THE TRINITY OF CENTRAL BANK POLICIES AND THE COMPETITIVE POSITION OF EXPORT COMPANIES IN INDONESIA

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Abstract

The research objective is to examine the impact of the trinity of central bank policies on the company's internal, investment growth, and competitiveness of the company. The objects observed were export companies listed on the Indonesia Stock Exchange for the period 2016 to 2018. The sample was determined by purposive sampling and obtained 59 companies that matched the sample criteria. Data analysis method using WarpPLS. The result of the research notes that the rupiah exchange rate does not affect investment policy and sales growth. The inflation rate has no effect on investment policy but has a significant positive effect on sales growth. The interest rate has a significant negative effect on investment policy but has no effect on sales growth. Sales growth has a significant positive effect on investment policy. Investment policy has a significant positive effect on company competitiveness. The novelty of this research is a comprehensive review of the impact of external factors on the company's internal and competitiveness of the company. We also offer a measure of competitiveness based on ROI which is classified into five criteria.

Keywords: exchange rate, inflation rate, interest rate, sales growth, investment policy, company competitiveness.

1. Introduction

A company that has a sustainable competitive advantage is the ability to maintain and improve performance as shown by the achievement of company goals. The short-term goal is to get the maximum profit possible by utilizing the resources owned by the company while the long-term goal is to maximize the value of the company (Novari & Lestari, 2016).

Above average return shows the competitive position of the company. As (Porter, 1981) stated, the potential to generate return on invested capital (ROI) is not the same for each company. As a result of competition in the industry, competing on a low cost or differentiation basis. In this paper, we use ROI as a proxy for competitiveness which is converted with a score of 1-5 based on the deviation of the average profit obtained by the company (Above Average Return). This proxy is a measurement novelty also aims to improve the quality of research data.

Based on several empirical studies, it shows that profitability is an indicator of company competitiveness that can fluctuate with changes in external factors including inflation, interest rates, and foreign exchange rates, all of which we call the central bank policy trinity. Thus, these external factors are determinants of the company's competitiveness that also need to be considered by the company's management in the process of making strategic financial decisions such as investment decisions, funding decisions, and dividend policies (Ginting et al., 2015; Mardiyati & Rosalina, 2013; Poernomo et al., 2013). Thus the external environment has the potential to expose the company's internal conditions and will determine strategic decisions including investment.

Internally, sales performance is sometimes vulnerable to policies made by central banks in determining interest rates and inflation, as well as intervention in the stability of the rupiah exchange rate. Sales performance can be affected by macro dynamics where fluctuations in interest rates and exchange rates as well as inflation rates will greatly affect purchasing power and prices, as stated by (Fatharani & Ngatno, 2016) that changes in economic conditions can affect prices, sales and the intensity of competition.

Previous research tends to only use external or internal factors, tends to be linked to the value of the company regardless of how the condition of the company's competitiveness. Thus, the novelty in this research is a comprehensive review of the impact of external factors on the company's internal on investment growth and competitiveness of the company. Previous research tends to only use external or internal factors, tends to be linked to the value of the company regardless of how the condition of the company's competitiveness. Thus, the novelty in this research is a comprehensive review of the impact of external factors on the company's internal on investment growth and competitiveness of the company. We also offer a measure of competitiveness based on ROI which is classified into five criteria. We explain on variables and measurements.

Conceptually, this study aims to examine and analyze the impact of the trinity of central bank policies on company internals, investment policies and company competitiveness. The trinity of central banks is represented by exchange rates, inflation and interest rates. Internal company in terms of sales growth and investment growth. Furthermore, what is the impact on the company's competitive position. We also want to test and analyze the mutual influence of the rupiah exchange rate and the interest rate on the quality of our proposed conceptual model.

Theoretical Framework and Hypothesis Development

The Influence of the Rupiah Exchange Rate on the Company's Investment Policy

The rupiah exchange rate has a considerable influence on investment, especially foreign capital. This is because some business actors use foreign capital loan to conduct funding, some business actors also import raw or complementary materials to carry out their production, and some of the technology used to carry out business activities is obtained from abroad and tends to be provided with a credit system (Nagahisarchoghaei et al., 2018). Fluctuations in the rupiah exchange rate can have a significant impact on the company's investment policy, if the dollar strengthens against the rupiah, companies investing with foreign funds have greater demands for refunds.

H1: Rupiah exchange rate has significant effect on investment policy.

The Influence of the Rupiah Exchange Rate on the Company's Sales Growth

International trade can leverage marketing performance, however, currency differences are often a correction factor for profits. Fluctuations in the exchange rate of the rupiah will affect especially companies that carry out international trade. Specifically (Fatharani & Ngatno, 2016) stated that the rupiah exchange rate had a significant negative effect on sales.

