
FRAMEWORK OF PUBLIC PRIVATE PARTNERSHIPS AND IMPACT ON ECONOMIC GROWTH IN ASIA

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ABSTRACT

This study includes data on quarterly basis ranging from 2006-16 of India, Sri Lanka, Bangladesh, Pakistan, China and South Korea. The public private partnership projects cost, FDI, CPI, inflation rate, import and export are the variables used to assess impact on GDP growth rate. The descriptive statistics, Unit Root Test, Bound Test, Auto Regressive Distributed Lag (ARDL) Long-run Model, Breusch-Godfrey, Durbin Watson (DW) Test, Serial Correlation LM Test, Ramsey Reset Test, Recursive Estimate, Heteroscedasticity Test and Normality Test are used to determine the features, stationary, significance, correlation and stability of the variables. The overall results indicate that FDI, export, CPI and public private partnerships have positive and significant impact on economic growth while inflation rate and import have negative impact on economic growth.

KEYWORDS: Consumer Price Index, Gross Domestic Product, Foreign Direct Investment, Consumer Price Index, Public Private Partnerships Cost, Import, Export

INTRODUCTION

Public Private Partnerships (PPPs) were introduced in United Kingdom in 1992 with involvement of private sector to design, finance, build, operate over an agreed period of time as it involves agreement consist of roles and responsibilities (Afrah, 2015). Richard (2014) describes few countries has set up PPPs units to develop public assets with support of private investors in PPP mode. Providing justifications for viability of projects for private investors, as it involves complex financing, which can be effective through risk mitigation and there is need to replicate it to meet infrastructure gap in developing countries (Gilberto, 2015). According to Kubatko (2014) the infrastructure is a key driver of economic growth and economic growth is measured as gross domestic product (GDP). The infrastructure projects test budgetary, technological and institutional capacities of the public entities. Since the past two decades, public institutions have moved to adopt public private partnerships in public infrastructure projects due to shortage of funds. Chingoiro (2016) also concluded that the investments in infrastructure will also help to create a better investment climate so there is a need to promote public private partnerships in Asia. His study further explains that infrastructure expenditure and labor force were independent variables whereas economic growth (GDP) was dependent variable. The granger causality approach was used to investigate relationship between GDP growth rate and infrastructure development. Reddy (2015) studied that the export generates foreign exchange and income generation as useful for better living standard and bring economic growth. Mukit (2014) is of opinion that foreign direct investment is also evidenced a key driver of a global economic growth and relationship between inflation and economic growth and has found it appropriate. Positive indication between CPI and GDP growth rate is observed due to change in price level. This fluctuation in general price has effect on economic growth of Mauritania (Mahmoud, 2015).

LITERATURE REVIEW

Samantha (2017) in "Impact of FDI on the Economic Growth of Sri Lanka: An ARDL Approach to Co-integration" FDI was found positively correlated with GDP growth rate in long run in Sri Lanka. It was suggested to have to undertake policy reforms related to FDI in order to attract more green fields investments to boost economic growth creating new job opportunities and expanding exports in the manufacturing sector. Chowdhury (2016) in his study concluded the role of PPPs as effective instrument in economic development Reddy (2015) conducted study on public and private partnerships in infrastructure development in India and examined investment pattern through regression analysis. It was concluded that nine percent increase in GDP growth rate can be achieved through managing existing infrastructure gap.

Nanda (2015) also examined role of public-private partnerships in infrastructure development in India and added that government had initiated projects with private investments in order to increase economic growth. The tabular analysis was used and found significant impact on infrastructure developments and recommended to prioritize private sector to promote economic growth.

