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ECONOMIC IMPACT OF THE ONE BELT ONE ROAD INITIATIVE ON SOUTHEAST ASIAN COUNTRIES

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Abstract
This paper examines the economic impact of the Belt and Road Initiative (OBOR) on 4 selected Southeast Asian economies, using both quantitative and qualitative methods. The benefits of the OBOR project are evaluated by considering important economic variables including GDP growth, trade, foreign direct investment (FDI), human development index (HDI), and government debt. To boost the significance of the study, regression analysis is done and descriptive statistics are explained in detail. The results show that there are significant differences in economic results across states under observation, which may be affected by other factors such as geographic location, policy differences, and infrastructural connection. Several policy recommendations by researchers highlight the importance of strategic planning, infrastructure investment, and sustainable development to increase the advantages of participating in the OBOR initiative and fostering sustainable growth in the area. The study also emphasizes the necessity of ongoing investigation and cooperation to track the changing effects of OBOR and provide information for evidence-based policy choices.

Keywords: OBOR, economic growth, government debt

I. Introduction

The One Belt One Road (OBOR) initiative proposed by China in 2013, is a strategically important infrastructure project. According to the World Bank, this

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initiative accounts for approximately 65% of the world's population and about 40% of the world's Gross Domestic Product (GDP) and involves infrastructure development and investments in nearly 70 nations and international organizations (WDI 2022). China became Southeast Asian countries' largest trading partner and the trade surpassed $722 billion in 2022 while Chinese investment in ASEAN countries had reached $15.4 billion (ASYB 2022).

OBOR seeks to facilitate international trade, improve connectivity, and promote economic growth by creating routes across Asia, Europe, and Africa that are similar to the ancient Silk Road. As this initiative integrates forces to establish a massive infrastructure network for energy, telecommunications, and transportation, it comprises two main components: the land-based Silk Road Economic Belt and the maritime Sik Road. Almost all Southeast Asian countries engaged in an OBOR plan that includes both opportunities and problems for them. The area is essential for the project considering its strategic location and its function as a gateway for global trade between Asian, European, and African nations. OBOR initiative covers important infrastructural buildings, including ports, railroads, and industrial parks in Southeast Asia.

BRI creates not only economic benefits such as enhancing connectivity and infrastructure in Southeast Asia, but also several challenges and uncertainties that could hinder these benefits. The large scale of infrastructure projects and significant financial investments raise questions about debt sustainability and economic dependency on China (Albana & Fiori, 2021). Concerns exist that nations could become involved in a "debt trap", which would threaten their financial independence and strategic objectives (Trinh, 2022). These project's environmental effects might result in serious deterioration, a decline in biodiversity, and adverse socioeconomic effects (Sun et al, 2020). The unequal distribution of economic benefits might make social and geographical imbalances even worse. The OBOR plan may change the balance of power and make it harder for the countries to work together on regional growth.

The aim of this article is to examine the economic impact of China's OBOR initiative on Southeast Asian nations. In addition to analyzing the scope and scale of OBOR infrastructure projects, it also evaluates the economic effects on

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growth, trade dynamics, investment patterns, and the problems associated with debt sustainability.

The outline of this paper provides a structured framework for analyzing the economic impacts of the OBOR initiative on Southeast Asian countries, addressing both the benefits and challenges. In the first section, we give overall information about the OBOR Initiative and the significance of OBOR for Southeast Asia as well as the challenges they may face. Section 2 concludes the Summary of the previous studies and the research gap. The next section includes the research design, selected variables, and their sources. Research findings are discussed in the next section and section 5 provides summary and policy recommendations.

II. Literature review

The literature review part of this article looks at numerous studies and papers that highlight the effects of the One Belt One Road (OBOR) plan in Southeast Asia. It provides a summary of the social, political, economic, and environmental impacts that have been noted by different experts and scholars. The review provides a thorough knowledge of the consequences of OBOR for the region by combining various points of view and research from multiple sources. This section reviews the literature to highlight important findings, pinpoint areas of consensus and disagreement, and indicate research gaps in the field. This method offers a strong foundation for additional debate and analysis in the article.

