

THE INFLUENCE OF INFLATION AND THE RUPIAH EXCHANGE RATE ON THE SURVIVAL OF HAJJ COSTS IN SURABAYA (2012 – 2022)

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Abstract

This research aims to explore the phenomenon of Hajj costs which are currently experiencing a significant increase. However, the limited departure quota causes the waiting period for departure to be very long. Less than optimal management of Hajj funds has an impact on increasing Hajj costs. The increase in the cost of Hajj is also influenced by economic and social factors, including the national inflation rate and fluctuations in the rupiah exchange rate against foreign currencies, namely the dollar. The high level of inflation affects the investments made by BPKH which is also a determining factor in the amount of Hajj Organizing Costs (BPIH). Likewise, the exchange rate of the rupiah against the US dollar as a comparative currency which is always fluctuating can cause uncertainty and instability in the economy, so that fluctuations in the value of the US dollar against the rupiah and vice versa will affect the determination of the Cost of Organizing the Hajj Pilgrimage (BPIH). This research was conducted in the city of Surabaya because Surabaya embarkation has the highest Hajj travel costs compared to other cities. This research aims to find the influence of inflation and the rupiah exchange rate on the increase in Hajj costs in Surabaya City during the 2012-2022 period. This research is quantitative research and multiple linear regression analysis techniques using secondary data sourced from BPS, Bank Indonesia, and the Ministry of Religion in the form of annual and monthly data for 2012-2022. The results of the research show that the variables inflation, the rupiah exchange rate simultaneously and significantly have an influence on the increase in the cost of Hajj in Surabaya City during the 2012-2022 period. And partially, the variables inflation and the rupiah exchange rate have a positive and significant effect on the increase in the cost of Hajj in Surabaya City for the 2012-2022 period.

Keywords: Inflation, Exchange Rates, Costs

Abstrak

Penelitian ini bertujuan untuk mengeksplorasi fenomena biaya haji yang saat ini mengalami kenaikan signifikan. Namun, kuota keberangkatan yang terbatas menyebabkan masa tunggu keberangkatan menjadi sangat lama. Pengelolaan dana haji yang kurang optimal berdampak pada peningkatan biaya haji. Kenaikan biaya haji juga dipengaruhi oleh faktor ekonomi dan sosial, termasuk tingkat inflasi nasional dan fluktuasi nilai tukar rupiah terhadap mata uang asing, yaitu dolar. Tingginya tingkat inflasi mempengaruhi investasi yang dilakukan BPKH yang juga menjadi faktor penentu besaran Biaya Penyelenggaraan Ibadah Haji (BPIH). Demikian juga nilai tukar rupiah terhadap dolar AS sebagai mata uang pembanding yang selalu fluktuatif dapat menyebabkan ketidakpastian dan ketidakstabilan dalam perekonomian, sehingga fluktuasi nilai dolar AS terhadap rupiah dan sebaliknya akan mempengaruhi penetapan Biaya Penyelenggaraan Ibadah Haji (BPIH). Penelitian ini dilakukan di kota Surabaya karena embarkasi Surabaya memiliki biaya perjalanan haji yang paling tinggi dibandingkan dengan kota-kota lain. Penelitian ini bertujuan untuk mengetahui pengaruh

inflasi dan nilai tukar rupiah terhadap kenaikan biaya haji di Kota Surabaya selama periode 2012-2022. Penelitian ini merupakan penelitian kuantitatif dan teknik analisis regresi linier berganda dengan menggunakan data sekunder yang bersumber dari BPS, Bank Indonesia, dan Kementerian Agama berupa data tahunan dan bulanan tahun 2012-2022. Hasil penelitian menunjukkan bahwa variabel inflasi, nilai tukar rupiah secara simultan dan signifikan berpengaruh terhadap kenaikan biaya ibadah haji di Kota Surabaya selama periode 2012-2022. Dan sebagian, variabel inflasi dan nilai tukar rupiah berpengaruh positif dan signifikan terhadap kenaikan biaya haji di Kota Surabaya periode 2012-2022.

