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ANALYSIS OF THE INFLUENCE OF CONSUMPTION, INVESTMENT, AND EXPORT ON INDONESIA'S ECONOMIC GROWTH IN THE PANDEMIC YEAR 2020-2021

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Abstract

The impact of the pandemic is also caused not only in the health sector but also in the economic and social fields. At the beginning of the pandemic, the Indonesian economy was surprised by the growth that fell sharply, which was -5.32% in the second quarter of 2020. The negative economic growth was caused by a decline in economic growth factors, one of which can be seen through the expenditure approach. This study aims to analyze the effects of consumption, investment, and exports on Indonesia's economic growth during the pandemic. The method used is quantitative, with the help of statistical applications, E-Views 9, with panel data regression techniques in 34 provinces in Indonesia. The results of this study show that household consumption, Foreign Direct Investment, and exports have a positive and significant impact on economic growth.

On the other hand, domestic investment has a negative and significant impact on economic growth in Indonesia. Simultaneously, the relationship between household consumption, FDI, DI, and exports can explain economic growth through an expenditure approach without including government spending and imports. The results of the Random Effect Model found that the greatest influence obtains from FDI, exports, household consumption, and DI, respectively. It is due to the pandemic, which has caused economic activity in the most likely expenditure to encourage production activities, which is foreign investment. Furthermore, exports have the second largest impact on economic growth during the pandemic. On the other hand, domestic investment has a negative effect due to an increase in the number of realized investments during a decline in economic growth during the pandemic, in addition to a decrease in production and distribution activities, causing investors and investors to reduce investment in several areas in inequality during the pandemic.

Keywords: Household Consumption, Investment, Foreign Direct Investment, Domestic Investment, Export, Economic Growth, Panel Data Regression

INTRODUCTION

The pandemic caused a domino effect throughout the world. One of the countries also affected namely Indonesia. For two years, Indonesia has been hit by the COVID-19 pandemic. Many things are affected by the pandemic, one of which is the economy. At the beginning of the pandemic, the Indonesian economy was surprised by the growth that fell sharply, which was -5.32% in the second quarter of 2020. However, economic growth does not just happen. Many factors cause economic growth to decline, including in terms of the expenditure approach to measure economic growth, with the following formula:

$$Y = C + I + G + (X - M)$$

Y = National income/economic growth
C = household consumption

I = Investment
G = Government spending
X = Export
M = Import

If the formula is elaborated, it will form the constituent factors of economic growth in an expenditure approach. The law of causality occurs in Indonesia's current economic situation, where the declining economic growth is certainly due to the pandemic. Economic growth is a big picture of the many factors contributing to declining levels or numbers.

Shrestha et al. (2020) state that the pandemic can also affect the economy in terms of a slowdown in the economic growth of the affected countries, leading to a reduction in trade and an increase in poverty. The pandemic resulted in a reduction in economic activity. It thus did not only occur in Indonesia, resulting in a decrease in supply, production, distribution, and consumption. Lockdown measures have also increased the number of off-grid activities in the online, long-distance travel sector and have limited supply and demand, especially across countries, namely through exports.

Furthermore, it is corroborated by Qin et al. (2021) that in the Covid-19 pandemic situation, policymakers need to react quickly and take appropriate policy actions so that smart lockdown measures do not stop cross-border trade (exports) because the supply chain is one of the most important things in maintaining economic growth.

In 2020, the government estimated that economic growth would decline to 2.3%; even in a worse scenario, it could reach -0.4%. Furthermore, Sina (2020) stated that the household sector experienced a significant decline in consumption because it no longer carried out activities, so consumption declined sharply from 3.22% to 1.60%.

Figure 1 Graph of Indonesia's GDP Growth 2018-2021
Source: processed from BPS

The curve above shows a drastic decline in the economic growth rate in the first quarter of 2020. There was a downward growth trend. In the first quarter of 2020, the economic growth achieved in Indonesia record at 2.97 percent (YoY), this achievement is lower than Bank Indonesia's projection of 4.4 percent. Fahrika and Roy (2020) stated that the cause of the decline in economic growth was inseparable from the impact of handling the spread of the COVID-19 virus, which began to affect all aspects of life and economic activity, both in terms of production, distribution, and consumption, investment, foreign trade (exports and imports).

