



Eurasian Development Bank

MACROECONOMIC OUTLOOK

2026-2028



December 2025





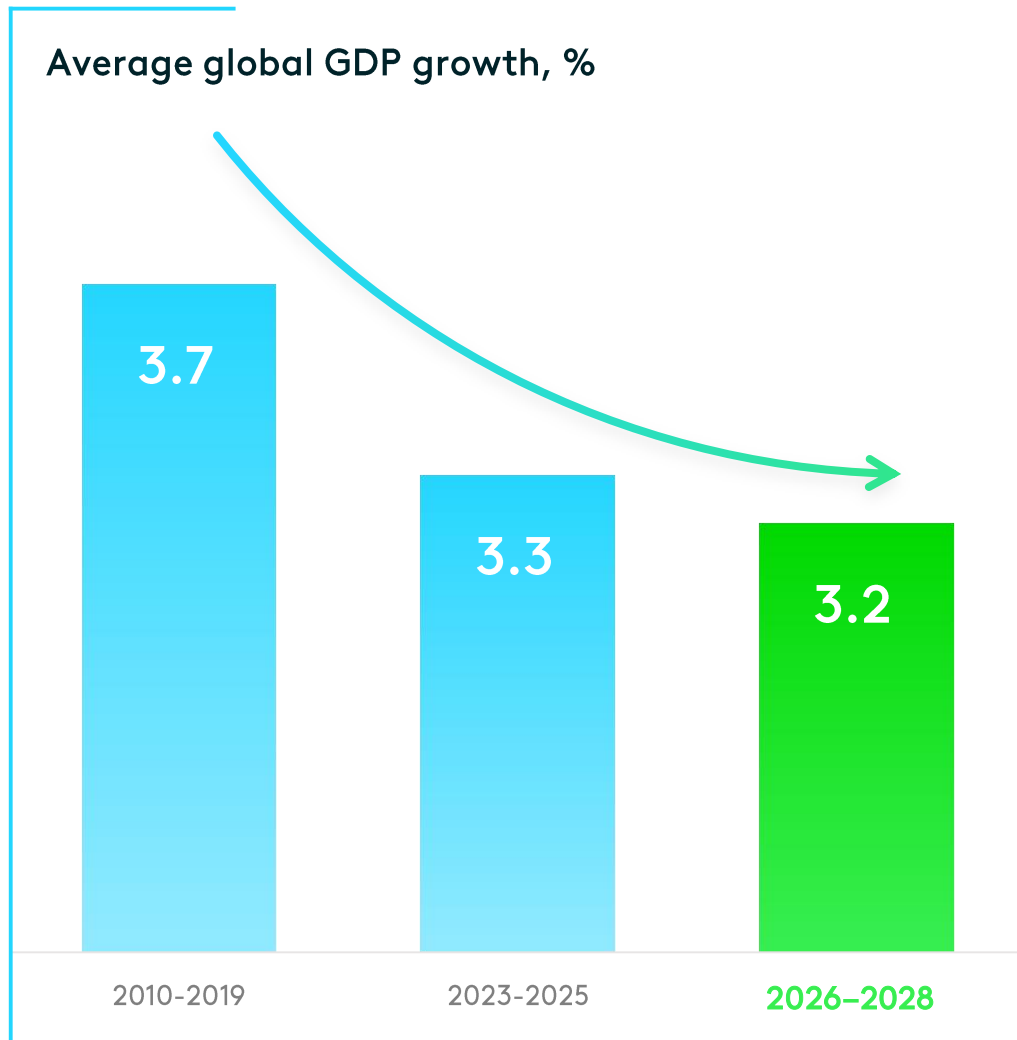
01

Macroeconomic Outlook

External Economic Conditions

Global economy

2026 – 2028



Sustained growth of the global economy

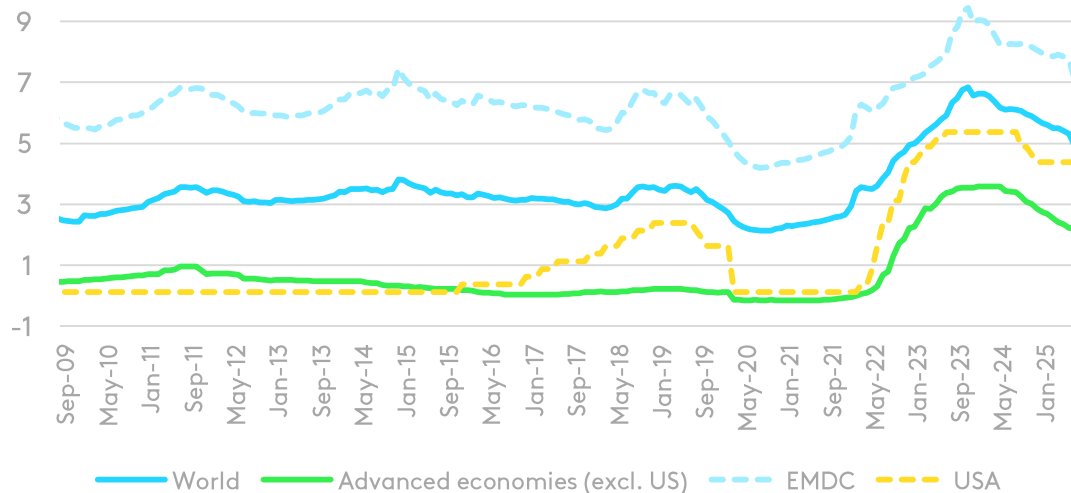
3.2%

in 2026

Highest GDP growth rates: India, China,
and other emerging economies

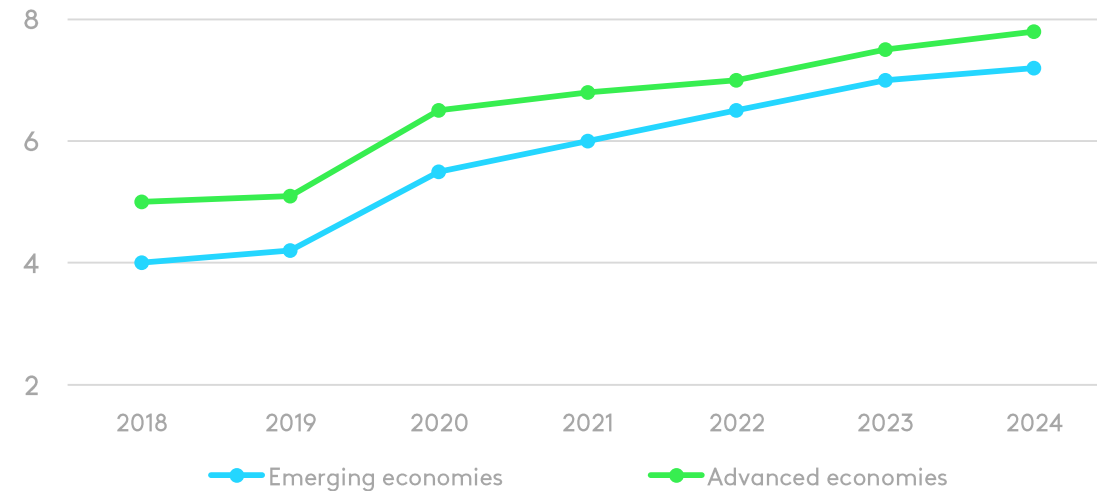
After the era of ultra-cheap money: a test for financial stability and investment in a “normal” interest rate environment

Key interest rates, %



Source: Federal Reserve Bank of Dallas

Share of “zombie firms” in the total number of corporations, %



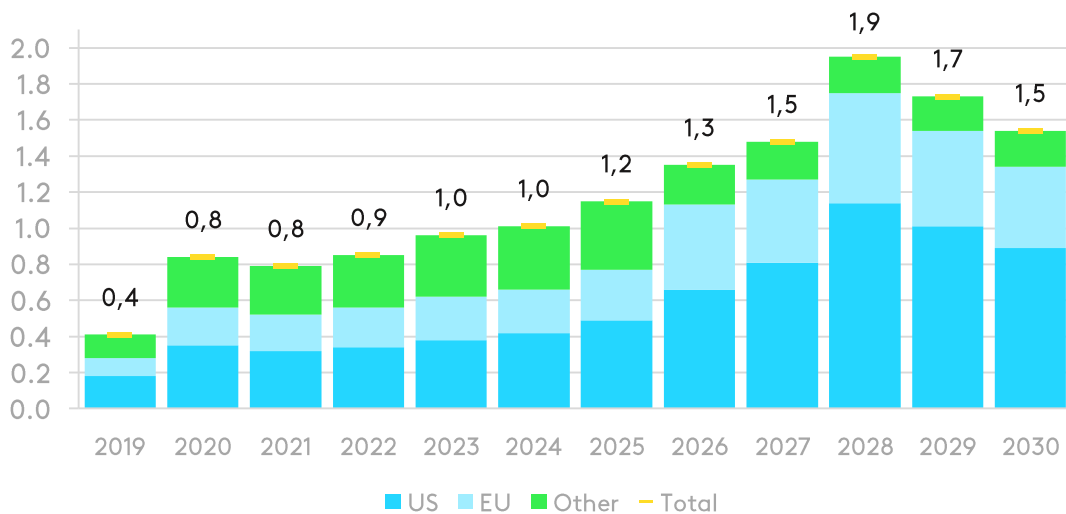
Source: EDB analysts' calculations based on OECD, IMF data

Interest rates will not return to the low levels of the previous decade

Higher interest rates make it harder for companies to service their debt

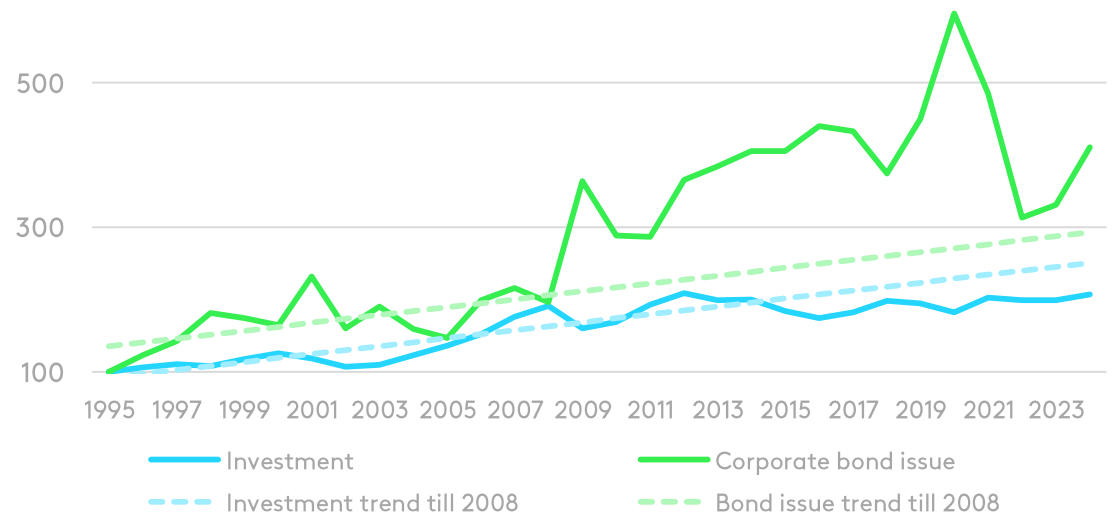
After the era of ultra-cheap money: a test for financial stability and investment in a “normal” interest rate environment

