

Data Panel Model Solution in Forecasting Investments through Energy Electricity and Government Policy in Indonesia

Sidik Budiono

Department of Management Faculty of Economics and Business
Universitas Pelita Harapan
Tangerang-15811, Indonesia
sidik.budiono@uph.edu

John Tampil Purba

Department of Management Faculty of Economics and Business
Universitas Pelita Harapan
Tangerang-15811, Indonesia
john.purba@uph.edu

Abstract

Adequacy of electricity in one nation must be provided by the State to increase the country's national production. In the government policy commanded by President Joko Widodo infrastructure provision including electricity is a priority. Therefore this study takes a hypothesis; the availability of electricity and central government policy greatly affect investment in Indonesia for economic development. This study uses panel data analysis covering 34 provinces in the territory of the Republic of Indonesia with data for 8 years' time series. Thus, this study chooses the best and most suitable econometric model that is random effects models through the stages of statistical test by using Hausman, $\text{prob} > \chi^2 : 0.05 > 0.000$. Not only the existence of electricity but also the availability of electricity significantly affects production activities that are generally in the service industry, manufacturing and other sectors. The government policy that is fast and precise on this matter will determine the acceleration of economic growth both directly and indirectly.

Keywords: Energy Electricity, Investment, Government Policy and Data Panel Model

Biographies

John Tampil Purba, obtained a degree Doctor (S3) majoring Management from De La Salle University Systems Manila, Philippines in 2002. Dr. Purba also has several certifications international competition in management information systems and technology, among others; MCP, MCSA, MCSE, MCSES, MCSAS, MCDL and MCT from Microsoft Technologies, USA and CSE from Cisco System USA. He has a number of managerial experiences in the Service Industries more than 25 years. He is currently a lecturer at the Faculty of Economics and Business Pelita Harapan University, Karawaci Banten, Indonesia.

Sidik Budiono is an Associate Professor in Economics at Department of Management Faculty of Economics and Business Pelita Harapan University. He graduate Master and Doctor of Economics from Universitas Indonesia, Jakarta. He ever served as Vice Rector of Academics in Universitas Ottow Geissler Papua. He interests in research around national, regional development and international economics.