Consumption is one of the saviors of economic growth during a pandemic, and consumers play an important role in building a stable supply and demand chain. Choi et al. (2022) stated that Covid-19 harmed the global economy and impacted household consumption and exports, although detailed results for each scenario, region, and industry vary.

In addition to affected consumers, the same happened in the investment sector. The government's efforts to attract investment in 2021 are quite challenging. The realization of investment, both domestic and foreign, in the first three months of 2021 is still hampered in line with the incomplete eradication of the COVID-19 outbreak, which holds the wheels of the economy from turning. It can be seen from the realization of investment in the first quarter of 2021, amounting to Rp219.7 trillion. From the investment sector affecting the trade sector, trade between countries is not spared, namely exports, which are one of the sources of foreign exchange and state profits. The World Trade Organization (WTO) noted that the volume of world trade in the second quarter of 2020 decreased by 14.3%. The WTO (2020) also stated that the volume of world trade would decrease by 9.2% until the end of 2020.

LITERATURE REVIEW

Economic growth

Jawangga (2019:25) argues that economic growth is an increase in the ability of a country or region to produce goods and services. It happens continuously as the economy changes for the better. In further economic behavior, economic growth is defined as the development of economic activities, such as the production of goods, infrastructure, increased education, and increased production of the service sector and capital goods. Conceptually, economic growth is one of the drivers of economic development.

Sari (2019:24) suggests that economic growth can describe a country's better economic situation. In terms of economic growth, a better economy can achieve through government intervention or economic policies. According to Mankiw (2022:5), Gross Domestic Product or GDP (*Gross Domestic Product*) is an important economic statistic because it is considered the best measure of people's welfare. McEachern (2017:146) argues that GDP is the sum of the market value of final goods and services produced by a country's resources over a certain time (usually one year). Therefore, GDP can also be used to study the economy over time.

According to Robert J. Gordon (2016), the global growth of a country's gross domestic product (GDP) is influenced by various factors. These factors include capital accumulation, the productivity of natural resources, human resources, political institutions, entrepreneurship, and new products, changes in economic structure and environmental factors (diseases, natural disasters, climate change due to global warming), and limited resources and resources energy.

Consumption

Pracoyo and Pracoyo (2018:105) argue that consumers are actors who use or use goods and services to meet their own and other people's needs. At the same time, consumption is an activity consumed by consumers to spend on the availability of goods or services.

Hastyorini (2019: 18) reveals that an item or service has a use value and benefit if humans can consume it. Consumption is the expenditure made by households on goods and services to meet the needs of those who buy these products. People's spending on food, clothing, and other goods they need is classified as expenditure or consumption. Meanwhile, Fahrika and Roy (2020) state that goods produced for use by the community in meeting their needs are called consumer goods.

Overseas Investment

According to Mankiw (2021), investment in a company's capital expenditure to purchase goods and equipment increases the economy's ability to produce goods and services. One type of investment is domestic investment, and the other is a foreign investment. Foreign investment is a direct investment (*direct investment*) or indirect investment (*portfolio investment*) originating from abroad and flowing to the private sector.

Nadia (2001) stated that foreign investment in Indonesia continues to increase. Therefore, short-term interest rates, SBI interest rates, and long-term GDP positively impact foreign investment (FDI).

Domestic investment

Investment provisions in Investment Law Number 25 of 2007 replace the old policy and unify the duality of investment arrangements previously regulated in Law Number 1 of 1967 concerning Foreign Investment and Law Number 6 of 1967 concerning Investment. Domestic capital. Investment Law no. 25 of 2007 emphasizes and clarifies investment regulation policies in Indonesia. The government has drawn up a general investment plan as an investment policy. The overall investment plan prepared by the government is hoped to contain the direction of investment development in Indonesia, especially in the field of regional investment development.

Export

Sari (2019:44) stated that export activities are the main activities in international trade. Jawangga (2019: 53) states that export activities are a determinant of the economy in a region. The export-influenced growth hypothesis (ELG) postulates that export expansion is one of the main determinants of economic growth.

