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On Panel Data Analysis of Factors on Economic Advances in Some African Countries

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Abstract : In some African Countries, increase in Gross Domestic Products (GDP) has not translated to real development as expected by common-man in his household. For decades, a lot of contests on economic growth and development has been a nagging issues. The focus of this study is to analysing the effects of economic determinants/factors on economic advances in some African Countries by employing panel data analysis. The yearly (1990-2013) data were obtained from the world economic outlook database of the International Monetary Fund (IMF), for probing the effects of these variables on growth rate in some selected African countries which include: Nigeria, Algeria, Angola, Benin, Botswana, Burundi, Cape-Verde, Cameroun, Central African Republic, Chad, Republic Of Congo, Cote di' Voire, Egypt, Equatorial-Guinea, Ethiopia, Gabon, Ghana, Guinea Bissau, Kenya, Lesotho, Madagascar, Mali, Mauritius, Morocco, Mozambique, Niger, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, and Uganda. The effects of 6 macroeconomic variables on GDP were critically examined. We used 37 Countries GDP as our dependent variable and 6 independent variables used in this study include: Total Investment (totinv), Inflation (inf), Population (popl), current account balance (cab), volume of imports of goods and services (vimgs), and volume of exports of goods and services (vexgs). The results of our analysis shows that total investment, population and volume of exports of goods and services strongly affect the economic growth. We noticed that population of these selected countries positively affect the GDP while total investment and volume of exports negatively affect GDP. On the contrary, inflation, current account balance and volume of imports of goods and services' contribution to the GDP are insignificant. The results of our analysis shows that total investment, population and volume of exports of goods and services strongly affect the economic growth. We noticed that population of these selected countries positively affect the GDP while total investment and volume of exports negatively affect GDP. On the contrary, inflation, current account balance and volume of imports of goods and services' contribution to the GDP are insignificant. The results of this study would be useful for individual African governments for developing a suitable and appropriate economic policies and strategies. It will also help investors to understand the economic nature and viability of Africa as a continent as well as its individual countries.

Keywords : African countries, economic growth and development, gross domestic products, static panel data models
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