Effect of Foreign Investmentiand Domestic Investment to Regional Income in Sumatra Provincewest

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ABSTRACT

Regional income seen from GRDP can describe the economics growth of a regions. the high level of economics growth as indicated by the high GRDP value indicates that the region is experiencing progress in the economy. Sources of receipt of Regional Income in West Sumatra Province are influenced by Investment factors, both from PMA and PMDN on Regional Income. the problem in this study is how he influence of FDI and PMDN on regional income in West Sumatra Province. the purpose of this research is to find out how much influence FDI and PMDN have on Regional Income in West Sumatra Province. this research is a quantitative research with secondary data in the 2000-2021 observations period. Data collection in this tudy used the documentation method for the realization of FDI and PMDN, the amount of Gross Regional Domestic Product obtained from BPS, the collected data was analyzed using multiple linear regression analysis. Overall the results of multiple linear regression analysis and hypothesis testing can be concluded that partially (T test) Foreign Investment (X1) has a significant effect on Regional Income with a significant value of 0.049 <0.05 and with at count value of 2.101 > t table 2.09302 . While Domestic Investment (X2) with a significant value of 0.000 <0.05 and a t-count value of 6.195 > t-table 2.09302 so from these results it can be concluded that Domestic Investment has a significant effect on Regional Income. And simultaneously (Test F) shows a significant result of 0.000 <0.05, which means that the FDI and PMDN variables simultaneously influence Regional Income. With a Determinant Coefficient (R Square) of 0.745, which means that the influence caused by the the independent variables in this case explaining Regional Income is 74.5%.

Keywords: FDI, PMDN, Regional Income

INTRODUCTION

Development economics is one important part from National development. Economic development is an important part of development of the country whose ultimate goal is to improve welfare and prosperity of society. Development a country's economy can measure economic success and speed over the period certain time and as an indicator of success the economy of a country or region. One of the most important indicators of success Economic development is growth impactful economy real from the policy development which is conducted. Growth economics is very strongly associated with upgrade process goods production as well as services in community economic activities. Economic growth can occur when there are many factors in an economy, including investment or planting capital, resources Power man, source Power natural, technology, efficiency and population growth based on high GDP growth.

As a country growing, Indonesia is a destination investment for both foreign and domestic investors. Investment is important for economic growth because of its contribution. By establishing investment capital can enhance development. Investment is defined as the formation of domestic fixed capital based on its use. Investment is an expenditure activity to increase the production capacity of the economy(Sukirno, 2005).

Investment is basically the first step in economic development. Investment affects the rate of economic growth and illustrates the sluggish development that is out of control. Investment, as a determinant of economic growth, drives the production and demand for these inputs, which ultimately leads to increased employment opportunities and social welfare through increased income. Increased employment opportunities do not exclude labor support associated with them. This work is essential to the execution of production, therefore it is seen as an investment, and most companies offer training to all employees in the form of capitalization. labor. Repair efforts across the country

for increase capacity process, maintain intermediate stability supply and demand power work, on ultimately increase GRDP(Ng et al., 2022).

The investment itself is divided into two parts, including government sector investment and private investment. Investment government, namely the investment of a number of funds or capital sourced from the government. Private investment is investment funds or capital raised by the company private. Private investment consists of two parts, namely investment domestic (PMDN) and planting foreign capital (PMA). Capital investment Domestic (PMDN) is realization mark domestic private investment implanted in production activities. Meanwhile, Foreign Investment (PMA) is realized every year from the amount of investment obtained by foreign private companies.

In theory macroeconomics, in the expenditure section, the total regional income is the sum of various variables, one of which is investment. Investment has a significant impact on economic growth a country or region. In economic terms, investment refers to spending that made to increase inventory capital (capital stock) over a period of a certain range. This investment is also affected by investment foreign and domestic. Invest in the area consists of investments government/state and investment private. Sector investment The private sector can be either domestic or foreign (foreign). Investment government is exercised to produce goods public. The amount of state investment can be calculated from the difference between total state budget with routine expenditure.(Maisaroh & Risyanto, 2018)

Investment is mobilization resource to produce or increase capacity production or future income. Development overview regions cannot be separated from investment distribution as well as inter-regional distribution. In this context, there is no need to separate investment from the private or public sector, due to the factors that influence the placement of the two types of investment it's not always the same. In general, both types This investment can increase employment opportunities and tackle such economic and social problems poverty, unemployment, etc.

