



BANCO CENTRAL
REPÚBLICA DOMINICANA

Monetary Policy under COVID-19

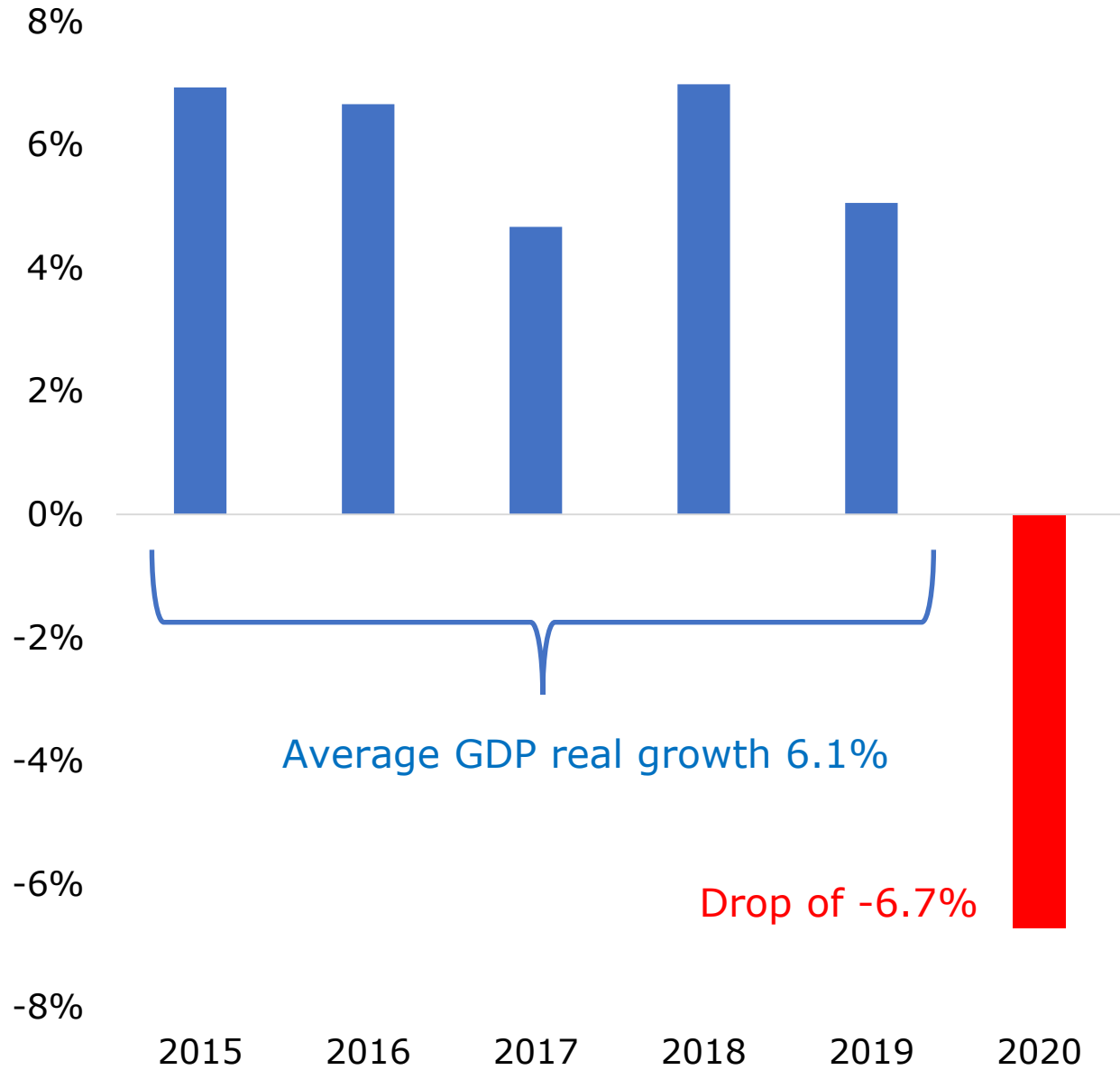
The Dominican Republic Case, March 16 2021

Harold Vásquez, Ph.D.

