
Economic recovery and inflation developments in CEE

2 December 2021

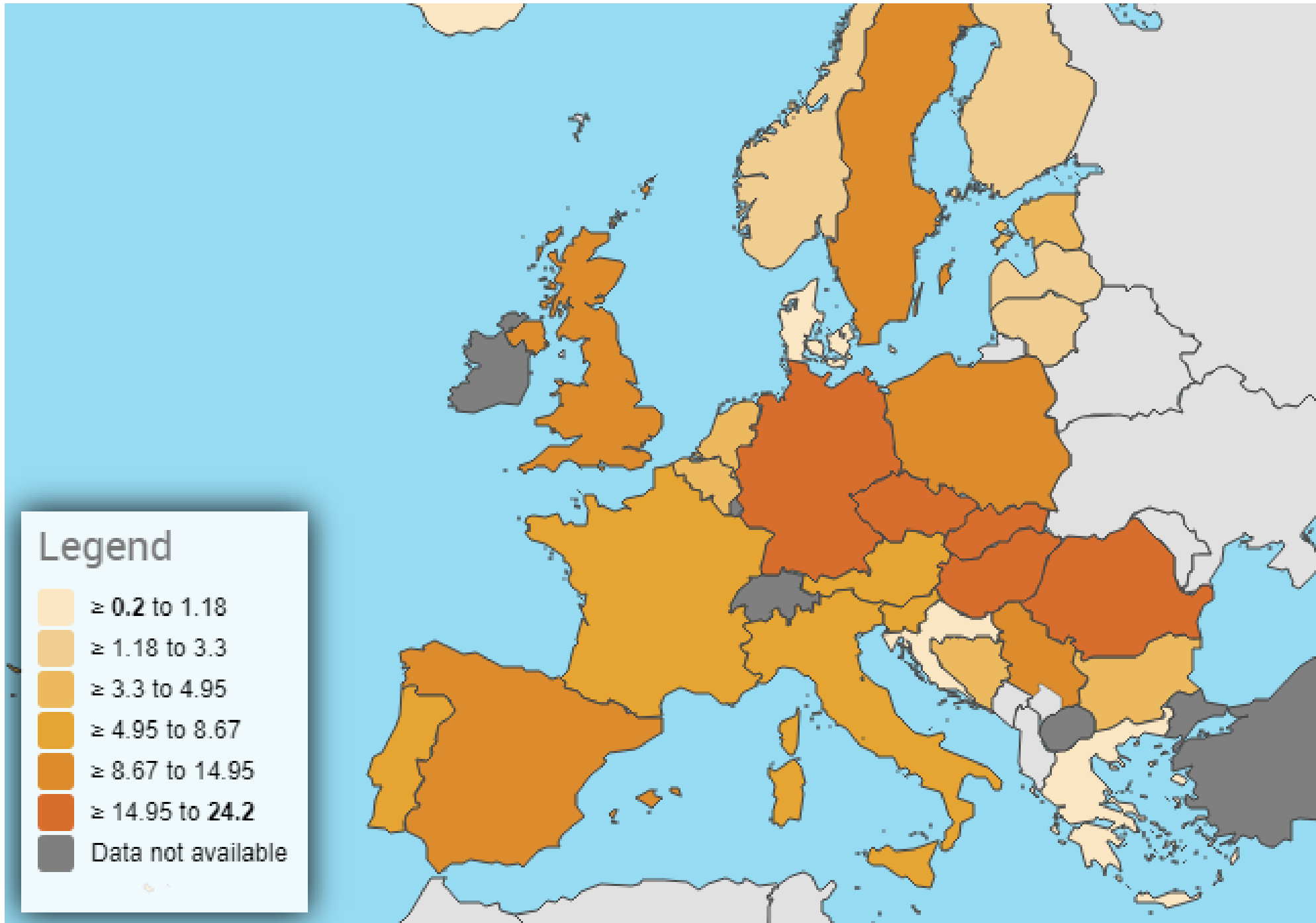
Webinar: The OECD Economic Outlook – a special focus on Central and Eastern Europe

Jakub Matějů (Counsellor to the CNB Board)



