

**THE IMPACT OF SELECTED MACROECONOMIC
ELEMENTS ON TO THE FOREIGN DIRECT
INVESTMENT OF PAKISTAN FROM YEAR 1996
TO 2016**

By

**SHAHNAWAZ KANDHRO
30887**

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APPROVAL FOR EXAMINATION

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Supervisor's Name: _____

Ahsan Rizvi

HoD's Signature: _____

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Abstract

Purpose: The main Objective and purpose of this research is to identify the impact of Macroeconomic elements (Inflation, Interest rates, GDP growth rate, Unemployment rate and Exports) on Foreign Direct Investment of Pakistan.

Methodology and Design:

The research has been conducted on the basis of Quantitative Analysis of impact of selected macroeconomic element on FDI of Pakistan. The data that was used in this research was secondary data from 1996 to 2016. The dependent variable FDI (Foreign direct Investment) was select and the independent variable are five consist of Interest rate, Inflation, Unemployment rate, GDP growth rate and Exports. In order to analyze the data, statistical techniques were used and Regression Analysis were conducted for testing the hypothesis constructed for this research with the help of using SPSS software version 22.0.

Findings:

Regression analysis test was applied to test the hypothesis and the results of coefficient table revealed that Independent variable Interest rate, Inflation, Unemployment rate, Exports) have significant and positive effect on FDI. However another Independent variable which is GDP growth rate have insignificant impact on FDI of Pakistan from 1996 to 2016. Therefore four alternate hypothesis of this research are being accepted & one hypothesis is rejected.

Limitations:

The Limitation in this study is that we selected the data range from 1996 to 2016, if other country data was included so maybe we get more better understanding in this research.

Keywords: Macroeconomic elements, Foreign Direct Investment, Inflation, Interest rate, . GDP growth rate, Exports, Unemployment.

Dependent Variable: Foreign Direct Investment

Independent Variable: Inflation, Interest rate, GDP growth rate, Exports, Unemployment.

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