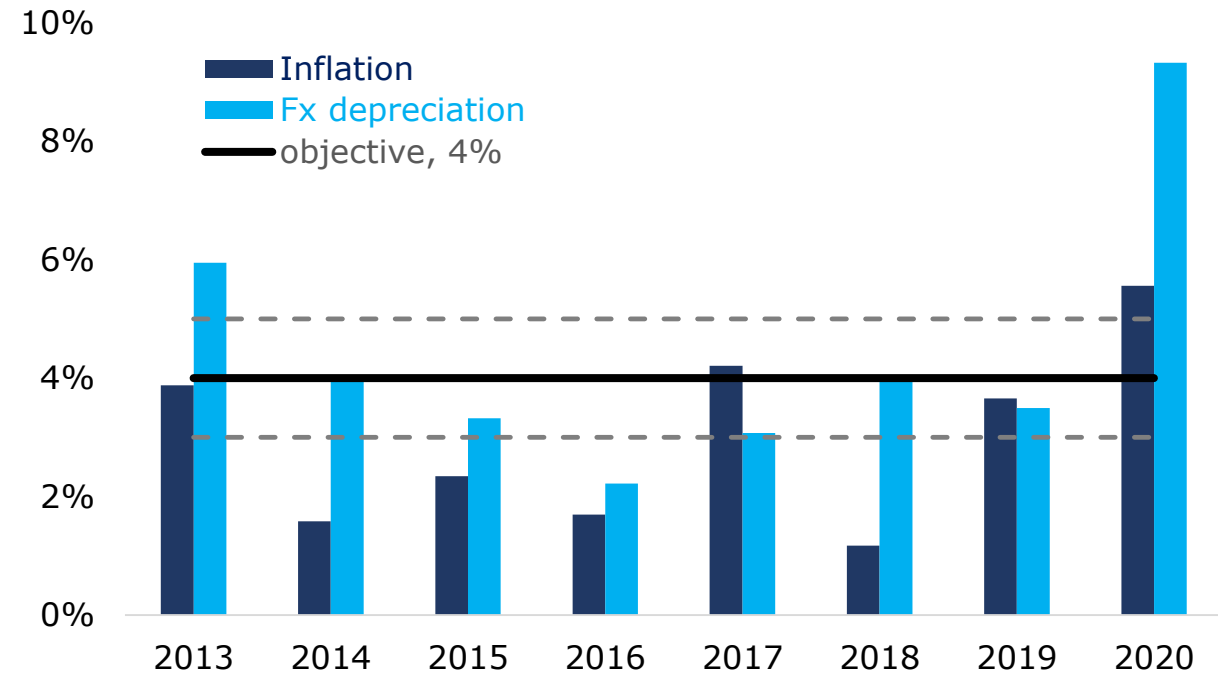
International Department

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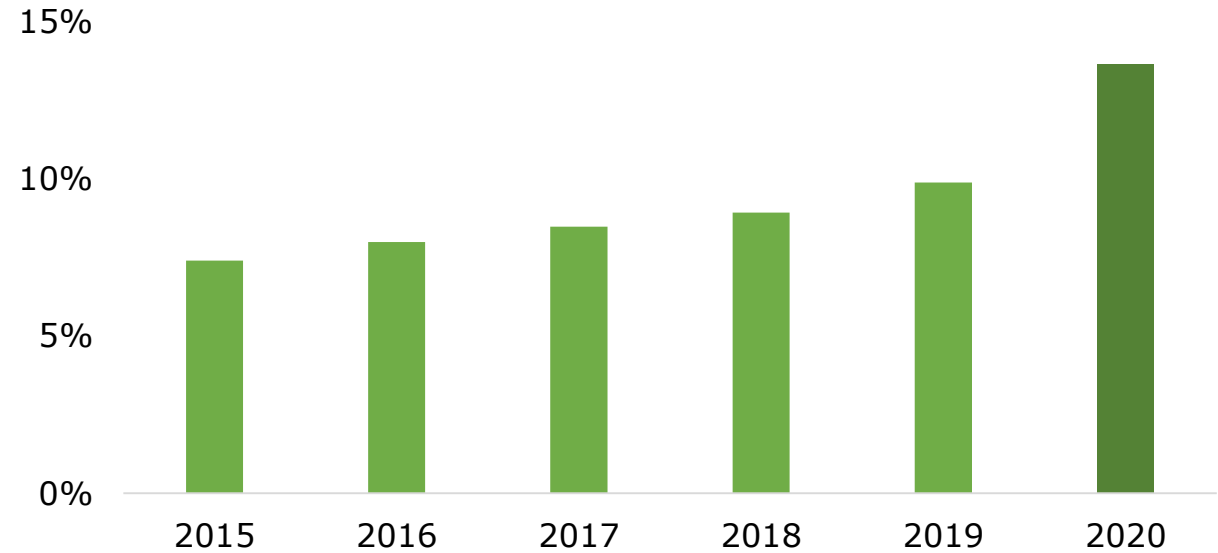
DR: GDP growth rate, %



