



NARODOWY  
BANK POLSKI

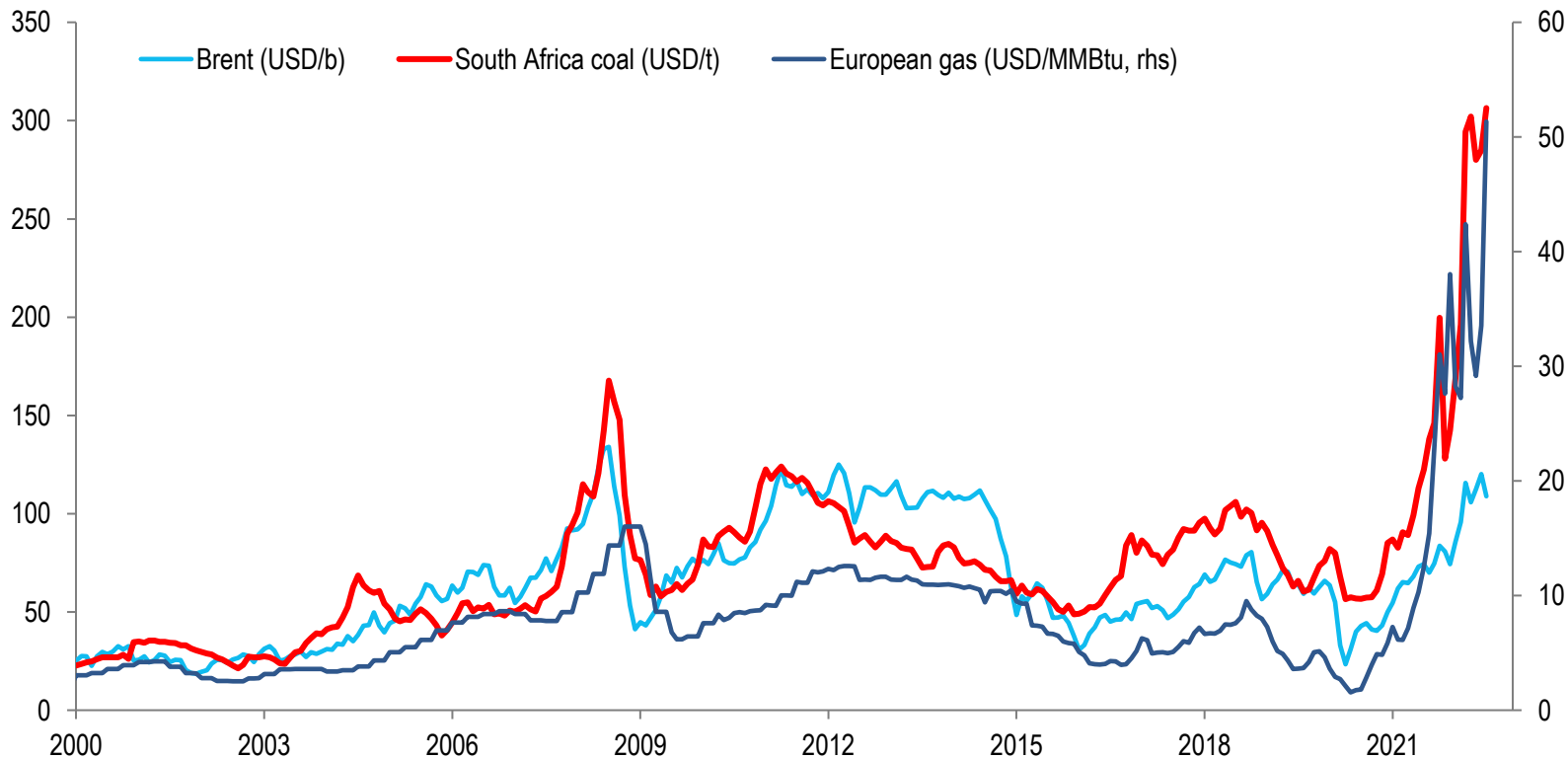
# Domestic or global? Drivers of inflation in Poland in 2022.

