

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

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Interest rate unchanged, 8 percent

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

There was 0.1 percent inflation recorded in March of 2012, and the 12-month inflation decreased against the previous month's indicator by 0.8 pp and reached 2.2 percent, which is somewhat below the confidence band.

The Board admitted that the external sector developments on the inflation environment in Armenia are mainly in line with the baseline scenario of the monetary policy program: in some advanced countries international prices of food products create a minor inflationary environment amid positive trends of economic activity. However, the risk of prices of oil products in international market continues to materialize, as outlined in the monetary policy program, conditioned by geopolitical developments in the Middle East.

The Board accepted that the impact of domestic economic developments on the inflation environment is congruent with the baseline scenario of the program and is noninflationary, on the whole.

The Board evaluates that in the current perspective of world and domestic economic development there is much probability that the 12-month inflation will be within the confidence band of $4\% \pm 1.5$ pp in the forecast horizon. With this situation, the CBA will continue maintaining the policy rate at the 8 percent level, which will leave a neutral impact on the inflation environment.

More information on the setting of interest rate will be available in the Minutes on Interest Rate due on April 20, 2012.