The Effect of Macroeconomic Variables on Jordan's Economic Growth

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Abstract
This study investigates the relationship between some macroeconomic variables (export, inflation, foreign direct investment) and economic growth of Jordan. The researcher conducts this study by using multiple linear regression method. In general, the results revealed that exports and inflation has a positive impact on growth. While there is no statistically significant impact of foreign direct investment in economic growth represented by (GDP). The results also shows that increasing the value of exports by one million dollars will lead to an increase in gross domestic product by (0.898) million dollars, and a decrease of inflation rate by (1%) will lead to an increase in gross domestic product by (0.215) million dollars. The results also indicate that the independent economic indicators included in the model explain a rate (97%) of the changes in the economic growth of gross domestic product. The remaining amount (3%), is attributable to other economic indicators were not included in multiple linear regression model.

Keywords: Economic growth, macroeconomic variables, export, inflation, foreign direct investment, Jordan.

1. Introduction
The issue of economic growth asymmetry across countries continually draws academic interest and intellectual curiosity. What really contributes to this asymmetry has puzzled the minds of economists and politicians for centuries. The new millennium raises more questions and concerns about this issue. As a result, there is a growing need to study it with more rigor and depth. Many less developed countries (LDCs) have adopted outward- and forward-looking policies to promote economic growth and employment. The roles of exports and foreign direct investment (FDI) are recognized as important economic growth-enhancing factors (Hulugalle et al., 2005).

Although the adoption of such policies by LDCs is expected to exert positive influences on overall GDP, it is uncertain how much is contributed by surging exports, FDI, and inflation. The empirics of their effects on GDP generate mixed and ambiguous inferences across countries over different sample periods and across different developing countries. Therefore, this paper re-examines the roles of these causal variables in promoting real GDP of Jordan.

It is more important for policy to understand the long and short-term impact of FDI on economy growth. Thus, not understanding with certainty how FDI is attracted to a country and its effects in the short term and long term, the task becomes more difficult when one is not sure about the mechanism through which FDI is going to bring about change in the economy. Duttaray, Dutt and Mukhopadyay (2008) examine this issue and the problems in understanding the effects of FDI on economic growth using cross country regression equations. They highlight that FDI measured as a ratio
of FDI flow to output has a positive effect on growth by having a positive coefficient in the regression equation (Dutt, 1998). However, when an extra variable such as exports is included in the regression equation, the FDI coefficient can either become negative or positive (Borensztein et al. 1998). Further, they highlight that the positive coefficients in the equation conceal the mechanism through which FDI affects growth. Given the endogeneity biasness, the positive coefficient does not provide robust evidence of the unidirectional causality from FDI to output growth, as the causality can run both ways.

It is also important to highlight that the interaction between these variables is complex and each variable (GDP, exports, inflation and FDI) has a plausible theoretical foundation to affect the other variables. Without knowing the direction and pattern of mechanisms among these variables can hamper effective policy to promote economic growth. Therefore it is important to investigate the relationship between these variables to correctly formulate policies in respective countries.

This study makes several contributions to the literature. The paper focuses on a developing country like Jordan. We will identify the impact of FDI, export and inflation on economic growth at different stages of growth. In order to uncover the effect of FDI on economic growth, so far, most studies have adopted the bi-variate Granger causality testing methodologies. This paper carefully studies the dynamic relationship between export, inflation, FDI and output growth in a time-series framework from 1990 to 2009. The long time series will enable us to explore the long-run and short-run dynamic relationship between the variables. In addition the paper Measures the impact of export, inflation, and foreign direct investment on economic growth of Jordan for the period (1990-2009).

The outcomes of this study with the previous efforts are expected to assist the Jordanian government in its effort to improve policies towards its FDI, inflation, exports and economic growth.

The rest of the paper is organized as follows. Section 2 presents the Research Framework; Section 3 provides brief theoretical and empirical evidence; Section 4 reviews the Jordanian Economy and reports brief notes of the trends and performance of the study variables. Section 5 presents empirical analysis and results; Section 6 contains concluding remarks.

2. Research Design and Methodology
The objective of this section is to present the Research Framework based on the extensive literature review, and the methodology used to conduct the study.

