



# Conference Price-setting and inflation

## 17-18 december 2015

### Panel Session

# Low inflation: recent evidence and policy issues

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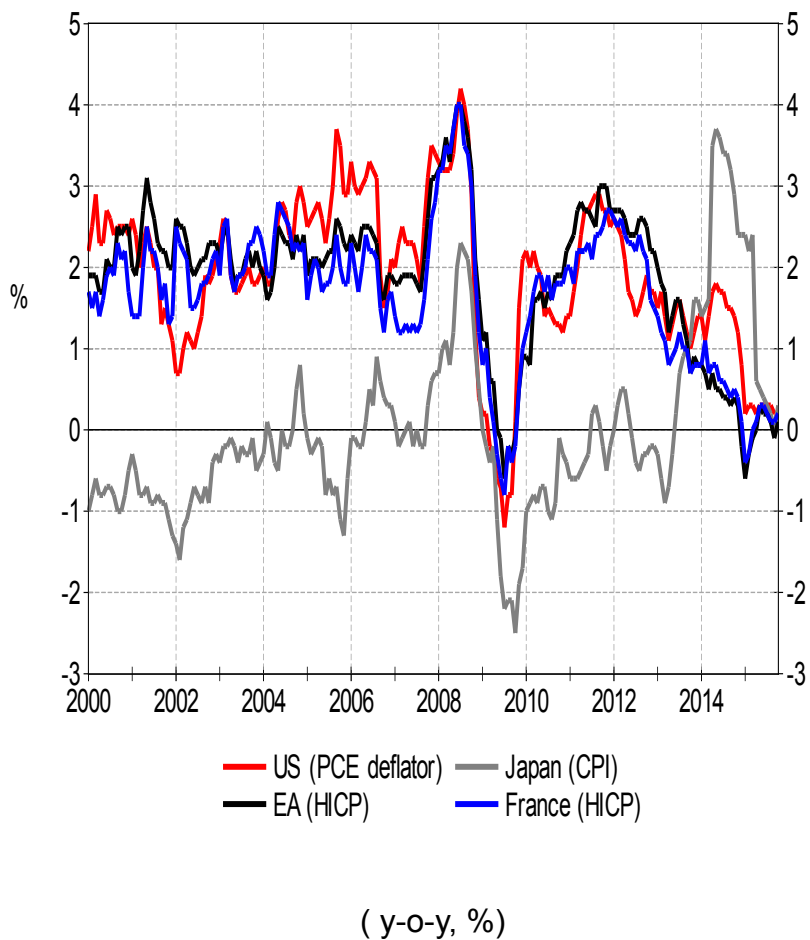
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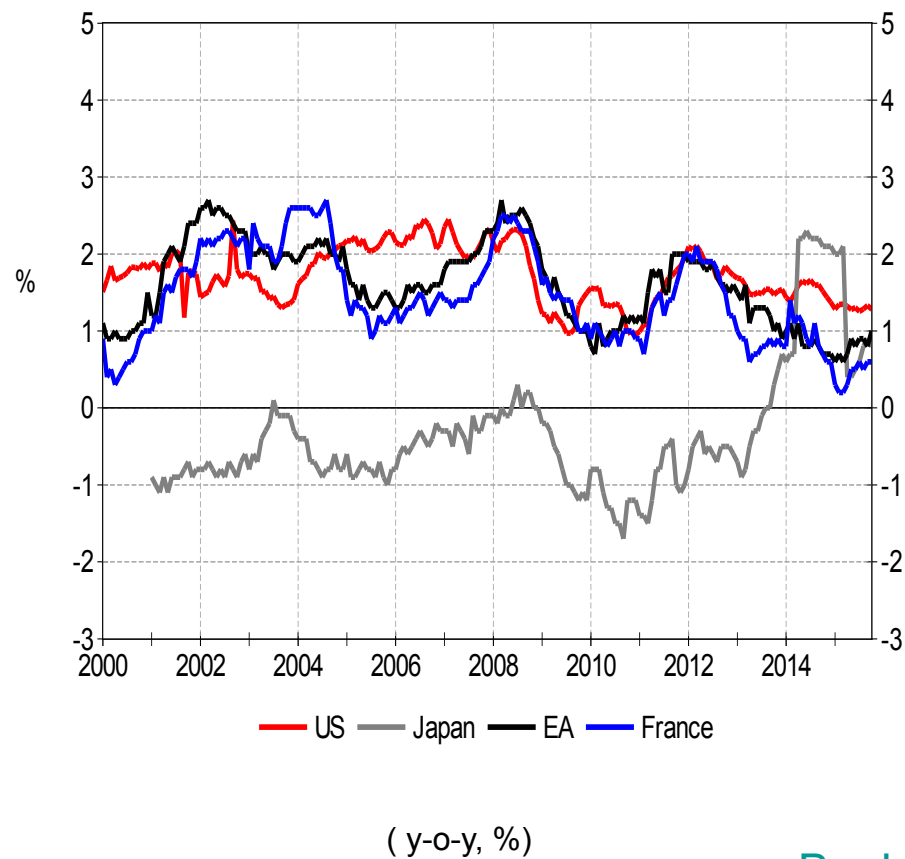
## Some issues