Corporate debt repayments, billion dollars



Source: EDB analysts' calculations based on S&P data

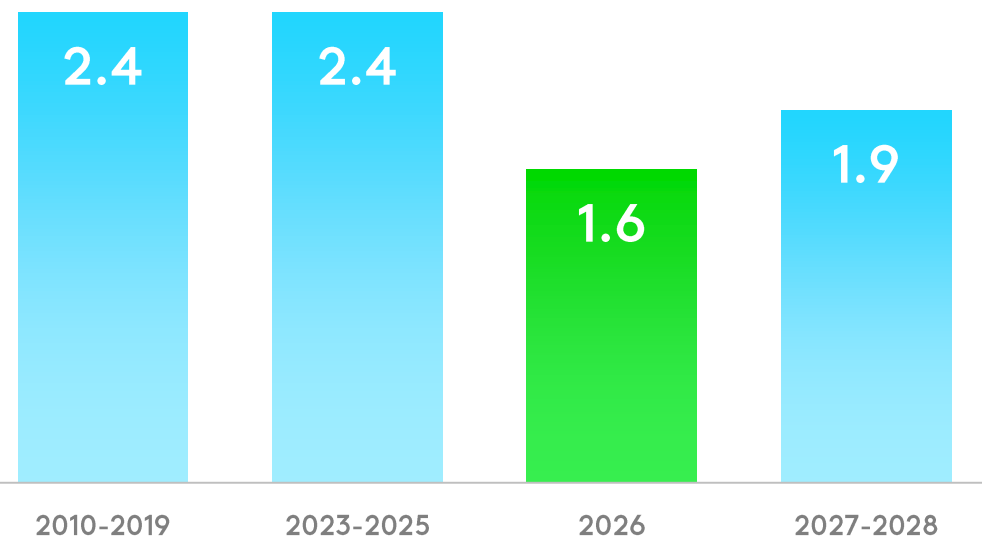
Corporate borrowing and investment growth, 1995 = 100%



Source: EDB analysts' calculations based on OECD and IMF data

Rising debt refinancing needs will continue to constrain investment growth

Average GDP growth, %



Slowdown in business activity growth in the US to 1.6%

in 2025 and 2026

Over the past 20 years, the growth rate was lower only during the pandemic

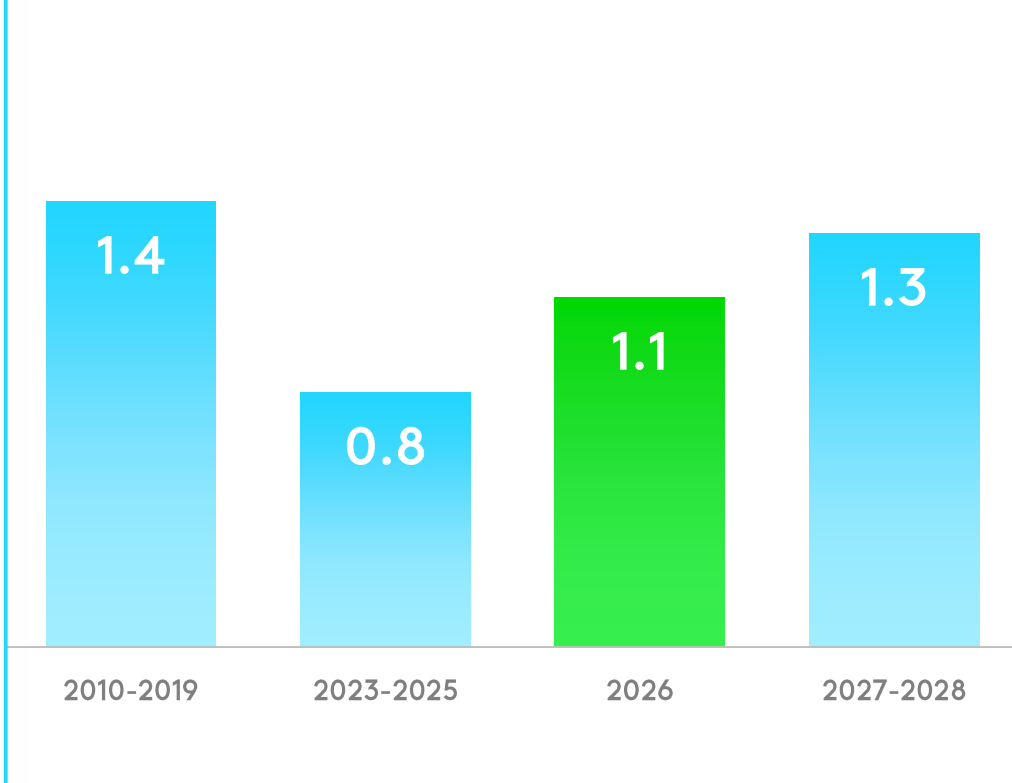
Factors :

Growth investment in IT infrastructure

Consumption will continue to slow down

Higher Fed rates compared to 2010-2019

Average GDP growth, %



The eurozone economy will grow

close to 1%

over the entire forecast horizon

We expect: 1.1% in 2026

Factors:

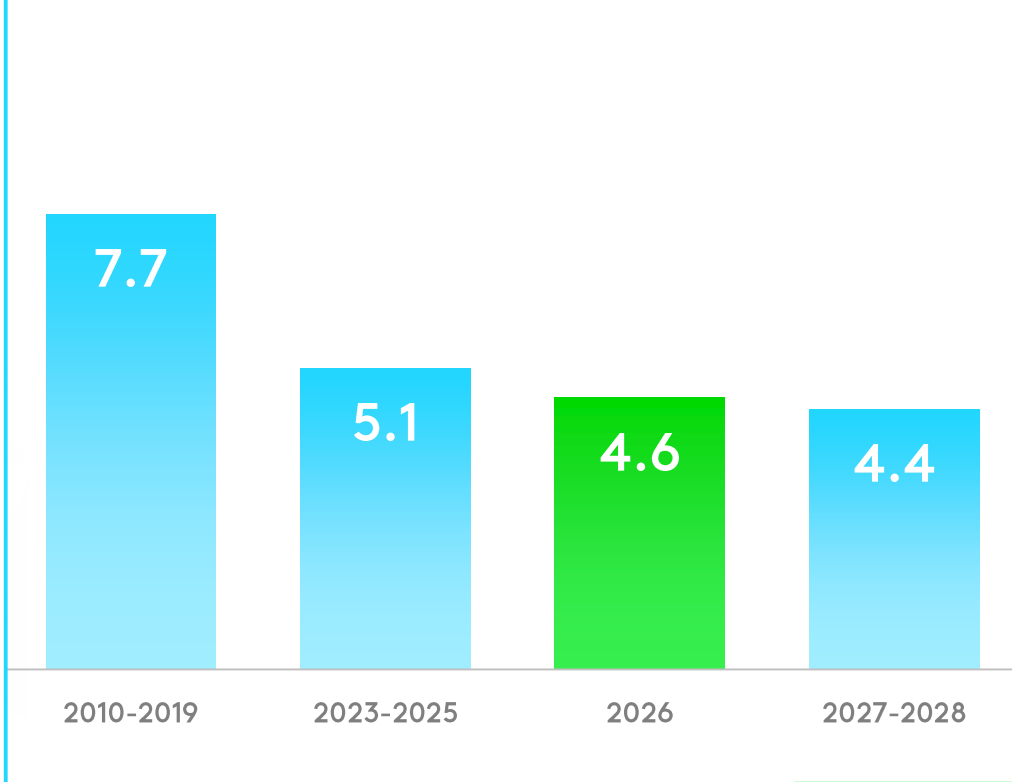
Increasing government investment in defense and infrastructure

Tariffs on exports to the US

Stagnation in consumption

Interest rate hike

Average GDP growth, %



China's economy will sustain its high growth rate in 2026

4.6%

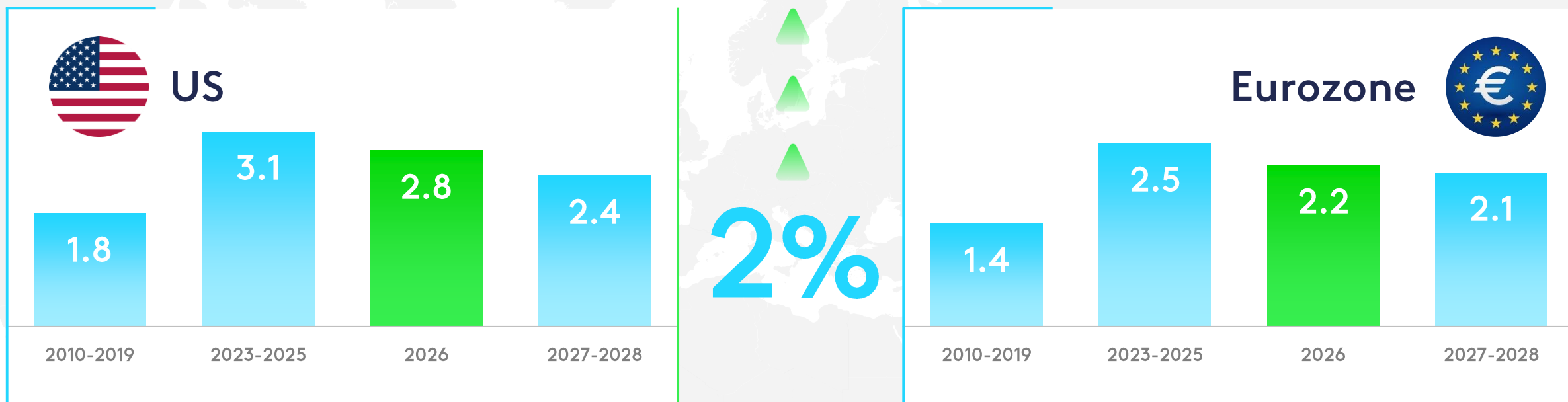
Factors:

Government support for domestic demand

Reorientation of part of exports to other countries

Consequences of the tariff conflict with the US

Inflation in the US and the eurozone is above the target due to rising costs



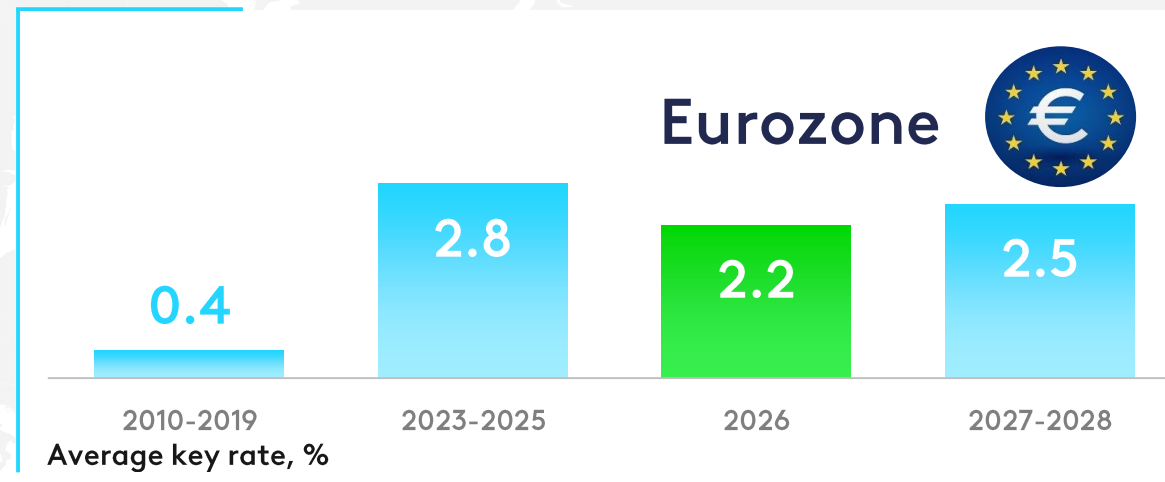
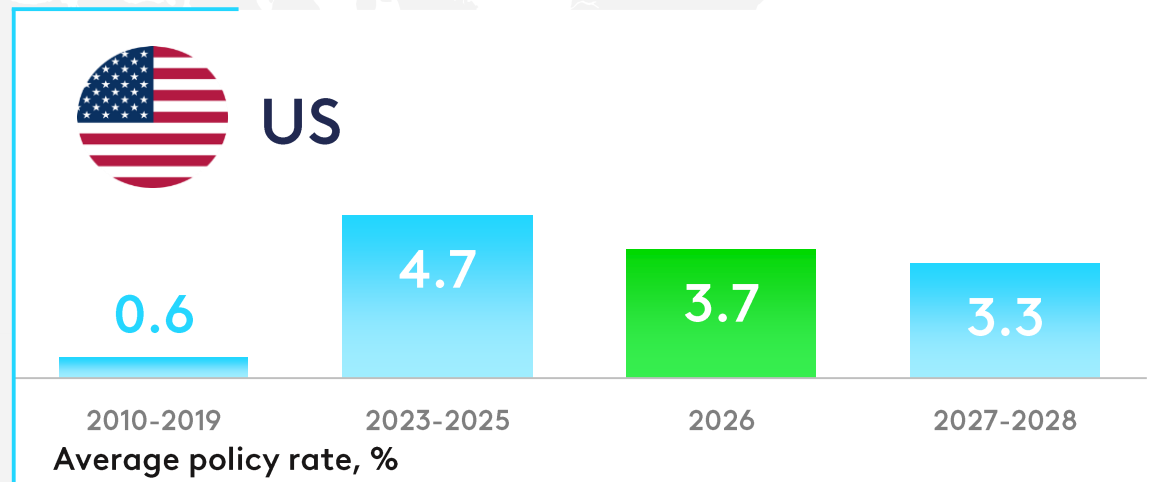
Factors:

Tariff increase

Labour shortage

Cooling of consumer demand

US — slowdown in rate cuts, Eurozone — trend towards rate hikes



Factors:

Inflationary effects of the introduced tariffs

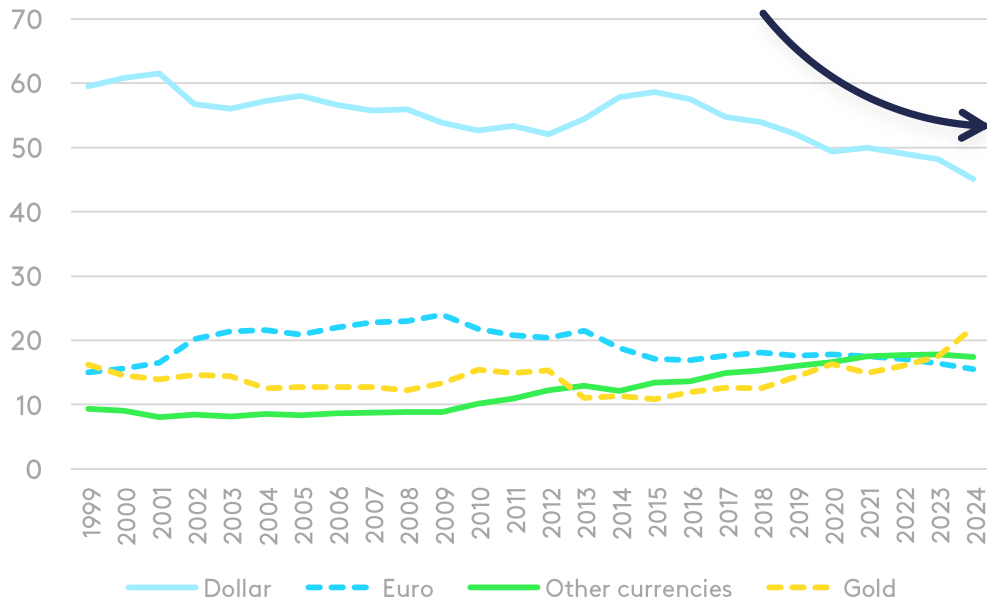
Increased costs due to higher demand for infrastructure

Higher debt burden and refinancing needs

The room for the Fed to further cut rates is limited;
the ECB will start raising rates in 2027

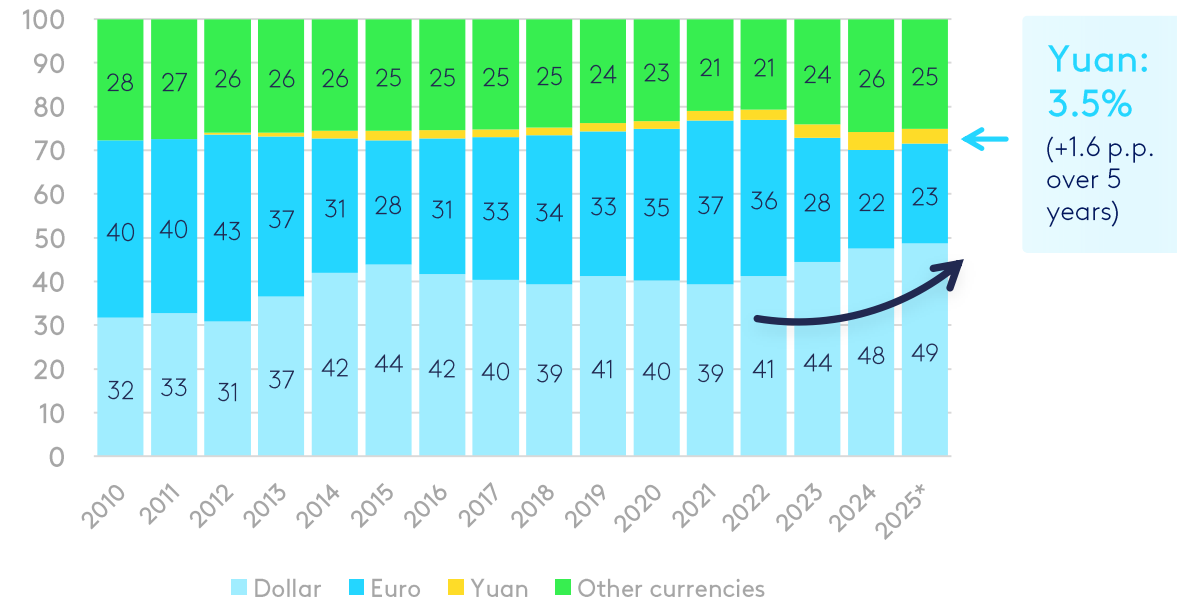
Trends in the use of currencies in reserves, settlements, and banking operations

International reserves of central banks, shares in %



Sources: EDB analysts' calculations based on World Bank and IMF data

Currency composition of international settlements via SWIFT, %



Sources: EDB analysts' calculations based SWIFT and FRS data

The share of the dollar in reserves is slowly and steadily declining — below 50% currently

The share of the dollar in international settlements is growing — at the expense of the euro

The share of the dollar in international banking assets and liabilities is stable



2022

Macroeconomic Outlook

Country Forecasts



Macroeconomic Outlook

Republic of Armenia





Economic growth

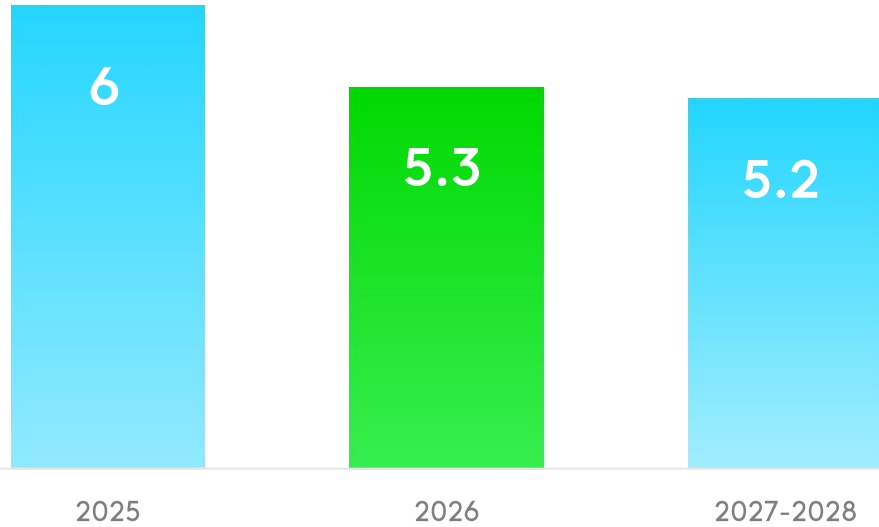
Inflation

Refinancing rate

Dram exchange rate



Average GDP growth, %



Republic of Armenia

Economic growth rates
will remain high

Factors:

Growth
in investment

Increase
in consumer loans

Growth in external demand
including for tourism services

Contractionary
fiscal policy

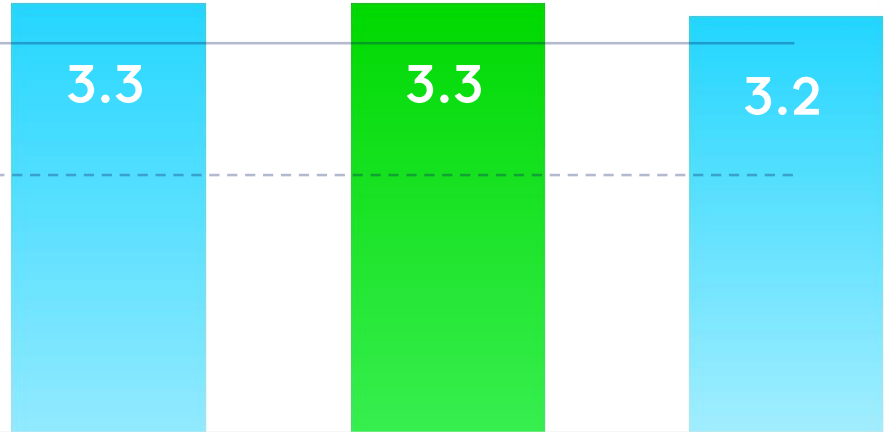
Inflation, % YoY

4%

3±1%

2%

3±1%
inflation target
range of CB RA



2025

2026

2027-2028



Republic of Armenia

Inflation will stabilize near the target level

Factors:

