

CHAPTER 5

Conclusions and Implications

5.1 Conclusion

The main objective of this study is to examine and find out the relationship between infrastructure investment and economic growth of Myanmar over the period of 1988-1989 to 2012-2013, mainly with empirical investigation and overall descriptive statistics. The data set engaged in this study is secondary data of annual GDP, infrastructure investment(INF), employment (EMP), and capital stock (K) of Myanmar during the period 1988-1989 to 2012-2013.

This study accepts two main methodological approaches in order to find out the appropriate answers to the research problem. First of all, econometric methods such as ADF unit root test, Bound test, and ECM estimation within the framework of (ARDL) model were utilized. Empirical results remain principally based on the above econometric methods. Secondly, descriptive analysis of real GDP growth during the period 2005-2012.

The outcomes of this study are the same to conventional acceptance that infrastructure investment has positive relationship on the economic growth of Myanmar. Therefore, infrastructure investment can generate to enhance economic growth. The same results have been found by Peterperkins, Johannfedderke, and John Luiz (2005), James Heintz, Robert Pollin, Heidi Garrett-Peltier (2009), and Sakineh Sojoodi, Fakhri Mohseni Zonuzi, and Nasim Mehin Aslani (2012). So, we have to accept the first hypothesis that infrastructure investment had an impact on the economic growth of Myanmar during the period of 1988-1989 to 2012-2013.

The outcomes of research are that during periods of economic growth, investment through public infrastructure motivates economic growth by growing national income.

So, the government of Myanmar had raised infrastructure investment in order to not only decrease the unemployment problem but also to encourage regional development using fiscal policies and domestic resources. Moreover, most of the industry zones cannot reach expected investment from both foreign and domestic owing to insufficient infrastructure investment. If transportation and communication are improved employment can easily be accessed through information, education, and more appropriate job opportunities and thus promoting increased labour production. Furthermore, better transportation and communication enable entrance to markets thereby improving the agriculture sector and modernization of trade.

5.2 Suggestion for Future Study

This study examines the relationship between infrastructure investment and economic growth of Myanmar in general. Data set used for the practical analysis is the real GDP and infrastructure investment, employment, and capital stock. Infrastructure investment includes health and education such as social infrastructure and power, construction, and transport and communication such as economic infrastructure investment. However, as basic infrastructure plays a vital role in Myanmar's infrastructure investment sector, future researchers may study by dividing the economic and social infrastructure into two and study the impact of both investments on the economic growth of Myanmar.

Additionally, the rest of basic infrastructure investment could also be put into the model so that the whole investment sector of Myanmar can be covered in one research.

Copyright © by Chiang Mai University
All rights reserved