

Emergence of a ‘Renminbi Zone’¹

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On 11 August 2015, China reached a ‘coming of age’ in exchange rate terms. It has taken a major step towards becoming a global currency by leaving the USD zone² and becoming a global currency in its own right. From then onwards, the Renminbi (RMB) exchange rate will be determined by market forces with some intervention by the People’s Bank of China (PBoC) in line with its exchange rate target, defined as an undisclosed basket of currencies. The reference exchange rate is fixed in Shanghai but other primary trading centers continue to function offshore. This new regime has caused a dilemma for Asia and other countries where China is already the major trading partner, either continue following the USD, switch to the RMB or risk falling between two chairs.

By end 2014, China had become the major trading partner for some 30 big countries as diverse as Brazil, Iran, Australia, South Africa, Pakistan, Malaysia, India, Indonesia, Sudan (see Tables 1 and 2 below)³ but also for smaller countries, such as Tajikistan, Cambodia, Somalia, Uruguay, etc. These countries may need to adjust their exchange rate policy to reflect these new realities. If a number of countries adjust their exchange rate policy, pegging to RMB as the reference currency, using the term ‘RMB zone’ might be justified, similarly to historical examples.

This article will cover historical currency zones and the current classification of exchange regimes by the International Monetary Fund (IMF). The IMF distinguishes hard pegs and soft pegs and various exchange rate anchors. Assuming that the RMB will serve as the new reference currency, partner countries will need to explore choices of exchange rate regimes, ranging from a soft peg to the RMB to a full currency board.

This has implications for a country’s monetary policy, depending on the extent of pegging to the RMB. Smaller countries will be able to import the credibility and monetary stability of the RMB. At the same time, they will have to surrender part of their monetary autonomy to China without having a seat on the Monetary Policy Committee of the PBoC.

The choice of an exchange rate regime will determine the composition of countries’ foreign currency reserves, ranging from a small percentage to 100% held in RMB. These foreign exchange reserves will need to be held in RMB denominated securities, either offshore RMB (dim sum) or onshore RMB (panda). The challenge for China will be to create a deep and liquid RMB debt securities market and open access to foreign central banks.

Finally, RMB liquidity should be available for intervention in the foreign exchange markets if smaller currencies come under pressure. The more than 30 swap agreements between the PBoC and central banks from all over the world will not only

secure stable trade of goods and services but also be useful for intervention purposes. It will also be argued that foreign central banks should have access to the domestic RMB money market.

Finally, thoughts will given on how to move the 'RMB zone' forward. Will China be the driving force with a design for countries to join this zone or will each country decide unilaterally to peg to RMB and hold RMB foreign exchange reserves?

The following Tables 1 and 2 show the dynamic development of foreign trade with selected countries, making China their major trading partner by end 2014.

Table 1
Share of China in Import of 12 Countries
in Percent

NN	Countries	Years		
		2005	2010	2014
1	Australia	13.68	18.75	20.54
2	Brazil	7.28	14.09	16.3
3	India	7.1	11.78	12.66
4	Indonesia	10.13	15.06	17.19
5	Iran, Islamic Republic of	6.2	8.63	27.78
6	Kazakhstan	7.2	16.75	29.04
7	Malaysia	11.6	12.55	16.92
8	Pakistan	9.24	17.51	24.72
9	Russian Federation	5.57	5.82	5.94
10	South Africa	9.09	13.91	15.52
11	Sudan	20.67	n/a	21.81
12	United States	15.0	19.46	19.9

Source: Direction of Trade Statistics (DOTS), IMF, 2005-2014.

Table 2
Share of China in Export of 12 Countries
 In Percent

NN	Countries	Years		
		2005	2010	2014
1	Australia	11.49	25.09	33.68
2	Brazil	5.77	15.25	18.04
3	India	6.59	7.86	4.17
4	Indonesia	7.78	9.95	9.99
5	Iran, Islamic Republic of	11.2	16.8	28.91
6	Kazakhstan	8.7	17.77	15.89
7	Malaysia	6.6	12.53	12.04
8	Pakistan	2.71	7.39	9.28
9	Russian Federation	0.58	2.17	1.75
10	South Africa	2.67	8.89	9.54
11	Sudan	71.04	n/a	26.36
12	United States	4.63	7.19	7.64

Source: Direction of Trade Statistics (DOTS), IMF, 2005-2014.

