

Press-release
The National Bank of the Kyrgyz Republic
decided to raise the policy rate to 10 percent

On September 28, 2015 the Board of the National Bank of the Kyrgyz Republic decided to raise the policy rate by 200 basis points, to 10.00 percent per annum.

High economic growth in January-August of 2015 (6.8 percent) was mainly driven by the expansion of production at the "Kumtor" gold-mining company. Without "Kumtor", the real GDP growth was 4.5 percent.

However, decline in foreign trade transactions and in inflow of remittances are still observed, as well as due to depreciation of the national currencies of the main trading partners of the Kyrgyz Republic. Instability on the foreign financial markets has been remaining, which together with the above mentioned factors is one of the main reasons for increasing the pressure on the domestic currency market of the country, and which can enhance inflationary pressure in the short and medium terms.

In the middle of September of the current year (as of September 18), the inflation in annual term was 6.2 percent as compared to 5.8 percent in the previous month.

In view of forecasted dynamics of inflationary developments, the National Bank of the Kyrgyz Republic continues to monitor the situation in the national economy and will take appropriate measures of monetary policy consistent with statutory mandate. The monetary policy will be aimed at achieving and maintaining the inflation rate at the level of 5-7 percent in the medium term, which is determined by the Main directions of the monetary policy of the National Bank of the Kyrgyz Republic for the medium term.

The next meeting of the Board of the National Bank of the Kyrgyz Republic on the monetary policy rate is scheduled for October 26, 2015.