



ISSN: 0976-3376

Available Online at <http://www.journalajst.com>

ASIAN JOURNAL OF  
SCIENCE AND TECHNOLOGY

Asian Journal of Science and Technology  
Vol. 10, Issue, 01, pp.9228-9233, January, 2019

## RESEARCH ARTICLE

### FACTORS WHICH INFLUENCE INDONESIA'S IMPORTS FROM CHINA

\*Abdul Rokhim, Gai Xiaomin and Qiqi Wang

School of Economics, Shandong University, Jinan, China

#### ARTICLE INFO

##### Article History:

Received 15<sup>th</sup> October, 2018  
Received in revised form  
18<sup>th</sup> November, 2018  
Accepted 28<sup>th</sup> December, 2018  
Published online 30<sup>th</sup> January, 2019

##### Key words:

Import, GDP, CPI,  
Inflation.

#### ABSTRACT

This research tries to explain about the factors which influence Indonesia's imports toward China's products. In this research some of the most dominant factors in international trade between countries are used, namely Inflation, GDP, and CPI. The findings of a deep analysis of the chosen case study shows the magnitude of the fluctuations in Indonesia's imports from China, which could be used as a reference for the Government of Indonesia to formulate an economic policy that is able to maintain the stability of the country's economy. The results of the study also opens up space for future research, as other variables that are not used in this study could be used to explain the variations in the import behaviors of Indonesia towards Chinese products.

**Citation:** Abdul Rokhim, Gai Xiaomin and Qiqi Wang, 2019. "Factors which influence Indonesia's imports from China", *Asian Journal of Science and Technology*, 10, (01), 9228-9233.

**Copyright** © 2019, Abdul Rokhim et al. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

#### INTRODUCTION

One of the best measurements to assess the relationship between two countries is through their trade relations, ie. The import and export activities conducted by two countries. The level of Indonesia's imports towards products from China can be used as parameters to measure the size of the level of consumption of Indonesia towards Chinese products. In addition to this, other avenues that could be explored is the reliance of the Indonesian society towards Chinese products, as well as the estimation of future imports from China to Indonesia. This research will aim to explain about the factors that influence Indonesia's toward goods made in China. In this research, some of the most dominant factors in international trade between countries will be used, namely the Gross Domestic Product (GDP), Consumer Price Index (CPI), and Inflation. In addition to identifying the relationship and its effect on imports, these variables will also identify any problems and potential that may arise from the relationship and influence of each independent variable i.e. GDP, CPI, and inflation. This research made use of the official data provided by the Government of Indonesia through the Central Bureau of statistics (BPS). The period that will be used as the object of the research is the latest period which presents a more complete and detailed data that started in 2010 to 2015. During this period, the Government of Indonesia through the Central Bureau of Statistics (BPS) have presented a complete and detailed data that present the progress of data in a period of every three months, as well as the annual data.

\*Corresponding author: Abdul Rokhim,  
School of Economics, Shandong University, Jinan, China.

Although the data that is analyzed only takes into account the data from 2010 to 2015, since the data is analyzed in a period of every three months, then a time series of data as much as 24 quarter units can be done. This greatly affects the feasibility study that will processed.

Before going into the further discussion, it's good to recognize each variable that will be analyzed , those are:

**Independent Variable:** The Dependent Variable used in this study is imports. The level of Imports in Indonesia is obtained from the international trade statistics between Indonesia and China during the period from 2010 to 2015.

**Dependent Variable:** The Independent Variables used in this study are Gross Domestic Product (GDP), Consumer Price Index (CPI), and Inflation that occurred in Indonesia during 2010 to 2015.

**Gross Domestic Product (GDP):** The Gross Domestic Product (GDP) data used in this research was taken from the statistics from 2010to 2015.They are presented in the quarterly series on the base of the prices in force according to the expenditure presented in the form of the value of the Rupiah. And then will processing data with simplified in the form of Trillion Rupiah.

**Consumer Price Index (CPI):** The Consumer Price Index (CPI) data used in this research is the CPI that occurred from 2010to 2015, which are obtained from calculating the average CPI that happened every three months.

