

# Monetary policy program implementation report (Q2 2023 – Q1 2024)

2024-05-24

(2024/1) In the one-year period from the second quarter of 2023 to the second quarter of 2024, a low-inflation environment was formed and sustained in the Republic of Armenia. Deflationary effects from the external sector, the monetary policy implemented by the Central Bank of Armenia, and the appreciation of the dram were the main factors that contributed to this. Taking into account the effects of a continued decrease in inflation due to deflationary influences from the external sector, a slowdown in wage growth in the RA labor market, as well as the effects of some reduction in inflation expectations on the overall inflation environment, the Central Bank gradually eased monetary conditions during the period under review, lowering the policy rate by 2.25 percentage points overall.

As a result of external deflationary effects and the monetary policy implemented by the Central Bank, the 12-month inflation decreased by 6.7 percentage points in the reporting period, reaching -1.2% in March 2024. The 12-month core inflation rate also decreased at almost the same rate, by 7.1 percentage points, and was -0.7% in March.