Diversifying Trade for Kuwait's Growth: Dynamic Panel Model Insights

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ABSTRACT

This paper examines the inter-linkages between manufacturing and high-technology exports on economic growth and diversification in Kuwait, a fossil-fuel exporting economy. The roles of exports, manufacturing-led growth, high-tech-led growth, and imports in growth sustainability are formally modeled using a rich panel dataset covering 56 emerging, developed, and developing countries from 1970 to 2020. Quantitative techniques, including generalized least squares (GLS), fixed effects modeling, and panel vector autoregressive (PVAR) analysis, are employed to test the direction and magnitude of causal linkages among technological innovation, trade diversification, and economic sustainability. Additionally, the paper explores the impact of modern seaports on fostering innovation, trade diversity, and sustainable growth. Policy recommendations are provided to guide Kuwait's future diversification and digitization efforts.

Keyword: Exports; Diversification; Growth; Technological Innovation

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