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FDI, Export and Economic Growth in SAARC Countries: Regression Analysis.

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Abstract
This study examines the relationship between exports and GDP in South Asian countries, including Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka, using linear regression analysis. The results reveal a significant positive relationship between exports and GDP in most countries across various time periods (1981-1990, 1991-2000, 2001-2010, and 2011-2020). The findings suggest that exports have contributed significantly to economic growth in these countries. However, the strength of this relationship varies across countries and time periods, highlighting the need for country-specific policies and diversification strategies. The study provides valuable insights for policymakers and researchers seeking to understand the role of exports in promoting economic growth in South Asia.

Keywords: FDI, Exports, Imports and GDP.

1. Introduction

Foreign direct investment (FDI), exports, and economic growth are critical components of economic development, particularly in developing regions such as the South Asian Association for Regional Cooperation (SAARC) countries, which include Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka has been experiencing rapid economic growth and integration into the global economy. Over the years, these nations have increasingly recognized the role of FDI and exports in driving sustainable economic growth. FDI serves as a vital source of external capital, providing not only financial resources but also technological know-how, management expertise, and employment opportunities (Belloumi, 2014; Mijiyawa, 2017). Exports, on the other hand, generate foreign exchange and enhance a country's production capacity, playing a key role in export-led growth strategies (Okechukwu et al., 2018; Dash & Sharma, 2010). Foreign Direct Investment (FDI), exports, and economic growth are intricately linked, and understanding their relationships is crucial for policymakers to design effective strategies for sustainable economic development. This study aims to investigate the impact of FDI and exports on economic growth in SAARC countries.

The relationship between FDI, exports, and economic growth has been widely debated in the literature. Some studies suggest that FDI inflows positively affect export performance, enhancing economic growth by fostering technological advancements and boosting industrial output (Jawaid et al., 2016; Kalirajan et al., 2009). In contrast, other research indicates that the impact of FDI on exports and growth

varies across countries and sectors, depending on factors such as infrastructure, trade policies, and political stability (Chakraborty et al., 2016). For the SAARC region, which is characterized by diverse economies and development levels, understanding the dynamics of this relationship is crucial for formulating effective policies.

In South Asia, FDI inflows have played a transformative role in sectors such as manufacturing and services, boosting export capabilities and contributing to economic growth (Mitra, 2015). However, the magnitude and direction of the relationship between FDI, exports, and growth in SAARC countries remain understudied. This research aims to investigate the interrelationship between these variables in the SAARC region, focusing on whether FDI leads to export growth and economic expansion, or if exports themselves attract FDI, as seen in other regions (Bhasin & Gupta, 2017; Prasanna, 2010). By employing empirical data and advanced econometric techniques, this study will contribute to the ongoing discourse on how FDI and trade policies can be optimized to foster sustainable economic growth in South Asia. FDI has long been viewed as a catalyst for economic development, enhancing industrial capacity, increasing productivity, and providing access to new technologies and managerial skills (Ahmed et al., 2023). Exports, a crucial source of foreign exchange, are essential for economic growth and stability, particularly in emerging economies where trade can bridge development gaps (Gebremariam & Ying, 2022).

Recent research highlights a complex and dynamic relationship between FDI, exports, and economic growth. Studies suggest that FDI not only boosts export performance but also strengthens the overall economic growth trajectory by fostering competitive industries and creating spillover effects across various sectors (Mohanty & Sethi, 2021). However, the impact of FDI on growth and exports is not uniform across all SAARC countries, with varying outcomes depending on factors such as market size, trade openness, and institutional quality (Islam, 2022). For example, India and Bangladesh have witnessed significant economic benefits from FDI inflows, particularly in export-led industries, while smaller economies like Nepal and Bhutan face challenges in fully leveraging FDI due to infrastructural and policy constraints (Basilgan & Akman, 2019).

