

## TABLE OF CONTENTS

TITLE.....	i
AUTHORIZATION.....	ii
STATEMENT OF WORK'S ORIGINALITY.....	iii
ACKNOWLEDGEMENTS.....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
ABSTRACT.....	ix
INTISARI.....	x
<b>CHAPTER I. INTRODUCTION.....</b>	<b>1</b>
1.1 Background.....	1
1.1.1 Investment.....	2
1.1.2 Price.....	4
1.2 Problem Formulations.....	7
1.3 Research Questions.....	8
1.4 Research Objectives.....	8
1.5 Benefit of the Research.....	9
1.6 Scope and Boundaries of research.....	9
1.7 Structure of the Thesis.....	9
<b>CHAPTER II. THEORETICAL FOUNDATIONS.....</b>	<b>11</b>
2.1 Theoretical Foundations.....	11
2.1.1 Infrastructure investment and economic growth.....	11
2.1.2 Price and subsidy.....	12
2.1.3 General Equilibrium Theory.....	13
2.2 Literature Review .....	15
2.3 Research Framework .....	18
<b>CHAPTER III. RESEARCH METHOD.....</b>	<b>19</b>
3.1 Data.....	19
3.2 Method.....	20
3.2.1 Computabel general equilibrium model.....	20
3.2.2 Advantages and limitations of CGEM.....	21

3.2.3 Recursive dynamic computable general equilibrium model.....	24
3.2.3.1 Production.....	25
3.2.3.2 Income and saving .....	25
3.2.3.3 Demand .....	27
3.2.3.4 Producer supplies of products and international trade.....	27
3.2.3.5 Prices.....	28
3.2.3.6 Equilibrium.....	29
3.2.3.7 Gross domestic product.....	29
3.2.3.8 Real variable from price indices.....	30
3.2.3.9 Dynamic equations .....	30
3.2.4 CGE Structure.....	31
3.2.5 Computation.....	32
3.2.6 Simulation Scenario.....	33
<b>CHAPTER IV. RESULT AND DISCUSSION.....</b>	<b>35</b>
4.1 Economic Wide Impact on Investment Policy.....	35
4.2 Economic Wide Impact on Pricing Policy.....	39
<b>CHAPTER V. CONCLUSION AND RECOMMENDATION.....</b>	<b>43</b>
5.1 Conclusion.....	43
5.2 Recommendation.....	43
References.....	45
Appendix.....	50