



EFS
D
EURASIAN FUND FOR
STABILIZATION AND DEVELOPMENT

REGIONAL ECONOMIC OUTLOOK

| SUMMER 2025

This quarterly publication of the Eurasian Fund for Stabilization and Development provides an analysis of key macroeconomic indicators, as well as forecasts of macroeconomic parameters in the short and medium term.

This document is published in Russian and English on the Eurasian Fund for Stabilization and Development website.

The electronic version of this document is available at:

<https://efsd.org/en/research/regional-economic-outlook/>

For citation: EFSD Regional Economic Outlook 2025 No. 2(6). Moscow: Eurasian Fund for Stabilization and Development.

Keywords: economic growth, macroeconomic forecasts, GDP, inflation, exchange rates, balance of payments, monetary policy, fiscal policy, interest rates, unemployment, investments, consumer demand.

JEL: E17, E20, E27, E30, E40, E50, F15, H60, O10.

This outlook was prepared by the EFSD team under the supervision of **Sergei Ulatov**, Chief Economist. The preparation of this document was led by **Marina Grichik**.

Section authors: **Marina Grichik, Taras Tsukarev, Kiryl Lemba, Galymzhan Aitkazin, Liana Harutyunyan, Alexander Yanushkevich, Dmitry Kudriashov, Olga Emelyanova.**

The authors are grateful to **Tigran Kostanyan** and **Natalia Pisareva** for valuable comments and recommendations.

DISCLAIMER:

Cut-off date: 2 June 2025.

The conclusions and interpretation of the facts in the publication do not necessarily reflect the official position of the EFSD Board of Directors, the EFSD Board of Governors, or the EFSD member states.

Reprinting of the text for non-commercial purposes, in whole or in part, including large fragments, and placing the text on external electronic resources, are permitted with a link to the original text.

You may submit your feedback and suggestions regarding this document to info@efsd.org.

Contents

Executive Summary	2
External Sector	10
Russia.....	13
Kazakhstan	18
Armenia	23
Belarus.....	27
Kyrgyz Republic	32
Tajikistan	37
Risks to the Baseline Scenario	42
Abbreviations	46

Executive Summary



Global economic conditions remain tense, but the level of uncertainty associated with trade wars and the Middle East conflict has likely passed its peak. External risks for the region's countries may primarily materialize through their high dependence on commodity markets.



At the beginning of 2025, economic growth across all countries was primarily supported by domestic demand. The Russian economy has entered a cooling phase, which may exert a dampening effect on economic activity in most regional economies, mainly through trade and remittance channels.



While inflation in Russia has begun to decelerate, price pressures in the other five economies have, conversely, intensified. Against this backdrop, we expect Russia to maintain a relatively tight monetary policy stance while gradually reducing its key rate in the second half of 2025. Other countries in the region are also projected to sustain tight monetary conditions.



Despite fiscal surpluses recorded in Armenia, Kazakhstan, the Kyrgyz Republic, and Tajikistan in Q1 2025, risks to fiscal sustainability persist. These stem from potential revenue shortfalls due to one-off factors, as well as increased budgetary pressures from large-scale infrastructure projects and social spending.



Key domestic risks include a potential decline in investment activity, mounting inflationary pressures due to faster wage and tariff growth, and economic overheating fueled by credit expansion and fiscal stimulus.

Armenia

Belarus

Kyrgyz Republic

Tajikistan

Risks to the
Baseline
Scenario

	Forecast				Deviation from previous forecasts			
	2024	2025	2026	2027	2024	2025	2026	2027
	Russian Federation							
GDP growth, %	4.3	1.6	1.8	1.7	0.2	-0.3	0.4	-0.2
Year-end inflation, %	9.5	7.8	4.6	4	0	-0.1	0	0
Annual average exchange rate (USD)	92.5	88.3	97.9	97.6	0	-8.7	-0.7	-2.4
Key rate (annual average), %	17.3	19.9	13.8	9.5	0	0.7	0.3	0
	Republic of Kazakhstan							
GDP growth, %	4.8	5	4.5	4.3	0	-0.2	0	0
Year-end inflation, %	8.7	10.9	9	7.2	0	0.3	0.9	1.2
Annual average exchange rate (USD)	469	512	530	560	0	4	15	30
TONIA, %	13.8	16.1	14.8	12.0	0	-0.4	0.8	1.9
	Republic of Armenia							
GDP growth, %	5.9	4.9	4.6	4.6	0	0.2	0	0
Year-end inflation, %	1.5	4.5	3.5	3.0	0	1.5	0.5	0
Annual average exchange rate (USD)	393	397	409	421	0	-7.9	-8.1	-8.3
Refinancing rate, %	7.0	7.0	6.75	6.5	0	0.5	0.5	0.25
Fiscal balance, %	-3.7	-5.6	-4.2	-3.2	0	0.1	0	0
	Republic of Belarus							
GDP growth, %	4.0	2.8	1.0	0.9	0	1.2	-0.2	-0.1
Year-end inflation, %	5.2	7.8	6.9	6.4	0	1.7	-0.3	1.4
Annual average exchange rate (USD)	3.25	3.16	3.48	3.77	0	-0.2	0	0.1
Refinancing rate, %	9.50	9.75	9.75	9.75	0	0.3	0.3	0.3
Fiscal balance, %	0.6	0.7	0.8	0.9	0.2	0.1	0	-0.2
	Kyrgyz Republic							
GDP growth, %	9.0	8.1	5.6	5.4	0	2.2	0	0
Year-end inflation, %	6.3	6.6	6.4	5.9	0	0.5	0.3	0.5
Annual average exchange rate (USD)	87.1	89.0	97.9	98.3	0	-3.4	0	-5.5
Policy rate, %	9.0	9.0	9.0	9.0	0	0	0	0
Fiscal balance, %	2.2	2.5	0.3	-0.5	2.1	1.0	-1.7	-2.6
	Republic of Tajikistan							
GDP growth, %	8.0	7.5	7.1	6.7	0	0	0	0
Year-end inflation, %	4.2	6.3	3.7	5.7	0	0.3	-2.3	-0.3
Annual average exchange rate (USD)	10.8	10.2	10.7	11.3	0	-1.0	-0.9	-0.8
Refinancing rate, %	9.0	8.3	8.5	8.5	0	-0.3	0	0
Fiscal balance, %	-0.9	-1.7	-1.3	-1.6	0	-0.2	0.3	-0.6

RUSSIA **Economic Cooling — Easing Price Pressures — Will the Ruble Stay Strong?****Current Situation**

- **GDP growth** slowed to 1.4% YoY in Q1 2025. It is a decline of 4.3% QoQ (SAAR). The economy has passed its peak of business activity, entering a cooling phase.
- **Sector dynamics:** industry, trade, and extractive industries are slowing down, whilst growth continues in construction.
- **Labour market** remains overheated despite slowing economy — unemployment stands at 2.3%, with real incomes rising.
- **Inflation** is high (10.3% YoY) but slowing. While maintaining a tight monetary policy stance, the Central Bank cut the rate to 20%.
- **The budget shows a growing deficit** — expenditures are up 22.2%, oil and gas revenues are declining, non-oil and gas revenues are growing, and the deficit reached RUB 2 trillion in Q1.
- **The trade balance deteriorated** — the surplus shrank to USD 30.1 billion. The RUB appreciated against the background of a high Central Bank rate and lower imports.

Medium-Term Outlook

	GDP Growth in 2025	1.6%	slowing to a balanced rate in 2026–2027
	Inflation in 2025	7.8%	returning to 4% in 2027 at the earliest
	Exchange Rate depreciation by the end of 2025	93.2 RUB per USD	in 2026–2027 97-98 RUB per USD
	Key Rate by the end of 2025	17%	by the end of 2027 8%

KAZAKHSTAN

Growth Fueled by Oil and Public Investment – Rising Inflation – Tight Monetary Policy to Continue

Current Situation

- **GDP growth** dropped from 7.8% in Q4 2024 to 0.6% in Q1 2025 (SAAR). Annual growth reached 5.6% YoY, boosted by a low base effect.
- **Economic growth was driven** by transport and warehousing, manufacturing, mining, and construction. On the demand side, the acceleration was fueled by gross capital formation.
- **Inflation** reached 11.3% YoY in May. The principal contributors were overheated domestic demand, reforms in the housing and utilities sector, anticipated tax increases, and the exchange rate depreciation pass-through.
- The **National Bank** kept the interest rate at 16.5%, with lending still growing at double-digit rates.
- The **state budget** was executed with a surplus (0.3% of GDP) in Q1 2025, thanks to increased tax revenues and weak budget spending.
- The **balance of payments** is in **deficit**, despite the growth of the current account surplus (USD 0.7 billion), due to the outflow of portfolio investments. The REER appreciated by 1.4% in Q1.

Medium-Term Outlook



GDP Growth

in 2025

5.0%

slowing
in 2026–2027

4.5%



Inflation

by the end
of 2025

10.9%

2026

9.0%

2027

7.2%



Exchange Rate

depreciation

by the end of 2026

530

KZT per USD

depreciation

in 2027

560

KZT per USD



Base Rate

is expected
to fall in 2026

14.8%

is expected
to fall in 2027

12%

ARMENIA **Growth Stabilises — Non-Monetary Factors Accelerated Inflation —
Dram Exchange Rate Correction Begins****Current Situation**

- The **economy** is recovering from weak performance in Q4 2024 — GDP growth was 2.9% (SAAR) in Q1 2025, but the annual growth rate slowed to 5.2% YoY due to a slump in exports.
- The **drivers of growth** are domestic demand supported by remittances, credit, and wage growth.
- **Inflation** accelerated to 4.3% in May, overshooting the upper limit of the Central Bank's target interval.
- The **Central Bank** cut the rate to 6.75%, with further easing unlikely.
- The **budget** was executed with a surplus of 1% of GDP. Tax revenues were above the target, while current and capital expenditures fell short of the plan.
- The **trade balance** deteriorated and reached (-20% of GDP) due to discontinued gold re-exports and a slump in tourism.

Medium-Term Outlook**GDP Growth**

in 2025

4.9%**4–5%** stabilising
in 2026–2027**Inflation**by the end
of 2025**~4.5%**given the acceleration early in the year,
will be above the target (~4.5%) as at the
end of 2025 and then slow down**Budget Deficit**is forecast
to widen in 2025**5.6%**fiscal policy is expected to become
more restrictive in the medium term**Current Account**is expected to
remain in deficit**4.4%**
GDP

BELARUS

High Investment Activity – Inflation Picks Up – Widening Trade Deficit

Current Situation

- **GDP** grew by 3.1% YoY, above expectations. The principal contributing factors were investment (+18.3%) and construction. QoQ growth came in at 0.7%, following zero growth in Q4 2024.
- **Industry** is slowing down, inventories are rising.
- **Inflation** is at 5.9% YoY, above the targeted 5%. The core inflation is 6.1%.
- The **National Bank** raised its prudential requirements, interest rates are rising, but lending remains strong.
- The **current account deficit** was 11.3% of GDP in Q1 and the trade balance moved to a deficit.
- **Reserves** increased to USD 11.9 billion on account of gold.

Medium-Term Outlook



GDP Growth

in 2025

2.8%

then slowing to

1%



Inflation

is forecast to remain above target due to strong demand and the impact of inflation in Russia



Fiscal policy

is expected to become restrictive, with a growing budget surplus

KYRGYZ REPUBLIC

Construction Boom — Inflation Above Target — Record Budget Surplus

Current Situation

- **GDP** grew 13.1% YoY in Q1, driven by growth in construction and industrial production.
- **Consumption and net exports** also supported growth. Net imports fell by 3.0%.
- **Inflation** accelerated to 8.0% in May, above the target interval (5–7%). The principal drivers were food and electricity tariff hikes.
- **The budget was executed** with a record surplus (14.0% of GDP), mainly due to transfers of the National Bank's profits (13.9% of GDP).
- The **current account** improved (to -51.4% of GDP) due to lower imports and higher remittances. The KGS exchange rate to the USD is stable, reserves are rising.

Medium-Term Outlook



GDP

in 2025

8.1%

driven by a significant acceleration
in construction



Inflation

~6.5%

due to persistent administrative
price pressures



Budget

surplus
in 2025

2.5%
GDP

is forecast to be replaced by a deficit
in 2027 as tax revenues decline



Current Account

Deficit
is expected to
narrow in 2027

19%
GDP

imports expected to decline, remittances
and exports to remain stable

TAJIKISTAN

Service Sector Spurs Growth — Sustained High Remittance Inflows — Eurobond Payments Begin

Current Situation

- **GDP growth** was 8.2% YoY in Q1, just below 8.4% (2024 growth). The key drivers are services (transport, trade, etc.) and industry (with a significant role played by metal ore mining). Growth in the manufacturing sector slowed amid a decline in the production of metal products.
- **Investment** fell in Q1 (-10% YoY) but recovered in April.
- **Consumer inflation** was near the lower end of the NBT target interval: 3.6% YoY in April. The NBT cut the interest rate twice (to 8.25%) on the back of low consumer inflation.
- The **state budget in Q1 2025** had a **surplus (4% of GDP)** due to the growth of tax and non-tax revenues.
- The **current account** is in surplus (15.3% of GDP), due to a significant increase (19.6% of GDP YoY) in primary and secondary income account inflows (migrant remittances). The TJS appreciated against the USD, NBT foreign assets increased.

