GCBME

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Research Topic - Impact of below the line (BTL) activities on 'brand preference' - A study on Branded Apparels Sector

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1.0 Introduction

This research talks about the impact of below the line (BTL) activities on 'brand preference' - A study on Branded Apparels. In this research, the independent variable is BTL activities and the dependent variable is brand preference. The research carried forward with two objectives, that is - to study the impact of BTL activities on brand preference amongst branded apparel customers and to identify the key BTL activities in the branded apparels industry and the significance of their impact. In the data analysis, researcher tested correlation and ANOVA in order to find the relationship between the independent and dependent variables. The hypothesis testing showed a positive outcome in this research.

Key Words – BTL Activities, Brand Preferences, Branded apparels

2.0 Background

This abstract of the research explains about the background, objectives and rationale. The abstract starts with the background of the research. Here the researcher explains how Below the Line (BTL) promotions have an impact on brand preference in the branded apparels industry. The second element of this abstract would be the objective of the research. Two objectives have been listed for the research and the final element explains the clear rationale of this research. Further, this abstract elaborate the literature review on the subject. The background of the research explains how BTL strategies works in the branded apparels industry (Such as Nike, Adidas and Etc…) and its impact. Here the key point between these two factors would be brand preference. BTL promotion in this industry is more balanced and the key BTL promotions are listed in the below table with citations of the previous researches.

Key BTL promotions in the industry	Descriptions	Citations
Booklets	Booklets are used in this industry to publicize available brands such as Nike, Adidas, Puma, Fila and Etc...	(Chavez, Yu, Feng, &Wiengarten, 2016)
Flyers, Leaflets	Flyers and Leaflets promote the newly introduced clothing brands in the industry	(Duncan, Mortimer, &Hallas, 2007)
Labels, Symbols	Labels or Brand symbol promotes the clothing brand portfolios	(Cheah, & Heywood, 2011)
Leaflets	Leaflets are mostly located at point of sale, places such as super markets and hyper markets	(Crespin-Mazet, & Dontenwill, 2012)

The researcher's strategic focus would be only BTL promotional activities towards the brand preference in this industry. Brand preference in branded apparels industry mirrors the customer's desire to utilize a specific branded apparel product, when the product prices and the usage benefits are similar to the customer (Gonzalez-Zapatero, Gonzalez-Benito, & Lannelongue, 2016). In this case, customer may have to take the decision on what product to choose or what are the preferences. Therefore, generally brand preferences in this industry demonstrate a choice of a specific brand with same price, brand reputation and same usage benefits (Londhe, 2014). On the other hand, Brand preferences are crucial to branded apparels companies since it gives a big choice to their customers with a number of varieties, and at this point BTL activities comes to play its role in moving the customer to make the right choice in favour of the brand it promotes. Branded apparels industry internationally subscribes to BTL advertising strategies with ethics that's incorporated by the country law (Depends on the law of the country). In keeping to the focus area of this study, the research questions were developed and described in below table.

Research Question 1	What is the impact of BTL activities on brand preference amongst banded clothing users in Sri Lanka?
Research Question 2	What are the BTL activities in the industry and how significant is their impact?

3.1 Statement of the objectives of the project

As per the arguments in the research background, researcher finalized two major research objectives. They are -

- To study the impact of BTL activities on brand preference amongst braded clothing users (Profile them, age, male, female)

- To identify the BTL activities in the branded apparels industry and how significant is their impact.

However, in this case, the hypothesis of the project would be BTL activities (Independent) versus brand preference (Dependent)

4.0   Originality of objectives and problems

As discussed above, the key aim of this research would be to examine and analyse the impact of BTL activities towards brand preferences in the branded apparels industry. The originality of the objectives would explain with the brand preference which is a key factor in this industry and therefore, the most effective BTL activities may get higher market share in the global competitive market. However the problem in this case would be identifying the impact of BTL activities on brand preference amongst branded apparels users around the world.

5.1   Significance of the study

The significance of the study would be taking BTL activities of a branded apparels market in to consideration for this research. Therefore, the key area of this research is to examine and analyse the impact of BTL activities towards brand preference in the industry. The main reason to carry out this research is based on the below mentioned two areas.

- Firstly, this industry contributes a sizable percentages of the gross domestic production (GDP) for many of the countries around the world and therefore, identifying the brand preferences and developing BTL strategies as per the brand preferences would give a strength to the market locally and internationally. This will suites for any country in the world

- The second reason for choosing this topic is that no other researcher has touched this market area as against brand preference. Therefore, this gives an additional value to the branded apparels industry (Customers and Organizations).

