



**NATIONAL BANK OF KAZAKHSTAN**

## **PUBLIC INFORMATION NOTICE**

### **International Monetary Fund positively evaluates use of Inflation Targeting Regime in Kazakhstan**

*October 11, 2022*

Over the period of September 22 and October 5, the Republic of Kazakhstan hosted an IMF Mission headed by Nicolas Blancher. On the outcomes of the visit, the IMF Mission [issued](#) a Concluding Statement, which contains an overview of the current financial and economic development of Kazakhstan, as well as conclusions and recommendations.

The IMF Mission commended the National Bank for its commitment to inflation targeting policy and recommended that it continue its course towards a full inflation targeting regime. Essential priorities, in the IMF Mission's view, is to phase-out non-core mandates and protect the National Bank's independence.

The IMF Mission also emphasized that fiscal consolidation should help contain inflation, while preserving priority social spending. It was noted that the implementation of the new fiscal rules would enable further reduction of the non-oil deficit, and for that purpose the institutional framework for public financial management needs to be strengthened.

In the course of bilateral meetings, the management of the National Bank discussed macroeconomic prospects and risks, monetary and exchange rate policies, as well as financial stability issues with the IMF Mission members.

According to the IMF, further monetary policy tightening is needed to preserve macroeconomic stability and protect the most vulnerable from rising inflation. This would anchor inflation expectations, bolster the credibility of monetary policy, and reduce the risk of second-round effects arising from household incomes and exchange rate depreciation pressures.

At the same time, the IMF Mission noted that while raising the policy rate may incur short-term economic costs, letting inflation to accelerate further would inflict higher costs on the economy and population.

**More detailed information for media is available upon request:**

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