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Press Release

National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 14.0 percent

On August 29, 2022, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 14,0 percent. The decision becomes effective as of August 30, 2022.

Persisting high level of the global inflation together with geopolitical uncertainty remain the significant factors of economic situation development in the Kyrgyz Republic. Under these conditions, the National Bank continues conducting the monetary policy to restrict inflationary developments in the economy and mitigate the risks of the external economic environment.

In August¹ 2022, the inflation rate was 15.4 percent (in July – 13.8 percent). Absence of seasonal deflation in the summer of the current year demonstrates persisting inflationary pressure. At the same time, slowdown of inflationary development is expected in the first half of 2023 amid stabilization and adaptation of the world economy to new trade and economic relations in the global commodity markets. Meanwhile, the monetary policy conducted by the National Bank and measures taken by the Cabinet of Ministers of the Kyrgyz Republic to stabilize inflation in the country will make a significant contribution to inflation slowdown.

Economic activity in Kyrgyzstan is supported by stable recovery of domestic demand. According to the results of seven months of 2022, the economic growth rate made 7.7 percent (excluding “Kumtor” gold-mining enterprises – 4.7 percent). In terms of sectors, the largest growth of production output was observed in the sectors of industry, services and agriculture. Increase in credit activity and remittances had additional stimulating effect on an increase in domestic consumption.

Considering the conditions for development of the external and internal economic environment, the National Bank decided to keep the policy rate unchanged at 14.0 percent. The National Bank will follow the current monetary policy direction until the pro-inflation risks are mitigated. In case of any risks, the National Bank does not exclude the possibility of making additional adjustments to the current monetary policy.

The National Bank will continue to regular monitor the current situation and, if necessary, will make appropriate adjustments to achieve price stability in the medium term.

Briefing:

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for October 31, 2022.

¹ As of August 19.

Depending on the situation, the National Bank of the Kyrgyz Republic will conduct an unscheduled meeting on the key rate.