



КЫРГЫЗ БАНКЫ

168 Chuy Avenue, Bishkek, Kyrgyz Republic

E-mail: [mail@nbkr.kg](mailto:mail@nbkr.kg)

[www.nbkr.kg](http://www.nbkr.kg)

## Press Release

### **National Bank of the Kyrgyz Republic keeps its policy rate unchanged at 4.25 percent**

On January 27, 2020, the Board of the National Bank of the Kyrgyz Republic decided to keep the policy rate (key rate) unchanged at 4.25 percent. The decision becomes effective as of January 28, 2020.

Inflation in the Kyrgyz Republic remains low showing moderate upward trend which is in line with the expectations of the National Bank. Annual inflation was 2.8 percent in January 2020 (as of January 17). Increase in food prices, in particular, for fruits, vegetables and dairy products make an additional contribution to overall price level since the beginning of this year.

During 2020 inflation will depend on the situation in the world commodity markets and the economic situation in trading partners of the Kyrgyz Republic. Trends in global and regional food markets will continue to grow gradually over the coming periods.

Monetary policy of the National Bank in 2020 will be aimed at keeping inflation within the medium-term target – no higher than 5-7 percent.

Economic activity in the Kyrgyz Republic is continued. Major sectors of economy still make a positive contribution to economic growth. The downward trend of inflow of remittances remains to be one of the restraining factors of domestic demand.

The main trends outlined in 2019 are still observed in the monetary and financial sectors of economy. Short-term interest rates in money market are within the interest rate corridor set by the National Bank, mainly near the policy rate. Loan portfolio and deposit base of the commercial banks, mainly in the national currency, continue expanding. Dollarization of the economy has reached historically minimum levels.

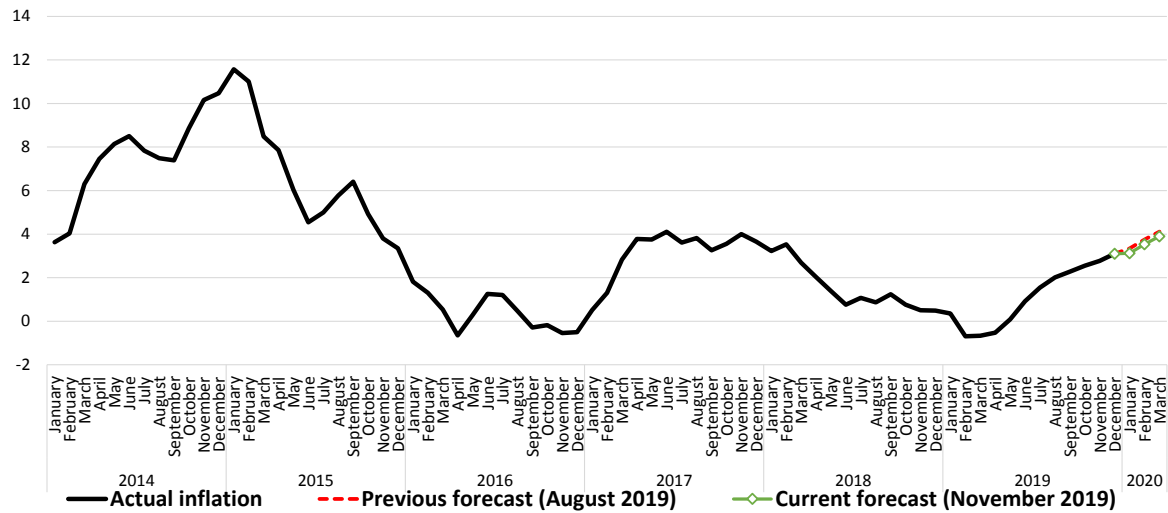
Prerequisites for the external environment development and current internal conditions determine inflationary dynamics during 2020 within targeted range of 5-7 percent, in the absence of external and internal inflationary shocks. In this regard the policy rate was kept unchanged.

Decisions on monetary policy rate are made taking into account the actual inflation and forecasted inflationary dynamics relative to the target, as well as the economic development. In case of risks from the internal and external conditions, the National Bank may consider the possibility to adjust current monetary policy.

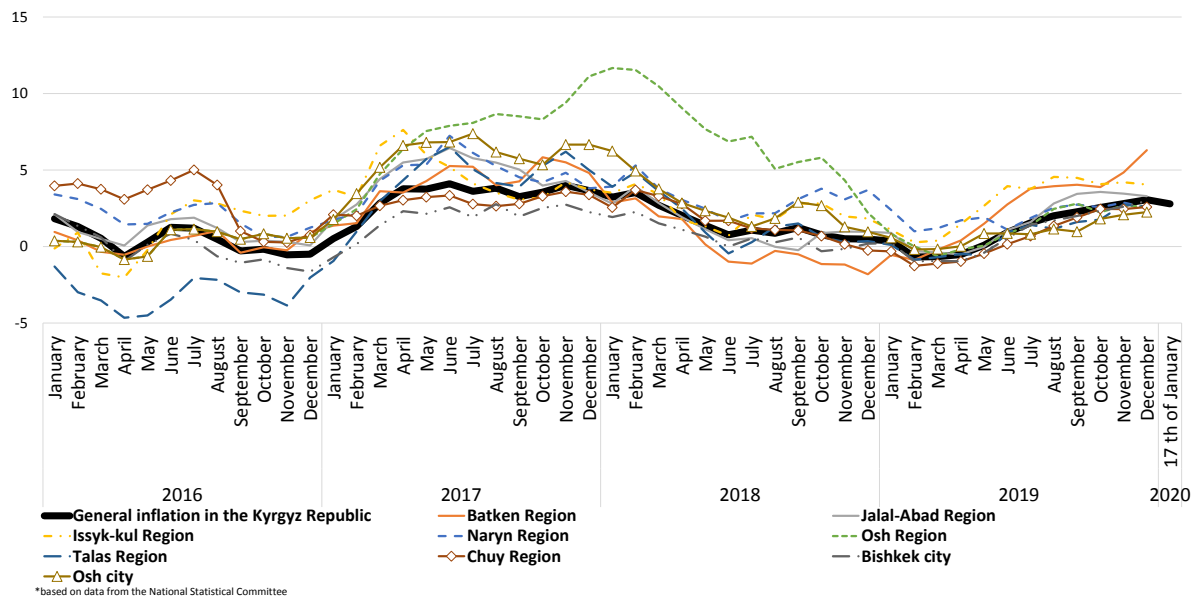
*Briefing:*

The next meeting of the Board of the National Bank of the Kyrgyz Republic on monetary policy rate is scheduled for February 24, 2020.

**Chart 1. Overall inflation in the Kyrgyz Republic**  
(%, month to the corresponding month of the previous year)



**Chart 2. Inflation in the Kyrgyz Republic in regions**  
(%, month to the corresponding month of the previous year)



**Chart 3. Policy rate of the National Bank of the Kyrgyz Republic**  
(percent)

