DM/75/96

INTERNATIONAL MONETARY FUND

Middle Eastern Department

Alternative Exchange Regimes for MED Countries: The Numerical Aspects

Prepared by Andreas S. Gerakis and Orlando Roncesvalles

November 6, 1975

I. Introduction

Since March 1973 considerable attention has focused on possible exchange regimes for the developing nations in a world of generalized floating by the major currencies. Several studies have already appeared discussing the theoretical aspects of this issue.[1] The present paper has a much more limited objective: it attempts to define clearly the concepts involved and to bring out in easily understandable terms the precise numerical implications of some of the available alternatives for the Middle Eastern Department (MED) countries over the period which has elapsed since July 1, 1974. The comparisons made are for pegs to the U.S. dollar, the SDR and own composites weighted in various ways. Nineteen countries are studied: Afghanistan, Bahrain, Egypt, Ethiopia, Iran, Iraq, Jordan, Kuwait, Lebanon, the Libyan Arab Republic (LAR), Oman, Pakistan, Qatar, Saudi Arabia, the Sudan, the Syrian Arab Republic (SAR), the United Arab Emirates (U.A.E.), the Yemen Arab Republic (YAR), and the P.D.R. of Yemen (PDRY). As regards the period covered, the writers feel that it is long enough and includes sufficiently large fluctuations of the major currencies to bring out sharply the differences among the arrangements examined; the initial date was suggested by the fact that it marks the beginning of the basket valuation of the SDR.

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[1] See, for example, Andrew Crockett and Saleh M. Nsouli, "Exchange Rate Policies for Developing Countries," DM/75/68, August 1, 1975 and Fred Hirsch, "Fluctuating Rates and the Developing Countries," United Nations Conference on Trade and Development, Trade and Development Board, Fifteenth Session, Geneva, August 5, 1975 (TD/B/555/Add. 1).

II. Basic Calculations

Within this period separate calculations have been made for July 1, 1974 (Base Date), September 3, 1974 (Date A), February 27, 1975 (Date B) and September 29, 1975 (Date C), i.e., the dates of the principal highs and lows of the U.S. dollar in terms of the SDR.[1] With respect to each of these dates and each of the MED countries, regardless of their actual exchange regime,[2] the writers have computed exchange rates in terms of the U.S. dollar, three other major currencies, and the SDR on the assumptions of: (1) a peg to the U.S. dollar; (2) a peg to the SDR; and (3) a policy to stabilize an effective exchange rate (EER) defined in terms of import-weighted baskets. These baskets are based on shares in total imports summed, wherever possible, over the three most recent years for which data are available, i.e., in most cases, calendar years 1972-74 or 1971-73. The formulae for calculating changes in the EER and the procedure applied in order to stabilize the EER are both explained in Appendix II. As regards the exchange rates used they are shown in Appendix III. In an exercise of this kind it is necessary to have some currency as a common denominator in which to translate the values of other currencies. The U.S. dollar has been used here for this purpose; however, another numeraire would have made no difference in the outcome of the calculations.

The detailed results are tabulated in Appendix IV, while a summary showing some of the computed changes in percentage terms is given in Table 1 below. One important point brought out by this table relates to the effects of a peg to the U.S. dollar. Between the Base Date and Date A, the EERs of the MED countries (column (3)) would have appreciated under such a peg by percentages in the range of 1.4-3.8, while between Date A and Date B they would have depreciated by 4.4-8.0 per cent. Furthermore, from Date B to Date C the EERs would have appreciated by 6.8-12.3 per cent with one exception; the appreciation for the YAR would have been 20.1 per cent. This very large deviation is mainly due to the fact that the YAR is the only country in the MED group which imports from Argentina and the fact that Argentina has recently devalued its currency by a very substantial percentage.

1/ On the Base Date the SDR/dollar rate was SDR 1 = US$1.20601 and on the three subsequent dates mentioned above SDR 1 was equal, respectively, to US$1.18307, US$1.26132 and US$1.16213.

2/ Three MED currencies, the Afghani, the Lebanese pound and the Saudi Arabian riyal, are presently classified as floating; another three, the Iranian rial, the Jordan dinar and the Qatar riyal, are pegged to the SDR; and one, the Kuwaiti dinar, is pegged to its own composite. The remaining twelve are pegged to the U.S. dollar. The Saudi Arabian riyal was pegged to the SDR between March 15 and September 8, 1975.

3/ Argentina's share in the YAR's imports is only 2 per cent. However, had it been pegged to the U.S. dollar the Yemen rial would have appreciated by no less than 640 per cent in terms of the Argentine peso.

Table 1. Principal Effects of Alternative Pegs

(In per cent)

| | Peg to U.S. dollar | | | Peg to SDR | | | Pegging the EER | | |
| | | | | ---Change in--- | | | | | |
	U.S. dollar equivalent (1)	SDR equivalent (2)	Effective exchange rate (3)	U.S. dollar equivalent (4)	SDR equivalent (5)	Effective exchange rate (6)	U.S. dollar equivalent (7)	SDR equivalent (8)	Effective exchange rate (9)
A. From July 1, 1974 to September 3, 1974									
Afghanistan	0.0	1.9	3.8	-1.9	0.0	1.8	-3.6	-1.4	0.0
Bahrain	0.0	1.9	2.2	-1.9	0.0	0.2	-2.1	-0.2	0.0
Egypt	0.0	1.9	1.4	-1.9	0.0	-0.5	-1.4	0.5	0.0
Ethiopia	0.0	1.9	2.6	-1.9	0.0	0.6	-2.5	-0.6	0.0
Iran	0.0	1.9	2.7	-1.9	0.0	0.7	-2.7	-0.8	0.0
Iraq	0.0	1.9	2.1	-1.9	0.0	0.2	-2.0	-0.2	0.0
Jordan	0.0	1.9	1.8	-1.9	0.0	-0.1	-1.8	0.1	0.0
Kuwait	0.0	1.9	2.5	-1.9	0.0	0.5	-2.4	-0.5	0.0
Lebanon	0.0	1.9	1.6	-1.9	0.0	-0.3	-1.6	0.3	0.0
L.A.R.	0.0	1.9	2.1	-1.9	0.0	0.2	-2.1	-0.2	0.0
Oman	0.0	1.9	2.0	-1.9	0.0	0.0	-1.9	0.0	0.0
Pakistan	0.0	1.9	1.7	-1.9	0.0	-0.3	-1.6	0.2	0.0
Qatar	0.0	1.9	2.3	-1.9	0.0	0.3	-2.2	-0.3	0.0
Saudi Arabia	0.0	1.9	1.9	-1.9	0.0	0.0	-1.9	0.0	0.0
S.A.R.	0.0	1.9	1.8	-1.9	0.0	-0.1	-1.8	0.1	0.0
Sudan	0.0	1.9	2.5	-1.9	0.0	0.5	-2.4	-0.5	0.0
U.A.E.	0.0	1.9	2.5	-1.9	0.0	0.6	-2.4	-0.6	0.0
Y.A.R.	0.0	1.9	1.7	-1.9	0.0	-0.2	-1.7	0.2	0.0
Y.P.D.R.	0.0	1.9	1.7	-1.9	0.0	-0.2	-1.7	0.2	0.0
B. From September 3, 1974 to February 27, 1975									
Afghanistan	0.0	-6.2	-6.0	6.6	0.0	0.3	6.2	-0.7	0.0
Bahrain	0.0	-6.2	-3.7	6.6	0.0	2.7	3.8	-2.6	0.0
Egypt	0.0	-6.2	-5.6	6.6	0.0	0.6	6.0	-0.6	0.0
Ethiopia	0.0	-6.2	-6.1	6.6	0.0	0.2	6.5	-0.2	0.0
Iran	0.0	-6.2	-7.1	6.6	0.0	-1.0	7.6	0.8	0.0
Iraq	0.0	-6.2	-6.7	6.6	0.0	-0.5	7.2	0.5	0.0
Jordan	0.0	-6.2	-5.4	6.6	0.0	1.0	5.7	-0.9	0.0
Kuwait	0.0	-6.2	-5.6	6.6	0.0	0.7	5.9	-0.7	0.0
Lebanon	0.0	-6.2	-8.0	6.6	0.0	-1.9	8.7	1.9	0.0
L.A.R.	0.0	-6.2	-7.0	6.6	0.0	-0.8	7.4	0.8	0.0
Oman	0.0	-6.2	-4.8	6.6	0.0	1.5	5.0	-1.5	0.0
Pakistan	0.0	-6.2	-4.4	6.6	0.0	2.0	4.5	-1.9	0.0
Qatar	0.0	-6.2	-4.9	6.6	0.0	1.4	5.2	-1.4	0.0
Saudi Arabia	0.0	-6.2	-4.8	6.6	0.0	1.5	5.1	-1.5	0.0
S.A.R.	0.0	-6.2	-6.3	6.6	0.0	0.0	6.7	0.0	0.0
Sudan	0.0	-6.2	-5.2	6.6	0.0	1.1	5.4	-1.1	0.0
U.A.E.	0.0	-6.2	-5.4	6.6	0.0	0.9	5.7	-0.9	0.0
Y.A.R.	0.0	-6.2	-4.8	6.6	0.0	1.5	5.0	-1.5	0.0
Y.P.D.R.	0.0	-6.2	-4.1	6.6	0.0	2.2	4.5	-2.2	0.0
C. From February 27, 1975 to September 29, 1975									
Afghanistan	0.0	8.5	10.6	-7.9	0.0	2.0	-9.9	-1.5	0.0
Bahrain	0.0	8.5	9.1	-7.9	0.0	0.5	-8.4	-0.5	0.0
Egypt	0.0	8.5	9.3	-7.9	0.0	0.7	-8.6	-0.8	0.0
Ethiopia	0.0	8.5	10.8	-7.9	0.0	2.1	-9.8	-2.1	0.0
Iran	0.0	8.5	10.7	-7.9	0.0	2.0	-9.7	-2.4	0.0
Iraq	0.0	8.5	12.0	-7.9	0.0	3.1	-10.7	-3.0	0.0
Jordan	0.0	8.5	8.2	-7.9	0.0	-0.3	-7.6	0.3	0.0
Kuwait	0.0	8.5	8.9	-7.9	0.0	0.3	-8.0	-0.3	0.0
Lebanon	0.0	8.5	9.8	-7.9	0.0	1.1	-9.0	-1.2	0.0
L.A.R.	0.0	8.5	10.5	-7.9	0.0	1.8	-9.5	-1.8	0.0
Oman	0.0	8.5	9.3	-7.9	0.0	0.6	-8.5	-0.7	0.0
Pakistan	0.0	8.5	7.5	-7.9	0.0	-1.1	-6.9	1.0	0.0
Qatar	0.0	8.5	9.5	-7.9	0.0	1.0	-8.7	-0.9	0.0
Saudi Arabia	0.0	8.5	6.8	-7.9	0.0	-1.6	-6.4	1.6	0.0
S.A.R.	0.0	8.5	9.0	-7.9	0.0	0.4	-8.3	-0.4	0.0
Sudan	0.0	8.5	12.3	-7.9	0.0	3.5	-11.0	-3.4	0.0
U.A.E.	0.0	8.5	9.2	-7.9	0.0	0.5	-8.4	-0.5	0.0
Y.A.R.	0.0	8.5	20.1	-7.9	0.0	10.8	-16.8	-9.7	0.0
Y.P.D.R.	0.0	8.5	6.9	-7.9	0.0	-1.6	-6.5	1.5	0.0

