

**INFLUENCE THE NUMBER OF THIRD PARTY THE FUND,
INFLATION, AND INTEREST RATE LOANS TO CREDIT SMALL AND
MEDIUM INDUSTRIES (Study on the banks listed on the Indonesia Stock
Exchange period 2007-2010)**

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ABSTRACT

Currently, the main growing factors in economics in Indonesia is small and medium industry sector. This fact can be seen when economic crisis occurred in 1997-1998 which weakens most of all economic sectors. Small and medium industry has a good position compared to big industries in companies. This small and medium industry also is too central in absorbtion of labour and expantion of new business unit. The problem in such industries is lack of financial support from bank. In this case, commercial bank can be solution to solve this problem. The luck of fund, the small and medium industry will lose it's potencial to grow and expand. This research aims to examine some factors influencing, such as third party fund, inflation, and interest rate loans in period 2007-2010 in they all commercial banks in Indonesia either through partial, and simultan have an effect on to allotted funding for small and medium industry.

This test done with quantitative analysis method with doubled linear regression by considering R^2 (R Square), T-Test, F Test (Variant), and also

multicollinearity, heteroscedasticity, and autocorrelation. This method can examine factors influencing allocated funds considerably small and medium industry.

The result of analysis by simultaneous with level of significant 5% shows the amount of third party fund, inflation, and interest rate loans influence by significantly to credit of small and medium industry. There are three variables in this research can explain changes about to 77,1% and the rest 22,9% influenced by other factors outside this model. In partial model with level of significant 5% only third party fund influence by significantly to allocated fund at small and medium industry. This can be seen from T-value of 12,974 which is the most dominant variables influencing funds of small and medium industry is the amount of third party fund.

Key words : *credit of Small and Medium Industry, The Third Party Fund, interest rate loans and Inflation.*