Kata kunci: Inflasi, Nilai Tukar, Biaya

Introduction

Hajj is a form of worship that is obligatory for Muslims to perform at least once in their lives if they are financially and physically able. This is because performing the pilgrimage to the Baitullah is one of the last pillars of Islam. According to Azzi and Hawwaz in Muhammad Noor, Hajj is the intention to visit the baitullah (Kaaba) to carry out certain activities at a certain time (Noor 2018). The obligation to perform the pilgrimage has stimulated the interest of hundreds of thousands of Muslims in Indonesia to travel to Mecca and Medina in Saudi Arabia. However, various problems have arisen due to the high demand for the pilgrimage, including the issue of the waiting period for departure being so long (Aziz et al. 2023), as well as the issue of haj fund management that affects changes in haj pilgrimage travel expenses (BIPIH) (Soul 2023). The increase in the cost of the pilgrimage raises concerns about the loss of the opportunity to perform the pilgrimage, especially for the less fortunate because the costs are too high.

Based on data from the Ministry of Religion, the pilgrimage costs (BIPIH) that must be paid by pilgrims in Indonesia in 2022 will average Rp. 39,886,009 (Ministry of Religious Affairs 2022). Meanwhile, the 2023 haj pilgrimage travel costs (BPIH) which should be expanded independently by pilgrims amount to an average of IDR 49,812,700.26 per pilgrim (Ministry of Religious Affairs 2023). The increase in the cost of Hajj in 2023 does not only occur in Indonesia, but also occurs in various other countries, for example Malaysia and in Arab countries (Su'adi 2023). In addition, the government through Presidential Decree Number 7 of 2023 also stipulates the nominal cost of organizing the pilgrimage for each embarkation (place of departure). In the Presidential Decree it is stated that Surabaya is the embarkation that has the highest cost compared to 13 other embarkations stipulated based on the Presidential Decree with BPIH of IDR 96,166,395.26. Of this amount, the pilgrimage costs of IDR 55,928,458.26 are borne by the pilgrims and the remaining total is taken from the use of the value of the benefits

(Presidential Decree 2023). The nominal value of BIPIH has increased by 13.34% compared to BIPIH embarkation in Surabaya in 2022 of IDR 42,586,009. Looking at the increase in the cost of hajj from year to year, this can be due to various economic and social factors, one of which is the annual inflation rate and rupiah exchange rate fluctuations.

Inflation interpreted as an increase in the price of goods and services in general and continuously and for a certain period of time (Bank Indonesia n.d.). Inflation in Indonesia, which always fluctuates, is influenced by economic conditions. A high inflation rate indicates economic conditions are heating up, demand is higher than supply causing rising prices. The decreased value of money will cause an increase in the costs of the pilgrimage to meet the needs of pilgrims.

According to Muhammad Agung Syaikh and Titik Haryati, the inflation rate affects the level of investment. In a state of high inflation, an investor tends to be reluctant to make an investment and waits for stable inflation to get a better return (Syaikh, Muhammad Agung and Haryati 2017). Talking about investment, relates to the role of the Hajj Financial Management Agency (BPKH) which has the authority to manage Hajj finances. BPKH in this case as an investor invests to provide superior services for pilgrims (Aziz et al. 2023). The investment made by BPKH will affect the amount of the value of the benefit which is the determining factor for the amount of the Hajj Implementation Fee (BPIH).

The exchange rate is defined as the price of foreign currency in domestic currency (Wijoyo 2016). The rupiah exchange rate is always fluctuating which can cause uncertainty and instability in the economy. The US dollar being the international currency and the strongest in the world affects the strength and weakness of the exchange rate against the rupiah because the US dollar is used as a comparison. Thus, fluctuations in the value of the US dollar against the rupiah and vice versa will affect the determination of the Hajj Implementation Fee (BPIH).

