



THE BANK OF MONGOLIA

MONETARY POLICY STATEMENT

Cutting the policy interest rate by 1.0 percentage point

Number: 2013/04

Effective date: 25 June 2013

At its meetings on 20, 21 and 24 June 2013, the Monetary Policy Committee (MPC) of the Bank of Mongolia decided to cut the policy interest rate by 1.0 percentage point to 10.5 percent to support the real sectors.

The general government budget expenditure had been low and consistent with the budget revenue performances, the Price Stabilization Program against supply shocks had effectively been implemented, inflation had significantly been declining closer to its targeted level have enabled to reduce the policy interest rate.

Although, disbursement of the sovereign bond proceeds and sustainable home-equity and mortgage-financing scheme tend to have a positive impact on macro-financial environment, the MPC has prudently considered prolonged uncertainties in foreign trade and foreign investment environment on its decision.

Concise minutes of the MPC meeting will be released in two weeks on the Bank of Mongolia's website.

MONETARY POLICY COMMITTEE