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Letter from Editors

This issue contains three papers, which present new findings from different areas of economic modelling. One of the papers is a new theoretical study of a classical topic, while the other articles tackle empirical questions from macroeconomics and financial forecasting.

The first paper, written by Tomasz Dubiel-Teleszyński, presents analysis of dynamics in a Bertrand duopoly game with bounded rational and adaptive players, which manufacture differentiated products. The author shows that participation of one bounded rational player in the game suffices to destabilize the duopoly. The complicated behaviour of the system is examined via numerical simulations.

The authors of the second article, Karolina Konopczak and Andrzej Torój, estimate the magnitude of the Baumol-Bowen and Balassa-Samuelson effects in the Polish economy by applying a disaggregated approach. They try to establish to what extent the differential price dynamics in Poland and in the euro area and the real appreciation of PLN against EUR could be explained by the differential in respective productivity dynamics.

In the third paper, Paweł Skrzypczyński, Michał Rubaszek and Grzegorz Koloch test whether non-linear time series models are able to generate forecasts for the nominal exchange rate of the Polish zloty that are more accurate than forecasts from a random walk. The results confirm the main findings from the literature that it is difficult to outperform the random walk forecasts of exchange rates.