

Monetary policy program implementation report (Q3 2023 – Q2 2024)

2024-08-27

(2024.2) Monetary policy program implementation report (Q3 2023 – Q2 2024)

In a one-year horizon spanning a period from the 3rd quarter of 2023 through the 3rd quarter of 2024, the deflationary environment in the Republic of Armenia persisted. This was driven mainly by the deflationary effects transmitted from the external sector and the monetary policy implemented by the Central Bank of Armenia.

Given the influence of the persisting deflationary environment in Armenia, the effect of inflation of wages following easier conditions in the labor market on the back of increased labor supply and the effect of sticky prices of certain services, as well as the impact of diminished inflationary expectations, in the period under review the Central Bank of Armenia continued to ease monetary conditions, lowering the policy rate by a total of 2.5 percentage points.

As a result of deflationary spillovers from the external sector and the monetary policy implemented by the Central Bank of Armenia, the 12-month inflation has continued to decrease between July 2023 and February 2024, reaching -1.7% in February, and then it increased to 0.8% in June. The 12-month core inflation followed almost the same pattern: in the period mentioned above it has declined to -0.7% in February and then rose, reaching 0.0% in June.

[Monetary policy program implementation report \(Q3 2023 – Q2 2024\)](#)