

## *Investigating the Asymmetric Effects of Short- Run and Long- Run Exchange Rates on Gross Domestic Product of Selected Countries; NARDL-PMG Approach*

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### **Abstract**

The exchange rate fluctuations has both effect on the demand side of the economy as a whole (the net export channel) and the supply side (through the import of intermediate goods channel), it is important to examine its effects on production. It can provide appropriate policy recommendations for managing the country's economic demand. The purpose of this paper was to investigate the asymmetric short-run and long-run effects of the exchange rate on the GDP of selected countries using the NARDL-PMG approach. For this purpose, statistical information of selected countries for the period of 1990-2018 was used. In this study, using ARDL method with non-linear distribution interruptions, positive and negative exchange rate shocks have been extracted and in the form of panel data method, its effects on GDP of selected countries have been investigated. The results showed that the positive and negative shocks of the exchange rate had asymmetric and different effects on the GDP of the countries. The results showed that positive shocks in the exchange rate and an increase in it led to a decrease in GDP and negative shocks and a decrease in the exchange rate led to an increase in the GDP of countries.

**Keywords:** exchange rate, GDP, asymmetric shock, NARDL-PMG approach.

**JEL Classification:** F31, E22, O33, C23.

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