Individual country details:
Middle East and North Africa

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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):
Recent Economic Developments = RED
Recent Economic Developments and Selected Issues = REDSI
Selected Issues = SI
Selected Background Issues = SBI
Selected Issues and Statistical Appendix = SISA
Staff Monitored P:rogramme = SMP
Staff Report = SR
Staff Report Informational Annex = SRIA.

Other abbreviations
CD = certificate of deposit
GFC = Global Financial Crisis
OMO = open market operation
SDR = Special Drawing Right
USD = US dollar

Algeria went from a command economy in which the financial system was subordinate to the plan, through some initially hesitant changes, to a framework in which monetary policy came to play a more important role but reform of the financial infrastructure and the transmission mechanism remained far from complete.

Years	**Targets and attainment**	**Classification**
1974-86	2-tier state-owned banking system heavily controlled along with central bank within context of development plan; Treasury acts as important financial intermediary; various monetary instruments available (open market operations, discount rate changes, liquidity ratios, rediscount ceilings) but only latter in regular use; monetary and credit growth affected by fiscal deficits; exchange rate managed (fixed) on basis of basket (weights not published, but large weight on USD) to limit effect of exchange rate variations on domestic prices (also special rate for remittances of emigrants); sustained appreciation in line with USD 1980-85 leads to overvaluation	multiple direct controls MDC
1987-89	more active exchange rate management from late 1986 leads to sustained depreciation; start of wide ranging but cautious reforms to public enterprises, banks and central bank, but Treasury remains major financial intermediary	unstructured discretion UD
1990-2023	reforms started in mid-1980s now amount to decisive move away from central planning towards market mechanisms, including flexible interest rate structure and new interbank money market, and plans for further moves to indirect monetary instruments; central bank given de jure independence 1990; major depreciation followed by forex and trade liberalisation 1991; implementation of reforms delayed, even partially reversed, by widening fiscal deficit related to civil strife following cancellation of end-1991 elections, but resumed 1994 with stabilisation programme; further major depreciation 1994 followed by managed float; (remunerated) reserve requirement for banks 1994; bank refinancing via central bank auctions of deposit facilities from 1995; interbank forex market from 1996; secondary market for Treasury bills from 1998; 2001 some weakening of central bank autonomy; increasing focus on price stability (with central bank inflation target of 4% from 2014) but monetary policy framework remains unclear (and monetary control imprecise), with weak monetary transmission mechanism and weak credit growth; difficulties in handling large oil revenues (which make for continuous structural liquidity surplus in banking system) and from high level of non-performing loans of public sector banks; very slow development of government bond market; persistence of parallel currency market with sizable premium; oil price fall 2015 means end to liquidity surplus, opportunity to restructure growth model and monetary arrangements, but	loosely structured discretion LSD

	outcome unclear; 2016-17 some depreciation, some fiscal consolidation, late 2017 banking law change allows shift to monetarily financed fiscal expansion (with efforts to mop up part of resulting liquidity, and fiscal consolidation planned for 2019); 2021 liquidity management (and hence monetary transmission) remain weak; political tensions lead to variable fiscal consolidation from 2019, Covid-19 has adverse impact despite strong policy response 2020-21; 2022 oil price rise eases fiscal and external position, but also raises inflation; 2023 new law includes some limited improvements to central bank governance and autonomy, but monetary transmission remains weak, there is no interest rate corridor, liquidity absorption relies heavily on reserve requirements, and exchange rate is still actively managed	

Selected IMF references: RED 1973 pp83-90; RED 1975 pp42, 55; SR 1975 pp13-14; RED 1981 pp33-4, 48-9; RED 1982 pp1-2, 47-8; SR 1982 p14; SR 1986 p26; SR 1988 pp9, 17-18; SR 1989 pp10-11, 13-15; RED 1991 pp23-5, 27, 31-2; RED 1994 pp1-3, 27; SR 1995 pp15, 26; SI 1996 pp6-9; SR 1996 p14; SR 1997 pp6-7; SR 1998 p10; RED 2000 pp39-41; SR 2001 p28; SI Jan 2003 pp32-3; SR 2003 pp11-12, 21; SI 2004 pp77-8; SR Jan 2006 pp10, 13-16; SI 2008 pp14-15; SI 2014 pp3-25; SR 2016 p20; SR 2017 pp21-2; SR 2018 pp4-5, 9-14, 21; SR 2021 pp6-101, 60-1; SR 2023 pp7-10, 16-17, 53-4; SR 2024 pp15-19, 44.

Additional source: Zouache and Ilmane (2009).

Bahrain had used a currency board since 1965, but moved first to fixing the exchange rate with a long process of financial liberalisation and increasingly active monetary policy, and finally to full-fledged exchange rate targeting from the mid-1990s.

Years	**Targets and attainment**	**Classification**
1974	currency board (on USD) formally replaced in December 1973 by new Bahrain Monetary Agency (BMA) focused on supervising growing, largely independent (foreign-owned), banking system and regulating credit; but not much change in 1974, little real monetary policy operated	augmented currency board ACB
1975-94	1975-78 exchange rate fixed against USD, 1979-80 fixed against SDR with wide margins in principle vs SDR but narrow margins in practice vs USD, and central rate vs USD adjusted in small (<1%) amounts from time to time; from 1981 rate vs USD unchanged, even when dinar goes outside its wide margins vs SDR; use of interest rate recommendations, reserve requirements, forex swaps (to stabilise domestic interest rates); monetary expansion dominated by fiscal deficit and balance of payments; growth of interbank money and government bond markets from 1970s; from late 1980s interest rate liberalisation, completed by August 1994	augmented exchange rate fix AERF
1995-2023	exchange rate still formally pegged to SDR but de facto peg to USD is now well-established, and monetary policy "directed primarily at regulating domestic liquidity to ensure the stability of the exchange rate under an open exchange and payments system, and with market-determined interest rates" (RED 1996); peg to USD de jure as well as de facto from December 2001, in context of planned (later postponed) move towards GCC monetary union; BMA becomes Central Bank of Bahrain 2006; development of Islamic banking and finance supported by central bank; from 2006 overhaul of monetary policy instruments following recommendations of IMF report, including introduction of standing facilities; increased supervision of banks after GFC plus adoption of macroprudential policies [No Article IV reports available after 2019]	full exchange rate targeting FERT

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula* (1974); RED 1975 pp31-3, 40; RED 1976 pp28-31, 40; RED 1977 p30; RED 1979 pp39-40; SR 1979 p9; RED 1981 pp33-6; RED 1982 p51; RED 1988 pp31-3; RED 1992 pp30-32; RED 1996 pp34-5; SR 1996 pp14-15; RED 1998 pp32-3, 37, 49; SR 2008 pp13-15; SR 2009 pp8-9; SR 2014 pp15-16; SR 2016 pp16, 17-18; SR 2018 pp7-8, 14; SR 2019 p12; *IMF Executive Board Concluded Article IV Consultation with the Kingdom of Bahrain* (press release, July 2023).

Other references: Central Bank of Bahrain, 'Monetary policy framework', at https://www.cbb.gov.bh/monetary-policy/#mpf, accessed 20.08.24.

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 recurring liberalisation-stabilisation packages were sent astray by policy slippages, and the longstanding aim to move to inflation targeting remained 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
2003-23	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, continued reliance on reserve money targeting; major new reform programme November 2016 supported by IMF, with forex liberalised, exchange rate depreciated, and aims to strengthen central bank independence and eventually move to formal inflation targeting, with very wide, initially high and converging informal inflation targets (poorly attained); exchange rate becomes more stable versus USD from mid-2017; 2019 plans for improved central bank autonomy and move to operations based more on interest rates, but monetary transmission poor (e.g. interbank rate outside policy rate corridor); less severe impact from Covid-19 than in some countries, but strong impact from Ukraine war 2022; sharp depreciations March and, within wider stabilisation package, October 2022: some slippages e.g. return to exchange rate stabilisation early 2023, but exchange rates unified early 2024	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; *4th Review under EFF…* January 2019 pp9, 47-50; *1st review under SBA…* December 2020 pp7, 8-9; *2nd review under SBA…* June 2021 pp12-14, 72-3; *Ex Post Evaluation under*

SBA… June 2022 pp14-19; *Request under EFF…* December 2022 pp5-9, 11-13; *1st and 2nd Reviews under EFF…* March 2024 pp1-2, 6-7, 12-13, 60-3.

Additional sources: Selim (2011); Al-Mashat (2011); Central Bank of Egypt, The Inflation Targets, at https://www.cbe.org.eg/en/monetary-policy/inflation-target (accessed 13.8.24).

Iran's monetary and financial arrangements were initially underdeveloped but functioning, then adversely affected by Islamic revolution and war which entailed a reclassification from loosely structured to unstructured discretion; subsequent reforms brought a return to loosely structured discretion, but monetary policy instruments remained limited and largely direct. Recurring use of the exchange rate as a nominal anchor in the first two periods gradually gave way to increased exchange rate flexibility, but repeated international sanctions led to delays in this and in moving to indirect monetary instruments.

