

ABSTRACT

This paper aimed to look at the behaviour of Indonesian currency in terms of Rp/US\$ during the period of Inflation Targeting Framework (ITF) implementation, which consider the effect of shock in year-on-year inflation, BI rate, GDP, and foreign reserves to the movement of the currency itself. The variables that are taken into account in this paper would be the change nominal currency in Rp/US\$, inflation, BI rate, growth in Gross Domestic Product, and change in the value of foreign reserves. The time period that will be used would be on monthly basis from Juli 2005 to December 2014.

This paper used three methodology, which includes descriptive statistics analysis, Impulse Response Function (IRF) analysis on Vector Error Correction Model (VECM), and Ordinary Least Square (OLS) regression.

The outcomes from this paper shows that the movement of the Indonesian currency in terms of Rp/US\$ during the period of ITF implementation have a very high fluctuations and a tendency of being depreciated during the course of observation. Meanwhile, the response of Indonesian currency towards a shock in inflation, BI rate, and growth in foreign reserves shows a positive one, while it would show a negative response towards economic growth in terms of GDP. Another point from this paper would be that any movement in the Rp/US\$ relationship would have no significance towards inflation realisation during the ITF period. Therefore it can be concluded that with the implementation of ITF is not yet to be seen as effective.

Key words: inflation targeting framework, currency, inflation, descriptive statistics analysis, Impulse Response Function (IRF), Ordinary Least Squares (OLS).

INTISARI

Penelitian ini bertujuan untuk melihat perilaku kurs Rp/US\$ selama implementasi *Inflation Targeting Framework*, mengetahui pengaruh guncangan (*shock*) pada pergerakan inflasi, *BI rate*, GDP, dan cadangan devisa terhadap kurs Rp/US\$, dan mengetahui adakah pengaruh pergerakan kurs Rp/US\$ terhadap penentuan inflasi. Variabel-variabel yang digunakan dalam penelitian ini adalah pertumbuhan kurs nominal Rp/US\$, inflasi, *BI rate*, pertumbuhan ekonomi, dan pertumbuhan cadangan devisa. Data yang digunakan dalam penelitian ini adalah data bulanan dari Juli 2005 hingga Desember 2014.

Penelitian ini menggunakan tiga metode yaitu analisis data deskriptif, analisis *Impulse Response Function* (IRF) pada *Vector Error Correction Model* (VECM), dan regresi *Ordinary Least Squares* (OLS).

Penelitian ini menunjukkan bahwa pergerakan kurs Rp/US\$ selama implementasi *Inflation Targeting Framework* memiliki fluktuasi yang tinggi dan kecenderungan terdepresiasi. Sementara itu respon kurs Rp/US\$ terhadap *shock* pada inflasi, *BI rate*, dan pertumbuhan cadangan devisa adalah positif, sedangkan respon kurs Rp/US\$ terhadap *shock* pada pertumbuhan GDP adalah negatif. Kesimpulan selanjutnya adalah kurs Rp/US\$ tidak memiliki pengaruh yang signifikan terhadap penentuan inflasi selama penerapan sistem *inflation targeting framework*. Sehingga dapat disimpulkan bahwa implementasi *Inflation Targeting Framework* di Indonesia belum memberikan hasil yang maksimal.

Kata kunci: *inflation targeting framework*, kurs Rp/US\$, inflasi, analisis data deskriptif, *Impulse Response Function* (IRF), *Ordinary Least Squares* (OLS).