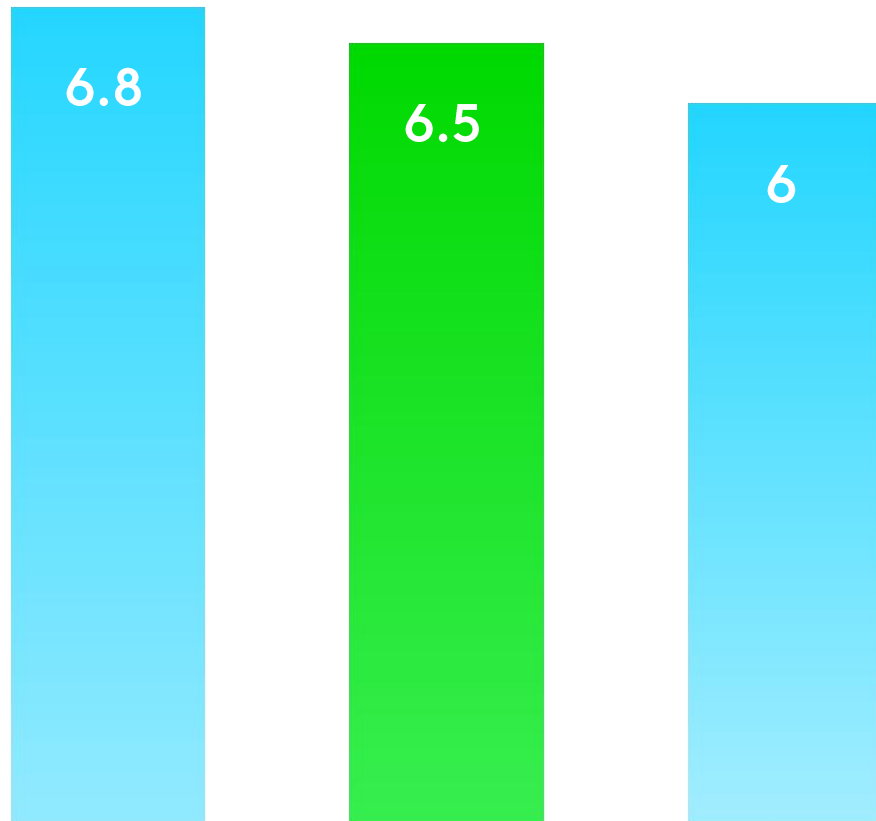
Rising food prices on global markets

External demand growth

High volume of consumption by households

Dram exchange rate stability

Average refinancing rate, %



2025

2026

2027-2028



Republic of Armenia

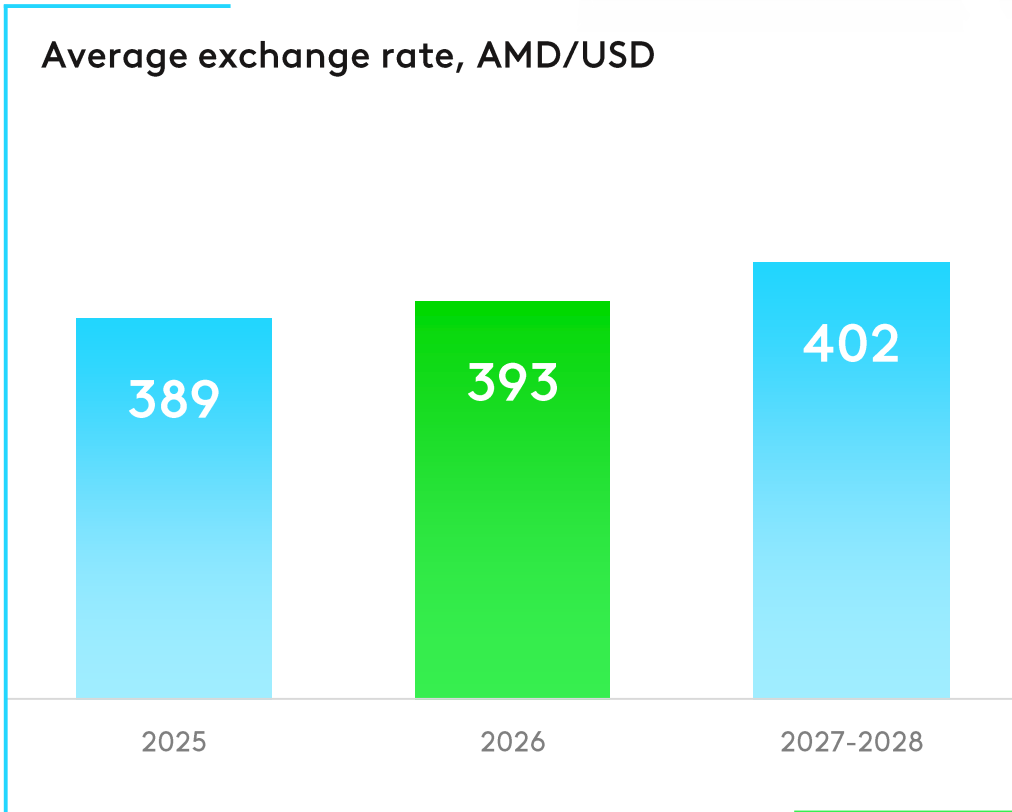
A gradual reduction in interest rates
with a focus on controlling
inflationary risks

6.5%
in 2026

We forecast the refinancing
rate at around 6% in 2027-2028



Average exchange rate, AMD/USD



Republic of Armenia

Stable exchange rate
in 2026

Factors:

Growth in imports amid stable domestic consumer and investment demand

Decline in money market rates

Higher volume of remittances

Growth in external demand, including for tourism services



Appreciation



Depreciation



Macroeconomic Outlook

Republic of Belarus





Economic growth

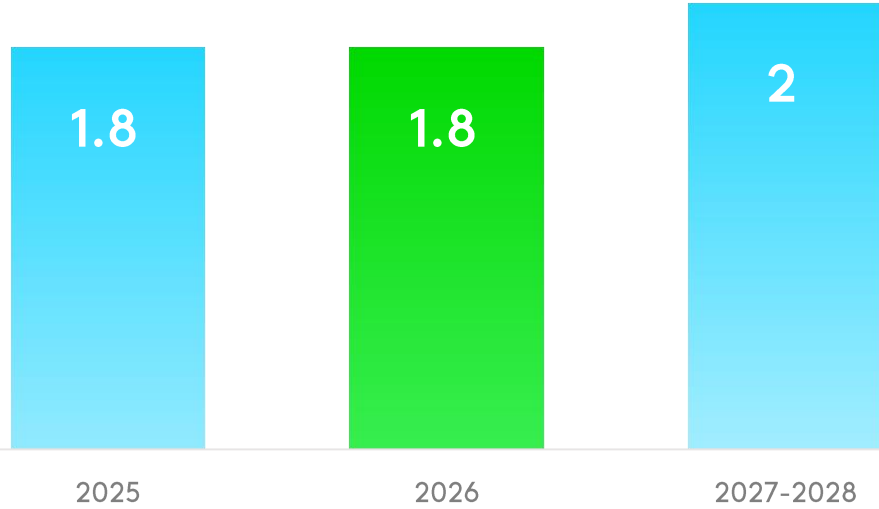
Inflation

Refinancing rate

Belarusian rouble
exchange rate



Average GDP growth, %



Republic of Belarus

Sustained GDP growth rates
in 2026, acceleration
in 2027-2028

Factors:

Government measures
to stimulate investment

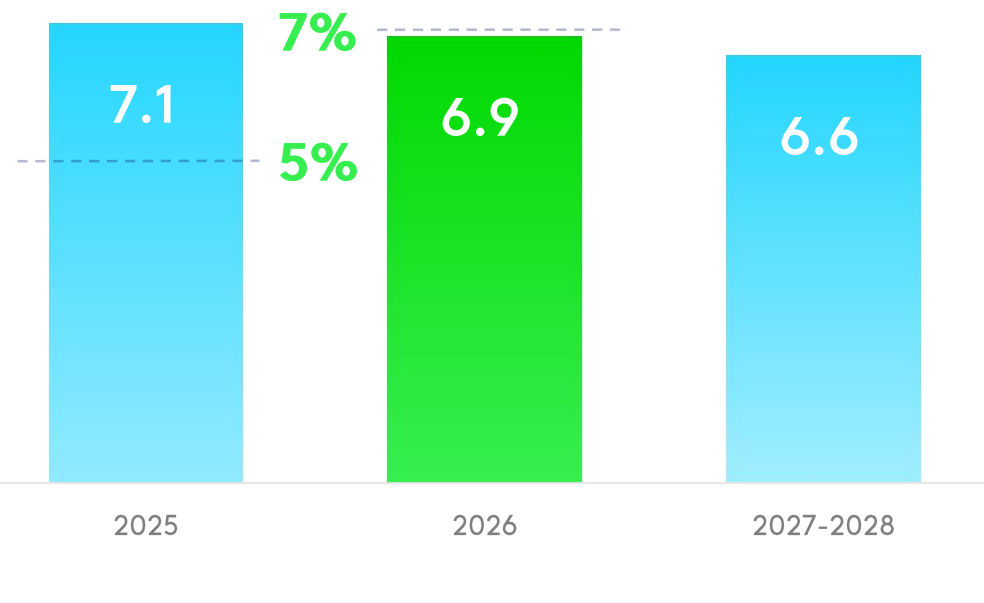
Expansion
of the IT sector

Faster growth
in household income

Restrained external demand
for Belarusian products

Inflation, % YoY

7%
NB RB inflation
target



Republic of Belarus

Inflation at around
the updated target

7%
in 2026

Factors:

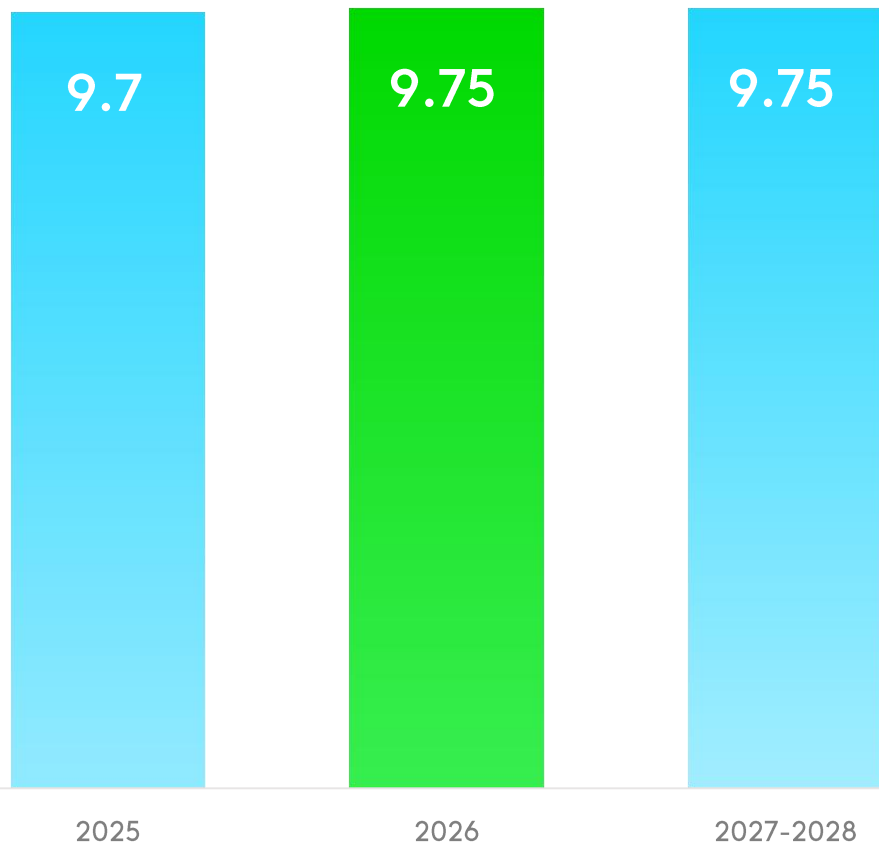
High consumer
activity

Pressure from inflation
in Russia

Depreciation of the
Belarusian rouble

Prudential measures by the NB RB
to cool down consumer credit

Average refinancing rate, %



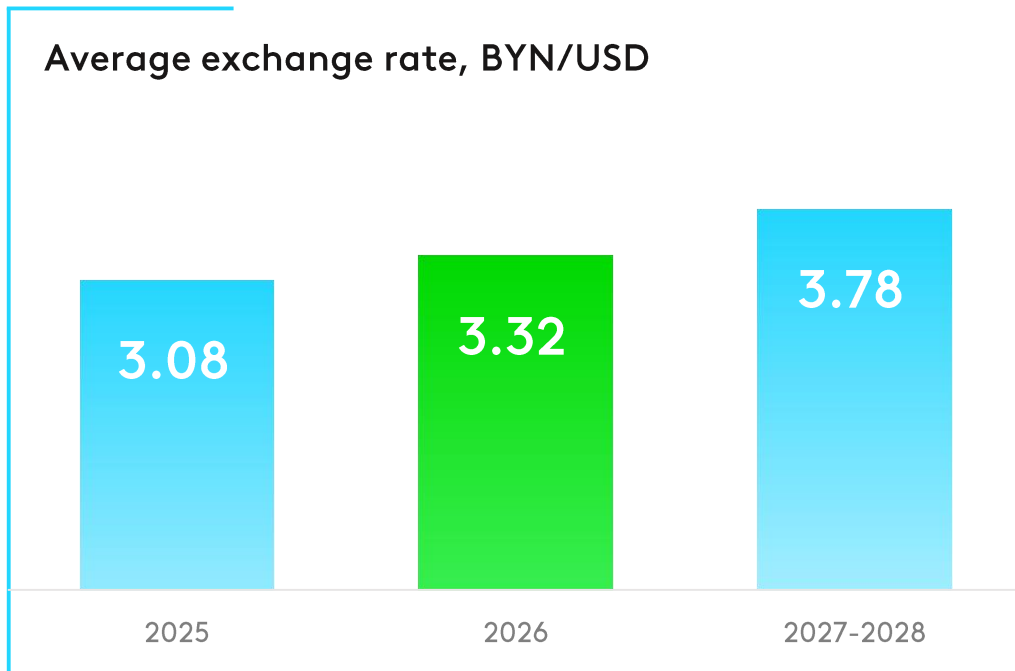
Republic of Belarus

Refinancing rate to remain
at around

9.75%

to support economic growth
and stabilize inflation

Average exchange rate, BYN/USD



Republic of Belarus

Moderate depreciation of the Belarusian rouble in 2026

Factors:

Increase in imports and decrease in exports of goods

Decline in the exchange rate of the Russian rouble — the currency of a key trading partner

Preservation of net currency sales by individuals

Increase in exports of services

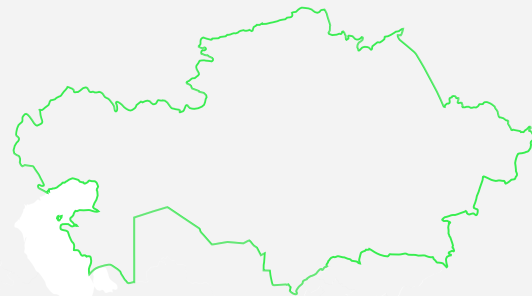
▼ Appreciation ▲ Depreciation



Macroeconomic Outlook

Republic of Kazakhstan





Economic growth

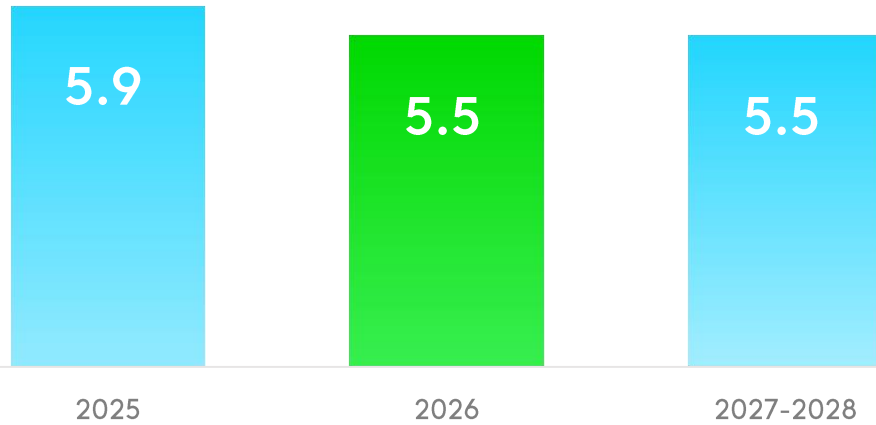
Inflation

Base rate

Tenge exchange rate



Average GDP growth, %



Republic of Kazakhstan

Achieving sustainable GDP growth of 5.5%

Factors:

Implementation of the National Infrastructure Plan

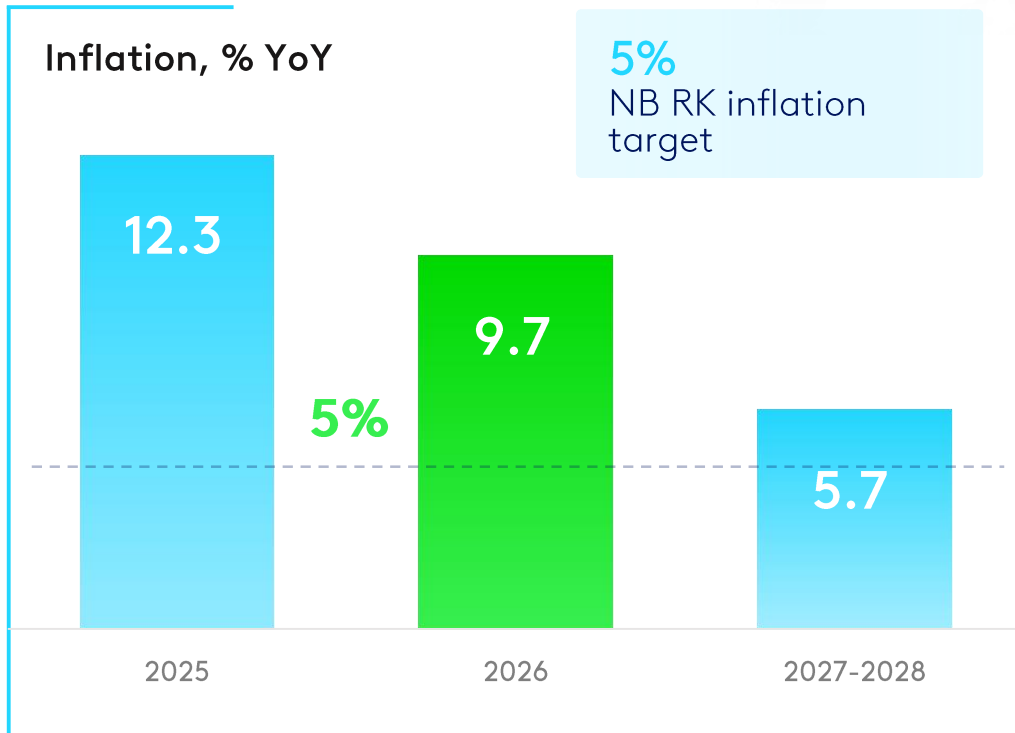
Achieving full capacity at the Tengiz field

Moderately tight monetary conditions

Fiscal policy consolidation

Increase in non-resource exports

Oil price is lower than the average for the last three years



Republic of Kazakhstan

Slowdown in inflation after hike in early 2026

Factors:

VAT rate increase

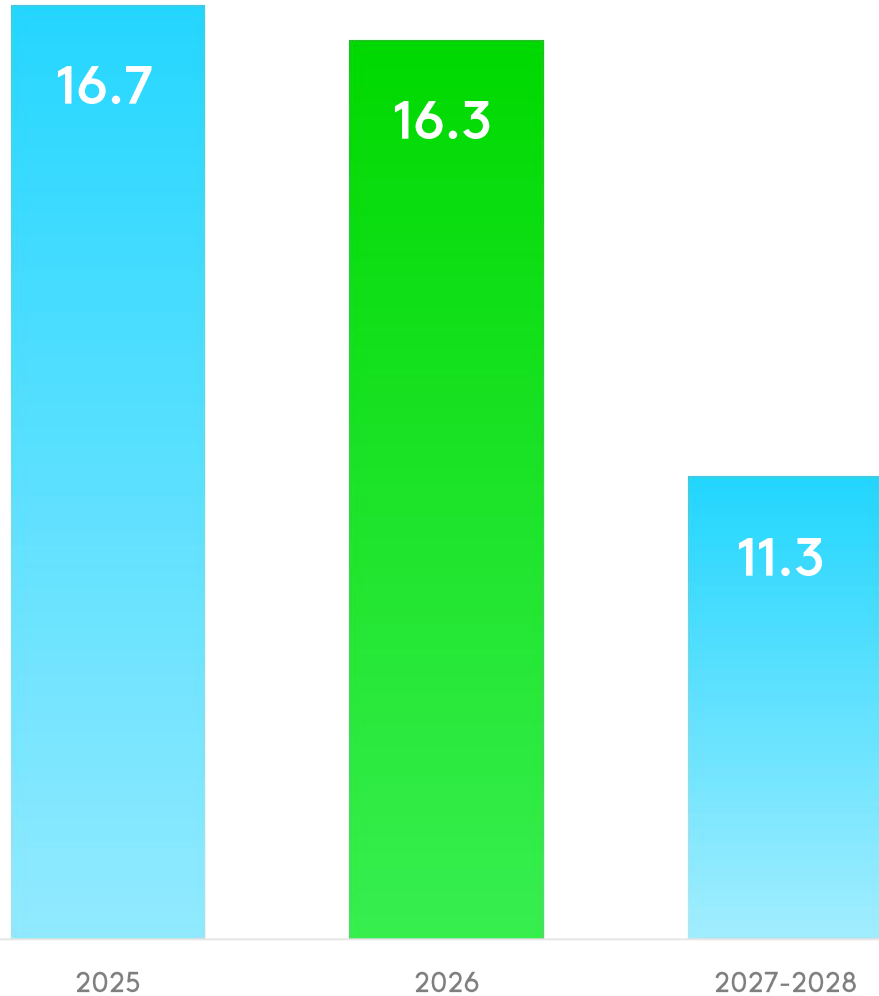
Price increases for foodstuffs on global markets

Postponement of housing and communal services tariffs increase

Moderately tight monetary conditions

Planned reduction in the budget deficit

Average base rate, %



Republic of Kazakhstan

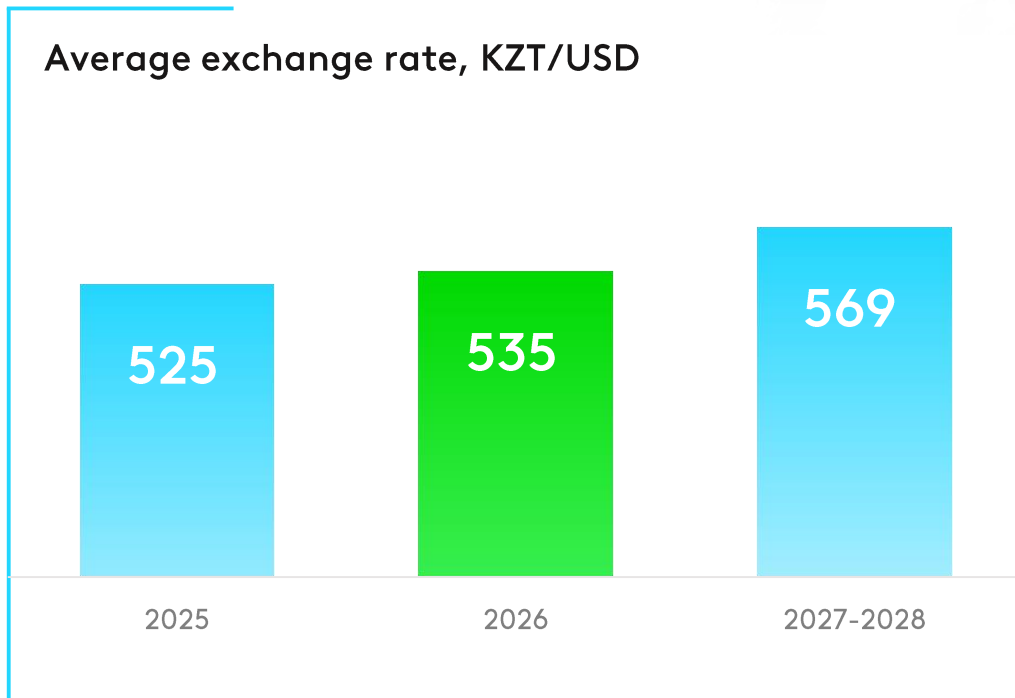
The National Bank will keep the base rate at around