6.1   Literature Review

6.2   Brand preferences

Brand preference is characterized as a measure of brand reliability in which a customer will pick a specific brand in proximity of contending brands. However, customers will admit that there is competition in the industry; therefore they welcome the advertisements (BTL Advertisements) to choose the right brand (Ballesteros-Pérez et al, 2016). Branded apparels industry is relying on brand preferences to evaluate the results of BTL activities that are intended to grab potential customers to enjoy consuming their clothing brands Such as T-Shirts, Shorts, Bottoms and Etc… (Foreman, 2013), (Estache, &Iimi, 2011), (Chiba, Arai, Ueyama, Ogata, and Ota, 2016). Higher brand preferences of the customers favouring their brands, supports additional benefits in terms of profits (Sales) and advantage to the branded apparels manufacturers in the short run and the long run (Donohoe, and Brooks, 2007), (Estache, &Iimi, 2011). As indicated by previous research discoveries of Brand Preferences in the branded apparels industry, it can be characterized that, there are both positive relationships and negative relationships that exist with BTL activities (Faisal et al, 2015). These are varying with the country, culture, population, per capita income, GDP and etc. (Estache, &Iimi, 2011). Further, while trying to construct brand preferences in a branded apparels market, BTL promotions must convince the target segment to consider the benefits of a brand and regularly build the consumer's trust for a long time until the customer gets settled with the brand naturally, this entire process is brand preference (Bank, 2015). To increase Brand Preference is a definitive goal of an organization's BTL advertising strategies (Estache, &Iimi, 2011). This process will regularly start with building up positive brand image for the business (Barrett, R. 2010).

6.3   Branding and Brand Preference

A standout amongst the most basic and essential long term targets of branding a product among the consumers (Duncan, Mortimer, &Hallas, 2007). Branding and brand preference is utilization of right strategy to make a specific brand message that give positive vibrates to target clients (Ertem, Buyurgan, & Rossetti, 2010). As an example, Nike brand has created itself as an extravagant and status brand for their target customers (Faughnan, 2007). Brand is the picture that purchasers have at the top of the priority list, for an example Adidas (Ferri et al, 2016). Additionally, the

Hanly, Koopmanschap, and Sharp, (2015) portrays an branded clothing products "a name of the brand, term of the brand, sign of the brand, picture of the brand or design of the brand, or a mix of all". Clothing brands incorporate certain branding strategies that are different in some way from competitor's proposed strategies to satisfy a need of the customer's preferences (Dalrymple, 2007). Branding of clothing brand must address client interests and culture; therefore, the variables that influence its image and brand recognition among BTL activities must impress the target customers and general society (Or other stakeholders) to build the brand preferences (Estache, &Iimi, 2011).

6.4 Research/development in Brand Preference

Research and development is vital to enhance the brand preferences in branded apparels market, as branded apparels companies comprehend more about what pushes the clients to purchase the brands (Dutta, 2010). Research and development in this market acquainted with the centre opinions for any market brand with the right value to the customers that will ultimately enhance the brand preference (Bichler, Guler, & Mayer, 2015). For example, clients who purchase Nike and hope to get an elevated state of satisfaction, where the customer needs to know the Nike brand first. Therefore the right research and development will try to identify the customer satisfaction that will enhance the brand preference (Hamza, & Greenwood, 2009)

6.5 The relationship of Brand Preference in Branded apparels industry

In the modern world, the living pattern and way of life of the general population have changed to a great level (Dzeng, & Lin, 2004). Branded apparels were normal preference among most of the people with the changing way of life and wage levels where individuals move their utilization patterns (Brandmeier, & Rupp, 2010). Several studies have shown that changes towards the western lifestyle can largely be depended on branded apparels (Ahmed ZainElabdin Ahmed, 2015). While BTL can have mixed results, when used in the Branded apparel industry, it can be an effective technique for publicizing towards brand preferences (Duncan, Mortimer, &Hallas, 2007). BTL strategies should be professionally planned to establish brand messages that are proposed to encourage the customer's purchases (Joly, 2016). The costs for BTL strategies are straight-forwardly dependent on the measure taken in building brand preferences of the customers (Degraeve, Roodhooft, &Doveren, 2005). However generally, BTL strategies in Branded apparel, costs are lower than most marketing strategy systems (Behery, Jabeen, &Parakandi, 2014). BTL strategies should be inspiring to customers in order to increase the market share and to increase the customer's choices (Hanly, Koopmanschap, and Sharp, 2015). BTL strategies also require remarkably planned brand messages to produce customer links that are hardly visible in a dark market (Joly, 2016). Most BTL strategies in a dark market are set up to pay on commission for an advertising agency, therefore, the costs can be kept low and can have more inspirational BTL strategies to increase the market share (Faisal Ahammad, Mook Lee, Malul, and Shoham, 2015).

6.6 The relationship between BTL activities and brand preference

While BTL activities can have blended outcome of brand preferences (Positive or Negative) when utilized in the branded clothing industry, however the BTL activities can be a powerful method for publicizing towards brand preference (Festa, Cuomo, Metallo, & Festa, 2016). BTL strategy battles must be professionally planned and marketing specialists ought to be procured to make convincing messages to propose to the clients (Kregiel, 2015). The expenses for BTL are straight-forwardly reliant on the measure of the campaign. However for the most part, BTL strategies costs are lower than most ATL promoting strategies. BTL promoting strategies takes diving towards the individual level, and this is a standout amongst the most well-known types of BTL publicizing strategies (LaPlaca, & Lindgreen, 2016). BTL strategies require an exceptionally prepared deal that knows how to link the client connections that are barely recognizable while being diligent to brand preferences (Rod, Ashill, & Gibbs, 2016). Most BTL strategies are developed to enhance brand preferences that can be kept high with the BTL strategies, and therefore BTL activities have a positive relationship with brand preferences.

