



4.13

Monetary indicators

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Afghanistan	..	46.0	..	20.1	..	-7.8	..	..	..	18.1	..	7.5
Albania	51.8	13.7	1.8	14.2	-8.3	3.3	15.3	5.7	19.7	14.1	8.9	10.6
Algeria	9.6	22.8	1.0	3.9	-10.0	-19.9	16.6	1.8	18.4	8.0	-7.9	0.5
Angola	4,105.6	38.6	471.4	33.7	119.5	0.7	125.9	6.8	206.3	17.7	-84.7	9.9
Argentina	-2.8	24.5	-1.1	15.2	7.8	-1.1	11.9	8.0	17.9	11.1	14.2	-2.7
Armenia	64.3	42.3	70.3	39.7	7.2	-4.7	63.2	6.3	111.9	17.5	-18.9	12.8
Australia	8.5	29.9	12.5	23.6	0.4	5.9	6.1	4.7	10.7	10.0	9.1	5.1
Austria ^a	..	..	..	..	..	..	2.2	..	6.4	..	6.1	..
Azerbaijan	25.4	73.2	6.1	56.4	-32.7	2.8	..	11.6	..	19.1	..	4.1
Bangladesh	12.1	13.6	25.0	10.5	4.8	4.3	6.0	9.2	14.0	16.0	6.2	8.6
Belarus	158.4	34.7	61.4	46.6	44.7	-31.8	100.8	8.3	175.0	8.6	-63.9	-3.1
Belgium ^a	..	..	..	..	..	..	4.0	..	8.4	8.6	7.1	6.8
Benin	-1.8	19.6	2.2	14.3	6.0	-17.6	3.5	3.5	16.8	..	13.0	..
Bolivia	7.7	26.2	13.7	6.6	1.1	-4.5	18.9	3.5	51.0	12.9	35.5	5.1
Bosnia and Herzegovina	22.0	32.6	23.9	24.1	-0.4	0.8	51.9	3.6	73.5	7.2	76.3	1.1
Botswana	12.3	31.2	-1.7	12.7	10.0	-26.9	9.8	8.6	14.4	16.2	5.2	4.0
Brazil	44.3	18.6	40.5	21.8	14.6	4.6	52.2	10.6	78.2	43.7	65.5	38.1
Bulgaria	40.5	31.3	22.1	44.0	-7.2	-6.5	35.9	3.7	79.4	10.0	10.1	2.0
Burkina Faso	22.3	23.8	2.9	0.9	-7.3	-11.1	3.5	3.5	16.8	..	16.5	..
Burundi	-8.0	13.8	-7.1	4.5	0.2	-1.4	..	..	15.3	16.8	-0.7	6.7
Cambodia	43.6	61.8	12.5	40.2	1.2	-13.1	8.7	1.9	18.7	16.4	6.4	11.2
Cameroon	-6.2	14.9	0.3	3.0	-2.2	-17.1	5.5	4.3	16.0	15.0	6.0	12.7
Canada	4.8	-25.3	3.8	-2.5	0.2	-0.4	5.3	2.1	8.7	6.1	6.2	10.3
Central African Republic	4.3	-3.6	3.9	3.0	-7.9	3.5	5.5	4.3	16.0	15.0	5.2	12.8
Chad	48.8	9.8	6.4	3.5	-18.6	-28.6	5.5	4.3	16.0	15.0	6.6	12.3
Chile	24.3	18.2	34.9	27.1	-2.0	1.6	13.7	5.6	18.2	8.7	7.0	3.6
China	29.5	16.7	22.5	13.4	0.8	3.7	11.0	4.1	12.1	7.5	-1.5	0.0
