

## **National Bank of Tajikistan has kept the refinancing rate unchanged**

The Monetary Policy Committee of the National Bank of Tajikistan has decided to keep the refinancing rate unchanged at 14.0 % per annum. This decision was made on the basis of inflation analysis and projection, taking into account the impact of potential risks and reaching inflation rate to the targeted indicator for the medium term.

Since the beginning of 2018, the inflation rate has shown a stable trend and has made 2.3% in July, in annual terms. The short-term supply factors have contributed to a stable inflation dynamics, and in the prevailing inflation the share of foodstuffs had a negative index (-0.9 pp). The prices of other commodity groups of consumer basket have changed insignificantly and contribution of foodstuffs in the inflation have made 1.9 percentage points, services - 1.3 percentage points.

The conducted analyzes show that the core inflation, which characterizes the long-term price trend without the impact of short-term fluctuations, remained stable, and reached 1.3%. This indicates the limited impact of monetary factors on inflation in connection with the implementation of a consistent monetary policy.

It is expected that the inflation rate due to impact of seasonal and temporary factors will gradually reach to limits of targeted indicator at 7.0% (+2 percentage points) and will reach the stable level for the medium term.

Despite the projection for stable inflation until the end of the year, the relatively high level of demand aggregate against its potential trend, exchange rate fluctuations in trading partner countries, as well as uncertainty in the world markets, can cause inflationary pressures for the medium term.

In connection with increasing external risks, the impact of seasonal factors and a rise in the world prices, there is a possibility of a change in the inflation rate. Given the short-term nature of possible impact factors, it was decided to keep the refinancing rate unchanged and to continue the implementing consistent monetary policy.

The National Bank of Tajikistan will continue to implement a consistent monetary policy aimed at achieving a stable price level in the medium term. The issue of revising the refinancing rate will be considered by the National Bank of Tajikistan at regular meetings of the Committee.

The next meeting of Monetary Policy Committee of the National Bank of Tajikistan will be held as scheduled and the decisions taken at the meeting will be announced through the official website of the National Bank of Tajikistan.