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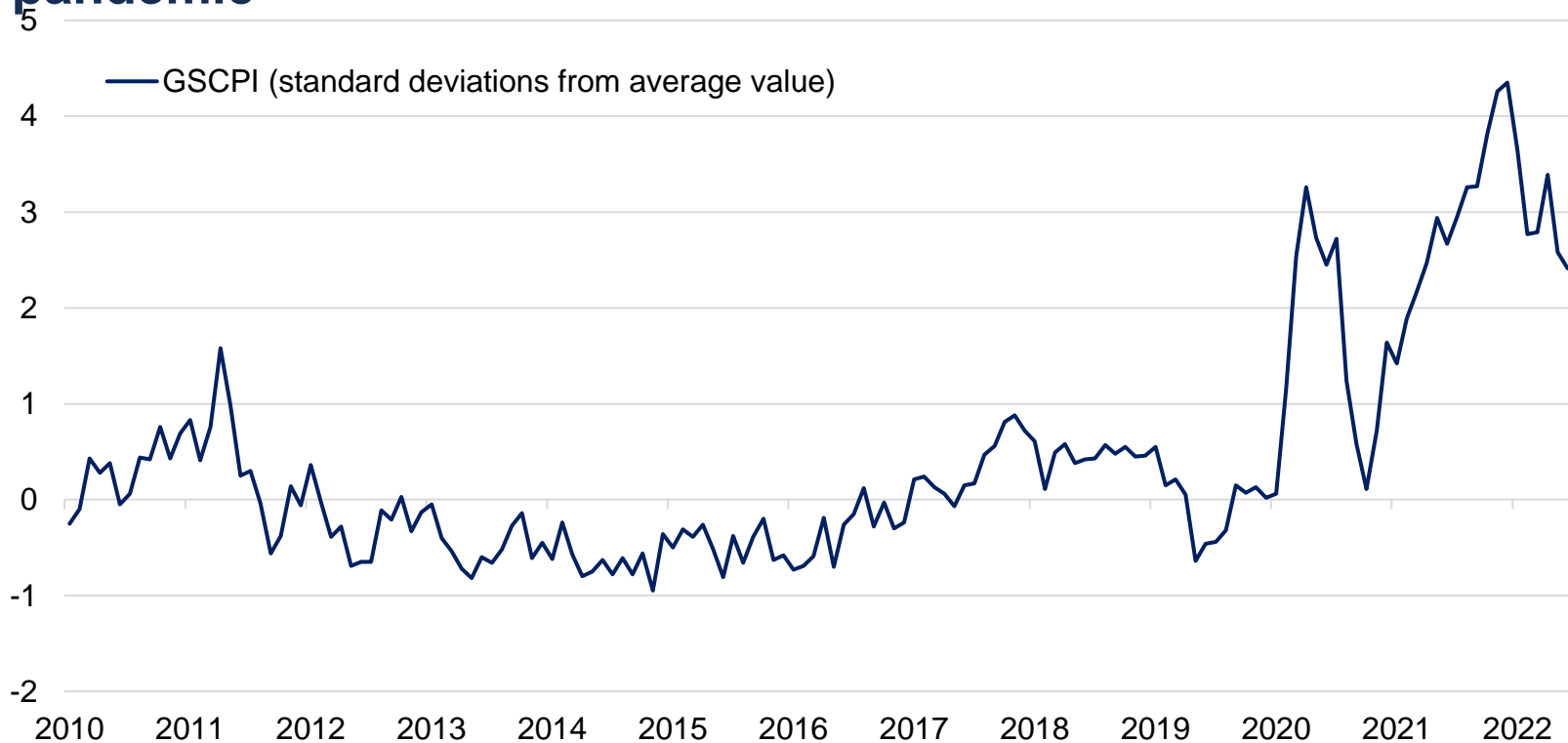
Fourth Biennial Conference on New Dimensions of Monetary Policy  
Warsaw, September 22, 2022