According to Siddiqui, the OBOR project acts as a trade corridor including industrial zones, power plants, airports, and seaports in the least trade-integrated countries and developed economies. OBOR initiative aims to boost trade and regional economic cooperation (2019). However, Albana &Fioni stated that Southeast Asian countries viewed the BRI with mixed opportunities and challenges. The key concerns appeared in the over-dependency on China, the financial sustainability of the BRI, and negative perceptions of the Chinese government (2021). Additionally, Rana et al examined key infrastructure projects such as the China-Laos-Thailand high-speed railway and New Yangon City and highlighted the benefits of the BRI including transport connectivity,

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boosting digitalization, and facilitating smart urbanization. However, there were key risks such as China's growing hegemony, South China Sea disputes, and governance risks like corruption and debt distress(2020).

Another paper by Gong (2019) discussed the impact of the Belt and Road Initiative (BRI) on Southeast Asia's regional order, arguing that China's influence in the region would likely increase but not forge a Sinocentric order. Factors contributing to this included ASEAN's responses, alternative infrastructure initiatives proposed by other powers, and China's questionable ability to deliver its BRI promises. In contrast, Foo et al (2020) examined trade flows in ASEAN countries and China with the connection with OBOR policy. They found a positive and statistically significant OBOR dummy coefficient, suggesting increased trade flows among these countries. It was suggested that the OBOR policy could be an important trade facilitation mechanism as independent variables like common language, border, and distance also showed significant results. According to Chen & Li (2021), BRI aimed to boost regional economic growth and integration through significant investment in transportation infrastructure. Results showed that China, Central and West Asian countries had seen significant growth in GDP, employment, and economic welfare, while Central and West Europe had a minor economic impact. The study provided policy implications for future transportation infrastructure investment in BRI countries and beyond, highlighting the need for a more comprehensive understanding of the regional economic impact of BRI investments.

The study conducted by Sevilla (2017) analyzed the impact of BRI on the Middle East and Southeast Asian countries. It was stated that China's new proposed Silk Road sought to open up markets in Southeast Asia and guarantee a steady supply of energy from the Middle East. However, questions were raised over China's goals, the US's possible shift to Asia, and how these may affect the ASEAN nations—especially the Philippines. According to the article, the Middle East and Southeast Asian nations should anticipate maximizing their economic and political benefits from joining the "One Belt One Road" plan, with China's economic weight being a natural outcome of its expansion.

Similarly, another research (Punyaratabandhu& Swaspitchayaskun 2018) investigated the challenges and opportunities for Thailand under China's OBOR

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strategy framework. China and ASEAN cooperation was encouraged by China's OBOR strategies in specific areas such as trade, investment, transportation, energy, and regional cooperation. This would create several benefits for ASEAN nations including Thailand which would make it a suitable hub for other ASEAN countries. On the other hand, Soong & Nguyen (2018) analyzed Vietnam's views on the OBOR initiative. Although Vietnam benefited from emerging market opportunities created by the Association of Southeast Asian Nations Economic Community (AEC), it considered the OBOR project negative and pragmatic because it served China's national interests. However, Vietnam was ready to accept China's offer of financial loans and economic benefits and became cautious about China's intentions because of political and security risks. In contrast, researchers Lui and Lim (2020) investigated how weak states like Malaysia can agree with China to engage in key projects. They found that Malaysia can engage with China based on 3 conditions.

Furthermore, various studies were carried out to find the environmental impact of the OBOR project. The study (Ng et al, 2020) examined the potential impacts of the Belt and Road Initiative (BRI) on biodiversity in Southeast Asia, including protected areas, Key Biodiversity Areas, ecoregions, and fragile ecosystems. It found that BRI intersects 32 protected areas, 40 KBAs, and 29 ecoregions within 1 km, and threatens 142 species within 5 km. The study suggested ways to minimize environmental impacts and advance conservation efforts. Conversely, scholars Mursitama and Ying (2021) investigated Indonesia's approach to China's Belt and Road initiative. Indonesia had an ambitious plan to modernize infrastructure with an emphasis on the development of the marine industry. Indonesia's Belt and Road Initiative (BRI) strategy emphasized maritime connectivity, economics, and culture. China and Indonesia balanced their approaches to encourage prosperity and economic progress.

