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## **Monetary policy on Economic growth in Tanzania: Evidence from the ARDL Model**

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This study explored the impact of monetary policy on economic growth in Tanzania with annual data from 1985 to 2023 from World Development Indicators (WDI). The findings reveal that the inflation rate negatively impacts economic growth in long and short-run periods. Similarly, the interest rate was reported to negatively impact Tanzania's economic growth in the long run. The results confirmed the positive and statistically significant impact of money supply on economic growth in both the long-run and short-run periods. The findings of this study do not support the relevancy of the exchange rate on economic growth during the study period. The study concludes that monetary policy significantly impacts Tanzania's economic growth; however, the impact is more prominent in the long than in the short run. It is recommended that the government, through the central bank, needs to introduce a fixed exchange system, especially in crisis times, to protect against exchange rate fluctuations. Furthermore, supporting local production and boosting exports would help improve the exchange rate. The central bank is also advised to stick to the “price stability objective” to curb the negative impact of inflation on the economy. The money supply efforts should also be more stressed in the long rather than the short run periods.

**Keywords:** Monetary policy; Money supply; Exchange rate; Interest rate; Inflation rate , Tanzania , ARDL model; Developing countries.

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