Framework

Based on this explanation, the theoretical framework model in this study is presented in Figure 2 as follows:

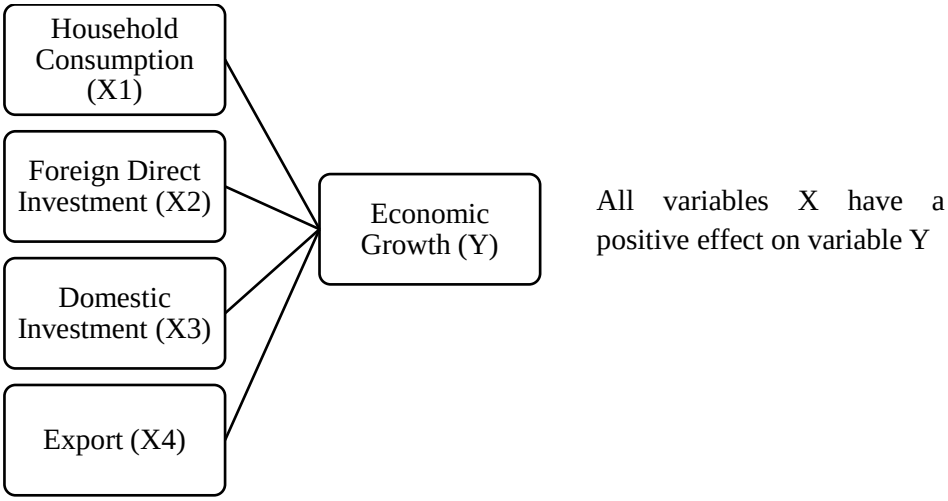

Figure 2 Thinking Framework
Source: Author (2022)

METHOD

The unit of analysis used by the researcher in this study is economic growth, household consumption, foreign investment, domestic investment, and the level of exports. The population used in this study is panel data, which is a combination of time series data and cross-section data on the four analysis unit variables in 34 provinces in Indonesia during the 2020-2021 pandemic. The sample in this study uses the saturated sampling method, which uses all population members; based on the sampling technique, the number of samples (n) from panel data each year during 2020-2021 is 68.

The technique used in data collection is a secondary data collection technique obtained from the Central Statistics Agency (BPS) for the variables of economic growth, household consumption, foreign investment, and domestic investment. As for the export variable, secondary data was obtained from the Ministry of Trade of the Republic of Indonesia. Therefore, this study has four variables that become the object of research, where economic growth is the dependent variable (Y). At the same time, the independent variables are household consumption (X_1), foreign investment (PMLN) (X_2), domestic investment (X_3), and exports (X_4).

RESULTS AND DISCUSSION

1. Description of Data Statistics

a. Economic growth

There were 68 observations, and these observations were obtained from 34 samples or research objects multiplied by the research period of two years during the pandemic. Within two years, the mean (average value) is 64479.53, the median is 51230.62, the minimum value is 20056.71, the maximum value is 274709.6, and the standard deviation is 49559.58.

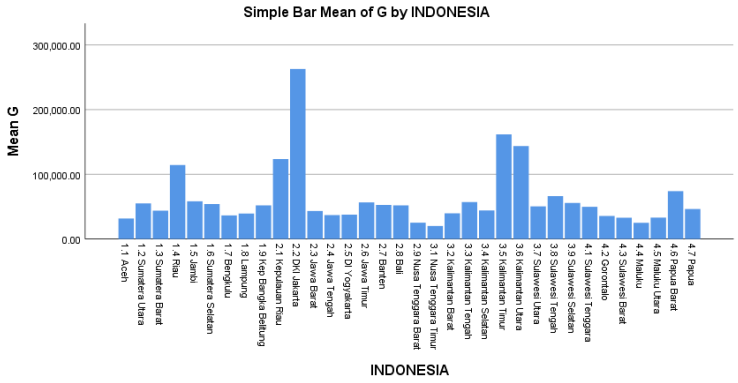

Figure 3 Graph of Economic Growth Data

b. Household consumption

There were 68 observations, and these observations were obtained from 34 samples or research objects multiplied by the research period of two years during the pandemic. Within two years, the mean (average value) is 10722.63, the median is 10620.00, the minimum value is 6954,000, the maximum value is 18520.00, and the standard deviation is 2184,019.