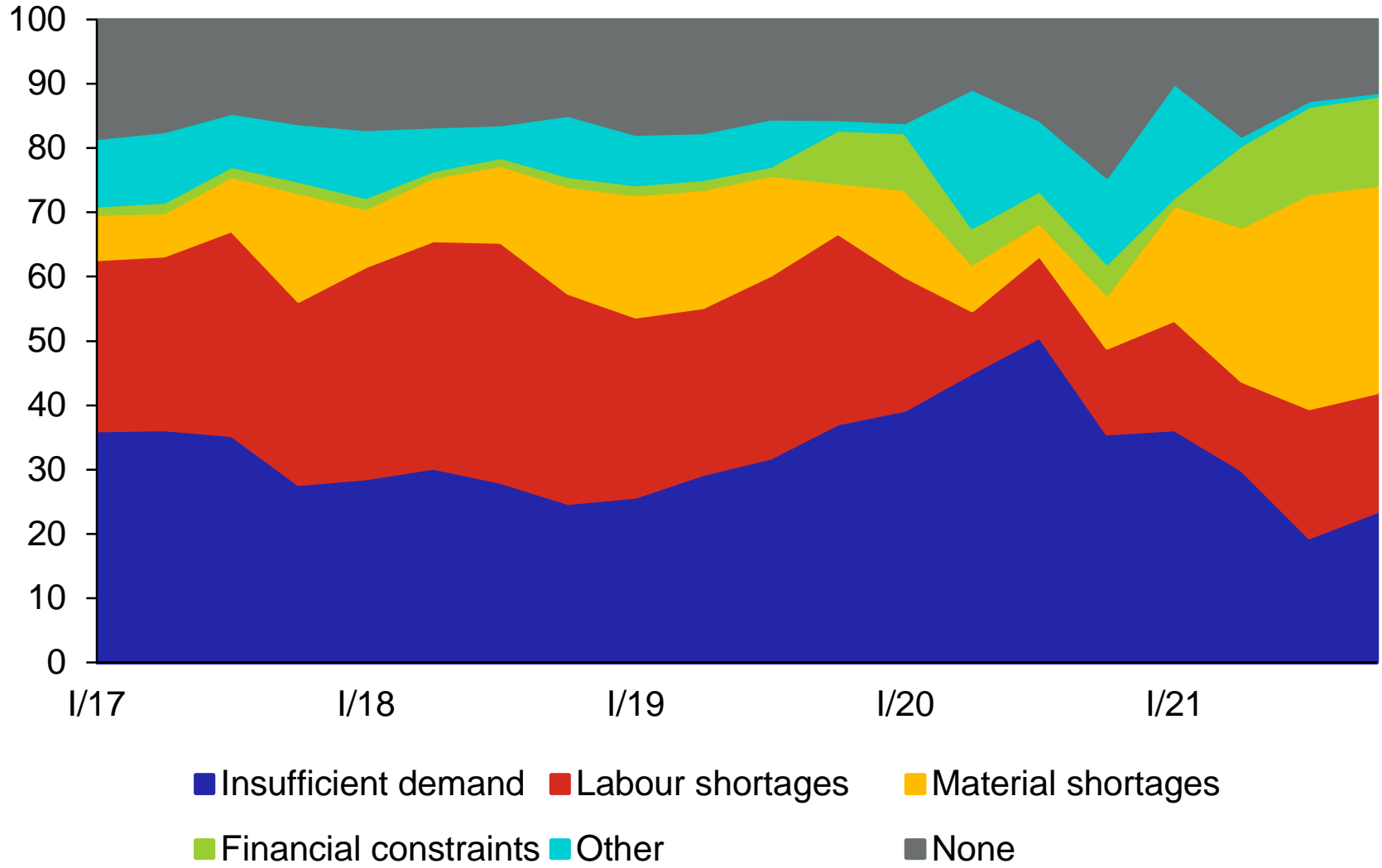
Supply side bottlenecks affect CEE disproportionately

Share of automotive in manufacturing:



