



Asociación
Cuadernos
de economía

Cuadernos de economía

www.cude.es



ARTÍCULO

The Influence of Monetary Policy on the Economic Growth in European Union Countries

Adil Majeed Idan¹, Zahid Q. Badan²

¹ Scientific Research Supervision and Scientific Evaluation Apparatus. Ministry of Higher Education Bagdad Iraq

² University of Missan / Iraq

* Correspondence: dilaladili61@gmail.com

Jel Codes:

M14; N14

Keywords: Monetary policy, money supply, repo rate, exchange rate, inflation, industrialization, economic growth, EU countries.

Abstract: Currently, economic growth (EG) is the major concern for countries around the globe due to the uncertainty of economic and financial conditions, and this aspect needs researchers' attention. Hence, the present article examines the impact of monetary policy such as money supply, repo rate, exchange rate, and inflation on the EG of European Union (EU) countries. The article has also used industrialization as the control variable to predict economic growth. The study has taken the secondary data from central banks of EU countries and World Bank Indicators (WDI) from 2011 to 2020. The study has employed the Methods of Moments-Quantile-Regression (MMQR) statistical technique to check the association among variables. The results exposed that the money supply, repo rate, exchange rate, inflation, and industrialization have a significant and positive influence on the EG of EU countries. The study provides the guidelines to the regulators in establishing regulations regarding improving EG using effective outcomes of well-monitored monetary policy.