

## The Central Bank of Bosnia and Herzegovina

### Statistics and Publication Department

#### Information on the Results of Inflation Expectations Survey from December 2022

Management and stabilization of inflationary projections significantly affects price stability, being the reflection of trust in monetary policy measures, credibility and efficiency of the monetary authority. In terms of this, the CBBH, as an important segment of the communication strategy, has been regularly conducting the Inflationary Expectations Survey since March 2019, with the aim of analysing and continuously monitoring the inflationary projections of economic entities. The survey participants are representatives of the financial sector, commercial banks and insurance companies. The current acceleration of inflation and the interest of domestic and foreign institutions additionally draw attention to the results of the mentioned survey, and from 2022, the survey is conducted on a quarterly basis.

The results of the survey conducted in December 2022 indicate a gradual stabilization of short-term inflation projections for the current 2023, in which inflation is still expected to be high, but significantly lower than in 2022. The projected aggregate inflation for the current 2023 is 9%. It is evident that projections on inflation have been continuously growing over the past year, because previous surveys gave lower projections (4.8% in March and 6.7% in September of last year), all in line with price trends in 2022. In the current year, a gradual stabilization of inflationary projections is expected. Inflation projections are still uncertain, and the prolonged effect of shocks is expected in the coming period, too. In addition to global factors, which dominantly determine the inflation trends, it is reasonable to expect that differences in the rate of inflation between countries will largely depend on the flexibility, structure and potential of the domestic economies. The results of the survey further indicate that the projected inflation rate for 2024 will weaken significantly and according to the last round of survey, the participants indicated that it should amount to 4.8%.

