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Petrol Fiyatlarının Türkiye’deki Makroekonomik Değişkenlere Etkileri / The Effects of Oil Prices Changes on Macroeconomic Variables in Turkey

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ABSTRACT

Oil price is a significant variable for a country’s economic activities. Oil price changes are closely related especially to macroeconomic performance. In his pioneer work, Hamilton (1983) indicated that oil price increases are partially responsible for every US recession after World War II. As Hamilton said, increases in oil prices may have been held responsible for recessions, inflation, higher unemployment and lower economic growth. Especially, the stagflation experienced in the World economies during the 1970s, because of the increases in oil prices, is a best evidence for this view. For this reason, oil prices have always monitored by economists, policy makers, households and financial institutions. This paper investigates the effects of oil prices changes on macroeconomic variables in Turkey using a multivariate vectorautoregression (VAR) approach.

KEYWORDS Oil prices; VAR approach; Turkey

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