1. Record Nr. UNINA9910825684303321

Autore	Saxegaard Magnus
Titolo	Excess Liquidity and Effectiveness of Monetary Policy : : Evidence from Sub-Saharan Africa / / Magnus Saxegaard
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	1-4623-3669-8 1-4527-8344-6 1-283-51394-3 1-4519-0909-8 9786613826398
Descrizione fisica	1 online resource (52 p.)
Collana	IMF Working Papers
Soggetti	Monetary policy - Africa, Sub-Saharan - Econometric models Liquidity (Economics) - Econometric models Banks and Banking Finance: General Money and Monetary Policy Portfolio Choice Investment Decisions Banks Depository Institutions Micro Finance Institutions Mortgages Monetary Policy Finance Banking Monetary economics Excess liquidity Commercial banks Reserve requirements Monetary transmission mechanism Liquidity Economics Banks and banking Monetary policy Nigeria

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"May 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. SOME STYLIZED FACTS ON RESERVE REQUIREMENTS AND EXCESS LIQUIDITY IN AFRICAN COUNTRIES""; ""III. MEASUREMENT OF EXCESS LIQUIDITY""; ""IV. EXCESS BANK LIQUIDITY AND MONETARY POLICY TRANSMISSION MECHANISM""; ""V. SUMMARY AND POLICY IMPLICATIONS""; ""References""
Sommario/riassunto	This paper examines the pattern of excess liquidity in sub-Saharan Africa and its consequences for the effectiveness of monetary policy. The paper argues that understanding the consequences of excess liquidity requires quantifying the extent to which commercial bank holdings of excess liquidity exceed levels required for precautionary purposes. It proposes a methodology for measuring this quantity and uses it to estimate a nonlinear structural VAR model for the CEMAC region, Nigeria and Uganda. The study suggests that excess liquidity weakens the monetary policy transmission mechanism and thus the ability of monetary authorities to influence demand conditions in the economy.