1. Historical Currency Areas and Choice of Exchange Rate Regime

The modern historical examples include the Sterling bloc, the Zone Franc, the USD zone, the Common currency area of the South African Rand, and more recently, the Eurozone. As the Sterling bloc and the Zone Franc are closely linked with the remnants of colonialism, they will not be elaborated here; the other ones are based on economic realities, close trade, investment as well as financial links.

Whereas the USD zone has emerged despite the benign neglect of the US authorities in the wake of the collapse of the Bretton Woods System,⁴ the Common currency area of the Rand is a 'designed' currency area with lender of last resort facilities. The emerging Eurozone is somewhere in between, as it is officially recognized that third countries with close links or even membership of the EU are welcomed to seek a currency arrangement with the Euro, whereas other countries are adopting the Euro as reference currency at their own risk, not welcomed by the European Central Bank.⁵

Linking one's currency to a major currency area was driven by the desire to simplify trade denomination and clearing, and to reduce the impact of exchange rate volatility and other shocks on domestic monetary policy and thus on the overall economy. If the major currency area encourages such a link, its authorities might offer lender of last resort facilities to allow the smaller partner to continue trading at the existing peg during periods of market stress.⁶

Starting from theoretical exchange rate possibilities, countries can either float or peg their currency to a reference currency. Under the present international financial architecture as the successor to the Bretton Woods system, most trades were denominated and settled in USD and many currencies continued to peg to the USD. When the EUR was introduced in 1999, it replaced the shares of various Eurozone currencies, but did not encroach on the USD share.

Now, however, countries with strong trade links with China and recipients of Chinese FDI would benefit from seeking an exchange arrangement with RMB. This could range from pegging to the RMB, either with an adjustable peg or a fixed peg, to a currency board where all foreign assets would be RMB denominated assets.

China can either take a *laissez faire* attitude to these unilateral decisions, such as the US has done so far, or take a pro-active approach, even including a reform of the international monetary systems towards a multi-polar currency standard by design rather than by default.

Whatever the regime, clarity regarding its construction, as well as the collection and publication of good statistics, should allow the financial markets to understand the arrangements. The IMF Annual Exchange Arrangements and Exchange Restrictions Report goes a long way, but should be supplemented with an assessment by the central bank of the reference currency which other countries are using.⁷

2. Monetary Policy Implications for Pegging Countries

Countries pegging to a currency are importing the credibility and monetary stability of the reference currency. At the same time, they are surrendering their monetary policy autonomy to varying degrees, depending on the firmness of the peg.

If the monetary policy stance of the reference country is too tight compared with the rest of the world (ROW), competitiveness will be impaired and exports to the ROW might suffer. At the same time, imports, particularly of raw materials denominated in USD, will become cheaper, helping to reduce inflationary pressure. Repayment of external debt denominated in ROW currencies will also become cheaper.

If on the other hand, the monetary policy of the reference country is looser than in the ROW, exports will become more competitive, stimulating growth and adding inflationary pressure. On the other hand, repayment of external liabilities in ROW currencies will become more costly.

Pegging to a big currency is like tying oneself to a big ship. In normal times, this ensures a faster ride than under one's own steam, but one might get submerged in rough seas.⁸ It has been argued that even in the absence of pegging to RMB, China's monetary policy has had a significant impact on macroeconomic parameters of South East Asian countries, mainly through the international trade channel.⁹

3. Functions of an International Currency

For China and the RMB, the combined four main functions of an international currency would be:¹⁰ i) trade invoicing and payment; ii) foreign exchange trading; iii) issue of domestic portfolio liabilities with access to foreigners; and, iv) investment by non-residents in domestic portfolio liabilities. China's RMB is progressing well on the first function, slowly on the second function¹¹ but hardly at all on the third and fourth functions. China is a giant in trade, but a dwarf in finance.

In its RMB internationalization strategy, China has encouraged its trading and investment partners to boost the use of the RMB for trade and investment. To ensure smooth trade and investment, the PBoC has concluded RMB/local currency swap agreements with 32 countries (see Table 5).

For the counterparties, a reference currency has to fulfil three official functions: serve as i) anchor currency or part of a currency basket; ii) vehicle for investment of foreign exchange reserves; and, iii) intervention currency. The share in a basket should be based on the share of the reference currency in trade in goods and services as well as inward FDI. There might also be private use of the reference currency, such as holding its cash,¹² holding securities, either domestic or international issues, and putting deposits in reference currency banks.