To Measure the impact of export, inflation, and foreign direct investment on economic growth of Jordan, The multiple linear regression method has been employed as following:

- **F- Test**: To test the validity of linear regression.
- **t -Test**: to measure the impact of independent variables on dependent variable.
- **R Square**
- **BETA, and**
- **P- Value**

Figure (1) shows the Research Framework in which the independent as well as dependent variables are presented. Independent variable includes: Export, inflation, and foreign trade. Data for these variables has been taken from UNCTAD Statistical Series for the period (1990-2009). The dependent variables include Economic growth which is measured by gross domestic product (GDP) at constant price. Data for this variable have been taken from UNCTAD Statistical Series for the period (1990-2009).
3. Review of Empirical Studies

The existing literature studying the impacts of exports, FDI, and inflation on economic growth is vast. The effect of each variable on economic growth has generally been investigated in a bi-variate context for many countries using various sample periods and econometric procedures. Studies that focused on exports and FDI promotion have shown promising results in their contributions to economic growth in LDCs (Balassa, 1985; Sengupta and Espana, 1994; Yue, 1999; Bahmani-Oskooee and Alse, 1993; Ahmad and Harnhirun, 1995; Ghatak et al., 1997; Biswal and Dhawan, 1998; Baharumshah and Rashid, 1999; Hossain and Karunaratne, 2004; Tang, 2006, Siliverstovs and Herzer, 2007). The benefits associated with exports and FDI have lent support to the export-led growth hypothesis (ELGH) and FDI-led growth hypothesis (FLGH) respectively. These theories are based on the idea that exports and FDI are key variables in determining economic growth. Federici and Marconi (2002) point out that many of these studies confuse causation and association. As a result, they expressed serious reservations about their influences on economic growth.

The studies examining the relationship between exports and GDP have found strong support for ELGH, which conclude that export promotion can greatly benefit LDCs by generating “greater capacity utilization, economies of scale, improving allocation of scarce resources, and technological progress (Smith, 2001).” A cross-sectional study by Smith (2001) on the Four Tigers of South-East Asia (South Korea, Singapore, Hong Kong, and Taiwan) found that outward-oriented policies have allowed these countries to sustain high rates of economic growth since the 1960s until 1997-98 financial crises. A study by Ghimay and others (2001), consisting of 19 LDCs, found a long-run relationship between exports and economic growth in 12 of the 19 countries. Export promotion also attracted investment and increased GDP in 15 countries. Some Southeast Asian countries found little impact of exports on overall GDP. Mamun and Nath (2005) found a "long-run unidirectional causality from exports to growth in Bangladesh, but no short-run effects on GDP." A study on Costa Rica found both long- and short-run effects from export promotion, but the effects had a limited impact (Smith, 2001).

Studies on FDGH have discovered that FDI promotion can greatly benefit LDCs by introducing new technology and skills, increasing employment creation, surging domestic competition and expanding access to international marketing networks (Mallampally, 1999; Sauvant and Athukorula, 2003). These benefits were found in the case of Morocco, where Baliamoune-Lutz (2004) concluded that FDI had positive effects on economic growth as well as a bidirectional relationship between exports and FDI. This means that another benefit associated with the promotion of FDI is that it can promote exports and vice versa. On the other hand, a regression analysis on Sri Lanka found that FDI has a positive but weak effect on GDP and a unidirectional causality flowing from GDP to FDI. This suggests that GDP has a greater impact in attracting FDI (Anthukorala, 2003). On the other hand, In a review of micro data on spillovers from foreign-owned to domestically owned firms, Gorg and Greenwood (2002) conclude that the effects are mostly negative. Lipsey (2002) takes a more favorable view from reviewing the micro literature and argues that there is evidence of positive effects.
Surveying the macro empirical research led Lipsey to conclude, however, that there is no consistent relation between the size of inward FDI stocks or flows relative to GDP and growth. He further argues that there is need for more consideration of the different circumstances that obstruct or promote spillovers.

Research examining the impacts of exports and FDI on GDP within the same model has also concluded ambiguous results. For example, a study on Turkey found that economic performance was consistent with ELGH, but did not confirm FLGH because no spillover effects from FDI to output were found (Alia and Dcal, 2003). In the Latin American countries of Argentina, Brazil, and Mexico, the empirical data did not support the ELGH, but did find that FDI promotes economic growth and trade (Alguacil, et al., 2000). Dritsaki and Adamopoulos (2004) discovered a unidirectional causal relationship from FDI to GDP and a bidirectional causal relationship between exports and GDP of Greece.

