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Original Article

Analysis of Determinants of Economic Growth of ASEAN6 Countries

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Abstract: *In an era of increasingly integrated economic globalization, understanding the determinants of economic growth is very important for policy development in the ASEAN region. This study examines the determinants of economic growth in the ASEAN6 countries. This study utilizes annual secondary data for the ASEAN6 countries for the 2018-2023 period, obtained from the World Development Indicators of the World Bank. The analysis tool used is Fixed Effect panel data regression. The study's results indicate that exports and inflation are key determinants of economic growth in the ASEAN-6 countries. Simultaneously, exports and inflation impact the economic growth of the ASEAN6 countries. To some extent, exports have a positive and significant impact on economic growth, while inflation has a significant negative effect. This research provides empirical insights into the impact of exports and inflation on economic growth, offering practical guidance as a basis for decision-making for monetary authorities and governments in formulating international trade policies and maintaining price stability.*

Keywords: *Economic Growth, Exports, Fixed Effect, Inflation, ASEAN6.*

I. INTRODUCTION

Economic growth is the process of continually improving a country's economic conditions over a specified period (Sujidno & Febriani, 2023). Economic growth can also be interpreted as the process of increasing Gross Domestic Product (GDP) regardless of whether the increase is greater or smaller than the population growth rate. In the global context, economic growth is the primary focus for each country, as it reflects the level of people's welfare and the government's ability to provide the basic needs of its population. Theoretically, economic growth is influenced by various fundamental factors, including natural resources, the quality of human resources, technological developments, political stability, and the economic policies implemented. Countries around the world continue to strive to increase their economic growth through various development strategies tailored to their respective conditions and potentials (Maulida et al., 2020).

ASEAN is a regional organization consisting of ten countries in Southeast Asia, established in 1967 to accelerate economic growth, social progress, and cultural development in the region. ASEAN's deepening economic integration, particularly following the implementation of the ASEAN Economic Community (AEC) at the end of 2015, has created new opportunities for accelerating the economic growth of its member countries through market expansion, increased investment, and enhanced competitiveness (Septiawan, 2023).

ASEAN6 countries are the main drivers of economic growth in the region with different comparative advantages (Putra & Soebagiyo, 2023). Singapore excels in the financial services and high-tech sectors. At the same time, Thailand thrives in the manufacturing and tourism industries, Malaysia in electronics and palm oil, Indonesia in natural resources and large domestic markets, the Philippines in the service industry, and Vietnam in export-oriented manufacturing. This economic diversity creates complementary patterns of trade and investment among ASEAN6 countries, which in turn pushes more inclusive and sustainable economic growth in the region.

However, the pattern of economic growth in ASEAN6 countries is not uniform. Factors such as national economic policies, political stability, institutional quality, levels of corruption, and infrastructure contribute to differences in economic performance among these countries. This suggests that, despite being in the same region, each country has distinct economic growth dynamics, necessitating a tailored approach in its development strategy (Wau et al., 2022).

Economic growth data for the ASEAN6 countries during the 2018-2023 period show significant dynamics. There is a reasonably consistent growth pattern, followed by a sharp contraction in 2020, and a gradual recovery since 2021. Based on this data, Vietnam is shown to be the most stable country, maintaining a positive growth rate of 2.87 percent, even in 2020 when other countries experienced economic contraction. The Philippines experienced the deepest contraction in 2020 of 9.52 percent, but showed a strong recovery in the following years with growth of 5.71 percent in 2021 and 7.58 percent in 2022. Malaysia recorded the highest growth in the region in 2022 at 8.86 percent, indicating a strong post-pandemic recovery.

Indonesia demonstrated relatively good economic resilience, with the second-lowest contraction in 2020 of -2.07 percent, after Vietnam, and maintained stable growth of around 5 per cent in the following years. Singapore exhibited the highest volatility, with the lowest growth before the pandemic, but recorded the highest growth jump in the region in 2021, at 9.69 per cent, followed by a significant decline in the subsequent years. Thailand exhibits a slower growth trend compared to other ASEAN-6 countries following the pandemic.

