

Investigating the relationship between exchange rate volatility and the volume of imports and exports of Iran with major trading partners

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Abstract Theorists argue that exchange rate volatility may negatively or positively affect international trade. The main objective of this study is to investigate the relationship between exchange rate volatility and trade volume with major commercial partners. Thus, the data of 14 Iranian business partners that have had the largest trade volume with Iran during the last decade have been analyzed during the period 1980 to 2016. The time series model is used to test the hypotheses. After confirming the classic assumption, the model was estimated. The estimated results showed that all variables were consistent with economic theories in terms of sign. There is a positive and significant relationship between the exchange rate, exchange rate volatility and the average GDP of ed countries with the volume of imports to the country. It was also found that the exchange rate, exchange rate volatility and GDP of the country with the volume of exports to the ed countries have a positive and significant relationship.

Keywords : Keywords: exchange rate, export, import, national income.

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