

EXPLORING THE MACROECONOMIC DRIVERS OF EXPORT PERFORMANCE IN BANGLADESH

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ABSTRACT

The steady economic growth of Bangladesh over the last few decades has been largely fueled by its robust export performance. It makes export promotion a key policy priority for sustaining long-term growth. This study highlights the crucial role of macroeconomic factors—such as inflation, real interest rates, real effective exchange rates (REER), and GDP growth—in shaping Bangladesh’s export performance. Key findings of the study reveal that high inflation and a depreciation of domestic currency stimulate export competitiveness. Conversely, GDP growth positively influences exports, with economic expansion driving higher export volumes. Practical implications suggest that controlling inflation, maintaining a stable money supply, and fostering GDP growth are essential for improving export competitiveness. Policies promoting investment in key sectors and innovation are also critical for sustaining long-term export growth. The study further indicates that pegging REER may not significantly affect export performance, emphasizing the importance of technological advancements and productivity improvements.

JEL: C22, F14, F41

KEYWORDS: *Export Performance, Economic Growth, Real Effective Exchange Rate, Inflation Rate, Ols.*

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Appendix

Table 1 Breusch-Godfrey Serial Correlation LM Test

Breusch-Godfrey Serial Correlation LM Test:			
Null Hypothesis: No Serial Correlation Exists			
Alternative Hypothesis: Serial Correlation Exists			
F-statistic	0.0045	Prob. F(1,34)	0.9471
Obs*R-squared	0.0051	Prob. Chi-Square(1)	0.9429

Table 2 Heteroskedasticity Test: Breusch-Pagan-Godfrey

Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null Hypothesis: Homoscedastic

Alternative Hypothesis: Heteroskedastic

F-statistic	1.9609	Prob. F (4,34)	0.1228
Obs*R-squared	7.3107	Prob. Chi-Square (4)	0.1204
Scaled explained SS	4.3375	Prob. Chi-Square (4)	0.3623

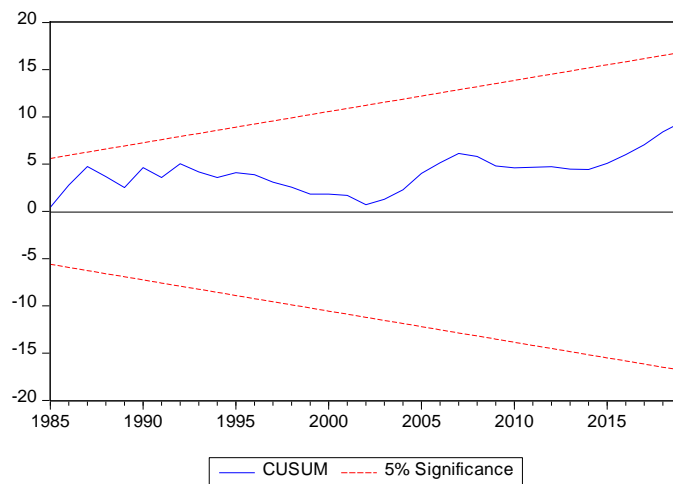


Figure 1: Stability Diagnosis- CUSUM test