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Original Article

Review of the Effect of the Ratio of Credits of the Private Sector to Gross Domestic Production on the Performance of Food and Beverage Export of Selected Countries of the Middle East

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Abstract

Basically, the issue of food and beverage industry, as the industries that depend on agricultural products, plays a key role in the respect of economic development of the world's countries especially the developing ones. Because for one thing the required raw materials are cheap and besides, there is the possibility of achieving the workforce in various dimensions including professional, semi-professional and simple dimensions; thus, development of the export of productive food and beverage products can be one of the most basic strategies for developing non-oil exports. In Iran, through the basic emphasis on oil earnings and lack of an overall consideration of the facilities of other industries and relevant earnings, this science does not have proper development process.

Key words: Economic growth, Risk management, Technological innovations, Dynamic efficiency, Financial development index

INTRODUCTION

Given the role and importance of exports in terms of growth, production, occupation and efficiency, today export is names as the economic development and growth motor (Kavand and Hasanvand, 2013). Exports-based growth has made a lot of fans over the past three decades as an alternative for internal policies (Azerbaijani, et al. 2013).

In the current condition of Iran's economy, development of nonoil exports is one of the most important political and economic issues which shall be considered by the managers and authorities of the country. Development and variety of nonoil exports are especially a priority not only in terms of exchange technology but also in terms of job creation. Thus, it seems that variety of nonoil export is effective as a political solution in the respect of meeting the goals of the government (Mehnatpoor and Khakpoor, 2005).

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Exports, as an effective factor in economic growth and development, by creating competition at an international level, leads to the improvement of the assignment of sources, possibility of accessibility to a much more modern technology, reduction of production costs, increasing the level of quality andprovides the substrate for the growth and advancement of the trading countries (Azerbaijani, et al. 2013).

The past two decades have been differentiated from the previous ones due to internationalization and competition in the businesses. Market of consumed products, industrial goods and services have become extremely homogenous throughout the world such as capital, materials and technology.

The difference in the level of financial development of the countries leads to the creation of a difference in the technology and inventory of the sources which is considered as a source for the relative advantage and

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businesses becoming more specialized. Also, the financial sector is able to channelize the deposits to the private sector and the movement of the economy towards specialization and their being economical caused by the scale which is one of the roots of the formation of modern business (Kavand and Hasanvand, 2013).

Therefore, one of the important issues in the effect of the ratio of the credits of the private sector to the gross domestic production on the performance of food and beverage export of the selected countries in the Middle East is to review the effect of the provided gross credits for the private sector as a ratio of GPD on food and beverage export of the selected countries in the Middle East which can be discussed, reviewed and studied in long term time dimensions.

Recently, an important issue has been mentioned about the cited indexes and this is the primary hypothesis: do the provided gross credits for the private sector relatively as a ratio of gross domestic production have a significant effect on the food and beverage export as a financial development index in the selected countries in the Middle East?

In addition, do the provided gross credits for the private sector as a ratio of GDP affect the economic growth of the selected countries in the Middle East in the long run?

Achieving sustainable agricultural growth is one of the main goals of the developing countries such as Iran. Creating such growth in the domain of food and beverage products will depend on the tendency of these countries in the field of poverty eradication, organizingadequate food supply and paying attention to the key role that the agricultural sector has in inclusive economic development of the countries. In Iran, the agricultural sector has an important status due to its inclusive effect in the field of solving the economic and social challenges and the necessity of new investment in agriculture become evident. One of the preconditions of investment in the agricultural sector and food and beverage production industries and subsequent to it export growth of these products is easy and quick access to financial sources. Lack of development of financing market of the food production industries and presence of difficulty in the field of financing need by them will make investment in these industries problematic and the field of equipping these industries with modern technologies and human capital with high efficiency will be faced with a challenge. Thus, it seems that reinforcing the financial structures and developing sustainable financial services and financial tools can help the development of production in the food and beverage factory industries.

As for the dimensions associated with economic development through exports and increasing the promotion of its qualitative and quantitative level, Joseph Schumpeter callsit the development of new opportunities and occurrences as the main channel of the effect of increasing the level of international business on economic growth. New opportunities and occurrences, especially those including items such as introduction of new goods, introduction of new methods of production, accessibility to a new origin of raw material supply or half-made goods and establishment of a new organization of the industry. Free business releases the economy from the difficulty of slow growth and reaches it to a higher level by facilitating these conditions.

