Individual country details:
Advanced economies

Prepared by David Cobham, Heriot-Watt University

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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
QE = quantitative easing
QT = quantitative tightening
SDR = Special Drawing Right
UMP = unconventional monetary policy
USD = US dollar

Australia tried a variety of frameworks - exchange rate fix, monetary targets and ad hoc discretion – before eventually homing in on inflation targeting, initially informal and then formal from 1997, and relatively flexible.

Years	Targets and attainment	Classification
1974-76	currency fixed to USD then to basket, central bank sets middle rate with very narrow margins permitted; monetary policy instruments include interest rates, direct and indirect controls on bank lending and special reserve deposit ratio; efforts to increase non-monetary financing of budget deficits	augmented exchange rate fix AERF
1977-83	exchange rate devalued November 1976, then exchange rate adjusted little and often, until large devaluation March 1983; monetary 'projections' or 'expected growth', first given in March 1976, not regarded as 'targets', but met or nearly met 5 years out of 7; main monetary policy instrument now is OMOs	loose monetary targeting LMT
1984-92	exchange rate floated and most exchange controls abolished late 1983; wider financial reform helps move towards indirect monetary instruments; monetary target well overshot 1984 and not renewed; ad hoc policy and 'checklist' approach, with gradual shift towards more emphasis on inflation	loosely structured discretion LSD
1993-96	informal inflation targets for underlying inflation over unclear period, targets met	loose inflation targeting LIT
1997-2023	formal inflation targets (now endorsed by government, with central bank independent), initially for underlying inflation but from 1998 for headline CPI, on average, over the cycle; inflation target numbers exceeded between mid-2000 and mid-2001 and inflation expectations rise, but actual and expected inflation rapidly revert and formal target refers to cycle; smaller and shorter-lived rise in actual and expected inflation mid-2008, inflation target numbers met or near-met in other years; housing market cycles, largely addressed by macroprudential policies; 2020-21 Covid-19, strong fiscal response but also some temporary UMP, inflation volatile but expectations remain broadly anchored; 2022-23 world economic deterioration (Ukraine war) leads to sharp but limited rise in actual and short-term expected inflation while medium term expectations remain anchored; December 2023 government-central bank statement on monetary policy is a bit more explicit about employment (as well as price stability) objective	full inflation targeting FIT

Selected IMF references: RED 1978 pp48-9, 64; SR 1978 pp8, 9; RED 1979 pp24, 30; RED 1981 pp35-7; RED 1983 pp52-6, 69-70; RED 1986 pp51-5, 57-8, 68; RED 1991 pp36-7, 38; SR 1995 p16; RED 1996 pp22-3; RED 1997 pp22-3; SR 2000 pp8-9; SR 2001 pp14-16, 28-8; SR 2002 pp6-7; SR 2003 pp5, 8, 27; SR 2008, pp5, 13; SR 2017 p50; SR 2021 pp7-8 10-11; SR January 2023 pp6-7, 15-17, 27, 36; SR December 2023 pp7-8, 17-19, 70-1.

Additional sources: Grenville (1997); MacFarlane (1997); Treasurer and Reserve Bank of Australia (2023).

Austria fixed its exchange rate to the DM from the mid-1970s and more tightly from the 1980s, although it entered the EU and the EMS only in 1995, and then EMU in 1999.

Years	**Targets and attainment**	**Classification**
1974-9	informal participation in Snake (with wider, 4.5%, margins) and then in EMS, with particularly close relation to DM from July 1976; exchange rate as 'cornerstone' of monetary policy, whose instruments included bank lending controls, refinancing, OMOs and increasingly interest rates	loose exchange rate targeting LERT
1980-98	informal association till 1994 with EMS, with constant very-narrow-margin hard peg to DM; from 1995 formal member of EMS, continued very-narrow-margin hard peg to DM; monetary policy subordinate to exchange rate policy but operated via indirect instruments, primarily interest rates	full exchange rate targeting FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1977 pp61-2; RED 1979 pp43-4, 61-2; SR 1979 pp5-6; RED 1982 pp25-7, 38-9; RED 1985 pp23-4; EDI 1993 pp13-14; EDI 1995 pp40-41; SR 1995 pp13-14.
Additional source: Houben (2000, especially pp197-8, 298-9).

Belgium was a member of the Snake and then the EMS, initially with frequent adjustments of its exchange rate, but the exchange rate targeting became increasingly strict in the 1980s and took Belgium into EMU in 1999.

Years	**Targets and attainment**	**Classification**
1974-82	Belgian franc (in one-sided currency union with Luxembourg, decision-making by Belgian monetary authorities) participating in Snake from 1974 (also until 1976 in Benelux narrower margins), then from 1979 in EMS, with devaluations (relative to DM) in 1976, 1978, 1979, 1981 and early 1983; monetary policy operated mainly through direct and indirect instruments affecting bank lending, with interest rates assigned more to exchange rate control, but policy complicated by pressures for monetary financing of budget	loose exchange rate targeting LERT
1983-98	participation in EMS with only two small parity changes (1986, 1987); June 1990 announced hardening of peg to DM; temporary widening of fluctuation vs DM in mid-1993, but return to narrow margins by end-1983; monetary policy operated mainly through interest rates in developed financial markets; central bank finance to government subject to limits from 1991	full exchange rate targeting FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references (before 1983 Belgium and Luxembourg, from 1983 Belgium only): RED 1975 pp50-52; RED 1977 pp40-44, 55; RED 1983 pp52-3, 74-6; SR 1989 pp9-10; SR 1991 pp3, 8-9; RED 1993 pp16-19; RED 1996 p12.
Additional source: Houben (2000, especially pp202-4, 300-301).

Canada used discretion, monetary targets and more discretion before a growing focus on price stability led to the introduction of inflation targeting in 1992.

Years	**Targets and attainment**	**Classification**
1974-5	exchange rate floating, no formal targets; monetary policy operated primarily through short term interest rates	loosely structured discretion LSD
1976-80	wide declining monetary targets (first announced late 1975, with specified base period but open term) met; exchange rate floating but some smoothing intervention	loose converging monetary targets LCMT
1981-91	monetary targets undershot then abandoned; exchange rate floating but some smoothing; monetary policy considers range of indicators, notably exchange rate vs USD; 'search for a new nominal anchor' (Thissen, 2000); growing emphasis on price stability	loosely structured discretion LSD
1992-2023	inflation targets (first announced early 1991) declining 1992-3, met; then targets constant at 1-3%, met or near-met; policymakers use monetary conditions index (MCI, includes exchange rate as well as interest rates) to measure monetary stance, but MCI downgraded from late 1990s; refinements of inflation targeting but basic framework performing well (some brief deviations from target 2008-9, 2011-12, 2020-21, but expectations remain anchored), regularly renewed; macroprudential policies from 2008; from 2011 agreed possibility of extending time horizon for inflation target in response to financial stability issues; from 2016 more emphasis on financial stability; some unconventional monetary policies during Covid-19, including QE and forward guidance; from 2021 stronger emphasis on flexible IT and on aim of maximum sustainable employment; passive quantitative tightening from spring 2022; 2022-3 rises in commodity prices (Ukraine war) temporarily push actual and short-term expected inflation above target but longer-term expectations remain broadly anchored	full inflation targeting FIT

Selected IMF references: RED Feb 1977 pp32-4; RED Dec 1977 pp37-40; RED 1978 pp39-41; RED 1980 pp40-1; RED 1983 pp37-9; RED 1984 pp35-7; RED 1988 pp32-4; RED 1991 p34; RED 1992 p26; EDP 1995 pp37-8; SI 1997 ch. VI; SR Dec 1998 pp10, 14-15; SR 1999 pp15-19; SR 2002 pp16-17; SR 2011 pp9-10; SR 2016 pp42, 62; SR 2018 p36; SR 2021 p37; SR 2023 pp12-13; SR 2024 pp6, 24, 28.
Additional source: Thissen (2000); Bank of Canada (2016, 2021).

