# Exchange Rate, Export, and Import in the Indonesian Economy: VAR Approach

Sri Harnani1, Bambang hadi prabowo2,Suryaning Bawono3, Muhammad Birrul Alim4, Mirta Wahyu Wulandari5

1 STIE Jaya Negara Tamansiswa Malang,Indonesia, Email : sriharnanimalang@gmail.com , Orcid Id : 0000-0001-7202-5256

2 STIE Jaya Negara Tamansiswa Malang,Indonesia, Email :Bambanghadiprabowomalang@gmail.com , Orcid Id : 0000-0002-4516-6720

3 STIE Jaya Negara Tamansiswa Malang,Indonesia, Email : ninobalmy@gmail.com, Orcid id : 0000-0001-6617-276X

4Economics Department, Faculty of Economics and Business, University of Jember, Indonesia. Email : birrulalim94@gmail.com, Orcid Id : 0000-0003-4435-5703

5STIE Jaya Negara Tamansiswa Malang, Indonesia, Email : mirtawhulandary@gmail.com, Orcid Id :-

## Abstract:

This study aims to investigate the impact of the exchange rate (rupiah against the United States dollar) on exports of goods and services, as well as imports of goods and services. This study uses data from 2000 to 2019 by modeling "autoregressive vectors" to understand causal relationships between variables. This research is based on secondary data from the world bank. We use the exchange rate of the rupiah against the United States dollar, exports, and imports in Indonesia as variables. It evaluates the causal relationship between exchange rates, exports, and imports in Indonesia. The implication of the findings of this study is that high imports of goods and services will weaken the rupiah exchange rate against the US dollar. This can happen because Indonesia is an import-oriented country, and there is a relationship between export and import variables. Import of goods and services sector in Indonesia. In addition, the results of the study show that the causal relationship only occurs in the imported variable that affects the exchange rate, and the export variable that affects imports, while the causality relationship between other variables is not significant.

**Keyword:** Exchange rate, export, import, indonesian.

**JEL Classification:** C32, F1, F14