Presently, the RMB does not and cannot function as an anchor currency. In addition, the spread between onshore and offshore RMB exchange rates continues to exist. Once RMB is accepted as component of the SDR basket,¹³ a major hurdle to official pegging to RMB will have been removed. There will be a designated primary trading center for RMB and foreign exchange reserves held in RMB will from then onwards be eligible as official foreign exchange reserves under the IMF definition.¹⁴

As more countries record a major share of trade and FDI from China, Chinese authorities will need to look at fulfilling the functions of reserve currency before long. The advantages for trading partners of China of using RMB are that the number of exchange rates involved in settling trade will be reduced and the clearing of trade will be simplified by direct settlement between the local currency and RMB, thus allowing significant cost-savings on foreign exchange transactions.¹⁵ In addition, pegging to the RMB will reduce the impact of increased volatility of the USD/RMB exchange rate as witnessed after August 11, 2015.

4. Investing Foreign Exchange Reserves in RMB Instruments

Total world foreign exchange reserves amounted close to USD 12trn at the end of 2014. If we subtract the Chinese foreign exchange reserves of close to USD 4trn, there remain some USD 8trn to be allocated among the major currencies (USD, EUR, JPY, GBP, AUD, CAD, CHF) and possibly the RMB. Some two-thirds are by now owned by central banks in emerging markets.

Foreign exchange reserves are held to cover possible trade imbalances and short-term debt servicing, and are invested in the major currencies. The USD share has been fairly stable at some 60%, much larger than the US share in world trade.¹⁶ The EUR share at 22% is also larger than the EU share in world trade. This can be explained by a debt denomination and currency zones, i.e., countries using a certain currency for trade with third countries, e.g., Saudi Arabia selling oil to countries other than the US, denominated in USD.

The share of RMB estimated at approximately 1% of world's foreign exchange reserves¹⁷ is thus much lower than China's share in world trade, amounting to some 12% at the end of 2014.

According to BIS securities statistics, total debt securities consist of two components – domestic securities and international securities. International debt securities are issued outside the country either in local currency or foreign currencies. At the end of 2014, international debt securities amounted to USD 22trn, domestic debt securities to USD 59trn totaling USD 81trn.¹⁸ For the world as a whole, there are ample international and domestic debt securities for the investments of the current total foreign exchange reserves of USD 12trn or even USD 30trn, using the wider definition of global official sector assets (including wealth funds, etc.).

At present, central banks from some 60 countries hold and invest approximately USD 100bn of their foreign exchange reserves in RMB.¹⁹ Countries around the world could double this after inclusion of the RMB in the SDR, by investing USD 200bn of their foreign exchange reserves (total USD 8trn), if the following investments in RMB instruments are available.

Adequate investment vehicles can be supplied either as international debt securities, such as offshore RMB (dim sum) bonds or domestic debt securities (panda), either issued by the Chinese government or by quasi government agencies, such as the policy banks. The present foreign holdings of RMB are invested in panda securities and can be liquidated any time.

The current largest available pool of offshore RMB bonds are issued and traded in Hong Kong. At the end of 2014, they amounted close to RMB 400bn, or USD 61bn, thus not enough to accommodate even the present RMB foreign exchange reserves. In addition, there is a valuation problem as an exchange and interest rate

differential between onshore and offshore RMB exists due to the capital controls in China. Are central banks investing in CNY or CHY?