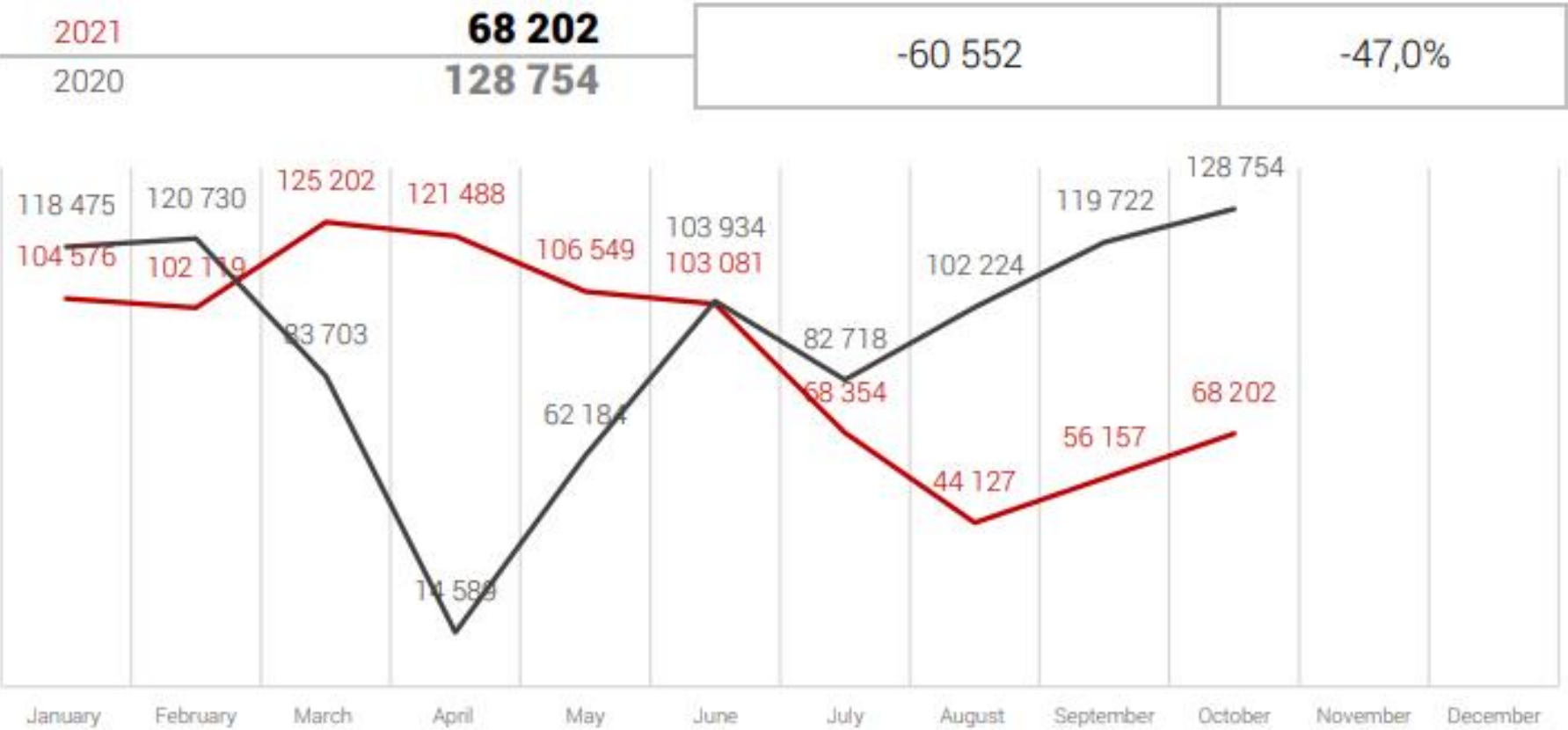
Source: Eurostat.

Barriers to growth in industry (survey in CZ):



Source: Confederation of Industry of the CR and CNB.

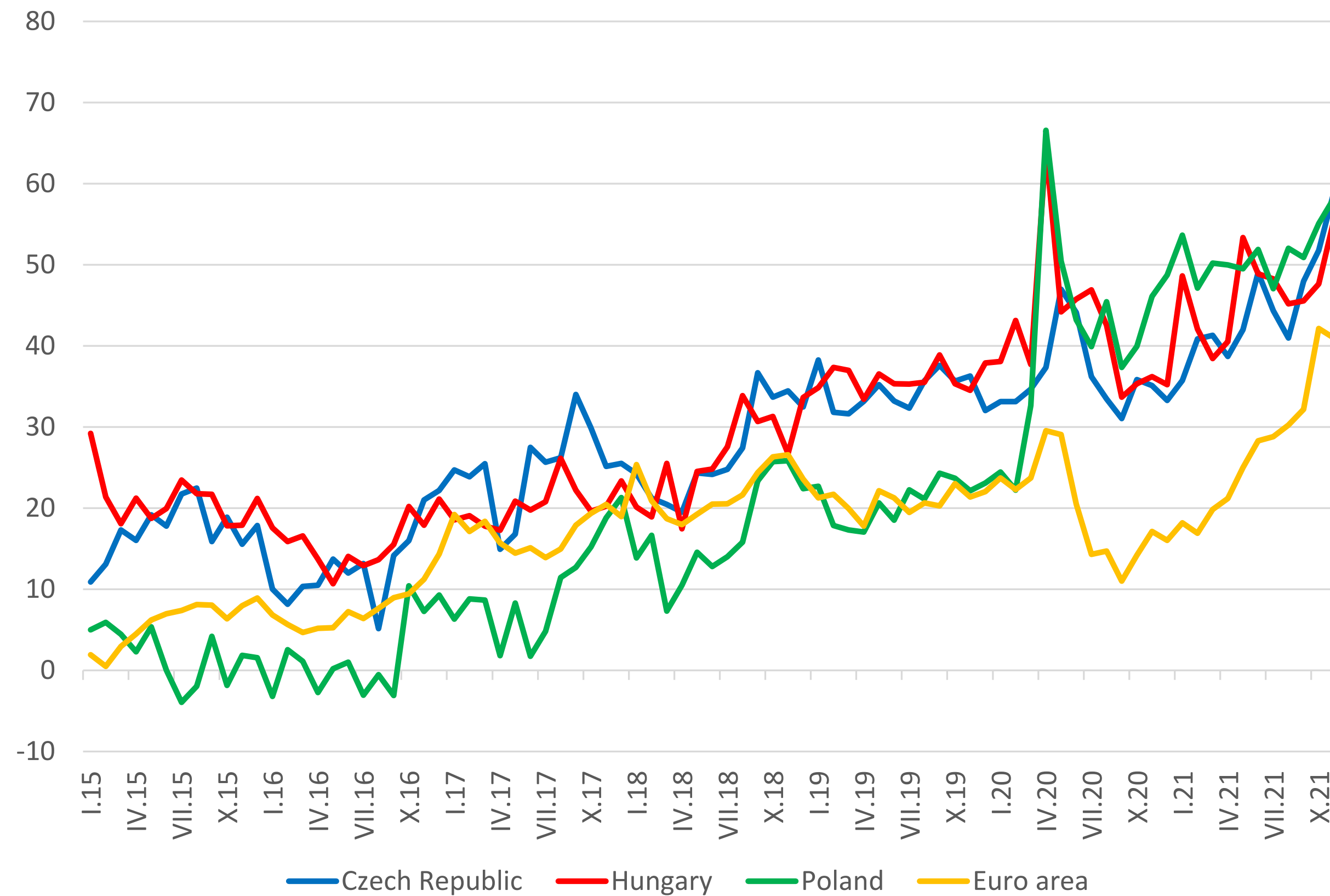
Car production in CZ affected severely:



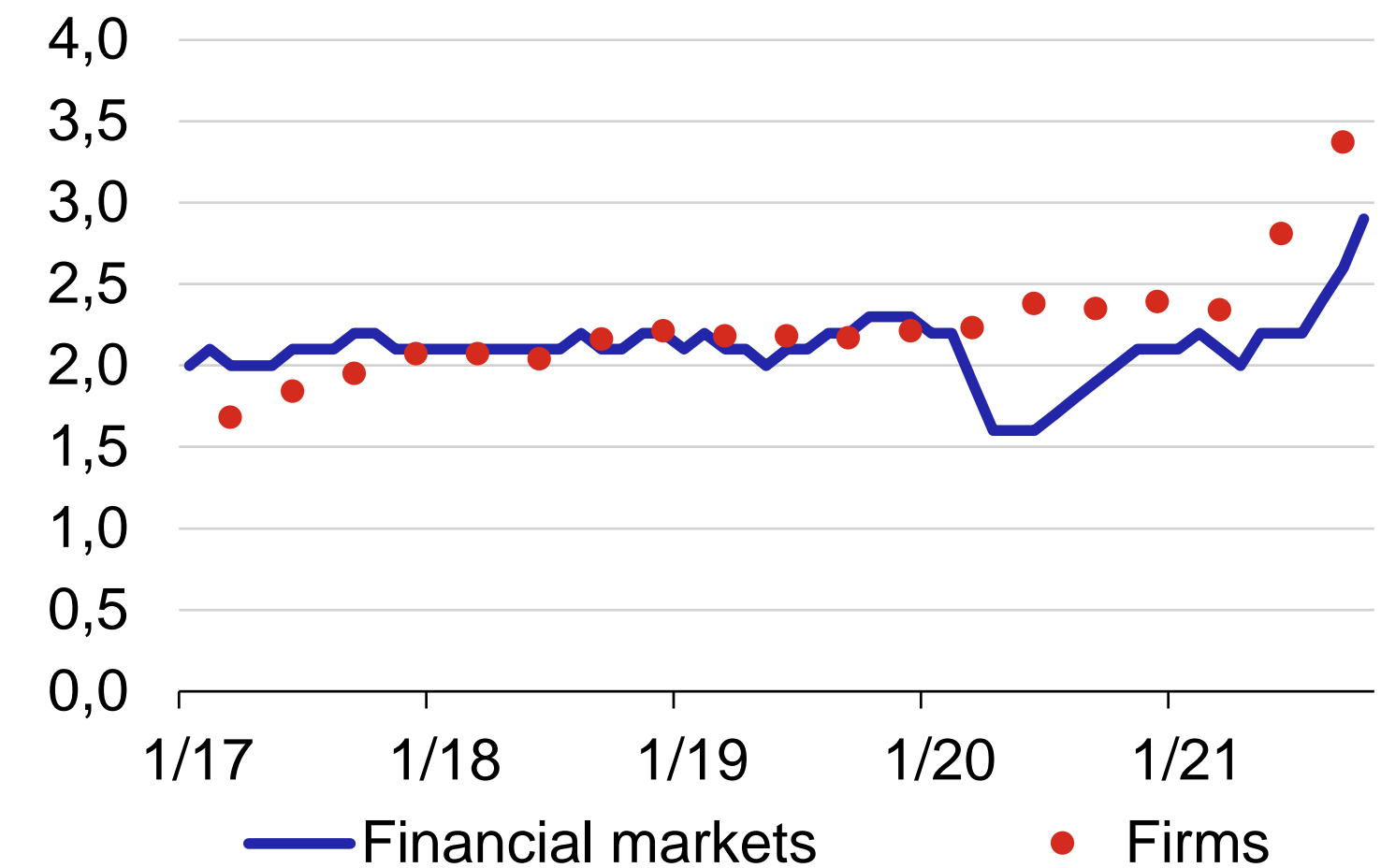
Source: AutoSAP.

