



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

Base rate lowered to 17.00%

Astana

5 June 2026

The Monetary Policy Committee of the National Bank of the Republic of Kazakhstan has decided to set the base rate at 17.00% per annum with a corridor of +/- 1 percentage point. The decision is based on the results of the forecast round, updated assessments of key macroeconomic indicators, and the balance of inflation risks.

Annual inflation continued to ease. In May, it stood at **10.4%**, down by 2.5 percentage points from its peak of **12.9%** in September last year.

Food inflation declined to 10.7%. This was driven by slower price growth for fruit and vegetables, socially important food products, and certain imported goods. **Non-food inflation** remained unchanged at 11.7%. This reflected the stronger tenge and signs of stabilizing consumer demand, including a moderation in consumer lending growth. **Services inflation** continued to decline, reaching 8.7%, mainly due to more stable demand and slower growth in utility tariffs.

Monthly inflation slowed to 0.7% in May, from 0.8% in April. **Core inflation and seasonally adjusted inflation** also declined to 0.7%.

One-year-ahead **inflation expectations** stood at 12.7% in May. Over the past two months, they have ranged between 12.4% and 12.7%. This marks an improvement from the period since mid-last year, when expectations had remained persistently above 13–14%. At the same time, regulated price reforms continue to play a significant role in shaping these expectations. Meanwhile, professional market participants' inflation expectations for the end of 2026 remain unchanged at 10.0%.

Global food prices continue to rise moderately, driven by higher prices for vegetable oils, meat and cereals, while prices for sugar and dairy products are declining.

In Russia, inflation is showing signs of deceleration. In the EU and the US, the disinflation process has stalled amid persistently high energy prices. Against this backdrop, major central banks continue to take a cautious approach to monetary policy and emphasize their readiness to adjust policy if needed.

Under the updated **baseline scenario**, a **higher level of Brent oil prices** is assumed through the end of this year, at **USD 90** per barrel, compared with the previous forecast assumptions. Oil prices continue to be affected by persistent geopolitical tensions in the Middle East. The forecast assumes a gradual decline in oil prices to **USD 75** per barrel in 2027 and **USD 65** per barrel in 2028.

The inflation forecast for 2026 has been revised down to 9–11%, from the previous range of 9.5–11.5%. The revision reflects a faster-than-expected actual decline in inflation, limited pass-through from the VAT increase to consumer prices, and the strengthening of the tenge. **The National Bank expects inflation to move into single digits this year.** This will be supported by moderately tight monetary conditions and joint measures with the Government to ensure macroeconomic stability. Inflation is projected to slow to **5.5–7.5%** in **2027**. In **2028**, it is expected to stabilize **close to the 5% target**. This will be supported by a normalization of the external inflation environment, lower inflation expectations, a narrowing of quasi-fiscal stimulus, and fiscal consolidation.

The balance of risks to inflation remains tilted to the upside, although these risks have become less pronounced. At the same time, restrained domestic demand in the first half of the year and favorable external conditions, which supported the strengthening of the tenge, have partly offset accumulated pro-inflationary pressures. The main domestic risks stem from an acceleration in demand and expansion of monetary aggregates amid large-scale quasi-fiscal stimulus, volatile inflation expectations, and the actual execution of utility tariff and fuel price reforms. External risks are associated with persistent geopolitical tensions, which may increase external inflationary pressure and raise volatility in global markets.

The GDP growth forecast for 2026 has been revised up to 4.5–5.5%. The revision reflects stronger actual economic activity and more favorable oil price assumptions. GDP growth is expected to stand at **3.5–4.5%** in **2027–2028**. In the medium term, economic growth will be shaped by more balanced domestic demand and lower oil prices.

The slowdown in inflation achieved so far, together with the improved forecast, **created room** to reduce the base rate **at this meeting**. The decision reflects the accumulated improvement in inflation dynamics and the revision of forecast estimates.

At the same time, **moderately tight** monetary conditions need to be maintained. This is necessary to bring inflation down to single digits this year and to achieve the target in the medium term. Further decisions will be made based on incoming data on inflation, its trajectory relative to the forecast, domestic demand dynamics, the execution of fiscal parameters, and the scale and effects of quasi-fiscal stimulus.

More detailed information on the factors behind the decision and forecasts will be presented in the Monetary Policy Report, which will be published on the official website of the National Bank¹ on 10 June 2026. 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 24 July 2026 at 12:00 Astana time.

¹ <https://www.nationalbank.kz/ru/page/obzor-inflyacii-dkp>

**Key forecast parameters
of the National Bank according to the baseline scenario**

	2026	2027	2028
Forecast conditions			
Price of Brent crude oil	90.1	75.0	65.0
US dollars per barrel on average per year	(66.3)	(60.0)	(60.0)
Forecast			
GDP growth	4.5-5.5	3.5-4.5	3.5-4.5
%, y/y	(3.5-4.5)	(4.0-5.0)	(3.5-4.5)
CPI	9.0-11.0	5.5-7.5	close to 5.0
%, Dec. to Dec. of previous year	(9.5-11.5)	(5.5-7.5)	(close to 5.0)
Current account	0.1	-2.1	-3.8
% of GDP	(-3.7)	(-4.5)	(-5.0)

**Detailed information for the media representatives is available upon request:
+7 (7172) 775 210**