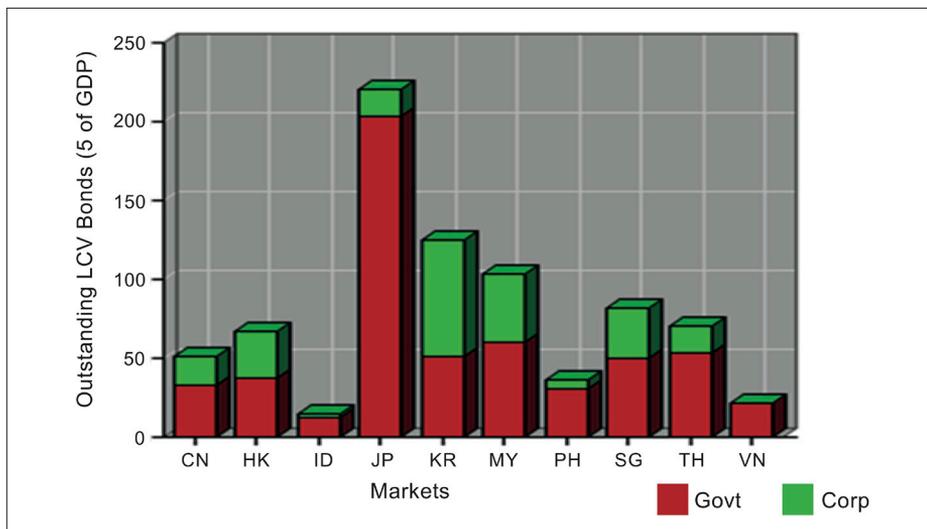
Graph 1
Offshore RMB Bonds Outstanding in Hong Kong (end 2014)



Source: HKMA.²⁰

The size of China's domestic bond market denominated in RMB is still small in terms of GDP, however, in absolute terms it is already the 5th largest after the USD, EUR, JPY and GBP denominated domestic bonds.²¹

Graph 2
Size (in % of GDP) and Composition of LCV Bonds in Asia (end 2014)



Source: www.asianbondsonline.org.

The outstanding domestic RMB debt securities at the end of 2014 was RMB 28trn or USD 4.5trn (see Table 3 below). Chinese Government Bonds (CGB) make up 30% of this total. Municipal bonds are expected to increase as a result of the loan to debt swap with local authorities proposed by the Chinese government. On the contrary, PBoC bills have declined as less intervention in the foreign exchange market has reduced the need for sterilization bonds.²² Overall, the domestic RMB bond market is expected to double by 2020 (see Table 3) and thus will be sufficiently large in absolute terms to accommodate more investment by foreign central banks.

Table 3
Chinese Domestic Bond Market, by Issuer

RMB bn, Year-end

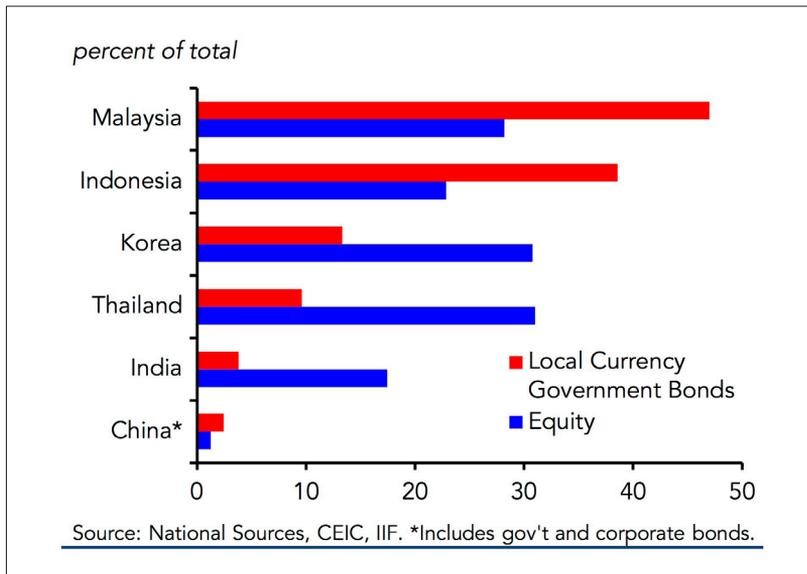
	2010	Percent of Total	2014	Percent of Total	2014-20 CAGR Percent	2020 ^e
Treasury (CGB)	5,963	29.6	8,553	29.8	10	15,152
PBOC bills	4,091	20.3	428	1.5	n.a.	0
Municipals	400	2.0	1,162	4.0	35	7,034
Financials	5,827	28.9	11,256	39.2	11	21,420
- Policy Banks	5,160	25.6	9,957	34.7	12	19,653
- CDB Bonds	3,680	18.2	6,266	21.8	12	12,368
Gov-supported	109	0.5	1,103	3.8	10	1,954
Non-financials	2,810	13.9	5,005	17.4	8	7,942
Asset-backed	18	0.0	269	0.9	35	1,628
Others	975	4.8	954	3.3	9	1,600
Total	20,175	100	28,730	100	12	56,731

Notes: "n.a." stands for not applicable. Saving Bonds (electronic) issued by Ministry of Finance are not included as CGBs here, but in the category of Others, as Saving Bonds are different from the Book-entry Treasury Bonds in that they are much smaller in scale, not liquid, and only for retail investors. CDB= China Development Bank

Source: Guonan Ma and Wang Yao, FGI Working Paper 2015.²³

The share of foreign holdings of CBG is very small at present, some 1.5% of the total. This compares with 40% of US Treasuries held by foreigners. Other foreign holdings as share of total government bonds are contained in Graph 3.

