

„In this part of Europe, there is a long history of everything being a little bit different”

(Bod Péter Ákos (2015): *Nem szokványos gazdaságpolitikák Magyarországon-évtizedek óta*. Előadás, MAB Klub, 2015.05.06. <https://www.youtube.com/watch?v=GZWu8013q5I>)

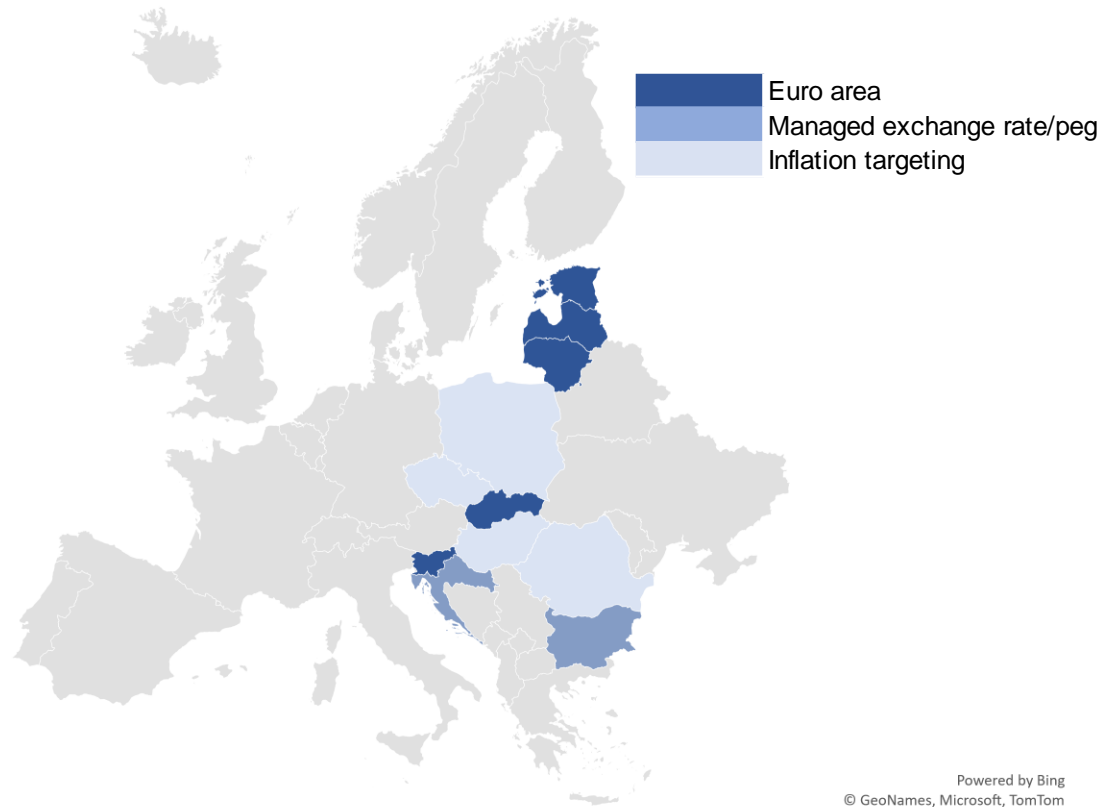


# Why is Hungary always different?

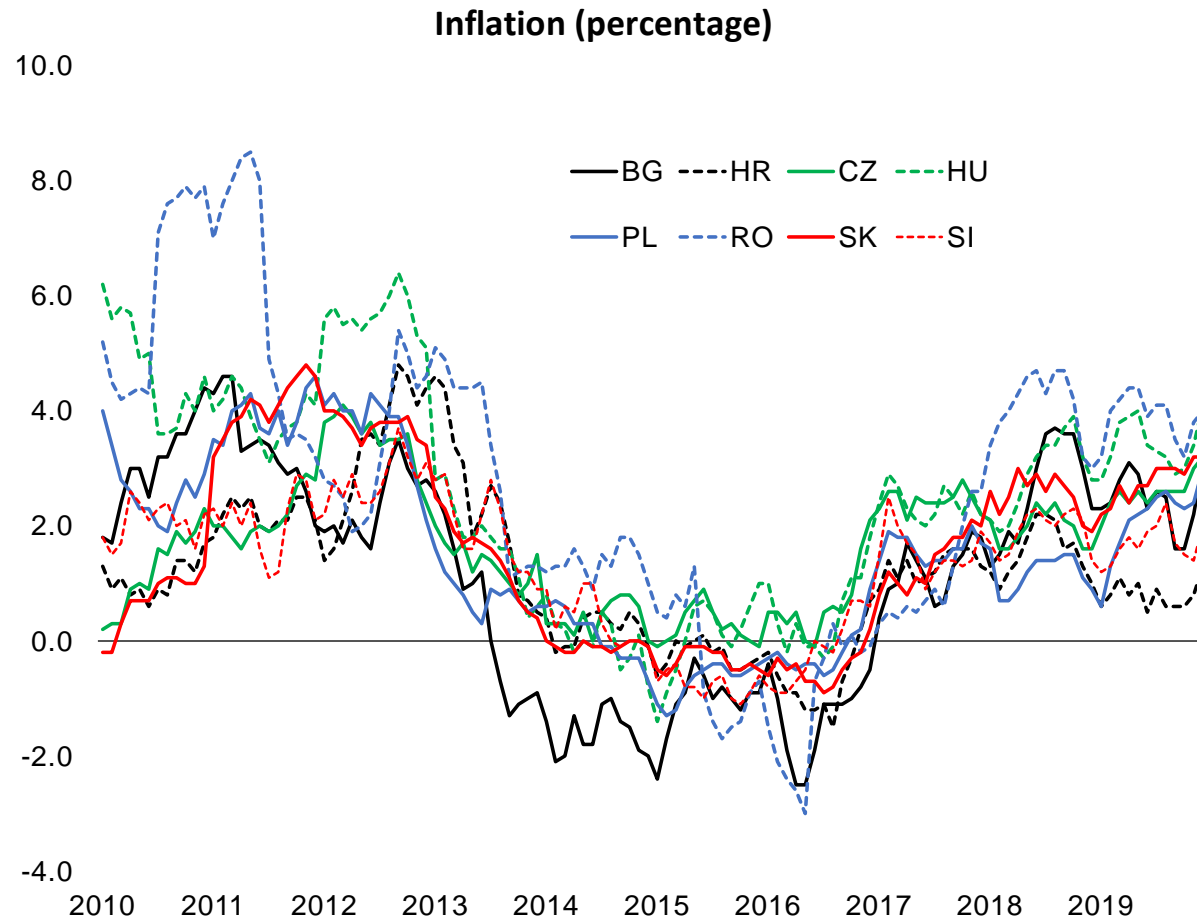
## (Monetary policy in CEE)

Király Júlia (IBS)

