

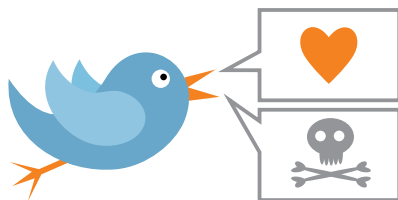
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## 'There was no devaluation'



If someone, such as Pres. Miloš Zeman, wanted to make a political or legal issue out of the currency intervention on Nov. 7, the CNB itself is providing the ammo. Instead of continuing to be vague about why its action did not amount to a "[change in the exchange-rate regime](#)," which would require previous consultation with the cabinet, CNB Spokesman Marek Petruš declared today in HN that the bank did not devalue the crown. It merely began to use the exchange rate as another instrument for easing monetary policy, he said. There is no doubt that the CNB has the legal mandate to depreciate the crown by buying euros; the potential political or legal issue is whether it also had the legal mandate to take a vote - without prior government consultation - to set a maximum value for the currency. It is this semi-fixing of the crown that makes what the CNB did a devaluation by any reasonable definition of the word.

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