

# How Do Exchange Rates Affect the Big One?

An Empirical Analysis of the Effect of Exchange Rates on RCEP  
Exports Using the Gravity Model

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# Contributions

- Confirming the negative impact of currency appreciation on exports
- Finding negative impact of exchange rate volatility under floating peg
- Examining the importance of FX volatility and FX regime on trade among RCEP members

# Comments

- Clarification on multilateral resistance terms needed
- Time varying exporter and importer fixed effect?
- Augmented model regression: float peg and exchange rate volatility variables to be added
- County pair FE and other pairwise FE?
- Minimizing endogeneity: robustness check (IV PPML)
- Structural changes: global financial crisis?
- Trade among RCEP members vs. trade with non-RCEP members?