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Impacts of Exchange Rate Fluctuations toward Export and Import Performance in Selected OIC Member Countries

PART II

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Abstract

Background – The issue of trade integration has been taking place since every nation agrees to integrate into the global system. In response to such condition, several macroeconomic policies have been carried out to generate maximum gains from this international integration. Lately, the issue emerges of whether exports or imports in developed and developing countries have not been in violation of their international budget constraints. Another issue is whether the existence of trade imbalances is considered as a short-run phenomenon or whether it would remain sustainable in the long run. Similarly, this has implied that the existence of a well-functioning economy due to deficits incurred is considered as temporary phenomena balanced by future surpluses. Subsequently, the stability of trade balance is heavily influenced by the existing stability of