Title of Article: Exchange Rate Policy and Africa's Foreign Trade: A Panel Co-integration Analysis

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Abstract: The paper investigates exchange rate-trade nexus in SSA countries. Based on partial equilibrium analysis, we develop two equations for export and import in which exchange rate, real GDP, stock of capital, and technology are the independent variables. The method of analysis is the panel co-integration with the application of Granger Causality test. It was found that export and import are inelastic to changes in exchange rate. It follows that depreciation of currencies in the region may not have the expected results in view of the structure of the economies and export compositions. In the same vein, depreciation would not depress imports but only aggravate balance of payments. Thus, in the light of the findings, a policy of exchange rate stability which hinges on long-run considerations, capital accumulation and technological capacity as well as the maintenance of comprehensive coherent macroeconomic packages remains a critical factor in ensuring that exchange rate policy performs its central role as a trade facilitation tool.