

The Impact of Macroeconomic Factors on Economic Growth: Evidence from Asian Frontier Financial Markets

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ABSTRACT

Purpose: The main objective of the study was to examine the impact of macroeconomic variables on economic growth in Asian Frontier financial markets.

Design/Methodology/Approach: In this study, the researcher used a quantitative approach. The secondary data were collected for the study. The four Asian Frontier financial markets are known as the population of the study. The sample of the study is same as the population. The independent variables of the study are, foreign direct investment (FDI), Government debt (GD), the labor force (LB), inflation rate (IR), and exchange rate (ER) and the dependent variable is Economic growth (GDP). ARDL Approach was used as the data analytical technique.

Findings: This study examines the relationship between economic growth and macroeconomic variables in Asian frontier financial markets. Using long-run and short-run analysis, the results reveal both positive and negative significant and insignificant relationships between these variables.

Originality: No published prior study has been conducted to evaluate the impact of macroeconomic factors on economic growth in Asian Frontier financial markets.

Keywords: *Economic Growth, Foreign Direct Investment, Government Debt, Labor Force, Inflation Rate, Exchange Rate*