H2: Rupiah Exchange Rate Has Significant Effect on Sales Growth

The Influence of Inflation Rate on the Company's Investment Policy

Inflation is the tendency of rising prices for all commodities (bi.go.id). Investment decisions are asset expenditure activities that are expected to increase the company's productivity so as to provide more and more profitable returns. Asset spending will be delayed when the price of all commodities increases. it means that inflation can affect the company's investment policy. Inflation will also increase the company's cost burden. Thus, inflation is considered by managers to continue or delay the planned investment.

H3: Inflation Rate Has Significant Effect on Investment Policy.

The Influence of Inflation Rate on the Company's Sales Growth

(Sitanggang & Munthe, 2016) mentioned that inflation can have positive and negative effects depending on the level, inflation that is too high can reduce public consumption and disrupt business operations. Low inflation can slow down economic growth. Therefore, the central bank makes appropriate adjustments to the inflation rate. (Putra, 2016) found that inflation has a significant positive effect on sales growth. Meanwhile (Fatharani & Ngatno, 2016) found that inflation has a significant negative effect on sales growth.

H4: Inflation Rate Has Significant Effect on Sales Growth.

The Influence of Interest Rates on the Company's Investment Policy

One of the funding schemes for investing is debt to banks. This decision to use debt is able to leverage the company's capacity to produce products. However, the company's interest in borrowing bank funds can be delayed when the loan interest rate increases. High interest rates can cause a decrease in the company's interest in investing, because a high interest rate will increase the cost of the investment made, thereby suppressing the rate of return on investment and requiring the company to work harder to generate profits and pay large obligations. Conversely, low interest rates can motivate companies to take investment policies because the investment costs are relatively cheap (Ginting et al., 2015; Suyuan & Khurshid, 2015).

H5: Interest Rates Have a Significant Influence on Investment Policy.

The Influence of Interest Rates on the Growth of Company Sales

As the theory explains that the interest rate is a reward for lending services or debts provided so that the return borne by the creditor is not only to return the principal amount borrowed but also to pay the agreed percentage (interest) (Ginting et al., 2015). This can also be applied to buying

and selling activities, especially in the export-import trade. Purchases of products/services on credit are things that are often used, so it is possible for companies to take advantage of the ongoing credit sales system. However, not all companies take advantage of this policy because it is considered to reduce the interest of product/service users due to the greater burden given, so many companies prefer to use a discount policy for early payment of credit transactions.

H6: Interest Rates Have a Significant Influence on Sales Growth.

The Influence of Sales Growth on Company Investment Policy

Sales growth is a very vital indicator in business activities because it is undeniable that sales are the breath of the company to keep its business activities operating. The increase or decrease in sales growth will greatly affect business activities in generating profits, making investment decisions, and other business policies (Arif, 2015). As well investment policy which is an activity of using capital to increase assets that are expected to increase the company's productivity to get more and more profitable returns, explained by (Sudiani & Darmayanti, 2016) that investment policy is an expenditure that can generate higher returns in the future.

H7: Sales Growth Has Significant Effect on Investment Policy.

The Influence of Investment Policy on a Company's Competitiveness

Investment policy, which is an activity of using capital to get more and more profitable returns, can also be interpreted as the costs incurred by the company to improve the company's performance. While the company's competitiveness is the company's ability to compete to continue to exist and be in demand in its business environment, one of the benchmarks for the success of a company in competing is to continue to have sales and generate profits that are average or above average, because if a company able to generate returns that are average or above average, then the company is a company that has competitiveness (Berman, 2020; Flynn, 2016; Porter, 1981).

Explained by (Yuliana, 2014) that investment policy is an indicator that acts as a boosting performance which is expected to increase productivity, sales, quality, and competitiveness of the company.

H8: Investment Policy Has Significant Effect on Company Competitiveness.
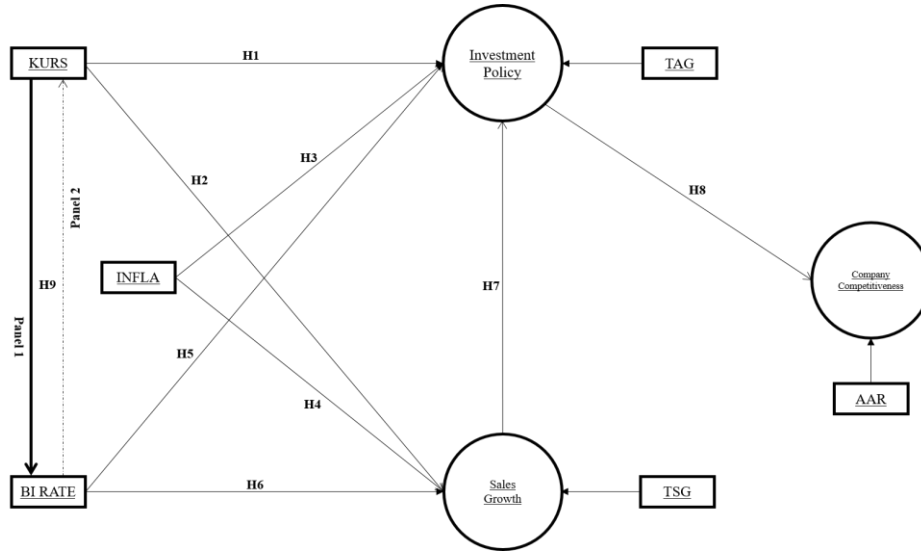
Research Conceptual Model

