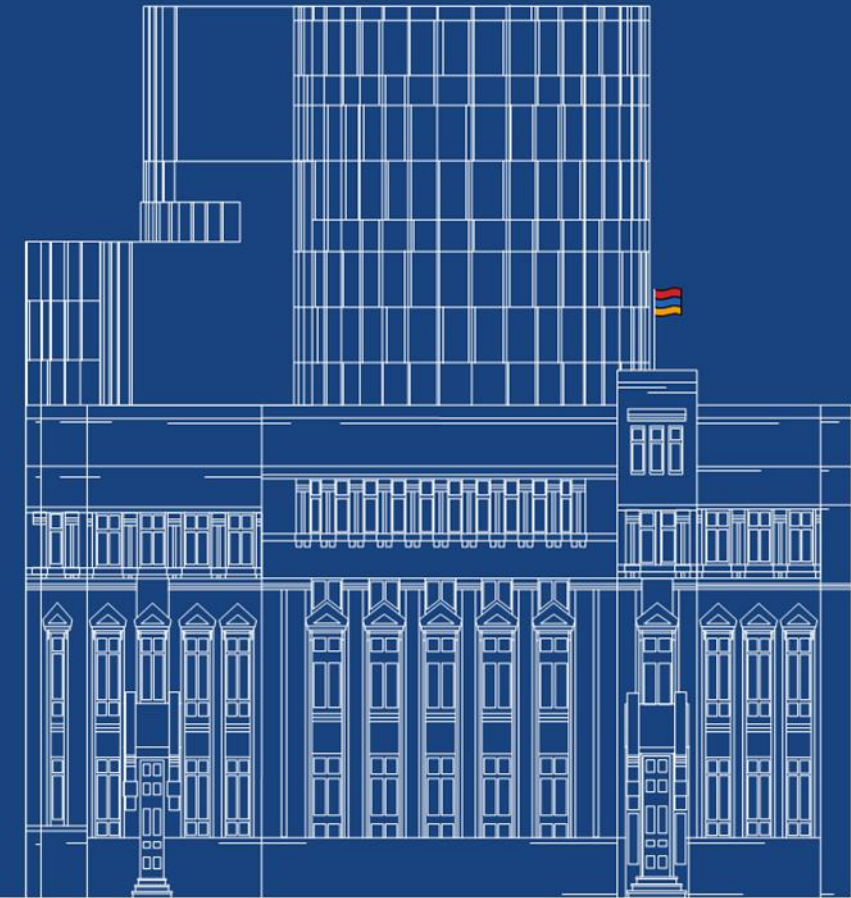


MONETARY POLICY DECISION

31. 01. 2023



The Central Bank of Armenia

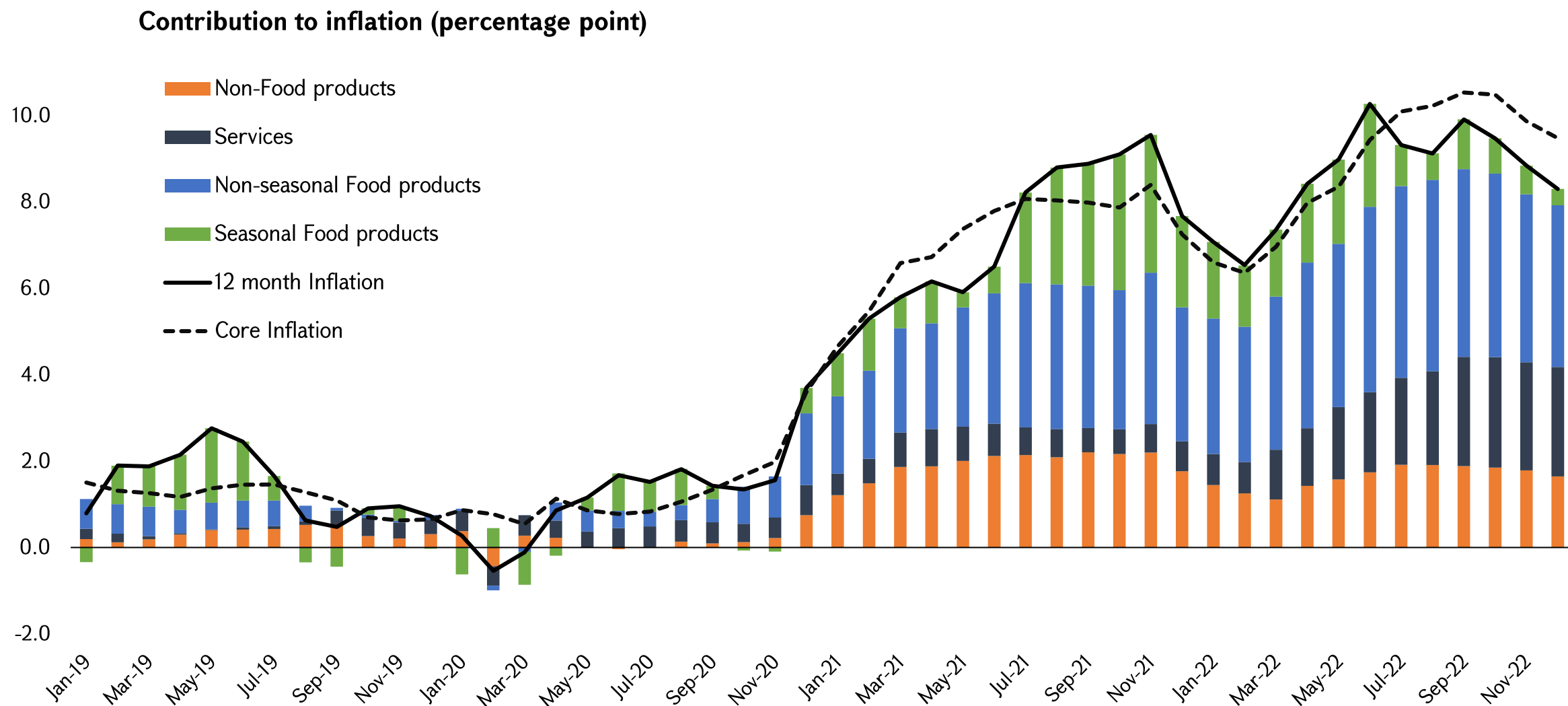


At today's meeting, the CBA Board decided
to leave the refinancing rate unchanged, at
10.75%

The Lombard repo facility rate at 12.25%

The deposit facility rate at 9.25%

In December 2022, the 12-month inflation rate decreased to 8.3%. The 12-month core inflation also decreased reaching 9.5%