Hong Kong, China	10.6	18.8	9.8	4.8	-2.4	-3.8	5.6	2.4	8.8	6.8	4.4	3.7
Colombia	28.2	11.9	34.3	30.8	2.9	-6.9	32.3	8.0	42.7	15.4	20.1	10.1
Congo, Dem. Rep.	357.6	50.7	59.6	17.6	-7.9	5.1	60.0	..	293.9	..	-30.5	..
Congo, Rep.	-0.1	7.1	6.3	1.0	2.0	-4.2	5.5	4.3	16.0	15.0	12.2	24.9
Costa Rica	4.7	18.5	-1.4	53.7	5.6	-7.0	23.9	6.4	36.7	12.8	11.9	3.2
Cote d'Ivoire	18.1	23.6	13.3	10.5	0.3	3.7	3.5	3.5	16.8	..	16.8	..
Croatia	40.4	18.2	30.5	14.2	-2.4	-0.8	5.5	2.3	20.2	9.3	14.1	5.1
Cuba	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	29.3	12.8	15.8	16.3	2.1	-2.6	7.0	1.3	12.8	5.8	-3.6	2.1
Denmark	6.2	12.1	2.6	38.4	-1.5	-2.2	3.9	..	10.3	..	9.0	..
Dominican Republic	16.6	22.1	14.4	21.8	-1.7	9.4	14.9	7.0	30.7	15.8	16.0	9.6
Ecuador	6.8	18.4	15.1	13.1	-74.8	-3.3	43.3	5.0	55.7	12.1	45.7	7.1
Egypt, Arab Rep.	9.9	19.1	12.1	5.7	0.6	2.2	10.9	6.1	16.5	12.5	4.6	-0.1
El Salvador	13.5	17.8	22.6	9.5	-0.9	3.1	14.4	..	19.1	..	7.8	..
Eritrea	21.0	12.1	27.8	2.4	20.5	11.3	..	..	..	..	..	..
Estonia	27.5	13.6	28.9	52.5	-9.3	0.9	8.7	4.4	19.0	6.5	-9.3	-2.9
Ethiopia	9.0	-46.8	13.4	14.7	-3.5	5.4	11.5	3.6	15.1	7.0	2.1	-4.1
Finland ^a	..	..	..	..	..	..	3.2	1.0	7.8	3.7	2.9	3.0
France ^a	..	..	..	..	..	..	4.5	2.9	8.1	6.6	6.7	4.9
Gabon	10.1	6.9	11.9	20.7	5.8	-47.2	5.5	4.3	16.0	15.0	14.5	9.3
Gambia, The	14.2	6.7	-5.0	4.8	15.2	-5.4	12.5	12.9	25.0	27.9	20.3	21.0
Georgia	40.2	49.7	-11.1	79.0	73.8	-1.4	31.0	9.5	58.2	20.4	10.6	9.8
Germany ^a	..	..	..	..	..	..	3.9	..	10.9	..	8.9	..
Ghana	43.2	42.8	10.2	20.1	28.1	10.9	28.7	8.9	..	..	..	..
Greece ^a	..	..	..	..	..	..	15.8	2.2	23.1	..	12.1	..
Guatemala	15.6	11.3	36.1	18.2	-7.1	-1.4	7.9	4.8	21.2	12.8	11.5	6.3
Guinea	11.3	33.4	12.1	19.8	8.4	18.1	17.5	14.4	21.5	..	14.7	..
Guinea-Bissau	43.0	24.9	-6.7	7.5	-20.4	-0.3	3.5	3.5	32.9	..	-8.2	..
Haiti	27.1	11.1	15.7	2.7	0.1	-3.6	4.2	1.5	24.8	47.0	-2.4	22.9

