

Individual country details: Emerging economies

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The tables that follow present for each country by subperiod the summary information on the monetary policy framework which lies behind the classification, followed by a list of selected IMF references and other sources which provide further details.

IMF country-specific papers are referred to as follows (by year of publication, not year of consultation, plus month if there are two issues in the same year):

Background Paper(s) = BP(s)

Economic Developments and Issues = EDI

Economic Developments and Selected Background Issues = EDSBI

Macroeconomic Trends and Policies = MTP

Pre-Membership Economic Review = PMER

Recent Economic Developments = RED

Recent Economic Developments and Background Issues = REDBI

Request for a Stand-By Arrangement = RBSA

Selected Issues = SI

Selected Background Issues = SBI

Selected Background Issues and Statistical Appendix = SBISA

Selected Issues and Statistical Appendix = SISA

Staff Report = SR.

Other abbreviations

DM = Deutsche Mark

EMS = European Monetary System

EMU = European Monetary Union

ERM = Exchange Rate Mechanism (of the EMS)

FRF = French franc

GBP = UK pound sterling

GFC = Global Financial Crisis

OMO = open market operation

SDR = Special Drawing Right

USD = US dollar

Argentina made repeated attempts at exchange rate-based stabilisation, in conditions of weak monetary control, before setting up an augmented currency board arrangement in 1991; the collapse of that arrangement in 2001 led to a period of stabilisation, but towards the end of the period direct controls of various kinds were being re-introduced, until a change of course from late 2015.

Years	Targets and attainment	Classification
1974-6	multiple exchange rates, direct controls on bank lending, bank deposits nationalised (from 1973)	multiple direct controls MDC
1977-90	bank deposits denationalised, central bank gets more autonomy, interest rates still controlled, some liberalisation of forex market; repeated unsuccessful attempts at exchange rate-based stabilisation, each ending with overvaluation; alternation of multiple and unified exchange rates; recurring fiscal dominance; monetary control weak with poor instruments poorly wielded, real interest rates repeatedly negative; central bank remains important source of credit to private as well as public sector; some parallel financial markets	unstructured discretion UD
1991-2001	currency board with some monetary policy ('convertibility plan'): central bank can vary reserve requirements and has some small scope to buy government securities and to lend to private sector, also limited role as lender of last resort	augmented currency board ACB
2002	exit from currency board late 2001 in conditions of forex and banking crisis and government debt default, followed by period of political and economic policy incoherence, in terms of both instruments and objectives; emergency measures of various kinds	unstructured discretion UD
2003-17	some initial economic and financial stabilisation with bank and debt restructuring, economic recovery from late 2002; but from mid-2000s gradual but accelerating recourse to direct controls of various kinds (including from 2012 import and some exchange controls), and monetary financing of budget deficits (central bank independence weakened 2012); some use of wide but ineffective monetary targets; exchange rate heavily managed, including sharp depreciation January 2014, then floated from December 2015 (further large depreciation); inflation targeting formally adopted September 2016 but major institutional and operational changes required, 2017 target well overshoot	loosely structured discretion LSD

Selected IMF references: RED 1974 p31; RED 1977 p25, 40-1, 50-2; RED 1984 p34-5; RED 1990 Appendix IV; BP 1992, pp1-11; RED 1993 pp17-19; SI 2002 chII; SR 2005 pp20-1; SI 2006 pp4-9; SR 2006 pp16-18; *Argentina Economic Developments 2013/2014/2015* (all published February 2016; no regular consultations between 2006 and 2016); SI 2016 pp92-109; SR 2016 pp21-4; SR 2017 pp17-19.

Additional reference: Wolf et al. (2008, esp. ch8).

Brazil had a decade of weak and largely incoherent monetary policy and another decade and a half of gradual change, attempts at stabilisation but recurring loss of control; it then adopted

inflation targets in 1999, when its monetary instruments and arrangements were less than adequate, and had to move fast to get inflation targeting to work.

Years	Targets and attainment	Classification
1974-85	central bank and Bank of Brazil together constitute the monetary authorities, with fiscal and developmental responsibilities as well as monetary policy; some indirect instruments but interest rates largely set by authorities, often at subsidised levels, in context of range of direct controls; extensive indexation ('monetary correction' at rates set by government, sometimes related to intended rate of depreciation); recurring fiscal dominance; attempts to control monetary growth rarely succeed; exchange rate heavily managed, i.e. repeatedly devalued in formal or irregular crawl, also major step devaluation 1979	unstructured discretion UD
1986-98	separation of Bank of Brazil from central bank ends fiscal responsibilities of central bank; series of unsuccessful stabilisation plans including currency reforms and price and wage controls; repeated exchange rate adjustments; recurring fiscal dominance; continued indexation; gradual move to more indirect monetary instruments	loosely structured discretion LSD
1999-2000	exchange rate floated under pressure, wide converging inflation targets adopted and met; main monetary instrument is now primary interbank interest rate (SELIC)	loose converging inflation targeting LCIT
2001-3	inflation targets overshoot by large margin, and inflation expectations go outside target range	loosely structured discretion LSD
2004-17	wide (and relatively high) inflation targets mostly met, except 2015-16 when regulated price inflation spiked and inflation expectations went temporarily above target band; exchange rate floating; central bank independence remains weak	loose inflation targeting LIT

Selected IMF references: RED 1980 pp40-2, 98-9; RED 1984 pp49-55, 83; RED 1986 pp1-6, 48-50, 78, 87-8; RED 1989 pp1-6; RED 1991 pp1-4; RED 1995 pp1-9; SISA 1999 chVI; SR 2000 pp36-8; SR 2003 pp14-15; SI 2005 chII; SR 2005 pp23-5; SR 2015 AppIV; SI 2016 pp115-40; SR 2016 p39; SR 2017 pp7, 36; SR 2018 pp11, 26.

Additional source: Bogdanski et al. (2000).

Bulgaria for many years had a command economy with no real monetary policy, and when that changed it experienced repeated difficulties in monetary control and financial development; in 1998 it introduced (as a last resort) an augmented currency board which has been relatively successful.

Years	Targets and attainment	Classification
1974-89	state planning with no real monetary policy, financial developments subordinate to plan	multiple direct controls MDC
1990-97	two-tier banking system from April 1990 but instruments initially limited and mostly direct (credit controls); recurring fiscal dominance (from both budget deficits and distressed borrowing by SOEs) despite 1991 law affirming independence of central bank; over time some rise of interbank, forex and government securities markets and some switch towards indirect instruments; trade-offs between objectives unclear and repeated attempts at macro stabilisation not sustained; recurring high inflation with peaks of 398% in July 1991, 122% in January 1995 and 2040% in March 1997; forex and/or banking crises in 1993-4 and 1996-7	unstructured discretion UD
1998-2017	currency board on DM introduced July 1997, as only way to restore confidence and stability, which takes the rest of that year; peg transferred to euro in January 1999; full forex coverage of domestic monetary base required (and exceeded); central bank (which is also supervisor of banks) tried direct credit controls in 2005-6; it makes occasional use of limited scope to adjust reserve requirements and of various macroprudential policies, and it has some scope for lender of last resort operations, increased in 2016	augmented currency board ACB

Selected IMF references: *Money, Banking and Credit in the People's Republic of Bulgaria*, 1974, especially pp1-5, 10-11; *Bulgaria: Calculation of Quota*, 1990, pp48-56; RED 1991 chapter V and pp48-9; RED 1993 pp38-9; RED 1995 pp36-51; REDSA 1999 chapters VI and VII; SISA 2004 chapter I; SISA 2006 p62; SI 2009 pp56-9; SR 2018 p16.
Additional source: Wolf et al (2008, especially ch12).

Chile had a decade of non-active monetary policy but repeated changes to exchange rates, however a banking crisis in the mid-1980s forced the central bank to intervene more; after 1990 it adopted informal inflation targets and these became formal and better structured from 2000.

