

ABSTRACT

The research presented here explores the economic circumstances of the ASEAN (Association of Southeast Asian Nations) and the GCC (Gulf Cooperation Council) regions, prompted by their collaboration, spanning from 2023. Analyzing data from all member countries of ASEAN and GCC within 2011-2021 performed in three categories: the combined region, the ASEAN region, and the GCC region. This research examines the influence of governance, innovation, and trade openness on economic growth and explores possible differences in these affects between the two regions.

This study aims to analyze the interplay of trade openness, innovation, and good governance on economic growth in ASEAN and GCC countries. The hypothesis suggests that there is a positive relationship between governance, innovation, and trade openness, and economic growth. Furthermore, other variables including total population, foreign direct investment (FDI), and education are taken into account. This research employs fixed effect models to analyze the influence of governance, innovation, and trade openness on economic growth in the ASEAN and GCC regions. The findings indicate that these factors have a positive influence on economic growth, both when analyzed together and when analyzed separately for each region.

Moreover, the findings showed that population has a negative influence on economic growth in the combined and GCC regions, whereas it has a positive influence on growth in the ASEAN region. FDI and education have a favorable impact on economic growth in all regions, which is consistent with the theoretical foundations. These findings enhance the comprehension of the economic dynamics in the ASEAN and GCC regions and provide valuable insights for policymakers seeking to promote economic growth that is sustainable.

Keywords: Economic growth, trade openness, innovation, governance, ASEAN-GCC.