Years	**Targets and attainment**	**Classification**
1974-79	exchange rate heavily managed with margins vs USD and/or SDR, and multiple exchange rates for different transactions; substantial banking system, partly private, but money and bond markets underdeveloped; monetary policy instruments used include rediscount rate, reserve requirements, credit controls; monetary growth dominated by government domestic spending (partly in response to 1973-4 oil price rise, with policy designed to maximise absorption and promote growth); Islamic revolution 1979	loosely structured discretion LSD
1980-98	1980-88 (war with Iraq): increase in number of official exchange rates plus tight import controls (import compression), leading to massive premia in parallel forex market; banking system nationalised and consolidated from 1979, Islamicised from 1983; central bank relies on credit ceilings and guidelines, and some Islamic instruments; monetary growth strongly affected by fiscal deficits; inflation variable but double-digit, high 1986-8; 1989-1998: initial liberalisation including reduction in number of exchange rates, some import liberalisation, and abolition of credit ceilings (sectoral guidelines retained) without introduction of indirect instruments; exchange rate unification and float 1993 abandoned after a year in favour of renewed import compression and credit controls, which leads to revived parallel market premium; money growth and inflation hard to control; US sanctions from 1995	unstructured discretion UD
1999-2023	new government 1998 plans fresh liberalisation including end of bank-by-bank credit ceilings (but central bank still has to approve most loans), expansion of government and central bank participation papers, term deposit facility for banks at central bank, licensing of private banks; exchange rate unification (with managed float) and some trade liberalisation achieved 2002 (via increasing role for forex exchange within Tehran Stock Exchange) and interbank forex market set up, but development of indirect monetary instruments and interest rate deregulation stalled, monetary impact of fiscal operations is significant, monetary growth remains often loose and inflation typically in double digits; new government from 2005 shifts focus from liberalisation and reform to use of higher oil revenues for social needs; some reforms continue including banking supervision, bank privatisations; major	loosely structured discretion LSD

	subsidy reform late 2010 and tightening of US and international sanctions 2012 lead to rise in inflation, slower growth and temporary return of multiple exchange rates; new government 2013 is more inflation-averse and more open to reform; nuclear deal 2015 leads to lifting of many but not all sanctions in January 2016, and plans for reform of central bank autonomy, development of money and bond markets, with interest rates as policy instrument, eventual exchange rate reunification; sanctions reimposed by US 2018 and expanded 2019-2020, followed by forex depreciation and increased inflation, despite start in 2020 of announced inflation targeting together with open market operations in participation and other Shariah-compliant papers, within wider reserve money targeting perspective	

Selected IMF references: RED 1975 pp64-6, 92-3, 70; RED 1978 pp31, 34-8, 49-52; SR 1978 pp2-3, 5-6, 7-8; RED 1990 (first consultation since 1978) pp39-48, 59-67; SR 1990 pp7, 16; RED 1991 pp42-3; SR 1991 pp8, 10, 15; RED 1993, pp47-8, 52, 63-7, 74-6; SR 1995 pp9-10; RED 1998 pp33-5, 42-4; RED 2000 pp9, 29, 33-4, 41-3; SR 2000 pp13-14, 15, 30; SI 2002 pp7-10; SI 2004 pp55-62, 68; SR 2006 pp16-17, 22; SI 2014 pp22-31; SR 2014 pp5-9; SR 2017 pp4, 15-17; SI 2017 pp11-15; SI 2018 pp3-9; SR 2018 pp15-16. [No Article IV Reports after 2018.]

Additional references: Pesaran (1992); Karshenas and Pesaran (1995); Pesaran (2001); Central Bank of Iran, *Annual Review for 1398*, pp1-2, *Annual Review for 1399*, pp1-2, and *Annual Review for 1400*, pp1-3, available at https://www.cbi.ir/simplelist/AnnualReview_en.aspx (accessed 21.8.24); World Bank, *Iran Economic Monitor*, 2020, p7; 2021, pp6-7; 2022, pp12-14; 2023, pp8-12; and 2024, pp10-13.

Iraq initially fixed its exchange rate with only limited monetary policy, then used more and more direct controls and monetary finance under the impact of war and conflict in the 1980s and 1990s. The 2003 invasion and occupation involved several years of liberalised forex arrangements but limited and incoherent monetary policy, followed by more active and ordered use of (changes to) the exchange rate as key monetary instrument.

Years	**Targets and attainment**	**Classification**
1974-81	exchange rate fixed to USD, no autonomous forex market; nationalised banking system in mainly planned economy with large oil exports, central bank with very limited independence: monetary growth dominated by fiscal and oil developments, no monetary instruments in regular use but discount rate and interest rates occasionally varied, indicative credit guidelines from 1979	augmented exchange rate fix AERF
1982-2002	[Note: no Article IV reports between 1984 and 2004, only limited information available] Iraq-Iran war 1980-88; Iraq invades Kuwait 1990, forced to withdraw 1991; sanctions from 1990, followed by bombing campaign from 1998; monetary policy seems to have been subordinated to war effort 1980s and then to survival in face of sanctions 1990s; no data on inflation 1979-90; official exchange rate peg unchanged 1983-2003, but Ilzetzki, Reinhart and Rogoff (2019) note multiple exchange rates 1982 and 1983, and classify exchange rate regime Jan 1982-Dec 2005 as managed float/parallel market/multiple exchange rates; Foote et al (2004) indicate inflation in 1980s mostly single-digit, but big change in 1990s with inflation volatile and often high and exchange rate depreciating rapidly, in context of very low use of banks and high use of notes and coin; King (2004) says resort to printing press from 1991 or so	(tentative) multiple direct controls MDC
2003-6	US-led invasion 2003, 2003-4 all policy decisions made by occupying authorities; 2005 January election for transitional assembly, April-May formation of Iraqi government; new constitution October, elections of new Parliament Dec 2005, new government April 2006; currency reform late 2003 in context of dysfunctional banking system and central bank with few instruments; continued inflation; relatively liberal forex market with de facto peg of exchange rate to USD from May 2004	unstructured discretion UD
2007-23	ongoing insurgency, security problems; US troops withdrawn December 2011; ISIS insurgency takes territorial form 2014; in absence of other monetary instruments, appreciation of exchange rate parity vs USD used 2007-8 to counter rising inflation and dollarisation, then return to exchange rate stability, except for very small devaluation end-2011, small revaluation late 2015, larger devaluation end-2020, and revaluation early 2023; active parallel forex market with high premium; indirect central bank financing of government deficit and central bank	augmented exchange rate fix AERF

	lending (to private sector, in practice mainly real estate activities) initiatives from 2015; large impact of and weak policy response to Covid-19; 2021-22 political instability, prevents policy actions; oil price rises 2022 helps growth and fiscal position; 2023 central bank subsidised lending scaled back, efforts to improve liquidity management (but more needed); weak and underdeveloped financial sector (e.g. undercapitalised state-owned banks) continues to hold back economic growth and wider reform; need for significant improvement in statistical database	

Selected IMF references: RED 1975 pp38,40, 64-5; RED 1976 p36; RED 1983 pp22; SR 2005 pp11-12, 16-17, 18-20, 21-2, 25-6; SR 2006 pp4, 8; SR 2007, pp9-10, 16, 18; SR 2010 p10; SR 2013 pp9-10, 17; SR 2015 pp9, 16; SI 2019 pp34-42; SR 2021 pp9, 14; SR 2023 pp4-8; SRIA 2023 pp3, 9-12; SR 2024 pp4-7, 13-15, 31, 48-54.

Additional references: Foote et al. (2004); King (2004); Ilzetzki et al. (2019).

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
2001-23	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; major impact from and response to Covid-19; global price rises 2022	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; SR 2020 pp11, 30; SR 2022 pp4-6, 13-14, 29; SRIA 2022 p3; *Request under EFF…* December 2023 pp5-7, 10, 21; *1st Review under EFF…* June 2024 pp4-6, 8.

Additional source: Maziad (2011).

Kuwait initially pegged its currency to an undisclosed basket within the context of a significant banking system and a process of financial liberalisation which enabled it to move towards indirect monetary instruments. This was replaced by formal full exchange rate targeting in the early stages of plans for GCC monetary union, but Kuwait reverted to loose pegging to a basket from 2007.

