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The Relationship between Credit Volume and Current Account Deficit: A Dynamic Analysis for Turkey / Kredi Hacmi ile Cari Açık arasındaki İlişki: Türkiye için dinamik Bir Analiz

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ABSTRACT

One of the Turkey's most important macroeconomic problems is continuity current account deficit. Credit volume has been shown between the basic determinants of current account rate especially after the global financial crisis in Turkish economy. The Central Bank of Turkey has begun to implement the policy to ensure financial stability by slowing down credit volume in response to current account deficit affected by rapid credit expansion after the global financial crisis of 2008. In this study will be analysed the relationship between credit by which commercial bank to private sector and current account deficit covering the period of 2005:Q1- 2015:Q3 employing ARDL bound test and Kalman filter model. This study which examines the dynamic effect of the credits on the current account deficit is going to reveal the relative importance of improving current account balance and in this context the effectiveness of the implemented policies.

KEYWORDS Current Account Deficit; Credit Volume; Kalman Filter

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