Impact of investment on regional gross national income According to Maharani, large investments have a positive impact on the use of power jobs, create jobs and generate gross national product. And according to Bhegawati, investment is one of the most important things in business country's economic development, which accelerates growth economy. Investment growth is influenced by its production capacity and subsequently increases the value of output. Large investment in the country by both local and foreign investors shows that the country's economic system is good because it is supported by sufficient natural and human resources. This situation can attract investors to invest and have a good impact not only in the country but also throughout the country This. Among them are job creation, increasing regional income and accelerating central/regional development.(Pujoalwanto, 2004)

Table 1. Realization FDI Investment, PMDN, and GRDP Growth for West Sumatra Province in 2000-2021

Year	FDI (000 US$)	PMDN (Million)	GRDP (Million)
2000	61,326	187,773	22,889,614.05
2001	107,591	183,976	23,727,373.93
2002	118,552	348,234	24,840,187.76
2003	29,340	204,465	26,146,781.64
2004	29,532.64	631,733.33	27,578,136.56
2005	85,568.91	607,061.37	29,159,480.53
2006	87,423.70	234,856.82	30,949,945.10
2007	7028.76	58,511.10	32,912,968.59
2008	20626.32	608,917.90	35,007,912.57
2009	20,994.06	761,617.90	36,464,582.69
2010	17,807.96	398,269.06	105,017,739.46
2011	65,456.99	1,678,383.80	111,679,492.97
2012	86,194.93	749,934.63	118,724,424.67
2013	136,121.43	873,761.90	125,940,634.27
2014	29,568.14	1,233,021.83	133,340,836.44

2015	39,754.32	3,185,075.82	140,719,474.19
2016	79,268.10	3,795,575.50	148,134,243.89
2017	194,425.20	1,516,964.30	155,948,364.13
2018	180,799.70	2,309,449.60	163,996,189.04
2019	157,113.90	3,026,645.80	172,205,571.30
2020	125,589.40	3.106.178,70	169,416,717.87
2021	66,949.20	4,183,713.90	174,996,062.29

Source: BPS, Central Bureau of StatisticsSumatra Province West

From the table we can see that the development of FDI, PMDN and GRDP are not in line. In 2003 and 2007 the realization of FDI in West Sumatra Province has decreased while GRDP has continued to increase. In 2010 and 2012, PMDN realization in West Sumatra Province decreased, while GRDP continued to increase.

Local government policy objectives as a state subsystem is to increase the effectiveness and efficiency of state policies and public services. As a region autonomous, the province has policies and responsibilities responsible for carrying out interests society and taking care of the welfare of the community. Every province in Indonesia, including West Sumatra, must capable address development challenges which exists. If every area is free to cultivate and excavate regional wealth owned and put it to good use regional development.

In order to encourage development West Sumatra Province's economy, growth the economy continues to grow. The economic growth of a region can also be estimated by measuring GRDP. Increased turnover supports large investments on both supply and demand. Increased demand for goods and services increase demand capital from investors to finance investment in a particular area, and then influence investment in that country(Tambunan, 2006). The higher the investment value, the GRDP can increase in a region.

LITERATURE REVIEW

A. Income National

National income is the total amount of income obtained by all people or business entities that live in a certain area country over a period of time certain. The size of the income National equals product national is influenced by several factors such as factor availability production, skills and power competence work, technological developments production, capital allocation and stability of the country's resources.

According to Sadono Sukirno, income national is the amount of income received by factors of production in a given year for the production of goods and services. (Sukirno, 2005)Meanwhile, according to Nurul Huda, national income can be interpreted as the amount of goods and services produced in a country during a certain period of time, usuallyaone year.(Huda, 2015).Thus it can be concluded that national income is income accumulationareceived by residents of a country from the factorsbwhich productionaused to produceba number ofvgoods andbservices for a year as well as measured byathe value of the currency.

Incomeanational level plays a very important roleain the country's economy. With national income, the state can find out the efficiency of resources in the economy, which is the basis for knowing how much goods and services are produced.

