

## **ABSTRACT**

The objective of the study is to analyze the impact of world crude oil price fluctuation on Indonesia's macroeconomy. There were 3 variables on Indonesia's macroeconomy such as Gross Domestic Product (GDP), Balance of Payment (BOP), and inflation. The sample data was the quarter data from quarter 1 of 2005 until quarter 4 of 2015, the total were 44 samples. The data used in this research was secondary data from central bureau of statistics (BPS) and Bank Indonesia (BI). This research used Vector Auto Regression (VAR) analysis. The result of the analysis showed that the oil price had an impact on Gross Domestic Product (GDP). Meanwhile, oil price did not have an impact on Balance of Payment (BOP) and inflation.

***Keywords: crude oil price fluctuation, Gross Domestic Product, Balance of Payment, Inflation***