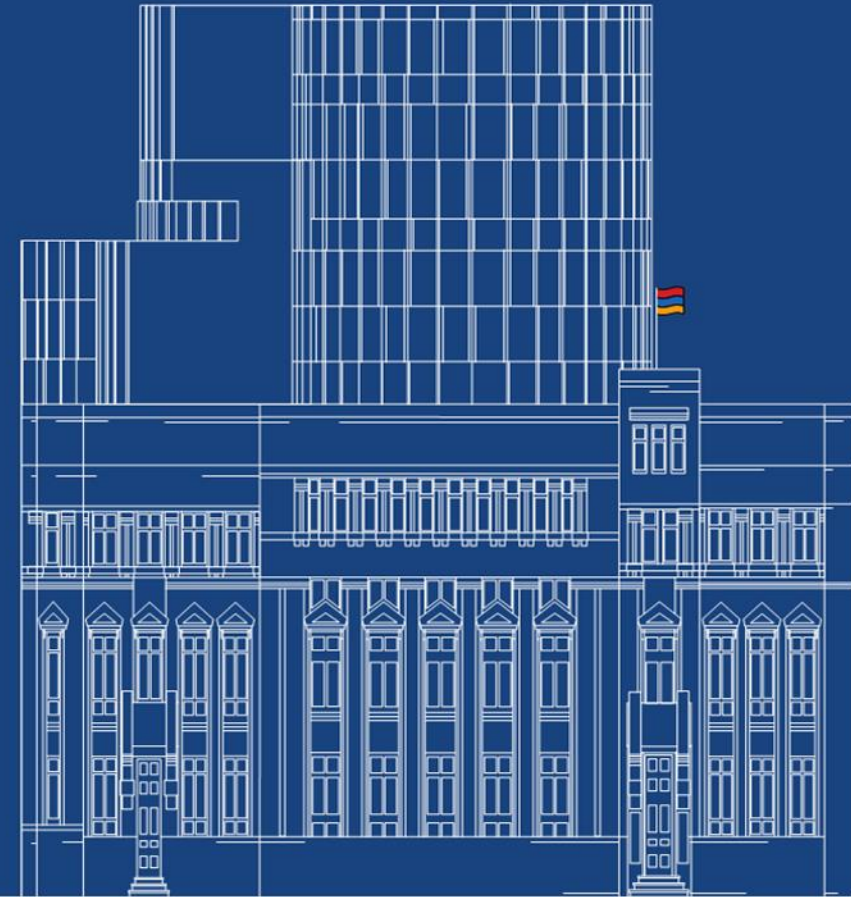




Central Bank of  
Armenia

# MONETARY POLICY DECISION

31. 10. 2023



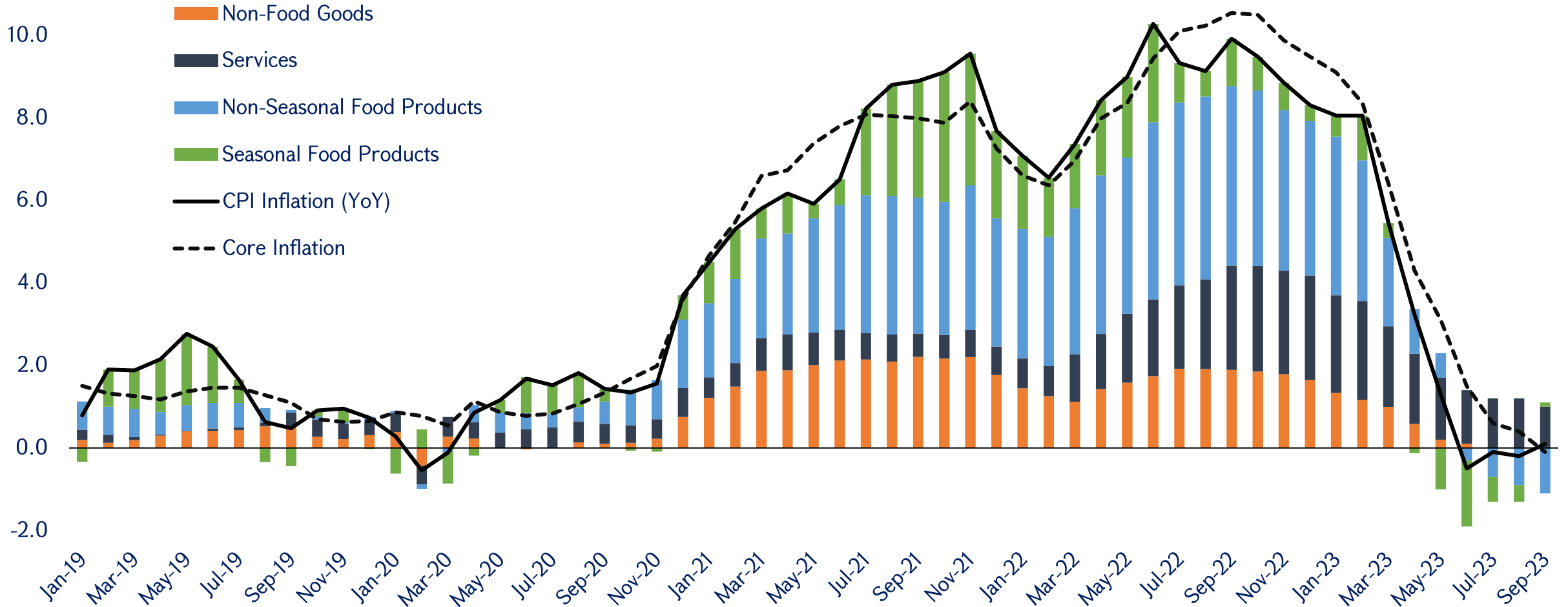
At today's meeting, the CBA Board decided  
to reduce the refinancing rate by 0.25  
percentage points to 9.5%

Lombard Repo Facility Rate: **11.0 %**

Deposit Facility Rate: **8.0 %**

The 12-month CPI inflation rate increased in September 2023, reaching 0.1% at the end of the month. The 12-month core inflation rate continued to decrease and reached -0.1% at the end of September.

