ABSTRACT

Foreign direct investment (FDI) plays a crucial role in supporting the development of Indonesia's agricultural sector, but investment decisions in this sector are not only related to economic conditions but are also influenced by structural factors related to the investment environment. During the study period, Indonesia experienced changes in macroeconomic conditions and structural factors that could influence foreign investors' decisions, while research on these factors as they relate to FDI in the agricultural sector remains limited. This study aims to analyze and determine the influence of macroeconomic indicators and structural factors on foreign direct investment (FDI) in the agricultural sector in Indonesia. The variables used in this study include gross domestic product (GDP), interest rates, inflation, the provincial minimum wage (UMP), and the corruption perceptions index (CPI). The research method used is a quantitative approach employing quarterly time-series secondary data from 2010 to 2025. Data analysis was conducted using multiple linear regression with the assistance of SPSS software. The results indicate that, simultaneously, macroeconomic indicators and structural factors have a significant effect on FDI in the agricultural sector in Indonesia. Partially, interest rates, inflation, the UMP, and the CPI have a positive and significant effect on FDI in the agricultural sector in Indonesia, whereas GDP does not have a significant effect on FDI in the agricultural sector in Indonesia.

Keywords: Foreign Direct Investment, Agricultural Sector, Macroeconomic Indicators, Structural Factors.