

The Board of the CBA left the refinancing rate unchanged 8 percent

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Interest rate unchanged, 8 percent

In the January 10, 2012 Meeting the Board of CBA decided to leave the Refinancing Rate of CBA unchanged, at 8 percent.

In December of 2011 inflation was 2.5 percent, and the 12-month inflation for 2011 amounted to 4.7 percent as a result, which is within the confidence band of $4\% \pm 1.5$ pp.

The Board admitted that inflationary pressures coming in to the Armenian economy from external environment in short run are weak: international prices of raw materials and food products fell in December in view of the slowing of the world economy. Nevertheless, world economic developments and possible inflationary pressures therefrom are in the focus of the Central Bank.

Inflationary pressures from domestic economic developments are at their smallest as the impact of the fiscal policy and private spending as well as the developments in the labor market on the inflation environment are estimated to be neutral.

The Board summarized that progress of the Armenian economy is congruent with the trends outlined in monetary policy programs, and that the confidence band of $4\% \pm 1.5$ pp envisaged for the 12-month time horizon will be attainable.