DR: Inflation & Fx depreciation, %

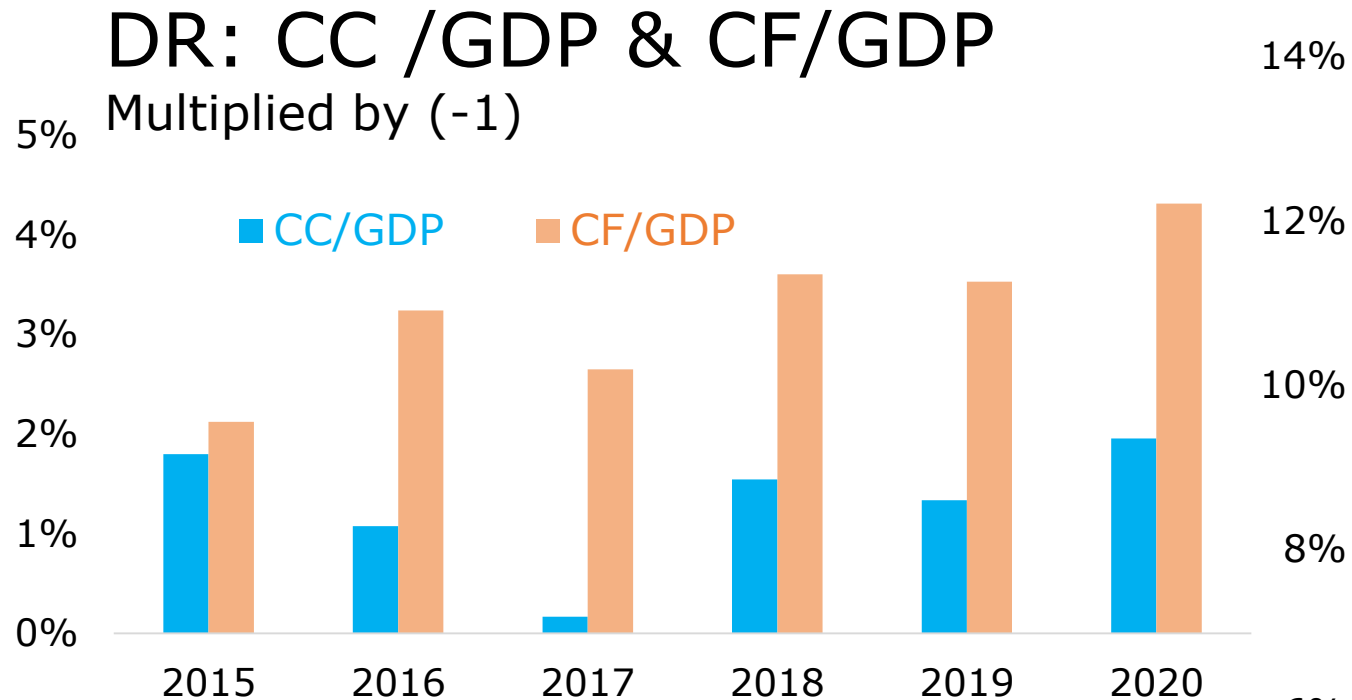


DR: International Reserves/GDP