2. Review of Literature

Numerous studies have explored the relationships between FDI, exports, and economic growth in various contexts. Here's a brief overview of the existing literature:

Vandana Arya et al (2024) investigated the effects of trade (exports and imports) and FDI on economic growth in BIMSTEC countries from 1991 to 2019. The study employs the Augmented Dickey–Fuller (ADF) and Phillips–Perron (PP) unit root tests to determine stationarity, followed by the Johansen cointegration test and Vector Error Correction Model (VECM) to assess long- and short-term relationships. Findings reveal a long-term association between FDI, trade, and economic growth in all BIMSTEC nations except Bhutan, where data limitations hinder long-term analysis. The results suggest a bidirectional causality between GDP and FDI in multiple countries (India, Bangladesh, Myanmar, Nepal, Bhutan, and Sri Lanka) and unidirectional causality from GDP to FDI in Thailand. The study advocates policy measures to enhance FDI inflows, liberalize trade, and strengthen sectoral competitive advantages to foster growth across BIMSTEC countries, especially in countries like Myanmar and Bhutan, where structural limitations affect FDI. Future research is encouraged to explore asymmetric effects and additional macroeconomic variables to provide a deeper understanding of trade and FDI impacts on growth.

Piyali Roy Chowdhury (2024) explores the long-run and short-run relationships between exports, foreign direct investment (FDI), and economic growth in India using data from 1970 onwards. The study utilizes the Autoregressive Distributed Lag (ARDL) model to test for cointegration and causal relationships among the variables. The findings confirm the existence of a long-run positive cointegration between exports, FDI, and GDP growth, with exports having a significant positive impact on economic growth in the long run. The study also reveals that in the short run, exports granger causes FDI, and FDI granger causes GDP growth, emphasizing the need for policies that promote both export expansion and FDI inflows. Suggestions include further liberalization of FDI policies, especially in underexplored sectors, to enhance productivity and export potential, ultimately driving sustainable long-term economic growth.

Rizwan Akhtar Jamsheed (2024) investigates the impact of Foreign Direct Investment (FDI) and foreign debt on economic growth in seven South Asian countries over the period 1980-2020. Using panel data from sources like the World Bank, the study applies fixed effects and random effects models, with tests for panel unit roots, cointegration, heteroscedasticity, and multicollinearity to ensure model robustness. The findings indicate a significant negative relationship between foreign debt and economic growth, where a 1% increase in foreign debt results in a 0.117% decrease in growth. FDI shows a modest positive effect on economic growth, with a 1% increase in FDI contributing to a 0.025% growth. The study highlights the need for effective debt management policies in these countries and suggests that reducing foreign debt while facilitating FDI inflows could improve economic outcomes. It emphasizes the importance of creating a favorable environment for FDI to boost long-term growth while managing debt burdens to avoid economic stagnation.

Prakash Subedi et al, (2024) examine the impact of Foreign Direct Investment (FDI) on Nepal's economic growth and export performance using data from 2010 to 2023. The study employs correlation and regression analysis to evaluate the relationship between FDI, GDP growth, and exports. The findings indicate a strong positive correlation between FDI and GDP growth, suggesting that FDI contributes significantly to Nepal's economic expansion. However, the relationship between FDI and export growth is weak and statistically insignificant, indicating that other factors may influence export performance. The authors recommend focusing on improving Nepal’s business environment, reducing bureaucratic barriers, and developing infrastructure to attract more FDI.

Al-Harath Ateik et al (2023) examines the dynamic relationships between economic growth, trade, and foreign direct investment (FDI) in India, Pakistan, and Bangladesh, using annual data from 1991 to 2020. The study adopts co-integration and Granger causality tests to explore these interdependencies. The results reveal that each country exhibits unique economic patterns based on their respective stages of development, resource endowments, and trade conditions. The study suggests that fostering a favorable investment climate is crucial for sustaining growth, particularly through targeted policy interventions to attract FDI and enhance exports.

Sayed Farrukh Ahmed et al (2023) explores the relationship between foreign direct investment (FDI) inflows and export performance in Bangladesh from 1972 to 2019, incorporating structural breaks in the analysis. Using unit root tests such as ADF and PP, as well as ZA and LP tests that account for structural breaks, the study confirms that the variables real GDP growth rate (RGDPGR), real FDI (RFDI), and real exports (REX) are co-integrated, suggesting a long-run equilibrium relationship. Employing the Vector Error Correction Model (VECM), the research finds evidence of a positive, unidirectional causal relationship from exports to FDI, indicating that increased exports improve the country’s attractiveness

to foreign investors. The study emphasizes that enhancing Bangladesh's export performance through strategic trade policies could lead to greater FDI inflows, thus fostering economic growth.