Figure 1. Research Conceptual Model

Descriptios:

KURS   : Rupiah Exchange Rate (US$)

INFLA   : Inflation Rate

BI RATE   : Interest Rate

TSG   : Total Sales Growth

TAG   : Total Assets Growth

AAR   : Above Average Return (Converted Return On Investment)

⟶ : Panel 1   ----------▶ : Panel 2

2. Method

2.1 Research Type

This research is quantitative research that uses secondary data in the form of statistical data and financial reports obtained from Bank BI, BPS, and the Indonesia Stock Exchange (IDX). This research includes explanatory research, namely research conducted by explaining the symptoms caused by an object of research, testing, and providing causal explanations or relationships between variables through hypothesis testing. This study aims to determine the influence of external factors on the company's internal factors as well as investment policies and company competitiveness in companies listed on the IDX in 2016-2018.

2.2 Population and Sample

The population used in this study are companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period. The population used was 662 companies and 58 companies were used

as samples in this study. The sampling technique was carried out by purposive sampling method which is sampling using the following criteria:

a. Companies listed on the IDX for the 2016-2018 period that have export activities (can be seen through company profiles or company financial statements).

b. Companies that issue complete financial statements for the 2016-2018 period.

c. Companies that have successive profits during the 2016-2018 period.

2.3 Variables, Operationalization, and Measurement

The company's competitiveness is proxied by return on investment or ROI (Return On Investment). ROI is calculated based on the formula:

$$ROI = \frac{\text{Earning After Tax}}{\text{Total Assets}}$$

(Arif, 2015; Mairizal et al., 2018; Porter, 1981; Rahmawati et al., 2014; Sonia R et al., 2014; Tyas & Saputra, 2016)

However, in this study, the results of the ROI calculation will be converted to above-average return (AAR). This is based on Porter's opinion that ROI can be a benchmark for a company's competitiveness if it has been measured by the average return in its business environment, whether in the average range, below average, or above average (Porter, 1981). The average and deviation of the company's ROI data using Microsoft Excel application, and will be converted as follows;

Table 1. ROI Scoring

Standard Deviation	Score
Deviation +3	5
Deviation +2	4
Deviation +1	3
Mean	3
Deviation -1	3
Deviation -2	2
Deviation -3	1

External factors are measured by the variables of Interest Rate, Inflation Rate, and Rupiah Exchange Rate. The variable values are sourced from Bank Indonesia (bi.go.id) and BPS Indonesia (Central Statistics Agency).

In this study, the intervening variable is an internal factor measured by the total sales growth and investment policy as a proxy for asset growth, each of which has the following measurement formula:

Total Sales Growth:

$$TSG = \frac{\text{Total Sales Year t - Total Sales Year t-1}}{\text{Total Sales Year t-1}}$$

(Siti Nurlaela, 2017; Suweta & Dewi, 2016; Yudiawati & Indriani, 2016)

Investment Policy:

$$TSG = \frac{\text{Total Asset Year t - Total Asset Year t-1}}{\text{Total Asset Year t-1}}$$

(Arif, 2015; Haque & Maslichah, 2019; Setiyorini & Kartika, 2018; Siti Nurlaela, 2017; Triyani et al., 2018; Tzelepis & Skuras, 2004)

2.3.1 Analysis Method

Data analysis was carried out using the WarpPLS 7.0 application and the analysis features contained in the application. WarpPLS 7.0 is a data processing application based on Partial Least Square (PLS), and WarpPLS 7.0 is also recommended for processing business data because it has features of model suitability analysis and description of relationships between variables accurately and consistently (Kock & Kock, 2020). The WarpPLS 0.7 application is also equipped with a User Manual that shows how to interpret each analysis result.

3. Results

3.1 Descriptive Statistics

Based on the data that has been processed using WarpPLS 7.0 software, statistical data is obtained. Descriptive analysis is carried out by looking at the average (mean), median, minimum, maximum, and standard deviation of each indicator of the research variables. The following is a description of the research variables through descriptive statistics according to the data that has been processed using WarpPLS 7.0 software.

