

THE CENTRAL BANK OF BOSNIA AND HERZEGOVINA

Statistics and Publication Department

Information on the Results of Inflation Expectations Survey from March 2022

Management and stabilisation of inflation expectations have an important effect on price stability and reflect confidence in monetary policy measures, credibility and efficiency of monetary authorities. Therefore, since March 2019, the CBBH has regularly conducted, as an important segment of its communication strategy, semi-annual Inflation Expectations Survey, with the aim to analyse and continually follow up with inflation expectations of economic entities. Participants of the Survey are representatives of financial sector, commercial banks and insurance companies. Current acceleration of inflation, and interest of local and foreign institutions additionally draw attention to the results of the mentioned research, so the Survey has been conducted on quarterly basis since 2022.

The results of the Survey conducted in March 2022 show an increase of short-term inflation expectations for the current year 2022. Expected inflation for the current year amounts to 6.7%, which is significantly higher compared to 1.6%, which was recorded in the Survey conducted in September of the previous year. Such change of expectations shows a sharp change in perception, which may be related to instability and turmoil in the global market, primarily the growth of energy and food prices.

Results of the Survey show that expected inflation rate for 2023 is at the level of 4.3% which is much lower than inflation expectations for the current year, further pointing out to the perception that an increase of inflation expectations in the current year is temporary and that inflation pressure is expected to be lower in 2023.

Inflation expectations for 2022

