Effect of Exchange Rate Fluctuations on the Value and Volume of Exports and Imports in Customs (City of Bandar Lengeh)

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ABSTRACT: One of the key factors of an open economy is the exchange rate of a country and the rest of the world. The economic literature on exchange rate, at least in the short term is directly related to export and import related pieces. The successive change and exchange rate fluctuations, obscuring the future prices of imports and exports, exporters and importers placed in the uncertainty condition as well. Therefore, this study aimed to study changes in the exchange rate on export and import customs Length is designed and implemented. The required data includes exchange rate changes by statistical agencies, and the volume and value of imports and exports through customs data archiving 91-89 years has been extracted. This research is descriptive in purpose, is applied. The method used in this study is correlational survey with the help of regression models, the accuracy of the regression model (Fisher) and the independence of observations (Watson camera) was conducted and its parameters were estimated using OLS techniques. In general, these results suggest that the relationship between exchange-value and volume of exports and imports therefore suitable measures to control the exchange rate can have a significant role in the growth and development of exports and imports is reduced.

Keywords: Trade, Customs, Export, Import.

INTRODUCTION

Adopting an appropriate exchange rate policy in developing countries has always been controversial. Discussions often centered on the exchange rate fluctuations in the face of internal and external shocks concentrated. Based on an economic perspective devaluing its currency, the price of foreign goods is relative to domestic goods more expensive and improved international competitiveness. The end result can be improved economic activity. In other words, the effect of the depreciation of the domestic currency cost of foreign goods in the domestic producer to make changes. The success of devaluing the money in stimulating foreign trade balance to a considerable extent the displacement demand in the economy's capacity to provide appropriate additional demand through greater supply of goods depends. This problem has been observed in the countries of the Group of Seven.

Mendoza (1992) from the perspective of traditional economics, the impact of the declining value of money on the economy asexpanding. While the new structuralisms, the contractionary effect on the economy have underscored the declining value of money (Meade, 1951) Marshall-Lerner Condition control of this issue of economies that are violated and currency depreciation leads to reduced production (Gylfason & Radetzki, 1991). With devaluation, the export price falls, but on the other hand, the rising cost of imported products from. While the foreign trade balance and terms of trade unchanged, price changes cancel each other out (Dornbusch, 1975). But, the imports exceed exports with the end result being a reduction in real income. That aggregate demand in oil exporting countries with poor response to the devaluation and exports priced in dollars, devaluation can lead to the contraction (Cooper, 1971; Kalyoncu et al., 2008).

The effect of devaluing the domestic currency (exchange rate appreciation) net exports improved, but the intensity is increased production costs. Similarly, the improved value of the domestic currency (devaluation) of net exports has declined and production costs are falling. The study of the combination of the two channels of supply and demand,
which can be the result of exchange rate fluctuations on the economy of the country identified. One of the major problems in developing countries, reliance on government revenue on exports of a commodity (or a limited number of goods) such a situation continue this trend has increased the vulnerability of the economy makes it difficult to plan for economic development. The countries applying economic laws and policies are necessary to resolve the crisis. Hence, this study examines the effect of exchange rate fluctuations on the value and volume of import and export customs Length city using regression techniques, the camera will be analyzed and Watson and finally answer the question whether the relationship between exchange rate volatility and the value and volume of exports and imports there?.

Custom Terminology

Custom made from the root word in French and English Komrsyom means of Komrs trade and exchange of goods are known. It also means that the goods and merchandise rights granted and according to some authors, after the Ottoman conquest of Constantinople by the Greek-derived word and pronunciation in Turkish, means Komrok used. In Persian the word is derived from Turkish, while treaties with Sultan Shah Mahmoud Khan, the king of the Ottoman Empire (1195 AD) also mentions the word customs. Iran Customs Administration of the Ministry of Economy and Finance has affiliate organizations. Customs Cooperation Council and the World Customs Organization, Customs have been defined as follows: "Customs is a government agency responsible for the enforcement of customs laws and obtaining input duty (import) and outgoing (export) and also responsible for the enforcement of other laws relating import, transit and export of goods. "Customs duty is actually an indirect way. According to historical evidence, which indicates that the Median tribe of civilization and rule the people of Iran that time, could be argued that certain customs regulations and customs of the way there when the Medes.