Mohammed Rashid et al (2023) investigate the relationship between foreign direct investment (FDI), exports, imports, inflation, and economic growth in India from 1991 to 2020. Using the Autoregressive Distributed Lag (ARDL) bounds testing technique, the study examines both the long-run and short-run dynamics of these variables. The findings reveal that in the long run, FDI, exports, and inflation have a positive but statistically insignificant impact on economic growth, while imports have a negative and insignificant effect. In contrast, the short-run analysis shows that all variables, including FDI, exports, and inflation, significantly affect economic growth. The study suggests that promoting FDI and exports could stimulate further economic growth in India. The authors recommend a focus on FDI-led growth and suggest government policies to enhance FDI inflows in strategic sectors, which would further enhance productivity, exports, and overall economic performance.

Imazzuman Siddiqi and Sunaryati (2023) analyzed the effects of FDI, tourism, and exports on economic growth in OIC member countries. Using panel data regression with a sample of 45 countries over 11 years, the study finds that, while FDI has a negative and significant impact on economic growth, international tourism and exports positively and significantly influence economic outcomes. The results suggest that OIC countries should prioritize tourism development and export growth, as these sectors contribute to foreign exchange earnings and infrastructure development, ultimately stimulating economic growth. The authors recommend future research to extend the observation period and include additional variables to capture the complex influences on economic growth more accurately.

Abdul Fatah Majidi (2023) investigated the effects of imports and exports on Afghanistan's economic growth over an 18-year period. Using a multivariate regression model with Ordinary Least Squares (OLS) estimation, the study employs data from Afghanistan's Ministry of Trade and Industry and the World Bank. The findings reveal no significant relationship between Afghanistan's economic growth and foreign trade, attributed largely to the low volume of imports and exports and the high reliance on foreign aid. The study suggests that for Afghanistan to achieve sustainable growth, policies should focus on enhancing trade infrastructure, diversifying exports, and reducing dependence on foreign aid. Future research is recommended to consider additional economic variables and a broader temporal scope to deepen the understanding of trade's impact on growth.

Yongrong Xin et al. (2023) investigates the relationship between FDI, energy consumption, services exports, and services sector growth in South Asian countries using panel data from 2000 to 2020. The study applies advanced panel data techniques such as the augmented mean group (AMG), common correlated effects mean group (CCEMG), and mean group (MG) estimators to ensure robust results. The findings indicate that FDI inflows, economic growth, and energy consumption positively and significantly influence services exports in the SAARC region. The study suggests that South Asian countries should focus on attracting more FDI in the services sector to boost export performance and address trade deficits.

Al Mamun and M. H. M. Imrul Kabir (2023) investigated the influence of internal and external factors on Bangladesh's economic growth from 1976 to 2019. The study employs the ARDL bounds test to analyze the long-run relationships between remittances, FDI, exports, and GDP. The findings reveal a significant positive impact of remittances and exports on economic growth, while FDI shows a negative influence in the long run. The study suggests that Bangladesh should prioritize enhancing export

industries and remittance flows while addressing structural issues that hinder FDI inflows, such as inadequate infrastructure and bureaucratic inefficiencies.

Reenu Kumari et al. (2021) explore the long-term relationship and causal links among FDI inflows, trade openness, and economic growth in India from 1985 to 2018. The study uses the Johansen co-integration test and VAR model to analyze annual time series data. The findings suggest no long-term co-integration between the three variables, though VAR Granger causality indicates a bi-directional relationship between FDI and economic growth, where FDI promotes growth, and growth attracts more FDI. Interestingly, no such causal relationship was found between trade openness and economic growth.

