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In the April 13, 2010 meeting the Board of CBA decided to raise the Refinancing Rate of CBA by 0.5 pp to 7.00 percent.

Inflation in March of 2010 was 0.8 percent, while the 12-month inflation has dropped by 0.6 pp against the previous month's indicator, reaching 8.8 percent.

The Board stated that, given the positive trends of recovery of the world economy and expansionary fiscal and monetary policies implemented as part of anti-crisis measures, economic growth rates are ahead of projected indicator. As a result, the current inflationary environment has been formed under the influence of the above mentioned factors, which is in line with the directions outlined by the Central Bank.

The Board estimates that inflationary environment will be maintained in the forecast horizon due to the current macroeconomic environment and increased public utility fees since April, although the downward trends for the 12-month inflation will carry on.

In consideration of the above-said, the Board continues underscoring the importance of gradual tightening of monetary conditions, consistent with the expected developments with inflation, which is aimed at creating positive real interest rates. This, coupled with the implementation of anti-inflationary measures by the Government, will create a real ground for taking inflation back to the target bound.