while adhering to all applicable regulations. Exports are the total amount of goods and services sold from one country to another in a given year, including goods, insurance, and services. Export activity is a trading system that involves the shipment of goods and/or services from within the country to foreign markets in accordance with the applicable regulations.

The total goods and services sold by a country to other countries, which are included in exports, such as insurance and services, in a given year. Exports are one of the economic sectors that play a significant role through market expansion between several countries. What is known is the Function of the Export Sector. Exports are one of the economic sectors that contribute significantly to the expansion of the industrial sector's market, hence boosting other industrial sectors and the overall economy (Wibowo, 2018). Exports are also very influential on the rupiah exchange rate, which causes the rupiah exchange rate to weaken or strengthen, depending on whether the export sector expands the market for certain goods across the ocean. According to classical economists, an industry can grow rapidly if it can sell its products across the ocean, rather than only in a domestic market.

Exports generate an increase in demand. As a result, items on the home market seek improvements designed to boost productivity. Expansion of export activities facilitates development because certain industries grow without requiring as much investment in social capital as would be required if these goods were sold domestically, as a result of, for example, the narrowness of the domestic market as a result of low real income levels or adequate transportation links. Procedures for Export Export processes are necessary stages or prerequisites for exporting commodities. In this instance, the export method involves the processing of export documentation, the preparation of export items, and financial considerations.

2.3. Import Theory

Import is the process of bringing goods from one country into the customs area, which involves two countries, in this case often represented by the interests of two companies from each country, as well as distinct rules and regulations. One country operates as the exporter (provider), while others serve as the importer or receiving country. In another definition, import is the process of importing items from outside Indonesia's territory or the customs area into Indonesia's territory or the customs area.

Import is the act of entering products into the customs area, whether by individuals or legal entities, through means of transportation that have passed state borders, and who are required to meet customs requirements, such as the payment of import duties and taxes. According to Law Number 17 of 2006 of the Republic of Indonesia governing import customs, it is the act of bringing goods into the customs area.

2.4. Manufacturing Theory

Manufacturing is a Latin word that, when defined broadly, refers to the transformation of raw materials into a product. The process of transforming raw resources into a finished product entails product design, material selection, and the manufacturing steps. In a more contemporary context, manufacturing entails the production of goods from raw materials using a variety of procedures, machines, and operations in accordance

with a well-organized plan for each action. All the objects we encounter are the result of diverse production processes (manufacturing).

Because in many countries the existence of manufacturing companies is very important because it helps create very significant jobs. In addition to these final products, manufacturing also involves activities where the manufactured products are used to make products. These products are machines that are used to make various kinds of products. For example, press machines to make sheet plates into car bodies, machines to make components, or sewing machines to produce clothes.

Although manufacturing engineering at various universities has its own characteristics, there is always a common part in these majors. Manufacturing engineering science is always based on manufacturing product manufacturing activities that involve various activities and resources as described above. If we look closely, the field of manufacturing engineering is actually a synergy (a mutually reinforcing combination) of the mechanical engineering and industrial engineering majors. From mechanical engineering, sciences related to product design and manufacturing process design are adopted, while from industrial engineering, sciences related to system management are adopted in the manufacturing industry (industry that produces manufactured products).

Manufacturing engineering deals with manufactured products. What is meant by manufactured products here are products whose manufacture goes through various manufacturing processes. As an illustration, let's look and examine some objects around us: chair, stapler, pencil, calculator, telephone, dispenser. We will soon realize that all these objects have different shapes. We will not be able to find these objects in this world as if they were just available in our room. These objects have been transformed (created/made) from various materials and assembled to become objects that we use every day. All the objects that we encounter are made through various processes which refers to manufacturing.

These final products, manufacturing also involves activities where the products made are used to make products. These products are machines that are used to make various kinds of products. For example, press machines to make sheet plates into car bodies, machines to make components, or sewing machines to produce clothes. Manufacturing is a human activity that covers all phases of life. Computer Aided Manufacturing International (CAM-I) defines manufacturing specifically, which is redefined by John A. Schey (2009), as a sequence of interconnected operations encompassing design, material maintenance, planning, production, quality assurance, management, diverse consumer marketing, and long-lasting items. The concept of the manufacturing process is a series of integrated production activities to transform a raw product into a new product with a higher value. Gasperz (2004) explains manufacturing activities in his book entitled "Production Planning and Inventory Control", that an activity can be said to have added value if the addition of several inputs to the activity will provide added value for products (goods and / or services) as desired by consumers. . There are two types of flow that need to be considered when designing a manufacturing process. Further, Gasperz (2009) argues that there are two types of flow, namely the flow of materials or semi-finished goods and the flow of information.