Mahmoud (2015) investigated relationship between CPI and economic growth in Mauritania ranging from 1990-2013. The data was collected from secondary source and deployed Augmented Dickey-Fuller Test (ADF). It revealed a positive and significant relationship between CPI and GDP growth rate. The similar results were given by Choudhry (2015) in relationship between exports of the food items and inflation (CPI): Case Study of Pakistan. Singh (2012) investigates the effect of the economic indicators on the Foreign Direct Investment in India. In the study, FDI, GDP growth, consumer price index and exchange rate were taken as variables in the study. The data ranging from 2000-2001 and 2010-2011 had been used for the purpose of study. The findings revealed that there was a visible effect of the economic indicators of India on the Foreign Direct Investment and findings showed that the attractive exchange rates, consistent GDP growth, good consumer price index and a controlled inflation rate attracted the huge Foreign Direct Investment in India. The study found significant relationship between FDI and CPI.

Ahmad (2015) in his study investigates the effect of FDI on GDP. The range of the data was from 1992-2015. The simple regression analysis was used to determine impact of FDI on GDP growth rate. It was concluded that FDI plays a very significant role in the long-term development of a developing economy of India. Rehman (2014) observed positive relationship between GDP and FDI in impact of foreign direct investment on economic growth in Pakistan. Cyprus (2016) in syndrome of FDI and economic growth evidenced from Latin American countries investigated impact of FDI inflow on the economic growth on data ranging from 1995-2013. The regression model was used to regress the relationship and results indicated positive and significant relationship between GDP growth rate and FDI inflow, the similar results were also concluded by Clem (2016) and Ibrahim (2016).

Munir (2016) in impact of export composition on economic growth in south Asia collected the data from India, Sri Lanka, Pakistan and Bangladesh ranging from 1990 to 2013 in study, Cobb-Douglas production function model and Herfindal index were used for measuring the composition of export which revealed the existence of diversification and found that economic growth are positively related with GDP. The similar results were also given by Akhter (2015) in "impact of Export and Import on Economic Growth in

Bangladesh". Mukit (2014) in "export, import and inflation: a study on Bangladesh", Baimbridge (2012) in "export, import and economic Growth in South Korea and Japan" and Lin (2011) in "export and economic growth in China" concluded the similar results.

Singh (2015) conducted relationship between inflation and economic growth in Japan, data ranging from 1980-2014 was used. Augmented Dickey- Fuller (ADF) test, Johansen Co-integration Test and Vector Error Correlation Models (VECM) were deployed and found insignificant relationship between variables, the similar results were concluded by Madurapperuma (2016) in "impact of inflation on economic growth in Sri Lanka". Fei (2013) in "research on inflation rate and unemployment rate in China", Barro (2013) in "inflation and economic growth", Ayyub (2011) in "Does inflation affect economic growth, case of Pakistan" and Gopakumar (2007) in "inflation and economic growth in India an empirical analysis" express similar results.

Rai (2015) investigated the relationship between import, export and GDP growth rate using data range of 2000 to 2013. Unit root test and ARDL model were used to determine the significance of relationship between variables and concluded the insignificant relationship between GDP growth rate and import. The similar results were given by Khan (2014) in impact of exports imports on GDP growth rate in Pakistan time series data from 2000-2010, Kumari (2014) in his analysis also presented supporting results.

DATA AND METHODOLOGY

POPULATION AND SAMPLE

The objective of this study is to understand framework of Public Private Partnerships and impact on GDP growth rate in Asia. In order to select the countries for sampling, out of Asia, simple random sampling was used. On basis of which, India, Sri Lanka, Bangladesh, Pakistan, China and South Korea were selected to determine impact of independent variables on GDP growth rate. The study was based on secondary data which was collected from State Bank of Pakistan, Pakistan Bureau of Statistics, Reserve Bank of India, Trading Economics Department Census and statistics Sri Lanka, Federal Reserve's Bank of China and United States Census Bureau relating to variables. The data range for this study is from 2006 to 2016 on quarterly basis.

VARIABLES

In the study, Public private partnership (PPP) projects cost, CPI, Inflation Rate, Import, Export, FDI and GDP growth rate are under consideration, out of which GDP growth rate was assumed as dependent variable while all other variables were taken as independent variables.