In conducting research, researchers use previous research that examines similar matters as a form of reference and study. Research related to this topic was previously carried out by Andri Setiawan with the title Effect of Umrah Package Prices, Fluctuations in the Rupiah Exchange Rate on the Dollar and Marketing on the Number of Umrah Pilgrims (Study of Pt. Aqm Tour And Travel in Bengkulu City) (Setiawan 2018). It's summarizes that the variable price of the Umrah package has a significant effect on the variable on demand for Umrah services, the variable fluctuations in the rupiah exchange rate on the dollar has a significant influence on the variable demand for umroh services, marketing variables have a significant

effect on the demand for umroh services. And simultaneously (together) the price variable, fluctuations in the rupiah exchange rate against the dollar and marketing have an influence on the demand for Umrah services in the city of Bengkulu.

While Fatimah Zaharah's research with the title Effect of Umrah Package Prices, Inflation, Rupiah Exchange Rate on the Dollar on Umrah Service Demand in Medan City (Case Study of PT. Siar Haramain International)(Zaharah 2021). It found that partially, the price variable has a significant influence on the demand for Umrah services. Meanwhile, the inflation variable has a negative effect on the demand for Umrah services. And the rupiah exchange rate variable against the dollar has an influence but not significant on the demand for Umrah services. It can be concluded, simultaneously the variables of price, inflation and the rupiah exchange rate to the dollar have a significant influence on the demand for Umrah services in Medan City.

Another research conducted by Masruhatul Abadiyah and Sri Herianingrum with the title Effect of Umrah Package Prices, Inflation Rate and Rupiah Exchange Rate in the Dollar on Demand for Umrah Services in Surabaya for the 2011-2013 period(Abadiyah and Herianingrum 2014). It shows that the Umrah package price variable and the rupiah exchange rate in the dollar have no effect on the demand for Umrah services, while the inflation rate affects demand. pilgrimage services. And simultaneously (together), the price of the Umrah package, the inflation rate, and the dollar exchange rate against the rupiah have no effect on the demand for Umrah services.

Based on the background above, this study seeks to answer questions related to how influence Inflation and the rupiah exchange rate have partially or simultaneously affected the increase in the cost of Hajj in Surabaya during the 2012-2022 period.

Literature Review

Cost

In commerce, costs are defined as a form of contribution that must be issued in producing something, both tangible and intangible(Islam n.d.). In addition, the cost is also defined as a prerequisite exchange rate, the contribution given to obtain a use. Sadono Sukirno describes production costs as all burdens imposed on the company to produce factors of production and raw materials that will be charged in the process of creating products by the company. Costs are economic resources that are sacrificed, estimated in units of money that have been or will be carried out for a specific purpose (Buana, Putra, and Buana 2023).

Expenses are defined as costs (costs) that have produced uses (which have been used), then costs (costs) that have not produced benefits or that have not become expenses are reported in the balance sheet. Expenditures are costs that have generated benefits and benefits at this point have been used up. These expenses or expenses are recorded in the income statement as a deduction from income (Darma 2016).

Inflation

Inflation is defined as the tendency of prices to increase generally and consistently (Salim, Fadilla, and Purnamasari 2021). In this case, inflation is not defined as an increase in the price of only one or two goods. The conditions for a sustained price upward trend should also be stressed. Temporary price increases such as those that occur seasonally, before holidays, or after natural disasters, are not considered inflation.

The conception of the value of money (time value of money) implies how much the present value of money keeps the same value in the future, assuming that the money is not invested in securities or kept in savings and the like which earn interest. The faster the rate of inflation, the greater the decrease in the purchasing power of money. Thus, the amount of goods and services that can be purchased with the current rupiah will decrease if inflation occurs in the next year.

Inflation will always be followed by price increases, even if the price level fluctuates. Inflation still shows a tendency to increase prices not only for one product, but for all commodities. More or less indices in macroeconomics that can be applied to measure inflation are summarized:

1. Consumer Price Index (Consumer Price Index)

The CPI is defined as the change in the price level of a commodity that is specifically used to track inflationary developments in the economy purchased by consumers. To get the inflation rate, it is necessary to have the current year's CPI and the CPI' (previous year's CPI). The result of the difference between the CPI divided by the CPI', the result is the current year's inflation rate.

2. Producer Price Index (Producer Price Index)

In contrast to the consumer price index which looks at prices from the consumer's point of view, the producer price index is seen from the producer's point of view.

3. Implicit Price Index (GDP Deflator)

The Implicit Price Index is used by economists to describe inflation that overstates the actual situation.

