

The Comprehensive Impact of Macroeconomic and Financial Indicators on Economic Growth: A Case of Eight Eurasian Countries

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Abstract

This study aims to explore various macroeconomic, financial, and demographic determinants' impact on economic growth. In the context of eight Eurasian countries, a comprehensive analysis including macroeconomic stability, capital mobility, trade openness, and demographics is utilized. For empirical results, a panel data model with fixed effects over a time period between 1995 to 2020 is used. The impacts of inflation, industrialization progress, foreign direct investment (FDI), external debt stock, trade openness, and population growth on gross domestic product (GDP) are considered by applying various estimation methods. The findings show low inflation rates and higher share of manufactured goods in GDP are crucial for sustaining growth. Increased capital mobility through FDI inflows also has a positive effect, however, external debt hinder growth. Additionally, both trade openness and population growth are driving factors of boosting growth rate. Overall, this study highlights the complex nature of growth by analyzing various indicators and suggests comprehensive economic policies are needed to address growth in Eurasian countries.

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