**Refinancing rate remained unchanged**

of The National Bank of Tajikistans Monetary Policy Committee №28 dated February 11, 2022, decided to keep unchanged the refinancing rate at the level of 13.25% per annum. This decision was made based on the impact of potential internal and external risks on the economy, taking into account continued pressures and inflation expectations. The purpose of this decision is to keep the inflation rate for the medium term within the established target.

***Inflation and influencing factors.*** The accelerated economic recovery in the world, the downward trend in unemployment, the development of international trade and the increase in the income of the population of countries in 2021 led to a mismatch of supply and demand in the world, and an increase in inflationary pressures and expectations, in particular, to a shortage of goods and products in global markets and an increase in their cost, as well as an increase in the cost of services for transportation services.

The growth of world inflation factors, in its turn, directly affected the level of domestic prices in the country and inflation expectations of the population. In this regard, the factors that have a significant impact on the increase in the inflation rate inside the country are mainly of non-monetary nature and arise due to external shocks of growth of world prices for food products and fuel. At the same time, the growth of households' income level over the past year and their general requirements, accelerated growth of the country's economy (real growth of the economy 9.2%) and seasonal factors influenced the volatility of the price level.

Regardless, according to official statistics, the inflation rate in 2021 amounted to 8.0 percent, close to the established higher inflation level, which is lower by 1.4 percentage points compared to the previous year. This indicator mainly increased due to the growth of prices for food products (7.3%), non-food products (7.5 %) and paid services to the population (11.3%).

***Expectations and risks.*** In 2022, as well as in 2021, the continued global economic recovery, including the gradual recovery of cross-border communication, the development of tourism, the growth of services and logistics will further increase demand and is likely to lead to an imbalance in supply and demand. In turn, the predominance of demand over supply creates the basis for continued growth in global price levels, particularly food and fuel prices, over the short term.

According to the statistical data of the central (national) banks of most countries of the world, currently there is a significant increase in the price level, and growth trend expected to persist until the year-end. Therefore, the majority of central (national) banks are implementing anti-inflationary monetary policy.

In this regard, also in the current year the National Bank of Tajikistan within the limits of powers and opportunities will continue to implement the monetary policy with the use of appropriate mechanisms and levers, taking into account potential risks and inflationary pressures to achieve its main goal - to maintain a stable level of domestic prices for a long-term period.

***The position of monetary policy.*** Considering the impact of the above-mentioned factors, in particular, the improvement of the economic situation and its forecast in the world, the persistence of inflationary pressures, the probability of increase in global prices, and the increased inflationary expectations of the country's population, the members of the Committee proposed to keep the refinancing rate as a key lever of monetary policy unchanged at the level of 13.25 percent per annum.

The National Bank of Tajikistan, within its competence, will continue to implement an effective monetary policy using its mechanisms and tools, particularly the refinancing rate to prevent the impact of potential inflation risks and promote sustainable economic growth, in order to achieve price stability for the long term.