Yao (2006) found a strong relationship among exports, FDI, and GDP for China. He found that the devaluation of the Yuan led to export and FDI promotion, stimulating growth. This study also found that FDI and exchange rates have a "simultaneous relationship with GDP." This means that currency devaluation may enhance economic growth by attracting FDI and encouraging exports.

Borensztein et al. (1998) test the correlation between FDI and GDP in a cross-country regression framework with 69 developing countries over two separate time-periods 1970-1979 and 1980-1989, and that the effect of FDI on growth depends on the level of human capital in the host country and that FDI has positive growth effects only if the level of education is higher than a given threshold. Johnson (2006) models the potential of FDI inflows to affect host country economic growth. This analysis is performed with both cross-section and panel data for 90 countries during the period 1980 to 2002.

In addition to export-growth relationship, economists particularly, have long reason to wonder whether inflation is generally conducive or detrimental to the economic growth. There are still substantial disagreement among the empirical researchers, however, about how quantitatively important are the growth depressing effects of inflation and at what levels of inflation these effects begin to appear. Some economists have been concerned by rates of inflation of three or four percent while others have been unconcerned by rates of twenty or thirty percent. Taking for instance, Mallik and Chowdhury (2001) shows that low inflation is positively correlated to economic growth in a particular country. However, Gylfason (1999) indicate that an increase in inflation from 5 to 50 percent a year from one country to another reduces the growth of GDP. In addition, Hodge (2006) found that inflation drags down growth in South Africa over the longer period of time. Lim (2004) on the other hand, highlight the need for inflation management in order to attain short run stabilization as well as long-term inflation goals for the South East Asian Central Banks (SEACEN) countries.

Little research has been done specifically for Jordan in relation to the subject. Almasaied Suleiman (2005) recommended in his study that the Jordanian export sector is of particular importance in the growth of the Jordanian economy, as this would represent a significant ratio of GDP and a strong reliance on the various sectors of the economy.

Ahsan Mansur and Joannes Mongardini (2005) found that the Jordanian economy has improved. Economic growth is steadily rising and the export sector is booming. The structure of economic activity is shifting in support of export-led growth, while domestic demand, which in the past was the main source of growth, has so far lagged.

Abual-Foul, Bassam (2004) tested ELGH in Jordan over the period 1976–1997. Based on the empirical results, a unidirectional causation from exports to output is supported. The findings lend support to the export oriented growth strategy pursued by Jordan. Abual-Foul mentioned that in promoting faster economic growth, such government institutions as Investment, and Export promotion entities should continue to attract foreign investments and boost exports.

Saif Ibrahim (2004) noticed that export promotion is one of the key elements in the adjustment program, discussing how major policy changes in the Jordanian export sector have brought Jordan
closer to an export-led growth strategy. Observing the nature of Jordan's exports that are mainly based on raw materials which have little value added. It also found that if the output of the manufacturing sector grows by 1%, the Gross Domestic Product and exports will also grow, by 1.1% and 2.8%, respectively. This means that different models have been used to verify the ELGH in Jordan, generally most of the literature supports this strategy, showing the positive impact of export on economic growth. Little research has been done specifically for Jordan in relation to this strategy, with the major work having been done by Abual-Foul and Bassam in 2004.

4. Brief Review about Jordanian Economy, trends and Performance of the Study Variables
Jordan is a small country in the heart of the Middle East, located in Southwest Asia, bordered by Syria to the north, Iraq to the northeast, and Saudi Arabia to the east and south. Jordan covers a total area of 92,300 sq km, with a population of about 5.7 million people in 2007. Jordan's social and economic wellbeing have been intricately tied to its relations with neighboring Arab countries in terms of population movements and flows of trade and finance.

For many years Jordan has had to contend with a difficult external economic environment caused by problems in neighboring countries. Despite such handicaps, the economy grew rapidly in the 1970s and continued to grow in the early 1980s. According to UN data, the annual real growth rate of GDP averaged almost 16.5% between 1972 and 1975. The average annual growth rate fell to 8.5% between 1976 and 1979, and then peaked at almost 18% in 1980. Between 1980 and 1985, the average growth rate decelerated to about 4%. The boom in transit trade to and from Iraq after the start of the Iran-Iraq War in 1980 accounted for much of the growth. The period from the mid-1980s to the breakout of the Gulf crisis and war in 1990/1991, was a period of retardation of economic growth and performance, culminating in the collapse of the value of the national currency and a rapidly mounting burden of external debt.