In another study (Gerstl, 2023), Sino-Southeast Asian ties were examined from the 1990s to 2013 through the lens of China's Belt and Road Initiative (BRI). It examined the socioeconomic effects of China's connections with Malaysia and the Philippines. Despite several large-scale projects being opposed in both nations, the study showed that the BRI had promoted collaboration in commerce, economy, infrastructure development, and people-to-people relations. Similarly,

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Choudhury (2023) analyzed the advantages and potential drawbacks of BRI. Since it launched nine years ago, the Belt and Road Initiative (BRI) has grown to include trade and economic cooperation zones, industrial parks, finance, innovation, technology, and cross-cultural interaction. Direct investment and commerce with China have increased, according to participants. However, unclear operations, high prices, and the use of Chinese labor, which negatively impacts locals, have been criticized for BRI projects.

The next paper (Alves et al, 2023) examined how recipient nations were implementing the Belt and Road Initiatives (BRI), highlighting the variety of factors that affect dynamics and results. According to the study, the interplay between institutional frameworks and participants on both sides is responsible for the various engagement patterns and consequences observed on the ground. The effectiveness and durability of this relationship had a big influence on how people develop. The results cast doubt on China's strategy for development cooperation and raise the prospect of another, more successful plan for development. Researcher Hsueh (2023) examined the link between Chinese investments and globalization in ASEAN member nations. She demonstrated how Chinese investments affect other nations differently, both with and without the Belt and Road Initiative. Globalization was not greatly increased in countries with little trade links with China, but it was increased in those with greater trade connections because of active hedging and grouping. This implied that Chinese investments had political influence in ASEAN, contributing to the region's increasingly uneven globalization.

Despite significant studies carried out examining the economic impact of the OBOR initiative on Southeast Asia, several research gaps remain to further investigate. Although studies have examined the macroeconomic impact of OBOR, there is a lack of detailed analysis of the initiative's direct effect on economic growth at a more specific level including several countries. Also, the increase in trade volume is often examined, and the diversification of trade products, and changes in trade volumes need to be researched further. As debt sustainability is noted as the main concern in Southeast Asian countries, country-specific analysis needs to be investigated in detail.

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III. Methodology.

3.1 Theoretical framework.

The aim of the study is to examine the direct effect of the initiative on the economic growth of the selected Southeast Asian economies. For this purpose, several theories are used to analyze the economic impact of the OBOR project on Southeast Asia. These theories include international trade theory, economic development, and international relations which are combined to fully understand the problem in a theoretical framework. The impact of the OBOR initiative on trade volumes between China and ASEAN is determined in the gravity model of trade.

$F_{ij} = G *(GDP_i * GDP_j)/ D_{ij}$

In this formula, G represents a constant, F denotes trade flow, D signifies distance, and GDP_i and GDP_j are the gross domestic product of country I and country j respectively.

Furthermore, economic development theory provides significant perspectives on the direct and indirect consequences of the infrastructure investments made under the OBOR initiative. The debt sustainability theory is ultimately applied to factor in terms of repayment capacity, potential financial distress, and debt terms when evaluating the risks and repercussions of OBOR-related funding for Southeast Asian nations. This comprehensive approach provides a perceptive and nuanced analysis of the multifaceted economic ramifications of OBOR.

3.2 Empirical framework

Data collection

In this paper, secondary data from official sources is used to analyze deeply. Data is collected from reliable sources from the World Bank, IMF, ASEAN reports, and other international websites. The qualitative data will be obtained from policy papers, academic literature, OBOR progress reports, and expert evaluations to capture the subtle effects of OBOR and offer context for the quantitative findings. The policy papers, scholarly literature, OBOR progress reports, and expert reviews will be used to gather the qualitative data. This will help us understand the direct effects of OBOR and put the numeric results in context.

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Table 1. Variable description and data source.

Sign	Variable	Source
GDP growth	Economic growth	World Bank (WDI 2022)
GDP	Gross Domestic Product	World Bank (WDI 2022)
GD	Government debt	World Bank (WDI 2022)
TG	Trade (% of GDP)	World Bank (WDI 2022)
TE	Trade export	World Integrated Trade Solution (WITS 2021)
TI	Trade import	World Integrated Trade Solution (WITS 2021)
Investment	Investment BoP	World Bank (WDI 2022)
Investment inflow	Investment inflow	World Bank (WDI 2022)
Investment outflow	Investment outflow	World Bank (WDI 2022)
HDI	Human development index	Penn World Table

Data Analysis

Econometric models will be utilized to examine the relationship between OBOR projects and GDP growth in Southeast Asian nations while accounting for additional variables that may impact economic results. Trade data from before and after the OBOR will be evaluated to find changes in trade quantities, trends, and structures in order to evaluate Trade Dynamics. The assessment of investment patterns will involve scrutiny of the spatial and sectoral allocation of Chinese investments within Southeast Asia. Case studies and examinations of debt-to-GDP ratios, debt service expenses, and external debt profiles in particular Southeast Asian nations will be used to evaluate debt sustainability.

