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EXPORT DETERMINANT OF MICRO, SMALL, AND MEDIUM ENTERPRISE PRODUCTS (MSMEs) IN INDONESIA WITH ERROR CORRECTION MODEL (ECM) APPROACH

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ABSTRACT

This study analyzes the relationship between The exchange rate of the rupiah against the US dollar, MSME growth, investment, MSME credit, and inflation all have an effect on MSME exports in Indonesia. The purpose of this study is to determine the extent to which the independent factors above have an effect on MSME product exports using multiple linear regression analysis. The Error Correction Mechanism (ECM) analytical approach was employed in this study, which covered the period 2010-2020. ECM analysis is capable of resolving short- to long-term imbalances. This study demonstrates that there is no such thing as a short-term-long-term equilibrium. Partially, the rupiah exchange rate against the US dollar, investment, and inflation all had a significant effect on the export of MSME products in Indonesia, while the rupiah exchange rate against the US dollar, MSME growth, and investment all had a significant effect on the export of MSME products in the short term. At various points in time (long and short term), it can be seen that the rupiah's exchange rate against the US dollar and investment had a substantial impact on MSME exports. Simultaneously, all variables had a major effect on the export of MSME products in Indonesia, both in the long and short term.

Keyword: The rupiah exchange rate against the US dollars, MSME growth, investment, MSME loans, inflation, MSME product exports, and Error Correction Model (ECM).

I. INTRODUCTION

MSMEs play a critical and strategic role in national economic development, particularly in terms of economic growth and employment. Throughout their existence, MSMEs have been unaffected by the crises that have happened within a country. this could be seen in 1997-1998, when Indonesia was hit by a crisis. The resilience and existence of MSMEs in the midst of the crisis has attracted the attention of the Government which therefore issued Act No. 20 of 2008 which became the legal umbrella in the activities and actions of MSMEs to carry out their activities. The following are the criteria for wealth and business income in Act No. 20 of 2008:

Table 1: MSME Criteria On the basis of assets and revenue

Business Size	Criteria	
	Assets (Excluding land & business buildings)	**Turnover** (in 1 year)
Micro business	Maximum Rp. 50 million	Maximum Rp. 300 Million
Small business	More than Rp. 50 million – Rp. 500 Million	More than 300 Million – Rp. 2.5 Billion
Medium Enterprise	More than Rp. 500 Million – Rp. 10 Billion	More than Rp.2.5 Billion – Rp. 50 Billion

Source: Act No. 20/2008 concerning Micro, Small, and Medium Enterprises

Table 1 explains that MSMEs consist of 3 types of businesses based on business capital and annual turnover, namely micro, small, and medium enterprises. The largest business structure of this MSME from year to year is micro-enterprise. Micro-enterprise is a resilient business in crisis or pandemic (covid-19). MSME is also an element that is able to move the wheels of the economy in a country, or in other words MSME is a very strategic way to achieve the goal of economic prosperity of a country.

MSME development in Indonesia during the last 6 years, 2015-2020 in Indonesia.

Table 2: MSME Growth in 2015-2020

Year	Number of MSMEs (Units)	Growth (%)
2015	57.895.721	2,41
2016	59.262.772	2,36
2017	61.651.177	4,03
2018	62.992.617	2,18
2019	64.194.057	1,91
2020	67.400.000	4,99

Source: Ministry of Cooperatives and SMEs, 2020

Based on Table 2, there was an increase in the number of MSMEs from 2015 to 2020, but the percentage of the increase fluctuated. The largest increase in the number of MSMEs was in 2017 and 2020. In 2017, there were 8 million MSME business units that had gone digital. This number is expected to continue to grow for the sake of business sustainability and progress in Indonesia. MSMEs' development would increase people's purchasing power and reduce unemployment. Researchers who discuss the development of MSMEs are Lalhriatchhungi and GP Prasain (2017), Priyadarshi Zanjurne (2018), Seth Kwaku Amoah and Alfred Kwabena Amoah (2018), Ebitu Ezekiel Tom (Ph. D), Basil and Glory Ufot, Juliet Alfred (2018), Claudiu Cicea et. al (2018), Aminu Bello, Adamu Jibir, and Ibrahim Ahmed (2018), Tulus Tambunan (2019) and Susanti (2020), Seyf Eddine Benbekhti et al. (2021).

