

TABLE OF CONTENT

| | |
|--|------|
| ACKNOWLEDGEMENT | v |
| TABLE OF CONTENT | vii |
| LIST OF TABLE | ix |
| TABLE OF FIGURE | x |
| TABLE OF APPENDIX | xi |
| ABSTRACT | xii |
| INTISARI | xiii |
| I. INTRODUCTION | 1 |
| 1. 1 General Background | 1 |
| 1. 2 Problem Formulation | 4 |
| 1. 3 Research Objectives | 4 |
| 1. 4 Research Benefits | 4 |
| II. LITERATURE REVIEW AND THEORETICAL FOUNDATION | 5 |
| 2. 1 Literature Review | 5 |
| 2. 2 Theoretical Foundation | 6 |
| 2. 2. 1 Investment | 6 |
| 2. 2. 2 Interest Rate | 8 |
| 2. 2. 3 Exchange Rate | 10 |
| 2. 3 Framework | 11 |
| 2. 4 Hypothesis | 12 |
| III. RESEARCH METHODOLOGY | 13 |
| 3. 1 Base Method | 13 |
| 3. 2 Location and Sampling Method | 13 |
| 3. 3 Data Collection Technique | 14 |
| 3. 4 Limitation of Study | 14 |
| 3. 5 Definition and Measurement of Variables | 15 |
| 3. 6 Analytical Method | 15 |
| 3. 6. 1 Agricultural Sector Investment Trends in Indonesia | 15 |
| 3. 6. 2 Determinant Factors of Agricultural Sector Investment in Indonesia | 16 |
| A. Classical Assumption Test | 17 |
| B. Statistical Test | 20 |
| IV. GENERAL CONDITION OF INVESTMENT IN INDONESIA | 23 |
| 4. 1 General Condition of Investment in Indonesia | 23 |
| 4. 2 General Condition of the Economy in Indonesia | 25 |
| 4. 3 Development of Interest Rates in Indonesia | 26 |
| 4. 4 Development of Interest Rates in United States of America | 27 |
| 4. 5 Development of Agricultural Sector Investment in Thailand | 28 |
| 4. 6 Development of Exchange Rate | 30 |
| V. RESULT AND DISCUSSION | 31 |
| 5. 1 Agricultural Sector Investment Trends in Indonesia | 31 |
| 5. 2 Determinant Factors of Agricultural Sector Investment in Indonesia | 33 |
| a. Indonesia Interest Rate | 36 |
| b. United States Interest Rate | 37 |



| | |
|--|----|
| c. Agricultural Sector Investment in Thailand..... | 37 |
| d. Rupiah Exchange Rate..... | 37 |
| VI. CONCLUSION AND RECOMMENDATION..... | 39 |
| 6. 1 Conclusion | 39 |
| 6. 2 Recommendation | 39 |
| REFERENCES | 40 |
| APPENDIX..... | 47 |