

Inflation has started to decline



MAIN MESSAGES OF THE MNB'S INFLATION REPORT, MARCH 2023

Inflation

Inflation peaked in January, and will gradually moderate in the following months. The decline accelerates in H2 2023.

2023	2024	2025
15.0–19.5	3.0–5.0	2.5–3.5



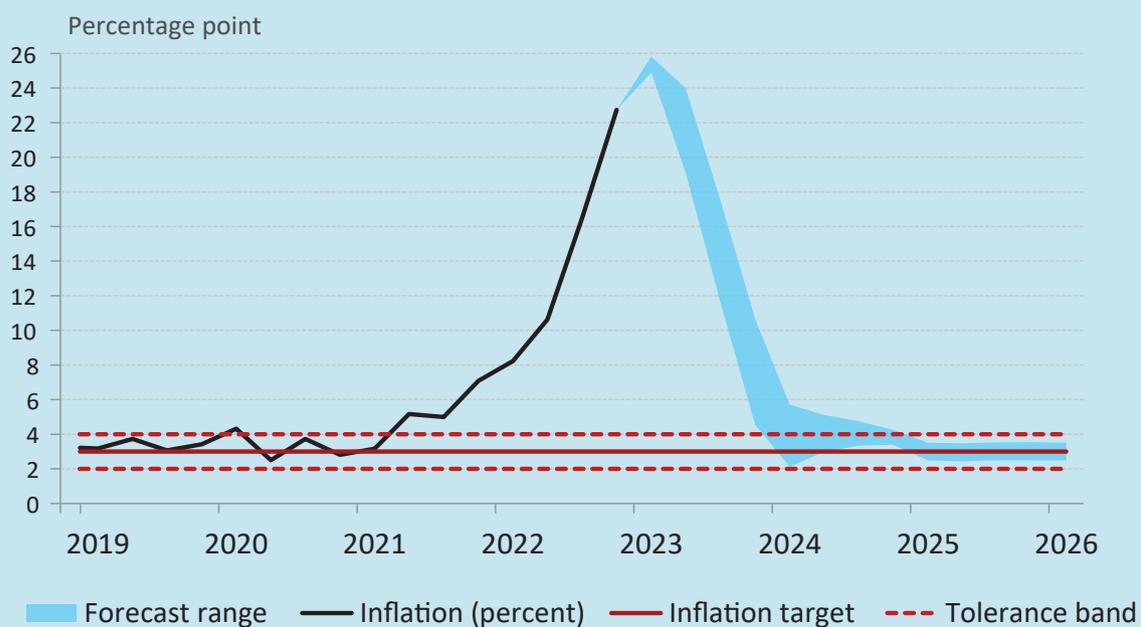
Domestic inflation is expected to fall to single-digits by the end of the year.



The MNB's monetary policy helps to reduce inflation.



Both internal and external factors support the decline in inflation, including falling commodity and energy prices.



Source: HCSO, MNB

Real economy

This year's growth is characterised by a duality in terms of structure and time.



In 2023 H1 economic growth is slowed down by domestic demand items, reflecting high inflation, the increase in corporate costs and uncertain external market prospects.



The revival of growth is expected in the second half of the year, in line with a more significant decrease in inflation and a pick-up in investments.



In spite of the slowing economic performance, labour market has proved to be resistant so far.



The current account balance is gradually improving. The current account deficit will be halved this year.

Expected movements in GDP (annual change)