Years	Targets and attainment	Classification
1974-86	monetary system initially largely nationalised and controlled but these soon reversed in wide financial liberalisation; monetary policy instruments largely indirect; extensive indexation; strong official preference for non-active monetary policy, so focus of policy on structural rather than conjunctural issues; exchange rate initially dual, unified 1976 and then adjusted frequently and in varying ways; banking crisis 1983-7 leads central bank to be more active	unstructured discretion UD
1987-90	main monetary instrument is open market operations to affect interest rate on indexed central government securities; exchange rate adjusted, now more for competitiveness and growth purposes, margins widened from 1988; central bank independence law 1989	loosely structured discretion LSD
1991-99	informal converging inflation targeting (target in central bank's annual report), not yet recognised as such by IMF; 1995 main monetary instrument becomes interest rate on one-day operations between central and commercial banks	loose converging inflation targeting LCIT
2000-2017	full formal inflation targeting from September 1999, with exchange rate now floating; inflation targets met, except overshoot 2007-8 and undershoot 2009-10, but 2-year-ahead inflation expectations remain anchored; improvements to central bank communication	full inflation targeting FIT

Selected IMF references: RED 1975 pp29, 34, 49; RED 1982 pp31-3; RED 1986 pp30-4; RED 1991 pp29-30; RED 1995 chII; SI 2003, chII; SR 2009 p11; SR 2011 p18; SR 2015 p23, SR 2018 p11.

Additional sources: Corbo and Fischer (1993); Morande and Schmidt-Hebbel (2000).

China had a command economy with no real monetary policy for the first decade, then moved to a two-tier banking system and began to operate direct and later indirect monetary instruments; by the mid-1990s it was using a range of instruments in a partly liberalised financial system, but the key decisions required to formalise a modern monetary policy framework were never quite taken.

Years	Targets and attainment	Classification
1974-83	financial system still geared to providing finance for investment decisions in national state plans; foreign exchange transactions handled within planning process	multiple direct controls MDC
1984-93	two-tier banking system, in which bank lending is main source of finance but not mechanism of physical plan; monetary instruments include credit ceilings, redeposit requirements, central bank refinancing and some use of officially set interest rates; bonds issued since 1981 and bought partly by individuals; currency managed (fixed) with respect to undisclosed basket, dual exchange rates	unstructured discretion UD
1994-2017	exchange rates now unified and heavily managed, mid-2000s forex market liberalised and exchange rate more flexible (except 2008-10; more (but still partial) use of indirect instruments including interest rates instead of direct lending controls; some use of monetary targets; central bank gets some autonomy, direct fiscal dominance largely controlled (but reappears in indirect form of uncontrolled bank lending to state-owned enterprises); 2015-16 exchange rate intervention reduced, bank interest rates fully liberalised, policy rate corridor introduced, policy rates become main instrument; but crucial steps to formalise monetary policy framework with clear nominal anchor still not taken	loosely structured discretion LSD

Selected IMF references: RED 1981 section III.5, p80; RED 1985 pp52-5, 80-1; *Economic Reform in China since 1978* (1989), pp24-6, chX; RED 1989 pp31, 33, 53-7; BP 1991 pp16-17; BP 1994 pp5-8, 22-31; BP 1995 chV; RED 1996 pp21-3, 50; RED 1997 pp19-23; RED 1998 pp12-15, 19-20; SR 2006 pp14-16; SR 2009 pp17-20; SR 2012 pp16-17; SR 2013 pp23-5, 27, 31, 33-4; SR 2014 pp12-13; SR 2015 p15-16; SI 2016 pp12-15; SR 2016 pp5, 7; SI 2017 pp34-40; SR 2017 pp8, 24-5, 28-9; SR 2018 pp26-8.

Additional sources: Xiong (2012); McMahon et al. (2018).

Croatia had a hard start, followed by a move towards heavy exchange rate management in a context of limited development of financial markets and institutions.

Years	Targets and attainment	Classification
1992-93	new central bank and currency late 1991, attempt at money-based stabilisation derailed by lack of instruments and wider context of transition plus conflict, exchange rate depreciating fast, very high inflation	unstructured discretion UD
1994-2017	new (and successful) stabilisation package late 1993; currency reform May 1994; monetary policy strategy initially based on announced base money targets (overshot), but soon becomes exchange rate-based and this focus continues throughout, in context of high (c.70%) loan and deposit euroization, particularly in later years: exchange rate is relatively stable with 'quasi-peg' to euro but wider fluctuations allowed than normal under a peg; monetary instruments limited: mainly forex purchases to affect liquidity and reserve requirements, also some sales of central bank bills (for liquidity management rather than interest rate setting) and occasional (not always effective) use of credit controls; latterly talk of euro adoption	loosely structured discretion LSD

Selected IMF references: RED 1995 pp21-7; SISA 1999 pp46-8, 50; SISA 2002 chapter II; SISA 2004 chapter I; SR 2004 pp19-20; SR 2007 pp14-15; SR 2009 p12; SR 2010 pp7-9, 13-14; SR 2012, pp8-9; SR 2014 pp12, 13, 15; SR 2015 p13; SR 2016 pp11-12; SR 2017 pp14-16.

Cyprus had long placed the emphasis in monetary policy on its exchange rate, and this was gradually hardened, with some financial liberalisation and move to indirect monetary instruments, on the road to the adoption of the euro in 2008.

Years	Targets and attainment	Classification
1974-89	exchange rate set daily by central bank according to unannounced basket, revised 1986; monetary instruments largely ineffective, monetary policy relatively passive; budget deficits important for monetary growth	augmented exchange rate fix AERF
1990-91	exchange rate still set by central bank against basket but forex market now has some autonomy; 1988-91 some kind of announced monetary targets but regularly exceeded	loose exchange rate targeting LERT
1992-2007	peg to ECU from June 1992, with +/- 2.25% bands, then to euro from 1999, from 2005 within ERM2; margins widened to +/- 15% 2001 but wider bands hardly used; 1992-2000 monetary aggregates 'monitored' rather than targeted, often not met; gradual financial liberalisation with Lombard facility and repo OMOs from 1996, interest rate ceiling abolished 2001, central bank independence 2002 and capital controls abolished 2001-3	full exchange rate targeting FERT
2008-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1977 p64; RED 1983 pp44-46, RED 1986 pp47-8; RED 1987 pp37, 51; RED 1991 pp57-8, 82; SR 1993 p4; RED 1994 pp20, 101; BP 1996 pp11-12, 14; SI 1998 pp28-38; SR 2000 pp12-13; SR 2003 pp7-8.

Additional sources: Syrichas (2008); Orphanides (2008).

The Czech Republic underwent a period of rapid financial innovation and liberalisation, with unsuccessful exchange rate pegging and monetary targets replaced by inflation targets from 1998.

Years	Targets and attainment	Classification
1993-95	currency pegged to basket with narrow margins set by central bank (but private forex market with some autonomy); monetary targets overshoot 2 years out of 3; monetary policy operations initially focused on bank reserves, from 1995 on short-term interest rates	augmented exchange rate fix AERF
1996-97	exchange rate band widened February 1996, peg abandoned May 1997; monetary targets undershot 1996, met 1997; monetary instruments now mainly indirect; rapid financial market development	loosely structured discretion LSD
1998-2005	declining inflation targets met or near-met except for undershoot 2003 (inflation expectations also fall briefly below target band); main monetary instrument is repo rate; changes to inflation targeting procedures	loose converging inflation targeting LCIT
2006-17	inflation targets (lower from 2010) met, except overshoot 2007-8 and undershoot 2009, when inflation expectations returned quickly to the target zone, also undershoots 2013-16 when medium-term expectations remained anchored; initial aim of entering ERM2 and then adopting euro set aside; occasional forex intervention; exchange rate floor November 2013 to April 2017, as additional instrument in IT (instead of QE) to avoid deflation, with significant forex intervention in last few months	full inflation targeting FIT

Selected IMF references: RED 1993 pp36-7; RED 1994, pp25-6, 33-7, 46-7; SBS pp52-6; SI 1998 chIV; SR 2001 pp22-5; SR 2004 p7; SR 2005 p12; SR 2010 p34; SR 2011 p14; SR 2014 pp5-6, 21; SR 2016 pp6, 10-12, 38-42; SI 2017 pp2-4; SR 2017 pp13-15.

Additional sources: Beblavy (2007a); Beblavy (2007b).

Czechoslovakia [not itself an emerging economy but the country out of which the Czech Republic and Slovakia later developed] operated a command economy until 1986, then introduced some liberalisation that was initially quite limited but went further from 1991, before the country split into two at the end of 1992.

