

Press release
The National Bank of the Kyrgyz Republic decided
to raise the policy rate to 11.00 percent

In view of continuing pressure on the exchange rate and, respectively, on inflation, the National Bank of the Kyrgyz Republic has decided to raise the policy rate by 50 basis points to 11.00 percent per annum.

The inflationary background formed by both external and internal factors remains high. According to the preliminary data, as of mid-January annual inflation was 10.4 percent, since the beginning of the current year – 0.4 percent.

Statistical data of 2014 show that the rates of economic growth in the Kyrgyz Republic continue to slow down; deterioration of the economic situation is also observed in the countries – main trading partners of the Kyrgyz Republic. According to preliminary data, the real GDP growth was 3.6 percent in 2014. There is a reduction in the volumes of the foreign trade operations and decrease in the volume of remittances. Instability in the foreign financial markets along with the aforementioned factors are the main reasons of increasing pressure on the domestic market of our country and, respectively, on inflation rate.

The National Bank of the Kyrgyz Republic will continue to monitor the situation in the national economy and consistent with statutory mandate will take the appropriate measures of the monetary policy in order to bring inflation in the medium term to the range of 5-7 percent, which is specified in the Main directions of the monetary policy of the NBKR for the medium-term.

The next meeting of the Board of the National Bank of the Kyrgyz Republic, which will address the size of the policy rate, is scheduled for February 24, 2015.