

The use of VAR models in forecasting and studying the causal relationship between gross domestic product GDP and gross fixed capital formation GFCF in Syria

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Abstract

The gross domestic product GDP is one of the major economic indicators of any country. Because it reflects the total activity of country and economic performance during a year, So we have to be interested in methods to predict the correct size for the coming years after taking the variables affecting it into account and the specificity of this effect in terms of lagging but not timely.

This study aims at developing an econometric model based on VAR (Vectorial AutoRegressive) models to predict the gross domestic product GDP in Syria as well as the gross fixed capital formation GFCF, it also aims at studying the effect relationship between them.

The study to develop an econometric model can be used to predict the gross domestic product GDP in Syria and the total fixed capital formation GFCF. It also predicts the size of each one until 2015. This constitutes a scientific basis for the development of plans for economic development and social development