Exchange rate

Currency exchange rates, often known as exchange rates, are the price of one unit of foreign currency in domestic currency or can also be summarized as the price of domestic currency to foreign currency. If the exchange rate soars, it means that the Rupiah is depreciating, even though the exchange rate has fallen, it means that the Rupiah is appreciating. While countries that apply a fixed exchange rate, the government modifies the exchange rate (Susen 2014).

The exchange rate has two basic concepts, namely the nominal exchange rate and the real exchange rate. The nominal exchange rate is the exchange rate used to estimate the difference in currency prices which explains how much of a country's currency is needed to get a certain amount of currency from another country. The real exchange rate is the nominal exchange rate that has been corrected with relative prices, namely domestic prices compared to foreign prices.

The exchange rate system is divided into fixed rates and free rates. The fixed exchange rate is interpreted as an exchange rate system in which the highest monetary authority in a country (Central Bank) has the right to fix the domestic exchange rate against other countries at a certain threshold without witnessing supply and demand activities in the money market, namely by imposing the value of a currency money with gold (Masri and Hadi 2016). The advantage of this fixed exchange rate system is the reduction of currency considerations. The government intervenes to stabilize and control foreign exchange against the certainty of currency exchange rates. The drawback of this system is the lack of currency flexibility in the event of changes in the global market, the government should have sufficient reserves of funds to protect the stability of its currency exchange rates.

Meanwhile, the determination of currency exchange rates in this system is free from the involvement of government financial authorities and is determined by the forces of demand and supply in the market. The free exchange rate system is often referred to as a floating exchange rate. The free exchange rate system is divided into two types, namely:

a. Managed Floating Rate

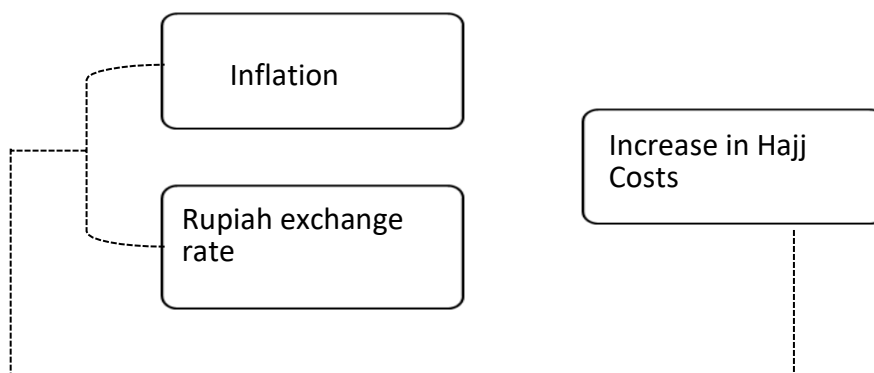
The magnitude of the exchange rate is determined by policy makers, especially the central bank, and is maintained by direct intervention in the foreign exchange market or by the central bank controlling the market by selling and buying foreign exchange at a set exchange rate. This system is distinguished by a willingness to commit from the central bank/government to maintain the exchange rate for a certain amount (Susen 2014). The benefits of this exchange rate system include the ability to monitor monetary stability more easily, demand and supply activities in the foreign exchange market will be able to stabilize the exchange rate according to prevailing economic conditions, and the ability to combine a fixed rate system and a floating system. Meanwhile, the disadvantages include the following: foreign exchange must always be available and can be charged at any time, there is intense competition between the government and speculators in estimating and determining exchange rates, and not always being able to outperform the balance of payments or trade (Masri and Hadi 2016).

b. Free Floating Rate

The market mechanism determines the system for determining the value of domestic currency in relation to foreign currency. As a result, in this system currency values can fluctuate at any time based on the demand and supply of domestic currency compared to foreign currency and the behavior of speculators. The advantages of this exchange rate system include more guaranteed foreign exchange reserves, competitiveness in the export-import market following market procedures, the economic situation of other countries is not too impactful, there are no foreign exchange restrictions. While the drawbacks of this exchange rate system are that the implementation of estimates is more flexible, there is a potential for fluctuating depreciation in developing countries.

