R E S E A R C H   A R T I C L E

Analysis Of The Effect Of Foreign Investment And Provincial Minimum Wage On Gross Regional Domestic Product (Case Study Of 8 Provinces In Indonesia)

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Abstract

This study aims to provide an analysis of the effect of Foreign Direct Investment (FDI) and Provincial Minimum Wage (UMP) on Gross Regional Domestic Product (GRDP) in eight provinces in Indonesia, taking into account the dynamics and complexity of the economy in 8 provinces, including DKI Jakarta, East Java, West Java, Central Java, Banten, North Sumatra, South Sumatra, and South Sulawesi in the period 2018 to 2023. This study uses a REM model based on 2 tests including chow and hausman tests. The results indicate that FDI contributes significantly to the rate of GRDP in eight provinces in Indonesia, including South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi during the period 2018 to 2023. The increase in the value of FDI is in line with the increase in GRDP in these provinces. In addition, UMP also influenced GRDP in eight provinces in Indonesia during the period 2018 to 2023. An increase in UMP is positively correlated with GRDP in eight provinces in Indonesia.

Keyword: Foreign Investment, Provincial Minimum Wage, Gross Regional Domestic Product.

Introduction

Indonesia, as a developing country with a large population and a growing market, faces very complex economic dynamics. very complex. One of the main factors driving economic growth as an indicator of improving people's welfare and reducing poverty, is that economic growth is one of the government's top priorities. This growth is influenced by various elements, such as Foreign Direct Investment (FDI) and policies related to the Provincial Minimum Wage (PMW) (Rasyiqa et al., 2023) .

On the other hand, the PMW policy aims to improve workers' welfare and stimulate domestic economic growth through increased purchasing power. Economic theory shows that increasing wages can encourage consumption and economic growth (Satrianingtyas, 2023) . There is also an opinion that setting minimum wages too high can discourage investment and reduce competitiveness. While these two factors have been widely studied separately, there is still a need to analyze how they jointly affect Indonesia's economic growth. Understanding this relationship in more depth will allow policymakers to formulate more efficient strategies in promoting sustainable economic growth (Situmorang & Suharianto, 2024) .

At the end of 2019 right in December, an incident in Wuhan, China caused a new coronavirus case on January 7, 2020 (Yamali & Putri, 2020) . The spread of the coronavirus has a negative impact not only on the medical field, but also all economic sectors around the world, especially in ASEAN. Singapore is a developed country with a high number of positive coronavirus cases. The coronavirus outbreak has also had an impact on Singapore's economic sector. In the period July to September, economic growth decreased by -5.8%. Developing countries such as Malaysia also recorded an economic decline due to the impact of the corona virus outbreak. Malaysia's economic pace slowed down to -2.7% in July-September (Dewi et al, 2021) .

Based on the description above, it is necessary to know how economic growth in Indonesia. This study aims to analyze the impact of FDI and PMW on Gross Regional Domestic Product (GRDP) in provinces in Indonesia during the period 2018-2023. The various cities that are the focus of this research were chosen based on their large population and even distribution in many provinces, such as DKI Jakarta, East Java, West Java, and other provinces. Therefore, this study is expected to provide a broader consideration of the impact of FDI and PMW in various regional economic contexts. This study describes the theoretical basis of the research, the objectives to be achieved, as well as the practical contributions expected from the research results. It also includes the research findings and implications, although practical suggestions based on the research are not required to be included in the introduction.

Foreign Direct Investment

In accordance with Law No. 25 of 2007, Foreign Direct Investment (FDI) is a form of investment made by foreign parties in Indonesia. This investment can be done individually or collaboratively with local investors (Sari, 2020) .

One of the most crucial aspects of FDI is its impact on the economic growth of the recipient country. This aspect is particularly relevant for developing countries, where financial resources and capital for economic development are often limited. As a result of the savings- investment gap, many countries face the problem of (Salebu, 2014) .

Eight provinces, namely South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi, experienced significant growth in FDI consistently from 2018 to 2023. This change is also reflected in the value of foreign investment realization in Table 1.

