

ABSTRACT

Indonesia's economic growth can be seen from the Gross Domestic Product (GDP) which is owned by a State. The magnitude of the effect of the manufacturing industry to the national economy can be seen from the large portion of the manufacturing sector in GDP.

This research aims to determine the influence of exchange rates, inflation, short-term debt and long-term debt to profitability measured by return on assets (ROA).

Purposive sampling is used as a sampling method with 49 samples acquired while panel data regression acts as analyzing tool. Independent variables consist of the exchange rate, inflation, short-term debt and long-term debt while profitability measured by return on assets is dependent variable.

The results shows that exchange rate significantly influence ROA. Meanwhile, inflation, short-term debt and long-term debt has no significant effect on ROA

Keyword : Exchange Rate, Inflation, Debt and Profitability.