Table 2. Descriptive Statistics

Variabel	Indicator	N	Mean	Median	Min	Max	Std Dev
Rupiah Exchange Rate	KURS	177	13905.67	13661	13503	14553	463.5677
Inflation Rate	INFLA	177	0.0325	0.0313	0.0302	0.0361	0.0026
Interest Rate	BI RATE	177	0.05	0.0475	0.0425	0.06	0.0074
Sales Growth	TSG	177	0.3530	0.1157	-0.8961	23.9911	1.9232
Investment Policy	TAG	177	0.1685	0.1198	-0.0934	1.8569	0.2315
Company Competitiveness	AAR	177	3.0508	3	3	5	0.3066

Source: WarpPLS 7.0, Processed Data

3.2 Correlation Among Variables

Table 2. Correlation Among Variables

	Kurs	Inflasi	BI_Rate	TSG	TAG	D_Saing
X-Rate	**(1.000)**	-0.206	**0.913**	-0.040	-0.069	-0.042
Inflation	-0.206	**(1.000)**	-0.588	0.154	-0.025	-0.008
BI_Rate	**0.913**	-0.588	**(1.000)**	-0.097	-0.047	-0.031
TSG	-0.040	0.154	-0.097	**(1.000)**	0.171	0.000
TAG	-0.069	-0.025	-0.047	0.171	**(1.000)**	0.196
Competitiveness	-0.042	-0.008	-0.031	0.000	0.196	**(1.000)**

Source: WarpPLS 7.0, Processed Data

The high level of correlation between the Exchange Rate and the BI Rate (Rupiah Exchange Rate with Interest Rates) is the reason why reciprocal testing is carried out between the two to see whether there is a change in the quality of the model or not.

3.3 Model Fit and Quality Indices

The WarpPLS 7.0 software has a model fit and quality indices feature to show an indication of the suitability and quality of the model along with showing the ideal value, and the results of testing the suitability and quality of the model are as follows:
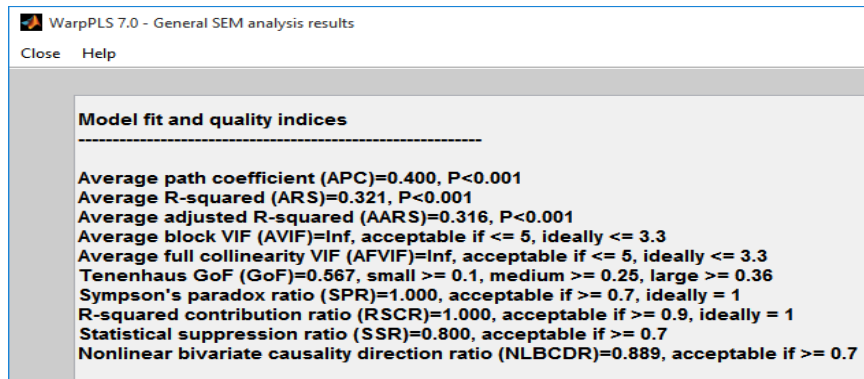

Figure 2. Model Fit and Quality Indices Panel 1

Source: WarpPLS 7.0 software data processing results for Panel 1

Average path coefficient (APC) has a value of 0.400 and a P value <0.001, Average R-Squared (ARS) has a value of 0.321 and a P value <0.001, Average adjusted R-squared (AARS) has a value of 0.316 and a P value <0.001, in the user The WarpPLS 7.0 manual explains that the quality of the significance of the model can be seen from the P value shown by APC, ARS and AARS, if all three have a P value less than or equal to 0.05 and the level shows that the P value is less than 0.05, it can be concluded that the result of data processing is significant. While the Average block VIF (AVIF) and Average full collinearity VIF (AFVIF) are used to show the

level of multicollinearity of variables in the study, if both values are > 5 then there are variables that are expected to be removed from the research model, and the results show the results inf or the same with zero, then no variables need to be eliminated.

While the Tenenhaus Goodness of Fit (GoF) is an analysis to show the explanatory power of the analysis results to show whether the analysis results are accepted, it is shown that the explanatory power is small if >= 0.1, moderate if >= 0.25, large if >= 0.36, and GoF shows a value of 0.567 which means that the probability of receiving an analytical explanation is large.

It can also be seen through Sympson's paradox ratio (SPR) which has a value of 1,000, and the conditions for acceptance are that it has a value of >= 0.7, ideally = 1. The R-squared contribution ratio (RSCR) has a value of 1,000 and can be accepted if it has a value of >= 0.9, ideally = 1. Statistical suppression ratio (SSR) has a value of 0.800, can be accepted if it has a value of >= 0.7. The nonlinear bivariate causality direction ratio (NLBCDR) has a value of 0.889, it is acceptable if it has a value >= 0.7, from all the results of the analysis above, it shows that this research model has good suitability and quality and is acceptable.

