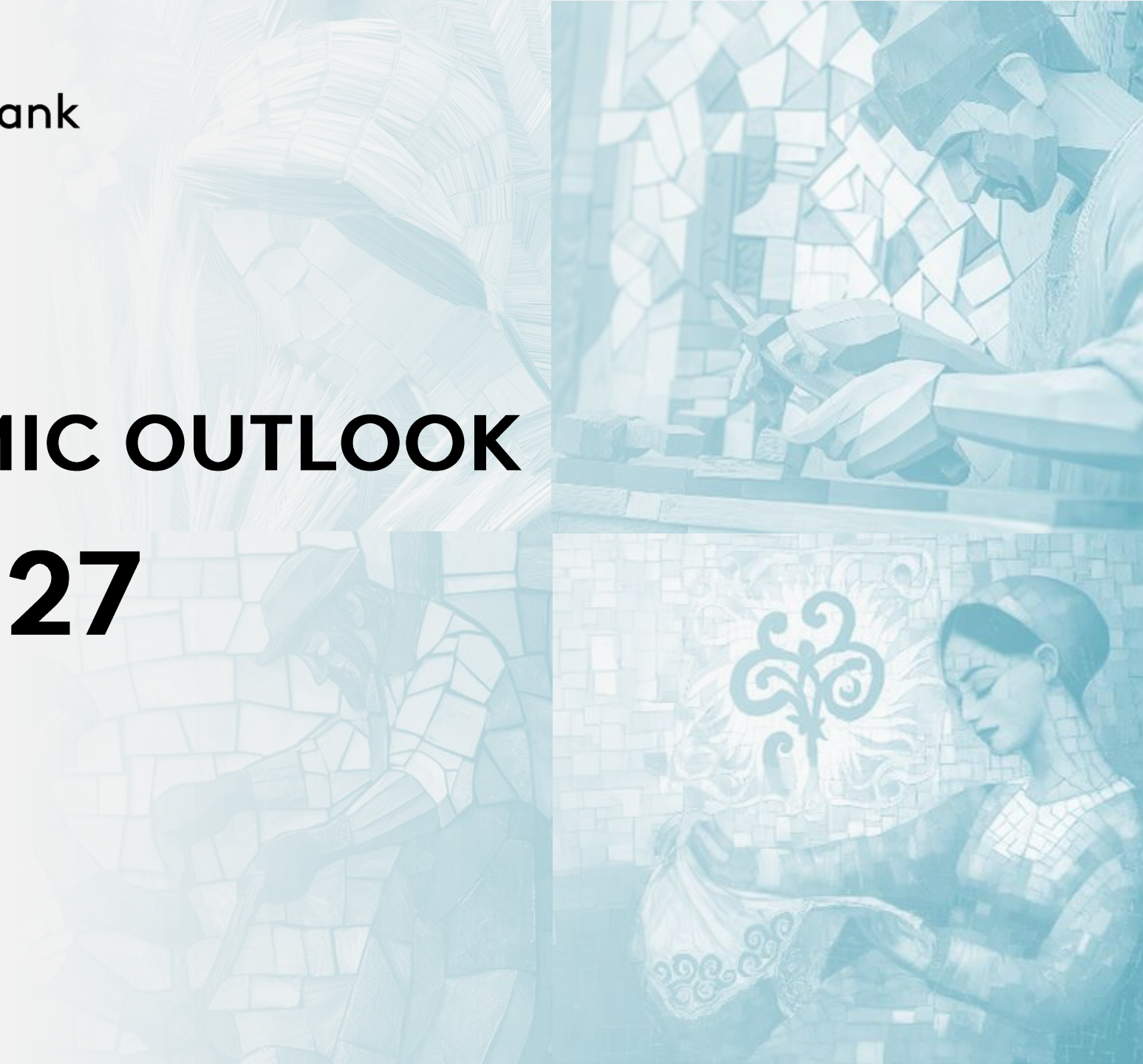




Eurasian Development Bank

MACROECONOMIC OUTLOOK 2025 – 2027



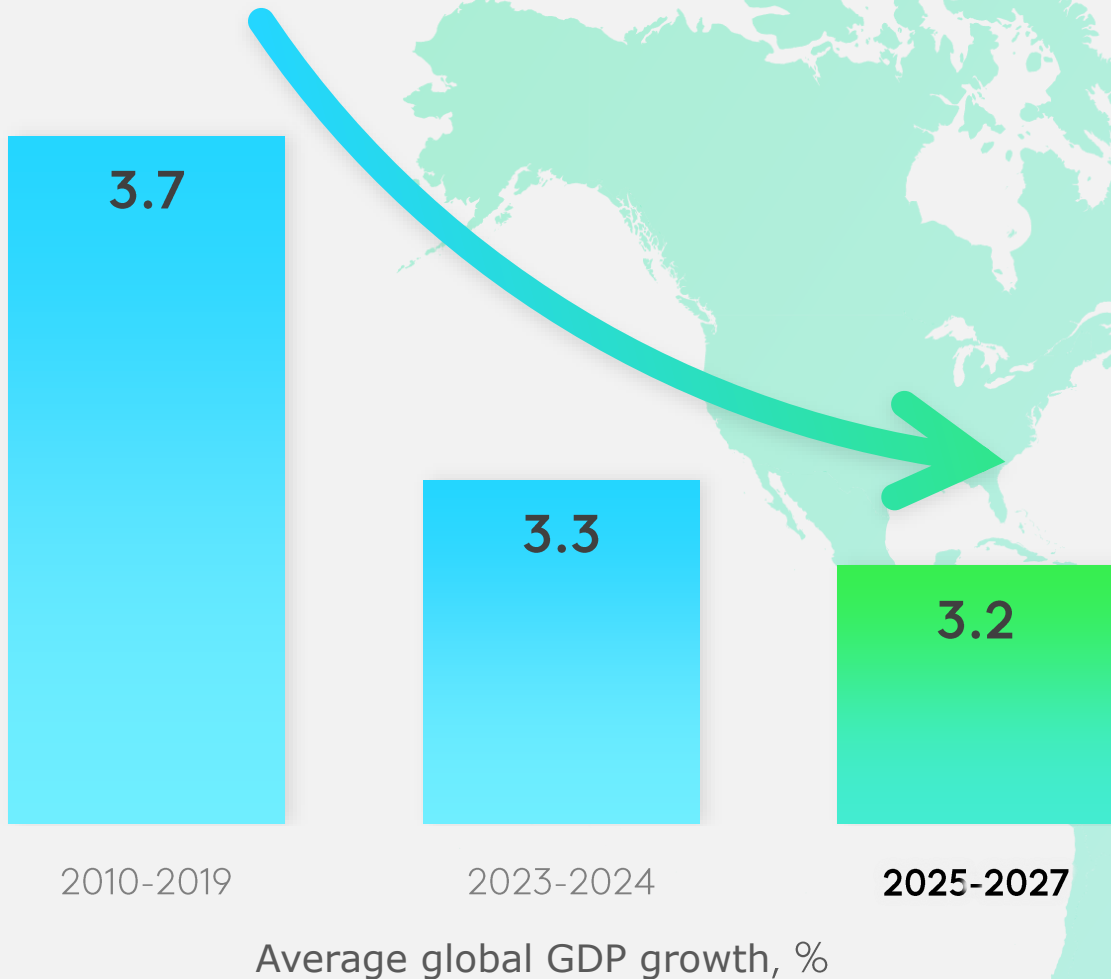
Macroeconomic Outlook

External Economic Conditions



Global economy

2025 – 2027



Growth will remain around 3%

our forecast is 3.2% 2025

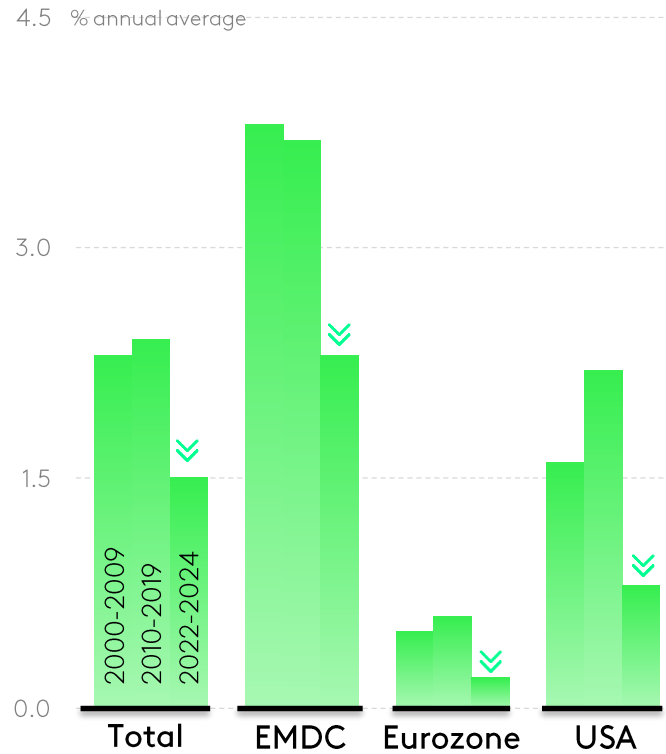
however it will be lower than in previous years

Global economic growth slowdown factors

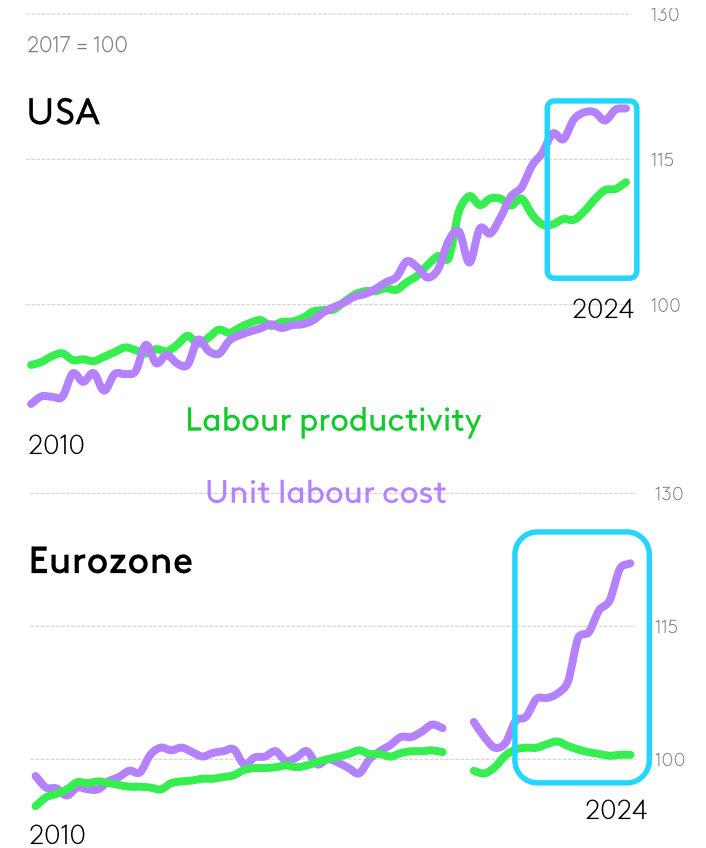
International trade is no longer driving the global growth