**Inflation:** The Inflation data used in this research is the inflation that occurred from 2010 to 2015. They are presented in a quarterly period which is the aggregate of the three months inflation that occurred in Indonesia.

**Data Analysis:** The data used in this study consists of secondary data that is obtained from the Central Bureau of Statistics (BPS) Indonesia, which was rearranged according to the needs of this research, whereby the data being processed is also adjusted according to the relevance and requirements of the data analysis program being used. The data analysis process in this research will be using STATA programs that would allow a lot of information research to be done.

**Relationship between Variables:** In this study, the relationships and the influence of each independent variable toward dependent variable will be analyzed using the equation of the function as follows:

$$\text{IMPORT} = \alpha + \beta_1 \text{GDP} + \beta_2 \text{CPI} + \beta_3 \text{INF} + \varepsilon$$

Where:

IMPORT = Quarterly Import from China in US Dollar

GDP = Quarterly Gross Domestic Bruto (GDP) in Rupiah

CPI = Quarterly Average Consumer Price Index

Inflation = Quarterly Inflation in percent

From the results of data process above, it indicates that the independent variable of the GDP had strong relationships with the dependent variable IMPORT. This means that the existence of the independent variable of the GDP will be able to explain the dependent variables of the import, with the correlation coefficient value of about 0.7285. If the variable IMPORT describes by itself, variable IMPORT also has absolute value of 1000 (one), then the variable is GDP could explain a variable IMPORT amounted to almost 0.7285 approached with absolute value of 1000. Meanwhile, the independent variable CPI has strong relationship with the dependent variable IMPORT. This means that the existence of independent variable CPI will be able to explain the dependent variables of the import, with the correlation coefficient about 0.1944. While the independent variable inflation doesn't have a relationship with the dependent variable IMPORT. This means that the existence of independent variable Inflation was able to explain the dependent variable IMPORT, but not significant enough, as the value of the correlation coefficient was only 0.0598.

**Data Analysis:** The analysis of this data will begin by presenting a wide range of information on a variety of information about the characteristics of the data to be processed, so that it can give a complete explanation when observing the results of the analysis in this study. The information will be presented in the form of tables of output data from STATA covering storage type, data description, and also as the core of this research is the regression data.

**The regression results indicate that;**

- GDP significantly has a positive influence towards IMPORT  $[(P > |t|) = 0000] < \alpha (0.05)$ . When one unit of GDP increases, then IMPORT also increases at a value about 1.958061 units, assuming there are no changes with the other Independent variables. This indicates that in the case where the GDP goes up by one

Trillion Rupiah, the value of imports from China to Indonesia is expected to rise in the amount of 1,957,750 USD. Standard errors of 0.3448827, indicating that the increase in the amount of USD 1,957,750 is not an absolute increase, but the increase is still relative and have little space of deviation, standard error is shown in the amount of 344,882.7 USD from the increase in value. It is explained that in fact, the shifting estimates of the increase in imports caused the GDP to go up by one Trillion Rupiah from 2,130,191.35 USD for very good conditions, and 1,795,306.65 USD for the worst conditions.

- The CPI has positive influence towards IMPORT significantly  $[(P > |t|) = 0.029] < \alpha (0.05)$ . What this means is that when the CPI increases by one unit, then IMPORT increases by a value of about 34.09797 units, assuming there is no change with the other Independent Variables. This means that in the case where the CPI rises, the value of one unit of Indonesia's import from China is expected to increase by 34,097,970 USD. Standard errors of 14.51932, which indicate that the increase in the amount of 34,097,970 USD is not an absolute increase, but the increase has few spaces of deviation, with standard error is shown in the amount of 14,519,320 USD. It is explained that in fact, the shifting estimates of the increase in imports caused the CPI to increase by one Trillion Rupiah from 42,357,630 USD for very good conditions, and 26,838,310 USD for the worst conditions.
- Inflation has a negative effect on IMPORT with insignificant  $[(P > |t|) = 0794] > \alpha (0.05)$ . When Inflation goes up by one unit, the value of IMPORTS is expected to go down by 34.54648 units, assuming there is no change with the other Independent Variables. This means that in the case where the value of Inflation increases by one unit, Indonesia's import from China is expected to decrease by 34,546,480 USD.