6.7 Identified positive relationships of previous literature

Interest for BTL strategy exercises for apparel brands started to develop in the 1990s and researchers also focused on the brand preferences. Research done at that time, Faisal Ahammad, Mook Lee, Malul, and Shoham, (2015) demonstrated positive outcomes and was found that considerable effects can be accomplished even by little increments in BTL action rates in the apparel industry to improve the brand preferences of the customer (Cheah, & Heywood, 2011). Faisal Ahammad, Mook Lee, Malul, and Shoham, (2015) facilitate many positive researches that contended towards the BTL activities and it is more aware of the need to oversee the brand preferences of branded apparel companies and to increment BTL exercises.

6.8 Identified negative relationships of previous literature

According to the negative revelations and examination, the establishment of the investigation explains the role of BTL function in the branded apparel industry and its impact (Hasle, Limborg, and Nielsen, 2014). Here the key point between these two sections would be negative brand preference (Bennett, and Kane, 2014), (Grube, Kaufman, Clarin, and O'Riordan, 2016). Kotler, (2009) comprehended that, negative BTL headway in this industry is more adjusted, and merges the diffusing of flyers, handbills, stickers, movements, freebees put at inspiration driving offer, in the city through banners and observes. Negative brand preference in branded apparel industry reflects a need to use a specific blended product, paying little respect to when there are correspondingly assessed and identically open decisions (Hasle, Limborg, and Nielsen, 2014). Everything considered, negative brand preferences in branded apparel industry exhibits a look for or decision of a particular thing when it requires paying reasonably or using more push to acquire it (Grube, Kaufman, Clarin, and O'Riordan, 2016).

7.0 Conceptual Framework

The below conceptual framework explains the dependent and independent variable, the dependent variable is "Brand Preferences in branded apparel industry", this is a preference of a apparel brand in the market with the behavioural tendency of the customer, that exhibits itself with different brand choices. And on the other hand, the "BTL activities" is the independent variable, this involves "below the-line" campaigns, which intend to coordinate a more-focused on and guide message to the customer.
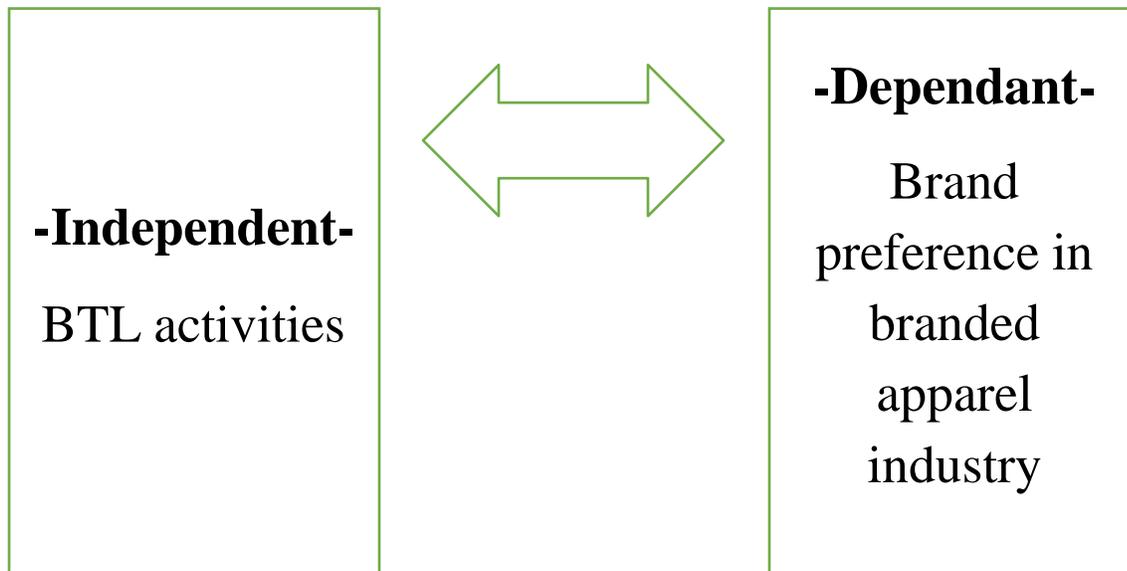
8.0 Hypothesis Development

Null	BTL activities do not have an impact on brand preferences in branded apparel industry
Alternative	BTL activities do have an impact on brand preferences in branded apparel industry

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Securities Regulation in Canada: The Case of IIROC