18%

until the second quarter of 2026

We forecast a base rate of around 14% at the end of 2026, as inflation passes its peak

Average exchange rate, KZT/USD



Republic of Kazakhstan

We predict stability for the tenge exchange rate in 2026

Exchange rate at the end of 2026 —
544 KZT/USD

Factors:



Oil price is lower than the average for the last three years

Decrease in the amount of transfers from the National Fund for budget purposes



Maintaining the norm of currency sales by the quasi-public sector

Attractive cost of tenge assets

Growth in non-commodity exports





Macroeconomic Outlook

Kyrgyz Republic





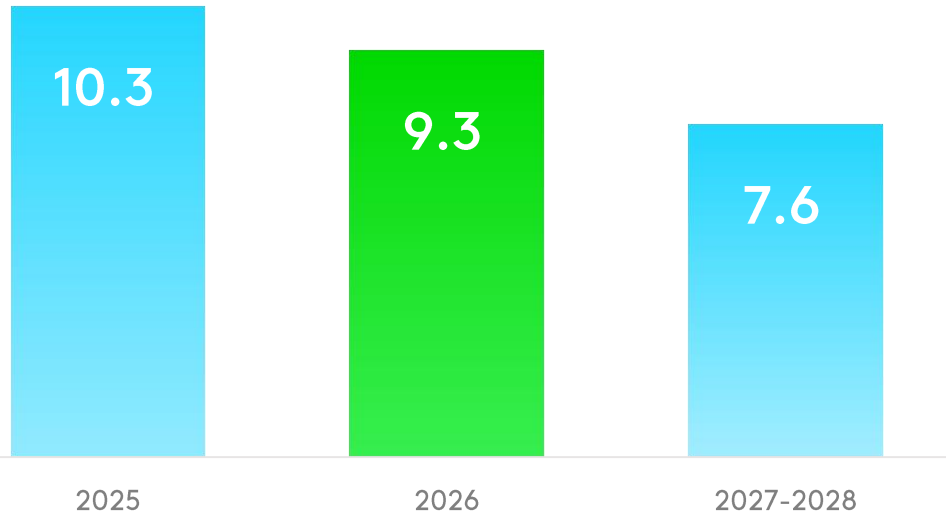
Economic growth

Inflation

Policy rate

Som exchange rate

Average GDP growth, %



Kyrgyz Republic

Maintaining leadership
in the region in terms of GDP
growth rates in 2026-2027

Return of the economy to a sustainable
growth trajectory in 2027-2028

Factors:

Increased investment
in transport, energy,
and water supply

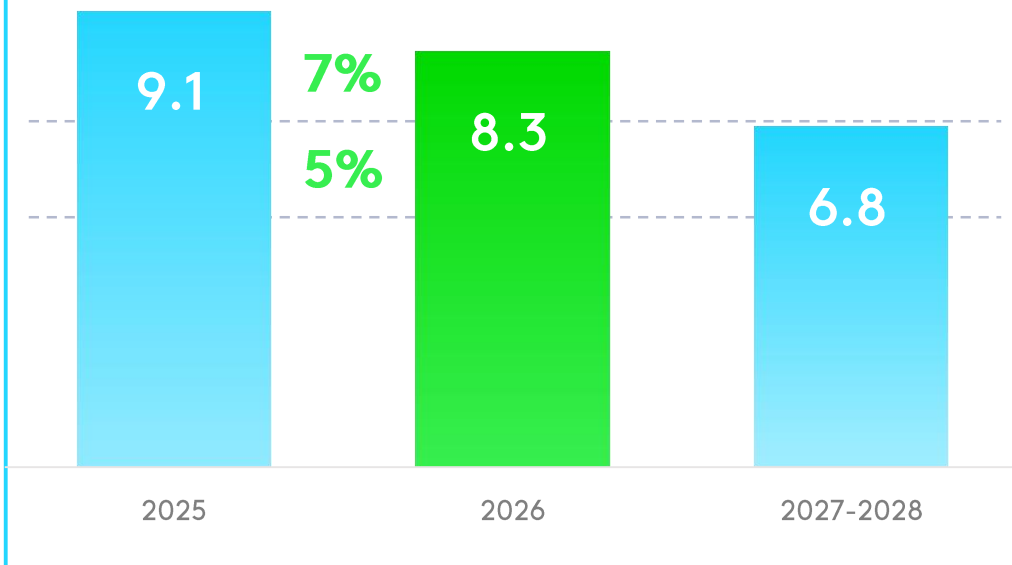
High growth in
the construction
sector

Strong consumer
demand in 2026

Slowdown in domestic
trade growth in 2027-2028

Inflation, % YoY

5 - 7%
NB KR inflation
target range



Kyrgyz Republic

Gradual slowdown in inflation after hike in 2025

Factors:

Strong consumer demand

Price increases for foodstuffs on global markets

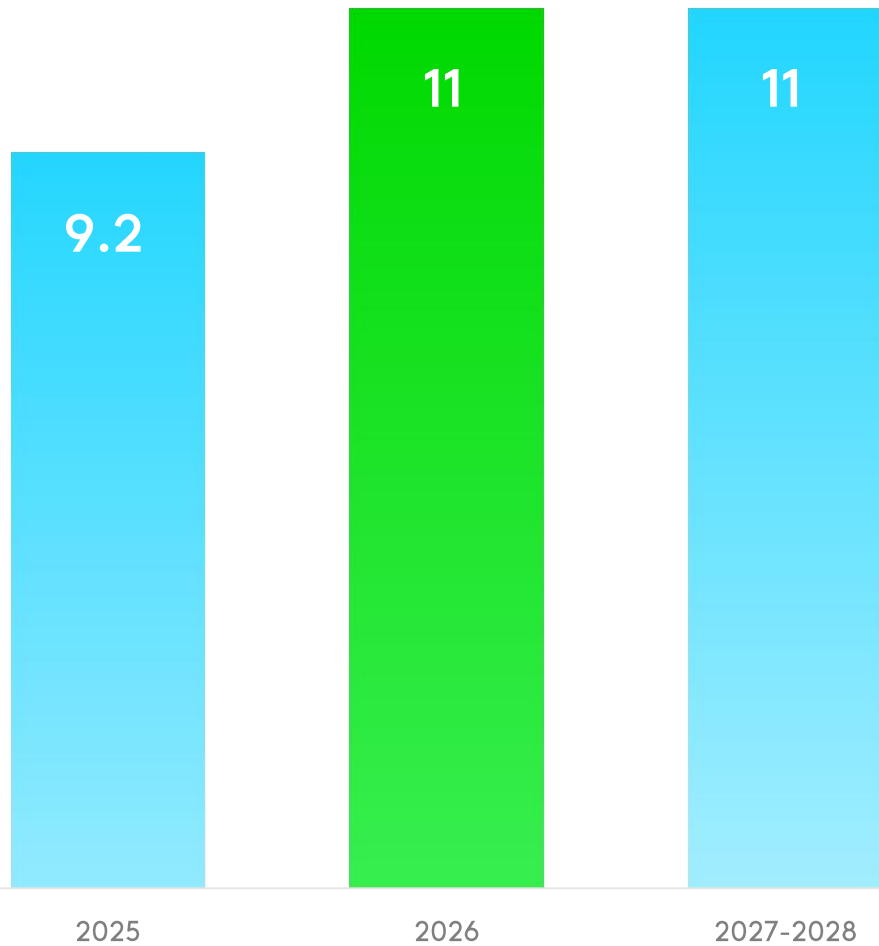
Increase in tariffs for housing and communal services

Sustainable exchange rate of som to dollar

Oil price is lower than the average for the last three years

Increase in the BIR interbank rate

Average policy rate, %



Kyrgyz Republic

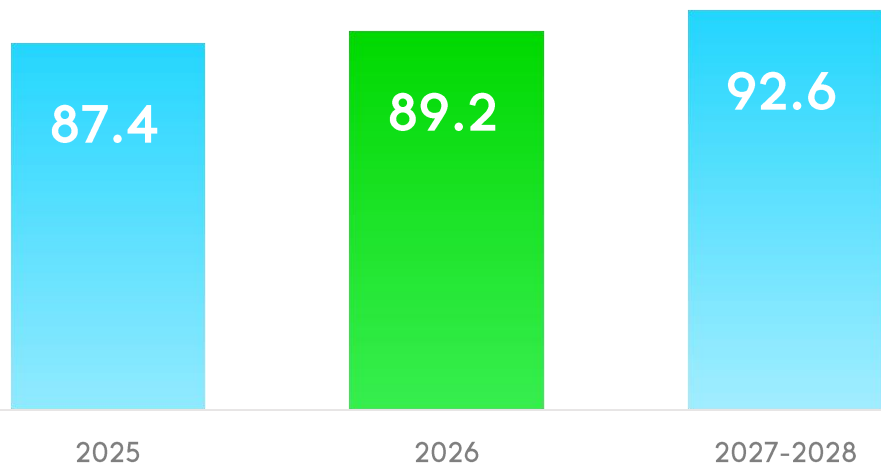
Policy rate may be maintained at 11%

We expect an increase in the BIR interbank interest rate of approximately

9%

in 2028

Average exchange rate, KGS/USD



Kyrgyz Republic

We do not expect significant changes in the som exchange rate

Factors:

Recovery in import growth

Elevated prices for gold

Sustained high levels of remittances

Increase in the BIR interbank rate





Macroeconomic Outlook

Russian Federation





Economic growth

Inflation

Key rate

Rouble exchange rate

Average GDP growth, %



Russian Federation

Return to sustainable economic growth in 2027–2028 after a period of cooling

Factors:

Maintaining a budget deficit of 1.2-1.6% of GDP in 2026-2028

Growth in lending and investment

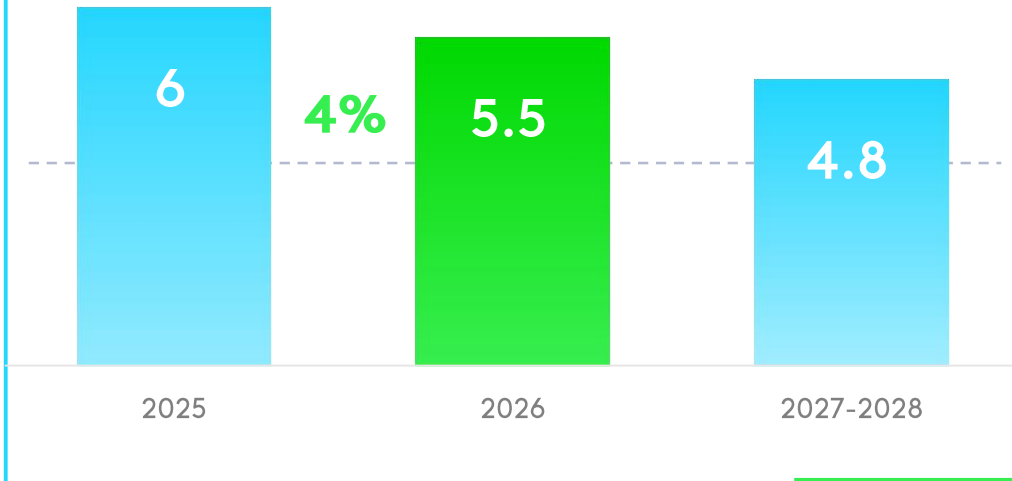
Acceleration of growth in household income

