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CONTRIBUTION OF THE BCEAO'S MONETARY POLICY TO PRICE STABILITY IN MALI FROM 1970 TO 2009

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ABSTRACT

This paper empirically analyses the contribution of the BCEAO's monetary policy to price stability in Mali over the period 1970 – 2009. In terms of methodology, we used an error correction model (ECM). In general, the results show a relative inefficiency of the BCEAO's monetary policy on price stability in Mali. In addition, an increase in the import price index leads to an increase in the general price level in the short and long term. Similarly, the general price level in Mali remains sensitive to changes in the money supply in the short run, and the effect increases significantly in the long run. Thus, an improvement in the transmission mechanisms of monetary policy in Mali is essential.

KEYWORDS: *Monetary policy, price stability, key rates, BCEAO, Mali.*

JEL classification: E5, E19, E31.

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