

Mental inflation



Take the following quick-and-dirty test, without giving it any thought: Which is more, €8 or Kč 200? Although Kč 200 is only €7.14 at today's rate, a surprising number of people have the feeling that prices are lower when they're expressed in crowns. It's a strange phenomenon, and it's the result of a sort of mental inflation that isn't directly linked to price increases or supply and demand. It's partly due to the way banks force Kč 2,000 notes on us at ATMs, or the way the CNB is phasing out heller coins and small banknotes. When the 50-heller coin is abolished a year from now, the smallest Czech coin will be worth five times more than the smallest U.S. coin and three times more than the smallest euro coin (at today's rates). Abolishing 50-heller coins will cause actual inflation of only 0.1%, according to Aleš Michl of Raiffeisenbank. But mentally, it will make Kč 200 seem like less and less.



Thank you, Fujitsu Siemens Computers!
Thank you, Mr. & Mrs. President Václav Klaus!
Thank you, potential buyers of our charity rarity!

A limited number of design computers autographed by President Václav Klaus and donated by Fujitsu Siemens Computers are for sale. The proceeds will help the Bone Marrow Transplant Foundation in Pilsen, whose patron is First Lady Livia Klausová. This charity rarity sells for CZK 60,000 each.

Serious buyers please contact iva.dryakova@bm.com