Standard errors of 130.3146, which indicate that the decrease in the amount of 34,546,480 USD is not an absolute decrease, but the decrease has a large space of deviation, as indicated by standard error of 130,314,600 USD. It is explained that the shift in estimated import levels that are affected by a rise in inflation of 1% is very varied. The import levels can decrease to 99,703,780 USD, but on the other side, can also increase to 30,610,820 USD. There could also be a possibility where rising inflation has no impact towards imports i.e. 0 USD.

In this case, we can see the uncertainty in the influence of inflation towards the imports of goods from China. This is because the changes in every single unit of inflation could lead to many possibilities, such as the possibility of a decrease, increase, or even the possibility of no influence at all of inflation towards the import of goods from China, which is one of the main arguments in this research. Referring to the inflation variables that had insignificant influence towards imports, a clear explanation can be obtained and can be used as a reference material in determining future policies. In the case of this study, even though a variable (inflation) indicated that its influence was insignificant, it does not mean that the data is not useful at all. This is because the results of the data analysis enabled us to see the different singularities that could lead to new materials for discussion. In the official data processing we should not throw (out layer) portion of the data in the interest of (data processing) research. Any results

generated from data process (output) can be described and be explained scientifically, so that it can give a rational overview about what actually occurs and the impact of the incident. Furthermore, it can be used as a reference to determine future policy to ensure success. This research shows that the magnitude of the fluctuations and the impact of the probabilities that were obtained from the results of the data analysis can be used as a reference by the Government of Indonesia to formulate its monetary policy to ensure economic stability of the country, as well as identify and manage (muffle) factors that could affect the economic turmoil caused by fluctuation (increase/decrease) inflation.

The value of R-squared = 0.6320, which means 63.2% variation of the value of Imports (the Dependent Variable) can be explained by variation in the value of the variable is GDP, CPI, and inflation (the Independent Variable). The 36.8% variation of the value of Imports can be explained by variations in the values of other variables that are relevant.

#### **Dilemma of Consumer Price Index (CPI) and Inflation:**

The process of determining the value of the CPI inflation has significant differences, although both come from the same source. If the determination of the value of the CPI is based on the first year during the same period, for example, during Indonesia's benchmark sharing in 2007, then the CPI for the base year 2007 is worth 100. On the other hand, for the years after 2007, it is needed to count them through the year price multiplied by a predetermined weighting, which is then divided by the price in 2007 multiplied by a predetermined weighting, and then multiplied by 100.

$$CPI_n = \{(\text{Price}_n \times \text{weight}) / (\text{Price}_{2007} \times \text{weight})\} \times 100$$

The determination of the value of the benchmark of inflation is essentially on the time of the CPI (year/month) before. It can be described that the determination of the value is the difference between this year's CPI inflation minus last year's CPI, which is then divided by last year's CPI, and then multiplied by 100%.

$$\text{Inflation} = \{(CPI_t - CPI_{t-1}) / CPI_{t-1}\} \times 100$$

Data generated by the value of inflation shown a very dynamic, namely the existence of periodic changes every time. But in reality, it is less noticeable in the community because of the picture giving inflation does not directly and immediately quickly impact changes in price. This means that the rise or fall of inflation does not directly affect the change in the prices of goods on the market. However, market conditions indeed directly influence price changes. In normal conditions, the rise in inflation will inspire entrepreneurs (the seller) to raise prices in anticipation of the sustainability of the company in the future. However, in a market with perfect competition, price is the most sensitive factor in affecting consumer demand. Therefore, even though the inflation increases, this does not mean that the goods directly join up because the market players will wait and see in deciding to change their pricing policies. In this case, more inflation will directly impact a company that is good at determining the pricing policy in response to increases in inflation. Increasing inflation would put the company on a fairly complicated dilemma. On one hand, they should still be able to produce and market their goods according to the target companies.

