

Measuring the Impact of Changes in Weighted Interest Rate on the Main Banks Activities

(An Empirical Study in Conventional Syrian Banks Industry)

Ahmad Alali

Abde Alrzak Kasem

Faculty of Economic

Damascus University

Abstract

This paper aimed to measure the impact of changes in weighted average interest rate on the activities of the Syrian banking industry, which is represented by deposit management and credit policies, and to examine to what extent that activities responds to weighted average interest rate. To achieve the objectives of the study the data has been collected from some Syrian commercial banks during 2005-2010. Two patterns of slight regression have been used, the first to assess the relationship between the weighted average interest rate and deposit indices and the second to examine the relation between deposit indices and credits indices.

The data has been analyzed and the findings revealed a number of important points as follows:

- There was a positive significant relationship between the time and savings deposit bank and weighted average interest rate.
- There was no significant relationship between the weighted average interest rate and demand deposit.
- There was a positive significant relationship between the deposit indices and bank credits.

Based on the results of the study some important recommendations have been suggested which might lead, enhance, and develop the role of commercial banks in the process of developing the Syrian economy.