Similarly, at the time of the Achaemenes dynasty, in the vast land of Egypt, from East India to point in time, and in north and South continues, more prosperous trade of the Medes and the organization was also established. Organizational structure of the Islamic Republic of Iran Customs Administration customs Organization, Iran is composed of a headquarters and 10 field monitoring. Head of the Customs Office of the Deputy Minister of Economic Affairs and Finance enjoys the highest ranking Iranian customs. Headquarters of the ten areas of customs administration and monitoring of executive based in Tehran and four Deputy General Administration was formed. Decathlon monitoring areas in different parts of the country, the customs administration are monitoring. In Tehran Mehrabad customs, Shahryar, West, south of Tehran, PO and Trade under the Trust headquarters working. Number of administrative customs in Tehran and other cities around the border and some islands in the Persian Gulf andborder markets are based, consists of 129 units. Iran Customs headquarters of the role of guiding and coordinating units in the areas of supervision and customs of the country and in each case, the notification rules, guidelines and legislation and other measures necessary for the implementation, the action shall or the final maturity or in case of questions deals with the differences from the customs of the country, have been extracted. To this end, the Department of Safeguards, Office of the State Coordination, Office of Public and International Affairs, Office of Inspection and Investigation Commission to resolve disputes under the supervision of the customs, task altogether.

The concept of exchange

All the tools points to claim money that is resident in a country other than the country's currency is called. Exchange of infinitive words "lie" in international banking, foreign currency means the currency is sometimes added as an external and foreign currency in their work, to distinguish it from the national currency or in the currency of one country to be determined. The word "Seer" also means the currency in which most of the Persian plural of the currency, meaning that the use of foreign currencies. The use of foreign currency in the Persian is usual. Using the currency of the country settled transactions with other countries in the world. The demand for the currency of a country depends on imports that are required (because of the need to pay for imported goods and services), while the country's currency depends on the amount of goods and services exports, said. If the value of imports over exports, the currency of foreign currency revenues exceeded expenditures means that the country faces a balance of payments deficit to be funded from reserves previously. Balancing supply and demand in the currency exchange market is a global setting.

The price of a foreign currency exchange rates and currency swap is a foreign country because of the impact it can have on the price of domestic and foreign goods is important. When the currency of a country increases, the nations manufactured goods more expensive abroad and foreign goods in that country will be cheaper. On the contrary, when the value of a country's currency plunges its goods cheaper abroad and foreign goods become more expensive in the country. Currency conversion rate to each other until after the First World War had changed little; but after the First World War in the years 1914-1918, there are marked changes in rates of currencies of different countries, in some cases, these changes were very severe. As long as it dominated the world's gold standard, the currency conversion rates were compared to the gold content of the money together.

Since its founding in 1946, the IMF Statute, the Member States were also required to determine the value of your money in gold. However, the current value of each country’s currency by another currency or group of currencies is fixed and exchange rate determination is made according to the circumstances of each country. Types of exchange rates in relation to changes in the market following the nominal exchange rate, real exchange rate, exchange rate, floating exchange rates, preferential exchange rates, multiple rates of exchange, determine the optimal path of the exchange rate
of the real exchange rate in the economy in the eighties during a down trend, continually decreased. Consequences of
real exchange rate in the period of rapid increase in imports and non-oil trade deficit and boosting production and
employment on the one hand and on the other hand has been weakened. In addition, the real exchange rate is not
effective in controlling inflation. Although, the exchange rate in the eighties, in a moving equilibrium path, but the path
for the exchange rate in the context of the Iranian economy is the country's economic performance has been optimized.
Exchange rate in the current year (2011) was faced with new challenges as well. In the current economic conditions of
The country, especially after the implementation of Targeted subsidies and increase economic sanctions on the one
hand, on the other hand, leap unofficial exchange rate in the free market, not adjusted the official exchange rate and the
return rate of the currency, a new challenge in the exchange rate has created. The main objectives of managing the
exchange rate in economic conditions, including the recovery of non-oil trade balance, improvement of production and
employment, foreign exchange reserve, preserve, and maintain stability in the foreign exchange market is the portion of
the single currency. Iran's economy is a major issue now facing the management of the exchange rate, what is that
future exchange rate path should be guided? It seems that due to the currency market structure of the economy,
exchange rate and foreign exchange management policy requires the identification of the equilibrium exchange rate
exchange rate is optimal. Equilibrium exchange rate, currency exchange rate based on market supply and demand is
determined, not in order to be determined.

