

# **The Impact of Exchange Rate Shocks On Trade In Times Of Uncertainties: Evidence From Three Oil-Importing Countries In MENA**

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## **Abstract**

On the basis of a monthly data relating to trade flows, nominal exchange rates and other economic variables and a VAR model framework, some impulse-response functions (IRFs) are estimated for three Oil-Importing Countries (OICs) of the MENA region. These IRFs were estimated for two sub-periods notably the periods of political transition in these countries that were characterized by high degrees of uncertainty. The main finding is that unlike what many might expect, during the periods of transitions a shock in the exchange rate has a very weak impact of the levels of exports and imports in all three countries. It is therefore concluded that the deteriorating international competitiveness of the OICs especially throughout the transition is related to other structural factors rather than the exchange rate.

Keywords: exports, imports, exchange rate shock, uncertainty, transition.

JEL classification: F10, F14, F17, F31.

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