

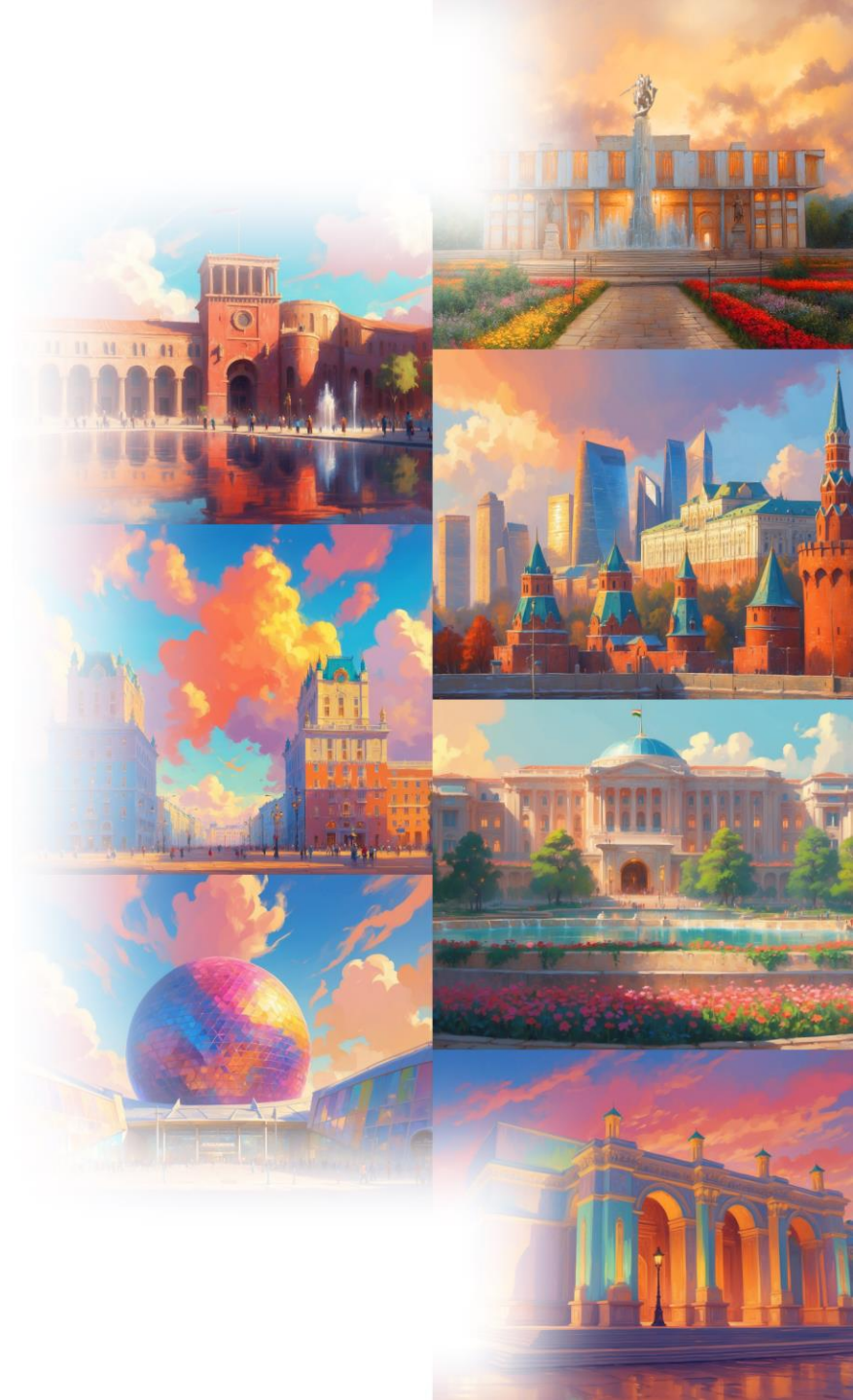


Eurasian Development Bank

# MACROECONOMIC OUTLOOK 2025-2027



June 2025





# 01

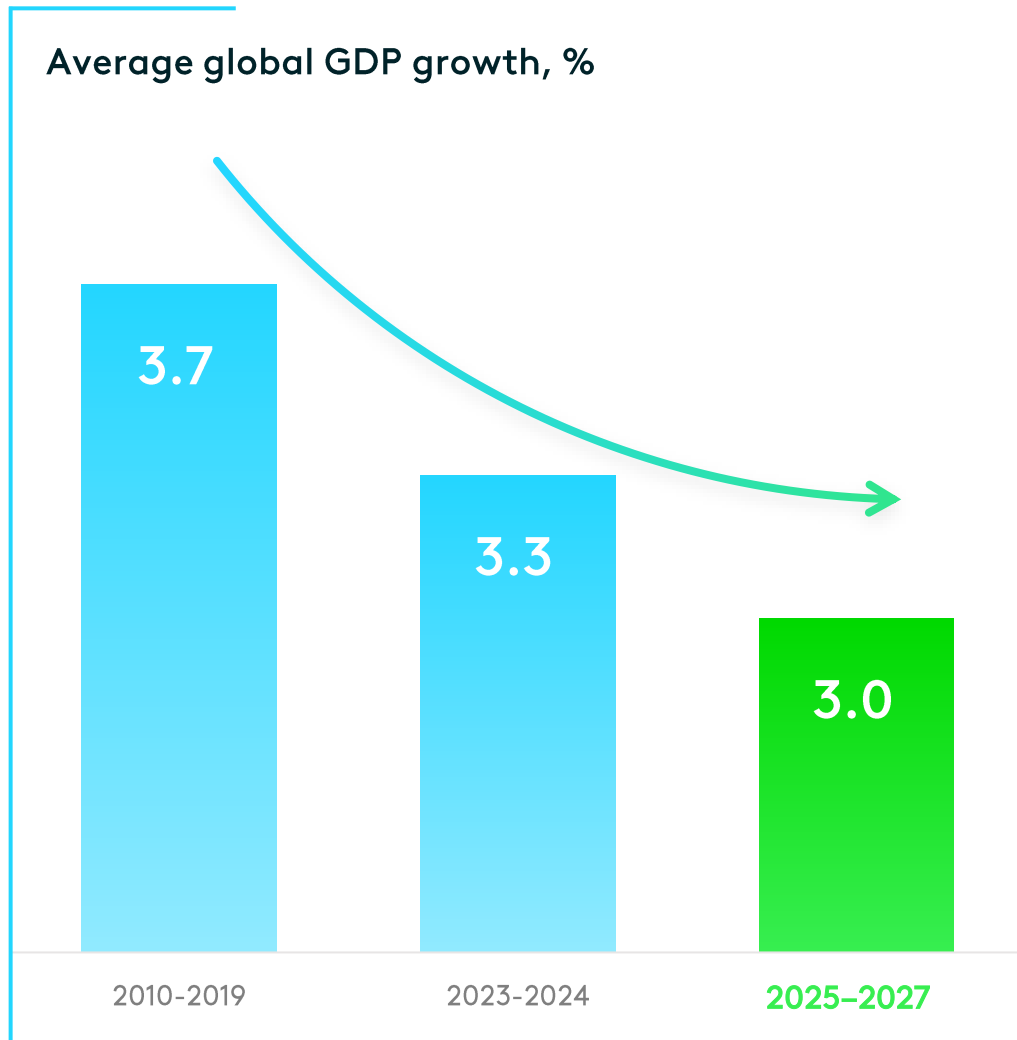
Macroeconomic Outlook

## External Economic Conditions



# Global economy

2025 – 2027



Global economic growth  
will slow down

our forecast

3%

