



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

Base rate increased to 18.0%

October 10, 2025

Astana

The Monetary Policy Committee of the National Bank of Kazakhstan has decided to set the base rate at **18.0%** with a corridor of +/-1 percentage point.

The easing of monetary conditions amid accelerating inflation, signs of demand outpacing supply expansion, and active fiscal policy required a significant response to stabilize inflation dynamics and to prevent the risk of an inflationary spiral.

Inflation has increased across all key metrics. Annual inflation accelerated to 12.9% in September (compared with 12.2% in August), exceeding the National Bank's forecast. The largest contribution to inflation continues to come from the food component (an increase of 12.7%). Certain food categories are rising faster in price, driven in part by higher production costs and import prices. Service inflation also remains a major contributor (15.3%), due to increases in both regulated (30.4%) and some market services. Non-food inflation has also accelerated (10.8%), amid continuing liberalization of the fuel market – fuel prices have risen by 11.9% over the year, including 3.4% in September alone.

Monthly inflation accelerated to 1.1% (1.0% in August). Indicators of core and seasonally adjusted inflation also rose notably — to 1.2% (previously 1.1%) and 1.3% (previously 1.2%), respectively. This dynamic indicates the persistent nature of inflation and the gradual emergence of second-round effects in price formation.

Twelve-month ahead inflation expectations among households remain elevated and volatile, with continued uncertainty in assessments. Expectations of professional market participants for inflation for the current year have increased from 11.3% to 12%.

External inflationary pressures persist. At the same time, risks are intensifying, primarily from global food markets. A record-high price increases in recent years have been observed in meat and vegetable oil categories. These price developments, under conditions of active exports, are being passed through to higher domestic prices.

Inflation in the Russian Federation remains relatively high but shows signs of moderation. In the European Union, inflation remains persistent. The European Central Bank has maintained a pause, keeping rates unchanged due to continued uncertainty in price dynamics and economic activity. In the United States, the Federal Reserve has begun easing policy to support employment amid moderate inflationary pressures and continuing macroeconomic uncertainty.

Economic growth in January–August 2025 accelerated to 6.5% year-on-year (compared with 3.7% in the same period of 2024). Strong growth persists in transportation and warehousing (+21.5%), construction (+18.1%), and trade (+8.9%), as well as in the mining (+9.6%) and manufacturing (+6.5%) sectors.

Growth is concentrated in sectors dependent on fiscal expansion and domestic consumption. Signs of demand exceeding supply capacity are becoming more evident, leading to a corresponding rise in imports. Additional momentum is being generated by active consumer lending and elevated inflation expectations.

Pro-inflationary risks are largely driven by domestic factors and stem primarily from persistently strong domestic demand, second-round effects associated with the implementation of tariff reform and fuel market liberalization, and the inflationary impact of the tax reform, including VAT.

A substantial acceleration of inflation, elevated inflation expectations, and the weakening of the real effective exchange rate have led to a notable easing of overall monetary conditions and a deviation of projected inflation from a sustainable downward trajectory.

Under these circumstances, to tighten monetary policy in response to inflation outcomes exceeding forecasts, the Committee has decided to raise the base rate.

In combination with measures such as the mirroring of foreign exchange operations, the revision of minimum reserve requirements, and the introduction of micro- and macroprudential restrictions, this decision aims to stabilize inflation dynamics and expectations, support the value of tenge-denominated assets, and prevent the emergence of an inflationary spiral.

The National Bank will continue to closely assess the balance of pro- and disinflationary factors, as well as the dynamics and trajectory of inflation deceleration. Should the current degree of tightness prove insufficient to stabilize inflation, the appropriateness of additional tightening will be considered.

The next scheduled decision of the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan on the base rate will be announced on November 28, 2025, at 12:00 Astana time.

Detailed information for the media representatives is available upon request:

+7 (7172) 775 210

e-mail: press@nationalbank.kz

www.nationalbank.kz