Exports are a crucial component of economic growth, particularly for ASEAN countries that primarily employ export-oriented growth strategies. Exports play a role in expanding the market for domestic products, generating foreign exchange, creating jobs, and encouraging increased productivity and industrial competitiveness (Miftah & Rifki, 2024). The ASEAN6 countries have diverse export structures, ranging from primary commodities, such as Indonesia's and Malaysia's palm oil and rubber, to Vietnam's labour-intensive manufacturing products, Thailand's and Malaysia's medium- and high-tech manufacturing, and Singapore's added-value services (Umar et al., 2021).

Inflation is also a significant determinant of economic growth in the ASEAN-6 region. Inflation is defined as the general and continuous increase in the prices of goods and services in an economy over time. The relationship between inflation and economic growth has gained prominence in macroeconomic theory, where controlled inflation is viewed as a driver of economic growth by increasing producer profits and stimulating investment. Meanwhile, high inflation can have a negative impact on the economy, as it reduces people's purchasing power, increases economic uncertainty, and erodes the value of real investments. This encourages economic actors to be more cautious in making long-term investment decisions, which has the potential to hinder economic growth (Hasdiana et al., 2023).

Based on previous studies examining the relationship between exports, inflation, and economic growth, the study's results are inconclusive. Some research results indicate a positive correlation between inflation and economic growth, although this relationship is not statistically significant. Meanwhile, exports have a negative influence, albeit with a relatively low level of significance, on regional economic growth(Sugiyanto et al., 2024). Furthermore, previous research remains limited to a country (Kinski et al., 2023; Putra & Soebagiyo, 2023; Sugiyanto et al., 2024). These findings have aroused the attention and interest of researchers to close the research gap by analysing the determinants of economic growth of ASEAN6 countries. This research aims to delve deeper into the context of complex economic dynamics.

II. LITERATURE REVIEW

A) Economic Growth

Economic growth is the process of increasing an economy's production capacity, as measured by the increase in output of goods and services over a specific period (Manan & Aisyah, 2023). This concept is a fundamental indicator in the economy because it reflects the expansion of productive potential and the improvement of people's living standards in aggregate. Economic growth not only describes the quantitative expansion of the economy, but also encompasses a qualitative dimension, including changes in the economy's structure, increased efficiency, and technological advancements that drive productivity. A deep understanding of economic growth is essential for policymakers, academics, and economic practitioners to formulate effective and sustainable development strategies (Hanifah, 2022).

Economic growth is measured by comparing the value of GDP. To quantitatively measure the rate of economic growth, a basic formula is used that compares the relative changes in GDP over two time periods.

$$\textbf{Growth} = \frac{\textbf{GDP}_t - \textbf{GDP}_{t-1}}{\textbf{GDP}_{t-1}} \textbf{ x 100\%}$$

Where:
Growth = Economic growth
GDP_t = Gross Domestic Product in year t
GDP_{t-1} = Gross Domestic Product in the previous year

To obtain an accurate picture of economic growth, this calculation usually uses the value of real GDP that has been adjusted for inflation, thus eliminating the effect of price increases. Real GDP is calculated by dividing nominal GDP by the GDP deflator and then multiplying the result by 100. The GDP deflator is the ratio of nominal GDP to real GDP, expressed as a percentage, reflecting changes in the aggregate price level within the economy.

According to Smith, specialization allows workers to become more skilled in specific tasks, saves time moving between tasks, and encourages innovation. The breadth of the market limits this division of labour, so the expansion of the market through domestic and international trade is crucial for promoting further specialisation. Smith also emphasised the role of capital accumulation as a prerequisite for the division of labor and economic expansion (Mayasari & Mahinshapuri, 2022).

Harrod-Domar's theory is a model of economic growth that emphasizes the crucial role of capital accumulation in realizing steady growth. Harrod-Domar's theory considers both the functions of capital formation in economic activities. Capital formation is viewed as an expenditure that enhances an economy's ability to produce goods, as well as an expenditure that increases the effective demand of the entire society. An increase in production capacity does not determine the increase in national production and income, but rather an increase in expenditure (Regina, 2022).

