

**SEAPORT EFFICIENCY, PORT THROUGHPUT AND ECONOMIC
GROWTH: A CROSS COUNTRY ANALYSIS**

IMTHIYAS AHAMED K

A project report was submitted

in partial fulfillment of the requirement for the award of the degree of

MASTER OF ARTS

IN

GENERAL ECONOMICS

May 2024



MADRAS SCHOOL OF ECONOMICS

Chennai- 600025

ABSTRACT

This study investigates the determinants of economic performance across different contexts, focusing on the impact of various factors on GDP per capita. The study uses empirical analysis and regression models to examine the effects of trade, shipping connectivity, government expenditure, and capital formation on economic outcomes. The paper uses panel data on 75 countries with seaports over the period 2010 to 2021, and we employed fixed-effects models and instrumental variable regression to address endogeneity concerns and offer tailored interpretations for higher-income countries and middle-income countries with port facilities. The findings reveal that enhancements in shipping connectivity and port throughput generally lead to higher economic performance while regarding the other explanatory variables that influence economic growth, our findings reveal that government spending, inflation, domestic investment, and trade are essential determinants of economic growth in countries with seaports. We establish a direct, significant positive effect of seaport efficiency and port throughput on economic growth in countries with seaports. The study's Policy Implications highlight the importance of infrastructure investment, trade liberalization, and responsible fiscal management in fostering sustainable economic development and improving living standards.

Keywords: Seaport efficiency, port throughput, economic growth, panel data models, instrumental variable regression

JEL Codes: F1, R4,O40, C33.