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## Press Release

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

On July 27, 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 July 28, 2026.

The current trends developing in the world economy amid the conflict in the Middle East continue to influence inflationary processes in the Kyrgyz Republic. Price movements in the global food markets, the risks of disruptions in the supplies of petroleum products through the Strait of Hormuz, and the associated price shock in the world oil market remain among the key factors driving up the prices for goods imported into the country.

Since the beginning of 2026<sup>1</sup>, the inflation rate in the Kyrgyz Republic has stood at 6.5 percent (year-on-year – 11.3 percent). The food component, petroleum, oil and lubricants demonstrated the most significant increase in prices amid external influence in the structure of current inflation, generating secondary effects and thereby affecting the prices for other goods and services in the consumer basket of the population. At the same time, prices for services remain elevated as a result of ongoing reforms in the fiscalization of tax procedures in the hotel and restaurant sectors, which subsequently transfer the resulting costs to the price for their services.

The economy of the Kyrgyz Republic showed growth in domestic demand as a result of a continuous increase in real incomes of the population. At the same time, there was high investment activity primarily in the construction sector. Almost all sectors of the economy demonstrated positive growth driving the country's real GDP growth to a double-digit rate of 11.9 percent<sup>2</sup>.

Amid rising global geopolitical instability since the beginning of 2026 and the emergence of new supply shocks, the National Bank has tightened monetary conditions to minimize the impact of external inflationary factors on the domestic economy. Since May 2026, tactical adjustments have also been introduced in the current monetary policy, and measures to regulate the money supply in the economy have been reinforced. Today, the interbank money and foreign exchange markets continue to operate stably, with short-term money market interest rates forming near the National Bank's policy rate. Commercial banks have excess liquidity, the level of which is actively regulated by the National Bank's monetary policy instruments to limit the monetary contribution to inflation. Measures taken by the National Bank are expected to encourage the public to save, maintain the purchasing power of the national currency, and create conditions for inflation slowdown in the country to the target range of 5-7 percent in the medium term.

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<sup>1</sup> as of July 17, 2026

<sup>2</sup> for the first half of 2026

Trends in the external economic environment: high price volatility in the world and regional commodity markets and tense global geopolitical situation are the main factors being able to intensify inflationary pressure in the Kyrgyz Republic. In these circumstances, the National Bank continues to assess the emerging external and internal factors affecting inflation and considers it necessary, at this stage, to maintain tight monetary conditions aimed at ensuring price stability in the economy 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 August 24, 2026.