The neo-classical theory of growth posits that the economic development of a country is significantly influenced by three crucial components: capital formation, labor quantity, and technological development. The Solow-Swan model, as the main representation of this theory, proposes the view that sustainable economic growth is not solely supported by increased capital and labor inputs, but is highly dependent on innovation and technological advances that strengthen productivity (Batubara, 2021).

B) Export

Export is the activity of exporting goods and services from within the country to abroad for commercial purposes. Export activities play a crucial role in a country's economy, as they can increase national income, expand the market for domestic products, absorb labour, and obtain foreign exchange reserves. Exports also encourage production specialization based on the comparative advantages possessed by a country. Export activities not only generate the foreign exchange needed to finance imports and foreign obligations but also create domestic demand, employment, and encourage domestic production, which ultimately contributes to sustainable economic growth (Hanifah, 2022).

In macroeconomics, exports are considered an injection into the economy because they generate income without reducing domestic consumption expenditure, thus expanding national production capacity and absorbing more labor than if they rely solely on the domestic market. In addition, revenue from exports allows financing of imports of capital goods and production inputs that are not available domestically, which is crucial for the development of production capacity and modernization of the industrial sector. Theoretically, the relationship between exports and economic growth can be explained through several approaches that have long been part of economic thinking and continue to evolve in response to the dynamics of the global economy.

In the Heckscher-Ohlin theory, trade between two countries is explained, where this theory explains that the country tends to export commodities or goods whose production factors are relatively cheaper and abundant, thus creating a comparative advantage in the production of these goods, such as a country with abundant labour will excel in the production of labour-intensive goods. On the other hand, a country tends to import commodities or goods whose production factors are relatively expensive and scarce within the country, because the scarcity of these production factors leads to higher production costs. Hence, it is more profitable to import than to produce oneself, making this theory also known as factor proportion theory, which emphasises the difference in the proportion of ownership of factors of production between countries as the basis for international trade benefits (Asrinda & Setiawati, 2022).

Recent developments indicate that the focus of international trade is shifting towards value-added exports, commonly referred to as Global Value Chains (GVCs). GVC enables countries to participate in various stages of the production of goods, where each stage adds value before the goods reach the end consumer. Thus, GVC not only affects trade volume but also improves the quality and efficiency of products, encouraging countries to increase their competitive advantage. GDP per capita and improved institutional quality contribute significantly to participation in GVC, emphasising the importance of policies that support the development of production capacity and competitiveness in the global market (Wuri et al., 2022).

C) Inflation

Inflation is defined as a general and continuous increase in the price of goods and services in an economy over a given period, reflecting an imbalance between aggregate demand and supply or a change in the structure of production costs on a macro basis (Oktaviani et al., 2024).

The inflation phenomenon can be classified based on its severity (mild, moderate, severe, and hyperinflation), its source (demand-pull and cost-push), or its scope of influence (domestic inflation and imported inflation). The relationship between inflation and economic growth is a complex topic in economic theory, with various perspectives explaining how the two interact and influence each other in both the short and long term (Hasiru et al., 2024).

The theory of Monetarism, developed by Milton Friedman, is the foundation of economic thought that emphasises that changes in the money supply are the primary factors affecting economic activity and price levels. Friedman argues that inflation is always and everywhere a monetary phenomenon, where the growth of the money supply that exceeds real economic growth will result in a general increase in prices. This theory defied the dominant Keynesian view of his time by emphasising that monetary policy, not fiscal policy, was the more effective instrument for macroeconomic management (Hasdiana et al., 2023).

The Theory of Aggregate Demand initiated by John Maynard Keynes became the foundation of modern macroeconomic thinking, which focuses on total expenditure in the economy as a determinant of output levels and employment opportunities. Keynes identified four main components of aggregate demand: household consumption, business investment, government spending, and net exports, which together determine the overall level of economic activity. In contrast to the classical view, Keynes argued that the economy could be in equilibrium below the full employment rate, thereby justifying government intervention through fiscal policy to increase aggregate demand and reduce unemployment during recessions(Hasdiana et al., 2023).