# Different monetary policy frameworks in the region

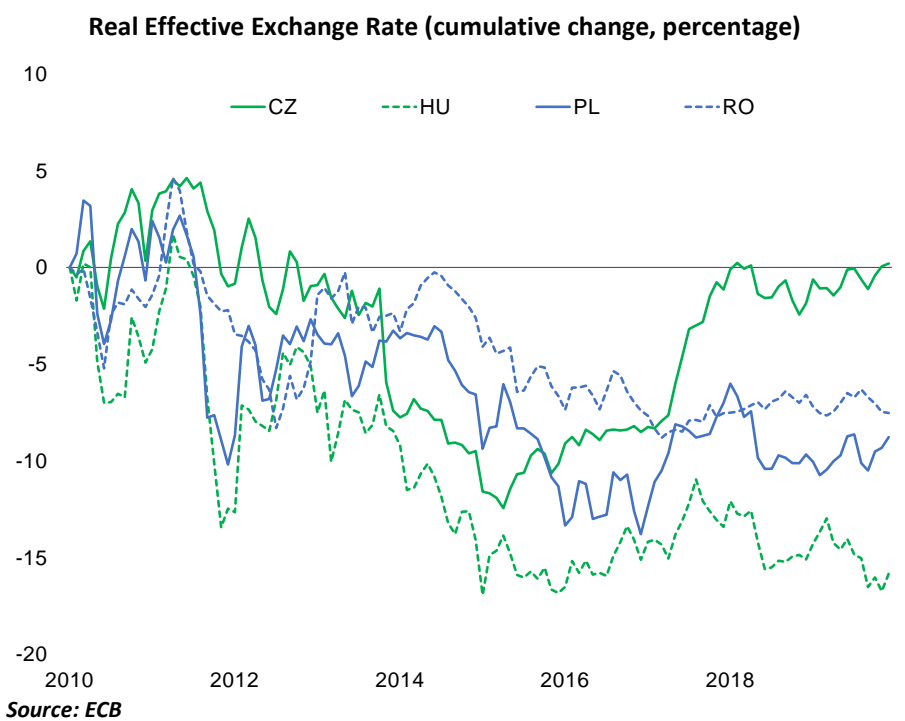
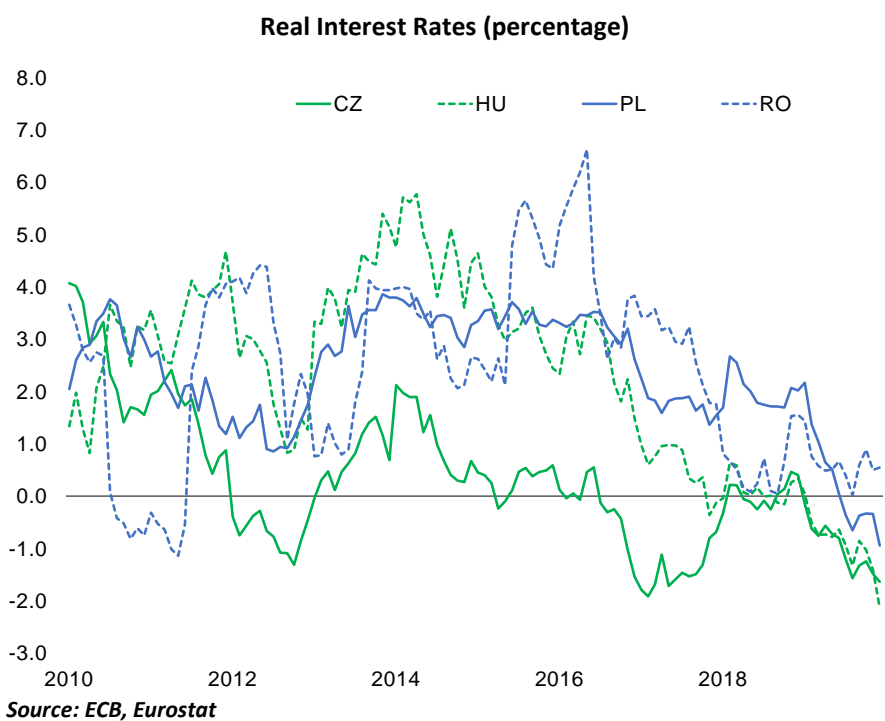