Years	Targets and attainment	Classification
1974-2002	exchange rate pegged to USD 1974, then from 1975 to basket (composition and weights unknown but USD thought to have largest weight), narrow central bank spreads but relatively free forex market; significant banking system (with most large banks partly state-owned), limited interbank money market from mid-1970s; some central bank independence from 1977; range of monetary policy instruments, mostly direct but gradual liberalisation of interest rates; informal stock market collapse 1982; by mid-1980s central bank offers forex swaps and deposit facility for banks; brief two-tier exchange rate arrangement 1984; government bonds issued from 1987, held mainly by banks with little secondary trading; operations in Treasury bills and govt bonds become more regular and important, and interest rates more flexible, 1988-9; Iraqi invasion of Kuwait August 1990 was over by March 1991 but caused major disruption not just to real economy (especially oil sector) but to monetary system; currency conversion replaces new dinars for old (one for one), previous exchange rate restored, and arrangements made to deal with pre-invasion bank loans, but interest rates temporarily fixed; from 1993 interest rates more flexible, OMOs in Treasury bills return as key instrument, dinar now pegged more closely to USD, with dinar interest rates moving closely with US	loose exchange rate targeting LERT
2003-06	formal peg to USD with formal margins of +/- 3.5% but same narrow central bank spreads, within context of moves towards GCC monetary union (projected for 2010, later postponed); 2004-6 small revaluations of USD parity in response to USD depreciation and its implications for price stability; loan to deposit ceilings from 2004	full exchange rate targeting FERT
2007-23	replacement of USD peg by peg to (undisclosed) basket, with larger appreciation versus USD; central bank injects liquidity and develops some macroprudential tools in response to GFC; policy (discount) rate but no corridor; major impact of Covid-19 (including related oil-price falls) but strong policy response; 2021 Monetary Stability Committee at central bank to improve analysis, forecasting and coordination; 2020-23 reforms held up by repeated political deadlock; some room for improvement in statistical database, especially inflation and GDP data	loose exchange rate targeting LERT

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula* (1974); RED 1977 pp37, 42-3; RED 1980 pp43-7, 56; RED 1982 pp38-40, 43-6; SR 1982 pp5-6; RED 1985 pp40-42, 60-61; SR 1986 p2; SR 1989 pp8, 13; RED 1990 pp37-9; RED 1992 pp18-24, 28-9; RED 1994 pp35-42, 52; REDSI 1996 pp54-62, 74-5; REDSI 1999 p85; SR 2004 p44; SR 2005 pp15, 30; SISA 2007 pp26-8; SR 2007 p13; SR 2008 p8; SR 2013 pp13-14, 21-2; SI 2017 pp27-9; SR 2019 pp5-6, 43; SR 2020 pp7-8, 17-20; SR 2022 pp6-7, 16-18, 21, 25; SR 2023 pp4-8, 16, 18; SRIA 2023 pp6-8; *IMF Staff Concludes Staff Visit to Kuwait* (press release, May 2024).

Lebanon initially managed its exchange rate within a relatively free forex market but the civil war and conflicts from 1975 to 1990 led inevitably to high deficit financing and hyperinflation. Following the Taif Agreement the exchange rate was gradually stabilised and inflation brought under control. This was succeeded by a hard peg to the USD, maintained despite problems with fiscal deficits, recurring conflicts and acute political tensions, until late 2019 when the political tensions exploded (followed in 2020 by a warehouse at Beirut port).

Years	**Targets and attainment**	**Classification**
1974-92	exchange rate initially managed to avoid volatility within relatively free forex market; central bank has added powers over money and banking from 1973 and uses them more or less actively to stabilise goods and services and asset prices; large number and variety of banks, many foreign-owned, also discount house set up by local banks in 1983; civil war 1975-90 (plus Israeli invasion 1982), at varying intensity (banks closed much of 1975-6 but otherwise continued to function): swings in cash/deposit holdings and towards foreign currency, budget deficits financed largely by banks from 1976, central bank uses techniques including reserve and portfolio requirements, credit ceilings and sales of Treasury bills to banks to contain monetary growth and limit depreciation; deterioration of statistical data available; deficit financing, dollarisation, depreciation and inflation reach high (and volatile) levels in second half of 1980s/early 1990s	loosely structured discretion LSD
1993-98	exchange rate managed to produce small, relatively regular and gradually declining appreciation (not pre-announced); rising public debt with high level of monetary financing of budget deficits (mainly sales of Treasury bills and short-term bonds to banks, but also eurobonds); continuing high dollarisation; inflation brought under control	loose converging exchange rate targeting LCERT
1999-2019	exchange rate pegged to USD with very narrow margins, with central bank gearing monetary policy to exchange rate and intervening within liberal forex market; repeated attempts at fiscal consolidation but debt to income ratio rises to around 180% in mid-2000s, comes down to around 130% in early 2010s but then rises again; high levels of dollarisation, especially of bank deposits from and lending to private sector and of public debt, much of latter held by commercial banks and central bank; interest rates kept relatively high for confidence and exchange rate reasons, with high fiscal costs, in context of fluctuating capital inflows; central bank balance sheet and foreign reserves sometimes weak; continuing political instability and conflict including prime minister Rafiq Hariri assassinated 2005 (followed by withdrawal of Syrian forces), war with Israel 2006, tensions between different Lebanese blocs, influx of refugees from Syrian civil war from 2011; recurring government inability to pass budgets; from 2015 and especially 2018 deposit inflows decline, despite	full exchange rate targeting FERT

	intensified 'financial engineering' by central bank which continues to fund large fiscal deficits; IMF calls repeatedly for serious fiscal consolidation, return to more normal monetary operations, improvements in financial stability and crisis management procedures (later comprehensive financial restructuring), and structural reforms, notably in the electricity sector and on corruption, but vested interests ensure only limited response; rising dollarisation;	
2020-23	late 2019 tax rises announced, mass protests, followed by collapse of Lebanese pound exchange rate (down 98% in parallel market, limited correction of multiple official rates February 2023), hyper-inflation, massive recession (GDP down 40%), electricity outages, commercial and central banks' balance sheets deteriorate despite capital controls and limits on deposit withdrawals from banks; increased dollarisation; policy fails to respond adequately on any issue; 2020 default on Eurobond debt service, Covid-19, also Beirut port explosion: collapse of economic activity, large rises in unemployment and poverty, spike in inflation, high emigration, and growing (Syrian) refugee crisis; 2022 IMF staff-level agreement on comprehensive reform package with significant prior actions required, but lack of political will among Lebanese confessional elites means implementation very weak and delayed; major bank restructuring required as well as wide range of structural reforms and new monetary regime with multiple official exchange rates unified; summer 2023 seasonal uptick in tourism softens crisis but offers no long-term relief; some positive reforms at central bank, some basic stabilisation measures, but no restructuring of commercial banks: economy becomes more cash-based and informal; October 2023 war brings massive war damage in south by Israeli forces and widens political, social and economic crisis facing country; statistical database seriously weakened, particularly national accounts and fiscal data	unstructured discretion UD

Selected IMF references: RED 1975 pp30, 32, 35-6, 45; RED 1977 pp21, 29; RED 1979 pp14-15, 18-19; SR 1979 pp2-3, 5; RED 1982 pp15-18; SR 1982 pp1-4; RED 1983 pp17, 20, 25; RED 1985 pp20, 28-30, 35-6; RED 1991 pp20-1, 31-6, 41-2; *Lebanon: Economic Recovery, Stabilization and Macroeconomic Policies* (1994), pp28-41, 59-66; SR 1994 pp2-4; SR 1996 pp14-16; SI 1997 p59; SR 1997 pp4-14, 18-19; SR 1999 pp26-7; SR 2001 pp5-9, 13-14; SR 2007 pp12-13; SR 2009 p13; SR 2010 pp9-10; SR 2012 pp16-17; SR 2014 pp19-21; SR 2016 pp5, 8-9; [2018 Article IV Report not published] IMF Staff Statement from 2018 Article IV Mission, §§7-8, 11-26; SR 2019 pp6-8, 16-17, 25; Statement by IMF Managing Director on the International Conference on Support to Beirut and the Lebanese People August 2020; IMF Managing Director's Remarks at the International Conference in Support of the Population of Lebanon August 2021; IMF Staff-Level Agreement on Economic Policies with Lebanon for a Four-Year Extended Fund Facility April 2002; SR 2023 pp5-8, 18-20, 52-6; SRIA 2023 pp6-8; *IMF Staff Concludes Visit to Lebanon* (press release September 15, 2023); *IMF Staff Concludes Visit to Lebanon* (press release May 23, 2024).

Additional reference: Dibeh (2011).

Libya for many years fixed its currency to the USD and then to the SDR with very limited monetary operations. In the 1990s it abandoned the exchange rate anchor without any serious alternative, but returned to fixing the exchange rate against the SDR in the 2000s. The civil war and political fragmentation from 2014 led to a lack of monetary control and a lack of policy framework, but there is some recovery and some central bank reunification from 2021.

