



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

On the IMF Article IV Consultation

Astana

December 15, 2022

On December 14, 2022, the International Monetary Fund (IMF) released its Staff Report on consultation from September 22 to October 5, 2022.

The National Bank and the Government have undertaken a package of measures to maintain macroeconomic stability and support the economy.

Timely measures and substantial Kazakhstan's external reserves helped to absorb external shocks, including the impact of the situation in Ukraine.

The mission commended the National Bank's commitment to exchange rate flexibility.

The inflation targeting regime is recommended to be maintained. The National Bank's non-core mandates should be phased out and its independence strengthened.

Introduction of the Central Bank Digital Currency (CBDC) can bring significant benefits and would require a regular assessment of potential risks.

According to the IMF, the banking sector has coped well with the fallout of international sanctions, and ongoing progress in strengthening financial regulation has been welcomed.

It is noted that banks have high levels of capital and deposit dollarization has declined further. The introduction of regular asset quality reviews and supervisory stress tests are important steps towards sound risk management practices and reducing risks of bank distress.

To safeguard economic resilience, the IMF recommends focusing on strengthening public governance, economic diversification and enhancing the role of the private sector.

The fiscal rule entering in effect in 2023 will support a prudent and more counter-cyclical fiscal policy. Gradual fiscal consolidation in 2023 should help contain inflation and maintain external buffers while preserving essential social expenditures.

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