The Impact of Export Value and Industrial Specification from Exchange Risk: Evidence from Taiwan

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ABSTRACT

It is a controversial issue, that interaction between exchange risk and export. Whatever in theoretical or empirical, it doesn't have parallel consequence. In this paper, we use traditional export equation, including exchange rate volatility presented exchange risk, and discuss the industrial deference between supply and demand that cause by exchange. In prospect of measure exchange volatility, we use GARCH model to estimate it. In our sample includes plastic, electric machinery, textile and metal. In the result, the plastic and mental export to America, the electric machinery and mental, are significant, others are not.

Keywords : Exchange rate Volatility ; GARCH model ; export

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