Monetary indicators

4.13

ECONOMY

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Honduras	28.9	19.3	18.0	27.5	-7.5	0.4	12.0	7.8	27.0	16.6	1.7	9.0
Hungary	20.9	9.5	4.9	19.6	20.2	1.9	24.4	6.8	32.6	9.1	4.6	3.2
India	11.0	22.3	6.0	13.1	3.4	1.5	..	..	15.5	13.0	5.9	7.8
Indonesia	27.5	19.3	25.9	13.3	-2.3	0.5	16.7	8.0	18.9	13.9	8.3	2.2
Iran, Islamic Rep.	30.1	30.6	9.8	37.1	17.3	-0.5	..	11.6	..	12.0	..	-7.0
Iraq	..	37.1	..	3.0	..	-44.3	..	11.4	..	19.7	..	..
Ireland ^a	..	..	..	..	..	..	0.4	0.0	6.6	2.7	3.4	0.1
Israel	21.7	-4.4	18.3	7.5	-0.5	-1.8	14.1	3.5	20.2	6.3	-0.2	6.5
Italy ^a	..	..	..	..	..	..	6.4	..	13.2	6.3	7.9	4.0
Jamaica	28.0	12.6	18.0	15.7	6.1	-1.6	23.2	7.1	43.6	17.2	17.5	-7.9
Japan	4.1	0.8	1.3	-0.1	2.5	-0.4	0.9	0.8	3.5	1.9	4.0	2.5
Jordan	5.7	12.4	9.6	9.4	-3.8	5.3	7.7	5.4	10.7	8.7	8.6	2.6
Kazakhstan	108.2	25.9	-72.5	73.2	24.7	-20.0	..	..	..	..	..	..
Kenya	29.0	20.4	26.7	10.8	6.6	0.8	13.6	5.2	28.8	13.3	15.8	8.3
Korea, Dem. Rep.	..	..	..	..	..	..	..	..	..	..	..	..
Korea, Rep.	15.6	0.3	21.6	18.1	-1.2	-3.7	8.8	5.2	9.0	6.6	1.5	5.3
Kuwait	9.4	19.3	10.9	31.2	-2.0	5.4	6.5	5.4	8.4	8.5	3.4	-7.7
Kyrgyz Republic	14.8	33.2	0.1	29.2	62.6	-8.8	36.7	5.4	65.0	25.3	21.9	10.4
Lao PDR	16.4	38.7	18.1	8.4	-9.7	-1.8	14.0	5.0	25.7	28.5	5.0	24.2
Latvia	-21.4	13.5	-23.8	59.2	6.5	-2.1	14.8	6.1	34.6	10.9	5.5	-2.1
Lebanon	16.4	12.4	13.1	4.9	5.1	0.4	16.3	8.0	24.7	10.3	12.8	5.1
Lesotho	9.8	16.4	-2.3	8.2	-18.7	-52.0	13.3	6.5	16.4	14.1	15.3	7.5
Liberia	29.5	42.4	-6.0	16.6	37.2	67.9	6.4	3.8	15.6	15.1	8.5	-0.8
Libya	9.6	38.0	3.1	2.9	3.6	-38.9	5.5	2.5	7.0	6.0	..	0.6
Lithuania	28.9	21.7	12.7	48.8	-2.4	2.3	20.1	5.4	27.1	6.9	-13.2	-1.6
Macedonia, FYR	1.8	30.7	-138.9	26.7	-229.7	9.0	24.1	4.9	46.0	10.2	24.6	4.9
Madagascar	16.2	20.9	9.4	8.0	-10.3	1.0	18.5	16.5	37.5	45.0	-5.3	31.5
