IMPACT OF FOREIGN DIRECT INVESTMENT, IMPORTS AND TARIFF DEREGULATION ON EXPORTS AMONG PIONEERING ASEAN MEMBERS: PANEL DATA ANALYSIS

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Abstract
Following the successful development of the first-tier Newly Industrialized economies of South Korea and Taiwan, governments have gradually moved from import-substitution policies to export-led or export-led import substitution policies. The Association of Southeast Asian nations are no exception as the rapid pace of trade liberalization has been referred to as the prime driver of economic growth in these countries. While the industrial policies of these countries may not be as effective as those of the first-tier NIEs, the pioneering ASEAN members of Indonesia, Malaysia, Philippines, Singapore and Thailand have enjoyed rapid growth and structural change since the 1970s. Indeed, Singapore’s per capita income has remained higher than that of South Korea and Taiwan. Indonesia, Malaysia, Philippines and Thailand became middle income countries by the turn of the millennium. Hence, using panel data over the period 1970-2015 this paper seeks to analyze the influence of foreign direct investment, imports and tariff deregulation on export growth among the five pioneering ASEAN members. The results show that open trade policies in general and increases in FDI, imports and tariff deregulations has helped the ASEAN-5 stimulate exports.

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