PROBLEM STATEMENT

The research gap exists that how economic growth can be influenced through public private partnerships, foreign direct investment, consumer price index, import, and export and inflation rate in Asian countries.

MODEL

The model in this study is being presented on the basis of similar models used by Maryam (2012), Rehman (2014), Mahmoud (2015), Ibrahim (2016), Clem (2016) and Chingoiro (2016) in their respective studies. Following is the equation form of model;

$$GDP_t = f(\text{FDI, CPI, Imports, Exports, Inflation Rate \& PPP Projects Cost})$$

It can also be restated as;

$$GDP_t = \beta_0 + \beta_1(\text{FDI})_t + \beta_2(\text{CPI})_t + \beta_3(\text{Imports})_t + \beta_4(\text{Exports})_t + \beta_5(\text{Inflation Rate})_t + \beta_6(\text{PPP-Project Cost})_t + \epsilon_t$$

Where;

β_0 : The constant term.

β_1 : coefficient of variable (Foreign Direct Investment)

β_2 : coefficient of variables (Consumer Price Index)

β_3 : coefficient of variables (Imports)

β_4 : coefficient of variables (Exports)

β_5 : coefficient of variables (Inflation Rate)

β_6 : coefficient of variables (Public Private Partnerships)

t: The time.

ϵ : The random error term assumed to be normally.

The coefficient presents the relationship between dependent and independent variables.

OBJECTIVES

- To determine the impact of public private partnerships on economic growth.
- To assess impact of foreign direct investment on economic growth.
- To evaluate impact of inflation rate on economic growth
- To analyse the impact of consumer price index on economic growth.
- To evaluate impact of import on economic growth.
- To determine impact of export on economic growth.

HYPOTHESIS

The alternative hypothesis in the study is as

H₁: Impact of Public Private Partnership Projects Cost (PC) over economic growth is statistically significant.

H₂: Impact of Foreign Direct Investments (FDI) over economic growth is statistically significant.

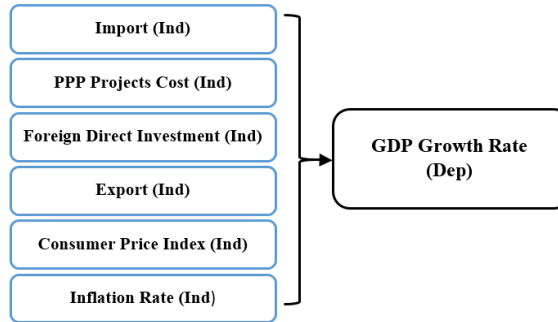
H₃: Impact of Inflation Rate (IR) over economic growth is statistically significant.

H₄: Impact of Import over economic growth is statistically significant.

H₅: Impact of Export over economic growth is statistically significant.

H₆: Impact of Consumer Price Index (CPI) over economic growth is statistically significant.

CONCEPTUAL FRAMEWORK



DATA ANALYSIS AND FINDINGS

DESCRIPTIVE STATISTICS

E-views 10 software was used in this study. In descriptive statistics; mean, median, minimum and maximum of CPI, FDI, GDP, growth rate, import, export, inflation rate and PPP projects cost of India, Sri Lank, Bangladesh, Pakistan, China and South Korea were calculated.