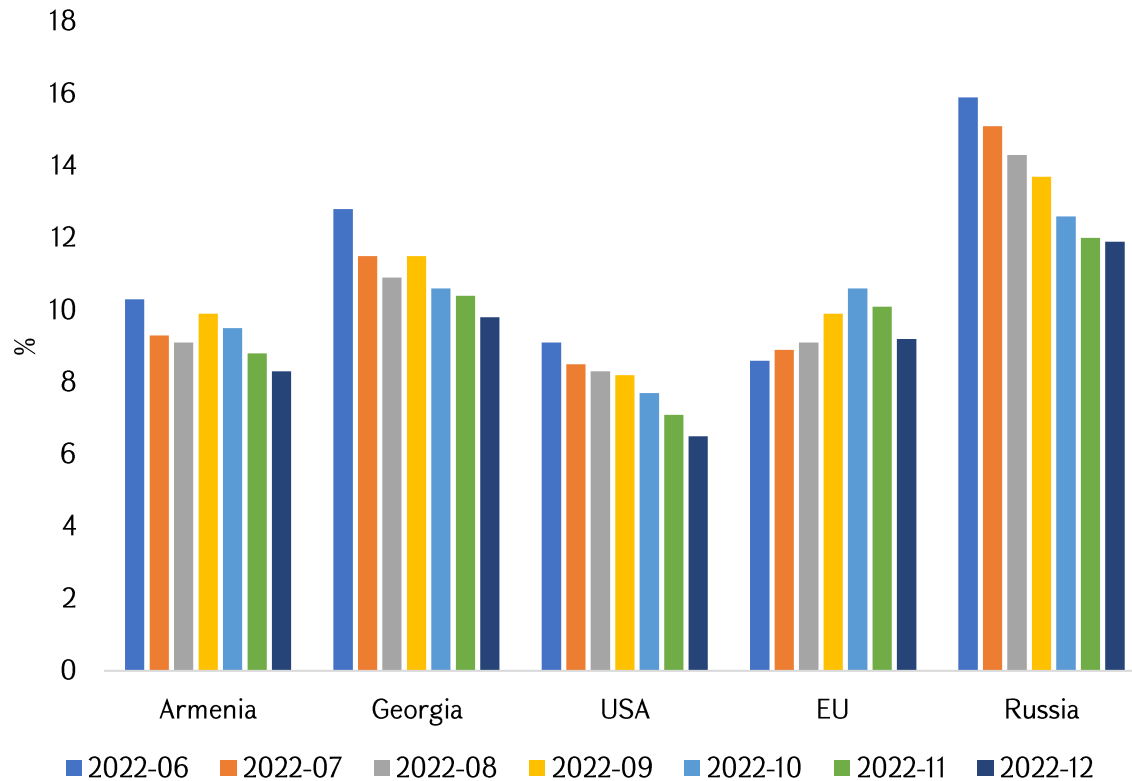


inflationary effects on the Armenian economy from the external sector are expected to weaken.

At the end of 2022 economic activity of Armenia's main trading partners as well as the world continues to decline. Global inflation is also decreasing. Nevertheless relatively expanded demand still contributes to maintaining an inflationary environment. Therefore, the central banks of developed countries will continue to pursue contractionary monetary policy in the near future.

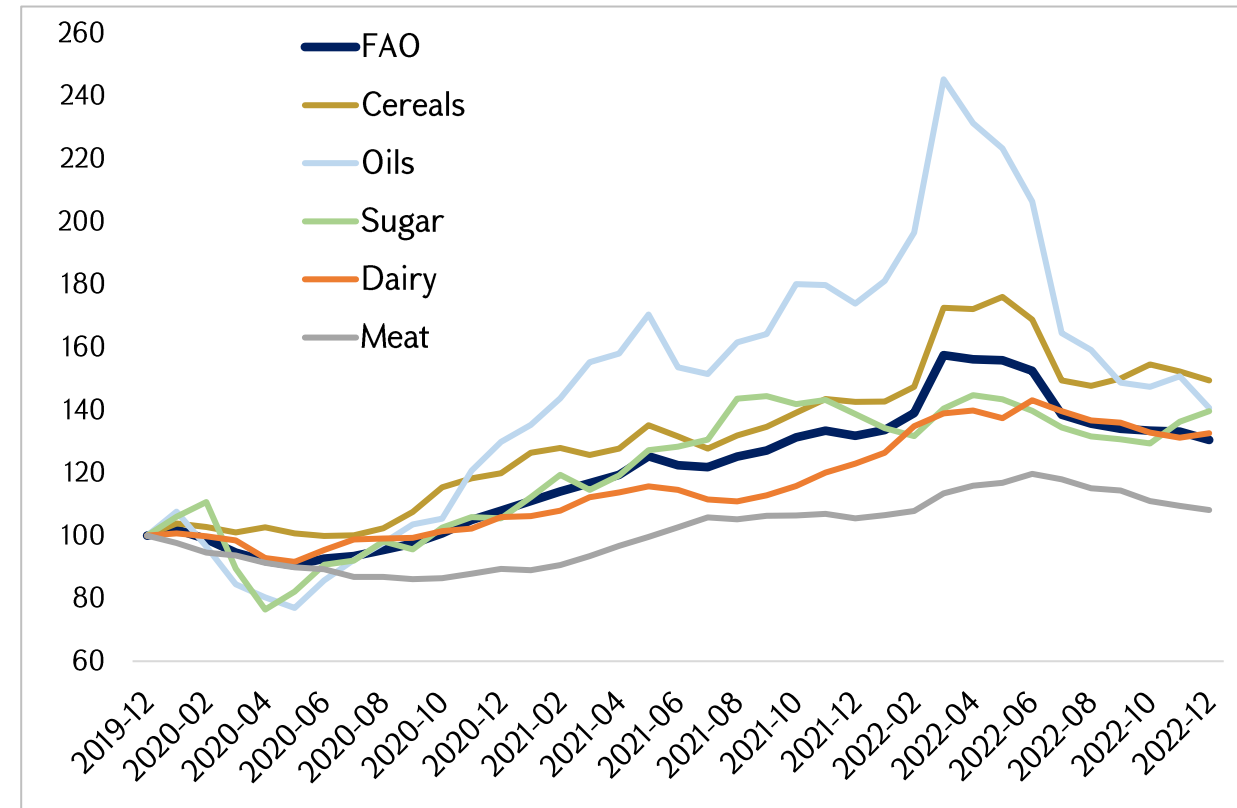
This will contribute to the further weakening of global demand and a certain downward adjustment of prices in international commodity markets.