Analysts and researchers such as MaKinnon and Shaw, King and Levine and Levine and Zoros believe that development of financial markets can increase the speed of economic growth. Nonetheless, other financial economists such as Robinson and Patrick believe that financial development is the result of growth of the true aspect of economy.

Schmitt and Eshenlor (2013) show that in the framework of business models, as the financing costs increase, the rate of business reduces. Shahbaz and Rahman (2014), in a study for Pakistan, have studied the relationship between financial development and economic growth exports based on the autoregressive model with explanatory interruptions and vector error correction model. Their results show that firstly, there is a significant relationship between long term financial development, economic growth and exports in Pakistan and secondly, economic growth and financial development help improve the exports of Pakistan and thirdly, there is a significant paired causal relationship between these three mentioned variables.

The important point in the findings associated with the structure of Iran's economy is the method in which the agricultural sectorhas always been especially important. Potential facilities, area of arable land, climatic variations, considerable proportion of population and occupation in rural regions are considered as the criteria of economic superiority in this sector.

According to the standard categories of international business, food industries have been divided into five main groups. These groups are: the fish and meat products, crustaceans and molluscs, sugar and chocolate products, grain products such as pasta, rice, wheat and biscuits, and vegetables and kitchen garden vegetables, fruits and other plants and their parts and ultimately, the product group of residues and waste from food industries and Feed ready for animals. Based on the classification of ISIC four-digit codes of the industries producing food and beverage including 23 subclasses. Accessible statistics and the results obtained from surveys of the industrial workshops with

10 employees and most of the statistical centers of Iran from 2000 to 2007 have been presented in Table 1. The information presented in this table show the percentage of exports, production, employees and number of workshops of food and beverage production sector to all productive industries of the country.

This table clearly shows that the status of the industries producing food and beverage in all of the factory industries of Iran. According to the average information, the share of food and beverage producing industries of the whole exports of Iran's factory industries from 2000 to 2007 is equal to 8.28% and the maximum share is the share of the year 2002 with the number 11.68% and the minimum share is that of the year 2007 with 6.05%. This is indicative of the decreasing rate of the share of exports of the industries producing food and beverage of the total exports of the factory industries of Iran.

Generally, the statistics published by the statistics center of Iran show that food and beverage producing industries have a special and important place in Iran's factory industries; but according to the statistics, it seems that this industrial sector has faced some challenges and in the share of its productions and exports a decrease of rates is seen.

In order for a detailed analysis of the condition and status of the subclasses of the industries producing food and beverage, in Table 2, an overview of the average of the share of the exports of the 23 subclasses of these industries have been presented in percentage. The time interval reviewed is from 2000 to 2007.

Statistics presented in Table 2 show that averagely, from 2000 to 2007, the share of exports of the subclasses of processing and preserving fruits, producing edible vegetable and animal fat and oil and cleaning and grading and packing pistachios have been at the first to third ranks of the total exports of the industries producing food and beverages. Although the process of the research variables for Iran is studied in our research. One of the main variables of this research is economic growth which is equal to the rate of annual growth of GDP. This variable is obtained from the equation below:

$$G_{i,t} = 100.\log\left(\frac{GDP_{i,t}}{GDP_{i,t-1}}\right) \qquad i = 1, 2, ..., N$$

In the equation (3-20), is indicative of the gross domestic production of the ith country at the tth time interval. shows the natural logarithm function. Equation (3-20) expresses that the rate of growth is equal to the rate of changes of the GDP logarithm. In the Graph (1-3), the process of economic growth of the nine countries selected to be studied has been presented.

The official statistics published by the World Bank show that the average economic growth of Iran from 2000 to 2012 is equal to 4.87%. Saudi Arabia has the lowest average of economic growth with 5.64% and Cyprus has the highest one with 2.45% from 2000 to 2012 among the nine selected countries being studied. Process of the economic growth of Iran in this period indicates that the price of oil is the key factor in determining Iran's economic growth. For instance, the unprecedented increase of oil price in 2008 up to of 140 dollars per barrel and subsequent to it severe reduction of oil price down to 40 dollars per barrel have formed a great fluctuation in Iran's economic growth. Other companies with oil such as Saudi Arabia and Kuwait have experienced such conditions.

In Graph 2, the process of exports of food and beverage products in a percentage of the total of the exports of products for 9 selected companies to be studied has been presented. Based on the official statistics published by the World Bank show that the average economic growth of Iran from 2000 to 2012 is equal to 4.05% of the total exports of goods of Iran.Cyprus has the highest average of economic growth with 38.27% and Kuwait has the lowest one with 0.22% from 2000 to 2012 among the nine selected countries being studied. The countries Morocco, Jordan and Egypt are at the second to fourth ranks in the exports of food and beverages after Cyprus.

