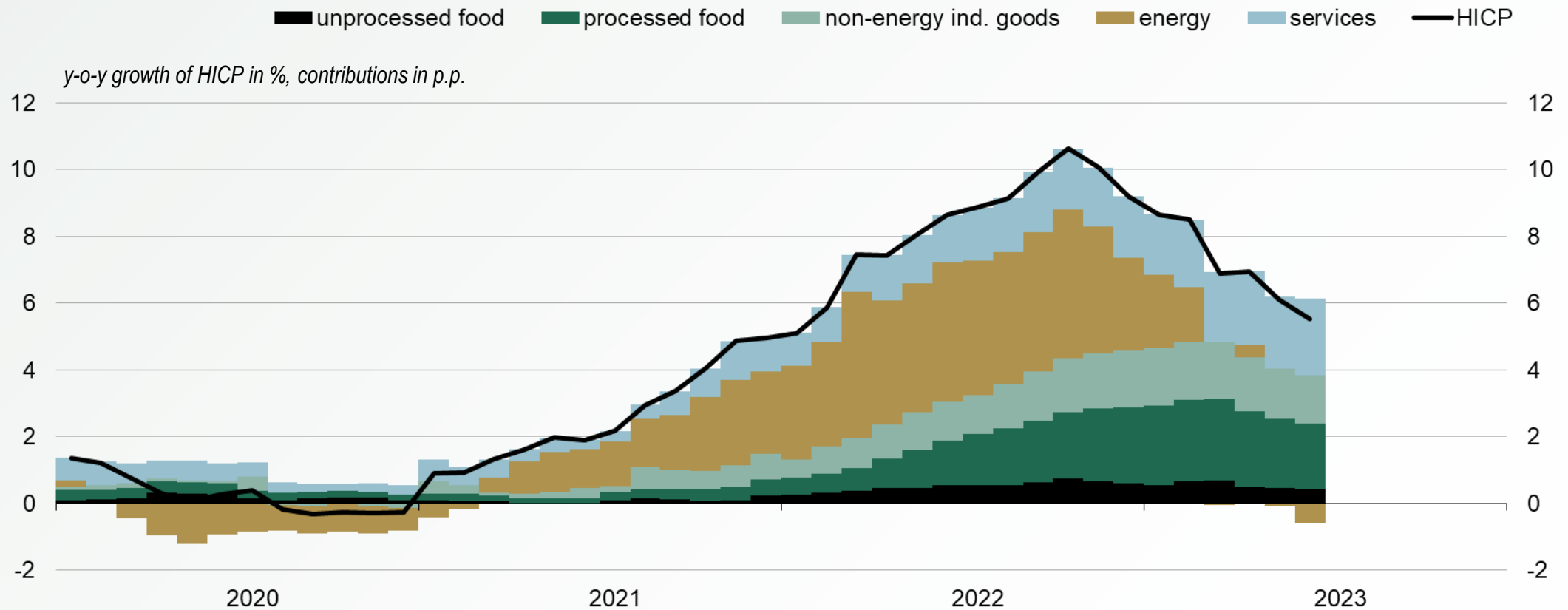


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Phases of inflationary cycle