IV. Empirical result

As the study aims to explore economic impact of OBOR initiative on Southeast Asia, several tests are done to find correlation between economic growth and

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other factors. Firstly, we discuss descriptive statistics of the selected variables. In there. Dependent variable is GDP growth, and GDP, government debt, trade, investment are all independent variables.

The results are Table 4 represent descriptive statistics of 1 dependent variable and 10 independent variables in 4 selected Southeast Asian states, namely Indonesia, Malaysia, Philippines, and Singapore. Countryname denotes 4 different countries and the number of observations is 92 starting from 2000 and ending with 2022. The data is balanced and distributed between 4 nations. Average GDP is 3.569 trillion for all observations with a 2.859 trillion standard deviation. The gap between minimum and maximum GDP across countries is quite high with 7.892 trillion and 1.319 trillion respectively. In terms of GDP growth, the mean is 4.843 with 3.161 in standard deviation. In some countries, GDP growth is increased negatively and the maximum is high with 14.52.

The term "GD" refers to the average government debt, which ranges widely from 1 to 89. The standard deviation shows that trade (the sum of exports and imports) makes up a wide range of amounts, but on average it makes up 161.35% of GDP. These factors, trade export/trade import, show that, on average, exports and imports are important parts of economies, with means of 85.471 and 75.879, respectively.

The mean of the Balance of Payments on Investment shows a downfall of about 8.696 billion, but there is a lot of variation (std. dev. and range). Investment inflow and outflow show that the average FDI inflows and outflows are 20.36 billion and 11.67 billion, respectively. The average HDI number is 2.736, with a maximum of 4.352. This means that, based on descriptive data, human development levels are moderate to high. The fact that HDI data is missing for 12 observations should be seen as a flaw or reason to be careful in how the results are interpreted. On the other hand, the gross capital formation variable, which has a wide range but averages about 9.849e+10, shows big investments in assets. It shows different amounts of local and foreign investment across the dataset.

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Table 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
countryname	92	2.5	1.124	1	4
year	92	2011	6.67	2000	2022
gdp	92	3.569e+11	2.859e+11	7.892e+10	1.319e+12
gdpgrowth	92	4.843	3.161	-9.518	14.52
GD	92	44.913	25.539	1	89
tradeofgdp	92	161.35	126.536	32.972	437.327
tradeexport	92	85.471	68.901	17.331	228.994
tradeimport	92	75.879	57.785	15.641	208.333
investmentbop	92	-8.696e+09	1.661e+10	-9.006e+10	8.604e+09
investmentinflow	92	2.036e+10	2.900e+10	-4.550e+09	1.408e+11
investmentoutflow	92	1.167e+10	1.548e+10	-1.159e+10	6.610e+10
hdi	80	2.736	.432	2.186	4.352
gcf	92	9.849e+10	9.963e+10	1.312e+10	3.924e+11

According to Graph 1, the GDP growth rates of all four countries fluctuated over the 23 years. There are times when the trends for different countries cross, which suggests that the region may be affected by some shared economic forces. There is a clear pattern that all countries go through a downturn around the year 2020, which is when the global COVID-19 virus starts. The downturns were also not as bad around 2009, which was probably because of the global financial crisis.

There are certain fluctuations in Indonesia's GDP growth over time, but overall it stays positive. There are no major periods of negative growth, and there is a clear peak around 2007 and the figure sees a significant decrease in 2020 because of the pandemic before increasing again. In contrast, The Philippines' GDP growth is more unbalanced, with a sharp drop into negative growth around 2020, the same year that the COVID-19 virus started to affect the whole world. A peak that stands out was also seen just before 2010.

Malaysia's GDP growth follows a similar pattern to that of the Philippines. There were noticeable drops in growth around 2009, which is likely due to the global financial crisis, and again around 2020, when there was a pandemic. After these drops, growth rates tend to go back up.