Graph 3
Foreign Holdings of Domestic Securities



Source: IIF Capital Flows May 2015.²⁴

The main problems with the Chinese bond market at present are the fragmentation of regulations and trading platforms. For instance, the yield curve up to one year is under PBoC supervision, whereas the longer maturities are under Ministry of Finance (MoF) supervision. This fragmentation results in market segmentation which hampers market liquidity. As the indicators in Table 4 and Graph 4 show, liquidity measures such as the turnover ratio of major government bond markets is very low in China, compared with the most liquid government bonds, the US Treasuries, Japanese JGB and UK gilts.

Table 4
Turnover Ratio of Major Government Bond Markets

Annual Turnover over Average Outstanding

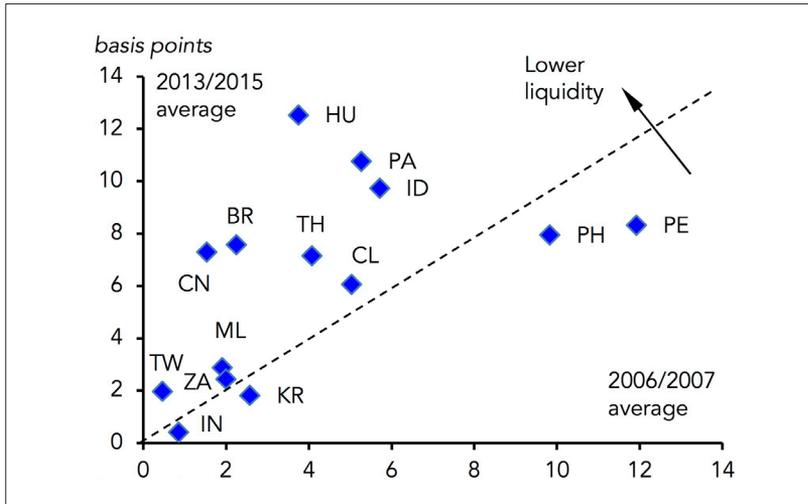
	UST	Gilt	JGB	CGB	CGB incl. Futures	China's Policy Banks	CDB Bond	PBOC Bills
2004	29.7	9.1	5.4	0.2	0.2	0.9	0.9	1.5
2005	30.2	9.1	5.1	0.4	0.4	1.0	1.0	1.8
2006	26.7	8.5	6.6	0.5	0.5	1.3	1.2	1.7
2007	28.5	8.1	8.8	0.6	0.6	1.2	1.0	2.7
2008	24.4	7.6	8.2	0.8	0.8	2.3	1.6	5.9
2009	14.6	6.0	6.1	0.8	0.8	4.4	3.0	3.2
2010	15.3	5.3	5.1	1.4	1.4	4.6	3.9	4.3
2011	14.3	6.5	5.1	1.4	1.4	3.4	2.9	4.0
2012	11.8	5.2	5.5	1.4	1.4	3.2	2.6	4.8
2013	11.4	n.a.	5.4	0.7	0.8	1.6	1.5	1.1
2014	10.0	n.a.	5.9	0.7	0.8	1.7	1.9	0.3

Notes: "n.a." stands for not applicable. JGB = Japanese government bonds; Gilt = UK government bonds; UST = U.S. treasury bonds; CGB = Chinese government bonds, CDB = China Development Bank

Source: Guonan Ma and Wang Yao, FGI Working Paper 2015.

Measured by bid-ask spreads in the local currency government bond markets, the liquidity situation in the CGB market has deteriorated between 2007 and 2013. It seems that government securities are held to maturity with little secondary market trading.

Graph 4
Bid-ask Spreads for EM 10-yr Local Government Bonds
Changes between 2006/2007 and 2013/2015



Source: IIF Capital flows, May 2015.