Accordingly, it is clear that unify the exchange rate policy in 2002 until mid-2010, exchange rate in Iran has
always moved around the equilibrium exchange rate exchange market. Witness to this claim is the approximate equality
of the official and unofficial exchange rates and the absence of significant excess supply or demand in the foreign
exchange market. But the second half of2010, with increases in the unofficial exchange rate and the lack of adequate
adjustment of the official exchange rate, again widening gap between official and unofficial exchange rates have been
established; so that in the fall of 2011, while the unofficial exchange rate was 15,000 rials, the official exchange rate of
11,000 rials.
The wide gap between official and unofficial exchange rate represents the re-emergence of imbalances in the
country's foreign exchange market and shows that the official exchange rate, the exchange rate does not reflect the
equilibrium. But the important question is whether the economics of the equilibrium exchange rate, while the exchange
rate is optimal? If you have a large supply of currency in the economy, like many countries in the world, based on
revenues from oil exports, then the equilibrium exchange rate of the currency demand and supply, naturally, the
exchange rate was optimized; but given the importance of oil revenues and large exogenous exchange rate may
approach equilibrium approach is not optimal for determining the exchange rate of the economy. Indeed, if the
difference between the exchange rate and the optimal equilibrium exists in Iran, then what is the expected economic
policy, just as the equilibrium exchange rate, but the main problem is to determine the optimal exchange rate for the
Iranian economy and leading to the equilibrium exchange rate exchange rate is optimal. To do this, we must first
determine the optimal path of the exchange rate for the economy. This requires a study of the consequences of
exchange rate management on the one hand and exchange rate management objectives of the other party.

![Figure 1. Historical trends dollar economy in the past two decade.](image)

**Literature**

Effects of exchange rate changes on export and import of research has been done specifically but in connection
with these investigations in foreign countries and within countries, to show the effect of exchange rate and import done.
Studies on the subject under discussion can be divided into two groups: external and internal.
Research conducted abroad

Studies by Mohsen Khan in 1974 noted the demand for imports and exports of 15 developing countries over the 69-1951 has been tested and concludes that relative prices play an important role in determining the behavior of imports and exports of developing countries so that the estimated price elasticity is relatively "high and this indicates in some developing countries, provided the Marshall - Lerner is true for currency depreciation. Mohsen Bahmani OSKOUEI tried to establish a direct relationship between trade balance and exchange rates, and for this purpose a combination of parallel trade has and concludes that real GDP has a positive sign, indicating parallel to the economic development of the trade balance improves. Khan and Knight's study examines the relationship between import restrictions and export performance of developing countries have 34. The export supply in each period a function of the variables, GDP, the ratio of export prices to domestic prices of the period and the previous period's export supply is considered. Income countries, as well as importer, exporter's export price index, the price of substitutes in the importing country, the export value of the previous period as explanatory variables for the export demand function are presented. Band the export performance of developing countries, with emphasis on the export of primary commodities discussed. In this study, the demand and supply of each commodity exports variable function of the domestic price level, commodity export earnings importing countries, exchange rate, index of total productivity shock (shock) supply is considered. The real exchange rate is subject saves against various economic momentum has investigated, in this study, the real exchange rate as a function of variations in world oil prices, government spending, money supply disparity in productivity has been considered. The results indicate that the effectiveness of monetary policy in the long term real exchange rate influence to affect the real sector of the economy. Scott and the real effective exchange rate as a function of the variables trade business (trade), the ratio of GDP to total exports and imports, the net flow of excess domestic credit expansion and the percentage change in the official exchange rate and exports as a function of variables value-added goods to GDP, real effective exchange rates, fluctuations in the real effective exchange rate index measures the deviation of the real exchange rate from its equilibrium state are considered.

