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Press Release

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

On August 28, 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 August 29, 2023.

Price conditions in the external economic environment are characterized by gradual slowdown in global inflation, which is conditioned by stable tight monetary conditions in most countries of the world combined with a smooth decline of the world prices in the food markets. However, dynamics of the core inflation rate remains steadily high. All these above-mentioned factors amid high uncertainty in the world condition slower decline of the global inflation rate.

Downward dynamics of the annual inflation rate is observed in the Kyrgyz Republic – in August 2023 (as of August 18), the annual inflation rate was 9.4 percent, since the beginning of the current year – 5.3 percent. Seasonal decline in prices for fruits and vegetables, oils and fats contributes to a decrease in the food inflation rate, while stable prices for non-food goods and services restrain slowdown of the inflationary processes.

Consumer activity in the services sector makes the main contribution to economic growth of the Kyrgyz Republic. In January-July 2023, the real GDP of the country increased by 2.9 percent (excluding “Kumtor” gold-mining enterprises – 4.3 percent). Conducted fiscal policy and growing volumes of consumer lending to the banking sector contribute to expansion of the public and private consumption, supporting domestic demand at a relatively high level.

Measures taken by the National Bank contribute to maintaining a stable situation in the money and foreign exchange markets and are focused on reducing inflation. The banking system is expanding its resource base and maintaining a high level of KGS liquidity, thus supporting growth of lending to the economy.

Despite a slight weakening, pro-inflationary risks remain in the short and medium term. Inflation expectations remain stable, as well as due to the current course of tariff policy.

Considering the current conditions, the National Bank decided to keep its policy rate unchanged at 13.00 percent. The decision on the policy rate will contribute to further slowdown of domestic inflationary developments and achievement of inflation targets of 5-7 percent in the medium term.

The National Bank regularly monitors the current situation. In case of any risks, the National Bank does not exclude the possibility of making additional adjustments to the 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 30, 2023.