Inflation expectations in CEE: wake-up call for MP

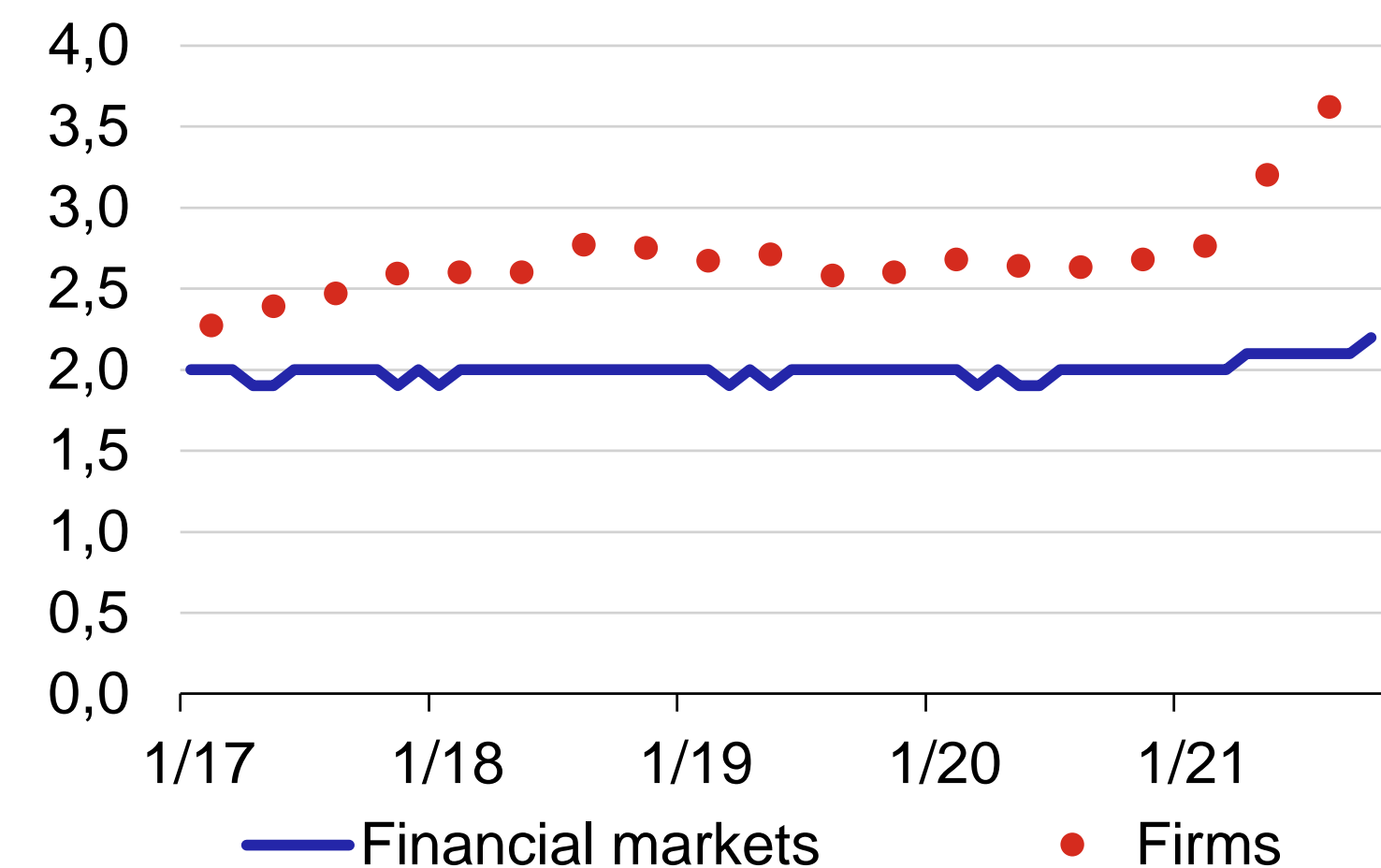
EC Consumer Survey – Do you expect consumer prices to increase more rapidly in next 12 months? (balance of replies)



