

Monetary Policies in the New European Setting

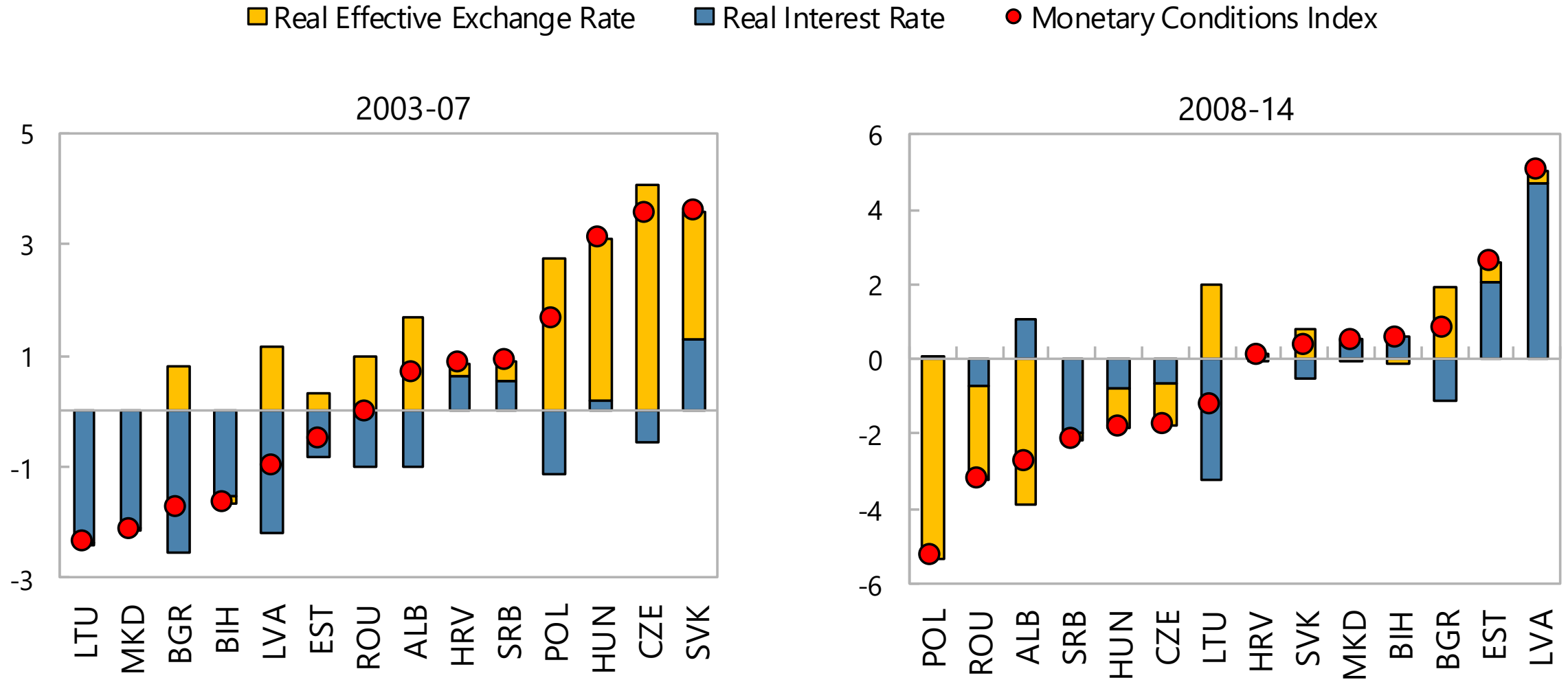
Regional dimension: There is
life beyond eurozone, isn't there?