- Inflation low in **the euro area**, controlling for oil shocks  
Related concerns in **Japan** and **the US** [Fig.1](#)
- Causes of persisting low inflation (following “missing disinflation” puzzle US and EA in 2008-2010):
  - Oil prices? FX pass-through (or lack of)?
  - Expectations de-anchoring?
  - Structural factors (globalization, decline of the labor share, frequency of price changes [Fig.2](#) ...)
- Monetary policy and low inflation
  - Rates at the ZLB/ELB. Unconventional policies (QE, FG) [Fig.3](#)
  - Issues with transmission channels and UMP effectiveness

## Headline Inflation



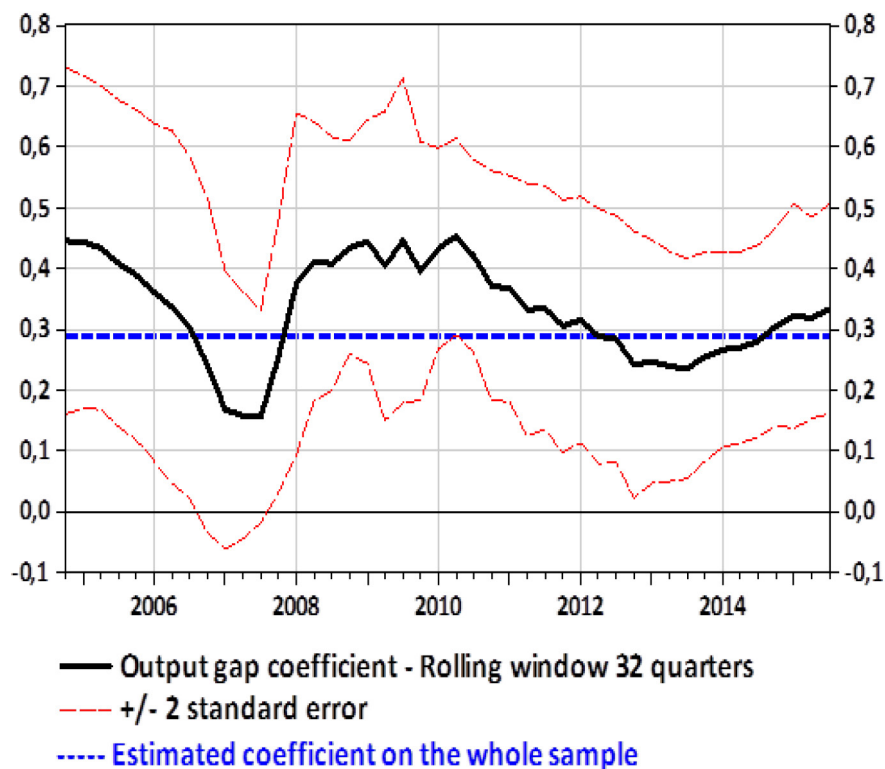
## Core Inflation



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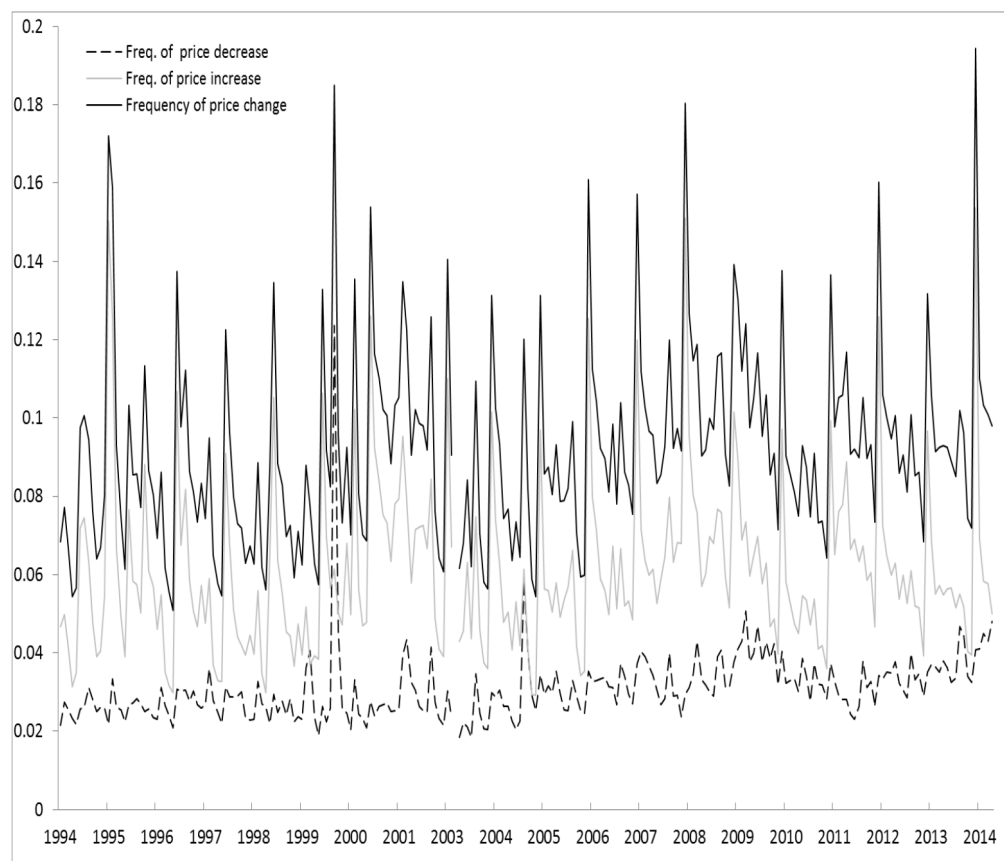
## Slope of EA Phillips Curve

Rolling regressions on eight-years windows for the Euro area  
 Medium-term coefficient of the output gap  
 (in annual terms)



Source: Chatelais, De Gaye, Kalantzis (2015)