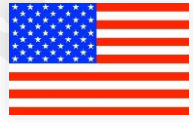
Labour productivity growth slowdown



Wages outpace productivity growth



USA



Gradual deceleration of economic growth to 1.6% in 2025 from 2.8% in 2024

The lowest growth rates in the last 10 years excluding crisis episodes

Factors:

Contraction of fiscal stimulus

Consumption and investment growth slowdown

Interest rates decrease

Eurozone



Gradual recovery of economic activity

We forecast GDP to grow by 1.1% in 2025

Factors:



Interest rates decrease



Recovery of industrial production

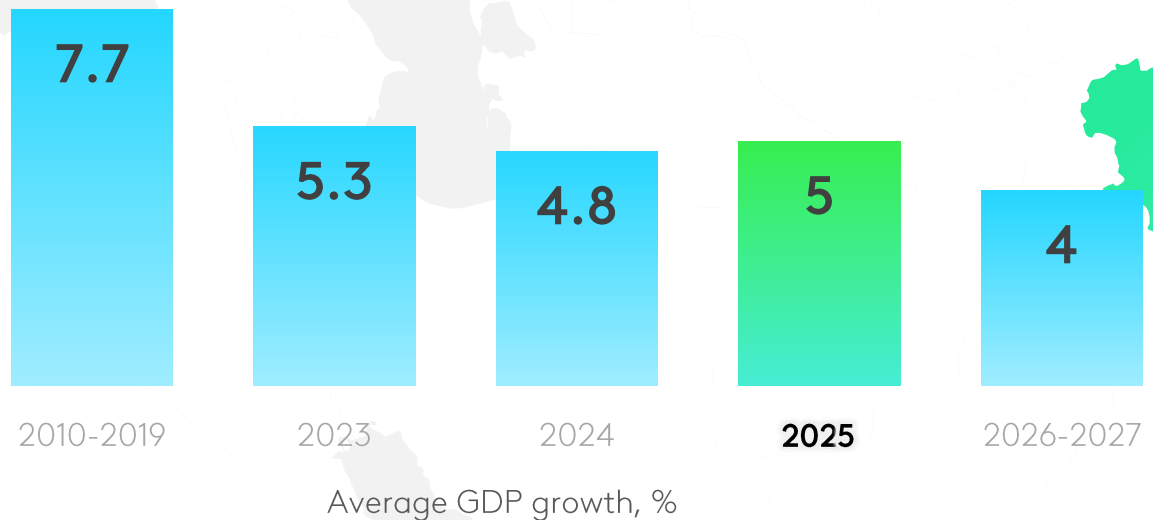


Growth of consumer spending

China



**Economic growth
will accelerate to
5% in 2025**



Factors:



Stimulative measures
by government



Highly indebted
construction sector

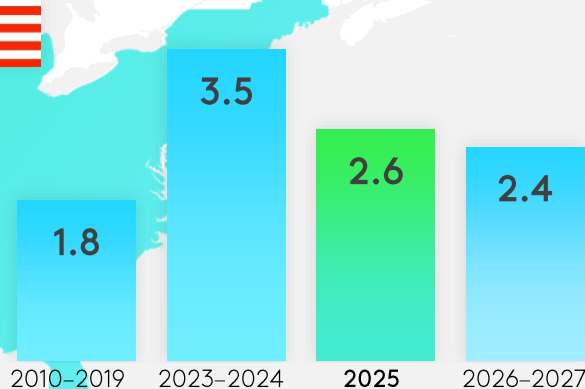


Low consumer
spending

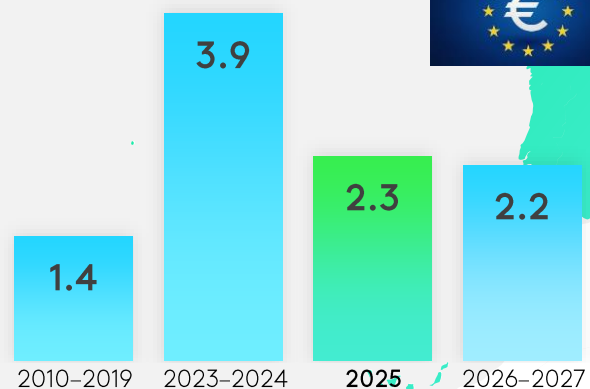
Inflation will remain above the 2% target in the US and Eurozone

Risks of inflation acceleration remain high

USA



Eurozone



2%

Average inflation, %

Factors:



Growing costs against the backdrop of global economic fragmentation



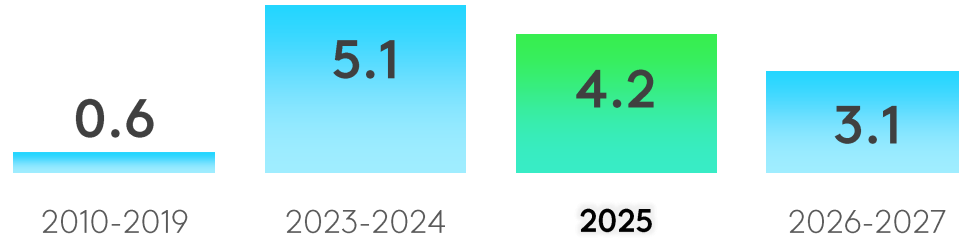
Wage growth



Uncertainty around regional conflicts

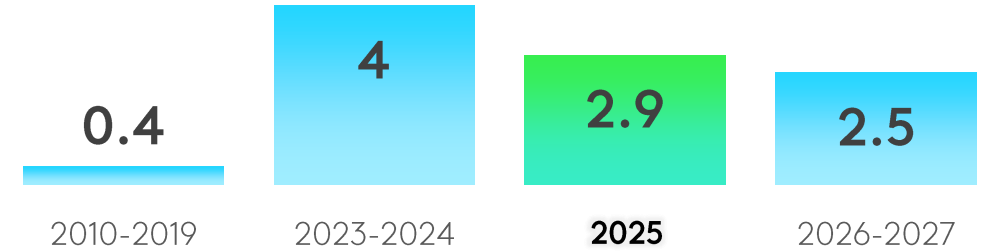
Interest rates will stay elevated

 USA



Average key interest rate % per annum

Eurozone 



Average key interest rate % per annum

Factors:

Rising public and corporate debt refinancing costs

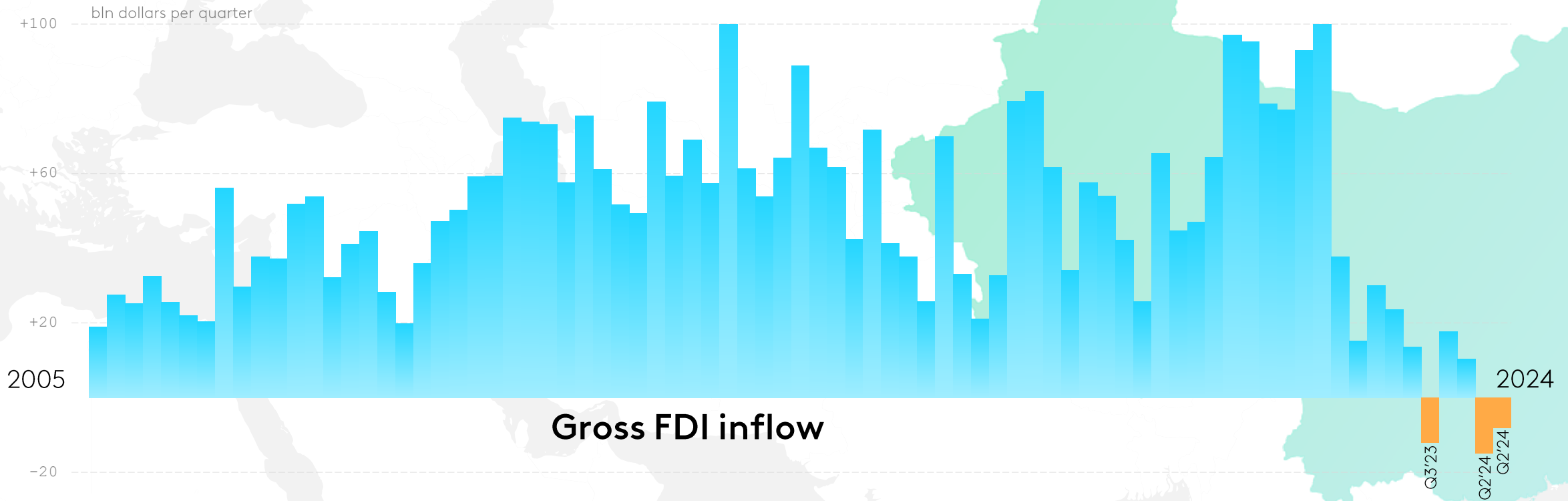
Deceleration of price growth

Slowdown of economic activity

Fed and ECB will continue to decrease the interest rates despite the risks of accelerating inflation

Continued decline of FDI inflow to China

China 



Risks:

Long-term economic growth slowdown, decrease of competitiveness of the economy

Balance of payments deterioration, weaker exchange rate



Eurasian Development Bank

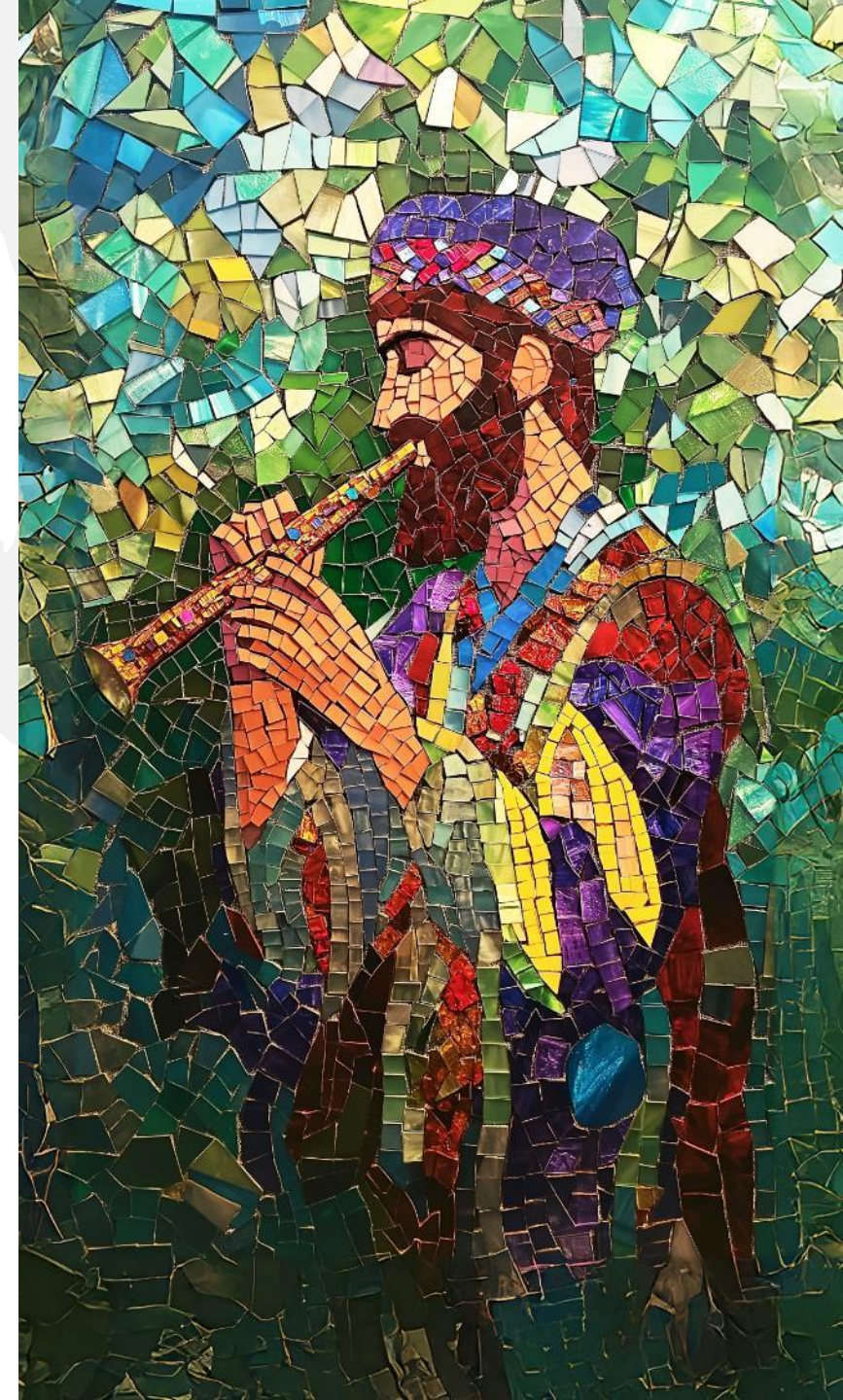
Macroeconomic outlook

Country forecasts



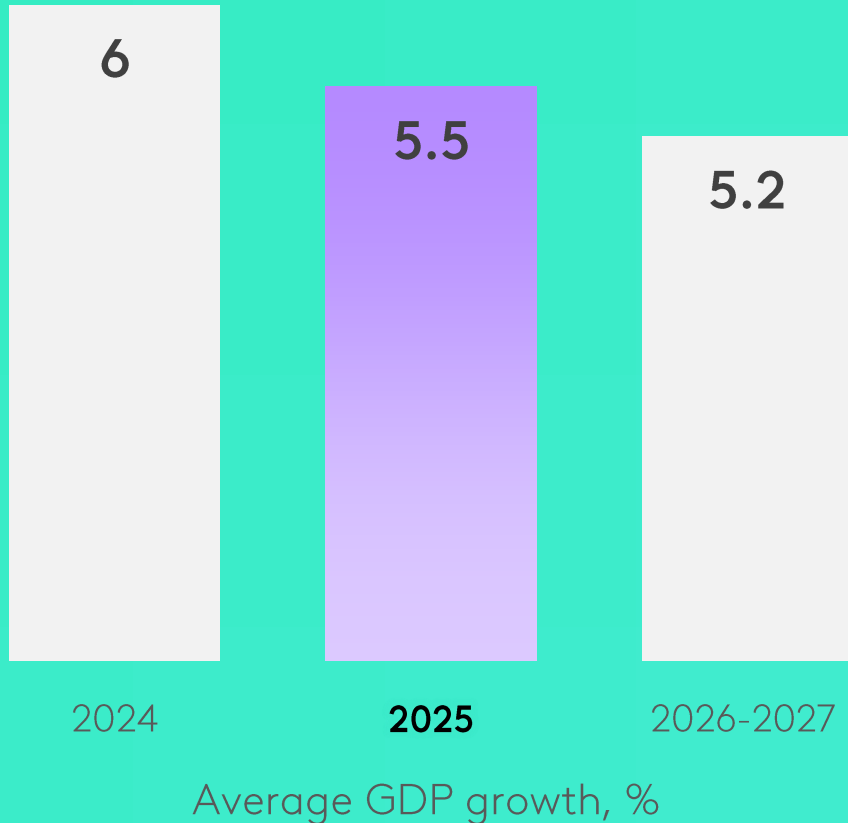
Macroeconomic outlook

Republic of Armenia





Republic of Armenia



Economic growth close to the potential after high rates in 2022- 2023

Factors:



Growth of external demand



Stimulative fiscal policy



Impact of the refinancing rate cut

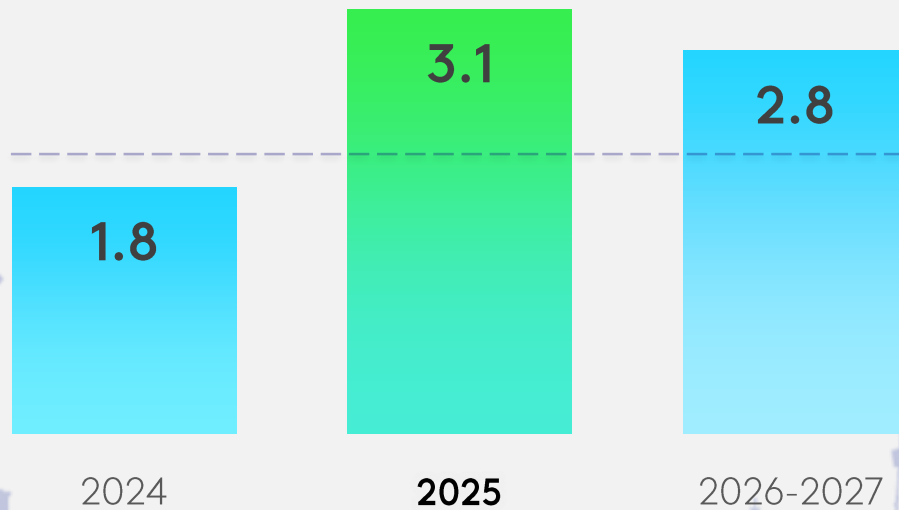


Return to balanced growth path



Republic of Armenia

4±1.5%



Inflation, % YoY

4±1,5%

Inflation target range of CB RA

Inflation will return to the target range of CB RA in the 1st quarter of 2025

Factors:



Stimulative fiscal policy



Recovery of global food price growth



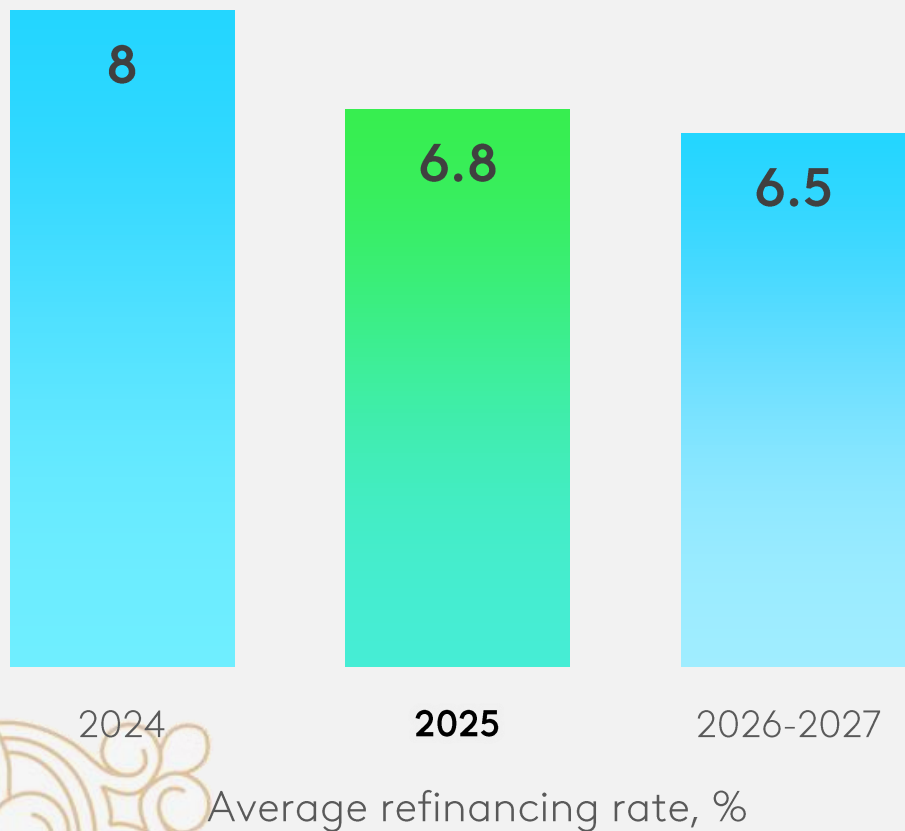
Impact of the refinancing rate cut over the last 1.5 years



Moderate depreciation of the dram exchange rate



Republic of Armenia

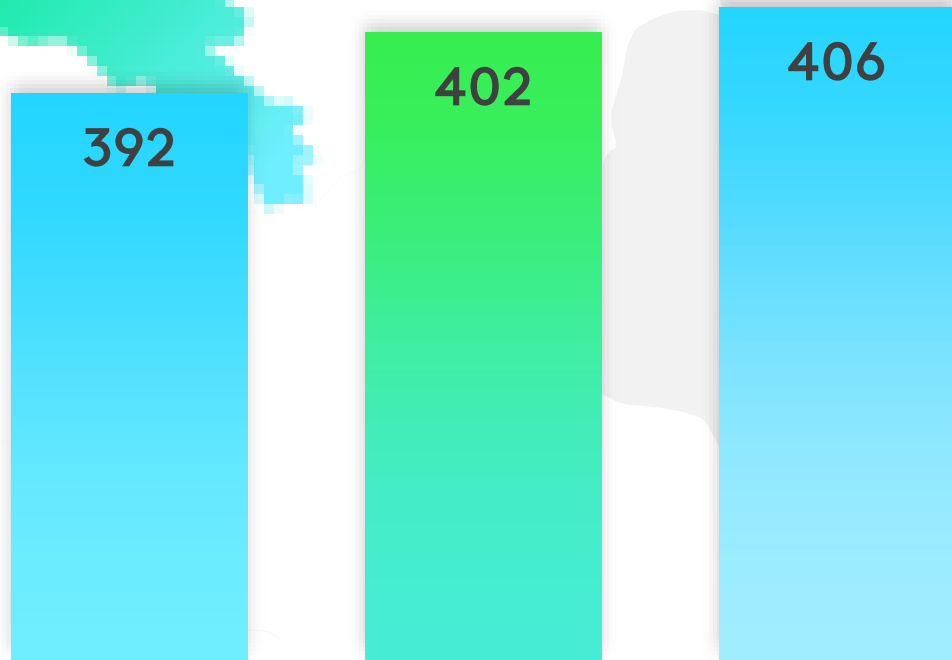


The refinancing rate cut cycle to be completed in the first half of 2025

Refinancing rate at the end of 2025 - 6.75%



Republic of Armenia



2024

2025

2026-2027

Average exchange rate, dram per US dollar

Moderate depreciation of dram exchange rate

Factors:



Economic growth slowdown



Declining money market lending rates



Imports will grow faster than exports



Tourist activity



Net inflow of remittances

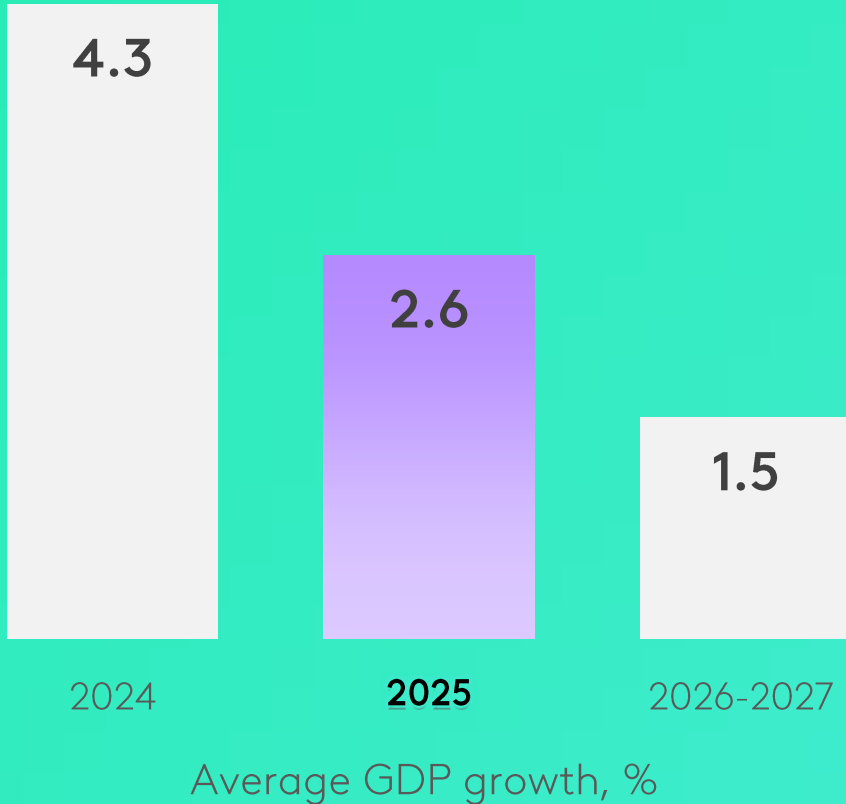
Macroeconomic outlook

Republic of Belarus





Republic of Belarus



Economic growth will stay high in 2025

Factors:



High demand from Russia



Growth of household income - growth of domestic demand



Investment increase



Retention of credit accessibility



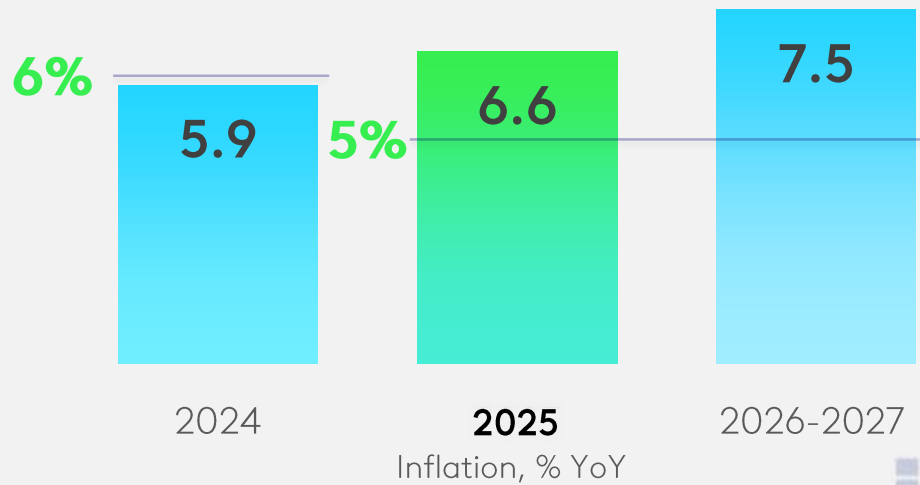
Higher competition in Russian market



Supply shortage in labour market



Republic of Belarus



Gradual acceleration of inflation over the forecast horizon

Relaxation of price regulation in order to reduce accumulated imbalances

Факторы:



Imported inflation on the backdrop of high prices in Russia



Depreciation of Belarusian ruble



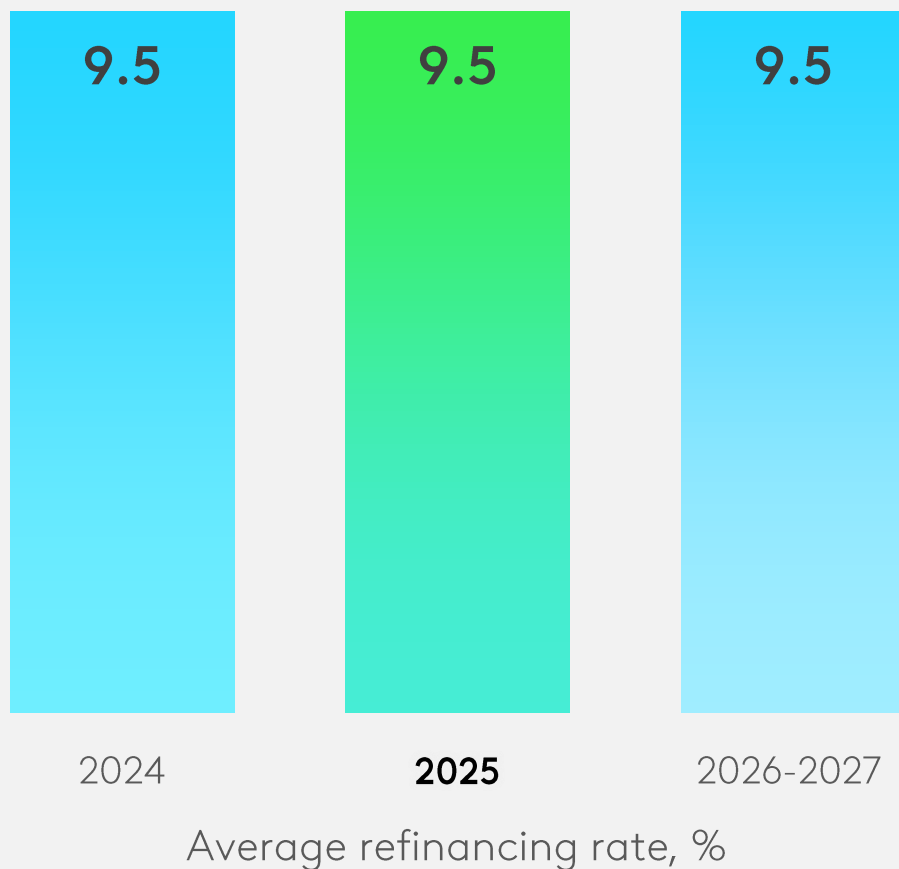
Wage growth



Administrative regulation of prices



Republic of Belarus

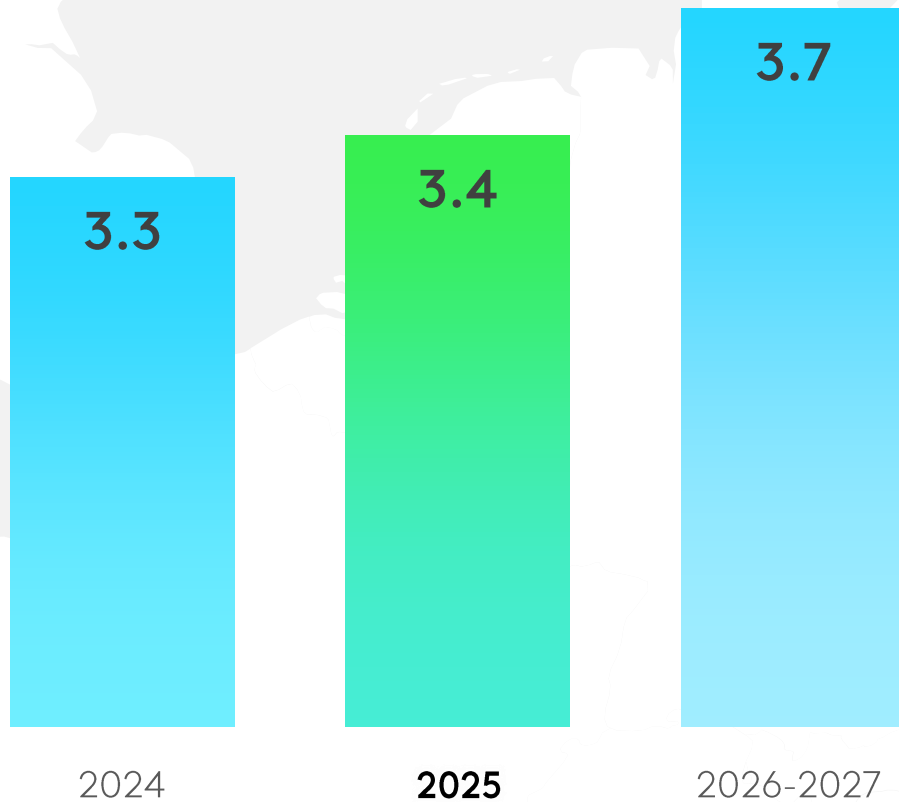


**The National Bank will
keep refinancing rate
unchanged,**

balancing economic growth support
and inflation reduction



Republic of Belarus



Average exchange rate, Belarusian ruble per US dollar

Gradual depreciation of Belarusian ruble

Factors:



Imports increase backed by consumer activity



Exchange rate depreciation in the key trading partner - Russia



Continued net supply of foreign exchange in the domestic foreign exchange market

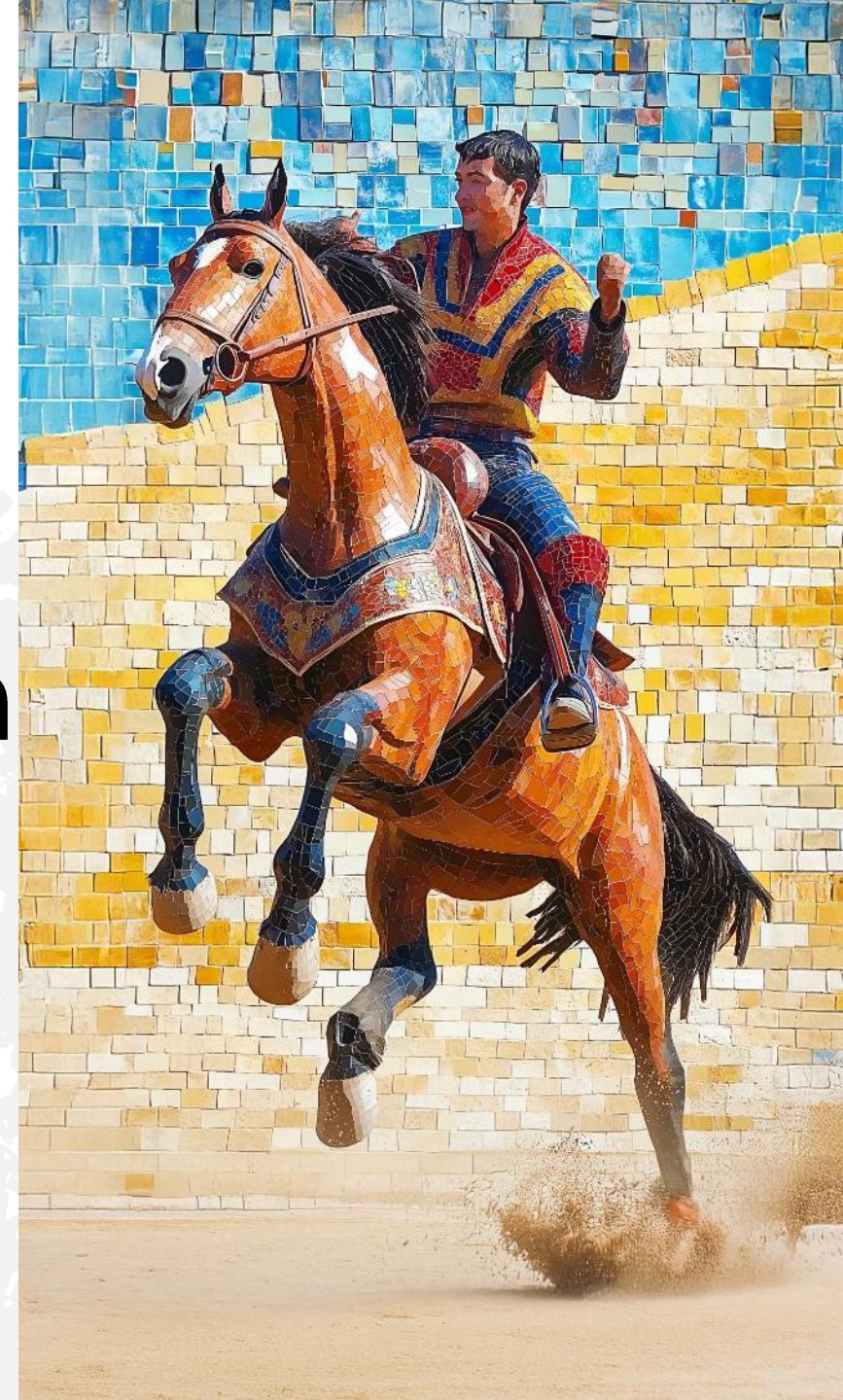


Export growth



Macroeconomic outlook

Republic of Kazakhstan





Republic of Kazakhstan



Higher GDP growth rates in 2025

Increase of economy's potential

Steady growth in forecast horizon

Factors:



Government initiatives

regional development, infrastructure investment



Stimulative fiscal policy



Launch of new capacity at the Tengiz field



Increase of manufacturing output



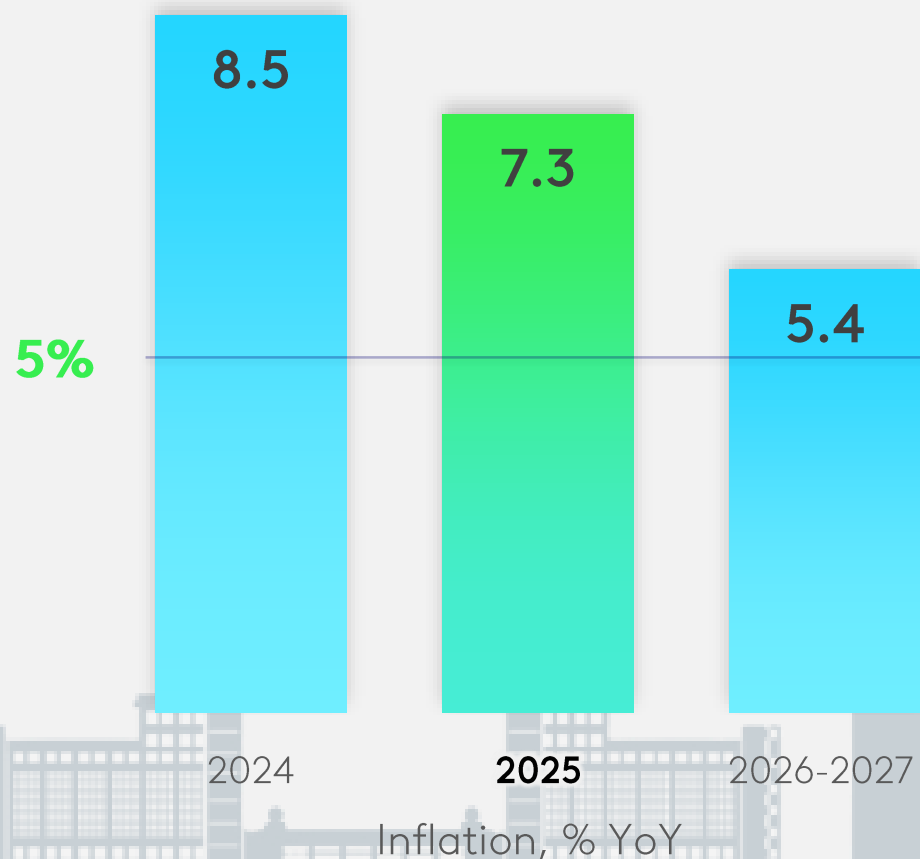
Decrease of interest rates



Growth of exports and oil production



Republic of Kazakhstan



Gradual deceleration of inflation to the target

Factors:



High interest rates



Decrease of inflation expectations



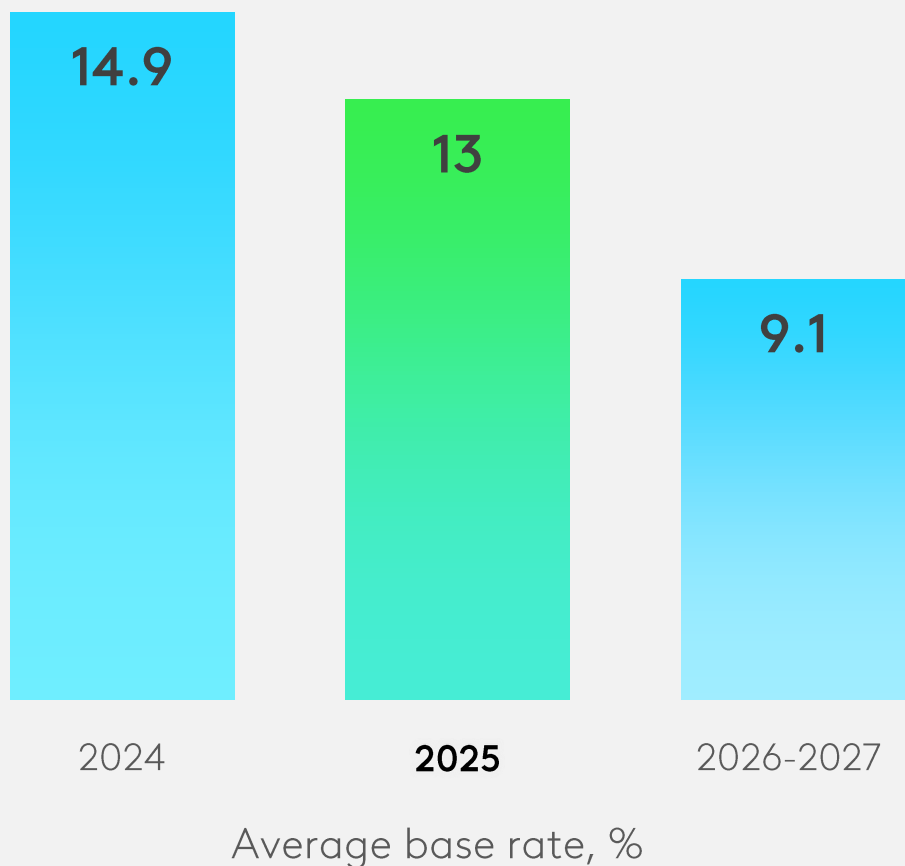
Tariffs rise for housing and utilities services



Growth of consumer loans



Republic of Kazakhstan

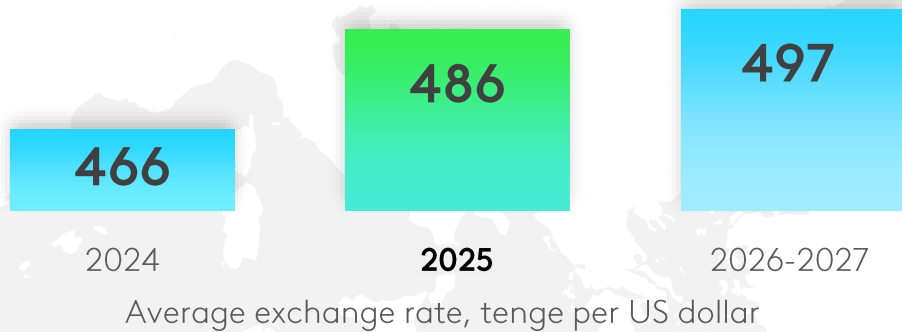


The National Bank will continue base rate cut in 2025

Base rate cut down to 11.25% at the end of 2025 as inflationary pressures ease

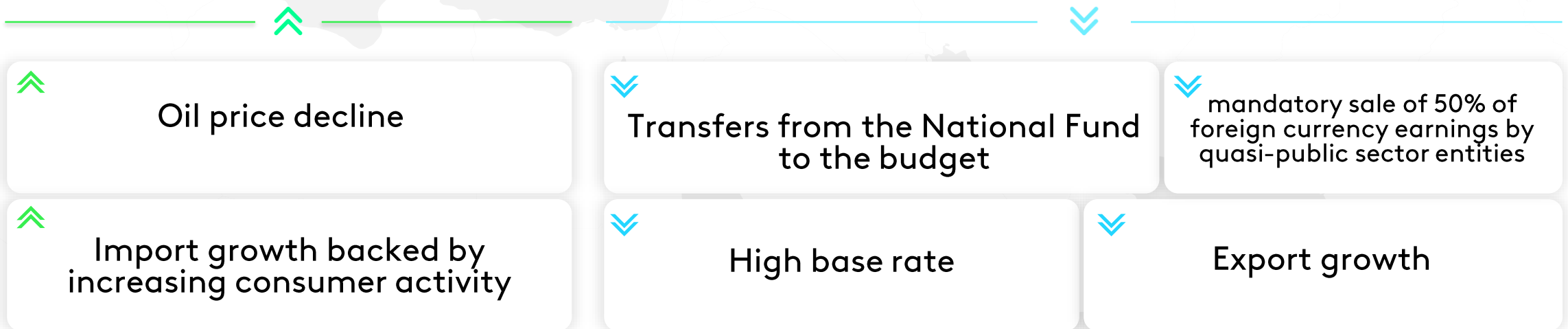


Republic of Kazakhstan



Tenge will not change significantly in 2025

Factors:





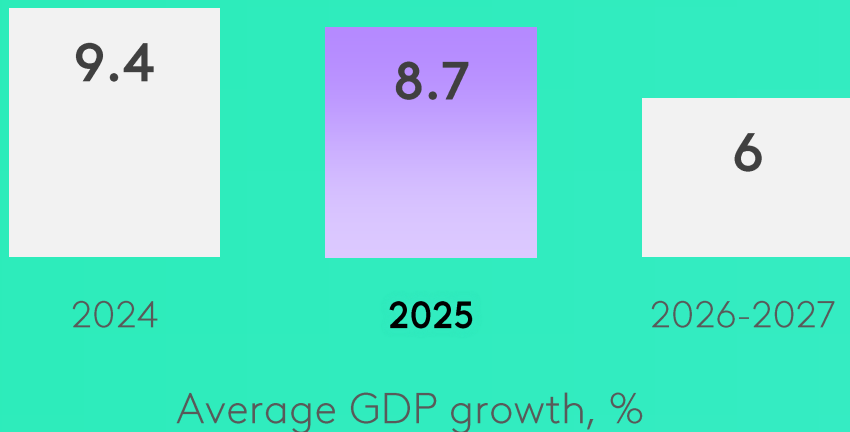
Macroeconomic outlook

Kyrgyz Republic





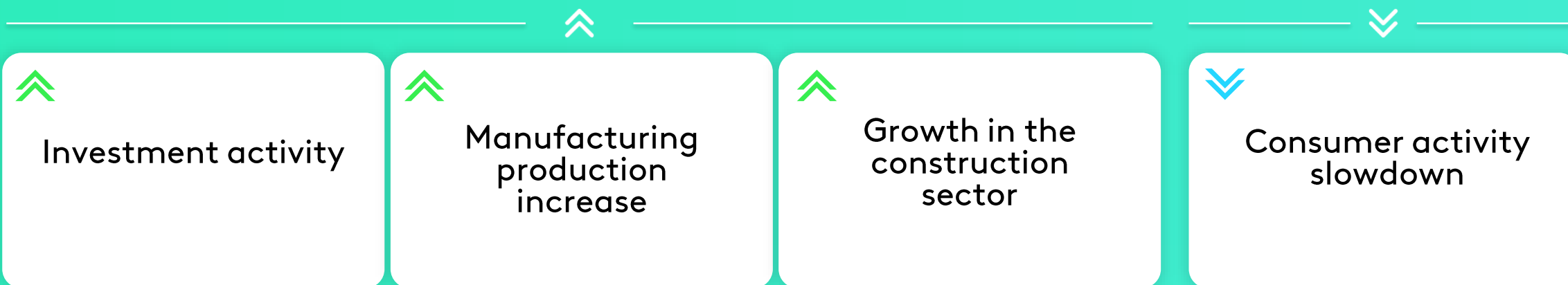
Kyrgyz Republic



Leading economic growth rates in 2024 and 2025

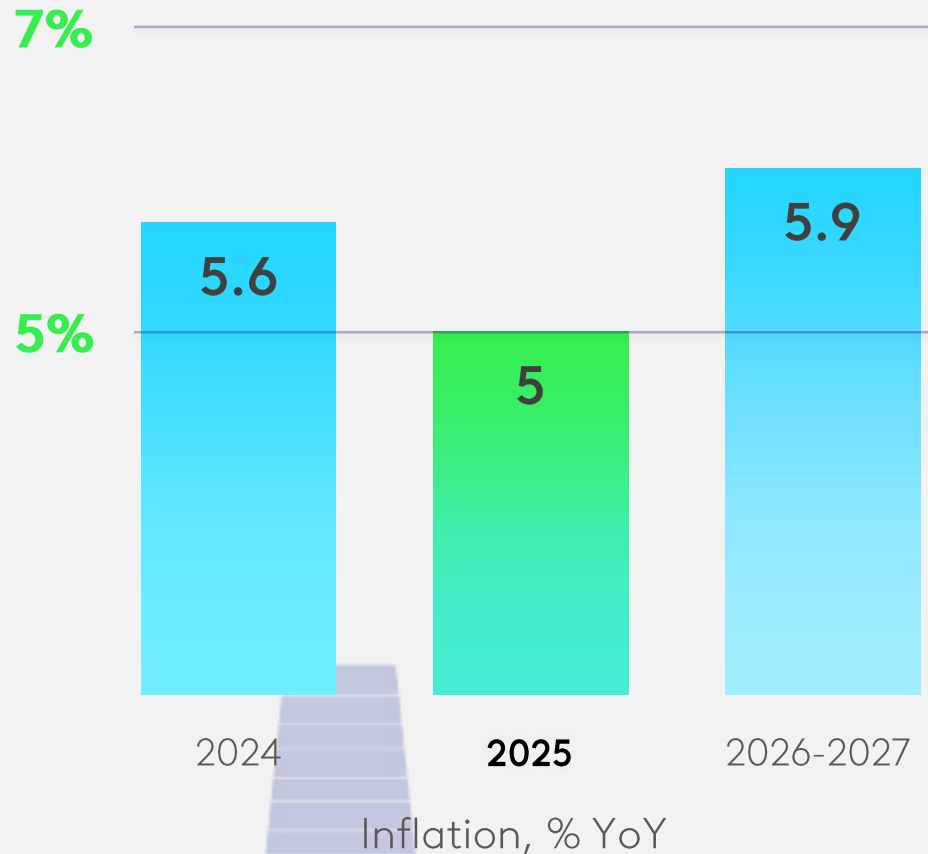
Economic growth will gradually decelerate towards the potential

Factors:





Kyrgyz Republic



5-7% | inflation target range of NB KR

Inflation within the target range

Factors:



Consumer activity slowdown



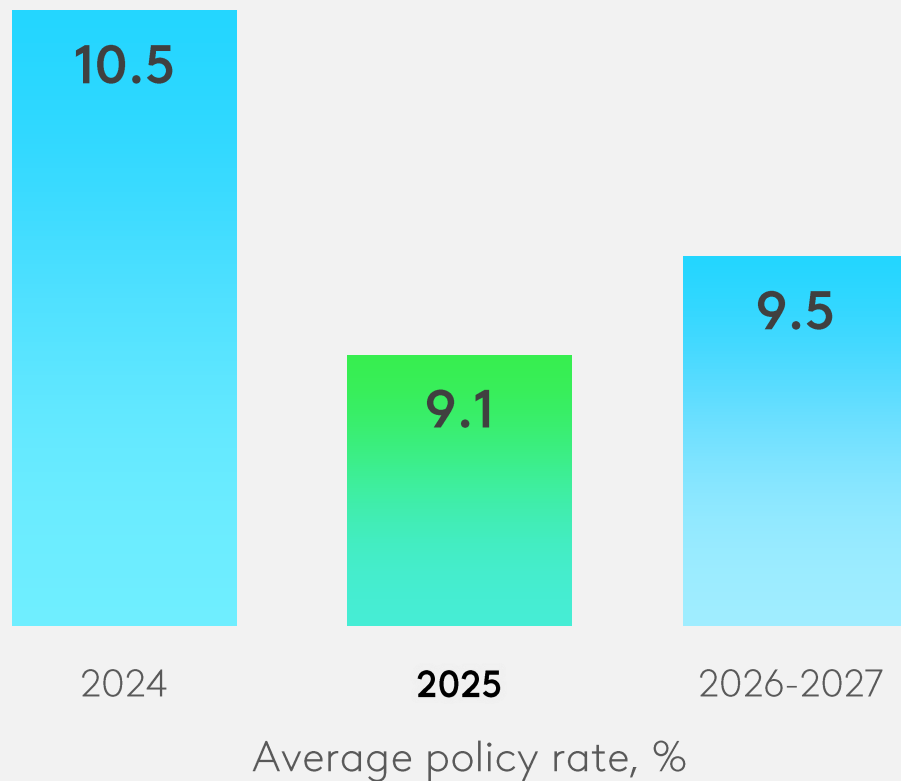
Rising policy rate



Global food price increase

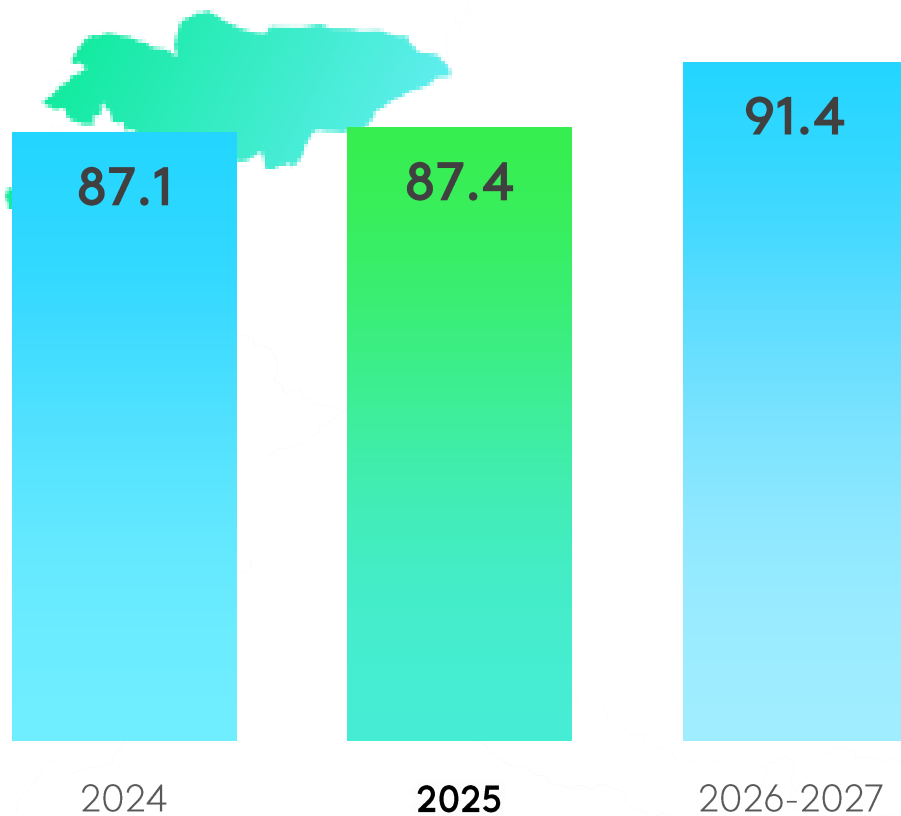


Kyrgyz Republic



Gradual increase of policy rate

Policy rate may be raised up to 9.25% at the end of 2025



Average exchange rate, som per US dollar

Gradual depreciation of som exchange rate

Factors:



Exports grow as gold production and global gold prices increase



Deceleration of import growth



Higher inflation compared to trading partners



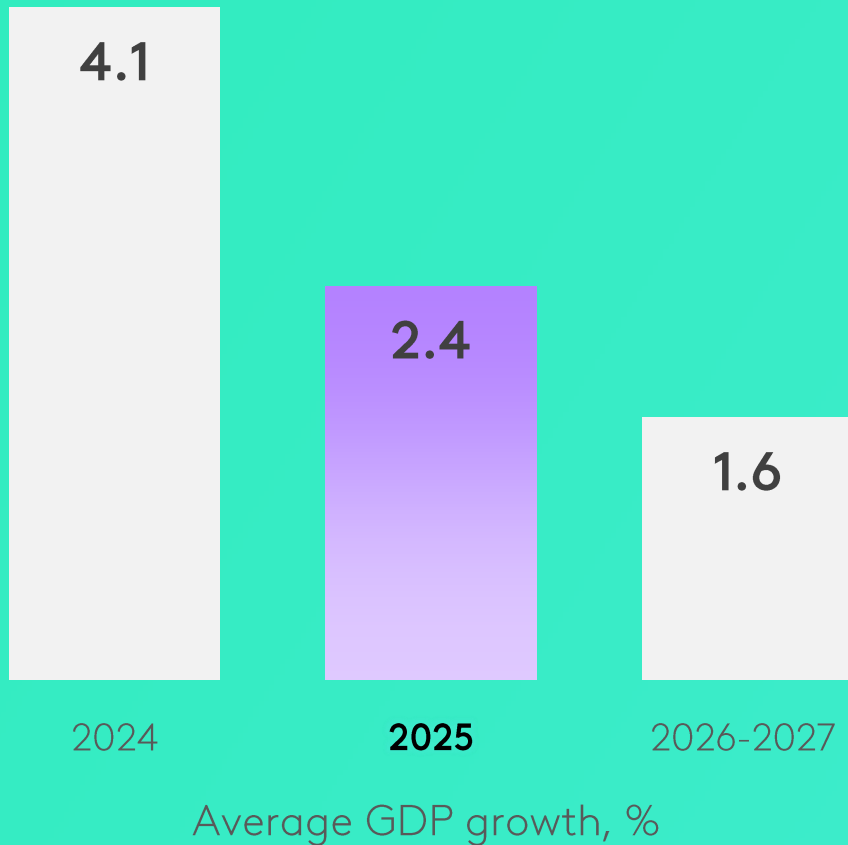
Macroeconomic outlook

Russian Federation



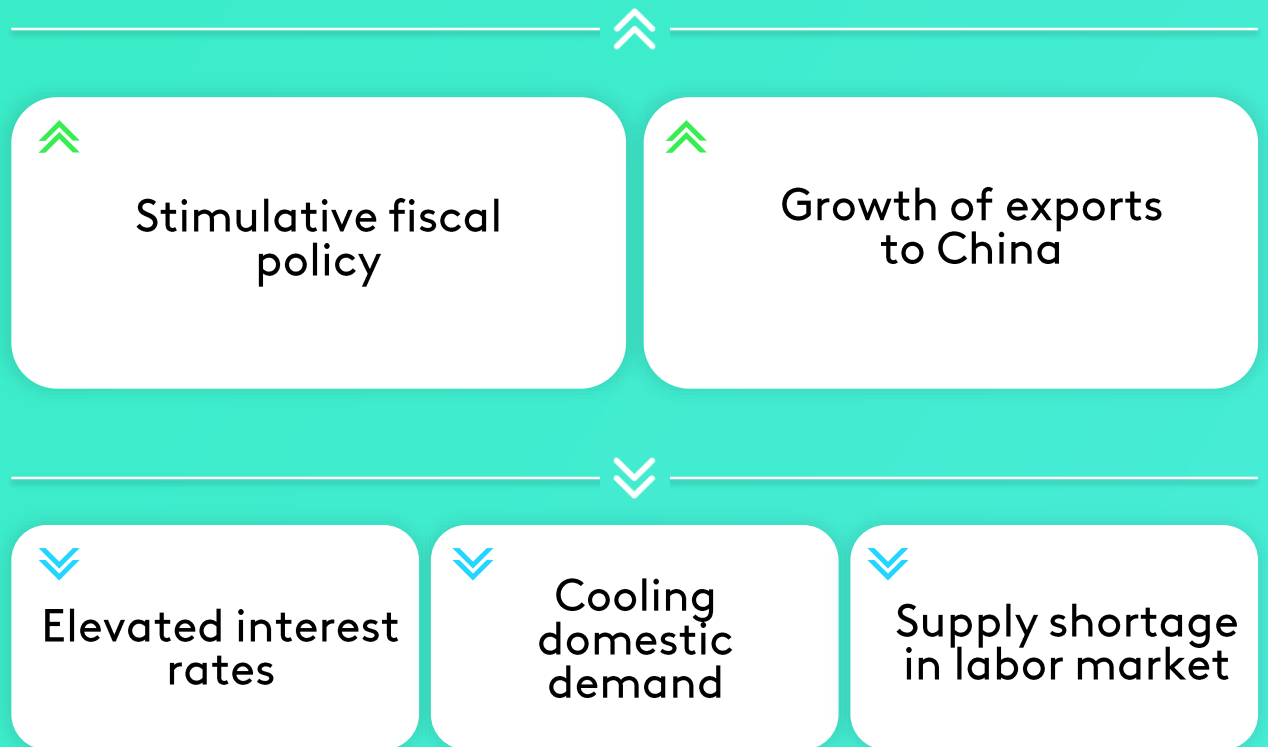


Russian Federation



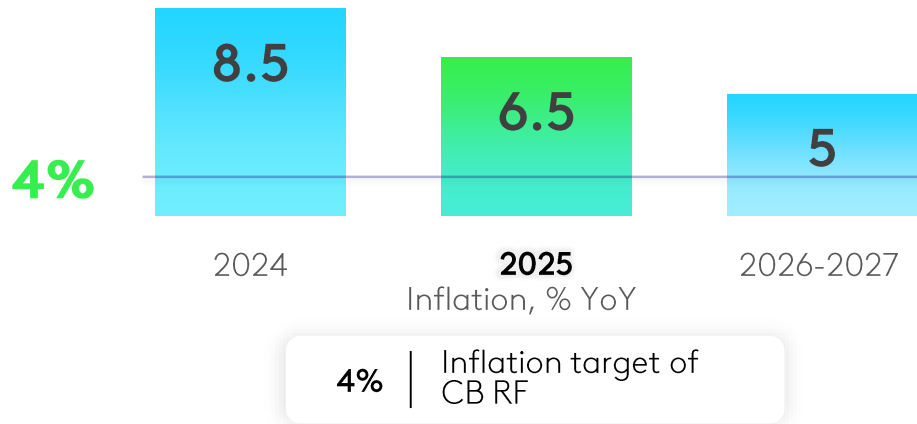
High GDP growth rate in 2025

Factors:





Russian Federation



Inflation above the target for the entire forecast horizon

Factors:

Stimulative fiscal policy

Depreciation of ruble exchange rate

High inflation expectations

High interest rates

Constraints for supply increase

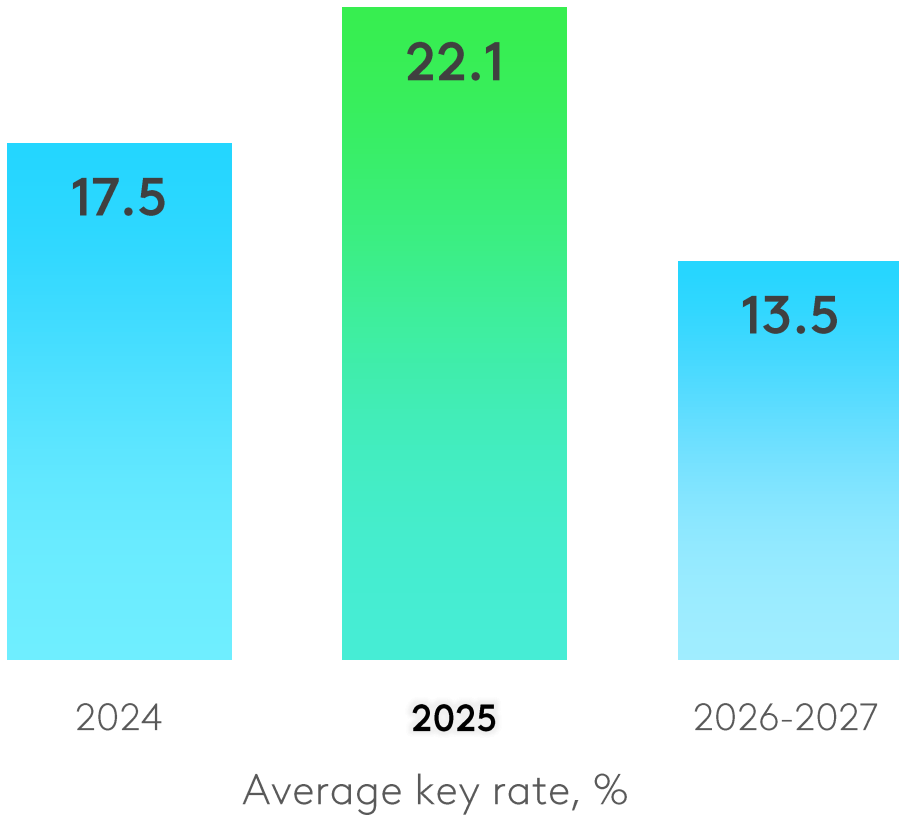
Indexation of housing and utilities tariffs (+11.9%)

Rising utilisations fee of motor vehicles

Cooling of domestic demand



Russian Federation



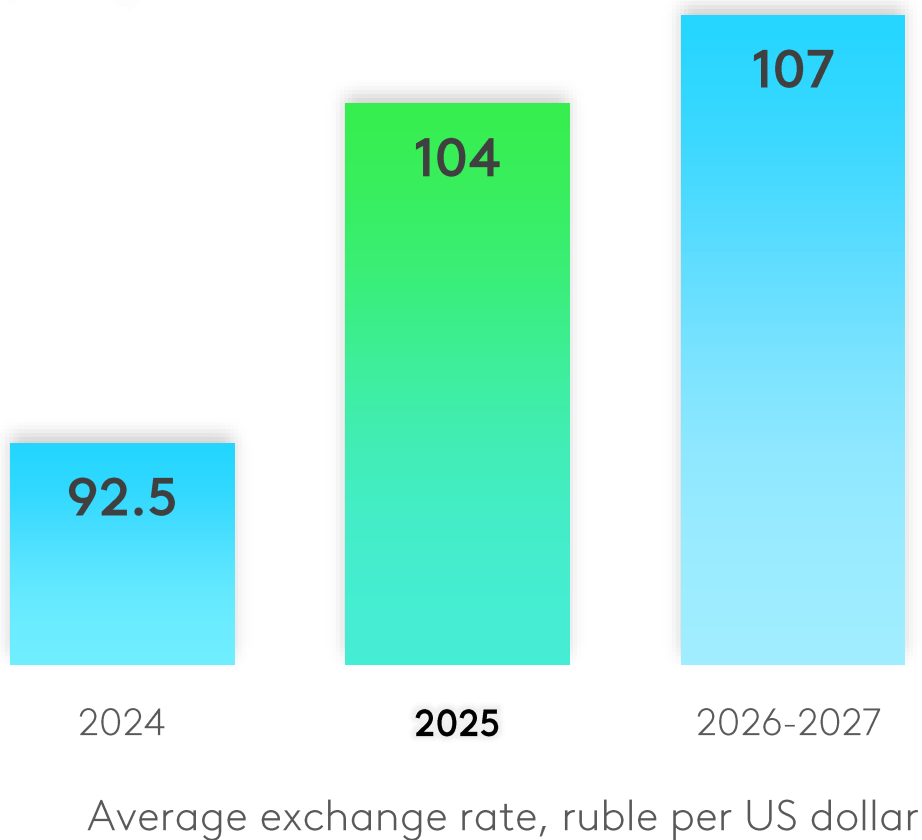
Pro-inflationary scenario is highly likely

