

Assignment No 2

Practice on Nominal and Real Exchange Rate Indices Calculation

(Submission date is 18 October 2012 at the BE Office)

1. Construct the two tables; one for 2001 and the other for 2010 with the following details. Noted that the first column is arranged according to alphabetic, i.e. A to Z (Hint: the excel program has command known as '*pivot the table*'. This would save enormous time in doing so.)

Country Name	Value (million \$)			Share (%) to total		
	(2) Export	(3) Import	Trade (2+3)	Export	Import	Trade

2. List top 50 of export partners, import partners and trading partners for Thailand in **2010**. (Please ignore Trading between Thailand and Thailand).
3. List major partners of Thailand in export, import and **trade in 2001**. The word 'major' refers to partners which account for more than 1 per cent of transaction. For example, major export partners of Thailand are those whose export share to total export accounted for more than 1 per cent of total export.
4. Calculate NEER of Thai Baht against the major exporting countries between 2001Q1 and 2010Q4, using the export weight of 2010 in the calculation. The definition of major exporting countries is similar to that used in Question 3.

Note: Bilateral exchange rate is available in IFS CDROM. Use the period average instead of end period. Bilateral exchange rate of Germany and Netherlands, the Euro members are not available since EURO has been used. You have to use the conversion ratio to generate the bilateral exchange rate.

5. Calculate NEER of Thai Baht against the major importing countries. Use the import weight of 2010. And then compare the calculated NEER in Q4.
6. Calculate REER of Thailand against the major trading partners between 2001Q1 and 2010Q4. Use the 2010 export weight and CPI as the price measure.

Note: CPI data are available in IFS CD ROM for most of major trading partners. In a case where the CPI data are not available, please ignore in the calculation and spell the missing one out clearly in your answer.

7. Calculate REER of Thailand against the major trading partners between 2001Q1 and 2010Q4. Use the 2010 export weight and GDP deflator as the price measure.

Note: GDP deflator data are available in IFS CD ROM for most of major trading partners. In a case where the GDP deflator data are not available, please use PPI/WPI data instead. When both GDP deflator and PPI/WPI are missing, ignore in the calculation and spell the missing one out clearly in your answer.