# The Effect of Exchange Rate Changes on Economic Growth in Egypt

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**Abstract**

The study aimed to assess the impact of the change in the Exchange Rate on Economic Growth in Egypt, during 1990-1991 to 2012-2013. To achieve this goal, a review of literature covering the results of the applied studies was conducted. The findings of the review showed that the measure of exchange rate is unclear with respect to concepts or applications. This is due to the large number and variety of the exchange rates which result from the varying analytical frameworks that suit different situations. With this end in view, the change in the exchange rate, along with a number of Economic variables was measured to assess the impact. In view of the level of significance of regression transactions shows that: Final consumption increased by one million pounds lead to an increase in Gross Domestic Product (GDP) of about 0.71 million Pounds on average, while Exports to increase by one million pounds will lead to an increase in GDP of about 3.2 million pounds on average, while imports increased by one million pounds lead to a decrease in GDP of about 0.72 million pounds on average, and that the value of GDP in time (t-1) affects up to 94 percent of the value of GDP in time (t), and decreases the real exchange rate against the dollar by one percent would lead to an increase in GDP of about 17 million pounds; therefore, the more variables that impact on the trends in GDP is the consumer spending; exports; imports; Finally, the real exchange rate against the dollar.

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