Medium-Term Outlook

	GDP Growth in 2027	6.7%	remittances gradually normalising from their elevated levels in 2023–2024
	CPI in 2025	4.6%	in 2027 5%
	Budget deficit in 2026	-1.3% GDP	in 2027 -1.6% GDP
	Current Account in 2027	-0.2% GDP	is forecast to turn to a deficit again with remittances falling

EXTERNAL SECTOR

Current situation in the global economy: moderate optimism after the peak of uncertainty

Although the situation in the global economy remains tense, the peak of uncertainty has probably come and gone. In April, the World Uncertainty Index was more than 2.5 times the average of the past 12 months, and the Economic Policy Uncertainty Index was 2.3 times the average. These indices are expected to gradually decline from their current highs.

Production and market indicators

Even though the Global PMI continued to decline in May, producer sentiment appears to be improving. By early June, the MSCI Emerging Markets Index (excluding China) had risen above levels seen in October 2024, marking an increase of almost 20% from the lows seen in early April.

Trade conflicts: delayed effects

The most pessimistic scenarios that threatened to change the global trade landscape radically have not yet materialised. We expect that major negative effects of trade conflicts would manifest themselves in Q2–Q3 2025.

Forecast revision

Given the current trends, we have revised our forecast for the world's major economies and commodity prices (Table 1, 2).

Regional forecasts**U.S.**

We have revised our growth forecast for the U.S. economy down 0.8 p.p., to 1.6%, in 2025, with a subsequent recovery to around 2% in 2026–2027. Although GDP contraction was recorded in Q1, a full-blown recession is not expected. The major negative effects of trade conflicts — delays in import deliveries, revision of investment programmes, and restrained consumer activity — are expected to manifest themselves in Q2–Q3. This is also due to an increase

in inflation at the end of the year to 2.9%. However, recovery growth should be expected by the end of the year. The surge in inflation following the 2025 shock would be temporary and begin to slow down as its effects wear off. Against this backdrop, we forecast two FRS rate cuts in the second half of 2025.

Eurozone

In the eurozone, economic growth would remain weak at around 1% in 2025–2026 with a moderate acceleration to 1.5% in 2027. Inflation would rise to 2.2% in 2025, driven by external price shocks and higher budget expenditures, but then would slow down due to weak economic momentum. The EUR exchange rate would stabilise at around USD 1.10 per EUR throughout the forecast period.

China

In China, government support measures are gradually improving the economic momentum, which would ensure GDP growth of 4.5% in 2025. The decline in exports to the U.S. would be offset through redirection of trade flows, but the growth rate is expected to fall to 4.2% by 2026–2027. Inflation would remain low (0.7% in 2025) with a gradual increase to 1.6% by 2027. The CNY exchange rate would remain stable at 7.2 per USD.

Commodity markets: new trends

Oil

Against the backdrop of weakening global demand and a shift in the OPEC+ strategy (moving from price targeting to ramping up production to displace shale producers), we have revised our forecast for the annual average Brent price down to USD 68 per barrel for 2025, with further decreases to USD 65 per barrel in 2026 and USD 64 in 2027.

Gold

Gold prices are revised upwards again due to increased geopolitical uncertainty, weaker confidence in the USD, and continued strong investment demand.

Food

Although world food prices are expected to stabilise in general, price fluctuations for specific commodity groups will continue to be important for countries in the region. The World Bank forecasts a 7% decline in the food price index in 2025, followed by a moderate further decline in 2026, due to adequate grain stocks. Food commodity prices have remained relatively stable in recent quarters and are expected to decline further until the end of 2025. They are then expected to stabilise in 2026, although slowing global growth could pose further risks to markets.

Table 1. Key Macroeconomic Indicators for the U.S., Eurozone, China

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
U.S.				
Real GDP growth, %	2.8	1.6	1.8	2.1
Inflation, eop	2.4	2.9	2.3	2.0
FRS rate, eop	4.25–4.50	3.75–4.0	3.25–3.50	2.75–3.0
Eurozone				
Real GDP growth, %	0.8	1.0	1.0	1.5
Inflation, eop	2.4	2.2	2.0	1.9
ECB rate, eop	3.2	2.0	2.0	2.0
EUR/USD exchange rate	1.08	1.10	1.10	1.10
China				
Real GDP growth, %	5.0	4.5	4.2	4.2
Inflation, eop	1.1	0.7	1.5	1.6
CNY/USD exchange rate	7.2	7.2	7.2	7.1

Source: BEA, BLS, FRS, Eurostat, ECB, NBS, authors' estimates.

Table 2. Key Commodity Price Outlook

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
Gold, USD/XAU	2 377	3 145	3 085	2 910
Metals and Minerals Price Index	106.5	108.8	110.4	111.6
Food Price Index	115.5	111.6	111.6	111.6
Brent crude oil prices, USD/bbl	80.6	68.0	66.1	64.7
Copper, USD/tonne	9 178	9 325	9 464	9 565

Source: World Bank, authors' estimates.

Current Situation

Russia's economy has passed its peak of overheating and entered a phase of slowdown. Rosstat recorded a slowdown in GDP growth to 1.4% YoY in Q1 2025 and adjusted the 2024 growth upwards (from 4.1 to 4.3%), including the Q4 estimate of 4.5% YoY (Figure 1). We estimate that the economy contracted by 4.3% (QoQ SAAR) in Q1 this year, primarily due to the high base effect of the previous period, but also reflecting an expected slowdown in growth after the peak of business activity passed. We believe that this indicates that the economy is set to cool down gradually, but not in a way that suggests a major structural slowdown.

Statistics by sector revealed a slowdown in Q1, which supports the hypothesis that the economy is entering a cooling phase. The industrial production index continued to improve in Q1 2025, with a 1.1% increase YoY, down significantly from 5.4% YoY in Q1 2024. Freight turnover decreased by 0.6% YoY (0.9% growth in Q1 2024). Retail sales growth slowed to 3.2% YoY from 10.4% a year earlier. The extractive sector continued to slow down, with the mining index contracting 3.7% YoY against a 0.6% rise a year earlier. Construction was a welcome exception, with construction work volume growth reaching 6.9% YoY compared to the modest 1.7% YoY a year earlier.

The labour market remains tight despite the economic slowdown. In Q1 of 2025, the unemployment rate hit a historic low of 2.3%, underscoring the sustained pressure in the labour market. In this context, real household incomes grew by 7.1% YoY, up from 6.3% in the same period of 2024.

Inflationary pressures appear to be easing in Q1 2025, although price growth remains elevated. Consumer prices rose by 10.34% YoY in Q1 2025 (Figure 2). The monthly trend indicates a significant easing of inflationary pressures relative to Q4 2024, with the three-month moving average inflation rate (3mma) falling to 0.9% from its previous level of 1.2%. Food inflation was 12.4% YoY, with a deceleration in the monthly trend to 1.1% (3 mma) from 2.1% (3 mma) in Q4 2024. Non-food prices rose by 5.9% YoY, with the three-month moving average declining to 0.2% from 0.7% in Q4 2024. Core inflation was 9.7% YoY and 0.8%



RUSSIA

Box 1

In April 2025, leading indicators signalled a further slowdown in business activity. The composite PMI saw a steady downward trend in Q1, dipping below the 50-point threshold to 49.1 in March. The composite index improved to 49.8 in April, but remained within the economic contraction zone. The manufacturing component stayed in the contraction area, registering at 48.2 in March and 49.3 in April. Moreover, recent surveys indicate that companies are recording a decline in new orders, suggesting an imminent slowdown in business activity.

3mma (Q4 2024: 8.9% YoY and 1.0% 3mma). Despite the overall slowing trend, price pressures remain higher than in Q1–Q3 2024.

Although the trends are mixed — with inflation expectations falling among businesses and rising among households — inflation expectations remain high. This is due to advanced growth in prices of fast-moving consumer goods, which leads to higher perceived inflation among households.

At its meeting on 6 June, the Bank of Russia decided to cut the key rate by 100 bps to 20% per annum in response to the slowdown in inflation. However, the regulator stressed that the economy was still experiencing a steady excess of demand over potential supply. Therefore, despite the current slowdown in inflation, tight monetary conditions should be maintained. The Bank of Russia is also concerned about the situation in the food and services sectors, where inflation remains high.

The federal budget is characterised by an increasing imbalance between moderate revenue growth and explosive expenditure growth (Figure 3). In Q1 2025, federal budget revenues reached RUB 9.1 trillion, which is 3.8% higher than last year's value. There were changes to the revenue composition, with oil and gas revenues down 9.8% YoY and non-oil and gas revenues up 10.7%. Expenditures totalled RUB 11 trillion in Q1,

22.2% more than last year, resulting in a record deficit of RUB 2 trillion in Q1. Intensive spending continued in April, with cumulative expenditure over the first four months totalling RUB 15.5 trillion (36.7% of the annual budget). Amid the advanced growth of budget expenditures this year, the cumulative deficit increased to RUB 3.2 trillion.

In April, the amendments to the 2025 budget proposed by the Ministry of Finance were adopted. The Ministry of Finance revised revenues downwards by RUB (-1.8) trillion, primarily due to a RUB (-2.6) trillion reduction in oil and gas revenues resulting from a lower oil price forecast and a stronger RUB exchange rate. A RUB 0.8 trillion increase in non-oil and gas revenues is envisaged to partially offset this. Budget expenditures are planned to increase by an additional RUB 0.8 trillion, which will result in the budget deficit expanding from the initially planned RUB 1.2 trillion (0.5% of GDP) to RUB 3.8 trillion (1.7% of GDP).

In Q1 2025, the trade surplus decreased (Figure 4). The trade surplus narrowed from USD 34.8 billion a year ago to USD 30.1 billion, due to lower exports coupled with a slight decline in imports. The services deficit remained at USD 7.4 billion.

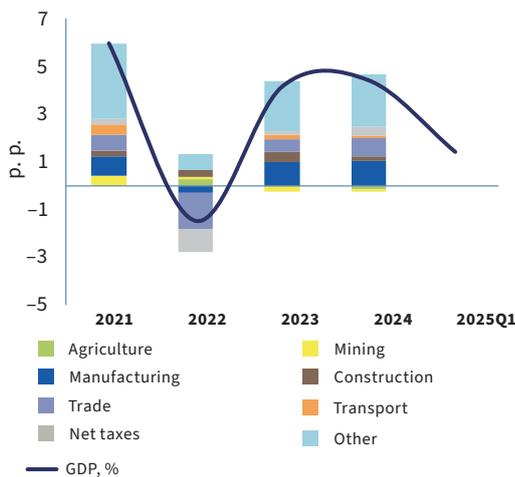
Growth in foreign assets (not including reserve assets) slowed to USD 16.7 billion, down from USD 34.8 billion a year earlier, driven mainly

by other investment items. The economy's external liabilities increased by USD 4.7 billion.

The RUB appreciated significantly in Q1 2025. The RUB/USD exchange rate went up 18% by the end of the quarter to RUB 83.7 per USD, averaging RUB 92.4 per USD. The appreciation trend continued in April, when the exchange rate reached RUB 81.6 per USD. These developments came as a surprise to market actors. The main drivers of the RUB appreciation were the Central Bank's high

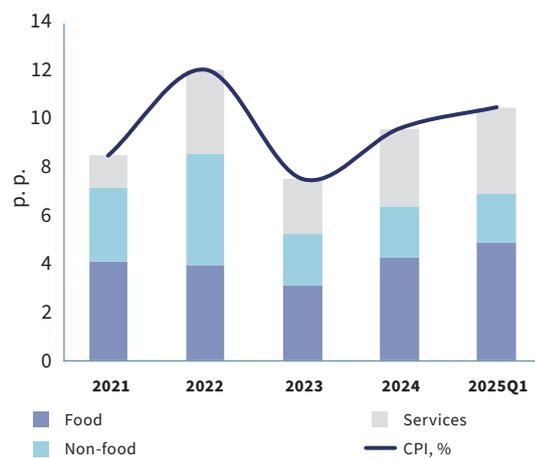
key rate and a significant drop in imports, partly due to changes in consumer behaviour. Against the backdrop of the expected easing of sanctions pressure, consumers are delaying the purchase of expensive durable goods. Another factor is that importers' warehouses are overstocked, making them reluctant to place new orders. The Central Bank's estimates also suggest that this was accompanied by a reduction in the time required to receive export proceeds.

Figure 1. Decomposition of Annual GDP Growth (Production Approach)



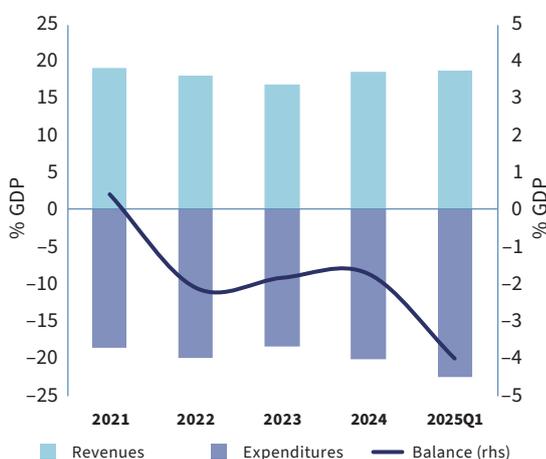
Source: Estimates based on Rosstat data.

