

# **THE IMPACT OF THE EURO CHANGEOVER ON INFLATION AND INTEREST RATES IN THE SLOVAK REPUBLIC**

Informal EDRC Seminar on 9 July, 2008, 10-13:00

OECD – LA Murette  
2, rue André-Pascal, Paris 16  
CC15

Chairman: Gerry Antioch

**10:00 OPENING BY CHAIR**

**10:05 THE EURO ADOPTION IN THE SLOVAK REPUBLIC**  
(VILIAM OSTROZLIK, DEPUTY GOVERNOR, NATIONAL BANK OF SLOVAKIA)

**10:25 BACKGROUND PAPER I: THE IMPACT OF EURO ADOPTION ON INFLATION IN SLOVAKIA**  
(ANDREAS WÖRGÖTTER, FELIX HÜFNER, ISABELL KOSKE)

**10:40 THE IMPACT OF EURO ADOPTION IN RECENT CASES**  
(REINER MARTIN, ECB)

**10:55 THE IMPACT OF EURO ADOPTION IN AUSTRIA**  
(PETER MOOSLECHNER, AUSTRIAN NATIONAL BANK)

**11:10 THE RECENT INFLATION INCREASE IN SLOVENIA**  
(BOSTJAN JAZBEC, BANK SLOVENIA)

**11:25 FIRST ROUND OF DISCUSSION AND INTERVENTIONS BY COMMITTEE MEMBERS**

Are the estimates for the changeover effects in the background paper reasonable? What can be learned from the experience made by other euro area countries with the cash changeover? What measures could be taken to prevent/contain price hikes around the changeover? Is there a risk that the Slovak Republic will experience similarly high inflation rates than those seen in Slovenia in the aftermath of the changeover?

**11:45 BACKGROUND PAPER II: THE IMPACT OF EURO ADOPTION ON INTEREST RATES**  
(ANDREAS WÖRGÖTTER, FELIX HÜFNER, ISABELL KOSKE)

**12:00 BALASSA-SAMUELSON EFFECTS IN CENTRAL AND EASTERN EUROPE ARE NOT UNIFORM**  
(BALAZS ÉGERT, OECD)

**12:10 EURO ADOPTION BY SLOVAKIA: THE CHALLENGES AHEAD**  
(MASSIMO SUARDI, EC)

**12:30 SECOND ROUND OF DISCUSSION AND INTERVENTIONS BY COMMITTEE MEMBERS**

What can policy do to smooth the changeover process? Should vulnerable groups of citizens be compensated for any loss in purchasing power associated with any extraordinary price hikes? How should catching-up economies deal with structural inflation pressures?

**12:50 SUMMARY AND SUGGESTIONS FOR POLICY ACTION**  
(GERRY ANTIOCH, CHAIRMAN)

The Seminar will be followed by an informal Buffet lunch in Room George Marshall.