Economic reform efforts began in the early 1990s and were, therefore, primarily focused on attaining macroeconomic stability and rectifying fiscal imbalances. By 1999, the stringent reform efforts were successful in sustaining an efficient macroeconomic management policy, which included the implementation of a comprehensive political, social and economic reform agenda with the aim of building a modern state, based on economic vitality with substantial potential for growth and prosperity, political inclusion and social stability.

Reform efforts were revisited in 1999 when His Majesty King Abdullah II ascended to the throne, prompting an accelerated pace and the launch of new strategies and initiatives aimed at enhancing the welfare of the Jordanian people and propelling economic growth to higher and sustainable levels. The government of Jordan thus began to focus on devising and implementing measures to combat the critical challenges facing the economy, having as their hallmark institutionalizing the public-private partnership, while at the same time laying the foundation for building a new Jordanian model that is resilient to external factors and that accommodates the evolving global trends. The strategy focused on the integration of the private sector into the industrial policymaking framework, export expansion through increased competitiveness and the facilitation of private sector-driven growth, which ensured that Jordan’s legal and regulatory policies matched requirements for global economic participation and minimizing government intervention in the economy to make way for market forces to shape our future.

Today, Jordan is at the forefront of the Middle Eastern liberal economies that gained wide respect and recognition for their reforms and economic endeavors. In fact, Jordan is cited as an example in economic policy for emerging nations that could creatively overcome the dilemmas of the scarcity of material and natural resources. In such a short time, Jordan managed to nurture its economic ties with its neighboring Arab countries through joining the Greater Arab Free Trade Area (GAFTA) and signing a number of bilateral trade agreements; entering into an association agreement with the
European Union; and signing a free trade agreement with the United States of America soon after successfully joining the World Trade Organization (WTO) in 2000; as well as signing free trade agreements with the European Free Trade Association (EFTA) countries, Singapore and an Agreement for establishing a Free Trade Area Amongst Arab Euro-Mediterranean Countries which is known as the Agadir Agreement.

Trends and Performance of the Variables

Gross Domestic Product (GDP) and Per Capita of (GDP)
The GDP increased among the study period over time, also per capita, but we should considered that population in Jordan increased with not less than 3% yearly among the period of this study, also migration of Iraqi population due to the war, the moving average of GDP is 0.065. Real GDP per capita shows that it also increased over time.

The average of GDP per capita $3534.7, it even did not surpass the world average by 2001, 2003; the closest can go is the per capita in 2008 to 2001. But it is still less and slightly slower in it is grew than desired of Jordan government.

The per capita of Jordan decreased in some period and increased in next periods, as the period extend from 1992 up to 1996 the ratio of decreased in this period is 8.5 percent, then it increased by a ratio of 7.4 percent in the rest period, the mean of per capita is $3534.7 (UNCTAD Statistics).

Exports
Jordan has joined the world trade organization (WTO) in April 2000, after starting the process of regional integration with EU, it could be noticed that preferential trade agreement (PTAs), Jordan is an open economy in terms of liberalization of trade, import and export, Jordan has traditionally run a large trade deficit due to high propensity to import, this can be proved by the amount of import is 5 times more exports. Arab countries are the first place of exchange of Jordan exports, then EU, then India. The moving average of Export growth rate is 8.60 Percent (UNCTAD Statistics). Since 1964 the primary markets of Jordanian exports have been Arab countries as what I have argued about integration with this region, since 2001 (QIZs) privileges has been marked. The series of export is phosphate, potash and other crud materials, agriculture product chemical and manufactured goods.

Inflation
The inflation phenomenon in the Jordanian economy is enforced by three main reasons; the monetary and fiscal policies, the high openness rate toward the regional and international economics and the weak of structural productive base for the Jordanian economy. The last two reasons make the inflation is a sensitive and serious problem and hard to control or put high burden on the government. Looking historically to the inflation rate measured by the percentage change in the annual consumer price index (CPI) in Jordan during the period (1990-2009) shows clearly that this rate fluctuates. The average inflation rate during this period is around 4.7% and this rate considered high if we take into consideration that the average annual inflation rate in Jordan is not indexed to the annual increase of the wages and salaries.

