

A daily e-mail bulletin of Czech wit & wisdom. For your free subscription, write to subscribe@fsfinalword.com

Rusnok's train wreck



The Czech National Bank is so bad at [economic forecasting](#) that one must wonder whether it is intentionally bad. If it took a more realistic view of the domestic, European and global economic situation, its monetary policy would benefit the economy more, but it's [four-year campaign to revalue the crown](#) would suffer. A realistic view today is that the Czech economy is an express train that was moving along at a [4.6% speed in the first quarter](#) (from a low base) and that is starting to decelerate. The engine driver has a schedule to keep but knows that if he isn't careful, he might derail and hit a bridge pillar or other obstacle. CNB Gov. Jiří Rusnok acknowledged at the [May 5 monetary-policy meeting](#) that a halt in supplies of Russian oil and natural gas would have "very dramatic consequences" for Europe, but he still supported a sharp increase in interest rates. The risk of Rusnok's policy is that if the derailment comes, the damage to companies and households will be all that much greater.

Read this later today in [Czech](#)  Find us on Facebook

RELEVANT INFORMATION

IS THE KEY WE USE TO FOSTER YOUR COMMUNICATIONS.

DIBIM partners in
communications

Connected to Professionals Worldwide