

Export Geographical Diversification and Economic Growth among ASEAN Countries

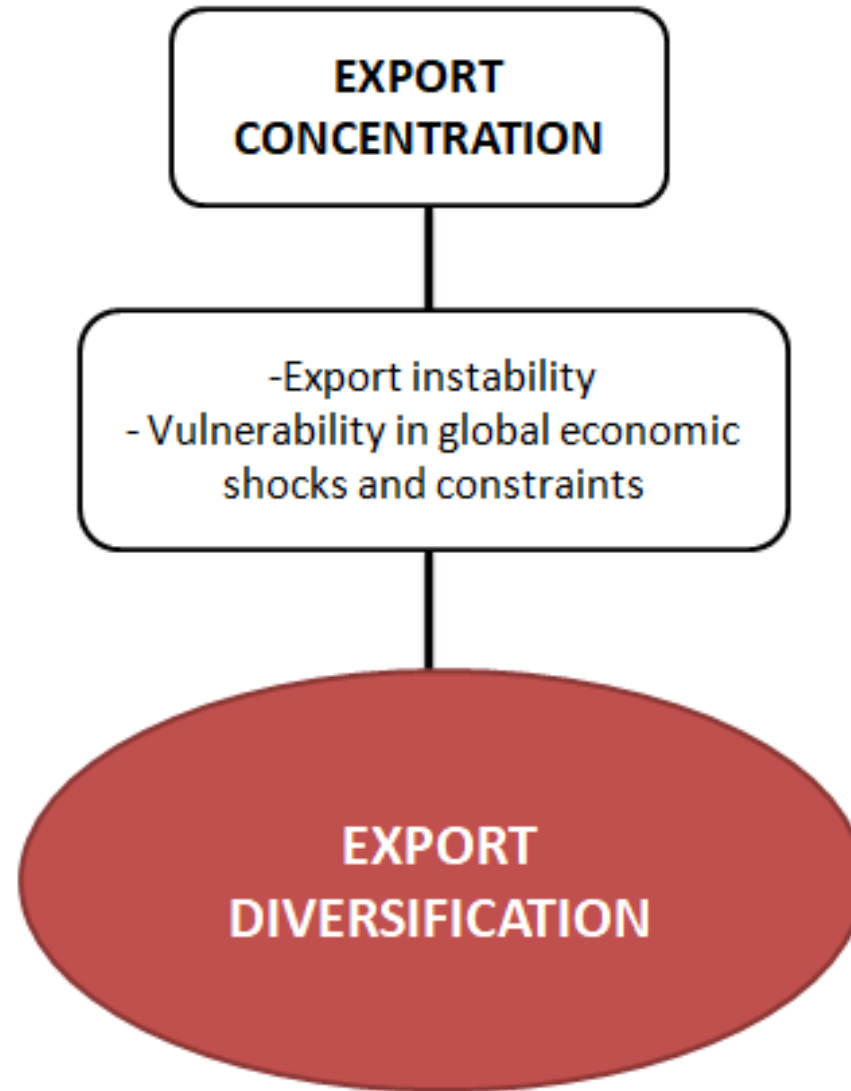
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ASEAN GDP at Current Prices (US\$ billion)

2,765.8



2017



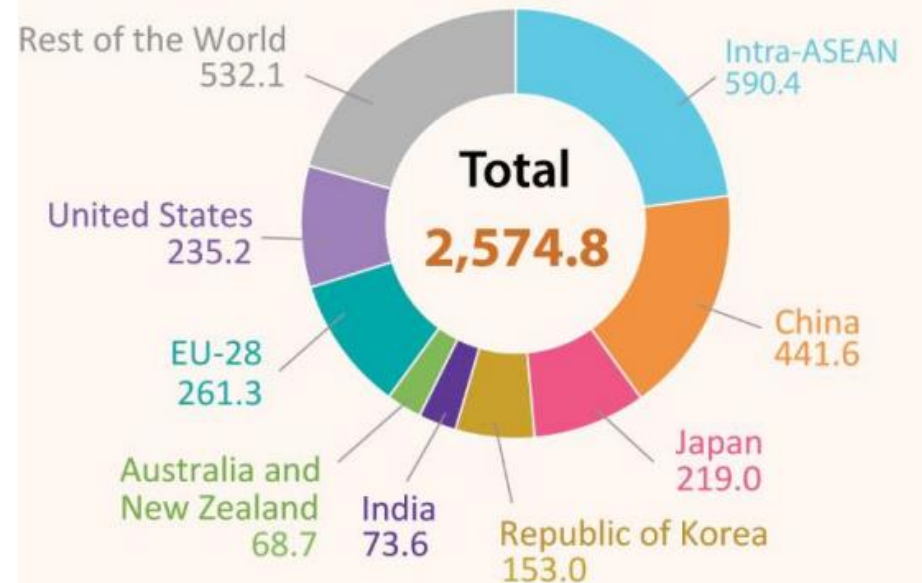
ASEAN GDP was **3.3%** and **3.5%** of World GDP in **2013** and **2017** respectively

