TECHNICAL NOTE

Average Export Growth Rate

The term average growth % has been used throughout this publication to indicate the performance of exports over a period, where export values tend to fluctuate from year to year. Hence it is desirable to see to which direction it tends to go. In order to asses this direction quantitatively following method is adopted.

Progressive variations in export earnings over time is assumed to take the form

$$Y_t = Ae^{Bt}$$

Where **A** is a constant and **B** is the rate of growth of export earnings and **t** represent the year.

When the above formula is converted to the linear form we get,

$$\ln(Y_t) = \ln(A) + Bt$$

Taking $Y = \ln(Y_t)$ and   C=ln(A)

$$Y = Bt + C$$

B and C can be estimated by Ordinary Least Square method used in Regression Analysis.

B is the gradient (slope) of the equation, which when multiplied by 100 gives the percentage average growth rate.