Years	Targets and attainment	Classification
1974-86	monobank plus specialised state banks covering savings and foreign trade, with limited role for credit controls and interest rates; monetary policy aims to control most financial flows in economy, with focus on managing amount of money in circulation and credit control, and is less fully passive than in other socialist economies; exchange rate fixed vs CMEA currencies, pegged to basket of five convertible currencies with occasional depreciations, more frequent 1980s; illegal parallel market	multiple direct controls MDC
1987-1992	some liberalisation late 1980s/early 1990s, including 1989 monobank split between central and two (Czech and Slovak) commercial banks; 1990 slow start of interbank deposit market, bond issues now allowed; 1989-90 changes to official exchange rates for CMEA countries; peg (since 1981, but changed at intervals) to basket of five convertible currencies; 1989 start of forex auction with limited access; central banks sets discount rate from January 1990, reserve requirements October 1990, credit controls remain important; under new government exchange rate unified, depreciated and fixed end-1990; January 1991 relatively successful big bang liberalisation plus stabilisation; new banking laws 1992 add to and clarify powers of central bank and define roles of commercial banks, but banking system needs time to establish itself	loosely structured discretion LSD

Selected IMF references: [Czechoslovakia itself was not a member of the IMF, but its successor state, the Czech and Slovak Federal Republic, joined in late 1990, and then divided into the Czech Republic and Slovakia in December 1992] *Money, Banking and Credit in Czechoslovakia*, 1974, pp1-11, 16, 26-7; *Czechoslovakia – Calculation of Quota*, 1990, pp10-11, 48-54, 66-70; RED 1990 pp13-17, 21; RED 1992 pp20-3, 28-9, 61-3, 65-6.

Egypt moved gradually from a command economy to a more market economy, in monetary and financial as well as other areas, with exchange rate controls giving way to loose exchange rate targeting followed by a heavily managed float, but the plan to move to inflation targeting remains unrealised.

Years	Targets and attainment	Classification
1974-76	multiple exchange rates; banking system almost entirely nationalised, directed to finance state-determined investments; monetary policy instruments direct	multiple direct controls MDC
1977-91	multiple exchange rates frequently changed and adjusted, never quite unified; halting moves from command economy of 1960s and early 1970s towards more market economy, but monetary instruments remain mostly direct, forex markets heavily controlled; major entry of small mainly foreign banks; recurring fiscal dominance; rising dollarisation	unstructured discretion UD
1992-2002	exchange rate finally unified and pegged de facto to USD (but depreciations 2000-01); monetary instruments become mainly indirect and policy focused on exchange rate stability	loose exchange rate targeting LERT
2003-17	exchange rate formally floated but more or less heavily managed; monetary instruments indirect; central bank has some more autonomy, but recurring monetary financing of high budget deficits; medium-term plan is to move towards inflation targeting, but crucial steps (including genuine exchange rate float) never quite taken until major new reform programme November 2016 supported by IMF, with forex liberalised, exchange rate floated, plans to strengthen central bank independence and move to IT	loosely structured discretion LSD

Selected IMF references: RED 1975 section IV.1 and pp47-8; RED 1978 section V.1 and pp42-6; SR 1989 2-4, 24-8; RED 1992 pp33-4, 47-52; SR 1992 pp17-18; RED 2000 section IV.B; SR 2005 pp13-15; SR 2006 pp14-16; SR 2015 p10; SI 2018 pp38-44; SR 2018 pp18-20.

Additional sources: Selim (2011); Al-Mashat (2011).

Estonia introduced an augmented currency board from the start of its national currency in 1992, and that took it into EMU in 2011.

Years	Targets and attainment	Classification
1992-2010	two-tier banking system and national currency introduced in June 1992 with currency board on DM, with limited use of monetary instruments: central bank issues CDs in interbank market and sets reserve requirements, it has no formal lender of last resort role but ability to lend to banks subject to currency board cover, it operates standing deposit facilities but no marginal lending facilities; from 1999 currency board on euro, within ERM2 from 2004	augmented currency board ACB
2011-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1993 pp5-7; SR 1994 p4; SR 1997 pp27-9; SR 2000 pp22-3; SR 2003 pp46-7.

Additional sources: Beblavý (2007b); Wolf et al (2008, ch 10).

Hungary began to move gradually away from a command economy before the major political changes of 1990, and the gradual evolution continued after that, with heavy exchange rate management giving way to loose inflation targeting from 2001.

Years	Targets and attainment	Classification
1974-86	state planning with monobank financial system segmented between enterprises and households, with credits to enterprises controlled by sectoral credit ceilings and preferential credit schemes (and credits to households for house purchases only); official concern with high external deficits and debt; gradual introduction of price reforms, including minor financial reforms, and some use of (mainly fiscal) demand management; multiple exchange rates unified October 1981, adjusted more or less often to offset pass-through of foreign inflation to domestic prices	multiple direct controls MDC
1987-94	two-tier banking system from 1987, with household-enterprise segmentation abolished 1989; credit no longer sectorally allocated and ceilings replaced over time by limits on refinancing of bank credits as main monetary policy instrument, together with prudential reserve requirements; refinancing and reserve requirements gradually made more precise and effective, while interest rates become more flexible; elements of fiscal dominance; exchange rate (more fixed than targeted) subject to repeated small devaluations on ad hoc basis to exclude foreign inflationary pressures; banks allowed to deal in forex market, within narrow but widening margins	unstructured discretion UD
1995-2000	pre-announced exchange rate crawl, at speed adjusted downwards at ad hoc intervals and by ad hoc amounts, focus on competitiveness as well as inflation; exchange rate margins now +/- 2.25%; monetary policy instruments more focused, operations in short-term government securities markets gradually taking over from refinancing as main instrument, but monetary control remains weak and imprecise; continuing official focus on growth and tendency to overexpand, recurring large fiscal and external deficits; inflation remains above that of trading partners	loosely structured discretion LSD
2001-6	exchange rate band widened to +/- 15% May 2001, formal inflation targeting from June 2001, with establishment of Monetary Council and quarterly inflation forecasts; main monetary policy instrument is now central bank's benchmark interest rate; inflation reduced, but inflation targets missed twice and nearly missed once in six years; policy rate appears to respond to exchange rate as well as inflation rate; large fiscal and external deficits remain	loose converging inflation targeting LCIT
2007-17	exchange rate band abandoned early 2008; static and continuous inflation targets (with tolerance range only from 2015) attained on loose but not full basis in most years, while professional forecasters' inflation expectations remain broadly anchored (though households' expectations	loose inflation targeting LIT

	less so); central bank independence weakened 2010-12 under new government	
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Selected IMF references: RED 1982 chIV; RED 1987 pp52-4; SR 1987 pp11-12; RED 1988 pp27-34; RED 1989 pp33-40; REDBI 1995 pp18-20, chVI; RSBA 1996 pp1-6; SR 1996 pp13-15; SR 1997 pp16,18; SI 1999 chIV, p; SR 1999 pp17-18, 19, 21, 22-3; SI 2002 chI; SR 2002 pp28-9; SR 2006 pp15-16, 23-5, 29-30; SR 2008 p16; SR 2012 p13; SR 2018 pp12-14.

Additional sources: Beblavy (2007a); Beblavy (2007b); Gábríel, Rariga and Várhegyi (2014).

India pursued a varying set of objectives with a range of gradually changing instruments, and eventually adopted inflation targets.

Years	Targets and attainment	Classification
1974-2014	exchange rate initially pegged but for most of period is adjusted frequently and in varying ways; initially some state planning but some autonomy for banking system, planning weakened by liberalisation over time, particularly from early 1990s; fiscal dominance always possible but in practice under some control; monetary policy instruments gradually shift over period from direct to indirect; central bank has developmental responsibilities but increasingly serious price stability concern; some implicit/explicit monetary targeting 1985-6 to 1997-8, target achieved only four (separate) years, replaced in 1998 by multiple indicators approach	loosely structured discretion LSD
2014-16	2014 adoption of 'glide path' down towards medium term inflation target, targets met though inflation expectations above target; measures to improve monetary transmission	loose converging inflation targeting LCIT
2017	formal adoption of flexible IT August 2016, target met	full inflation targeting FIT

Selected IMF references: RED 1986 pp25-8; RED 1988 pp14, 18-19; MTP 1990 chs. II, VI; BPs 1995 chIV; SI 2000 chs V, VI; SR 2015 pp8-10; SR 2016 pp12-14; SR 2017 pp15-17. Additional sources: Mohanty and Mitra (1999); Reserve Bank of India (2013), ch4 especially Annex 4.12, ch14 especially Annex 14.1.

Indonesia moved from fixing its exchange rate (with some use of monetary instruments) through exchange rate management with a gradually more active and indirect monetary policy to loose but formal inflation targeting from 2006.