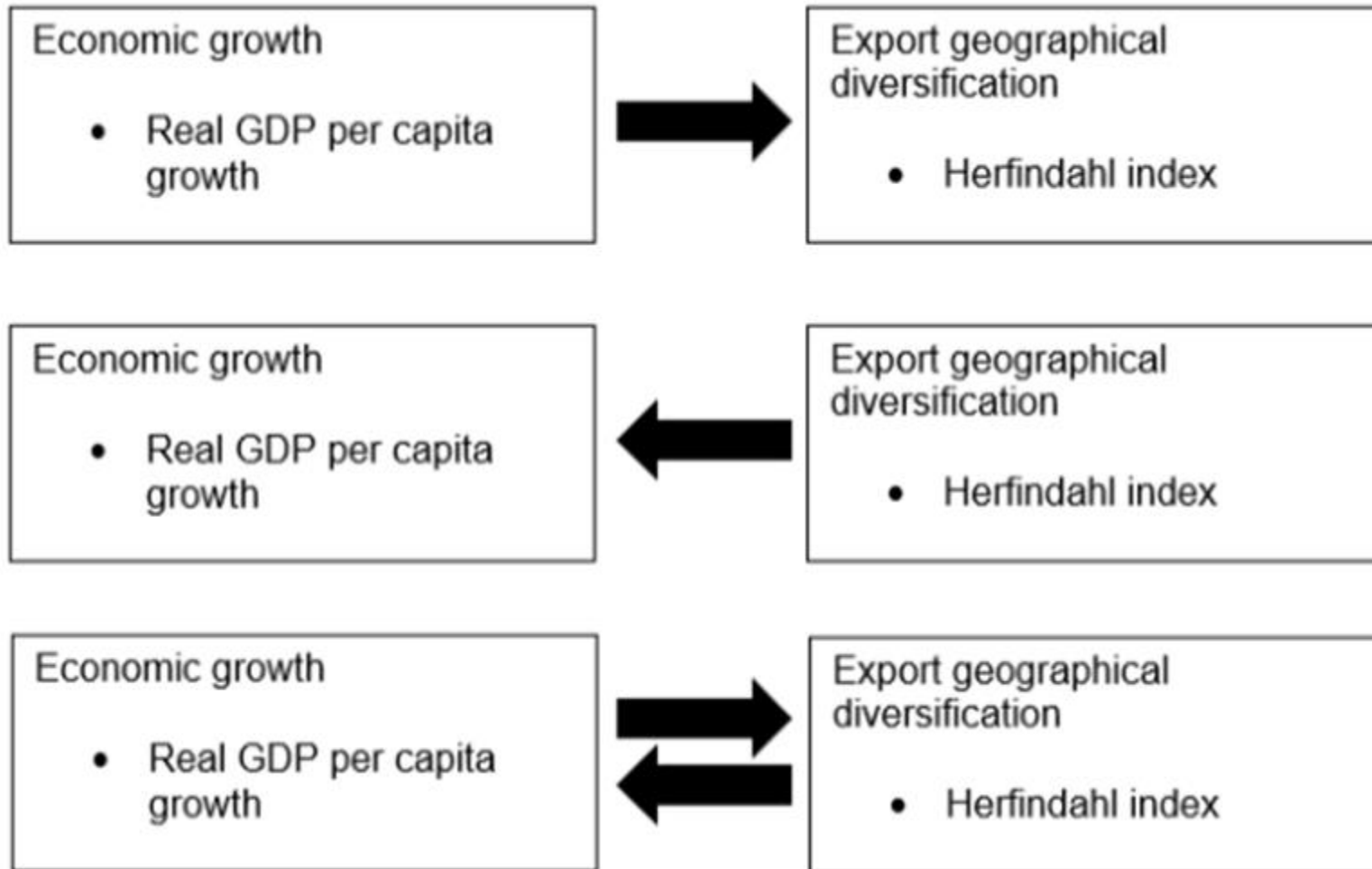


Ranking as the fourth largest exporting region in the world, the countries that constitute ASEAN account for some 7% of global exports.



ASEAN Trade in Goods by Selected Partner Country/Region, 2017 (US\$ billion)





Methods

$$HHI_j = \sum_{i=1}^N \left(\frac{x_i}{X_j} \right)^2$$

I. Measuring export geographical diversification

HHI	Concentration Degree
≤0.01	Highly diversified
0.01-0.15	Unconcentrated/diversified
0.15-0.25	Moderately concentrated
≥0.25	Highly concentrated

II. Trend Analysis

III. Time Series Analysis

- A. Stationarity test - Unit Root Test
- B. Differencing
- C. VAR Model
- D. Lag Order determination
- E. Granger Causality Test

Results

Country	HHI	EG
Indonesia	EG is not significantly related to HHI	HHI is not significantly related to EG
Malaysia	EG is inversely related with HHI	HHI is directly related with EG
Philippines	EG is directly related to HHI	HHI is inversely related to EG
Singapore	EG is not significantly related to HHI	HHI is not significantly related to EG
Thailand	EG is not significantly related to HHI	HHI is not significantly related to EG

Country	HHI	EG
Indonesia	No causality	No causality
Malaysia	EG Granger-causes HHI	HHI Granger-causes EG
Philippines	HHI Granger-causes EG	No causality
Singapore	No causality	No causality
Thailand	No causality	No causality

Recommendations

1. Improve export structure by creating free trade agreements
2. Diversify export structure in terms of market destination in the Philippines

Areas for further Research

1. Factors affecting export geographical diversification
2. Use of other econometric models; i.e. GMM