Denmark has targeted its exchange rate throughout, first within the Snake and the EMS – with increasing strictness from the mid-1980s – and then in ERM2 from 1999.

Years	Targets and attainment	Classification
1974-82	currency in Snake then EMS, recurring devaluations; monetary policy operated via interest rates and bank refinancing facilities, together with controls on bank lending up to 1980 and guidelines thereafter; budget deficits pose problems, but non-monetary financing increased; no monetary targets but aim to keep monetary growth below growth of nominal income	loose exchange rate targeting LERT
1983-2023	1983-98 currency in EMS till 1998, small devaluations versus DM 1986, 1987; growing emphasis on exchange rate stability versus hard ERM currencies/DM, and on interest rates rather than forex intervention as main instrument; bank lending guidelines abandoned 1985; early 1990s monetary operations shift towards repo markets; krone allowed to depreciate after July 1993, but back in old narrow bands by mid-1995; 1999-2023 currency pegged to euro in ERM2 with narrow margins, monetary policy closely follows ECB; macroprudential policies post-GFC; 2012-22 use of negative policy rates to counter safe-haven inflows/appreciation pressures; relatively mild recession and quick recovery from Covid-19; short-term rises in commodity prices (Ukraine war) 2022-3	full exchange rate targeting FERT

Selected IMF references: RED 1979 pp33-5; RED 1982 pp19-21; RED 1985 pp27-8; SR 1986 pp16-17; RED 1988 pp36-8; RED 1997 pp53-8; SR 2002 pp12-13, 17; SR 2014 pp13-14; SR 2017 pp7-8; SR 2018 p9; SR 2019 pp10-11; SR 2022 pp5-8, 15-16; SR 2023 pp4-9, Additional sources: Christensen and Topp (1997); Houben (2000, especially pp204-6, 302-3); Danmarks Nationalbank (2024).

Euro area: This currency area is initially classified as loose inflation targeting, because the ECB insisted it had no target, only a definition of price stability, but from 2022 the ECB had a formal symmetric inflation target.

Years	**Targets and attainment**	**Classification**
1999-2021	primary goal of price stability (definition revised and/or clarified 2003), inflation mostly a little above that definition, with wider divergences 2008 (above), 2009 (below), 2014-20 (below) and 2021 (above) but expectations remain largely anchored; exchange rate floating; reference value (not target) for money, initially reviewed each year but not after 2002, gradually downgraded; monetary policy operated via short term interest rates, also post-GFC large-scale refinancing operations, forward guidance, negative deposit rates 2014-22, but quantitative easing only 2014-18 and (Covid-19) 2020-22	loose inflation targeting LIT
2022-23	2021 review of monetary strategy leads to adoption of 2% formal symmetric target for inflation over the medium term (which allows some short term focus on employment and financial stability), plus plan to include owner occupied housing costs in HICP; 2022-23 rises in commodity prices (Ukraine war) with inflation well above target, but measures of long term inflation expectations remain anchored; quantitative tightening from early 2023;	full inflation targeting FIT

Selected IMF references: SR 2006 pp17-24; SI 2009 ch. I; SR 2010 p33; SR 2012 pp10-18; SR 2014 pp9-11; SR 2017 p6; SR 2022 pp23-7; SR 2023 pp7-11, 24-7, 52; SR 2024 pp14-15, 20, 45.
Additional sources: ECB (1999, 2003, 2021).

Finland initially put its emphasis on exchange rate targeting, with a harder commitment from 1983, but the EMS upheavals and the associated banking crisis forced it to float. At that point it turned to inflation targeting, which was supplemented in the final years before EMU by exchange rate targeting as well, within the ERM.

Years	Targets and attainment	Classification
1974-82	exchange rate initially kept stable with reference to basket of currencies; basket, peg and margins explicit from November 1977; weights in basket change over time, also margins (varying between +/- 2.25% and +/- 3%); devaluations 1977 (twice), 1978, 1982, also some small revaluations; monetary policy concerned with growth and employment, policy operated mainly through central bank discounting facility, plus controls over bank interest rates, in way which obliges banks to ration credit	loose exchange rate targeting LERT
1983-92	exchange rate commitment firmer and monetary policy focused more on exchange rate; unilateral peg to ECU with +/-3% band from June 1991 to September 1992 then currency floated in forex plus banking crisis; monetary policy initially mainly via central bank discounting but financial liberalisation shifts operation towards standard indirect instruments, particularly OMOs in CD market	full exchange rate targeting FERT
1993-96	point inflation targets set early 1993 for 1995 onwards, undershot by up to 2%; exchange rate floating; continued liberalisation leads to better indirect monetary instruments	full inflation targeting FIT
1997-98	inflation targets undershot by c. 1%; ERM membership from October 1996 (designed to ensure entry to EMU)	inflation with exchange rate targeting IwERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1978 pp35, 76-7; RED 1982 pp27-9, 49-50; RED 1984 pp41, 66-7, Appendix; RED 1988 pp34-7; RED 1990 pp39-40, 59-60; SBISA 1994 pp26-9; RED 1995 pp44-7.
Additional source: Houben (2000, especially pp 211-14, 304-5).

France initially tried exchange rate targeting within the Snake but turned to monetary targets, pursued via credit controls. Exchange rate targets returned with the establishment of the EMS, in addition. This pursuit of dual targets continued through the intensive financial innovation from the mid-1980s and the EMS upheavals of 1992-3, but while monetary targets continued to be set they became of little importance (or attainment) in the final years before EMU.

Years	Targets and attainment	Classification
1974-6	France left the Snake in January 1974, rejoined in July 1975 but left again in March 1976; more or less effective instruments (reliant on direct bank lending controls backed up by penalty reserve requirements) but objectives unclear	loosely structured discretion LSD
1977-82	monetary targets more or less attained 5 years out of 6; some attention to exchange rate then membership of EMS from 1979 (with devaluations in 1979, 1981, 1982)	monetary with exchange rate targeting MwERT
1983-86	monetary targets more or less attained; stronger commitment to exchange rate within harder EMS after March 1983 devaluation (further devaluation April 1986)	monetary plus exchange rate targeting M&ERT
1987-92	monetary targets missed or nearly missed 3 years out of 6; solid exchange rate commitment in EMS after small devaluation January 1987; bank lending controls replaced as primary instrument of monetary policy by open market operations and interest rates, within wide-ranging programme of financial innovation and liberalisation	exchange rate with monetary targeting ERwMT
1993-98	exchange rate moves beyond old EMS narrow bands in August 1993 but returns to them by early 1994 (within new formal EMS margins of 15%) and remains there apart from two small excursions in 1995; monetary targets still set but missed 4 years out of 6	full exchange rate targeting FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1975 pp46-9; RED 1976 pp41-4, 52; RED 1981 pp42-6; SR 1983 pp5-7; RED 1986 pp61-3; RED 1987 pp72-6; RED 1988 pp53-6; SR 1988 pp11-12; RED 1989 pp26,32-3; RED 1996 pp31-4.
Additional sources: Houben (2000, especially pp206-8, 306-7); Cobham and Serre (1986); Gros and Thygesen (1998); Cobham, Cosci and Mattesini (2008).