Note: For small numbers, and with due allowance for rounding errors, columns (4), (6), (7) and (8) can be obtained approximately from columns (2) and (3) as follows: (4) = -(2); (6) = (3)-(2); (7) = -(3); and (8) = (2)-(3). The following are true exactly:

$$(4) = \frac{-(2)}{1 + \frac{(2)}{100}}; \quad (6) = (1 + \frac{(3)}{100}) \times (1 + \frac{(4)}{100}) - 1; \quad (7) = \frac{-(3)}{1 + \frac{(3)}{100}}; \quad (8) = (1 + \frac{(7)}{100}) \times (1 + \frac{(2)}{100}) - 1.$$

The above changes in EERs would have mainly reflected the fluctuations of the MED currencies in step with the U.S. dollar against the other major currencies. These fluctuations, which are shown in Appendix IV and in the bottom part of Table 2, would have been indeed considerable. From Date B to Date C, the period of the largest swings of the U.S. dollar, the MED currencies would have appreciated by about 19 per cent in terms of the pound sterling, 17 per cent in terms of the deutsche mark, almost 10 per cent vis-a-vis the French franc and the Italian lira, and 6 per cent against the Japanese yen.

A question debated currently is whether a country which decides to link to a composite should peg to its own basket or the SDR. In principle, the former arrangement may be preferable inasmuch as it is better adapted to a country's individual circumstances. However, if the exchange rates computed from these two alternatives are not too different, the balance of advantage is said to tip in favor of the SDR. A peg to the latter is simple and easier to administer. It provides certainty and inspires confidence, particularly so compared to a basket, the composition of which is not disclosed. Moreover, from an international standpoint, the SDR peg should be given the nod, because it ensures constancy in exchange rates among the peggers.

How large are the actual differences for the MED countries? One answer may be found by comparing columns (4) and (7) in Table 1 showing the changes in the U.S. dollar equivalents resulting, respectively, from a peg to the SDR and a policy of pegging the EER. For 15 of the countries discussed, the differences between the two policies would have ranged, disregarding signs, from 0.0-2.1 per cent. There would have been only four larger changes: for Bahrain of 2.8 per cent between Dates A and B; and for Iraq, the Sudan and the YAR, of 2.8, 3.1 and 8.9 per cent, respectively, between Dates B and C. The latter, high percentage is due, also, to the exceptional circumstances explained above. Another answer to the same question may be obtained from column (6) which shows what would have happened to the EER under a peg to the SDR and column (8) indicating the change in the SDR equivalent under a policy of pegging the EER. Here again the differences lie in the same range, with bigger deviations for the same countries and dates. It should be noted that columns (4), (6), (7) and (8) can be derived mathematically from columns (2) and (3), as explained in the note to this table.

III. Alternative Calculations

A number of alternative calculations have been made following discussions within the Middle Eastern Department and with others on the problems associated with the computations of the previous section. Some observers believe that the method used in order to stabilize the EER is difficult to understand--even though it is, apparently, the procedure actually applied by most, if not all, the countries now pegging to their own composites. Accordingly, the writers have computed, with the same import weights, baskets constructed like the SDR basket, as described in Appendix V. Given the similarities of the formulae

used, the results obtained from a peg to an SDR-type basket and pegging the EER are quite close. The differences[1] ranged from 0.0-0.1 per cent between the Base Date and Date A, 0.2-0.7 per cent between Dates A and B, and 0.0-0.3 per cent between Dates B and C (Appendix IV).

Others have suggested the need for calculations with export weights, with trade weights, and with import weights including the CMEA countries and mainland China. It should be pointed out that a decision to change the structure of the weights does not have as large an impact as one may intuitively expect. To some extent the effect of such changes is reduced in the process of averaging involved in the calculation of baskets. Furthermore, it may be offset by similar currency movements; for example, should one reduce the weight of Italy in country A's imports and increase the weight of France, the results will not be affected, if the Italian lira and the French franc remain constant in value in terms of each other.

Given the U.S. dollar and SDR equivalents of the MED currencies on the Base Date, the changes shown in Table 1 can be computed from the data in Table 2[2] applying the procedure which is explained in Appendix II and which is further illustrated in the note to the latter table. With these data one can also compute the effects of weight changes. For instance, one can calculate what would have happened between Dates B and C to the U.S. dollar equivalent of the Sudanese pound, as determined by a peg to an import-weighted basket, if one transferred ten percentage points from the U.S. to the U.K. in Sudan's import weights. Without such a transfer this equivalent would have been LSd 1 = US$2.29 on Date C. With the shift it would have become LSd 1 = US$2.24, a difference of 2.1 per cent. Had the shift been made to other currencies,[3] with respect to which the U.S. dollar appreciated less, the difference would have been smaller: for Japan it would have been the smallest, i.e., less than 1 per cent.

Nevertheless, export weights (see Appendix VI) do make an important difference in several instances. Column (1) of Table 3 reproduces the changes in the U.S. dollar equivalents for 12 MED countries calculated between Dates B and C on the assumption of a peg to their import-weighted basket. The corresponding changes for the same countries based on weights for non-oil exports are given in column (2).[4] In seven of the twelve cases, the deviations between the two sets of results are in a range of 0.3-2.2 per cent.

1/ As measured by the percentage change in the EER associated with a peg to an SDR-type basket.

2/ Of course one would also need to break down the weights grouped together in the column entitled "other" (see Appendix I) and use the corresponding changes in exchange rates (see Appendix III).

3/ Excluding Argentina's.

4/ The 12 countries are those in the MED group which have significant non-oil exports.

Table 2. Summary of Weights and Exchange Rate Data

	SDR	U.S. 1/ dollar	Pound 2/ sterling	European Common Margins Agreements 3/	French franc	Italian lira	Japanese yen	Canadian dollar	Australian dollar	Brazilian cruzeiro	Argentine peso	Swiss franc	Other
					I. Weights								
Afghanistan		0.160	0.350	0.170	--	--	0.320	--	--	--	--	--	--
Bahrain		0.302	0.239	0.098	0.020	0.030	0.154	--	0.103	--	--	0.011	0.043
Egypt		0.249	0.113	0.206	0.143	0.068	0.018	0.017	0.098	--	--	0.031	0.057
Ethiopia		0.176	0.123	0.226	0.050	0.191	0.169	--	--	--	--	0.026	0.039
Iran		0.210	0.140	0.290	0.060	0.060	0.170	--	0.020	--	--	0.030	0.020
Iraq		0.140	0.200	0.200	0.120	0.060	0.090	--	--	0.060	--	0.020	0.110
Jordan		0.436	0.145	0.228	0.035	0.049	0.071	--	--	--	--	--	0.036
Kuwait		0.276	0.147	0.190	0.044	0.051	0.207	--	0.026	--	--	0.017	0.042
Lebanon		0.247	0.101	0.211	0.133	0.104	0.050	0.015	--	--	--	0.081	0.058
L.A.R.		0.128	0.109	0.173	0.095	0.304	0.074	--	--	--	--	0.016	0.101
Oman		0.375	0.253	0.194	0.017	0.011	0.096	--	0.032	--	--	--	0.022
Pakistan		0.420	0.130	0.170	0.020	0.030	0.120	0.030	0.010	--	--	--	0.070
Qatar		0.318	0.270	0.112	0.054	0.027	0.162	--	0.034	--	--	0.011	0.012
Saudi Arabia		0.487	0.107	0.158	0.026	0.041	0.166	--	--	--	--	0.015	--
S.A.R.		0.269	0.061	0.212	0.092	0.110	0.067	0.033	--	0.025	--	0.026	0.105
Sudan		0.186	0.422	0.145	0.053	0.037	0.067	--	0.027	0.047	--	0.016	--
U.A.E.		0.281	0.239	0.090	0.041	0.025	0.233	--	0.023	--	--	0.038	0.030
Y.A.R.		0.319	0.108	0.128	0.070	0.037	0.136	--	0.071	--	0.020	--	0.111
Y.P.D.R.		0.424	0.158	0.088	0.015	0.019	0.141	--	0.011	--	--	--	0.144
				II. Appreciation or depreciation (-) of U.S. dollar in terms of above currencies									
Date A	0.019	--	0.032	0.040	-0.005	0.021	0.061	0.016	0.003	0.028	--	--	--
Date B	-0.062	--	-0.049	-0.144	-0.137	-0.051	-0.055	0.010	0.085	0.083	--	-0.206	--
Date C	0.086	--	0.193	0.171	0.095	0.097	0.060	0.027	0.087	0.119	6.407	0.152	--

1/ Weights for MED countries include currencies pegged to U.S. dollar and those of Iran, Kuwait, Lebanon and Saudi Arabia.
2/ Including India and Sri Lanka.
3/ Includes deutsche mark, Netherlands guilder, Belgian franc, Swedish krona, Danish krone and Norwegian krone. The bottom part of the table shows the appreciation or depreciation of the U.S. dollar against the deutsche mark.