### Contributions to Inflation (Percentage Point)

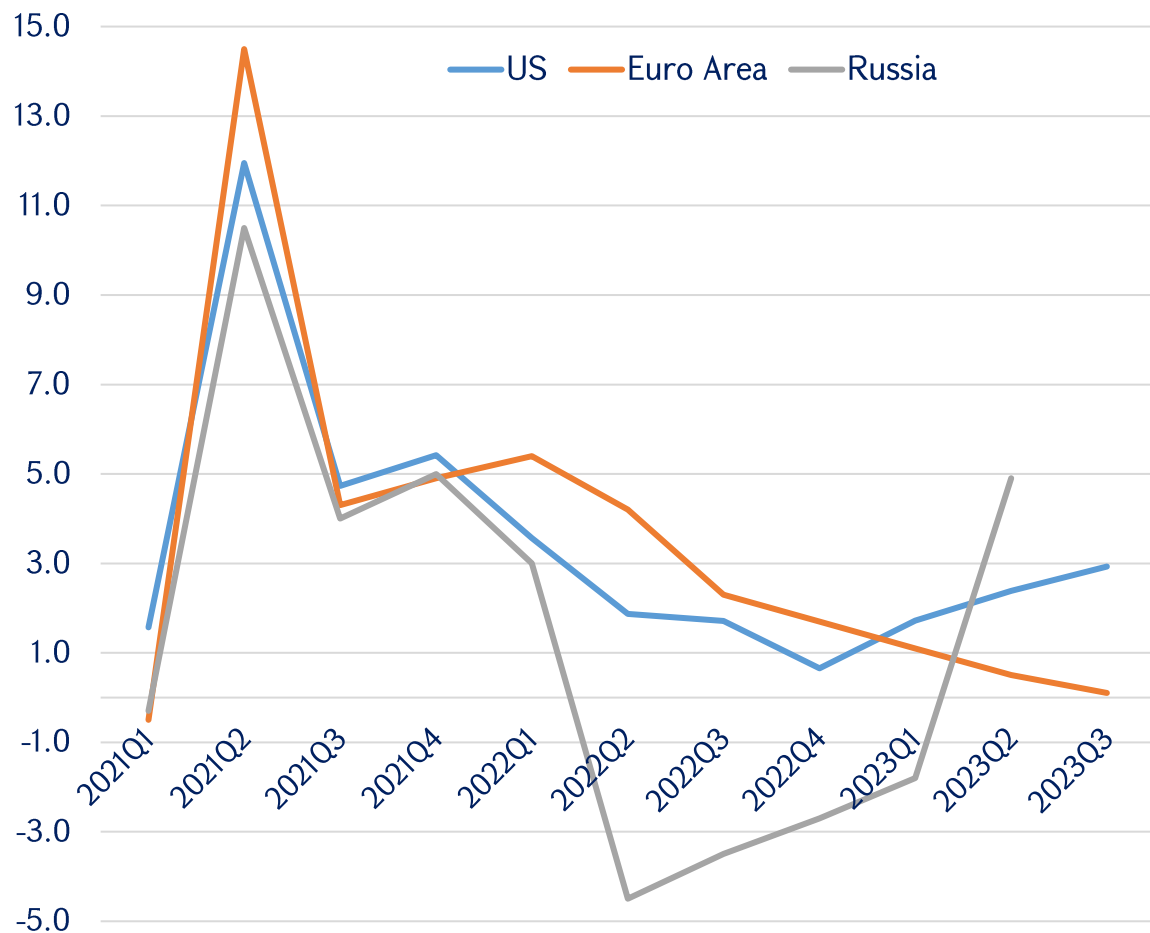


Source: Statistical Committee of the Republic of Armenia; Central Bank of Armenia

# There will continue to be weak deflationary effects on the RA economy from the external sector

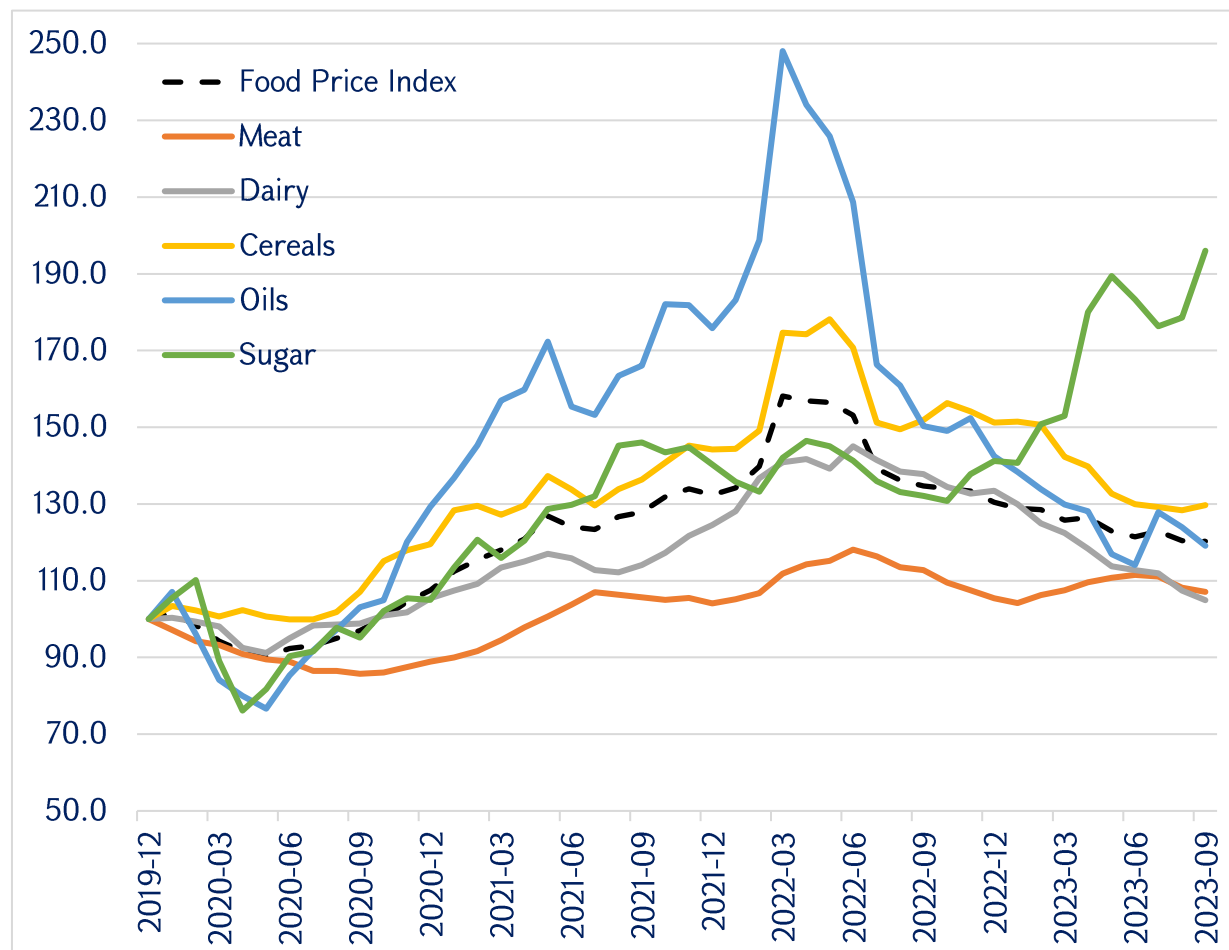
Recent months have seen a definite acceleration of domestic demand in the main partner countries of the Republic of Armenia. At the same time, due to geopolitical developments, uncertainties related to global economic growth and volatility in international commodity markets have increased