The 4.0 industrial era is closely related to the use of technology in the industrial world. Various kinds of industrial activities have become easier and more effective. Along with that, the type of MSME business is growing and the

categories of these types of business also vary, starting from Culinary, Fashion, Technology, Cosmetics, Automotive, Souvenirs, Agribusiness, and others. Thanks to the 4.0 industrial revolution, various kinds of technology can be used by MSME actors in managing their businesses. Online customer service in the 4.0 industrial era has made it easier for the MSME products to not only reach domestic, but also foreign market.

MSME products can penetrate foreign markets (exports) with the following countries of destination:

Table 3: Indonesia's Export Countries ofDestination, 2014-2019 (Units in 1,000 USD)

Countries	Export Value	Proportion
China	$ 99,614,191	12,1 %
Japan	$ 94,520,215	11,5 %
USA	$ 85,282,099	10,4 %
Singapore	$ 66,390,192	8,1 %
India	$ 61,883,104	7,5 %
Republic of Korea	$ 42,998,025	5,2 %
Malaysia	$ 42,378,686	5,2 %
Thailand	$ 29,965,463	3,7 %
The Philippines	$ 26,533,064	3,2 %
Taiwan	$ 24,041,067	2,9 %
Netherlands	$ 18,617,914	2,3 %
Others	$ 227,693,394	27,8 %

Source: Trade Map – International Trade Center (ITC)

As illustrated in Table 3, China is Indonesia's largest export destination with the value of 99 billion USD (about 1.352 trillion Rupiah) and is followed by Japan, the United States and others. The contribution of MSME exports to national exports from various countries can be seen in the following figure:
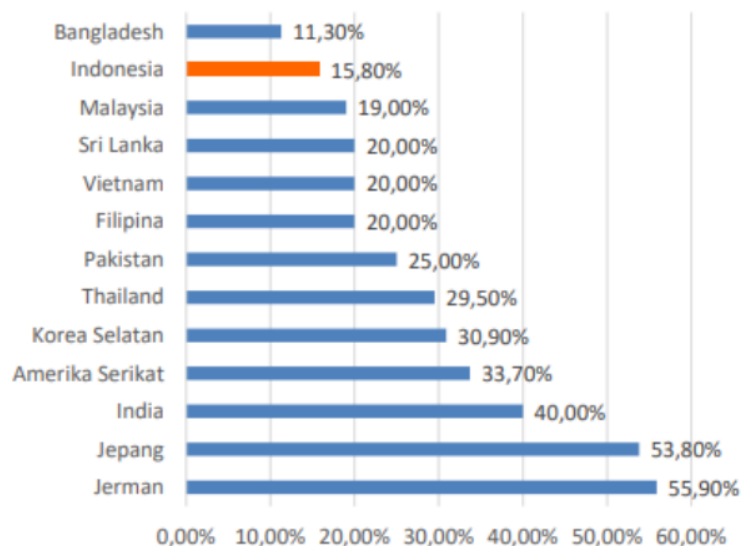
Source: Ministry of Trade, 2019

Figure 1: Contribution of the MSME Sector to National Exports

The picture above shows that the contribution of the MSME sector to national exports In comparison to other countries, Indonesia is still at a low level., which is 15.80% or around US$ 23 billion of total non-oil exports. This figure is also lower than other Asean countries. This, of course, should be of great concern to the government and business actors engaged in MSMEs, because export activities reflect the development of MSMEs themselves.

