

# AFRICA'S TRADE AND VOLATILITY IN EXCHANGE RATE: AN ECONOMETRIC CALCULATION

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## Abstract

The study estimates effects of volatility in mutual exchange rate of a selection of African countries in relation to US dollar on aggregate exports of Africa countries from March 1, 2005 to March 30, 2018 using GMM estimator. This is indebted by the fears being upstretched as whether the variation in exchange rate of Africa currencies vis-à-vis US dollar in current time have stimulated export growth. The results show that current and historical volatility had negative and significant effects on aggregate exports of all selected Africa countries in the study. Also, speculation effect of exchange rate volatility is negative and significant for all countries except Liberia. The study advices Africa monetary authorities to certify total adherence to implementation of exchange rate stabilization policies.

**Keywords:** Africa countries, export, exchange rate volatility, E-GARCH model

**JEL classification:** Q24, H30, M16

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