S T A T E M E N T
ON MAIN DIRECTIONS OF THE MONETARY POLICY OF THE CENTRAL BANK OF THE REPUBLIC OF AZERBAIJAN FOR 2017

Azerbaijan has achieved high economic growth and well-being under the leadership of Honorable President Mr. Ilham Aliyev over a short historical time period. The country's economic power, international prestige and reputation have increased significantly. The three-fold expansion of the national economy, up to 10 times decline in the poverty rate, well-established modern socio-manufacturing infrastructure and fast regional development demonstrate that Azerbaijan has passed the way, other countries failed to pass for decades, over a very short period of time.

However, the world economy entered a new cycle in the second half of 2014, which brought about weaker global growth and demand, thereby leading to drops in commodity prices, primarily in oil prices. Slump in global oil prices negatively affected all oil exporters, including the Azerbaijani economy. Under these circumstances, significant fall in export revenues, and rise in currency payments for foreign debt and liabilities resulted in a large deficit of the balance of payments.

Under new conditions, the macroeconomic policy, as well as the fiscal and monetary-exchange rate policy were revised adequately. The Central Bank moved to the managed floating regime in 2016. Amid the existing macroeconomic situation, the Bank pursued a tight anti-inflationary monetary policy. The goal-oriented monetary program, coordinated with economic authorities, restricted the issue of money.

The main directions of the monetary policy of the Central Bank for 2017 were developed in light of strategic development priorities specified by the "Strategic road maps on national economy and major sectors of economy", approved by the Decree of President of the Republic of Azerbaijan dated 6 December 2016, the results of the policies pursued in recent years, macroeconomic forecasts, and potential risks.

I. CENTRAL BANK POLICY IN 2016

1.1. ACTIVITIES OF THE CENTRAL BANK

1.1.1. GLOBAL ECONOMIC CONDITIONS. The year 2016 witnessed weaker than expected global economic growth. A number of newly emerged risks gave rise to a lower global economic growth rate, and higher volatility in financial and commodity markets. 2016

was the 5th year with global economic growth and global demand lower than the pre-crisis period of 1990-2007.

Recent developments in different country groups have affected global economic growth. Given considerable improvement in economic activity indices of the USA, the world's biggest economy, the FED raised the federal funds rate once again in December. The European Central Bank prolonged its quantitative easing policy taking into account lower economic growth and deflation risks in Europe. Overall, political uncertainties amongst emerging economies heightened, greatly influenced by the Brexit referendum. Ongoing military-political conflicts and unstable exchange rates have been accompanied by higher risks in the financial sector of a number of emerging economies.

Given recent developments, the International Monetary Fund (IMF) revised down its **global growth forecasts** for end-2016. The Fund has revised down global growth forecasts several times over the year. Recent forecasts suggest that global economic growth is likely to stand at 3.1% in 2016. The IMF revised down the economic growth forecast for emerging economies to 1.6% from the initial 1.8%.

Global trade growth, one of the major factors of global growth, has remained weak. The World Trade Organization (WTO) forecasts 2.3% increase in global trade as of end-2016, lower than global economic growth.

Current global economic growth rates preclude **global employment** to return to pre-crisis levels. According to the International Labor Organization, currently, there are 199 million unemployed in the world. Global unemployment is projected to equal 5.8% as of end-2016.

According to the UNCTAD, FDIs are expected to decrease by around 10-15% in 2016. Likewise, **global financial and investment flows** continued to return to advanced economies in 2016.

Prices in global markets were very volatile in 2016 as well. Continued weak global economic growth and global demand had negative impact on oil prices. During the first quarter of the current year, oil prices reached the lowest level in recent years. Despite negligible increase in oil prices during subsequent quarters, overall, the average world price for Brent oil decreased by 16% y/y.

Ongoing developments in the global economy and in individual countries further increased **volatility of global and regional currencies**. Following the approval of Brexit referendum results in June, 2016, the British pound depreciated against the USD by 20.8%. Since the beginning of the year, the Turkish lira has depreciated by 21.1%, euro by 3.8%, the Ukrainian hryvnia by 13.9%, the Chinese yuan by 7.1%, the Iranian real by 31.2%, and the Georgian lari by 11% against the USD.

