

Press-release
The National Bank of the Kyrgyz Republic decided to keep the policy rate at 8.00 percent

On August 24, 2015 the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate at 8.00 percent.

Seasonal factor conditioned slowdown of inflation rate, which came to 5.6 percent in annual term as of the middle of August (as of August 14, 2015) against 11.6 percent as of the beginning of the current year.

High economic growth in January-July 2015 (7.1 percent) was mainly driven by expansion of production at the "Kumtor" gold-mining company. Without "Kumtor", the real GDP growth was 4.5 percent.

Some decline of market makers activity in the interbank market is observed in recent months, meanwhile weighted average rates at the interbank credit market were lower than the policy rate.

There is a decline in foreign trade and the inflow of remittances, including depreciation of the national currencies of main trading partners of the Kyrgyz Republic. Instability on the foreign financial markets has increased, which together with the current factors is one of the main reasons for increasing the pressure on the domestic currency market of the country, and which could enhance inflation pressure in the medium term.

In view of forecasted dynamics of inflationary developments, the National Bank of the Kyrgyz Republic continues to monitor the situation in the national economy and will take appropriate measures of monetary policy consistent with statutory mandate. The monetary policy will be aimed at achieving and maintaining the inflation rate at the level of 5-7 percent in the medium term, which is determined by the Main directions of monetary policy guidelines of the National Bank of the Kyrgyz Republic for the medium term.

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the monetary policy rate is scheduled for September 28, 2015.