Figure 2. Decomposition of Inflation (YoY, eop)



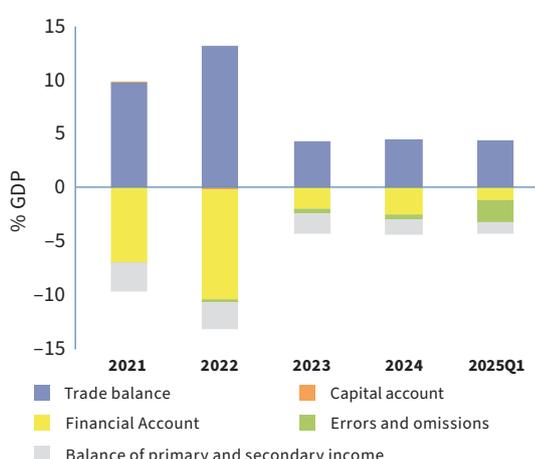
Source: Estimates based on Bank of Russia data.

Figure 3. State Budget



Source: Ministry of Finance of the Russian Federation.

Figure 4. Balance of Payments



Source: Bank of Russia.

Medium-Term Outlook

The GDP growth forecast for 2025 is revised from 1.9% to 1.6% based on actual data for Q1 (Figure 5). Following the peak of overheating, the economy is slowing down steadily, a process that will continue throughout the year as the positive output gap gradually narrows. We expect consumer activity, already falling since Q1, to slow gradually further throughout the year, while tight monetary policy would restrain investment demand. Amid falling global oil prices, the decline in export revenues is set to lead to a smaller trade surplus. Although imports would partially recover, growth would be hindered by sanctions restrictions and tight monetary policy. Fiscal stimulus would provide further substantial support to the economy.

Economic activity is expected to slow down further in 2026–2027, gradually returning to a balanced growth trajectory. The positive output gap, narrowing progressively, would persist until the end of 2027.

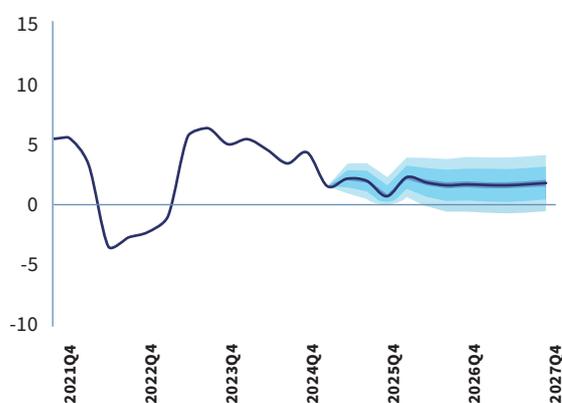
Our estimates suggest that inflation would fall to 7.8% by the end of 2025 (Figure 6). Having started in Q1 as a result of tight monetary policy, the gradual slowdown in inflation would continue throughout 2025–2026. We anticipate that inflation will only return to the target level of 4% in 2027. There are several persistent pro-inflationary factors that are impeding rapid progress towards the target inflation level. These include active fiscal stimulus supporting strong domestic demand, the planned housing and utility tariff hikes in 2026–2027, and the anticipated depreciation of the local currency from its current overvalued levels.

Beginning in the second half of 2025, the central bank will initiate a gradual easing cycle, with the policy rate expected to decline to 18% by year-end. Despite moderating inflation, monetary conditions

are projected to remain tight throughout 2025. Further reductions are anticipated, bringing the key rate down to 12% by the end of 2026 and 8% by the end of 2027, as inflationary pressures subside and macroeconomic stability strengthens.

Given the RUB exchange rate appreciation early in the year, we revised our average annual forecast for 2025 to RUB 88 per USD. However, the exchange rate is expected to depreciate further to reach RUB 93.2 per USD by the end of 2025 (Figure 7). This will be driven by deteriorating trade performance (including the impact of low oil prices) and the current overvaluation of the RUB. In 2026–2027, pressure on the exchange rate would intensify due to the reduction in interest rate differentials, potentially pushing the exchange rate to a range of RUB 97–98 per USD.

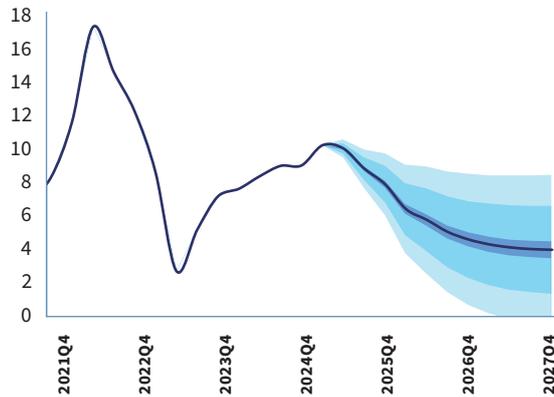
Figure 5. Real GDP growth, % YoY



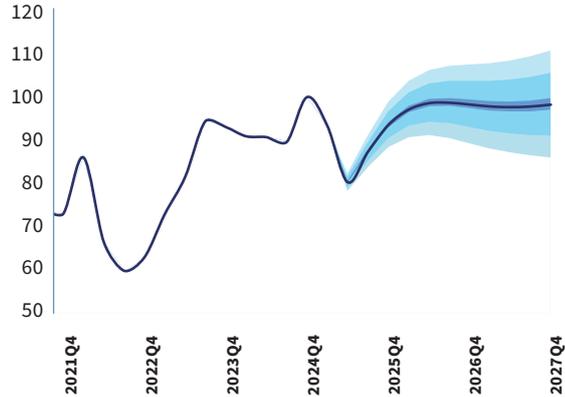
Source: authors' estimates.

Note: chart ranges correspond to confidence intervals of 10%, 50% and 75%.

Figure 6. Inflation, % YoY



Source: authors' estimates.

Figure 7. USD / RUB exchange rate
(year-average)

Source: authors' estimates.

Note: chart ranges correspond to confidence intervals of 10%, 50% and 75%.

Table 1. Forecast of Key Macroeconomic Indicators

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
Real GDP growth, %	4.3	1.6	1.8	1.7
Inflation (Dec-on-Dec), %	9.5	7.8	4.6	4.0
Inflation (year-average), %	8.4	9.2	5.4	4.1
USD / RUB exchange rate (year-average)	92.5	88.3	97.9	97.6
Bank of Russia key rate (year-average), %	17.3	19.9	13.8	9.5

Source: authors' estimates.



KAZAKHSTAN

Current Situation

In Q1 2025, Kazakhstan's economy grew faster in annual terms, with real GDP increasing 5.6% YoY against the previous year's low base (3.7% in Q1 2024), **although the quarterly growth rate dropped significantly**, to 0.6% QoQ against 7.8% in Q4 2024 (Figure 1).

In terms of sectors, most of the GDP growth was driven by transport and warehousing (1.3 p.p.), manufacturing (1.2 p.p.), trade (1.0 p.p.), mining (0.8 p.p.), and construction (0.7 p.p.). Growth in the transport and warehousing sector was driven by an increase in the pumping of crude oil through pipelines, as well as the railway transport of agricultural products. Manufacturing saw positive momentum due to significant increases in output in machine-building (17.7%), food (13.2%), and metal products (28.7%). The mining sector grew by 6.1%, driven by increased oil production at the Tengiz field and higher coal and metal ore extraction. Construction benefited from the implementation of large-scale government projects related to the repair and construction of road infrastructure.

On the demand side, the principal driver of acceleration was gross capital formation, and the contribution of other demand factors remained positive. In Q1, the volume of investment in fixed assets increased by 6.3% YoY, primarily due to a 2.5-fold rise in investment funded by the budget – their share of the total investment grew from 9.1% to 21.6%. Despite a moderate growth of real wages by 1.2%, retail trade grew by 4.3%. According to the balance of payments data, there was an increase in the value of exports, while imports declined.

Inflationary pressures continue to rise. Annual inflation accelerated to 10.0% in March and 11.3% in May – the sixth consecutive month of rising inflation (Figure 2). The NBRK estimates that the average seasonally adjusted monthly price growth was about 1.1% in Q1, compared to an average of 0.7% for the whole of 2024. By the end of Q1, annual growth of paid services had accelerated to 14.3%, while growth of food and non-food components was up to 7.6% and 9.1%, respectively. In April–May, price growth for food and paid

services accelerated further, reaching 9.6% and 16.0%, respectively. Our analysis shows that the principal drivers of inflationary pressures were: overheated domestic demand against a backdrop of fiscal stimulus and active lending; ongoing reforms in the housing and utilities sector; the KZT exchange rate depreciation pass-through; the announced increase in VAT and other taxes; and the liberalisation of fuel and lubricant prices.

Against the backdrop of mounting inflationary pressures, the National Bank persisted in tightening its monetary policy.

In March, the regulator raised the policy rate by 125 bps to 16.50% and significantly tightened its rhetoric. BMS growth slowed to 17.5% YoY in Q1 compared to 19.2% at the end of 2024.

The high rate of lending to the economy continues. In Q1 2025, the growth of the loan portfolio under its broader definition was 20.4% YoY (compared to 20.9% at the end of 2024), with lending to businesses rising by 18.5% and to households by 22.0%.

Fiscal stimulus is more restrained compared to the previous year (Figure 3).

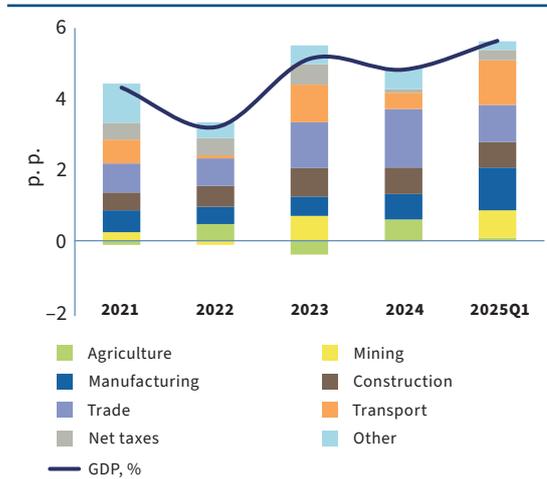
The fiscal situation improved thanks to revenue growth (18.1% of GDP in Q1 2025 against 17.5% in Q1 2024) and subdued actual expenditure (22.1% against 24.1%). This resulted in a surplus of 0.3% of GDP (against a deficit of 1% of GDP in Q1 2024), while the non-oil deficit narrowed to 5.3% of GDP (7.5% of GDP). The increase in revenues is primarily attributable to above-target tax revenues.

The balance of payments turned negative despite the improved current account.

According to preliminary data for Q1 2025, the current account showed a surplus of USD 700 million (1.1% of GDP) compared with a deficit of USD 46 million a year earlier (Figure 4). This change was driven by a USD 482 million improvement in the primary revenue deficit and a USD 342 million increase in the trade surplus, which rose from USD 5.8 billion in Q1 2024 to USD 6.1 billion on the back of a 1.6% increase in exports and a 0.2% decrease in imports. The financial account recorded a net capital outflow of USD 2.2 billion, mainly due to portfolio investment outflows (USD 3.1 billion), probably due to the exit of non-residents from the government securities market. The outflow was partially off-set by an inflow of foreign direct investment (USD 1.7 billion).

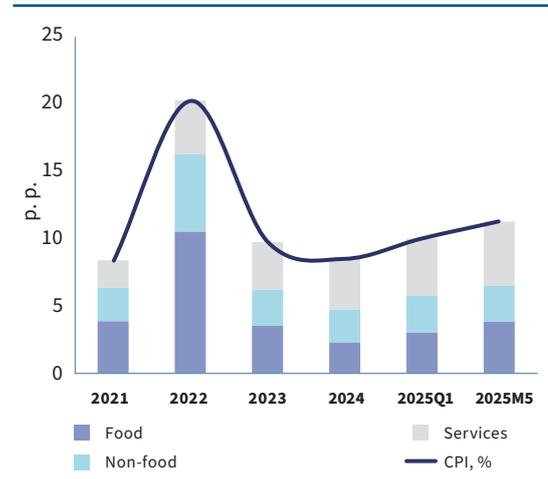
After a sharp depreciation at the end of last year, the KZT/USD exchange rate appreciated in Q1 and stabilised around KZT 510. The exchange rate was supported by growth in foreign exchange sales from the National Fund and the National Bank's foreign exchange reserves to sterilise the money emission resulting from gold purchases in the domestic market and the surrender of part of the quasi-public sector's foreign exchange earnings. The average real effective exchange rate index excluding oil trade strengthened slightly (0.1%) in Q1, following its 3.2% weakening in 2024, the overall REER appreciated by 1.4% in the first three months of this year.

Figure 1. Decomposition of Annual GDP Growth (Production Approach)



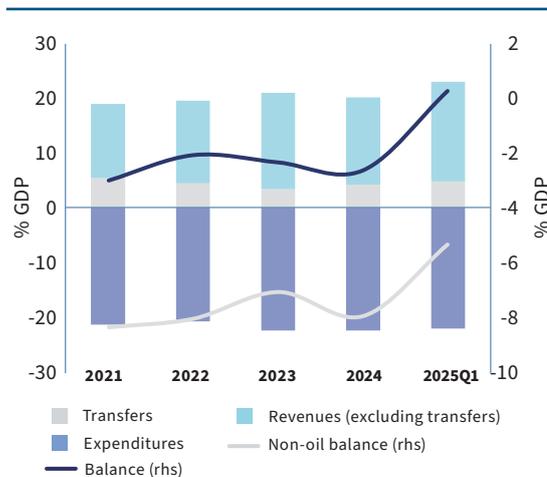
Source: Estimates based on BNS ASPR RK data.

