

Monetary Policy Decisions

204th MPC Meeting of 5th August, 2008

The Monetary Policy Committee of the Central Bank of Nigeria met on August 5, 2008. The Committee reviewed the major domestic and international macroeconomic developments in the first seven months of 2008. It observed that despite the stability in the exchange rate of the naira, the macroeconomic outcomes were mixed as the key interest rates and inflation maintained an upward trend.

The Committee decided as follows:

1. The MPR will remain unchanged at 10.25 per cent since the core inflation is expected to remain at a relatively moderate level.
2. After reviewing developments in the financial market and the misplaced perceptions that the interest rate trends are linked to the requirement of a common year-end, the MPC decided that the common year-end for banks would no longer be a requirement and therefore left to the decision to the discretion of the banks.
3. In order to ensure a transparent pricing regime in the money market and thereby foster healthier competition, banks are required to fully disclose to the public their deposit rates as well as their base lending rates and other charges for all the sectors of the economy. These should be published on their respective websites and updated daily. The banks are required to report these rates to the CBN to enable the Bank to publish a summary of the rates for each deposit money bank every month.