Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: Anubha Dhasmana, IIM, Bangalore.

TITLE: Real Effective Exchange Rate and Manufacturing Sector Performance: Evidence from Indian firms.

TIME: 11:30 AM - 01:00 PM

DAY & DATE: Friday, 13th September, 2013

PLACE: Seminar Room 2

Abstract:

We explore the impact of Real Exchange Rate changes on the performance of Indian manufacturing firms over the period 2000-2012. Our empirical analysis shows that real exchange rate movements have a significant impact on Indian firms’ performance through the cost as well as the revenue channel. The impact depends upon the share of imports & exports along with the degree of market power as reflected in the time varying firm level mark up. However, presence of overvaluation negates the beneficial effects of exchange rate appreciation operating through the lower input cost channel. The same cannot be said about the 'price competitiveness' effect working through the export channel.

http://www.isid.ac.in/~pu/seminar.html