

Briefing

30 January 2018

Monetary policy updates by the National Bank of Romania

Following (mainly) a rise of the inflation (which exceeded expectations by reaching 3.32% in December 2017), but also in view of the accelerated economic growth driven by strong household consumption (amongst others), on 8 January 2018, the Board of the National Bank of Romania (NBR) decided to increase:

- the monetary policy rate from 1.75% per annum to 2% per annum; this is the first change in almost 3 years (but expected by specialists);
- the deposit facility rate from 0.75% per annum to 1% per annum;
- the lending (Lombard) facility rate from 2.75% per annum to 3% per annum.

The uncertainties and risks surrounding the inflation stem mainly from the fiscal and income policy (e.g. indirect tax cuts), the volatility of international oil prices and from the pace of euro area and global economic growth.

For more information about the matters discussed in this briefing, please contact:

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