



**EXTERNAL DEBT & ECONOMIC GROWTH: A PANEL CAUSALITY ANALYSIS**

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## **ABSTRACT**

In this report, in order to find out how future debt crisis that can be prevent, we can take a look from the history and their development from the data of World Bank and other sources that can be refer. From that, we can know from year to year their debt crisis of developing countries. The external debt is a public and publicly guaranteed for long term debts that are aggregated. A government of developing countries may pursue a sustainable debt policy after they are experience the debt crisis in their country. In addition, we can find the result whether the gross domestic product (GDP) have a positive or negative relationship with the external debt, export and inflation. The result shows that the effect of export on GDP in Asian country is significant while inflation have negative relationships which are insignificant result. Besides that, GDP have a positive relationship between external debts in Asian countries and have a significant result that may accept the alternate hypothesis. Other than that, some suggestions are also given out at the end of the report.

## **ACKNOWLEDGEMENT**

We are student part 6 of Bachelor Business Administration of Finance are making a research for our individual assignment. The topic for this research is external debt and economic growth: a panel causality analysis in Asian countries. From this research it may increase our knowledge and understanding about the economy growth of some country especially Asian country. The data was provided from the World Bank.

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