Graph 3 shows the fluctuated process in the exports of food and beverages of the selected countries being studied. According to the official statistics published by World Bank, the average of the exports of food and beverages of Iran, as a percentage of the total goods exports, from

Table 1: Status of food and beverage industry in the whole industry of the country throughout the time interval from 2000 to 2007

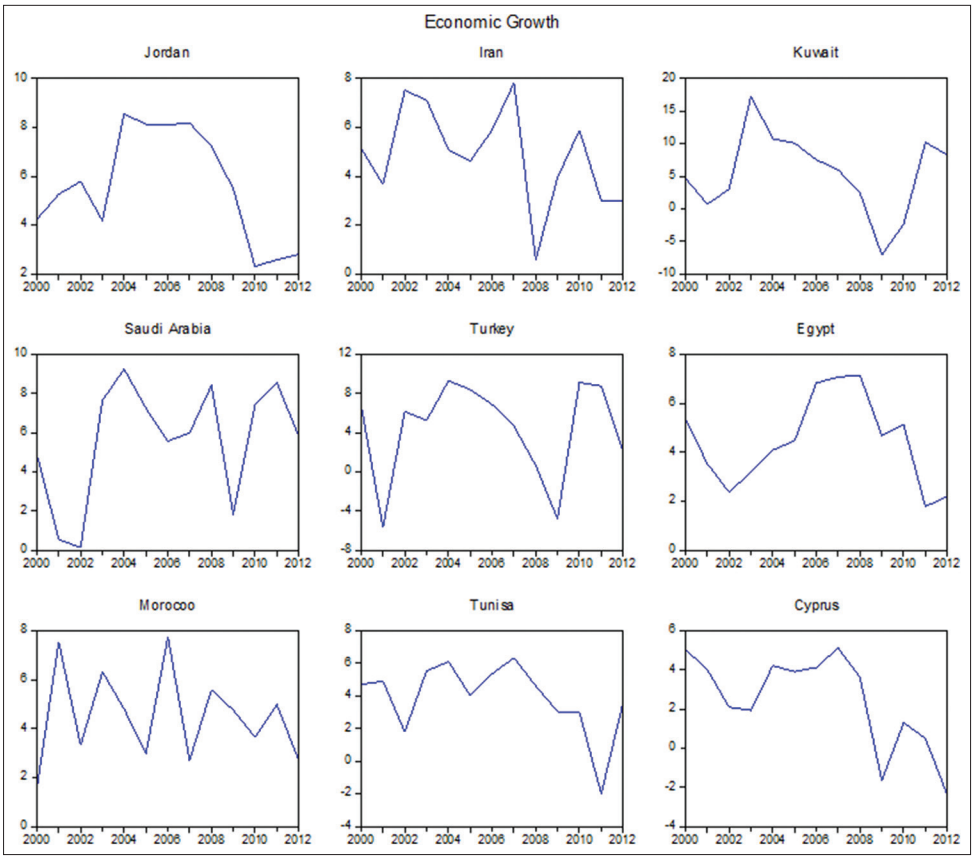
Year/Criterion	2000	2001	2002	2003	2004	2005	2006	2007	Average
Exports (percentage)	9.00	7.88	11.68	10.09	7.41	7.09	7.04	6.05	8.28
Production (percentage)	12.92	11.89	13.32	11.91	10.77	11.35	10.14	10.04	11.54
Occupation (percentage)	14.45	20.20	14.39	14.88	15.07	15.61	15.40	15.46	15.68
Number of workshops (percentage)	17.44	18.11	15.54	16.21	16.41	16.73	16.84	17.43	16.84

Results of census of industrial workshops with 10 employees and more, Center of Statistics of Iran

