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Monetary Policy

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Monetary policy decision: base rate remains unchanged

The Executive Board of the National Bank of Moldova (NBM) decided unanimously to maintain unchanged the values of the main monetary policy instruments.

Thus, the base rate applied to the main short-term monetary policy operations is maintained at the level of 3.25 percent annually. At the same time, interest rates on overnight loans and deposits remain unchanged at the level of 6.25 percent and 0.25 percent, respectively.

At the same level remains the required reserves ratio of funds attracted in Moldovan lei and in non-convertible currency - 34.0 percent of the calculation base, as well as the required reserves ratio of funds attracted in freely convertible currency remains at the level of 21.0 percent of the calculation base.

The decision was taken in order to achieve the core objective of the NBM in the conditions of economic uncertainties associated with the pandemic COVID-19.

This decision was based on the assessment of the macroeconomic information available from the internal and external environment, as well as the assumptions related to the new forecast round and the prospects for domestic economic conditions.

At the same time, the current situation shows an increased degree of uncertainty regarding the scale of the crisis generated by COVID-19, the subsequent economic recovery and the evolution of raw material and energy resources prices globally. The weather conditions could also generate a modest harvest in 2020.

Currently, disinflationary pressures are attested and will continue to be apparent, which determined the recent orientation of monetary policy measures towards mitigating the consequences of the pandemic and supporting aggregate demand. The current base rate is incentive and creates conditions to support the lending process.

The NBM will continue to monitor the macroeconomic situation caused by the pandemic implications and also reiterates that in due course, without prejudice to its fundamental objective - to ensure price stability - will come up with the necessary measures to maintain a sufficient liquidity level of licensed banks in support of a viable and stable banking system.

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