Incomeanational is onenindicatorbimportantato find out the situationbcountry's economy at a certain time. Incomeanational GDP in current prices and fixed prices. Onabasically, GDP is a numberbvalue-addedaresulting frombby all business units in a country. GDP with pricesain effect reflects the valuebadded yearly goodsband servicesncountedbwith priceaapply. As a rule, gross domestic product reflects valuesnadd itemsaand services, calculated on the basis of current pricesathis in any given year.aGDP and GNP can measure changes and the structure of the economy, while constant prices indicate growth economy from year to year. Income concept national was first coined by the Englishman Sir William Petty, who was trying to estimate national income of his country (England) in 1665. In his calculations, he uses the assumption that income national is the sum of fees life (consumption) during a year.(Sadono, 2004)

B. Regional Income (GRDP)

According to the central statistics agency, regional domestic product gross is the total value added of the economic sector throughout the region. GRDP is also interpreted as the sum of values added goods and services produced in a certain period of time from all activities the economy of a region. Regional domestic productcgross is the amountbproduction valueagoods and servicesnresulting frombby the wholearesidents of the area, both from the production activities of the residents themselves and foreigners (Mangkoesoebroto, 1998).GRDPaper capita is an indicator of people's welfare in a region, which can be used to measure the success of economic growth in a region. When GRDP increases every year compared to the previous year, the population of an area is usually prosperous and its economic growth is improving.

According to Vidyattama Factors which influence Regional Domestic Products Gross (GDP), is Original Income Region (PAD), credit , savings and spending area.

1. Income Original Regional (PAD)

Income Regional Original (PAD) is the income obtained by the region which is collected according to regulations area according to statutory regulations apply. Besides that, PAD can also be interpreted as income derived from levies based on existing regional government regulations that can be imposed on any person or company owned government or private for the acquisition of services provided provided by the provincial government. . then the area can make payments in the form of receipts taxes, levies and receipts others regulated by law.

2. Credit

According to the Banking Law Number 10 Article 1 paragraph 11 of 1998, credit means surrender of money or a comparable bond under the agreement loans between banks and parties other or obligatory agreements borrower to repay the loan. debt after a certain time with flower. . In broader meaning, credit interpreted as trust. Similarly, credit is Latin for "credere," which means believe. For the lender, the meaning of trust is that he believes in the borrower, that the credit he distributes will definitely be returned according to the contract. At the same time for the borrower, it is an acceptance of faith, so he has an obligation to pay according to the conditions.

3. **Savings**.

According to Banking Law No. 10 Article 1 paragraph 9 of 1998, savings are deposits that are withdrawn can only be done under certain conditions agreed, but cannot be withdrawn by check, bank transfer and/or other similar means. In addition, savings can be defined as third party deposits in banks whose repatriation is only possible under certain conditions. Savings is a form of home financing. Savings accumulated and created by saving or reducing consumption in the government, private and community sectors. Rostow's theory explains that either how to accelerate growth conditions a good economy that is by strengthening national savings. This theory is further developed by the Harrod-Domar theory, according to which a large portion of the gross domestic product/GNP saved increases the capital stock and thus stimulates the economy.

4. Shopping Area.

Shopping regional/state spending is the value of government spending areas mostly used for commercial purposes public. Law No. 33 of 2004 article 1 paragraph 14 which regulates balance between the state and urban areas, the concept of regional spending is the responsibility of urban areas which is reflected in a decrease in the value of wealth net in that economic period concerned. . Wrong One component of aggregate demand (AD) is expenditure government. The theory states that when public spending increases, AD increase. In addition, the role of public sector spending is very important in developing countries, because of the sector's capabilities private sector in pushing economic growth is relatively limited, so the role government is very important. AD increase means economic growth, because of growth The economy is measured by regional domestic product gross, so an increase in gross regional domestic product means an increase in income.

C. Investment

Theoryeconomics defines investment as expenses for goods capital and means of production, the purpose of which is to replace and especially to improve goodsaeconomic capital, which willaused in the future to manufactureagoods and services. WithaIn other words, investment in economic theory mattersaspending activities to increaseaeconomic production capacity.(Sukirno, 2000)

Investment is plantingacapital on oneaor more assets, usually held for a long period of timeahope of obtaining future profits.aInvestment involves addingacapital or goods, including building equipmentaproduction as well as inventory, to a country for a year. Investment is a step to sacrificeafuture consumption.(Samuelson, 2004)

Based on some of the definitions above, yesbconcluded that investment or plantingacapital is expenditure that can be in the form ofacapital goods, buildings, equipmentacapital and supplies usedato increase the ability to produce goods and services, increase labor productivity so that outputaproduced and made available to the public increase.