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Abstract— The paper analyzes the processing of complaints against investment brokers and dealer members through the Investment Industry Regulatory Organization of Canada (IIROC) from 2008 to 2017. IIROC is the self-regulatory organization (SRO) that is responsible for policing investment dealers and brokerage firms that trade in Canada's securities market. Data from the study came from IIROC's enforcement annual reports for the years examined. The case processing is evaluated base on the misconduct funnel that was originally designed for street crime and applies to the enforcement of investment fraud. The misconduct funnel is used as a framework to examine IIROC's claim that it brought in more complaints (funnel in) than government regulators and shows how these complaints are funneled out and funneled away as they are processed through IIROC's enforcement system. The results indicate that IIROC is ineffective in disciplining its members and is unable to handle the more serious quasi-criminal and improper sales practices offenses. It is hard not to see the results of the paper being used by the legislator in Ottawa to show the importance of a federal securities regulatory agency such as the Securities and Exchange Commission (SEC) in the United States.

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Abstract

During recent decades, liaison between economic growth and the financial development have allured many economists and policy makers attention, there are, however, divergent standpoints among economists and with regard to the supremacy of financial development on economic growth. This research strives to investigate about the influence of financial development on economic growth based on the real section development. Accordingly, a dynamic data panel estimated for 11 oil producer country during (1998-2015) by using GMM method. In order for the measurement of financial development index, we adopted credits given to the private section then divided it on gross domestic product. The industry value added also was used for the measurement of the real section development index. Results taken from model estimation display the positive influence of financial development on economic growth, the financial development index coefficient, however, stays on %1 negative level with regard to the granted credit growth rate difference for the private section and for the gross domestic product and the industry value added). Consequently, the growth of credits granted to the private section will abate the financial development influence on the economic growth if it is not together with the real section economy.

Key words: Financial Development, Real Section, Economic Growth, GMM method for the dynamic data panel

1-Introduction

Financial section development is one of the factors holding fundamental role for achieving a continuous and brash growth goal. Money market and investment shape the financial section. The importance of country financial section development originates from the basic role of an effective financial section for equipping financial investment resources, invigorating the entrance, equipping of the foreign investment, and optimizing the process of resource dedication.

In spite of existing different outlooks about financial development, the eco-

nomic growth and the role of financial development among economists, the liaison between economic growth and the financial development have attracted many economists and policymakers' attention. During past decades, experts, economic standpoints with regard to the relationship between financial section and the economic growth have encountered many different ups and downs. The first idea was that financial development can bring about economic growth. The real section priority was emphasized after that and sometimes the non-existence of these two factors received more attention and during recent years, the idea is that this liaison depending on the financial, economic and the level of different countries development is different.

This article explores about the relationship between financial development and economic growth based on the real section economy.

2-Reviewing this subject literature

2.1-Theoretical Bases

Financial development can be regarded as an important factor for eco-

nomic growth. The expanded definition and mutual dependence with other economic development sections cannot show clearly the influence of financial development on economy. Experimental studies perform periodical new evaluation for the relationship between financial development and economic growth similar to new theories, data series and the available experimental tools.

Two general clear-cut approaches govern on the experimental research literature which explains the financial development role in similar economic growth with theoretical studies: Optimistic (mostly during 1990 and 2000 decades), and Skeptical (after Year 2000).

In connection to savings, financial systems enjoy from better mobilization systems and facilitate different resources dedication. They decrease agency expenses, promote innovation activities and share risk factors through high investment interests. Through second approach, financial development can lead to an inefficiency shape by systematic risking, low optimized side savings, high economic capacity or imposing high expenses.

These theoretical findings demonstrate that scientific supremacy of financial influences should be investigated jointly with other factors which do perform economic growth. In case that high systematic risk is the result of financial depth and for the dedication of high amount of money to risky investments, for that reason, technologic progress can pave the way for economic production capacity and demanding budget from effective companies. The result will be economic stability. This process, likewise, is the reason for systematic crisis reduction which leads in average economic growth rate. Otherwise, in case that high rent resulted from quick financial section development attracts different skillful workers resources, desirable working dedication will be the result of exogenous other technological growth.

Different related studies by Morphy, Shlifer and Vishney show that optimized working dedication among sections is necessary for preserving economic growth rates. In that event when financial innovation leads in savings reduction, (for example; interest rate decrease), there, we will be witness for different influences by technologic progress in real section

(budget demanding will increase simultaneous with interest rate escalation). Saving furthermore in its turn, results in capital agglomeration in economy, next production level and economy growth rate. Balanced technological growth in financial sections and real ones, whereof, instead of having positive and negative influence on economic growth will become necessary for financial development.

2.2-Reviewing previous studies

In a research entitled in "Estimating casualty relationship between financial development and economic growth in Nigeria: variance error separation" Nowaonuma and Celina, perform the investigation about relationship between financial development and economic growth in Nigeria during (1970-2011) and based on VECM econometrics standard method for the long term relationship test. With a view to the financial efficiency indicator (credits granted to the private section have been analyzed), the results from this study shows that private section credit, internal section savings and foreign direct investment (FDI) have dedicated about 65 percent of gross domestic product changes in Nigeria.