Table I: Results of Descriptive Statistics

Country	Indicators	CPI	FDI	GDP	IMP	EXP	INF	PC
INDIA	Mean	99	619	7.3	9,025	340	7.7	183
	Median	105	581	7	9,398	345	8	112
	Minimum	68	71	.1	3,874	160	4	10
	Maximum	129	1,392	13	12,775	800	13	828
SRI LANKA	Mean	134	23	6	484	347	7.9	71
	Median	141	22	6.6	467	341	7.1	25
	Minimum	54	12	1.5	52	155	.1	.70
	Maximum	184	44	8.6	806	752	2.6	550
BANGLADESH	Mean	159	33	6.3	731	702	7.7	3.4
	Median	157	32	6.3	806	586	7.6	0.73
	Minimum	108	17	5.3	115	298	4.3	0.01
	Maximum	223	61	6.9	1,226	5,940	10.7	45.3
PAKISTAN	Mean	148	84	3.7	910	550	9.67	5.4
	Median	150	60	3.9	977	559	8.5	1.3
	Minimum	82	8	0.36	623	413	2.5	0.13
	Maximum	207	360	5.8	1204	741	20.2	38
CHINA	Mean	102.6	52.9	9.4	102.6	143	2.94	6.94
	Median	102.0	52.5	8.2	102	159	2.20	5.65
	Minimum	98.4	20	6.4	98	12	8.60	22.4
	Maximum	108.5	94	15	109	204	0.60	0.10
SOUTH KOREA	Mean	91.81	2.4	3.7	103.8	125.7	2.3	13.8
	Median	93.8	2.5	3.4	101	117.5	2.3	12
	Minimum	100.8	4.0	7.4	185	213	4.8	40
	Maximum	79.6	0.1	1.0	43	57	0.5	4.0

UNIT ROOT TEST

Unit root test was used to check stationary in data series. The value of ADF was compared with critical value of t-statistics against each variable used in model at 1%, 5%, and 10% significance level. The principle of test assumes that the variable was stationary when ADF value was greater than critical value of t-statistics in the model.

India: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 6.88, 9.52, 5.77, 5.35, 6.27, 6.59 and 11.42 while critical values are 2.60, 2.60, 2.60, 2.60, 2.93, 2.60 and 2.605 respectively. The results indicate that all variables were stationary in the model.

Sri Lanka: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 6.03, 6.31, 6.95, 7.64, 8.57, 5.81 and 5.60 while critical values are 2.93, 2.935, 2.935, 2.93, 2.93 and 2.93 respectively. The results show that all variables were stationary in the model.

Bangladesh: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 8.02, 8.49, 3.05, 5.89, 6.30, 6.81 and 7.23 whereas critical values are 2.93, 3.60, 2.935, 2.935, 2.93, 2.93 and 2.93 respectively. The results revealed that all variables were stationary.

Pakistan: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 5.35, 2.67, 3.14, 6.44, 6.08, 4.56 and 7.20 while critical values have sequence of 2.93, 2.60, 2.60, 2.93, 2.94, 2.933 and 2.93. The results highlights that all variables taken in the model were stationary.

China: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 5.7, 9.39, 5.35, 6.50, 10.26, 5.60, and 7.7 while critical values have sequence of 3.37, 3.59, 2.93, 3.59, 2.59, 3.59 and 3.59. The results highlights that all variables taken in the model were stationary.

South Korea: ADF values of CPI, FDI, GDP growth rate, import, export, inflation rate and PPPs projects cost are 16.8, 16.8, 5.57, 8.18, 8.59, 5.38 and 9.09 while critical values have sequence of 3.59, 3.59, 3.59, 3.10, 3.59, 3.59 and 3.59. The results highlights that all variables taken in the model were stationary.

Table II: Results of Unit Root Test

COUNTRIES \ VARIABLES		CPI	FDI	GDP	IMP	EXP	INF	PPP-P COST
INDIA	ADF Value	6.88	9.52	5.77	5.35	6.27	6.59	11.42
	Critical Value	2.60	2.60	2.60	2.60	2.93	2.60	2.605
SIRI LANKA	ADF Value	6.03	6.31	6.95	7.64	8.57	5.81	5.60
	Critical Value	2.93	2.935	2.935	2.93	2.93	2.93	2.93
BANGLADESH	ADF Value	8.02	8.49	3.05	5.89	6.30	6.81	7.23
	Critical Value	2.93	3.60	2.935	2.935	2.93	2.93	2.93
PAKISTAN	ADF Value	5.35	2.67	3.14	6.44	6.08	4.56	7.20