Based on the background description and literature review and previous research, it is possible to describe the conceptual framework between the independent variables, namely the inflation rate (X1) and the rupiah exchange rate (X2) and the dependent variable, namely the increase in the cost of the pilgrimage (Y).

Figure 1. Framework of Thought



While the hypothesis that can be built as temporary allegations of problems in research that still deserve further verification of their validity can be described as follows:

- H1: There is a significant effect on the inflation rate variable on the increase in pilgrimage costs in Surabaya 2012-2022
- H2: There is a significant effect on the exchange rate variable on the increase in pilgrimage costs in Surabaya for the 2012-2022 period
- H3: There is a significant simultaneous influence between the inflation rate variable, the exchange rate on the increase in the cost of Hajj in Surabaya for the 2012-2022 period

Research methods

This type of research is quantitative research with a descriptive approach. Quantitative research is research that requires data in the form of numbers. This research is used to describe the portrait of the effect of inflation and the rupiah exchange rate on the increase in the cost of pilgrimage in the city of Surabaya. This study provides a description of the independent variables, namely inflation and the rupiah exchange rate, to the dependent variable, namely the increase in the cost of hajj in the city of Surabaya. In conducting research, the model applied in the regression equation is a multiple linear regression model. Where the multiple linear regression model consists of more than one independent variable (Wetherjohn 2018).

The operational definitions applied in the model are as follows:

1. Increase in Hajj Fees (Y)

The surge in Hajj costs (Y) in this study is operationalized as the average Hajj cost for the City of Surabaya as determined by the Ministry of Religion or related institutions during

the 2012-2022 period.

2. Inflation (X1)

Inflation (X1) in this case is operationalized using the monthly Consumer Price Index (CPI) data for the City of Surabaya sourced from the Central Statistics Agency (BPS) in the 2012-2022 period.

3. Rupiah Exchange Rate (X2)

The Rupiah Exchange Rate (X2) in this study was operationalized using national monthly exchange rate data against the dollar originating from Bank Indonesia data for the 2012-2022 period.

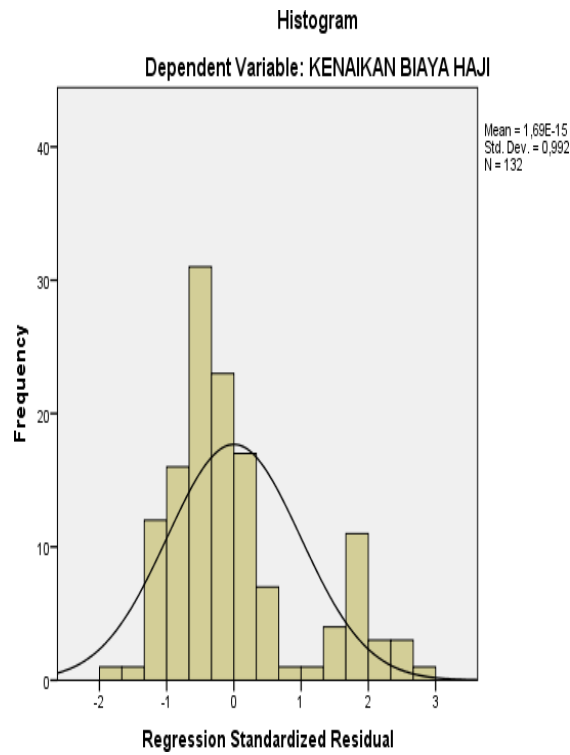
All data on inflation rates, rupiah exchange rates, and increases in pilgrimage costs obtained from related sources constitute the population in this study. And in this study the population used is the pilgrimage agency in Indonesia. Sampling in this study utilized a saturated sample, namely a sampling technique when all members of the population are taken as a sample, which is often carried out if the population is relatively small, namely less than 30 people or research is to be conducted. This study followed a total of 132 samples (11 years x 12 months). The sample used in this study is the city of Surabaya.

