



BANK OF MAURITIUS

Communiqué

Released at 18.00 hours on 8 December 2008

**Bank of Mauritius cuts the key Repo Rate
by 100 basis points**

The Monetary Policy Committee (MPC) of the Bank of Mauritius has unanimously decided to cut the key Repo Rate by 100 basis points to 6.75 per cent per annum at its meeting held today with immediate effect.

The MPC reviewed global and domestic economic as well as financial developments. The MPC noted that global economic growth prospects had further weakened and that central banks generally had been cutting interest rates significantly to mitigate the worldwide financial crisis as well as help recovery from the economic recession. The MPC concluded that, based on recent trends in commodity prices on the international market and the global economic slowdown, there are strong indications that inflationary pressures are abating. In addition, downside risks to growth have intensified and there are signs that the domestic economy is being affected by weak global economic conditions.

The MPC determined that, with domestic inflation projected to decline, monetary policy could be eased further. This will support the government's policy to stimulate the domestic economy in the face of the global economic downturn.

The Bank of Mauritius will issue a Monetary Policy Statement at 13.00 hours on Monday 15 December 2008.

Bank of Mauritius

8 December 2008