

This thesis analyzes the real equilibrium exchange rate. It consists of two parts. The purpose of the first part is to introduce the main equilibrium exchange rate theories and their empirical results. This part also focuses on the present empirical approaches, which are used by economists for testing the equilibrium exchange rate. The aim of the second part is to analyze the impact of market structure, expressed in degree of competition, on the equilibrium real exchange rate. Here we examine the following questions: What are the causes of misalignment of the real exchange rate? Does it depend on the market structure? And could, under certain degree of competition, be every move of nominal exchange rate assessed as equilibrium?