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Table 1. Foreign Direct Investment

Foreign Investment (Million USD)										
Tahun / Provinsi	DKI JAKARTA	JAWA TIMUR	JAWA BARAT	JAWA TENGAH	BANTEN	SUMATERA UTARA	SUMATERA SELATAN	SULAWESI SELATAN	Rata-rata tiap Provinsi	Persentase (%) Kenaikan PMA
2018	4857.70	1333.40	5573.50	1227.60	2372.70	2827.30	1078.60	617.20	2486.00	-
2019	4123.00	866.30	5881.00	379.50	2723.20	1868.20	736.50	302.60	2110.04	-15.12
2020	3613.30	1575.50	4793.70	974.80	1363.60	2143.60	1543.90	236.10	2030.56	-3.77
2021	3330.60	1849.20	5217.70	580.40	1465.90	2190.00	1259.70	310.00	2025.44	-0.25
2022	3744.10	3134.00	6534.50	1316.10	2362.00	3410.70	1226.30	469.00	2774.59	36.99
2023	4830.00	4741.00	8283.70	1181.30	1563.70	4451.60	1478.60	336.70	3358.33	21.04
Total Percentage (%) Increase in FDI from 2018-2023										7.78

Source: BPS

Java, as part of the Indonesian region, has a central role in the country's economy and has recorded rapid economic progress. Due to the significant trade in goods, GRDP varies between islands. The high transaction flow is due to the fact that investors who invest their funds are mostly concentrated in Java.

Provincial Minimum Wage

The level of wages set by the company is directly correlated with the amount of labor that can be absorbed. The higher the wage given by the company to employees, the smaller the profit that can be obtained by the company. On the other hand, economic actors benefit from the low minimum wage (Pasuria & Triwahyuningtyas, 2022)

PMW is the lowest wage standard determined by the provincial government, which serves as a guideline for employers in providing wages to workers in the area (Nailufar et al, 2024) . In Indonesia, provincial minimum wage (PMW) increases every year. Local governments set the PMW which is determined by the central government.

Table 2. Provincial Minimum Wage

Provincial Minimum Wage (IDR)										
Tahun / Provinsi	DKI JAKARTA	JAWA TIMUR	JAWA BARAT	JAWA TENGAH	BANTEN	SUMATERA UTARA	SUMATERA SELATAN	SULAWESI SELATAN	Rata-rata tiap Provinsi	Persentase (%) Kenaikan PMA
2018	3648036.00	1508895.00	1544361.00	2132189.00	1486065.00	2099385.00	2595995.00	2647767.00	2207836.63	-
2019	3940973.00	1630059.00	1668373.00	2303403.00	1605396.00	2267990.00	2804453.00	2860382.00	2385128.63	8.03
2020	4276350.00	1768777.00	1810351.00	2499423.00	1742015.00	2460997.00	3043111.00	3103800.00	2588103.00	8.51
2021	4416187.00	1868777.00	1810351.00	2499423.00	1798979.12	2460997.00	3144446.00	3165876.00	2645629.52	2.22
2022	4641854.00	1891567.00	1841487.00	2522610.00	1812935.43	2501203.00	3144446.00	3165876.00	2690247.30	1.69
2023	4901798.00	2040244.00	1986670.00	2710494.00	1958169.69	2661280.00	3404177.00	3385145.00	2880997.21	7.09
Total Percentage (%) Increase in PMW from 2018-2023										5.51

Source: BPS

Eight provinces, ranging from DKI Jakarta to South Sulawesi, recorded an increase in PMW every year from 2018 to 2023 as stated in BPS data in table 2. The increase can be seen from the minimum wage values of the eight provinces in Indonesia.

Gross Regional Domestic Product

A growing economy is a major challenge for various countries around the world, especially developing countries that often face difficulties in achieving growth. The rate of economic growth can be influenced by a number of factors, including the availability of natural resources, the quality of human resources, and non-economic components (Gandhi et al., 2022) . Robust economic growth is characterized by a significant increase in GRDP consistently from year to year. Conversely, a decline or fluctuation that occurs every year indicates slow economic growth. The economy of a region over a period of time can be analyzed using GRDP, which serves as a key macroeconomic indicator. Gross Regional Domestic Product or abbreviated as GRDP is a reflection of the economic performance of a region. By comparing GRDP between years, we can measure how fast the regional economy grew in a particular year with the previous year.