On the other hand, they have to think about the advantages of the process of production and marketing. The company will be in the position to make tough choices; (1) maintaining the production that was already planned, but could result in a decline in corporate profits, or the company, as a whole, could even suffer losses, (2) reduce the volume of production to a stable state, but with consequences that will cause customer expansion to another product, or (3) raise the price of the production of goods which will also have consequences, such as customers leaving.

In contrast to inflation, the CPI gives more real overview of benchmarking and can be felt directly by the public. CPI and inflation are both scientific and can be accountable of validity, but will be very different when they are already logged in on public perception. The common opinion of the society is unlikely to be complex, as calculating the percentage that goes with a small value is rather complicated. The reality gives a clear picture of why the variable CPI gives more significant influence rather than inflation. Therefore, CPI is more likely to be used as the real reference in the situation of a real community, as it can give information about the fluctuations and price changes which are not as fast and as easy as rate of change of inflation. It is all very abstract and relative, however, because CPI and inflation comes from the same root, but with different presentations. It also describes about determining (formula) the calculation between CPI and inflation, i.e. the CPI use the index base 100, whereas inflation is percentage-based. With a large base index value (100), the value of the CPI will not be presenting an overview of fluctuating differences (significant) but presents the stability of the value of a simpler overview of the data. On the other hand, the value of inflation, which is percentage-based, might present a picture of the fluctuations that invite adrenaline. This means that the resulting inflation data gives more challenges than comfort because the difference of each value can vary in price, and it is more extreme to mention that the difference between two data (much) larger exceeds the value of the smallest data from two data are compared. This causes worry and uncertainty, which may lead to the analysis of the inflation data in the study being declared not significant in terms of its effects in export, even though factually its effects can be very large. Although the influence of inflation is enormous, many uncontrolled scientific space demonstrates the value of the standard error, which allows for a crossing of the three conditions, namely the condition of negative effect ( $\beta_{3INF} = \text{negative}$ ), the conditions do not take effect ( $\beta_{3INF} = 0$ ), and the condition of the positive effect ( $\beta_{3INF} = \text{positive}$ ).

In this study, the most interesting aspect is the influence of the CPI, in terms of its significance towards imports by value of 34.09797 units. Although the standard error shown in the amount of 14.51932, but it means at the point of extreme lower though rising CPI one unit still positive effect against rising import amounted to 26.83831 units. The influence of the CPI is positive towards the level of imports, and this is interesting, in that it is an aspect that should become a reference for the formulation of new policies, in order to be more progressive. In normal conditions where other factors do not change (including income), the rise in the CPI should be followed by a decrease in the purchasing power of the public, so that the demand for consumption decreases. However, in this study, the increase in the CPI even significantly influences the level of imports, whereby the level of imports of goods from China increases.

Table 1. Research Data : Import, GDP, CPI, And Inflation During 2010 – 2015

Year	Quarter	Import (Million USD)	GDP (Trillion Rp)	CPI	Inflation
2010	1	4240.33	1603.77	118.19	1.00
	2	5201.09	1704.51	118.98	1.41
	3	5380.06	1786.20	122.54	2.77
2011	4	5602.74	1769.65	124.16	1.58
	5	5384.32	1834.36	126.27	0.70
	6	7030.07	1928.23	125.99	0.36
	7	6837.65	2053.75	128.26	1.87
2012	8	6960.15	2015.39	129.28	0.79
	9	6671.02	2061.34	130.97	0.88
	10	7968.02	2162.04	131.65	0.90
	11	7120.23	2223.64	134.01	1.66
2013	12	7627.80	2168.69	134.97	0.77
	13	6590.32	2235.29	137.86	2.41
	14	7969.65	2342.59	139.09	0.90
	15	7852.67	2491.16	145.54	4.06
2014	16	7436.82	2477.10	146.25	0.76
	17	7161.55	2505.20	111.21	1.41
	18	8030.61	2617.66	111.63	0.57
	19	7312.28	2746.53	113.51	1.67
2015	20	8119.90	2696.43	116.52	4.43
	21	7538.46	2728.27	118.49	-0.43
	22	7257.64	2868.87	119.52	1.40
	23	6876.09	2998.62	121.55	1.27
	24	7738.69	2945.03	122.13	1.09

