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Press Release

National Bank of the Kyrgyz Republic decreased its policy rate down to 13.0 percent

On November 28, 2022, the Board of the National Bank of the Kyrgyz Republic decided to decrease the policy rate (key rate) by 100 basis points, down to 13.0 percent. The decision becomes effective as of November 29, 2022.

As of November 18, 2022, the annual inflation rate decreased from 15.4 percent in October 2022, to make 14.5 percent. The inflation rate in the Kyrgyz Republic demonstrates a slowdown trend. Nevertheless, the global environment remains uncertain, the world prices for food products, energy carriers and other goods remain high despite the consistent decrease.

According to the preliminary data of the National Statistical Committee of the Kyrgyz Republic, at the end of October 2022, the real GDP growth was 7.0 percent. Economic activity is supported by the sectors of industry, services and agriculture. The increase in government expenditures and remittances inflow also influence the growth of domestic demand.

Under these conditions, the current monetary policy conducted by the National Bank is focused, as before, on restraining inflation developments. Monetary conditions remained generally neutral, and despite negative external shocks and increased inflation expectations, implemented monetary policy minimized the pressure on the national currency and provided favorable conditions both to increase the resource base of the banking sector and lending to the economy.

In general, the inflation developments slowdown is expected to be observed in the next 2023 under the influence of the aforementioned factors. Therefore, the priority objective is to conduct coordinated fiscal and monetary policies to maintain macroeconomic stability, as well as to conduct structural reforms in the Kyrgyz Republic, as well as to implement measures for reducing non-monetary factors of inflation and saturating the domestic market with consumer goods.

Considering the conditions for development of the external and internal economic environment, the National Bank decided to decrease the policy rate down to 13.0 percent. The National Bank regularly monitors the current situation and, if necessary, will use additional tools and take appropriate measures to achieve the goal of price stability in the medium term.

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate is scheduled for January 30, 2023.