



THE IMPACT OF PALM OIL'S TRADE  
ON ECONOMIC GROWTH IN ASEAN COUNTRIES

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DECLARATION OF ORIGINAL WORK



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## **ABSTRACT**

This study was conducted to examine the impact of trade of palm oil on economic growth in ASEAN countries which employs panel data analysis to identify the relationship of palm oil's trade on economic growth in three ASEAN (Association of South East Asian Nations) countries (i.e., Indonesia, Malaysia and Thailand) over the period of study from 1995 to 2018. Three separate methods were used in this study which are Pooled OLS, Random Effects and Fixed Effects. Empirical results show that Pooled OLS is the best model among all the models. As the pooled OLS model shows, there is a significant relationship between export of palm oil, import of palm oil and exchange rate with gross domestic product (GDP) while price of palm oil shows no significant relationship with gross domestic product (GDP). Thus, this study suggests that the policy makers or the government should encourage more export of palm oil to enhance the economic growth because palm oil is an important crop for the GDP of emerging economies.