The data imposed is quantitative data, namely data obtained in the form of numbers and measured with a numerical scale. This study utilizes secondary data types. Secondary data is information or data that is collected from data that already exists or has been previously published. In compiling this research, data collection was carried out through two processes, namely the literature study process and the collection of secondary data needed in the research. Literature study is a series of activities in the library data collection method which is carried out by reading, recording, analyzing, and processing research materials. These data were obtained through the Bank Indonesia website (<https://www.bi.go.id>). Hajj Finance Board (<https://bpkh.go.id>), Central Bureau of Statistics (<https://www.bps.go.id>), as well as books and journals related to this research.

Results and Discussion

The normality test is a member of the classic assumption test that is applied to test whether a data consisting of independent and dependent variables follows a normal distribution or not. Where a regression model is said to be good if the residual values are normally distributed. In this study, the normality test can be seen from the histogram test.

Figure 2. Normality Test



Referring to the picture above, it can be seen that the histogram has a bell-like model, this model is depicted not deviating to the left or right, which means that the data is normally distributed. The multicollinearity test was applied to verify that there is no linear correlation between the independent variables in one model. Multicollinearity can be viewed from the VIF (Variance Inflation Factor) value. If the VIF value < 10 , it can be concluded that multicollinearity is not established for the data being tested, and vice versa.

Figure 3. Multicollinearity Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	30514098,78	1270640,955		24,015	,000		
	INFLASI	31433,368	7329,191	,332	4,289	,000	,862	1,161
	KURS RUPIAH	4,685	,987	,367	4,746	,000	,862	1,161

a. Dependent Variable: KENAIKAN BIAYA HAJI

Based on the picture above, in the Collinearity Statistics section it can be said that the tolerance value for the inflation variable is 0.862 and the rupiah exchange rate variable is 0.862 which is greater than 0.10. While the VIF value for the inflation variable is 1.161 and the rupiah exchange rate variable is 1.161 which is not more than 10. Thus, in this study it can be said that there are no symptoms of multicollinearity between the independent variables. This test intends to detect whether in the regression model there is an inequality of variance from the residual value in one observation with other observations. If the variation between the independent variables and the residuals places a significance value greater than 0.05, it can be said that there is actually no heteroscedasticity in the regression model.

Table 1. Heteroscedasticity Test

Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null hypothesis: Homoskedasticity

F-statistics	0.004393 Prob. F(2,128)	0.9956
Obs*R-squared	0.008991 Prob. Chi-Square(2)	0.9955
Scaled explained SS	0.179361 Prob. Chi-Square(2)	0.9142

Based on the table above, it is found that the significance value or probability is greater than .So it can be said that this regression model is free from heteroscedasticity. The autocorrelation test is used to detect whether in the linear regression model there is a correlation between residuals in an observation in the t time span with the previous t time span. Autocorrelation occurs due to observations that are continuous throughout time and are connected to one another. And variety to track autocorrelation error is to look at the Durbin-Watson value. If the DW value is between -2 and +2 then it can be said that the regression model

is free from autocorrelation.

Table 2. Autocorrelation Test

Mean dependent var	62568.01
SD dependent var	647394.9
Akaike info criterion	29.61883
Black criterion	29.68467
Hannan-Quinn criter.	29.64558
Durbin-Watson stat	1.998516

If seen from the table above, we can see that the value of DW is equal to 1.998516 which means it is between -2 and +2, so it can be accepted that there is no autocorrelation. Multiple linear regression analysis is used to understand the magnitude of the relationship between the independent variables (X1, X2) on the dependent variable (Y). This analysis is useful for understanding the relationship between the inflation variable, the rupiah exchange rate and the increase in pilgrimage costs. Referring to Figure 2, the multiple linear regression equation is found as follows:

$$Y = 15.3295 + 0.013454X1 + 0.224230X2 + e$$

Figure 3

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	30514098,78	1270640,955		24,015	,000		
	INFLASI	31433,368	7329,191	,332	4,289	,000	,862	1,161
	KURS RUPIAH	4,685	,987	,367	4,746	,000	,862	1,161

a. Dependent Variable: KENAIKAN BIAYA HAJI

From the results of the calculation of the t table value, it is determined that the t table value is 1.65675. While the results of testing the hypothesis partially through the t test obtained a t value of 4.289 which indicates that:

a. Inflation

Ho1 : Inflation has no significant effect on the increase in pilgrimage costs Ha1 : Inflation has

a significant effect on the increase in the cost of pilgrimage Based on the results of the t calculated inflation > t table ($4.289 > 1.65675$) and the significance value inflation < 0.05 ($0.000 < 0.05$), it can be concluded that Ha1 is accepted, which means that inflation has a positive and significant effect on the increase in the cost of pilgrimage in the city of Surabaya.

