Since deregulation of the currency market in 1986, the Ghanaian economy has been bedevilled with persistent depreciation of the Cedi; forcing currency redenomination in 2007. The Ghana Cedi (GH¢) which traded at 0.94 to the US Dollar (USD) immediately after the redenomination has since lost so much value, and currently trades at almost GH¢6 to the USD. While the relationship between exports and import, and currency volatility is theoretically established, the empirical relationship has been varied and observed to be country-specific as well as skewed in favour of currency variation shocks to trade. This study used econometric modelling to assess the reverse i.e., impact of exports and imports on exchange rate in Ghana using monthly data from 2005M1-2019M3.

Exchange rate & agricultural export:

Correlation

Causality using DAG

Other variables : GDP1 and GDP2