

Statement by the Governor of the NBK, T.M. Suleimenov
On the Base Rate of the National Bank
24 April 2026, Astana

Dear representatives of the media,

Dear journalists,

Good afternoon.

Welcome to the National Bank.

The Monetary Policy Committee of the National Bank has decided to **maintain the base rate at 18.0%**.

This decision was made taking into account current inflation dynamics, its underlying factors, and the assessment of the balance of risks.

Annual inflation continues to slow. The main **disinflationary factors** have been the current monetary policy stance, the strengthening of the tenge exchange rate, and the stabilization of consumer demand. Additional support has come from lower housing and utility tariffs, the moratorium on fuel price increases, as well as other anti-inflationary measures taken by the Government.

Pro-inflationary risks persist due to elevated inflation expectations, possible second-round effects from tax reform, the resumption of growth in housing and utility tariffs and fuel prices, as well as the parameters of quasi-fiscal stimulus.

Additional risks are emerging from the external environment amid heightened geopolitical tensions, including oil price volatility and changes in the external price environment.

In these conditions, to entrench a sustained downward trend in inflation, it is necessary to **continue taking anti-inflationary measures**, including **maintaining moderately tight monetary conditions**.

At this stage, **there is still no room for a reduction in the base rate**. A key prerequisite remains a sustained slowdown in inflation to the forecast path or below amid the resumption of price reforms. In that case, the Committee will consider the possibility of **a rate cut at upcoming meetings**.

Now I will turn to the factors underlying the decision.

FIRST. DYNAMICS OF INFLATION AND INFLATION EXPECTATIONS.

In March this year, **annual inflation** declined to **11.0%** (*11.7% in February*) and is trending within the forecast range (*9.5–11.5%*). This reflects the impact of monetary conditions and joint anti-inflationary measures.

Price growth across goods and services in the consumer basket is slowing. This is most pronounced in **food products** (*11.7% in March, 12.7% in February*) and **services** (*10.0% in March, 10.8% in February*).

Non-food inflation also slowed to **11.3%** (*11.6% in February*) year-on-year amid a stronger exchange rate, a slowdown in

consumer lending, and the stabilization of consumer demand overall.

Alongside the headline inflation indicator, the persistent components of price growth have also started to slow. **Core and seasonally adjusted inflation** declined to **0.65%** (*0.81% in February*) and **0.52%** (*0.87% in February*), respectively. Let me remind you that these indicators had previously shown persistence and remained elevated. **Monthly inflation** also declined markedly to **0.6%** in March (*1.1% in February*).

At the same time, annual price growth remains in double digits and **exceeds the medium-term target by more than twofold**. This indicates that the impact of pro-inflationary factors has not yet been exhausted.

One such factor is high and volatile **household inflation expectations**. In March, they rose again to 14.6% (*13.7% in February*). More than half of respondents are still unable to numerically estimate future inflation. Long-term household expectations (*for 5 years*) increased to 15.0% (*14.6% in February*). Inflation expectations of professional market participants in 2026 remained unchanged and are estimated at 10.0%.

SECOND. TRENDS IN THE DOMESTIC ECONOMY.

GDP growth in January–March 2026 amounted to **3.0%** year-on-year. This is largely due to positive dynamics in non-oil sectors.

The main drivers of GDP growth are construction (*14.8%*), transport (*12.8%*), manufacturing (*8.5%*) and trade (*4.8%*).

Domestic demand is gradually returning to a balanced level. This is confirmed by the normalization of retail trade growth and demand for services. **Retail turnover** increased by **2.8%** in January–March this year, reflecting consumers’ adjustment to the new tax conditions and pointing to a gradual stabilization of demand after a period of elevated activity last year.

Measures to cool consumer lending are also contributing to the normalization of demand. Lending to **households** continues to slow, primarily in the segment of unsecured consumer loans (*the issuance of unsecured consumer loans increased by 22.7% in 2024, by 6.3% in 2025, and in January–March this year declined by 5.9% year-on-year*).

Investment activity remains robust, making a significant contribution to economic growth. Fixed capital investment increased by **6.4%** in January–March. The main drivers of investment growth are manufacturing, electricity and gas supply, information and communication, as well as the real estate sector.

THIRD. EXTERNAL ECONOMIC ENVIRONMENT.

Inflationary pressure from the **external sector** is intensifying. The escalation of the situation in the Middle East is accompanied by higher global prices for energy, food and fertilizers.

In March, **global food prices continued to rise**, driven by rising prices across nearly all commodity categories, primarily vegetable oils and meat. Rising fertilizer prices may constrain input use, raising the risks of lower crop yields and tighter supply of

agricultural products on global markets, which may be reflected in further increases in global food prices.

Inflation in Russia, one of Kazakhstan's key trading and economic partners, remained at **5.9%** in February-March amid the VAT increase. The Bank of Russia is gradually cutting the key rate, while noting increased uncertainty stemming from the external sector and fiscal policy.