Note: If one is given the U.S. dollar equivalents on the base date, one can compute the same equivalents for any of the three subsequent dates with the data shown above, and a comparable breakdown of the weights and rates grouped under "other." The following examples for Afghanistan and date A illustrate the procedures involved assuming that on the base date Af 1 = US$0.0167: (1) Under an SDR peg divide 0.0167 by one plus percentage shown in bottom part of table under SDR column for date A, i.e., 0.019. Thus the new equivalent is $\frac{0.0167}{1.019} = 0.0164.$ (2) Under a policy to stabilize the EER divide 0.0167 by the sum of one plus the relevant percentages shown in bottom part of table, each multiplied by the weight shown in top part. Thus, the new equivalent is

$$\frac{0.0167}{0.16 + 1.032 \times 0.35 + 1.040 \times 0.17 + 1.061 \times 0.32} = 0.0161.$$

For subsequent dates one should use in the numerator the dollar equivalent for the previous dates.

However, they are much larger in the remaining five, those of Ethiopia, Iraq, Jordan, Lebanon and the YAR. For each of these latter countries, the fraction of exports going to the U.S., dollar pegged countries, or currencies which moved in step with the dollar, was much higher than the corresponding percentage of imports originating in the same areas. The most striking instance was that of Iraq; 14 per cent of Iraq's imports are from these areas, while 88 per cent of its exports are destined to them.[1] An additional explanation of the difference for the YAR is that this country's export weights, unlike its import weights, do not include Argentina.

In contrast, the results with trade weights should not be expected to differ much from those based on import weights. The trade weights (see Appendix VII) have been obtained by summing the import and non-oil export data over the most recent three-year period, and by then computing the relevant percentage shares. Consequently, the effect of a skewed distribution of exports is reduced in the averaging process, all the more so as the exports of the MED countries are by and large considerably smaller than their imports. Calculations with trade weights have been made for three countries, Ethiopia, Lebanon and the Sudan, for the period between Dates B and C and the results are shown in column (3) of Table 3. The figures in that column are indeed very close to those in column (1).

Table 3. Changes in U.S. Dollar Equivalents of Selected
MED Currencies Calculated with Four Weighting Schemes
Under a Policy to Stabilize EER Between Dates B and C

(In per cent)

	With Import Weights (1)	With Export Weights (2)	With Trade Weights (3)	With Import Weights Including CMEA and Mainland China (4)
Afghanistan	-9.9	-12.1		
Egypt	-8.6	-10.3		
Ethiopia	-9.8	-6.1	-8.4	-9.6
Iran	-9.7	-8.3		
Iraq	-10.7	-2.2		
Jordan	-7.5	-3.7		
Lebanon	-9.0	-3.7	-7.5	-8.7
Pakistan	-6.9	-7.2		
S.A.R.	-3.3	-6.5		
Sudan	-11.0	-9.7	-10.4	-9.9
Y.A.R.	-16.8	-3.8		
Y.P.D.R.	-6.5	-7.2		

1/ For the other four countries, Ethiopia, Jordan, Lebanon and the YAR, the corresponding percentages of imports are 17.6, 43.6, 24.7 and 31.9, respectively; for exports they are 46.0, 69.3, 67.6 and 49.6 per cent.

There appears to be a measure of agreement on the view that the CMEA, mainland China, and other centrally planned economies (the CB) should be excluded in basket calculations. However, there are some who argue that the CB should be included for certain countries on political, and in a few cases even economic, grounds. In terms of the formulae set forth in Appendix II, bringing in the CB means the introduction of a new group of weights and the proportional reduction of the weights for the U.S. dollar and the other non-CB currencies. Given the recent exchange rate policies of the CB nations, particularly of the most important ones, the U.S.S.R. and mainland China,[1] it turns out that the calculations are not materially affected by such an insertion. That the differences would indeed be very small is confirmed by the results for Ethiopia, Lebanon and the Sudan listed in column (4) of Table 3. Perhaps this may be perplexing to some readers and an example, say for Afghanistan, may prove helpful. Suppose one wanted to have a weight of 0.20 for the U.S.S.R. in Afghanistan's imports. If so, the weights for the U.S. and the other countries or groups would all be reduced to 80 per cent of the figures shown in Table 2. Between Dates B and C the U.S. dollar appreciated by about 5 per cent in terms of the ruble. Calculating the dollar equivalent of the Afghani on these bases (see note in Table 2), one would find that it would differ by approximately 1 per cent as compared with the result obtained from a peg to the import-weighted basket excluding the U.S.S.R.

IV. Summary of Conclusions

The conclusions of this paper may be summarized as follows: In the first place, a peg to the U.S. dollar would have led to substantial fluctu-ations of the EERs of the MED countries arising from large swings of their exchange rates in terms of the principal non-dollar currencies. Secondly, pegs to an import-weighted basket or the SDR would have yielded essentially similar results for the majority of the countries in question. Thirdly, an SDR-type basket is a close substitute to a procedure of pegging the EER and should perhaps be preferred by those who find it easier to under-stand. Fourth, the results obtained with trade weights or import weights including the CB do not differ much from those computed on the basis of import shares exluding the CB countries; in contrast, considerable differences may arise should one decide to use export weights.

1/ As indicated in Appendix III, eight CB currencies appear in the weights of the countries studied here. Of these, the ruble, the renminbi and the currencies of Czechoslovakia and East Germany moved vis-a-vis the U.S. dollar in the same direction as the major non-dollar currencies (with one exception, that of the East German mark between the Base Date and Date A). Three other CB countries kept their rates unchanged in terms of the dollar. One held its rate constant between the Base Date and Date A and between Dates B and C, but appreciated between Dates A and B.

Matrix of Import Weights

(Excluding CMEA Countries and Mainland China)

	Afghanistan	Bahrain	Egypt	Ethiopia	Iran	Iraq	Jordan	Kuwait	Lebanon	Libya	Oman	Pakistan	Qatar	Saudi Arabia	Syria	Sudan	U.A.E.	Y.A.R.	P.D.R.Y.
AFGHANISTAN	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.020	.000	.000	.000	.000	.000	.000	.000
BAHRAIN	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.013	.000	.021	.016	.000	.000	.000	.043	.022
EGYPT	.000	.000	.000	.000	.000	.010	.051	.000	.000	.015	.000	.000	.000	.000	.032	.056	.000	.026	.026
ETHIOPIA	.000	.000	.000	.000	.000	.000	.000	.017	.003	.000	.019	.010	.019	.000	.000	.000	.039	.009	.071
IRAN	.000	.022	.000	.083	.000	.000	.000	.000	.049	.000	.000	.000	.000	.000	.068	.000	.000	.016	.082
IRAQ	.000	.000	.014	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.015	.016	.000	.000	.000	.000
JORDAN	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.050	.027	.027	.000	.000	.015	.026	.000	.103
KUWAIT	.000	.012	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
LEBANON	.000	.018	.031	.000	.000	.030	.080	.051	.000	.041	.016	.000	.071	.143	.100	.014	.000	.000	.000
LIBYA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
OMAN	.000	.000	.000	.000	.000	.000	.000	.016	.000	.000	.000	.026	.016	.015	.000	.016	.026	.013	.023
PAKISTAN	.090	.030	.000	.000	.000	.020	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.056
QATAR	.000	.000	.000	.000	.000	.000	.048	.000	.022	.000	.000	.070	.022	.000	.000	.000	.019	.062	.000
SAUDI ARABIA	.000	.014	.000	.000	.000	.000	.072	.000	.023	.000	.000	.000	.000	.027	.000	.000	.000	.000	.000
SYRIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.229	.000	.026	.000	.000	.000	.000	.012
SUDAN	.000	.000	.024	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
U.A.E.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.017
YEMEN ARAB REP.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.131	.000
YEMEN, P.D.R.	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
UNITED STATES	.070	.183	.180	.093	.210	.080	.185	.168	.137	.072	.072	.290	.116	.220	.069	.070	.171	.011	.013
UNITED KINGDOM	.090	.202	.067	.108	.130	.140	.121	.113	.101	.098	.201	.090	.241	.089	.061	.232	.199	.063	.115
AUSTRIA	.000	.000	.000	.000	.010	.020	.011	.000	.016	.000	.000	.000	.000	.000	.032	.000	.000	.026	.000
BELGIUM	.000	.011	.016	.020	.030	.060	.032	.024	.031	.022	.000	.020	.020	.026	.042	.023	.000	.000	.015
DENMARK	.000	.013	.011	.014	.000	.000	.011	.015	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.015
FRANCE	.000	.020	.143	.050	.060	.120	.035	.044	.133	.095	.017	.020	.054	.026	.092	.053	.041	.070	.044
GERMANY	.170	.050	.124	.141	.220	.070	.130	.113	.137	.118	.071	.110	.064	.081	.122	.089	.061	.061	.019
ITALY	.000	.030	.068	.191	.060	.060	.049	.051	.104	.304	.011	.030	.027	.041	.110	.037	.025	.037	.029
NETHERLANDS	.000	.024	.036	.029	.030	.030	.042	.028	.026	.033	.088	.040	.028	.051	.034	.033	.029	.041	.000
SWEDEN	.000	.000	.019	.022	.010	.040	.013	.010	.017	.000	.035	.000	.000	.000	.026	.016	.038	.000	.000
SWITZERLAND	.000	.011	.031	.026	.030	.020	.000	.017	.081	.016	.000	.000	.011	.015	.033	.000	.000	.000	.000
CANADA	.000	.000	.017	.000	.000	.000	.000	.000	.015	.000	.000	.030	.000	.000	.033	.000	.000	.000	.141
JAPAN	.320	.154	.018	.169	.170	.090	.071	.207	.050	.074	.096	.120	.162	.166	.067	.067	.233	.136	.000
GREECE	.000	.000	.015	.000	.000	.000	.000	.000	.000	.018	.003	.000	.000	.000	.014	.000	.000	.000	.000
SPAIN	.000	.000	.024	.000	.000	.030	.013	.012	.020	.020	.000	.000	.000	.000	.000	.000	.000	.000	.000
PORTUGAL	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.030	.000	.000	.000	.000
TURKEY	.000	.000	.000	.000	.000	.020	.012	.000	.022	.000	.000	.000	.000	.000	.013	.000	.000	.000	.000
YUGOSLAVIA	.000	.000	.018	.000	.000	.000	.000	.026	.000	.000	.032	.010	.034	.000	.000	.027	.023	.071	.011
AUSTRALIA	.000	.103	.098	.000	.020	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
NEW ZEALAND	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
SOUTH AFRICA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
MEXICO	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
HONG KONG	.000	.025	.000	.000	.000	.000	.000	.018	.000	.018	.000	.000	.012	.000	.000	.000	.030	.024	.032
SINGAPORE	.000	.018	.000	.013	.000	.000	.000	.000	.000	.000	.022	.020	.000	.000	.000	.000	.000	.033	.035
INDIA	.260	.037	.046	.015	.010	.030	.024	.034	.000	.000	.052	.000	.029	.018	.000	.190	.040	.019	.043
THAILAND	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.024	.000	.000	.000	.000	.000	.012
SOMALIA	.000	.000	.000	.000	.000	.060	.000	.000	.000	.000	.000	.000	.000	.000	.025	.047	.000	.000	.000
BRAZIL	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.016
KENYA	.000	.000	.000	.000	.000	.030	.000	.000	.000	.011	.000	.040	.000	.000	.000	.000	.000	.029	.000
SRI LANKA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.016
TANZANIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.021	.000	.000	.000	.000	.000	.000	.054	.021
AFARS-ISSAS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.021	.000	.000	.000	.000	.000	.000	.000	.000	.000
TUNISIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
INDONESIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
ISRAEL	.000	.000	.000	.026	.010	.000	.000	.000	.000	.000	.020	.000	.000	.000	.000	.000	.000	.000	.000
MALAYSIA	.000	.000	.000	.000	.000	.040	.000	.024	.016	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
CHINA, REP. OF KOREA	.000	.023	.000	.000	.000	.000	.000	.012	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
UGANDA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.015	.000	.000	.000
ZAIRE	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
IRELAND	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.020	.000
ARGENTINA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
TOTALS	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Pegging the Effective Exchange Rate (EER): An Example for Ethiopia

