

1. Record Nr.	UNINA9910813695603321
Titolo	Exchange Rate Assessment in a Resource-Dependent Economy : : The Case of Botswana
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
ISBN	1-4623-2755-9 1-4527-1478-9 9786612840449 1-282-84044-4 1-4518-6944-4
Edizione	[1st ed.]
Descrizione fisica	1 online resource (31 p.)
Collana	IMF Working Papers
Disciplina	332.45
Soggetti	Foreign exchange rates - Botswana - Econometric models Diamond industry and trade - Botswana - Econometric models Exports and Imports Foreign Exchange Current Account Adjustment Short-term Capital Movements Trade: General Currency Foreign exchange International economics Real effective exchange rates Current account Real exchange rates Exports Exchange rates Balance of payments Botswana Economic conditions Econometric models Botswana Economic policy Econometric models Botswana
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.

Nota di bibliografia

Includes bibliographical references.

Nota di contenuto

Contents; I. Introduction; II. External Sector Developments and Key Vulnerabilities; A. Balance of payments; Figures; 1. Balance of Payments Trends; B. Evolution of REER indices; III. Equilibrium Exchange Rate Estimation; A. Behavioral equilibrium exchange rate approach; 2. Real Effective Exchange Rate Indices; B. Estimation results; 3. Determinants of the Real Effective Exchange Rate; 4. Equilibrium Real Exchange Rate Estimation; IV. External Sustainability Approach; Tables; 1. Assumptions; 5. External Sustainability Assessment; V. Export Performance and Nonprice Competitiveness Indicators A. External sector outcomes B. Nonprice indicators of competitiveness; 6. Export Performance Indicators; 2. Comparative Costs of Infrastructure Services in the Late 1990's; 3. Comparativeness Rankings; VI. Summary and Conclusions; 7. Governance Indicators; References; Appendix; Appendix Tables; 1. Unit Root Tests; 2. Test for Model Reduction; 3. Cointegration Tests: Trace Test and Maximum Eigenvalue; 4. Results of Cointegration Estimation; 5. Residuals Tests; Appendix Figures; 1. Breakdown point Chow Tests; 2. Equilibrium REER Estimation: Cointegration Residuals

Sommario/riassunto

The paper combines various methodologies to assessing the level of the exchange rate in Botswana, explicitly taking into account the implications of its dependency on diamond exports. Real exchange rate estimation indicates that, after a period of overvaluation, Botswana's real effective exchange rate is now broadly in line with economic fundamentals. The projected current account path is also consistent with external sustainability, defined to ensure sufficient savings of diamond wealth in order to maintain a stable import and consumption path through 2050. Sustaining consumption over the longer term will however require to address obstacles to non-diamond exports' competitiveness.