Years	Targets and attainment	Classification
1974-91	initial peg to USD with narrow margins, no real forex market, monetary policy not geared to exchange rate; banking system concentrated and largely government-owned, central bank has various powers including interest rate (hardly ever used) and credit controls, but in early years main active instrument is moral suasion; monetary growth heavily influenced by government's (oil-revenue-financed) spending in excess of domestic revenues, and occasional (often direct) measures to tighten liquidity; statistical data availability poor; wide-ranging price and other controls (and poor inflation data); peg shifted to SDR in 1986, with wide band (+/-7.5%) but narrow spread around CB's chosen rate close to the lower border of band; private sector share in economic activity fell in 1970s but rose with limited liberalisation in late 1980s; parallel forex market from 1988, with rising premium and volume	augmented exchange rate fix AERF
1992-2001	1992 band around SDR parity widened to +/-11%, then to +/-16%, 1993 to +/-25%, 1994 to 47%, 1998 to 77.5%, with rate fixed always at lower border; rising premium and transactions in parallel forex market; 1993 central bank gets more control over reserve and liquidity requirements, but there is no coherent monetary policy programme; some small private local banks created, but banking system is technically backward and lends very little to private sector, while monetary policy relies on credit controls; UN economic sanctions from 1992, broadened 1993, suspended 1999, but US 1996 sanctions remain; 1999 parallel forex market legalised as 'special' exchange rate, some convergence of special and official exchange rates	unstructured discretion UD
2002-13	exchange rates unified via 50% devaluation of official rate, unified rate pegged to SDR with very narrow margins, some wider trade and forex liberalisation; 2003 elimination of Great Man-Made River exchange tax and 15% devaluation; 2005 increase in central bank autonomy, partial interest rate liberalisation; some efforts to improve operation of financial system and develop indirect monetary instruments, e.g. central bank certificates of deposit from 2008, but large excess liquidity in banking system; some improvements in statistics available; 2011 heavy-handed government response to Arab Spring protests followed by overthrow of government and partial normalisation, but continuing political fragmentation and some armed conflict; interest payments in financial	augmented exchange rate fix AERF

	transactions banned 2013 but central bank favours dual (conventional and Islamic) banking system	
2014-20	[Note: no Article IV reports between May 2013 and May 2023, little information available from other IMF papers] civil war 2014, continuing political fragmentation and armed conflict which affects oil production as well as wider economy, fiscal/monetary policies, and governance; 2014 eastern (Benghazi) branch of central bank starts to operate independently of western (Tripoli) branch; official exchange rate little changed but capital controls from 2015 and parallel market re-emerges with large premium; 2019-20 blockade of oil production by East-based army; growth and inflation very volatile, but no hyper-inflation	unstructured discretion USD (tentative)
2021-23	2021 major devaluation vs SDR and relaxation of currency controls closes most of gap between official and parallel exchange rates, but parallel market continues; lower level of conflict/violence but political fragmentation of country remains; 2021-22 erratic moves towards reunification of central bank, which requires massive structural, legal and other changes, along with reform of small and partly central bank-owned commercial banking sector, which is still struggling to develop sharia-compliant contracts consistent with 2013 ban on interest; 2023-24 more moves to reunify central bank, but political fragmentation hinders other reforms; mid-2023 forex restrictions, parallel premium widens again; statistical data badly affected by civil war, recovering with difficulty	loosely structured discretion LSD

Selected IMF references: RED 1976 pp26-8; RED 1978 pp40, 52; RED 1982 p33; RED 1987 pp16, 41-2; SR 1989 pp14-15; RED 1994 pp1-2, 24, 39-40; SR 1994 pp13-14, 16, 18; SR 1996 pp11, 16-17, 18-19, 21; RED 1999 pp31, 41-3; SR 1999 pp16-19; SR 2001 pp7, 12; SR 2002 pp13-14, 18-20, 22; SR 2003 pp11, 17; SR 2005 p8; SR 2008 pp7, 10; SR 2009 p11; SR 2011 pp12, 30-34; SR 2013 pp14-15, 21; *Arab Countries in Transition: Economic Outlook and Key Challenges*, October 2015, pp12-13; *Regional Outlook: Middle East and Central Asia*, November 2018, pp9-11; SI 2023 pp2-9, 15-17; SR 2023 pp5-8, 13-17; SR 2024 pp4-6, 7-9, 30-1; SRIA 2024 pp2-3.

Additional references: Central Bank of Libya, *Economic Bulletin*, 2013 Q1, table 17; *Economic Bulletin*, 2018 Q1, table 35, both available at https://cbl.gov.ly/en/economic-bulletin/; World Bank (2018).

Morocco had for a long period a focus on the exchange rate, with exchange rate targeting formalised in 1991 and hardened in 2007, plus some gradual financial liberalisation. 2018 saw the start of a process of widening the exchange rate bands with a view to a later switch to inflation targeting, but no inflation target (even informal) so far identified.

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); experiment with monetary targets 1998-2002 but targets often missed and not dominant element of policy; direct credit controls replaced in move to indirect monetary instruments, notably regular 7-day repo auctions, interest rates now liberalised; central bank autonomy strengthened 2006	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; from 2008 IMF repeatedly raises issue of shift to inflation targeting; medium term plan 2013 to move to greater exchange rate flexibility and then inflation targeting, former to be implemented 2016-17 (but not)	full exchange rate targeting FERT
2018-23	exchange rate margins widened 2018 from ± 0.3% to ± 2.5% relative to basket of euro (60%) and USD (40%); heavy impact of Covid-19 (plus drought) but strong policy response; 2020 margins widened to ± 5%; 2022-23 global commodity price shock;	loose exchange rate targeting LERT

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 2014 p22; SR November 2015 pp14-17; SR 2016 pp17-18; SR 2017 pp16-17; SR 2019 pp14-15, 23; SRIA 2019 p3; SR 2020 pp6-8, 14-15, 25; SR January 2022 pp14, 16; SR December 2022 p9; SR 2024 pp5, 14, 39.

Additional source: Achy and Boughrara (2011).

Oman had a currency board arrangement from 1970 when the first Omani currency was issued, but soon set up a central bank, whose focus was and to some extent remains on bank and financial sector supervision. Monetary policy involves a fix of the exchange rate to the USD with very narrow margins. Banks, financial markets and financial instruments have become more sophisticated over time, but the exchange rate continues to be fixed as before.

Years	Targets and attainment	Classification
1974	currency board on USD, Muscat Currency Authority (MCA) has no other role; several mainly foreign-owned commercial banks, with one UK bank acting for government and managing MCA	pure currency board PCB
1975-2023	new central bank takes over from currency authority, currency pegged to USD with very narrow margins throughout, with typical transaction involving purchases of forex from central bank (which handles government's foreign currency oil revenues) by commercial banks; central bank can lend to government, supervises growing banking system, and has initially limited role in monetary policy (via direct instruments, e.g. reserve requirements, interest rate ceilings); monetary growth dominated by government spending in excess of domestic (non-oil) revenues, in context of highly open economy, but fiscal policy mostly well controlled; from 1979 central bank uses forex swaps and rediscounts to affect banks' liquidity; 1986 10% devaluation vs USD; Treasury bills issued from 1987, mainly held by banks, and development bonds from 1991, held more widely; small interbank money market from 1991, with repos from 1999; monetary authorities resist interest rate liberalisation until 1994, when ceilings on all rates except those for small-medium consumer loans ended; stock market boom 1996-8 fuelled by bank lending; 1998-99 some strengthening of money and bond markets; recurring problems with liquidity management; Oman initially committed to GCC monetary union process (scheduled for 2010 but later postponed) but late 2006 decides to withdraw, mainly because of its lack of real convergence with other members, but Oman will keep USD peg and participate in all other GCC integration; central bank remains focused on liquidity management, security markets remain limited and there are still no indirect monetary instruments; late 2014 oil price fall worsens fiscal and external positions, efforts to reduce fiscal deficit; 2017 work to improve functioning of interbank markets; strong and fast response to Covid-19 and 2020 oil price fall; 2022 work to improve liquidity framework so as to strengthen monetary transmission, also development of Treasury single account to help manage sovereign-bank nexus; statistical data broadly adequate	augmented exchange rate fix AERF

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula*, 1974; RED 1974 pp31-2, 41; RED 1976 pp30-31, 40; RED 1981 p19; RED 1985 pp24, 39; RED 1986 p45; RED 1988 p27; RED 1994 pp38-40; SR 1995 p11; SI 1997 pp68-69, 78-79, 81-4, 104, 113, 117; SR 1997 pp16-17; SR 1998 pp10, 20, 21-2; RED 1999 pp32-3; SR 2007 pp14-20; SR 2008 pp13-14; SR 2011 pp13-14, 17; SI 2011 pp18-27; SR 2012 pp19-20; SR 2013 pp18-20; SR 2015 p10, 14; SR 2017 pp5-6, 32; SR 2018 pp6, 18; SR 2021 pp5-6, 12-13, 19, 28; SR 2022 pp15-18, 36; SI 2023 pp16-21; SR 2024 pp17-18, 38; SRIA 2024 pp3, 6-7.

Qatar introduced its own currency on a currency board arrangement in 1973, and by 1979 was beginning to operate some limited monetary policy as well. By 1993 the arrangement had become exchange rate targeting, initially loose on the SDR and then by 2001 via a process of financial liberalisation full targeting on the USD, in the context of plans for GCC monetary union.