GRDP can be calculated using two price approaches: constant prices that allow comparison of GRDP between periods, as well as current prices that reflect the value of production in the current period (Gatari et al, 2024). The following is how to calculate changes in Gross Regional Domestic Product (GRDP) according to (Rizky et al, 2016).

Change in Gross Regional Domestic Product $(\Delta Y) = GRDP_2 - GRDP_1$

Table 3. Gross Regional Domestic Product (Billion Rupiah)

Tahun / Provinsi	DKI JAKARTA	JAWA TIMUR	JAWA BARAT	JAWA TENGAH	BANTEN	SUMATERA UTARA	SUMATERA SELATAN	SULAWESI SELATAN	Rata-rata tiap Provinsi	Persentase (%) Kenaikan PMA
2018	2592606.57	2188766.35	1960627.70	741347.43	1268261.20	613804.41	419392.16	461774.74	1280822.57	-
2019	2815636.16	2345548.55	2123153.70	799608.95	1360960.10	661321.34	453402.71	504320.73	1382994.03	7.98
2020	2767273.49	2299807.64	2082107.30	811188.31	1347222.50	625895.38	454607.40	504052.53	1361519.32	-1.55
2021	2912885.34	2454792.00	2204660.20	859934.26	1419735.20	665870.30	493636.85	544857.14	1444546.41	6.10
2022	3188539.02	2731358.78	2422782.30	955193.09	1559571.10	747223.58	590067.10	605148.86	1599985.48	10.76
2023	3442980.93	2953546.90	2625218.60	1050995.40	1696795.40	814124.34	629099.66	652574.05	1733166.91	8.32
Total Percentage (%) Increase in GRDP from dari 2018-2023										6.32

Source: BPS

Method

A number of variables are examined in this study. FDI (X1) in millions of US dollars flowing into eight major provinces in Indonesia (South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi) over the period 2018 to 2023 is the main variable in this analysis. The second is PMW (X2), which shows the amount of national minimum wage applicable in the eight sample provinces. The last is GRDP (Y) or the Gross Regional Domestic Product value at current prices in the 8 provinces, which is an indicator of the total production of goods and services in the region.

This research uses secondary data. This research collects data through document study techniques. Panel data processed using the E-Views program was used to conduct data analysis with descriptive statistics and multiple regression methods. This study covers eight provinces in Indonesia including South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi within a 6-year time period (2018-2023).

Results and Discussion

Determination of Panel Data Estimation Method

This study applies panel data regression analysis to evaluate the impact of independent variables on the dependent variable. In this analysis, three commonly used estimation methods are applied, namely CEM, FEM, and REM. The selection of the best model is based on relevant statistical tests, including chow, hausman, and LM tests.

Chow Test

One possible approach to determine the appropriate estimation method in panel data analysis is to conduct a Chow test. A comparison between CEM and FEM will be conducted to determine the most appropriate model. According to (Permana & Pasaribu, 2023) if:

H0 : If the probability > 0.05, the CEM model is selected
H1 : If the probability is< 0.05, the FEM model is chosen

Tabel 1. Chow Test Results with EViews software

Effects Test		Statistic	d.f	Prob.
Cross-section F		414.163237	(5,28)	0.0000
Cross-section Chi-square		155.409272	5	0.0000

According to research conducted by Putri & Khoirudin (2023) , the assumptions on the chow test are as follows: If the probability value> 0.05 (significance level), the CEM model is considered appropriate. However, if the probability value is below the 0.05 significance level, the FEM model is more appropriate. So based on the results of the chow test, the prob value in table 4 above when compared to the theory is obtained

at 0.0000 <0.05, so when compared to the theory the chosen model is the FEM model.

Hausman Test

The Hausman test is a statistical tool used to evaluate the suitability of fixed effects models and random effects models in the context of panel data analysis. By comparing these two models, researchers can determine the most appropriate model to provide an explanation of the influence between various variables in panel data (Bahari, 2023) . In panel data analysis, hypotheses about the suitability of REM and FEM are tested. According to (Permana & Pasaribu, 2023) if :

H0 : If the probability > 0.05, the REM model is selected
H1 : If the probability <0.05, the FEM model is selected

Tabel 5. Hausman test results with EViews software

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.993020	2	0.6087

results of the Hausman test displayed in table 5 indicate that the p value> α, namely 0.6087>

0.05. This gives a clue that the model chosen is REM. Furthermore, the selection of the right model in this study requires the LM test.

