

## Rusnok won't make the same mistake twice



After the Czech National Bank [exited from the 41-month devaluation of the crown](#) five years ago today, interest rates again became its main instrument of monetary policy. The CNB didn't reverse the devaluation by withdrawing the extra crowns from the market. Instead, it started [revaluing the crown](#) by raising its interest rates faster than almost anyone else. This continued until March 2020, when covid got in the way and the CNB quickly cut its benchmark rate from 2.25% to 0.25%. In recent interviews, and esp. in the one with [Ekonom](#) in Jan. of this year, Gov. Jiří Rusnok seemed to express regret that his team misjudged the situation. As it turned out, he told Ekonom, covid didn't mean the end of the world. He didn't say specifically that the CNB cut its rates too abruptly, but from the perspective of revaluation, the CNB had ground to make up when it [resumed its rate hikes in June 2021](#). Don't expect Rusnok to make the same "mistake" twice, even if you think the end of the world is near.

Read this later today in [Czech](#)



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