

Consumption of import: Evidence from industrialized countries

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Abstract

Consumption of imported goods by households has an influence of external and domestic demand value and is one of the components of gross domestic product. Differentiation of demand for imported goods is due to a number of internal and external environment factors. There can be identified such external determinants as inflation rate, exchange rate, social guarantees, credit availability. Internal factors influencing consumer behavior of households are socio-economic and demographic characteristics of a household such as the number of household members, their socio-economic status, employment, income, place of residence. The main factors of the increase in imports commonly believed to be the growth of real money incomes and strengthening of the national currency. The increase in the welfare of the population leads to creation of effective demand, and strengthening of the national currency results in that the imported goods initially valued in foreign currencies become cheaper what in turn increases the propensity to purchase imported goods. The purpose of the study is to analyze the characteristics of household demand for imported goods in the industrialized countries. In the course of analysis of data on industrialized countries in the period from 2000 to 2014 it is proposed to use econometric and statistical methods.

Keywords

Consumer behavior, Consumption, Imports, Propensity to purchase imported goods