Lagrange Multiplier Test

The lagrange multiplier test is a statistical technique used to assess the feasibility of applying the CEM or REM model in panel data analysis. According to (Rosyidah et al, 2024) if:

H0 : probability > 0.05 Choose CEM
H1 : probability <0.05 Choose RE

Table 6. Lagrange Multiplier Test Results with EViews software

	Cross-section	Test Hypothesis Time	Prob.
Breusch-Pagan	80.62800 (0.0000)	3.218328 (0.0728)	83.84633 (0.0000)

Based on the results of the Lagrange Multiplie Test, it is determined that the Breusch-Pagan value in table 6 above is < α (0.0000 < 0.05). Analysis using chow, hausman, and LM tests shows that REM is the most appropriate model for this study.

Random Effect (REM) Hypothesis Test Analysis on Panel Data Regression

Hypothesis testing is a temporary assumption about the relationship between variables (Siburian & Sari, 2022).

Table 7. Random Effect Hypothesis Test Results (REM) Panel Data Regression with EViews software

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	-6385.109	409052.1	-0.015610	0.9876
X1	96.41039	17.36362	5.552437	0.0000
X2	0.621127	0.065638	9.462889	0.0000

The regression analysis in Table 7 indicates a significant influence between the independent variables and the dependent variable. The FDI variable, with a t-statistic of 5.5524 and a significance level of 0.000, contributes significantly to GRDP. Similarly, the PMW variable, with a t-statistic of 9.4629 and the same level of significance, also has a highly significant effect. Based on the REM hypothesis test, it can be concluded that FDI and PMW affect GRDP.

Results of Random Effect Regression Equation (REM) Panel Data Regression

This study applies the REM model which involves two types of tests, namely the chow and hausman tests. This model uses the formula $PE = B_0 + B_1(PMA) + B_2(UMP) + E_0$. The panel data results of this study are:

Table 8. Random Effect (REM) Regression Results of Panel Data Regression with EViews software

Substituted Coefficients
Y = -6385.10876044 + 96.4103879927FDI + 0.62116672784PMW + E_0

The regression coefficient of the FDI variable shows a positive (+) value of 96.4104, as shown in table 8. This indicates that an increase in the FDI variable will be followed by an increase in the GRDP variable by 96.4104, and vice versa. The magnitude of the PMW variable regression coefficient of 0.6211 indicates a significant positive effect of an increase in PMW on GRDP. This means that each one-unit increase in PMW will contribute to an increase in GRDP of 0.6211. From the REM regression test results, it can be concluded that there is an increase in GRDP which is influenced by FDI and PMW.

F Test Results (Simultaneous) Random Effect (REM) Panel Data Regression

The F-test serves to measure the significance of the overall influence of the independent variables on the dependent variable in the regression model. The working principle is to check the value of the test statistic (F-statistic) with the critical value (F-table). If the F- statistic exceeds the F-table, then the null hypothesis that there is no significant effect is rejected. Therefore, it can be concluded that the independent variables simultaneously make a significant contribution to changes in the dependent variable (Munandar, 2017).

Table 9. F Test Results (Simultaneous) Random Effect (REM) Panel Data Regression with EView software

Weighted Statistics			
R-squared	0.829374	Mean dependent var	69111.43
Adjusted R-squared	0.819033	S.D. dependent var	204259.1
S.E. of regression	86892.27	Sum squared resid	2.49E+11
F-statistic	80.20269	Durbin – Watson stat	1.326801
Prob (F-statistic)	0.000000		

The calculated F value of 80.2027 with a significance level of 0.000 indicates that there is a significant effect simultaneously between the FDI and PMW variables on GRDP. This result rejects H0 which provides a statement of no relationship in favor of Ha.

