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Does Portfolio Rebalancing Explain the Weak Rate-Sensitivity of Construction Credit in Indonesia? Evidence from a Seven-Variable VECM, 2004-2024
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Universitas Gadjah Mada, 2026 | Diunduh dari http://etd.repository.ugm.ac.id/

ABSTRACT

Prior evidence shows Bank Indonesia's policy rate has a negligible direct effect on construction credit, raising the question of how monetary policy reaches the sector. This study tests whether a bank portfolio rebalancing channel, in which rate changes induce banks to shift between government securities (SBN) and construction lending, explains that weak link. Using 252 monthly observations from January 2004 to December 2024, a seven variable VECM estimates long-run cointegrating relationships and traces dynamic responses through impulse response and forecast error variance decomposition. The results offer partial and qualified support for the rebalancing hypothesis. The system is cointegrated, with government securities holdings significant in all three long-run relationships. However, government securities holdings decline rather than rise following a rate shock, with the negative response persisting across the full forecast horizon: construction credit's response to a securities-holdings shock turns negative only after about twelve months, rather than immediately, the construction credit equation does not show a clean negative-and-significant error-correction term; and the policy rate's direct contribution to construction credit's forecast error variance stays near zero (0.003 to 0.009 percent), smaller than in prior work. The most robust finding concerns the exchange rate: its share of construction-credit variance grows from about 9 percent at twelve months to roughly 20 percent at thirty six months. Whether the indirect effect of the policy rate, transmitted through government securities holdings, exceeds its direct effect could not be determined, as a formal mediation decomposition was beyond the study's scope. The findings are robust to re-estimation at rank two and to four alternative crisis-window definitions. They are more sensitive to which government securities holdings are included: SBI/SRBI alongside SBN shows a substantial increase in the effect of securities holdings towards construction credit. Overall, the evidence reframes rather than confirms the rebalancing account: construction credit's weak rate-sensitivity appears to reflect exchange-rate and external-financing conditions at least as much as government securities crowding out.

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ABSTRAK

Suku bunga kebijakan Bank Indonesia hampir tidak berpengaruh langsung terhadap kredit konstruksi. Penelitian ini menguji apakah pengaruh tersebut berjalan secara tidak langsung, yaitu ketika kenaikan suku bunga mendorong bank memindahkan dananya dari kredit konstruksi ke surat berharga negara (SBN). Dengan menggunakan 252 data bulanan dari Januari 2004 hingga Desember 2024, penelitian ini menerapkan model VECM tujuh variabel. Hasilnya memberikan dukungan yang terbatas terhadap hipotesis tersebut. Kepemilikan surat berharga negara terbukti signifikan dalam hubungan jangka panjang, tetapi arah pengaruhnya tidak sesuai dugaan: kepemilikan SBN justru menurun setelah suku bunga naik, dan pengaruh terhadap kredit konstruksi baru muncul setelah sekitar dua belas bulan. Pengaruh langsung suku bunga terhadap kredit konstruksi tetap sangat kecil (0,003 hingga 0,009 persen). Temuan yang paling kuat justru berkaitan dengan nilai tukar, yang menjelaskan sekitar 9 persen ragam kredit konstruksi pada dua belas bulan dan meningkat menjadi sekitar 20 persen pada tiga puluh enam bulan. Hasil penelitian tetap konsisten ketika model diuji ulang pada rank dua dan dengan empat definisi periode krisis yang berbeda. Namun, hasil berubah cukup besar ketika SBI dan SRBI ikut dihitung bersama SBN, di mana pengaruh kepemilikan surat berharga terhadap kredit konstruksi menjadi jauh lebih besar Secara keseluruhan, penelitian ini lebih membingkai ulang daripada mengkonfirmasi hipotesis penyeimbangan portofolio: lemahnya keterkaitan antara suku bunga dan kredit konstruksi tampaknya lebih dipengaruhi oleh nilai tukar dan kondisi pembiayaan eksternal.