# 

**FAOSTAT ANALYTICAL BRIEF 2**

**Exchange rates**

**HIGHLIGHTS**

* **From 2010 to 2020, the strongest currency against the US Dollar among the currencies of G20 countries was the British Pound Sterling and the weakest currency was the Indonesian Rupiah.**
* **The weakest currencies against the US Dollar for each region were the Somali Shilling (in Africa), the Bolivar Fuerte (in the Americas), the Iranian Rial (in Asia), the Hungary Forint (in Europe), and the Vanuatu Vatu (in Oceania).**
* **The most volatile currencies from 2018 to 2020 in each of the five regions are the Kwanza (in Africa), the Argentine Peso (in the Americas), the Syrian Pound (in Asia), the Iceland Krona (in Europe) and the Australian Dollar (in Oceania).**

**FAOSTAT EXCHANGE RATES**

Over the last 10 years, the strongest currency against the US Dollar among the currency of the G20 countries was the British Pound Sterling and the weakest currency was the Indonesian Rupiah. The exchange rates of the British Pound Sterling, the Canadian Dollar, the Euro, the Chinese Yuan, the South Korean Won and the Australian Dollar remained fairly stable, whereas the exchange rates showed volatility against the US Dollar in the other G20 countries. Moreover, the exchange rate of Saudi Riyal remained unchanged due to its peg with the US Dollar. From 2018 to 2020, the most volatile currency was the Argentine Peso, followed by the New Turkish Lira and Brazilian Real, with a 151 percent, 45 percent and 41 percent fall in value respectively against the US Dollar (Figure 1 and Figure 2).[[1]](#footnote-1)

**Figures 1-2. Exchange rates of the G20 countries**

The weakest currencies against the US Dollar for each region in 2020 were the Somali Shilling (in Africa), the Guarani (in the Americas), the Iranian Rial (in Asia), the Hungary Forint (in Europe), and the Vanuatu Vatu (in Oceania). The most volatile currencies from 2018 to 2020 in each of the five regions are the South Sudanese Pound, the Argentine Peso, the Syrian Pound, the Belarusian Ruble, and the Kina, respectively. (Table 1).

**Table 1. Summary of the weakeast currencies in 2020 and the most volatile currencies from 2018 to 2020 in the five geographical regions**

|  |  |  |
| --- | --- | --- |
| Region | Weakest Currency in 2020 | Most Volatile Currency from 2018 to 2020 |
| Africa | **Somalia:**  24 300 Somali Shilling per US Dollar | **Angola:**  Kwanza (129 percent fall in value against the US Dollar) |
| Americas | **Venezuela (Bolivarian Republic of):**  76 369 942 Bolivar Fuerte per US Dollar in 2019 (No data coverage in 2020).  **Paraguay:**  6 771 Guarani per US Dollar in 2020. | **Venezuela (Bolivarian Republic of):**  Bolivar Fuerte (19 555 percent fall in value against the US Dollar from 2018 to 2019)  **Argentina:** Argentine Peso (151 percent fall in value against the US Dollar from 2018 to 2020) |
| Asia | **Iran (Islamic Republic of):**  42 000 Iranian Rial per US Dollar | **Syrian Arab Republic:**  Syrian Pound (124.6 percent fall in value against the US Dollar) |
| Europe | **Hungary:**  308 Hungary Forint per US Dollar | **Iceland:**  Iceland Krona (25 percent fall in value against the US Dollar) |
| Oceania | **Vanuatu:**  115.4 Vatu per US Dollar | **Australia, Nauru, Kiribati:**  Australian Dollar (8.6 percent fall in value against the US Dollar) |

**FOCUS ON REPRESENTATIVE SUB-REGIONS WITH WEAKEST AND HIGHEST VOLATILE CURRENCIES AGAINST US DOLLAR**

1. **Exchange rates in Eastern Africa**

Most of the exchange rates of Eastern African countries have been depreciating gradually from over the past 20 years. In this region, Somalia has the weakest currency, and the Somali Shilling has the highest exchange rate volatility against the US Dollar (Figure 4). Between 2018 to 2020, the Zambian Kwacha is the most volatile currency, with a 75.4 percent fall in value against the US Dollar (Figure 3).