The cause of the low export value of MSMEs in Indonesia is often constrained by the inability of business actors to raise financial money for expansion and growth. Apart from it, other factors that support the development of MSMEs are economic and non-economic factors of a country.

Investigate the elements that influence export activities of a country's products are: Breckova, P. (2016), Yolanda (2017), Muhammad Imran et al (2017), Adam Pasrunet et al. (2017), Yusuf Kalayci Saleh and Ninal Altun (2017), Abdulakadir Said Mohamoud (2018), Wardhany Medha and Fauzul Azim (2018), Muhammad Adi Adrian (2018), Utami Putri Indah et al (2019), Thida Oo, Jerome Kueh, Daw Tin Hla (2019), Fauzian Akmal Ramli et al. (2020).

Based on the facts above,It is critical to do study into the factors affecting the export of MSME products, It in this context refers to the rupiah's exchange rate versus the US dollar and the growth of MSME.companies, investment, the availability of bank credit, and inflation. Besides that, what is the impact of the rupiah exchange rate/exchange rate on the growth of the rupiahMSME companies, investment, the availability of bank credit, and inflation for the short and long term?

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II. LITERATURE REVIEW

Export is the activity of moving goods from a country across its borders. This activity is also a way to expand the market of an item in international trade. These export activities can be influenced by internal and external factors of a country and export activities have an impact on the economy of a country. Some researchers state that exports can be influenced by several factors; namely by Yolanda (2017), Iman Naufal Mahadika et al (2017), Özgur Uysal et al (2018), Medha Wardhany and Fauzul Adzim (2018), Olubunmi Ipinnaiye et al (2017), Indah Utami Putri et al (2019), Thida Oo et al (2019), Deresse Dalango (2020). Meanwhile, according to Breckova (2016) in order for trade to be balanced, a country exports must be equal to its import demand from other countries.

The rupiah's exchange rate to the US dollar is a comparison between the value of the domestic currency and foreign currencies" Abimanyu (2004), Mankiw (2007), R. Serfianto D. Purnomo et al (2013), Mahyus Ekananda (2014). The form A Fixed Exchange Rate System, a Floating Exchange Rate System, or a Managed Floating Exchange Rate System are all examples of a country's exchange rate system., these three systems have been implemented in Indonesia. Foreign Exchange Rate can affect economic activity. One of the factors that can be influenced is export. There was a correlation between the foreign exchange rate and exports. investigated by Pasrun Adam et al (2017) and Fauzian Akmal Ramli et al (2020).

The growth of MSME, MSME is the economic engine and a stepping stone to industrialization for both industrialized and developing countries. According to research results from Fjose, Grunfeld & Green (2010), MSMEs are contributing 99% of the total business in developing countries. One of the criteria for this MSME is the number of workers employed. According to the According to the International Labor Organization (ILO) and the United Nations Development Program (UNDP), a micro-enterprise is defined as one that employs fewer than five employees, including the owner; a small business is defined as one that employs five to twenty employees; and a medium-sized business is defined as one that employs 21 to 99 employees.company. While The European Union (EU) in 1996 declared micro-enterprises to be less than 10 employees; small size, more than 10 but less than 50 people; and medium scale, more than 50 but less than 250 employees.

Investment is expenditures made by companies in purchasing capital goods and production equipment with the aim of replacing / adding capital goods for production activities. A commitment to a number of funds or other resources that is made at the present time with the intention of reaping a number of benefits in the future, according to Tandelilin (2013).

Credit is a form of activity from banks, in the form of providing money or bills based on the agreement of both parties (banks and the public who need funds) to return them within a certain period and the reward. According to Kasmir (2016), the provision of credit must meet the Character, capital, capability, collateral, and condition are the five C requirements, and there are seven P criteria (personality, party, purpose, prospect, payment, profitability, and protection). In addition to the 5 C's and 7 P's, other aspects are juridical/legal aspects, marketing aspects, financial aspects, technical / operational aspects,

management aspects, socio-economic aspects, and environmental impact assessment. This is aimed at the business continuity of the creditor and the the credit recipient.