Partners inflation



Source: FAO, Central banks of countries

International food price index, FAO (2019/12 = 100)



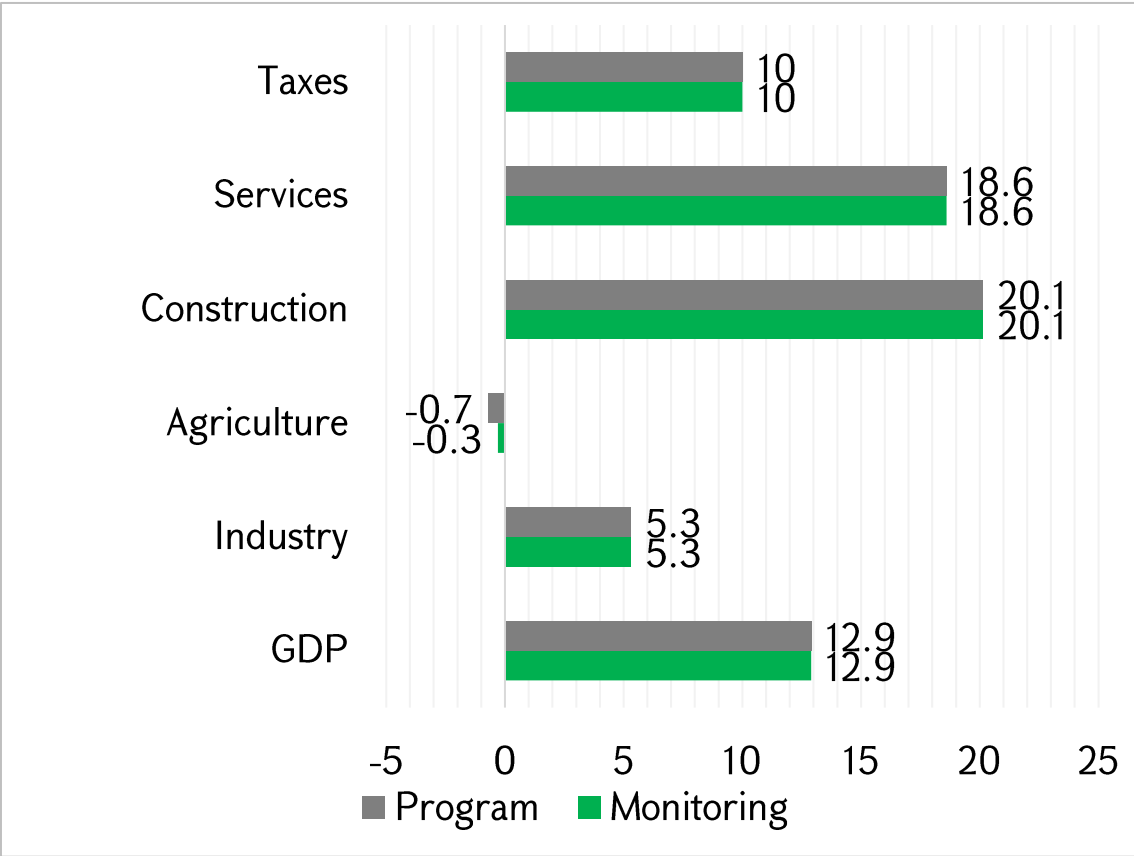
Source: www.fao.org