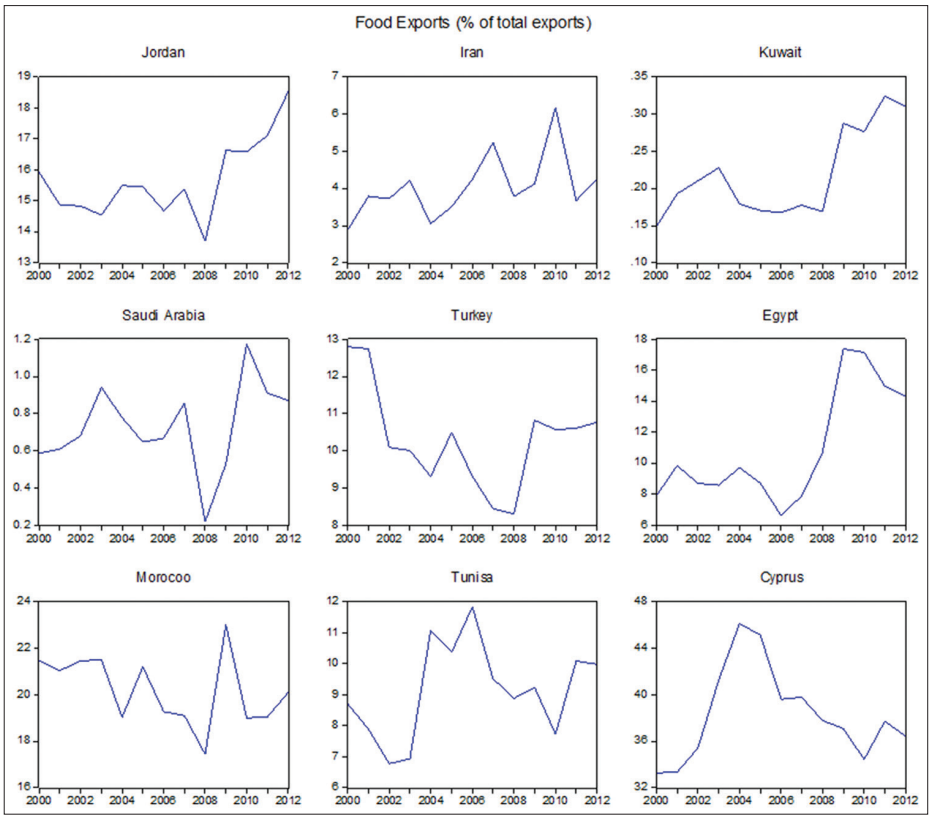
Table 2: Status of the subclasses of the industries producing food and beverage in the total exports of this sector throughout the time period of 2000 to 2007 (in percentage)

Average share of exports	Subcategory of the food and beverage industry	ISIC code
7.04	Processing and preserving fish and fish products	1511
13.49	Producing edible vegetable and animal fat and oil	1512
0.99	Killing livestock	1513
0.36	Processing and preserving fish and fish products	1514
3.89	Cleaning, grading and packing dates	1515
9.67	Cleaning, grading and packing pistachios	1516
39.05	Processing and preserving fruits	1517
1.74	Producing dairies	1521
0.36	Preparing and grinding cereals and legumes	1531
0.23	Producing starch and starch products	1532
0.02	Producing food for animals	1533
0.01	Producing sugar	1541
2.46	Producing candy and chocolate	1542
0.24	Producing pasta	1543
0	Bakery	1544
6.49	Producing bread, pastry and biscuit	1545
0.55	Tea making	1546
7.26	Producing other uncategorized food products	1547
0.10	Producing alcohol and ethylic from fermented materials	1551
0	Producing different kinds of wine	1552
0.29	Producing malt and beer	1553
5.58	Producing carbonated nonalcoholic drinks	1554
0.07	Producing Doogh and mineral water	1555