The investment is divided into two parts, namely:
1. Capital investment foreign (PMA)

    PMA is an activity planting capital conducting business activities in the territory of the country Republic of Indonesia and done by foreign investment both entirely with foreign capital or by planting domestic capital.
2. Planting Inside Capital State (PMDN)

    Planting Inside Capital Domestic Investment (PMDN) is an investment activity related to business in the region the Republic of Indonesia which was carried out by the grower domestic capital with deep capital country.

METHODS

Type this research use approach quantitative with the aim to test hypothesis according to the technique data analysis used, research this is a study cases of FDI, PMDN and Regional Income for the period 2000-2021, data is taken from the Central Agency Sumatra Province Statistics West Annual period. Research analysis to test the effect FDI and PMDN on Regional Income of West Sumatra Province. Data in research this is secondary data sourced from BPS West Sumatra Province for the 2000-2001 period which can be seen from the official website of the BPS West Sumatra Province. Data collection technique documented in a way collected data from the West Sumatra Province BPS website.

The following is the model equation structural to be estimated in this study:

$$Y = a + b1x1 + b2x2$$

Data analysis technique This study uses the regression equation multiple linear is more analysis from one independent variable. Multiple linear regression analysis method selected in the study this is because it makes it possible to infer directly the influence of the two independent variables used separately partial or simultaneous. Before interpreting the regression results, the research data was first tested to find out whether the model can be said to be significant or not, the test conducted is the pre-research test includes descriptive statistical tests, classical assumption tests like test normality test, heteroscedasticity test, multicollinearity and autocorrelation test, then hypothesis test which includes F test and T test and coefficient test determination (R^2).

RESULTS AND DISCUSSION

During the research period, it was seen that the development of FDI, PMDN and GRDP were not in line. In 2003 and 2007 the realization of FDI in West Sumatra Province has decreased while GRDP has continued to increase. In 2010 and 2012, PMDN realization in West Sumatra Province decreased, while GRDP continued to increase.

A. **Test results**
1. **Statistic test Descriptive**

    Descriptive analysis used to show data obtained by method the sample used is purposive sampling. The variables included in the multiple linear regression model can be explained from the results of data processing. Information that needed for this analysis were

obtained from the report annually obtained from several centers statistics, namely the GRDP of the Province of West Sumatra and the reality data investment from PMA and PMDN.

Table 2. Results Statistic analysis Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Means	std. Deviation
X1_PMA	22	7028.76	194,425,200	7,941,057,545	54,772,162,742
X2_PMDN	22	58511.1	418,371,390	13,583,691	130,448,991,
Y_PDRB	22	22889614.1	174,996,062	9,135,439	61,010,995
Valid N (listwise)	22				

Source: SPSS Statistics 25 processed year 2023

2. Test Assumption Classic

a. Test results Normality

Previously the data will be must be tested meet the normality requirements, this test is used as a one-sample test Kolmogrovsmirnov. Data presented in a normal distribution if the significance value is more greater than 0.05. Analysis results assumption of normalizing the residual value of the equation Kolmogorov-Smirnov regression is presented in the table following:

Table 3. Results Test Normality

One-Sample Kolmogorov-Smirnov test		
		Unstandardized Residuals
N		22
Normal Parameters, b	Means	,0000000
	std. Deviation	30806630,31208151
Most extreme Differences	absolute	, 132
	Positive	, 132
	Negative	-.086
test Statistics		, 132
asymp. Sig. (2-tailed)		,200c,d

Source: SPSS Statistics 25 processed year 2023

Results normality test one Kolmogorov-Smirnov sample based on the table shows that the residual value of the variable independent and dependent variables with size (N) 5 is 0.200. This shows that the data in research it distributes normal, because of the value more residuals greater than significant at 0.05 or 0.200 > 0.05. So that model regression can be used to test the hypothesis.

b. Test results Multicollinearity

There should be no symptoms of multicollinearity on research materials, this symptom can be seen from the correlation between variables free. Testing multicollinearity using VIF (Variant Inflation factor).

