

EconWorld2019@Budapest

Analysis of Symmetric and Asymmetric Causality between Oil Prices and Current Account Balance in G-7 Countries / G-7 Ülkelerinde Petrol Fiyatları ve Cari İşlemler Dengesi Arasındaki Simetrik ve Asimetrik Nedensellik İlişkilerinin Analizi

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A B S T R A C T

Oil, which is used extensively during the production process, is one of the most important determinants of current account balance especially in developing countries. In this study which investigates whether this importance of oil on current account balance also applies to developed economies, symmetric and asymmetric causality relationship between current account balance and oil prices of G-7 countries which are known as the most developed market economies are examined. Accordingly, the ratio of the current account to the gross domestic product and oil price are analyzed by using Hacker and Hatemi-J (2006) Symmetric Causality Test and Hatemi-J (2012) Asymmetric Causality Test. As a result of the analysis, it has been found that the results of symmetric and asymmetric relations differ significantly from each other.

KEYWORDS Oil Prices; Current Account Balance; Symmetric Causality; Asymmetric Causality; G-7 Countries
JEL C10, F32, Q43