1. Weights: U.S. = .60
             Italy = .40

2. Exchange rates on base date: Eth\$1 = \$0.48
                                 Lit 1 = \$0.0015
                                 Eth\$1 = .48÷.0015 = Lit 320

3. Exchange rates on subsequent date: Eth\$1 = \$0.48
                                       Lit 1 = \$0.0016
                                       Eth\$1 = .48÷.0016 = Lit 300

4. Calculation of change in EER on subsequent date:

$$.6(\frac{.48}{.48} -1) + .4(\frac{300}{320} -1) = -.025$$

i.e., there is a depreciation of 2.5 per cent in the EER.

5. Calculation of new exchange rates for U.S. dollar and Italian lira which will reduce to zero the change in the EER:

Let: x and x÷.0016 be the new equivalents of the Ethiopian dollar in terms of the U.S. dollar and the Italian lira, respectively:

Then: $.6(\frac{x}{.48} -1) + .4(\frac{x÷.0016}{320} -1) = 0$

$\frac{.6x}{.48} + .4(\frac{x÷.0016}{.48÷.0015}) = 1$

and $x = \frac{.48}{.6 + .4(\frac{.0015}{.0016})} = .4923$

or Eth\$1 = US\$.4923 = Lit 308

6. Check: $.6(\frac{.4923}{.48} -1) + .4(\frac{308}{320} -1) = .015 - .015 = 0.$

7. Formula to compute change in EER:

$$CER = \Sigma s_i (\frac{z_{it}}{z_{ib}} -1)$$

where: CER is the change in the EER

Σ is summation sign

s_i is share of country i in Ethiopia's imports

z_{it} is the equivalent of one Ethiopian dollar in terms of the currency of country i on date t

z_{ib} is the same equivalent on base date.

8. Formula to compute the U.S. dollar equivalent of one Ethiopian dollar which stabilizes the EER:

$$R_t = \frac{R_b}{s_r + \Sigma s_i \dfrac{R_{ib}}{R_{it}}}$$

where: R_t is the U.S. dollar equivalent which stabilizes the EER in period t

R_b is U.S. dollar equivalent in base period

s_r is the share of the U.S. in Ethiopia's imports

s_i is the share of country i (i is not the U.S.) in Ethiopia's imports

R_{ib} is the U.S. dollar equivalent of the currency of country i on base date

R_{it} is the same equivalent on date t

Z_{ib} and Z_{it} as defined above.

Note i: $\dfrac{R_{ib}}{R_{it}}$ -1 represents the per cent appreciation or depreciation of the U.S. dollar in terms of the currency of country i between base date and date t.

Note ii: R_t, R_b, s_r, R_{ib} and R_{it} should be redefined in terms of another numeraire currency should one want to base one's calculations on such a currency.

Exchange Rates Used in Calculations[1]
(In U.S. dollars)

	July 1, 1974	September 3, 1974	February 27, 1975	September 29, 1975
AFGHANISTAN	0.017	0.019	0.018	0.017
BAHRAIN	2.532	2.532	2.528	2.528
EGYPT	2.556	2.556	2.556	2.556
ETHIOPIA	0.483	0.483	0.483	0.483
IRAN	0.015	0.015	0.015	0.014
IRAQ	3.386	3.386	3.386	3.386
JORDAN	3.135	3.135	3.195	3.021
KUWAIT	3.378	3.400	3.455	3.387
LEBANON	0.441	0.441	0.446	0.440
LIBYAN ARAB REP.	3.378	3.378	3.378	3.378
OMAN	2.895	2.895	2.895	2.895
PAKISTAN	0.101	0.101	0.101	0.101
QATAR	0.253	0.253	0.253	0.245
SAUDI ARABIA	0.282	0.282	0.282	0.283
SYRIAN ARAB REP.	0.272	0.272	0.272	0.272
SUDAN	2.500	2.500	2.500	2.500
U.A.E.	0.253	0.253	0.253	0.253
YEMEN ARAB REP.	0.222	0.222	0.219	0.219
YEMEN P.D.R.	2.886	2.886	2.886	2.886
UNITED STATES	1.000	1.000	1.000	1.000
UNITED KINGDOM	2.386	2.311	2.431	2.037
AUSTRIA	0.055	0.053	0.062	0.053
BELGIUM	0.026	0.025	0.029	0.024
DENMARK	0.167	0.162	0.186	0.161
FRANCE	0.207	0.208	0.241	0.220
GERMANY	0.391	0.376	0.439	0.375
ITALY	0.002	0.002	0.002	0.001
NETHERLANDS	0.375	0.369	0.426	0.365
SWEDEN	0.227	0.223	0.256	0.221
SWITZERLAND	0.332	0.332	0.418	0.363
CANADA	1.028	1.012	1.002	0.976
JAPAN	0.004	0.003	0.004	0.003
GREECE	0.033	0.033	0.033	0.029
SPAIN	0.017	0.017	0.018	0.017
PORTUGAL	0.040	0.039	0.042	0.037
TURKEY	0.074	0.074	0.072	0.067
YUGOSLAVIA	0.066	0.063	0.059	0.057
AUSTRALIA	1.488	1.483	1.367	1.258
NEW ZEALAND	1.457	1.422	1.353	1.048
SOUTH AFRICA	1.500	1.450	1.490	1.150
MEXICO	0.080	0.080	0.080	0.080
HONG KONG	0.200	0.198	0.218	0.201
SINGAPORE	0.409	0.405	0.450	0.400
INDIA	0.127	0.123	0.129	0.111
THAILAND	0.050	0.050	0.050	0.050
SOMALIA	0.160	0.160	0.160	0.160
BRAZIL	0.147	0.143	0.132	0.118
KENYA	0.140	0.140	0.140	0.140
SRI LANKA	0.153	0.148	0.156	0.131
TANZANIA	0.140	0.140	0.140	0.140
AFARS-ISSAS	0.005	0.005	0.006	0.006
TUNISIA	2.273	2.273	2.618	2.322
ROMANIA	0.201	0.201	0.201	0.201
CHINA, MAINLAND	0.515	0.500	0.560	0.504
POLAND	0.301	0.301	0.301	0.301
HUNGARY	0.109	0.109	0.118	0.118
EAST GERMANY	0.352	0.385	0.435	0.392
CZECHOSLAVAKIA	0.175	0.169	0.185	0.175
U.S.S.R.	1.329	1.320	1.418	1.351
BULGARIA	1.031	1.031	1.031	1.031
INDONESIA	0.002	0.002	0.002	0.002
ISRAEL	0.238	0.238	0.167	0.143
MALAYSIA	0.420	0.419	0.451	0.390
CHINA, REP. OF	0.026	0.026	0.026	0.026
KOREA	0.003	0.003	0.002	0.002
UGANDA	0.140	0.140	0.140	0.140
ZAIRE	2.000	2.000	2.000	2.000
IRELAND	2.398	2.313	2.424	2.041
ARGENTINA	0.200	0.200	0.200	0.027
SDR	1.206	1.183	1.261	1.162

[1] The actual calculations were made using exchange rates rounded to five decimal places.

