

# **Effects of Uncertainty in Oil Price Changes on Industrial Production**

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## **Abstract**

Even though qualitative and quantitative growth of production is accepted at economic growth, arising costs in production inputs could change the structure of production. In this sense, the interaction of energy unit costs accepted as efficient factor and the spread of this interaction to the production process has been gaining popularity. For this reason, effects of uncertainty of oil prices on industrial production is tested with multivariate GARCH based on restricted VAR analysis (BEKK, DCC and, etc.) by using monthly data in this study. Although findings obtained from related literature show different results, our findings are largely coincided with findings from studies carried out for Turkish economy. Uncertainty of oil prices has negative effect on production.

## **Keywords**

Oil Prices, Industrial Production, Var Analysis