

The Impact of the Interest Rates on Investments in the Context of Financial Crisis

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Abstract : The main objective of this article is to examine the impact of interest rates on investments in Poland in the context of financial crisis. The paper also investigates the dependence of bank loans to enterprises on interbank market rates. The article studies the impact of interbank market rate on the level of investments in Poland. Besides, this article focuses on the research of the correlation between the level of corporate loans and the amount of investments in Poland in order to determine the indirect impact of central bank interest rates through the transmission mechanism of monetary policy on the real economy. To achieve the objective we have used econometric and statistical research methods like: econometric model and Pearson correlation coefficient. This analysis suggests that the central bank reference rate inversely proportionally affects the level of investments in Poland and this dependence is moderate. This is also important issue because it is related to preparing of Poland to accession to euro area. The research is important from both theoretical and empirical points of view. The formulated conclusions and recommendations determine the practical significance of the paper which may be used in the decision making process of monetary and economic authorities of the country.

Keywords : central bank, financial crisis, interest rate, investments

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