

Abstract

This thesis analyzes policy measures taken to curb the private sector credit growth in the period 2003-08. The thesis evaluates the excessiveness of the credit development in the CEE with respect to macroeconomic fundamentals. Based on the results, menu of policy options to counter adverse effects of the credit boom is reviewed. The analysis is based on a survey performed on eleven central banks in the region. The findings reveal high intensity of policy intervention: altogether 82 measures were taken in CEE in the period. Deriving from the country experiences, the thesis argues that in order to eliminate adverse impacts, policy measures should include combination of monetary and prudential tools with special emphasis on domestic environment and role of foreign banks in the CEE region.