In a research named in *Financial development of real section and economic growth*, Ductor and Grechyna have investigated about mutual dependence between financial development, real section output and its real influence on economic growth through 101 developed and developing countries, panel data during 1970 until 2010. Based on using FD-GMM method, panel data results shows that financial development influence on economic growth depends on private credit growth than real productions growth. The negative financial influence on economic growth is again another research result.

Through usage of panel data and in a study entitled in *Financial development and economic growth in Asian developing countries* Bayar (2014), performs investigation about financial section development and influences on economic growth of seven Asian developing countries during (2011-1992). The existing positive influence of banking system development and capital market on economic growth of these mentioned countries is another result of this study.

In a research named in "Financial development and economic growth in an oil dependent economy: Saudi Arabia case" and by using Auto-regressive method together with distributed lag(ARDL), Samargandi et al, performed an investigation about financial development influence on an oil dependent economy on 1968-2010. In accordance with study results, in contrast of negative and meaningless influence of financial development on gross domestic product growth, but there we witness for the positive influence on non-oil section in Arabia.

In a research entitled in "Financial development and economic growth based on PostKinzin approach: case study Hong Kong" and through using VAR, Chaiechi investigates the relationship between financial development and economic growth in Hong Kong during 1990-2004. There exists a positive short and long term relationship between financial development and economic growth in Hong Kong. The financial markets and financial structure variety also holds extremely important role in different countries economics.

In their study named in "Financial Stability and Economic Function: case study of OPEC members, Agaee et al, (2018), performed experimental investigation among OPEC

members during 2000-2016. This relationship modeling leans upon GMM systematic data models in form of a dynamic mixture and research model estimation has performed through estimator after controlling financial deepening level of countries. We also took advantage from different financial stability, institutional, micro and macro indices. Financial stability brings about positive and meaningful influence on economic function of OPEC members.

In an article named in "financial development influence on Iran economy globalization" Jalaee et al (2013), results show that financial development escalation through banking credits development to private section can lead in %11 private investment enhancement and finally economic growth increase.

Taghavi et al (2011) in their article named "financial development and economic growth in MENA members through GMM dynamic panel method" investigated about the experimental relationship between financial development and growth. Results acquired through estimation for 1960-2006 and 12 MENA members mention to the negative influence of financial development on economic

growth which is the result of financial markets liberation method, financial system weakness and nonexistence of a coherent financial market.

3-Research Goal

Identifying financial development influence on economic growth and with regard to the real economy section

4-Research Hypothesis

- Financial development holds positive influence on economic growth

- Financial development influence on economic growth depends on real section growth

5-Research model introducing

Ductor and Grichna model (2015) has been used for research hypothesis investigation as follows:

$$Ln(y_{i,t}) - ln(y_{i,t-1})$$
$$= \lozenge ln(y_{i,t-1}) + \lozenge_1 FD_{i,t}$$
$$+ \lozenge_2 FD_{i,t}(g_{FDi,t} - g_{\lozenge\lozenge i,t})$$
$$+ \lozenge' X_{i,t} + \eta_i + \mu_t + \lozenge_{i,t}$$

This equation shows gross domestic product annually by I and for t-1 period (Yi,t). FDit is financial development. (gFDit-G RSit) is the difference

between financial development measurement and development criterion growth for real section. Xit shows standard control variances series. Human resource, open commerce, government expenses and (it) inflation are unobservable special influences of country. (ut) is time specific factor and (Eit) is random interruption.

Inflation	IP
Human capital	HU
Open commerce	TR

Table 1- Research Variances Introducing

Variance	Symbol	Calculation method
Economic growth	Y	Growth in real and annual interest
Real and financial growth difference	GFD-GRS	Financial development- growth / industry value added growth
Government expenses	GH	Government expenses share from gross domestic product

Equation number 1 will be estimated for research hypotheses and for all oil dependent countries (Islamic Conference Member) during 1998-2015.

Here are countries involved in this research; Azarbaijan, Indonasia, Iran, Alger, Jordan, Kazakhstan, Kuwait, Malasia, Oman, Saudia Arabia and Tajikestan

Data and statistics are from World Bank Development Indicators and United Nations. Data related in model variances are based on US Dollar and the fix price of year 2005.

2.5-Estimation Method

* Annual income determination should be performed through dynamic models based on Sechez vies. These

methods have investigated in detail by Bond et al (2001) for growth model estimation.

Among the privileges of using dynamic data panel GMM are including individual inconsistency and more information, deleting existing biases in cross regressions which will lead in more precise estimation together with higher efficiency, less similar linearity in GMM. Here is the total GMM priority over other methods:

- Endogenous problem solving for institutional variances: the major privileges of dynamic GMM estimation are that all regression variances without coherence with interruption section shall be with interruption variances and differential ones (they can be potentially tool variances).

- Reduction or removing linearity in model: using dependent variances with interruption can remove model linearity.