Germany always had a concern with monetary growth, with formal targets from 1975 used as an intermediate objective in pursuit of price stability. At the same time it was a member of the Snake and then of the EMS, and acted to preserve the exchange rate parity to varying extents in response to wider international and European developments.

Years	**Targets and attainment**	**Classification**
1974	aim of restricting growth of central bank money but no announced target; forex interventions within Snake	loosely structured discretion LSD
1975-85	monetary targets mostly met, forex intervention mainly vs USD but some vs European currencies within Snake, then from 1979 within EMS; monetary control mainly via OMOs and rediscount facilities	monetary with exchange rate targeting MwERT
1986-87	monetary targets overshot, interest rates and heavy forex intervention used to limit appreciation	exchange rate with monetary targeting ERwMT
1988-91	monetary targets attained; German Economic, Monetary and Social Union May 1990	MwERT
1992-93	monetary target overshot 1992, barely attained 1993; heavy intervention in ERM upheavals	ERwMT
1994-8	monetary targets attained 4 years out of 5, in hardening EMS	MwERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1975 pp31 -3, 43; RED 1982 pp31-2, 42-4, 56; RED 1985 pp31-4, 55-8; RED 1988 pp13-16, 35-6; EDSBI 1994 pp16-18.
Additional sources: Houben (2000, especially pp 196-7, 308-9); Beyer et al (2009); Gros and Thygesen (1998, especially pp169-70).

Greece struggled for many years to operate either exchange rate or monetary targets, with a primary focus on economic growth, but policy shifted towards price stability in the 1990s, financial reforms made monetary control more effective and a hard drachma policy from 1995 allowed Greece to enter EMU in 2001.

Years	**Targets and attainment**	**Classification**
1974-90	exchange rate pegged to USD 1974-5 then to currency basket, with frequent changes to currency basket; heavily managed float from April 1978 focused on competitiveness and/or inflation, including 1983 seven month peg to USD (86?); monetary policy aimed at growth and competitiveness as well as stabilisation, operated at first largely via selective credit controls, regulated sector-specific lending rates and reserve requirements, but some liberalisation of interest rates towards end of period; monetary targets 1975-90 overshot or undershot by wide margins 13 years out of 16; continuing and significant fiscal dominance; stabilisation programme under IMF supervision 1986-87, but policy reverts rapidly to concern with growth;	unstructured discretion UD
1991-94	non-accommodating exchange rate policy (depreciation less than inflation differential); financial sector reforms bring rise in non-monetary financing of budget deficits; monetary policy increasingly focused on inflation and shifting towards indirect instruments; monetary targets undershot 1991, overshot 1992 and 1993, hit 1994; recurring fiscal dominance issues	loosely structured discretion LSD
1995-2000	hard drachma policy geared to price stability, with pre-announced crawl 1995 slowing to zero by 1997, devaluation 1998 on entry to ERM, then exchange rate allowed to appreciate outside narrow bands; monetary targets downgraded but largely attained; interest rates become main monetary instrument; central bank independence 1997	ERwMT
2001-23	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1978 pp41-2, 76-7; RED 1983 pp55-9; RED 1984 p85; RED 1986 pp42-3, 58-9; RED 1989 pp79-86, 116-17; RED 1990 pp44-50, 73-4; SR 1990 pp2-4; RED 1993 pp16, 23-4; BD 1994 pp17-18, 20-1; SR 1994 pp2-5, 10-11; BP 1995 pp46-7; SR 1996 pp6-7, 11-12.
Additional sources: Houben (2000, especially pp230-32, 310-11); Garganas and Tavlas (2001).

Hong Kong initially pegged to the dollar but then allowed its currency to float, with no real monetary policy. Speculative pressures in the early 1980s led to the introduction of a currency board, within which there is some limited scope for monetary and macroprudential policy, and which provides currency and financial stability.

Years	Targets and attainment	Classification
1974	currency pegged to USD with +/- 2.25% margins	full exchange rate targeting LERT
1975-83	currency floating; some financial markets developed and active but monetary instruments underdeveloped and little monetary policy (no central bank)	unstructured discretion UD
1984-2023	currency board on USD from October 1983, under Hong Kong Monetary Authority established April 1993; various improvements over time in currency board arrangements and in monetary control, including establishment of 'strong-side convertibility undertaking' as well as weak side (i.e. upper as well as lower band) in 2005; monetary policy operates partly via liquidity facility/discount window on bank liquidity and interbank interest rates, later also through transactions in Exchange Fund bills and notes; limited lender of last resort function; major support for stock market in August 1998; active response to GFC, later use of macroprudential policies; as of 2017 Hong Kong business cycle remains more closely synchronised with US than with Mainland China; 2014-20 social unrest and political tensions; strong fiscal response to Covid-19; growing financial linkages to Mainland China	augmented currency board ACB

Selected IMF references: RED 1991 pp45-8, 57-64; RED 1993 pp22-7; RED 1997 pp55-7, 68-9; SR 2000 pp19, 25-6; SI 2005 pp17-20; SR 2006 p8; SR December 2007 pp1-14; SR 2008 pp11-12; SR 2016 p27; SI 2017 pp52-5; SR 2018 pp21-2, 38; SR 2019 pp28-31; SR 2022 pp34-5; SR 2023 pp7, 34.
Additional sources: HKMA (2013); HKMA website; Wolf et al (2008); HKMA (2024, pp77-81).

Iceland had a period of policy incoherence and ineffectiveness before embarking in the mid-1980s on a long process of financial liberalisation and less accommodating policy. It switched in the early 1990s to loose exchange rate targeting, and in 2001 to loose inflation targeting, which was formally maintained through the period albeit with targets repeatedly overshot during the years of severe banking crisis 2006-12, and then again in 2022-23

Years	Targets and attainment	Classification
1974-84	exchange rate (fixed, with no autonomous forex market) depreciated frequently to maintain competitiveness, recurring budget deficits and fiscal dominance, credit budget targets almost always overshot: financial system highly regulated; monetary instruments ineffective and application erratic, monetary policy objectives prioritise full employment, policy generally accommodating; inflation between 30% and 85%	unstructured discretion UD
1985-92	exchange rate (fixed rather than targeted) adjusted less often, with depreciation limited to help restrain inflation, especially from 1989; new currency basket 1992, devaluations 1992, 1993; financial liberalisation including end of credit ceilings, freeing of interest rates (now positive in real terms), and later capital account liberalisation; attempts to limit monetary financing of deficits; growing emphasis on primacy of price stability; inflation falls to single figures from 1991	loosely structured discretion LSD
1993-2000	interbank forex market from May 1993; currency pegged to basket with +/-2.25% margins, then from August 1995 6%, from February 2000 9% (but currency remains within original margins until 1998); continuing financial liberalisation, such that interest rates and OMOs become clearly the main monetary instruments	loose exchange rate targeting LERT
2001-05	currency floated; central bank given instrument independence; wide inflation targets (2.5% point target with higher upper tolerance ranges for 2001 and 2002, then 3% symmetric range from 2003) met; refinements to inflation targeting procedures	loose inflation targeting LIT
2006-12	inflation targets repeatedly overshot (and inflation expectations go outside tolerance range) in context first of domestic boom plus financial market issues and then severe domestic impact of global financial crisis: commitment to price stability remains but other objectives important; temporary (but persistent) use of capital controls; macroprudential policies introduced; further refinements to IT procedures, plus debate on reinforcements and alternatives to IT	loosely structured discretion LSD
2013-21	wide inflation targets met 2013-21, expectations within tolerance range; continuing high forex intervention designed to reduce volatility and rebuild reserves, less following reliberalisation of capital account 2017; some QE 2020-21 in response to Covid-19	loose inflation targeting LIT