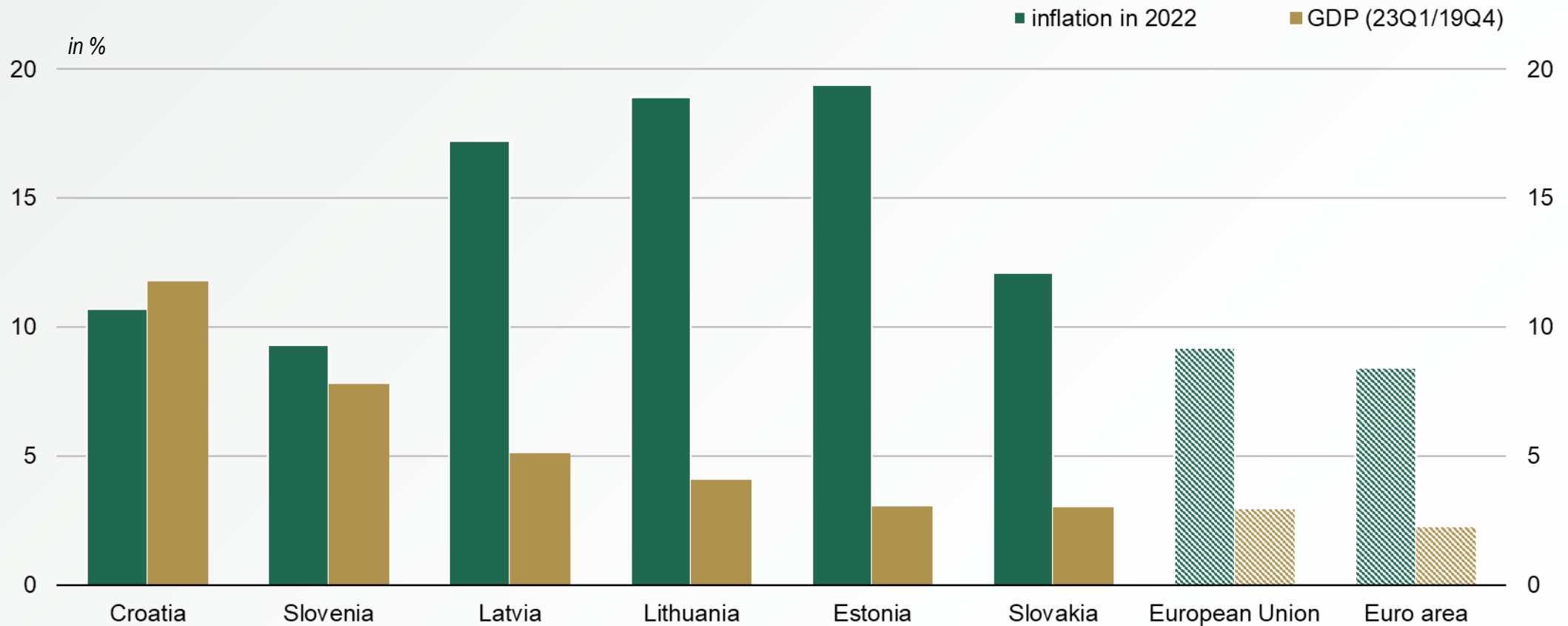
Contributions to headline HICP inflation in Euro area



Source: Eurostat, Banka Slovenije calculations.

