



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

On maintaining the base rate at 18.0%

January 23, 2026

Astana

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

Inflation for 2025 stood at **12.3%**, in line with the National Bank's forecast. The largest contribution to inflation is the food component (13.5%), within which strong increases in prices for meat and oils are driven by higher production costs and elevated export supplies. Non-food inflation eased somewhat (to 11.1%) amid exchange rate appreciation in recent months, while price increases for paid services slowed (to 12.0%) as a result of administrative reductions in tariffs for regulated housing and utility services.

Monthly inflation in December 2025 edged up somewhat and amounted to 0.9%. Core inflation remains elevated at 0.8%.

Inflation continues to evolve in an environment where sustained domestic demand exceeds supply capacity. Second-round effects from the tariff reform and the liberalization of the fuel market continue to be passed through into expectations and prices.

Household **inflation expectations** one year ahead have increased (to **14.7%**) and remain volatile. Inflation expectations of professional market participants for 2026 have also risen somewhat, to 10.8%.

Global food prices, despite declining in recent months, still remain at elevated levels. Prices for cereals and sugar continue to rise. In Russia, inflation is slowing amid tight monetary conditions, while in the European Union it remains persistently low. In the United States, the Federal Reserve continues to reduce interest rates gradually, while noting rising inflation risks associated with trade policy. Geopolitical tensions are intensifying, increasing uncertainty and potentially creating a more inflationary global environment.

Economic growth in Kazakhstan in 2025 amounted to **6.5%** year-on-year, with strong growth persisting in transport, construction, trade, as well as in the mining and manufacturing industries.

Pro-inflationary risks are mainly driven by domestic factors: demand outpacing the growth of supply, and prolonged second-round effects from increases in regulated and fuel prices. Additional uncertainty arises from the parameters and design of the planned large-scale quasi-fiscal stimulus, which may reduce the disinflationary effect of the consolidation of the republican budget. Risks are also associated with the implementation of the tax reform, which envisages both an increase in the VAT rate and a broadening of the taxpayer base, as well as the subsequent adjustment of businesses over the coming quarters.

Disinflation is being supported by moderately tight monetary conditions, a slowdown in unsecured consumer lending (new lending up 7.3% year-on-year over the first eleven months of 2025), the reduction of excess liquidity through higher minimum reserve requirements and the mirroring of gold purchases, as well as the appreciation of the tenge.

Monetary policy. The dynamics of inflation and the balance of risks are in line with the National Bank's forecasts and assessments. At the same time, external challenges, uncertainty regarding the scale of the impact of changes to the tax system and the parameters of the resumption of growth in utility tariffs and fuel prices from the second quarter of this year warrant a balanced and cautious

approach to setting the base rate. Accordingly, the base rate is highly likely to be maintained at its current level until the end of the first half of 2026.

The National Bank will continue to monitor price developments and assess the effectiveness of joint initiatives under the Joint Action Programme for Macroeconomic Stabilization and Welfare Enhancement for 2026–2028, as well as the Comprehensive Measures for the Control and Reduction of Inflation.

The next planned decision of the Monetary Policy Committee of the National Bank of the Republic of Kazakhstan on the base rate will be announced on March 6, 2026 at 12:00 Astana time.

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