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# Towards solving the PPP puzzle: evidence from 113 countries

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# Notes

<sup>1</sup> For some other issues such as adjustment speed and PPP see Paya et al. ([2003](#)), Bayesian unit root and PPP see Ahking ([1997](#)), different regions of a country and PPP see Carrion-I-Silvestre et al. ([2004](#)). For some application of cointegration technique and PPP, see Taylor ([1988](#)) and Enders and Chumrusphonlert ([2004](#)).

<sup>2</sup> For some other aspects of the puzzle, see Rogoff ([1996](#)).

<sup>3</sup> In response to the lack of evidence for the PPP theory, some researchers have turned to panel unit root tests for an answer. Examples of these studies include Papell and Theodoridis ([2001](#)), Macdonalds ([2002](#)), Alba and Park ([2003](#)), Bahmani-Oskooee and Miteza ([2004](#)), Koedijk et al. ([2004](#)) and Lopez and Papell ([2007](#)).

<sup>4</sup> For some other exchange-related and PPP issues see Moosa ([1994](#)), Beach et al. ([1993](#)), Bleaney ([1992](#)), Horne ([2004](#)), Baffoe-Bonnie ([2004](#)), Arize et al. ([2002](#)), Holmes ([2002](#)), Apergis ([1998](#)), Jung ([1995](#)) and Hojman ([1989](#)).

<sup>5</sup> This section closely follows Bahmani-Oskooee and Mirzaie ([2000](#)) and Bahmani-Oskooee and Kandil ([2007](#)) in this journal.

<sup>6</sup> Outlined by Equation 13 in Kwiatkowski et al. ([1992](#)) on page 165.

<sup>7</sup> Note that the real rate of exchange between the US and Japan, the KPSS test results could be due to the



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