

الخلاصة

The aim of this study is to demonstrate the impact of financial development on economic growth in Iraq and the expected role of it in the future, through the test of quarterly time series for indicators of financial variables (banking assets, bank deposits, bank credit, the number of stocks traded, market capitalization, narrow and wide money supply) with the GDP during the period (2004-2012). The results of the co-integration test show that there is a long-term relationship between the variables under study; the financial variables impact positively and significantly on economic growth, also the causality test based on vector error correction model show an uni directional causality from financial variables to economic growth variable. The study agrees with most of the studies that have stressed the importance of the financial sector and its impact on economic growth in developing countries.

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