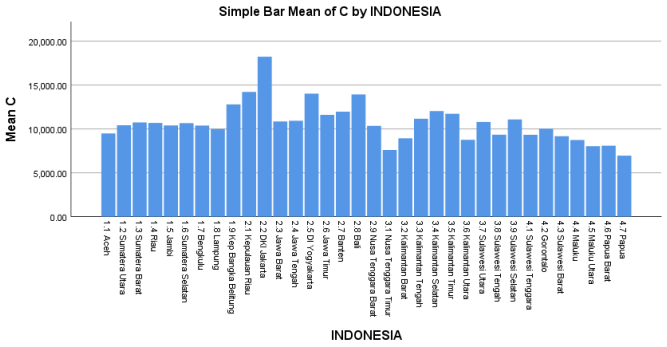

Figure 4 Graph of Household Consumption Data

c. Overseas Investment

There were 68 observations, and these observations were obtained from 34 samples or research objects multiplied by the research period of two years during the pandemic. Within two years, the mean (average value) is 878,8206, the median is 297,7000, the minimum value is 5,900000, the maximum value is 5217,700, and the standard deviation is 1151,634.

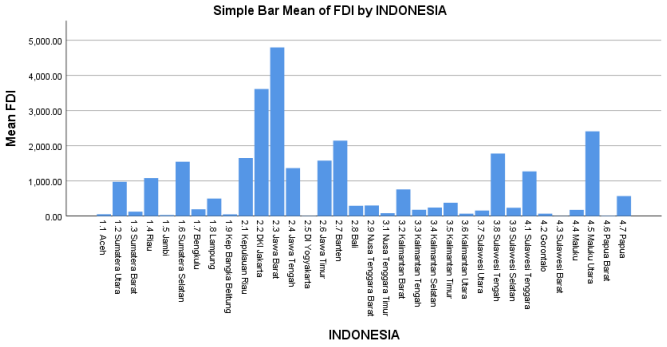

Figure 5 Graph of Foreign Investment Data

d. Domestic investment

There were 68 observations, and these observations were obtained from 34 samples or research objects multiplied by the research period of two years during the pandemic. Within two years, the mean (average value) is 12655.87, the median is 5818.450, the minimum value is 252.9000, the maximum value is 59948.50, and the standard deviation is 15406.73.

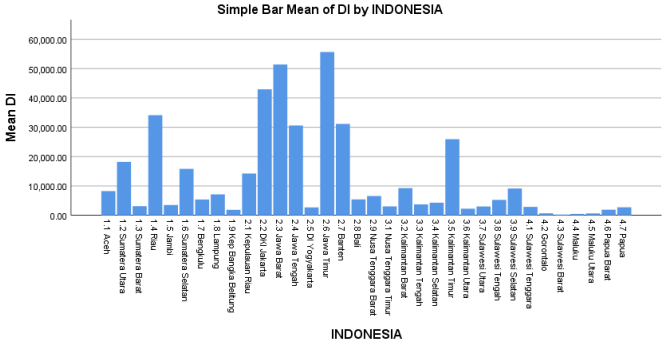

Figure 6 Graph of Domestic Investment Data

e. Export

There were 68 observations, and these observations were obtained from 34 samples or research objects multiplied by the research period of two years during the pandemic. Within

two years, the mean (average value) is 5.80E+09, the median is 2.32E+09, the minimum value is 32908780, the maximum value is 3.39E+10, and the standard deviation is 7.38E+09.