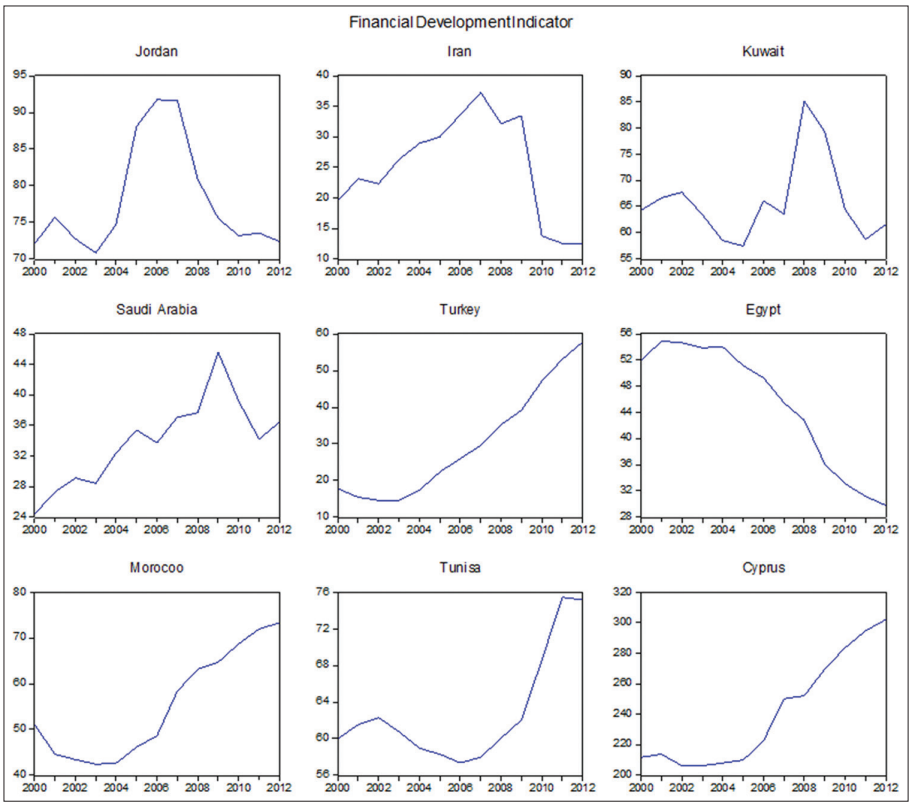
Statistics center of Iran



Graph 1: Process of economic growth of the nine countries selected to be studied
Source: World Bank



Graph 2: Process of economic growth of the nine countries selected to be studied
Source: World Bank



Graph 3: Process of the financial development index in the countries being reviewed
Source: World Bank

2000 to 2012 is equal to and the process of this variable is full of fluctuations; however, in the general mode, it is indicative of an increasing rate. Other selected countries being reviewed have experienced a different model.

Ultimately, in Graph 3, the process of the financial development index of the countries being studied has been presented. This index is indicative of the provided gross credits for the private sector as a percentage of GDP.

As the Graph 3 shows, the financial development in the 9 countries being studied have gone through different processes. Iran has experienced a great fall after the beginning of a period of increase in the process of financial development from 2010 to 2012. According to the official statistics published by the World Bank, the average of the provided gross credits for the private sector as a percentage of the GDP as the financial development index from 2000 to 2012 for Iran is equal to 25.03 which indicates that Iran is at the lowest rank among the nine countries being studied. Based on the statistics, the maximum average of the financial development index from 2000 to 2012 is that of Cyprus with 240.83% and the lowest one is that of Iran's with 25.03%. Jordan, Kuwait and Tunisia are at the second to fourth ranks in the financial development index among the nine selected countries being studied.

Data and Information Analysis

The cited study investigates the long term and short term temporal relationship between financial development, economic growth and exports of food and beverages of the nine selected countries which are Jordan, Iran, Kuwait, Saudi Arabia, Turkey, Egypt, Morocco, Tunisia and Cyprus from 2000 to 2012. The data of the time sequence associated with this country has been deleted by the official website of the World Bank. Table 1 shows these descriptive statistics including mean, standard deviation, minimum and maximum.

As it is seen in Table 4-1, it is seen that Iran is at the fourth rank among the nine countries being studied with the average economic growth of 4.87% during the period starting in 2000 and ending in 2012. Saudi Arabia, Jordan and Kuwait are at the first to third ranks. The minimum average of economic growth is that of Cyprus's. On the other hand, Kuwait and Turkey have the highest standard deviation of economic growth as a criterion for measuring economic unsustainability from 2000 to 2012 and in contrast, the lowest standard deviation of the economic growth is that of Tunisia and Iran.

In terms of the variable exports of food and beverages (as a percentage of GDP), the average of experts of food and beverages of Iran from the year 2000 to 2012 is equal to 4.05% of the total value of GDP and accordingly, Iran is at the seventh rank among the nine countries being studied which is not a proper place by considering the country's capacities and potentials. The highest rate of the average of the exports of food and beverages is associated with Cyprus (38.27% of the GDP) and the lowest one is that f Kuwait (0.22% of the GDP). The countries Morocco, Jordan and Egypt are at the second and fourth ranks, after Cyprus, in the exports of food and beverages.

On the other hand, based on the official statistics published by the World Bank, the highest rate of financial development, which is the rate of provided credits for the private sector as a percentage of the GDP is that of Cyprus's with 240.83% and the lowest one is that of Iran's with 25.03% in terms of the measuring the financial development index, Iran is at the lowest rank among the nine countries being studied with 25.03% which is undesirable. After Cyprus, Jordan, Kuwait, Tunisia are at the second to fourth ranks in terms of financial development index.