# Since 2021 Europe has experienced unprecedented shocks from energy commodities prices...

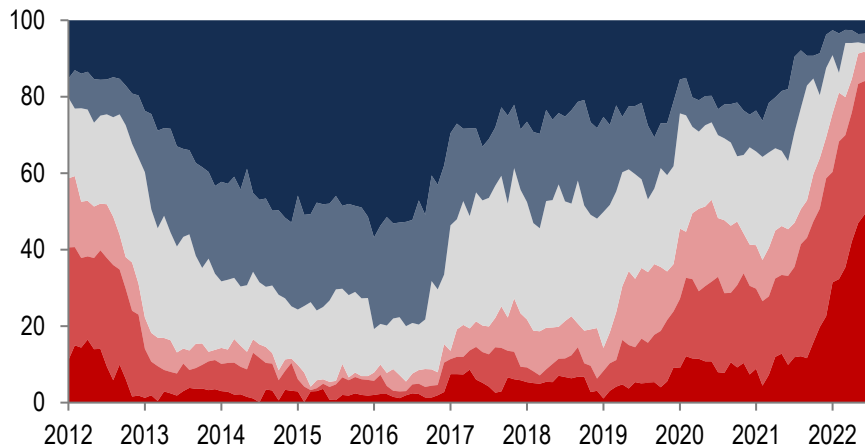


## ... and global supply chain pressures have persisted after the pandemic



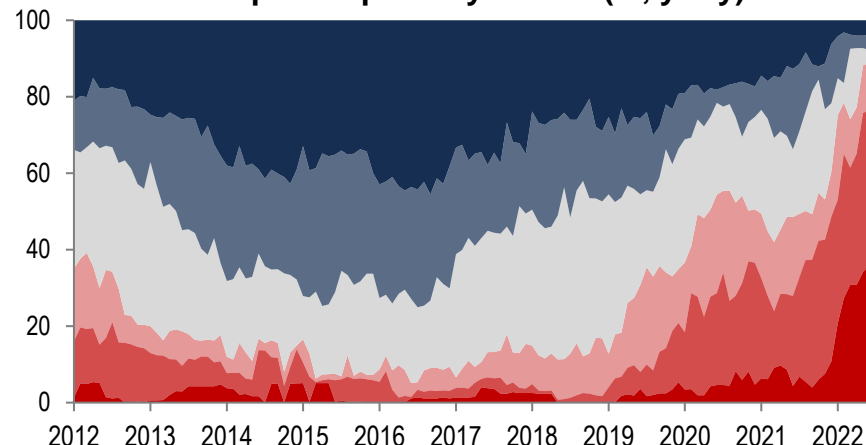
# High price dynamics has become common across both the CPI and core inflation baskets

The fraction of goods in the CPI basket with a specific price dynamics (% , y-o-y)



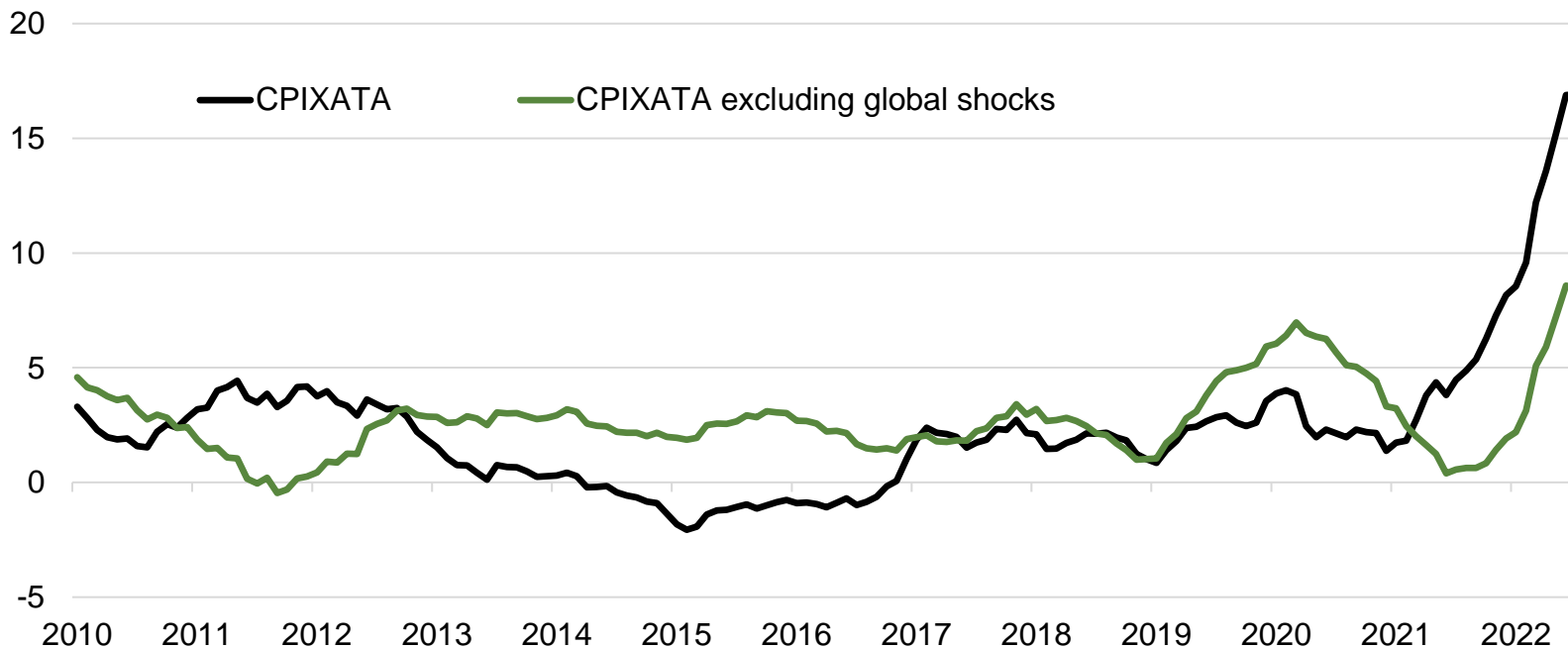
■ above 10%      ■ 5.0%-10.0%      ■ 3.5%-5.0%  
 ■ 1.5%-3.5%      ■ 0.0-1.5%      ■ below 0%

The fraction of goods in the core inflation basket with a specific price dynamics (% , y-o-y)



