



CROATIAN NATIONAL BANK

EUROSYSTEM

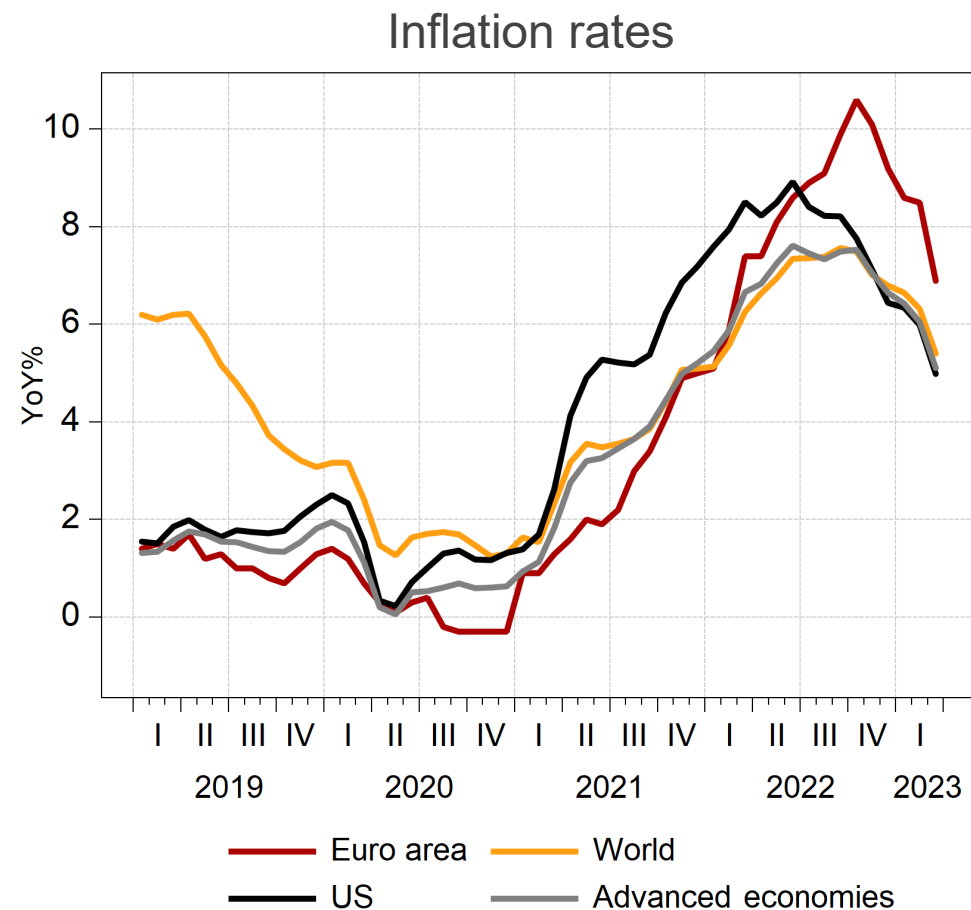
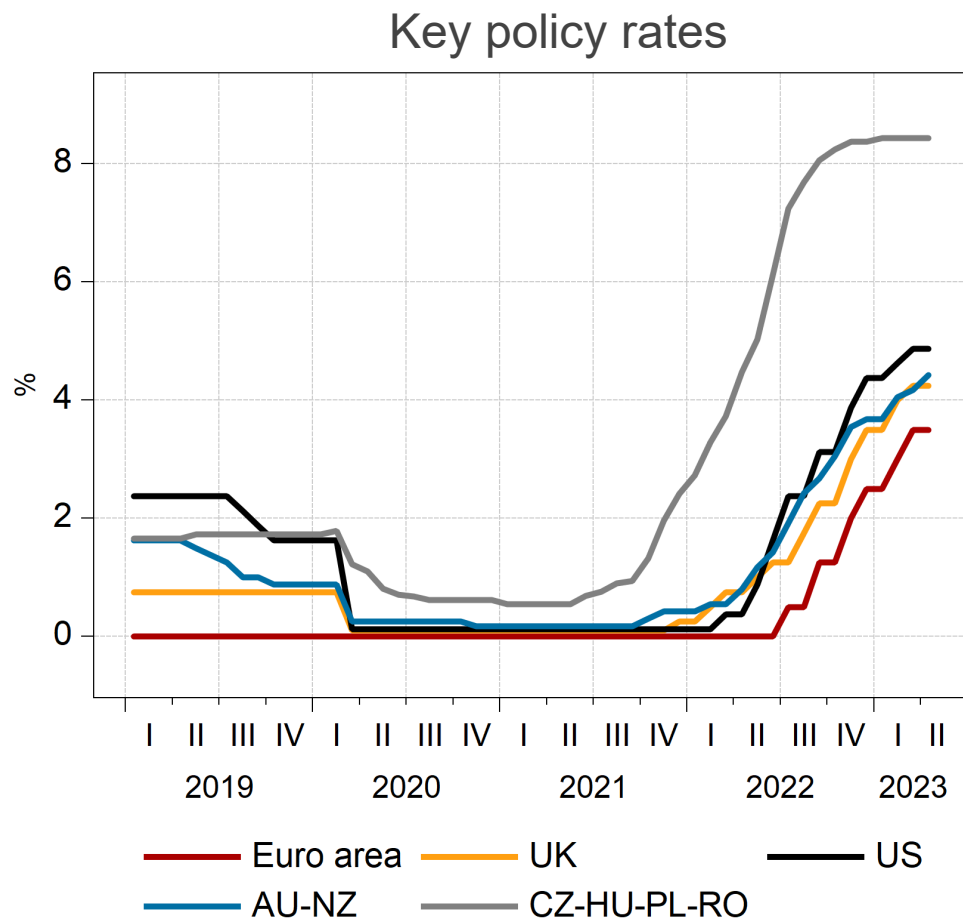
SETTING THE STAGE FOR THE DUBROVNIK ECONOMIC CONFERENCE