Output Analysis Results of Random Effect Determination Coefficient (REM) Panel Data Regression

The coefficient of certainty indicates how accurately the model can predict the value of the dependent variable according to the values of the independent variables. For example, in a linear regression model, the coefficient of determination (R-squared) is one measure of the coefficient of certainty. The coefficient of determination ranges from 0 to 1. A low R- squared value indicates that the independent variable is only able to explain a small part of the variation in the dependent variable. Conversely, if the R-squared value is close to 1, it indicates that the independent variable makes a very large contribution in predicting the dependent variable (Nainggolan, 2020).

Table 10. Results of Random Effect Determination Coefficient Output Analysis (REM) Panel Data Regression with EView software

Weighted Statistics			
R-squared	0.829374	Mean dependent var	69111.43
Adjusted R-squared	0.819033	S.D. dependent var	204259.1
S.E. of regression	86892.27	Sum squared resid	2.49E+11
F-statistic	80.20269	Durbin – Watson stat	1.326801
Prob (F-statistic)	0.000000		

R-squared values range between 0 and 1. The closer to 1, the more effective the model is in describing the variation in the data. This concept is used to evaluate the fit of the regression model to the data. However, there is a drawback to using R-squared, which is that the value tends to increase each time a new independent variable is added to the model. This can cause problems, because it can provide an inaccurate picture of the fit of the model to the data, thus reducing the reliability of R-squared as an indicator (Doni & Siti, 2024) .

To overcome this problem, Adjusted R-squared can be used, which is a modified R-squared measure to consider the number of independent variables in the model. To overcome the bias that may arise due to the addition of irrelevant independent variables, model simplification is performed. The adjusted R-squared value provides a clearer picture of how much the remaining variables contribute to the variation in the data. Thus, individuals can more accurately assess the contribution of each independent variable to the model (Doni & Siti, 2024)

The coefficient of determination or R-squared is an indicator of the accuracy of the regression model in providing an explanation of the variation in the dependent variable. A low R-squared value indicates that the independent variable is only able to explain a small part of the fluctuation in the dependent variable. Conversely, high R-squared value indicates that independent variables make a major contribution in predicting changes in the dependent variable (Fitri & Putra, 2024) .

Adjusted R Square is a more appropriate measure to assess the suitability of multiple linear regression models, especially when there are a number of independent variables. The Adjusted R Square value indicates the composition of the variance of the dependent variable that can be explained by various independent variables after taking into account the complexity of the model. The Adjusted R Square value is 0.8190 based on data from table 10. The results of the analysis indicate that FDI and PMW contribute significantly to GRDP in 8 provinces in Indonesia, reaching 81.9%. The remaining 18.1% of GRDP can be explained by various other factors that are beyond the scope of this study.

t-Test

Table 11. Results of Panel Data Regression t-test Analysis with EViews software

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6385.109	409052.1	-0.015610	0.9876
X1	96.41039	17.36362	5.552437	0.0000
X2	0.621127	0.065638	9.462889	0.0000

Foreign Investment

The t-test results for the FDI variable (X1) produce a t-value of > t table at the 5% significance level. The very small probability value (0.0000) strengthens the rejection of H0. Therefore, it can be concluded that the regression coefficient of the FDI variable (96.41039) is statistically significantly different from zero. As a result, it can be said that FDI has a positive and significant influence on GRDP of 8 provinces in Indonesia partially.

Provincial Minimum Wage

Based on the t test, the PMW variable (X2) has a significant influence on GRDP. The regression coefficient of 0.621127 indicates that each increase of 1 unit of PMW will increase the GRDP of 8 provinces in Indonesia by 0.621127, with a significance level of 1%. Therefore, H0 is rejected and H1 is accepted.

Disscussion

The Effect of Foreign Direct Investment on Economic Growth

FDI is an investment activity carried out by foreign investors in Indonesian territory. This activity can be carried out independently or together with domestic investors. FDI is comprehensively regulated in Law No. 25/2007. FDI can be a source of savings, as foreign investment has the potential to boost the rate of economic growth. If the flow of foreign investment continues to increase every year, this has the potential to accelerate economic growth in the country. Conversely, if foreign investment declines, the country's economic growth tends to decline. In other words, stable or increasing FDI has the potential to have a positive impact on a country's economy. Both are closely related and can be interpreted as having a strong influence on each other.

