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In the June 7, 2011 meeting the Board of CBA decided to leave the Refinancing Rate of CBA unchanged, at 8.5 percent.

Inflation in May of 2011 was 0.04 percent, and the 12-month inflation has increased by 0.1 pp and amounted to 9.0 percent, as a result.

The Board accepted that inflationary pressures coming from the external sector eased for the upcoming period of time: prices of primary goods fell at the beginning of the month, stabilizing at levels lower than in the previous month. Prices of food products are relatively stable.

The Board agreed that impulses from the domestic economy on the inflation environment remained neutral: weak inflationary pressures from the labor market are offset by a slow growth of private spending restrictive nature of the fiscal policy.

In the meantime, prices of agricultural products are expected to fall as volumes of production of domestic agro-products increase relative to the previous year.

The Board estimates that the likelihood of the inflationary environment to expand is very low and that easing existing inflationary environment through interest rates in the financial market is possible. As a result, inflation in the forecast time horizon will be within a band of 4 % $\pm$ 1.5 pp.