At the end of 2022, high activity in the Armenian economy persists

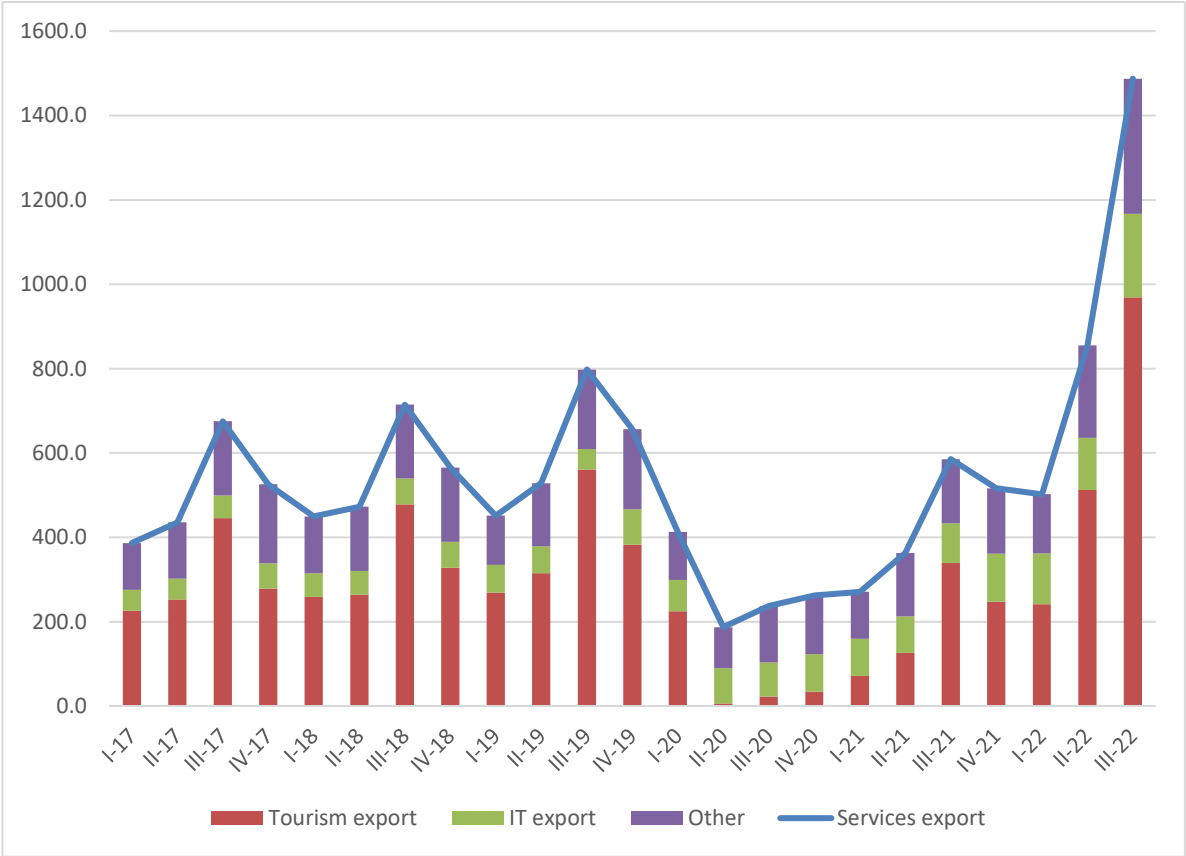
which continued to be supported by the high external demand in the services sector.

