Accepted Manuscript

Inflation targeting in developing countries revisited

John Thornton

PII: S1544-6123(15)00119-1
DOI: 10.1016/j.frl.2015.10.024
Reference: FRL 436

To appear in: *Finance Research Letters*

Received date: 17 October 2015
Accepted date: 26 October 2015

Please cite this article as: John Thornton , Inflation targeting in developing countries revisited, *Finance Research Letters* (2015), doi: 10.1016/j.frl.2015.10.024

Highlights

- Gonçalvez and Salles (2008) report that inflation targeting (IT) developing countries have lower inflation and GDP growth volatility.
- Those results do not hold up when controlling for comparable monetary regimes.
- Inflation performance is no better than the average for countries with alternative monetary regimes
- IT does not reduce GDP growth volatility compared to other regimes
- There is no reason to favor IT over a hard currency peg or a narrow band crawling peg