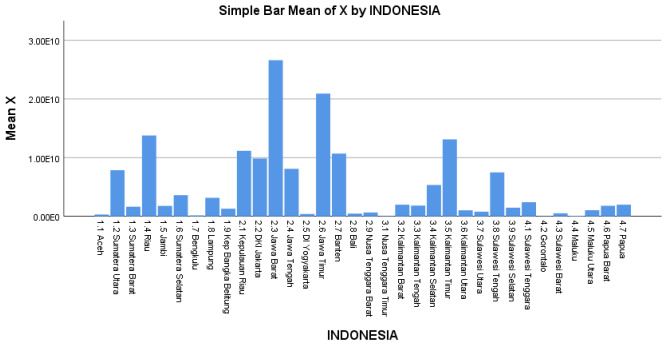

Figure 7 Export Data Graph

2. Analysis Prerequisite Test Results

a. Normality test

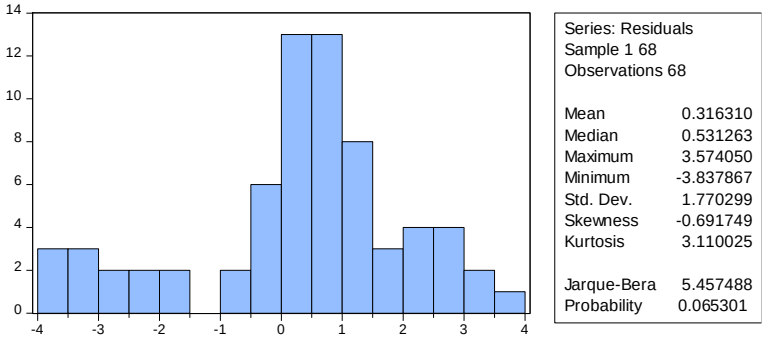

Figure 8 Normality Test

Source: the results of data processing via Eviews 9 by researchers

Based on Figure 8, it is known that the probability value is 0.065301. Because the prob value is 0.065301 > 0.05, the Jarque-Bera probability value is greater than 5%, and it is concluded that the *error term* is normally distributed.

b. Linearity Test

Table 1. Linearity Test

	Value	df	Probability
t-statistics	1.912359	62	0.0605
F-statistics	3.657116	(1, 62)	0.0605
Likelihood Ratio	3.897189	1	0.0484

Source: the results of data processing via Eviews 9 by researchers

Based on table 1, the Ramsey Reset Test linearity test was carried out, and it is known that the probability value of the F-statistics row is 0.0605 where > 0.05, so it can conclude that the independent variable is linear with the dependent variable.

3. Best Panel Data Regression Model

a. Chow test

Table 2 Chow test

Probability F	Test Indicator	Results	Information
0,0000	Prob. F≤ alpha (0.05)	H_0 rejected	FEM selected method

Source: the results of data processing via Eviews 9 by researchers.

Based on table 2, the results of the chow test in this study indicate that the probability value of F of 0.0000 is smaller than the significance of 0.05, so that H_0 is rejected and Hα is accepted. So in this study, the FEM estimation model is better than the CEM model. After knowing that FEM is better than CEM, the *Hausman test is carried out.*

b. Hausman test

Table 3 Hausman test

Probability F	Test Indicator	Results	Information
0,5325	Prob. F≥ alpha (0.05)	H_0 accepted	Selected method REM

Source: the results of data processing via Eviews 9 by researchers.

Based on table 3, *the Hausman* test results in this study indicate the value of Prob.*c i* 2 of 0.5325 whose value is greater than 0.05 so that H_0 is accepted and Hα is rejected. So in this study, the estimation model that is better used is REM than FEM. Based on the *Chow* and *Hausman* test results, the best method used in this study is REM. After knowing that REM is better than FEM, the *Lagrange Multiplier (LM) test is carried out.*

c. *Lagrange Multiplier* (LM) Test

Table 4. *Lagrange Multiplier* (LM) Test

Probability F	Test Indicator	Results	Information
0,0000	Prob. F≤ alpha (0.05)	H_0 rejected	Selected method REM

Source: the results of data processing via Eviews 9 by researchers.

Based on table 4, the results of the LM test in this study indicate that the probability value is 0.0000, whose value is smaller than 0.05, so that H_0 is rejected and Hα is rejected. So in this study, the better estimation model used is REM rather than CEM. Based on the results of the *Hausman* and LM tests, the best method used in this study is REM.

4. Classic assumption test

a. Multicollinearity Test

Table 5 Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.090215	29.96705	NA
CO	8.50E-10	33.77721	1.326480
FDI	5.21E-09	3.598811	2.261946
IN	5.96E-11	7.797361	4.627919
X	2.30E-22	6.670593	4.098954

Source: the results of data processing via Eviews 9 by researchers.