Inflation occurs situationally and can either be short-term or long-term in a country. And some opinions state that inflation is an economic phenomenon that can have an impact on the economic activity of a country, either negatively or positivelyThe impact of inflation can be seen by the low purchasing power of the people and eventually affecting people's quality of life. Meanwhile, the positive impact of inflation is to encour increased production for companies. Thus, inflation can be inflation can be classified into three types: demand-pull inflation, cost-driven inflation, and import-driven inflation. The three types of inflation are seen from the factors that cause price increases that occur within a country. the relationship between the inflation rate and profitability is explained by Serhat Yükse et al (2018).whether inflation can be anticipated or not. If it can be anticipated, then the impact will be positive, if not, then it will be negative. Meanwhile, Olufemi A. Aluko (2018) stated that Inflation has a detrimental effect on the financial sector's stability. In addition, inflation is one of the main channels that allows it to influence bank operations and margins through interest rates.

III. RESEARCH METHODS

The Secondary data in the form of time series data were employed in this investigation, in compliance with the availability of data for each variable studied. This study uses data *quarterly time series* from 2010-2020. The data was obtained from various sources, namely The Bank Indonesia and the Financial Services Authority, as well as the Ministry of Finance Cooperatives and MSMEs, and the Indonesian Central Statistics Agency.

The data analysis technique used is Analyses of the Error Correction Model (ECM). ECM modeling is one technique for determining the relationship between non stationary variables. In a group of variables that are non stationary there is cointegration and the use of ECM modeling is considered valid. The ECM model can accommodate both short-term and long-term information in one model. The existence of Error Correction Term (cointegration vector) in one model can correct all deviations that will occur into a balance in the future. EVIEWS was utilized to process data in this investigation.

The procedures taken in this research are in the following manner:
1. **Data Stationerity Examine (Unit root test) and Integration Degree Test**
   This study uses data in a time series, which is frequently not stationary, causing spurious regression. For this reason, it is necessary to test the data with the data stationarity test or unit root test data. Testing the data first If the data is not steady at the level,then proceed to 1st difference. During the test, there are all variables whose ADF value Because it is higher than the MacKinnon value, it follows that all variables are stationary and can then go to the Cointegration Test stage.
2. **Cointegration Test with Engle-Granger**
   To test whether the resulting regression residual is stationary or not, a cointegration test is performed. Cointegration testing can be done with the

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Eangle Granger Test (Augmented Engle – Granger). The Engle-Granger test was carried out using the DF-ADF test. The stages are 1) Estimate the regression model 2) Calculate the residual 3) If the residual is stationary, it means that the regression is a cointegration regression.

3. **Error Correction Model (ECM)**

The Error Correction Model (ECM) method was used to analyze the data, with the goal of identifying long-term and short-term correlations that arise from cointegration of research variables. According to the prevailing theory, the formation of the ECM model begins with the formation of a long-term equation model.

The long-run The following is the regression equation::

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 \, \beta_5 X_5 + e_t$$

Notes:

Y	: MSME Exports (Billion Rupiah)
X1	: Rupiah exchange rate to US Dollar
X2	: MSME Growth (%)
X3	: Investment (Billion Rupiah)
X4	: Banking credit for MSMEs (Billion Rupiah)
X5	: Inflation (%)
α	: Constant
β	: Estimated coefficient of independent variable
e_t	: Standard Error year – t

ECT (t- 1) : residual

The equation of the short-term The following diagram illustrates the model.:

$$D(Y) = \alpha + \beta_1 \, D\,(X_1) + \beta_2 \, D\,(X_2) + \beta_3 \, D(X_3) + \beta_4 \, D\,(X_4) + \beta_5 \,(X_5) + \\ + ECT(t-1) + \mu_t$$

4. **Statistics Test**

The t test tries to determine the importance of the independent variable's effect on the dependent variable. partially / individually. The variable is said to have a significant effect, if the F test shows the relationship the relationship between the independent variables and the dependent variable If the probability number is less than $\alpha = 5\%$ then the relationship is significant or vice versa. The value of R^2 (R-square) shows that the variation that occurs The independent variables can be used to explain changes in the dependent variable.

