

## **Export-Led Growth Hypothesis: A Sectoral Analysis for Turkey**

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### **Abstract**

For all countries of the world, the sale of manufactured goods to other countries, which means exports, is of great importance. Exports contribute to the economic growth of the country both in terms of providing foreign currency inflows to the country and increasing production and job opportunities. This situation is called the export-led growth hypothesis in the literature. With the growing economies and increasing mobility, examining the effects of exports on the economy not only on a country basis but also on a sectoral basis has become an important research question. The aim of this study is to investigate the causal relationship between economic growth and exports according to sectors (agricultural exports, industrial exports, mineral exports) in Turkey. For this purpose, by using the monthly data covering the period of 2016:01- 2021:12, the relationships between real sectoral export and real industrial production index are analyzed by using the conventional Granger causality tests and the tests that take into account the structural breaks with Fourier series. The results show that there are two-way causality relationships between economic growth and exports for each sector. It means that the export-led economic growth hypothesis is valid for Turkey.

**Keywords:** Export, Economic growth, Causality

**JEL Codes:** C32, F14, F43