



NATIONAL BANK OF KAZAKHSTAN

PRESS RELEASE

on the IMF Article IV Consultation

Astana city

February 7, 2024

On February 7, 2024, the IMF released its [Staff Report on consultations](#) that took place from November 8 to 21, 2023.

Kazakhstan is experiencing significant economic growth coupled with a substantial decline in inflation. The impact of the geopolitical situation was limited, and both the oil and non-oil sectors of the economy maintained robust GDP growth. Timely measures taken and significant amount of Kazakhstan's external reserves contributed to the absorption of external shocks.

The IMF Mission positively assessed the National Bank's commitment to a tight monetary policy throughout 2023. Inflation declined significantly in 2023 to 9.8%, while remaining above the target. According to the IMF, the inflation rate will continue to decline, reaching 5% by 2026-2027. Fiscal consolidation should also support disinflation and help preserve external reserves. Further slowdown in inflation and accumulation of external reserves will require fiscal consolidation by the Kazakhstan's Government.

According to the IMF report, the National Bank should continue maintaining tight monetary policy until inflation approaches the target and inflation expectations become anchored. According to IMF experts it is also vital to strengthen the National Bank's independence and continue efforts to increase credibility of the monetary policy, particularly, by withdrawing the National Bank from economic support programs and increasing the personal independence of the National Bank's leadership. At the same time, IMF experts note significant progress in the transparency of ongoing monetary policy, namely, in improving communication and publishing monthly inflation data.

Following the Financial Sector Assessment Program (FSAP) in 2023, the IMF has identified key reforms to improve financial sector resilience and strengthen its policies. Priority objectives are to improve the mechanisms of crisis management and bank resolution frameworks, combined with reinforcement of institutional capacity and mechanisms for financial sector supervision and strengthening interagency interaction.

According to the IMF, Kazakhstan's economic growth in 2024, is expected to remain moderate to 3.1% amid stable oil production, despite the delay in the Tengiz oil field expansion. External environment will remain somewhat uncertain both in the short term (*due to the geopolitical situation, inflation and global economic and financial conditions*) and in the medium term (*in the context of geo-economic fragmentation, climate change, global decarbonization*). At the same time, IMF analysts expect Kazakhstan GDP growth at 5.7% in 2025.

More detailed information for media is available by request:

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