



NATIONAL BANK OF KAZAKHSTAN

IMF Report on the Outcomes of the Article IV Mission

Astana

January 31, 2025

On January 31, 2025 the IMF released the [Staff Report](#) on the outcomes of its mission to Kazakhstan, which took place between 18 September and 1 October 2024.

The IMF notes the sustainability of Kazakhstan's economy, lower inflation, favourable macroeconomic situation and political stability. The report mentions the significant internal and external state reserves, the improved transmission (effect) of monetary policy in recent years and the stability of the banking system, despite the growth of consumer credit. Regulatory compliance and the avoidance of secondary sanctions helped reduce the economic impact of regional conflicts.

Improved effectiveness of monetary policy on the back of exchange rate flexibility, as well as prudent approach of the National Bank in reducing the base rate, which has led to stabilization of domestic prices since February 2023, are also identified as favorable factors.

The IMF expects economic growth to accelerate to 5% in 2025 on the back of budget spending to support the economy and the expansion of the Tengiz oil field. The risk factors include a possible slowdown in growth of the trading partner economies, potential escalation of regional conflicts, secondary sanctions, as well as increased volatility in commodity prices or disruptions in the operation of export pipelines.

The IMF recommends maintaining a tight monetary policy until inflation approaches the target level, as well as improving the legal framework and strengthening the institutional framework of the National Bank to ensure the effectiveness of monetary policy.

In the context of an uncertain external environment, the IMF draws attention to the importance of increasing the sustainability of Kazakhstan's economy by accelerating structural reforms to diversify the economy. Key recommendations include further reducing the role of the state in the economy, promoting private sector development, and implementing green economy initiatives. Efforts to prevent overdependence on National Fund resources should be part of broad reforms in public financial management.

Experts emphasize the importance of fiscal consolidation, transparency and strengthening the fiscal framework based on budget rules. To further strengthen financial stability, it is recommended to continue implementing the recommendations of the Financial Sector Assessment Programme (FSAP) conducted in 2023.

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