

## The Impact of Macroeconomic Variables on Financial Performance of Tourism Firms: Case of Borsa İstanbul

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**Abstract :** The tourism industry, being the sector that includes all the activities related to the organization and satisfaction of tourists during their trip, also has a very important role in the national economy of the host country. In order to measure the stakes of tourism on the economy, microeconomic and macroeconomic factors are elements of analysis. While microeconomics is limited to an individual perspective, macroeconomics extends to a global perspective and treats the economy as a whole by focusing on social and economic actors in general. It is in this context that this study focuses on macroeconomic variables in order to determine the factors that influence the financial performance of tourism firms in Turkey, which is one of the world's major destinations. The aim of the study is to demonstrate the relationship between macroeconomic variables and the financial performance of tourism firms. Data from 2011 to 2020 are collected, from a sample of 16 companies that represent the tourism sector in Borsa İstanbul. Tobin's Q ratio, Market to Book ratio, Return on Invested Capital, and Return on Assets as the financial performance indicators were dependent variables of the study. Gross Domestic Products, Inflation, Interest Rates, and Unemployment as macroeconomic indicators were independent variables. Again, Size, Liquidity, Leverage, and Age were control variables of the study. According to the results, value indicators, which are Tobin's Q ratio and Market to Book ratio, have a statistically significant relationship with Inflation, Interest Rates, and Unemployment. A negative relationship is found between value indicators and Interest rates and a positive relationship between value indicators and Unemployment and Inflation. On the other hand, there is no significant relationship between profit indicators (Return on Invested Capital and Return on Assets) and macroeconomic variables. Accordingly, Interest rates negatively affect the financial performance of tourism firms and stand out as a factor that decreases the value.

**Keywords :** financial performance, macroeconomic variables, panel data, Tobin Q

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