5. **Classical Assumption Test**

Classical assumption test includes Multicollinearity, Heteroscedasticity, and The autocorrelation test is used to see if the estimated regression model is correct. *Best Linear Unbiased Estimator* (BLUE).

IV. RESULTS AND DISCUSSION

1. Unit Root Test and Integration to a certain extent

The variable data to be estimated is first tested for stationary The Augmented Dickey Fuller Test was used in this study. (ADF) assuming a critical value of 5%. The results of the unit root test at the level and 1st difference with ADF as seen in the table 4:

Table 4: The study's findings ADF test at the level and 1st difference of the determinants affecting MSME product exports.

Variable	Unit Root Test					
	Level			1st Difference		
	ADF	Prob.	Notes	ADF	Prob.	Notes
Y	0.069892	0.9596	Non stationary	-6.054379	0.0000	Stationary
LOGX1	-1.087751	0.7122	Non stationary	-6.709903	0.0000	Stationary
X2	-5.330989	0.0001	Stationary	-10.11765	0.0000	Stationary
LOGO X3	-1.074051	0.7172	Non stationary	-10.03181	0.0000	Stationary
LOGO X4	-1.248860	0.6442	Non stationary	-6.746005	0.0000	Stationary
X5	-2.176642	0.2174	Non stationary	-8.456247	0.0000	Stationary

Source: processed in 2021

At Level there are data that are non stationary and at the 1st difference, all data are stationary. In this case, It is a necessary. The cointegration test is used to determine provide an initial evidence of a long-term relationship (cointegration relationship) in the model utilized).

2. Cointegration test result:

Cointegration test is useful to ascertain whether or whether there is a long-term influence on the variables to be studied. The the outcomes of the stationarity examination of the residuals of thee quation of regression are as follows:

Table 5: Stationarity test results on the regression equation residual of MSME Product Exports

Null Hypothesis: RESID01 has a unit root
Exogenous: Constant
Lag Length: 0 (Automatic - based on SIC, maxlag=9)

	t-Statistics	Prob.*
Augmented Dickey-Fuller test statistics	-4.152251	0.0022
Test critical values: 1% level	-3.592462	
5% level	-2.931404	
10% level	-2.603944	

Source: Data processed in 2021

Based on table 5 above, the Residual value Resid0 (-1) is stationary at the level seen from Prob 0.0022 which is smaller than $\alpha = 0.05$ and this indicates that the model already has a long-term relationship.

3. Long-Term Estimate

The results of the Engle-Granger cointegration test produce long-term equations. The results of the Engle-Granger cointegration test are as follows:

Table 6 : Long-Term Estimation Test Results

Dependent Variable: Y
Method: Least Squares
Date: 06/15/21 Time: 15:14
Sample: 2010Q1 2020Q4
Included observations: 44

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	6.462264	0.950781	6.796798	0.0000
Ln X1	0.408602	0.151830	2.691177	0.0105
X2	-0.016791	0.041297	-0.406583	0.6866
Ln X3	0.148123	0.034737	4.264174	0.0001
Ln X4	0.038773	0.094646	0.409667	0.6844
X5	-0.044218	0.011400	-3.878923	0.0004

R-squared	0.872436	Mean dependent var		12.25342
Adjusted R-squared	0.855652	S.D. dependent var		0.262244
S.E. of regression	0.099635	Akaike info criterion		-1.648486
Sum squared resid	0.377230	Schwarz criterion		-1.405187
Likelihood logs	42.26668	Hannan-Quinn Criter.		-1.558259
F-Statistics	51.97816	Durbin-Watson stat		1.022352
Prob (F-statistic)	0.000000			

