

# Effect of currency devaluation on Pakistan economy”



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**DEDICATION**

I DEDICATE THIS WORK TO MY ALLFAMILY MEMBERS

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## **Abstract**

*The purpose of this current study is to critically analyze the effect of currency devaluation in Pakistan economy. Since 1947 Pakistan rupees devalue widely which made various issues which upset the growth of economic country? In this paper we find the effect of exports and imports on currency devaluation. The main purpose behind the currency devaluation is badly economy condition, low and order, terrorism, lack of foreign investment. In this study focuses on import and export of Pakistan. The author use fixed linear regression analysis on data of different years. Data uses in this study yearly from 1985 to 2015. There are three variables in this study dependent variable is currency devaluation and independent variables are imports and exports. The result of the test is show if the country export one unit value of currency is devalued by  $-0.00572\%$  because value of Pakistan country is very much devalues and for rising of value Pakistan has to increase export of the country. Second result of this study show if Pakistan import one unit the value of currency is valued by  $-0.00036\%$  also increase in import currency value is reduce. Exports have had positive effect on currency import have ha negative effect on economy. Correlation is used to check the relationship among the both variables.*

**Key Word:** devaluation of currency, Import, Export



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