Years	**Targets and attainment**	**Classification**
1974-78	new Qatari Monetary Agency and new Qatari riyal fixed to USD from 1973, replacing Qatar-Dubai Currency Board and Qatar-Dubai riyal and maintaining similar backing rule, but QMA takes time to recruit and begin operations (while Qatar National Bank is government's fiscal agent); 1975 de jure peg switched to SDR and spreads narrowed; 1976 official margins vs SDR widened, de facto but specified peg to USD with much narrower spreads; 1978 Qatari riyal fixed de jure to USD, then two small revaluations during 1978 in line with Bahrain and UAE	pure currency board PCB
1979-92	1979 and first half 1980 a series of small (unilateral) revaluations vs USD, aimed to deter capital outflows, but no changes after June 1980: USD peg maintained even when currency goes outside formal wide margins vs SDR; very narrow spreads maintained; QMA now more active, but mainly focused on bank supervision; monetary growth heavily affected by government operations, in context of highly open economy, but fiscal policy generally prudent; from 1992 interest rates on bank loans and deposits managed more flexibly in relation to international rates	augmented currency board ACB
1993-2000	1993 QMA becomes central bank (though it does not handle government accounts); it remains partly currency board but reserve cover is over 100% so some more active monetary policy is possible; forex market now has some autonomy; bank lending rates fully liberalised 1995 but ceilings on some deposit rates remain until 2000	loose exchange rate targeting LERT
2001-23	peg to USD formalised 2001 in context of GCC monetary union planned for 2010 (later postponed); Qatar Monetary Rate payable on bank deposits at central bank introduced 2002, later becomes one part of corridor with repo rate as other part, adjusted in line with US rates; more active liquidity management from 2007, including issue of Treasury bills from 2011 and later Treasury bonds and sukuk; slow but significant improvements to statistical database; strong response to Covid-19 makes for low GDP impact; interest rate corridor narrowed 2017-18 and again in 2022; 2022 global oil price rise (Ukraine war);	full exchange rate targeting FERT

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula*, 1974; RED 1974 pp23-5; SR 1975 pp6-7; RED 1976 p27; RED 1977 p36; SR 1978 p3; RED 1978 p24; RED 1980 pp20, 24, 31; RED 1982 p32; RED 1983 pp33-5; RED 1986 p25; SR 1989 pp2-3; SR 1992 p12; RED 1994 pp25, 29-30; SR 1994 pp10-11; RED 1996 pp30-1; REDSI 2000 pp45-7, 59, 62-3, 71; SR 2002 pp13-15; SISA 2004 pp10-11, 54-

5; SR 2004 pp12-13; SR 2007 p17; SI Dec 2012 pp22-3, 25-7; SR 2014 p13; SI 2017 pp20-3;SR 2019 p7; SR 2022 pp4-5, 16-17; SR 2023 pp18, 27.

Saudi Arabia initially fixed its exchange rate with limited monetary policy operations, but financial liberalisation meant that this became loose exchange rate targeting from 1986, and full exchange rate targeting from 2000.

Years	**Targets and attainment**	**Classification**
1974-85	new parity vs SDR August 1973, intervention currency is USD; March 1975 decided to keep peg to SDR rather than depreciating USD, then from September 1975 new parity vs SDR, formally now with wider margins of 7.25%, but de facto fix to USD with very narrow margins; series of very small appreciations vs USD 1977-80 then 1981-5 small depreciations, rate vs SDR from mid-1981 outside formal margins (which were suspended); Saudi Arabian Monetary Authority (originally Agency) retains reserve coverage (currency board) rule, cannot by charter lend to government or to banks (but can place deposits in them), cannot discount or use discount rate (Islamic law), main instruments reserve requirements and moral suasion, but SAMA mostly operates 'neutral' monetary policy, focuses on banking supervision; monetary growth driven by government's net domestic spending (of oil revenues) in context of open economy, but fiscal policy mostly well controlled; new monetary instrument in form of 91-day (later both shorter and longer term) deposit account facility for banks at central bank 1984	augmented exchange rate fix AERF
1986-99	from mid-1986 riyal effectively pegged to USD at constant rate but formal peg is still to SDR with wide margins and authorities argue (e.g. SR 1991) this gives them flexibility; SAMA quotes no longer serve as basis for banks' dealings in forex market; SAMA foreign reserves well above currency issue, so backing rule does not bind; repoable Bankers Security Deposit Accounts (BSDAs) at central bank from 1984; SAMA government development bonds issued from 1988; Treasury bills (in place of BSDAs) of varying terms issued from 1991; reverse repos from 1992; murabaha debt securities and floating rate notes (for shariah-compliant banks) from 1997; secondary bill and bond markets remain underdeveloped, but interest rates becoming more important; bouts of speculative pressure 1993 and 1998-9 which SAMA is able to resist; slow but continuing improvements to statistical database	loose exchange rate targeting LERT
2000-23	riyal is still formally pegged to SDR but de facto peg to USD is by now well-established, and "Saudi Arabia's monetary policy goals aim mainly at containing inflation and preserving the pegged exchange rate regime" (RED 2000); 2002 formal peg switched to USD, in context of moves towards GCC monetary union (planned for 2010, later postponed); further capital market development (but mostly primary, not secondary), e.g. SAMA bills in place of Treasury bills from 2005 which provide basis for	full exchange rate targeting FERT

	interest rate corridor formed by repo and reverse repo rates; authorities respond to GFC with liquidity support for banks; some development of macroprudential tools; fiscal policy as main macroeconomic instrument; sukuk bonds from 2016, ongoing reforms to debt markets including secondary markets; strong policy response to Covid-19, quick rebound; new central bank law 2021; emphasis on indirect monetary policy instruments but occasional resort to direct instruments e.g. in form of direct placement of deposits in banking system in 2022	

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula*, 1974; EFS (*Saudi Arabia – An Economic and Financial Survey*) 1975 pp27-8, 30, 40; EFS 1976 p56; EFS 1978 p65; RED 1979 pp40, 48; RED 1980 pp36, 50; RED 1981 p52; RED 1982 p46; RED 1984 pp37, 47; RED 1985 pp34, 52-4; SR 1985 p8; RED 1986 pp47-9, 60-1; RED 1987 pp32-4; SR 1988 pp8-9; RED 1989 pp37-40; RED 1990 pp38-42; SR 1990 pp9-10; SR 1991 p15; RED 1993 p24-6; REDSI 1998 pp42-3, 53-5, 60, 68-70; SR 1999 pp17-18; RED 2000 pp57-60, 68; SR 2001 p25; SISA 2002 p57; SR 2004 p8; SR 2005 pp19-20; SI 2008 p41; SR 2009 pp4-5, 10, 16; SR 2010 pp6-7; SR 2012 p5; SI 2014 pp16-34; SI 2015 pp35-7, 39-44; SI 2016 pp25-30; SR 2018 pp7-8; SR 2021 pp6, 20, 21, 22; SR 2022 pp22-3; SR 2023 pp21-3, 65-9; *Saudi Arabia: Concluding Statement of the 2024 Article IV Mission*, June 14, 2024.

Sudan had a long period of fiscal dominance and multiple exchange rates, before and after the Islamicisation of banking in the mid-1980s, followed by a period of successful stabilisation and partial financial liberalisation (along Islamic lines), within a wider context of political and armed conflict in various regions and the secession of oil-producing South Sudan in 2011.

Years	**Targets and attainment**	**Classification**
1974-96	official exchange rate pegged to USD, but in effect second depreciated rate applied to most transactions, trade heavily regulated, foreign exchange allocated via FX budget; banks nationalised (from 1970) but operate independently and in competition; credit ceilings (not always well enforced), interest rates set by central bank, heavy central bank financing of fiscal deficits, high rates of credit expansion leading to rising inflation and balance of payments deficits; heavy price controls, large public sector, planning; 1978 both exchange rates depreciated; 1979 exchange rate system simplified, partially liberalised, but continued changes and regulations of various kinds, new parallel market emerges; from 1978, under repeated IMF stabilisation programmes, gradually increasing efforts to tighten financial policies, including fiscal policy, credit ceilings and interest rates, repeated changes to exchange rate arrangements, including dual exchange rates (also parallel market with rising premium), and some structural reforms; but domestic policy failures, especially failure to control fiscal deficits financed by central bank (plus unhelpful exogenous factors including drought, floods, civil war, internal displacement) prevent any clear turnaround or even halt to deterioration; Islamicisation of banking system announced 1983; intensified efforts to stabilise and reform from 1987 including exchange rate unification and new peg to USD but programme not fully implemented, unpaid arrears to IMF from 1984; currency (banknote) exchange programme in 1991, intended to help contain liquidity; 1991 depreciation, 1992 large further depreciation plus short-lived exchange rate unification, followed by float within semi-liberalised forex market, but continued regulation means parallel market premium re-emerges; some wider liberalisation of prices and investment; but little fiscal or monetary stabilisation (not helped by absence of non-monetary financing of fiscal deficits under Islamic banking); 1993-96 greater fiscal and monetary stabilisation and forex liberalisation efforts but still limited success, continued high inflation	unstructured discretion UD
1997-2022	successful implementation of fiscal and monetary stabilisation plus exchange rate unification (late 1998) with managed float, initially stabilised but later more flexible, under IMF staff monitored programmes; unwinding of previous overvaluation; moves towards indirect monetary instruments (Central Bank and	loosely structured discretion LSD