Recently, the PBoC has simplified the procedure for foreign central banks and international institutions to invest in the domestic RMB bond market.²⁵ However, once the goodwill motivation for investing in RMB instruments is replaced by shrewd calculation, risk-adjusted returns on RMB securities and liquidity of the RMB market will become major criteria.

5. Intervention in RMB

Central banks investing part of their foreign exchange reserves in RMB should not only be able to liquidate these easily but also have access to the domestic RMB money market. Concluding the Cross-border Collateral Arrangements with the PBoC would also help by enabling the use of home currency collateral to obtain domestic liquidity in the host country.

China has concluded more than 30 swap agreements with central banks around the world, primarily for the purpose of sustaining bilateral trade and investment. The choice of countries looks arbitrary and has given rise to various theories²⁶ but they might form the core RMB zone.

Table 5
List of RMB Bilateral Swap Agreements

Earliest agreement	Economic partner	Max. value in foreign currency (including extensions)	Max. value in RMB (including extensions)
12 December 2008	South Korea	KRW 64 trillion	¥360 billion
20 January 2009	Hong Kong	HKD 490 billion	¥400 billion
8 February 2009	Malaysia	MYR 90 billion	¥180 billion
11 March 2009	Belarus	BYR 16 trillion	¥7 billion
23 March 2009	Indonesia	IDR 175 trillion	¥100 billion
29 March 2009	Argentina	ARS 38 billion	¥70 billion
9 June 2010	Iceland	ISK 66 billion	¥3.5 billion
23 July 2010	Singapore	SGD 60 billion	¥300 billion
18 April 2011	New Zealand	NZD 5 billion	¥25 billion
19 April 2011	Uzbekistan	UZS 167 billion	¥0.7 billion
6 May 2011	Mongolia	MNT 2 trillion	¥15 billion
13 June 2011	Kazakhstan	KZT 150 billion	¥7 billion
23 June 2011	Russia	RUB 984 billion	¥150 billion
22 December 2011	Thailand	THB 320 billion	¥70 billion
23 December 2011	Pakistan	PKR 140 billion	¥10 billion
17 January 2012	United Arab Emirates	AED 20 billion	¥35 billion
21 February 2012	Turkey	TRY 3 billion	¥10 billion
22 March 2012	Australia	AUD 30 billion	¥200 billion
26 June 2012	Ukraine	UAH 19 billion	¥15 billion
26 March 2013	Brazil	BRL 60 billion	¥190 billion
22 June 2013	United Kingdom	GBP 21 billion	¥200 billion
9 September 2013	Hungary	HUF 375 billion	¥10 billion
12 September 2013	Albania	ALL 35.8 billion	¥2 billion
9 October 2013	European Union	EUR 45 billion	¥350 billion
21 July 2014	Switzerland	CHF 21 billion	¥150 billion
16 September 2014	Sri Lanka	LKR 225 billion	¥10 billion
3 November 2014	Qatar	QAR 20.8 billion	¥35 billion
8 November 2014	Canada	CAD 30 billion	¥200 billion
23 December 2014	Nepal	NPR	¥ billion
18 March 2015	Suriname	SRD 520 million	¥1 billion
10 April 2015	South Africa	ZAR 54 billion	¥30 billion
25 May 2015	Chile	CLP 2.2 trillion	¥22 billion
Total (excluding Nepal)			¥3,158.2 billion

Source: Based on PBoC data.

The use of these swap arrangements can be extended to support weak currencies in times of market turbulence. They are supplemented by the Chiang Mai Multilateral standby facility amounting to USD 120bn to be doubled to USD 240bn which has so far not been tested. In addition, there are bilateral arrangements initiated by China, such as the Silk Road Fund.

The sum of these arrangements can serve as a China-based replica of the IMF,²⁷ where the basic idea was to allow countries to use their domestic currencies to sustain growth during times of deteriorating external balances. Under current arrangements, the PBoC will administer the drawings on the swap facilities as well as the repurchase of domestic currencies.

6. Process of Creating a 'RMB Zone'

The process towards establishing an Asian Currency Unit (ACU) is stuck in the academic discussion and bogged down in political impasse. China's decision to decouple from the USD has dealt Asian countries with a dilemma, to follow the USD or the RMB. Some form of pegging to the RMB, first for Asian neighbor countries and subsequently for the wider world becomes more realistic. As China assumes greater importance in world trade, its declared aim of establishing preferential zones based on China trade and foreign investment,²⁸ such as the revival of the 'silk road' as well as the policy thrust of the 'one belt one road' strategy' (OBOR), can serve to advance a RMB currency zone.