In this field, India's trade balance as a function of domestic and foreign real income and real exchange rate is considered. Our study has shown that male boxing in the real exchange rate, trade weighted real effective exchange is more appropriate. The results show that exports and imports relative to the exchange rate cache.

Research carried out in the country

Fathi (1998) Non-oil export elasticity with respect to exchange rate changes is examined in this study, non-oil exports is a function of the effective exchange rate, GDP, export price index, wholesale price index of non-oil exports in the period prior been considered. The results show that the elasticity of exports with respect to exchange rate changes in export industries is more than one.

The results show that long-term relationship between oil exports and variables there, so that these variables have a positive impact on exports.

Also, the negative effect of exchange rate volatility on exports the hypothesis of asymmetric effects of exchange rate risk on non-oil exports, Iran also confirmed this may be due to the sense of risk and asymmetric exporters to the front of them. Based on the results of this study, economic policy should be dropped when the exchange rate, exchange rate appreciation is different from the behavior so that they can minimize the negative impacts of volatility into.

For this purpose, exchange rate policy is analyzed in the theoretical model of the factors affecting the exchange rate structure was developed based on oil revenues. In this study, the regression model 2001-2009is used during operation results show that during the rising government deficit, Terms of trade and real exchange rate of the economy's money supply increase, and vice versa. Increase in import tax variables, net foreign assets and the lowering of oil prices, exchange rates are considered. Taghavi and Khaddam (2011) in a study to evaluate the contribution of trade to changes in exchange rate volatility in the economy concluded despite the mutual effects of exchange rate and terms of trade, terms of trade shocks of exchange rate fluctuations is negligible and further exchange rate fluctuations in the economy due to exchange rate changes.

METHODOLOGY

The present study is a descriptive study, with correlation characteristics, as well as the practical results of this study since it can be classified as applied research. Since the descriptive characteristics of the study population examined through surveys and reviews in this study, a panel of real data Customs data have been investigated; using this regression model, the accuracy of the regression model (Fisher) and the independence of observations (Watson camera) carried out this On the basis of the hypotheses is Explained as follows:

• Exchange rate fluctuation has a significant effect on the volume of commodity exports in customs Length.
• Exchange rate fluctuations have a significant effect on the value of commodity exports in customs Length.
• Exchange rate fluctuations have a significant effect on the volume of imported goods for customs Length.
• Exchange rate fluctuations have a significant effect on the value of imported goods for customs Length.
The population sample

The population of the city includes data import and export customs Length is 2010-2012 years. The sample size in this study is that exports and imports during the years 2010-2012 in the regions mentioned.

RESULTS

Using multiple regression analysis, the results achieved in the case when the parameters of this analysis is done by controlling other variables the results of these conditions results in a more pure form of the dependent variable can be seen the analysis of variance table as the first significant study of the question and the answer is (F probability model is significant if it is less than 0.05) then, using the standard correlation coefficient model is investigated. In the third stage, and the significance of the model parameters are estimated using the table of coefficients and t-statistics in this section are available finally, the suitability of the symptoms or in other words presuppositions regression estimates is investigated these assumptions are: No residuals autocorrelation and multicollinearity between independent variables Watson cameras using the model described above.

