

# **BANK OF BOTSWANA**

## **Press Release**

### **MONETARY POLICY DECISION**

The Bank of Botswana Monetary Policy Committee met today and decided to leave the Bank Rate unchanged at 14.5 percent. The last adjustment of the Bank Rate was a decrease of half a percentage point on June 18, 2007.

While inflation decreased between May 2006 and June 2007, there was an increase in July, largely reflecting the effect of the fuel price increase in that month. As a result of this impact and anticipated upward adjustments in other administered prices, inflation is, in the short-term, expected to remain slightly above the upper end of the Bank's objective range. The medium-term inflation outlook, which reflects the impact of the Bank's monetary policy stance and modest influence of external price developments, is, however, positive. In the circumstances, the Bank considers it necessary to maintain the current monetary policy stance with the aim of sustaining the medium-term inflation path and expectations of low inflation.

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