3.4 Hypothesis Results

The research data was processed to test the hypothesis using WarpPLS 7.0 software with the research model that has been tested and calculated by bootstrapping as follows:
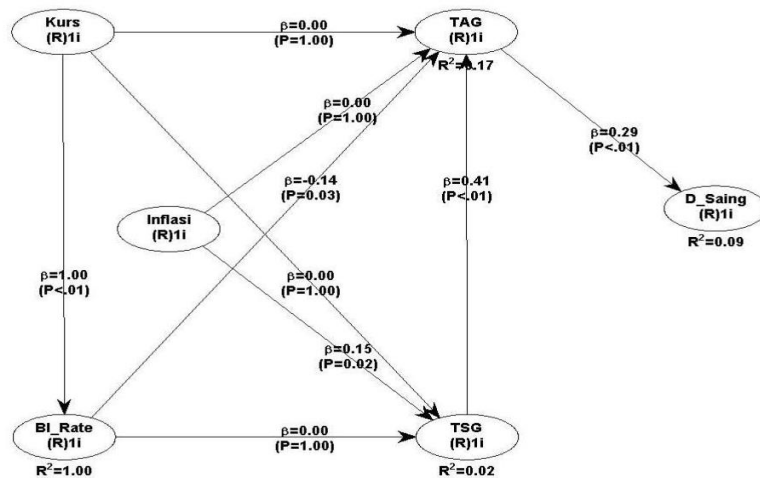

Figure 3. Research Result Panel 1
Source: WarpPLS 7.0 software data processing results for Panel 1

Table 3. Correlation Among Variables

No	Hypothesis	Path-Coef	P-Values	Result
1	Rupiah Exchange Rate > Investment Policy	0	1	Rejected
2	Rupiah Exchange Rate > Sales Growth	0	1	Rejected
3	Inflation Rate > Investment Policy	0	1	Rejected
4	Inflation Rate > Sales Growth	0.15	0.02	Accepted
5	Interest Rate > Investment Policy	-0.14	0.03	Accepted
6	Interest Rate > Sales Growth	0	1	Rejected
7	Sales Growth > Investment Policy	0.41	<0.01	Accepted
8	Investment Policy > Company	0.29	<0.01	Accepted
9	Rupiah Exchange Rate >< Interest Rate	1		Exp.

Source: WarpPLS 7.0, Processed Data

3.5 Reciprocal Relationship between Rupiah Exchange Rate and Interest Rate

Based on the two-way test between the rupiah exchange rate and interest rates, the reciprocal relationship between the two is equally strong and does not change the decision, means that both of them have movements that go hand in hand and both have a role in the economy and are indeed an important element of the policy of the Central Bank of Indonesia. This is also shown by the results of data processing that the analysis of the indications of the suitability and quality of the model through the WarpPLS 7.0 application is as follows:
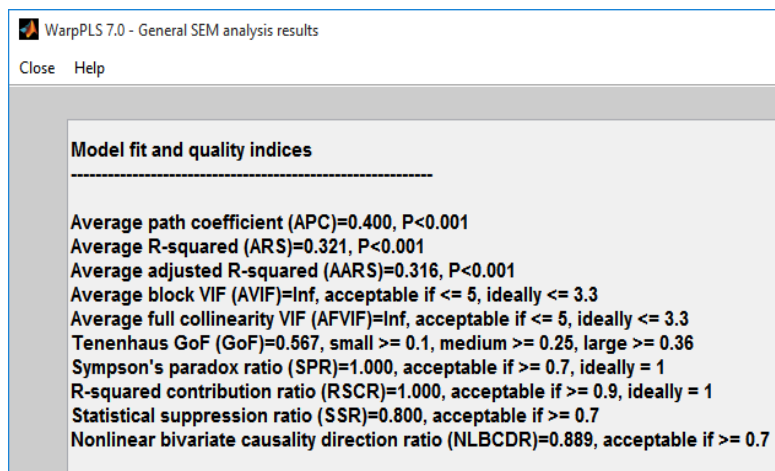

