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Monetary Policy

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National Bank decreased the base rate

The Executive Board of the National Bank of Moldova (NBM) decided unanimously to decrease by 2.0 percentage points the base rate applied to the main short-term monetary policy operations, up to 5.5 percent annually.

The decision aims to maintain the inflation within the target range of 5.0 percent, which represents an optimal situation for national economy development. At the same time, the decision corresponds to the NBM previous forecasts on inflation development. In this regard, at the presentation of the last Inflation Report, the NBM Governor, Octavian Armașu, mentioned that the National Bank of Moldova will need to adjust its policies in the direction of a relaxation, due to the fact that an inflation decrease is expected next year.

In the disinflationary conditions of 2020, the NBM decision will support the economy's competitiveness and will boost the lending activity.

At the same meeting, the Executive Board decided to decrease the interest rates on overnight loans and deposits to 8.5 percent and, respectively, to 2.5 percent annually. At the same time, the required reserves ratio in Moldovan lei and non-convertible currencies decreased, while the required reserves ratio in freely convertible currencies increased. This will encourage the financial intermediation in national currency and, respectively, will discourage that in foreign currency.

National Bank will continue to monitor the situation and will come with incentive measures, if necessary.

Next meeting on monetary policy of the NBM's Executive Board will be held on 29 January 2020, according to the published schedule.

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