The flow of materials or semi-finished goods occurs when there is an activity of moving materials from one work station to the next, or from several work stations to storage areas, or vice versa. During the material flow, there is a change in the amount of

labor and/or capital, because effective and efficient labor and/or equipment are needed to move the goods.

3. RESEARCH METHODS

3.1. Data Types and Sources

The type of data used in this study is time series data or what is commonly referred to as time series data. Time series data is data of one object covering several time periods such as quarterly, annual, and so on, namely data in the form of units of account, concerning GDP, Exports, Imports, and Manufacturing in Indonesia. The data coverage is Indonesia for the period 1990-2019 (Hodijah & Angelina, 2021).

3.2. Data analysis method

This study employs the Error Correction Model as its analytic approach (ECM). This analysis is conducted to investigate the impact of the independent variables Manufacturing, exports, and imports on the dependent variable Economic Growth (GDP) 1990-2019. Since the 1960s, ECM has been frequently used in econometric analysis of time series data, according to Insukindr. This is due to ECM's ability to cover more variables for the analysis of short-term and long-term economic phenomena, to examine whether the empirical model is consistent with econometric theory, and to find solutions to the problem of non-stationary time series variables and linear regression in econometric analysis. If Yt and Xt are cointegrated, then the two variables have a long-term link. There may be an imbalance (disequilibrium) between the two variables in the short term. If and are cointegrated according to the Granger Representation Theorem, the nature of their short-term relationship can be represented using the Error Correction Model (ECM).

4. RESULTS AND DISCUSSION

4.1. Research Results

4.1.1. Stationarity Test

Table 1. GDP Unit Root Test results

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistics		-3.525048	0.0147
Test critical values:	1% level	-3.689194	
	5% level	-2.971853	
_	10% level	-2.625121	

Source: Eviews 10, processed

Based on the results of the stationarity test for the GDP variable above, it is stationary at the first difference level at 5% alpha or 0.05. Which can mean that there is stationarity

Table 2. Unit Root Test Export Results

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistics		-6.155926	0.0000
Test critical values:	1% level	-3.689194	ļ
	5% level	-2.971853	3
	10% level	-2.625121	

Source: Eviews 10, processed

Based on the results of the stationarity test, the export variable above has been stationary at the first difference level at alpha 5% or 0.05.

Table 3. Unit Root Test Import Results

		t-Statistic	Prob.*
Augmented Dickey-F Test critical values:	Fuller test statistics 1% level	-4.602116 -3.689194	0.0011
	5% level 10% level	-2.971853 -2.625121	

Source: Eviews 10, processed

Based on the results of the stationarity test of the imported variables above, it is stationary at the first difference level at alpha 5% or 0.05.

Table 4. Manufacturing Unit Root Test Results

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistics		-4.327635	0.0021
Test critical values:	1% level	-3.689194	
	5% level	-2.971853	
	10% level	-2.625121	

Source: Eviews 10, processed

Based on the results of the stationarity test, the manufacturing variable above is stationary at the first difference level at alpha 5% or 0.05.

Table 5. Long-Term ECM (Error Correction Model)

Dependent Variable: GDP Method: Least Squares Date: 06/24/22 Time: 14:56 Sample: 1990 2019 Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EXPORT IMPORT MANUFACTURE C	1.33E-05 1.154660 3.687586 -6.75E+10	9.32E-05 0.737256 0.938127 4.54E+10	0.142474 1.566159 3.930798 -1.485796	0.8878 0.1294 0.0006 0.1494
R-squared Adjusted R-squared SE of regression Sum squared resid Likelihood logs F-statistics Prob(F-statistic)	0.978936 0.976505 5.45E+10 7.72E+22 -782.0642 402.7771 0.000000	Mean depender SD depender Akaike info Schwarz crit Hannan Quin Durbin-Wats	nt var criterion erion nn Criter.	4.68E+11 3.56E+11 52.40428 52.59110 52.46404 0.314770

From the test results above, it shows that exports are positive but not significant to GDP because the export coefficient value of 1.33E-50 shows a positive value but on the probability it shows the number 0.8878 where the value is more than 5% then we look at imports, namely the value is 1.54660 where the value it shows a positive value but the probability value shows an insignificant value because it is more than 5%, which is worth 0.1294, then on the manufacturing variable where the coefficient value of 3.687586 shows a positive value while the probability value is significant at 0.0006 where the value is less than 5%.