Based on table 5, it can see that The results of the *VIF* calculation show that there is no independent variable that has a *VIF* value of 10 which means that there is no multicollinearity between independent variables in the regression model.

b. Heteroscedasticity Test

Table 6 Heteroscedasticity Test

Heteroskedasticity Test: Glejser			
F-statistics	1.306691	Prob. F(4.63)	0.2772
Obs*R-squared	5.209391	Prob. Chi-Square(4)	0.2665
Scaled explained SS	5.394511	Prob. Chi-Square(4)	0.2492

Source: the results of data processing via Eviews 9 by researchers.

Table 6, heteroscedasticity test can be performed using the *Glejser* test. From the regression results using the *Glejser* test method, the *Obs*R-squared* value is 5.209391, and the probability value is 0.2665 greater than = 0.05, which means that the homoscedastic residual is accepted so that the model does not have heteroscedasticity.

c. Autocorrelation Test

Table 7 Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistics	2.635968	Prob. F(40,24)	0.0069
Obs*R-squared	55.39172	Prob. Chi-Square(40)	0.0535

Source: the results of data processing via Eviews 9 by researchers.

Based on table 7, the results of the autocorrelation test using the *Breusch-Godfrey serial correlation* LM *test* obtained an *Obs*R-squared* value of 55.39172, and the probability value is 0.0535, greater than = 0.05. Therefore, it means that the regression model does not contain autocorrelation.

5. Best Regression Model Estimation

Panel data and estimating regression models are used to know the effect of Household Consumption, PMLN, PMDN, and Exports on Economic Growth in Indonesia. After selecting the best model and testing the classical assumptions, the best model estimation results are obtained as follows:

Table 8 Regression Estimation Equation

Dependent Variable: G		
Variable	**Coefficient**	**Prob.**
C	9.415838	0.0000
CO	0.000127	0.0000
FDI	5.57E-05	0.0000
IN	-8.49E-07	0.0083
X	1.34E-11	0.0000
R-squared	0.701233	
Adjusted R-squared	0.682263	
F-statistics	15.18863	
Prob(F-statistic)	0.000000	
Obs	68	

CROSSID	***Effect***
1. Aceh	-0,22427
2. North Sumatra	0,033715
3. West Sumatra	-0,11238
4. Riau	0,647418
5. Jambi	0,253033
6. South Sumatra	0,034233
7. Bengkulu	-0,20478
8. Lampung	-0,15218
9. Kep. Bangka Belitung	-0,15329
10. Riau Islands	0,29402
11. DKI Jakarta	0,454719
12. West Java	-0,73546
13. Central Java	-0,44791
14. IN Yogyakarta	-0,6355
15. East Java	-0,26603
16. Banten	-0,30237
17. Bali	-0,3577
18. West Nusa Tenggara	-0,60154
19. East Nusa Tenggara	-0,46006
20. West Kalimantan	0,012081
21. Central Kalimantan	0,127387
22. South Kalimantan	-0,3282
23. East Kalimantan	0,861922
24. North Kalimantan	1,337736
25. North Sulawesi	0,051413
26. Central Sulawesi	0,347049
27. South Sulawesi	0,102114
28. Southeast Sulawesi	0,111153
29. Gorontalo	-0,19829
30. West Sulawesi	-0,15623
31. Maluku	-0,38216
32. North Maluku	-0,11647
33. West Papua	0,745784
34. Papua	0,421022

Source: Edited with Eviews 9

Based on table 8, the results of the regression equation for the economic growth model during the pandemic are obtained as follows:

$$\boldsymbol{LNGit = 9.415838 + 0.000127C_{it} + 5.57E05FDI_{it} - 8.49E07DI_{it} + 1.34E11X_{it} + \mu_{it}}$$

The results of the above equation show that the effect of household consumption on economic growth is 0.000127 and significant, meaning that every 1% increase in C causes an increase in the economic growth of 0.000127%. The effect of Foreign Investment on economic growth is 5.57E-05 and is significant, meaning that every 1% increase in FDI will cause an increase in the economic growth of 5.57%. The effect of Domestic Investment on economic growth is -8.49E-07 and is significant, meaning that every 1% increase in DI will cause a decrease in the economic growth of 8.49%. Finally, the effect of exports on economic growth is 1.34E-11 and is significant, meaning that every 1% increase in X will cause economic growth of 1.34%.