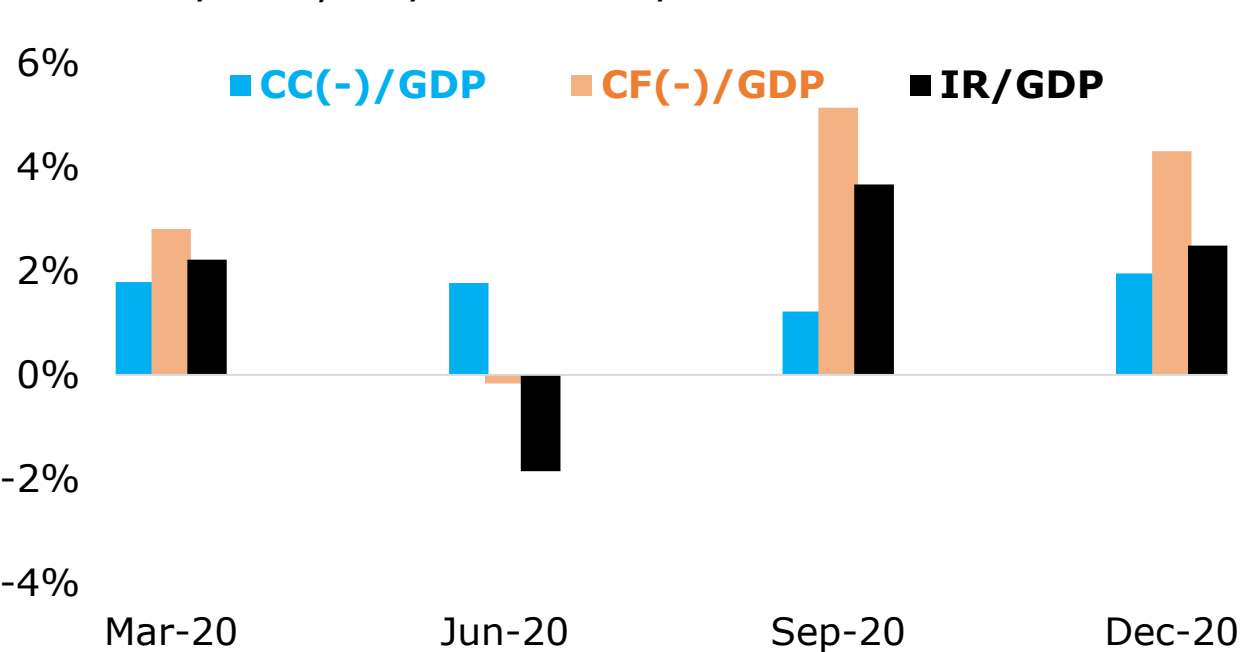


DR: CC /GDP & CF/GDP

Multiplied by (-1)