Zohaib Ahmad and Junaid Ahmad (2018) analyze the relationship between exports, foreign direct investment (FDI), and economic growth (GDP) in selected Asian countries (Pakistan, China, Bangladesh, and India) using data from 1990 to 2015. The study uses a quantitative approach, employing correlation and regression analyses to test the hypotheses. The findings reveal a moderate positive relationship between both exports and FDI with GDP, indicating that both exports and FDI significantly contribute to economic growth. However, the regression analysis shows that while exports explain 23.9% of GDP growth, FDI accounts for 22.5%. The study suggests that to enhance GDP, countries should adopt export-led strategies and encourage FDI, as these factors not only transfer knowledge and skills but also make the host country more competitive in international markets. The authors also highlight the importance of improving infrastructure, political stability, and trade liberalization to attract further FDI.

3. Results of the Linear Regression analysis:

S.NO	Country	Variables	Period	Model	a	b	SE of b	Level of Significant	R^2	$\overline{R^2}$	D.W
1	Afghanistan	EXPORT on GDP	1981-1990	Simple Linear Model	8090.05	4.59	1.20	.005	.65	.60	.61
2		EXPORT on GDP	1991-2000	Simple Linear Model	6283.89	-.003	2.15	.999	.000	-.13	1.18
3		EXPORT on GDP	2001-2010	Simple Linear Model	5777.88	15.52	4.15	.006	.63	.59	1.29

4		EXPORT on GDP	2011-2020	Simple Linear Model	13751.45	8.79	1.60	.001	.79	.76	1.51
5	Bangladesh	EXPORT on GDP	1981-1990	Simple Linear Model	27004.55	15.60	2.20	.000	.86	.85	1.12
6		EXPORT on GDP	1991-2000	Simple Linear Model	43676.32	5.84	.28	.000	.98	.98	1.0
7		EXPORT on GDP	2001-2010	Simple Linear Model	57633.37	5.15	.28	.000	.99	.98	3.04
8		EXPORT on GDP	2011-2020	Simple Linear Model	-50648.07	8.99	1.69	.001	.78	.75	.91
9	Bhutan	EXPORT on GDP	1981-1990	Simple Linear Model	128.62	3.31	.32	.000	.93	.92	1.34
10		EXPORT on GDP	1991-2000	Simple Linear Model	212.50	3.30	.84	.005	.66	.61	.96

11		EXPORT on GDP	2001-2010	Simple Linear Model	695.89	1.08	.17	.000	.84	.82	.94
12		EXPORT on GDP	2011-2020	Simple Linear Model	958.10	1.98	1.94	.337	.12	.01	.28

S.NO	**Country**	**Variables**	**Period**	**Model**	**a**	**b**	**SE of b**	**Level of Significant**	**R^2**	**$\overline{R^2}$**	**D.W**
13	India	EXPORT on GDP	1981-1990	Simple Linear Model	175297.93	17.42	2.36	.000	.87	.86	.55
14		EXPORT on GDP	1991-2000	Simple Linear Model	223432.77	14	1.42	.000	.92	.92	1.15
15		EXPORT on GDP	2001-2010	Simple Linear Model	735278.45	3.68	.30	.000	.95	.94	2.77
16		EXPORT on GDP	2011-2020	Simple Linear Model	2079389.70	.45	6.07	.942	.001	-.12	.12
17	India	EXPOR	1981-	Simpl	375.92	8.66	.97	.000	.91	.90	.74

		T on GDP	1990	e Linear Model							
18		EXPORT on GDP	1991-2000	Simple Linear Model	174.04	16.42	3.55	.002	.73	.69	1.50
19		EXPORT on GDP	2001-2010	Simple Linear Model	1491.61	5.72	1.50	.005	.65	.60	1.06
20		EXPORT on GDP	2011-2020	Simple Linear Model	2835.33	4.42	6.32	.505	.06	-.06	.64
21		EXPORT on GDP	1981-1990	Simple Linear Model	3093.11	17.93	4.03	.002	.71	.68	1.75
22		EXPORT on GDP	1991-2000	Simple Linear Model	6094.34	7.18	1.56	.002	.73	.69	.50
23		EXPORT on GDP	2001-2010	Simple Linear Model	2551.53	15.59	5.33	.019	.52	.46	.78
24	Nepal	EXPORT on	2011-2020	Simple	26750.05	-2.72	13.20	.842	.01	-.12	.17