HOW QUICKLY WILL INFLATION RETURN TO TARGET?

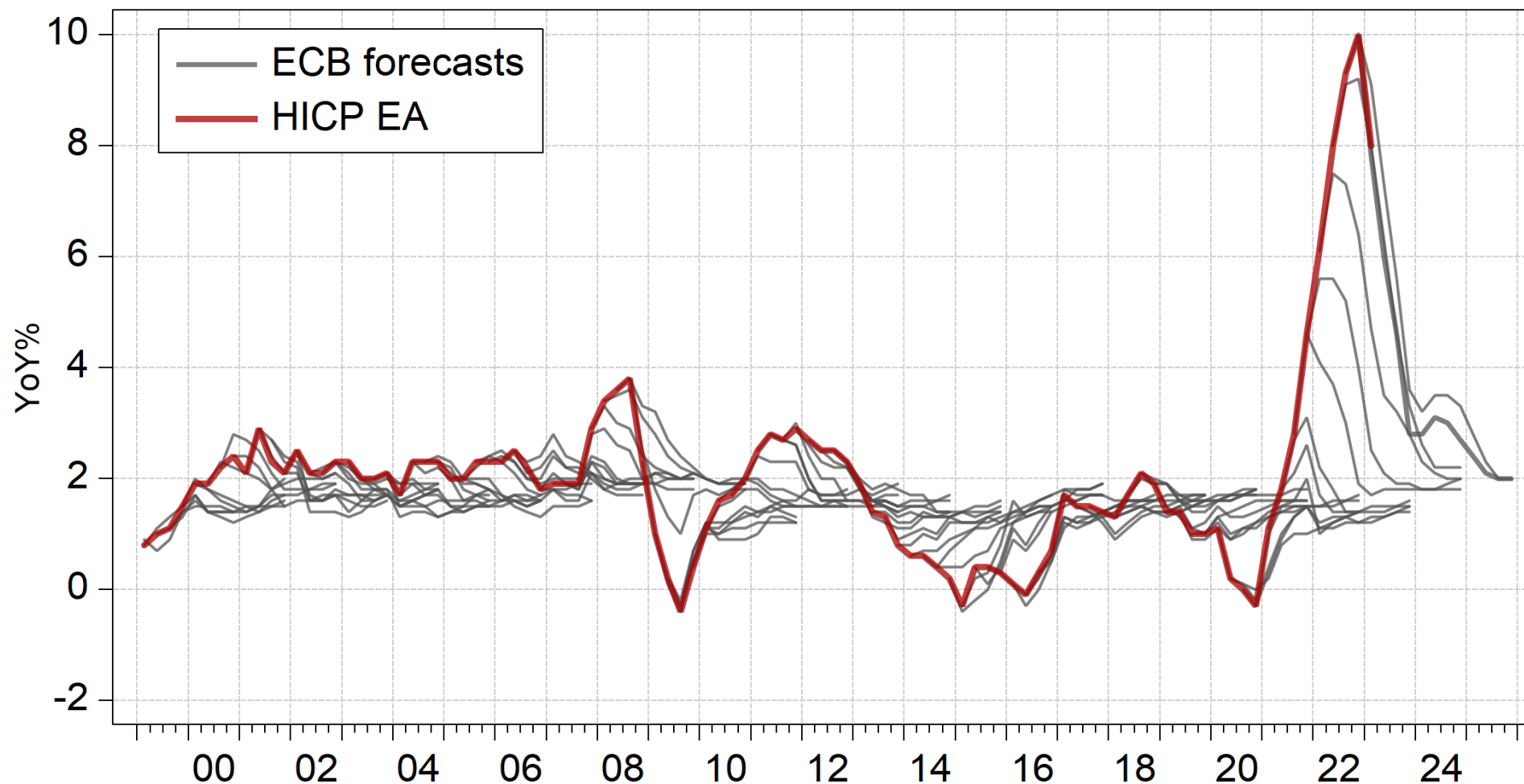
Boris Vujcic
Governor
Croatian National Bank