2022-23	inflation rises above target range 2022-23, short-term and longer-term expectations also	loosely structured discretion LSD

Selected IMF references: RED 1980 pp26-30; SR 1980 pp4-5; RED 1982 pp22-3, 39-40; RED 1984 p32; RED 1987 pp25-6, 33; RED 1989 pp30, 42-3; RED 1992 pp1-2, 18; SR 1992 pp5-6, 8-9; RED 1994 pp1-2, 13-14; RED 1997 pp48-50, 87, 96-7; SI 1999 pp6-8, ch IV; SISA 2001 ch II; SR 2006 pp16-17; SR 2007 pp5-6, 12-14; SR 2008 p24; SR 2010 p21; SI 2012 ch II; SR 2013 p21; SR 2015 p21; SR 2016 pp20-1; SR 2017 pp16-18; SR 2018 pp12-14; SR 2021 pp5, 14; SR 2022 pp7, 13; SR 2023 pp6-7, 13-15, 23; SR 2024 pp6-7, 16
Additional source: Andersen and Guðmundsson (1998); Central Bank of Iceland, *Monetary Bulletin* 2024 quarter 2, pp46-7.

Ireland made a profound change in 1979, giving up its currency board arrangement with sterling for an independent currency within the EMS, together with financial sector reforms that gradually improved monetary control. As the EMS hardened in the late 1980s, so did Ireland's commitment to its exchange rate target and, despite some difficulties in 1992-93, it was able to join EMU in 1999.

Years	**Targets and attainment**	**Classification**
1974-78	Irish pound linked one-for-one to sterling, still largely a currency board, but gradual development since 1960s of autonomous monetary policy instruments including liquidity ratios, bank lending directives, also repatriation to Dublin from London of foreign exchange reserves and developing domestic money markets	augmented currency board ACB
1979-86	membership of EMS (in narrow 2.25% bands) but repeated devaluations (vs DM), in September 1979 (2%), October 1981 (5.5%), June 1982 (4.25%), March 1983 (9%), April 1986 (3%), August 1986 (8%), and January 1987 (3%); some indirect monetary policy instruments but continued reliance on bank lending guidelines; some monetary financing of fiscal deficits	loose exchange rate targeting LERT
1987-98	membership of EMS narrow bands 1987-93 with one devaluation in January 1993 (10%); considerable use of wider 15% bands from August 1993; revaluation March 1998 (3%); mainly indirect monetary policy instruments within more developed financial markets, with some further changes required before euro entry; central bank independence legislation 1998	full exchange rate targeting FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1974 pp24-27; SR 1974 p12; RED 1979 pp30-31, 60; RED 1987 pp41-2; SR 1989 pp9-10; RED 1990 pp43-4; SR 1995 pp4, 7-8; SI 1997 pp17-21. Additional sources: Honohan (1997); Houben (2000, especially pp209-11, 312-13); Kelly (2003); Honohan and Murphy (2010); Wolf et al. (2008, p11).

Italy initially struggled to control both exchange rate and monetary growth, but the 1981 'divorce' and further financial reform laid the basis for the pursuit of monetary targets with exchange rate and eventually also inflation targets, which allowed Italy to enter EMU in 1999.

Years	Targets and attainment	Classification
1974-78	exchange rate in managed float (after exit from Snake in February 1973) with repeated depreciations; total domestic credit TDC targets from 1975 mostly overshot; monetary policy operated partly through bank lending ceilings, but major problem of fiscal dominance	unstructured discretion UD
1979-87	membership of EMS on wider (6%) margins, with devaluations in 1979, 1981 (twice), 1982, 1983, 1985, 1986, and 1987; monetary targets (initially TDC, from 1984 credit to private sector and money supply M2) mostly met or near-met; fiscal dominance reduced by 1981 'divorce' between central bank and treasury, but large deficits continue; bank lending controls abolished 1983 as part of shift towards indirect monetary instruments	monetary with exchange rate targeting MwERT
1988-92	more emphasis on exchange rate, with only small 'technical devaluation' and move to narrow EMS margins 1990; monetary targets met or near-met; fiscal dominance reduced further by late 1980s changes to government bond market, but large deficits continue	monetary and exchange rate targeting M&ERT
1993-94	out of EMS (September 1992) but continued attention to exchange rate, monetary targets met or undershot	loose monetary targeting LMT
1995-96	continued attention to exchange rate; monetary targets met or undershot; inflation targets first announced mid-1995 (without full standard IT arrangements), met	monetary and inflation targeting M&IT
1997-98	return to EMS (November 1996), inflation targets met, monetary targets met	exchange rate and monetary and inflation targeting ER&M&IT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1977 pp36-9; SR 1977 pp16-21; RED 1981 pp65-6; RED 1985 pp56-61; RED 1989 pp75-7; RED 1992 pp33-5, 52; SR 1994 pp2-3, 12-14; SR 1996 pp15-16.
Additional sources: Houben (2000, especially pp217-21, 314-15); Cobham, Cosci and Mattesini (2008); Chiorazzo and Spaventa (1999).

Japan had a long period of loosely structured discretion, with no formal targets but a growing focus on price stability, together with gradual financial liberalisation and repeated and varying attempts to escape from the post-bubble stagnation in the 1990s and 2000s, culminating in formal inflation targeting from 2013.

Years	**Targets and attainment**	**Classification**
1974-2005	no formal targets; exchange rate floating but of central interest to monetary authorities, some intervention; long gradual process of financial liberalisation; monetary policy initially operated through reserve requirements, discount rate and 'window guidance' on banks' lending, but emphasis shifts over time towards interest rates and open market operations; official policy concerns initially include economic growth, external balance and price stability; 1992-7 asset price bubble burst leads to financial crisis with strong long term effects; focus of policy comes to be increasingly on price stability (but without formal target), with OMOs and interest rates as main monetary instruments, plus quantitative easing 2001-6; occasional forex interventions; increased independence of central bank 1998	loosely structured discretion LSD
2006-12	new monetary policy framework with definition of price stability as 0-2% on CPI, then 2012 medium to long term goal for price stability of 1%; forward-looking policymaking and some transparency (which rises over the period); implied inflation targets met (but inflation negative 2009-11); further QE from 2010	loose inflation targeting LIT
2013-23	formal point inflation target of 2% on CPI from 2013; target initially met (but only due to new consumption tax), then consistently undershot (but inflation positive except for most of 2016 and parts of 2020 and 2021), inflation expectations remain low but positive; quantitative and qualitative monetary easing from 2013, plus yield curve control and negative interest rates from 2016, each of these ended in 2024; forward guidance from 2018; strong fiscal and monetary response to Covid-19 2020-21, more easing in response to Ukraine war disruption 2022-23; forex intervention against yen depreciation 2022; inflation target overshot a little 2022 and 2023, but long-term expectations remain broadly anchored	full inflation targeting FIT

Selected IMF references: RED 1979 pp27-9; RED 1981 pp36-8; RED 1983 pp27-9; SR 1984 pp11-12; RED 1986 pp41-6; RED 1990 pp33-4, 52-4; RED 1995 pp108-9; SI 1997 pp42-5; SR 1997 p28; SR 1998 pp28-32; EPD 1999 ch. III; EPD 2001 ch. III; SR 2001 pp33-4; SR 2003 pp16-21; SR 2004 pp11-13; SR 2005 p7; SR 2006 pp7-10; SI 2011 chs II, III; SR 2011 pp13-16; SR 2012 pp17-19; SR 2013 pp11-13; SR 2015 pp14-15; SR 2017 pp25-6; SR 2018 pp16-18, 28; SI 2020 pp34-42, 46; SR 2022 pp5-7, 10, 14-18, 28; SR 2023 pp6-7; SR 2024 pp6-8, 32.