	Critical Value	2.93	2.60	2.60	2.93	2.94	2.933	2.93
CHINA	ADF Value	5.7	9.39	5.35	6.50	10.26	5.60	7.75
	Critical Value	3.7	3.59	2.93	3.59	3.59	3.59	3.59
SOUTH KOREA	ADF Value	16.8	16.8	5.57	8.18	8.59	5.38	9.09
	Critical Value	3.59	3.59	3.59	3.10	3.59	3.59	3.59

BOUND TEST

Bound test was used to check to applicability of Auto Regressive Distributed Lag (ARDL) Model. ARDL Model was used when calculated value of F-statistics was greater than upper bound value and if calculated value of F-Statistics was less than upper bound value then ARDL model cannot be utilized. In case where calculated value of F-statistics was between upper and lower bound values then results stand indifferent. The F-statistic value of CPI, FDI, export, import, GDP growth rate, inflation rate and PPPs projects cost in India, Sri Lanka, Bangladesh, Pakistan, China and South Korea are 6.76, 6.61, 4.44, 14.25, 9.31 and 9.74 which are greater than upper bound values. Therefore, results reveal that ARDL model can be used. The cumulative results are as;

Table III: Results of Bound Test

Country	CPI, FDI, Export, Import, GDP growth rate, inflation, PPP Projects Cost	
	F Statistics Value	Upper Bound Value
India	6.76	3.9
Sri Lanka	6.61	3.99
Bangladesh	4.44	3.99
Pakistan	14.25	3.99
China	9.31	3.99
South Korea	9.74	3.99

AUTO REGRESSIVE DISTRIBUTED LAG (ARDL) LONG RUN MODEL

ARDL Model was used to determine long run significant relationship between independent and dependent variables. In case of India, p-values of CPI, FDI, import, export, inflation rate and PPPs projects cost are 0.02, 0.05, 0.14, 0.001, 0.17 and 0.007 with t-statistics values of 2.33, 1.97, 1.51, 3.66, 1.40 and 2.90. The results show that CPI, FDI, export and PPPs projects cost are positive and significant in relation with GDP growth rate while import and inflation rate have insignificant in relation with GDP growth rate. In the Sri Lanka, the p-values of CPI, FDI, export and PPP projects cost are 0.001, 0.07, 0.06 and 0.07 at t-statistics values of 4.21, 1.99, 2.07 and 2.00. The results reveal that CPI, FDI, export and PPPs projects cost are significant and have positive impact on GDP growth rate. The p-values of import and inflation rate are 0.18 and 0.32 and t-statistics values of both are 1.42 and 1.03, respectively. These indicate insignificant relationship with GDP growth rate.

Bangladesh: the p-values of CPI, FDI, export and PPP projects cost are 0.04, 0.02, 0.10 and 0.02 with t-statistics values of 2.15, 2.46, 1.67 and 2.42. The results show the positive and significant relationship with GDP growth rate. The p-values of import is 0.13 at t-statistics value of 1.53 which indicates insignificance to GDP growth rate. The p-values of inflation rate are 0.34 at t-statistics (0.95) which reveals in-significant but negative relation with GDP growth rate. Pakistan: p-values of CPI, FDI, and export and PPPs projects cost are 0.058, 0.0191, 0.011 and 0.0112 with t-statistics values as 2.00, 2.58, 3.78 and 2.78 reveal positive and significant relationship with GDP growth rate. The values of inflation rate and import are insignificant with GDP growth rate.