Table 2. Correlation Variables

	export	GDP	CPI	inflation
export	1.0000			
GDP	0.7285	1.0000		
CPI	0.1944	-0.1618	1.0000	
inflation	0.0598	0.0768	0.1105	1.0000

source: STATA output

Table 3. Storage Type

variable name	storage type	variable label
export	float %8.0g	Import from China 3 months in Million US Dollar
GDP	float %8.0g	GDP 3 months in Trilion Rupiah
CPI	float %8.0g	average Consumer Price Index in 3 months
inflation	float %8.0g	inflation in the 3 months in percent

source: STATA output

Table 4. Data Description

Variable	Obs	Mean	Std. Dev.	Min	Max
export	24	6912.84	1036.768	4240.33	8119.9
GDP	24	2290.18	415.0779	1603.77	2998.62
CPI	24	126.1904	9.890948	111.21	146.25
inflation	24	1.42625	1.090719	-43	4.43

Source: STATA output

Table 5. Regression Data

Source	SS	df	MS	Number of obs =	24
Model	15628207.4	3	5209402.47	Prob > F =	0.0001
Residual	9094214.18	20	454710.709	R-squared =	0.6321
Total	24722421.6	23	1074887.9	Adj R-squared =	0.5770
				Root MSE =	674.32
export	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
GDP	1.958061	.3448827	5.68	0.000	1.238648 2.677473
CPI	34.09797	14.51932	2.35	0.029	3.8112 64.38475
inflation	-34.54648	130.3146	-0.27	0.794	-306.3781 237.2851
cons	-1825.037	2101.983	-0.87	0.396	-6209.696 2559.623

source: STATA output

Therefore, even though an increase in CPI would normally lead to a decrease in the purchasing power of the public which would then lead to a decrease in the demand for goods, the same can't be applied to goods that are imported from China.

## Conclusion

**Normal Effect of The GDP Toward Import:** As we know from the analysis of the data above, GDP significantly has a positive impact on IMPORT  $[(P > | t |) = 0000] < \alpha (0.05)$ . When GDP increases by one unit, then IMPORT will increase by a value of about 1.958061 units, assuming that the other Independent variables do not change. This is normal, due to most major Imports being affected by positive relationships. Therefore, it can be said that a rise in GDP would lead to an increase in Imports, which is an indication of a very reasonable situation, as there is no deviation in behavior. When looking at the correlation between GDP and income, then it can be said that when a person's income goes up, it is natural that they spend more than before.

In this study, we can take the conclusion of GDP on Imports i.e. If the GDP goes up by one Trillion Rupiah, then the estimated import value of Indonesia from China will have a positive impact, with an increase in the amount of 1,957,750USD. In addition, we also need to know that the conclusion of Standard errors, which is about 0.3448827, indicates that the increase in the amount of USD 1,957,750 is not absolute, but rather still relative. In this case still has little space deviation shown standard error of 344,882.7 USD of the value of the increment. It is explained that in fact, the shifting estimates of the increase in imports caused by the GDP going up by one Trillion Rupiah ranged from 2,130,191.35 USD for very good conditions and 1,795,306.65 USD for the worst conditions.