		GDP		Linear Model							

S.NO	Country	Variables	Period	Model	a	b	SE of b	Level of Significant	R^2	$\overline{R^2}$	D.W
25	Pakistan	EXPORT on GDP	1981-1990	Simple Linear Model	34068.80	12.06	1.76	.000	.86	.84	1.14
26		EXPORT on GDP	1991-2000	Simple Linear Model	29142.21	12.02	2.27	.001	.78	.75	1.01
27		EXPORT on GDP	2001-2010	Simple Linear Model	82857.69	6.90	.68	.000	.93	.92	2.51
28		EXPORT on GDP	2011-2020	Simple Linear Model	702884.20	-17.12	7.14	.043	.42	.35	.59
29	Sri lanka	EXPORT on GDP	1981-1990	Simple Linear Model	9378.11	6.81	1.40	.001	.75	.72	1.31

30		EXPORT on GDP	1991-2000	Simple Linear Model	14370.47	3.94	.29	.000	.96	.95	1.14
31		EXPORT on GDP	2001-2010	Simple Linear Model	8302.61	5.95	.66	.000	.91	.90	1.47
32		EXPORT on GDP	2011-2020	Simple Linear Model	-3485.54	8.32	3.16	.030	.47	.40	.91

3. Results of the Linear Regression analysis for SAARC:

3.1. Afghanistan:

The regression coefficient in this first decade from 1981 to 1990 is 4.59 and it is significant at one per cent level. GDP has increased by 4.59 Million US Dollars, if a total Export increased by one Millions of US Dollars in Afghanistan in the first decade. However, Export high explanatory power . It is capable of explaining 65 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Afghanistan.

For Afghanistan, the regression coefficient in this second decade from 1991 to 2000 is -.003 and it is insignificant. GDP has decreased by .003 Million US Dollars, if a total Export increased by one Millions of US Dollars in Afghanistan in the second decade. However, Export explanatory power is weak. It is capable of explaining 0 per cent of variations in GDP. If Export does not influence the GDP significantly in the decade in Afghanistan.

For Afghanistan, the regression coefficient in this third decade from 2001 to 2010 is 15.52 and it is significant at one per cent level. GDP has increased by 15.52 Million US Dollars, if a total Export increased by one Millions of US Dollars in Afghanistan in the third decade. However, Export high explanatory power. It is capable of explaining 63 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Afghanistan.

For Afghanistan, the regression coefficient in this fourth decade from 2011 to 2020 is 8.79 and it is significant at one per cent level. GDP has increased by 8.79 Million US Dollars, if a total Export increased by one Millions of US Dollars in Afghanistan in the fourth decade. However, Export high explanatory power. It is capable of explaining 79 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Afghanistan.

3.2. Bangladesh:

The regression coefficient in this first decade from 1981 to 1990 is 15.60 and it is significant at one per

cent level. GDP has increased by 15.60 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bangladesh in the first decade. However, Export high explanatory power . It is capable of explaining 86 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bangladesh.

For Bangladesh, the regression coefficient in this second decade from 1991 to 2000 is 5.84 and it is significant at one per cent level. GDP has increased by 5.84 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bangladesh in the second decade. However, Export high explanatory power . It is capable of explaining 98 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bangladesh.

For Bangladesh, the regression coefficient in this third decade from 2001 to 2010 is 5.15 and it is significant at one per cent level. GDP has increased by 5.15 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bangladesh in the third decade. However, Export high explanatory power. It is capable of explaining 99 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bangladesh.

For Bangladesh, the regression coefficient in this fourth decade from 2011 to 2020 is 8.99 and it is significant at one per cent level. GDP has increased by 8.99 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bangladesh in the fourth decade. However, Export high explanatory power. It is capable of explaining 78 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bangladesh.

3.3. Bhutan:

The regression coefficient in this first decade from 1981 to 1990 is 3.31 and it is significant at one per cent level. GDP has increased by 3.31 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bhutan in the first decade. However, Export high explanatory power . It is capable of explaining 93 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bhutan.

