

Volume 31, Issue 2**Research Announcement****The exchange rate regime and the gdp: a case study of south korea**

Usama Al-mulali
Universiti Sains Malaysia

Che Normee Che Sab
Universiti Sains Malaysia

Abstract

This study examines the optimal exchange rate regime for the South Korea gross domestic product, using time series data from 1965 to 2009. From the cointegration and the Granger causality test results, it was found that the pegged exchange rate regime (to the US dollar and to a basket of currencies) and the market average value exchange rate regime is the optimal exchange rate regime choice based on its positive impact on the gross domestic product. Moreover, this study recommended using managed floating exchange rate regime.

Completed draft available on request from:

Usama Al-mulali
Universiti Sains Malaysia
usama_81z@yahoo.com