Malawi	56.2	36.6	2.8	9.9	-10.4	1.7	37.3	6.0	47.3	27.7	-16.9	18.9
Malaysia	18.5	10.5	29.2	8.1	-0.7	-1.4	5.9	3.2	8.7	6.4	4.9	1.2
Mali	7.3	13.7	18.9	10.2	-11.6	-2.2	3.5	3.5	16.8	..	14.5	..
Mauritania	-5.1	..	-42.5	..	-28.9	..	9.0	8.0	20.3	23.5	17.0	26.7
Mauritius	18.6	15.4	8.7	14.6	3.0	-0.4	12.2	11.8	20.8	21.9	16.1	13.9
Mexico	31.9	13.8	-2.9	12.0	27.6	1.8	39.8	3.2	59.4	7.6	15.6	2.7
Moldova	65.3	39.8	34.6	37.8	19.1	-5.6	25.4	15.0	36.7	18.8	7.7	2.7
Mongolia	32.6	56.7	14.4	57.5	-31.8	-17.0	74.6	13.5	134.4	17.5	46.9	4.6
Morocco	7.0	16.1	6.9	17.3	5.1	0.2	7.3	3.7	11.3	11.5	3.1	10.4
Mozambique	47.7	26.2	21.8	8.1	-12.5	3.8	38.8	11.9	24.4	19.5	18.0	12.6
Myanmar	36.5	30.0	13.4	4.2	19.7	28.9	9.8	12.0	16.5	17.0	-2.4	-2.2
Namibia	22.6	10.2	30.5	15.7	1.7	-10.0	10.8	7.5	18.5	12.9	12.1	12.0
Nepal	15.4	18.6	18.1	14.6	3.3	4.8	9.6	2.3	12.9	8.0	4.7	0.3
Netherlands ^a	..	..	..	..	..	..	4.4	3.9	7.2	4.6	5.0	3.4
New Zealand	9.3	9.8	15.8	18.7	-3.9	-2.7	8.5	7.8	12.1	12.8	9.9	7.5
Nicaragua	35.1	18.5	30.3	27.4	-21.5	-4.8	11.1	6.1	19.9	13.0	5.7	3.5
Niger	3.8	24.7	-22.8	11.5	10.2	-14.7	3.5	3.5	16.8	..	15.5	..
Nigeria	19.4	64.2	22.3	79.2	-9.1	4.7	13.5	10.3	20.2	16.9	-22.9	11.3
Norway	3.8	..	9.5	..	-1.9	..	5.0	4.9	7.6	6.7	4.4	5.0
Oman	7.7	34.7	9.3	29.9	-2.3	-11.2	6.5	4.1	9.4	7.3	7.5	-0.3
Pakistan	13.8	19.5	10.8	10.0	8.7	7.1	..	5.3	..	11.8	..	3.5
Panama	8.4	17.4	14.5	18.9	-4.3	-6.6	7.2	4.8	11.1	8.3	10.6	6.2
Papua New Guinea	13.7	27.8	0.2	14.4	5.0	-11.3	7.3	1.1	13.1	9.8	-2.3	7.2
Paraguay	0.5	29.5	4.9	28.0	0.1	-7.7	21.2	5.0	33.9	25.0	17.9	13.4
Peru	29.3	23.0	31.1	19.7	-8.1	-9.0	9.6	3.2	36.2	22.9	20.5	20.4
Philippines	23.9	5.4	27.9	2.1	3.0	0.1	8.4	3.7	14.7	8.7	6.6	5.7
Poland	35.6	13.0	19.1	22.3	3.1	-2.5	26.8	2.2	33.5	5.5	-5.2	3.9
Portugal ^a	..	..	..	..	..	..	8.4	..	13.8	..	10.0	..
Puerto Rico	..	..	..	..	..	..	..	..	..	..	..	..