However, the GDP growth rate in Singapore changes the most, with many peaks and valleys over time. Like the others, there is a sharp contraction around 2020,

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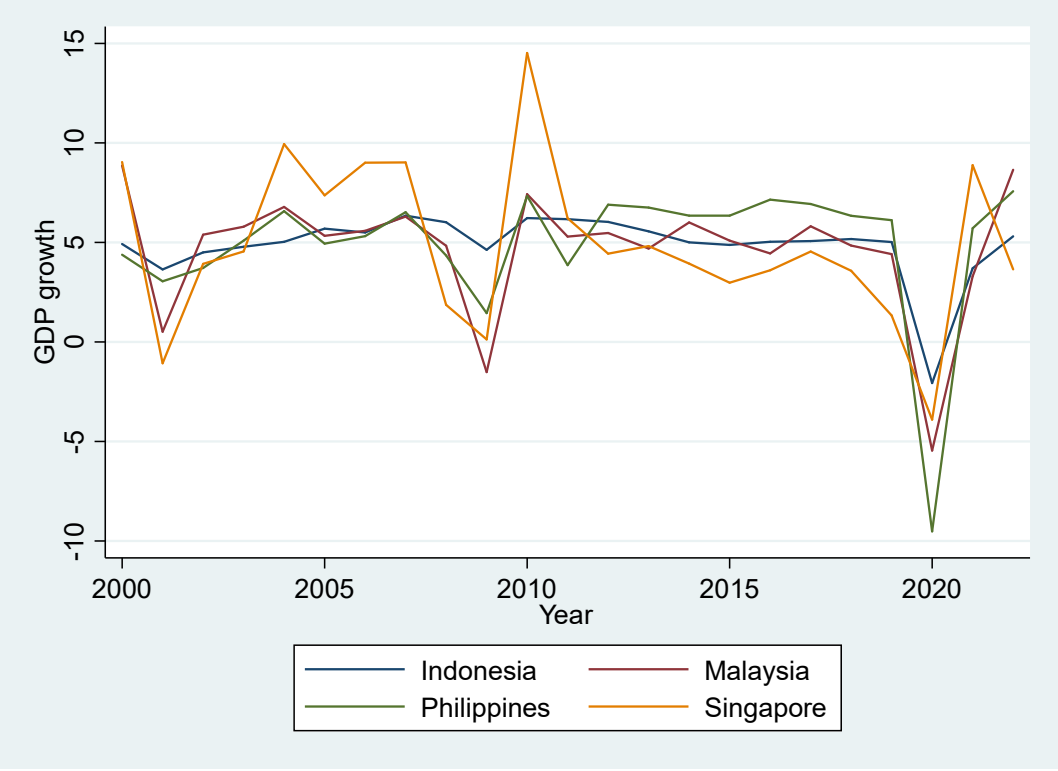
but this one is much bigger, which could mean that it is more vulnerable to world economic changes.

There is a clear pattern that all countries go through a downturn around the year 2020, which is when the global COVID-19 virus starts. The downturns are also not as bad around 2009, which is probably because of the global financial crisis. Regarding GDP growth, Singapore's GDP growth is the most volatile because its economy is so open and mostly focused on banking, while Indonesia's is the least Singapore seems to be the most volatile, while Indonesia's is the least.



Graph 1. GDP growth

The results of the regression analysis in table 2 show how different economic factors affect GDP growth. Here's how the results should be understood: GDP (Coef. = 0, p-value =.053): The GDP coefficient is zero and the p-value is less than 0.1, which suggests that there may be an effect on GDP growth. It's not common for a coefficient to be zero and still have a significant p-value,

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though. This could mean that the variable has been standardized or included in fixed effects.

As a percentage of GDP, trade has a positive but not significant coefficient (Coef. = 0.036, p-value =.481). This means that there is no statistical evidence from this model that changes in trade relative to GDP have a big effect on GDP growth. Trade exports (Coef. = -0.058, p-value =.533) don't have strong proof that exports have an effect on GDP growth in this model, as shown by the fact that the negative coefficient for trade exports is not statistically significant. The variable "gd" has a small positive coefficient (0.013) and a p-value of.343. This means that it is not statistically significant. Based on this model, this means that the variable doesn't have a big effect on GDP growth.

