



MONETARY POLICY STATEMENT

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March 19, 2012 - BoM Board of Directors decided to increase the policy rate by 0.5 unit percent to 12.75%.

The National Statistical Office of Mongolia reported that the national CPI increased to 12.5% and the Ulaanbaatar CPI was to 13.3% in February 2012. The economy of Mongolia is being affected by the inflation activating negative effects of supply in 2012. The price of meat was increased by 29.6% and it was the 58% of inflation in first two months. The cost of fuel was increased by 15.6%. Therefore, the price of non-food products was increased by 2.4%. These indexes prove that the inflation on demand does not decrease.

The budget amendment is raising the excess demand and enhancing the inflation on demand and supply. Thus the Bank of Mongolia is tightening the policy rate to slow down the inflation and decrease the pressure on MNT rate against foreign exchanges.

In the future, the Bank of Mongolia stands ready to take all the proper actions in urgent times.

BANK OF MONGOLIA