	Government Musharaka Certificates, and later longer term Government Investment Certificates) and interbank market compatible with Islamic banking (hampered by banks' large excess reserves); continuing adverse exogenous factors (civil war in south, then Darfur conflict), but oil production from 1999; gradual move from 2001 towards more flexibility of exchange rate; monetary policy now focused on OMOs rather than direct monetary instruments, but programme money targets typically exceeded (though occasionally undershot) by wide margins; 2003 rise in central bank independence; improvements in statistical database; 2007 new currency introduced plus conventional banking allowed in South; South Sudan independent 2011, Sudan loses 3/4 of its oil exports and half of its fiscal revenues, with major impact on fiscal and monetary policies and long-lasting impact on growth; 2012 adjustment programme involves large devaluation and renewed role of multiple exchange rates, plus fiscal and monetary tightening, followed by stronger stabilisation programme late 2013, but economic performance remains weak, with recurring monetary financing by central bank; post-devaluation stability of official exchange rate implies large real appreciation; US sanctions since 1997, tightened in effect from 2014 by end of correspondent bank relations, but lifted late 2017; continuing arrears to IMF preclude most external financing; 2017 aim of transition to inflation targeting, but preconditions far from fulfilled; big official devaluation October 2018, but parallel rate continues to depreciate; cycle of fiscal deficit monetary financing, devaluation and rising inflation (while Islamic finance in practice limits non-monetary bond financing); massive protests from late 2018 lead to overthrow of longstanding president in April 2019 and agreement summer 2019 between protesters and army on new draft constitution with civilian government; 2020 hopes for comprehensive economic and social reforms, including revision to weak central bank governance, with detailed staff monitored programme late 2020, but poor domestic situation worsened by Covid-19 and because until mid-2021 Sudan could not access financial aid from IMF or other IFIs; army coup August 2021, continuing political upheavals; fiscal deficits rising up to 2019, often financed monetarily, but reductions in deficits from that date; exchange rates unified 2021; 2022 central bank tries to pursue reserve money targeting through rises in cash reserves ratio and direct controls, with some success	
2023	civil war between army and paramilitary Rapid Support Forces from April 2023, with huge physical destruction, death and displacement; central bank hit in fighting by	unstructured discretion UD

	RSF, after which army bombs printing press (to stop RSF printing notes), but central bank continues to function	

Selected IMF references: RED 1975 pp31, 33, 45; RED 1976 p50; SR 1977 pp1-2; RED 1978 p43; SR 1978 pp6-8; RED 1979 p38; RED 1980 pp39-40; RED 1981 p42; RED 1982 pp51-2; SR 1982 pp17-18; RED 1983 pp42-4; SR 1983 pp3-4, 13-14; RED 1984 pp25, 42; SR 1984 pp1-4, 6-10, 19-20; RED 1986 pp47-9; SR 1986 pp1-2; RED 1988 pp49-50; SR 1988 pp2-3; RED 1989 pp51-3; SR 1991 pp12-13, 16, 20; RED 1992 pp47-9; SR 1993 p13; RED 1996 pp28-32, 41-6, 66; SR 1994 pp20-3; RED 1997 pp16-19, 27-31; SR 1998 pp29-30; RED 1999 pp32-47, 55-8; RED 2001 pp34-6, 48-9; SR 2001 pp17-20, 25; SR 2003 p13-15, 17-18; SISA 2005 pp13-14; SR 2005 p32; SR 2007 pp11, 30; SR 2008 pp27; SR 2011 p26; SR 2012 pp4-5; SI 2013 pp2-11, 27; SR 2014 pp5-6l SR 2016 pp5-6, 8-12, 13-17; SR 2017 p14; SI 2020 pp11-13; SR 2020 pp7-8, 11-13; SMP 2020 pp6-8, 10-12; *2nd Review under SMP…*June 2021 pp5-7, 8-9, 14-17.

Other references: World Bank (2023a, pp13, 19-29); African Development Bank (2024) pp15-17, 35-6.

Syria initially operated under multiple direct controls with a nationalised and subordinate banking system, before embarking in the late 1980s on an erratic and reluctant process of liberalisation. That process became more serious in the mid-2000s, but progress was halted and reversed in the years of conflict from 2011.

Years	**Targets and attainment**	**Classification**
1974-87	exchange rate unified 1973 and fixed versus USD, with occasional adjustments, foreign trade heavily regulated with varying use of import compression; banking system (and much of industry) nationalised and consolidated from mid-1960s, mainly involved in lending to public sector enterprises; special role for Commercial Bank of Syria, which acts as government's banker and fiscal agent (while central bank's role is more limited); monetary policy passive, mainly directed through credit ceilings or guidelines, interest rates rarely changed, monetary growth dominated by lending to government and nationalised sector and varying official capital inflows used to finance fiscal deficits, within context of ambitious development planning with price and other controls, plus varying but relatively low level oil production and export; growing parallel forex market from 1977, initially tolerated; rising balance of payments deficits, inflationary pressures and parallel market premium lead to intermittent fiscal tightening, plus official attempts to control parallel market from 1980-81, with additional forex market rates introduced 1982, 1985, 1986; (genuine) parallel market grows with rising premium; statistical database poor, especially with regard to public sector enterprises	multiple direct controls MDC
1988-2003	1988 major attempt to rationalise forex arrangements, including large devaluation of official rate and short-lived reduction of number of additional rates, followed by further tentative moves towards eventual exchange rate unification and liberalisation; serious but only piecemeal and halting efforts at fiscal stabilisation and wider liberalisation, including of trade and prices; wider reform process runs out of steam by late 1990s; monetary growth remains passive, dominated by government and public sector operations (including bank loans to cover losses of public enterprises) and variations in net foreign assets, monetary policy formulated in terms of sectoral credit plans; 1998 unification of almost all exchange rates, at level close to parallel market, but separate public and private pools of foreign exchange; 2001 private banks allowed; statistical database remains poor	unstructured discretion UD
2004-10	renewed reform impetus with reform programme late 2003, interest rates reduced and made less inflexible; reserve requirements and administered interest rates varied more often, but still no indirect monetary instruments; January 2007 public and private forex pools and rates	loosely structured discretion LSD

	unified, rate managed tightly against USD, to provide nominal anchor in continued absence of indirect monetary instruments; de jure peg from August 2007 to SDR, but de facto peg basket seems to have higher weight on USD than SDR; statistical database remains poor	
2011-23	[Note: tentative, no Article IV reports after 2010] political and then military conflict from 2011 leads to rises in central bank-financed fiscal deficits and debt, massive depreciation, high but variable monetary growth and inflation, repeated large falls in GDP, and widening of trade deficits despite renewed controls on foreign trade; ceasefire agreement 2020 reduces intensity of hostilities; 2023 major earthquakes, outbreak of regional hostilities and falls in humanitarian aid cause further economic deterioration; fall in quality and coverage of statistics	[tentative] unstructured discretion UD

Selected IMF references: RED 1975 pp20-1, 34-5; SR 1976 pp3-7; RED 1977 pp27-8, 39; RED 1978 pp34, 48-9; RED 1980 pp49-50; RED 1981 pp24-5, 38-40; SR 1981 pp10-11; SR 1982 pp3, 9; RED 1986 pp50-4; RED 1987 pp34-5, 55; RED 1990 pp42-3, 56-9; SR 1991 pp2-3, 18-19; RED 1993 pp32-3, 49-52; SR 1995 pp13-14; RED 1996 pp1-2, 37, 54-5; SR 1996 pp1-2, 4-8; SR 1997 p31; SR 1998 pp21, 29; SR 1999 pp8, 10; RED 2000 pp45-6, 61-3; SR 2000 pp11, 14-15, 17-18; SR 2001 pp25, 27-8; SISA 2003 pp31, 49-56, 61-2; SR 2004 pp13-15; SR 2005 p22; SI 2006 pp29-37; SR 2007 pp11, 19-20; SR 2008 p10-11; SR 2010 pp6, 16.

Additional sources: Gobat and Kostial (2016); ESCWA (2016, pp19-25); World Bank (2017, pp63-8); ESCWA (2020, pp58-62); World Bank (2022b); World Bank (2023b, pp13-15); World Bank (2024, pp7-26).

Tunisia initially relied on heavy management of its exchange rate and credit controls, but from the mid-1980s pursued a process of very gradual but wide-ranging financial liberalisation; the adoption of inflation targets, talked about from the mid-2000s, has so far not been realised, partly at least because of the political upheavals from 2011.