CESEE countries endured stronger inflationary shock and quicker recovery in GDP

Inflation rates and GDP recovery in CESEE countries versus EA average

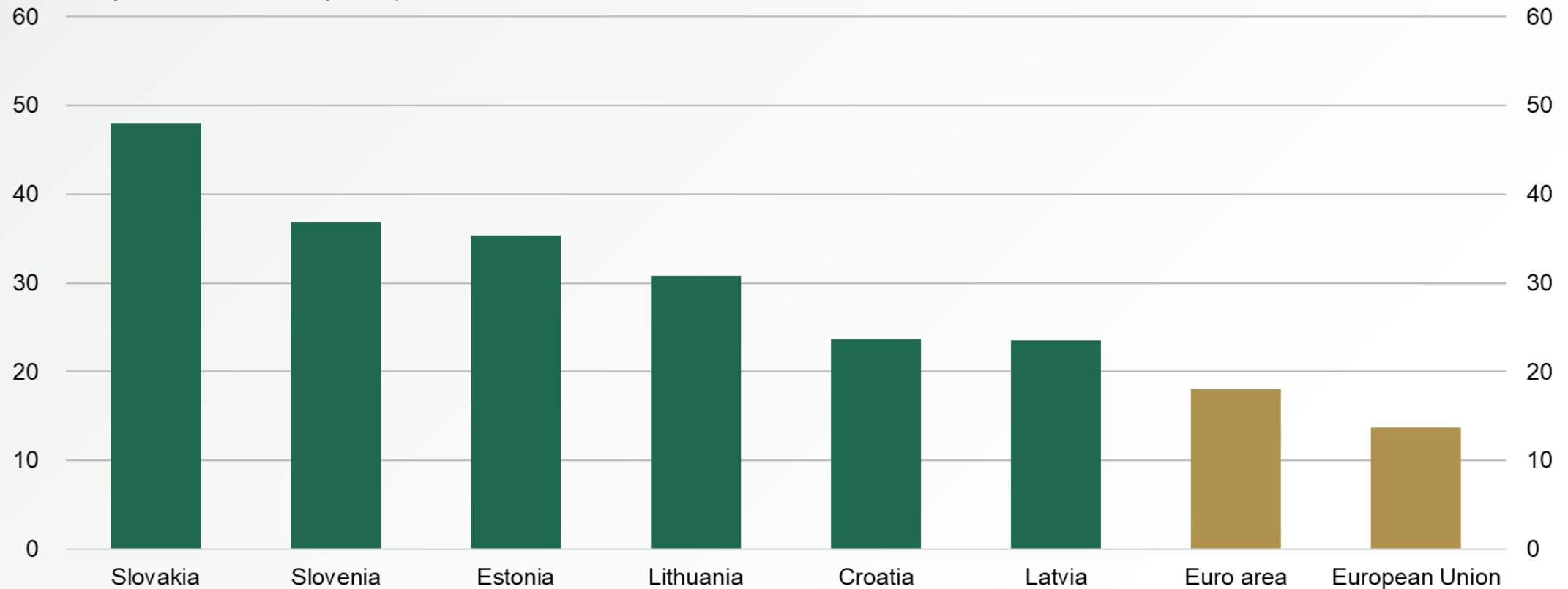


Source: Eurostat, Banka Slovenije calculations.

CESEE remain vulnerable to reversal in long-term trends

Global value chain participation rate

foreign value added share of gross exports in 2018, in %

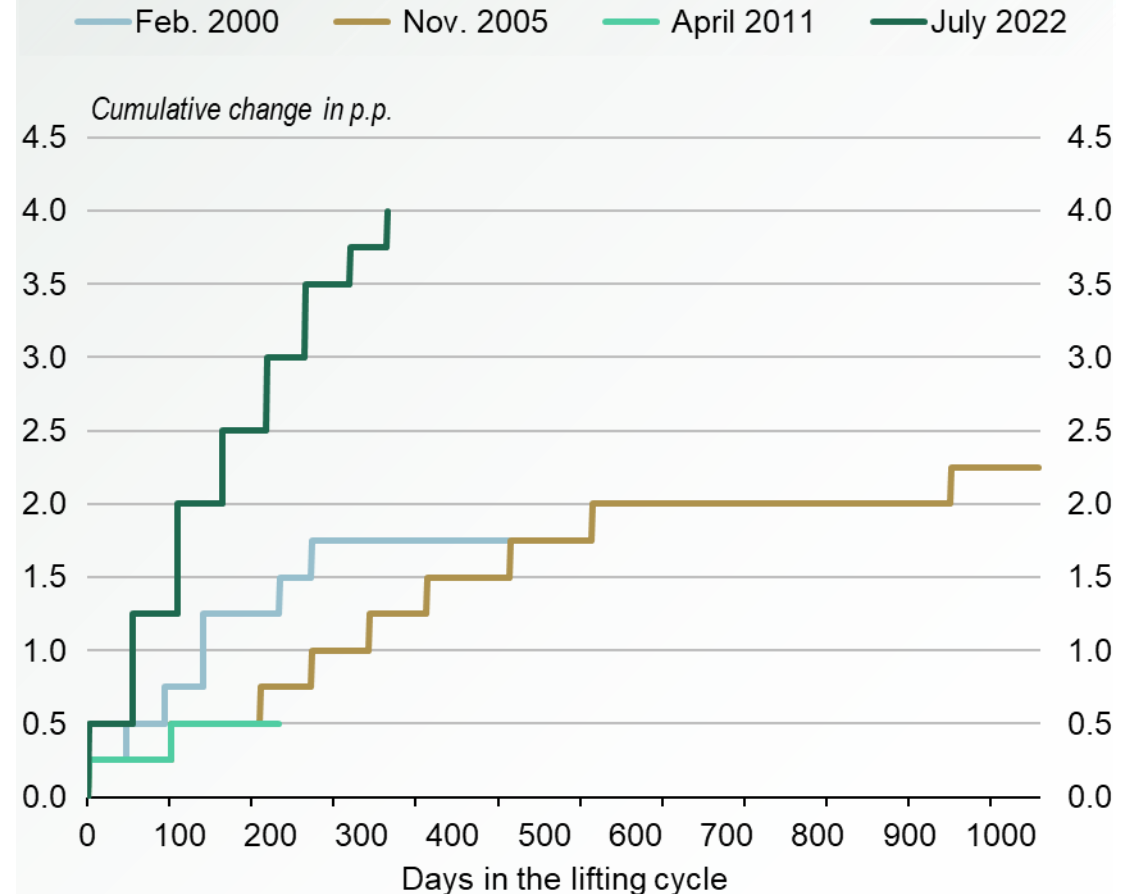


Source: OECD Trade in value added statistics.