Figure 2. Decomposition of Inflation (YoY, eop)



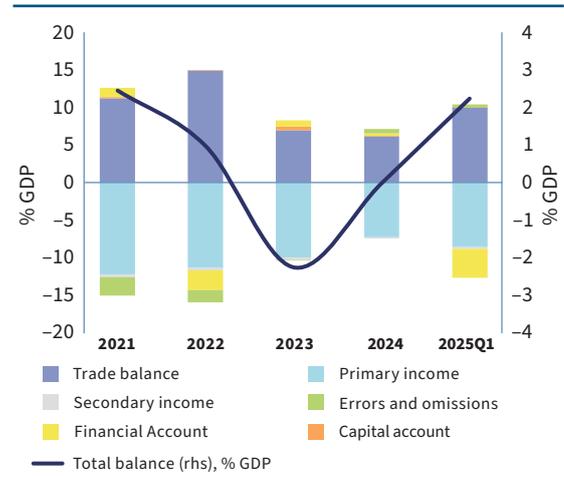
Source: Estimates based on BNS ASPR RK data.

Figure 3. State Budget



Source: Ministry of Finance of the Republic of Kazakhstan.

Figure 4. Balance of Payments



Source: NBRK.

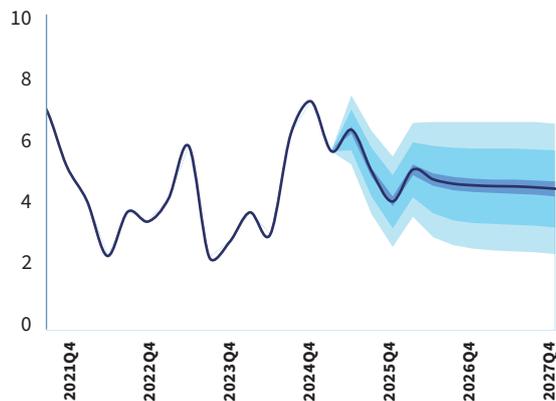
Medium-Term Outlook

Our estimates suggest that real GDP growth will be 5.0% in 2025 (a downward revision of -0.2 p.p.). Until the end of the year, the key drivers of economic growth would continue to be the mining sector, due to increased oil production at the Tengiz field, and the multiplier effect this has on transport and trade. In parallel, the implementation of major investment and infrastructure projects,

including those funded by the state, would stimulate growth in non-commodity sectors — manufacturing, trade, and construction.

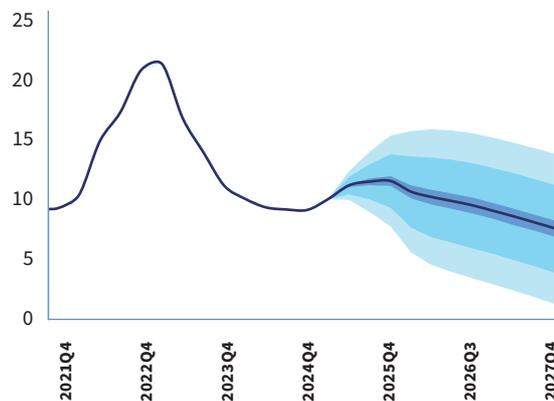
Tight monetary policy and restrictions on lending would dampen consumer demand. This would be facilitated by additional measures taken by the National Bank, whose plans include a gradual increase in minimum reserve requirements for second-tier banks. Such measures, when combined with ongoing

Figure 5. Real GDP growth, % YoY



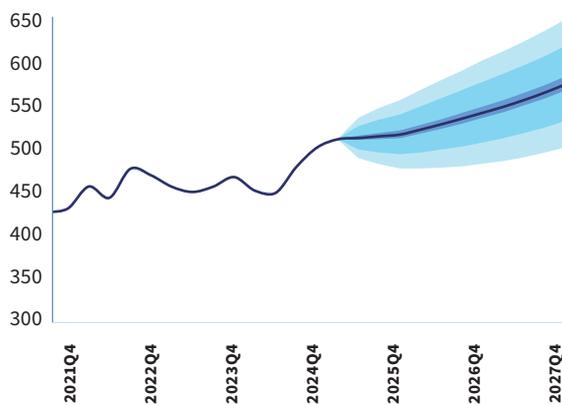
Source: authors' estimates.

Figure 6. Inflation, % YoY



Source: authors' estimates.

Figure 7. USD/KZT Exchange Rate



Source: authors' estimates.

Note: chart ranges correspond to confidence intervals of 10%, 50% and 75%.

liquidity sterilisation operations, have the potential to significantly curb credit growth.

We project economic growth to slow to around 4.5% in 2026–2027 due to the expected weakening of the fiscal stimulus (Figure 5). This would, in turn, lead to a gradual reduction in the positive output gap.

Our revised forecast assumes that inflation would rise to 10.9% by end-2025 (compared

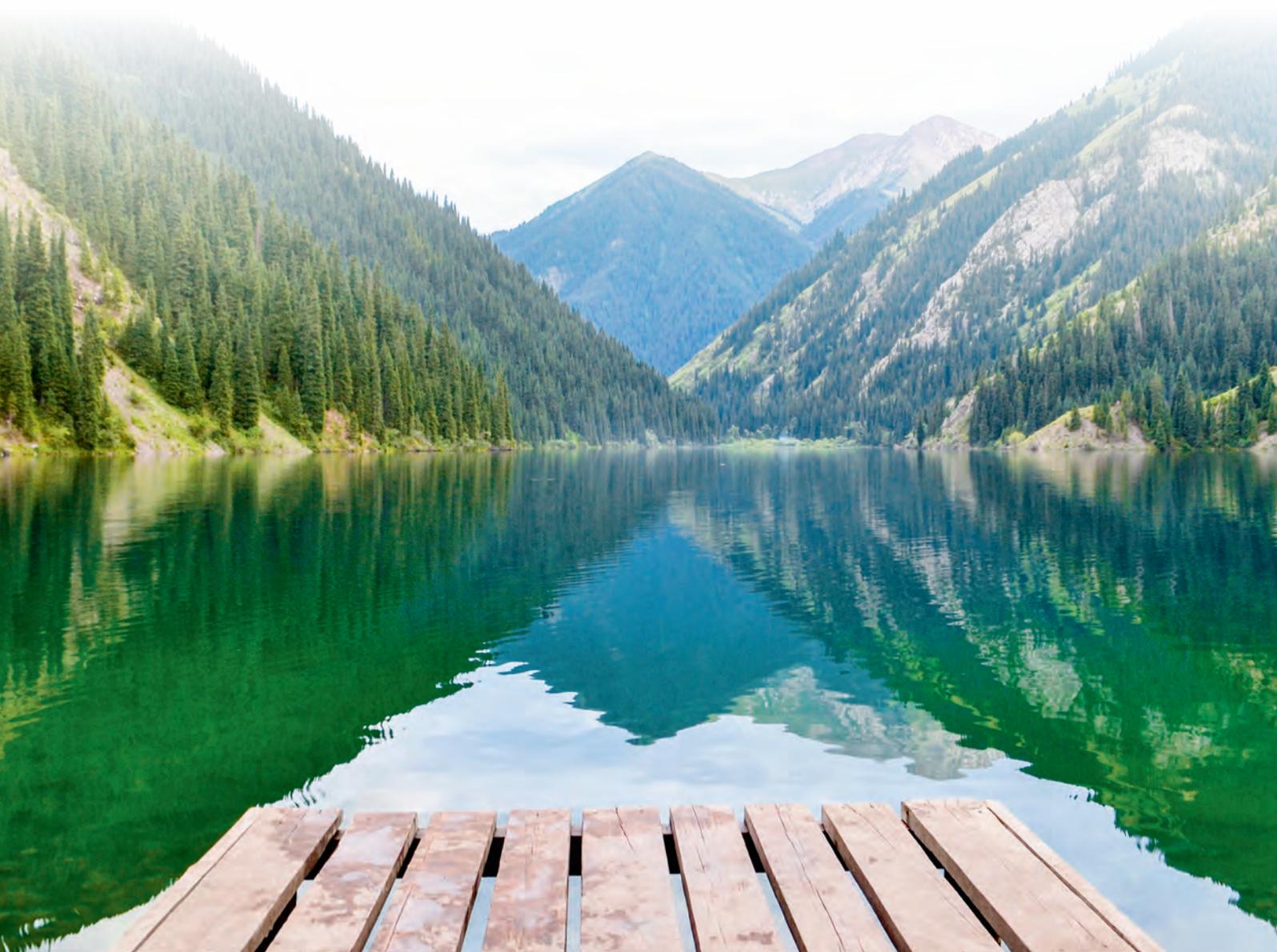
with 10.6% in the previous forecast round) on the back of faster price growth early in the year. We expect that the 5% inflation target would not be met in the medium term, with inflation remaining at elevated levels: 9.0% in 2026 and 7.2% in 2027 (Figure 6). The principal pro-inflationary factors would be the reform of the housing and utilities sector, an increase in VAT to 16% alongside changes to the accounting rules, and the continued inconsistency between monetary and fiscal policies. Under these conditions, the National Bank's average annual policy rate would be 14.8% in 2026 and 12% in 2027, compared with 14.0% and 10.0% in the previous forecast.

In 2025, the KZT exchange rate will be supported by transfers from the National Fund, foreign exchange sales by the quasi-public sector, and sterilisation operations through gold purchases. However, exchange rate pressures could intensify in 2026–2027 due to the expected reduction in transfers from the National Fund and persistent inflation differentials with trading partners. Therefore, we forecast KZT gradual depreciation with average annual levels of KZT 530 per USD in 2026 and KZT 560 in 2027 (Figure 7).

Table 1. Forecast of Key Macroeconomic Indicators

	2023 Actual	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
Real GDP growth, %	5.1	4.8	5.0	4.5	4.3
Inflation (Dec-on-Dec), %	9.8	8.6	10.9	9.0	7.2
Inflation (year-average), %	14.8	8.7	10.5	9.5	7.9
USD / KZT exchange rate (year-average)	456	469	512	530	560
TONIA rate (year-average), %	16.4	13.8	16.1	14.8	12.0

Source: National agencies and authors' estimates.



Current Situation

Business activity accelerated in Q1 – we estimate that seasonally-adjusted real GDP grew by 2.9% QoQ, indicating a recovery from the Q4 2024 recession.

Meanwhile, the annual growth rate slowed to 5.2% YoY, down from 7.2% a year earlier, amid a decline in foreign economic activity, which resulted in net exports contributing negatively at 9.1 p.p. The main driver of growth was consumer demand, contributing 11.1 p.p., supported by growth in lending (27.8% YoY), remittances (20.4%)¹, and an increase in real wages (3.2%).

In terms of sectors, the financial and insurance sectors, information and communication, and net taxes made the principal contribution to GDP growth, against the backdrop of a decline in manufacturing. The services sector contributed 4.5 p.p. to GDP growth, largely driven by finance and insurance (2.9 p.p.) and information and communication (1.1 p.p.). Net taxes contributed 1.0 p.p. due to the growth of tax revenues. Meanwhile, manufacturing made a negative 2.0 p.p. contribution to GDP growth due to discontinued gold re-exports. This factor also had a restraining effect on the growth rate of trade (Figure 1).

Since the second half of 2023, monetary policy has been expansionary, which, against the background of rising prices for certain categories of imported food products² in Q1 2025, has led to an acceleration of inflation. In March 2025, 12-month inflation accelerated to 3.3% (from 1.5% in December 2024) and core inflation accelerated to 2.0% (from 0.9%). The drivers of price growth were food and services, while non-food products made a negative contribution to inflation (Figure 2). In March, the Central Bank of the Republic of Armenia continued its monetary policy easing by reducing the refinancing rate from 7.00% to 6.75%. Following this, at subsequent meetings, it was decided that the rate would be left unchanged³. In May, amid

¹ An estimate of the Ministry of Finance of the Republic of Armenia, published in the State Budget Report – Q1 2025 at https://minfin.am/hy/page/hy_hashvetvutyunner

² According to our estimates and those of the CBA, the share of imported food products in the CPI structure is about 15–20%.

³ In its meeting held on 6 May 2025, the CBA decided to keep the refinancing rate at 6.75% (<https://www.cba.am/en/News/refinancing-rate-left-unchanged-at-6-75-executive-monetary-policy-statement/393/>).



ARMENIA

further increases in the prices of seasonal food products, inflation accelerated to 4.3%, overshooting the upper limit of the CBA target interval.

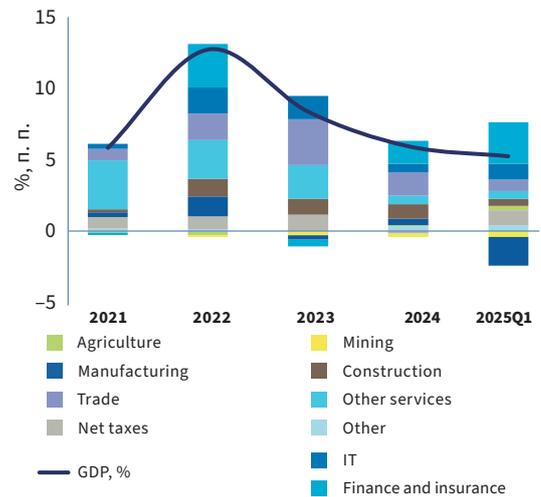
Fiscal policy was contractionary in Q1 2025. The state budget was executed with a surplus of 1.0% of GDP compared with a nearly balanced budget a year earlier (Figure 3). The growth of tax revenues (up 1.1 p.p. to 26.8% of GDP) was driven by more efficient tax administration. In addition, a delay in tax payments on acceptance and transfer certificates for construction projects completed in 2024 resulted in payment of accumulated tax liabilities in early 2025. Thus, the state budget tax revenues were 2.1% above the target in Q1 2025⁴.