Foreign Direct Investment (FDI)
Foreign investment in Jordan has picked up in the period of study, though it is maintained that the bulk of outside investment are "acquisition transaction" under the privatization program. Apart from 1997-2000 stood at $158 and $300 million preliminarily estimate $547 and $937 In 2003 and 2004, this result of privatization and carried out as strong investment in 2006 and 2007 and 2008 which constitute as $3544 million in 2006, damped down to $2622 million in 2007, and rises to $2829 million in 2008, but decrease to 2385 in 2009.

The FDI inflows in 2003 was 4.33% of GDP, rises to 22.7% of GDP in 2006, then dropped down to 10.46% of GDP in 2008. These ratios give assign of unstable quantity of FDI. Jordan
economy improved the legislation of investment environment and developed the departments supervised of the investment these become from strong investors interest in the privileges offered by Jordan's qualifying industrial zones (QIZs), most of these inflows come from EU member states, investment in Jordan is far from being a valid proposition except for QIZs.

5. Data Analysis and Results

- Testing the validity of linear regression

To test the validity of linear regression, we used for this purpose (F) test contained in the following table of variance analysis (ANOVA):

**Table 1: ANOVA Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>(F) Value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>134000000</td>
<td>3</td>
<td>4480399.423</td>
<td>173.541</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>3356240.8</td>
<td>13</td>
<td>258172.368</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>138000008</td>
<td>16</td>
<td>-</td>
<td></td>
<td></td>
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</tbody>
</table>

The results contained in table (1) shows follows:

Evidence of significant linear regression at a significance level (0.05) supported by the calculated value of (F) amount of (173.541) and the statistical significance (Sig.) of (0.000) which is lower than the level of significant (0.05), which gives the model a high authority to measure the impact of the change in the independent variables in economic growth (GDP).

- To measure the impact of change in exports, inflation and foreign direct investment, the researcher used the (t) test and statistical significance (Sig.) contained in the following table:

**Table 2: Multiple leaner regression to measure the impact of exports, inflation, and FDI on economic Growth (GDP) of Jordan**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>(Bi)</th>
<th>(t) Value</th>
<th>(t) Sig.</th>
<th>BETA</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>1.698</td>
<td>8.180</td>
<td>0.000</td>
<td>0.898</td>
<td>0.970</td>
</tr>
<tr>
<td>Inflation</td>
<td>-169.011</td>
<td>-4.619</td>
<td>0.000</td>
<td>-0.215</td>
<td>0.970</td>
</tr>
<tr>
<td>FDI</td>
<td>0.113</td>
<td>0.331</td>
<td>0.746</td>
<td>0.036</td>
<td>0.970</td>
</tr>
</tbody>
</table>

As it can be noticed from table (2), there is a statistically significant impact of export and inflation indicators at a significance level (0.05) in economic growth (GDP). Which is confirmed by the coefficients (t) calculated of the both indicators accounted to (8.180, -4.619), respectively, and statistical significance (Sig.) of (t) value (0.000) for each, which is lower than the level of significant (0.05). Note that the impact of inflation on economic growth is in an opposite effect, meaning that the higher the inflation rate the lower the GDP, and vice versa. This result agree with previous results, which conducted by Ghimany and others (2001), Alia and Dcal (2003), Yao (2006), ahsan Mansur and Joannes Mongardini (2005), Abul-foul and Bassam (2004), Mallik and Chowdhury (2001), and Hodge (2006). But disagree with Alguacil, et al. (2000) results.

On the other hand, the results indicated no statistically significant impact of foreign direct investment at a significance level (0.05) in economic growth (GDP). What supports this result is the calculated value of (t) for the regression coefficient indicator of foreign direct investment amounting to (0.331) and statistical significance (Sig.) of (t) value (.746), which is larger than the level of significant (0.05). Although this result were contrary to the previous results of Baliamoune-Luts (2004), Lipsey (2002), Alguacil, et al. (2000), and Johnson (2006), but it coincided with the result conducted by Corg and Greenwood (2002), Alia and Dcal (2003), and Yao (2006).
Through standardized Coefficient (BETA), it is clear that increasing the value of exports by one million dollars will lead to an increase in gross domestic product by (0.898) million dollars, and a decrease of inflation rate by (1%) will lead to an increase in gross domestic product by (0.215) million dollars.

