



MONETARY POLICY STATEMENT

Keeping the policy rate unchanged

Number: 2017/01

Effective date: 17 March 2017

At the Monetary Policy Committee meeting that was held on 17 March 2017, the Bank of Mongolia decided to keep the Policy rate unchanged.

As of February 2017, annual inflation measured by the consumer price index was 2.1 percent nationwide and 1.4 percent in Ulaanbaatar. Inflation is expected to remain below the target level, despite prospects of gradual increases in inflation in the upcoming quarters. As a result of issuance of “Khuraldai”, the new sovereign bond in exchange for the Development bank of Mongolia’s bond of 580 million USD and extension of swap arrangement with the People’s Bank of China, short-term foreign debt pressure has subdued.

Despite such positive developments in the economy and the financial market, uncertainties surrounding fiscal and external sectors remain. The Bank of Mongolia views that necessity of any further adjustments in monetary policy stance would be considered after the respective discussions of the supplementary budget for 2017 by the State Great Hural of Mongolia and “Extended fund facility” arrangement by the IMF’s Executive Board.

Extracts of the meeting minutes will be released in two weeks on the Bank of Mongolia’s website.

MONETARY POLICY COMMITTEE