Years	Targets and attainment	Classification
1974-78	most forex transactions via central bank at narrow spreads set by central bank, but forex activity relatively unrestricted: on balance more fix than target; monetary policy relies on credit ceilings, and strongly affected by public sector budget deficit and external operations (especially those of state oil company Pertamina)	augmented exchange rate fix AERF
1979-2005	after November 1978 devaluation exchange rate is managed with reference to trade-weighted basket; more exchange rate variation (in pursuit of competitiveness) after March 1983 devaluation against larger but still undisclosed basket, band widened 1995-96 then more or less managed float from August 1997 (Asian financial crisis); financial sector reforms June 1983 with end of credit ceilings, but authorities slow to create new indirect monetary policy instruments; fiscal dominance on occasions; from early 2000s some kind of informal inflation target	loosely structured discretion LSD
2006-17	formal inflation target from July 2005, with switch to 1-month market interest rate in place of base money as intermediate target, then to overnight interest rate as policy rate June 2008; inflation targets hit nine years out of twelve (misses partly due to administered price rises, some evidence of inflation expectations remaining anchored), but targeting is loose because of large swings of inflation in both directions, and converging because that was intention (though not consistently realised); weakness of interbank money market and hence of monetary transmission mechanism addressed; continued concern with and sometimes managed float of exchange rate; fiscal dominance largely controlled	loose converging inflation targeting LCIT

Selected IMF references: RED 1976 pp20, 29-30, 43; RED July 1979 p55; RED 1981 Annex II; RED 1983 pp2, 51-6; RED 1986 pp52-74, 102-3; RED 1990 p56; SR 1997 pp5-6; SI 2002 ch.II; SR 2005 pp21-2, 27; SR 2008 pp15, 17, 23; SR 2009 p11; SI 2011 ch.II; SR 2013 pp6, 14-16, 21; SR 2015 pp16-18, 30; SR December 2016 pp16, 26.

Additional source: Bank Indonesia website, <http://www.bi.go.id/en/moneter/inflasi/bi-dan-inflasi/Contents/Penetapan.aspx>.

Israel progressed from a very poorly functioning framework (and hyperinflation) in the 1980s by way of a crawling exchange rate to inflation targeting (with formal central bank independence coming particularly late in the process).

Years	Targets and attainment	Classification
1974-85	unsuccessful attempts to stabilise currency (versus USD then basket then USD), then from 1977 float with recurring depreciations; high monetary growth and no formal targets, widespread indexation, recurring fiscal dominance, ending in hyperinflation in 1984-5	unstructured discretion UD
1986-91	serious stabilisation efforts from July 1985 (including currency reform and 'no printing' law) but continuing devaluations versus basket of major currencies	loosely structured discretion LSD
1992-94	preannounced exchange rate crawl intended to be consistent with informal inflation target; monetary operations increasingly focused on discount rate	exchange rate with inflation targeting ERwIT
1995-96	exchange rate bands widened, informal inflation targets met	inflation with exchange rate targeting IwERT
1997-2003	exchange rate bands widening continuously, declining narrow formal inflation targets undershot 3 years and overshot 1 year out of 7	loose converging inflation targeting LCIT
2004-17	static inflation targets met 9 years and nearly met 3 years out of 14, long-term inflation expectations remain anchored, short-term less so; exchange rate bands, already so wide they were not relevant, scrapped 2005; some changes to inflation targeting procedures; significant forex purchases to limit appreciation especially 2008-11; central bank finally made independent from 2010 after long delays	full inflation targeting FIT

Selected IMF references: SR 1977 p10; RED 1984 p44; RED 1985 p56; RED 1987 pp58-60, 81, 105; SR 1987 pp9-10; RED 1989 p49; SR 1991 pp11-12; RED 1993 pp16-18, 39; SR 1996 pp10-12; SR 1998 pp21-4; SISA 1999 pp20-22; SISA 2000 pp57-8; SR 2000 pp22-5; SR 2001 pp16-17; SI 2005 chI; SR 2008 p8; SR 2010 pp18, 23, 27; SIP 2012 chIII; SR 2014 p9 SR 2015 pp10-11; SR 2018 pp8-10, 26.

Additional source: Barkai and Liviatan (2007); Bank of Israel (2007).

Jordan initially fixed its exchange rate to the SDR, with monetary policy largely passive, but relaxed that as it liberalised in the late 1980s (and underwent a currency crisis); by the early 1990s it was pegging formally to the SDR but informally to the USD, and that became a firm exchange rate target from the mid-1990s.

Years	Targets and attainment	Classification
1974-84	exchange rate pegged to USD then from February 1975 formally to SDR, operationally more fix than target with actual margins much narrower than formal limits of 2.25%; elements of fiscal dominance; monetary policy instruments mainly direct, policy passive 1970s but more active (pro-growth) 1980s	augmented exchange rate fix AERF
1985-90	currency now allowed to move up to 6% against SDR parity; financial liberalisation (including forex market) and move towards indirect monetary instruments accelerated by currency crisis 1988; after brief float currency repegged to basket May 1989, repegged formally to SDR after large devaluation October 1990	loosely structured discretion LSD
1991-2000	formal peg to SDR but de facto peg to USD; forex market and capital account liberalised 1997; auction rate on central bank CDs (first issued 1993) becomes main instrument of monetary policy	loose exchange rate targeting LERT
2001-2017	hard peg to USD de facto, now widely understood as fulcrum of policy; monetary policy clearly geared to maintaining that peg, regarded as 'keystone of financial stability' (SR 2012), by controlling short term interest rates, latterly within some sort of corridor, relative to US federal funds rate	full exchange rate targeting FERT

Selected IMF references: RED 1983 pp27-9; SR 1986 p4; RED 1991 pp53-4; SR 1994 pp21-2; *Background Information on Selected Aspects of Adjustment and Growth Strategy* (1995), chV and pp66-7; SR 1995 pp10, 20; SR 1997 p20; SI 1998 pp82-3, 96-102; SR 1998 p15; RED 2000 p35; SR 2007 p7; SR 2012 pp12, 21; SR 2016 p26; SR 2017 pp18-19, 39. Additional source: Maziad (2011).

Latvia pegged to the SDR soon after its new currency was introduced in 1993, and moved gradually to indirect monetary instruments; the peg was switched to the euro within ERM2 in 2005, and from there Latvia entered EMU in 2014.

Years	Targets and attainment	Classification
1993	two-tier banking system from 1992; new Latvian currency introduced March-June 1993; exchange rate moving widely; monetary policy instruments initially limited but rapid change	Unstructured discretion UD
1994-2013	1994-2004 exchange rate pegged to SDR, with margins of +/- 1%; central bank dominates FX market but other agents allowed to trade at their own rates; monetary instruments increasingly indirect as financial markets develop, with OMOs replacing forex swaps in mid-2000s; 2005 currency repegged to euro January and into ERM2 April, narrow margins maintained	FERT
2014-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1994 pp37-40, 65-6, 94; RED 1995 pp18-22, 23-5, 79; RED 1996 pp9-10, 51-2; SR 2004 p13; SR 2010 pp6-7; SR 2012 pp29-30.

Additional source: Beblavý (2007b).

Lithuania adopted an augmented currency board soon after the introduction of its new currency in 1993, first on the USD and then from 2002 on the euro, and that lasted until its entry into EMU in 2015.

Years	Targets and attainment	Classification
1993	new Lithuanian currency mid-year, appreciation replaces previous depreciation; bank credit ceilings replaced by indirect measures; no clear framework	unstructured discretion UD
1994-2014	currency board on USD from April 1994, with some use of monetary instruments including reserve requirements, rediscount and open market operations, also some limited scope for lending of last resort; exit from currency board to conventional peg considered, postponed and shelved; currency board anchored on euro from February 2002, within ERM2 from June 2004; euro adoption delayed from original target 2007	augmented currency board ACB
2015-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1994 pp18-19; RED 1995 p30; RED 1996 pp7-12; RED 1998 pp24-6; SR 1999 pp19-20; SR 2000 pp27-8; SR 2001 pp17-18; SR 2009 pp12-13.

Additional sources: Alonso-Gamo et al (2002); Beblavý (2007b); Wolf et al (2008, ch 11).

Malaysia experienced a long period of financial development, accompanied first by exchange rate targeting and then by exchange rate management with more active monetary policy; the Asian financial crisis led it to introduce a peg to the USD plus capital controls for a few years, which were followed by strong monetary policy arrangements which did not, however, include a formal inflation target.