**Singularity The CPI Effect Toward Import:** In the analysis of the data, it was shown that the CPI significantly has positive influence on IMPORT  $[(P > | t |) = 0.029] < \alpha (0.05)$ . This means that when the CPI increases by one unit, then IMPORT would also increase at a value of about 34.09797 units, assuming that the other Independent variables do not change. This also means that if the CPI rises by one unit, then the value of Indonesia's imports from China is expected to increase at about 34,097,970 USD. The increase of approximately 34,097,970 USD is due to the increase that is very relative and can be changed by a very large margin. This is indicated by the nominal standard errors which are quite large, about 14.51932, which shows that the increase of 34,097,970 USD is not absolute, but rather very relative and has the potential for considerable deviations, with margins of 14,519,320 USD value against the increase. It is explained that in fact, the increase in CPI of one unit does not necessarily affect the increase in the value of imports in absolute terms 34,097,970 USD but have a range value increment ranging between import 42,357,630 USD for very good conditions and 26,838,310 USD for worse conditions. In addition, the more interesting discussion is no longer about how much influence the CPI is on Imports or the magnitude of the standard margin indicating error, but rather the nature of the relationship, as well as the influence. As expressed in the study showing that the nature of the relationship of the CPI on Imports is positive, this means that the increase in the CPI has a positive influence on a rise in Imports. In other words, that the rise in the CPI gives influence on oil imports.

The simple description of the conclusion is that if the CPI rises, then the import will rise as well. In this study, the influence of the CPI is very significant to imports by value of 34.09797 units with a standard error of 14.51932, which means that even in extreme cases, whereby the increasing level of CPI decreases by one unit, it still has a positive effect, whereby export levels would increase at a value of 26.83831 units or 26,838,310 USD.

CPI has a positive influence on exports, and this is something that should be identified and made as a reference for the formulation of new policies, in order to be more progressive. In normal conditions where there is no change in other factors (including income), an increase in the CPI should be followed by a decrease in the purchasing power of the public, which would lead to a decrease in the demand for consumption. However, in this study, the increase in the CPI has a significant and positive influence on the imports of goods from China. This means that when the CPI increases, or the prices of goods increases, the purchasing power should decrease, leading to a decrease in the demand for goods. However, the same can't be applied to the imports of goods from China. During conditions where prices increase, or people's income decrease, then the level of consumption of the society will decrease as a result. However, if this applies to goods that are considered a necessity, the level of consumption of the society may not decrease. Instead, they may switch to cheaper options which have similar functions, i.e. Inferior goods. In this study, the goods imported from China are by no means considered inferior goods, but has the characteristics of inferior goods, whereby the goods are cheap and have functions that are relevant with the needs of the community. Therefore, when CPI increases, the community would lean more towards consuming goods that are considered high quality, before switching towards similar items that are relatively cheaper.

From this research, it can also be concluded that when the level of CPI decreases, then the imports of goods from China will also decrease, as consumption would lean more towards goods that are higher in quality. However, the next international trade process involves the market being accessible for high quality Chinese products. The problem, however, is that will CPI ever experience a significant decline? It may not seem likely, as CPI very rarely experiences a significant decrease, hardly ever. Therefore, in this condition, the tendencies of Indonesia to import goods from China remain strong, indicating that the reliance of the Indonesian society on Chinese products is strong.

**Singularity the Inflation Effect toward Import:** In the data analysis, it can be seen that Inflation has a negative impact on IMPORT, with no significance  $[(P > | t |) = 0794] > \alpha (0.05)$ . When Inflation increases by one unit, the value of IMPORTS is expected to decrease by 34.54648 units, assuming that the other Independent variables do not change. This means that this study indicates that the rise in inflation that occurred in Indonesia is influenced by the decrease of Imports of goods from China to Indonesia. If Inflation goes up, then the value of one unit of Indonesia's import from China is expected to be down by 34,546,480 USD. This suggests that the decrease of 34,546,480 USD, is not a decrease that is absolute, but rather a very relative one, and has a very large deviation. Data analysis of the study explains that in fact, the estimated shifts in the estimated imports that are affected by a rise in inflation of 1% is very varied and relative, and the possible cases are as

follows; A rise in inflation of 1% can affect Imports, decreasing it by 99,703,780 USD, (2) Rising inflation could affect Imports 1%, increasing it by USD,820 30,610, and (3) Conditions between the two positions, where there is also the possibility that rising inflation has no impact at all on imports i.e. 0 USD. From here, we can see the presence of uncertainties in terms of the influence of inflation on the imports of goods from China, because every change in any single unit of inflation could lead to many possibilities, where there is likely to be a decrease, increase, or even an absence of any effects on the imports of goods from China. This is one of the results of the data analysis that is very interesting. It shows that robust arguments in this study are in line with the output data, showing that inflation did not influence the value of imports from China significantly.