Table 4. Results Multicollinearity Test

Coefficientsa			
		Collinearity Statistics	
Model		tolerance	VIF
1	X1_PMA	.911	1,098
	X2_PMDN	.911	1,098
a. dependent Variable: Y_PDRB			

Source: SPSS Statistics 25 processed year 2023

The multicollinearity test based on Table 1.4 shows that there is no multicollinearity between variables independent in the regression model seen from the VIF value and value tolerance. The calculation results tolerance indicates no variable independent with a tolerance value > 0.1, namely PMA and PMDN variables 0.911 > 0.1, and VIF results shows the value of the independent variable is <10, namely the variables PMA and PMDN 1.098 <10, indicating that there is no multicollinearity problem.

c. **Test results Autocorrelation**

Test autocorrelation is used to find out is there a relationship between members of a series of observational data described in time (time series) or space (cross sections). Method to determine whether or not symptoms are present autocorrelation in this study by using test the Run Test is part of non parametric statistics, because they can also be used to find out if residual data is random or not.

Table 5. Test results Autocorrelation
Model Summaryb

Model	R	R Square	Adjusted R Square	std. Error of the Estimates	Durbin-Watson
1	,863a	,745	,718	32,387,471,501,452,400,000,000	1.154

a. Predictors: (Constant), X2_PMDN , X1_PMA

b. dependent Variable: Y_PDRB

Source: SPSS Statistics 25 processed year 2023

Test results autocorrelation on Table 1.5 shows DW value (Durbin Watson) of 1.154. And there is no autocorrelation when the DW value is between -2 and +2 or -2 < DW < +2, i.e. -2 < 1.154 < +2, which means no there is autocorrelation.

d. **Heteroscedasticity Test Results**

Test heteroscedasticity test whether there are variance inequalities and residual from research research in the model regression. If residual variant of the study research remains the same, then called homoscedasticity, if tika is not the same, then it is called heteroscedasticity or not heteroscedasticity.

Base decision making on the test heteroscedasticity using the Glejser test are:

1. If the value of the probability results has a significant value more than the value of a = 0.05, then it does not happen heteroscedasticity.
2. If the probability result value has a significance value less than the value a = 0.05, then it occurs heteroscedasticity

Table 6. Results Test Heteroscedasticity
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	std. Error	Betas		
1	(Constant)	31,965,488,623	6,983,821,275		4,577	,000
	X1_PMA	3,137	71,801	,010	0.044	,966
	X2_PMDN	-5,710	3.015	-,415	-1,894	,074

a. Dependent Variable: ABRESID

Source: SPSS Statistics 25 processed year 2023

The results of processing heteroscedasticity data in table 1.6 obtained results on the X1 PMA variable of 0.966 > 0.05 which indicates no heteroscedasticity occurs and on variable X2 PMDN obtained a result of 0.074 > 0.05 which shows not happening heteroscedasticity.

3. **Results Multiple Linear Regression Test**

Analytical method data used in research this is a regression analysis linear double. Regression double linear used for predict influence two or more predictor variable at one criteria variable or to indicate whether there is a functional relationship between two variables independent (X) or more than one dependent variable (Y). analysis multiple linear regression research it aims to determine the effect of FDI and PMDN on regional domestic product gross (GRDP) in West Sumatra Province.

Table 7. Results Linear Test Double

Coefficientsa					
Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.

1		B	std. Error	Betas		
	(Constant)	21025857,059	13151430,506		1,599	,126
	X1_PMA	284,037	135,210	,255	2.101	.049
	X2_PMDN	35,169	5,677	,752	6,195	,000
a. dependent Variable: Y_PDRB						

Source: SPSS Statistics 25 processed year 2023

Formulationa regression equation double itself that is as following:

$$Y = a + b1X1 + b2X2 + e$$

Y = 21025857,059 + 284,037X1 – 35,169X2 + e

Where:

a = constant = 21025857,059

X1 = FDI   b1 = 284,037

X2 = PMDN   b2 = 35,169

a. Based on equality regression shows that the constant value (a) has coefficient direction the positive regression is 21025857.059 indicating that if other variables experience an increase of 1% then the variable GRDP has increased of 21025857.059.

b. Based on the calculation results regression test multiple, the regression coefficient of the FDI variable is positive of 284,037. Results the calculation of the regression coefficient is positive, meaning that there is a relationship positive between FDI and GRDP. If the volume of FDI increases then will improve domestic product regional gross, and vice versa if FDI volume decreases then will reduce gross regional domestic product.

c. Based on the calculation results regression test multiple, variable PMDN marked positive with a regression coefficient of 35.169. The results of the calculation of the regression coefficient are positive, so there is a positive relationship between PMDNs with GRDP. When the number of PMDN increases then will improve regional domestic product gross and otherwise when the amount PMDN decreased then it will lower the size GRDP.