Total budget expenditures rose to 27.2% of GDP from 26.9% of GDP a year earlier, driven by growth in both current and capital expenditures. It should be noted that in Q1 2025, current and capital expenditures of the state budget fell short 15.4% and 67.1% of the plan, respectively.

In Q1 2025, foreign trade declined by 54.2%, mainly due to discontinued re-exports of precious metals. In the reporting period, a sharp decline in exports and imports was recorded — by 61.8% and 47.9%, respectively. The trade deficit reached 20% of GDP (Figure 4). At the same time, there was a 11.3% decrease in tourist traffic, primarily due to a drop in the number of tourists from the Russian Federation. The AMD to USD nominal exchange rate remained stable, while the AMD depreciated against the RUB. The country’s gross international reserves reached USD 3.9 billion, up USD 230 million since December 2024, mainly due to a recovery in remittances from Russia and the issue of government Eurobonds.

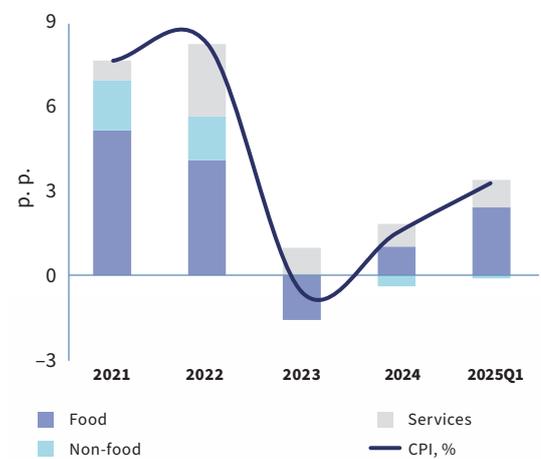
⁴ An estimate of the Ministry of Finance of the Republic of Armenia, published in the State Budget Report — Q1 2025 at https://minfin.am/hy/page/hy_hashvetvutyunner

Figure 1. Decomposition of Annual GDP Growth (Production Approach)



Source: Armstat.

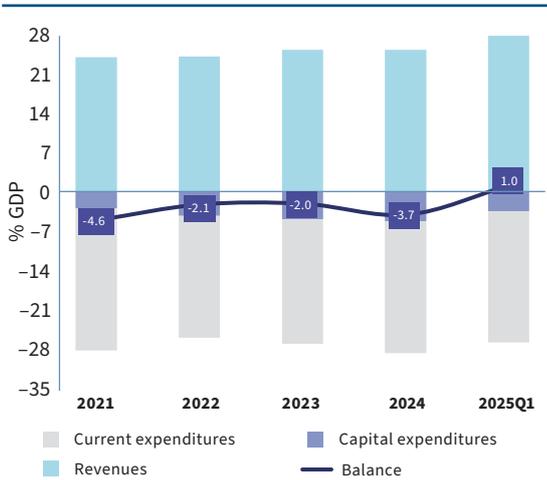
Figure 2. Inflation (YoY, eop)



Source: Armstat.

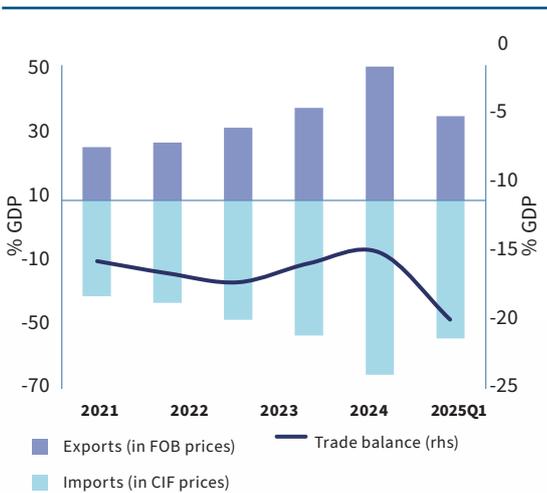


Figure 3. State Budget



Source: Ministry of Finance of the Republic of Armenia.

Figure 4. Trade balance



Source: Armstat.

Medium-Term Outlook

In light of higher than expected GDP growth in Q1⁵, Armenia’s growth forecast for 2025 was revised upwards by 0.2 p.p. to 4.9%. Domestic demand, supported by credit and fiscal stimulus, will remain the key source of growth. The budget deficit would widen to 5.6% of GDP amid an increase in current (primarily social) and capital expenditures. These factors, however, would also contribute to accelerating inflation. Based on the data for May, the inflation forecast was revised by 1.5 p.p. to 4.5%. This is due to a higher than expected rise in food prices, which account for about 45% of the CPI basket. With inflation accelerating and overshooting the upper limit of the target interval in 2025, the CBA is likely to raise the refinancing rate to bring inflation back to the target interval. The current account deficit would widen to 4.4% of GDP due to suspended re-exports of precious metals and lower tourist traffic.

Under the baseline scenario, growth rates would be close to potential in 2026–2027 (4–5%)⁶. Monetary policy would aim to bring inflation back to the target of 3% (±1.0). Fiscal policy would remain expansionary until 2026, but from 2027 onwards the effect of fiscal policy would become neutral due to the application of tighter fiscal rules against the background of rising government debt. The current account deficit is expected to widen further due to worsening trade balance.

⁵ The growth forecast can also differ from the baseline if there is a significant revision to external sector statistics, which could result in an adjustment to estimates of key growth drivers. For example, based on statistics, the main contributor to GDP growth in 2024 was initially assumed to be net exports (2.2 p.p.). However, after the publication of the balance of payments data, the GDP data were revised and the contribution of net exports fell to zero.

⁶ An estimate published by the CBA in the Inflation Report dated 18 March 2025, Chart 3B3: (potential rate of 4.5–5.0%) at: <https://www.cba.am/hy/Reports/8169/>



Table 1. Forecast of Key Macroeconomic Indicators

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
National accounts and prices (%)				
Nominal GDP				
USD billions	26.0	27.9	29.4	31.1
Real GDP growth	5.9	4.9	4.6	4.6
CPI (December, YoY)	1.5	4.5	3.5	3.0
Money and credit (eop)				
Broad money supply, % change	13.7	10.8	9.2	9.2
Public finance (% of GDP)				
Revenues and grants	25.3	25.6	26.0	26.3
of which tax revenues	23.5	24.8	25.3	25.5
Budget expenditures	29.0	31.2	30.2	29.4
Current expenditures	23.7	24.5	23.4	22.8
Capital expenditures	5.3	6.7	6.8	6.6
Budget balance («-» deficit / «+» surplus)	-3.7	-5.6	-4.2	-3.2
External sector (% of GDP)				
Current account	-3.8	-4.4	-4.8	-4.8
Foreign direct investment	0.5	0.5	0.6	0.8
Gross reserves, months of imports of goods and services	2.3	2.7	2.6	2.6

Source: National agencies and authors' estimates.

Current Situation

Business activity in the Republic of Belarus is higher than expected. Real GDP growth in Q1 2025 was 3.1% YoY (compared to the expected 2.7% YoY). Higher growth was driven by the performance of domestic demand and, primarily, investment. The rapid growth in fixed capital investment (+18.3% YoY) could be a result of amendments to the Law on Investment that came into force in the second half of 2024. These amendments envisage extensive tax incentives for the implementation of investment projects. We estimate that seasonally adjusted real GDP growth for Q1 came in at 0.7% QoQ (following zero growth in Q4 2024).

Construction has replaced industry as a key driver of economic growth. Growth in investment boosted the construction sector's contribution to business activity (+0.7 p.p. of GDP). The slowdown in industrial production continued, with a 2.1% YoY growth in Q1 2025, a contribution of 0.5 p.p. to real GDP growth (Figure 1). The growth in industrial production was accompanied by a rise in inventories to 76.7%, up from 68.5% a year earlier. It was accompanied by continued growth in the value added in wholesale and retail trade (+3.3%) and further recovery of the IT sector (+6.1%).

Inflation in Belarus was higher than expected on the back of stronger domestic demand and persistently high inflation in Russia. In Q1 2025, consumer price growth was 5.9% in annual terms, with the target for 2025 not exceeding 5% (Figure 2). Domestic demand growth was most notably reflected in the acceleration of core inflation, which rose to 6.1% in March 2025 (5.5% in 2024). Meanwhile, administratively regulated prices and tariffs grew by 5.4% YoY, while fruit and vegetable prices rose by 4.7%.

To limit the pro-inflationary effect of domestic demand, the National Bank continued to normalise monetary conditions. In March 2025, the NBRB raised the EVSR prudential requirement¹ (from 12.5%

¹ Banks setting interest rates above the threshold defined by the NBRB are considered to have a risky business model, leading to the imposition of stricter prudential requirements.



BELARUS

to 12.9% for corporate loans up to 3 years and from 17.7% to 18.2% for retail loans). Interest rates continued to rise in both the interbank and deposit and lending markets – from an average of 5.6% in Q4 2024 to 7.0% in Q1 2025. Nevertheless, the rise in interest rates had a limited effect on lending, which remained high. As of 1 April 2025, the increase in claims of banks and the Development Bank on the economy was 16.5% YoY (17.2% in 2024).

Stronger domestic demand led to an expansion of the current account deficit.

The current account deficit was 11.3% of GDP in Q1 2025 (10.2% of GDP in Q1 2024). The widening of the current account deficit was due to the trade balance moving into deficit (-3.4% of GDP, compared to a surplus of 0.2% in Q1 2024), resulting from an increase in imports of goods and services (4.5%), coupled with a decline in exports (-1.1%).

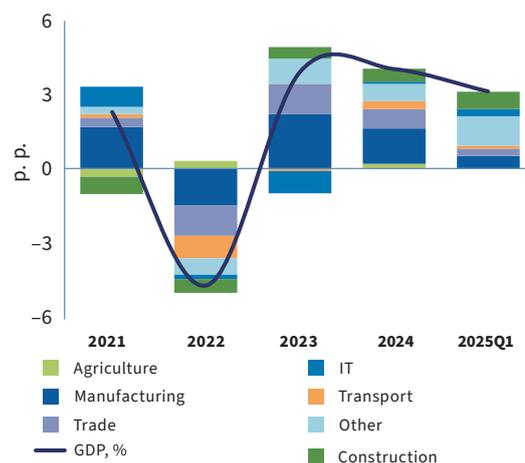
In the context of the current account deficit, financial account operations contributed to the external balance. Inflows under the financial account stood at 14.9% of GDP in Q1 2025 (compared to 9.4% of GDP in Q1 2024). This was mainly driven by reinvestment of earnings by foreign direct investors (8.4% of GDP). It should also be noted that there was a significant inflow of investments under other items, amounting to 7.2% of GDP, compared to virtually zero a year earlier (Figure 3).

The expanding current account deficit resulted in BYN depreciation.

The situation in the domestic foreign exchange market was characterised by demand for foreign exchange exceeding its supply. Net demand of market actors² for foreign exchange amounted to USD 0.3 billion in Q1. The average nominal effective exchange rate depreciated by 3.8% in March compared to December last year and the real effective exchange rate depreciated by 3.4%.

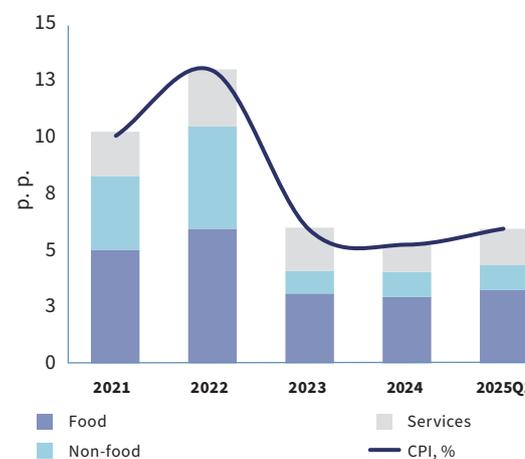
² Total demand minus total supply of foreign exchange.

Figure 1. Decomposition of GDP Growth (Production Approach)



Source: Belstat.

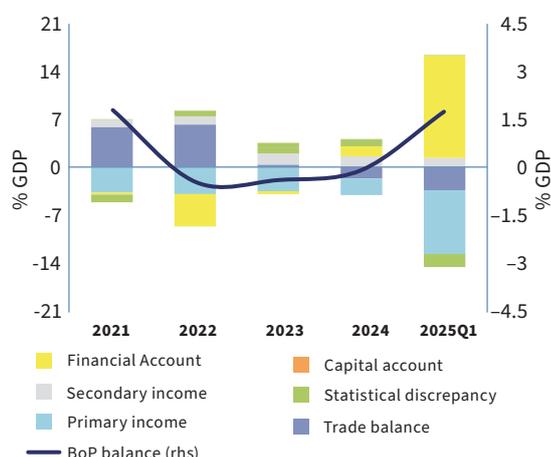
Figure 2. Decomposition of Inflation



Source: Belstat.

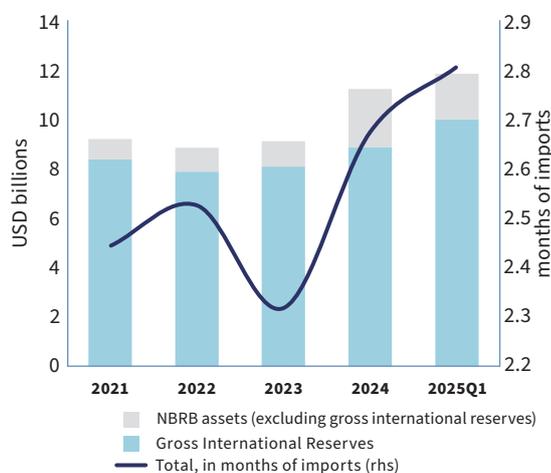
Rising prices of gold on the world market contributed to an increase in the National Bank's international reserves. Cumulatively, the NBRB's official reserves and other foreign currency assets increased by USD 0.6 billion in Q1 2025 to USD 11.9 billion (2.8 months of imports)

Figure 3. Balance of Payments



Source: Belstat.