Reports of the results of the empirical estimation of the research model:

In order to review the presence of the long term relationship between research variables, the Co-integration test on panel data is used. In this respect, Kao and Pedroni tests have been used, the results of which have been presented in Table 4-3.

H_0 of each two co-integration tests indicates absence of a long term relationship. Therefore, rejecting the H_0 in these two tests means presence of a co-integrative relationship and a long term one between the variables. The results of Table 4-3 are indicative of the significance of the statistics of Pedroni and Kao tests. Thus, presence of a long term relationship between these variables is confirmed based on these two tests.

As the results presented in Table 4-4 show, the statistics of Limer and Hausman tests for the regression of the equation (1-4) are not significant in any of the confidence levels (90, 95 and 99%). Therefore, the two tests Limer and Hausman are significant for the panel regression of equation (4-2) at the confidence level of 99%. Thus, for the equation (4-1), $H_0$is not rejected for these two tests and for the equation (4-2), H_0 is rejected for these two testes and the alternative hypothesis is confirmed. On one hand, H_0 of Limer test indicates insignificance of the individual effects of the sections and H_0 of the Hausman test indicates randomness of the individual effects of the sections. Therefore, we estimate the equation (4-1) with the combined method (without considering the individual

Table 4-1: Overview of the descriptive statistics of the research variables

Variable	Country	Mean	Standard deviation	Minimum	Maximum
Economic growth	Jordan	5.60	2.28	2.31	8.56
	Iran	4.87	2.06	0.58	7.82
	Kuwait	5.51	6.33	-7.08	17.32
	Saudi Arabia	5.64	3.04	0.13	9.25
	Turkey	4.44	5.04	-5.70	9.36
	Egypt	4.46	1.83	1.77	7.16
	Morocco	4.51	1.92	1.59	7.76
	Tunisia	3.93	2.21	-2.00	6.34
	Cyprus	2.45	2.45	-2.40	5.13
Exports of food and beverage products	Jordan	15.67	1.28	13.70	18.54
	Iran	4.05	0.87	2.88	6.18
	Kuwait	0.22	0.06	0.15	0.32
	Saudi Arabia	0.73	0.23	0.22	1.17
	Turkey	10.33	1.37	8.30	12.80
	Egypt	10.97	3.69	6.62	17.38
	Morocco	20.21	1.54	17.44	23.92
	Tunisia	9.16	1.54	6.78	11.83
	Cyprus	38.27	4.07	33.29	46.14
Financial development index	Jordan	77.91	7.63	70.78	91.77
	Iran	25.03	8.51	12.50	37.28
	Kuwait	65.91	7.99	57.43	85.17
	Saudi Arabia	33.92	5.70	24.37	45.63
	Turkey	29.97	15.27	14.52	57.86
	Egypt	45.25	9.61	29.74	54.93
	Morocco	55.30	11.81	42.40	73.34
	Tunisia	62.95	6.18	57.33	75.47
	Cyprus	240.83	36.42	206.11	302.24

World Bank and statistical calculations of the study

Table 4-3: Results of co-integration test on panel data

Name of the test		Value of statistic	Significance level
Pedroni test	PP panel statistic	–4.76	0.00
	ADF panel statistic	–3.86	0.00
Kao test		–3.10	0.001

Software calculations of the research

Table 4-4: Results of limer and hausman tests for determining the type of individual effects of the sections

Equation	Type of test	Rate of statistics	Significance level
Equation (4-1)	Limer test	1.53	0.15
	Hausman test	7.71	0.10
Equation (4-2)	Limer test	127.44	0.00
	Hausman test	381.33	0.00

Software calculations of the research

effects of the sections) and we will estimate the equation (4-2) through the random effects method.

In Table 4-5, we have presented the results obtained from equation (4-1) of the research model. In this equation, regression of the economic growth is the dependent variable. This table includes the effectiveness coefficients, value of t-student statistic, significance level of the statistic,

Table 4-5: Results obtained from estimating panel regression equation (4-1)

Parameter	Value	Standrad error	t-student	Probability
Intercept	9.44	1.58	5.98	0.00
$X_{i,t}$	0.13	0.08	2.55	0.012
$M_{i,t}$	–0.015	0.025	–0.36	0.53
$FD_{i,t}$	0.05	0.035	0.75	0.45
$RER_{i,t}$	0.00	0.00	–0.51	0.57
Determination coefficient	2.51 (0.01)	Fisher statistic	0.22	

Software calculations of the research

regression determination coefficient and value of Fisher statistic of the total significance of regression.