Increase in tax burden

Oil price is below 3-year average

Inflation, % YoY

4%
CB RF inflation
target



Russian Federation

Inflation above target due to intensification of inflationary factors

Factors:

Persisting labour shortage

Indexation of tariffs (housing, communal, railway, +10%), utilization fees

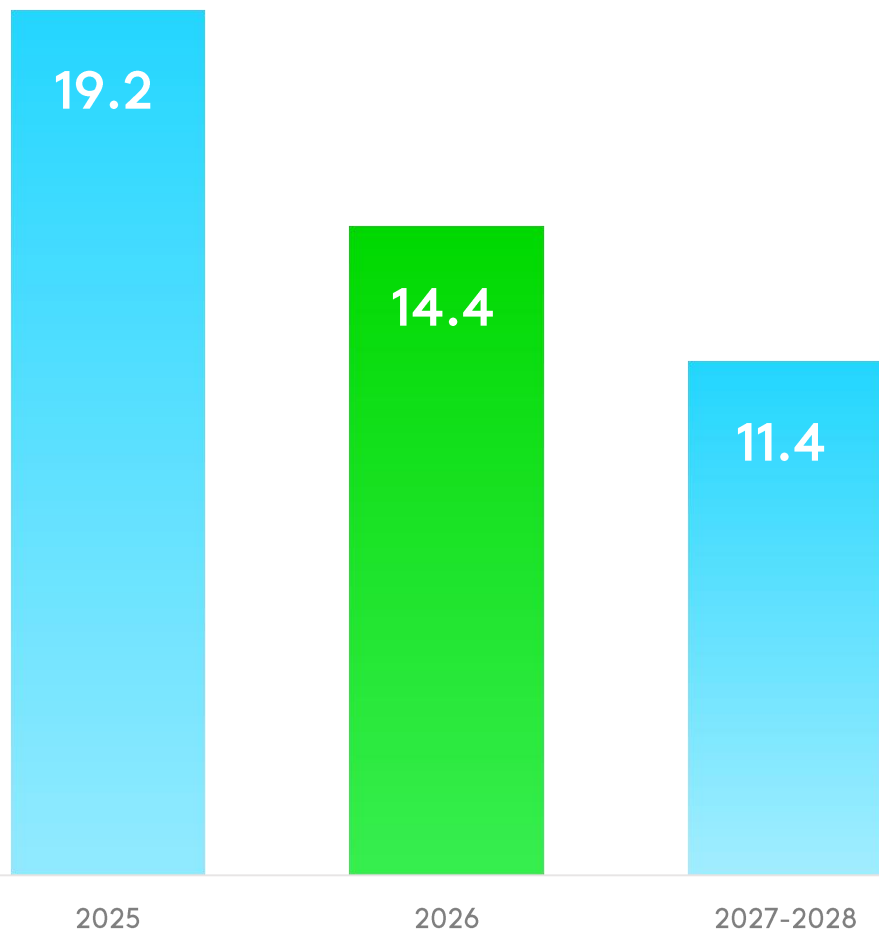
VAT increase from 20% to 22%

Continuation of fiscal stimulus

Maintaining elevated interest rates

Downward trend in inflation expectations

Average key rate, %



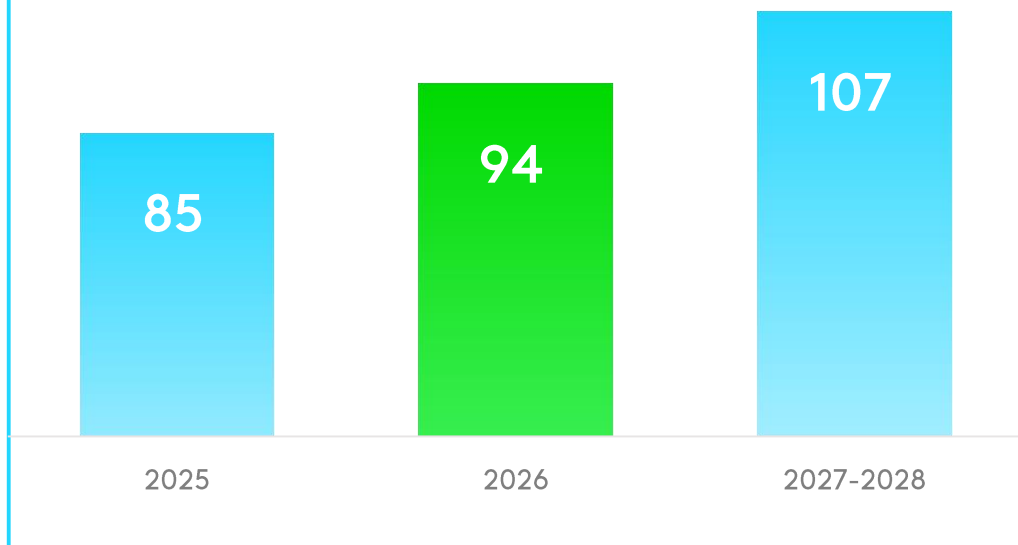
Russian Federation

Gradual reduction of interest rates from the second quarter of 2026

≈ 13%

Key rate at the end of 2026

Average exchange rate, RUB/USD



Russian Federation

We expect the exchange rate to depreciate to 97 roubles per dollar by the end of 2026

Factors:

Growth in non-energy exports

Maintaining elevated interest rates

Gradual decrease in the yield of rouble-denominated assets

Recovery in imports

Oil price is below 3-year average

Reduction in currency supply by the Bank of Russia

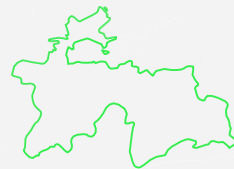




Macroeconomic Outlook

Republic of Tajikistan





Economic growth

Inflation

Refinancing rate

Somoni exchange rate



Average GDP growth, %



Republic of Tajikistan

The economy will continue to grow at a rapid pace

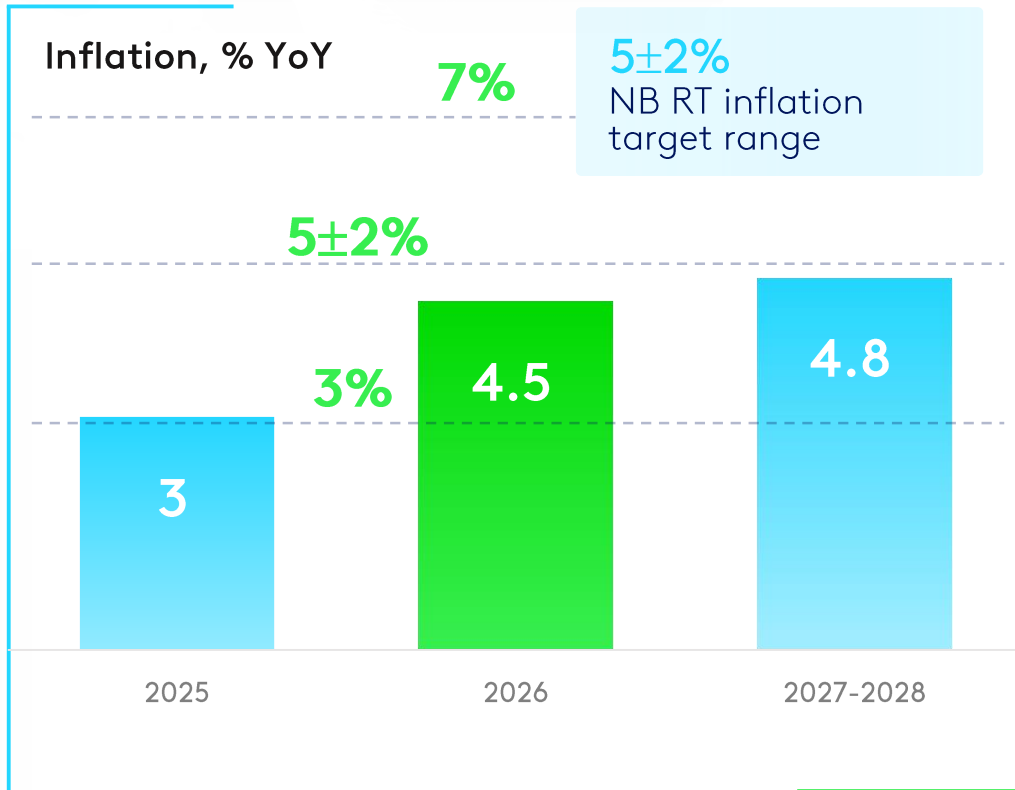
Factors:

Capacity expansion in the energy and manufacturing industries

Elevated prices for gold and non-ferrous metals

Subdued growth in external demand

Higher remittances



Republic of Tajikistan

Inflation within the target range in 2026-2028

Factors:

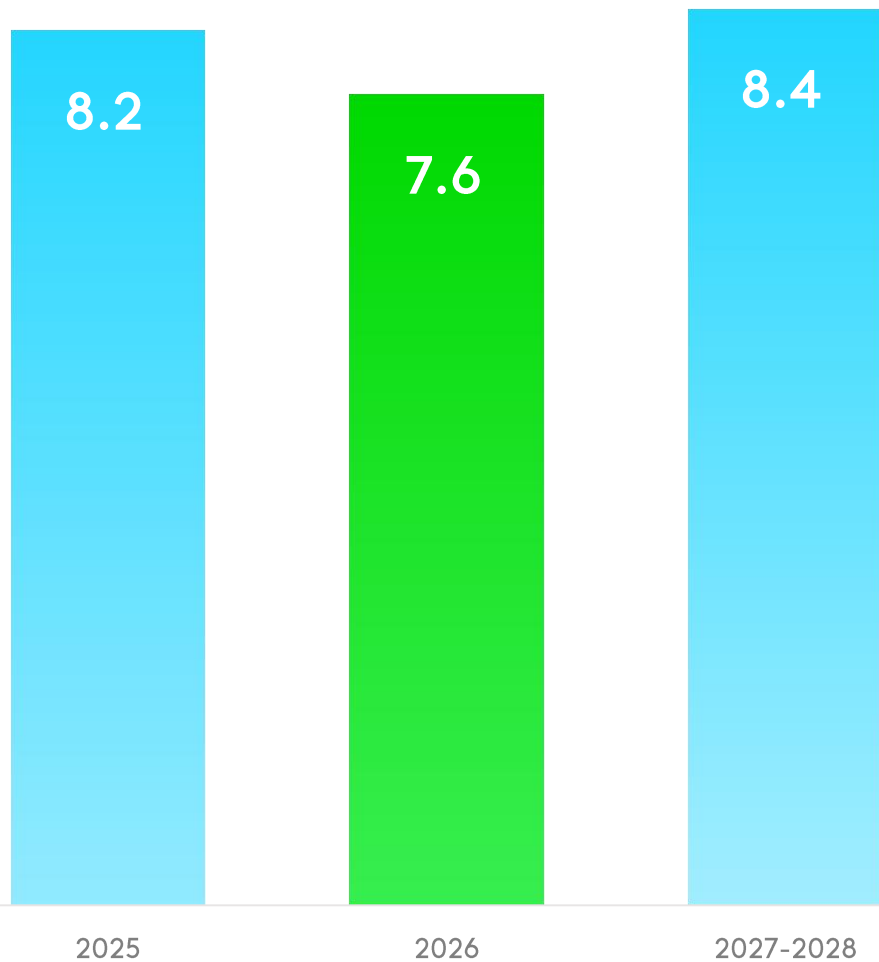
Strong domestic demand

Price increases for foodstuffs on global markets

Steady exchange rate of somoni to dollar

Oil price is below 3-year average

Average refinancing rate, %

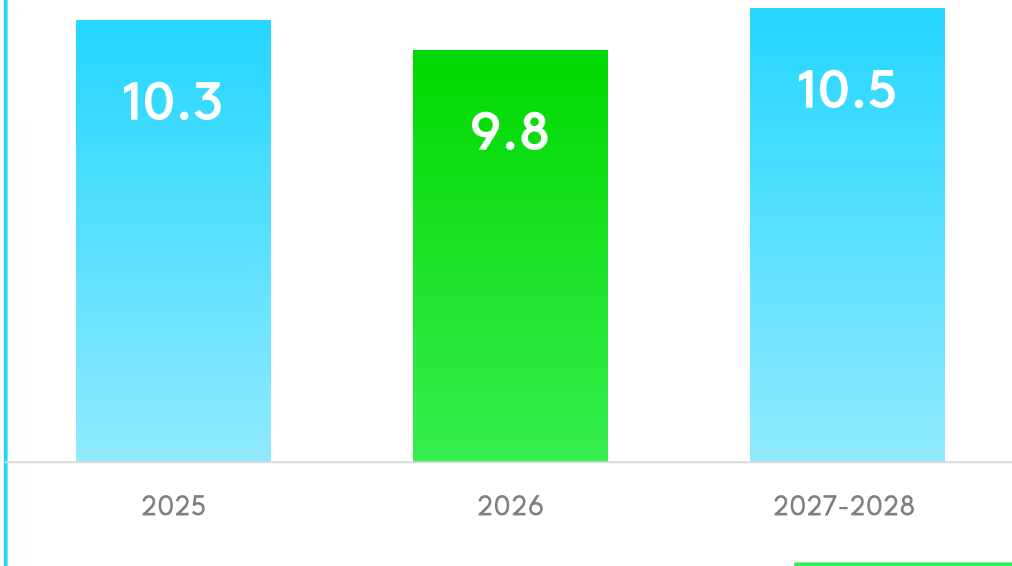


Republic of Tajikistan

A gradual increase
in the refinancing rate will
begin at the end of 2026

Refinancing rate at the end
of 2026 — approximately 8%

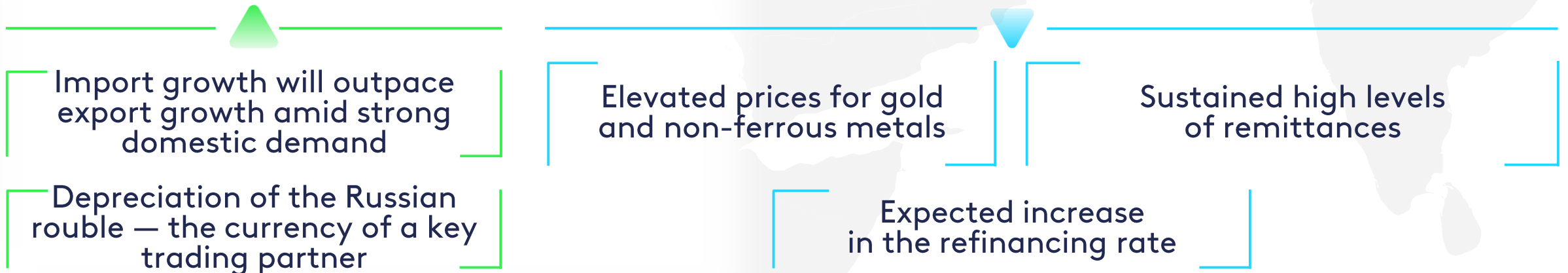
Average exchange rate, TJS/USD



Republic of Tajikistan

Stability of the somoni exchange rate in 2026

Factors:





Macroeconomic Outlook

Republic of Uzbekistan





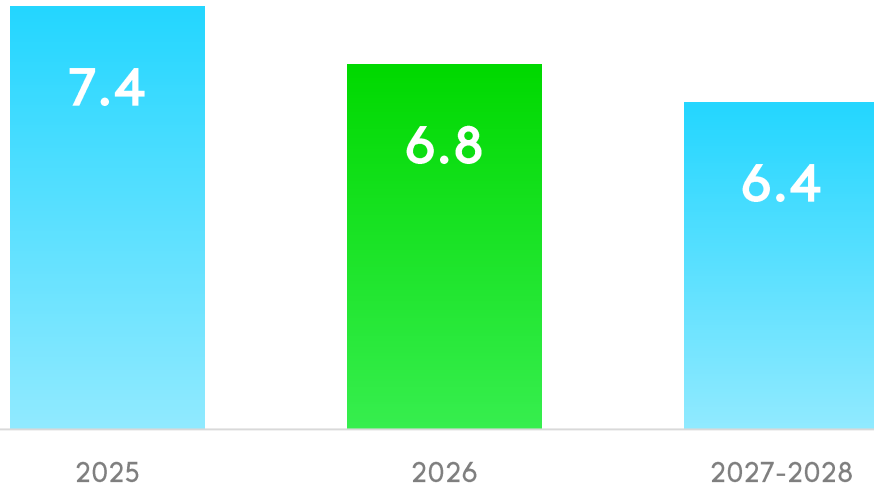
Economic growth

Inflation

Base rate

Soum exchange rate

Average GDP growth, %



Republic of Uzbekistan

Sustained high economic growth in 2027-2028

Factors:

Growth in investment

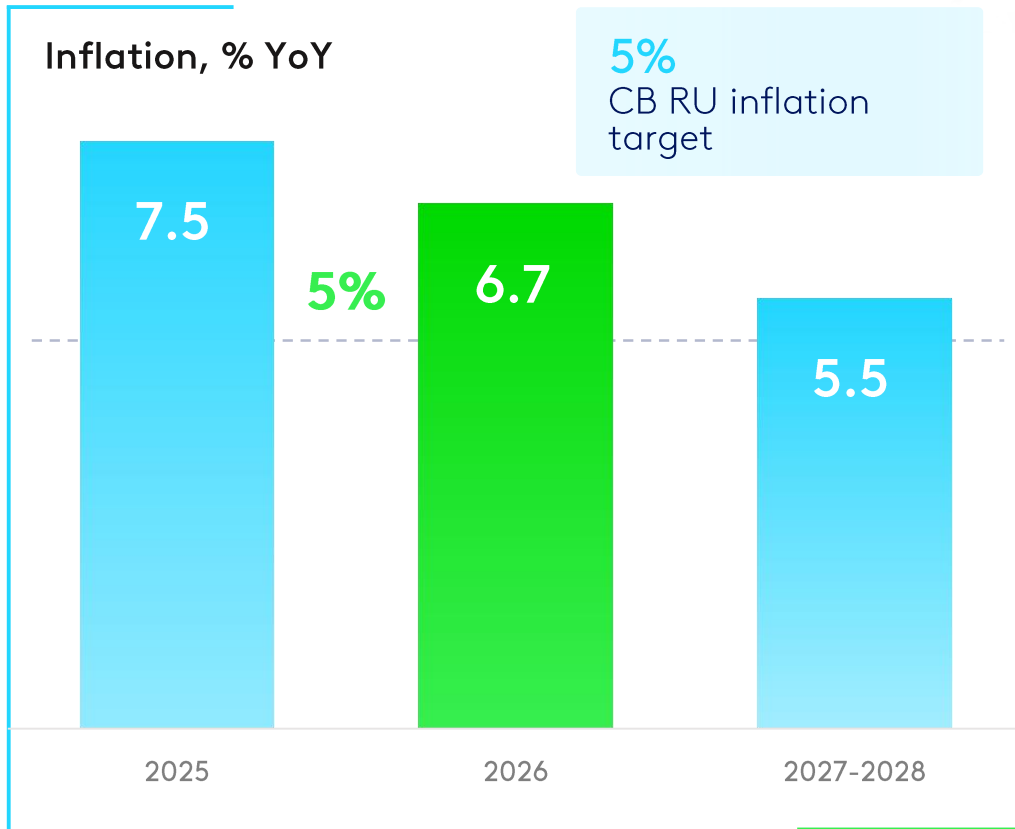
Elevated prices for gold

Expansion of non-resource exports

High amount of remittances

Elevated interest rates

Subdued growth in external demand



Republic of Uzbekistan

Sustained decline in inflation towards the CB RU inflation target

Factors:

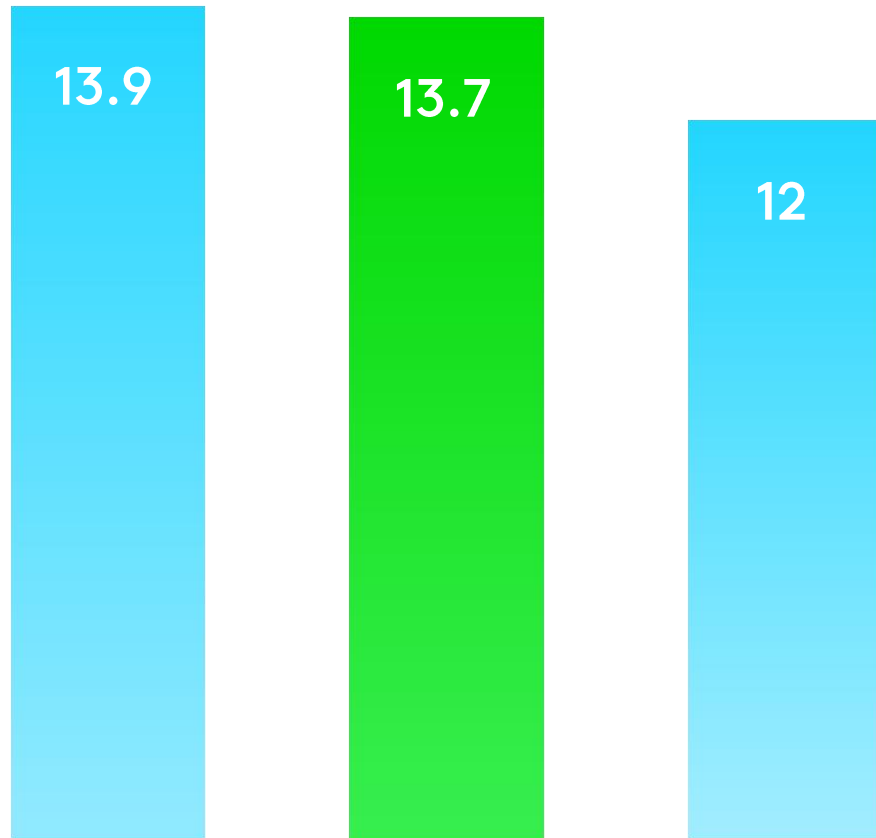
Strong consumer demand

Increases in prices for foodstuffs on global markets

Maintained tight monetary conditions

Stability of the soum exchange rate

Average base rate, %



2025

2026

2027-2028



Republic of Uzbekistan

Base rate cut as inflation slows steadily

≈ 13%

Base rate at the end of 2026



Average exchange rate, UZS/USD



Republic of Uzbekistan

Stability of the soum exchange rate in 2026

Factors:

Growth in imports amid expanding domestic demand

Gradual base rate cuts

Growth in metal exports against the backdrop of favorable pricing conditions

Sustained high levels of remittances

▼ Appreciation

▲ Depreciation



Eurasian Development Bank



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Macroeconomic outlook
for 2026-2028