DR: CC/GDP, CF/GDP & IR/GDP



14%

— Fx depreciation, y-o-y

— Inflation, y-o-y

12%

10%

8%

6%

4%

2%

0%

Mar-15

Sep-15

Mar-16

Sep-16

Mar-17

Sep-17

Mar-18

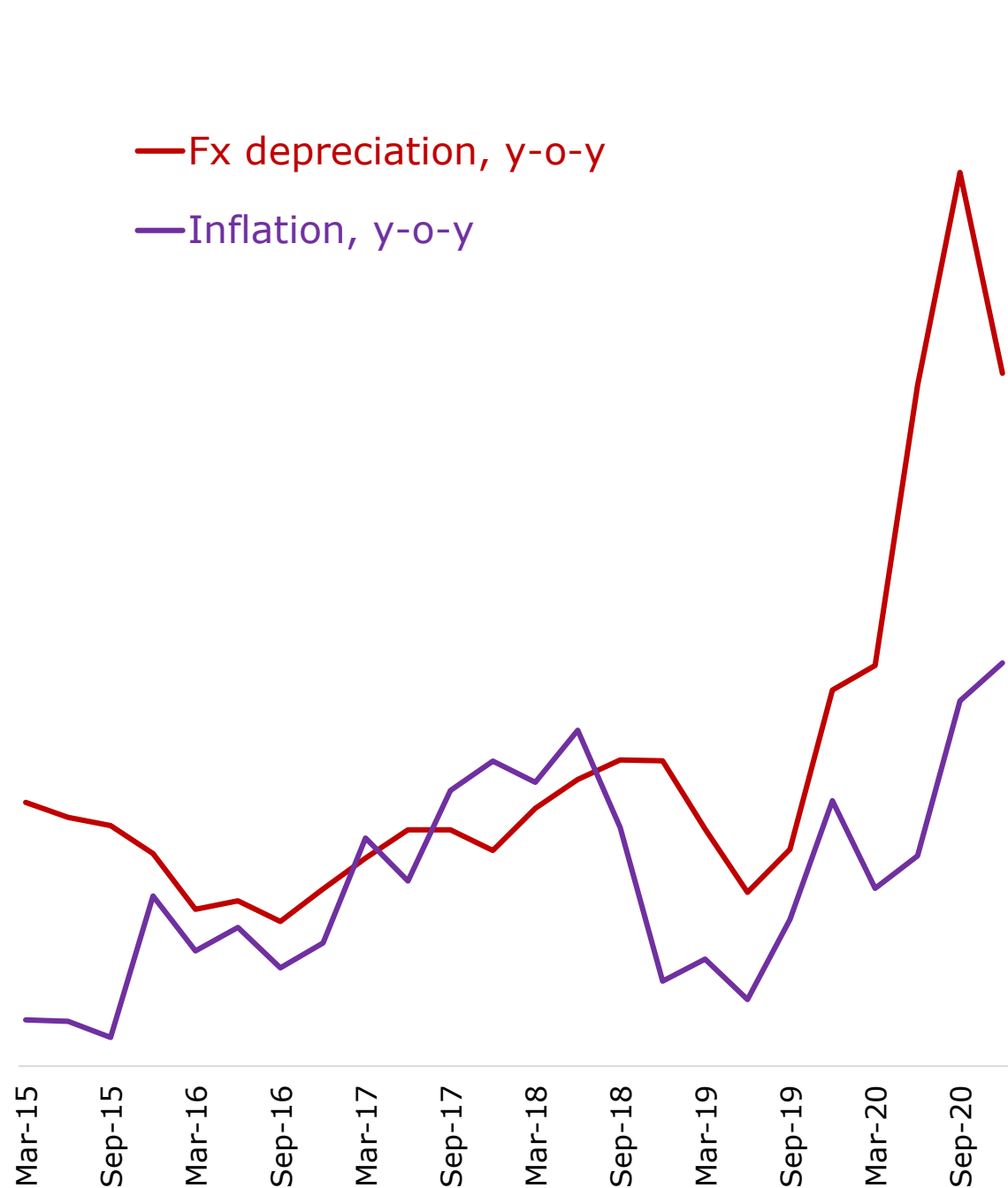
Sep-18

Mar-19

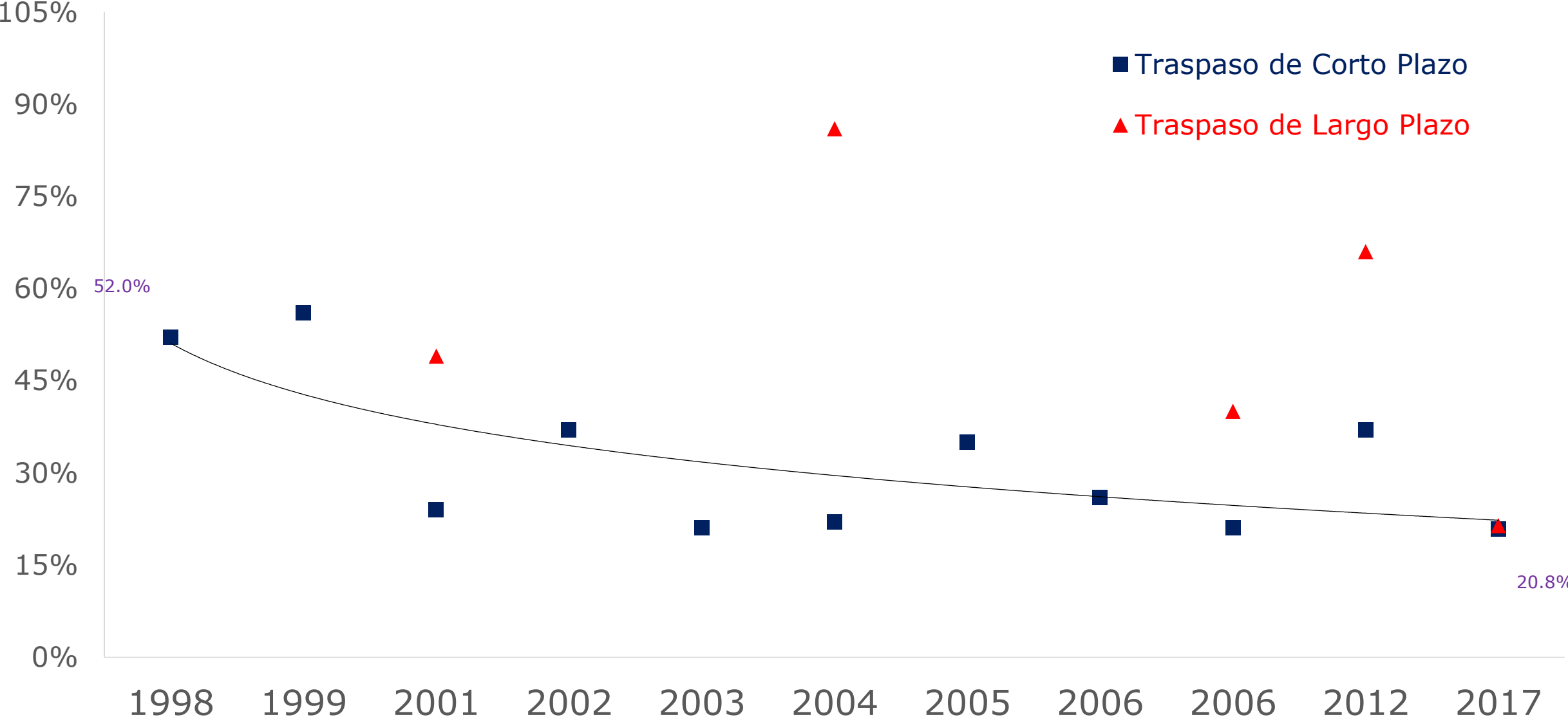
Sep-19

Mar-20

Sep-20



DR: Fx Pass-through



Monetary Policy Measures

DR GDP, USD 79,000 mm

Liquidity

% GDP

Legal reserves dep. Liberalization