At the same time positive developments in export and GDP potential have been maintained. The positive demand environment still contributes to price increases of individual goods and services.

GDP supply side components, y/y growth rate (2022)

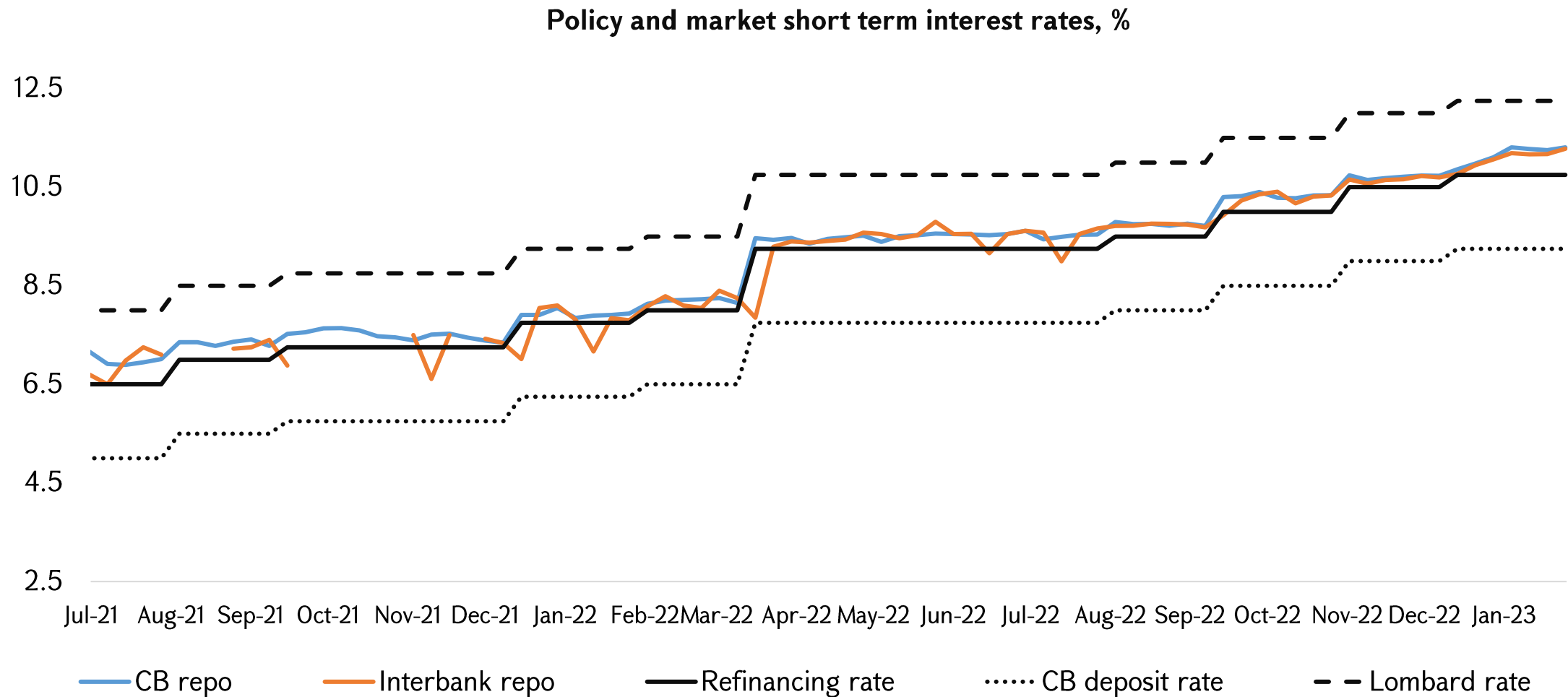


Export of services, mln USD



Source: Statistical Committee of the Republic of Armenia, CBA

The inflationary environment of RA is gradually softening as a result of implemented contractionary monetary policy, appreciation of Armenian dram and weakening of the inflationary pressures from abroad.



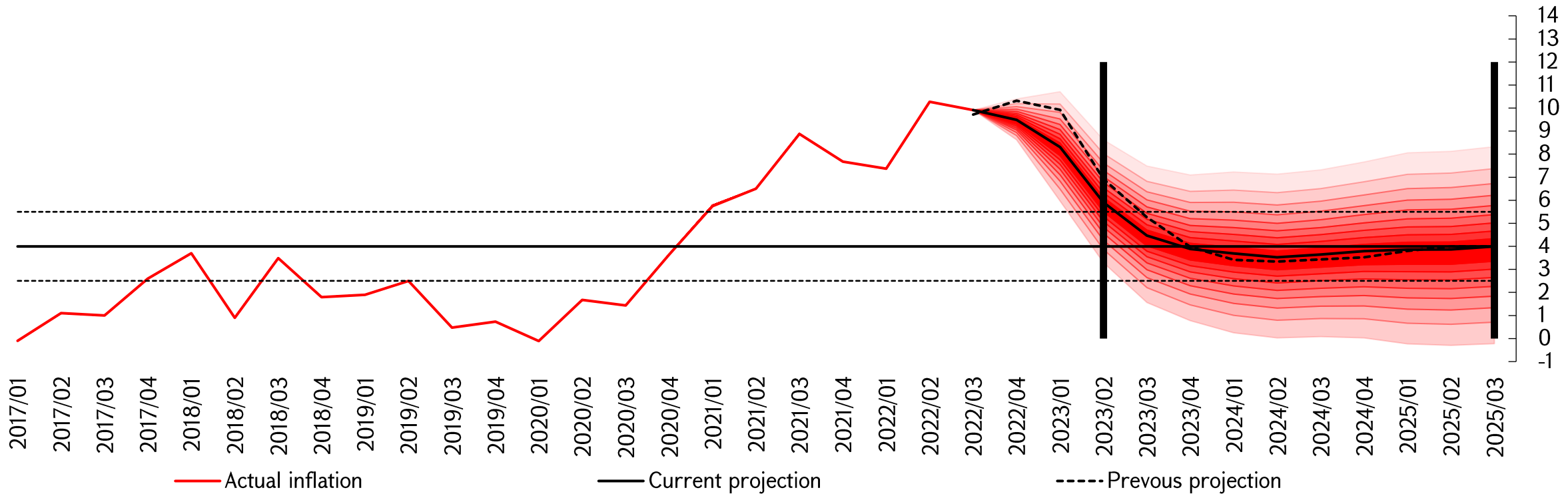
CBA BOARD

... finds it appropriate to leave the policy rate unchanged at 10.75%

The Board of the CBA is committed to taking adequate actions to stabilize inflation with relatively smooth adjustment of demand

According to the outlined monetary policy scenario, the 12-month inflation will gradually decline and stabilize around the 4% target in the medium run.

The Board of the CBA estimates that the risks of inflation deviation from the projected path are mainly balanced; should the risks materialize in any direction, the Board stands ready to respond accordingly in fulfilment of the price stability objective.



Source: Central Bank of Armenia

THANK YOU FOR ATTENTION

Detailed information on the basis for determining the interest rate can be found in Press Release (Minutes on Interest Rate) to be published by February 14, 2023.



The Central Bank of Armenia

