

## **Impact of Exchange Rate on Imports and Exports in Sri Lanka from 1960 to 2019**

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Exchange rate volatility has had a significant effect on industrial export and import performance in Sri Lanka as a third world country. This study examines the effect of exchange rates on imports and exports in Sri Lanka using annual data from 1960 to 2019. Vector Auto Regression (VAR) consisting of import, export and exchange rate is considered to check the impact of exchange rate on exports and imports in Sri Lanka. Our findings revealed that the exchange rate negatively affects Sri Lanka's exports and imports.

**Keywords:** *Export, Exchange rate, Import, VAR*

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