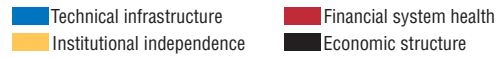


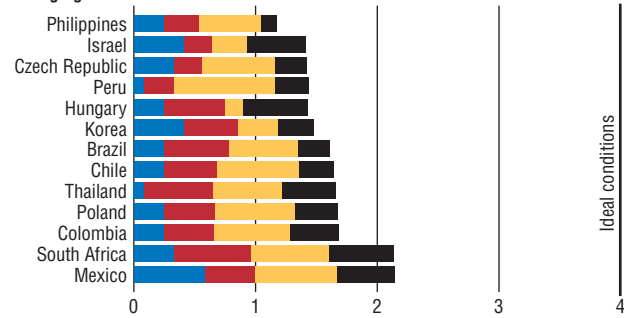
Figure 4.3. Initial Conditions Prior to Adopting Inflation Targeting

(0 = poor; 1 = ideal; for each of the four categories of initial conditions)

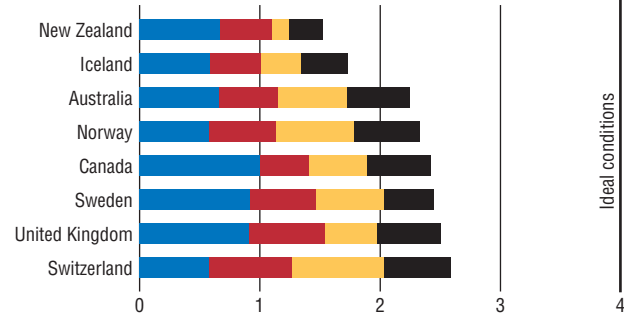
Most of the inflation targeters had poor initial conditions prior to the adoption of inflation targeting.



Emerging Markets



Industrial Countries



Source: IMF staff calculations.