Source: Data processed in 2021

The long-term regression equation for the export of MSME products in Indonesia is :

$$LnY = 6.46 + 0.41 LnX_1 - 0.0162\ X_2 + 0.15\ LnX_3 + 0.039\ LnX_4 - 0.04\ X_5$$

Based on the table above, the variables that have a positive and significant impact on the export of MSME products in the long term are the variables X1 (Rupiah exchange rate against the US dollar) and X3 (Investment), this explains that the increase in the rupiah exchange rate against the US dollar and investment can increase MSME export value. Meanwhile, Variable X5 (Inflation) has a negative and significant effect, which means that inflation that occurs will result in a decrease in the value of MSME exports. Variables that have no significant

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effect are the X2 variable (MSME growth) and X4 (Banking credit for MSMEs) on MSME exports.

The value of the coefficient of determination R^2 (R-square) in the model is 0.8724. The magnitude of the coefficient of determination shows the ability of the independent variable to explain the dependent variable. Therefore, in the long term, 87.24% of the diversity of MSME exports in Indonesia can be explained by the variables used in the model (X1, X2, X3, X4, X5), while the remaining 12.76% is explained by other variables outside model.

4. Short-Term Estimation with Error Correction Model (ECM)

To see the short-term behavior of the regression equation by estimating the dynamics of the residuals is to use the ECM (Error Correction Model) model. The results of the ECM estimation can be seen in the following table:

Table 7 : Estimation Results of ECM (Error Correction Model) for MSME Product Exports (Short-Term Estimate)

Dependent Variable: D(Y)
Method: Least Squares
Date: 06/15/21 Time: 15:26
Samples (adjusted): 2010Q2 2020Q4
Included observations: 43 after adjustments

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.021483	0.006246	3.439460	0.0015
D(Ln(X1))	-0.424341	0.157504	-2.694157	0.0107
D(X2)	0.031436	0.013090	2.401450	0.0216
D(Ln(X3))	0.026674	0.013355	1.997236	0.0534
D(Ln(X4))	-0.031798	0.053591	-0.593349	0.5567
D(X5)	0.005365	0.005551	0.966378	0.3403
RESID01	-0.050375	0.082931	-0.607440	0.5474

R-squared	0.340332	Mean dependent var		0.018302
Adjusted R-squared	0.230388	S.D. dependent var		0.044558
S.E. of regression	0.039089	Akaike info criterion		-3.498032
Sum squared resid	0.055007	Schwarz criterion		-3.211325
Log likelihood	82.20770	Hannan-Quinn criter.		-3.392304
F-statistics	3.095490	Durbin-Watson stat		2.244625
Prob (F-statistic)	0.015070			

Source: Processed in 2021

Based on table 7, resid01 shows the value of Error Correction Term (ECT) which serves to determine how quickly equilibrium is reached again or in other words the mechanism to return to long-term equilibrium. The results of the ECM estimation above show that the short-term to long-term balance is not

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significant as seen from the resid01 value of 0.5474, which means it is greater than α = 0.05 or 5%. Besides that, the value of the Error Correction Term (ECT) above is 0.050375, indicating only 5.04% of the imbalance in the previous period was corrected in the current period.

The variables that have a positive and significant impact on the export of MSME products in Indonesia in the short term are the X2 (MSME Growth) and X3 (Investment) variables, while the X1 (Rupiah exchange rate against the US dollar) variable is negative and significant. This shows that in the short term, the increase in the exchange rate of the rupiah against the US dollar results in a decrease in the export value of MSME products. On the other hand, the variables that do not affect significantly in this study are the X4 variable (MSME Credit) and the X5 variable (Inflation).