At the 5% level, the zero coefficient is statistically significant, which means investment inflow affects GDP growth. Again, the lack of a coefficient value could mean that the variable has been standardized or that it has been swallowed by fixed effects. The coefficient for investment outflows is also zero, but it's not statistically significant. This means that there isn't any clear evidence that they have an effect on GDP growth from this model. The Human Development Index has a big and statistically important negative effect on GDP growth. This may mean that as HDI goes up (which means better health, education, and standard of living), GDP growth goes down. This seems counterintuitive and may need to be looked into further. Gross capital creation has a negative impact at the 5% level (Coef. = 0, p-value =.044). A constant of zero, on the other hand, makes me wonder again how this variable is represented in the model. The model can explain about 16.3% of the variation in GDP growth, as shown by the R-squared number of 0.163. This isn't very high, which suggests that other factors that aren't in the model may play a role. 80 investigations are used in the model, which is a small sample size that might make the finding less reliable.

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Table 3. Linear regression

gdpgrowth	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
gdp	0	0	1.96	.053	0	0	*
tradeofgdp	.036	.05	0.71	.481	-.065	.136	
tradeexport	-.058	.093	-0.63	.533	-.243	.127	
o	0	.	.	.	.	.	
gd	.013	.013	0.95	.343	-.014	.039	
o	0	.	.	.	.	.	
investmentinflow	0	0	2.08	.042	0	0	**
investmentoutflow	0	0	-0.98	.331	0	0	
hdi	-4.095	1.403	-2.92	.005	-6.892	-1.299	***
gcf	0	0	-2.05	.044	0	0	**
Constant	12.855	3.639	3.53	.001	5.6	20.11	***

Mean dependent var	5.247	SD dependent var	2.293
R-squared	0.163	Number of obs	80

Regarding Table 3, in a linear regression model that uses "absorbing indicators," the goal is to figure out how a dependent variable is related to different independent variables while taking into account differences that can't be seen between entities or periods. With a p-value of.001, the coefficient for GDP is given as zero. This means that the effect is statistically significant at the 1% level. The confidence range and coefficients, on the other hand, are both zero. This could be a mistake in the reporting, or it could mean that GDP was swallowed by the fixed effects and is not changing over time within the units.

The coefficient of government debt is 0.01, with a standard error of 0.012; it is not statistically significant (p-value of.412). In this case, this means that the amount of government debt does not seem to have a noticeable effect on GDP growth.

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Trade as a share of GDP, or tradeofgdp, is shown below. The p-value is 066, which means that the coefficient is 148 and that there is a trend at the 10% level. This shows that a rise in trade compared to GDP is linked to GDP growth, but the link is not very strong. The predictor of trade exports is -.262 and has a p-value of.07. This means that higher export numbers may be linked to slightly lower GDP growth, which goes against what you might think and may need more research.

There is no coefficient in Investment BoP, and at the 5% level, the p-value of.028 means that it is important. This shows a big effect, but the zero coefficient means more information is needed because it could be because of signs that are being absorbed or a problem with the reports. The coefficient of Foreign Direct Investment Inflows is zero, but it is very important (p-value of 0). Once more, this most likely means that FDI flows are absorbed by the model's fixed effects, which means they don't change over time within these units.

The result for the Human Development Index is -11.498, which is very important (p-value = 0). In this model, this means that higher HDI scores are linked to slower GDP growth, which is a surprise. This could be because of reverse causality or missing variable bias. The index of GCF is zero and the p-value is zero, which means that GCF has a significant negative relationship with GDP growth. As before, the negative coefficient is probably because of the fixed effects taken in the variable.

With an R-squared value of 0.381, the model explains 38.1% of the differences in GDP growth between records, which is a modest level of power for macroeconomic data.

To see if the model is statistically significant at the 1% level, we use the F-test. The number of 5.185 and the probability that the model is significant is 0.000. This means that the model as a whole fits the data better than a model with only an intercept (no variables).