In the first model, exports, money volume, financial development and true rate of foreign currency play their role as the explanatory variables. The dependent variable is economic growth. Although based on the economic theories, occupation is the effective variable on economic growth; but nonetheless, economic structure of most of the companies being studied is in such a way that human resources play a slight role in expressing the process of economic growth of these countries. Generally, these economies are based on oil and natural resources and therefore, the model of economic growth is differentiated from the variable workforce. In Table (4-5), parameters

are respectively intercept, exports of food and beverages, money volume, financial development and true rate of foreign currency. As the results show, only the variable exports of food and beverages significantly affects the economic growth of the nine selected countries. Other variables do not have a significant effect on economic growth. Based on the results, the effect of the variable financial development on economic growth is positive and the effectiveness coefficient of the true rate of foreign currency is nearly zero. The Fisher statistic associated with the total significance of regression is significant at the confidence level of 95% and the determination coefficient of the regression is 22%. Since the effect of the variable financial development on economic growth is positive; thus, the second secondary hypothesis of the research indicating that provided gross credits for the private sector affect the exports of food and beverages in the selected countries in the Middle East as a ratio of GDP, is confirmed.

As the article goes on, the results obtained from estimating the panel data regression model presented in the equation (4-2) are presented in Table 4-6.

In this regression equation, the parameters respectively show intercept, economic growth, money volume, financial development index and true rate of foreign currency. The determination coefficient of this regression is equal to 97% which means that a set of explanatory variables together can express 97% of the changes of the dependent variable. The results show that the effect of economic growth, money volume and financial development index on the exports of food and beverages is significant in six of the reviewed countries but the true rate of foreign currency does not have a significant impact on the exports of food and beverages. Coefficient of the effect of economic growth on the exports of food and beverages is equal to 0.12 which is significant at the confidence level of 95%. In fact, one percent of economic growth causes a 0.12 percent increase in the exports of food and beverages among the nine countries being studied. The variable money volume as a percentage of gross domestic production has a positive significant effect on the exports of food and beverages equal to 0.17 and it is significant at the confidence level of 99%. On one hand, the variable financial development has a positive and significant effect on the exports of food and beverages in sixof the countries being studied and the effect of it is equal to 0.25 and it is significant at a confidence level of 99%. Therefore, the first secondary hypothesis of the research and the primary hypothesis of the research is confirmed and thus the provided gross credits for the private sector as a ratio of gross domestic production affects the exports of food and beverages in the selected countries in the Middle East. The Fisher statistic

Table 4-6: Results obtained from estimating the panel regression equation (4-2)

Parameter	Value	Standard error	t-student	Probability
Intercept	15.50	1.72	8.97	0.00
$G_{i,t}$	0.12	0.065	1.95	0.05
$M_{i,t}$	0.17	0.014	15.32	0.00
$FD_{i,t}$	0.25	0.02	12.36	0.00
$RER_{i,t}$	0.00	0.00	1.67	0.09
Determination coefficient	0.97	Fisher statistic	300.50(0.00)	

Software calculations of the research

of this regression is equal 300.50 which is significant at the confidence level of 99% and this is indicative of the general significance of the fitted regression.

SUMMARY AND CONCLUSION

Unlike economic classical theories, those factors which are not true such as the financial system of a country can affect business. Through presenting financial services and directing people's deposit towards opportunities for investment, financial system finances various true economic sectors. Firms supply the most important of their production institution, i.e. capital, through financial system. It is obvious that the more efficient a country is in financing production projects and supplying the capital of the true sector, it is expected that the true sector of economy would also act more actively in all sectors especially exports ad they have a relative advantage in the international business. In this respect, this study reviews the effect of the financial development index on economic growth and on the exports of food and beverages in six of the selected countries including Jordan, Iran, Saudi Arabia, Kuwait, Egypt, Morocco, Tunisia and Cyprus during the period of 2000 to 2012 by using panel data regression technique. Financial development index has been measured for the private sector as a percentage of gross domestic production. General results of this study are as follows:

