

# Determinants of Export Performance in ASEAN Region: Panel Data Analysis

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## Abstract

International trade is one of the major aspects that grow tremendously in Southeast Asia and export is regarded as main accelerators of growth in either developed or developing countries. The objective of this study is to determine the determinants of export performance for ASEAN countries. In this study, panel Autoregressive Distributed Lag (ARDL) method is adopted for time period between 2000 to 2015. Empirical findings indicate that there is a long-run relationship between determinants of export such as interest rate, economic growth and foreign direct investment with export performance of ASEAN countries. Therefore, policy makers need to strategize their policies to move towards closer cooperation among the ASEAN countries, especially promoting sustainable exportation in the region.

**Keywords:** export performance, panel data, pooled mean group

**JEL Classification:** E31, E35, F31

## 1. Introduction

One of the objectives of all society is economic development and also the elementary to economic development is economic process. Export is thought to be one in every of the most accelerators of growth in either developed or developing countries. The export activities have undergone tremendous development within the geographical area region and become one in every of the engines of growth. Association of Southeast Asian Nations (ASEAN) was established in 1967 by Indonesia, Malaysia, the Philippines, Singapore and Brunei Darussalam (1984), Vietnam (1995), Laos and Myanmar (1997, Cambodia (1999). The ASEAN is “the strongest and prosperous regional association within the developing world” (Hirsch 1976). ASEAN Economy lays the region within the world in terms of human resource, economic process, trade and investments. Association of Southeast Asian Nations economy gazes into key macroeconomics developments among the region. The Association of Southeast Asian Nations lessons the trends of trade goods of exports and imports, arrangement and direction of trade among the region and with world.

Table 1. ASEAN Economy in 2000 and 2015

Country	Area (km <sup>2</sup> )	Pop in 2015 (000 persons)	GDP growth rate (%)		GDP 2000 and 2015 (Current price US\$)		GDP per capita in 2000 and 2015 (US\$)		Export Value in 2000 and 2015 (US\$ Millions)	
			2000	and 2015	2000	and 2015	2000	and 2015	2000	and 2015
Singapore	719	5,535	8.89	8.89	137,804	291,938	23793	58,888	137,804	350,506
Brunei	5765	417	2.8	2.8	3903	12909	18155	30555	3902	11960
Cambodia	181,035	15,405	8.7	8.7	1389	18,463	299.5	1,159	1,389	11,960
Lao PDR	236,800	6,902	5.7	5.7	330	12,639	324	1,818	330	2,340
Philippine	300,000	101,562	4.3	4.3	39,783	289,503	1,040	2,904	39,783	58,647
Vietnam	330,951	917,713	6.7	6.7	14483	193,407	433	2,111	14,483	162,106
Malaysia	330,290	30,485	8.9	8.9	98,229	294,390	4004.5	9,768	98,229	199,869
Thailand	513,120	68,979	4.5	4.5	69057	395,726	2016	5,814	69,057	214,375
Myanmar	676,577	52,476	13.7	13.7	1646	65,392	186.8	1161	1,646	5,950
Indonesia	1,913,578	255,462	3.6	3.6	65403	857,603	780	3,347	65,403	1,502,824
<b>Total</b>	<b>4,488,839</b>	<b>628,937</b>	<b>6.7</b>	<b>6.7</b>	<b>428,124</b>	<b>2,431,969</b>	<b>5103</b>	<b>11,752.50</b>	<b>432,026</b>	<b>2,575,177</b>

Source: WDI, 2016 and ASEAN Macroeconomic Database