In China, p-values of CPI, FDI, export and PPP projects cost are 0.07, 0.04, 0.0136 and 0.003 with t-statistics values of 2.09, 2.85, 3.27 and 3.87, showing the positive and significant relationship with GDP growth rate. Whereas, p-values of import and inflation rate are 0.15 and 0.096 with t-statistics values of 2.53 and 0.88 show insignificant in relation with GDP growth rate. In case of South Korea, p-values of CPI, FDI, export and PPPs projects cost are 0.10, 0.04, 0.08 and 0.0115 with t-statistics of 1.53, 2.13, 1.81 and 0.0115 with t-statistics values of 1.53, 2.13, 1.81 and 2.71 showing positive and significant in relationship with GDP growth rate while p-values of import and inflation rate are insignificant in relation with GDP growth rate.

Table IV: Results of Auto Regressive Distributed Lag (ARDL) Long Run Model

VARIABLES		CPI	FDI	IMP	EXP	INF	PPP-P COST
		COUNTRIES					
INDIA	P Value	0.02	0.05	0.14	0.001	0.17	0.007
	T Statistics	2.33	1.97	-1.51	3.66	-1.40	2.91
SIRI LANKA	P Value	0.001	0.07	0.18	0.06	0.32	0.07
	T Statistics	4.21	1.99	-1.42	2.07	1.03	2.00
BANGLADESH	P Value	0.04	0.02	0.13	0.10	34	0.02
	T Statistics	2.15	2.46	1.53	1.67	-0.95	2.42
PAKISTAN	P Value	0.058	0.10	0.69	0.011	0.388	0.0112
	T Statistics	2.00	1.66	.40	3.78	-0.88	2.78
CHINA	P Value	0.07	0.04	0.15	0.0136	0.096	.003
	T Statistics	2.09	2.85	-1.60	3.27	1.93	3.87
SOUTH KOREA	P Value	0.10	0.04	0.31	0.08	0.94	0.0115
	T Statistics	1.53	2.13	1.02	1.81	-.075	2.71

DURBON WATSON (DW) TEST

The values of D.W statistic and R square for CPI, FDI, import, export, inflation rate and PPPs projects cost are extracted in study. The value of DW less than 1.70 indicates serial correlation exist in data whereas value of R-square states dependent variable is explained by independent variables in model. The values of

D.W against CPI, FDI, import, export, inflation rate and PPPs projects cost of each country are greater than 1.70 revealing that there is no serial correlation exists in the model.

Table V: Results of Durbon Watson (DW) Test

VARIABLES		CPI	FDI	GDP	IMP	EXP	INF	PPP-P COST
COUNTRIES								
INDIA	R square	0.54	0.69	0.45	0.41	0.50	0.52	0.84
	D.W	2.02	2.21	1.90	1.89	1.99	2.04	2.26
SIRI LANKA	R square	0.48	0.50	0.55	0.88	0.65	0.46	0.44
	D.W	2.00	2.00	1.95	2.30	2.18	1.99	1.96
BANGLADESH	R square	0.62	0.68	0.19	0.46	0.49	0.54	0.56
	D.W	2.16	2.4	2.20	1.33	2.00	1.99	1.99
PAKISTAN	R square	0.42	0.43	0.55	0.51	0.54	0.34	0.57
	D.W	1.94	1.96	1.86	1.96	2.09	2.04	1.97
CHINA	R square	0.45	0.69	0.43	0.51	0.72	0.44	0.60
	D.W	2.00	2.03	1.95	2.0	2.18	2.00	2.13
SOUTH KOREA	R square	0.87	0.87	0.43	0.70	0.65	0.42	0.67
	D.W	2.02	2.02	1.97	2.7	2.25	2.02	2.13

BREUSCH-GODFREY SERIAL CORRELATION LM TEST

LM test was used to check the existence of high serial correlation among variables in the study. The parameter of model was that there will be no serial correlation problems when probability of Chi-square is insignificant. The model shows probability of Chi square is 0.1149, 0.2070, 0.5759, 0.2889, 0.1077 and 0.9891 for all variables in India, Sri Lanka, Bangladesh, Pakistan, China and South Korea. The results indicate that there is no serial correlation in data. The results are as;

