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Export and Economic Growth: The Case of China

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Abstract

Relationship between export and economic growth has always been a hot topic discussed by researchers. In recent years, due to the economic slowdown of the overseas market, Chinese exports start to decrease. Under this situation, some researchers may believe that export is of little significance for Chinese economic growth. This thesis aims to analyze the relationship between export and economic growth by examining how export affects the Chinese economic growth. In order to achieve this objective, we take the unit root test and cointegration test by using Chinese export and GDP data from 1978 to 2011. Moreover, the error correction model is used to examine the short-term relationship between these variables. Results show that export and GDP are cointegrated in the long-term and export has a positive effect on economic growth.

Key words: unit root test, cointegration, ECM, export, GDP

Declaration

I declare that this thesis represents my own work, except where due acknowledgement is made, and that is has not been previously included in a thesis, dissertation or report submitted to this University or to any other institution for a degree, diploma or other qualification.

Signed:

Dated:

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