Years	Targets and attainment	Classification
1974-2023	exchange rate initially adjusted daily with reference to FRF and DM, then with reference to basket that was widened and revised successively in 1978, 1981 and 1984, and adjusted more flexibly from 1986 with view to stabilising real effective rate; monetary policy in early years focused on stimulating savings growth and regulating credit allocation by sector, with growing emphasis on price and financial stability; monetary policy initially relies on prior approval of bank loans, rediscount ceilings, and liquidity and reserve ratios, plus global development finance ratio for banks; heavily regulated interbank market used by central bank to support bank liquidity; very gradual financial liberalisation in mid-1980s with more use of interest rates; deeper liberalisation from 1987 covering banking system, interest rates and money market, in which auction and repurchase facilities become main means of central bank intervention, also introduction of certificates of deposit and Treasury bills, later Treasury bonds; interbank forex market from 1994, with strong initial central bank presence gradually reduced, alongside gradual increases in exchange rate flexibility from 2000 and in capital account liberalisation; 2005 monetary policy shifts from focus on credit growth to M3/reserve money targeting (but targets poorly attained), with preparation for eventual inflation targeting (dependent on further development of money market), together with full capital account liberalisation and exchange rate flexibility; 2006 central bank independence strengthened; by 2010 policy rate within corridor of central bank deposit and lending rates but money market rate until 2015 mostly near top of corridor due to inefficient liquidity management; no obvious big changes to monetary framework or operations resulting from political revolution in early 2011 and subsequent upheavals, but major reforms delayed; monetary policy committee set up 2013; some evidence of unannounced exchange rate crawl from 2013, punctuated by periodic sharp adjustments; 2018 interest corridor widened, some improvements in liquidity and collateral frameworks, but transmission remains weak, with high levels of central bank refinancing; mid-2018 forex auctions made more competitive; major impact of Covid-19 despite policy response; continued monetary financing of budget; aim of inflation targeting mentioned occasionally but no real	loosely structured discretion LSD

	movement towards it; by 2023 some fiscal policy consolidation, with negative effect on growth, but monetary financing (with new law early 2024 permitting large-scale central bank financing of the budget) creates risks (not yet realised) of depreciation and inflation	

Selected IMF references: RED 1973 Appendix C; RED 1975 pp47-50, 72; SR 1975 pp7-8; RED 1979 p59; RED 1982 p55; RED 1985 pp29-31, 48; RED 1987 pp43-6, 67; *Tunisia: Recent Experience in Structural Adjustment* (1990), pp3-11; *Tunisia: A Review of Adjustment Experience* (1993), pp20-4, 27-8; SR 1994 pp12-13, 15, 23; RED 1996 pp41-3, 55; SI 1997 pp46-7, 49-51; RED 1999 pp27-9, 30-2; SR 1999 pp14-15, 47; SI 2002 pp9-12, 20; SR 2002 pp19-22; SR 2003 pp12-15 and Supplement 1, pp4-7; SR 2004 pp10-11, 19-20; SR 2006 pp15-16; SR 2007 pp11-12; SR 2008 pp9-10, 14; SR 2012 pp13-14; SR 2013 pp7-8, 12-14; SR 2014 pp11-14; SR 2015 pp19-21; SR 2017 pp4, 12-14,49-51; SR 2018 pp16-20, 37 41; 5th Review under Extended Fund Facility 2019 pp4, 12-14, 26; SR 2021 pp6-8, 19-21.

Additional sources: Boughzala and Moussa (2011); World Bank (2024b, pp1-13.); Banque Centrale de Tunisie, 'Monetary policy implementation', at https://www.bct.gov.tn/bct/siteprod/page.jsp?id=91&la=AN (accessed 24.8.24).

Türkiye 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 (or declined) to meet those targets on a consistent basis and in 2006-8 and again from 2014 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 overshot, 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
2014-23	wide inflation targets repeatedly overshot, expectations repeatedly above wide target band; IMF presses for monetary policy normalisation, i.e. move to supplying liquidity to banks at single policy rate within interest rate corridor, together with positive real policy rate, and later for clear FX intervention policy; from 2019 repeated central bank management changes, interest rate cuts, lira depreciations, and late 2021 scheme to protect lira term deposits against (in order to limit) depreciation, while inflation continues to rise; major effect of Covid-19, with strong policy response, mainly monetary, which supports growth but worsens pre-existing imbalances; shift to more orthodox policies late 2020 turns out to be short-lived; after May 2023 elections policy shifts back towards stabilisation by conventional means	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; SR 2019 pp5-6, 12-14; SR 2021 pp5-14, 18-20, 46; SR 2022 pp5-13, 18-20, 32, 40, 43; *IMF Staff Concludes Staff Visit to Türkiye* October 6, 2023 (press release).

Other references: Central Bank of Republic of Turkey, *Inflation Report*, February 2024 pp35, 76, 79.

The **United Arab Emirates** initially operated a currency board with only limited monetary policy operations, but growing financial development enabled a move to loose exchange rate targeting in the 1980s and full exchange rate targeting in 1992.

Years	**Targets and attainment**	**Classification**
1974-80	UAE Currency Board established 1973 issues UAE dirham, which replaced Qatar-Dubai riyal and Bahrain dinar; at least 70% of currency plus demand deposits to be backed by external assets; peg to USD with narrow spread within wider formal margins, kept even when other Gulf countries allowed more flexibility from 1975; banks initially required to change currency at rates no better than Board's rates +/- differential set by Board, but this dropped after late 1976-early 1977 speculative pressure (due mainly to teething problems and lack of controls by Board), banks became free to change currency at whatever rates they choose; number of banks, especially in Dubai, increasing, in relatively liberal environment; Board has limited powers to start with but obtains some more, e.g. gradually acquires governments' deposits and sets some interest rates (formerly set by interbank agreement) from 1974, sets reserve requirements from 1976, banking supervision department established 1978; from 1978 dirham is formally pegged to SDR with 7.25% margins, and repeated small adjustments made 1978-80 to effective rate against USD which remains intervention currency; monetary growth mainly determined by government net domestic expenditure and bank credit to private sector, in highly open economy; statistical database remains limited	augmented currency board ACB
1981-91	Currency Board becomes Central Bank of the UAE December 1980, with same backing rule but larger capital, greatly increased powers (including in banking supervision), and clearer role as banker to the Federal government and repository of major forex revenues of oil exporting Emirates; continued formal peg to SDR but now (constant) de facto peg to USD, even when this moves dirham outside margins vs SDR; central bank regulates interest rates on small deposits until late 1982, only, and focuses on bank liquidity and stability; central bank issues CDs from 1984, initially in foreign currency but later in domestic, and CD issues become key monetary policy instrument, along with forex swaps; central bank supports banking system over Kuwait invasion 1990-91 with extra liquidity and confidence-inducing measures; ongoing (and needed) improvement in statistical database (due in part to problems arising from loose Federal structure)	loose exchange rate targeting LERT
1992-2023	peg is still formally to SDR but now well-established, and the "central objective of monetary policy in the U.A.E. is maintaining a stable relationship versus the U.S. dollar" (RED 1991 p34); 1997 central bank spreads on USD	full exchange rate targeting FERT

	narrowed with minute depreciation of central rate; 1998 authorities reject proposal to auction and trade CDs to enable OMOs, or issue of government debt securities, because emirate authorities unwilling to allow Federal government to issue debt; 2002 peg now officially to USD, in context of moves towards GCC monetary union in 2010 (later postponed); 2008 extra liquidity provided in response to GFC and then to problems in Dubai; 2009 following decision to locate GCC monetary union central bank in Riyadh, UAE announces its withdrawal from project, citing need for more prior development of financial infrastructure; some macroprudential measures introduced 2014; still no government debt markets, and little or no development of interbank market using repos on negotiable CDs, but 1-week non-transferable CD rate comes to be treated as policy rate; new central bank and banking law finally approved 2018 (increases central bank autonomy and strengthens macroprudential framework); early 2020 decision to implement new Dirham Monetary Framework (first proposed 2017); 2020-21 new floor-rate corridor system with monetary stance indicated by rate on overnight deposit facility, standing credit facilities, averaging of reserve requirements, and structural and fine-tuning OMOs in negotiable Monetary Bills which will replace CDs; major impact from but strong response to Covid-19; statistical database much improved by end of period but room for further development	

Selected IMF references: *Currency Arrangements and Banking Legislation in the Arabian Peninsula*, 1974; RED 1974 pp26-7, 39-40; SR 1975 p11; RED 1976 p36-9, 50-1; RED 1978 pp41-3, 55-6; SR 1978 p5; SR 1979 p5; RED 1980 p37; SR 1980 p3; RED 1981 pp25-7, 43-4; RED 1982 p33; RED 1983 p31; SR 1985 p10; RED 1988 pp29-32; SR 1988 pp4, 10; SR 1990 p14; RED 1991 pp38-40; RED 1994 pp35-6; RED 1996 pp82-4; RED 1998 pp49-52, 62; SR 1998 p18; SR 2000 pp16-17; SISA 2003 pp15-16; SR 2003 p30; SR 2004 p27; SR 2005 p42; SR 2008 pp5, 11-12; SR 2010 pp7-8; SR 2011 p22; SISA 2013 pp13-14, 22-3; SI 2014 p6; SR 2014 pp4, 11; SR 2015 p16; SI 2017 pp23-9; SR 2018 p15; SI 2021 pp22-8; SR 2023 pp15-16; '*IMF Staff Completes 2024 Article IV Mission to United Arab Emirates'* (press release, May 20, 2024).

