

1. Record Nr.	UNINA9910967324303321
Autore	Elekdag Selim
Titolo	Can a Rule-Based Monetary Policy Framework Work in a Developing Country? The Case of Yemen // Selim Elekdag, Nabil Ben Ltaifa, Todd Schneider, Saade Chami
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2007
ISBN	9786613828071 9781462391158 146239115X 9781452755175 1452755175 9781283515627 1283515628 9781451910230 1451910231
Edizione	[1st ed.]
Descrizione fisica	1 online resource (30 p.)
Collana	IMF Working Papers
Altri autori (Persone)	Ben LtaifaNabil ChamiSaade SchneiderTodd
Disciplina	332
Soggetti	Monetary policy - Yemen (Republic) Anti-inflationary policies - Yemen (Republic) Currency Deflation Exchange rate flexibility Exchange rate pass-through Exchange rates Foreign Exchange Foreign exchange Inflation Macroeconomics Monetary economics Monetary policy frameworks Monetary Policy Monetary policy Money and Monetary Policy Price Level Prices Yemen, Republic of

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"January 2007." At head of title: Middle East and Central Asia Department.
Nota di bibliografia	Includes bibliographical references (p. 27-28).
Nota di contenuto	Contents; I. Introduction; II. Key Considerations in Designing a Monetary Policy Framework for Yemen; A. Instability of Money Demand; B. Maintaining a Flexible Exchange Rate Regime; C. Exchange Rate Pass-through to Inflation; Figures; 1. Overall and Core Inflation, January 2000-July 2006; III. An Alternative Monetary Policy Framework; A. General Considerations; B. Instruments and Operating Targets; C. Monetary Policy Rule; IV. Forward-Looking Approach and the Need to Forecast Inflation; A. Forecasting Techniques; V. Concluding Remarks; Appendixes; I. Instability of Money Demand in Yemen II. Evidence of Exchange Rate-Inflation Pass-Through in Yemen III. Inflation Forecasting Techniques for Yemen; Bibliography
Sommario/riassunto	Monetary policy in Yemen is largely rudimentary and ad hoc in nature. The Central Bank of Yemen's (CBY) approach has been based on discretionary targeting of broad money without any clear target to anchor inflation expectations. This paper argues in favor of a new formal monetary policy framework for Yemen emphasizing a proactive and rule-based approach with a greater direct focus on price stability in the context of a flexible management of the exchange rate. Although, as in many developing countries, institutional capacity is a concern, adopting a more formal framework could impel the kind of changes that are required to strengthen the ability of the CBY in achieving low and stable rates of inflation over the medium term.