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Afghanistan

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.0167	0.0070	4.7493	C.0427	0.0138	100.0000
September 3, 1974	0.0167	0.0072	5.0363	0.0444	0.0141	103.7607
February 27, 1975	0.0167	0.0069	4.7629	0.0379	0.0132	97.5675
September 29, 1975	0.C167	0.0082	5.0515	0.0445	0.0143	107.9598
Exchange rates under a peg to the SDR						
July 1, 1974	0.C167	0.0070	4.7493	0.0427	0.0138	100.0000
September 3, 1974	0.0164	0.0071	4.9405	0.0435	0.0138	101.7870
February 27, 1975	0.0174	0.0072	4.9813	0.0397	0.0138	102.0421
September 29, 1975	0.0161	0.0079	4.8677	0.0429	0.0138	104.0318
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.0167	0.0070	4.7493	0.0427	0.0138	100.0000
September 3, 1974	0.0161	0.0070	4.8556	0.0428	C.0136	100.0378
February 27, 1975	0.0171	0.0070	4.8905	0.0390	0.0136	100.1815
September 29, 1975	0.0155	0.0076	4.6912	0.0413	0.0133	100.2597
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.0167	0.0070	4.7493	0.C427	0.0138	100.0000
September 3, 1974	0.0161	0.0070	4.8537	0.0428	0.0136	100.0000
February 27, 1975	0.0171	0.0070	4.8816	0.C389	0.0135	100.0000
September 29, 1975	0.0154	0.0076	4.6791	0.C412	0.0133	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Bahrain

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	2.5325	1.0612	721.4957	6.4827	2.0999	100.0000
September 3, 1974	2.5325	1.0961	765.0906	6.7406	2.1406	102.1528
February 27, 1975	2.5325	1.0417	723.5571	5.7647	2.0078	98.3762
September 29, 1975	2.5325	1.2432	767.4091	6.7604	2.1791	107.3401
Exchange rates under a peg to the SDR						
July 1, 1974	2.5325	1.0612	721.4957	6.4827	2.0999	100.0000
September 3, 1974	2.4843	1.0752	750.5375	6.6124	2.0999	100.2097
February 27, 1975	2.6486	1.0895	756.7409	6.0291	2.0999	102.8879
September 29, 1975	2.4403	1.1980	739.4873	6.5144	2.0999	103.4346
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	2.5325	1.0612	721.4957	6.4827	2.0999	100.0000
September 3, 1974	2.4802	1.0735	749.3129	6.6016	2.0964	100.0462
February 27, 1975	2.5828	1.0624	737.9343	5.8793	2.0477	100.3309
September 29, 1975	2.3711	1.1640	718.5268	6.3298	2.0403	100.5028
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	2.5325	1.0612	721.4957	6.4827	2.0999	100.0000
September 3, 1974	2.4791	1.0730	748.9667	6.5986	2.0955	100.0000
February 27, 1975	2.5743	1.0589	735.5004	5.8599	2.0409	100.0000
September 29, 1975	2.3593	1.1582	714.9322	6.2981	2.0301	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Egypt

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	2.5556	1.0708	728.0798	6.5418	2.1190	100.0000
September 3, 1974	2.5556	1.1061	772.0725	6.8021	2.1601	101.3857
February 27, 1975	2.5556	1.0512	730.1600	5.8173	2.0261	95.6731
September 29, 1975	2.5556	1.2546	774.4121	6.8221	2.1990	104.6306
Exchange rates under a peg to the SDR						
July 1, 1974	2.5556	1.0708	728.0798	6.5418	2.1190	100.0000
September 3, 1974	2.5069	1.0850	757.3866	6.6727	2.1190	99.4572
February 27, 1975	2.6728	1.0995	763.6466	6.0841	2.1190	100.0609
September 29, 1975	2.4626	1.2089	746.2356	6.5739	2.1190	100.8237
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	2.5556	1.0708	728.0798	6.5418	2.1190	100.0000
September 3, 1974	2.5214	1.0913	761.7546	6.7112	2.1312	100.0308
February 27, 1975	2.6889	1.1061	768.2549	6.1209	2.1318	100.6647
September 29, 1975	2.4563	1.2058	744.3299	6.5571	2.1136	100.5662
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	2.5556	1.0708	728.0798	6.5418	2.1190	100.0000
September 3, 1974	2.5206	1.0909	761.5204	6.7092	2.1306	100.0000
February 27, 1975	2.6711	1.0988	763.1818	6.0804	2.1177	100.0000
September 29, 1975	2.4425	1.1990	740.1394	6.5202	2.1017	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Ethiopia

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
	Exchange rates under a peg to the U.S. dollar					
July 1, 1974	0.4831	0.2024	137.6325	1.2366	0.4006	100.0000
September 3, 1974	0.4831	0.2091	145.9466	1.2858	0.4083	102.5574
February 27, 1975	0.4831	0.1987	138.0257	1.0997	0.3830	96.3443
September 29, 1975	0.4831	0.2372	146.3909	1.2896	0.4157	106.7745
	Exchange rates under a peg to the SDR					
July 1, 1974	0.4831	0.2024	137.6325	1.2366	0.4006	100.0000
September 3, 1974	0.4739	0.2051	143.1725	1.2614	0.4006	100.6066
February 27, 1975	0.5052	0.2078	144.3558	1.1501	0.4006	100.7628
September 29, 1975	0.4655	0.2285	141.0646	1.2427	0.4006	102.8895
	Exchange rates under a peg to an SDR-type basket					
July 1, 1974	0.4831	0.2024	137.6325	1.2366	0.4006	100.0000
September 3, 1974	0.4712	0.2040	142.3699	1.2543	0.3983	100.0426
February 27, 1975	0.5053	0.2079	144.3696	1.1502	0.4006	100.7724
September 29, 1975	0.4562	0.2240	138.2513	1.2179	0.3926	100.8376
	Exchange rates under a peg to the effective exchange rate index					
July 1, 1974	0.4831	0.2024	137.6325	1.2366	0.4006	100.0000
September 3, 1974	0.4710	0.2039	142.3092	1.2538	0.3982	100.0000
February 27, 1975	0.5014	0.2063	143.2630	1.1414	0.3975	100.0000
September 29, 1975	0.4524	0.2221	137.1029	1.2078	0.3893	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Iran

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.0148	0.0062	4.2137	0.0379	0.0123	100.0000
September 3, 1974	0.0148	0.0064	4.4683	0.0394	0.0125	102.6650
February 27, 1975	0.0148	0.0061	4.2257	0.0337	0.0117	95.4113
September 29, 1975	0.0148	0.0073	4.4818	0.0395	0.0127	105.6303
Exchange rates under a peg to the SDR						
July 1, 1974	0.0148	0.0062	4.2137	0.0379	0.0123	100.0000
September 3, 1974	0.0145	0.0063	4.3833	0.0386	0.0123	100.7121
February 27, 1975	0.0155	0.0064	4.4195	0.0352	0.0123	99.7871
September 29, 1975	0.0143	0.0070	4.3187	0.0380	0.0123	101.7870
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.0148	0.0062	4.2137	0.0379	0.0123	100.0000
September 3, 1974	0.0144	0.0062	4.3543	0.0384	0.0122	100.0469
February 27, 1975	0.0156	0.0064	4.4564	0.0355	0.0124	100.6193
September 29, 1975	0.0141	0.0069	4.2682	0.0376	0.0121	100.5961
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.0148	0.0062	4.2137	0.0379	0.0123	100.0000
September 3, 1974	0.0144	0.0062	4.3523	0.0383	0.0122	100.0000
February 27, 1975	0.0155	0.0064	4.4289	0.0353	0.0123	100.0000
September 29, 1975	0.0140	0.0069	4.2429	0.0374	0.0120	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Iraq

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	3.3862	1.4189	964.7379	8.6682	2.8078	100.0000
September 3, 1974	3.3862	1.4656	1023.0302	9.0131	2.8622	102.1432
February 27, 1975	3.3862	1.3929	967.4943	7.7082	2.6847	95.3078
September 29, 1975	3.3862	1.6624	1026.1303	9.0396	2.9138	106.6998
Exchange rates under a peg to the SDR						
July 1, 1974	3.3862	1.4189	964.7379	8.6682	2.8078	100.0000
September 3, 1974	3.3218	1.4377	1003.5707	8.8417	2.8078	100.2003
February 27, 1975	3.5415	1.4568	1011.8655	8.0618	2.8078	99.6788
September 29, 1975	3.2630	1.6019	988.7951	8.7107	2.8078	102.8175
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	3.3862	1.4189	964.7379	8.6682	2.8078	100.0000
September 3, 1974	3.3164	1.4354	1001.9396	8.8273	2.8032	100.0374
February 27, 1975	3.5722	1.4694	1020.6336	8.1316	2.8321	100.5425
September 29, 1975	3.1934	1.5677	967.7014	8.5249	2.7479	100.6242
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	3.3862	1.4189	964.7379	8.6682	2.8078	100.0000
September 3, 1974	3.3152	1.4348	1001.5646	8.8240	2.8022	100.0000
February 27, 1975	3.5529	1.4615	1015.1265	8.0877	2.8168	100.0000
September 29, 1975	3.1736	1.5580	961.6988	8.4720	2.7309	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Jordan

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	3.1350	1.3136	893.1624	8.0251	2.5995	100.0000
September 3, 1974	3.1350	1.3568	947.1299	8.3444	2.6499	101.7887
February 27, 1975	3.1350	1.2896	895.7143	7.1364	2.4855	96.3457
September 29, 1975	3.1350	1.5390	950.0000	8.3689	2.6976	104.2320
Exchange rates under a peg to the SDR						
July 1, 1974	3.1350	1.3136	893.1624	8.0251	2.5995	100.0000
September 3, 1974	3.0754	1.3310	929.1142	8.1857	2.5995	99.8525
February 27, 1975	3.2788	1.3487	936.7935	7.4636	2.5995	100.7643
September 29, 1975	3.0209	1.4830	915.4348	8.0644	2.5995	100.4395
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	3.1350	1.3136	893.1624	8.0251	2.5995	100.0000
September 3, 1974	3.0811	1.3335	930.8425	8.2009	2.6043	100.0382
February 27, 1975	3.2630	1.3422	932.2813	7.4277	2.5870	100.2790
September 29, 1975	3.0171	1.4812	914.2770	8.0542	2.5962	100.3125
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	3.1350	1.3136	893.1624	8.0251	2.5995	100.0000
September 3, 1974	3.0799	1.3330	930.4866	8.1978	2.6033	100.0000
February 27, 1975	3.2539	1.3385	929.6875	7.4070	2.5798	100.0000
September 29, 1975	3.0077	1.4765	911.4287	8.0291	2.5881	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Kuwait

