

EXPORT-ORIENTED DEVELOPMENT: THE LIMITS OF GROWTH

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The Ukrainian economic growth strategy through stimulating exports has not made our economy a powerful one yet. The only question is whether this problem is inherent exclusively in Ukraine with its corruption, inefficient state and all other disadvantages that are traditionally accepted to complain, or we are dealing with a limited export-oriented strategy in a broader context. To answer this question, comparative studies were carried out on countries that successfully implemented an export-oriented growth strategy, in particular, countries of South-East Asia and the Far East.

The purpose of the article is to investigate the relationship between export volumes and the nominal GDP of export-oriented countries of the Far East and Southeast Asia: Japan, the Republic of Korea, Malaysia, Indonesia and China. The information base includes the data on nominal GDP and the export volumes of these countries for 30 years from 1988 to 2017 inclusive, taken from open sources. Statistical methods of research were used: correlation analysis and trend design using the least squares method.

The methods used have made it possible to draw the following conclusions:

1. On the basis of the analysis it is possible to put forward the hypothesis that exports serve as a stimulus for economic growth only to a certain extent, after which its stimulus effect ceases. In the case of Japan, this half-trillion exports became the limit. After 500 billionth, the stimulating effect of exports ceased and Japanese further growth of export did not lead to an increase in nominal GDP. As the result, trend in two-dimensional model (export-GDP) has two sectors/ initially it is growing and after 500 billion USD it is changed for horizontal.

2. For the Republic of Korea, the trend also has a growing and horizontal segment, which means that the size of the nominal GDP of the Republic of Korea increased proportionately to exports until the volume of Korean exports reached, again, as in Japan, at \$ 500 billion. The nominal GDP at the point of breaking the trend, however, was four times less than the Japanese, about 1000 billion dollars. Nevertheless, after 500 billionth, the stimulating effect of exports ceased and its further growth installed only fluctuating GDP in the range between 1000 and 1600 billion dollars.

3. Throughout all the array of data for Malaysia and Indonesia, the relation between export dynamics and GDP dynamics is direct. That means, exports serve as an incentive to increase nominal GDP. So, there is no horizontal sector. However, after the 150-billionth export breakpoint, the relationship has become less clear, which is displayed by greater deviations of the actual data points from the trend line. The absence of horizontal sector is easily explained by the fact that the exports of these countries does not achieved even the half of the Korean or Japanese turn points of 500 billion dollars.

4. For China, the 500-billionth milestone was not something special. The positive correlation between GDP and exports continues to exist. However, after 2200 billion dollar edge, braking of relationship between export and GDP has already become noticeable. Obviously, despite size is important, but even for such a unique country as China, the limitation of export as an incentive for the development of national manufacture still exists.

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