Inflation expected in 1 year (CZ only)

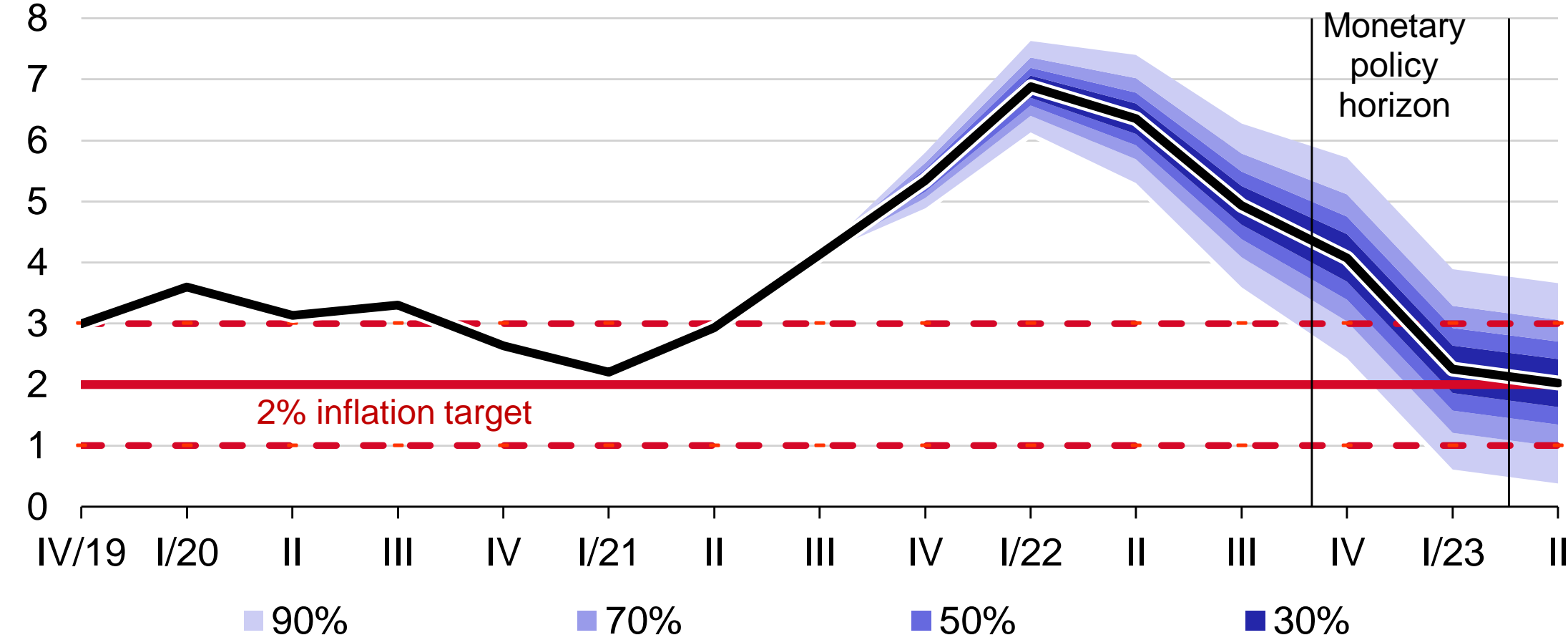


Inflation expected in 3 years (CZ only)