Looking at the contribution of inflation where inflation had insignificant influence on imports, if we were to keep analyzing the trends and behaviors, then we would still have a fairly clear and concise explanation that could be used as a reference in formulating policies. In the case of this study, although it was indicated that the influence of inflation was insignificant, it does not necessarily mean that the data generated is not useful at all. From the results of the data that were generated, we could see the different singularities which could be used for further discussions. In the official processing of the data, we should not throw (out layer) portion of the data in the interest of (data processing) research, so that any data that is resulting from sports data (output) can scientifically be described and be explained, in order to give a rational overview about what actually happened, as well as the impact of the incident. Furthermore, it can also be used as a reference to determine the policy in the future to ensure everything goes smoothly.

Finally, from a singularity which appeared on the influence of Inflation on Imports that are not significant and where standard error creates uncertainty contribution to inflation, there is a lesson to take and can be made as references. In this study, the result of a deep analysis of the singularity that occurred showed that the magnitude of the fluctuations and the impact of the (probability) that appeared in the results of the analysis of such data can still be used as a reference by the Government of Indonesia to formulate its policies to maintain the stability of the economy. As the study shows that the economy needs to be controlled by the Government, this means that the possibility of the economy being uncontrolled must be handled as soon as possible with concrete policies, so that the economy can be controlled according to the principles of statehood. One way of doing this is by identifying and managing (muffle) factors that could affect the economic turmoil, that is resulted from inflation fluctuations (increase/decrease).

**Singularity and Research Prospect From R-squared = 0.6320:** When we look at the value of R-squared of which the value is only 0.6320, there's an interesting singularity that could be researched further. The variation of the value of the variable is GDP, CPI, and inflation. They can only explain 63.2% variation of the value of Imports is something outside of generality. Since the real variables of GDP, CPI, and inflation is three factors that are considered most relevant and competent in explaining the variation of the value of Imports. This singularity is very interesting and should be the subject of further research to learn more about why these kind of cases happen, what the cause was, and how we could face it. In addition, it is interesting to look for other variables that are open to space research and the discovery of new variables that are quite large i.e. 36.8%. This means that there are still other variables, outside of GDP, CPI, and inflation, that can explain the variations in import values of about 36.8%. It can be said that with more scientific learning spaces, the potential for more economic phenomena could be seen, which shows that the study of international trade is a very interesting area for future research. It means that this research possible to advanced research to reopening of past data about the relationship between CPI, GDP and inflation toward import by comparing it with the relationships between these variables are happening lately. In addition, the results of the study also opens up space for future research by opening a new discourse to bring up other variables, besides the variable CPI, GDP, and inflation. Opportunities give rise to new variables, and can engender macroeconomic perspective, in terms of the trade relations between countries. In addition, other new variables that can also engender from the microeconomic perspective, is in terms the real events of the community. Things like these happen due to changes in the regulation of foreign trade policy, which allows for the emergence of a freedom of society that is able to express their consumption behavior on imported items, thus directly influencing the macroeconomic environment.

## REFERENCES

- Hans-Jrgen Andre, Katrin Golsch, and Alexander W. Schmidt 2013. "Applied Panel Data Analysis for Economic and Social Surveys". Copyright @2013 by Springer.  
Indonesia Statistic Centre (BPS) <http://www.bps.go.id/Subjek/view/id/169>
- Sorensen, Peter Birch & Whitta-Jacobsen, Jorgen 2007. "Introducing Advanced Macroeconomics: Growth and Business Cycles", Second Edition, McGraw-Hill Higher Education.
- Stock, James H & Watson, Mark W. 2011. "Introduction To Econometrics", Third Edition. Copyright by Pearson Education, Inc., publishing as Addison-Wesley.

\*\*\*\*\*