1.1.2. BALANCE OF PAYMENTS. The balance of payments (BoP) of Azerbaijan was affected by direct and indirect impact of recent developments in the world and regional economy and global energy markets in 2016.

On the backdrop of unfavorable international conjuncture, Azerbaijan experienced the BoP deficit in 2016 as in 2015. Overall, USD 5 B worth of deficit is projected in the BoP as of end-2016.

The goal oriented macroeconomic policy of recent 2 years, and exchange rate corrections to the national currency had positive impact on the current account of the BoP. Non-oil goods and services exports decreased by 26% in 2014-2016 (as expected). As a consequence, current account deficit for the non-oil sector decreased to USD 5.7 B from USD 7.6 B (as expected).

All these processes continued over 9 months of 2016. The current account deficit for the non-oil sector fell by 20% y/y over 9 months of 2016. Non-oil goods and services imports decreased by 13.1%. Over 9 months, deficit of non-oil services account tumbled 3 times y/y, while there was surplus in tourism services.

However, the current account of the BoP is still unbalanced. There was a USD 1.1 B deficit in the **current operations account** over 9 months of 2016.

Total exports dropped by 23% y/y, including 22% fall in non-oil exports due to declining oil prices (Oil and gas exports are expected to drop to USD 11.7 B from USD 26.6 B in 2014-2016). The projected exports for 2016 are likely to be USD 22 B less compared to 2011, the year with the highest exports. At the same time, non-oil exports dropped by 30 % over 9 months of the current year, leading to 45% y/y fall in surplus of the external trade balance.

Services balance deficit constituted USD 2.3 B over 9 months. Total services imports made up USD 5.5 B (including USD 2.3 B on the non-oil sector), while services exports were USD 3.2 B.

Primary income balance, a significant element of the current account, had deficit of USD 1.8 B over the period, primarily driven by repatriation of oil profits abroad by the oil and gas sector. Moreover, remittances of individuals from abroad – the primary item of the secondary income balance, another crucial element of the current account, dropped 2.1 times. However, the secondary income balance stayed in surplus (lower surplus y/y).

Overall, the ongoing developments in the current account show that the total balance is reaching its equilibrium level. A slight rise in oil prices may result in elimination of the current account deficit (given positive impact of exchange rate adjustments).

However, the primary source of pressure over the BoP is deficit in the capital and financial account, typically not vulnerable to exchange rate changes. Rise in currency payments for fixed external debt and liabilities was the major factor formulating the BoP deficit regardless of exchange rate fluctuations. Thus, 2/3 of total deficit of the BoP for 9 months of 2016 is due to deficit in the **capital and financial account.** This account had a deficit of USD 2 B, which emerged as a result of repayments of foreign trade loans, external debt, and investment liabilities on strategic projects. However, due to lower dollarization in the current year, this deficit declined by USD 4.6 B y/y.

Note that payments for foreign debt and liabilities have negative impact on both the capital and financial account and the current operations account of the BoP. Thus, USD 0.5 B interest payments for external debt were repaid over 9 months of 2016, affecting negatively the current operations account.

As of the end of 11 months of 2016, country's **strategic foreign exchange reserves** made up USD 37.3 B, sufficient for 28 month goods and services import, surpassing sovereign debt 4 times. Fiscal consolidation and exchange rate changes allowed the country to save strategic foreign exchange reserves considerably. Currently, strategic foreign exchange reserves equal to 100 % of GDP.

1.1.3. ECONOMIC GROWTH. Economic growth was affected by changes in domestic demand. **Investments**, a key component of domestic demand, made up AZN 13 B over 11 months of the current year (AZN 14.4 B in January-November 2015).

The **consumption** level, another significant component of domestic demand, was influenced by salaries and wages, money income, interest rates, and inflationary factors. Contraction of consumption manifested itself in import of consumer goods, and dynamics of consumer loans.

Budget expenditures, as one of the major factors affecting domestic demand in 2016, had significant impact on investments.

The above mentioned structural changes influenced economic growth. According to the State Statistics Committee, Gross Domestic Product (GDP) dropped by 3.9 % in real terms over 11 months of the year, including 5.6 % fall in the non-oil sector, primarily driven by 28 % decrease in the construction sector.

