Record Nr. UNINA9910827087003321 Autore Stavrev Emil **Titolo** Forces driving inflation in the new EU10 members // prepared by Emil Stavrev Pubbl/distr/stampa [Washington, D.C.], : International Monetary Fund, European Dept., 2009 **ISBN** 1-4623-9815-4 1-4527-8841-3 1-4518-7199-6 9786612842733 1-282-84273-0 Edizione [1st ed.] Descrizione fisica 1 online resource (18 p.) Collana IMF working paper; ; WP/09/51 Disciplina 338.495319 Soggetti Inflation (Finance) - Europe, Eastern Fiscal policy - Europe, Eastern Lingua di pubblicazione Inglese **Formato** Materiale a stampa Livello bibliografico Monografia "March 2009." Note generali Nota di bibliografia Includes bibliographical references. Nota di contenuto Contents; I. Introduction; II. Related Literature; III. Inflation Dynamics in MNS: Background; Tables; 1. NMS and Euro Area: Energy and Food Intensity; Figures; 1. Euro Area: Contribution of Energy and Food to Headline Inflation; 2. NMS: Contribution of Energy and Food to Headline Inflation; IV. Methods and Data; A. Generalized Dynamic Factor Model; 3. NMS: Price level, Inflation, and Exchange Rate Regime; B. Modeling Common and Country-specific Components; C. Data Description; V. Discussion of the Results; A. GDFM Results; 4. Cumulative Share of Data Variance Explained by Common Factors 5. NMS: Headline and One Common Factor InflationB. Determinants of Common and Country-specific Inflation; 2. NMS: Determinants of Common Component; VI. Concluding Remarks; 3. NMS: Determinants of Country-specific Component; References Sommario/riassunto The paper analyzes the forces driving inflation in the new EU10 member countries. A significant part of headline inflation in these countries is due to common factors, such as price level convergence

and EU integration. However, idiosyncratic factors have also played a

role in the inflation process. These factors are related to the country-specific financial conditions, pass-through from foreign prices, and demand-supply situation in each country, although administered price adjustments and increases of indirect taxes associated with EU accession are also likely to have played a role.