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## **THE ROLE OF FINANCIAL SECTOR IN THE PROCESS OF INDUSTRIALISATION IN CEECS**

### **Abstract:**

Increasing number of economists and policymakers consider that reindustrialisation is a key factor in enhancing economic growth and a better standard of living in post-crisis Europe. Therefore, a new EU industrial policy focuses on increasing manufacturing share in GDP. The assumption of recently developed theoretical models states that development of the financial sector is essential for economic growth and therefore for the growth of the manufacturing industry. The aim of this research is to examine the importance of the financial conditions in the process of industrialisation in CEEC countries. The results of macro panel model that examines which factors influence the manufacturing value added as a percentage of GDP suggest that the role of the financial sector is very important for the level of industrialisation in analysed countries. The research is based on data collected from WDI and WGI database published by World Bank for the period from 2005 to 2015.

### **Keywords:**

Industrialisation, Manufacturing Industry, Financial Conditions, Panel Analysis, GMM

**JEL Classification:** G01, L16, O14