

The Impact of Export Earning Falls on the Growth of Other Sectors in Iranian Economy

Topic: Input-output analysis for policy making 5

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Oil is the backbone of Iranian economy. Although the direct or physical linkages of oil operation may not be strong due to high sophistication of oil sector on the one hand, and weak technological base of Iranian manufacturing industries on the other. The important impact of oil sector, however, is indirect through its exchange earnings. Oil revenue is the main sources of exchange earnings and government revenues. It is also an important component of Iran's GDP. Therefore, any fluctuations in its earning capacity would have direct impact on the country's economic activities. The purpose of this paper is to investigate the impact of export earning falls on various other sectors of Iranian economy, using input output technique.

Keywords: Oil Exchange earning falls, Inter sectoral linkages, Input Output technique, Iranian Economy

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