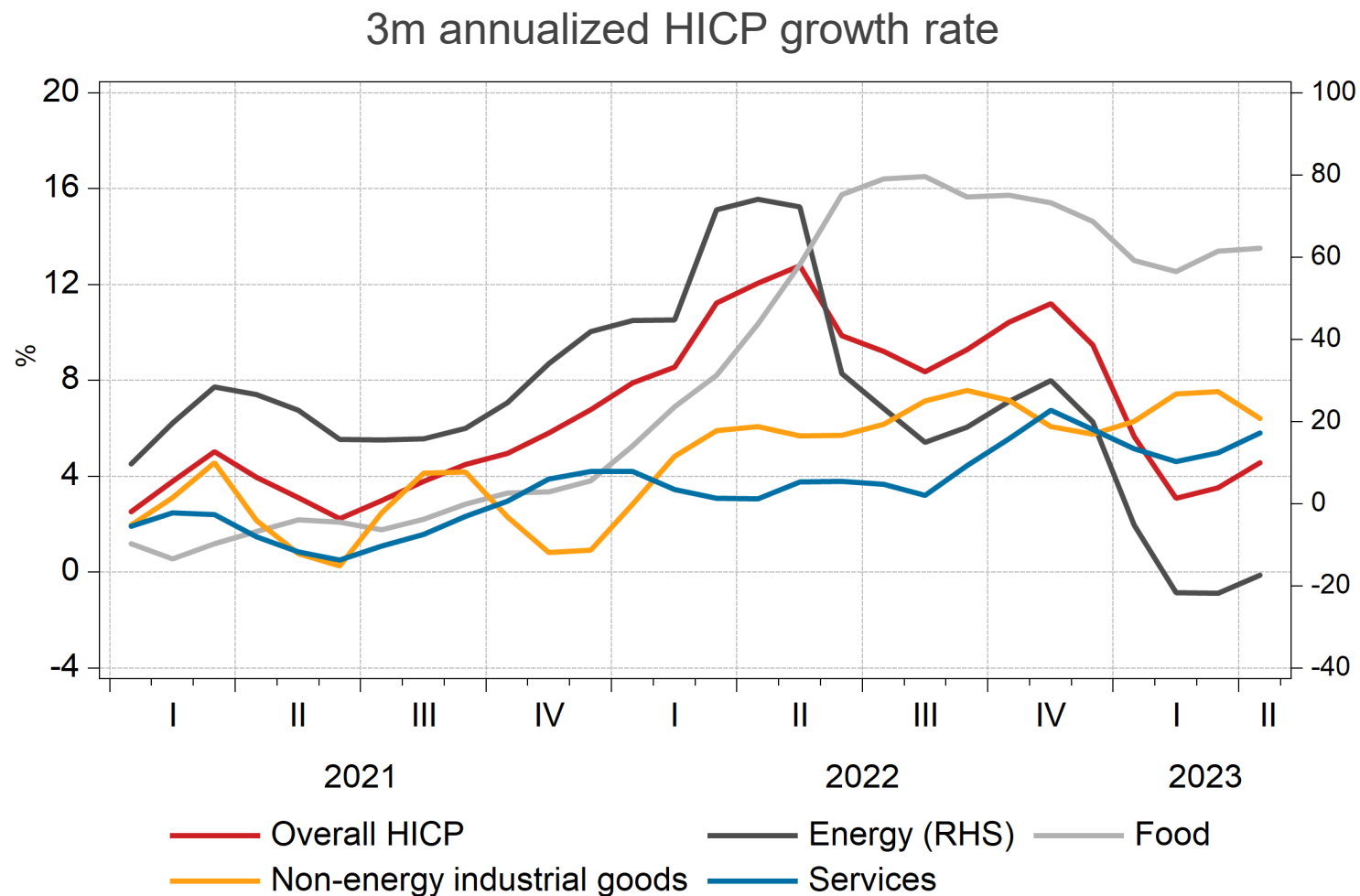
Global inflation pressures led to a synchronized monetary policy tightening across most of advanced economies



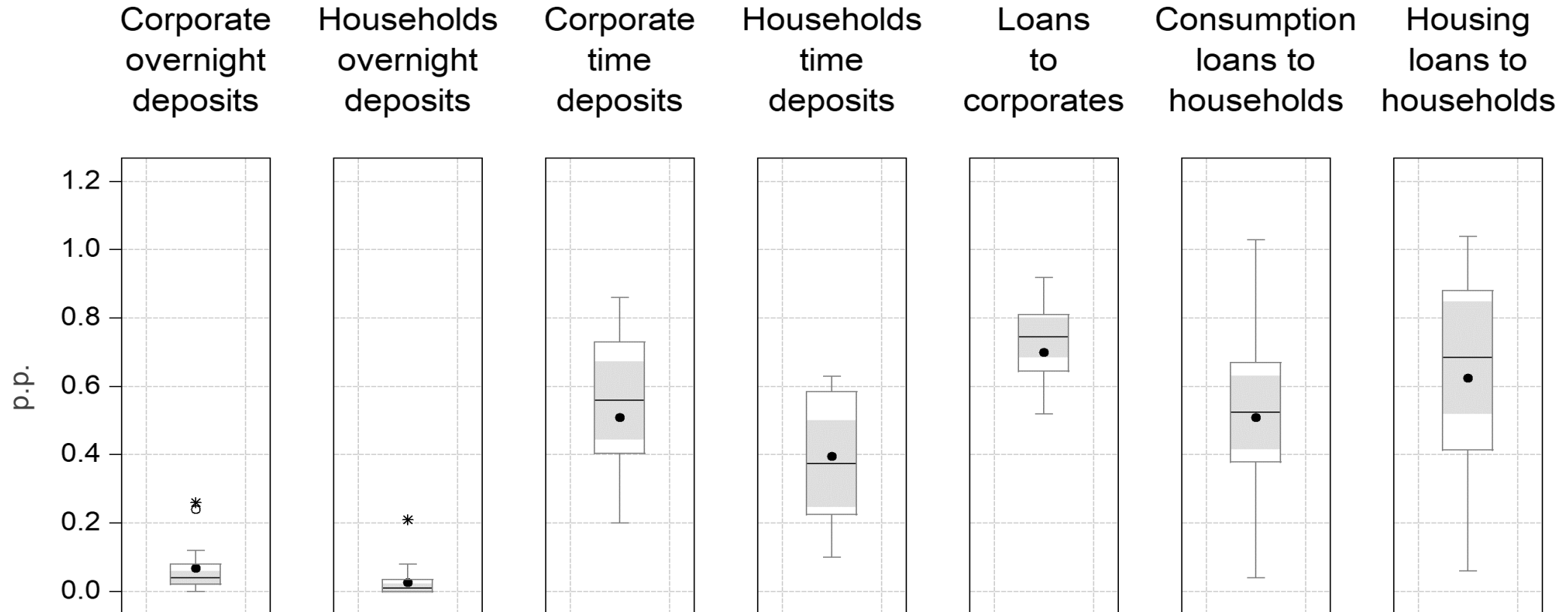
A series of large forecast errors from mid-2021 until recently