1.2. IMPLEMENTATION OF THE MONETARY POLICY

1.2.1. INFLATION. The Central Bank's monetary policy decisions rested upon evaluation of inflation risks in 2016.

According to the State Statistics Committee, **average annual inflation** made up 12.1% over 11 months of 2016. Food prices rose by 14.1 %, non-food prices by 16.8 % and service prices by 5.6 % on annual basis.

The nominal effective exchange rate, inflation expectations and swings in global commodity prices had an upward effect on prices, while government regulation of prices (by Tariff Council) had different effects. Government regulation of pharmaceutical products and VAT exemption of grain had a downward effect on inflation. Changes in electricity, water and gas tariffs had an upward effect on inflation.

Average annual **core inflation**, calculated without taking into account price changes in goods and services regulated by the government and seasonal agricultural products, made up 13.1%.

Average annual **producer price index** rose by 22.6% over 11 months of 2016. Agricultural producer prices dropped by 3.4%, mainly driven by the 10.3% price fall in plant products.

1.2.2. THE FOREIGN EXCHANGE MARKET AND EXCHANGE RATE. In 2016, the exchange rate of manat was set in compliance with the BoP within the 'managed floating exchange rate regime' announced by the CBA at the end of the previous year. The exchange rate of manat changed under the influence of **macroeconomic fundamentals** (BoP, oil prices, etc.) over the period.

Using a relevant **operational framework** in harmony with the exchange rate regime it had announced, the CBA made minimum interventions to the FX market from March, 2016 onward. The SOFAZ sold foreign currency at CBA auctions, held several times a week, and market participants were informed on the parameters of each auction upfront.

Auction parameters were changed depending on the status of the FX market and the mechanism of auctions were improved during a year. The CBA applied a new, bilateral auction mechanism in October to facilitate more flexible participation of banks in the FX market. The new auction mechanism enables market participants to make orders in both directions (buy or sale of currency).

In 2016, the CBA held 114 currency auctions in total, demand prevailing over supply to a considerable extent. The SOFAZ sold USD 4.9 B worth of currency, 37.5% less relative to 2015. Foreign currency sales of the SOFAZ dropped 3 times relative to 2013, the year when transfers to the state budget were at the highest level. Currency supply declined within the fiscal consolidation policy conducted due to the sharp fall in oil revenues.

The interbank foreign exchange market operated on a regular basis on non-auction days, whose off-auction operations were prone to increase over the period.

The official exchange rate of manat was set based upon the average exchange rate on interbank transactions (taking into account auction and off-auction transactions) in 2016. Since the beginning of the year the CBA has been announcing an official exchange rate for the next business day one business day before.

The exchange rate of manat appreciated and depreciated a number of times over the year in response to supply and demand in the FX market. Whereas the exchange rate of the USD against the manat was AZN 1.5594 as of the end-2015, it peaked to AZN 1.6456 in early March and dropped to AZN 1.4900, its lowest level since early year at the end of May. While the exchange rate of the USD appreciated in June-August, it started to depreciate in September. The USD followed an appreciation trend from the end of October again. Overall, the USD appreciated 13.6% against manat from early this year. The average daily exchange rate of the USD against the manat was AZN 1.5965 over the period. As mentioned above, besides the manat, national currencies of a number of other countries, including trade partners of Azerbaijan, continued to depreciate.

The dynamics of bilateral exchange rates also influenced multilateral exchange rates over the year. The **REER** on the non-oil sector depreciated by19.3% over the period. The depreciated REER is a potential macroeconomic factor that contributes to import substitution and export stimulation. The REER, which reflects price dominance of the national economy, declined 38% in 2015-2016.

Given the response of BoP deficit, particularly its concentration in the capital and financial account under the influence of external debt and liabilities to the exchange rate changes, the CBA applied namely a managed floating exchange rate regime to prevent the manat from higher depreciation, and minimize the impact of depreciation on financial stability, and social stability through higher inflation.

1.2.3. MONEY SUPPLY. Rising monetary base channels were managed by means of the monetary program given exchange rate related negative expectations and factors increasing inflation in the current year.

To attain rebalancing in the FX market thereby contributing to price stability, heads of key macroeconomic regulatory authorities coordinated and documented a **monetary program** in April 2016 which provides for containing growth rates of money base. Over the reported period, the CBA's liquidity operations rested namely upon the monetary program. The key objective was to regulate excess money supply channels, avoid additional pressure on the exchange rate of the manat, meanwhile preventing price-inflation hikes.