Figure 4. NBRB Foreign Currency Assets



Source: Belstat.

as of 1 April 2025. The growth of the gross international reserves was fuelled by the revaluation of assets related to the global gold price changes: the value of monetary gold in the gross international reserves increased by USD 0.9 billion in Q1 (Figure 4).

Medium-Term Outlook

The estimate of real GDP growth in the Republic of Belarus in 2025 was revised upwards compared to the previous forecast round,³ from 1.6% to 2.8%. This revision is due to the economy and, primarily, investment activity growing faster than expected early in the year. The inflation forecast was revised upwards due to stronger domestic demand, rising labour costs, and imported inflation from Russia (against the background of BYN depreciation against RUB and general price growth in Russia).

It is not expected that the internal or external economic environment would change significantly. In particular, labour market conditions are expected to remain tight, putting pressure on wage growth. Monetary and fiscal policies would aim to maintain macroeconomic stability by balancing the need to curb inflationary pressures with the need to support economic growth.

The key parameters of the updated medium-term macroeconomic outlook have not been revised much. The economy is still expected to grow at around 1% in 2026–2027. The growth would be decelerating against the backdrop of a slowdown in the Russian economy. At the same time, the projected growth rates reflect both the gradual narrowing of the positive output gap and the ongoing structural limitations of Belarus' current economic model. Against the backdrop of persistent labour shortages, the growth of labour costs would affect the growth of marginal costs and put pressure on inflation. Moreover, higher inflation in Russia would create inflationary pressure through the prices of imported goods. As a result, inflation would remain above the 5% target for a longer period.

³ EFSO Regional Economic Outlook. Spring 2025, available at <https://efso.org/en/research/regional-economic-outlook/spring-25-regional-economic-outlook/>

The fiscal policy would be characterised by a gradually increasing surplus. With relatively stable budget revenues, one of the factors behind the rising surplus is more restrained growth of salaries and wages in the

budget sector following a significant increase in previous years, as well as moderate growth of capital expenditures. The primary balance would be in surplus at around 1.5–2% of GDP in 2025–2027.



Table 1. Forecast of Key Macroeconomic Indicators

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
National accounts and prices, %				
Nominal GDP, BYN billions	246.6	286.7	318.6	348.6
Real GDP growth	4.0	2.8	1.0	0.8
CPI (December, YoY)	5.2	7.8	6.9	6.4
Nominal average monthly wage, BYN	2 272	2 658	3 007	3 308
Real wage growth	13.1	10.2	5.0	3.1
Money and credit (eop)				
Broad money supply, % change	14.0	14.0	13.4	11.6
Credit to the economy, % change	16.1	16.7	13.1	12.6
Refinancing rate, % per annum	9.5	9.75	9.75	9.75
Public finance, % of GDP				
Budget revenues	29.0	28.9	28.9	28.9
tax revenues	25.2	25.2	25.4	25.4
Budget expenditures	28.6	28.2	28.1	28.0
Budget balance («-» deficit / «+» surplus)	0.4	0.7	0.8	0.9
Primary budget balance	2.2	1.9	1.8	1.8
External Sector (B % GDP)				
Current account	-2.5	-2.1	-1.5	-1.3
Foreign direct investment	2.1	1.8	1.8	1.9
NBRB foreign assets*				
USD billions	11.3	10.4	10.3	10.2
months of imports of goods and services	2.7	2.3	2.4	2.3

Note: 2024 budget execution data are provided based on EFSD estimates.

* official reserve assets + other NBRB foreign currency-denominated assets.

Source: National agencies and authors' estimates.



KYRGYZ REPUBLIC

Current Situation

In early 2025, economic growth accelerated due to construction and industry. In Q1 2025, Kyrgyzstan's economy grew by 13.1% YoY (10.0% YoY a year earlier) due to significant growth in construction (+69.0% YoY), mainly in the housing sector (Figure 1). Increases in gold output (+3.4% YoY, about 60% of manufacturing output) and food production (+71.0% YoY) drove manufacturing growth of 16.0% YoY compared with 4.7% a year earlier. In terms of GDP composition based on the expenditure approach, investment in fixed capital accelerated (mainly funded by the republican budget), as did consumption growth (with trade rising by 10.5% YoY). A decline in real imports (by 3.0%, according to our estimates) resulted in net exports¹ making a positive contribution.

Inflation exceeded the upper threshold of the National Bank's target interval. Following a local low in August 2024 (3.8% YoY), the CPI gradually increased, reaching 6.9% YoY in March 2025 (Figure 2) and 7.1% YoY in April, primarily due to rising food prices, particularly vegetables. In March–April 2025, the growth in prices for services and non-food items was subdued, at around 5–6% YoY. Inflation continued to accelerate in May to 8.0% YoY (compared to the target interval of 5–7%) due to a 23.8% hike in electricity tariffs for most consumers from 1 May.

The budget is executed with a record surplus due to the growth of non-tax revenues. The transfer of KGS 45.7 billion (13.9% of GDP) of the National Bank's profits to the republican budget in February 2025 resulted in a republican budget surplus of 14.0% of GDP. Once the factor associated with the regulator's profits is removed², the surplus is 3.2% of GDP (compared to 2.2% a year earlier) (Figure 3). At the same time, tax revenues increased by 0.3 p.p., to 26.1% (for more details, see Box 1), and total expenditures (when the National Bank's profits transferred to the Stabilisation Fund is

¹ Real exports contracted by 6.5% YoY. However, in Q1 2025, merchandise imports exceeded exports by a factor of 5.5; therefore, exports had little effect on net exports.

² The National Bank's profits were used to replenish the Stabilisation Fund (operating expenditures) and the authorised capital of the State Mortgage Company (not counted as expenditures).

Box 1

How does the budget respond to declining transit demand?

Following the hike in the recycling fee in Russia on 1 April 2024, shipments of motor vehicles and spare parts to the Kyrgyz Republic — which accounted for over 20% of imports of goods in 2023 — plummeted (Figure A). The fall in imports had the most significant impact on VAT collection on imports — revenues fell by 2.6 p.p. to 8.6% of GDP (Figure B).

Despite this, tax revenues increased, which was partly due to the favourable external environment, such as high gold prices and increased revenues from import customs duties under the EAEU Treaty. At the same time, revenues related to the domestic market also increased (+1.0 p.p., to 11.1% of GDP), indicating the sustainability of domestic demand. This finding is further supported by the growth in real domestic trade, mainly driven by non-automotive retail (+19.9% YoY).

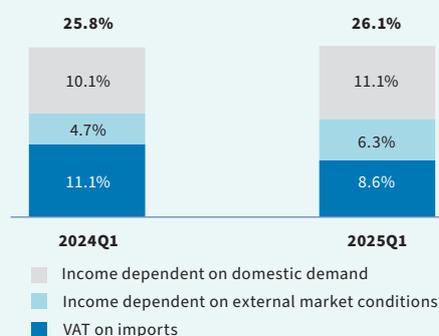
Figure A. Imports of Motor Vehicles and Spare Parts, USD millions



Note: FEACN codes 8703 and 8708 are used.

Source: NSC KR, EFSD estimates.

Figure B. Tax Revenues of the Republican Budget, % of GDP



Note: 1. Revenues dependent on domestic demand: personal income tax, profit tax, sales tax, property tax, etc.

2. Revenues dependent on external factors: income tax on Kumtor mine and other gold mining companies, customs duties, subsoil use taxes.

Source: MoF of the Kyrgyz Republic, EFSD estimates.

disregarded) decreased slightly by 0.1 p.p., to 27.6% of GDP.

The level of external economic stability has improved. The EFSD estimates that the current account deficit narrowed to 51.4% of

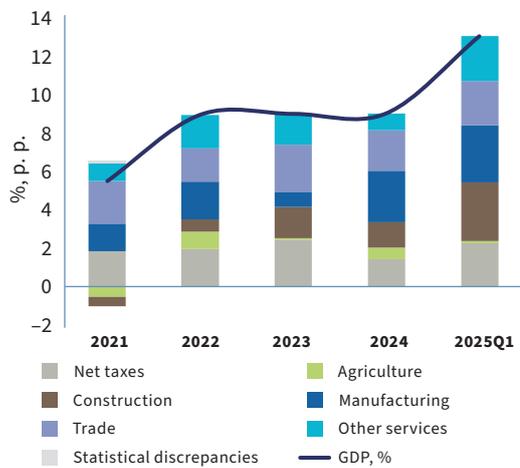
GDP in Q1 2025 (77.2% of GDP a year earlier) (Figure 4), driven by a decline in merchandise imports (in particular, engineering products), as well as strong performance of net remittances (+14.9% YoY). While the KGS/USD nominal exchange rate remained stable, the KGS

depreciated significantly against the RUB as the latter appreciated against the USD. Gross international reserves reached USD 5.4 billion (+56.1% YoY, 4.5 months of imports in relative terms) mainly due to gold.

Medium-Term Outlook

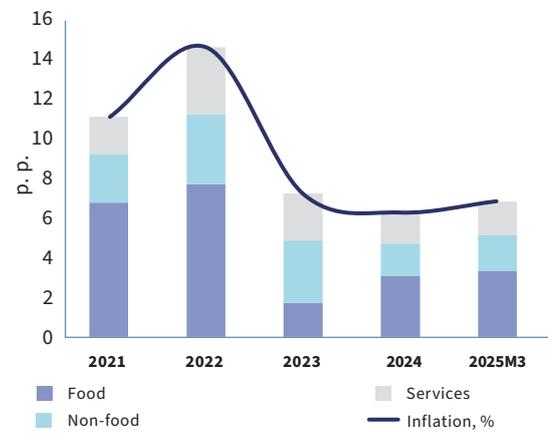
The economic growth forecast for 2025 is revised upwards from 5.9% to 8.1%. The main reason for the 2.2 p.p. upward revision of the 2025 forecast is the sharp growth in construction early this year, which is linked

Figure 1. Contribution to Real GDP Growth (Production Approach)



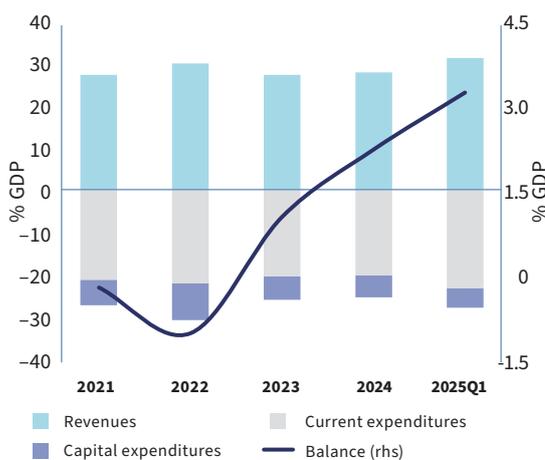
Source: NSC KR, EFSD estimates.

Figure 2. Decomposition of Inflation



Source: NSC KR, EFSD estimates.

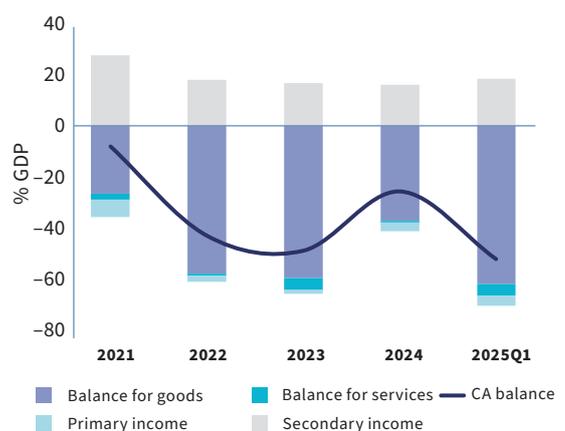
Figure 3. Republican Budget



Note: Indicators for 2025 are given net of the National Bank's profit transfer.

Source: MoF of the Kyrgyz Republic, EFSD estimates.

Figure 4. Current Account of the Balance of Payments



Note: Estimates for Q1 2025.

Source: NBKR, EFSD estimates.

to the State Mortgage Company's start of housing commissioning under the My Home Programme. Meanwhile, the forecast for 2026 and 2027 is unchanged at 5.6% and 5.4%, respectively.

The inflation forecast was revised upwards, closer to the upper end of the National Bank target interval. Despite the CPI overshooting the upper limit of the regulator's target interval in April–May, the expected slowdown in food price growth in the second half of the year will keep inflation within the regulator's target interval. Average consumer inflation is expected at 6.7% in 2025, 6.6% in 2026, and 6.1% in 2027. On average, this is 0.2 p.p. above the previous forecast.

The medium-term budget outlook has worsened slightly. The expected surplus of the republican budget would amount to 2.5% of GDP in 2025 (+0.7 p.p. to the previous forecast) against the background of the transfer of the National Bank's profits to the budget. Meanwhile, similar large non-tax

revenues are not expected in 2026–2027, which could result in a drop of revenues from 27% to 23–24% of GDP. Expenditures were raised to an average of 24% of GDP due to the need to make interest payments on issued Eurobonds, as well as higher transfers to local budgets. As a result, a surplus of 0.3% of GDP is expected in 2026 and a deficit of 0.5% of GDP in 2027.