Inflation momentum is still persistent – especially core and food components

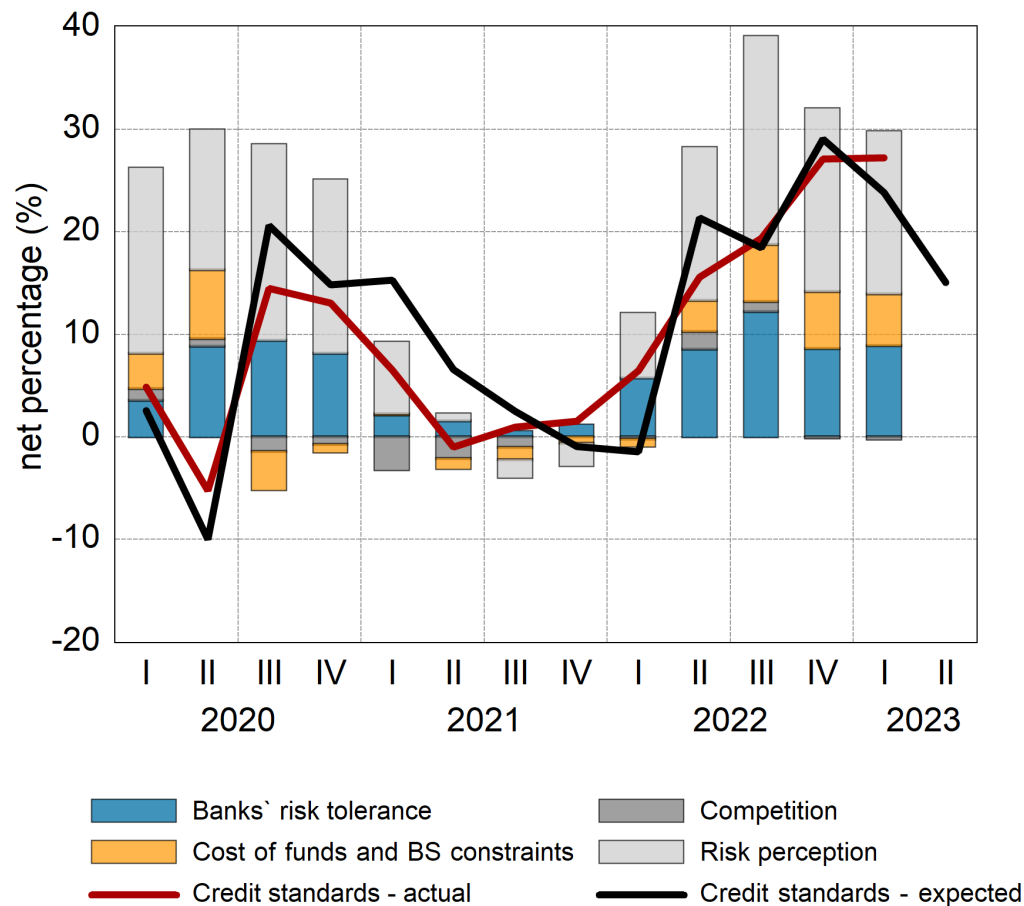


Monetary policy transmission mechanism is effective, although there is a heterogeneity across countries

