

**Table II.3. Estimated Quota Shares by WEO Classification 1/
(In percent)**

	<u>Adjusted Est. Quota Shares</u>			Memo Item: Regression No. 2/
	Advanced Economies	Developing Countries	Transition Economies	
I. Non-linear Equations				
Benchmark Equation:				
Equation using only the traditional variables	69.54	21.43	9.03	1
Memo: Existing five formulas,	75.48	19.22	5.3	
Existing quotas	63.20	29.21	7.6	
With PPP-based GDP	65.01	26.27	7.74	2
Multiplicative term with a dummy variable distinguishing between industrial and developing countries	65.64	25.28	9.08	4
With an openness index	73.80	18.28	7.93	12
Without the reserves variable	67.73	23.54	8.74	13
With gold reserves valued at market prices	68.67	22.35	8.98	14
With five year average GDP replacing the existing one-year GDP	69.31	21.30	9.40	15
With population	65.80	25.22	8.98	16
With short-term debt	70.11	21.05	8.85	17

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	<u>Adjusted Est. Quota Shares</u>			Memo Item:
	Advanced Economies	Developing Countries	Transition Economies	Regression No. 2/
With the variability of external receipts replacing the variability of current receipts	81.91	13.93	4.16	18
With the then-existing quota as a multiplicative explanatory variable	63.28	28.62	8.10	19
With the then-existing quota as an additive explanatory variable	63.58	28.81	7.61	20
With a five-year average of GDP, where the conversion factors are centered five-year moving averages of the annual exchange rates, replacing the existing one-year GDP	69.43	21.71	8.86	22
With GNP converted with the World Bank Atlas method	69.55	21.32	9.13	23
With normal net capital flows as an additional variable	69.43	22.38	8.19	29
With real effective exchange rate variability times current receipts as an additional variable	68.70	23.36	7.94	30
With debt as an additional variable	66.24	24.99	8.78	31

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	<u>Adjusted Est. Quota Shares</u>			Memo Item:
	Advanced Economies	Developing Countries	Transition Economies	Regression No. 2/
With financial market accessibility times current payments as an additional variable	66.16	24.67	9.16	36
Bretton Woods Formula for Schedule A Members Using 1934-43 Data				
II. Linear Equations				
With PPP-based GDP	65.95	25.20	7.86	3
Without a multiplicative factor	69.78	21.65	8.57	9
With current receipts	68.55	23.99	7.46	10
With an openness index	64.59	25.86	9.55	11
With variables indicative of ability to contribute financial resources to the fund (including gold reserves valued at market prices and normal net capital flows as an additional variable).	77.87	18.73	3.40	21
With the then-existing quota, short-term debt, population, and trade added, and reserves and current payments dropped	63.67	28.76	7.57	24

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	<u>Adjusted Est. Quota Shares</u>			Memo Item: Regression No. 2/
	Advanced Economies	Developing Countries	Transition Economies	
Nested model where a regression of vulnerability variables (represented by the variability of current receipts and population) is estimated first	65.87	25.90	8.23	26
Nested model where a regression of vulnerability variables (represented by GDP, reserves -- with gold reserves valued at market prices, current receipts, and net private capital flows) is estimated first	66.30	26.31	7.38	27
With both strength and vulnerability variables	65.28	26.74	7.98	28

1/ According to the WEO country classifications, advanced economies include the industrial countries of North America and Europe, Japan, and two newly industrialized Asian economies (Korea and Singapore). The countries in transition include the 15 members that were formerly part of the Soviet Union, the successor countries to the former Yugoslavia and Czechoslovakia, Albania, Hungary, Poland, Romania, and Mongolia. The rest of the members are classified as developing countries.

2/ As numbered in the List of Regression Equations in the beginning of this section.