Check-linear relationship indicates that the explanatory variables have a linear relationship and significant research together with our offer. To normalize the data in some cases due to outlier data collected from natural log transformed to normalize the data and adjusting for the effect of outlier data we have used. The following table panel analysis of currency fluctuations and export volume in Bandar Length Customs show. The coefficient of determination is equal to 0.7382; about 73.82% of the variability is explained by the independent variables. The camera is Watson value is equal to 1.73. Values close to 2 indicates no autocorrelation of residuals shows. (So there is no autocorrelation of residuals). According to t-test significance level of exchange rate fluctuations have a significant effect the overall results table shows that between exchange rate volatility and the volume of export goods in customs Length there is a 95 percent confidence level. Also, due to the significant ANOVA results indicate a significant Fisher test statistic of the model. The first hypothesis is confirmed.

Table 1. Significant ANOVA results.

<table>
<thead>
<tr>
<th>Sig.</th>
<th>Coefficient of determination</th>
<th>Camera Watson</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0.001</td>
<td>0.5502</td>
<td>1.66</td>
<td>OLS</td>
</tr>
<tr>
<td>Parameter</td>
<td>Coefficients</td>
<td>t</td>
<td>Sig.</td>
</tr>
<tr>
<td>Constant</td>
<td>31.48</td>
<td>313.92</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Currency</td>
<td>-6.057</td>
<td>-123.34</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>

The following table panel analysis of currency fluctuations and export value in Bandar Length Customs show. Non-Watson statistic for autocorrelation of residuals indicates the camera. Also according to ANOVA results indicate a significant level of significance of the test statistic is Fisher the table suggests that the exchange rate and export values there is therefore the second hypothesis is confirmed.

Table 2. Significant level of the test statistic.

<table>
<thead>
<tr>
<th>Sig.</th>
<th>Coefficient of determination</th>
<th>Camera Watson</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0.001</td>
<td>0.7382</td>
<td>1.73</td>
<td>OLS</td>
</tr>
</tbody>
</table>

The third hypothesis suggests that exchange rate fluctuations have a significant effect on the customs value of imported goods is Length. The following table shows the results panel. The table also confirms the third hypothesis. The fourth hypothesis states that Parameter Coefficients Value of t Sig.

Table 3. Significant effect on the customs value of imported goods.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Coefficients</th>
<th>Value of t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>18.373</td>
<td>131.96</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Constant Constant</td>
<td>-4.673</td>
<td>-68.85</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Sig.</td>
<td>Coefficient of determination</td>
<td>Camera Watson</td>
<td>Model</td>
</tr>
<tr>
<td>&lt;0.001</td>
<td>0.4678</td>
<td>1.74</td>
<td>OLS</td>
</tr>
</tbody>
</table>

Exchange rate volatility has a significant effect on the value of imported goods for customs Length. The hypothesis test results panel also shows that the fourth hypothesis was confirmed at the 95 percent confidence level.
COLLUSION

In this study the effect of exchange rate fluctuations on the value and volume of exports and imports, customs port door was studied to examine research hypotheses to explain the linear relationship between variables and is estimated to have been done and according to the results of the ANOVA F-statistical significance probability is less than 0.05 so significant is the 95% confidence level. In general, the Tide was four hypotheses.

Researchers have tried to show that the constraint factors to predict the extent possible identify and apply all necessary precautions to reduce them. Including the limiting of the present study are: Shortages or lack of resources available and the lack of similar work in this area, lack of adequate funding to convert research into fundamental research work in various stages of their research is needed costs.

Because a significant relationship between exchange rate volatility and the volume and value of export is recommended to exporters fluctuations in terms of their own decisions, the goods can be issued in a maximum exchange rate and faster receipt of funds related to that order, the currency exchange rate in these circumstances would be to get the maximum benefit out of them.

Because of currency fluctuations had no significant effect on the volume and value of imported goods, Recommended to importers in the turbulent and bumpy take extra care in their business operations, sometimes, and payments can be delayed by concurrent with an increase in the exchange rate, allowing for a greater commitment to the debtors (importers) Manager.

REFERENCES