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3778	1.4619	1020.4773	8.9906	2.8551	102.4896
February 27, 1975	3.3778	1.3895	965.0800	7.6890	2.6780	96.7738
September 29, 1975	3.3778	1.6582	1023.5697	9.0170	2.9065	105.3548
Exchange rates under a peg to the SDR						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3135	1.4341	1001.0664	8.8196	2.8008	100.5401
February 27, 1975	3.5327	1.4532	1009.3405	8.0416	2.8008	101.2120
September 29, 1975	3.2549	1.5979	986.3277	8.6890	2.8008	101.5216
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.2974	1.4272	996.2083	8.7768	2.7872	100.0522
February 27, 1975	3.5051	1.4419	1001.4688	7.9789	2.7789	100.4227
September 29, 1975	3.2183	1.5799	975.2441	8.5913	2.7693	100.3807
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.2957	1.4264	995.6888	8.7722	2.7857	100.0000
February 27, 1975	3.4904	1.4358	997.2533	7.9453	2.7672	100.0000
September 29, 1975	3.2061	1.5739	971.5450	8.5587	2.7588	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Lebanon

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.4405	0.1846	125.5071	1.1277	0.3653	100.0000
September 3, 1974	0.4405	0.1907	133.0906	1.1726	0.3724	101.5893
February 27, 1975	0.4405	0.1812	125.8657	1.0028	0.3493	93.4886
September 29, 1975	0.4405	0.2163	133.4939	1.1760	0.3791	102.6812
Exchange rates under a peg to the SDR						
July 1, 1974	0.4405	0.1846	125.5071	1.1277	0.3653	100.0000
September 3, 1974	0.4322	0.1870	130.5591	1.1503	0.3653	99.6569
February 27, 1975	0.4607	0.1895	131.6382	1.0488	0.3653	97.7762
September 29, 1975	0.4245	0.2084	128.6368	1.1332	0.3653	98.9452
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.4405	0.1846	125.5071	1.1277	0.3653	100.0000
September 3, 1974	0.4338	0.1877	131.0553	1.1546	0.3667	100.0357
February 27, 1975	0.4739	0.1950	135.4092	1.0788	0.3757	100.5772
September 29, 1975	0.4309	0.2116	130.5862	1.1504	0.3708	100.4446
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.4405	0.1846	125.5071	1.1277	0.3653	100.0000
September 3, 1974	0.4336	0.1877	131.0385	1.1542	0.3665	100.0000
February 27, 1975	0.4712	0.1938	134.6321	1.0726	0.3736	100.0000
September 29, 1975	0.4290	0.2106	130.0081	1.1453	0.3692	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Libyan Arab Republic

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3778	1.4619	1020.4773	8.9906	2.8551	102.1079
February 27, 1975	3.3778	1.3895	965.0800	7.6890	2.6780	95.0387
September 29, 1975	3.3778	1.6582	1023.5697	9.0170	2.9065	105.0466
Exchange rates under a peg to the SDR						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3135	1.4341	1001.0664	8.8196	2.8008	100.1656
February 27, 1975	3.5327	1.4532	1009.3405	8.0416	2.8008	99.3973
September 29, 1975	3.2549	1.5979	986.3277	8.6890	2.8008	101.2246
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3091	1.4322	999.7429	8.8080	2.7971	100.0332
February 27, 1975	3.5680	1.4677	1019.4275	8.1220	2.8288	100.3907
September 29, 1975	3.2272	1.5843	977.9522	8.6152	2.7770	100.3650
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	3.3778	1.4154	962.3305	8.6466	2.8008	100.0000
September 3, 1974	3.3081	1.4317	999.4110	8.8050	2.7962	100.0000
February 27, 1975	3.5541	1.4620	1015.4603	8.0904	2.8178	100.0000
September 29, 1975	3.2155	1.5785	974.3957	8.5838	2.7669	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Oman

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	2.8952	1.2132	824.8405	7.4112	2.4006	100.0000
September 3, 1974	2.8952	1.2531	874.6798	7.7061	2.4472	101.9631
February 27, 1975	2.8952	1.1909	827.1971	6.5905	2.2954	97.0974
September 29, 1975	2.8952	1.4213	877.3303	7.7288	2.4913	106.1033
Exchange rates under a peg to the SDR						
July 1, 1974	2.8952	1.2132	824.8405	7.4112	2.4006	100.0000
September 3, 1974	2.8401	1.2292	858.0421	7.5595	2.4006	100.0236
February 27, 1975	3.0280	1.2456	865.1340	6.8927	2.4006	101.5505
September 29, 1975	2.7899	1.3696	845.4091	7.4475	2.4006	102.2428
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	2.8952	1.2132	824.8405	7.4112	2.4006	100.0000
September 3, 1974	2.8405	1.2294	858.1653	7.5606	2.4010	100.0380
February 27, 1975	2.9903	1.2301	854.3749	6.8070	2.3708	100.2876
September 29, 1975	2.7404	1.3453	830.4158	7.3155	2.3581	100.4295
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	2.8952	1.2132	824.8405	7.4112	2.4006	100.0000
September 3, 1974	2.8394	1.2289	857.8395	7.5578	2.4001	100.0000
February 27, 1975	2.9817	1.2265	851.9248	6.7875	2.3640	100.0000
September 29, 1975	2.7287	1.3395	826.8643	7.2842	2.3480	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Pakistan

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.1010	0.0423	28.7778	0.2586	0.0838	100.0000
September 3, 1974	0.1010	0.0437	30.5166	0.2689	0.0854	101.6693
February 27, 1975	0.1010	0.0416	28.8600	0.2299	0.0801	97.2389
September 29, 1975	0.1010	0.0496	30.6391	0.2696	0.0869	104.4503
Exchange rates under a peg to the SDR						
July 1, 1974	0.1010	0.0423	28.7778	0.2586	0.0838	100.0000
September 3, 1974	0.0991	0.0429	29.9361	0.2637	0.0838	99.7354
February 27, 1975	0.1056	0.0435	30.1836	0.2405	0.0838	101.6984
September 29, 1975	0.0973	0.0478	29.4954	0.2598	0.0838	100.6499
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.1010	0.0423	28.7778	0.2586	0.0838	100.0000
September 3, 1974	0.0994	0.0430	30.0383	0.2646	0.0840	100.0757
February 27, 1975	0.1042	0.0428	29.7595	0.2371	0.0826	100.2696
September 29, 1975	0.0970	0.0476	29.4008	0.2590	0.0835	100.3270
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.1010	0.0423	28.7778	0.2586	0.0838	100.0000
September 3, 1974	0.0994	0.0430	30.0156	0.2644	0.0840	100.0000
February 27, 1975	0.1039	0.0427	29.6795	0.2365	0.0824	100.0000
September 29, 1975	0.0967	0.0475	29.3049	0.2582	0.0832	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Qatar

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2533	0.1096	76.5347	0.6743	0.2141	102.2678
February 27, 1975	0.2533	0.1042	72.3800	0.5767	0.2008	97.2593
September 29, 1975	0.2533	0.1244	76.7667	0.6763	0.2180	106.5399
Exchange rates under a peg to the SDR						
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2485	0.1076	75.0789	0.6615	0.2101	100.3225
February 27, 1975	0.2649	0.1090	75.6995	0.6031	0.2101	101.7198
September 29, 1975	0.2441	0.1198	73.9736	0.6517	0.2101	102.6635
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2478	0.1073	74.8742	0.6597	0.2095	100.0490
February 27, 1975	0.2613	0.1075	74.6455	0.5947	0.2071	100.3035
September 29, 1975	0.2390	0.1173	72.4221	0.6380	0.2057	100.5103
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2477	0.1072	74.8376	0.6593	0.2094	100.0000
February 27, 1975	0.2605	0.1071	74.4196	0.5929	0.2065	100.0000
September 29, 1975	0.2378	0.1167	72.0544	0.6348	0.2046	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Saudi Arabia

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.2817	0.1180	80.2536	0.7211	0.2336	100.0000
September 3, 1974	0.2817	0.1219	85.1027	0.7498	0.2381	101.9041
February 27, 1975	0.2817	0.1159	80.4829	0.6412	0.2233	97.0066
September 29, 1975	0.2817	0.1383	85.3606	0.7520	0.2424	103.6301
Exchange rates under a peg to the SDR						
July 1, 1974	0.2817	0.1180	80.2536	0.7211	0.2336	100.0000
September 3, 1974	0.2763	0.1196	83.4839	0.7355	0.2336	99.9657
February 27, 1975	0.2946	0.1212	84.1740	0.6706	0.2336	101.4556
September 29, 1975	0.2714	0.1333	82.2548	0.7246	0.2336	99.8595
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.2817	0.1180	80.2536	0.7211	0.2336	100.0000
September 3, 1974	0.2766	0.1197	83.5561	0.7361	0.2338	100.0521
February 27, 1975	0.2912	0.1198	83.1969	0.6628	0.2339	100.2779
September 29, 1975	0.2726	0.1338	82.5988	0.7276	0.2345	100.2771
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.2817	0.1180	80.2536	0.7211	0.2336	100.0000
September 3, 1974	0.2764	0.1196	83.5126	0.7358	0.2337	100.0000
February 27, 1975	0.2904	0.1194	82.9663	0.6610	0.2302	100.0000
September 29, 1975	0.2718	0.1334	82.3705	0.7256	0.2339	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Syrian Arab Republic

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	0.2721	0.1140	77.5214	0.6965	0.2256	100.0000
September 3, 1974	0.2721	0.1178	82.2054	0.7242	0.2300	101.8002
February 27, 1975	0.2721	0.1119	77.7429	0.6194	0.2157	95.4492
September 29, 1975	0.2721	0.1336	82.4545	0.7264	0.2341	104.0375
Exchange rates under a peg to the SDR						
July 1, 1974	0.2721	0.1140	77.5214	0.6965	0.2256	100.0000
September 3, 1974	0.2669	0.1155	80.6418	0.7105	0.2256	99.8638
February 27, 1975	0.2846	0.1171	81.3083	0.6478	0.2256	99.8267
September 29, 1975	0.2622	0.1287	79.4545	0.6999	0.2256	100.2521
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	0.2721	0.1140	77.5214	0.6965	0.2256	100.0000
September 3, 1974	0.2674	0.1157	80.7819	0.7117	0.2260	100.0373
February 27, 1975	0.2865	0.1179	81.8713	0.6523	0.2272	100.5175
September 29, 1975	0.2626	0.1289	79.5628	0.7009	0.2259	100.3888
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	0.2721	0.1140	77.5214	0.6965	0.2256	100.0000
September 3, 1974	0.2673	0.1157	80.7517	0.7114	0.2259	100.0000
February 27, 1975	0.2851	0.1173	81.4495	0.6489	0.2260	100.0000
September 29, 1975	0.2615	0.1284	79.2547	0.6982	0.2251	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Sudan