The (adjusted R Squire) rate was (0.970). This value indicates that the independent economic indicators included in the model explain a rate (97%) of the changes in the economic growth of gross domestic product. The remaining amount (3%), is attributable to other economic indicators were not included in multiple linear regression model.

6. Concluding Remarks
This paper sought to examine the effect of FDI, export and inflation on economic growth at different stages of growth in Jordan by using multiple linear regression method over the period 1990-2009. The empirical results provide a clear answer to the question as to whether a relationship between FDI, export and inflation in one hand, and economic growth on the other hand exists. Based on the statistical evidence, this paper has demonstrated that exports are key element of Jordan's economic growth performance. This is due to the Industrial Policy adopted by the Jordanian Government which aims at manufacturing expansion, export growth and import substitution. For policy implications, Jordan should place relatively more emphasis on exports of products in conjunction with policies to encourage exports of people.

FDI as the results show has not contributed to the economic growth in Jordan for the time period 1990-2009, therefore it is imperative for the government to make a policy for attracting FDI in such a way that it should be more growth enhancing than growth retarding. More Greenfield investment should be encouraged along with investment in large scale manufacturing that can improve the exports of the Jordan as well as the strongest argument for FDI is that it stimulates exports for the host country. FDI is believed to transfer technology, promote learning by doing, train labour and in general, results in spill-over of human skills and technology. For all this to hold in a given economy several prerequisites are required. The preconditions include presence of a liberal trade regime, a threshold level of endowments of human capital, an adequate domestic market for the goods produced, and effective competition from locally owned firms through both investments in R&D and domestic production. For FDI to be a significant contributor to economic growth, Jordan would do better by focusing on improving infrastructure, human resources, developing local entrepreneurship, creating a stable macroeconomic framework and conditions conducive for productive investments to speed up the process of development.

Finally, as far as the results of this study shows a statistically significant impact of inflation in economic growth, the government of Jordan are highly invited to manage the rate of inflation to remain at the lowest level (single-digit-inflation), and to avoids high rate of inflation recorded in 2009, even when prices of crude oil at the international market had gone up. The high inflation rate can affect loan extensions. Debtors will be hesitant to cash their credit.

References


Lim, V.C.S. (2004), "Dynamics of the Inflation Process in the SEACEN Countries; South East Asian Central Banks (SEACEN)" Staff Paper No. 69.


Appendix 1: Statistical Data Analysis

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
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<tr>
<td>gdp</td>
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<tr>
<td>export</td>
</tr>
<tr>
<td>inflation</td>
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<tr>
<td>fdi</td>
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<td>Valid N (listwise)</td>
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<table>
<thead>
<tr>
<th>Variables Entered/Removed</th>
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<tbody>
<tr>
<td>Model</td>
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a. All requested variables entered.
b. Dependent Variable: gdp
Model Summary

<table>
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<tr>
<th>Model</th>
<th>R</th>
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<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
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<tr>
<td>1</td>
<td>.988*</td>
<td>.976</td>
<td>.970</td>
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a. Predictors: (Constant), fdi, inflation, expert

ANOV

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<th>Mean Square</th>
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<td>.000*</td>
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<td>Total</td>
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a. Predictors: (Constant), fdi, inflation, export
b. Dependent Variable: gdp

table

<table>
<thead>
<tr>
<th>Model</th>
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<td>export 1.698</td>
<td>.208</td>
<td>8.180</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>inflation -163.011</td>
<td>.36888</td>
<td>-4.819</td>
<td>.000</td>
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<tr>
<td></td>
<td>fdi 113</td>
<td>.342</td>
<td>3.311</td>
<td>7.46</td>
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a. Dependent Variable: gdp

Correlations

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<thead>
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<th>fdi</th>
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<td>gdp</td>
<td>1.000</td>
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<td>.151</td>
<td>.000</td>
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<tr>
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<td>.000</td>
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<tr>
<td>export</td>
<td>.966**</td>
<td>1</td>
<td>.166</td>
<td>.906**</td>
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<td>T (2-tailed)</td>
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** Correlation is significant at the 0.01 level (2-tailed).