According to (Mukamad Rofii & Sarda Ardyan, 2017) there is a positive correlation between economic growth and FDI. This statement can be proven by the presence of foreign investment, which allows the implementation of various projects through inflation, investment, and an increase in the number of workers. FDI was suggested by Yoga Krissawindaru Arta (2013) as a factor that has a significantly negative impact and does not contribute significantly to economic growth in Central Java. In contrast, research by Muazi & Arianti (2013) highlighted the significant contribution of FDI to economic growth in Central Java. Their results suggest that FDI has a positive impact in both the short and long term. Although the amount of FDI in Central Java may fluctuate, it is expected to boost regional GDP in the region.

For variable X1 (FDI), the regression coefficient shows a positive value (+) of 96.4104. This indicates that any increase in the FDI variable will be followed by an increase in the GRDP variable of 8 provinces in Indonesia by 96.4104, and vice versa. Based on the results of the REM regression test, there is a positive relationship between FDI and GRDP of 8 provinces in Indonesia.

An in-depth analysis of the data suggests that there is a strong positive correlation between the increase in FDI and the GRDP of 8 provinces in Indonesia. This research confirms that FDI contributes significantly to driving GDP nationally. The Aggregate Demand theory explains the total amount of final goods and services demanded at a given price level over the same period of time by consumers, firms, and government. Aggregate demand theory and GRDP are calculated through the same process over a long period of time (Hasan et al, 2023) . When there is more investment at a certain price level, aggregate demand will increase, so that GRDP will also increase. FDI investment in eight provinces (South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi) during the period 2018-2023 contributed significantly to the GRDP of 8 Provinces in Indonesia. The relationship experienced fluctuations that varied every year.

Effect of Provincial Minimum Wage on Economic Growth

PMW is the lowest wage level determined by the provincial government, which is a guideline for employers in providing salaries to workers in the area (Nailufar et al, 2024) . In Indonesia, provincial minimum wage (PMW) increases every year. Local governments set the PMW which is determined by the central government.

Research by Sandika, R. S., Setiawan, D., & Maulida (2014) , reveals the important role of the regional minimum wage in driving economic growth in Pangkep Regency. This research indicates that an increase in the minimum wage can have a positive impact on economic activity and employment in the region. In the research (Winarto et al. , 2022)

The regression coefficient for the PMW variable has a positive value of 0.6211. This indicates that the GRDP variable of 0.6211 will increase followed by an increase in the PMW variable, and vice versa. The REM Regression Test shows that there is an increase in GRDP in Indonesia on the Provincial Minimum Wage (PMW).

The results of this study indicate that the minimum wage and human capital individually contribute positively and significantly to the economic growth of the manufacturing sector in Central Java. Similar research was also revealed by Mukaromah, et al. (2023), which provides a statement that the minimum wage acts significantly in influencing economic growth. Based on data and statistical analysis, there is a positive relationship between an increase in the minimum wage and an increase in the rate of economic growth.

The Phillips Curve Theory states that an increase in unemployment will lead to an increase in wages. Wages can be changed to balance the demand and supply of labor. Wage increases tend to lower the unemployment rate, which in turn promotes economic growth. Conversely, wage devaluation will increase unemployment and slow economic growth.

This study found strong evidence of a positive correlation between PMW and GRDP of 8 provinces in Indonesia during the period 2018-2023, such as DKI Jakarta, East Java, West Java, Central Java, Banten, North Sumatra, South Sumatra, and South Sulawesi. The increase in PMW in various provinces was followed by an increase in GRDP of 8 provinces in Indonesia.

Conclusions

According to the data analysis, this study reaches the following conclusions: a) Foreign Direct Investment (FDI) contributes significantly to the rate of Gross Regional Domestic Product (GRDP) in eight Indonesian provinces, including South Sumatra, North Sumatra, DKI Jakarta, West Java, Central Java, East Java, Banten, and South Sulawesi during the period 2018 to 2023. The increase in the value of FDI is in line with the increase in GRDP in the eight provinces. b) Provincial Minimum Wage (PMW) also affects Gross Regional Domestic Product (GRDP) in the same eight provinces during the period 2018 to 2023. In addition, an increase in PMW is positively correlated with GRDP.

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