Consequently, money base became an actual operational anchor of the monetary policy. The growth rate of money base was overall in harmony with the monetary program. The key growth channels of money base (previously coordinated in the monetary program) included

support for financial stability, resources injected to maintain banking system liquidity and continuity of payments, and returning deposits of the population on closed banks.

To keep money base on the coordinated target level the CBA actively sterilized excess money supply – ¾ of funds injected as part of support for financial stability in 2016. The volume of these sterilization operations made up over 50% of money supply. Thus, the Bank prevented entry of excess money supply to the FX and commodity markets.

Dollarization of deposits declined in 2016. The share of foreign currency denominated savings and deposits in total savings and deposits dropped by 11.8 p.p. compared to the early year level. Dollarization of deposits of individuals dropped to 81.2% as of the end-period (85% early year).

1.2.4. OPERATIONAL FRAMEWORK OF THE MONETARY POLICY. Monetary policy decisions rested upon evaluation of inflation risks in an attempt to maintain confidence in the manat in 2016. In parallel, the Central Bank elevated efforts to shape a new monetary policy regime and its operational framework allowing sustainable price stability in the medium run.

In 2016 the Central Bank made critical corrections to **parameters of the interest rate corridor** to reduce inflation, boost confidence in the national currency, and promote savings in the manat. The refinancing rate being adjusted to inflation was shifted to 15% from 3%, the floor of the interest rate corridor to 12% from 0.1% and the ceiling to 18% from 5% in steps. The interest rate corridor related decisions were taken in light of the macroeconomic situation, the money market conjuncture, and yield on government securities.

Maturity of liquidity injections and absorbtions at interest rates within the floor and the ceiling of the interest rate corridor was extended from one to seven days allowing the banks to initiate the **standing facilities** of the Central Bank – 1 – 7 days repo/counter repo operations in an unlimited manner to manage short-term liquidity.

The Bank launched deposit auctions to attract available funds in the national currency and restored the issue of short-term notes. As of the recent date, balance of funds attracted through **deposit auctions** and short-term notes was over AZN 150 M. These operations also target development of the money market and improvement of the operational framework of the monetary policy.

The **reserve requirement** on foreign currency denominated liabilities was shifted to 1% from 0.5% to weaken dollarization and amplify financial stability in the banking sector, while the reserve requirement on liabilities in the national currency and precious metals was left unchanged. Banks started to adjust reserves to the new requirement in June 2016.

II. MAIN MONETARY POLICY DIRECTIONS FOR 2017

The most critical objective of the Central Bank in 2017 is to maintain macroeconomic stability on the backdrop of the unfavorable global economic conjuncture and structural transformation of the economy. Macroeconomic stability is a framework condition for recovery of the economy, and transition of the national economy to a new growth and development model. It necessitates effective coordination of the monetary policy with the budget – tax policy, and extensive measures allowing to rebalance the economy, the BoP and the FX market in total, and fully and effectively move to a floating exchange rate.

The implied actions plan on maintaining macroeconomic and financial stability for 2017 and in the medium term of the Financial Stability Board (FSB) launched by decree of Mister President of 15 July 2016 provides for such a maneuver. As an important part of this maneuver, the CBA will make critical contribution to effective implementation of the implied macroeconomic stability program by means of a tight anti-inflationary monetary policy in 2017.

2.1. THE GLOBAL ECONOMIC ENVIRONMENT AND MACROECONOMIC FRAMEWORK

2.1.1. THE GLOBAL ECONOMY. Although international financial organizations expect certain revival in the global economy in 2017, overall economic growth is predicted to be slack and vulnerable compared to the pre-crisis period. Global financial markets may witness higher waverings and new banking risks.

The IMF projects **global economic growth** to stand at 3.4% in 2017, slightly higher than in 2016 – 1.8% on DDCs and 4.6% on DGCs.

Presumably, **DDCs** will make nearly the same contribution to economic growth in 2017 as in the previous year. US economic growth is forecasted to rise by 0.6 p.p. in 2017 compared to 2016. Since inflation and employment are close to targeted levels, it allows to say that the US Fed will keep ignoring the accommodative monetary policy in the upcoming year. In 2016 economic growth in the euro zone is expected to decrease by 0.2 p.p. to 1.5% y/y, while it will stand at 1.1% in Great Britain (1.8% in 2016). Fiscal stimuli used as part of the Japanese abenomics reforms will underpin economic activity, yet a stronger national currency has a downward effect on exports.