■ above 10%      ■ 5.0%-10.0%      ■ 3.5%-5.0%  
 ■ 1.5%-3.5%      ■ 0.0-1.5%      ■ below 0%

# In a BVAR model we analyse drivers of CPI excluding administered prices and 2022 tax changes (government Antinflationary Shield)

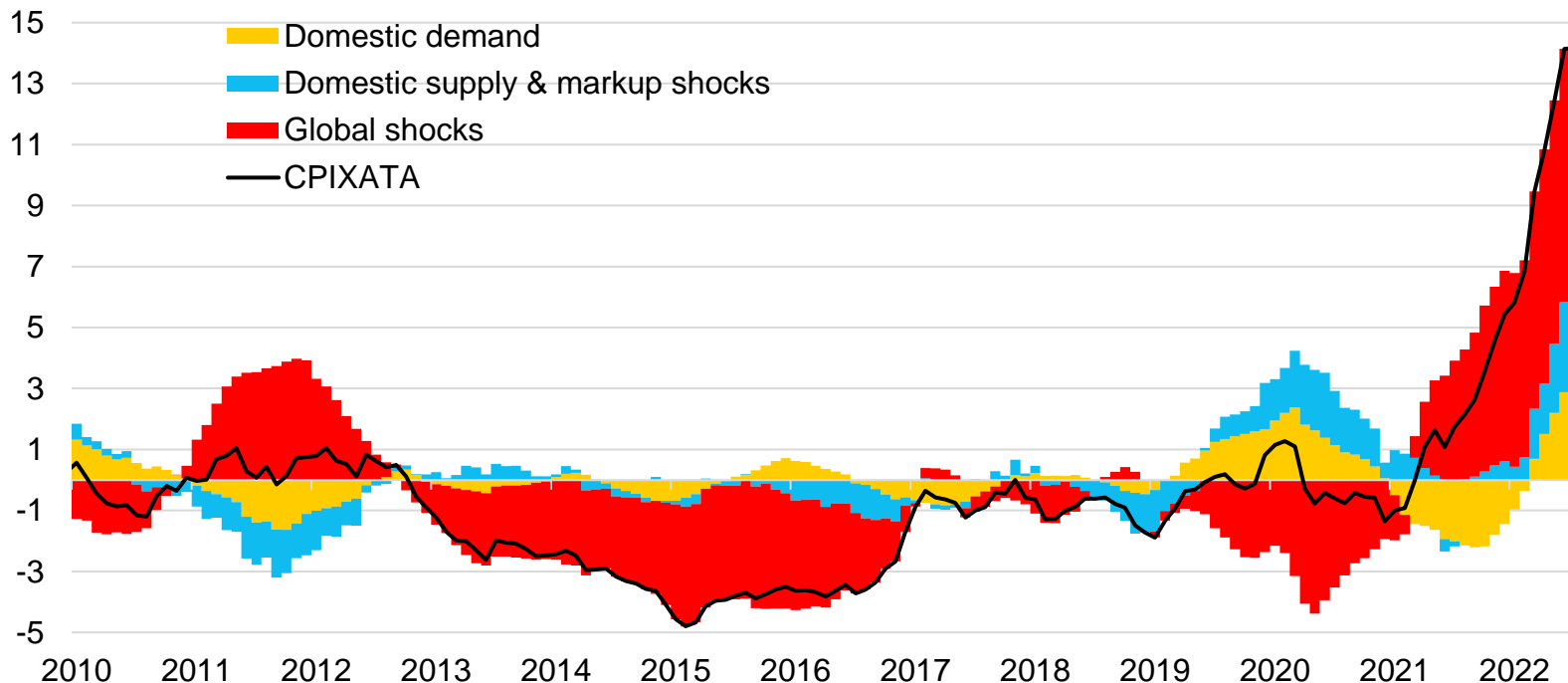


**CPIXATA** – CPI excluding administered prices and 2022 tax changes, yoy, log rates

**Global** = global supply + demand + energy + exchange rate shocks.

# Results: Global factors highly contribute to inflation in Poland

CPIXATA – CPI excluding administered prices and 2022 tax changes, deviations in pp, yoy, log rates



**Global** = global supply + demand + energy + exchange rate shocks.

## Summary

- Our analysis shows that in March 2022 the deviations from the mean of analysed inflation measure\* are attributed in 75% to global factors
- Though the contribution of global factors decreases constantly as inflation becomes common across other consumption goods, their contribution still accounted for 60% in July 2022
- In 2022 the domestic demand and markup shocks have started to grow, but ...
- ... expected slowdown in economic activity from the second half 2022 should limit the pro-inflationary impact of the domestic factors

\* The analysed inflation measure is CPI excluding administered prices and 2022 tax changes, in log rates, yoy

Dziękuję / Thank You

