

**EXPORT LED GROWTH IN HONG KONG:  
EMPIRICAL EVIDENCE FROM THE COMPONENTS OF EXPORTS**

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**ABSTRACT**

Using Granger's causality approach, the hypothesis of export led growth for Hong Kong has been empirically tested via the components of total exports namely re-exports, domestic exports, and export of services. This paper contributes to the existing literature by the following ways. Firstly, this study extends Tuan and Ng's (1998) work by considering the role of export of services. Secondly, better estimates of using larger sample size are granted due to the use of quarterly data. Thirdly, this study employs Autoregressive Distributed Lag (ARDL) framework which incorporates both static and dynamic components in order to examine the causation relation between exports' components and economic growth. The export led growth hypothesis is supported by the finding of bi-directional causation between re-exports and real GDP, and domestic exports and real GDP. No causation relation between export of services and real GDP.