Korea, Republic of, (South Korea) had a long period of more or less effective monetary targeting, after an initial period of exchange rate fixing with very limited monetary policy; but monetary targeting became increasingly difficult and it switched to inflation targeting in 1998.

Years	**Targets and attainment**	**Classification**
1974-8	currency fixed to USD within narrow margins set by central bank, devaluation late 1974; official concerns include growth, balance of payments and prices; monetary policy operated mainly through reserve requirements and credit ceilings; monetary growth affected by fiscal deficits; monetary targets (M1) from 1976 overshot each year; banks highly regulated	augmented exchange rate fix AERF
1979-87	1980 currency devalued, peg switched to basket, more depreciation; then currency managed with reference to basket with eye to competitiveness and balance of payments, more flexibly from 1985; converging monetary targets (mostly point targets, M2 from 1980), sometimes revised during year, met 2 years and near-met 2 years out of 9; more emphasis on lowering inflation; some gradual financial deregulation, with movement towards indirect monetary instruments; government's stakes in banks sold 1982	loose converging monetary targeting LCMT
1988-1995	monetary targets (3% or 4% range) met 7 years out of 8; exchange rate managed, with increasing flexibility from 1990; further financial liberalisation with growing use of OMOs as main monetary instrument	full monetary targeting FMT
1996-7	1996 monetary target overshot, switch to new aggregates then monetary targeting downgraded	loosely structured discretion LSD
1998-2023	formal narrow inflation targets from 1998 attained or nearly attained 24 years, but undershot 2015 and overshot 2022, out of 26 years, with medium/long-term inflation expectations remaining broadly anchored in both 2015 and 2022; exchange rate now floating, with occasional interventions; M3 targeted in secondary role till 2000, then monitored; monetary policy operated via call money market rate; more use of macroprudential policies from 2008; rises in central bank independence, transparency and IT arrangements; strong medical, also fiscal and monetary, response to Covid-19; pressure on inflation from Ukraine war disruption 2022-23	full inflation targeting FIT

Selected IMF references: RED 1974 p52; RED 1977 pp10, 12; RED 1982 pp23-4, 68; RED 1984 Supplement 1; RED 1985 pp29-30; RED 1986 pp26-7, 33; RED 1988 pp31-2, 38; RED 1991 13-18, 21-3; RED 1993 pp19-20; RED August 1994 p27; BP 1995 chs II, III; SI 2001 pp18-19; SR 2001 pp33,35; SR 2006 p10; SR 2007 pp8-10; SR 2008 pp14, 20; SR 2011 pp14-18; SR 2018 pp12-13; SI 2018, pp4-15; SR 2019 pp16-21; SR 2022 p10; SR 2023 p32. Additional sources: Bank of Korea (2012); Kim and Kim (2009); Kim and Park (2006); Bank of Korea, *Monetary Policy Report* 2024.3, p19.

Luxembourg was for many years the weaker party in a currency union controlled by Belgium, but eventually set up its own central bank and joined EMU as an equal member.

Years	Targets and attainment	Classification
1974-98	membership of currency union with Belgium in form of Belgium-Luxembourg Economic Union, but Luxembourg had no central bank of its own	Use of another sovereign's currency UASC
1999-2023	membership of European Monetary Union, now with Luxembourg's own central bank	currency union CU

Selected IMF references: SR 1983 pp7, 12-13; RED 1994 p7; SR 1996 p6.
Additional source: Houben (2000, especially pp202-4, 300-301).

Netherlands operated a full exchange rate target throughout, with growing alignment with and closeness to Germany, before EMU in 1999.

Years	Targets and attainment	Classification
1974-98	1974-78 currency in Snake (also Benelux 'worm' with narrower bands until March 1976), narrow margins, with one devaluation (of 2%) vs DM October 1978; monetary policy initially formulated partly in terms of 'national liquidity ratio', with bank lending controls as key instrument; 1979-98 currency in EMS with narrow (2.25%) bands; small realignments 1979 and 1983 (2% devaluation vs DM in each case); narrower margins vs DM in practice from mid-1980s, with bilateral agreement August 1993 to keep within band of 2.25% after widening of EMS bands; monetary policy from mid-1980s operated increasingly through interest rates and bank refinancing	full exchange rate targeting FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1979 pp30, 33-7; SR 1979 pp8-9; RED 1984 pp41-2, 43-4, 50; RED 1986 pp57-9; RED 1993 pp17-19; SR 1993 pp7-8; SBI 1994 pp45-9, 55-9; SI 1998 pp75-7, 102-3.
Additional source: Houben (2000, especially pp200-202, 316-17).

New Zealand initially had weak and ad hoc monetary policy arrangements but underwent a period of intensive financial liberalisation in the second half of the 1980s, which allowed monetary policy to become more effective and led onto the adoption of inflation targeting (before any other country) from 1990.

Years	Targets and attainment	Classification
1974-84	exchange rate fixed by central bank, no autonomous forex market; devaluations 1974, 1975, 1976, and 1979 designed to maintain competitiveness, followed by smaller and more frequent depreciations; monetary policy initially operated largely through reserve asset ratios for banks and government securities ratios for non-bank financial intermediaries, but minor interest rate liberalisation, partly reversed 1981, and efforts to increase non-monetary financing of budget deficits	unstructured discretion UD
1985-89	thorough financial liberalisation from mid-1984 and floating of exchange rate March 1985 enables monetary policy to focus on control of primary liquidity, with decisions taken on basis of wide range of indicators; main monetary instrument is OMOs to affect bank reserves, but control turns out harder than expected; growing interest in final objective of price stability, with exchange rate as important influence	loosely structured discretion LSD
1990-2023	formal inflation targets, 1990-2021, at first declining then constant, met or near-met in every year; initially main monetary instrument is OMOs, announcements also important, but from 1999 policy interest rate; (floating) exchange rate considered key influence on inflation; some refinements to inflation targeting, mainly to increase flexibility; 2012 central bank required to have regard to financial 'soundness and efficiency'; macroprudential policies from 2013; central bank's target midpoint repeatedly undershot 2012-20 but inflation expectations remain anchored; 2018 central bank's mandate widened to include maximum sustainable employment as well as price stability, with decisions taken by monetary policy committee, 2019 strengthened remit for bank to have regard to financial stability, 2021 also to effects of decisions on government policies on house prices; strong fiscal and monetary response to Covid-19 including some QE; 2021-23 actual and 1 year ahead inflation expectations rise above target band, 2 years ahead go above band only briefly in 2022, and 5 years ahead expectations remain within band; late 2021 asset purchases discontinued, from 2022 asset holdings reduced via off-market operations with Treasury; 2022-23 reviews of monetary policy framework and performance, with government responses, largely confirm existing	full inflation targeting FIT