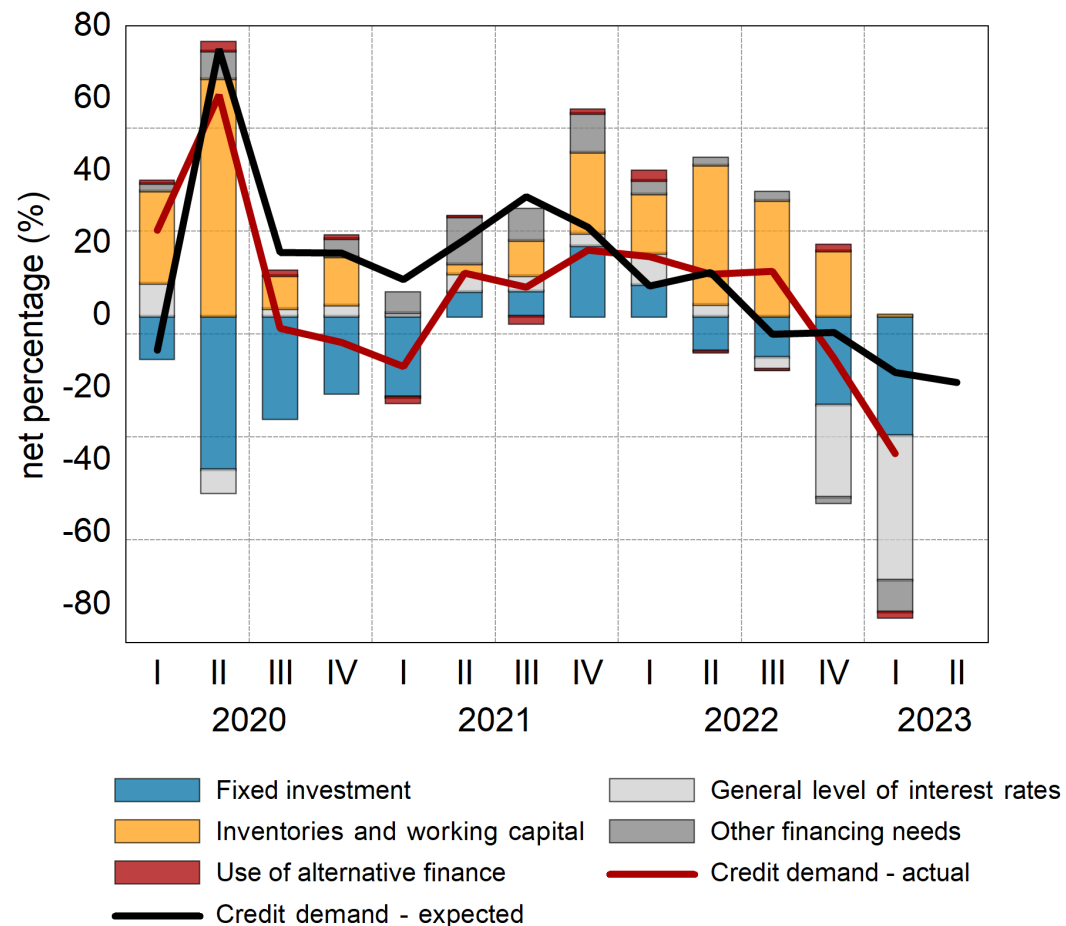


BLS suggests that credit standards for corporates could amplify effects of monetary tightening

