



MONETARY POLICY STATEMENT

Keeping the policy rate unchanged

Number: 2017.03

Effective date: 15 September 2017

The Monetary Policy Committee meeting was held on 15 September 2017, and it was decided to keep the Policy rate unchanged at 12 percent.

As of August 2017, annual inflation measured by the consumer price index has reached 5 percent nationwide and 5.4 percent in Ulaanbaatar city. In the first half of this year, growth of the Mongolian economy exceeded forecasts and reached 5.3 percent (on annual basis). Furthermore, economic growth is expected to accelerate and inflation is expected to stabilize around the medium term target rate of 8 percent.

Mongolian economy is currently stimulated by improved external demand, relatively high prices of the major export commodities and increased investments in the mining sector. While the Bank observes positive changes in market sentiment and positive trends in economic activities, further prospects are highly conditional on export prices and volume.

The Bank's decision to maintain the policy rate unchanged is consistent with its mandate to stabilize inflation around the target rate and thereby facilitate the stability of macroeconomic environment in the medium to long run.

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

MONETARY POLICY COMMITTEE