



NATIONAL BANK OF KAZAKHSTAN

Press-release № 41

On the approval of the monetary policy guidelines for 2018

December 8, 2017

Almaty

On November 29, 2017 the Board of the National Bank of the Republic of Kazakhstan has approved the *Monetary Policy Guidelines of the Republic of Kazakhstan for 2018*. The document contains the monetary policy measures taken in 2017, as well as the targets, the principles and the guidelines of the monetary policy for 2018. The monetary policy measures will be aimed to maintain the medium-term inflation target – below 4%.

The medium-term inflation target at the end of 2020 and in the subsequent years is stated in the document – below, but close to 4%. Also, the intermediate target parameters on inflation for the next two years are indicated: at the end of 2018 – 5-7%, at the end of 2019 – 4-6%.

The National Bank will continue conducting the monetary policy in accordance with the principles of inflation targeting and the policy of free floating exchange rate. The inflation targeting regime allows to decrease effectively the inflation rate and to maintain it on the level that implies the price stability, which best promotes the economic growth in the long run.

With the purpose of achieving the inflation targets the National Bank will set the base interest rate depending on the inflation forecast and other parameters. The base rate in the real terms, i.e. the nominal rate minus the forecasted inflation over a 12-month horizon, will be maintained at the level not exceeding 4%.

Along with that, the National Bank will continue working on enhancing the transmission mechanism, on creating the conditions for formation of the adequate yield curve, and on anchoring the inflationary expectations of households. The set of instruments will remain standard, yet the work on improving the specific elements will be continued. The great importance is attached to handling the expectations of the economic agents through further building the communication system.

The measures on increasing financial soundness of the banking sector, stimulating the dedollarization of the economy, optimizing the currency regulation and the currency control are identified among the additional support measures on achieving the inflation targets.

The document is available on the internet resource of the National Bank of Republic of Kazakhstan in the section “Monetary policy” for learning in details.

For more detailed information please contact:

+7 (727) 2704 585

+7 (727) 3302 497

e-mail: press@nationalbank.kz

www.nationalbank.kz