



КЫРГЫЗ БАНКЫ

168 Chuy Avenue, Bishkek, Kyrgyz Republic

E-mail: [mail@nbkr.kg](mailto:mail@nbkr.kg)

[www.nbkr.kg](http://www.nbkr.kg)

## Press Release

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

On May 29, 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 May 30, 2023.

External economic conditions, which have direct and indirect impact on the economy of the Kyrgyz Republic, are still under the influence of uncertainty and remain ambiguous, volatility in the external financial markets persists. Although the world food and oil markets demonstrate gradual downward price movement, inflation expectations remain high in most countries. Gradual decline in the inflation rate in the region is a favorable factor.

At the end of January-April 2023, the real GDP growth was 4.4 percent in the Kyrgyz Republic. Growth of the total output is contributed by the positive indicators of the main sectors of the economy, mainly the services sector. Coordinated measures of the fiscal and monetary policies are among the predetermining factors for stable inflation dynamics in the medium term. Domestic demand is supported by stable growth in real wages, as well as upward trend in consumer lending.

Since the beginning of 2023, consumer prices increased by 4.2 percent (as of May 19, 2023) in the Kyrgyz Republic, the annual inflation rate was 11.2 percent. Current inflation development is mainly conditioned by the impact of the effect from certain administrative prices (tariffs) review, as well as stabilization of the price environment in the world food markets.

The situation in the money and foreign exchange markets remains relatively stable due to timely measures taken by the National Bank. Maintaining the current monetary conditions contributes to preserving the attractiveness of deposits in the national currency and stimulating the savings behavior of the population.

Pro-inflationary factors still remain in the short term. Expected inflation trajectory, along with external conditions, will be formed under the impact of internal factors, the main ones being gradual expansion of domestic demand, as well as an increase in a number of tariffs and excise duties. At the same time, optimistic expectations of global food prices movement will have a restraining effect on domestic price growth.

Considering the current conditions, the National Bank decided to keep its policy rate unchanged at 13.00 percent. The National Bank's monetary policy stance, as before, is focused on reducing the inflation rate in the Kyrgyz Republic to the medium-term target. 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 regularly monitors the current situation and, if necessary, will use additional tools and take appropriate monetary policy measures.

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for July 31, 2023.

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