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The recent financial crisis has renewed the interest of economists both at the theoretical and empirical level in the relationship between macro-financial variables and macroeconomic growth. In particular, the use of macro-financial indicators, such as the credit-to-GDP ratio, the debt-to-GDP ratio, and the debt-to-equity ratio, has become a standard practice in the analysis of macroeconomic growth. In this paper, we investigate the relationship between macro-financial variables and macroeconomic growth in the context of the Eurozone. We use a panel of data from 1995 to 2010 and find that the credit-to-GDP ratio is positively correlated with macroeconomic growth, while the debt-to-GDP ratio is negatively correlated with macroeconomic growth. The debt-to-equity ratio is also negatively correlated with macroeconomic growth. These findings suggest that a high credit-to-GDP ratio is associated with higher macroeconomic growth, while a high debt-to-GDP ratio is associated with lower macroeconomic growth. This is consistent with the hypothesis that a high credit-to-GDP ratio is a sign of a strong financial system, which is able to provide financing to the real economy. On the other hand, a high debt-to-GDP ratio is a sign of a weak financial system, which is unable to provide financing to the real economy. The debt-to-equity ratio is also negatively correlated with macroeconomic growth, which suggests that a high debt-to-equity ratio is a sign of a weak financial system, which is unable to provide financing to the real economy.

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