b. Rupiah exchange rate Hypothesis:

Ho2: The rupiah exchange rate has no significant effect on the increase in pilgrimage costs

Ha2: The rupiah exchange rate has a significant effect on the increase in pilgrimage costs

Based on the results of the calculated t value of the rupiah exchange rate > t table ($4.746 > 1.65675$) and the significance value of the rupiah exchange < 0.05 ($0.000 < 0.05$), it can be concluded that Ha2 is accepted, which means that the rupiah exchange rate has a significant effect on the increase in pilgrimage costs.

Figure 4
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,207E+14	2	1,104E+14	32,542	,000 ^b
	Residual	4,375E+14	129	3,392E+12		
	Total	6,583E+14	131			

a. Dependent Variable: KENAIKAN BIAYA HAJI

b. Predictors: (Constant), KURS RUPIAH, INFLASI

Based on Figure 4, it can be concluded that the calculated F value is 32.542 with a significance value of 0.000. Due to the significance value < 0.05 ($0.000 < 0.5$) and the calculated F value > F table ($32.542 > 3.07$) then Ho3 is rejected and Ha3 is accepted so that it can be stated that simultaneously the independent variables inflation and the rupiah exchange rate have a significant effect on pilgrimage fees. This happens because the two of them have a relationship with each other in the increase in the cost of hajj in the city of Surabaya.

The coefficient of determination is useful for measuring the closeness of the relationship between the independent variable and the dependent variable. The coefficient of determination is between 0 and 1. In other words, the coefficient of determination is the ability of variable X to explain variable Y. The results of calculating the coefficient of determination can be seen as follows:

Figure 5

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,579 ^a	,335	,325	1841649,572	,323

a. Predictors: (Constant), KURS RUPIAH, INFLASI
 b. Dependent Variable: KENAIKAN BIAYA HAJI

From the analysis in the figure above, the coefficient of determination or R square is 0.335 or 33.5% so that it can be said that the inflation variable, the rupiah exchange rate can be explained by the variable increase in the cost of hajj 33.5% while 66.5% is influenced by factors other factors not included in the regression model.

Interpretation

Inflation refers to the general increase in the prices of goods and services in a country within a certain period of time. Inflation can create a volatile environment for making economic decisions. When consumers anticipate higher inflation in the future, they are encouraged to buy large quantities of goods and services now rather than waiting for the price level to rise again. The increase in the cost of Hajj, refers to the increase in costs that must be borne by prospective pilgrims in performing the pilgrimage.

The results of research on the inflation variable show that it has a positive and significant relationship to the increase in the cost of hajj in the city of Surabaya. This is evidenced by the calculated t value which is greater than t table with a positive t calculated value and a significance level below 5%. The calculated t value is 4.289 and t table is 1.65675 (4.289 > 1.65675). In addition, a significance probability value of 0.000 indicates a smaller value than the specified significance value of 0.05. Inflation affects the increase in the cost of pilgrimage positively, which means that if inflation increases it will result in an increase in the cost of pilgrimage. The regression coefficient shows a value of 31433.368 which means that any increase in inflation will result in an increase in the cost of pilgrimage of 31433.368.

So thus the hypothesis that inflation has a positive effect on the increase in pilgrimage costs is proven and considered significant or influential because it is reflected in the significance value of 0.000 which is less than 0.05. The exchange rate is the price of a country's currency against another country's currency. Exchange rates can affect demand. The depreciation of the

rupiah exchange rate will affect services, increase the price of imported goods, and reduce people's purchasing power. Hajj fees are often expressed in foreign currencies, such as United States dollars (USD) or Saudi Arabian riyals (SAR). If the rupiah exchange rate weakens against foreign currencies, then the prospective pilgrims will need more rupiah to convert into the foreign currency needed to pay the pilgrimage fees.

