

The Relationship Between Tourism Income and Financial Development in The Mena Countries

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<p>Keywords: Tourism income Financial development MENA countries</p> <p>Received 2 May 2019 Revised 20 June 2019 Accepted 22 June 2019</p> <p>Article Classification: Research Article</p>	<p>Purpose – The purpose of this study is to determine the causality between financial development and tourism income for the MENA economies between year 1995 and 2016.</p> <p>Design/Methodology/Approach – To do this, we employ Dimitrescu and Hurlin (2012) panel causality test depending on rolling window regression and Emirmahmutoğlu and Köse’s (2011) panel causality test.</p> <p>Findings – In this analysis for Algeria, Bahrain, Egypt, Arab Rep., Iran, Islamic Rep., Israel, Jordan, Kuwait, Morocco, Sudan, Tunisia and Turkish economies the relationship between financial development and tourism income calculated by the IMF for the period of 1995-2016. Panel data analysis is employed in order to test the hypothesis. In the empirical analysis, it was concluded that the countries that formed the panel affected each other socially and economically.</p> <p>Discussion – According to the results of empirical analysis, when the relationship between financial development and tourism income is examined for each country forming the panel, it was found that the supply - driven approach in Jordan and Tunisia on the other hand in Morocco and Sudan demand driven approach is valid. On the other hand for the frequency domain test it is offered that the neutrality approach was valid in 2009 and 2016 and demand driven approach is valid in 2005-2013 (except 2009).</p>

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