



Q

Tuesday 1 July 2025, 04:00-21:00 GMT: Taylor & Francis Online is currently being updated. You'll still be able to search, browse and read our articles, where access rights already apply. Registration, purchasing, activation of tokens, eprints and other features of Your Account will be unavailable during this scheduled work.

Home ► All Journals ► Economics, Finance & Business ► Applied Economics ► List of Issues ► Volume 37, Issue 9 ► New evidence on purchasing power parity

Applied Economics >

Volume 37, 2005 - <u>Issue 9</u>

626610ViewsCrossRef citations to dateAltmetricOriginal Articles

New evidence on purchasing power parity from 17 OECD countries

Paresh Kumar Narayan

Pages 1063-1071 | Published online: 02 Feb 2007

Cite this article
Attps://doi.org/10.1080/00036840500081713

Sample our Economics, Finance, Business & Industry Journals

We Care About Your Privacy

🖹 Full Ar

🔒 Repri

Abstra



. .

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting "I Accept" enables tracking technologies to support the purposes shown under "we and our partners process data to provide," whereas selecting "Reject All" or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the ["privacy preferences"] link on the bottom of the webpage [or the floating icon on the bottom-left of the webpage, if applicable]. Your choices will have effect within our Website. For more details, refer to our Privacy Policy. <u>Here</u>

We and our partners process data to provide:

· · · · · · · · · ·



ain,

Acknowledgements

I would like to thank Professor Mark Taylor for helpful comments and suggestions on an earlier version of this paper. I should also like to thank Professor Amit Sen for making available his GAUSS codes used to generate the results reported in this paper. Any errors or omissions are, however, my own.

Notes

Arguing in favour of using a time trend in testing for a unit root in real exchange rates, Shively (2001, p. 202) states that 'rejection of the random walk hypothesis in favour of the trend stationary alternative is evidence that the real exchange rate returns to a long-run equilibrium and therefore evidence in favour of a true long-run purchasing power parity relationship'. For further importance of incorporating a time trend in the model, see Marcela et al. (2003).

This section draws heavily on the work of Sen (2003).



Related Research Data

PPP and structural breaks. The peseta-sterling rate, 50 years of a floating regime Source: Journal of International Money and Finance Nonlinear Mean-Reversion in Real Exchange Rates: Toward a Solution To the Purchasing **Power Parity Puzzles** Source: International Economic Review Distribution of the Estimators for Autoregressive Time Series with a Unit Root Source: Journal of the American Statistical Association Tests of long-run Purchasing Power Parity using alternative methodologies Source: Journal of Macroeconomics Lessons from Empirical Models of Exchange Rates (Enseignements tires des modeles empiriques de comportement des taux de change) (Ensenanzas que nos brindan los modelos empiricos de tipos de cambio) Source: International Monetary Fund Staff Papers Purchasing power parity: A quantitative reassessment of the 1920s experience Source: Journal of International Money and Finance Breaking Trend Functions in Real Exchange Rates: Evidence from Seventeen OECD Countries Source: Journal of Macroeconomics The Purchasing-Power-Parity Theory of Exchange Rates: A Review Article (Theorie de la parite des pouvoirs d'achat des taux de change: une etude) (La teoria de los tipos de camb X Sourc Nomi Sourc Size impli Sourc Trend Sourc Furth oothesis Sourc The C Sourc Likeli Sourc Nonstationarity and Level Shifts with an Application to Purchasing Power Parity

Source: Journal of Business and Economic Statistics	
Arima and Cointegration Tests of PPP under Fixed and Flexible Exchange Rate R	egimes
Source: Review of Economics and Statistics	
Purchasing power parity and the theory of general relativity: the first tests	
Source: Journal of International Money and Finance	
Parity reversion in real exchange rates during the post-Bretton Woods period	
Source: Journal of International Money and Finance	
An empirical investigation of the long-run behavior of real exchange rates	
Source: Carnegie-Rochester Conference Series on Public Policy	
Toward a New Paradigm in Open Economy Modeling: Where Do We Stand?	
Source: Unknown Repository	
Do exchange rates follow a random walk process in Middle Eastern countries?	
Source: Economics Letters	
Additional Tests for a Unit Root Allowing for a Break in the Trend Function at an	
Unknown Time	
Source: International Economic Review	
Deviations from Purchasing Power Parity in the Long Run	
Source: The Journal of Finance	
The Yen Real Exchange Rate May Be Stationary after All: Evidence from Nonline	ar Unit-
root Tests	
Source: SSRN Electronic Journal	
A panel project on purchasing power parity: Mean reversion within and between	1
count	
Source	
Trend	
Source	
Recui	eory
and I	
Source	
A tes	
T	dex
Sourc	
Coint	
Sourc	
The L	
Sourc	
Furth	
Cours	

Long-run purchasing power parity with short-run data: evidence with a null hypothesis of stationarity Source: Journal of International Money and Finance The behavior of real exchange rates during the post-Bretton Woods period Source: Journal of International Economics The Purchasing Power Parity Debate Source: Unknown Repository Are Real Exchange Rates Nonstationary? Evidence from a Panel-Data Test Source: Journal of money credit and banking Testing for Unit Roots with Breaks: Evidence on the Great Crash and the Unit Root Hypothesis Reconsidered Source: Oxford Bulletin of Economics and Statistics The collapse of purchasing power parities during the 1970's Source: European Economic Review Real and nominal exchange rates in the long run: An empirical investigation Source: Journal of International Economics On Unit-Root Tests When the Alternative Is a Trend-Break Stationary Process Source: Journal of Business and Economic Statistics Nonlinear dynamics in deviations from the law of one price: a broad-based empirical study Source: Journal of International Money and Finance

Linkir

X

Relate

Information for	Open access
Authors	Overview
R&D professionals	Open journals
Editors	Open Select
Librarians	Dove Medical Press
Societies	F1000Research
Opportunities	Help and information
Reprints and e-prints	Help and contact
Advertising solutions	Newsroom
Accelerated publication	All journals
Corporate access solutions	Books

Keep up to date

Register to receive personalised research and resources by email

🔛 Sign me u