Faster normalisation of the balance of payments indicators is expected. The key factor in reducing the current account deficit would be a decrease in the volume of machinery imports with stable exports and remittances. As a result, by the end of the medium-term period, the current account deficit would be reduced to 19% of GDP (22% of GDP in the previous forecast). The gross international reserves forecast is revised upwards (from 4.0 to 4.4 months of imports on average) due to a more favourable price environment and active purchases of monetary gold by the National Bank.

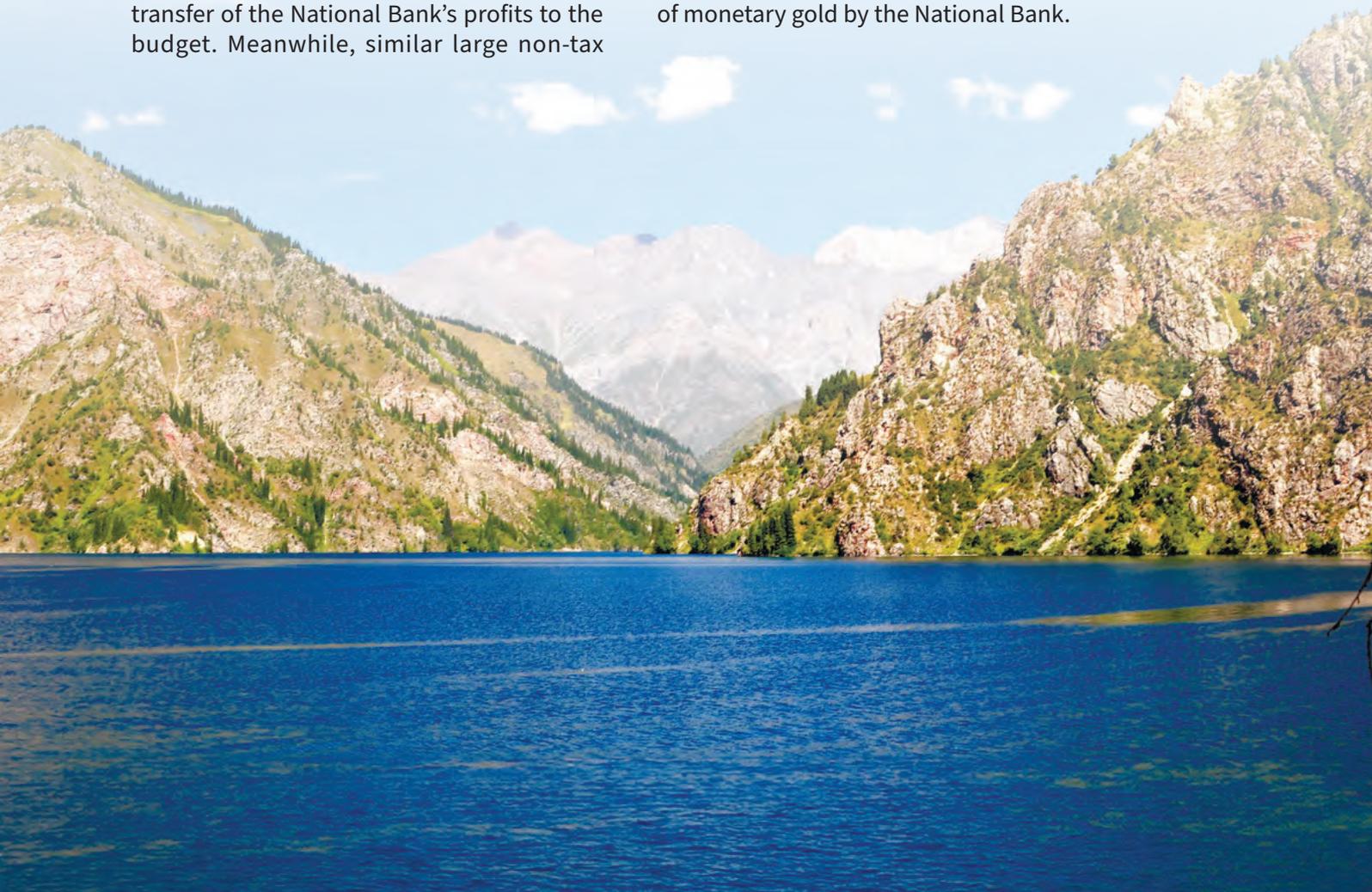


Table 1. Forecast of Key Macroeconomic Indicators

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
National accounts and prices (%)				
Nominal GDP, KGS billions	1 523.2	1 768.4	1 996.8	2 238.9
Real GDP growth	9.0	8.1	5.6	5.4
CPI (December, YoY)	6.3	6.6	6.4	5.9
CPI (annual average)	5.0	6.7	6.6	6.1
Money and credit (eop)				
Broad money supply, YoY	31.9	19.4	10.4	7.3
Credit to the economy, YoY	33.9	13.2	11.2	8.7
Public finance, % of GDP*				
Revenues and grants	27.4	26.5	23.1	21.7
tax revenues	20.7	18.7	18.1	16.9
Budget expenditures	25.2	24.0	22.8	22.1
Budget balance («-» deficit / «+» surplus)	2.3	2.5	0.3	-0.5
External sector (% of GDP)				
Current account	-25.3	-21.5	-21.3	-18.7
Export of goods and services	47.2	38.8	38.8	37.6
Import of goods and services	85.0	72.8	74.2	71.0
Remittances	15.9	14.7	15.1	13.9
Foreign direct investment («-» inflows)	-3.3	-2.7	-3.5	-4.2
Gross reserves, in months of imports of goods and services of the current year	4.1	4.9	4.3	3.9

Note: *Republican budget indicators are given for revenues, expenditures, and budget balance.

Source: National agencies and EFSD estimates.

Current Situation

Tajikistan's economy continued to grow at a high rate. Preliminary estimates show that real GDP growth in Q1 2025 remained at the same level as in Q1 2024 — 8.2% YoY. Statistical indicators based on the real sector output (retail trade, paid services to households)¹ show that the key growth factors were consumer demand supported by growing remittances, real wages, inventories, and exports. Fixed capital investment declined by 10.1% YoY in Q1 2025, largely due to lower investment in the power and extractive sectors. However, in April, significant growth in investment in recreation, culture and sports, as well as higher investment in the power sector, contributed to a 10.6% YoY increase in total fixed capital investment for the first four months of 2025.

Service sectors were the primary drivers of economic growth in Q1 2025 (Figure 1). The contribution of the transport services sector to GDP growth was 2.3 p.p., wholesale and retail trade — 1.5 p.p., other services — 1.5 p.p. Industry contributed 1.2 p.p. to GDP on the back of continued strong growth in metal ore mining (80% YoY). Meanwhile, growth in manufacturing slowed to 2.1% YoY from 10.5% in Q1 2024, driven by a decline in manufacture of metal products (-8.1% YoY) compared with the high base in Q1 2024. Construction growth slowed to 1.1% YoY² compared to growth of 16.7% in Q1 2024. Electricity generation grew by 7.1% YoY.

Consumer inflation in April was near the lower end of the NBT target interval. In April 2025, consumer price growth was 3.6% in annual terms, with the NBT target at 5±2% for 2025 (Figure 2). The contribution of food inflation increased by 0.3 p.p. compared to December 2024 — despite lower prices for flour (-11.7% YoY) and sugar (-8.4% YoY), beef and lamb prices increased by 24% and 23.8% respectively, while egg prices went up by 10.4%. The contribution of non-food items to consumer inflation decreased due to a lower contribution of fuel.

¹ Statistics of the System of National Accounts from the demand side will be published at a later date.

² The contribution of construction to GDP growth in Q1 2025 fell to 0.1 p.p., representing growth of 1.1% YoY.



TAJIKISTAN

Against a backdrop of low consumer inflation, the NBT continued to cut the refinancing rate. On 5 May 2025, the interest rate was cut by 0.5 p.p., to 8.25%, following a reduction in February 2025 (-0.25 p.p.).

Preliminary data on the state budget execution in Q1 2025 show a significant increase in the surplus due to the growth of non-tax and tax revenues. The state budget surplus was 4% of GDP (1.3% of GDP a year earlier) (Figure 3). Tax revenues increased by 2.2 p.p. to 28.0% of GDP, while non-tax revenues increased by 3.1% of GDP. Total spending rose by 2.1 p.p. to 35.1% of GDP.

The increase in migrant remittances (65% YoY) contributed to the current account surplus, compared to a deficit in Q1 2024 (Figure 4). The current account surplus was 15.3% of GDP in Q1 2025 (compared with a deficit of 4.4% of GDP in Q1 2024). The current account surplus was driven by significant inflows under the labour income (up 14.4% of GDP YoY) and secondary income accounts (up 4.1% of GDP YoY) (migrant remittances). The significant inflow of remittances in Q1 could be attributable to the tightening of migration legislation in Russia³. The trade deficit narrowed by 0.1 p.p., to 49.4% of GDP, compared to Q1 2024. This was driven by the following factors: growth of imports of goods by 3.4 p.p. — imports of vehicles, machinery, and equipment increased significantly — and services by 0.5 p.p., as well as a decrease in exports of services by 0.5 p.p. off-set by an increase in exports of goods by 4.5 p.p. — due to the growth of exports of mineral products and non-precious metals.

³ According to the legislation of the Russian Federation, all labour migrants who have not legalised their stay in Russia will have to leave the country. At the end of April 2025, the legalisation deadline was extended from 30 April 2025 to 10 September 2025, see at: <https://asiaplustj.info/ru/news/tajikistan/power/20250429/chtobi-vse-uspeli-putin-prodlil-inostrantsam-srok-legalizatsii-v-rossii> (in Russian)

With the large current account surplus, capital outflows under the financial account increased. Net outflows under the financial account rose to 7.6% of GDP, up from 3.6% of GDP in Q1 2024. The increase in outflows was largely due to the repayment of Eurobonds by the Government of Tajikistan in March 2025. The USD depreciation against world currencies led to the TJS appreciating against the USD (by 2.2% between December and April). The EFSD estimates that the TJS real effective exchange rate depreciated by 0.1% YoY in January–April 2025.

A significant inflow of migrant remittances and the growth of world gold prices contributed to an increase in the National Bank's foreign assets. In January–April 2025, official reserves and other NBT assets in foreign currency (including monetary gold and RUB assets) increased by USD 163 million (in the USD equivalent).

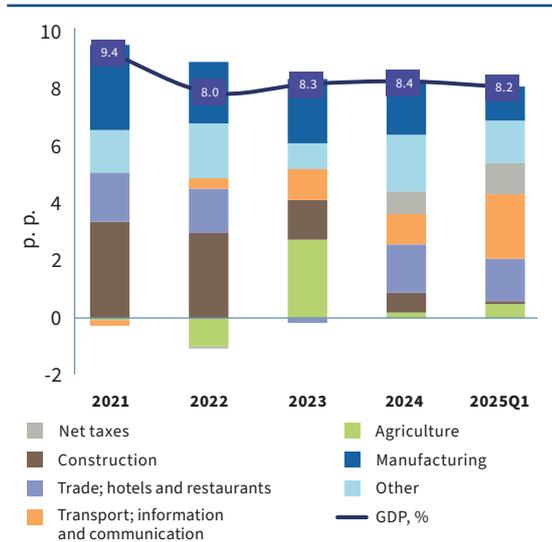
Medium-Term Outlook

The estimate of real GDP growth in the Republic of Tajikistan for 2025 is unchanged⁴. The forecast for average annual inflation has been revised downwards, from 5.5% to 4.6%, given the current developments and lower global food prices. The current account surplus forecast was revised upwards by 2.1 p.p., to 4.6% of GDP, to accommodate the growing remittance inflows. However, we expect the rate of growth in remittances to slow towards the end of the year.

The key parameters of the updated medium-term macroeconomic outlook have not been revised much. Monetary and fiscal policies would be aimed at maintaining macroeconomic balance and fiscal stability. The economy is still expected to grow at around 7% in 2026–2027. The growth would be decelerating against

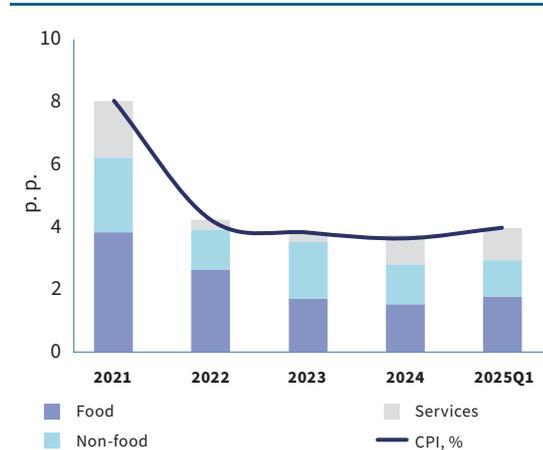
⁴ The lack of GDP estimates by quarter (only cumulative totals are presented) limits the ability to prepare calculations, estimates, and forecasts.

Figure 1. Decomposition of GDP Growth (Production Approach)



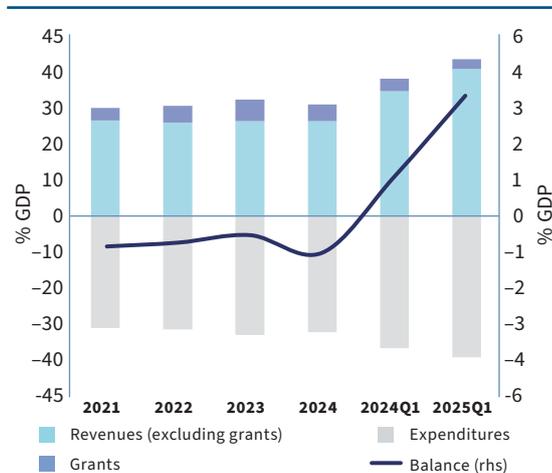
Source: Tajstat.