D) The Interrelationship of Economic Growth Determinant Factors in ASEAN6 Countries

The relationship between variables in this study forms a complex and mutually influencing mechanism in the economy. In this study, exports and inflation are identified as key determinants of economic growth in the ASEAN-6 countries. Exports serve as a component of aggregate demand that directly increases national output, while also generating foreign exchange that strengthens the balance of payments and exchange rate stability.

Inflation, on the other hand, is linked to economic growth, where moderate inflation can stimulate economic activity through increased producer profits and a reduction in real debt burdens. Still, high inflation can damage export competitiveness, hinder investment, and reduce people's purchasing power.

E) Concept Framework

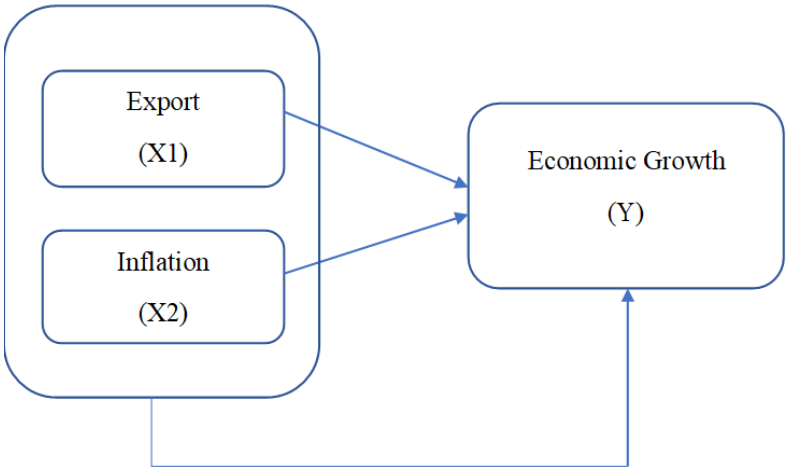

Fig. 2 Concept Framework

F) Method

This study focuses on analysing the determinants of economic growth in the ASEAN-6 countries during the 2018-2023 period. The research design employed is a quantitative research approach with a panel data analysis, processed using EViews. The panel data approach was chosen because it can integrate time series and cross-entity dimensions simultaneously, thus providing a more comprehensive analysis compared to using time series or cross-sectional data separately. This method allows researchers to identify the relationship between export, inflation, and economic growth variables.

G) Data and Data Sources

This study uses annual secondary data for ASEAN6 countries for the 2018-2023 period. This study uses panel data (pooled data), which is a combination of time series data during the 2018-2023 period and cross-sectional data covering six ASEAN countries.

This study uses secondary data obtained as a whole from the World Development Indicators, World Bank. The World Development Indicators, published by the World Bank, were chosen as the primary data source because they are an international, official data source that provides a comprehensive and reliable collection of development statistics for various global economic indicators.

H) Operational Definition of Research Variables

In this study, economic growth is measured by the growth of Gross Domestic Product (GDP). Economic growth data were obtained from the World Development Indicators, published by the World Bank, which includes the ASEAN6 countries: Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam, for the period 2018–2023. The unit used is the percentage change in annual GDP, which describes the dynamics of each country's economic growth. This variable is the primary

indicator for assessing the progress of the ASEAN6 economy, where an increase in nominal GDP indicates an expansion of production, consumption, and investment activities.

In this study, exports are measured using the export value of goods and services in United States dollars (USD) expressed in natural logarithms (ln). The export data is sourced from the World Development Indicators, published by the World Bank, and covers all ASEAN-6 countries during the 2018–2023 period. The value of exports was chosen as an indicator because it represents the contribution of the external sectors to the domestic economy, including the performance of manufacturing, commodity, and service industries.

Inflation is measured using the annual inflation rate based on the Consumer Price Index (CPI). Inflation data are obtained from the World Bank for the ASEAN6 countries from 2018 to 2023, with the percentage change expressed as an annual percentage. Stable inflation supports economic growth by creating certainty for business actors, while high inflation can hinder investment and consumption.