4.13

Monetary indicators

	Money and quasi money		Claims on private sector		Claims on governments and other public entities		Interest rate					
	annual % growth		Annual growth % of M2		Annual growth % of M2		Deposit		% Lending		Real	
	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007	1995	2007
Romania	69.6	33.9	23.1	50.3	11.6	5.0	44.7	6.7	50.7	13.4	11.4	2.3
Russian Federation	112.6	44.2	46.2	41.7	73.6	-17.7	102.0	5.1	320.3	10.0	72.3	-3.1
Rwanda	69.5	18.0	32.7	14.5	-41.0	-13.8	11.1	6.8	18.5	15.8	6.9	6.4
Saudi Arabia	3.4	20.1	3.4	15.4	1.4	-23.3	6.2	4.8	..	..	..	..
Senegal	7.4	13.1	1.2	6.9	1.0	5.0	3.5	3.5	16.8	..	17.8	..
Serbia	33.0	42.5	88.5	36.2	34.1	-1.0	19.1	4.1	78.0	11.1	23.0	4.1
Sierra Leone	19.6	22.6	1.6	8.5	-101.6	-4.5	7.0	10.0	28.8	25.0	-3.6	13.3
Singapore	8.5	13.4	19.7	12.8	-8.1	3.0	3.5	0.5	6.4	5.3	4.0	1.2
Slovak Republic ^a	18.4	11.1	3.4	14.8	-4.8	-1.4	9.0	3.7	16.8	8.0	7.1	6.8
Slovenia ^a	30.4	8.4	31.6	40.5	5.0	-2.3	15.4	3.6	23.4	5.9	-4.0	1.7
Somalia	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	16.0	20.2	18.9	26.2	-4.1	-0.9	13.5	9.2	17.9	13.2	6.9	3.9
Spain ^a	..	..	..	..	..	..	7.7	..	10.1	..	4.9	..
Sri Lanka	35.8	16.5	75.4	15.9	5.4	1.4	12.1	9.1	18.0	17.1	8.0	2.7
Sudan	72.7	10.3	10.6	8.0	389.1	4.2	..	..	..	..	..	..
Swaziland	3.9	21.5	1.3	21.5	-14.8	-50.9	9.4	7.1	17.1	13.2	-1.5	3.9
Sweden	3.1	11.4	-1.1	31.1	-4.0	0.3	6.2	0.8	11.1	3.3	7.2	2.4
Switzerland	4.6	3.3	4.0	10.1	0.2	-0.1	1.3	2.1	5.5	3.2	4.7	1.7
Syrian Arab Republic	9.2	12.4	3.9	4.4	6.1	-18.8	4.0	8.3	9.0	10.2	2.2	6.5
Tajikistan	..	169.9	..	253.7	..	-13.8	23.9	8.4	75.5	22.9	6.2	-3.9
Tanzania	33.0	20.5	-3.9	16.1	16.3	-0.7	24.6	8.7	42.8	16.0	12.6	9.5
Thailand	17.7	2.5	40.3	4.3	-4.2	0.4	11.6	2.9	13.3	7.1	7.3	3.7
Timor-Leste	..	43.9	..	-11.0	..	-135.6	..	0.8	..	15.1	..	2.5
Togo	22.3	16.8	17.6	15.5	14.9	0.8	3.5	3.5	17.5	..	13.8	..
Trinidad and Tobago	4.0	10.8	9.0	12.0	0.6	8.8	6.9	5.9	15.2	11.8	10.7	7.6
Tunisia	6.6	12.4	10.4	9.8	-1.2	1.2	..	..	..	..	..	..
Turkey	104.2	15.2	66.9	16.2	30.1	3.9	76.0	22.6	..	..	..	..
Turkmenistan	449.5	..	76.3	..	-573.1	..	..	..	..	..	..	..
Uganda	13.9	22.0	9.6	10.7	-41.2	-13.4	7.6	9.3	20.2	19.1	9.9	11.4
Ukraine	115.5	50.8	7.7	68.6	95.4	1.3	70.3	8.1	122.7	13.9	-56.8	-6.5
United Arab Emirates	10.2	41.7	10.7	36.3	-4.3	0.7	..	..	..	..	..	..
United Kingdom	20.3	15.9	19.6	19.9	1.0	-0.3	4.1	..	6.7	5.5	3.9	2.4
United States	6.9	12.1	6.0	7.1	0.2	1.4	..	..	8.8	8.1	6.7	5.3
Uruguay	36.9	5.0	35.2	7.6	1.0	-10.6	57.7	2.4	93.1	8.9	36.9	0.4
Uzbekistan	..	..	..	..	..	..	..	..	..	..	..	..
Venezuela, RB	36.6	28.7	15.3	39.6	32.8	-10.7	24.7	10.7	39.7	17.1	-7.9	2.7
Vietnam	25.8	49.1	18.9	44.5	0.7	-1.0	8.5	7.5	20.1	11.2	10.5	2.7
West Bank and Gaza	..	5.6	..	2.9	..	2.4	..	3.0	..	7.7	..	2.3
Yemen, Rep.	50.7	17.0	6.0	7.1	13.3	12.6	23.8	13.0	31.5	18.0	-3.2	2.6
Zambia	55.5	25.3	34.2	20.5	185.8	-8.7	30.2	9.2	45.5	18.9	5.4	8.7
Zimbabwe	25.5	64,472.5	25.5	67,582.1	-0.3	11,566.1	25.9	121.5	34.7	579.0	23.0	-0.7

a. As members of the European Monetary Union, these countries share a single currency, the euro.

About the data

Money and the financial accounts that record the supply of money lie at the heart of a country's financial system. There are several commonly used definitions of the money supply. The narrowest, M1, encompasses currency held by the public and demand deposits with banks. M2 includes M1 plus time and savings deposits with banks that require prior notice for withdrawal. M3 includes M2 as well as various money market instruments, such as certificates of deposit issued by banks, bank deposits denominated in foreign currency, and deposits with financial institutions other than banks. However defined, money is a liability of the banking system, distinguished from other bank liabilities by the special role it plays as a medium of exchange, a unit of account, and a store of value.

