

**DISTINGUISHING THE GROWTH FACTORS: EMERGING MARKETS
VERSUS DEVELOPED MARKETS**



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ABSTRACT

This research is about the differences between emerging and developed markets that are analyzed through selective macroeconomic indicators. The research design is based on two comparative groups of markets containing the emerging and developed markets. The purpose of the study is to identify if there are any differences between the two groups; why there are differences and how meaningful are they, and what consequences they show. Five countries are selected from each group of developed and emerging economies encompassing 15 year data, from year 1991 to 2007.

Using the deductive approach for the data analysis we have considered nine macroeconomic growth indicators, consisting of money supply, interest rates, Foreign Exchange Reserves, share/stock index, imports, exports, GDP growth rates and unemployment rates. For the Analysis, we have used the IMF data statistics for calculations by getting their standards deviations and averages to come up with the results. The findings show that the growth of the economy can be predicted by the degree of volatility in the stock markets, interest rates and GDP growth rate. Thus determine the distinction between the emerging and developed markets.

It is recommended that the study needs more analysis as there are more indicators that may affect the growth of the markets.

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