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Table 4. Linear regression, absorbing indicators

gdpgrowth	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
gdp	0	0	3.47	.001	0	0	***
GD	.01	.012	0.82	.412	-.014	.034	
tradeofgdp	.148	.079	1.87	.066	-.01	.306	*
tradeexport	-.262	.142	-1.84	.07	-.545	.022	*
o	0	.	.	.	.	.	
investmentbop	0	0	-2.24	.028	0	0	**
investmentinflow	0	0	3.76	0	0	0	***
o	0	.	.	.	.	.	
hdi	-11.498	2.566	-4.48	0	-16.618	-6.377	***
gcf	0	0	-3.70	0	0	0	***
Constant	29.566	8.548	3.46	.001	12.509	46.623	***

Mean dependent var	5.247	SD dependent var	2.293
R-squared	0.381	Number of obs	80
F-test	5.185	Prob > F	0.000
Akaike crit. (AIC)	330.358	Bayesian crit. (BIC)	342.268

We will find out how the OBOR project affects Southeast Asian countries by looking at variables such as trade, trade exports, government debt, investment inflows, HDI, and gross capital formation. The model tries to figure out what part the initiative plays in the changing economies of these countries so that results aren't influenced by differences that haven't been measured or long-term effects on the whole world.

V. Discussion

This study's regression analysis gives a more complex picture of the factors that affect GDP growth in some Southeast Asian economies that are part of the OBOR program.

The studies carried out by Yusuf and Mohd (2021) showed the same result that foreign debt slowed down long-term growth while helping it in the short term.

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However, both in the short and long run, paying off debt negatively affected economic growth, which proved the debt burden effect. Our results show that investment inflows are strongly linked to GDP growth, which is in line with what Osei and Kim (2020) found about how important FDI is for regional economic development. Yimer (2023) predicted an insignificant effect, but the non-significant coefficient for trade exports shows that the expected benefits of higher exports because of OBOR have not led to growth that can be seen during the time frame of this study.

Interestingly, the Human Development Index (HDI) and GDP growth have the opposite connection, according to our data. This unexpected outcome is consistent with the problem highlighted by Matyushok et al (2020), according to which an increase in HDI does not always translate into an increase in GDP right away. Higher HDI is a sign of greater life expectancy, education, and living standards. It implies that countries may be going through a structural shift in which gains in human development come before real economic growth, a pattern noted by Jahanger et al. (2017). Even if the gross capital formation (GCF) coefficient is considerable, it should be interpreted carefully because of possible endogeneity problems because investment is likely to be both a cause and an effect of economic growth, which Etokakpan et al (2020) have thoroughly examined.

The large constant component in the model implies that GDP growth is influenced by additional constant factors that are not accounted for by the variables that are included. This is consistent with the theoretical framework put forward by Mabrouki (2023), who maintained that institutional elements and policy frameworks—independent of the variables usually examined in empirical studies—play a fundamental influence on economic performance.

VI. Conclusion

In conclusion, this paper aims to analyze the impact of the OBOR project on 4 selected Southeast Asian states. We can see new important information from the linear regression model about the factors affecting GDP growth in the observed countries. Certain factors have stronger or negative connections with GDP growth, whereas others, such as trade exports, investment outflow, and the

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human development index, show substantial positive links with GDP growth including GDP, trade openness, and investment inflow. These results emphasize the significance of focused policy interventions to improve economic performance and the complicated relations of economic factors that shape GDP growth. Furthermore, the moderate R-squared value raises the possibility that there are additional unobserved variables that influence GDP growth, calling for more investigation and analysis. All things considered, this study offers a sophisticated comprehension of the economic forces at work and emphasizes the necessity of all-encompassing strategies to promote sustainable economic development.

Based on the recommendations of leading scholars, governments should give priority to improving trade openness, attracting more investment, and diversifying export markets. Investments in human capital development are the long-term priority for the country's development. Infrastructure development is important to facilitate commerce and investment, especially in the sectors of energy, transportation, and digital connection. By promoting innovation, technology adaptation, and sustainable practices helps to increase productivity and environmental responsibility. Additionally, helping small and medium-sized businesses are key component of inclusive growth, ensuring that they can access capital and business development assistance. Finally, cooperation between the public and private sectors is essential for promoting sustainable economic growth and implementing as well as monitoring policies.

The study's sample size in Southeast Asian economies may limit its applicability, as it lacks data on infrastructure development and OBOR-related investment initiatives. The research's duration may also hinder long-term effects on economic growth. Future research should focus on longitudinal evaluations, comparing OBOR member nations with non-participating nations, sectoral assessments, policy evaluations, stakeholder involvement, international cooperation, and socioeconomic and environmental evaluations to better understand and guide evidence-based decision-making about OBOR projects.

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