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In the January 11, 2011 meeting the Board of CBA decided to leave the Refinancing Rate of CBA unchanged, at 7.25 percent.

In December of 2010 inflation was 1.8 percent, and annual inflation indicator for 2010 reached 9.4 percent.

The Board stated that a high level of the 12-month inflation remains to be driven by price increases on agricultural products and food products in international markets: total contribution of food price increases to annual inflation made up 7.5 pp. Further, price increases on fruit, vegetable, meat products, dairy products and egg made a 5.0 pp contribution while imported food's contribution – about 2 pp.

The Board believes that inflationary pressures from international food markets persist and are intensifying as tension deriving from fundamentals of main food markets of the world is further felt. The latter, coupled with inflationary pressures fuelled by the developments in agriculture over 2010, keeps on creating secondary effects and inflation expectations. However, as considered by the Board, recording a similar decline in agriculture and resultant inflationary pressures during 2011 is less risky.

The Board also agrees that a slowly recovering aggregate demand is not creating inflationary pressures yet. However, there are prevailing risks that inflation will exceed the upper border of the band if the above mentioned developments persist.

In consideration of monetary policy lags on aggregate demand, demonstration of supply factors and their secondary effects as well as uncertainties about the developments in agriculture, the Board sees tightening of monetary conditions still an option.