The banking system's assets include its net foreign assets and net domestic credit. Net domestic credit includes credit extended to the private sector and general government and credit extended to the nonfinancial public sector in the form of investments in short- and long-term government securities and loans to state enterprises; liabilities to the public and private sectors in the form of deposits with the banking system are netted out. Net domestic credit also includes credit to banking and nonbank financial institutions.

Domestic credit is the main vehicle through which changes in the money supply are regulated, with central bank lending to the government often playing the most important role. The central bank can regulate lending to the private sector in several ways—for example, by adjusting the cost of the refinancing facilities it provides to banks, by changing market interest rates through open market operations, or by controlling the availability of credit through changes in the reserve requirements imposed on banks and ceilings on the credit provided by banks to the private sector.

Monetary accounts are derived from the balance sheets of financial institutions—the central bank, commercial banks, and nonbank financial intermediaries. Although these balance sheets are usually reliable, they are subject to errors of classification, valuation, and timing and to differences in accounting practices. For example, whether interest income is recorded on an accrual or a cash basis can make a substantial difference, as can the treatment of nonperforming assets. Valuation errors typically arise for foreign exchange transactions, particularly in countries with flexible exchange rates or in countries that have undergone currency devaluation during the

reporting period. The valuation of financial derivatives and the net liabilities of the banking system can also be difficult. The quality of commercial bank reporting also may be adversely affected by delays in reports from bank branches, especially in countries where branch accounts are not computerized. Thus the data in the balance sheets of commercial banks may be based on preliminary estimates subject to constant revision. This problem is likely to be even more serious for nonbank financial intermediaries.

Many interest rates coexist in an economy, reflecting competitive conditions, the terms governing loans and deposits, and differences in the position and status of creditors and debtors. In some economies interest rates are set by regulation or administrative fiat. In economies with imperfect markets, or where reported nominal rates are not indicative of effective rates, it may be difficult to obtain data on interest rates that reflect actual market transactions. Deposit and lending rates are collected by the International Monetary Fund (IMF) as representative interest rates offered by banks to resident customers. The terms and conditions attached to these rates differ by country, however, limiting their comparability. Real interest rates are calculated by adjusting nominal rates by an estimate of the inflation rate in the economy. A negative real interest rate indicates a loss in the purchasing power of the principal. The real interest rates in the table are calculated as $(i - P) / (1 + P)$, where i is the nominal lending interest rate and P is the inflation rate (as measured by the GDP deflator).

Definitions

- **Money and quasi money** are the sum of currency outside banks, demand deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. This definition of the money supply, often called M2, corresponds to lines 34 and 35 in the IMF's *International Financial Statistics* (IFS). The change in money supply is measured as the difference in end-of-year totals relative to M2 in the preceding year.
- **Claims on private sector** (IFS line 32 d) include gross credit from the financial system to individuals, enterprises, nonfinancial public entities not included under net domestic credit, and financial institutions not included elsewhere.
- **Claims on governments and other public entities** (IFS line 32 an + 32 b + 32 bx + 32 c) usually comprise direct credit for specific purposes, such as financing the government budget deficit; loans to state enterprises; advances against future credit authorizations; and purchases of treasury bills and bonds, net of deposits by the public sector. Public sector deposits with the banking system also include sinking funds for the service of debt and temporary deposits of government revenues.
- **Deposit interest rate** is the rate paid by commercial or similar banks for demand, time, or savings deposits.
- **Lending interest rate** is the rate charged by banks on loans to prime customers.
- **Real interest rate** is the lending interest rate adjusted for inflation as measured by the GDP deflator.

Data sources

Data on monetary and financial statistics are published by the IMF in its monthly *International Financial Statistics* and annual *International Financial Statistics Yearbook*. The IMF collects data on the financial systems of its member countries. The World Bank receives data from the IMF in electronic files that may contain more recent revisions than the published sources. The discussion of monetary indicators draws from an IMF publication by Marcello Caiola, *A Manual for Country Economists* (1995). Also see the IMF's *Monetary and Financial Statistics Manual* (2000) for guidelines for the presentation of monetary and financial statistics. Data on real interest rates are derived from World Bank data on the GDP deflator.