	(relatively flexible) inflation targeting strategy, but emphasise price stability as primary goal	

Selected IMF references: RED 1976 20-1, 23-4, 26, 35-6; RED 1981 pp75; RED 1984 pp59-61, 75; SR 1984 pp6-8, 14-16; RED 1986 pp48-52, 67; RED 1990 pp41-2; SR 1991 pp14-16; RED 1993 pp16-18; SR 1993 pp11-12; RED 1995 pp24-6; SISA 1996 ch. II; SR 1997 pp10-13; SISA 1999 ch. I; SR 1999 pp7-8; SI 2000 ch. IV; SR 2003 p11; SR 2010 p7; SR 2018 pp10, 13-14; SI 2018 pp23-34; SI 2019 pp35, 39-44; SR 2019 p5; SR 2021 pp10-11, 13; SR 2022 pp8, 10, 11; SR 2023 pp5, 60-3; SR 2024 pp16, 27
Additional sources: Reddell (1999); Graham and Smith (2012); Reserve Bank of New Zealand, *Policy Targets Agreements* (1990-2018), available at https://www.rbnz.govt.nz/-/media/project/sites/rbnz/files/monetary-policy/about-monetary-policy/policy-targets-agreements.pdf; Reserve Bank of New Zealand, inflation expectations at https://www.rbnz.govt.nz/statistics/series/economic-indicators/survey-of-expectations (accessed 8.8.24).

Norway tried for many years to make exchange rate targeting work, while also undertaking significant financial liberalisation, but its 1993-4 banking crisis pushed it towards a greater focus on price stability and more exchange rate flexibility, and it eventually adopted inflation targeting in 2001.

Years	**Targets and attainment**	**Classification**
1974-87	currency associated with Snake to end-1978, with devaluations 1976, 1977 and 1978; then pegged to wider basket; basket changed 1982 and 1984, devaluations 1982, 1984, 1986; monetary policy initially operates mainly through direct and indirect effects on bank lending, but is complicated by monetary financing of budget deficits; bank lending control ended 1984 within wider process of financial liberalisation	loose exchange rate targeting LERT
1988-92	1988 change to more active forex intervention policy; tighter peg to basket, then from late 1990 to ecu, but peg abandoned end-1992; monetary policy operated mainly through interest rates	full exchange rate targeting FERT
1993-2000	banking crisis 1993-94; initial emphasis on exchange rate stability (in form of 'implicit' exchange rate band targeted mainly via interest rates), with medium-term objective of formally repegging; this gradually gives way to increased emphasis on price stability and greater exchange rate flexibility	loosely structured discretion LSD
2001-23	inflation target met on annual averages 18 years and near-met 2 years out of 23 (though headline CPI varies quite widely); 2004 undershoot not accompanied by sharp fall in inflation expectations; some refinements to IT procedures (increases in transparency) in early years; macroprudential policies from 2013; 2018 monetary policy objectives recast as inflation target (reduced from 2.5% to 2%) plus contribution to high and stable output and employment and counteraction of build-up of financial imbalances; strong fiscal and monetary response to Covid-19; inflation rises above target from late 2021, short-term inflation expectations also rise, but longer-term expectations remain less than 1 percentage point above the 2% point target	full inflation targeting FIT

Selected IMF references: RED 1977 pp22-4; RED 1980 pp42-3; RED 1983 pp42-3, 63; RED 1984 pp45-8, 69-70; SR 1984 pp9-11; RED 1986 pp42-3; RED 1987 pp39-40; SR 1989 pp7-8; RED 1991 pp32-5; RED 1993 pp9-10, 27-9; RED 1995 pp15-16; SR 1996 pp6, 17-18; BP 1996 pp7-10; SR Jan 1998 pp11-13; SR Dec 98 pp13-16; SR 1999 pp26-7; SR 2002 pp25-7; SI 2002 ch. I; SR 2005 pp6, 9, 18; SR 2017 p6; SR 2018 pp12-13, 24; SR 2022 pp5-6, 13-14; SR 2023 pp10-12.
Additional sources: Kleivset (2012); Norges Bank (2022), *Monetary Policy Handbook*, available at https://www.norges-bank.no/en/news-events/news-publications/Reports/Norges-Bank-Papers/2022/memo-12022-monetary-policy-handbook/content/; Norges Bank, *Monetary Policy Report*, December 2023 pp40-1, 46-9.

Portugal had no coherent monetary policy for some years after its revolution in 1974, but from the late 1970s began to pursue exchange rate targets with increasing commitment and effectiveness, as financial reform led to improved monetary control.

Years	Targets and attainment	Classification
1974-77	no exchange rate or monetary targets, recurring depreciation, high monetary expansion largely driven by budget deficits, negative interest rates; instruments not effective, objectives unclear	unstructured discretion UD
1978-90	currency set to depreciate against basket at gradually decreasing rates; sometimes rate of crawl raised and/or interrupted, basket revised; step changes in exchange rate 1978-83 but not thereafter; monetary policy initially dependent on credit ceilings, but interest rates slowly become more important; recurring fiscal dominance issues	LCERT
1991-94	crawl ended, peg to basket late 1990, then April 1992 into EMS with 6% bands; devaluations November 1992 and May 1993; bank lending ceilings abolished 1990, monetary instruments now mainly indirect; central bank independence improved	LERT
1995-98	currency stable in EMS after small devaluation March 1995, with smaller margins	FERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1978 pp32, 34-6, 64; RED 1982 pp 39-42, 54; RED 1984 pp47-8, 75-6; RED 1987 pp73-4, 81-3, 100-101; RED 1988 pp58-9, 64-5, 82-3; RED 1990 pp49, 58; SR 1991 pp3-5, 8-10; SR 1993 pp3, 8-9, 12; BI 1993 pp13-16; SR 1996 pp8-9, 14-15.

Additional source: Houben (2000, especially pp228-30, 318-19).

Singapore's unusual monetary arrangements have long included a currency board-type backing of domestic currency and a structural government surplus; it liberalised financially relatively early, tried exchange rate pegging but found it more efficient to vary the exchange rate to offset external inflationary pressures, and by 1986 this had become an idiosyncratic but systematic form of inflation targeting.

Years	**Targets and attainment**	**Classification**
1974-75	currency floating, no other targets but concern with price stability; domestic financial liberalisation by mid-1975, with monetary operations moving from credit ceilings to rediscount facilities and reserve requirements; domestic currency backed by forex reserves as in currency board	loosely structured discretion LSD
1976-80	currency pegged to undisclosed basket (within undisclosed margins); full capital account liberalisation by 1978, active autonomous forex market; monetary policy operated via indirect instruments, increasingly forex swaps; government budgetary operations typically contractionary	loose exchange rate targeting LERT
1981-85	more active variation of exchange rate (in form of appreciation) to maintain confidence in currency and offset external inflationary pressures, but with eye to competitiveness and growth as well	loosely structured discretion LSD
1986-2023	active exchange rate control (with first deliberate depreciation 1986-7) is by now developing into a form of sui generis inflation targeting, where centre, path and width of exchange rate band are set at intervals in forward-looking way so as to maintain price stability – informal target initially understood widely to be below 3%, with emphasis on core as well as CPI inflation, by 2020s understood to be 2% on core inflation; monetary strategy becomes more formalised and more publicised over time, with gradual increases in transparency, e.g. direction of exchange rate movement announced in broad terms twice each year from mid-2001 (but neither exchange rate index nor exact centre, rate of crawl and width of band are published, nor is the inflation target), more data on forex purchases published from 2019; more use of macroprudential policies since GFC; implied inflation targets exceeded three years and undershot four, out of 36 years, but otherwise met or near-met, medium-term inflation expectations remain broadly anchored; government budgetary operations contractionary; monetary policy operations involve changes to slope, width and mid-point of exchange rate band, supported by forex interventions, money market transactions and liquidity facilities; strong impact of but strong and effective policy response to Covid-19; 2022 sharp rise in inflation mainly from external pressures, response to which involves (as normal) repeated small	loose inflation targeting LIT

	exchange rate appreciations, and medium term inflation expectations remain firmly anchored	