### Economic growth in Key Trading Partner Economies, YoY Growth, %



Source: Statistical agencies of respective countries

### Global Food Prices, (2019/12 = 100)



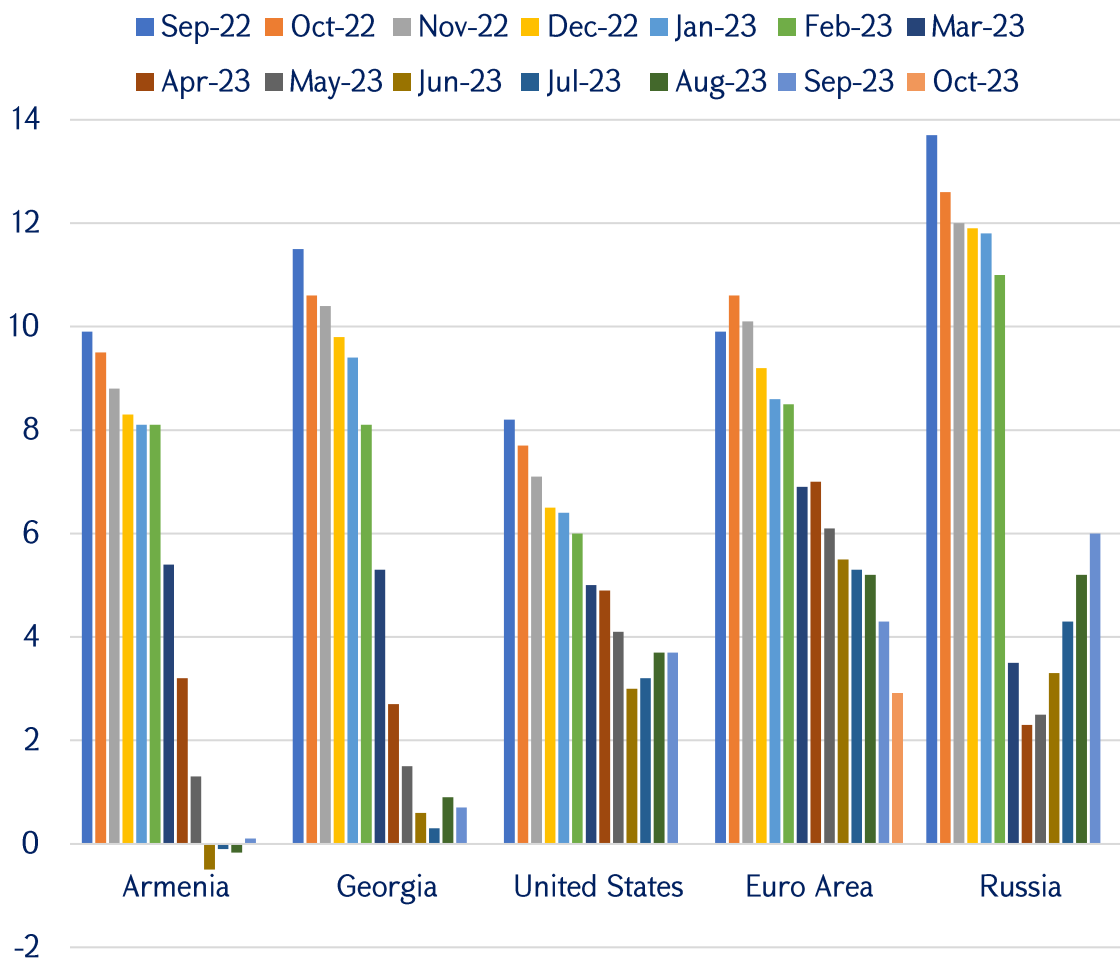
Source: www.fao.org

# There will continue to be weak deflationary effects on the RA