# Similar trends in inflation – higher volatility than in the center

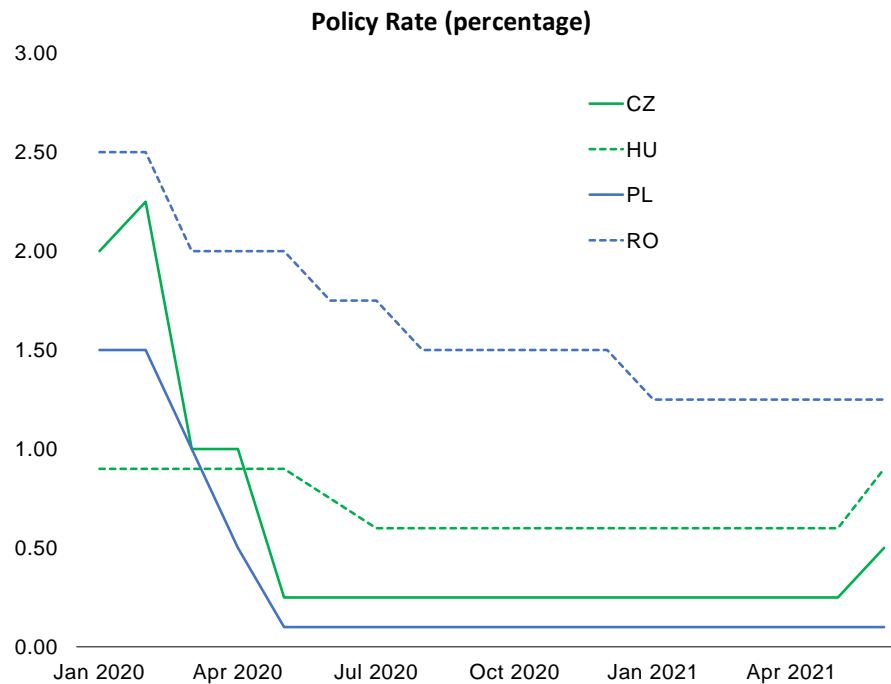


**Source: Eurostat**

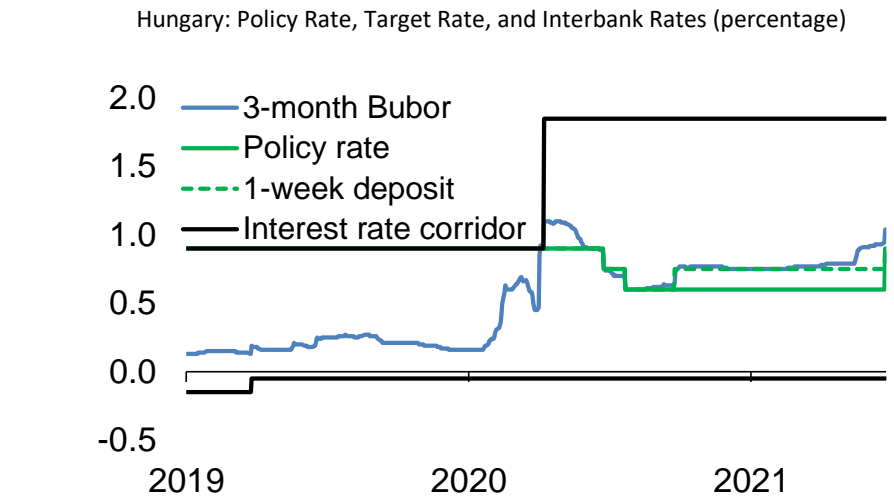
# Pre-pandemic: loose and extra-loose monetary conditions



# In Hungary, the policy rate departed from the target rate



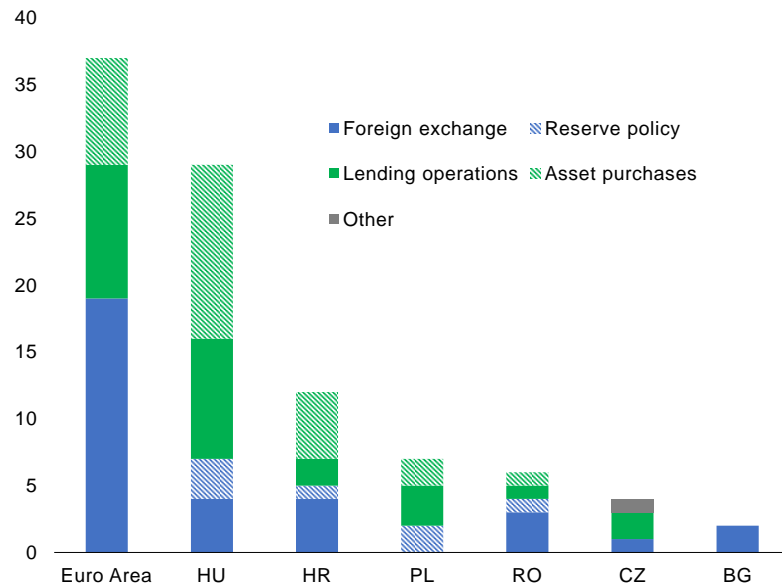
Source: BNR, CNB, MNB, NBP



Source: MNB

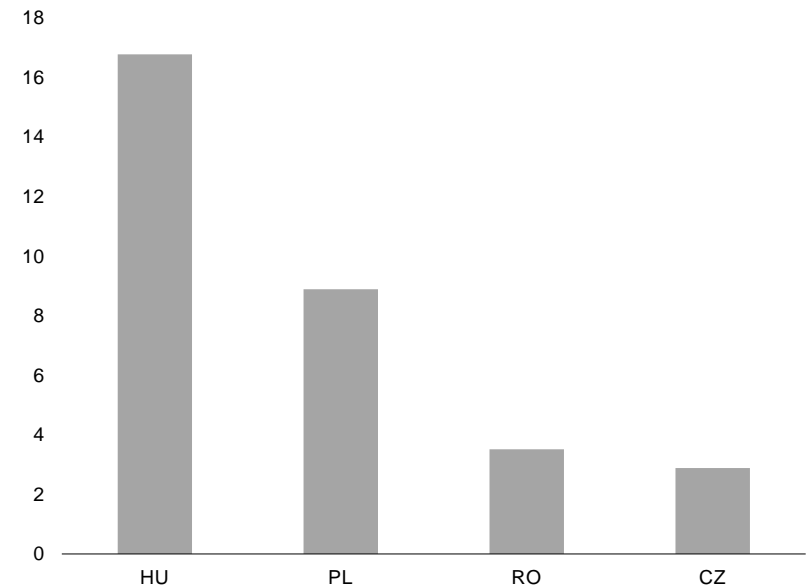
# The use of unconventional measures – should we?