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
Exchange rates under a peg to the U.S. dollar						
July 1, 1974	2.5000	1.0476	712.2507	6.3996	2.0730	100.0000
September 3, 1974	2.5000	1.0820	755.2870	6.6542	2.1131	102.4687
February 27, 1975	2.5000	1.0284	714.2857	5.6909	1.9821	97.1777
September 29, 1975	2.5000	1.2273	757.5758	6.6738	2.1512	109.2238
Exchange rates under a peg to the SDR						
July 1, 1974	2.5000	1.0476	712.2507	6.3996	2.0730	100.0000
September 3, 1974	2.4524	1.0614	740.9204	6.5277	2.0730	100.5196
February 27, 1975	2.6147	1.0755	747.0443	5.9519	2.0730	101.6345
September 29, 1975	2.4090	1.1826	730.0118	6.4310	2.0730	105.2497
Exchange rates under a peg to an SDR-type basket						
July 1, 1974	2.5000	1.0476	712.2507	6.3996	2.0730	100.0000
September 3, 1974	2.4405	1.0563	737.3213	6.4960	2.0629	100.0313
February 27, 1975	2.5833	1.0626	738.0846	5.8805	2.0481	100.4156
September 29, 1975	2.3026	1.1304	697.7656	6.1469	1.9814	100.6006
Exchange rates under a peg to the effective exchange rate index						
July 1, 1974	2.5000	1.0476	712.2507	6.3996	2.0730	100.0000
September 3, 1974	2.4398	1.0559	737.0905	6.4939	2.0622	100.0000
February 27, 1975	2.5726	1.0583	735.0302	5.8561	2.0396	100.0000
September 29, 1975	2.2889	1.1237	693.5996	6.1102	1.9696	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

United Arab Emirates

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
			Exchange rates under a peg to the U.S. dollar			
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2533	0.1096	76.5347	0.6743	0.2141	102.5348
February 27, 1975	0.2533	0.1042	72.3800	0.5767	0.2008	97.0166
September 29, 1975	0.2533	0.1244	76.7667	0.6763	0.2180	105.8871
			Exchange rates under a peg to the SDR			
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2485	0.1076	75.0789	0.6615	0.2101	100.5844
February 27, 1975	0.2649	0.1090	75.6995	0.6031	0.2101	101.4660
September 29, 1975	0.2441	0.1198	73.9736	0.6517	0.2101	102.0345
			Exchange rates under a peg to an SDR-type basket			
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2472	0.1070	74.6842	0.6580	0.2090	100.0556
February 27, 1975	0.2621	0.1078	74.8857	0.5966	0.2078	100.3752
September 29, 1975	0.2404	0.1180	72.8549	0.6418	0.2069	100.4915
			Exchange rates under a peg to the effective exchange rate index			
July 1, 1974	0.2533	0.1062	72.1738	0.6485	0.2101	100.0000
September 3, 1974	0.2471	0.1069	74.6427	0.6576	0.2088	100.0000
February 27, 1975	0.2611	0.1074	74.6058	0.5944	0.2070	100.0000
September 29, 1975	0.2392	0.1174	72.4986	0.6387	0.2059	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Yemen Arab Republic

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
			Exchange rates under a peg to the U.S. dollar			
July 1, 1974	0.2222	0.0931	63.3105	0.5688	0.1843	100.000
September 3, 1974	0.2222	0.0962	67.1360	0.5915	0.1878	101.7239
February 27, 1975	0.2222	0.0914	63.4914	0.5059	0.1762	96.8800
September 29, 1975	0.2222	0.1091	67.3394	0.5932	0.1912	116.3851
			Exchange rates under a peg to the SDR			
July 1, 1974	0.2222	0.0931	63.3105	0.5688	0.1843	100.0000
September 3, 1974	0.2180	0.0943	65.8589	0.5802	0.1843	99.7889
February 27, 1975	0.2324	0.0956	66.4033	0.5290	0.1843	101.3231
September 29, 1975	0.2141	0.1051	64.8893	0.5716	0.1843	112.1505
			Exchange rates under a peg to an SDR-type basket			
July 1, 1974	0.2222	0.0931	63.3105	0.5688	0.1843	100.0000
September 3, 1974	0.2186	0.0946	66.0281	0.5817	0.1847	100.0453
February 27, 1975	0.2303	0.0947	65.7980	0.5242	0.1826	100.3996
September 29, 1975	0.2114	0.1038	64.0480	0.5642	0.1819	110.6964
			Exchange rates under a peg to the effective exchange rate index			
July 1, 1974	0.2222	0.0931	63.3105	0.5688	0.1843	100.0000
September 3, 1974	0.2185	0.0945	65.9982	0.5815	0.1847	100.0000
February 27, 1975	0.2294	0.0944	65.5361	0.5221	0.1819	100.0000
September 29, 1975	0.1909	0.0937	57.8591	0.5097	0.1643	100.0000

Results of Calculations Using Import Weights Excluding CMEA Countries and Mainland China

(In foreign currency or SDR equivalents per unit of domestic currency)

Yemen People's Democratic Republic

	U.S. dollar	Pound sterling	Japanese yen	Deutsche mark	SDR	EER Index
	Exchange rates under a peg to the U.S. dollar					
July 1, 1974	.8860	1.2093	822.2222	7.3877	2.3930	100.0000
September 3, 1974	.8860	1.2491	871.9033	7.6817	2.394	101.6883
February 27, 1975	2.8860	1.1872	824.5714	6.5695	2.881	97.4837
September 29, 1975	2.8860	1.4168	674.5455	7.7042	2.4834	104.2266
	Exchange rates under a peg to the SDR					
July 1, 1974	2.8860	1.2093	822.2222	7.3877	2.3930	100.0000
September 3, 1974	2.8311	1.2253	855.3185	7.5355	2.3930	99.7540
February 27, 1975	3.0184	1.2416	862.3879	6.8708	2.3930	101.9544
September 29, 1975	2.7810	1.3652	842.7256	7.4239	2.3930	100.4343
	Exchange rates under a peg to an SDR-type basket					
July 1, 1974	2.8860	1.2093	822.2222	7.3877	2.3930	100.0000
September 3, 1974	2.8395	1.2289	857.8467	7.5578	2.4001	100.0489
February 27, 1975	2.9662	1.2201	847.4799	6.7521	2.3516	100.1920
September 29, 1975	2.7789	1.3642	842.0944	7.4183	2.3912	100.3591
	Exchange rates under a peg to the effective exchange rate index					
July 1, 1974	2.8860	1.2093	822.2222	7.3877	2.3930	100.0000
September 3, 1974	2.8381	1.2283	857.4275	7.5541	2.3989	100.0000
February 27, 1975	2.9605	1.2178	845.8561	6.7391	2.3471	100.0000
September 29, 1975	2.7690	1.3593	839.0812	7.3913	2.3827	100.0000

Construction of SDR-Type Basket: An Example for Ethiopia

Currencies	Weights[1]/ (1)	Exchange Rates July 1, 1974 (In U.S. dollars) (2)	Currency Components[2]/ (3)=(1)÷(2)	Adjustment Factor[3]/ (4)	Adjusted Currency Components (5)=(3)x(4)
U.S. dollar	.09	1.00	.09	.4825	.04343
Japanese yen	.17	.003507	48.474	.4825	23.389
French franc	.05	.20715	.2414	.4825	.11646
Deutsche mark	.14	.39065	.3584	.4825	.1729
Italian lira	.19	.001545	122.977	.4825	59.337
Pound sterling	.11	2.3865	.04609	.4825	.02224
Belgian franc	.02	.02522	.79302	.4825	.3826
Danish kroner	.01	.1671	.05984	.4825	.02887
Netherlands guilder	.03	.3754	.07991	.4825	.03856
Swedish kronor	.02	.22715	.08805	.4825	.04248
Swiss franc	.03	.33225	.09029	.4825	.04357
Israel pound	.03	.2381	.1260	.4825	.0608
Indian rupee	.02	.12694	.15755	.4825	.07602
Singapore dollar	.01	.4065	.0246	.4825	.01187
Iranian rial	.08	.01479	5.409	.4825	2.610

1/ The weights are the import shares shown in Appendix I.
2/ The equivalent of these currency components is US$1 on July 1, 1974.
3/ This adjustment factor is the actual rate of the Ethiopian dollar in terms of the U.S. dollar on July 1, 1974. In terms of SDRs, the value of the basket was SDR .40008 on that date.

Formula to compute the rate for the Ethiopian dollar in terms of U.S. dollars on date t on the assumption of a peg to an SDR-type basket:

$$R_t = R_b \Sigma_i s_i \frac{R_{it}}{R_{ib}}$$

where:

R_t the rate for the Ethiopian dollar in terms of U.S. dollars at time t

R_b the same rate on the base date

Σ summation sign, over i

s_i share of country i in Ethiopia's imports

R_{ib} equivalent of one unit of currency i in terms of U.S. dollars on the base date

R_{it} equivalent of one unit of currency i in terms of U.S. dollars on date t.