Table 8 shows results from data processing that has been carried out using the Eviews 9 program, so the differences from 34 provinces can be seen by looking at each province's intercepts. Of the 5 provinces that have the largest coefficient or are least affected by changes in the dependent variable, including:

a. North Kalimantan Province 10.753574 shows the province's economic growth when the independent variables and all provinces are zero is 10.753574 percent.
b. East Kalimantan Province 10.27776 shows the province's economic growth when the independent variables and all provinces are zero is 10.27776 percent.
c. West Papua Province 10.161622 shows the province's economic growth when the independent variables and all provinces are zero is 10.161622 percent.
d. Riau Province 10.063256 shows the province's economic growth when all provinces' zero independent variables are 10.063256 percent.
e. DKI Jakarta Province 9.870557 shows the province's economic growth when the independent variables and all provinces are zero is 9.870557 percent.

Of the 5 provinces that have the lowest coefficient or are most affected by changes in the dependent variable, including:

a. West Java Province 8.680377 shows the province's economic growth when the independent variables and all provinces are zero is 8.680377 percent.
b. DI Yogyakarta Province 8,78034 shows the province's economic growth when the independent variables and all provinces are zero is 8,78034 percent.
c. West Nusa Tenggara Province 8.814301 shows the province's economic growth when the independent variables and all provinces are zero is 8.814301 percent.
d. East Nusa Tenggara Province 8.955778 shows the province's economic growth when the independent variables and all provinces are zero is 8.955778 percent.
e. Central Java Province 8.967925 shows the province's economic growth when the independent variables and all provinces are zero is 8.967925 percent.

6. Hypothesis testing

a. Individual Regression Coefficient Test (T-Test)
Based on the estimation results in table 8, it can explain about the hypothesis testing of each independent variable is as follows:

- Household Consumption (C)
Based on table 8, the estimation results of the household consumption variable have a probability value of 0.0000 with a coefficient of 0.000127. Therefore, its value indicates that variable C positively affects economic growth. Therefore, based on the proposed hypothesis, accept H0 reject Hα, which means statistically, C positively affects economic growth.

- Foreign Investment (FDI)
  Based on table 8, the estimation results of the PMLN variable have a probability value of 0.0000 with a coefficient of 5.57E-05. This value indicates that the FDI variable positively affects economic growth with a value of sig. 5% (α = 0.05). Based on the proposed hypothesis, reject H0 and accept Hα. Statistically, FDI positively affects economic growth.
- Domestic Planting (DI)
  Based on table 8, the estimation results of the PMDN variable have a probability value of 0.0083 with a coefficient of -8.49E-07. This value indicates that the DI variable harms economic growth with a sig value. 5% (α 0.05) means significant. Based on the proposed hypothesis, accept H0 and reject Hα, meaning that DI negatively affects economic growth statistically.
- Export (X)
  Based on table 8, the estimation results of the Export variable have a probability value of 0.0000 with a coefficient of 0.148286. This value indicates that the variable X positively affects economic growth with a sig value. 5% (α = 0.05). Based on the proposed hypothesis, reject $_{H0}$ and accept Hα. Statistically, FDI positively affects economic growth.

b. Simultaneous Regression Coefficient Test (F Test)

The estimation results in table 8 show the Prob value (F-statistic) of 0.0000. The significance value of 0.0000 <0.05 indicates that simultaneously the independent variables affect economic growth. Therefore, based on the proposed hypothesis, reject $_{H0}$ and accept Hα, which means that the independent variables simultaneously affect economic growth.

c. Coefficient of Determination ($\boldsymbol{R^2}$)

Table 8 also shows the value of the coefficient of determination (R 2) of 0.701233. This value shows that the ability of household consumption variables, PMDN, PMLN, and exports can explain the variation of economic growth variables by 70.12%.

Furthermore, after testing the hypothesis and estimation of the model, it will review in more depth the influence of household consumption, Foreign Investment, Domestic Investment, and exports on Indonesia's economic growth during the pandemic. Although household consumption is considered to have a low influence because this variable is studied in the short term, if it is recalculated with a long-term approach, household consumption will have a greater influence than the first two years of the pandemic study. It is evidenced by the number of household consumption that had fallen in 2020, again experiencing improvement in 2021. In addition, an adaptation of industrial production and new opportunities will open up new commodity production that emerged during the pandemic. Where this will increase the number of workers so that income will increase. Consumption will certainly increase in line with Keynes' theory (2019), *Marginal Propensity to Consume*.