For Bhutan, the regression coefficient in this second decade from 1991 to 2000 is 3.30 and it is significant at one per cent level. GDP has increased by 3.30 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bhutan in the second decade. However, Export high explanatory power. It is capable of explaining 66 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bhutan.

For Bhutan, the regression coefficient in this third decade from 2001 to 2010 is 1.08 and it is significant at one per cent level. GDP has increased by 1.08 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bhutan in the third decade. However, Export high explanatory power. It is capable of explaining 84 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bhutan.

For Bhutan, the regression coefficient in this fourth decade from 2011 to 2020 is 1.98 and it is insignificant . GDP has increased by 1.98 Million US Dollars, if a total Export increased by one Millions of US Dollars in Bhutan in the fourth decade. However, Export weak explanatory power. It is capable of explaining 12 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Bhutan.

3.4. India:

The regression coefficient in this first decade from 1981 to 1990 is 17.42 and it is significant at one per cent level. GDP has increased by 17.42 Million US Dollars, if a total Export increased by one Millions

of US Dollars in India in the first decade. However, Export high explanatory power . It is capable of explaining 87 per cent of variations in GDP. If Export influence the GDP significantly in the decade in India.

For India, the regression coefficient in this second decade from 1991 to 2000 is 14 and it is significant at one per cent level. GDP has increased by 14 Million US Dollars, if a total Export increased by one Millions of US Dollars in India in the second decade. However, Export high explanatory power. It is capable of explaining 92 per cent of variations in GDP. If Export influence the GDP significantly in the decade in India.

For India, the regression coefficient in this third decade from 2001 to 2010 is 3.68 and it is significant at one per cent level. GDP has increased by 3.68 Million US Dollars, if a total Export increased by one Millions of US Dollars in India in the third decade. However, Export high explanatory power. It is capable of explaining 95 per cent of variations in GDP. If Export influence the GDP significantly in the decade in India.

For India, the regression coefficient in this fourth decade from 2011 to 2020 is 0.45 and it is insignificant . GDP has increased by 0.45 Million US Dollars, if a total Export increased by one Millions of US Dollars in India in the fourth decade. However, Export weak explanatory power. It is capable of explaining 0.1 per cent of variations in GDP. If Export influence the GDP significantly in the decade in India.

3.5. Maldives:

The regression coefficient in this first decade from 1981 to 1990 is 8.66 and it is significant at one per cent level. GDP has increased by 8.66 Million US Dollars, if a total Export increased by one Millions of US Dollars in Maldives in the first decade. However, Export high explanatory power . It is capable of explaining 91 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Maldives.

For Maldives, the regression coefficient in this second decade from 1991 to 2000 is 16.42 and it is significant at one per cent level. GDP has increased by 16.42 Million US Dollars, if a total Export increased by one Millions of US Dollars in Maldives in the second decade. However, Export high explanatory power. It is capable of explaining 73 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Maldives.

For Maldives, the regression coefficient in this third decade from 2001 to 2010 is 5.72 and it is significant at one per cent level. GDP has increased by 5.72 Million US Dollars, if a total Export increased by one Millions of US Dollars in Maldives in the third decade. However, Export high explanatory power. It is capable of explaining 95 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Maldives.

For Maldives, the regression coefficient in this fourth decade from 2011 to 2020 is 4.42 and it is insignificant . GDP has increased by 4.42 Million US Dollars, if a total Export increased by one Millions of US Dollars in Maldives in the fourth decade. However, Export weak explanatory power. It is capable of explaining 6 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Maldives.

3.6. Nepal

The regression coefficient in this first decade from 1981 to 1990 is 17.93 and it is significant at one per cent level. GDP has increased by 17.93 Million US Dollars, if a total Export increased by one Millions of US Dollars in Nepal in the first decade. However, Export high explanatory power . It is capable of

explaining 71 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Nepal.

For Nepal, the regression coefficient in this second decade from 1991 to 2000 is 7.18 and it is significant at one per cent level. GDP has increased by 7.18 Million US Dollars, if a total Export increased by one Millions of US Dollars in Nepal in the second decade. However, Export high explanatory power. It is capable of explaining 73 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Nepal.

