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In the March 9, 2010 meeting the Board of CBA decided to raise the Refinancing Rate of CBA by 0.5 pp to 6.5 percent.

Inflation in February of 2010 was 0.3 percent, while the 12-month inflation has increased by 2.4 pp against the previous month's indicator, reaching 9.4 percent. Such steep rise in the 12-month inflation indicator has been totally due to inflation developments observed in previous year's February when an unprecedented high deflation of 1.8 percent was recorded. Under such a circumstance, the inflation rate will, starting from March of this year, slow down after its peak recorded in February, in spite of the rise in some public utility fees to be effective from April 1, 2010.

The Board estimates that inflationary environment will be maintained in the forecast horizon due to increased prices of raw materials and basic food products in global markets as well as gradual recovery of the economy. Under the above-said conditions, the Board further underscores the importance of gradual tightening of monetary policy implementation in order to minimize deviations of inflation from the target.