Unconventional Monetary Policy Measures (number)



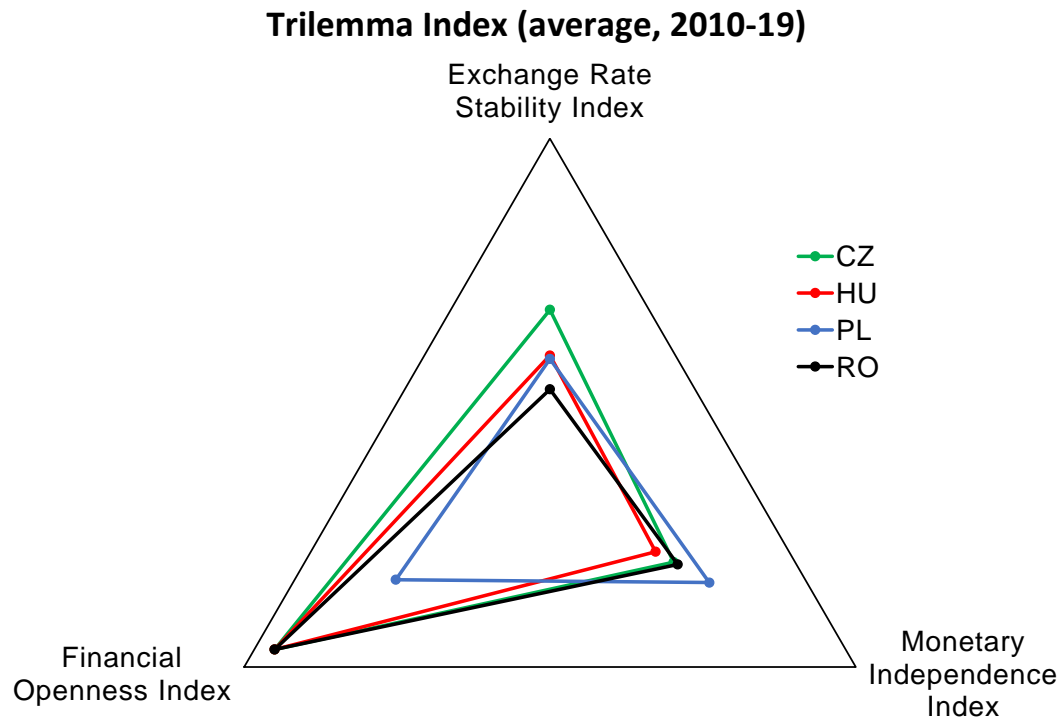
Source: Cantú et al. (2021)

Central Bank Balance Sheets  
(change between December 2019 and March 2021, percent of GDP)



Source: BNR, CNB, MNB, NBP, IMF

# Is there a real trilemma? Or a simple dilemma?



**Source: Aizenman et al. (2010)**

# High and persistent inflation in 2021 – credibility?

2021	Hungary	Other EEs
April		CZ +25 bp
June	+ 30 bp (actually +15 bp)	
July	+ 30 bp	
August	+ 30 bp	
September	+ 15 bp	
October	+ 15 bp	CZ +75 bp; PI: +40 bp RO + 25 bp
<b>Inflation (october, annual)</b>	<b>6,50%</b>	<b>CZ: 5,8%; PI: 6,8%; RO: 7,9%</b>
Policy rate	+ 30 bp	CZ +125bp, PI +75bp, RO +25bp
	2,10%	CZ 2,75%, PI 1,25%; RO 1,75%
Target rate <b>28th november</b>	2,9% (+40bp and +40 bp)	the same as the policy rate