4. **Results Coefficient Test Determination (R Square)**

Coefficient determination (R2) shows how far all independent variables can explain dependent variable. If the coefficient of determination increases strong, means variable independent provides almost all information required to predict variable dependent. Determination coefficient value (R-square) that lower means variable ability independent to explain variable variations limited dependencies.

Table 8. Results R test Square

Model Summaryb				
Model	R	R Square	Adjusted R Square	std. Error of the Estimates
1	, 863a	,745	,718	32387471,50145241 2000000
a. Predictors: (Constant), X2_PMDN , X1_PMA				
b. dependent Variable: Y_PDRB				

Source: SPSS Statistics 25 will be processed in 2023

Based on the results of the above test it is known that the coefficient determination (R-squared) is 0.745. The magnitude coefficient of determination (R-square) is 0.745 = 74.5%, which means a large influence generated by the independent variable in it shows variable regional income that is equal to 74.5%, the remaining 25.5%. influenced by other factors/variables which is not covered this research. Accordingly, from From the processing results above, it can be seen that the impact of investment (PMA and PMDN) are very strong and have a large influence on the regional income (PDRB) of West Sumatra Province.

5. **Results Test hypothesis**

a. Significance Test Individual Parameters (T test)

Test T is used to find out the influence of independent variables consisting from Planting Inside Capital State (PMDN) and Capital investment foreign (PMA) against Domestic Products regional Gross (GRDP) in West Sumatra Province. Decision to accept or reject the hypothesis that is as following:

1) If mark significance > 0.05 then H0 is accepted and Ha is rejected (coefficient regression does significant). It means partially independent variable no effect significant to dependent variable.
2) If significant value <0.05 so H0 is rejected and Ha accepted (coefficient regression significant). Matter this shows that the variable partial independent significant effect on variable dependent.

Table 9. Results Test Q

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	std. Error	Betas	Q	Sig.
1	(Constant)	21025857,059	13151430,506		1,599	,126
	X1_PMA	284,037	135,210	,255	2.101	.049
	X2_PMDN	35,169	5,677	,752	6,195	,000
a. dependent Variable: Y_PDRB						

Source: SPSS Statistics 25 processed year 2023

From the results testing shows that the value significance FDI variable (X1) of 0.049 t table 2.09302, then based on the results it can it is said that Ho is rejected and Ha accepted. Thus it can be concluded that Planting Domestic Capital (PMDN) X1 effect significant to GRDP (Y).

Whereas PMDN variable (X2) with significance value of 0.000 and t table 2.09302, but based on the results it can be said that Ho is rejected and Ha is accepted. Thus it can be concluded that PMDN (X2) has an effect significant to GRDP (Y).

b. Test Significant Simultaneous (Test F)

f-test it tests influence independent variable consisting from PMDN and PMA to GRDP in West Sumatra Province. 5% probability or (0.05) is used for determines whether the variable influential independent significant to variable dependent.

Table 10. Results Test F

Model		sum of Squares	Df	Means Square	F	Sig.
1	Regression	58239154077894640,000	2	29119577038947320,000	27,761	,000b
	residual	19930017894890452,000	19	1048948310257392,200		
	Total	78169171972785088,000	21			
a. dependent Variable: Y_PDRB						
b. Predictors: (Constant), X2_PMDN , X1_PMA						

Source: SPSS Statistics 25 will be processed in 2023

From the table above it is known test results simultaneous significant (Test F) above shows sig 0.000 < 0.05 and value f count 27.761 > 3.05 it shows:

1) If probability < 0.05 then Ho is rejected.
2) If probability > 0.05 then Ho is accepted.

The hypothesis is:

Ho: there is no simultaneous effect of PMDN and FDI on Gross Regional Domestic Product (GRDP).

Ha: PMDN and FDI simultaneously affect the Gross Regional Domestic Product (GRDP).

Results simultaneous significant test Test F denotes value f big count from f table is 27.761 > 3.52 and sig value 0.000 <0.05, then Ha is accepted and Ho is rejected, thus it can be seen that the investment variable Inside Capital Government (PMDN) and Investment Foreign Capital (PMA) has an effect simultaneously to Products Regional Domestic Gross (GRDP).