Figure 4. Model Fit and Quality Indices Panel 2
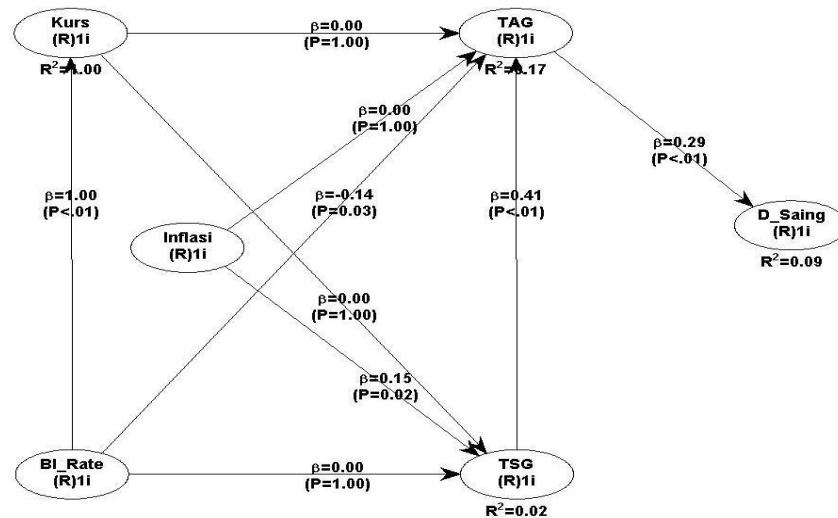*Source: WarpPLS 7.0 software data processing results for Panel 2*

Figure 5. Research Result Panel 2
Source: WarpPLS 7.0 software data processing results for Panel 2

Through an indication of the suitability and quality of the model when reversing the direction of the relationship between the rupiah exchange rate and the interest rate shows that there is no change in any value, it means that the high enough multicollinearity relationship does not affect the quality of the research model and does not change the decision of the hypothesis being tested. This shows that the rupiah exchange rate and interest rates both have a simultaneous role in creating economic stability simultaneously.

4. Discussion

The Influence of the Rupiah Exchange Rate On Investment Policy

The results of hypothesis testing obtained are that the Rupiah Exchange Rate has no effect on Investment Policy. This means that the movement of the rupiah exchange rate does not have a significant effect in the consideration of the company's investment policy making in assets growth. In most journals that the authors meet, researchers tend to place investment/asset growth policies in line with the rupiah exchange rate, which logically has different scope for these two variables. The rupiah exchange rate is a variable that the company does not have sufficient share or authority to control and is only used as a material for consideration, but investment policy is a variable that is entirely in the power of the company. So this research model is a new finding to determine the effect of the rupiah exchange rate on the company's investment policy in asset growth, and the analysis obtained is that rupiah exchange rate has no significant effect on the company's investment policy. This happens because there are many other factors that the company believes have a more intimate influence on investment policy decisions.

The Influence of the Rupiah Exchange Rate On Sales Growth

The results of hypothesis testing obtained are the Rupiah Exchange Rate has no effect on Sales Growth. This means that the rupiah exchange rate does not have a significant relationship with the company's sales growth. The results of this study are in line with research by (Putra, 2016) which has a result of the rupiah exchange rate has a positive but not significant effect. But not in line with (Fatharani & Ngatno, 2016) which has research results that there is a strong relationship between the rupiah exchange rate and the opinion that the higher the exchange rate, the more expensive the selling price of goods. The analysis obtained is that the rupiah exchange rate does not have a significant effect on sales growth. This happened even though the fluctuations in the rupiah exchange rate during 2016 - 2018 were relatively weak, but there were other variables that had more impact on sales. Shown by fluctuations in the period January 2016 - December 2018 shows that rupiah fluctuations are classified as controlled within a stable standard of around 14,000 rupiah.

The Influence of Inflation Rate on Investment Policy

The results of hypothesis testing obtained are the Inflation Rate has no effect on Investment Policy. This means that the inflation rate does not have a strong influence on investment policy. The analysis obtained is that the inflation rate is not the company's main consideration in assets growth as an investment, this happens because it is possible that there are other variables such as sales growth which indicates increasing customer demand or due to other factors such as expansion opportunities or others.

The Influence of Inflation Rate On Sales Growth

The results of hypothesis testing obtained are the Inflation Rate has a significant positive effect on Sales Growth. This means that the government's decision in determining the inflation rate policy is appropriate in boosting the economy or the company's sales growth. The results of this study are in line with research by (Putra, 2016) which has the result of inflation has a significant positive effect on sales growth. But not in line with (Fatharani & Ngatno, 2016) which has a research result that inflation has a negative effect on sales growth who argues that every inflation can reduce sales due to rising prices.

The analysis obtained is that the inflation rate has a significant positive effect on the company's sales growth, this happens because of the proper control by the Central Bank of Indonesia on inflation. Inflation control that is neither too high nor too low is indeed needed so that economic growth can run well and support the company's business processes. As said by (Sitanggang & Munthe, 2016) that inflation can have positive and negative effects depending on the level, inflation that is too high can burden the community and business actors and inflation that is too low can also slow down economic growth as a whole, it is necessary to have proper control of the inflation rate, and in this study it was found that Bank Indonesia has carried out proper control with a positive influence on the company's sales growth.

The Influence of Interest Rates on Investment Policy

The results of hypothesis testing obtained is the interest rate has a significant negative effect on investment policy. This means that the interest rate has a negative impact on investment policy.