## Frequency of price changes from CPI micro price data

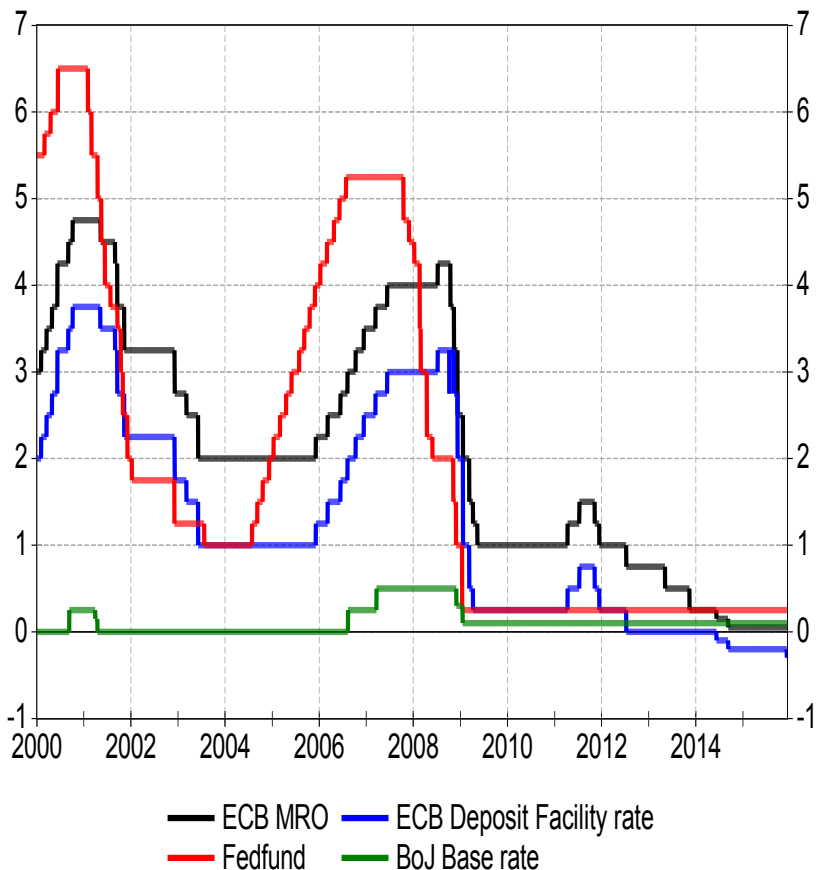


Source: Berardi, Gautier (2015)

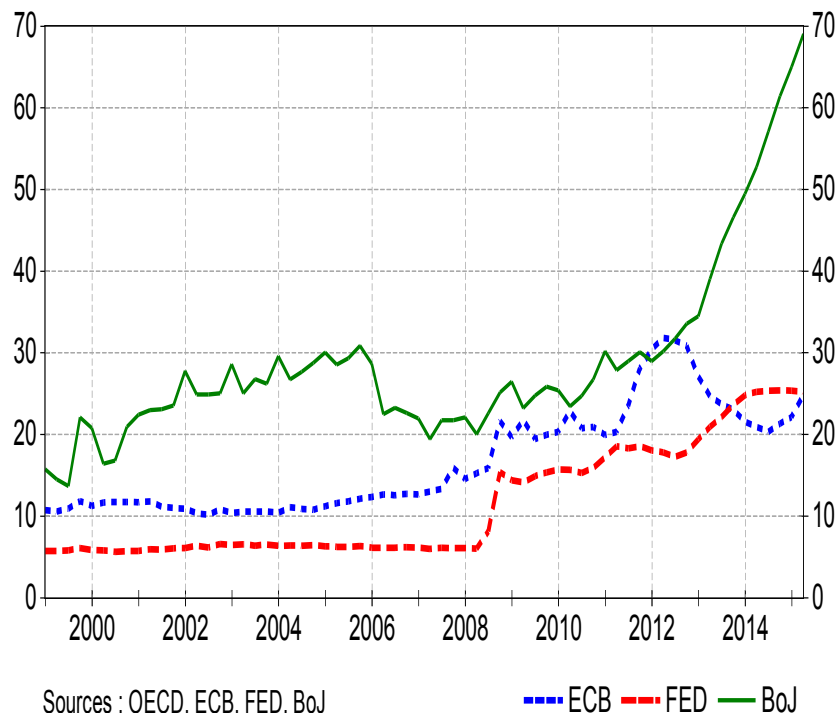
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### Main Policy Rates (%)



### Balance sheets of main central banks (ratios assets/gdp, %)



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