

OPPORTUNITIES FOR PRIVATE INVESTMENT IN TRANSPORT AND COMMUNICATION SECTOR OF PAKISTAN

GULZAR ALI¹, SALMAN ALI SHAH² & VIVAKE ANAND³

^{1,3}Research Scholar, School of Economics, Huazhong University of Science & Technology, China

²Research Scholars, College of Public Administration, Huazhong University of Science & Technology, China

ABSTRACT

This paper empirically analyzed the opportunities of investment for the private sector in transport and communication sector of Pakistan using annual time series data for the period of 1981 to 2014. Before going to the regression analysis the data used in this research study were tested by Augmented Dicky-Fuller (ADF) test to check the stationarity and spurious relation in the data. For the regression analysis of the variables included in the study the “Investment Accelerator” model are developed and regressed through NLS and ARIMA model. The results of the study found the positive and significant effect of Value-Added in Transport and Communication Sector, Lagged Public Investment in Transport and Communication Sector, Lagged Private Investment in Transport and Communication Sector, Remittances, Population Growth Rate of Pakistan, Capital Stock in Transport and Communication Sector and total government revenue (TGR) on transport and communication sector. The study also found significant and inverse relation between Index of Price of Capital, Weighted Rate of Interest and transport and communication sector in case of Pakistan. The study also suggests that transport and communication sector of Pakistan facing a problem of inefficient management and budgetary constraints. Government should need to tackle the problem of management and also to allocate funds for this sector to improve its efficiency and performance.

KEYWORDS: Private Investment, Transport and Communication Sector of Pakistan, Investment Accelerator, Augmented Dicky-Fuller and NLS and ARIMA Model