- Deleting fixed variances simultaneous with model can delete these variances such as culture, ethnicity, religion and realm which are fixed and powerful influencing factors on annual income and development. They can be affined with institution. These deleted variances lead in model estimation bias. This method facilitates the process of deleting their influence through statistics differences.

- Time dimension enhancement for variances: although it is possible to acquire long term relationship between variances through cross cut estimation, however, these types of estimation do not enjoy from statistics time series for increasing estimation efficiencies.

Taking advantage from statistics series and time dimension gives us this possibility to include and investigate about those unobserved fix time factors which show countries differences for annual income.

6-Experimental results

Table 2- Correlation Matrix

	Y	FD	FD (GFD-GRS)	IP	HU	TR	
Y	1						
FD	0/024	1					
FD-GFD-GRS	-0/034	-0/44	1				
GH	0/054	0/33	0/123	1			
IP	-0/073	-0/055	-0/045	-0/032	1		
HU	0/047	0/122	0/143	0/136	0/19	1	
TR	0/065	0/145	0/176	0/221	0/334	0/337	1

Table 3-GMM method based estimation

Regressors	Coefficient
Dependent variance with one stop	-0/023*
FD	0/064*
FD (GFD-GRS)	-0/031*
GH	-0/051*
IP	-0/003**
HU	0/016*
TR	0/041**
J statistics SAREGAN	76/84
Number of countries	11
*and** show meaningfulness in %1 and %5	

SAREGAN statistics shows that model zero hypotheses which shows identified more than normal restrictions, is not rejected so that all tools have been regulated correctly.

Human capital and commerce (open economy level) holds positive influence according previous studies and there is negative influence on economic growth as the result of inflation rate.

Government expenses variance in comparison with gross domestic product has negative and meaningless influence on economic growth. Financial development indicator, however, that is credits given to private section in comparison with national gross production shows positive influence on economic growth.

Credit growth, for that reason, decreases financial development influence on economic growth and it is not similar to real economy section.

Therefore, we confirm research hypotheses which believe financial development influence on economic growth depends on technological progress and growth of real section.

7-Conclusion

Financial development influencing on economic growth is one of the challenging economic debates. Through this present study, we tried to investigate about financial development influence on economic growth and based on real section development. In order for financial development indicator measurement from credits given to private section divided on gross domestic product. Industry value added also used for the measurement of real section development indicator. For the investigation of research model, also, and for 11 oil dependent countries (Islamic Conference member), during 1998-2015, dynamic data panel GMM method were used for estimation.

Results from estimation prove the positive influence of financial development on economic growth. Financial development indicator coefficient, however, (growth rate difference of credits given to private section than gross domestic product and industry value added) is negative for %1 level. Credits given to private section and their growth, therefore, will

decrease financial development influence on economic growth if it is not together with real economy section.

Research hypothesis, for that reason, is confirmed believing that financial development influence on economic growth depends on technological progress and growth in real section. There is correspondence between results acquired from this study with theoretical studies. It shows mutual dependency between financial section and real section technology which determine in its turn the financial section growth influence on gross domestic product growth.

Financial development, therefore, can lead in economic growth decrease if is not consistent with real section economy development. All economy sections, therefore, beside balanced growth way, shall grow based on fixed rates which include real and financial sections. Undesirable growth for both sections will influence on the whole economy production growth.

Through dedicating wrong resource, financial development can result in economic growth reduction. One quick growth financial section brings about high rents and it also attracts

ideal resources dedicated for other sections. The total result is that financial development can lead in economic growth if it paves the way for suitable ground for optimized resources dedication and also lead in capital efficiency enhancement. Economic policymakers, therefore, shall pave the ways for more efficient resources dedication.

EXPLORING MORTGAGE FINANCING IN THE HOUSING SECTOR OF GHANA

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Abstract

Housing provision remains the basic critical need in the human development especially those in the developing countries like Ghana. Housing delivery in many developing countries is low due to high population growth, rapid urbanization and low-income levels. The study explored the mortgage financing in the housing sector of Ghana. With the current effort at social and economic development by Third World countries, a study like this is significant, as it is capable of contributing to the present knowledge in the area of mortgage financing. The populations for this study were made up of workers from formal sectors who qualified to access mortgage loan and mortgage providers. Primary data source was employed. It was found that mortgage financing largely depends on social and financial factors. These two factors have positive correlation with the mortgage performance with the formal explained most of the variations in mortgage performance. Some of the mortgage options identified were residential property for personal use or rental and mortgage for buy, build and own a home. The study also identified high interest rate, high inflation rate and low-income levels of workers as some of the challenges facing the industry.

US-China trade war: Analyses of effects on global economy

And Wider implications

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Abstract

The paper examines the economic consequences of trade war . It uses descriptive analyses of graphs that describe the tendency of US protectionist measures and Chinese retaliation. By using data analysis and graphs, it is found that trade war will spread beyond two countries and both countries economy will bear the major share of burden of tariff war but the global economy will loose in term of welfare due to adverse economic and political ramifications on international trade. Ultimately emerging countries will be benefited by the trade war because of shift in demand to areas where they have comparative advantages. A rise in economical crisis would adversely influence industrial productions and restrain investment. Other countries on the sideline are hit indirectly due to weaker global economic growth. In macro economic scenario the global real GDP will decrease which reflects reduction in real exports, reduced foreign investment and financial stress in global economy. In worst case scenario, recession may hit the global economy.