Narodowy Bank Polski
Warsaw
October 25, 2019

Poul M. Thomsen
Director, European Department
International Monetary Fund



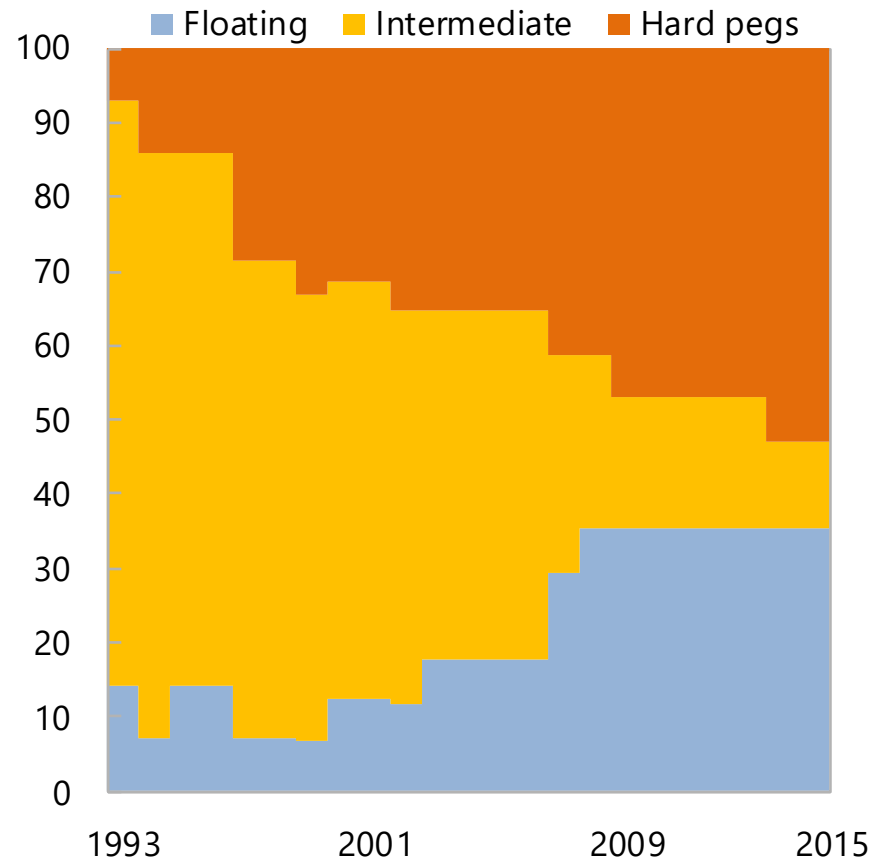
Monetary conditions were countercyclical under high exchange rate flexibility and mildly procyclical under low exchange rate flexibility



Sources: Haver Analytics; IMF, INS database; and IMF staff calculations.

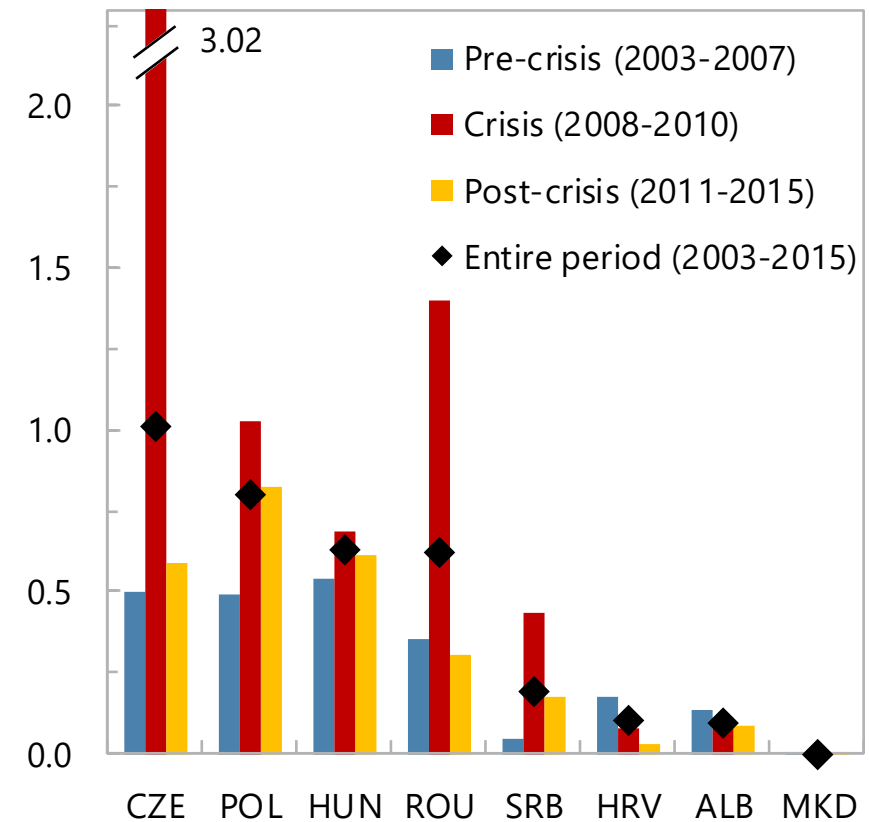
De facto exchange rates tend to be less flexible than indicated by de jure classification

IMF Classification
(Percent of total)



Effective Flexibility

(Calvo-Reinhart "Fear of Floating" index, average over quarterly values)



Sources: IMF, AREAER; and IMF staff calculations.

THANK YOU