Supply factors

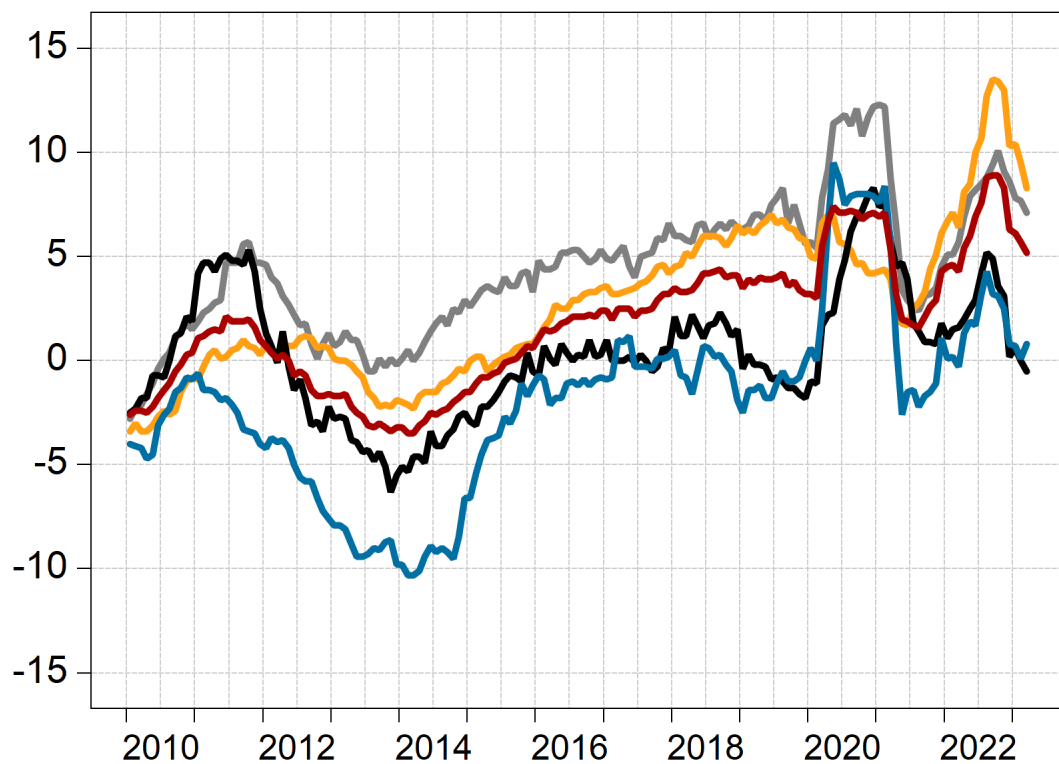


Demand factors

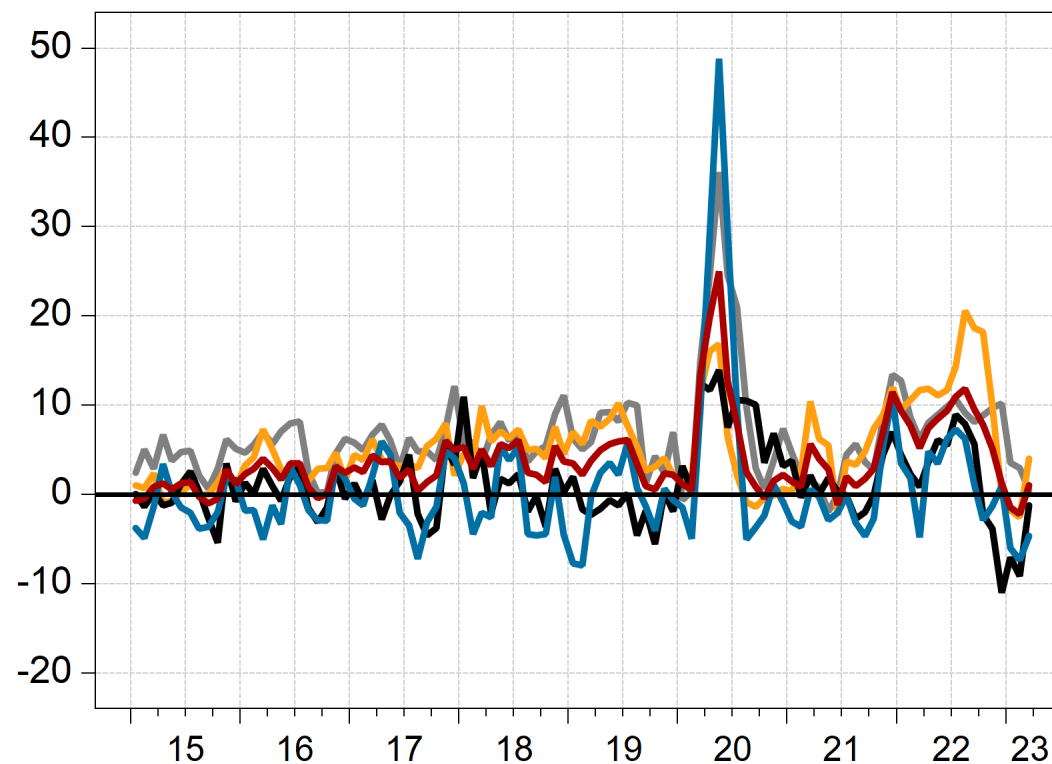


Lending to corporate sector is slowing down

Year on year growth (%)