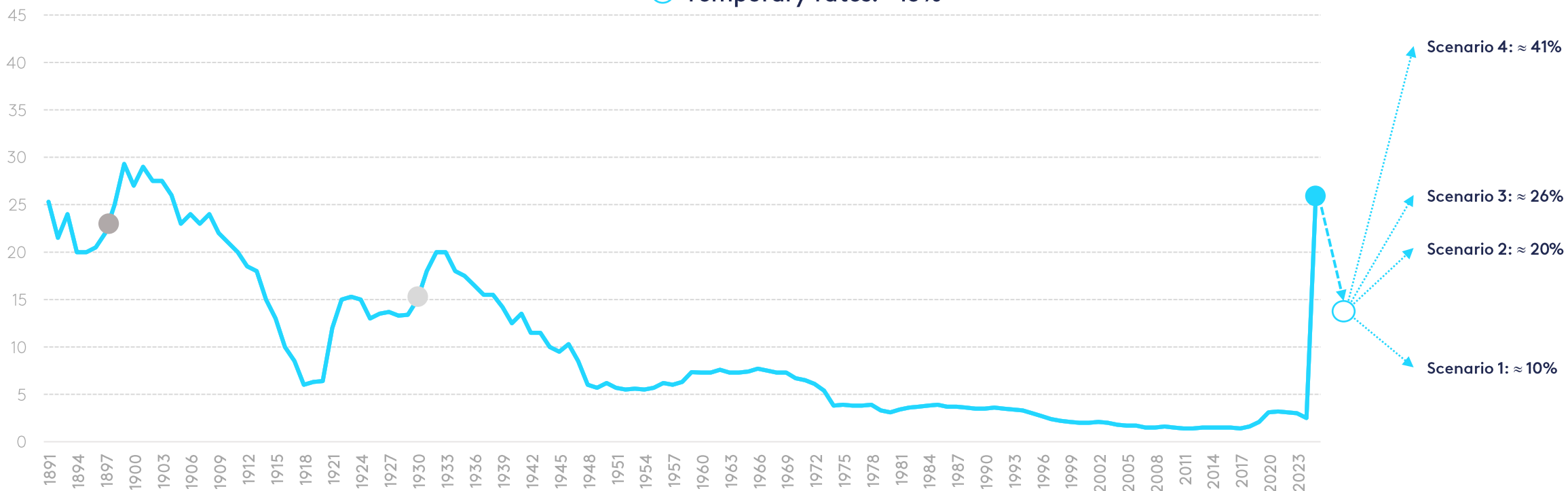
in 2025

Global GDP drivers: China  
and emerging markets

# Tariff conflict — a new factor slowing down global economic growth

Average tariffs on imports in the United States

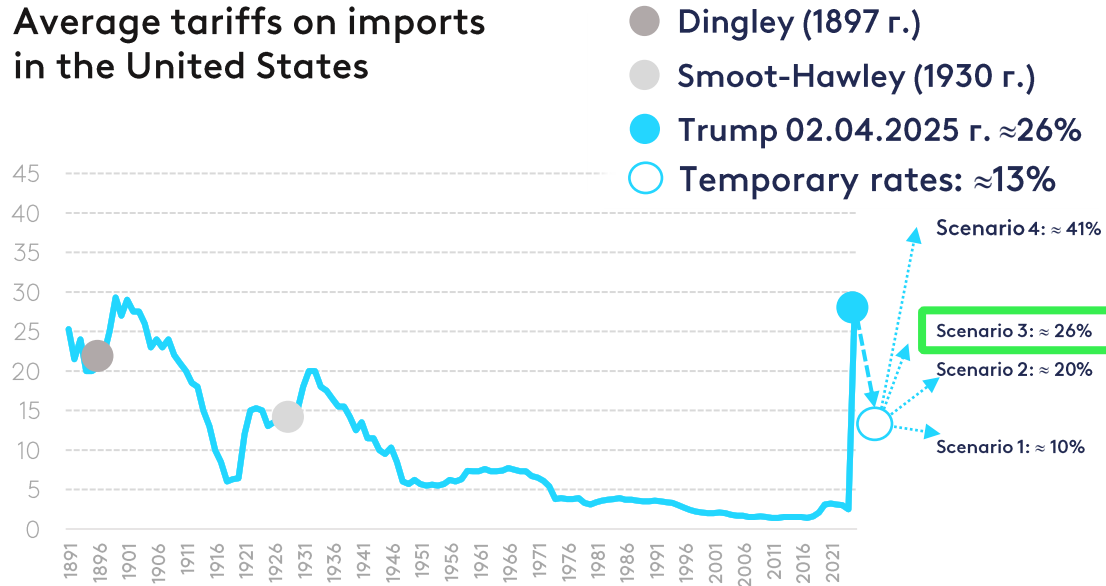
● Dingley (1897 г.) ● Smoot-Hawley (1930 г.) ● Trump 02.04.2025 г. ≈26%  
○ Temporary rates: ≈13%



