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Nota di contenuto	Cover; Contents; I. Introduction; Figures; 1. Inflation Targets in Selected Emerging Markets; II. The Empirical Model; 2. South Africa: Output Gap by Hodric-Presscott Filter; III. Estimation Results under a Constant Natural Real Rate Empirical Model; 3. Inflation and Inflation Expectations; Tables; 1. Estimated Response Function of the SARB; 4. The Estimated Implicit Inflation Target; IV. The Sensitivity of the Results to the Pre-determined Parameters; A. A Random Walk or a Stationary Process?; B. A Different (constant) Natural Real Rate; C. Alternative Signal-to-Noise Ratios 2. Estimated Response Function with a Relaxation of the Random Walk Assumption 5. The Estimated Implicit Inflation Target with Different Levels of Natural Real Rate; V. Time-Varying Natural Real Rate; 3. Estimated Response Function with Different Signal-to-Noise Ratios; 6. The Estimated Implicit Inflation Target with Alternative Signal-to-Noise Ratios; 7. The Estimated Time-Varying Natural Interest Rate; 8. The Estimated Implicit Inflation Target with Time-Varying Natural Interest Rate; VI. The Actual versus the Predicted Policy Rate 4. Estimated response function with time-varying natural real rate 9. Actual and Predicted Policy Rate; VII. Conclusions; References; Appendix: Table; 1.A Labor Descriptive Statistics, 2001-Q1-2011-Q4; Appendix: Figures; 1.A The Estimated Implicit Inflation Target; 2A. The SARB's Policy Rate
Sommario/riassunto	This paper applies a state-space approach to estimate the implicit inflation target of the South African Reserve Bank (SARB) since the adoption of the Inflation Targeting (IT) framework. The paper's findings are two. First, although the official inflation target range is 3.6 percent, in practice, the SARB seems to have aimed for the upper segment of the band (41.2 .6 percent) for most of the period, despite the substantial variation of the output gap. Second, the estimation results show that the implicit inflation target varied over time, and in recent years it has shifted toward the upper limit of the inflation target range. This perhaps suggests that since the outbreak of the financial crisis in 2008, the SARB's tolerance for higher inflation has somewhat increased to better support economic activity.