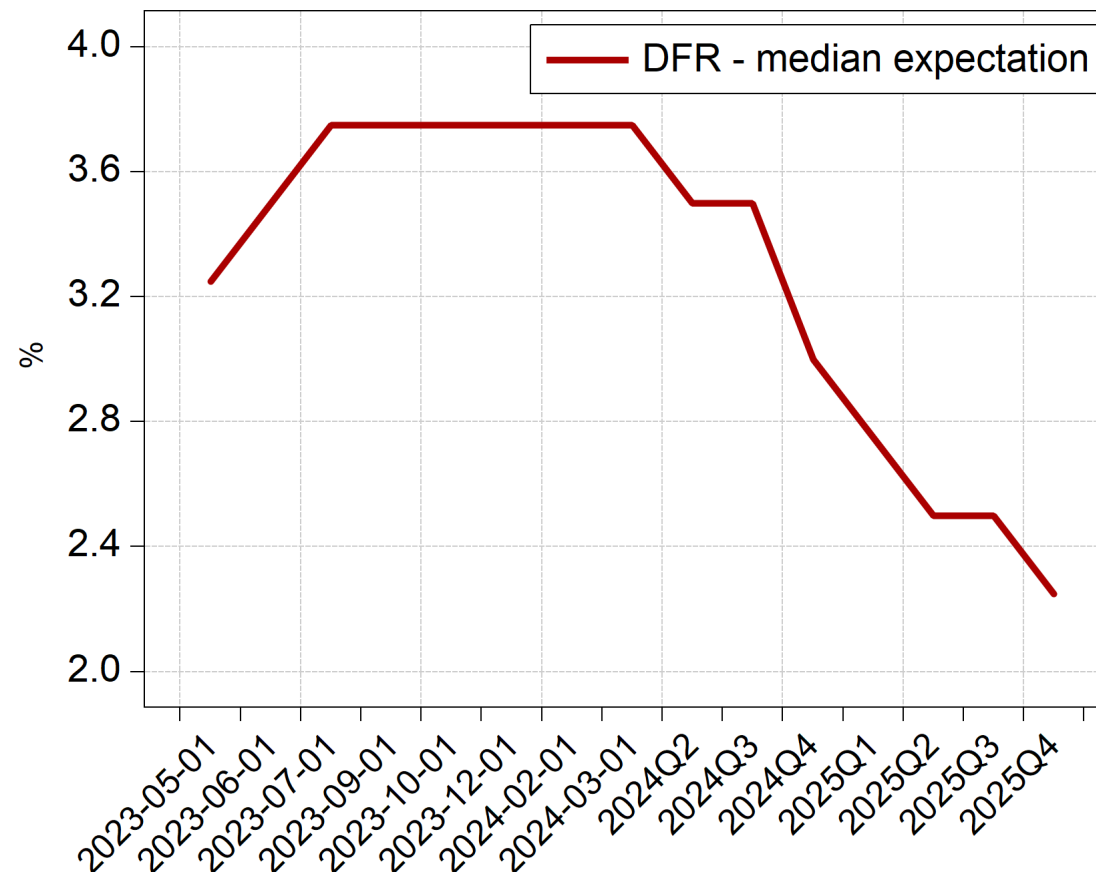
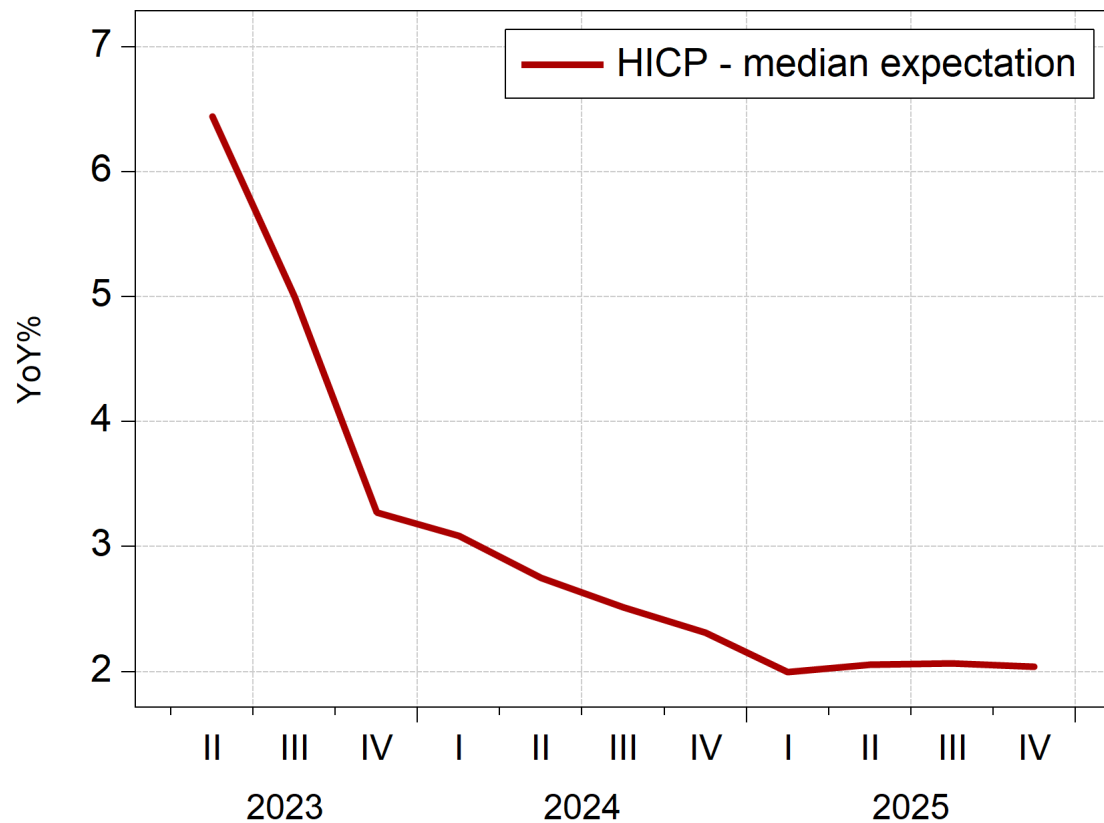


Momentum (3m annualized growth rate, %)