Table 1: Summary of Variable Data

Variable	Description	Unit	Data Source
GROWTH	Economic growth as measured by the growth of the Gross Domestic Product (GDP) of the ASEAN6 countries	Percent	*World Development Indicators, World Bank*
LEKS	Exports are measured using the export value of goods and services in United States dollars (USD), expressed in natural logarithms (ln)	Percent	*World Development Indicators, World Bank*
INF	Inflation is measured using the annual inflation rate based on the CPI Consumer Price Index (2010=100)	Percent	*World Development Indicators, World Bank*

I) Panel Data Regression Analysis

Panel data regression analysis was used to estimate the influence of independent variables on dependent variables using data that combined cross-sectional and time series data (Umar et al., 2021). The panel data regression model in this study can be formulated as follows:

$$\mathbf{GROWTH_{it} = \alpha + \beta_1 LEKS_{it} + \beta_2 INF_{it} + \varepsilon_{it}}$$

Where:

GROWTH = Economic growth for entity i in period t
α = Constant
β_1, β_2 = Regression coefficients
LEKS = Export for entity i in period t
INF = Inflation for entity i in period t
ε = Error term
i = Country
t = Time

III. RESULTS AND DISCUSSION

This research investigates the influence of exports and inflation on economic growth in the ASEAN-6 countries from 2018 to 2023. The study used panel data from the six countries with a focus on three main variables, namely exports, inflation and economic growth.

A) Selection of Regression Models

In conducting panel data analysis, selecting the right estimation model is a crucial step in obtaining accurate and scientifically sound results. The selection process of this regression model is based on a series of systematic and structured statistical tests to determine the approach that best suits the characteristics of the research data.

a. Chow Test

The Chow test is the initial stage in the panel data regression model selection procedure, serving as a statistical tool to compare the suitability of the CEM model and FEM (Sugiyanto et al., 2024).

Table 2: Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.325314	(5.28)	0.0176
Cross-section Chi-square	16.780496	5	0.0049

Source: *Eviews 12*

From the test results, it can be seen that the probability value of Cross-section F is 0.0176, which is smaller than the significance level of 0.05. This means that the FEM model is better used than the CEM model for panel data analysis in this research.

b. Hausman Test

The Hausman test is a statistical test used to determine whether to choose a Fixed Effects Model (FEM) or a Random Effects Model (REM) in panel data analysis. This test evaluates the consistency of the estimator by comparing the coefficients obtained from the two models (Sugiyanto et al., 2024).

Table 3: Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	15.437919	2	0.0004

Source: *Eviews 12*

From the test results, it can be seen that the probability value of the Chi-Square test is 0.0004, *which is significantly* smaller than the significance level of 0.05. This means that the FEM model is more suitable than the REM model for analysing panel data in this study.

B) Classic Assumption Test

The Classical Assumption Test is a series of tests to ensure that the regression model used meets the requirements of the Best Linear Unbiased Estimator (BLUE). This test includes normality, multicollinearity and heteroscedasticity tests that aim to produce valid and reliable models in the context of statistical inference (Sugiyanto et al., 2024).

a. Normality Test

The Normality Test is a statistical test that determines whether the residual values in a regression model are normally distributed. The normal distribution of the residual is an essential condition in regression analysis because it affects the validity of the hypothesis test. The commonly used testing method is the *Jarque-Bera test (Sugiyanto et al., 2024).*