\$620 mm

0.8%

Repo w/ CB & Treasury securities

\$620 mm

0.8%

Fast liquidity window, up to 3 years

\$2,200 mm

2.8%

Repo for financial inst., 1 year

\$350 mm

0.4%

Total liquidity

\$3,790 mm

4.8%

FX liquidity

\$622 mm

0.8%

Regulatory measures

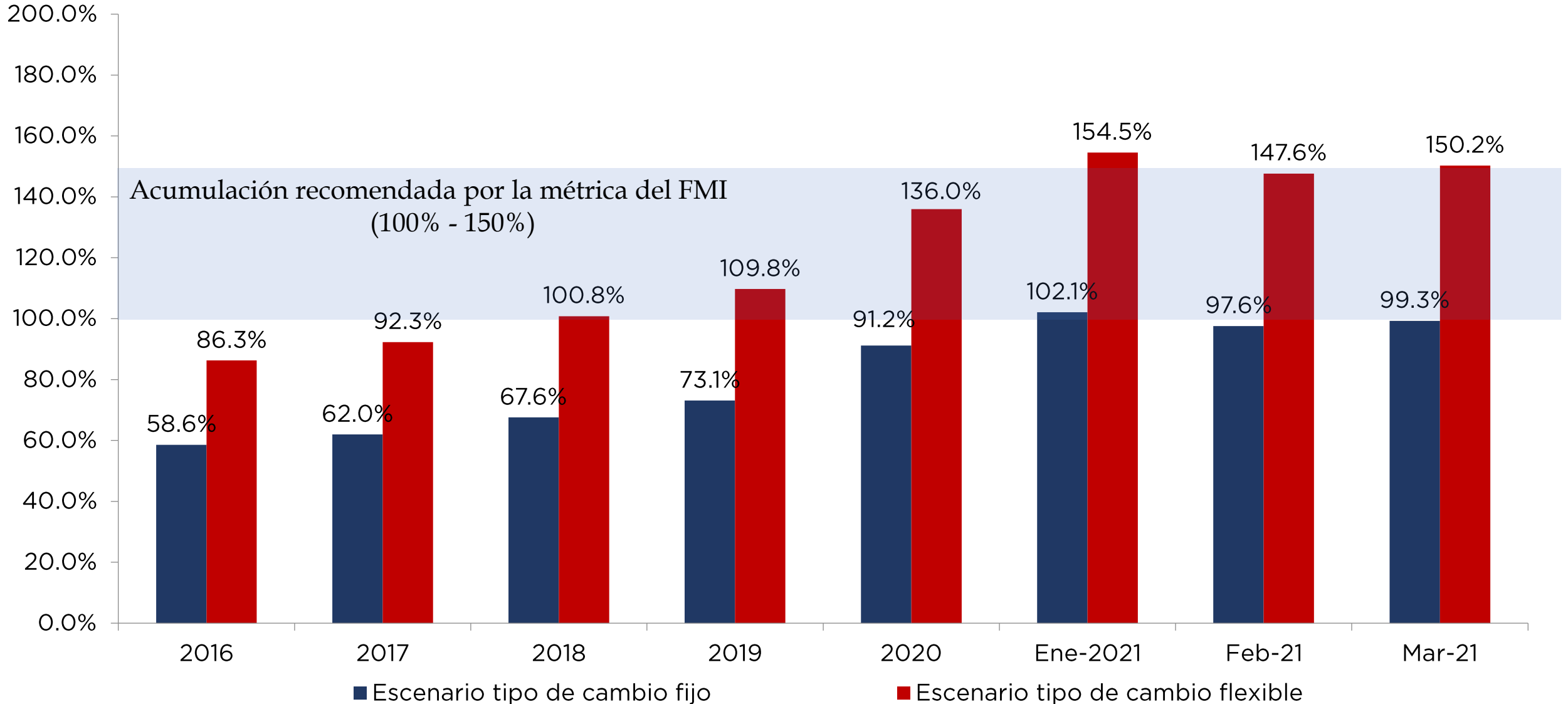
- Credit rating freeze to pre-pandemic levels
- No credit rating penalty for loan restructuring
- Extension of credit lines arrears up to 60 days
- Increase deposit guarantees from USD 9,000 to USD 33,000
- F. I. exemption from Contingency and Consolidation Fund til 2022
- Limits/restrictions on dividend payments



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IMF International Reserve Adequacy Metric



Fuente: Elaborado por la Subdirección de Asuntos Cambiarios Domésticos