Selected IMF references: RED 1975 pp23-6, 39-41; RED 1978 pp19-20; RED 1982 pp29-30, 48-9; SR 1982 pp11-12, 14; RED 1983 pp30-2; SR 1986 pp13-15; SBI 1994 pp40-2; SR 1994 p9; SR 1998 p8; SR 2000 pp6-7; SR 2002 p10-11; SR 2004 p14; SR 2007 p10; SR 2015 p8; SR 2016 p56; SI 2016; SR 2018 pp14-15; SR 2019 pp15-18, 67-72; SR 2021 pp6-7, 14; SR 2022 pp18, 77-8; SR 2023 pp7-8, 19-20, 35; SR 2024 pp7, 13-14, 35.
Additional sources: Monetary Authority of Singapore (2001, 2013); Parrado (2004); Khor et al. (2004).

Spain pursued monetary targets in different forms for many years, while its exchange rate management became exchange rate targeting in the 1990s and the monetary targets were replaced by inflation targets in the last few years before entry to EMU in 1999.

Years	**Targets and attainment**	**Classification**
1974-7	unannounced/internal monetary targets met or near-met; monetary policy focused on controlling banks' liquid assets via seven-day credits, with increasing use of (previously highly regulated) interest rates; exchange rate managed, with recurring depreciation	loose monetary targeting LMT
1978-80	formal monetary targets met; exchange rate managed	full monetary targeting FMT
1981-88	converging monetary targets mostly met, pursued by indirect instruments in context of gradual financial liberalisation; exchange rate managed, with growing concerns re competitiveness and inflation	full converging monetary targeting FCMT
1989-94	in ERM from June 1989 (6% bands), devaluations 1992 (twice), 1993 and 1995; monetary targets met or near-met except for large undershoot 1992; continuing financial liberalisation; central bank independent from 1994	monetary plus exchange rate targeting M&ERT
1995-98	devaluation 1995 but currency returns to previous range, generally stable in ERM; inflation targets met	inflation plus exchange rate targeting I&ERT
1999-2023	membership of European Monetary Union	currency union CU

Selected IMF references: RED 1977 pp33-9, 59-60; RED 1982 pp19-20, 52-4; RED 1985 pp66-70, 98-9; RED 1991 pp44-6, 68; RED 1994 pp15-16, 19-20, 23-5; REDSI 1997 pp11-12, 15-19.
Additional sources: Houben (2000, especially pp221-4, 320-21); Ayuso and Escriva (1998).

Sweden for many years pegged its exchange rate more or less strictly but it experienced a banking crisis in 1991-2 and had to drop its peg to the ECU in late 1992; it then embarked on inflation targeting.

Years	Targets and attainment	Classification
1974-84	1974-7 currency associated with Snake, devaluations 1976 and 1977 and then exit; 1978-84 pegged to announced basket (wider than ECU) with unannounced margins of 2.5%, devaluations 1981 and 1982; monetary policy operated via rediscount facilities, OMOs, liquidity and cash ratios, and occasional credit ceilings; recurring monetary financing of budget deficits	loose exchange rate targeting LERT
1985-92	1985-90 currency pegged to basket with 1.5% announced margins; from May 1991 pegged to ECU, a harder anchor (with same margins); exit from peg despite strong resistance to intense speculative pressure November 1992; banking crisis 1991-2; financial liberalisation including in 1985-86 issues of new short-term government paper, freeing of bank lending rates and abolition of credit guidelines, and from 1988 more flexible rediscount facilities, with shift towards interest rates (interbank overnight rate) as main policy instrument	full exchange rate targeting FERT
1993-2023	inflation target announced January 1993 for 1995 and after, with policy in 1993-4 to prevent rise in inflation; Inflation Reports published from October 1993; from June 1994 main instrument is repo rate within corridor; some ongoing refinements to inflation targeting procedures; development of macroprudential policies following GFC; on annual averages targets met or near-met 26 years out of 31; undershoots 2009 (but inflation expectations anchored), and 2013-14 (expectations fall but short-medium term expectations still within 1% of inflation target); negative interest rates and QE from 2015 to 2018-19, and again 2020-22 in response to Covid-19; inflation goes well above target in 2022-23 (Ukraine war) but policy responds fast, inflation falls back and longer-term inflation expectations remain within range of target; central bank asset holdings set to decline from 2023; new central bank law requires bank to pay more attention to real economy, financial stability and payments system (but price stability remains priority)	full inflation targeting FIT

Selected IMF references: RED 1978 pp46-8; RED 1980 p57; RED 1986 pp38-9, 56, Appendix IV; SR 1991 pp4, 6; RED 1993 pp13-17, 20; SR 1993 pp6, 12-13; SR 1994 pp13-15; SI 1996 pp18-20; SI 1999 pp60-8; SR 2004 p10; SR 2009 pp21, 38; SR 2010 pp24-5; SI 2012 pp20-30; SI 2014 pp3-20; SR 2015 p6; SR 2016 pp6, 9-11; SR 2017 pp11-12, 24; SR 2023 pp10-12; SI 2024 p3; SR 2024 pp8-9.

Additional sources: Houben (2000, especially pp214-17, 322-3); Sveriges Riksbank (2023); Sveriges Riksbank, *Monetary Policy Report* June 2024, p47.

Switzerland spent many years trying to make monetary targets work, in the face of recurring exchange rate pressures which led it to allow deviations from those targets; in 2000 it began to pursue its own version of inflation targeting, but this was again disrupted by exchange rate pressures which forced it to set a floor for the EUR/SwF exchange rate from late 2011 to early 2015. It then returned, with greater success, to inflation targeting.

Years	**Targets and attainment**	**Classification**
1974	exchange rate floated late 1973, no other targets, but underlying focus on price stability; monetary policy operated through indirect instruments	loosely structured discretion LSD
1975-77	monetary targets (point targets for average of 12-month growth rates over year) met but monetary growth volatile; monetary policy aims to control monetary base M0 as instrument to control M1	loose monetary targeting LMT
1978-81	monetary targets respectively overshot, suspended, undershot and undershot, in response to appreciating exchange rate	loosely structured discretion LSD
1982-87	monetary targets (M0, average of 12-month growth rates) met	loose monetary targeting LMT
1988-90	monetary targets undershot, in context of revisions to liquidity requirements and new interbank clearing system	loosely structured discretion LSD
1991-95	medium-term monetary target met for 1990-94 target period (but annual growth under and over implied target 1992 and 1993, in context of exchange rate pressures); monetary growth okay 1995; policy operated largely through swap transactions in forex market to affect banks' reserves	loose monetary targeting LMT
1996-9	medium-term monetary target increasingly overshot for 1995-99 target period, partial switch of focus to M3 (instead of M0) from late 1997	loosely structured discretion LSD
2000-2011	price stability definition of 0-2% on CPI rather than inflation target, focus on medium term, but definition regularly met; operational target range for 3-month SwF LIBOR, pursued via repo transactions; policy decisions forward-looking, forecast-based; some improvements in transparency and central bank independence; 2009-11 rising concern with recurring appreciation pressures despite large forex purchases leads to announcement September 2011 of floor for EUR/SwF exchange rate; macroprudential policies from 2011	loose inflation targeting LIT
2012-14	continuing concern with possibility of deflation, and small net deflation on average in 2012 and 2013 (as against 0-2% price stability definition), together with continuing exchange rate floor (one-sided exchange rate target); medium term inflation expectations still anchored (according to SNB's Quarterly Bulletin)	inflation with exchange rate targeting IwERT
2015-23	exchange rate floor abandoned early 2015 in response to renewed capital inflows (and massively expanded	loose inflation targeting LIT

