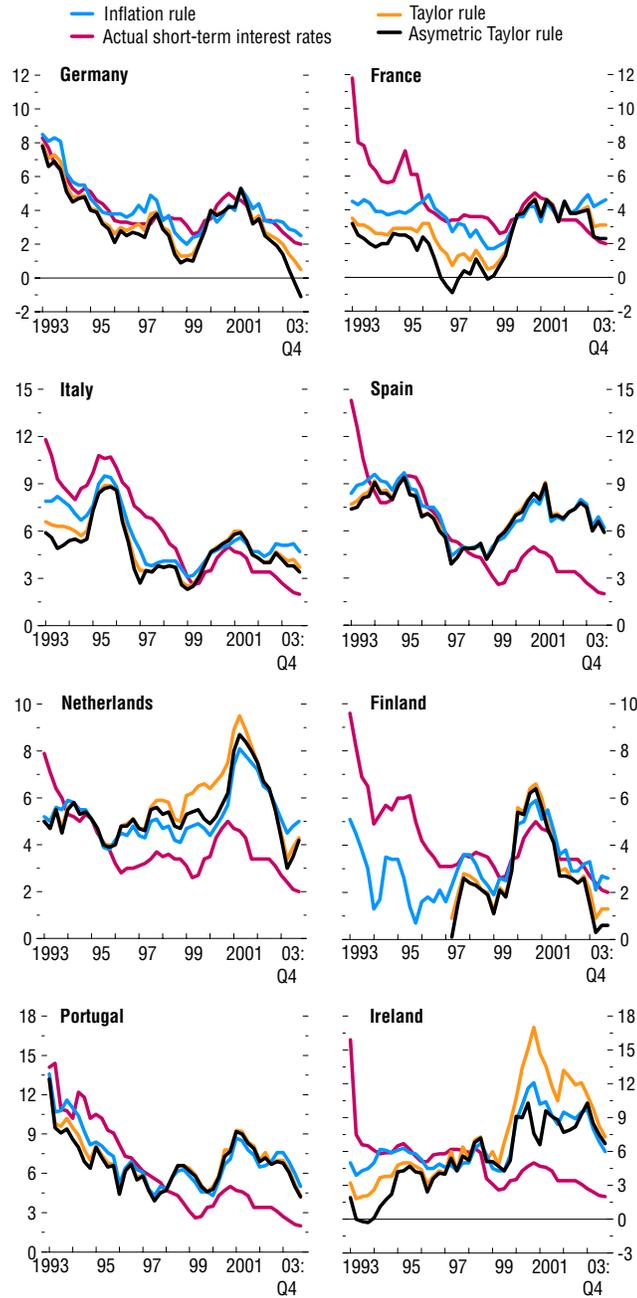


Figure 2.20. Monetary Policy Rules for Selected Euro Area Economies
(Percent)

Prior to 1999, short-term interest rates were broadly in line with the benchmarks in Germany only, signaling the leadership position held by the Bundesbank within the European exchange rate mechanism. After the euro, deviations from the benchmarks were smaller in the other two large economies but increased in Germany toward the end of the period. Elsewhere, substantial deviations continued.



Sources: OECD analytical database; and IMF staff calculations.