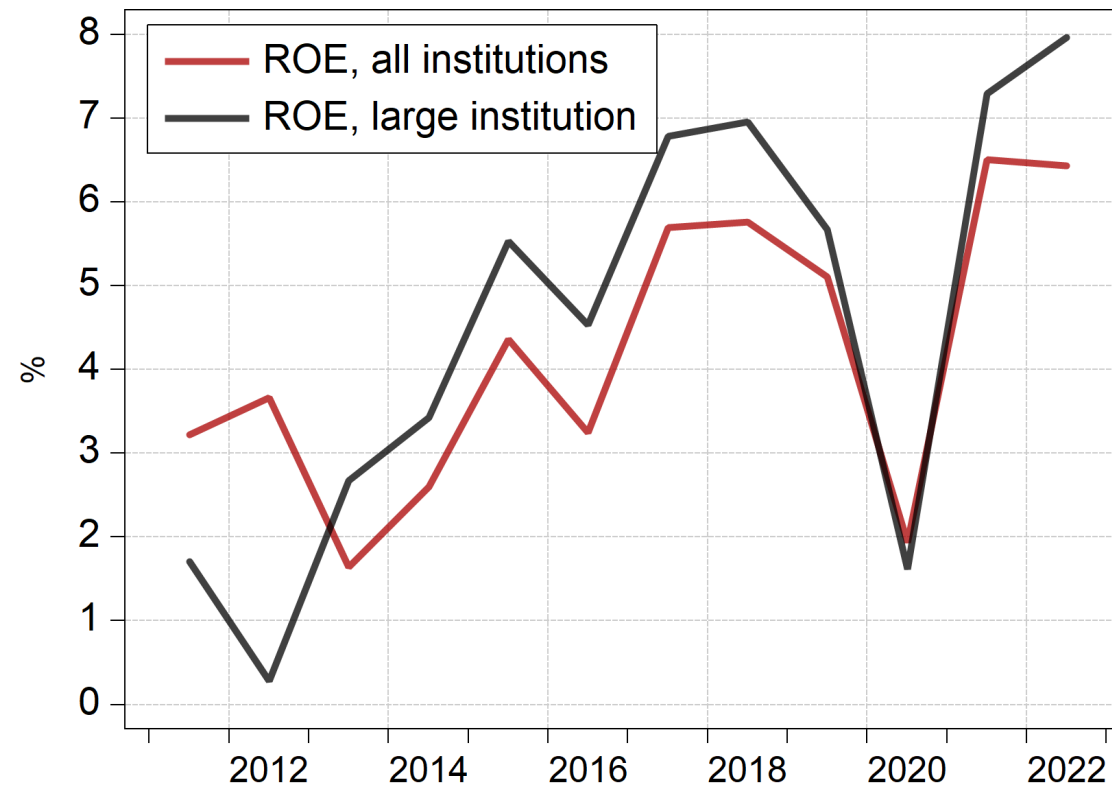
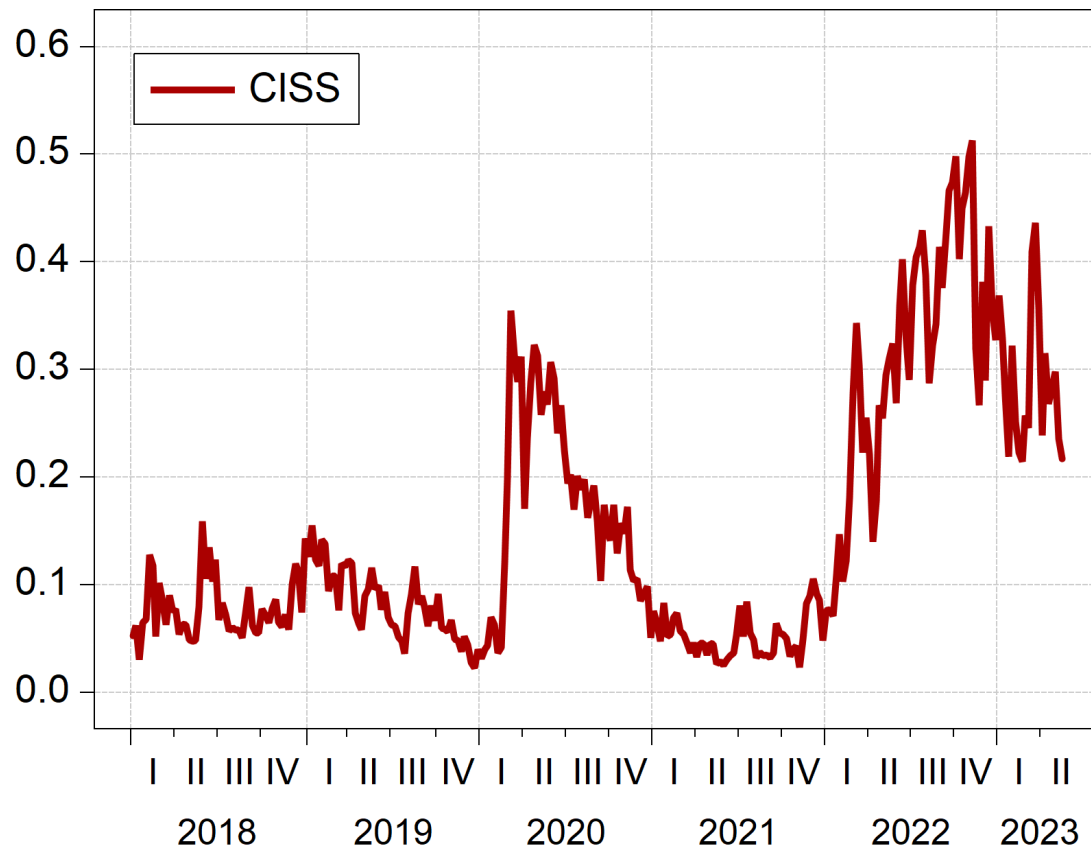


— France — Germany — Italy — Spain — EA

Monetary analysts in May round of SMA expect inflation to gradually converge to target, accompanied with quick monetary policy pivot



Bank profitability is reaching highest levels in a long time, while turmoil in financial markets is gradually dissipating





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THANK YOU!

