

Türkiye Enflasyon Oranlarının İktisadi Belirleyicileri: ARDL Sınır Testi Yaklaşımı

Economic Determinants of Turkish Inflation Rates: ARDL Bounds Testing Approach

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Abstract

Consumer price index-based inflation rates have increased in recent year in Turkey due to a number of variables, such as exchange rates, loans, money supply and GDP. In order to choose appropriate policies to reduce the inflation rates, policy makers should determine the economics determinants of inflation accurately. In this paper, the economic determinants of Turkish inflation rates are investigated using ARDL bound test over the sample 2003-2021. To determine the economic determinants of inflation rates, money supply, dollar/TL exchange rates, interest rates, consumer loans and GDP are selected as explanatory variables. Long-run relation between variables is determined using ARDL bound test. According to the results of the study, it is found that lagged values of inflation and dollar/TL exchange rate has an effect on inflation rates in the short run. The relation between real interest rate and inflation rates are weak both in the short and long run. The effect of real money balances is the most efficient variable in the long run.

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