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Press Release

National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 12.00 percent

On May 25, 2026, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 12.00 percent. The decision becomes effective as of May 26, 2026.

Since the beginning of 2026, the external economic environment was characterized by intensified geopolitical factors stemming from the situation in the Middle East, leading to high volatility and rising prices in the global energy and food markets, which has fueled external pro-inflationary pressures. As the Kyrgyz Republic is a small open economy with a high share of imports in the population's consumer basket, domestic food prices also began to adjust in line with the global prices.

Since the beginning of 2026, the inflation rate in the Kyrgyz Republic as of May 15 stood at 4.7 percent (year-on-year – 10.9 percent). Within the inflation structure, the largest contribution comes from rise in prices for food products and services. The factors of the current inflation in the Kyrgyz Republic are becoming non-monetary in nature amid external drivers and long-lasting influence of domestic conditions, such as the planned increase in tariffs for electricity and housing and public utility services, rise in prices for the hotel and restaurant services due to carried out reforms on fiscalization of tax procedures, and high domestic demand. Monetary factors of inflation, driven by an increase in the money supply into the economy through both fiscal and monetary channels, are generally offset by the monetary policy tools and the continued stability of the domestic foreign exchange market.

The economy of the Kyrgyz Republic demonstrates stable high growth rates amid sustainable consumer and investment activity among economic agents. In January-April 2026, the country's real GDP grew by 12.4 percent, the main contribution to this growth was provided by expansion of the services and industrial sectors, as well as growth of construction activity resulting from increase in capital investment and implementation of the infrastructure projects. Domestic demand is supported by growth in real income of the population.

Monetary conditions in the economy remain tight and are focused on minimizing the impact of external pro-inflationary factors and limiting the secondary effects of domestic factors, in order to create conditions for the inflation rate to return to the target range of 5–7 percent in the medium term.

The situation in the domestic money and foreign exchange markets remains stable, meanwhile relatively stable exchange rate dynamics of the national currency contributes to keeping the inflation expectations of economic agents and the population within moderate limits.

The banking sector maintains high level of excess liquidity, which is actively sterilized by the National Bank's instruments to limit the monetary component of inflation.

The inflation prospects in the Kyrgyz Republic remain sensitive to external conditions. The main external risks are driven by ongoing geopolitical tensions, price volatility in the global food markets, and potential disruptions in the global supply chains. Internal inflation factors are more predictable and relate primarily to stable domestic demand and implementation of the tariff policy. Generally, these conditions determine the upcoming inflation dynamics with the balance of risks shifted towards pro-inflationary external factors.

In these circumstances, the National Bank continues to closely monitor and assess inflationary factors, and the National Bank's policy rate is currently kept unchanged at 12.00 percent. Maintaining tight monetary conditions will create a stable foundation in order to slow down the inflation rate to 5–7 percent in the medium term.

In case of any risks to price stability, the National Bank will respond in a timely and appropriate manner to emerging inflationary pressures.

The next regular meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for July 27, 2026.