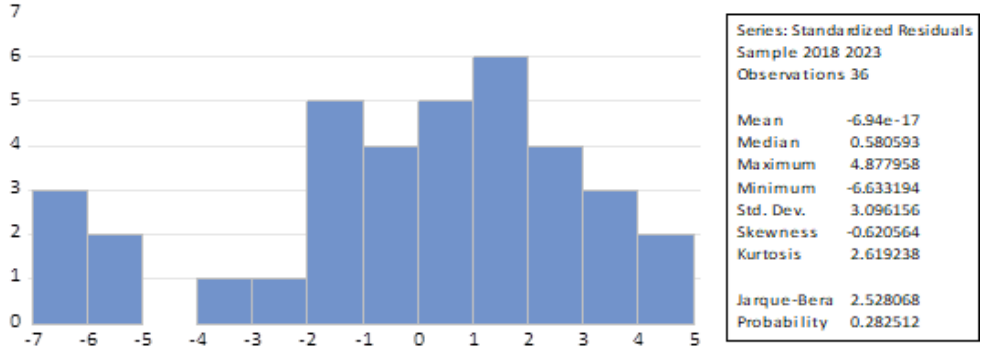

Fig. 3 Normality Test Results

Source: *Eviews 12*

From the test results, it can be seen that the Jarque-Bera probability value is 0.282512, which is greater than the significance level of 0.05. This means that the residual regression model is normally distributed, so that the assumption of normality in the regression model has been met.

b. Multicollinearity Test

The Multicollinearity test is a test to detect whether there is a high or perfect correlation between independent variables in a regression model. High multicollinearity can cause coefficient estimates to be unstable and difficult to interpret (Sugiyanto et al., 2024).

Table 4: Multicollinearity Test Results

	LEKS	INF
LEKS	1.000000	-0.185042
INF	-0.185042	1.000000

Source: *Eviews 12*

From the test results, it can be seen that the value of the correlation coefficient between exports and inflation is -0.185042, which is much smaller than 0.8. Thus, it can be concluded that there is no multicollinearity between independent variables in the regression model.

c. Heteroscedasticity Test

The Heteroscedasticity Test is a statistical test used to detect the disparity in variance from one residual observation to another. Heteroscedasticity can cause estimators to cease being the Best Linear Unbiased Estimator (BLUE), even though they remain linear and unbiased. The test method includes the residual plot graph analysis test (Sugiyanto et al., 2024).

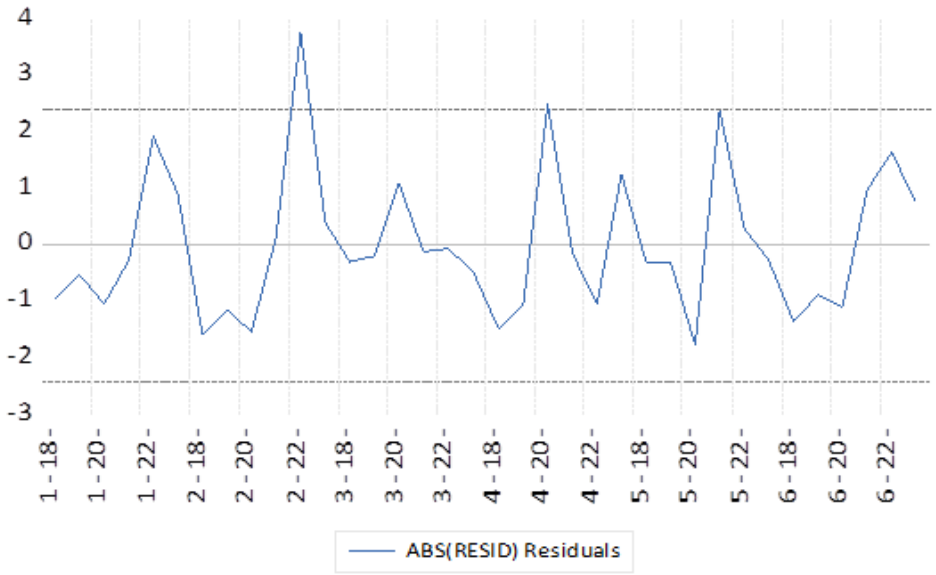

Fig. 4 Heteroscedasticity Test Results

Source: *Eviews 12*

From the residual graph (blue colour), it can be seen that the residual values do not cross the limit (500 and -500), meaning that the residual variant is the same for all observations. The residual distribution pattern was relatively even and did not form a systematic pattern throughout the observation period for the six cross-section units. This shows that the residual variant is constant. Therefore, it can be concluded that there are no symptoms of heteroscedasticity in the regression model or in other words, the model has passed the heteroscedasticity test.