In this study, foreign investment is the biggest influence on economic growth during the pandemic in Indonesia. It indicates that when national economic growth declines, foreign investment also declines, which greatly affects the economic growth rate during the pandemic. Likewise, in 2021, economic growth will increase. The economy also supports an increase in foreign investment during the pandemic. Indonesia is a developing country with many startups and digital businesses that are sure to survive the pandemic. The digital and transportation sectors like this are one of the goals for foreign investors to invest their capital in. Furthermore, in terms of

food and medicine, Indonesia is a country that produces food and spices, which is the cause of foreign investors being very influential in investing in Indonesia even during the pandemic.

Estimates show that domestic investment harms economic growth. Although this result is contrary to the hypothesis, this study is in line with research by Lean and Tan (2011), Agustini (2016), Mutholifa (2019), and Wahyudi & Yuliarmi (2021), showing that domestic investment harms economic growth. Domestic investment has increased when economic growth has declined. As stated by the Indonesian Ministry of Investment, domestic investment has increased compared to before the pandemic. It was stated by the Ministry of Investment that the 2020 investment target of Rp. 817.2 trillion has been achieved, an increase of around Rp. 9 trillion. Domestic investment contributed more than foreign investment during the pandemic. The manufacturing industry dominated developing domestic investment. . Although foreign investment is more common, domestic investment during the pandemic is much more developed than foreign investment. It indicates that long-term domestic investment will positively affect economic growth, considering that only 2020-2021 were investigated in this study.

Exports are the second biggest influence on Indonesia's economic growth during the pandemic. This pandemic was shown at the beginning of 2020 when many countries implemented *lockdowns* and restrictions on imports of goods, including Indonesia, so that when there was a sharp decline in economic growth, exports also experienced a significant decline. The Ministry of Finance of the Republic of Indonesia carried out several policies to be able to maintain an increase in exports to increase the declining national economic growth, including simplification and reduction in the number of prohibitions and restrictions (lartas) on export activities; simplification and reduction of the number of prohibitions and restrictions on import activities, especially raw materials; the government accelerates the process for *reputable traders,* namely export players who have a high level of compliance; and improvement and acceleration of services for export and import processes with supervision through the *National Logistic Ecosystem* (NLE). The policy is going well, seeing the data on the number of Indonesian exports, which is increasing rapidly in 2021, even though it is still in a pandemic state.

CONCLUSION

Based on the study's results, the following conclusions can be drawn: (1) Household consumption has the smallest positive effect on economic growth during the pandemic, but the effect will be greater if studied in the long term. (2) Foreign investment has the greatest influence on economic growth during the pandemic, which is an indication of the large number of foreign investors investing in the Indonesian industry, especially in the digital, food, metal, and transportation sectors because Indonesia is one of the countries that have a major influence on digital business. The ease of investing for foreign investors in Indonesia during the pandemic is also one of the reasons for the increase in foreign investment (3) Domestic investment harms economic growth because domestic investment increases when economic growth declines. The country also experienced an increase during the pandemic compared to before the pandemic. In addition, domestic investment prioritized the island of Java compared to outside Java, resulting in inequality in the realization of domestic investment. (4) To be able to continue to encourage economic growth, the value chain must continue, and one of them is that exports must not be stopped between countries, despite the many export bans during the pandemic because exports are a good impetus for developing countries to increase their country's economic resources. Simplification and other policies in national exports have an impact on economic growth. Exports

can also carry out sustainably in the long term for economic growth. They encourage increasing foreign and currency exchange rates to build national economic growth.

Some suggestions found in this study are: (1) The data used is still secondary data at the provincial level, so it has not reached in-depth the variables concerned with primary data, so it needs to be more complex if you want to see the influence of independent variables on economic growth. (2) The time that was decided to be researched begins in 2020 when the pandemic period had quite an effect on economic growth in Indonesia. Therefore, using quarterly data will be even better. (3) Domestic investment that has a negative effect must be re-examined, which causes domestic investment to become negative during the pandemic.

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