1. Average of the exports of food and beverage of Iran during a ten-year time period from 2000 to 2012 is equal to 4.05% of the total value of GDP and accordingly Iran is at the fourth rank among the six countries being reviewed.
2. In terms of the level of financial development, according to index of the ratio of provided credits for the private sector as a percentage of GDP, Iran is at the lowest rank among the nine countries being studied with 25.03% which is undesirable.
3. With the average of the economic growth of 4.87% in the time interval of 2000 to 2012, Iran is at the fourth rank among the nine countries being studied.
4. The variable economic growth is retentive based on LLC and IPS tests because the H_0 of these two test

Table 5 and 1: Comparison of the results of the study with those of previous studies'

Authors	Sum of the results	Comparing the results
JafariSamimi and Peykani (2002)	Exports credits have a positive significant impact on nonoil exports and giving exports credits is the most important and effective lever of development in the mutation of exports	Compatibility of results
Arman, et al. (2008)	There is a long term significant relationship between financial development, economic growth and imports and exports of Iran	Compatibility of results
Rasti (2009)	Development of business leads to the improvement of the level of financial development in Iran	Compatibility of results
Islamlooeeyan, et al. (2011)	Increase of the exports of Fars province, due to the increase of demand and need for financing for the imports of raw materials and new technologies and also the need for more support for encountering impulses and all types of unsureness and fluctuations in the international economy, requires development of the active financial sector	Compatibility of results
Mohammadi, et al.	Financial development and openness of economy are the causes of economic growth. Also, in the long run, there is a dual cause-and-effect relationship between financial development and economic growth	Compatibility of results
Bozorgvar (2014)	Financial development in the bank sector and stock market has a positive and significant effect on the exports of goods and services of this group of countries.	Compatibility of results
BiabaniKhameneh and Sadeghi (2014)	Increase of the credits given to the private sector leads to the increase of the exports' share of production	Compatibility of results

Previous studies and research results

is rejected for reviewing the unit root in this variable. True rate of foreign currency is also retentive based on LLC and IPS tests. The exports of food and beverage variable is retentive based on LLC test but according to IPS, it has a unit root. Money volume as a percentage of GDP and ratio of the credits provided for the private sector as a percentage of GDP are unretentive and have unit root.

5. In order to review the presence of a long term relationship between research variables, co-integration test on panel data has been used. In this respect, Kao and Pedroni tests have been used. The results of both of these tests put emphasis on the presence of a significant relationshipin the long run between research variables.
6. The results show that only the food and beverage exports variable has a significant effect on the economic growth of the six selected countries. Other variables do not have a significant effect on economic growth. According to the results, the effect of the coefficient of the variable financial development on economic growth is positive and the coefficient of the effectiveness of the true rate of foreign currency is approximately zero. The Fisher statistic associated with the total significance of regression is significant at the confidence level of 95% and the regression coefficient is 22%.
7. The second secondary hypothesis of the research indicating that provided gross credits for the private sector affect the exports of food and beverages in the selected countries in the Middle East as a ratio of GDP, is confirmed.
8. The results show that the effect of economic growth, money volume and financial development index on the exports of food and beverages is significant in six of the reviewed countries but the true rate of foreign currency does not have a significant impact on the exports of food and beverages. The variable financial development has a positive and significant effect on the exports of food and beverage in the nine countries being studied and it is significant at the confidence level of 99%. Thus, the first secondary hypothesis of the research and the first primary hypothesis of the research are confirmed and therefore, the provided gross credits for the private sector as a ratio of GDP has an impact on food and beverage exports in the selected countries in the Middle East.

Generally, the results of this study show that firstly, the financial development index has a positive and significant effect on the economic growth of the selected countries. Secondly, the financial development index has a positive and significant effect on the food and beverage exports of the nine selected countries being studied. The results also show that in the long run, there would be a significant relationship between economic growth, food and beverage exports and financial development index. These results put emphasis on the importance and necessity of a special attention to be paid to the discussion of financial development and financial mediation in the international business. In the respect of comparing the results of this study, Table 5-1 has been presented below.

SOURCE: PREVIOUS STUDIES AND RESEARCH RESULTS

As the Table 5-1 shows, the results of this study comply with those of many previous national and international studies'. For example, the results of this study comply with the results of the studies of JafariSamimi and

Peykani (2002), Arman, et al. (2008), Bozorgvar (2014) and BiabaniKhameneh and Sadeghi (2014). All of these studies put emphasis on the importance of financial development in the process of economic growth and development of businessand this is in the same direction as the results of this study. Especially, the results of this study, as a case study, puts emphasis on the importance of financial development in the development of the exports of food and beverages in the selected countries in the Middle East.

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