

ABSTRACT

In recent years, global geopolitical tensions such as the trade war between the United States and China, the Russia-Ukraine conflict, and restrictions on mineral and technology exports have triggered a surge in global economic policy uncertainty (GEO). This condition has a direct impact on the mining sector in Indonesia, which is highly dependent on exports and global commodity prices. This global economic policy uncertainty can affect corporate financial decisions, including in terms of leverage and speed of adjustment. This study aims to analyze the impact of GPU on the capital structure of companies in upper-middle-income countries in Southeast Asia. This study uses panel data from companies listed on the stock exchanges of selected countries in the upper middle-income economies category during a certain period.

The method used in this study is the Generalized Method of Moments (GMM) to overcome the potential endogeneity in the corporate leverage model. The results of the study indicate that Global Economic Policy Uncertainty (EPU) and profitability have a negative and significant effect on mining company leverage, while company size has a positive and significant effect on corporate leverage.

Keywords: Global Economic Policy Uncertainty, Corporate Leverage, Speed of Adjustment, Capital Structure, Upper-Middle-Income Countries