US-China trade war: Analyses of effect on global economy & wider implications

On March 8, 2018, the multilateral trading system has been affected by the decision of U.S.A by imposing tariffs on certain trading partners especially against China. U.S.A president announced sanctions against China over its intellectual property rights policies that adversely affect the U.S stakeholders and a rise of tariffs by 25% on some Chinese products. China also retaliated by imposing tariffs on U.S.A products. On April 3, a 25% tariff was imposed on 1333 products of China valued at $50 billion. These products are robotics, shipping, information technology, high technology medicine and new energy vehicles. One day later, China also imposed 25% tariffs on 106 products of U.S.A worth of $50 billion. Some authors like Ciuriak & Xiao (2018) already demonstrated the adverse effects of protectionism between U.S-China by using the computable general equilibrium model. These authors showed economic effects on developed countries such as E.U or countries close to U.S.A such as Mexico, with emphasis on steel and aluminum sector. The objective of this paper is to determine the adverse effects caused by tariff war by using graphs and data from different sources. It also determine the impacts on production, welfare and trade balance.

The results indicate that global real GDP will decrease and both U.S-China's economy will suffer in the long run .Some emerging countries like Bangladesh, Vietnam will be benefited by this tariff war as these countries have some comparative advantages in terms of exports and welfare.

Methodology

The paper uses both descriptive analysis and graph analysis to explain the trade deficit and adverse effects of trade war on global economy.

A brief history of US-China trade war

When China and U.S.A re-established diplomatic relation in 1979, trade rose rapidly and China was given Most Favored Nation (MFN) status in 1980. The total trade between these two nations was $4.5 billion at that time. If we compare 1980 and 2018, we see trade between U.S.A and China was 659.8 billion in total (two ways) goods trade during 2018 while it was only $4.5 billion in 1980, making China the U.S` largest trading partner .The U.S goods exports to China in 2018 was $120.3 billion. The trade deficit between these two nations was $378.6 billion in the year 2018.

Graphs and data analysis

If we analyze the state export report of 2018, we see that US products exports to china continuously increased from 2008 to 2014 but it decreased in the year 2015 and 2016. In 2017, the US exports to China was $127.7 billion but the exports decreased to $120.3 billion in the year 2018, down 7.4% from 2017 but up 175.36% from 2008.

Total US Exports to China ($ billion)
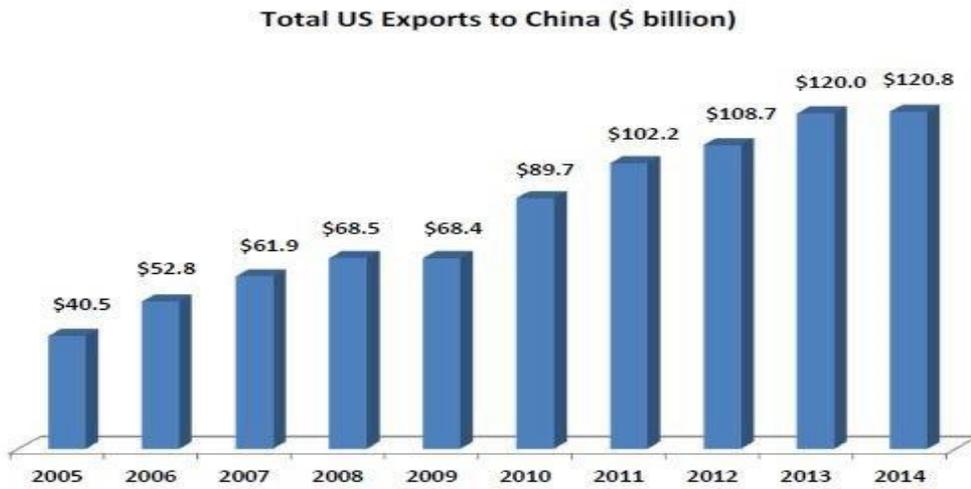
(Source: USCBC State export report,2015)

This significant increase of exports to china account for 7.2% of overall exports of US in 2018.This helped to increase jobs in China and helped to grow US firms rapidly. US services exports to China increased continuously from 2008 to 2018. US exports of service to china was $58.9 billion in 2018, 2.2% (1.3 billion) more than 2017 but if we compare with 2008, it is 375 percent higher. Services exported to China was in the travel, intellectual property like trade mark,softwares etc.

At present china is the largest source of US merchandise imports, at $539.5 billion and up 59.7% from 2008. US imports from China account for 21.2% of overall US imports in 2018.

