

# Status Report on Implementation of the Monetary Policy Program (Q2, 2019 - Q1, 2020)

2020-05-26

(2020/1) During the year preceding the second quarter of 2020, the inflationary environment persisted at a low level in Armenia. It was mainly attributable to more-than-expected contractionary fiscal policy carried out by the Armenian Government and the deflationary effects transmitted from the outside world. During 2019 some structural factors, such as increased competition in the commodity market and the shift in demand from non-durable consumer goods market to durable consumer goods market, were added to them. In March 2020, the prices of certain products were affected by the measures taken against the outbreak of the New coronavirus pandemic and its spread afterwards. In this situation, the Central Bank continued to pursue a stimulative monetary policy in the meantime, increasing the amount of stimulus by 0.25 percentage points in September 2019 and that much in March 2020, to reach the inflation target in the 3-year forecast horizon.