For Nepal, the regression coefficient in this third decade from 2001 to 2010 is 15.59 and it is significant at five per cent level. GDP has increased by 15.59 Million US Dollars, if a total Export increased by one Millions of US Dollars in Nepal in the third decade. However, Export high explanatory power. It is capable of explaining 52 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Nepal.

For Nepal, the regression coefficient in this fourth decade from 2011 to 2020 is -2.72 and it is insignificant . GDP has decreased by 2.72 Million US Dollars, if a total Export increased by one Millions of US Dollars in Nepal in the fourth decade. However, Export weak explanatory power. It is capable of explaining 1 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Nepal.

3.7. Pakistan:

The regression coefficient in this first decade from 1981 to 1990 is 12.06 and it is significant at one per cent level. GDP has increased by 12.06 Million US Dollars, if a total Export increased by one Millions of US Dollars in Pakistan in the first decade. However, Export high explanatory power . It is capable of explaining 86 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Pakistan.

For Pakistan, the regression coefficient in this second decade from 1991 to 2000 is 12.02 and it is significant at one per cent level. GDP has increased by 12.02 Million US Dollars, if a total Export increased by one Millions of US Dollars in Pakistan in the second decade. However, Export high explanatory power. It is capable of explaining 78 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Pakistan.

For Pakistan, the regression coefficient in this third decade from 2001 to 2010 is 6.90 and it is significant at one per cent level. GDP has increased by 6.90 Million US Dollars, if a total Export increased by one Millions of US Dollars in Pakistan in the third decade. However, Export high explanatory power. It is capable of explaining 93 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Pakistan.

For Pakistan, the regression coefficient in this fourth decade from 2011 to 2020 is -17.12 and it is significant at five per cent level . GDP has decreased by 17.12 Million US Dollars, if a total Export increased by one Millions of US Dollars in Pakistan in the fourth decade. However, Export weak explanatory power. It is capable of explaining 42 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Pakistan.

3.8. Sri Lanka:

The regression coefficient in this first decade from 1981 to 1990 is 6.81 and it is significant at one per cent level. GDP has increased by 6.81 Million US Dollars, if a total Export increased by one Millions of US Dollars in Sri Lanka in the first decade. However, Export high explanatory power . It is capable of

explaining 75 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Sri Lanka.

For Sri Lanka, the regression coefficient in this second decade from 1991 to 2000 is 3.94 and it is significant at one per cent level. GDP has increased by 3.94 Million US Dollars, if a total Export increased by one Millions of US Dollars in Sri Lanka in the second decade. However, Export high explanatory power. It is capable of explaining 96 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Sri Lanka.

For Sri Lanka, the regression coefficient in this third decade from 2001 to 2010 is 5.95 and it is significant at one per cent level. GDP has increased by 5.95 Million US Dollars, if a total Export increased by one Millions of US Dollars in Sri Lanka in the third decade. However, Export high explanatory power. It is capable of explaining 91 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Sri Lanka.

For Sri Lanka, the regression coefficient in this fourth decade from 2011 to 2020 is 8.32 and it is significant at five per cent level . GDP has increased by 8.32 Million US Dollars, if a total Export increased by one Millions of US Dollars in Sri Lanka in the fourth decade. However, Export weak explanatory power. It is capable of explaining 47 per cent of variations in GDP. If Export influence the GDP significantly in the decade in Sri Lanka.

4. Conclusion:

The linear regression analysis reveals a significant positive relationship between exports and GDP in most South Asian countries, including Bangladesh, India, Pakistan, and Sri Lanka, across various time periods. This suggests that exports have contributed significantly to economic growth in these countries. However, the strength of this relationship varies across countries and time periods, indicating that other factors, such as domestic demand, investment, and economic policies, also play important roles in determining economic growth. The findings of this study have important implications for policymakers in South Asian countries. They suggest that export-led growth strategies can be effective, but diversification strategies are also necessary to reduce dependence on exports. Country-specific policies and time period-specific trends should be considered when designing policies to promote economic growth. Overall, the study highlights the importance of exports in promoting economic growth in South Asian countries and underscores the need for policymakers to adopt a nuanced approach that takes into account the complexities of each country'

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