Table.VI: Results of Breusch-Godfrey Serial Correlation LM Test

Country	India	Sri Lanka	Bangladesh	Pakistan	China	South Korea
Probability (Chi-square)	0.1149	0.2070	0.5759	0.2889	0.1077	0.9891

HETEROSCEDASTICITY TEST-BREUSCH-PAGAN-GODFREY

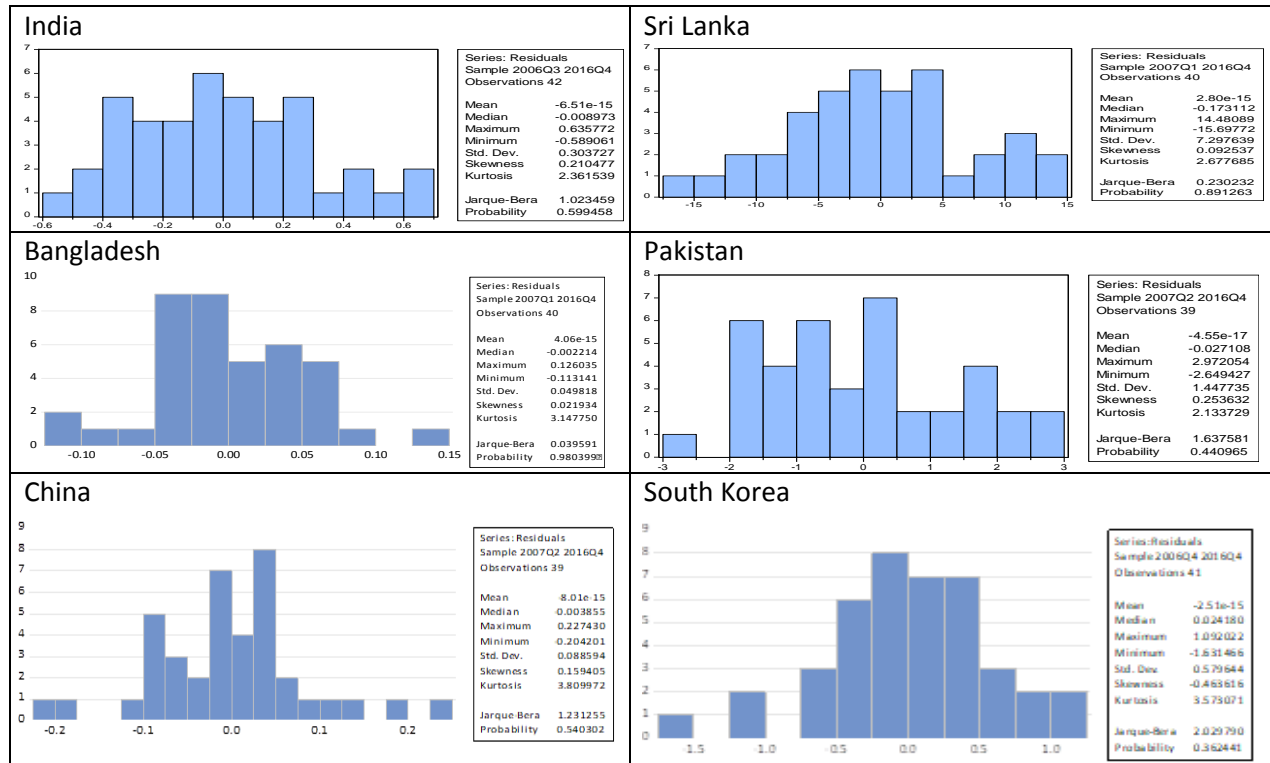
Heteroscedasticity test was used to check the heteroscedasticity in variables. The probability values for all variables of Chi-square in India, Sri Lanka, Bangladesh, Pakistan, China and South Korea are 0.8986, 0.6324, 0.7117, 0.3860, 0.4252 and 0.5282 which shows that probability is in-significant and there is no heteroscedasticity exist in all variables for all countries.