Some DGCs that underwent recession in 2016 will reverse to the positive economic growth rate in 2017. Economic growth varies across regions due to low investment activity, sluggish structural reforms and certain geopolitical tensions. However, relative hikes in energy prices and increased food and agricultural product prices give ground to the fact that total economic growth rate may stand at 4.6% (4.2% in 2016) in 2017. The growth rate is expected

to stand at 6.2% and 7.6% for the following year in China and India respectively with higher share in DGCs. Recession of 2016 is expected to be replaced by growth, though slack, in **CIS countries** –our key trade partners in 2017.

Next year **global trade** is forecast to stand at 3.8%, 1.1 p.p. lower than the average indicator for 1990 – 2015.

Prices in commodity markets are expected to show different behavior in the expected global economic environment. According to the IMF, total commodity prices will rise by 8.5% 2017, while food prices will remain stable. The Fund expects average oil prices to be USD 52 in the global market. According to the US Energy Information Administration (EIA), oil extraction on non-OPEC countries (with the highest share of the USA) will contract by 0.8 M/barrel p/d in 2017.

In total, according to estimations and predictions of all global institutions, oil prices are unlikely to reach historical highs over the medium and long run, mainly due to energy-efficient high-tech and serious changes in world energy balances.

The path of economic activity indicators in leading countries and monetary policies of central banks will leave traces in **global financial markets.** Uncertainties in capital flows may trigger changes in exchange rates of leading currencies, including currencies of trade partners of Azerbaijan.

2.1.2. MACROECONOMIC FRAMEWORK. Economic growth in the national economy, particularly in the non-oil sector will depend on domestic demand, the speed of economic growth shift to new drivers, the effectiveness of the implied package of structural reforms and the efficiency of macroeconomic stability related efforts in 2017. The government expects gradual recovery in the national economy in 2017.

In 2017 **the current account** will develop depending on oil prices, effects of the flexible exchange rate regime and macroeconomic policy, the scale of imports decline, and feasibility of non-oil export potential. Recent decisions by the government on protection of local production and exports stimulation along with the favorable exchange rate are expected to have an upward effect on the current account. However, if global oil prices fail to hike considerably, the probability, that the current account will see the surplus enough to cover the capital and financial account deficit, is still low.

Large-scale foreign currency denominated liabilities of the public sector's foreign debt payments and financing of strategic energy projects will weigh on the **capital and financial account** of the BoP. Management of the expected large-scale deficit in the BoP in response to the said factors will weigh on macroeconomic stability. The FSB is planning **extensive**

measures aimed at lessening and financing the deficit in the BoP in light of the significance of the issue.

Tactical measures mainly imply neutralization of factors that cause pressure in the FX market by means of regulation of the capital and financial account (tailored regulation of a number of foreign currency denominated liabilities) and target minimization of macroeconomic risks (inflation, financial stability etc.) by considerably hedging pressures on the exchange rate of the manat.

To note, new regulations on the currency regime, that have already taken effect (180 day maturity requirement for import of goods and supply of services against advance payments, introduction of limits on money transfers of individuals) will provide additional support for balancing the BoP.

Strategic actions target fundamental balancing of BoP via the rebalancing in the national economy (fiscal consolidation, ongoing tight monetary policy, effective management of money supply channels, structural reforms to stimulate export-oriented production etc.).

Social protection related actions are also in the agenda (increase in the size and the scope of targeted social assistance, support for employment).

2.2. THE MONETARY POLICY FOR 2017

2.2.1. THE MONETARY POLICY FRAMEWORK.The Central Bank will flexibly react to **inflation risks** when implementing the monetary program coordinated with the FSB deploying the monetary tools in its arsenal in close cooperation with the government. The Bank will endeavor to be proactive since monetary policy decisions affect inflation with certain lags.

To keep inflation on an acceptable level in 2017, **money supply** will be regulated in a focused manner as part of the **coordinated monetary program** that will effectively control money supply channels. The liquidity monitoring and short-term forecasting system to be launched at the Central Bank with support of related economic authorities will be critical in task-oriented management of the money base.

