



MEDIA RELEASE

The Monetary Policy Committee of the Bank of Mauritius keeps the Key Repo Rate unchanged

Released at 16:00 hours on 17 May 2019

The Monetary Policy Committee (MPC) of the Bank of Mauritius (Bank) has unanimously decided to leave the Key Repo Rate (KRR) unchanged at 3.50 per cent per annum at its meeting today.

The MPC considered latest data releases on the performance of our major trading partners. It noted that the global economic environment is still fraught with uncertainty. According to the latest IMF projections, the global economy would grow at 3.3 per cent in 2019 compared to 3.6 per cent in 2018 and global inflation would remain unchanged at 3.6 per cent in 2019.

The MPC discussed lengthily the low inflation environment globally and in Mauritius and the persistently lower inflation expectations which are impacting the changing inflation dynamics.

Headline inflation dropped from 2.8 per cent in January 2019 to 1.2 per cent in April 2019. Headline inflation is projected at 1.5 per cent for calendar year 2019.

The MPC assessed the domestic economic performance and noted, on the basis of the Bank's projections, that growth in 2019 would be broad-based. The Bank is maintaining its growth forecast of 3.9 per cent for 2019.

The MPC weighed the risks to the domestic growth and inflation outlook and concluded that the level of the policy rate is broadly appropriate. The MPC voted unanimously to maintain the KRR at 3.50 per cent per annum.

Furthermore, the MPC stands ready to meet in between its regular meetings, if the need arises.

The Minutes of the meeting will be issued on Friday 31 May 2019.