The analysis obtained is that interest rates can cause a decrease in investment policy, this happens because of the tendency of companies in Indonesia to increase their assets on credit or by adding debt which will automatically charge interest. So that companies really make careful considerations in making investment policies.

This is also explained in research by (Suyuan & Khurshid, 2015) that the interest rate can cause an increase in investment costs to total assets, and this can reduce the return on investments made. Even socially it will make investment interest decline. Likewise, if the interest rate decreases, it makes companies more active in investing in assets because investment costs are cut, and this can stimulate investment socially.
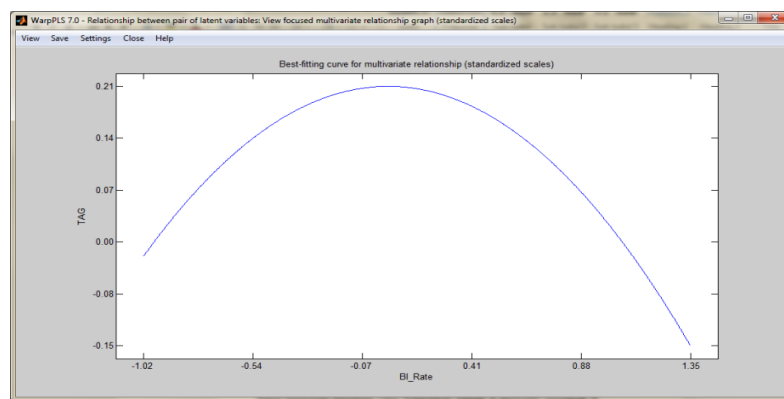

Figure 7. The relationship between interest rates and investment policy
Source: WarpPLS 7.0 software

The result curve potrayal of the WarpPLS 7.0 program above shows that when the interest rate is low, the company's asset growth increases and decreases when the interest rate increases, indicating that an increase in the interest rate has a significant negative impact on investment policy. This is relevant to the explanation (Pettinger, 2019) that usually a higher interest rate will depress investment levels due to increased borrowing costs, which in turn demands a very high return on investment so that the investment made is profitable, which is difficult for most business actors.

The Influence of Interest Rates on Sales Growth

The results of hypothesis testing obtained is interest rates do not have a significant effect on sales growth. No previous research has been found regarding the effect of interest rates on sales growth, because researchers tend to place the two variables in the same position and do not influence each other. Although both of them logically have different processes, where interest rates are something that is beyond the control of the company, but sales growth is something that the company can still strive for.

The analysis obtained is that the interest rate is not a variable that has a significant portion of the influence on sales growth. This happens because the sale of the company is an activity that rarely has a strong involvement with interest, even though the sale is credit or receivable, most non-finance companies do not apply interest in their credit transactions.

The Influence of Sales Growth on Investment Policy

The results of hypothesis testing obtained is sales growth has a significant positive effect on investment policy. That means, increased sales can be a strong cause of investment policies that will increase assets. The results of this study are in line with the opinion of (Arif, 2015) which states that sales are a vital indicator in business activities.

The analysis obtained is that sales have a positive and significant role on the company's investment policy. This happens because sales are a vital factor in business activities, the strength and weakness of the business can be due to the level of sales (Arif, 2015; Yudiawati & Indriani, 2016). If sales increase it will also be able to increase company profits, which means the company has the opportunity to increase its assets. In addition, increased sales can also be an indication that the company has reached a point where the company can increase the amount of production or expand the company.
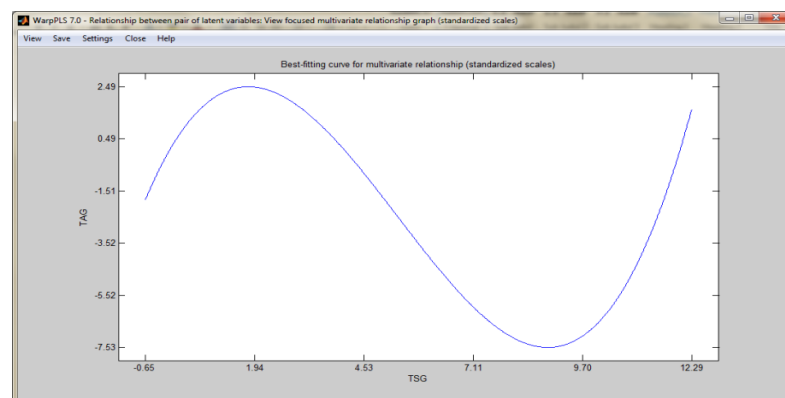

Figure 8. Relationship of sales growth with investment policy
Source: WarpPLS 7.0 software

The result curve potrayal of the WarpPLS 7.0 program above shows an S pattern, which means that increasing sales does provide a great opportunity to improve the company's investment policy, but there are times when sales increase and income increases, the company chooses not to add assets. This happens because in making investment policies it is not something that is done periodically, because increasing the company's capacity also needs to do research and proper calculations aside of being supported by increased sales.