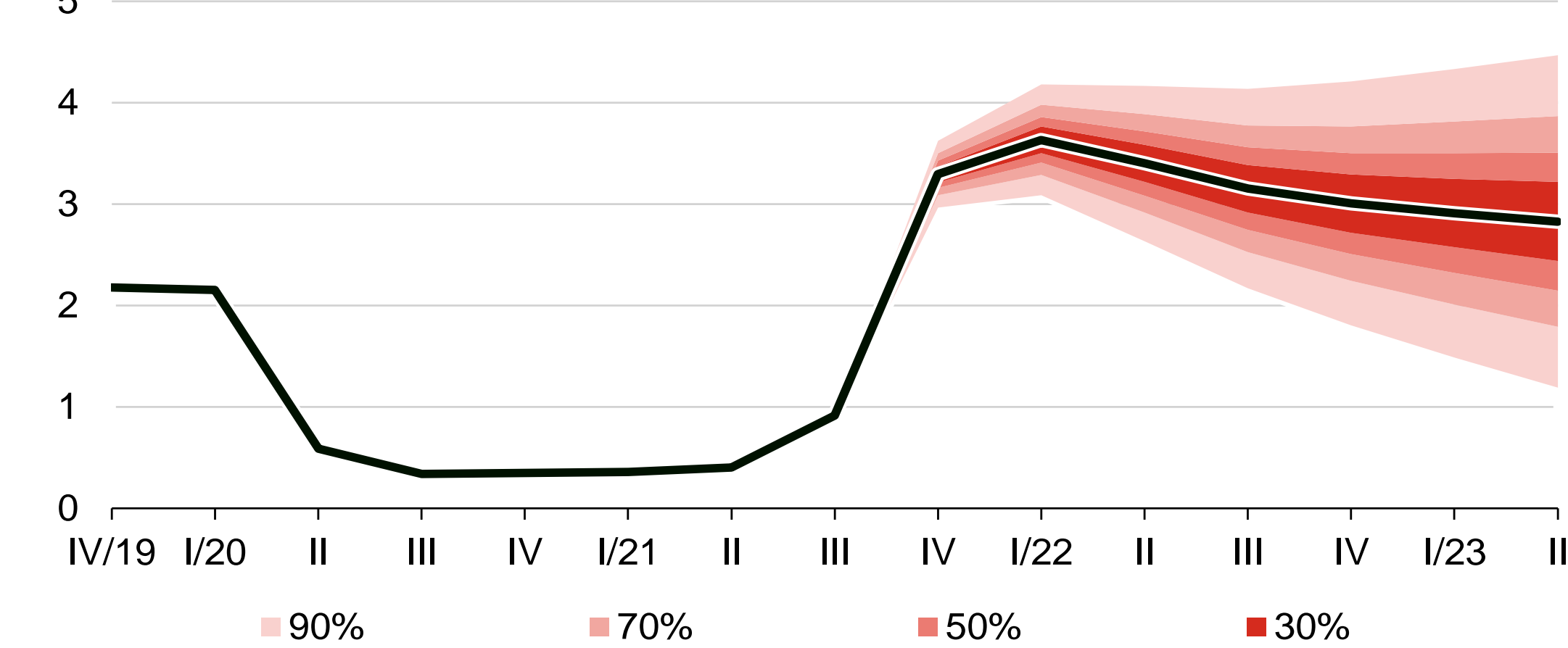


CNB (Nov 2021) expects return to 2% inflation, conditional on policy

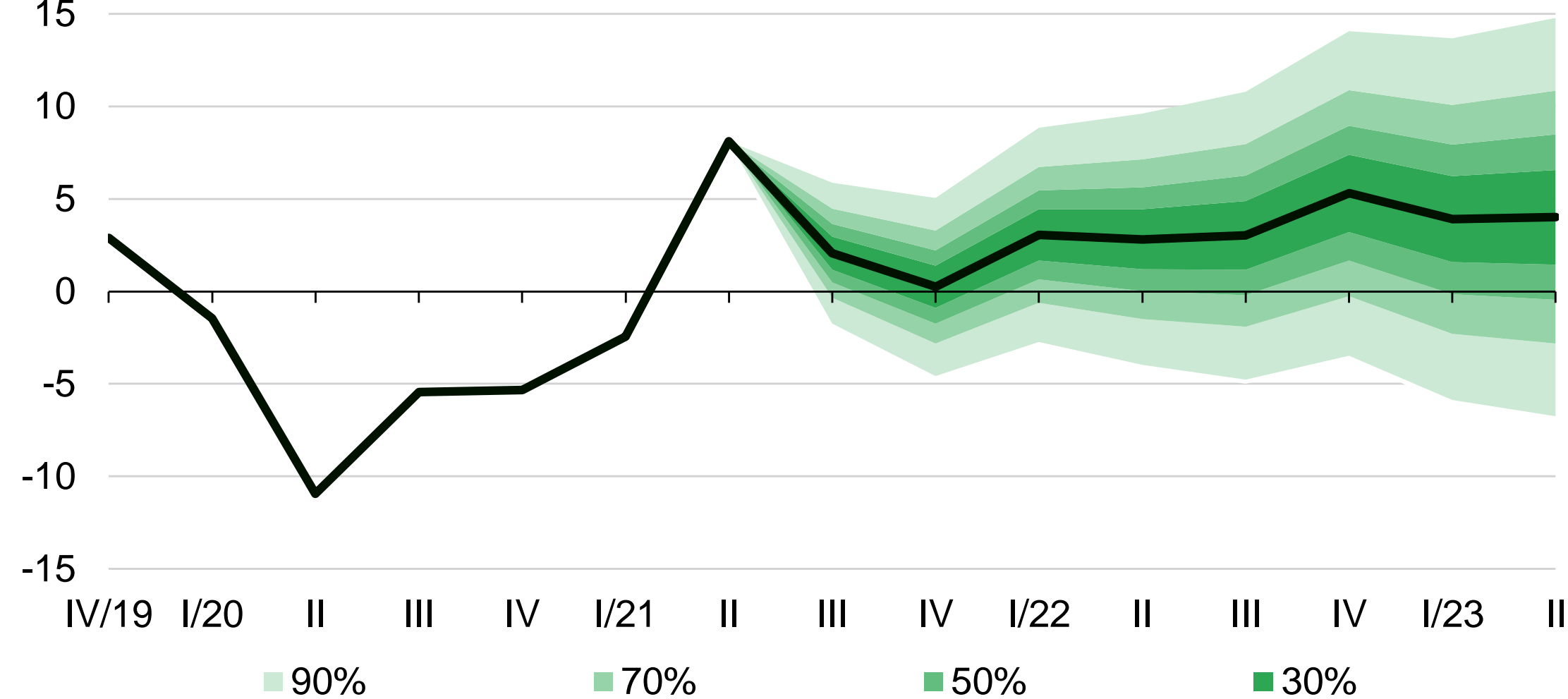
CPI inflation forecast



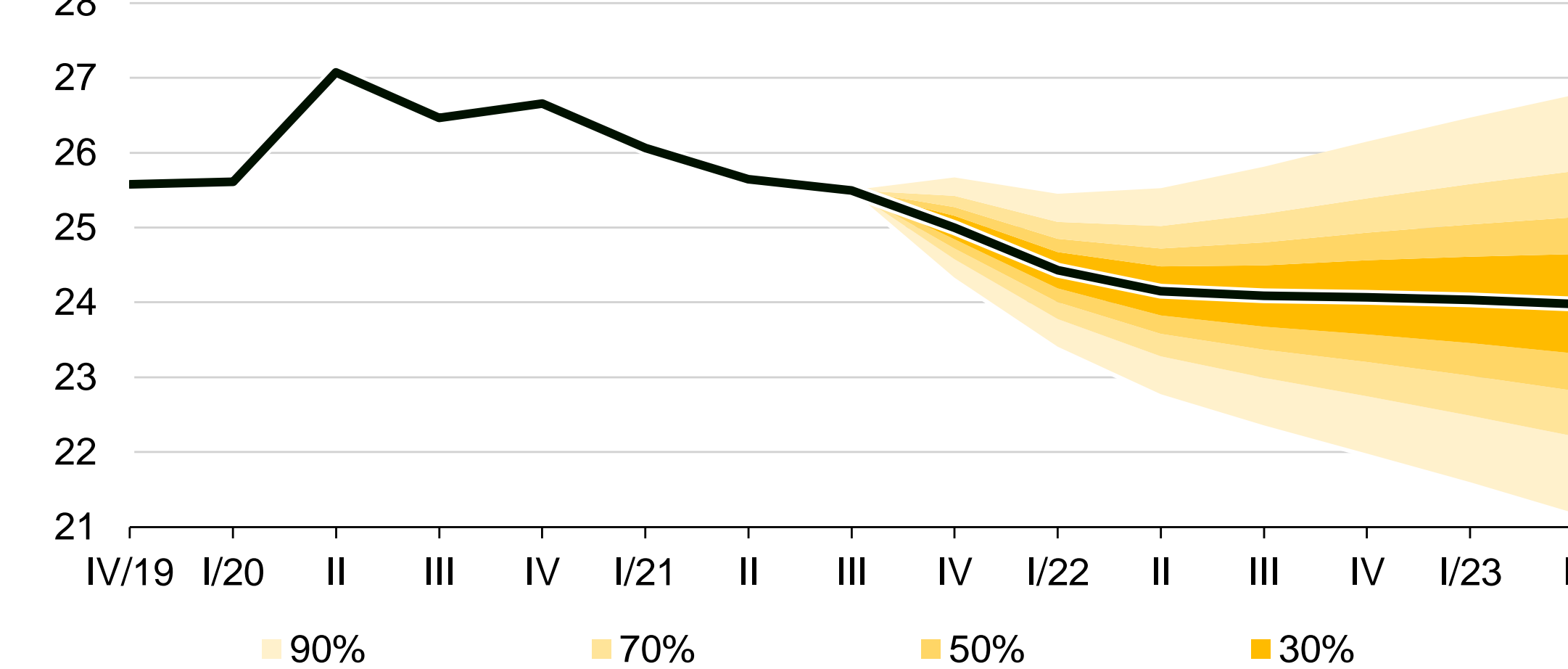
3m CZK IBOR rate forecast



GDP growth forecast



EURCZK exchange rate forecast



Thank You for Your Attention



Taylor principle: stabilizing MP reacts more than 1:1 to inflation

Real Monetary Policy Rates (net of inflation)

