

ELMI AZIRI

South East European University, Macedonia

THE IMPACT OF INTEREST RATES ON ECONOMIC GROWTH IN THE REPUBLIC OF NORTH MACEDONIA

Abstract:

The Republic of Macedonia is considered a developing country and is still in transition and is accompanied by numerous macroeconomic problems such as high unemployment, high interest rates, low level of domestic investment. Therefore, the main purpose of this paper is to present and explain, based on concrete facts and relevant results of economic activity in the Republic of Macedonia, the occurrence of interest rates, their level, their causes and their impact on other economic processes, with particular emphasis gross domestic production and economic growth. By using regression analysis and small squares estimation (OLS) we will present variables links that will help us better investigate this phenomenon. The data we will present below date from 1993 to 2013. Earlier scholars of this phenomenon have verified the close correlation of interest rates with economic development. The data, the analysis and the conclusions to be drawn in this paper show the close and negative link between the interest rate and the economic growth of the Republic of Macedonia

Keywords:

interest rates, economic growth, GDP, monetary measures, economic development