The first choice, designing currency zones, does not necessarily lead to success, as the stalled Monetary Union in the Gulf (GCC) has shown. China apparently has not yet mapped out such a strategy, even if the RMB will be accepted as an international currency and included in the SDR basket. The choices for China are either to provide a framework for other countries to join a 'RMB zone' or just let other countries peg to RMB, thus creating a de-facto 'RMB zone'.

Assuming that the SDR issue will be resolved smoothly in the near future, it would be wise for China to encourage major trading partners to enter the 'RMB zone' by providing the three-legged basis, a trade denomination and settlement system, investment opportunities in RMB instruments and support facilities in form of money market access and swap arrangements.

The present RMB clearing function through various offshore centers is not ideal for running a global multilateral RMB clearing system. Sooner or later, these will have to be supplemented or even replaced by a China Cross-border Interbank Payment System (CIPS) which will have to be backed up by the domestic clearing system (CNAPS). This CIPS will be based onshore, in Shanghai.²⁹ This will also provide the reference rate, to which countries can peg in future.

Regarding investment of foreign exchange reserves, China has recently eased the process for foreign central banks and international organizations to purchase and

sell domestic RMB securities. These investors must register with the PBoC and are expected to be long-term investors (rather than speculators) and meet unspecified PBoC macroprudential requirements.³⁰ China will have to streamline various segments of the domestic RMB securities market and enhance market liquidity to make it attractive to hold RMB securities.

Finally, the present swap facilities and other stand-by arrangements have been designed to sustain trade with China but so far hardly used. Using them for intervention in foreign exchange markets will be the stress test, whether China would be ready to provide substantial amounts of international RMB, possibly having to bear losses if partner currencies come under massive pressure. China might have to face volatile foreign exchange markets sooner than a cautious dismantling of foreign exchange controls would envisage.

Providing this three-legged basis for countries pegging to RMB is still compatible with preserving capital account restrictions. However, this strategy needs to be enhanced and made more transparent for markets, including how much support China is prepared to provide for its RMB partners. The PBoC would be best placed to provide the full picture of the emergence of a 'RMB zone' in its annual review of internationalization of RMB.

7. Conclusion

Once the RMB has been accepted as a component of the SDR, many foreign central banks, notably those with significant trade links with China will be willing to use RMB as the official reference currency. For pegging, they will devote a bigger share of their foreign exchange reserves to the RMB and search for more investment vehicles in RMB. The China Government Bond (CGB) market needs to be further deepened and liquidity enhanced for reserve managers in foreign central banks to feel comfortable in investing in RMB vehicles. The present swap arrangements with more than 30 central banks can serve for intervention purposes if the pegging currencies come under pressure. China needs to specify the conditions of the swap facilities, and add access to the domestic money market by foreign central banks as well as conclude more cross-border collateral arrangements.

Using the RMB as the reference currency can be done either by design by the Chinese authorities or unilaterally by China's trading partners, even without a major reform of the international financial system. Whichever route China takes, this would be a major step forward in the process of internationalization of the RMB. A 'RMB Currency Zone' would also strengthen the present 'one road one belt' strategy, first among neighboring countries and then for the rest of the world.

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At the BIS, he served in various capacities including assisting the integration of the transition economies into the international financial system, organizing workshops and seminars for officials from these countries to learn about the functioning of market economies, mainly at the Joint Vienna Institute. In support of the BIS' decision to disseminate the research and discussions conducted by the Bank to non-member central banks with the help of regional central bank organizations, such as SEACEN, he was in charge of organizing and delivering such workshops and seminars.

Prior to joining the BIS, Dr. Poenisch worked in various capacities at the Austrian National Bank. This included the analysis of commercial banks, research of global economic developments as well as foreign exchange control. He represented the Austrian National Bank in various international conferences at the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and the BIS. This work covered mainly statistical issues for the compilation of internationally comparable statistics, such as on cross-border capital flows, indicators of banking systems and also the liberalization of capital movements. During this time he was sent on short-term assignments to international organizations, notably the IMF, OECD and Asian Development Bank.

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Endnotes

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