When the BoP is in the course of balancing (as mentioned, supported by the floating exchaneg rate), effective inflation management requires **a tight monetary policy** in the first instance. The evidence from practice suggests that it is not effective to stimulate economic growth through the monetary policy amid inflation risks. Given the fact, the Central Bank will considerably contain money supply channels by means of the relevant monetary program and implement a tight monetary policy in 2017.

The Bank will conduct liquidity operations as part of the coordinated money supply target. Money base will act as the monetary policy anchor on the backdrop of monetary reforms and transition to the floating exchange rate.

In 2017 the Central Bank will continue its efforts to prepare for introduction of **direct inflation targeting,** a part of the effective strategic monetary policy framework; the Bank will continue with the flexible exchange rate regime, make money supply a reliable guide to the monetary policy, strengthen analytical and forecasting capacity and improve communication and reporting.

At the same time, the Bank will review the feasibility of transformation of interest rates to the new monetary policy anchor as the financial and capital markets evolve. The Bank will follow global changes in the monetary policy design, and recent trends on **extending** central banks' **target perimeter and tools arsenal** along with the realization of conditions of transition to inflation targeting making critical corrections on the way.

2.2.2. THE EXCHANGE RATE REGIME.The Central Bank will continue transition to a free floating regime in line with the Strategic Roadmap on national economy and major sectors of economy.

The floating exchange rate allows to reliably protect the economy from negative external shocks, flexibly rebalances the economy and the BoP, and increases the capacity of the monetary policy to affect money supply and interest rates. Also, the flexible exchange rate promotes development of the domestic financial market, supports usage of a number of new financial tools and preserves foreign exchange reserves.

The exchange rate of the manat will be primarily influenced by supply and its management in the FX market, and also the course of imports substitution. The size of supply in the FX market will be affected by the realization of the exports capacity.

The Central Bank will focus on aligning the currency auction mechanism to the floating regime. The Bank will only **intervene the FX market** to contain sharp exchange rate swings. The development of the FX market and promotion of tools to regulate exchange rate risks will continue in 2017.

2.2.3. MONETARY POLICY TOOLS.The Central Bank will use monetary policy tools as part of monetary targets, keep modernizing these tools and consider the real level of interest rates in the course of their introduction.

Standing facilities, open market operations and reserve requirements will be regulated in response to macroeconomic indicators, inflation risks, the situation in financial markets, and banking sector liquidity.

Interest rates on liquidity tools will be flexibly managed within the **interest rate corridor**. The Bank will consider higher volume money supply sterilizations and rising interest rates, if necessary.

Banks will initiate **standing facilities** (short term attraction and placement of funds) to manage short-term liquidity under interest rates set by the Central Bank. Funds will be attracted at the floor (1-7 day REPO), and placed at the ceiling of the interest rate corridor (1-7 day counter REPO).

Open market operations will be initiated by the Central Bank as before – open market operations to attract funds will be conducted at interest rates fluctuating between the floor of the interest rate corridor and the refinancing rate. Such operations include attraction of deposits at auctions and issue of Central Bank's short term notes. Open market operations for placement of funds will be conducted at interest rates fluctuating between the refinancing rate and the ceiling of the interest rate corridor.

The reserve requirement will still be one of the Central Bank's monetary policy tools. The Bank will apply **the reserve requirement** in a monthly average manner as well to enable banks to flexibly manage their liquidity.

The Central Bank will arrange concerted efforts with related economic authorities to shape a **liquidity monitoring and forecasting** system to effectively apply monetary policy tools and plan monetary operations in an optimum manner for adequate response to the money market.

Efforts will continue to strengthen the performance of the **interbank money market**, and integrate its interest rates to the interest rate corridor facility as part of improvement of the operational framework of the monetary policy, that will amplify the interest rate channel in the pass-through capacity of the monetary policy to the economy.

SUMMARY

Consequently, macroeconomic stability – the framework condition of economic growth – will be the main goal of the Central Bank's monetary policy in 2017 as well.

The Central Bank will continue related efforts to move to the floating exchange rate according to the actions plan of the FSB for 2017 and the medium run on macroeconomic and financial stability and the Strategic Roadmap on national economy and major sectors of economy.

Complex measures encompassing fiscal, monetary, structural, social and financial stability policies target higher monetary policy effectiveness through rebalancing the FX market and the BoP eventually maintaining reliable macroeconomic stability.