The key rate unchanged until at least mid-2025

Key rate at around 19% at the end of 2025



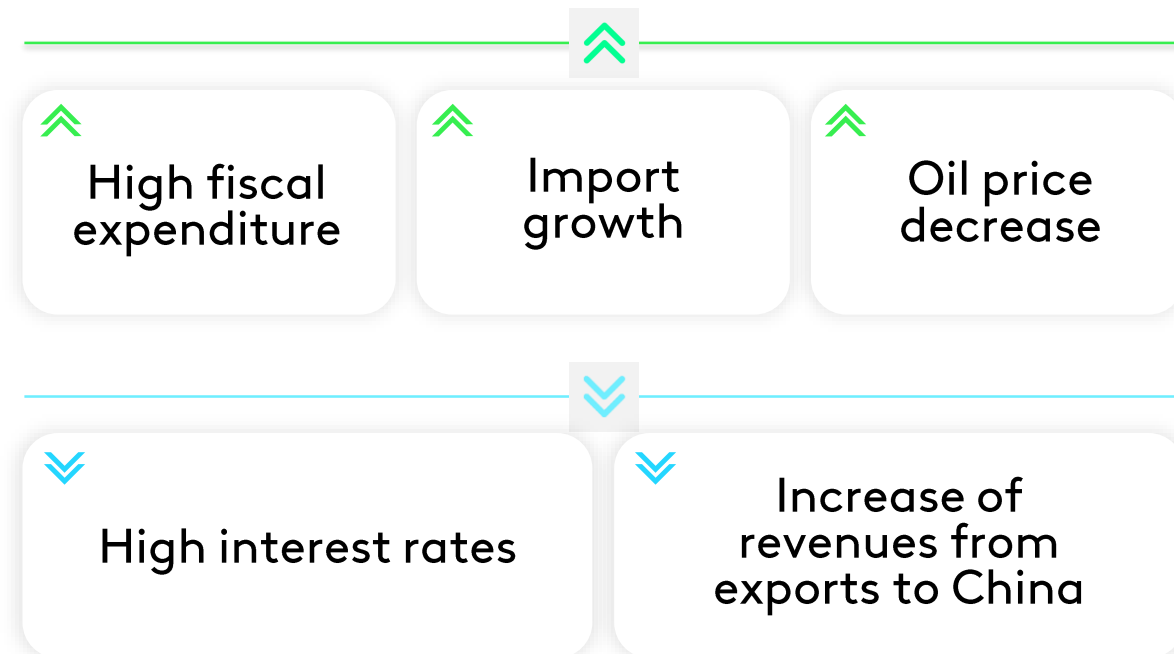
Russian Federation



Exchange rate will steadily remain above 100 rubles per dollar

Volatility persists as sanctions remain

Factors:





Macroeconomic outlook

Republic of Tajikistan





Republic of Tajikistan



High growth rates of economy will be preserved

Factors:



increase in gold exports amid rising prices



Lower prices for imported energy



Wage growth



catch-up nature of development



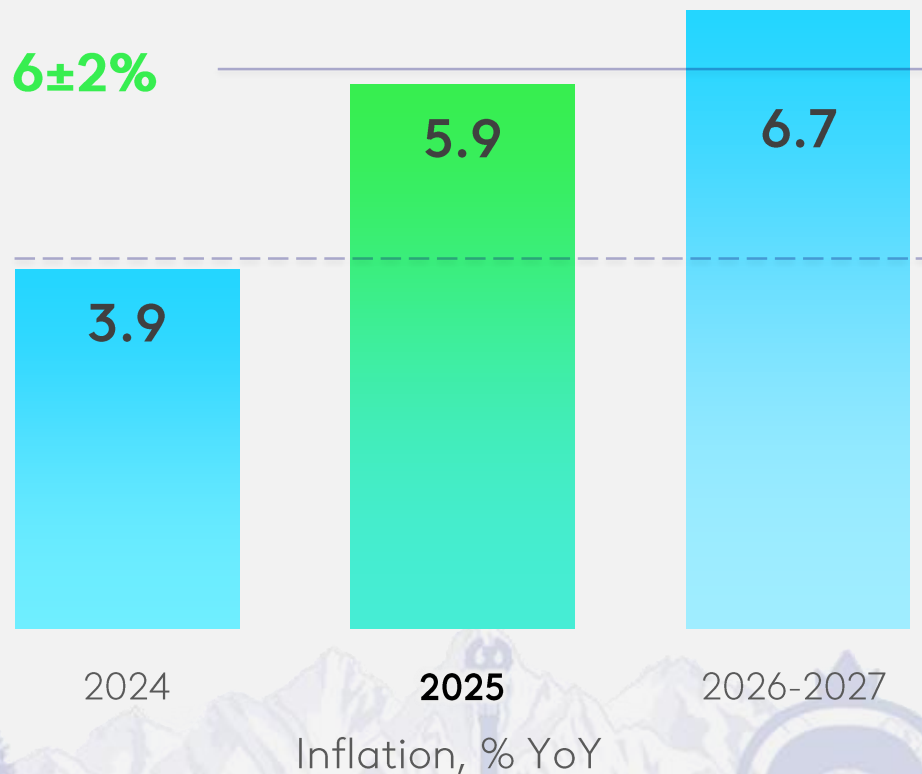
Population growth



Slowdown of remittances



Republic of Tajikistan



6±2% | inflation target range of NB RT

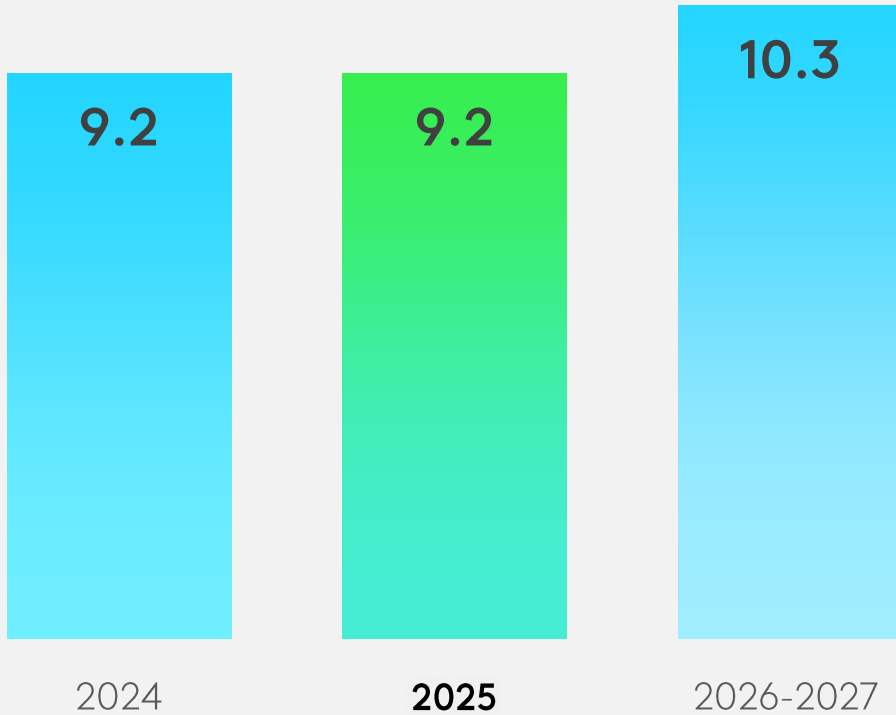
Inflation will gradually increase to the target

Factors:

- ↑ Somoni depreciation
- ↑ Recovery of food price growth
- ↑ Strong consumer demand
- ↓ Declining oil prices



Republic of Tajikistan



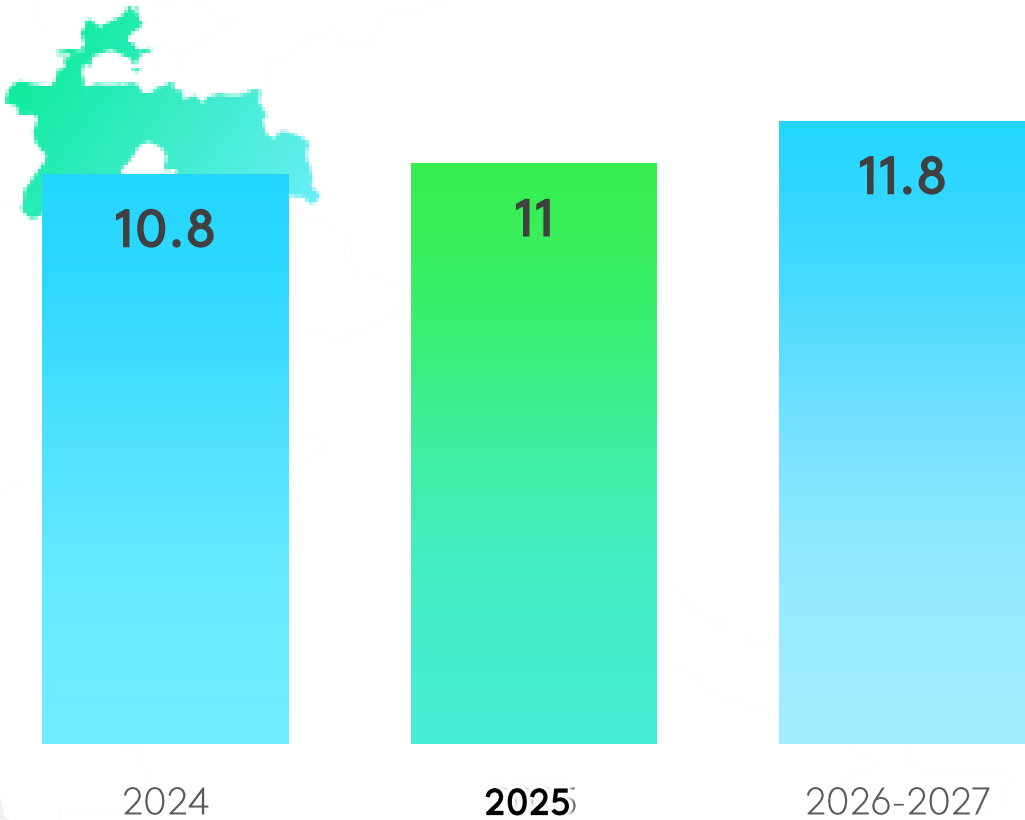
Average refinancing rate, %

Gradual increase of refinancing rate

Refinancing rate around 9,5% at the end of 2025



Republic of Tajikistan



Average exchange rate, somoni per US dollar

Moderate depreciation of somoni exchange rate

Factors:



Demand for foreign currency increases as imports grow



Metal price growth deceleration



Remittances slowdown



Rising refinancing rate





Eurasian Development Bank

Հնորիակալութիւն
ուշադրութիւն համար

Дзякуй за ўвагу!

Назар аударғандарыңызға
рахмет!

Назар салганыңыздарга
рахмат!

Благодарим за внимание!

Раҳмати калон!