Penetration results research on the rupiah exchange rate variable has a positive and significant relationship to the increase in the cost of hajj in the city of Surabaya. This is evidenced by the calculated t value which is greater than t table with a positive t calculated value and a significance level below 5%. The calculated t value is 4.746 and t table is 1.65675 ($4.746 > 1.65675$). In addition, the profitability significance value of 0.000 indicates a value that is smaller than the specified significance value of 0.005. The rupiah exchange rate has a positive effect on the increase in pilgrimage costs. Which means if the rupiah exchange rate increases it will result in an increase in the cost of pilgrimage. The regression coefficient shows a value of 4.685, which means that every increase in the rupiah exchange rate will result in an increase in the cost of Hajj by 4.685.

The results of this study indicate that inflation and the rupiah exchange rate has no significant effect on the increase in pilgrimage costs. It is known that the calculated F is 32.542 with a significance value of 0.000. Because the significance value (α) < 0.05 ($0.000 < 0.005$) and the calculated F value $> F$ table ($32.542 > 3.07$) then H_0 is rejected and H_a is accepted. In testing the effect of inflation together, the rupiah exchange rate on the increase in pilgrimage costs was found to be 33.5% while 66.5% was influenced by other factors not explained in this study. The author can conclude that the effect of inflation, the rupiah exchange rate together has an influence on the increase in the cost of hajj in Surabaya City in 2012-2022.

Efforts Are Being Made to Anticipate the Impact of Increasing Hajj Costs

Another cause of the increase in the cost of Hajj in Indonesia is also because the Saudi Arabian government sets VAT at 20%, causing high prices. So in the end the burden is on their selling price. The tax increase is a calculation of domestic taxes or domestic taxes. Efforts that the government can make are by making adjustments to the Hajj budget, subsidies or policy updates. Apart from that, pilgrims also need to prepare themselves more carefully in planning and saving for Hajj expenses to avoid the impact of this increase. Travel agencies can also collaborate with a number of sharia banks so that prospective pilgrims get the best solution in paying for the chosen

Hajj package. Congregants who already have a certain amount of money can be invested and managed by sharia banking.

The swelling number of Muslims registering for the Hajj is also a problem in itself. This can cause people's interest in going on the Hajj to soar. With the Hajj Bailout Funds provided by the Bank, someone can register to get a portion number or seat for prospective Hajj pilgrims with the help of a financial loan which is then paid in installments over a certain period of time. It is also necessary to understand the registration system for prospective Hajj pilgrims. Where the large quota for Hajj pilgrims given by the Kingdom of Saudi Arabia to Indonesia was apparently unable to accommodate the number of prospective Hajj pilgrims who wanted to go to the holy land, this had the impact of increasing the waiting list for prospective Indonesian Hajj pilgrims. The solution that can be taken is to separate the functions of the Indonesian Ministry of Religion (KEMENAG) between the functions of regulator, operator and evaluator. (Rifa'at and Farid 2019).

Conclusion

Based on the results of analysis and testing in research on the effect of inflation, the Rupiah Exchange Rate against the Dollar Increase in the Cost of Hajj in Surabaya for the 2012-2022 period, the following conclusions are obtained the Inflation variable (X1) has a positive relationship and has a significant effect on the increase in the cost of Hajj in Surabaya for the 2012-2022 period, which means that if inflation increases it will result in an increase in the cost of Hajj. The Rupiah Exchange Rate variable on the Dollar (X2) has a positive relationship and has a significant effect on the increase in the cost of Hajj in Surabaya for the 2012-2022 period, which means that if the Rupiah exchange rate increases it will result in an increase in the cost of Hajj and the variables Inflation and the Rupiah Exchange Rate to the Dollar .

This research is still very simple and has many shortcomings, the author hopes that the results of this research can be used as initial considerations in conducting further research. The author is very aware that this research is still very simple and has many shortcomings, so that future researchers can carry out similar research by adding other variable others to strengthen research and provide influence or contribution.

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