Years	Targets and attainment	Classification
1974-84	currency pegged to dollar then from September 1975 to undisclosed basket (based on trade and settlement currency, different from IMF calculations of effective rate), with 2.25% margins exceeded occasionally, in market where banks operate more or less freely; monetary policy instruments initially direct but becoming indirect, with growth of money and bond markets; policy directed in part to social objectives; fiscal policy mostly under control;	loose exchange rate targeting LERT
1985-98	exchange rate policy more 'active' from late 1984 though still peg of sorts to same basket, no mention of margins; further gradual financial liberalisation, monetary instruments more indirect; fiscal deficits often large but dominance avoided; capital inflows hard to manage; Asian financial crisis mid-97 leads to capital outflows, large depreciation, crisis measures to save banks; position worsened by Russian crisis mid-98	loosely structured discretion LSD
1999-2005	(temporary) capital controls from September 1998 and currency pegged to USD, permitted spreads 2% only; forex transactions and financial sector in general quite controlled, but forex market has some autonomy, it's more target than fix, and margins are narrow	full exchange rate targeting FERT
2006-17	July 2005 exchange rate peg replaced by managed float against undisclosed basket; exchange controls now mostly ended; new interest rate framework (from April 2004) allows central bank to control overnight rate and banks to set own rates; development of macroprudential policies post-2008; wider role for Monetary Policy Committee after new central bank law 2009; central bank has viable 'dual mandate' for price stability and growth; some differences between authorities and IMF re exchange rate flexibility and intervention but degree of management declines over time; from late 2016 measures to improve functioning of forex markets	well structured discretion WSD

Selected IMF references: RED 1975 pp24-5; RED 1979 pp17-22; RED 1983 pp28-30, 50; RED 1985 p36; RED 1986 pp38-9, 64-5; RED 1988 pp32-5; SR 1989 p32; SR 1994 pp11, 15; RED 1999 pp13-18, 23-4; SR 2005 pp16-17, 24; SR 2011 pp7-9; SR 2013 pp15, 23; SR 2014 pp8-9; SR 2016 pp62-3; SR 2018 pp10-14, 58-60.

Additional source: Ibrahim (2016).

Malta fixed its currency for two decades to a basket, with little use of monetary policy, then moved via a period of exchange rate targeting, first to the basket and then to the euro within ERM2, together with some monetary and financial modernisation, to membership of EMU from 2008.

Years	Targets and attainment	Classification
1974-94	currency fixed to basket, initially more for inflation control but later partly for competitiveness; repeated changes to basket (which becomes simpler, more transparent and more stable over time); devaluation 1992; monetary policy assigned to development, interest rates rarely changed; no autonomous foreign exchange market, little use of domestic monetary policy instruments; capital controls	augmented exchange rate fix AERF
1995-2007	1995-2004 exchange rate pegged to basket; some monetary and financial modernisation by now, including more or less active interbank money and foreign exchange markets and limited capital account liberalisation; currency into ERM2 in May 2005 (Malta joined EU in May 2004) within very narrow margins, capital controls eliminated, some more use of indirect monetary policy instruments	full exchange rate targeting FERT
2008-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1979 pp42-3, 59-60; SR 1986 pp4, 7; RED 1988 pp43-4, 87; RED 1994 pp29-33, 36-40; RED 1997 pp33-6, 41; SR 2007 p18.

Additional sources: Grech (2003); IMF (2004), chV, especially pp36, 40-41, 42-3.

Mexico had a long period of financial evolution with some exchange rate management plus increasingly active monetary policy, before embarking in 2001 on inflation targeting which became more organised and effective from 2001.

Years	Targets and attainment	Classification
1974-6	fixed exchange rate (fixed since 1954) in context of heavily regulated monetary system but open foreign exchange market with no capital controls	full exchange rate targeting FERT
1977-2000	exchange rate floating, initially more managed (with dual exchange rate market 1982-91), but freer float from 1995; monetary policy instruments evolving from central bank-set interest rates, reserve requirements and occasional direct credit controls, with recurring fiscal dominance, to open market operations in short and medium term government securities; recurring periods of exchange rate weakness and capital flight, especially 1982 (which precipitated nationalisation, reform and privatisation of commercial banks) and 1994; central bank more independent from 1993	loosely structured discretion LSD
2001-3	converging inflation targets nearly missed twice in three years; targeting operated through (longstanding) control of banks' settlement balances rather than policy rate; central bank communication weak, e.g. no inflation forecasts published; 'rules-based' mechanism from 2003 to provide for international reserve accumulation without distortions to forex market	loose converging inflation targeting LCIT
2004-10	stable inflation targets missed 2008, 2009 (with some upward drift of inflation expectations), and nearly missed 2004, 2010; inflation forecasts published from 2007 and policy rate becomes main instrument in 2008	loose inflation targeting LIT
2011-17	inflation targets hit each year except 2017 when medium-term expectations remain anchored; inflation targeting framework more complete and comparable to elsewhere, with improved communication	full inflation targeting FIT

Selected IMF references: RED 1980 pp34-41; RED 1983 pp70-3; RED 1990 pp34-5; RED 1995 chapter I; SI 2000 chapter VI; SI 2002 pp94-6; SR 2003 pp9, 12, 22-4, 30; SR 2006 p4; SR 2009 p18; SR 2011 p17; SR 2017 pp17-19, 31; SR 2018 pp18, 34.

Morocco has had some sort of focus on the exchange rate throughout, and some gradual financial liberalisation, with exchange rate targeting formalised in 1991 and hardened in 2007; plans for inflation targeting so far unrealised.

Years	Targets and attainment	Classification
1974-80	exchange rate set daily by central bank, stabilised versus undisclosed basket (revised 1980); elements of fiscal dominance; monetary policy based on direct instruments including direct credit controls (encadrement du crédit) from 1976	augmented exchange rate fix AERF
1981-90	late 1980 currency basket revised, more flexibility (depreciation) allowed, and interest rates reformed (set more actively by authorities); direct credit controls continue but central bank also intervening regularly in growing money market; some money and credit targets set 1987-90 but rarely attained	loosely structured discretion LSD
1991-2006	exchange rate pegged to undisclosed basket; after April 2001 devaluation exchange rate pegged to revised basket 'dominated by euro', but weights not disclosed; interbank forex market from 1996 (tightly managed); direct credit controls replaced in move to indirect monetary instruments, interest rates now liberalised; central bank autonomy strengthened 2006; experiment with monetary targets 1998-2002 but targets often missed and not dominant element of policy	loose exchange rate targeting LERT
2007-17	exchange rate pegged to basket whose weights were finally disclosed (80% euro, 20% USD); improved monetary arrangements including publication of inflation forecasts; so far unfulfilled medium term plan to move to greater exchange rate flexibility and inflation targeting	full exchange rate targeting FERT

Selected IMF references: RED 1977 pp30, 33, 49; RED 1981 pp30, 33-4, 44; RED 1982 pp43-4, 47; RED 1991 chIV; SI 1996 sections I.5, I.7; RED 2000 chV; SR 2006 p3; SR 2009 p5; SR November 2015 pp14-16; SR November 2017 pp14-16.

Additional source: Achy and Boughrara (2011).

Pakistan has had a slow, erratic and unfinished process of financial modernisation, with a range of objectives, no formal targets, and instruments becoming effective and indirect only towards the end of the period.

Years	Targets and attainment	Classification
1974-81	exchange rates fixed by central bank, other banks trade only at those rates; monetary policy operated largely by direct credit controls; recurring monetary financing of fiscal deficits	augmented exchange rate fix AERF
1982-2017	exchange rate more or less managed, with frequent changes, with eye initially more to competitiveness but later more to inflation control; exchange rate unified 1999, continues for many years to be largely fixed (at changing rates), but forex market liberalised towards end of period; monetary policy operated until 1992 largely by imprecise direct credit controls, then slow and erratic shift towards indirect instruments with regular Treasury bill auctions from 1991, but interest rate corridor and clear policy rate only from 2015; monetary financing of government, directly by the central bank and later also by the commercial banks, remains important; banking system (nationalised in 1974, some privatisation from early 1990s) highly concentrated; increases in central bank independence repeatedly discussed but implementation half-hearted; frequent slippages in both stabilisation policy and structural reforms; monetary policy objectives include growth, competitiveness and inflation, but latter comes to dominate in final decade; talk from 2015 of moving to inflation target but major reforms required first	loosely structured discretion LSD

Selected IMF references: RED 1976 pp33-6, 67-8; RED 1979 pp70-2; SR 1979 pp2-3; RED 1981 pp36-7; RED 1985 pp49-56, 82-4; RED 1988 pp55-6; RED 1989 pp63-5, 68-71; RED 1991 pp128-34; RED 1992 pp32-3; RED 1995 pp35-8; RED 1997 pp4-5, 30, 61-2; SR 2000 pp6, 17-21, 40-41; SISA 2002 ch, IV; SISA 2004 pp22-3; SR 2009 pp9, 16; SR 2012 p10; SR 2015 p12; SR 2017 pp12-13.