Matrix of Export Weights

(Excluding CMEA Countries and Mainland China)

	Afghanistan	Egypt	Ethiopia	Iran	Iraq	Jordan	Lebanon	Pakistan	Syria	Sudan	Y.A.R.	P.D.R.Y.
AFGHANISTAN	.000	.000	.000	.020	.000	.000	.000	.000	.000	.000	.000	
BAHRAIN	.000	.000	.000	.020	.030	.000	.000	.000	.000	.000	.000	.000
EGYPT	.000	.000	.000	.010	.170	.037	.028	.000	.049	.071	.000	.000
ETHIOPIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.015
IRAN	.000	.000	.000	.000	.000	.051	.000	.040	.000	.000	.000	.000
IRAQ	.000	.025	.000	.050	.000	.068	.071	.020	.034	.000	.000	.000
JORDAN	.000	.016	.000	.000	.030	.000	.035	.000	.057	.000	.000	.000
KUWAIT	.000	.000	.000	.050	.220	.101	.114	.020	.019	.000	.000	.000
LEBANON	.000	.019	.000	.020	.190	.118	.000	.000	.165	.000	.026	.000
LIBYA	.000	.044	.000	.000	.000	.000	.093	.000	.000	.000	.000	.000
OMAN	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
PAKISTAN	.180	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
QATAR	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
SAUDI ARABIA	.000	.013	.093	.030	.030	.172	.022	.000	.000	.000	.000	.000
SYRIA	.000	.030	.000	.000	.130	.119	.217	.050	.042	.042	.140	.000
SUDAN	.000	.036	.000	.000	.000	.000	.089	.000	.000	.000	.000	.000
U.A.E.	.000	.000	.000	.040	.020	.000	.000	.030	.000	.000	.000	.000
YEMEN ARAB REP.	.000	.000	.014	.000	.010	.000	.000	.000	.000	.000	.000	.142
YEMEN P.D.R.	.000	.000	.000	.000	.010	.000	.000	.000	.000	.000	.000	
UNITED STATES	.030	.044	.354	.140	.070	.000	.063	.060	.012	.039	.330	.000
UNITED KINGDOM	.270	.087	.039	.060	.000	.000	.082	.090	.022	.057	.000	.047
AUSTRIA	.000	.013	.000	.000	.000	.000	.000	.000	.000	.000	.000	.127
BELGIUM	.000	.021	.000	.010	.000	.000	.000	.020	.011	.032	.000	.000
DENMARK	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.017
FRANCE	.000	.061	.040	.060	.010	.000	.086	.030	.062	.064	.000	.000
GERMANY	.090	.096	.122	.250	.000	.000	.017	.050	.069	.129	.000	.000
ITALY	.000	.096	.097	.040	.000	.000	.020	.060	.265	.144	.076	.014
NETHERLANDS	.000	.022	.048	.020	.000	.000	.000	.020	.000	.060	.000	.013
SWEDEN	.000	.000	.000	.000	.000	.000	.000	.020	.000	.060	.000	.000
SWITZERLAND	.070	.024	.000	.040	.000	.000	.044	.020	.031	.000	.012	.000
CANADA	.000	.000	.000	.000	.000	.000	.000	.010	.000	.000	.000	.142
JAPAN	.000	.108	.092	.090	.000	.087	.000	.150	.024	.133	.232	.108
GREECE	.000	.031	.020	.000	.000	.000	.000	.000	.000	.000	.012	.000
SPAIN	.000	.029	.018	.000	.000	.000	.000	.000	.092	.027	.000	.015
PORTUGAL	.000	.000	.000	.000	.000	.000	.000	.000	.012	.000	.000	.000
TURKEY	.000	.000	.000	.000	.000	.000	.000	.000	.012	.000	.000	.000
YUGOSLAVIA	.000	.027	.026	.000	.000	.037	.019	.000	.000	.000	.000	.000
AUSTRALIA	.000	.000	.000	.000	.000	.027	.000	.020	.035	.000	.000	.000
NEW ZEALAND	.000	.000	.000	.000	.000	.000	.000	.010	.019	.000	.000	.098
SOUTH AFRICA	.000	.000	.000	.020	.000	.000	.000	.000	.000	.000	.000	.031
MEXICO	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.054
HONG KONG	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
SINGAPORE	.000	.000	.000	.000	.000	.000	.000	.140	.000	.021	.000	.000
INDIA	.360	.120	.000	.020	.080	.156	.000	.040	.000	.000	.132	.024
THAILAND	.000	.000	.000	.000	.000	.000	.000	.000	.000	.165	.000	.000
SOMALIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.016	.000	.036
BRAZIL	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.022
KENYA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
SRI LANKA	.000	.038	.013	.000	.000	.000	.000	.020	.000	.000	.000	.000
TANZANIA	.000	.000	.000	.000	.000	.027	.000	.000	.000	.000	.000	.033
AFARS-ISSAS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
TUNISIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.040	.027
INDONESIA	.000	.000	.000	.000	.000	.000	.000	.090	.000	.000	.000	.000
ISRAEL	.000	.000	.024	.000	.000	.000	.000	.000	.000	.000	.000	.000
MALAYSIA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
CHINA, REP. OF	.000	.000	.000	.010	.000	.000	.000	.000	.000	.000	.000	.000
KOREA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
UGANDA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
ZAIRE	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
IRELAND	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.021
ARGENTINA	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
TOTALS	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Trade Weights for Ethiopia, Lebanon and Sudan

(Excluding CMEA countries and Mainland China)

	Ethiopia	Lebanon	Sudan
AFGHANISTAN	.000	.000	.000
BAHRAIN	.000	.000	.000
EGYPT	.000	.008	.063
ETHIOPIA	.000	.000	.000
IRAN	.049	.000	.000
IRAQ	.000	.055	.000
JORDAN	.000	.010	.000
KUWAIT	.000	.032	.008
LEBANON	.000	.000	.007
LIBYA	.000	.026	.000
OMAN	.000	.000	.000
PAKISTAN	.000	.000	.008
QATAR	.000	.006	.000
SAUDI ARABIA	.057	.076	.020
SYRIA	.000	.042	.000
SUDAN	.000	.000	.000
U.A.E.	.000	.000	.000
YEMEN ARAB REP.	.007	.000	.000
YEMEN P.D.R.	.000	.000	.000
UNITED STATES	.162	.117	.055
UNITED KINGDOM	.072	.095	.147
AUSTRIA	.000	.012	.000
BELGIUM	.011	.022	.027
DENMARK	.008	.000	.000
FRANCE	.047	.120	.058
GERMANY	.153	.104	.109
ITALY	.144	.081	.090
NETHERLANDS	.042	.019	.046
SWEDEN	.013	.012	.000
SWITZERLAND	.017	.070	.008
CANADA	.000	.011	.000
JAPAN	.143	.037	.099
GREECE	.009	.000	.000
SPAIN	.007	.014	.013
PORTUGAL	.000	.000	.000
TURKEY	.000	.021	.000
YUGOSLAVIA	.016	.000	.000
AUSTRALIA	.000	.000	.014
NEW ZEALAND	.000	.000	.000
SOUTH AFRICA	.000	.000	.000
MEXICO	.000	.000	.000
HONG KONG	.000	.000	.010
SINGAPORE	.008	.000	.000
INDIA	.008	.000	.178
THAILAND	.000	.000	.008
SOMALIA	.000	.000	.000
BRAZIL	.000	.000	.024
KENYA	.000	.000	.000
SRI LANKA	.002	.000	.000
TANZANIA	.000	.000	.000
AFARS-ISSAS	.000	.000	.000
TUNISIA	.000	.000	.000
INDONESIA	.000	.000	.000
ISRAEL	.025	.000	.000
MALAYSIA	.000	.000	.000
CHINA, REP. OF	.000	.010	.000
KOREA	.000	.000	.000
UGANDA	.000	.000	.008
ZAIRE	.000	.000	.000
IRELAND	.000	.000	.000
ARGENTINA	.000	.000	.000
TOTALS	1.000	1.000	1.000

Import Weights for Ethiopia, Lebanon and Sudan

(Including CMEA countries and Mainland China)

	Ethiopia	Lebanon	Sudan
AFGHANISTAN	.000	.000	.000
BAHRAIN	.000	.000	.000
EGYPT	.000	.000	.044
ETHIOPIA	.000	.000	.000
IRAN	.078	.000	.000
IRAQ	.000	.045	.000
JORDAN	.000	.000	.000
KUWAIT	.000	.000	.012
LEBANON	.000	.000	.010
LIBYA	.000	.000	.000
OMAN	.000	.000	.000
PAKISTAN	.000	.000	.013
QATAR	.000	.000	.000
SAUDI ARABIA	.000	.021	.000
SYRIA	.000	.021	.000
SUDAN	.000	.000	.000
U.A.E.	.000	.000	.000
YEMEN ARAB REP.	.000	.000	.000
YEMEN P.D.R.	.000	.000	.000
UNITED STATES	.088	.127	.054
UNITED KINGDOM	.101	.093	.181
AUSTRIA	.000	.015	.000
BELGIUM	.019	.029	.018
DENMARK	.013	.000	.000
FRANCE	.047	.123	.041
GERMANY	.133	.127	.069
ITALY	.179	.097	.029
NETHERLANDS	.027	.024	.025
SWEDEN	.021	.016	.000
SWITZERLAND	.025	.074	.013
CANADA	.000	.014	.000
JAPAN	.159	.047	.052
GREECE	.000	.000	.000
SPAIN	.000	.018	.000
PORTUGAL	.000	.000	.000
TURKEY	.000	.020	.000
YUGOSLAVIA	.000	.000	.017
AUSTRALIA	.000	.000	.021
NEW ZEALAND	.000	.000	.000
SOUTH AFRICA	.000	.000	.000
MEXICO	.000	.000	.000
HONG KONG	.000	.000	.000
SINGAPORE	.012	.000	.000
INDIA	.014	.000	.148
THAILAND	.000	.000	.000
SOMALIA	.000	.000	.000
BRAZIL	.000	.000	.037
KENYA	.000	.000	.000
SRI LANKA	.000	.000	.000
TANZANIA	.000	.000	.000
AFARS-ISSAS	.000	.000	.000
TUNISIA	.000	.000	.000
ROMANIA	.000	.019	.019
CHINA, MAINLAND	.022	.015	.075
POLAND	.000	.000	.014
HUNGARY	.000	.000	.012
EAST GERMANY	.000	.000	.010
CZECHOSLAVAKIA	.022	.022	.012
U.S.S.R.	.015	.021	.062
BULGARIA	.000	.012	.000
INDONESIA	.000	.000	.000
ISRAEL	.025	.000	.000
MALAYSIA	.000	.000	.000
CHINA, REP. OF	.000	.000	.000
KOREA	.000	.000	.000
UGANDA	.000	.000	.012
ZAIRE	.000	.000	.000
IRELAND	.000	.000	.000
ARGENTINA	.000	.000	.000
TOTALS	1.000	1.000	1.000