In the **EU**, inflation picked up in March to **2.8%** (*2.1% in February*). The ECB left rates unchanged and indicated growing risks to inflation and economic growth amid the conflict in the Middle East.

Price growth in the **United States** also rose notably in March to **3.3%** (*2.4% in February*), mainly due to higher energy prices. Amid rising pro-inflationary risks, the Federal Reserve continues to take a cautious approach, keeping rates unchanged.

The situation in the oil market remains uncertain. **Brent** crude oil prices remain above **USD 90** per barrel.

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Dear journalists,

We see that, despite the gradual slowdown, inflation **remains in double digits**. This points to persistent inflationary pressure and the need to continue a comprehensive approach to ensuring price stability.

There is concern over the **rising risk of price pressures** stemming from the external sector, driven by the conflict in the Middle East.

The key risks to domestic inflation dynamics are linked to the resumption of price regulation reforms from this quarter, as well as to the parameters of Baiterek's large-scale investment programme.

With regard to Baiterek's programme, the National Bank, together with the Government, is **developing coordinated approaches** to the use of quasi-fiscal stimulus in order to minimize its impact on inflation. These are as follows:

- **focusing support on a limited number of major** strategic projects with a high multiplier effect: leveraging existing bank liquidity, including through syndicated lending;

- **limiting the financing of working capital** (*except for SME support programmes*), with a **focus** on investment projects;

- **ensuring clear selection criteria** and transparency in project prioritization;

- **strengthening the monitoring of the financial sustainability** of the Baiterek group, taking into account the scale of the obligations being undertaken.

For its part, in addition to interest rate policy, the National Bank **will continue to use additional instruments to sterilize excess liquidity**, including minimum reserve requirements and mirroring operations.

Let me focus specifically on the consumer lending sector. The regulatory measures previously adopted in coordination with the

ARDFM are yielding results. As of March this year, the cumulative 12-month growth in the issuance of unsecured consumer loans slowed to 1.7% year-on-year (accumulated over the 12 months from April 2025 to March 2026) (the statistics will be published on 27.04.2026).

This is in line with our expectations and supports a more balanced composition of the loan portfolio. Lending to businesses by second-tier banks continues to grow at a solid pace. In January–March 2026, the issuance of new loans to businesses by second-tier banks increased by 20.6% year-on-year.

Moreover, **lending to businesses by second-tier banks** is currently outpacing retail lending. This is an important signal that the businesses continue to borrow and actively seek financing for investment.

Further decisions on adjusting existing macroprudential instruments or introducing new ones, including the activation of the debt-to-income ratio (DTI), will be made **prudently, taking into account lending dynamics and risk levels.**

On the Government's side, the **key disinflationary factors remain strict adherence to the parameters of fiscal consolidation**, ensuring the effectiveness of and oversight over **quasi-fiscal measures**, as well as a prudent **policy on housing and utility tariffs and fuel prices.**

Let me focus specifically on inflation expectations. As you know, they are important because they influence the behavior of

households and businesses, thereby shaping the level of actual inflation.

Household inflation expectations are significantly affected by **regulated prices and tariffs**. Reforms in housing and utility tariffs and fuel prices account for one-third of inflation expectations (32.9% *in March*), which is unsurprising given households' **heightened sensitivity** to this factor.

In this regard, it is crucial, both for households and for businesses' investment decisions, that price reforms be clearly defined in terms of both timing and implementation parameters.

Tariff increases under the reform should be set according to a formula of inflation plus a few percentage points, while the overall contribution to inflation should be substantially limited. To reduce uncertainty, the parameters of the reform should be clearly communicated to businesses and households. This would enhance predictability, support appropriate economic decision-making, and help avoid additional pro-inflationary pressure through the expectations channel.

To support coordinated work in this area, we are developing a **roadmap to reduce inflation** within the framework of the **Joint Action Plan** for Macroeconomic Stabilization and Welfare Enhancement for 2026–2028.

The Committee will continue to closely monitor the pace of inflation slowdown, the response of domestic demand and the effectiveness of the jointly implemented measures. The further

adjustment of businesses to tax changes will also require close monitoring.

Disinflationary processes require further anchoring: the persistent components of inflation and inflation expectations remain elevated, while the balance of risks remains tilted to the pro-inflationary side. The continued influence of domestic and external drivers of price growth calls for a balanced and cautious approach to decision-making.

Should inflation continue to decline sustainably and no new shocks emerge, **the possibility of a gradual reduction in the base rate will be considered at upcoming MPC meetings.**

Our medium-term objective of bringing inflation down to 5% remains unchanged. Ensuring low and predictable rates of price growth is a key condition for sustainable economic development, a new investment cycle and, most importantly, improving the welfare of the population.

In accordance with the instruction of the Head of State, the priority for the **current year is to bring inflation back into the single-digit range.** All necessary measures will be taken to achieve this objective.

We are now ready to take your questions.