C) Hypothesis

a. F Test

The F test, also known as the simultaneous test, is a statistical method used to evaluate the combined influence of all independent variables on the dependent variables. This test employs the statistical F-ratio, which compares the variance described by the regression model with the residual variance, using decision-making criteria based on the significance value compared to the specified level of significance (Wau et al., 2022).

Table 5: F Test Results

Model	Prob.
F-statistic	3.198771
Prob(F-statistic)	0.012836

Source: *Eviews 12*

From the test results, it can be seen that the F-statistical probability value is 0.012836, which is smaller than the significance level of 0.05. This means that independent variables, either simultaneously or collectively, have a significant impact on the dependent variable of economic growth.

b. Test T

A T-test or partial test is a test to evaluate the influence of each independent variable individually on the dependent variable. This test uses t-statistics by comparing the value of the estimated regression coefficient with its standard error to determine the statistical significance of each independent variable (Wau et al., 2022).

Table 6: T Test Results

Dependent variable: GROWTH

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-613.7507	152.0566	-4.036330	0.0004
LEKS	24.80694	6.219707	3.988443	0.0004
INF	-0.268667	0.124093	-2.165038	0.0391

Source: *Eviews 12*

Based on the test results, it can be concluded that both independent variables, exports and inflation, have a partial and significant influence on economic growth, with exports having a positive effect and inflation having a negative effect. These findings are consistent with economic theory, which suggests that exports can drive economic growth, while high inflation can hinder it(Sugiyanto et al., 2024).

c. Coefficient of Determination (R^2)

The Coefficient of Determination (R^2) is a measure that shows the proportion of variation in dependent variables that independent variables can explain in a regression model. Value of, R^2 ranges from 0 to 1, where values close to 1 indicate the model's high predictive ability (Wau et al., 2022).

Table 7: Coefficient of Determination Results

Model	Prob
Adjusted R-squared	0.305437

Source: *Eviews 12*

The adjusted R-squared value of 0.305437 indicates that the independent variables in the model can explain approximately 30.54% of the variation in the dependent variable. This figure indicates that the model's ability to explain is quite limited, because there are still around 69.46 percent of variations that cannot be explained by the independent variables included in the model.

D) Data Panel Fixed Effect Regression

The panel data regression equation is a mathematical formulation that describes the relationship between dependent variables and independent variables in the context of panel data. Fixed-effects panel data regression combines cross-sectional and time-series data, yielding a more comprehensive analysis of the economic phenomenon being studied by accounting for heterogeneity among individuals (Wau et al., 2022).

$$\mathbf{GROWTH_{it} = -613.7507 + 24.8069\ LEKS_{it} - 0.2687\ INF_{it} + \varepsilon_{it}}$$

Based on the estimated results, the regression equation of panel data is:

1) The constant (α) is -613.7507. This value indicates that if all independent variables were zero, then economic growth would be worth -613.7507 percent.
2) The LEKS coefficient (β_1) is 24.8069. This coefficient has a positive value, indicating a positive influence between exports and economic growth. Specifically, any 1 percent increase in exports will increase economic growth by 24.8069 percent, assuming other variables are constant.
3) The INF coefficient (β_2) of -0.2687. This coefficient is negative, indicating an inverse relationship between inflation and economic growth. Any increase in inflation of 1 unit will reduce economic growth by 0.2687 percentage points, assuming all other variables remain constant.

E) Discussion

a. The Influence of Exports on the Economic Growth of ASEAN6 Countries

The results of the panel data regression show that exports partially have a positive and significant influence on the economic growth of ASEAN6 countries. This means that if exports increase, economic growth will have a significant positive effect. With increased exports, more goods and services are sold abroad, generating income and foreign exchange for the country, while also encouraging an increase in domestic production, which ultimately contributes to enhancing economic growth (Sugiyanto et al., 2024).