Other sources: 'Monetary policy implementation in the United Arab Emirates', pp15-19 of Arab Monetary Fund-Bank for International Settlements (2021), *Central Bank Background Papers on Monetary Policy Framework in the Arab Countries*, available at https://www.amf.org.ae/sites/default/files/publications/2021-11/AMF-BIS_Fourth_Working_Party_Book.pdf, accessed 24.8.24.

Yemen, Arab Republic of, (North Yemen) fixed its currency to the USD for some years under a newly established central bank, but when its external position and its budgetary position deteriorated in the early 1980s it was obliged to adjust its exchange rate repeatedly, in a context of direct monetary instruments and undeveloped financial markets.

Years	**Targets and attainment**	**Classification**
1974-83	currency fixed to USD at rate unchanged from February 1973; central bank set up 1971 in place of currency board, with reserve requirements, cash and liquidity ratios and limits on bank interest rates as instruments; initially one older locally-owned, government-controlled and dominant commercial bank, plus four foreign-owned commercial banks, specialised state credit institutions and informal sector money dealers, with more commercial banks entering later; exchange and trade policies relatively liberal; strongly agricultural economy, which relies on large remittances and aid from abroad; infrequent budget deficits; money growth driven largely by external factors (aid and remittances producing balance of payments surpluses); 1977 ceilings on banks' advances/deposit ratios; from 1980 aid and remittances fall so external contribution to monetary growth ceases to be positive; interest rate structure adjusted less infrequently, spending on development projects grows and government becomes net borrower from domestic banking system, excess liquidity in banking system rises, monetary growth initially kept low but accelerates from 1982	augmented exchange rate fix AERF
1984-89	February 1984 to February 1985, with informal forex rate diverging from official, official parity vs USD adjusted in small steps for cumulative devaluation of 30%, new forex purchase committee takes more control, most transactions transferred to informal/commercial market, but divergence remains; further devaluations January and December 1986; end-1986 central bank suspends (temporarily) operations of money changers and becomes sole buyer and seller of forex, import restrictions tightened; early 1988 further official depreciation allows unification of official and commercial markets, with rate adjusted periodically on basis of central bank transactions in secondary market in Jeddah; attempts to re-establish fiscal and monetary control mid-1980s, with monetary policy using reserve requirements, some interest rate adjustments and 1987 direct credit ceilings; oil discovered 1984, exported from 1987; late 1989 acceptance of draft unity constitution, May 1990 Yemen Arab Republic and People's Democratic Republic of Yemen unified in Republic of Yemen (q.v.)	loosely structured discretion LSD

Selected IMF references: RED 1975 pp22-4, 38; RED 1976 pp20-5, 34; SR December 1975 pp1-4; RED 1977 pp28-9; RED 1979 pp29-30, 41; SR 1980 pp5-7; RED 1981 p28; RED 1982 pp30-3 SR 1982 pp2-3, 7-8; RED 1983 pp24-7; RED 1985 pp45-8; SR 1985 pp13-15;

RED 1987 pp52-4; SR 1987 pp1-5; RED 1988 pp1-3, 19-23, 26-7, 67-71; SR 1988 pp1-3, 8-9; RED 1989 pp1-3, 25-9, 32-3, 77-81.

Yemen, People's Democratic Republic of, (South Yemen) fixed its exchange rate to the USD in the context o development planning and widespread controls, with fiscal discipline plus foreign aid and remittances enabling the rate to be maintained throughout, though with growing difficulty.

Years	**Targets and attainment**	**Classification**
1974-1989	currency fixed to USD with spreads around 2%, but no autonomous forex market; central bank set up 1972 in place of Currency Authority with development role and powers (unused) to set interest rate ceilings, one state-owned commercial bank (after 1969-70 nationalisations and consolidation), both under single Banking Board, credit mostly directed; development planning rather than central planning, intensive price, import and exchange controls; current account deficits covered largely by large foreign aid and remittances; fiscal policies involve some discipline (high tax revenues, wage restraint) but also development efforts, with varying domestic budget deficits feeding into monetary expansion; 1982 severe flooding, 1983-5 drought; from mid-1980s worsening fiscal and monetary control, poor or negative growth; 1986 short but damaging civil war, followed by new more pragmatic leadership; authorities resist IMF pressure for devaluation; rise in excess liquidity; direct import controls tightened; oil discovered 1987 in area on border with Yemen Arab Republic, joint exploration company set up, some output from 1988; late 1989 draft unity constitution accepted, May 1990 unification of Yemen Arab Republic and People's Democratic Republic of Yemen in Republic of Yemen; early 1990 'approved' market for YAR rial and other currencies, used for imports from YAR as well as travellers' exchanges, on which PDRY dinar depreciates; statistical database remains poor	augmented exchange rate fix AERF

Selected IMF references: RED 1974 pp13, 25-7, 39-40; SR 1974 p10; RED 1975 pp13, 26, 40; RED 1976 pp1-2, 19, 34-8; RED 1977 pp34-5; RED 1978 pp30-1; SR 1978 pp1-7; RED 1981 pp30-2; SR 1982 p2; RED 1985 pp31-6, 45; SR 1986 pp4, 14; RED 1988 pp31-2, 46; RED 1989 pp14, 28-30; SR 1989 pp2-4; RED 1990 pp1-2, 43; SR 1990 pp1-5, 13, 25.

Yemen, Republic of, was formed in May 1990 from the merger of the previous Yemen Arab Republic in the north and People's Democratic Republic of Yemen in the south. In the first few years policy lacked coherence and discipline, but from 1995 it became more consistent, until the civil war erupted in late 2014.

Years	**Targets and attainment**	**Classification**
1990-94	following acceptance late 1989 of draft unity constitution, May 1990 unification of Yemen Arab Republic and People's Democratic Republic of Yemen in Republic of Yemen, with economic policies mostly continuing those of the larger and more open YAR; currency is continuation of Yemeni rial of YAR, dinar of PDR Yemen depreciated then withdrawn, new coins issued 1993; multiple official rates pegged to USD with forex market heavily regulated, but most transactions through parallel market, tolerated then legalised 1992, operated by money-changers; monetary policy largely passive, monetary growth dominated by fiscal deficits, real interest rates negative; civil war 1994 also contributes to high inflation, rising velocity, soaring parallel forex premium; oil production and exports grow rapidly; statistical database poor	unstructured discretion UD
1995-2014	exchange rates devalued, largely unified and floated 1995-96, money-changing liberalised, with fiscal and monetary stabilisation from mid-1995; full official and parallel exchange rate unification 1996, with float over time becoming more managed in favour of a (varying rate) crawl vs USD; some interest rates and reserve requirements reform, Treasury bill auctions introduced, but no interbank market emerges and monetary policy instruments long remain limited and mostly direct, while monetary financing of fiscal deficits is significant; central bank certificates of deposit issued from 2001; oil revenues declining from early 2000s, only partly offset by gas revenues from 2010 (with oil facilities subject to periodic sabotage); continuing difficulties in absorbing liquidity created by oil-financed government spending; some dollarisation; first issues of sukuk in 2011 to help fund fiscal deficits and aid control of Islamic banks; adjustments to benchmark minimum bank deposit rate gradually become more important; political tensions which had been present since early 2000s erupt into more serious armed conflict in late 2014; statistical database poor but some improvements	loosely structured discretion LSD
2015-2023	[Note: no Article IV reports after July 2014, little information available from other IMF reports] onset of serious armed conflict has disastrous effect on oil production and economy, disables many government and central bank operations, and effectively postpones projected economic and monetary reforms; famine and cholera epidemic from 2016; 2016 fragmentation of	unstructured discretion UD

	monetary policy, forex flows and exchange rates as between Sana'a (North, Houthi-control) and Aden (South, Internationally Recognised Government control), followed by monetary financing, depreciation and inflation, more in South; 2021 new forex auction mechanism in South leads to limited stabilisation of currency; April major aid package announced for South, April-October 2002 truce followed by limited hostilities, but blockade by North on oil exports 2023 worsens position of South government; 2023 North adopts shari'a-compliant in place of interest-using financial arrangements	

Selected IMF references: RED 1992 pp23-4, 33-4; SR 1992 pp2-5, 10-12, 15, 33; RED 1995 pp24-6, 40-3; RED1997 pp7-9, 33-4, 41-3; SR 1999 pp15, 16, 18-20; SI 1999 pp29-31, 38-42, 44-6, 52-5, 80-4; SR 2002 pp23-4; SI 2003 pp32-6; SR 2003 pp19-22; SI 2006 pp5-6, 35-45; SR 2007 pp7, 10, 13; SR 2013 pp6, 12, 17, 43-4; SR 2014 pp20-22; *Arab Countries in Transition: Economic Outlook and Key Challenges*, October 2015, pp18-19; *Regional Outlook: Middle East and Central Asia*, November 2018, pp9-11.

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