From 2015 to 2016, the South Sudanese Pound depreciated by 1043 percent which was mainly caused by the escalation of the war by the end of 2016.

The South Sudanese Pound (SSP) continued to depreciate following the move to a more flexible exchange rate arrangement in 2015, the South Sudanese Pound depreciated from 18.5 SSP per dollar in December 2015 to 70 SSP per dollar by August 2016 and 172 SSP per dollar by August 2017. Political events drove the volatility of the SSP (World Bank, 2017). Furthermore, the Uganda Shilling, the Tanzanian Shilling, the Burundi Franc and the Madagascar Aviary highly depreciated against the US Dollar over the past 20 years (Figure 4).

**Figures 3-4. Exchange Rates in Eastern Africa by Country**

1. **Exchange rates in Western America**

Over the last 20 years, the Guinea Franc was the weakest currency in Western Africa, followed by the Sierra Leonean Leone, which also has the highest volatility, with a 23.9 percent decrease in value against the US Dollar between 2018 and 2020**.**

Nigeria, the biggest economy in Western Africa, experienced a 60 percent devaluation of its currency from 2014 to 2016, which was mainly caused by the fall in international oil prices in 2014 that led to a smaller export revenue, and the removal of its currency peg to the US Dollar in 2015 (Ohuocha and Mayowa, 2016).

The member countries of the Western African Economic and Monetary Community (WAEMU); Benin, Burkina Faso, Côte d’Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo are sharing the same currency: the Western African CFA franc[[2]](#footnote-2). The WAEMU countries are all in the CFA Franc Zone and have a fixed exchange rate to the USD. (Figure 5).

**Figure 5. Exchange Rates in Western Africa by Country**

1. **Exchange rates in Central America**

Over the last 20 years, Costa Rica has the weakest currency in Central America. In the same period, the Nicaraguan Cordoba Oro and the Honduras Lempira have been gradually depreciating against the US Dollar. With the adoption of the US Dollar as their official currency unit, Panama and El Salvador have fixed exchange rates. Belize also has a fixed exchange rate, as it has pegged its currency since 1977 to the US Dollar.[[3]](#footnote-3) (Figure 6).

From 2014 to 2016, the Mexican Peso witnessed a sharp depreciation of around 40 percent, mainly as a result of changes in oil prices in 2014 and increases in US interest rates in 2015 (Rios, V., 2016).

**Figure 6. Exchange Rates in Central America by Country**

1. **Exchange rates in South America**

Since 2018, Venezuela (Bolivarian Republic of) has the weakest currency in South America with a 63 839 percent decrease in value against the US Dollar between 2018 and 2017 followed by a 19555 percent decrease in value against the­­ US Dollar between 2019 and 2018. By 2014 the value of Venezuela’s currency, the bolívar, and the prosperity of the Venezuelan economy, was highly dependent on oil exports. More than 90% of the country’s export earnings came from oil. Venezuelan currency suffered extreme depreciation by August 2018. The Venezuelan crisis, however, just got worse as the oil price continued to fall, compounded by other factors that reduced Venezuelan oil output. International investors began looking elsewhere, driving the value of the bolívar even lower (Michelle Carmody, 2019).

The second highest volatility currency in South America is the Argentine Peso, with a 71.4 percent decrease in value against the US Dollar between 2018 and 2020.

**Figure 7. Exchange Rates in South America by Country**

1. **Exchange rates in South-Eastern Asia**

Over the last 20 years, the Vietnamese Dong was the weakest currency in South-Eastern Asia, followed by the Indonesian Rupiah and the Lao People's Democratic Republic Kip. The Vietnamese Dong has the highest volatility, with a 19 percent decrease in value against the US Dollar between 2018 and 2020. The Philippine Peso witnessed a sharp appreciation against the US Dollar by 5.8 percent between 2018 and 2020.

Brunei Dollar and Singapore Dollar have the same exchange rate to US Dollar, the Currency Interchangeability Agreement between Brunei Darussalam and Singapore was established in 1967 to promote monetary cooperation between the two countries (Monetary Authority of Singapore). (Figures 8-9).

