

Ghosh, Gulde, and Wolf (1998)

Table 1: Principal Characteristics of Presently Operating Currency Boards

Country	Years in Operation	Peg Currency	Permissible Reserve Assets	Minimum Cover 1/	Latest Actual Cover	Public Access to Exchange at Central Bank	Power of CB to Change the Arrangement
Argentina	6 years	US dollar	2/3 forex and gold, 1/3 US\$ denominated Arg. Gov Bonds	M0	105 percent of M0, 21.3 percent of M2	No	None
Antigua and Barbuda (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	81.7 percent of M0, 12 percent of M2	No	N.A.
Brunei-Darussalam	30 years	Singapore dollar	Liquid foreign assets, liquid foreign securities and accrued interest	70 percent of the Central Bank's demand liabilities	Around 80 percent of the Central Bank's demand liabilities	No	None
Bosnia	3 months	Deutschemark	With the exception of 50 percent of Central Bank capital, only DM assets	100 percent of monetary liabilities of the Central Bank	100 percent of monetary liabilities of the Central Bank	No	None
Bulgaria	5 months	Deutschemark	Foreign assets and gold	M0 plus some desired excess coverage	134 percent of M0, 40.5 percent of M2	Yes	None
Djibouti	48 years	US dollar	Foreign assets	100 percent of currency in circulation	125 percent of M0, 22.5 percent of M2	No	None
Dominica (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	84 percent of M0, 14.7 percent of M2	No	N.A.
Estonia	5.5 years	Deutschemark	Foreign assets and gold	100 percent of M0 (excluding central bank certificates)	118 percent of M0, 43.5 percent of M2	Initially yes, later abandoned	N.A.
Grenada (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	85 percent of M0, 15.6 percent of M2	No	N.A.
St. Kitts and Nevis (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	99 percent of M0, 19.8 percent of M2	No	N.A.
St. Lucia (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	95 percent of M0, 16 percent of M2	No	N.A.
St. Vincent and the Grenadines (ECCB)	32 years	US dollar	Foreign assets and gold	60 percent of M0	88 percent of M0, 15.3 percent of M2	No	N.A.
Hong Kong (China)	14 years	US dollar	Foreign assets	105 percent of notes and coins	408 percent of M0, 22.4 percent of M2	No	Some
Lithuania	3.5 years	US dollar	Foreign assets and gold	100 percent of M0 + liquid central bank liabilities 2/	91.8 percent of M0, 41.1 percent of M2 3/	No	CB can appreciate the rate

Sources: MAE, Balino, Enoch, Ize, Santiprabhob and Stella (1997), and authors' calculations.

1/ M0 equals reserve money, i.e., the sum of currency in circulation plus non-government demand liabilities.

2/ To be covered initially by gross reserves, with the aim of building up further cover in terms of net reserves.

3/ In terms of net reserves.

Currency boards and currency board-like systems as of June 2002				
Country	Population	GDP (US\$)	Began	Exchange rate / remarks
Bermuda [UK]	63,000	\$2 billion	1915	Bermuda \$1 = US\$1 / Loose capital controls
Bosnia	3.8 million	\$6.2 billion	1997	1.95583 convertible marks = 1 euro / Currency board-like
Brunei	336,000	\$5.6 billion	1952	Brunei \$1 = Singapore \$1 / Currency board-like
Bulgaria	7.8 million	\$35 billion	1997	1.95583 leva = 1 euro / Currency board-like
Cayman Islands [UK]	35,000	\$930 million	1972	Cayman \$1 = US\$1.20
Djibouti	450,000	\$550 million	1949	177.72 Djibouti francs = US\$1 / Currency board-like
Estonia	1.4 million	\$7.9 billion	1992	8 kroons = 0.51129 euro / Currency board-like
Falkland Islands [UK]	2,800	unavailable	1899	Falklands ? = UK?
Faroe Islands [Denmark]	45,000	\$700 million	1940	1 Faroese krone = 1 Danish krone
Gibraltar [UK]	29,000	\$500 million	1927	Gibraltar ? = UK?
Hong Kong [China]	7.1 million	\$158 billion	1983	Hong Kong \$7.80 = US\$1 / More orthodox since 1998
Lithuania	3.6 million	\$17 billion	1994	3.4528 litai = 1 euro / Currency board-like
Source of population and GDP data: CIA World Factbook 2001.				