

Banking Sector Development and Economic Growth: Evidence from the State of Qatar

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Abstract : The banking sector plays a very crucial role in the economic development of the country. As a financial intermediary, it has assigned a great role in the economic growth and stability. This paper aims to examine the empirically the relationship between banking industry and economic growth in state of Qatar. We adopt the VAR vector error correction model (VECM) along with Granger causality to address the issue over the long-run and short-run between the banking sector and economic growth. It is expected that the results will give policy directions to the policymakers to make strategies that are conducive toward boosting development to achieve the targeted economic growth in current situation.

Keywords : economic growth, banking sector, Qatar, vector error correction model, VECM

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