

Contents

Introduction	7
1. Framework for present monetary policy: Results of transformation, 1991-1995	11
2. Main challenges for anti-inflationary policy	19
2.1. Strong investment wave: search for a new growth path	19
2.2. Trade deficit: can it prove an excessive demand growth?	22
2.3. Exchange rate sustainability, fluctuation interval, and policy autonomy.....	25
3. Diversity of inflation factors	31
3.1. Missed monetary targets - and declining inflation	31
3.2. Capital inflows: an inflation factor?	33
3.3. Systemic factors of inflation	34
3.4. Exchange rate and purchasing power parity: another source of inflation? ...	36
3.5. Possible compensation of pro- and anti-inflationary impacts	38
Conclusions	41
Appendix	45
Managing real interest rates: an alternative for Czech monetary policy?	
References	49