Figure 2. Decomposition of Inflation



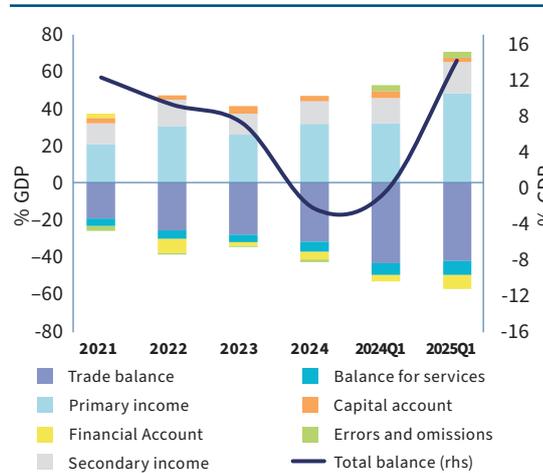
Source: Tajstat.

Figure 3. State Budget



Source: Tajstat, Ministry of Finance of the Republic of Tajikistan.

Figure 4. Balance of Payments



Source: Tajstat, NBT.

the backdrop of a slowdown in the Russian economy and declining migrant remittances. Consumer inflation would remain within the NBT target — 4.9% in 2026 and 5% in 2027.

The medium-term budget deficit forecast has been revised upwards due to higher costs associated with the construction of the Rogun HPP. However, the state budget deficit is expected to remain within the limits that

ensure a constant level of public debt⁵. A 1 p.p. reduction in the VAT rate in 2027 would have a negative impact on tax revenues. The fiscal deficit is projected at 1.3% of GDP in 2026 and 1.6% of GDP in 2027.

⁵ Under the baseline scenario, in the medium term, the budget deficit, at which the level of public debt does not grow, would be 2.5% of GDP.

The current account surplus would be replaced by a deficit in 2027 on the back of the expected decline in inflows under the labour income and secondary income accounts. In 2026, a gradual decline in inflows under the labour income and secondary

income accounts (as a percentage of GDP) would push the current account surplus down to 1.8% of GDP in 2026 (a deficit of 0.2% of GDP in the previous forecast round) and back to a deficit of 0.2% of GDP in 2027 (0.8% of GDP in the previous round).



Table 1. Forecast of Key Macroeconomic Indicators

	2024 Actual	2025 Estimate	2026 Forecast	2027 Forecast
National accounts and prices				
Nominal GDP, TJS billions	153.4	172.5	193.7	217.1
Real GDP growth, %	8.4	7.5	7.1	6.7
CPI (December, YoY), %	3.6	6.3	3.7	5.7
Money and credit (eop)				
Broad money supply, % change	14.1	12.4	12.3	12.1
Public finance (% of GDP)				
Revenues and grants	27.7	27.4	26.3	25.1
of which tax revenues	19.0	18.9	19.0	18.5
Budget expenditures	29.1	29.2	27.7	26.6
Current expenditures	21.0	19.7	18.8	18.8
Capital expenditures	8.1	9.4	8.9	7.9
Budget balance («-» deficit / «+» surplus)	-1.4	-1.7	-1.3	-1.6
External sector (% of GDP)				
Current account	6.2	4.9	1.8	-0.2
Remittances	44.7	40.0	37.0	35.0
Foreign direct investment	1.3	1.3	1.3	1.3
Gross reserves, months of imports of goods and services of the current year	7.5	7.6	7.7	7.7

Source: National agencies and authors' estimates.

RISKS TO THE BASELINE SCENARIO

External Sector

The key risks in the global economy are related to trade and geopolitical conflicts, as well as high volatility in global financial and commodity markets. If these factors get worse, many major economies could experience a deeper slowdown in business activity compared to the forecast. In the U.S., further escalation of uncertainty could lead to changed behaviour of economic agents and a more pronounced slowdown in investment and consumer activity. Meanwhile, the import tariffs imposed could lead to faster price increases for imported goods, complicating the efforts of the FRS to combat inflation. The high degree of integration into global supply chains makes both China and the eurozone vulnerable to trade conflicts and potential slumps in exports and investment.

A slowdown in industrial production amid weaker global demand would cause oil and metal prices to fall. At the same time, higher production by OPEC+ countries could lead to a surplus in the oil market, which would trigger a drop in prices. However, escalating conflicts in the Middle East could disrupt supplies and cause prices to spike. While the former scenario is adverse for Russia and Kazakhstan as it puts pressure on their budget systems and local currency exchange rates, the latter scenario carries more risks for most of other oil-importing EFSD member countries.

Russia

Risks for the Russian economy are related to its overcooling caused by a sharp contraction in domestic demand. The major threat is weaker investment activity in the context of growing economic uncertainty and credit rates remaining above the profitability threshold of many industries, coupled with a shortage of companies' own funds, particularly against the backdrop of advanced wage growth. Consumer activity may slow faster than forecast due to a contraction in lending, both consumer and mortgage, amid persistent high borrowing costs.

Although inflation is gradually receding, inflation expectations remain elevated, creating the risk of a new round of price increases. An additional pro-inflationary factor could be potential sharp RUB

depreciation caused, among other things, by advanced growth of imports, with a parallel decline in export revenues due to falling prices for oil and other commodities. The risks associated with a tight labour market persist, with record-low unemployment and skills shortages capable of sustaining elevated wage growth, even in a slowing economy.

External risks are primarily related to commodity market trends — a decline in prices for oil, metals, wheat, and other commodities could result in significantly lower budget revenues and weaker trade balance.

Kazakhstan

Risks remain due to the high dependence of economic growth on the commodity sector, namely the expansion of production at the Tengiz oil field and its multiplier effect on other sectors such as transport and trade. Internal disruptions in the implementation of “Tengizchevroil LLP” (TCO) projects, high volatility in global oil prices, and weaker external demand amid deteriorating global conditions and in the economies of key trading partners could dampen business activity and budget revenues.

Continued administrative price hikes in the housing and utilities sector, the adoption of the new Tax Code with the VAT rate raised to 16%, and changes in the minimum turnover threshold for VAT registration, as well as accelerated growth in prices of paid services against the backdrop of higher housing and utility tariffs and food prices, are creating more persistent inflationary pressures that could be reinforced by expansionary fiscal policy. Increased fiscal spending in the second half of the year through the quasi-public sector, given the plans announced by the Government to achieve economic growth of 6%, could strengthen domestic demand and pressure on prices.

The upside risks for the baseline scenario could include both more active fiscal stimulus from the state budget through increasing investment in fixed capital and supporting domestic demand, and rising oil prices against the backdrop of geopolitical instability.

Increasing global geopolitical instability has caused capital outflows from emerging markets. Risks of further capital outflows could put pressure on the financial account and the foreign exchange market, given the significant percentage of foreign investors in government securities.

Armenia

The baseline forecast for 2025–2027 is subject to diverging internal and external risks.

Over the past three years, Armenia’s economy has demonstrated a structural shift towards the non-traded sector, accompanied by consistent AMD appreciation. This poses risks to sustainable growth — increasing dependence on domestic demand and enhanced probability of local currency depreciation in the event of external shocks due to its current overvaluation.

Against the background of the observed overheating of the property market, risks of a slowdown in the construction sector and a decline in housing prices remain. This, in turn, may have a restraining effect on related sectors.

The launch of the Amoulsar mine in November 2025 could be a positive deviation from the baseline forecast (according to the CBA’s estimates, the additional contribution to GDP growth will be about 1–2 p.p.).

In the context of rising prices for imported food products and faster depreciation of the real effective exchange rate of the local currency, inflation risks overshooting the CBA target interval.

In the fiscal sector, there are still risks associated with the costs of supporting people resettled from Nagorno-Karabakh¹.

Belarus

The key risk for Belarus is still the prospect of external shocks resulting from the cumulative negative impact of sanctions and the uncertainty surrounding the economic situation in Russia. In the current climate, the expansion of industrial output through a build-up of inventories amid falling external demand carries risks of reduced working capital for enterprises, increased pressure on the BYN exchange rate, and a subsequent surge in inflation.

An important factor of uncertainty in the medium-term forecast is the effect of growing investment on the country's economic potential, opportunities for enterprises to enter new markets, expand exports, and improve labour productivity. If investment is used effectively, economic growth can be expected to accelerate in the medium term through the expansion of the economy's productive capacity.

Measures taken by the authorities to rapidly reduce price controls are likely to have short-term effects, causing higher than expected inflation. However, in the medium to long term, these measures will have a favourable effect on business activity.

Kyrgyz Republic

As transit demand shrinks, GDP growth continues to accelerate, which could be a sign that the economy is overheating. This is evident from the advanced growth in real incomes, falling unemployment, and rising inflation.

¹ In March 2025, around 22,000 people from Nagorno-Karabakh were officially registered as employed (approximately 50% of Nagorno-Karabakh's able-bodied population).

Inflation risks associated with several non-monetary factors are growing. Hikes in administrative prices (electricity tariffs) create persistent inflationary pressure, estimated at 0.6–0.7 p.p. per year. If food prices increase more quickly than expected (driven by unfavourable factors) and the current monetary policy parameters remain unchanged, the annual inflation rate is likely to overshoot the upper limit of the target interval.

There are still risks associated with budget financing of large-scale programmes of additional capitalisation of state-owned companies in the energy, banking, and construction sectors, as well as infrastructure mega projects such as Kambar-Ata HPP-1 and the China-Kyrgyzstan-Uzbekistan railway. Significant growth in these expenditures could result in budget financing gaps.

A new long-term risk to the budget is the USD 700 million Eurobond issued in May 2025. Servicing it will require about 1% of the annual revenues from the republican budget; repaying it in 2030 will take 12% of revenues.

The external sector is dominated by risks related to remittances. According to the legislation of the Russian Federation, all labour migrants who have not legalised their stay in Russia by 10 September 2025 will have to leave the country. Problems with the legalisation of around 70,000 migrant workers from the Kyrgyz Republic² could result in a fall in remittances of 2% of GDP, put increased pressure on the labour market, and reduce the living standards of the population. Pressures on the balance of payments could necessitate interventions, potentially reducing the gross international reserves and worsening the external stability.

² See address by the Minister of Foreign Affairs of the Kyrgyz Republic at: <https://mfa.gov.kg/ru/osnovnoe-menyu/press-sluzhba/novosti/informacionnoe-soobshchenie-ministra-inostrannyh-del-zheenbeka-kulubaeva-povodu-isklyucheniya-sootechestvennikov-nahodyashchih-sya-v-rossii-iz-chyornogo-spiska> (in Russian)

Tajikistan

The sustainability of the balance of payments remains at high risk in the event of a decline in migrant remittances and a drop in commodity exports should the external environment deteriorate. Possible problems with the legalisation of about 120,000 migrant workers from Tajikistan³ could lead to a drop in remittances by 2–4% of GDP in 2025 and, as a consequence, to deteriorating living standards of the population.

Financing the completion of the Rogun HPP, the largest infrastructure project, poses risks to fiscal and debt sustainability due to potential significant cost overruns and need for increased public spending in other areas within limited fiscal space. In addition, there are continued risks to the completion of the financial recovery of the power sector (in terms of tariff increases, payment collection, and reducing electricity losses), which could pose further risks to fiscal and debt sustainability beyond 2027.

³ <https://asiaplustj.info/ru/news/tajikistan/laworder/20241021/bolee-120-t-i-s-yach-tadzhikistantsev-vneseni-v-spisok-narushitelezakona-v-rossii> (in Russian)

ABBREVIATIONS

Armstat	Statistical Committee of the Republic of Armenia
BEA	Bureau of Economic Analysis
Belstat	National Statistical Committee of the Republic of Belarus
BLS	Bureau of Labour Statistics
BNS ASPR RK	Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan
CBA	Central Bank of the Republic of Armenia
CPI	consumer price index
EAEU	Eurasian Economic Union
ECB	European Central Bank
Eurostat	European Statistical Office
FEACN	Foreign Economic Activity Commodity Nomenclature
FRS	U.S. Federal Reserve System
GDP	gross domestic product
HPP	hydroelectric power plant
IMF	International Monetary Fund
MoF	Ministry of Finance
National Fund	National Fund of the Republic of Kazakhstan
NBKR	National Bank of the Kyrgyz Republic
NBRB	National Bank of the Republic of Belarus
NBRK	National Bank of the Republic of Kazakhstan

NBS	National Bureau of Statistics of China
NBT	National Bank of Tajikistan
NSC KR	National Statistical Committee of the Kyrgyz Republic
OPEC+	Organisation of Petroleum Exporting Countries plus other oil-producing countries, formed in late 2016
PMI	Purchasing Managers Index
REER	real effective exchange rate
SAAR	seasonally adjusted annual rate
Tajstat	Agency on Statistics under the President of the Republic of Tajikistan
TCO LLP	Tengizchevroil, Limited Liability Partnership
TONIA	Tenge OverNight Index Average
U.S.	United States of America
% YoY	annual growth rate
bps	basis points
p.p.	percentage point
QoQ	quarter-on-quarter
USD	U.S. dollar
USD/tonne	USD per tonne
USD/XAU	U.S. dollars per ounce
YoY	year-on-year



www.efsd.org

