

TABLE 6-2**Big Mac Prices and the Exchange Rate: An Application of Purchasing-Power Parity**

Country	Currency	Price of a Big Mac	Exchange rate (per U.S. dollar)	
			Predicted	Actual
Indonesia	Rupiah	27939	5827	11505
Colombia	Peso	8600	1794	1848
South Korea	Won	4100	855	1024
Chile	Peso	2100	438	564
Hungary	Forint	860	179	228
Japan	Yen	370	77.2	101.5
Pakistan	Rupee	300	62.6	98.7
Philippines	Peso	160	33.4	43.2
India	Rupee	105	21.9	60.1
Thailand	Baht	99	20.6	31.8
Russia	Rouble	89	18.6	34.8
Taiwan	NT Dollar	79	16.5	30.0
Czech Republic	Koruna	70.5	14.7	20.4
Norway	Kroner	48.0	10.0	6.19
Mexico	Peso	42.0	8.76	12.93
Sweden	Krona	40.7	8.49	6.84
Denmark	D. Krone	28.5	5.94	5.54
South Africa	Rand	24.5	5.11	10.51
Argentina	Peso	21.0	4.38	8.17
Hong Kong	HK Dollar	18.8	3.92	7.75
Israel	Shekel	17.5	3.65	3.41
Egypt	Pound	16.9	3.53	7.15
China	Yuan	16.9	3.52	6.20
Brazil	Real	13.0	2.71	2.22
Saudi Arabia	Riyal	11.0	2.29	3.75
Peru	Sol	10.0	2.09	2.79
Turkey	Lira	9.25	1.93	2.09
Poland	Zloty	9.20	1.92	3.07
Malaysia	Ringgit	7.63	1.59	3.17
Switzerland	S. Franc	6.16	1.28	0.90
New Zealand	NZ Dollar	5.70	1.19	1.15
Canada	C. Dollar	5.64	1.18	1.07
Australia	A. Dollar	5.10	1.06	1.06
United States	Dollar	4.80	1.00	1.00
Singapore	S. Dollar	4.70	0.98	1.24
Euro area	Euro	3.68	0.77	0.74
Britain	Pound	2.89	0.60	0.59

Note: The predicted exchange rate is the exchange rate that would make the price of a Big Mac in that country equal to its price in the United States.

Data from: *The Economist*, July 24, 2014.