

## SUMMARY

The savings-investment gap is actually a common phenomenon in many countries, including developing countries such as Indonesia and several ASEAN-7 member countries. The problem is, if this happens, economic growth will be hampered due to a lack of capital. Therefore, to maintain a stable level of economic growth, high domestic savings are needed to support investment so that the production process can be sustainable and the level of output can increase.

Therefore, if a savings-investment gap arises, it must be addressed, so that economic growth can take place. The purpose of this study is to analyze the effect of the consumer price index, total population, gross domestic product and real interest rates on the saving-investment gap in ASEAN-7 countries.

This study uses secondary data obtained from the Worldbank during the 2010-2019 period, with the number of observations consisting of 7 cross-sections and 10 time series. The analysis technique used is Data Panel Regression with the *Ordinary Least Square* (OLS) model.

The results showed that the consumer price index, total population, gross domestic product and real interest rates simultaneously showed the affect to saving investment gap in ASEAN-7 countries. Then partially, the consumer price index and gross domestic product variables have a positive and significant effect on the saving-investment gap in ASEAN-7 countries, total population has a negative and significant effect, while real interest rates have negative and insignificant effect on the saving-investment gap in ASEAN-7 countries. Then the variable gross domestic product is the most influential variable on the saving-investment gap in ASEAN-7 countries.

The implication of this research is that the government of each country and ASEAN as a bilateral organization must maintain the value of the consumer price index that occurs to maintain the inflation rate in order to achieve the target for each period, maintain the stability of the population and improve its quality in the long term, increase the income per capita of each country in order to increase the strength of the economy, maintain the value of real interest rates to increase domestic savings and investment in ASAN-7 countries.

**Keywords:** Saving-Investment Gap, ASEAN, Consumer Price Index, Total Population, Gross Domestic Product, Real Interest Rates.