4.1.2. Cointegration Test

Tables 6. Cointegration Test Results

Date: 06/08/22 Time: 14:37 Sample (adjusted): 1993 2019

Included observations: 27 after adjustments
Trend assumption: Linear deterministic trend

Series: EXPORT IMPORT MANUFACTURING GDP

Lags interval (in first differences): 1 to 2

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistics	0.05 Critical Value	Prob.**
None *	0.740961	69.02112	47.85613	0.0002
At most 1 *	0.574913	32.55014	29.79707	0.0235
At most 2	0.267302	9.452653	15.49471	0.3252
At most 3	0.038323	1.055068	3.841466	0.3043

Source: Eviews 10, processed

The cointegration result above can be read by comparing the Trace Statistics value with the critical value at the 5% or 1% confidence level. The Trace Statistics value is greater than the critical value at the 5% or 1% confidence level, namely (69.02110 > 47.85613) (32.55014 > 29.79707) (9.452653 < 15.49471), (1.055068 < 3.841466). And also greater than the Eigenvalue. So it can be concluded that the four variables are not cointegrated with each other.

Table 7. Causality Test Results

Date: 06/08/22 Time: 21:44 Sample: 1990 2019 Lags: 2			
Null Hypothesis:	Obs	F-Statistics	Prob.
EXPORT does not Granger Cause GDP GDP does not Granger Cause EXPORT	28	2.87820 13.6756	0.0766 0.0001
IMPORT does not Granger Cause GDP GDP does not Granger Cause IMPORT	28	2.80871 13.9649	0.0810 0.0001
MANUFACTURING does not Granger Cause GDP GDP does not Granger Cause MANUFACTURIN	28	3.64362 2.82408	0.0422 0.0800
IMPORT does not Granger Cause EXPOR EXPOR does not Granger Cause IMPORT	28	2.05516 1.63380	0.1509 0.2170
MANUFACTURING does not Granger Cause EXPOR EXPOR does not Granger Cause MANUFACTURE	28	9.13129 0.85023	0.0012 0.4403

Source: Eviews 10, processed

28

10.3430

2.10055

0.0006

0.1453

1) EXPORT = f(GDP)

IMPORT

GDP does not Granger Cause EXPORT

H0 = EXPORT does not affect GDP

H1 = EXPORT Affects GDP

MANUFACTURING does not Granger Cause

IMPORT does not Granger Cause MANUFACTURING

As can be seen, the F Statistical Value > F table, Ho is accepted and H1 is rejected, meaning that EXPORT affects GDP.

2) IMPORT = f(GDP)

GDP does not Granger Cause IMPORT

H0 = GDP does not affect imports

H1 = GDP Affects IMPORT

F Statistical Value > F table, Ho is rejected and H1 is accepted, meaning that GDP affects IMPORT.

3) MANUFACTURING = f (GDP)

GDP does not Granger Cause MANUFACTURING

H0 = GDP does not affect MANUFACTURING

H1 = GDP Affects IMPORT

Because the F Statistical Value > F table then H0 is rejected and H1 is accepted, meaning that GDP affects MANUFACTURING.

4) IMPORT = f(EXPORT)

EXPOR does not Granger Cause IMPORT

H0 = EXPORT DOES NOT AFFECT IMPORT

H1 = EXPORT Affects IMPORT

As can be seen, the F Statistical Value > F table then H0 is rejected and H1 is accepted, meaning that EXPOR affects IMPORT.

5) MANUFACTURING = f (EXPOR)

EXPOR does not Granger Cause MANUFACTURING

H0 = MANUFACTURING DOES NOT AFFECT EXPORT

H1 = MANUFACTURING AFFECTS EXPORT

Here, the F Statistical Value > F table then H0 is rejected and H1 is accepted, meaning that EXPORT affects MANUFACTURING

6) MANUFACTURING = f (IMPORT)

IMPORT does not Granger Cause MANUFACTURING

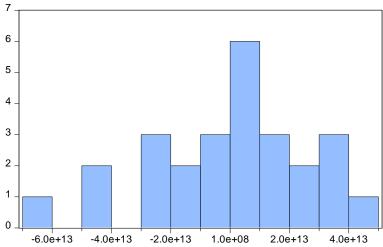
H0 = IMPORT DOESN'T AFFECT MANUFACTURING

H1 = IMPORT AFFECTING MANUFACTURING

As can be seen, the F Statistical Value > F table then H0 is rejected and H1 is accepted, meaning that EXPORT affects IMPORT.

