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Press Release

National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 13.00 percent

On February 27, 2023, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 13.00 percent. The decision becomes effective as of February 28, 2023.

The inflation environment in the Kyrgyz Republic remains relatively moderate and reflects the main trends of recent months. The consumer prices increased by 2.8 percent since the beginning of 2023 (as of February 17), the annual inflation rate was 15.9 percent. Current inflation demonstrates seasonal increase in prices for fruits and vegetables as well as stable influence from the secondary effects of earlier inflation factors. As before, volatile prices in the world commodity markets and an increase in a number of administered prices (tariffs) remain pro-inflationary factors.

Economic activity in the Kyrgyz Republic increased, domestic demand is recovering. At the end of January 2023, the real GDP growth was 4.8 percent. The sectors of industry, services and agriculture demonstrated the largest production output. An increase in credit activity and in real wages provide additional stimulating effect on domestic consumption.

Measures taken by the National Bank of the Kyrgyz Republic contribute to relatively stable situation in the money and foreign exchange markets. The financial and banking system remains stable. The banking system possesses sufficient liquidity in the national currency.

Current high uncertainty in the external environment remains a predetermining factor for economic development in the Kyrgyz Republic, including inflation dynamics. Under such conditions, the monetary policy conducted by the National Bank is still aimed at declining of inflation in the Kyrgyz Republic down to the target rate in the medium-term period.

Considering the conditions for development of the external and internal economic environment, the National Bank decided to keep its policy rate unchanged at 13.00 percent. The National Bank regularly monitors the current situation and, if necessary, will use additional tools and take appropriate measures to achieve the goal of price stability in the medium term.

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for April 24, 2023.

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