economy from the external sector

The 12-month inflation rate remains above target levels in Armenia's partner countries

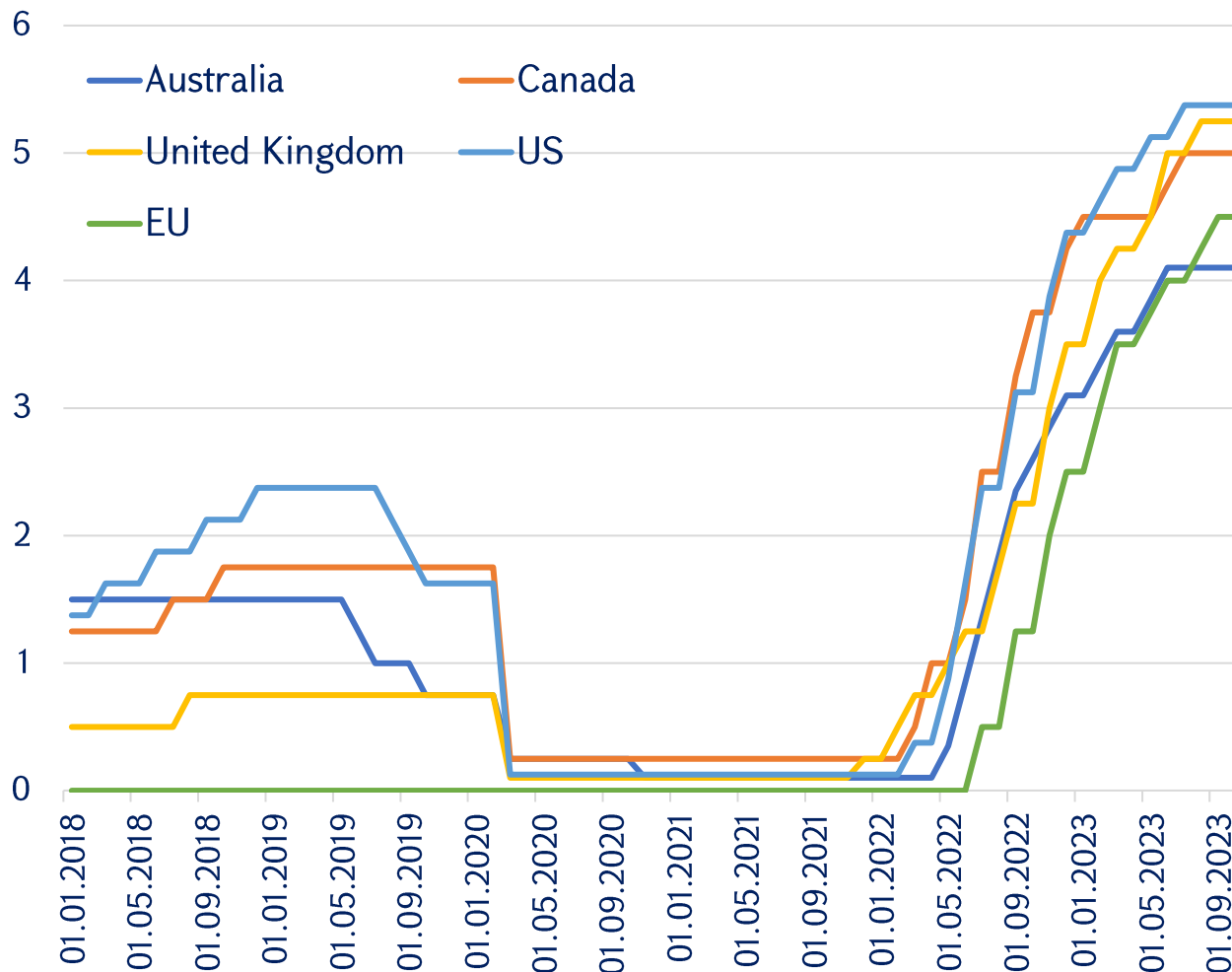
Under these conditions, the central banks of partner countries will continue to conduct contractionary monetary policy in the near future