4.1.3. Classic Assumption Test

1) Normality Test



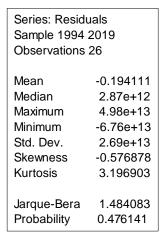


Figure 1. Normality Test Results

JOURNAL OF HUMANITIES, SOCIAL SCIENCES AND BUSINESS | JHSSB https://ojs.transpublika.com/index.php/JHSSB/ E-ISSN: 2810-0832 Noemality occurs when the probability value is less than the Jarque-Bera value where if we look at the test results that we get, the probability value is 0.476141 while the Jarque-Bera value is 1.484083 with us knowing the results of both are where we get results which show that the data processed normally distributed.

2) Heteroscedasticity Test

Table 9. Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistics	2.145008	Prob. F(3,26)	0.1188
Obs*R-squared	5.951922	Prob. Chi-Square(3)	0.1140
Scaled explained SS	4.629706	Prob. Chi-Square(3)	0.110

From the results of the heteroscedasticity test in the f-statistics table of 0.1188 where above 5% indicates that there is no problem in the heteroscedasticity test

3) Autocorrelation Test

Table 10. Autocorrelation Test Results

Breusch-Godfrey Serial Correlation LM Test:

F-statistics	28.67103	Prob. F(2.24)	0.0000
Obs*R-squared	21.14849	Prob. Chi-Square(2)	0.0000

From the results of the autocorrelation test, it shows that the effect of autocorrelation between the dependent and independent variables is 0.0000 which shows the number is less than or smaller than 5%, then the autocorrelation is positive.

4) Multicollinearity Test

Table 11. Multicollinearity Test Results

Variance Inflation Factors Date: 06/24/22 Time: 14:23

Sample: 1990 2019 Included observations: 30

Variable	Coefficient	Uncentered	Centered
	Variance	VIF	VIF
EXPORT	8.68E-09	179.8785	28.97563
IMPORT	0.543546	95.24000	28.79780
MANUFACTURE	0.880082	142.9585	42.81734
C	2.06E+21	20.82567	NA

From the results above, it shows that of the 3 variables the value is more than 10 where exports show 28.97563, imports show 28.79780, and manufacturing shows 42.81734 where this number shows results more than 10.

4.2. Discussion

In Indonesia, export and import commodities are important which can affect GDP but there are also companies that can affect the Indonesian economy where there are large manufacturing companies or companies that can make people have jobs Where if unemployment decreases and the average income of the population increases it will indirectly affect economic growth where economic growth will increase. In addition, if economic growth increases, the purchasing power and selling power of the community will also increase indirectly.

The results of the long-term ECM test show that exports have a positive but not significant value because each export is also influenced by the selling power of the people who have not continued in running a business and also problems that may be faced such as geography. My research is the same as the research from ISHAQ in which it also states that positive exports are not significant to economic growth because there are some commodities from year to year that experience a decline, such as cocoa and wood commodities and wood products. If export activities increase in a region or in a country, it will provide very large foreign exchange which will encourage economic growth in a region, and if exports in a region decline, there will be a trade balance deficit (ISHAQ, 2021)

Then on imported commodities in my research, it shows that positive imports are not significant to economic growth as well as research, but it is different from the research of Muhammad Adnan, Yulindawati, Mifda Fernandi (2022) which states that the import variable has a negative and significant effect on economic growth (Astuti & Ayuningtyas, 2018).

In contrary to the effect or calculation findings indicating that manufacturing has a major beneficial impact on economic growth, manufacturing is a large company that can influence the unemployment rate of a country. The reason manufacturing can affect the rate of economic growth is because a manufacturing company or a company that requires a lot of time or people will involve and also require a lot of people, therefore, for instance, there is a company that stands up and accelerates, so it will definitely increase the rate of economic growth, one of which is because there is an increase in the level of community income and a decrease in unemployment, therefore more people have jobs.

5. CONCLUSION

According to the findings, a variety of internal and external factors influence the rate of economic growth. Manufacturing companies are one of the variables that affect economic growth because the existence of manufacturing or a company that requires a lot of time or people will involve and also require a lot of people, so for instance, there is a company that stands and accelerates so that it can even increase the growth rate. One of the causes for the growth of the economy is the increase in people's earnings and the decline in unemployment; as a result, more people have jobs and income, which can boost community welfare. As for other elements, particularly imports, according to the findings of experts' studies, imports are significantly positive, meaning that they have a favorable short-term influence but not a long-term one. Meanwhile, export commodities where exports effect positively but not permanently, since the probability value is more than or equal to α 5%.

In light of the fact that there are a large number of people without work in Indonesia and therefore a significant drag on the country's economy, the author suggests that the

number of manufacturing enterprises operating in the nation be increased or opened. This would provide those who had previously been without employment with the opportunity to find gainful employment and contribute to the expansion of the country's economy. In addition, economic actors must strengthen the selling power of their products and services in order to increase exports and international sales in order to extend the market.

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