The value of the coefficient of determination R^2 (R-square) in the model is 0.3403. The magnitude of this coefficient of determination shows the independent variables included in the model (x1, x2, x3, x4, x5) in the short term is only 34.03% that can affect the export of MSME products, while the remaining 65.97% is explained by other variables outside model. This shows that the influence of the independent variable on the dependent variable is quite weak because it is below 50%.

The short-term equation for the MSME export model in Indonesia from this study is as follows:

D(Ln(Y)) = 0.0215 – 0.4243 D (Ln(X1)) + 0.0314 D (X2) + 0.0268 D (Ln(X3)) - 0.0318 D(X4) + 0.0054D (X5) – 0,0504 Resid01

Based on the short-term multiple regression equation, the variable coefficient is small from 1 (< 1). This shows that changes in the independent variables (Rupiah exchange rate against the US dollar, MSME growth, investment, banking credit for MSMEs and Inflation) have a low impact on changes in the dependent variable (exports of MSME products).

6.   **Classical Assumption Test:**
    The normality test is used to determine whether the data residual used is normally distributed or not. The method used in this case is the Jarque Bera test (J-B test). Based on the long-term and the short-term estimation results, it is known that the Jarque Bera value for all variables studied is greater than α = 0.05. It means that the data used is normally distributed.
    Testing with the partial correlation method between independent variables is done to obtain the results of whether there is a multicollinearity problem in the model. Based on the test results, the correlation matrix value is more than 0.80. This shows that there is no multicollinearity problem.

Heteroscedasticity is a regression problem in which the disturbance factor does not have the same variant or the variant is not constant. This will raise various problems, namely biased OLS estimator, which means the variant of the OLS coefficient will be wrong. In this study, the method with the *Breusch-Pagan Godfrey* test will be used to detect the presence or absence of heteroscedasticity in the regression model. Based on the results of data processing in the long term that the value of *Obs* R-squared* is 0.0001 smaller than α = 0.5 %, this indicates a heteroscedasticity problem in the long-term model; and in the short term it is obtained that the value of *Obs* R-squared* is 0.2389, greater than α = 5%, which shows that in the short term there is no heteroscedasticity problem in the ECM model.

Autocorrelation test using the Breusch-Godfrey Serial Corelation LM test method. For the long term there is an autocorrelation problem, while in the short term there is no autocorrelation problem. This is shown by the value of Prob Chi Square (2) of 0.1054 which is greater than α = 0.05 for the short term.

V.   Conclusion

The error correction model analysis method used has advantages because it can analyze the relationship between the rupiah exchange rate, MSME growth, investment, banking credit for MSMEs, and inflation on MSME product exports in both the short and long term in Indonesia.

With a negative and insignificant Error Correction Term (ECT) value at the 5 % test level, it shows that 5.04 % of short-term imbalances that occur due to The preceding period's changes in the export of MSME productswill be adjusted towards long-term balance in the previous t year period (now).

In the long-term analysis, it can be seen In the short term, the rupiah currency rate, MSME growth, and investment have a substantial effect on MSME exports. These two time periods show that the rupiah's exchange rate against the dollar has a negative and considerable impact on MSME exports. This illustrates that boosting the rupiah's exchange rate against the dollar can lower MSME exports..

The study's findings imply that the government must preserve the rupiah's exchange rate stability versus the US dollar. Efforts to preserve exchange rate stability include the following: people must love domestic products, enjoy domestic tourism, export-oriented production, and invest in the country. This will make the value of imports decreased and the need for foreign currency will also follow. In addition, investment alsohas a good and considerable effect on Indonesia's export of MSME products. This shows that the investment made has encouraged the export of MSME products in Indonesia and this should be a concern of the government. One of the efforts made by the government is through the Job Creation Act. In the Job Creation Act, there is an ease of getting business permits for the MSME actors. With the ease of taking care of business permits, this will make it easier for MSME actors to get bank credit.

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