

# **IMPACT OF FDI ON ECONOMIC ESCALATION: EMPIRICAL INVESTIGATION /EVIDENCE FROM PAKISTAN**

**BY**

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Annexure 5

**BS (A&F) Project  
2<sup>nd</sup> Half Semester Progress Report  
& Project Approval Statement**

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**Supervisor – Student Meeting Record**

S#	Date	Place of Meeting	Topic Discussed	Signature of Student
1	23/OCT/19	Faculty R#7	Topic Discussion	(Signatures)
2	27/NOV/19	Faculty R#7	Literature Review	(Signatures)
3	2/DEC/19	Faculty R#7	Methodology	(Signatures)
4	27/DEC/19	Faculty R#7	Results & Interpretation	(Signatures)

**APPROVAL FOR EXAMINATION**

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I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at 17% that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature: (Signature) Date: 02-Jan-2020

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HoD's Signature: (Signature) Date: 30/1/2020

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## **ABSTRACT**

*In our paper, we investigate the influence of External Direct funds, Remittances, External Debt and Domestic Capital on Economic Escalation of Pakistan by using time series analysis over the period 1976-2015. Ordinary Least squares (OLS), Stability analysis, Co-integration tests, Stationary analysis by using unit root test, ECM and Granger Causality test are used to examine the relation and impact between dependent and independent variables. Whereas Foreign Direct Investment, Domestic Capital, External Debt, and Remittances used as predictors and "Gross Domestic Product" used as predictant. The results indicate that FDI and External Debt have significant and positive impact on Economic Escalation of Pakistan while Domestic Capital have substantial but negative impact on Monetary escalation of Pakistan due to not utilizing domestic resources at their full capacity and remittances have insignificant effect on economic uplifting because people spend those remittances on buying imported items. Government of Pakistan must have to take incentives, they should invest in various sectors like infrastructure, tourism and other in command of attracting the local and external investors to increase FDI inflows.*

**Keywords:** *External Debt, Remittances, Domestic Capital, Foreign Direct Investment, Economic Escalation*