Response to price shocks and rising inflation

- July 2022: **by 50 bps** (1st increase since 2011, *exit from negative IR territory*).
- Sept. and Oct. 2022: **by 75 bps**
- Dec. 2022, Feb & March 2023: **by 50 bps**
- May & June 2023: **by 25 bps**

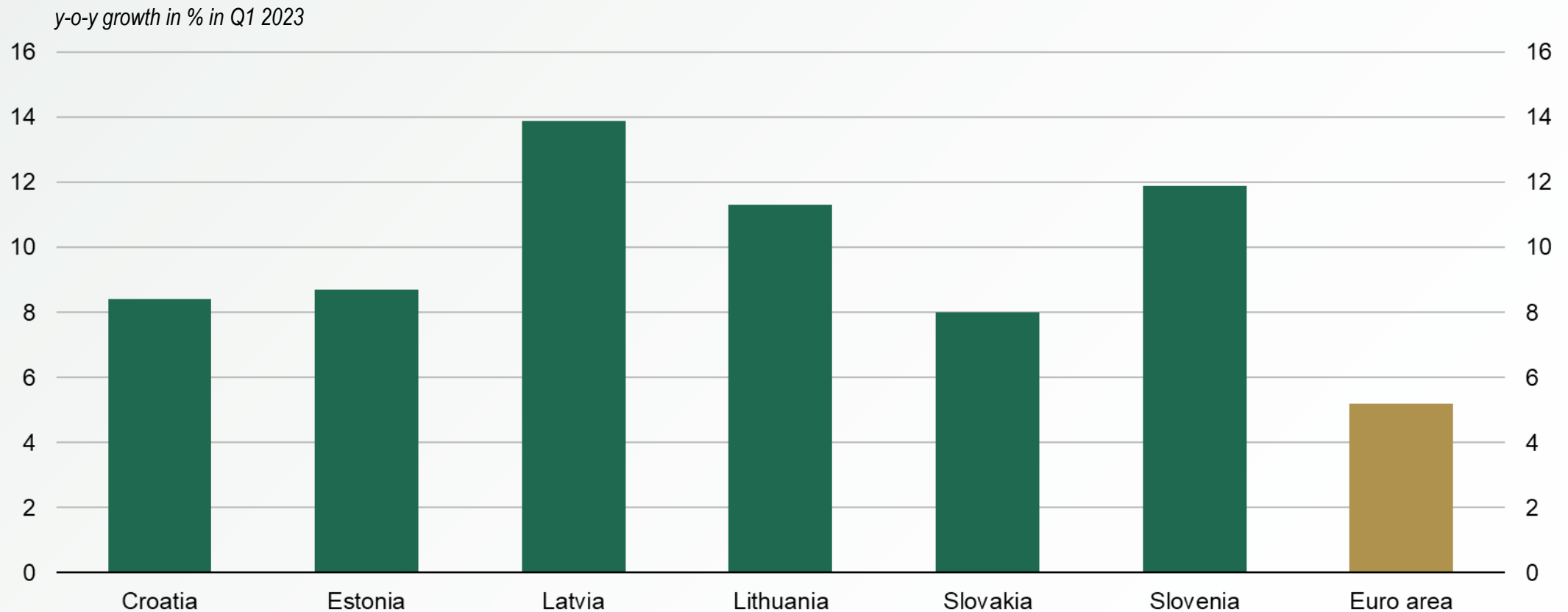
ECB interest rate on the main refinancing operations



Vir: ECB, Banka Slovenije.

Compensation per employee in CESEE EA countries

Compensation per employee in CESEE EA countries



Source: Eurostat, Banka Slovenije calculations.

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