



Translation  
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**PRESE RELEASE  
OF THE NATIONAL BANK OF MOLDOVA**

**According to the data published by the National Bureau of Statistics (NBS), the consumer price index (CPI) for the last 12 months constituted in August 7.8 percent this year, increasing in July 2010 by 0.2 percentage points. The annual core inflation remained at the level recorded in July 2010 constituting 5.2 percent and being positioned within the stated objective for the end of this year. This level of the core inflation already lasts over six consecutive months, reiterating that the side effect of regulated price increases and national currency depreciation in the first half of 2010 was fully absorbed. The data given by the NBS correspond with the inflation forecast of the NBM, published on August 5, 2010, under which the CPI and core inflation will reach the level of 8.2 and 6.2 percent respectively by the end of 2010.**

In August 2010, the annual inflation, measured by consumer price index for the last 12 months constituted 7.8 percent, coinciding with the forecast of the NBM. The attenuation of the rate inflation growth and the fact that the inflation is within the forecast range was due mainly to the following factors: decrease in foodstuff and non-foodstuff products prices by 2.6% and 0.1% respectively, and to the relative stability of prices for services rendered to population. The contribution from the core inflation, regulated prices and fuel prices on monthly rate of inflation during this period was insignificant.

The core inflation<sup>1</sup> is within the target limits for the end of this year, recording an increase of 5.2 percent for the last 12 months. The CPI for the last 12 months is by

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<sup>1</sup> The core inflation is calculated by the NBS, excluding the prices that are outside the scope of influence of the monetary policy measures promoted by the NBM, such as food and beverages, fuel, products and services with regulated prices.



2.6 percentage points higher than the core inflation, which reflects the increased influence of non-monetary factors on the inflationary process. The monthly pace of the core inflation continued its downward trend started in February this year. In August 2010, the prices for products and services in this section have not changed compared the previous month.

Foodstuff products prices have maintained the downward trend that characterized the last months due to the seasonal factors and agro-meteorological conditions favourable this year that have helped to the increase of the supply of products on the market. The most significant contributions to the decrease in prices for foodstuffs products were driven by the evolution of prices for vegetables, potatoes and fresh fruit, which fell by 21.1%, 6.7% and 9.2 % respectively.

In August 2010, the fuel prices have remained stable compared to the previous month. During the observed period, the global oil price has seen a rise of 1.0 % compared to July. This increase, however, has not led the operators from the domestic market to increase the fuel prices due to the domestic currency appreciation against the U.S. dollar by 3.7 % compared to July 2010.

Compared with previous months, in August 2010, there were no any changes made to prices of regulated services.

The National Bank of Moldova will continue to monitor the economic developments of domestic and international economic environment, having a conduct of a prudent and balanced monetary policy, intended to ensure the convergence of the inflation towards the medium-term objectives. The NBM will promptly apply its instruments to achieve the objectives of price stability and financial stability, creating favourable conditions for continued economic growth.