The Influence of Investment Policy on Company Competitiveness
The results of testing the hypothesis obtained is that investment policy has a significant positive effect on the competitiveness of the company. This means that increasing investment policies can trigger increased competitiveness of companies. The analysis obtained is an increase in investment policy can be followed by an increase in the competitiveness of the company. This happens because the increased investment policy shows an increase in assets so that it also increases the capacity of a company in running its business, then this makes the company have the opportunity to maintain and improve its competitiveness.
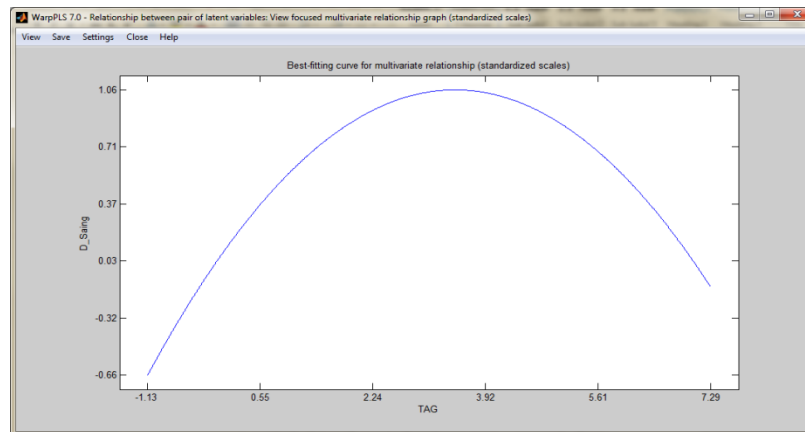
Figure 9. Relationship between investment policy and company competitiveness
Source: WarpPLS 7.0 software

The result curve potrayal of the WarpPLS 7.0 program above shows that increasing investment policies have a positive impact on the company's competitiveness, but excessive company investment policies without proper planning can have a negative impact on the company's competitiveness. Because investment is an investment that is expected to be maximized to provide a return that is more than the invested capital, and excessive investment policies can cause waste so that there are assets that do not have maximum productivity.

The Reciprocal Relationship of the Rupiah Exchange Rate with the Interest Rate

Based on the two-way test between the rupiah exchange rate and the interest rate, the reciprocal relationship between the two is equally strong, indicated by each indicator having a significant effect on each other. This means that both variables have independent movements so that they have their respective roles and influences as external or macroeconomic factors, and the reciprocal relationship of interest rates with the rupiah exchange rate does not change the value of the model analysis results as well as the quality and suitability of the model. Both variables have strong movements, so it can be concluded that this is part of the Central Bank's strategy in implementing macroeconomic control to maintain the economic resilience of the State, businessmen, and the community. This situation corresponds to that explained by (Victoria, 2019) that the weakening of the rupiah has the potential to trigger the Central Bank of Indonesia to increase the benchmark interest rate, this step is not without risk but is indeed quite effective in suppressing the volatility of the weakening of the rupiah exchange rate.

Conclusion

Based on the problem formulation, research objectives, hypothesis formulation, hypothesis testing and discussions that have been carried out, the researchers draw several conclusions that the rupiah exchange rate does not have a significant effect on the company's investment policy, the rupiah exchange rate does not significantly affect the company's sales growth, the inflation rate does not have a significant effect on the company's investment policy, the inflation rate has a significant positive effect on the company's sales growth, the interest rate has a significant

negative effect on the company's investment policy, the interest rate has no effect on the company's sales growth, the company's sales growth has a significant positive effect on the company's investment policy, the company's investment policy significant positive effect on the competitiveness of the company, the rupiah exchange rate and interest rates both have an independent role in its movement, This is possible because this phenomenon is one of the strategies of the Central Bank of Indonesia in maintaining economic stability through monetary policy.

Practical advice for investors should be in carrying out investment activities it needs to carry out an appropriate assessment of the company that is the object of investment, whether the company has standard competitiveness or not so that before investing investors can estimate the risks and opportunities that are possible in their investment activities.

For the Central Bank of Indonesia as a policymaker, it is expected that the results of this research can be used as material for evaluation and consideration for making future policies so that they can continue to carry out their mandate to maintain economic stability in Indonesia.

For companies, it is expected that this research can be used as a reference to measure the company's competitiveness in order to know the quality of the company's competitiveness with its competitors so that they can evaluate and make the right company decisions in the future.

For future researchers, it is expected that they can improve the things that are still lacking in this research and add variables that have the potential to support and improve the quality of this research.

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