ASEAN6 countries have different export specialities. Indonesia excels in agricultural commodities and natural resources (especially palm oil), Malaysia focuses on high-tech manufacturing products and electronics, Singapore exports high-tech products and financial services, and Thailand is known as an exporter of agricultural products. It has a strong automotive sector ("Detroit of Asia"), and the Philippines relies on electronics and BPO services. At the same time, Vietnam is the fastest-growing new export power in the textile sector, electronics, and mobile phones. This diversity of export specialisations shows that exports are a key factor in economic growth in the ASEAN6 region (Slamet & Hidayah, 2022).

This research aligns with the work conducted by Nurhaliza (020). The study's results indicate that exports and imports have a significant positive impact on economic growth. Increased exports will encourage specialization that can increase productivity and create economies of scale.

b. The Effect of Inflation on the Economic Growth of ASEAN6 Countries

The results of the data regression panel indicate that inflation has a negative and statistically significant impact on the economic growth of ASEAN6 countries. This means that if inflation increases, economic growth will have a significant negative effect. With rising inflation, people's purchasing power decreases, affecting consumption and investment, which ultimately contribute to a decline in economic growth. This suggests that inflation is a significant determinant of economic growth in ASEAN countries (Sugiyanto et al., 2024).

The importance of effective inflation control policies as a prerequisite for sustainable economic growth in ASEAN6. ASEAN6 countries need to develop buffer mechanisms to protect low-income groups from the negative impact of inflation, while boosting productivity and efficiency of the real sector to reduce supply-side inflationary pressures (Wau et al., 2022).

This research aligns with previous studies conducted by. The study's results indicate that inflation has a negative and statistically significant impact on economic growth. High inflation can hinder economic growth. High inflation creates economic uncertainty that can reduce investment interest, disrupt the efficiency of resource allocation, and erode the competitiveness of export products in the international market (Imam & Fauzan, 2021).

c. The Influence of Exports and Inflation on the Economic Growth of ASEAN6 Countries

The results of the data regression panel indicate that simultaneous exports and inflation have a significant impact on the economic growth of ASEAN6 countries. This means that if exports and inflation change in tandem, economic growth will have a significant impact. A coefficient is a value that indicates the magnitude of the relationship or contribution of independent variables to dependent variables.

Exports play a crucial role as the primary driver of economic growth, particularly in developing countries within the ASEAN6 group. Exports not only increase foreign exchange earnings and expand the market for domestic producers, but also promote production efficiency and increase competitiveness. Additionally, exports create opportunities for technology and knowledge transfer through interaction with global markets, thereby increasing overall productivity (Sugiyanto et al., 2024).

Although inflation has a negative impact, which is relatively small compared to the positive effect of exports, it indicates that ASEAN6 countries have managed inflationary pressures quite well. Controlled inflation is the result of implementing prudent monetary and fiscal policies in the region, where moderate inflation rates can generally support economic growth by providing incentives for producers to increase their output. However, inflation that exceeds certain limits can negatively impact consumer purchasing power and production costs (Quddus, 2022).

IV. CONCLUSION

Based on the analysis conducted in this study, it can be concluded that the determinants of economic growth in ASEAN6 countries, namely exports and inflation, have a significant influence on their economic growth, both partially and simultaneously.

Exports have a positive and statistically significant effect on the economic growth of ASEAN6. Exports can increase domestic income and production. Global demand for ASEAN6 products is boosting the production sector, creating jobs and increasing foreign exchange reserves.

Inflation has a negative and significant impact on the economic growth of ASEAN6. Inflation can erode people's purchasing power and hinder their ability to consume. Rising prices increase production costs and lower investment interest, which ultimately slows economic growth.

Simultaneously, exports and inflation affect the economy, with the positive contribution of exports being more dominant. The role of exports as a key driver of growth is particularly prominent, primarily due to their contribution to increasing national income, expanding markets, enhancing production efficiency, and strengthening competitiveness. On the other hand, although

inflation has a negative impact, its impact is relatively small as most ASEAN6 countries can manage inflationary pressures effectively through appropriate monetary and fiscal policies.

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