Peru had a long period in which monetary instruments were direct and ineffective, followed by a sustained stabilisation and liberalisation from 1993 which eventually laid the basis for the adoption of inflation targeting from 2002.

Years	Targets and attainment	Classification
1974-92	exchange rates (dual or multiple in most years) adjusted frequently and in varying ways with eye to balance of payments and/or inflation; monetary policy instruments mainly direct; fiscal dominance endemic; new currencies 1985, 1991; special status of state-owned Banco de la Nacion relative to central bank complicates monetary control; several failed attempts at stabilisation and at financial liberalisation; varying rates of dollarisation	unstructured discretion UD
1993-2001	sustained stabilisation and liberalisation from early 1990s: central bank gets some autonomy, role of Banco de la Nacion reduced, exchange rate floating (since late 1990), fiscal deficits controlled; liberalisation and deepening of financial markets; focus of policy on inflation reduction via control of base money; among monetary instruments emphasis shifts from reserve requirements to interest rates; significant continuing dollarisation	loosely structured discretion LSD
2002-17	inflation targets; overshoot 2008, smaller deviations 2011 and 2015, but medium-term inflation expectations remain anchored except for brief period around 2008; occasional but gradually diminishing forex intervention; gradual de-dollarisation	full inflation targeting FIT

Selected IMF references: SR 1974 pp13-14; RED 1979 pp35-7; RED 1982 pp27-31, 37-9; RED 1984 pp30-31, 56; SR 1987 pp2-3; RED 1990 pp1-2, 33-9, 58; RED 1995 chI; SR 1997 AppV; SI 2001 chIV; SR 2002 p10; SR 2009 p11; SR 2012 p7; SR 2015 p5; SR 2016 pp7-8; SR 2017 p13; SR 2018 pp11-12.

Additional source: Pastor (2012).

The Philippines had a long period of varying objectives and (mostly indirect) instruments, but undertook loose inflation targeting from 2002 and more effective inflation targeting from 2009.

Years	Targets and attainment	Classification
1974-2001	exchange rate de jure floating but de facto managed (partly by Bankers' Association) versus USD, with concern for competitiveness and inflation, varying flexibility (including cleanish float from 1985, brief fixity 1996-7 and then cleanish float); monetary policy operated in early years (sometimes in form of base money targets) mainly through sales and purchases of central bank paper, central bank rediscounting, reserve requirements and forex swaps, but repos, reverse repos and interest rates gradually become more important (with ceilings on bank interest rates abolished); monetary financing of government varies but sometimes large; recurring short-lived spikes in inflation, often oil-price-related; monetary policy objectives typically include growth and internal and external stability, but inflation control gradually becomes more important; monetary policy periodically derailed by political, natural or external events, including severe financial problems in 1981, 1983, 1989-90; following large losses accumulated from quasi-fiscal operations, central bank restructured 1993 with some independence which is later increased	loosely structured discretion LSD
2002-08	six out of seven narrow (1%) band inflation targets missed, erratic convergence in targets and in outturns	loose inflation targeting LIT
2009-17	all targets (now 2% band) attained, except for brief undershoot 2015-16 when long-term expectations remained close to centre of band; interest rate corridor from 2016	full inflation targeting FIT

Selected IMF references: RED 1978 p13; RED 1980 pp23-6, 29-32; SR 1980 p3; RED 1982 pp37-9; SR 1986 pp3-6; RED 1988 pp37-9; RED 1992 pp7-8; RED 1994 pp10-14; SR 1994 pp5-6; RED 1995 pp25-8, 35; SR 1995 pp7-9, 22-3, 26-7; RED 1996 pp28-30; SR 1996 pp12, 20-21; SISA 1998 ch 1; SR 1998 p14; SI 1999 ch IV; SI2001 ch II; SR 2001 pp22-3; SR 2015 pp10-11; SR 2016 pp17-19; SR 2018 p21.

Additional reference: Houben (1997).

Poland had some limited evolution away from its previous command economy before the political change of 1989, but then underwent rapid stabilisation and financial reform that allowed it to embark in 1998 on inflation targeting, which was tightened in 2004.

Years	Targets and attainment	Classification
1974-81	monobank financial system accommodating centrally set economic plan; multiple exchange rates for trade with both 'non-socialist' and 'socialist' countries	multiple direct controls MDC
1982-89	major economic reforms 1982 designed to give more autonomy and responsibility to enterprises, along with bank credits being provided on basis of profitability and other considerations (not just in accord with plan), but implementation of reforms imperfect; exchange rates with non-socialist countries unified, then adjusted (devalued) in relation to basket at intervals so as to secure profitability of c.80% of exports; end of monobank system 1989 with nine new commercial banks established	unstructured discretion UD
1990-97	1990 'shock therapy' with exchange rate devalued and pegged to USD with narrow margins, subsequently devalued again; forex market liberalised; preannounced crawl from May 1992 with rate of crawl and central parity adjusted at intervals; move to indirect monetary policy instruments – initially refinancing rate and liquidity management, by 1993 open market operations in central bank and Treasury bills, later government bonds; preferential credits modified and ended; banks freed to set own interest rates; fiscal dominance initially significant but gradually brought under control; 'multi-anchor, multi-indicator' strategy	loosely structured discretion LSD
1998-2003	formal converging inflation targeting, but narrow targets missed two years and nearly missed two years, out of six; inflation converged but only erratically	loose converging inflation targeting LCIT
2004-17	static inflation targets undershot 2014-16 (but long-term inflation expectations remain within tolerance band) and missed some months in another 3 years out of 14	full inflation targeting FIT

Selected IMF references: Poland – Calculation of Quota, December 1985, pp35-9; RED 1988 pp1-3, 40-41; RED 1991 pp1-2, 22-9, 36-8; BP 1994 pp39-40, 51-4, 74-8; RED 1997 pp56-8, 145-57; SR 1999 pp20-21; SR 2000 pp22-4; SR 2001 p22; SR 2003 pp18, 24; SR 2014 p32; SR 2017 p38.

Romania had made little change to its command economy before the 1989 revolution, and reform after that was slow and erratic, but enough for it to embark on loose inflation targeting in 2006.

Years	Targets and attainment	Classification
1974-90	monobank financial system accommodating centrally set economic plan; multiple exchange rates for trade with both 'non-socialist' and 'socialist' countries	multiple direct controls MDC
1991-2000	two-tier banking system from end-1990 but development of modern financial system with coherent monetary policy and instruments slow and tortuous; attempts to reform forex market and arrangements equally erratic; recurring fiscal dominance	unstructured discretion UD
2001-05	unannounced exchange rate crawl at varying rates; fiscal dominance partly controlled, gradual move towards indirect monetary policy instruments; objectives clearer	loosely structured discretion LSD
2006-13	inflation targeting from August 2005, convergence erratic with three large overshoots and two near misses in eight years, but evidence that inflation expectations anchored (albeit in top half of target band); interest rate corridor, but continued attention to exchange rate, width of corridor and recurring divergence between policy and 'effective' interest rates mean inflation targeting remains less than 'fully-fledged'	loosely converging inflation targeting LCIT
2014-17	now continuous and static inflation target, but inflation targeting still not fully-fledged; targets attained 2014 and 2017, but large undershoots 2015-16 partly due to tax cuts, with financial analysts' 2-year ahead inflation expectations remaining broadly within target band	loose inflation targeting LIT

Selected IMF references: RED 1974 pp84-9; RED 1979 pp48-9; RED 1982 pp107-9; RED 1990 pp1-6, 61-2; RED 1992 pp6-9; RED 1997 pp11-13, 36-51, 53, ; SISA 2000 pp99-101; SISA 2007 pp12-16; SR 2012 pp17-19; SR 2014 p14; SR 2015 pp5, 13; SR 2017 pp5-6, 16, 58; SI 2017 pp32-52; SR 2018 pp12-13.

Additional sources: NBR *Inflation Report*, November 2016, p12 for inflation expectations.

The Russian Federation in its first decade (after the dissolution of the USSR) failed to develop a clear monetary framework or to stabilise the economy, but from 2002 gradual monetary and financial reform was undertaken without a formal framework or targets, until the adoption of inflation targets in 2017.

