

Rational exuberance



In a country where it's possible to have record employment and record unemployment at the same time, as we wrote [last week](#), it's also possible to have one institution (the [ČMKOS labor union](#)) predicting economic stagnation and another (the [Czech National Bank](#)) forecasting GDP growth of 2.2% this year and 2.8% next year. The pre-Babiš [finance ministry](#) is somewhere in between, with growth forecasts of 1.4% for this year and 2.0% for 2015, although it stresses that the intervention against the crown increased the uncertainty of predictions. In its own forecast last week, the CNB raised its growth outlook yet again, but it's impossible to know whether it was statistically sound or whether it was a PR effort to counter the criticism of the devaluation and create a self-fulfilling prophecy of rational exuberance on the part of consumers. CEO Pavel Kysilka of Česká spořitelna declared in [HN](#) today that the "lousy mood" in the country is over. Bankers, it seems, really want us to start spending money again.

Read this later today in [Czech](#)



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