	central bank balance sheet); from 2015 negative interest rates (on marginal deposits at central bank), unsterilised forex purchases, to counter recurring appreciation pressures; 2022 negative interest rates ended, forex sales; price stability range met or nearly met each year with average inflation within 1% of range, while medium- and long-term inflation expectations also within range; strong fiscal and monetary response to Covid-19; early 2023 state-facilitated merger of Credit Suisse with UBS	

Selected IMF references: EDI 1994 ch IV especially Annex I; RED 1995 pp18-26; RED 1996 pp9-10; SISA 1999 pp23-9; SR 2000 pp15-17; SI 2001 pp31-5; SR2002 p13; SR 2009 pp24-7; SR 2010 pp12-16; SR 2011 pp10-14; SI 2012; SR 2013 pp13-15; SR 2014 pp5, 9-11; SR 2015 pp4, 17-18; SR 2016, pp6-9; SR 2018 pp10-13, 16; SR 20019 pp10-13; SR 2021 pp14-17; SR 2023 pp6-7, 27; SI 2024 pp4-7; SR 2024 pp13-15, 30.
Additional sources: Laubach and Posen (1997); Rich (1997, 2000); Baltensperger et al. (2007); Swiss National Bank, *Quarterly Bulletin*, June 2023, p22.

The United Kingdom struggled for many years with monetary targets that were repeatedly missed, in a context of undesired exchange rate movements, before embarking on an experiment with exchange rate targeting in October 1990, whose collapse in September 1992 led to the adoption of inflation targets from 1993.

Years	**Targets and attainment**	**Classification**
1974-90	attempts to manage exchange rate float by both intervention and interest rates, but recurring exchange rate crises; DCE targets agreed with IMF undershot 1976/77 and 1977/78, overshot 1978/79; wide targets primarily for broad money 1976/77 to 1986/7 missed six years out of eleven, and never hit more than two years in a row, erratic convergence; renewed attention to exchange rate towards end of period including unannounced shadowing of DM February 1987-March 1988, then no specific targets until entry to ERM October 1990; monetary policy operating through OMOs, interest rates and fiscal policy, with recurring attempts to reset monetary arrangements; repeated failures to control bank lending partly offset by improved control of government debt sales	loosely structured discretion LSD
1991-92	in ERM with wide margins from October 1990 to September 1992	loose exchange rate targeting LERT
1993-96	wide inflation targets under 'new framework' for monetary policy more or less attained	loose inflation targeting LIT
1997-2023	more formal and structured inflation targeting, with central bank instrument independence; 2013 revised remit for monetary policy committee allows temporary deviations from target to limit instability in output; narrow targets mostly attained; targets overshot 2011 and from late 2021 to 2023, but medium- and long-term inflation expectations remain broadly within range of target; strong fiscal and monetary response to Covid-19; gradual quantitative tightening from 2022; mini-budget plus liability-driven investment (LDI) crisis September 2022, followed by stabilisation and consolidation policies	full inflation targeting FIT

Selected IMF references: RED 1977 pp20-1, 59-62; RED 1979 pp21-2, 43-5; RED 1982 pp47-53; RED 1986 pp62-4; RED 1988 pp20-1; RED 1991 pp21-4; SBI 1993 pp35-9; SR 1993 pp11-14; SR 1997 pp14-16; SI 1999 ch. I; SR 2013 p14; SR October 2018 p32; SR 2022 pp20, 31-3; SR 2023 pp15-18, 39; SI 2024 pp4; SR 2024 pp16-19
Additional sources: Houben (2000); Cobham (2002, 2013).

The United States of America pursued monetary targets more or less strictly from 1975 but downgraded them in the late 1980s, moved gradually towards implicit (unannounced) inflation targets in the 1990s and adopted a formal inflation target from 2012.

Years	**Targets and attainment**	**Classification**
1974	no specific targets but objectives including price stability and growth; monetary policy operated through OMOs and interest rates	loosely structured discretion LSD
1975-80	monetary targets, mostly ranges of 2.5-3% for three or four different aggregates, converging slowly and with periodic upward revisions, met 5 years out of 6; major change in operating procedures 1979 towards targeting nonborrowed reserves	full converging monetary targeting FCMT
1981-89	monetary targets badly missed 1981-2; from late 1982 more judgemental approach to monetary policy and 1979 operating procedures changes largely reversed; 1983-9 monetary targets have wider ranges, M1 targets dropped 1986; targets badly missed 2 years but met 3 and near-met 2 years; policy concerns include strong and stable dollar as well as growth and price stability	loose monetary targeting LMT
1990-95	policy based on a 'flexible approach to monetary targeting' with Fed responding to range of indicators as well as monetary growth; wide targets for M2 and M3 met or near-met; first pre-emptive tightening 1994	loosely structured discretion LSD
1996-2011	no monetary targets; implicit inflation targeting, without announcement but clear aim of price stability (variously identified); increasing fulfilment of range of usual IT criteria, e.g. transparency; inflation negative in 2009, but expectations remain anchored, other years rough price stability; monetary policy operations centred on Federal funds rate	loose inflation targeting LIT
2012-23	FOMC announces January 2012 inflation target of 2% for Personal Consumption Expenditures (PCE) index over the medium term; target met on average each year 2012-20, except for undershoot on headline, but not core, PCE in 2015, inflation expectations little affected; 2020 and 2021 strong fiscal and monetary response to Covid-19; 2020 shift to average inflation targeting (i.e. period of above (below) 2% inflation to compensate for period of below (above) 2%), plus stronger emphasis on employment side of Fed's dual mandate; 2% target overshot from spring 2021 (associated with strong rise in durable goods price) and by more in 2022 (Ukraine war disruption) but back within 1% of target by end-2023, while medium- and long-term expectations rise but remain under 3%	full inflation targeting FIT

Selected IMF references: RED 1976 pp32-6; RED 1979 pp46-9; RED 1980 pp47-50; RED 1983 pp39-43; RED 1985 p51; RED 1987 pp50-3; RED 1988 pp40-1; RED 1991 p24; BP 1993 pp11-12; SR 1994 pp5-8; SR 1996 pp9-11; SR 1997 pp13-15; SR 2002 p18; SI 2005

ch. VI; SR 2011 p54; SR 2017 p7; SR 2019 pp29-34; SR 2020 pp14-16, 37-41; SR 2021 pp6-7, 14-16; SR 2022 pp5-6; SR 2023 pp17-19; SR 2024 pp15-17.
Additional sources: Bernanke and Mishkin (1992); Goodfriend (2002, 2003); Federal Reserve Bank of Cleveland, inflation expectations data at https://www.clevelandfed.org/indicators-and-data/inflation-expectations, accessed 10.8.24.

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