Years	Targets and attainment	Classification
1992-2001	2-tier banking system, highly concentrated; central bank role complicated 1992-93 by residual relationship with other ruble-using FSU states; monetary policy in principle moving towards indirect instruments via growing interbank and other financial markets, but repeatedly dominated by large fiscal deficits (after as well as before 1995 law on central bank independence) and lack of hard budget constraints for SOEs; exchange rate initially unified and freed but heavily managed via interest rates and intervention, with formal band from mid-1995 and then sliding bands from mid-1996 (at depreciation rate less than inflation); attempts at stabilisation typically not sustained but undermined, resulting in hyperinflation 1992-3, financial market crunch August 1995 (interbank interest rates over 1000%), persistent high inflation, and major financial crisis August 1998 with debt repudiation and banking failures; exchange rate floated September 1998	unstructured discretion UD
2002-16	monetary policy instruments gradually getting sorted out (e.g. by 2003 central bank running regular deposit auctions, as main tool for liquidity management), and moving towards indirect: repo rate becomes informal and then 1-week auction rate becomes formal policy rate within corridor in 2014; exchange rate formally flexible and intervention becomes less frequent towards end of period; oil stabilisation fund from 2004 and, partly as result, fiscal dominance somewhat less problematic than in past; conflict between exchange rate and inflation objectives resolved towards end of period in favour of latter; converging inflation targets introduced from 2014 but overshoot 2014, 2015 and most of 2016	loosely structured discretion LSD
2017	inflation target for 2017 (first set in 2013) undershot but attained; inflation targeting less than full-fledged, e.g. with respect to communication and target horizon	loose inflation targeting LIT

Selected IMF references: PMER 1992 pp45-6; RED April 1993 pp41-2; RED 1994 pp31-40; RED 1997 pp33-49; RED 1999 pp7-25, 71-94; SR 1999 pp29-30; SR 2002 pp14-15; SI 2003 chIV; SR 2003 p22; SR 2005 pp22-3; SR 2006 pp20-21; SI 2007 ch1; SR 2007 pp13-14; SR 2008 pp19-21; SR 2010 pp18-20; SI 2011 chII; SR 2012 pp21-2; SR 2013 p13; SR 2014 pp21-2; SR 2017 p12; SR 2018 pp12-13, 25, 45.

Slovakia started by fixing its exchange rate, but the bands were widened amidst rapid financial change and emphasis shifted towards price stability and inflation targets; the latter became formal in 2005 and Slovakia also allowed wide movements of its exchange rate, now within the wide ERM2 margins, before entering EMU in 2009.

Years	Targets and attainment	Classification
1993-5	currency pegged to basket, originally of five currencies, then of DM and USD (with known weights) only, margins of +/-0.5%, widened to +/-1.5%; devaluation July 1993; forex transactions still heavily regulated, but monetary instruments evolving	augmented exchange rate fix AERF
1996-2004	currency pegged to basket, margins widened over 1996 to +/- 5%, then January 1997 to +/-7%; peg abandoned late 1998 in favour of more or less managed float; monetary instruments now becoming largely indirect, by 2000 operating instrument is overnight interest rate; informal inflation targets given more prominence from 1999 but few other elements of inflation targeting	loosely structured discretion LSD
2005-08	formal inflation targets partly met; currency in ERM2 from November 2005 but some intervention and full use of wide bands; revaluation 2007	inflation plus exchange rate targeting I&ERT
2009-17	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1993 p55; RED 1994 pp31-2, 53-4; SBI 1995 pp31-3; SR 1997 pp30-31; SR 2000 pp18, 22-3, 29; SR 2001 p22; SR 2005 pp13-16; SR 2006 pp13-15; SR 2007 pp9-10.

Additional sources: National Bank of Slovakia website, <https://www.nbs.sk/en/monetary-policy/nbs-monetary-policy-up-to-2008>; Beblavy (2007a); Beblavy (2007b); Banerjee et al (2011).

Slovenia managed its exchange rate throughout in various ways, with rapid evolution of financial markets and monetary instruments allowing exchange rate management to be supported by monetary and then informal inflation targets, on the way to EMU in 2007.

Years	Targets and attainment	Classification
1992-93	no targets, but successful stabilisation of inflation and tolar/DM exchange rate, despite incomplete financial markets and instruments and ongoing structural change	unstructured discretion UD
1994-97	currency held within unannounced band (which was depreciated late 1995, also late 1997) against DM; financial markets and monetary instruments evolving; tension between disinflation and competitiveness as objectives, and over desirable speed of adoption of euro	loosely structured discretion LSD
1998-2001	broad money targets met 1998-2000 (but missed 1997 and 2001), exchange rate floating but heavily managed; financial markets still underdeveloped, indexation prevalent	monetary with exchange rate targeting MwERT
2002-03	monetary targets replaced by informal inflation targets which are often adjusted and then more or less met; some financial liberalisation (including deindexation); exchange rate heavily managed but no announced target	inflation with exchange rate targeting IwERT
2004-06	in ERM2 from June 2004, currency stabilised at announced parity (with undisclosed narrow band), inflation targets met	exchange rate with inflation targeting ERwIT
2007-17	membership of European Monetary Union	currency union CU

Selected IMF references: SR 1994 pp30-31; RED 1995 pp29-36; SR 1996 pp18-23; SR 1997 pp27-33; RED 1997 pp32-5; SR 2002 pp14-16, Appendices IV and V; SR 2005 pp12-13. Additional sources: Beblavy (2007b); Banerjee et al (2011).

South Africa initially fixed and then managed its exchange rate, with a process of financial liberalisation facilitating the adoption of inflation targets in 2002.

Years	Targets and attainment	Classification
1974-78	exchange rate pegged to USD for 6 months, managed for 12 and then repegged to USD, with devaluation September 1975; more fix than target, with narrow margins set by central bank; monetary policy instruments mainly direct	augmented exchange rate fix AERF
1979-2002	managed float of exchange rate; gradual liberalisation through 1980s makes monetary policy instruments more indirect and brings fiscal dominance under control; monetary targets 1986-9, missed 3 years out of 4, authorities insist on objectives other than inflation; central bank made independent in 1996 constitution; from 1998 new repo-based interest rate operations and authorities looking to move to formal inflation targeting, which starts 2002 with large overshoot	loosely structured discretion
2003-17	wide inflation targets met or nearly met (typically around top of band) except 2008-9; 2-year ahead inflation expectations seem to have exceeded top of band in 2008 but since then have remained consistently around top of band	loose inflation targeting LIT

Selected IMF references: RED 1978 pp42-6; RED 1980 pp61-2; RED 1983 pp43-6; RED 1988 pp57-9; RED 1989 pp41-3; SR 1989 p20-21; SI 1998 pp25-6; SR 1998 p30; SR 2011 p16; SR 2014 p38; SR 2016 p41; SR 2018 pp35-6, 80-86.

Additional sources: Stals (2011); Aron and Muellbauer (2006).

Taiwan initially fixed its exchange rate within a highly regulated financial system, but began to liberalise gradually and continuously from 1979. A period of loosely structured discretion gave way to monetary targeting, at first converging, and then from 2003 the consistent attainment of stationary monetary targets.

Years	Targets and attainment	Classification
1974-78	exchange rate fixed to USD, no autonomous forex market, with single change (appreciation) July 1978; monetary policy has multiple objectives, pursued mainly via interest rates within banking system dominated by domestic banks owned and controlled by government; fiscal deficit mostly well under control; monetary growth strongly affected by trade surpluses and capital inflows	augmented exchange rate fix AERF
1979-92	forex market established early 1979 with rate determined in principle by panel of bank managers on basis of USD bought and sold previous day, but in practice heavily managed float; small and frequent depreciations and appreciations mostly responding to strength of USD; 1980s interest rate deregulation; money market established 1976 comes to provide market-determined interest rate, and by mid-late 1980s main monetary policy instrument is OMOs, mainly in central bank bills and CDs (repos from 1983) but also redeposits from postal savings system, in operations to sterilise large inflows; from mid-1980s central bank has targets for money supply with reserve money as operating target, targets published from 1992 but overshoot that year	loosely structured discretion LSD
1993-2002	wide (5% band, except 6% in 1998, Asian financial crisis) converging monetary targets attained roughly in first few years and then more precisely and consistently; exchange rate moving more widely from 1997 (partly in response to Asian crisis); OMOs in CDs as main monetary instrument; financial sector reforms covering reserve requirements, OMOs, interest rates, interbank forex market, payments system; rise in market as opposed to bank financing	loose converging monetary targets LCMT
2003-17	wide (4% band) stationary monetary targets consistently attained; exchange rate moving within relatively narrow range ('dynamic stability'), balance of payments surpluses persist; continuing gradual financial sector development in areas of government bonds, forex market, interest rates, payments system, capital flows, financial infrastructure, and SME and housing finance; macroprudential measures from 2010 of increasing sophistication, designed to deter property market instability; OMOs in CDs remain main instrument of monetary policy with focus on absorbing excess liquidity and controlling bank reserves so as to sustain steady growth in monetary aggregates; from 2017 minutes of monetary policy meetings published	loose monetary targets LMT

Selected IMF references: none, no Article IV or other reports available.

