**Does the Exchange Rate Influence the Exports?**

**Evidence from Bangladesh**

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**Abstract**

This paper attempts to examine nature of the association between the exchange rate and exports of Bangladesh. The study uses the cointegration approach to show the long-run relationship between the variables using time series data from 1981 to 2015. The result suggests that the nonstationary data of export and exchange rate become stationary at the first difference and these two first degree autoregressive series don’t exhibit any long-run association. So, the findings provide a distinctive insight about future foreign exchange policy in the developing countries like Bangladesh. However, the policymakers also must be careful about the other macroeconomic and foreign trade factors before formulating any policy based on this study. The first section of the paper, introduction, is followed by the overview of Bangladesh’s export and exchange rate, literature review, objectives and motivation, data and method, results and the concluding remarks.

**Keywords: Exchange rate, Depreciation, Cointegration**

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