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2011-08-09

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In the August 9, 2011 meeting the Board of CBA decided to leave the Refinancing Rate of CBA unchanged, at 8.5 percent.

There was 3 percent deflation recorded in July of 2011, and the 12-month inflation has fallen by 2.2 pp against the previous month's same indicator reaching 6.3 percent, as a result.

The Board accepted that inflationary environment is moderating determined by macroeconomic developments in both domestic and external sectors. Inflationary pressures transmitted from world commodities and raw materials markets are expected to reduce further. Nevertheless, escalated debt issues in world economy and volatilities in international stock exchange markets make developed countries' macroeconomic policy forecasts even more uncertain.

The Board has a consensus that domestic demand, still recovering at a slow pace, restrictive fiscal policy and the tightening of monetary conditions at the beginning of the year will also have their contribution to continued deceleration in the inflation rate over the forecast time horizon.

The Board summed up that further moderation of the inflationary environment in world commodities and raw materials markets and in the domestic economy as well as more favorable conditions in agriculture in comparison with the previous year confirm that 12-month inflation rate is expected to slow faster and at the end of the year it most likely will be within a target band of 4 % $\pm$ 1.5 pp, stabilizing around the lower bound of the band.

The aforementioned non-inflationary patterns notwithstanding, and in consideration of the current issues which the global economy is facing, the Board still refrains to ease monetary conditions.