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Press Release

National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 9.00 percent

On January 27, 2025, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 9.00 percent. The decision becomes effective as of January 28, 2025.

Price dynamics in the Kyrgyz Republic remains moderate within the medium-term inflation targets of 5-7 percent. In December 2024, the annual inflation rate was 6.3 percent, as of January 17, 2025 – 6.5 percent. Increased domestic demand along with the impact of external conditions is still the determining factor of the current dynamics of the general price level in the country.

According to the results of 2024, the economic growth in the Kyrgyz Republic was 9.0 percent. The main sectors of the economy demonstrated positive dynamics, meanwhile the highest economic activity was observed in the services sector and construction. Domestic demand is backed by growth of the real incomes of the population and net inflow of individuals' remittances into the country, as well as expansion of consumer lending.

Monetary conditions supported by the National Bank contribute to maintaining stable situation in the money and foreign exchange markets, thus limiting external pro-inflationary risks for the economy of the country. Participants' moderate activity in the interbank money market was driven by high level of excess liquidity in the banking system, the volume thereof was actively regulated by the monetary instruments. The key performance indicators of the financial-credit organizations indicate a sufficient margin of stability. The commercial banks are still active in lending to the main sectors of the economy and building up their resource base.

As before, foreign economic prospects are characterized by high uncertainty amid stable geopolitical factors. Global food market prices demonstrate upward dynamics during recent months, however the international financial markets are still highly volatile. Inflationary pressure remains at a high level in some trading partner countries of the Kyrgyz Republic.

Domestic inflation is still within the range of the medium-term inflation targets due to the monetary policy, however, the external factors are pro-inflationary in nature. In this regard, a decision was made to keep the key rate of the National Bank unchanged at 9.00 percent. This decision meets the current macroeconomic conditions of the country and reflects the policy of the National Bank with regard to the existing external risks. The adopted decision will contribute to maintaining price stability in the country in the medium term and ensuring macroeconomic sustainability.

The National Bank will continue to assess the emerging external and internal economic conditions and will adhere to a balanced approach to conducting monetary policy. In case of any risks to price stability, the National Bank does not exclude the possibility of making 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 February 24, 2025.