



## MEDIA RELEASE

### The Monetary Policy Committee of the Bank of Mauritius Keeps the Key Repo Rate Unchanged

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The Monetary Policy Committee (MPC) of the Bank of Mauritius (Bank) today unanimously decided to keep the Key Repo Rate (KRR) unchanged at 1.85 per cent per annum.

There are signs of slight recovery in global economic activity since 2020Q3. The International Monetary Fund has, in its January 2021 World Economic Outlook Update, revised upwards global growth projections and is forecasting global output to grow by 5.5 per cent in 2021 and by 4.2 per cent in 2022. However, global economic recovery would remain dependent on the effectiveness of the vaccination campaigns to curtail the course of the COVID-19 virus. Global inflationary pressures are projected to remain contained in the near term.

The domestic economy started showing better resilience in 2020Q3, as both consumption expenditure and investment increased during the quarter. Bank staff projects real GDP growth of 7.9 per cent for 2021.

Domestic inflation continues to be subject to supply-side pressures. In the absence of further external shocks, Bank staff is forecasting headline inflation at about 3 per cent for 2021.

Based on these projections, the MPC considers that the current monetary policy stance is appropriate and supportive of economic recovery. Accordingly, the MPC has decided to maintain the KRR at 1.85 per cent per annum.

The MPC will continue to monitor the economic situation closely and stands ready to meet in between its regular meetings, if the need arises.

The MPC will issue the Minutes of its meeting on Thursday 18 February 2021.