



MEDIA RELEASE

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

Released at 15:30 hours on 22 February 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 noted that the IMF, World Bank and OECD have downgraded global economic growth forecasts for 2019 and 2020 due, inter alia, to US-China trade frictions and uncertainties relating to Brexit and geopolitical tensions. Global inflationary pressures are expected to remain benign in 2019 amid relatively low commodity prices and weakening global economic momentum.

As regards economic growth in Mauritius, it remains resilient. Statistics Mauritius has estimated the growth rate at 3.8 per cent in 2018. For 2019, the Bank is forecasting real GDP to grow by 3.9 per cent, driven mostly by continued strong performances in financial services and construction sectors.

Broadly, inflationary pressures remain contained. Headline inflation in Mauritius has declined from 3.5 per cent in October 2018 to 2.8 per cent in January 2019. Based on current trends and barring major shocks, the Bank is projecting headline inflation at 2.1 per cent for 2019.

The MPC weighed the risks to the growth and inflation outlook and concluded that the current monetary policy stance is broadly appropriate.

The MPC voted unanimously to maintain the KRR at 3.50 per cent per annum.

The Minutes of the meeting will be issued on Friday 8 March 2019.