**Figures 8-9. Exchange Rates in South-Eastern Asia by Country**

1. **Exchange rates in Southern Asia**

The Iranian Rial was the weakest currency in Southern Asia from 1970, with highly depreciation by 1985 with a 130 percent fall in value against the US Dollar between 1984 and 1985, then continued to suffer extremely depreciation till 2020 to count exchange rate of 42000 Iranian Rial per US Dollar. That was driven by the investment behavior in Iran, while a large amount of US Dollar has left Iran in the years since the implementation of the nuclear deal in July 2015, the investors were rushing to move their capital outside the country. The Pakistan Rupee has the highest volatility with a 32.8 percent decrease in value against the US Dollar between 2018 and 2020. (Figure 10).

**Figure 10. Exchange Rates in Southern Asia by Country**

1. **Exchange rates in Western Asia**

Over the past 20 years, Kuwaiti Dinar is the storngest currency against the US Dollar (0.31 Kuwaiti Dinar per US Dollars in 2020). Over this period, The Lebanese Pound has fixed exchange rate agains the US Dollars since 2000 till 2020 (1507.5 Lebanese Pound per US Dollar) and it was the weakest currency in Western Asia over this period. From 2018 to 2020, the Syrian Pound is the most volatile currency, with a 124.6 percent fall in value against the US Dollar.

The Syrian Pound highly depreciated from 2013 with a 68.4 percent fall in value from 2012, followed by successive falls till 2020 with a 118 percent fall in value from 2019; the tighter Western-led sanctions encouraged consumers and companies to hoard dollars in a market at the time increasingly worried about a possible military intervention. (Daher, J. 2019). (Figures 11-12).

**Figure 11-12. Exchange Rates in Western Asia by Country**

**Download data at:** [**http://www.fao.org/faostat/en/#data/PE**](http://www.fao.org/faostat/en/#data/PE/)

**EXPLANATORY NOTES**

* **GENERAL DESCRIPTION/BACKGROUND:**

Exchange rates are defined as the price of one country’s currency in relation to another. Exchange rates are expressed as the average rate for a period of time or as the average exchange rate of the period. Exchange rates are classified by the International Monetary Fund (IMF) in three broad categories: i) a market rate in which the rate floats and is determined largely by market forces; ii) an official rate, as determined or announced by national authorities (typically the central bank); and iii) the principal, secondary, or tertiary rate, for countries maintaining multiple exchange arrangements. In this report, exchange rates are provided in terms of Standard Local Currency (SLC) per US Dollar. The SLC exchange rates require time series data to be expressed in terms of the currency used in the most recent reference year before converting data into US Dollar.

* **DATA SOURCES:**

The main data sources are United Nations Statistics Division (UNSD) National Accounts Analysis of Main Aggregates (AMA) for data coverage from 1970 to 2019 but the data source of the most recent year (2020) is the IMF International Financial Statistics (IFS) and for countries for which IMF does not have data or IMF data are not matching UNSD data, United Nations Operational Rates of Exchange are used**.**

* Data release is Annually at the end of April.

# References

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**Monetary Authority of Singapore.** Brunei-Singapore Currency Interchangeability Agreement

https://www.mas.gov.sg/currency/Currency-Interchangeability-Agreement-between-Brunei-Darussalam-and-Singapore

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1. The currency names in this report are referred from the UNSD AMA currency name list:

   <https://unstats.un.org/unsd/amaapi/api/file/30> [↑](#footnote-ref-1)
2. The Franc Zone was created in the late 1930s. It includes 14 Western and Central African countries as well as the Comoros, bound by a monetary cooperation policy.

   The states include:

   Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo, which make up the West African Economic and Monetary Union (WAEMU)

   Cameroon, Central Africa, Congo, Gabon, Equatorial Guinea and Chad, which form the Economic and Monetary Community of Central African States (CEMAC), whose central bank is the Bank of Central African States (BEAC). [↑](#footnote-ref-2)
3. The Belize Dollar has been pegged to the US Dollar at 1 USD = 2 BZ$. [↑](#footnote-ref-3)