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Press Release

National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 14.0 percent

On October 31, 2022, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 14.0 percent. The decision becomes effective as of November 1, 2022.

As of October 21, 2022, the annual inflation rate in the Kyrgyz Republic decreased from 15.5 percent in September 2022, to make 14.9 percent. The current growth of consumer prices is mainly of non-monetary nature and reflects the impact from the world food and energy market, and from the structure of the economy of Kyrgyzstan, in particular, high dependence on imports.

At the end of January-September 2022, the real GDP growth of the Kyrgyz Republic was 7.2 percent, as well as due to the low base effect of the previous year. The sectors of industry, agriculture and services demonstrated the highest growth rates.

The external environment is characterized by tightening of global financial conditions amid increasing inflation development worldwide. Monetary conditions in Kyrgyzstan have not changed significantly and remain tight. The situation in the monetary and foreign exchange markets remains relatively stable due to timely measures taken by the National Bank.

In the long term, uncertainty remains in terms of both the global and regional economic development and it is a predetermining factor for further economic processes in the Kyrgyz Republic. Recovery of domestic demand, as well as due to growth of government expenditures for labor remuneration and social payments, will also continue contributing to the dynamics of inflation.

Considering the conditions for development of the external and internal economic environment, the National Bank decided to keep its policy rate unchanged at 14.0 percent. The National Bank will adhere to the current monetary policy until the pro-inflationary risks are mitigated. In case of any risks, the National Bank does not exclude the possibility of making additional adjustments to the current monetary policy.

The National Bank will continue to regularly monitor the situation and, if necessary, take proper measures to achieve the objective for price stability in the medium term.

Briefing:

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for November 28, 2022.

Depending on the situation, the National Bank of the Kyrgyz Republic will conduct an unscheduled meeting on the key rate.