

THE IMPACT OF FDI AND EXCHANGE RATE ON GDP IN MENA COUNTRIES : EVIDENCE FROM THE PANEL APPROACH

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Abstract

This article empirically discusses the possible interactions between the rate of economic growth, the rate of change in inflows of foreign direct investment (FDI) and the rate of real equilibrium real exchange, in MENA countries (18 countries) for the period 2000 -2019. The result suggests that there is a positive relationship between financial development and economic growth. The study also documents that inflation and government expenditure have negative impact on economic growth for those selected MENA countries. The paper ends with some policy implications and potential limitations.

Keywords: GDP, FDI, Exchange rate, Dynamic Panel Modeling.

JEL Codes: C32, O47, F17, F31.

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