THE IMPACT OF GOODS AND SERVICES TAX (GST) TOWARDS ECONOMIC GROWTH IN DEVELOPING COUNTRIES

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JULY 2018

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- This work has not previously been accepted in substance for any degree or any other degrees.
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ABSTRACT

This project paper sets out to examine the impact of the implementation of Goods and Services Tax (GST) towards economic growth in developing countries by using the robust static panel data analysis (fixed effects) with the robust standard errors. This project paper also are conducted based on panel data where 24 selected developing countries and the period of time selected is 11 recent years which is from 2006 until 2016. The empirical result revealed that GST is positively and statistically significant correlated with gross domestic product per capita in developing countries. Therefore, researcher concludes that GST is a good indirect tax reform by the government in developing countries, where the revenue from GST will help the government to provide more facilities for people's benefits and the most important thing is it can generate higher economic growth to a country. Hence to ensure people trust for GST implementation, government should promote the tax awareness to citizens and also utilized their tax revenue in a good way.