

EconWorld2016@London

An Analysis of the Causality Relationship of Consumer Loans with Inflation and Current Account Deficit in Turkey / Türkiye’deki Bireysel Krediler ile Enflasyon ve Cari İşlemler Açığı Arasındaki Nedensellik İlişkisinin İncelenmesi

Serhat Yüksel¹, Mustafa Özsarı¹¹Konya Gıda ve Tarım University, Turkey

A B S T R A C T

This study aims to define the causality relationship between consumer loans with inflation and current account deficit. Within this scope, quarterly data for the periods between 1994:1 and 2015:3 was used in this study. In addition to this issue, we also used Johansen cointegration analysis and Toda Yamamoto causality analysis in order to achieve this objective. As a result of these analyses, it was determined that there is not a causal relationship between consumer loans with inflation rate and current account deficit. In other words, we did not find any issue which shows that increase in consumer loans leads to the problems of current account deficit and high inflation rates in Turkey. By taking into the consideration of these aspects, it can be said that so as to prevent high inflation and current account deficit problems, some solutions rather than limiting consumer loans should be implemented.

KEYWORDS Consumer Loans; Inflation; Current Account Deficit; Johansen Cointegration Test; Toda Yamamoto Causality Test

JEL E31, E51, F32