

**FOREIGN INFLOWS AND ECONOMIC GROWTH OF
PAKISTAN**



BY

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Department of Management Science Bahria University Islamabad

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ABSTRACT

The aim of this research is to observe the effect of foreign direct investment (FDI), World Food Program (WFP), Inflation (INF), Foreign Aid (FA) in the GDP of Pakistan's economy. Macro-economic variables are the independent variables and GDP is the dependent variable in this research. The data used for this study is secondary in nature and gathered on annual basis for a period of 40 years from 1976-2015. Statistical tools used for this study includes multiple regression and correlation, several regression is used to evaluate the impact of FDI, WFP, INF, Foreign Aid on GDP. Result of regression indicates the model is overall significant and also optimistic and important relationship exists between FDI, Foreign Aid on GDP whereas the INF and Foreign Aid has an adverse impact on GDP. As the result of this government should take some precautionary measures for the attraction of FDI in Pakistan. As FDI, Foreign Aid helps to increase the GDP of Pakistan. Foreign Aid is highly beneficial for the economy of underdeveloped countries, but Pakistan should work on avoiding it because of the negative impact.

Keywords: FDI, Foreign Aid, Inflation, and GDP