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PRESS RELEASE

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

On April 25, 2022, the Board of the National Bank of the Kyrgyz Republic decided to keep its policy rate (key rate) at 14.0 percent. The decision becomes effective as of April 26, 2022.

During the post-pandemic period, inflation has been increasing in many countries due to measures taken to maintain economic activity and global supply chains disruptions. In view of ongoing geopolitical events, the continued price rising in the world food and energy markets intensifies inflationary pressure. Under these conditions, in the Kyrgyz Republic, along with the global trend, consumer prices have increased by 14.3 percent annually in April¹ 2022.

The Kyrgyzstan's economy growth in January-March 2022 amounted to 4.5 percent (excluding "Kumtor" gold-mining enterprise - 3.8 percent) and mainly associated with the recovery of economic sectors after the recession at the beginning of 2021. The industry, services and agriculture sectors showed highest performance.

In the future, uncertainty in terms of both global and regional economic development has significantly increased, and predetermines further economic processes in the Kyrgyz Republic, including inflation dynamics. In the current reality, maintaining macroeconomic and financial stability is a key factor.

As a result of the National Bank's prompt measures, the situation in the money and foreign exchange markets remains relatively stable. At the same time, certain volatility remains in these segments, as well as in the financial market as a whole. This is primarily due to the openness and small size of the Kyrgyzstan's economy and close ties with the main trading partner countries..

Taking into account the development of the external and internal economic environment, the National Bank decided to keep the policy rate at 14.0 percent. Conducted monetary policy is aimed at containing inflationary risks and lowering inflationary expectations in the Kyrgyz Republic. This key rate level is in line with the country's macroeconomic conditions and reflects the National Bank's policy on economy risks.

The National Bank constantly assesses the current situation and, if necessary, takes appropriate measures to achieve the ensuring price stability goal in the medium term.

Briefing Note:

The next regular meeting of the Board of the National Bank of the Kyrgyz Republic on the policy rate will be held on May 30, 2022.

¹ As of the 15 day.