

V. CONCLUSION AND IMPLICATION

A. Conclusion

Based on the results of research on factors influencing tertiary sector investment in Java Island in 2010-2021, the following conclusions can be drawn:

1. GRDP has a positive and significant effect on tertiary sector investment on Java Island.
2. Total labor force does not have a significant effect on tertiary sector investment on Java Island.
3. Inflation rate does not have a significant effect on tertiary sector investment on Java Island.
4. Investment credit interest rates do not have a significant effect on tertiary sector investment on Java Island.
5. GRDP is the variable that has the most influence on tertiary sector investment on Java Island

B. Implication

1. Influence of GRDP on tertiary sector investment shows that economic growth (reflected in GRDP) can attract investors because of better market prospects and economic stability. Therefore, the government needs to improve policies that encourage economic growth, such as infrastructure development, increasing access to capital, and simplifying business licensing. Meanwhile, for investors, increasing

GRDP can be used as an indicator for choosing investment locations, especially in the tertiary sector which has high growth potential.

2. Even though total labor force did not have a significant effect in this study, workers remain an important factor in the production process. This result may be due to the imbalance between the quality of workers and the needs of the tertiary sector. Therefore, the government needs to improve the quality of workers through training and vocational education that is in accordance with the needs of the tertiary sector.
3. Inflation rate does not have a significant effect on tertiary sector investment, perhaps because the inflation rate in Java is still relatively low (below 10%). Therefore, the government needs to maintain price stability and people's purchasing power through appropriate monetary and fiscal policies. Meanwhile, investors need to monitor inflation trends because they can affect production costs and market demand.
4. Investment credit interest rate has no significant effect, although theoretically high interest rates can reduce investment interest due to higher capital costs. This result may be due to relatively stable interest rates or other more dominant factors. Therefore, the government needs to maintain interest rate stability and provide investment credit incentives for priority sectors.

C. Limitation of Research

1. Further research can add other variables such as infrastructure, regional policies, or non-economic factors (political stability), government spending, exchange rates or other non-economic variables so that more objects can be discussed, increasing knowledge and being more comprehensive in suggesting new policies.
2. Further research can use a longer time period so that it can provide more comprehensive results. Use of longer data (> 20 years) will increase the power of statistical tests. Further research can also use a combination of time series data with cross-sections (for example, per province in Java Island).

