

19 February 2020

BANK OF JAMAICA HOLDS POLICY RATE

Bank of Jamaica announces its decision to hold the policy interest rate (the rate offered to deposit-taking institutions on overnight placements with Bank of Jamaica) **at 0.50 per cent** per annum, effective Thursday, 20 February 2020.

The Bank sets its policy interest rate so as to ensure that the yearly rate of increase in consumer prices (i.e. inflation) is within the 4.0 per cent to 6.0 per cent target set by the Government. The decision to hold the policy rate unchanged therefore reflects the Bank's continued view that monetary conditions are generally appropriate to support inflation remaining within 4.0 per cent to 6.0 per cent and a faster pace of economic growth.

Loans provided to the private sector by banks are growing at a very robust pace, particularly to the productive sector. Alternative means of financing such as corporate bonds and equities continue to grow. Bank of Jamaica will therefore continue to closely monitor the trends in credit from banks, capital market transactions, overall economic activity and most importantly, inflation, to determine the future path for the policy rate.

The factors influencing this monetary policy decision will be discussed in more detail at Bank of Jamaica's upcoming monetary policy press briefing scheduled for Thursday, 20 February 2020.

The next policy decision announcement date is 27 March 2020.