

The Potential of Dinar (Gold) Currency as the Main Object Transaction in Indonesia

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Abstract : In this article, we have elaborated a study over the nature of Islamic financial transaction by comparing between Dinar and IDR currency in Indonesia. We have found the interesting issue among scholars and practitioners in which Dinar would be a single currency ASEAN Economic Community (AEC), then becoming motivation and added value research. The assessment among dinar volatility analysis for three years ago and IDR fluctuation as well as outlook qualitative test regarding dinar are components of analysis that weak Indonesian currency should be altered to be better coinage. The value of dinar more stable than IDR and also eligible as a currency e.g. limited quantities, easy to carry, durable, easy to saved, and has the same quality. On the other hand, the existing of IDR has defeated by inflation. The EViews program explained that Dinar at current level still fluctuate, but in the first different have fixed variant. The result of analysis describing that dinar has potential as the medium exchange, because the material of dinar is relevant and feasible since 14 century until present. Therefore, dinar should be considered to solve Indonesia crisis today.

Keywords : medium of exchange, dinar & IDR currency, volatility analysis, EViews program

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