### Inflation in Key Trading Partner Economies, YoY Growth, %



Source: BIS; Central banks of respective countries

### Key Monetary Policy Rate in Advanced Economies, %

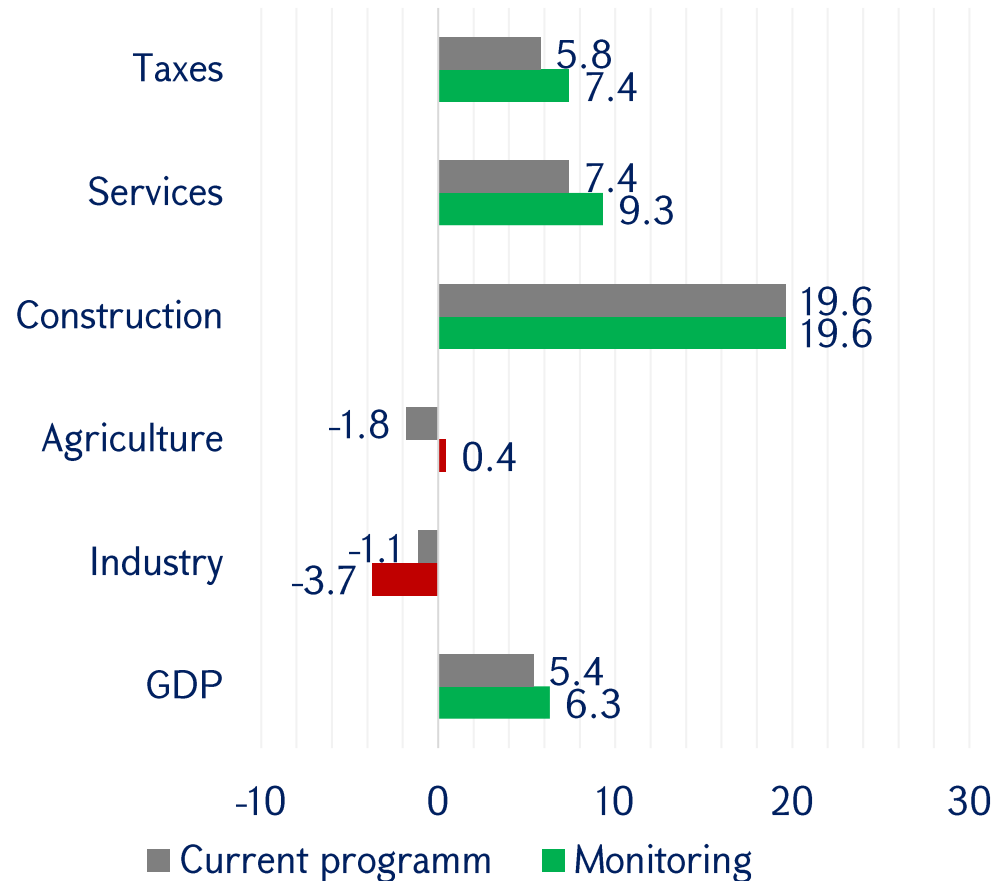


# In recent months, the Republic of Armenia has experienced higher-than-expected economic activity

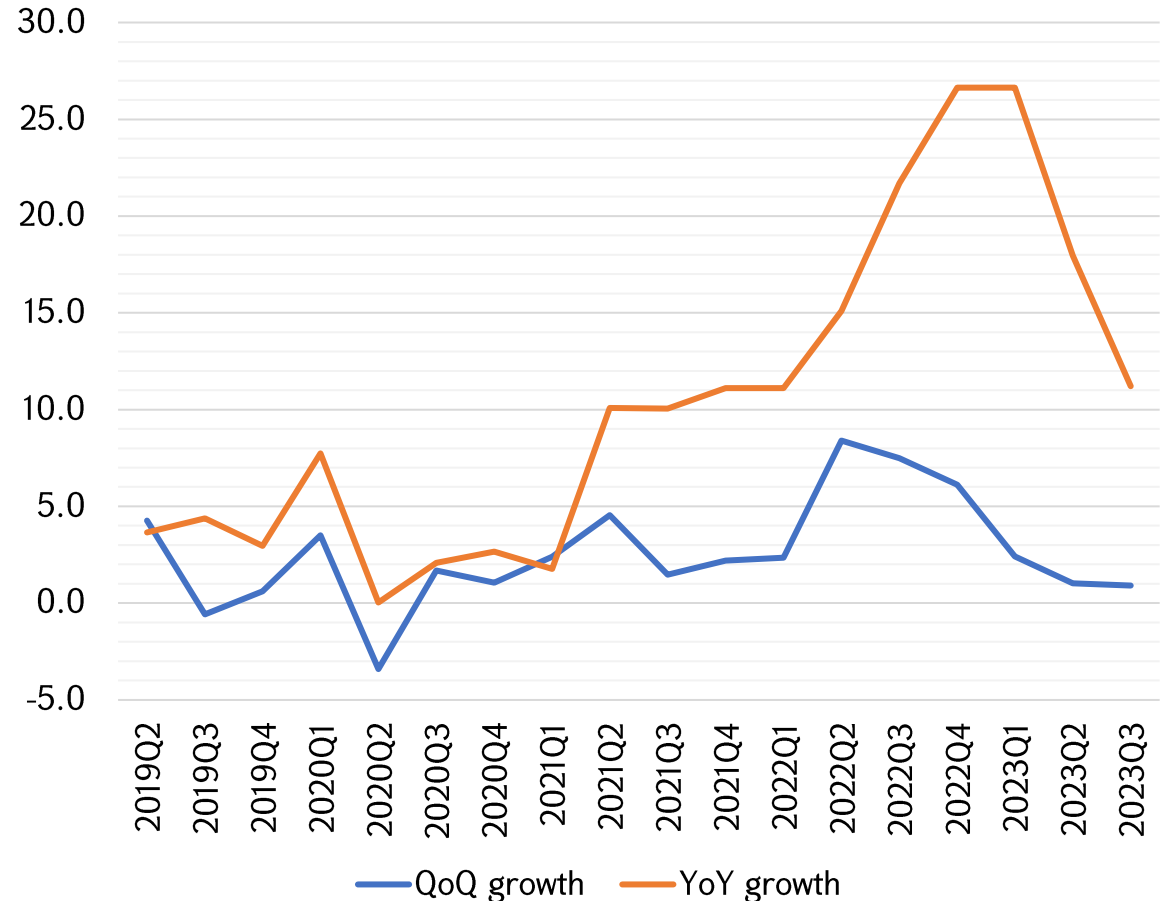
... which continues to be supported by high growth in the construction and service sectors. In tandem with this, domestic demand continues to expand

Given the weak deflationary effects from the external sector and the implemented contractionary monetary policy, the inflationary environment remains low, which is also reflected in the slowing of wage growth in the labor market

## GDP Annual Growth Rate (2023Q3)



## Private Sector Nominal Wage growth, %



# THE CBA BOARD

**... finds it appropriate to reduce the  
policy rate**

The Board of the CBA will continue to be prudent in taking appropriate action to handle demand and stabilize inflation expectations.



Central Bank of  
Armenia

# THANK YOU FOR YOUR ATTENTION

Detailed information on the basis for determining the interest rate can be found in Press Release (Minutes on Interest Rate) to be published by November 14, 2023

