

Accepted Manuscript

Short run and long run effects of exchange rate volatility on commodity trade between pakistan and japan

Mohsen Bahmani-Oskooee, Javed Iqbal, Muhammad Salam

PII: S0313-5926(16)30114-X

DOI: <http://dx.doi.org/10.1016/j.eap.2016.09.002>

Reference: EAP 130

To appear in: *Economic Analysis and Policy*

Received date: 22 July 2016

Revised date: 30 August 2016

Accepted date: 10 September 2016

Please cite this article as: Bahmani-Oskooee, M., Iqbal, J., Salam, M., Short run and long run effects of exchange rate volatility on commodity trade between pakistan and japan. *Economic Analysis and Policy* (2016), <http://dx.doi.org/10.1016/j.eap.2016.09.002>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Short Run and Long Run Effects of Exchange Rate Volatility on Commodity Trade between Pakistan and Japan

Mohsen Bahmani-Oskooee^a, Javed Iqbal^b, Muhammad Salam^c

Abstract

Earlier studies that examined the impact of exchange rate volatility on trade flows of Pakistan used aggregate trade data either between Pakistan and the rest of the world or at bilateral trade between Pakistan and her major trading partners. Not much support was found for significant impact of exchange rate uncertainty on trade flows by either group. Suspecting that they suffer from aggregation bias, we consider Pakistan-Japan trade flows but disaggregate them by commodity. In total, 44 Pakistani export industries to Japan and 60 Pakistani import industries from Japan were analysed. Contrary to our expectation and other disaggregated studies, not many industries were affected by exchange rate volatility neither in the short run nor in the long run.

- a. Department of Economics, The University of Wisconsin-Milwaukee, Milwaukee, WI, USA: bahmani@uwm.edu
Valuable comments of two anonymous reviewers are greatly appreciated. Remaining errors, however, are our own.
- b. Assistant Professor, School of Economics, Quaid-i- Azam University Islamabad: javed@qau.edu.pk
- c. MPhil Scholar, School of Economics, Quaid-i- Azam University, Islamabad: muhammadsalam143@gmail.com

JEL Classification: F31

Keywords: Exchange rate volatility, commodity trade, Pakistan, Japan.

Download English Version:

<https://daneshyari.com/en/article/5052690>

Download Persian Version:

<https://daneshyari.com/article/5052690>

[Daneshyari.com](https://daneshyari.com)