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Press Release

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

On August 24, 2026, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (the key rate) unchanged at 12.00 percent. The decision becomes effective as of August 25, 2026.

External conditions continue to be the primary factor determining price dynamics in the Kyrgyz Republic. For the small open economy of the Kyrgyz Republic, changes in the external environment are rapidly transmitted to the domestic market through rising import and production costs. Persistent geopolitical tensions worldwide — including the ongoing conflict in the Middle East — and the resulting price fluctuations in global commodity markets are affecting the cost of goods imported into the country.

Since the beginning of 2026, consumer prices¹ in the Kyrgyz Republic have increased by 7.3 percent, with the annual inflation rate standing at 11.7 percent. In recent months, one of the most notable channels transmitting the external influence has been the increase in the cost of fuels and lubricants, which is affecting domestic transportation and production costs, as well as the rise in food prices due to high volatility of prices in global food markets. Thus, domestic prices for the food products have increased by 6.3 percent since the beginning of this year, while prices for non-food products have increased by 5.8 percent. The price dynamics in the services sector, where prices have increased by 11.1 percent, are driven by domestic factors.

Economic activity in the Kyrgyz Republic remains high — in January-July 2026, real GDP growth stood at 11.1 percent. Economic growth is driven by strong investment activity, primarily in construction, as well as by the growth of domestic consumption. Rising household incomes and expanded lending are supporting consumption and fostering sustainable domestic demand.

The maintained monetary conditions minimize the impact of external pro-inflationary risks and ensure the purchasing power of the national currency. The National Bank actively regulates excess liquidity in the banking system, thereby restricting the monetary contribution to inflation. Previously adopted monetary decisions and tactical policy measures contribute to the formation of short-term money market rates, including the BIR rate, within the interest rate corridor and close to the National Bank's policy rate.

Persistent external pro-inflationary risks currently require maintaining tight monetary conditions. The cumulative effect of previously adopted decisions regarding the National Bank's policy rate and measures to regulate the money supply in the economy continue to limit domestic

¹ as of August 14, 2026

sources of price growth. Under these circumstances, the current decision to keep the National Bank's policy rate unchanged will help mitigate the second-round effects of inflation from external factors and lay the groundwork for a sustained decline in inflation in the medium term.

The National Bank maintains a balanced approach to conducting monetary policy and continuously assesses the emerging external and internal factors of inflation. In the event of risks to price stability, the National Bank does not rule out the possibility of making adjustments to its current monetary policy.

The next regular meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for October 26, 2026.