Table 1, US imports from China:

ITEM	2016	2017	2018
Communication Equipment	65673	77856	84657
Computer Equipment	52180	58308	64457
Miscellaneous commodities	34332	36497	34438
Apparel	25483	24559	26857
Semiconductor	18903	23158	19357
Household furniture	16335	18123	22154
Footwear	14061	14498	16158
Plastic products	12319	13771	14528
Motor Vehicles products	13117	13528	13829

Source: Authors Collection

As the US import from China is higher than export, trade deficit in goods hits record high.

U.S. trade deficit in goods hits record high

In billions
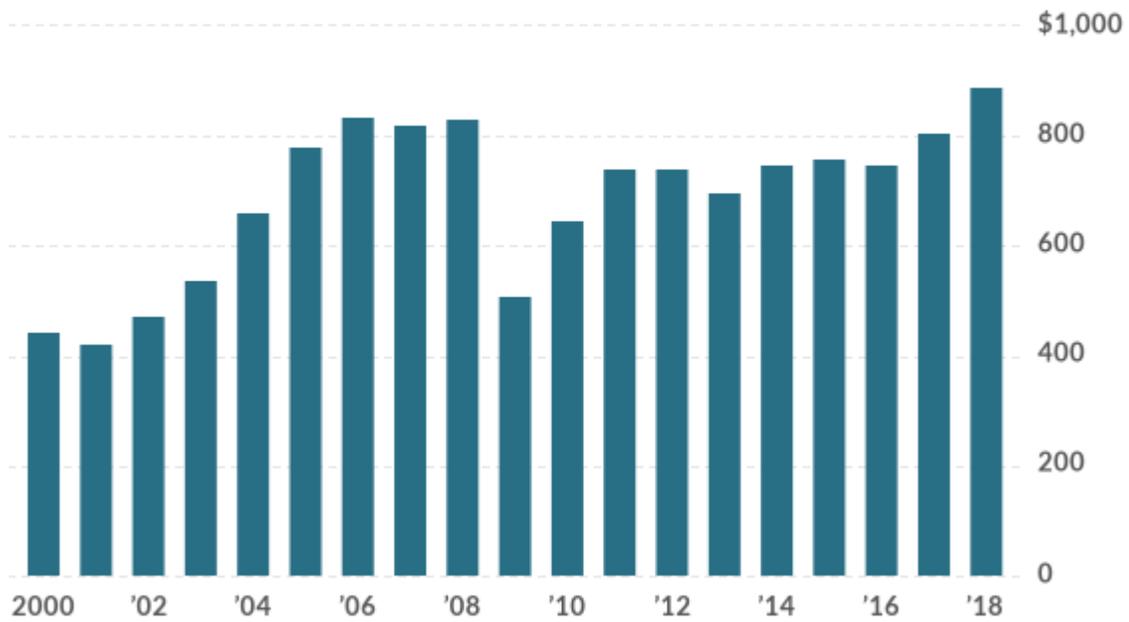
Source: U.S. Census, Haver Analytics

Effects on Global Economy

The tariff can be a headache for American companies to export their products if other nations retaliate, Many US firms like Apple inc. have warned the US government that they could be caught in the middle of trade war if other countries take protectionist measures. Trade war triggered by Donald Trump's tariff policies could shipwreck the global economy and are having a chilling effect on growth. The governor of the bank of England, Mark Carney said, "More hostile and uncertain trading environment is coinciding with sharp slow down in global trade, manufacturing and capital goods orders. As a result, the quality of global growth has deteriorated". Across the G7, the growth rate has almost halved since its peak in late 2017 , leaving the global expansion move reliant on consumer spending and reducing resilience. Ayhan Kose , the director of world banks prospects group , said "with these trade tensions, the global economy, in a sense getting close to crossroads". Recent UNCTAD estimation is that US-China trade war will affect the third countries. For example, at the $250 billion of Chinese export subject to US tariffs,82% will be capture by firms in third countries,12% will be retained by Chinese firms and only 8% will be retained by US firms. The European Union may capture about $70 billion of US-China total trade ($20 billions of US exports to China+ $50 billion of Chinese exports to the US) .Canada, Mexico and Japan will capture $20 billion each. Some countries like Brazil, India, Philippines, Pakistan, Bangladesh may experience a substantial increase in export relative to their total exports.

But in a world of global value chains, there will be a domino effect beyond the countries and sectors due to trade war. Most likely East Asian Value Chain

will be hit hardly, which could contract by about $160 billion. North American Value chain will be affected, this impact would reallocate the production based company to transfer from China to North America. However, Europe and other Asian countries will clearly profit by almost $90 billion, while in Africa much less. Latest world economic outlook report says that cost of trade war is $430 billion or 0.5% of world GDP.

Conclusion

Trade war will reshape the international trade flows. It will spread beyond two involved parties and it will also be heavily contagious in the long run, this will be the most damaging effect on all. Financial markets and supply chain will face huge challenge. Now it is almost sure that global GDP will decrease by 0.5% to 2%. In a worst case scenario, a full blown trade war will cause economic and financial carnage on the scale of the 2008 global financial crisis.

Let's hope better sense will eventually prevail and a recession can be avoided.

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