DISCUSSION

From the description and formulation of the hypothesis stated in study. Research result which is obtained through quantitative analysis noted that the variables studied is the independent variable (planting deep capital country and investment foreign) and the dependent variable (reginal income) has an effect on simultaneously, p this is indicated by F test with that value much more lower than 0.05 or means 0.00 <0.05.

1. **Influence Planting Foreign Capital (PMA) on Regional Income in West Sumatra Province.**

Known by partial value variable significance Planting Foreign Capital (X1) of 0.049 <0.05. Thus it can concluded that if significant value <0.05 then Ho is rejected and Ha accepted, in it is variable FDI is influential significant to income regional. Where is the statement This agrees with Harrod Domar's theory that investment is the main value that can play a very important role important in growth economy.

Based on the test results t got information that the FDI variable has a significant effect on Regional Income, thus if the amount of FDI increases then will raise regional income and vice versa if FDI decreases, the amount of regional income will also decrease.

Where is research? this is in line with previous research Which conducted by Windi Wardani in the journal "analysis of the influence of PMDN and FDI on GRDP in Siak Regency" shows that FDI had a positive and significant influence on GRDP in Siak Regency in 2003-2012.

2. **Influence Foreign Investment (PMDN) on Regional Income in West Sumatra Province.**

It is partially known that the significance value of the domestic investment variable (X2) is 0.000 <0.05. Thus can concluded that if the value significant <0.05 then Ho is rejected and Ha is accepted, then the PMDN variable has an effect significant to regional income. Based on test results t obtained information that the PMDN variable has a significant effect on income regional. Where is the statement This agrees with Harrod Domar's theory that investment is the main value that can play a very important role in growth economy.

Based on the results test no information was obtained that the PMDN variable has a significant effect on regional income, this is means if the amount of PMDN has increased then will increase the amount Regional Income and vice versa if PMDN has decreased then the amount of Regional Revenue will be go down.

Where is the research this is in line with previous research conducted by Annisa Wulansuci in her thesis "analysis of the influence of PAD, FDI, PMDN, and the Workforce on GRDP in Regencies/Cities in the Province of DI Yogyakarta" shows that FDI has a positive and significant influence on GRDP in Regencies/Cities in 2013-2019.

3. **The Effect of Planting Foreign Capital (PMA) and Planting Domestic Capital (PMDN) to Regional Income in West Sumatra Province.**

From the results of the F (simultaneous) test that has been carried out, it proves that FDI and PMDN have an effect to Regional Income. This matter can be seen in the acquisition of results test F is done, where the results are obtained, namely a significant value of 0.000 <0.05 and the calculated f value is greater than F table, namely 27.761 > 3.52, it can be concluded that FDI and PMDN have a simultaneous effect on regional income, this is on basically consistent or in line with Harrod Domar's theory described above.

And from the results of the R Square test that has been value is done coefficient of determination of 0.745 = 74.5%, which means that the influence caused by FDI and PMDN on Regional Income is 74.5% while the remaining 25.5% is influenced by factor other. Matter This shows that FDI and PMDN have influence very big and strong in influencing Regional Income in West Sumatra Province.

CONCLUSSION

Objective from research this is to know the effect investment against GRDP in West Sumatra, from the description of the results of the analysis above, it can be concluded that the results of the partial study (t-test) show value significant investment (PMA) in West Sumatra. variable Foreign Investment (PMA) is 0.049 <0.05, a significant value <0.05, then Ho is rejected and Ha is accepted, so that the Investment variable Foreign Capital (PMA) effect significant to regional income. The level of FDI realization certainly affects the product gross regional domestic. Based on the partial results (t-test) of the PMDN research variable, it is known that the significance value of the PMDN variable is 0.000 <0.05, the significance value is <0.05, then Ho is rejected. and Ha earned, so variable domestic investment (PMDN) effect significant to regional income. Thus it can be concluded that the variable PMA and PMDN effect on regional income West Sumatra province.

This research certainly cannot be separated from various limitations, and is based on results study this is expected can be used as an ingredient reference for educational activities or study. Considering research it still is have a weekness such as gain limitations data and period available time is only 22 years, research is expected then can provide research result which are more Good.

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