Other references: Annual Reports of Central Bank of China (Taiwan), 2004-17; Central Bank of China (Taiwan) (2006); Emery (1984); Emery (1987); Shih (1996).

Thailand initially fixed its exchange rate but a slow and erratic process of financial reform brought a move to loose exchange rate targeting and eventually allowed a shift to indirect monetary instruments; the Asian financial crisis led to a float, and this was followed by inflation targeting, initially loose, harder from 2010 but looser again from 2015.

Years	Targets and attainment	Classification
1974-81	exchange rate fixed to USD and then from 1978 to a basket dominated by USD, very narrow spreads on bank transactions set by Exchange Equalisation Fund; monetary policy instruments include maxima on bank loan and deposit rates, reserve requirements (with banks obliged to hold government securities), selective lending operated partly through rediscount facilities; some interest rate and other liberalisation	augmented exchange rate fix AERF
1982-96	July 1981 baht devalued and pegged to USD, daily fixing replaced by rather more open forex market; from November 1984 peg is determined in relation to undisclosed basket (with weight of USD increased late 1985) and 'other considerations', which allows small movements to counter loss of competitiveness; by mid-80s monetary policy relies more on indirect instruments including operations in repo market, but reverts to direct controls and moral suasion when thought necessary; financial markets long remain weak, especially secondary markets other than repurchase market (for government, state enterprise and central bank bonds), but early 1990s interest rate ceilings abolished and mid-90s more financial reform improves scope for indirect instruments; central bank continues to provide finance to government in varying amounts; short-lived attempts late 1980s at (internal) monetary targeting, replaced by multiple indicators-type approach; policy objectives include growth, inflation, forex reserves and external equilibrium	loose exchange rate targeting
1997-99	mid-1997 Asian financial crisis leads to float of exchange rate and large depreciation only partly unwound in later quarters; central bank (which has more de facto than de jure independence) prepares for inflation targeting	loosely structured discretion LSD
2000-09	wide (0-3.5%) inflation target bands attained 2000-8, 2009 narrower (0.5-3%) band missed by small margin; exchange rate managed, mainly with view to smoothing and rebuilding of forex reserves, and capital controls used briefly in face of surging inflows; regular policy rate (14-day repo rate) within corridor from 2007; central bank de jure independence improved from 2008	loose inflation targeting LIT
2010-14	2010-14 narrowish (0.5-3%) bands regularly attained, with outturns less than 1% from mid-point of band; cleaner float of exchange rate	full inflation targeting FIT

2015-17	2.5% point target with wider +/-1.5% tolerance band, undershot 2015 but attained 2016 and (though undershot) 2017, with long-term Consensus inflation forecasts remaining within band but some signs of de-anchoring of expectations	loose inflation targeting LIT
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Selected IMF references: RED 1975 pp40-41; RED 1979 p37; RED 1981 p45; RED 1986 pp43, 45; SR 1986 p32; RED 1987 pp34-6; RED 1989 pp36-9; RED 1990 pp12-13; BP 1991 pp22-5; RED 1993 pp23-4; RED 1997 p13; SR 2001 pp16, 18, 30-31; SR 2002 pp7, 14; SR 2003 pp13-14, 16; SI 2007 pp50-51; SR 2007 pp14, 17-20; SR 2008 p16; SR 2015 p22; SR 2017 pp9-10, 27; SI 2017 pp2-9; SR 2018 pp11-14, 25.

Additional references: Grenville and Ito (2010); Bank of Thailand (n.d.1, n.d.2).

Turkey had a long period of incoherent policy, with some improvements in its monetary instruments in the 1990s, then moved to inflation targets from 2002, but it struggled to meet those targets on a consistent basis and in some years its framework has to be reclassified as loosely structured discretion.

Years	Targets and attainment	Classification
1974-88	exchange rate adjusted frequently (more fixed than targeted); monetary policy operated mainly through direct instruments; strong element of fiscal dominance; 1986-88 monetary targets repeatedly missed; lack of clarity over objectives, with repeated returns to expansion before inflation fully controlled	unstructured discretion UD
1989-2002	exchange rate more market-determined; central bank now operating more through indirect instruments; but objectives not coherent, recurring fiscal dominance; exchange rate crises 2000-01 lead to stabilisation and reform including move to inflation targeting 2002, but first target well undershot	loosely structured discretion LSD
2003-5	wide informal/implicit inflation targets (+/-2% band) hit	loose converging inflation targeting LCIT
2006-8	wide formal inflation targets overshoot, no evidence of expectations remaining anchored	loosely structured discretion LSD
2009-13	wide inflation targets met except for 2011, when expectations remain partly within band	loose inflation targeting LIT
2014-17	wide inflation targets repeatedly overshoot, and expectations repeatedly above wide target band; IMF calls for monetary policy normalisation, i.e. move to supplying liquidity to banks at single policy rate within interest rate corridor, and positive real policy rate	loosely structured discretion LSD

Selected IMF references: RED 1985 section III.1; RED 1990 pp1-2, 22-23, 31; SR 2004 pp4, 26, 40; SR 2013 pp11-12; SI 2014 pp11-18; SR 2014 pp16-19; SR 2016 pp7, 19-20; SR 2018 p31.

Venezuela fixed and then managed multiple exchange rates for many years within an underdeveloped financial system; the exchange rate was unified and floated in 1989 but managed in the late 1990s, while limited financial reforms were introduced; from 2003 (no IMF consultations) it seems that more exchange rate management and price and capital controls were used, and even more so from 2010.

Years	Targets and attainment	Classification
1974-82	dual exchange rate system unified 1976, peg to USD with narrow spreads fixed by central bank; 1974 law makes range of monetary policy instruments available to central bank, mainly direct, but heavy reliance on reserve requirements, selective credit controls and interest rates which were administratively set until 1981; recurring monetary financing of budget deficits	augmented exchange rate fix AERF
1983-8	multiple (3 or 4 tier) exchange rates plus price, exchange and import controls in response to capital outflows and exchange rate pressure; administered interest rates varied widely in both directions; oil revenues and monetary financing as alternative sources of finance for government spending; central bank uses rediscount facilities and reserve requirements as main instruments, in context of interest rate ceilings and limited open market operations	unstructured discretion UD
1989-2002	unified exchange rate floating from early 1989, later more management of exchange rate including from 1996 preannounced crawl (but with repeated changes to central parity and rate of crawl), followed by float February 2002-January 2003; initially some movement towards indirect monetary policy instruments (OMOs in interbank money market) within wider but uncompleted programme of financial reform; redemption of government bonds from late 1997 leads to shortage of effective monetary policy instruments; central bank gets more autonomy in 1992 but monetary financing of deficits continues	loosely structured discretion LSD
2003-09	[NOTE: no IMF reports after 2004, no good alternative sources of information, so classification tentative] new exchange rate peg supported by extensive exchange and price controls; devaluations 2004 and 2005; exchange controls more extensive from 2006 and reinforced 2008, 2009 (according to Chinn-Ito index); new currency (bolivar fuerte) 2007; monetary policy relies heavily on OMOs (no effective policy rate)	LSD (tentative)
2010-17	[NOTE: no IMF reports after 2004, no good alternative sources of information, so classification tentative] exchange controls strengthened further 2010, involving dual and later multiple exchange rates; devaluations in 2010, 2013 and 2016, but significant overvaluation probably remains; monetary policy instruments weak, with ceilings on interest rates; likely that monetary	UD (tentative)

	growth becomes more dominated by growing budget deficit, objectives become less coherent, political as well as economic crisis (new currency 2018)	
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Selected IMF references: RED 1975 p24; RED 1976 p26; RED 1979 p50; RED 1983 pp41, 66, 68; RED 1984 pp3-4, 39-40, 44-6, 68-70; RED 1987 pp34-7, 58-9; SR 1987 pp22-4; RED 1990 pp30-7, 53; RED 1994 pp23-7, 57-9; SR 1999 pp22, 23-4; SISA 2001 ch V; SR 2001 pp15-16; SI 2004 ch V; SR 2004 pp8-16, 24-5, 30.

Additional references: Reinhart and Santos (2016), especially Appendix I; Weisbrot and Ray (2010); Weisbrot and Johnston (2012).

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