Table VII: Results of Heteroscedasticity Test-Breusch-Pagan-Godfrey

Country	India	Sri Lanka	Bangladesh	Pakistan	China	South Korea
Prob. Chi Square Value	0.8986	0.6324	0.7117	0.3860	0.4252	0.5282

NORMALITY TEST

Normality Test is applied to check the normality of all variables irrespective of independent and dependent variables. The normality of residuals is when value of Jarque-Bera is greater than zero. In Table, the values of Jarque-Bera is 1.02, 0.23, 11.65 and 1.63 respectively. It reveals that residuals are normal.



HYPOTHESIS TESTING

The decision of acceptance or rejection of alternative hypothesis in study for PPPs projects cost, FDI, CPI, import, export and inflation rate were made on basis of results of ARDL regression model. PPPs projects cost, FDI, CPI and export have positive and significant impact on economic growth for India, Sri Lanka, Bangladesh, China, South Korea and Pakistan. The inflation rate and import have insignificant in relation with GDP growth rate.

Table IX: Results of Hypothesis Testing

#	Alternative Hypothesis	India	Sri Lanka	Bangladesh	Pakistan	China	South Korea
1	H ₁ : Impact of Public Private Partnership Projects Cost (PC) over economic growth is statistically significant	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
2	H ₂ : Impact of Foreign Direct Investments (FDI) over economic growth is statistically significant	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
3	H ₃ : Impact of Inflation Rate (IR) over economic growth is statistically significant	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected
4	H ₄ : Impact of Import over economic growth is statistically significant	Rejected	Rejected	Rejected	Rejected	Rejected	Rejected
5	H ₅ : Impact of Export over economic growth is statistically significant	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted
6	H ₆ : Impact of Consumer Price Index (CPI) over economic growth is statistically significant.	Accepted	Accepted	Accepted	Accepted	Accepted	Accepted

CONCLUSION

The period for which data was analysed for this study is from 2006 to 2016. In the study, six countries were selected on random basis in consideration to determine impact on economic growth. India, Sri Lanka, Bangladesh, Pakistan, China and South Korea were selected to assess impact of independent variables on economic growth. The framework of Public Private Partnerships Concept in the sampled countries was studied and found that this type of partnerships resulted into increase in economic growth. Also found that inflow of FDI has positive effects on GDP growth rate. The study revealed that export generated foreign reserves which are favorable indicator for economic growth. The stability in prices of consumable products is also indicator of growing economy. The inflation and import have been found

insignificant, throughout, in relation with economic growth. ARDL model was used to regress the significance of relationship among independent and dependent variable.

SUGGESTIONS

The outcome of study revealed that it is essential for government to promote the concept of PPPs in the developing countries. The declaration of fiscal incentives to local as well foreign investors in the form of tax rebate and exemption of duties can be a valuable initiative to propose the economic growth. The governments must provide platform and should establish Investment Climate Reform Units (ICRU) in developing countries. It is also recommended for government to announce investor friendly policies especially for foreign investors in order to gauge the foreign direct investment. The effective monetary and fiscal policies led to stability in investment opportunities and stability in prices. The establishment of industrial zones and export oriented mechanism in consideration to promote the export of products can be driving force for economic growth. It is proposed to produce quality based local products in order to less rely on imported products for which local manufacturing industries needs to be upsized and upgraded. The investment Forum may be established to guide the investors about the investment channels available for capital investment. It is recommended for the governments of the developing countries to analyze the benefits of PPP projects in order to get benefits from them. The governments must formulate the economic policies in order to promote the private investments in the countries. The government should start the production projects in order to control the imports of the country. Inflation is an integral factor of every economy therefore, it is essential for governments to control this factor to stable the economy. The PPP projects are greater source of FDI therefore; governments must attract the foreign investors through PPP projects. FDI plays vital role in the economic condition of any country. So, it is recommended for governments to focus on FDI in order to stable the economy.

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