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

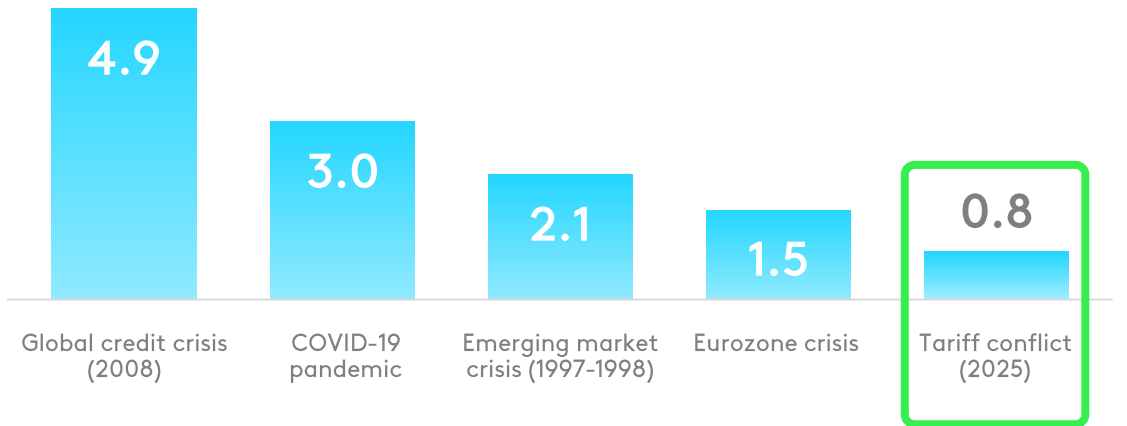
# Tariff conflict — a new factor slowing down global economic growth

Average tariffs on imports in the United States



Source: International Monetary Fund

Impact of crises on global economic growth: cumulative damage over 2 years

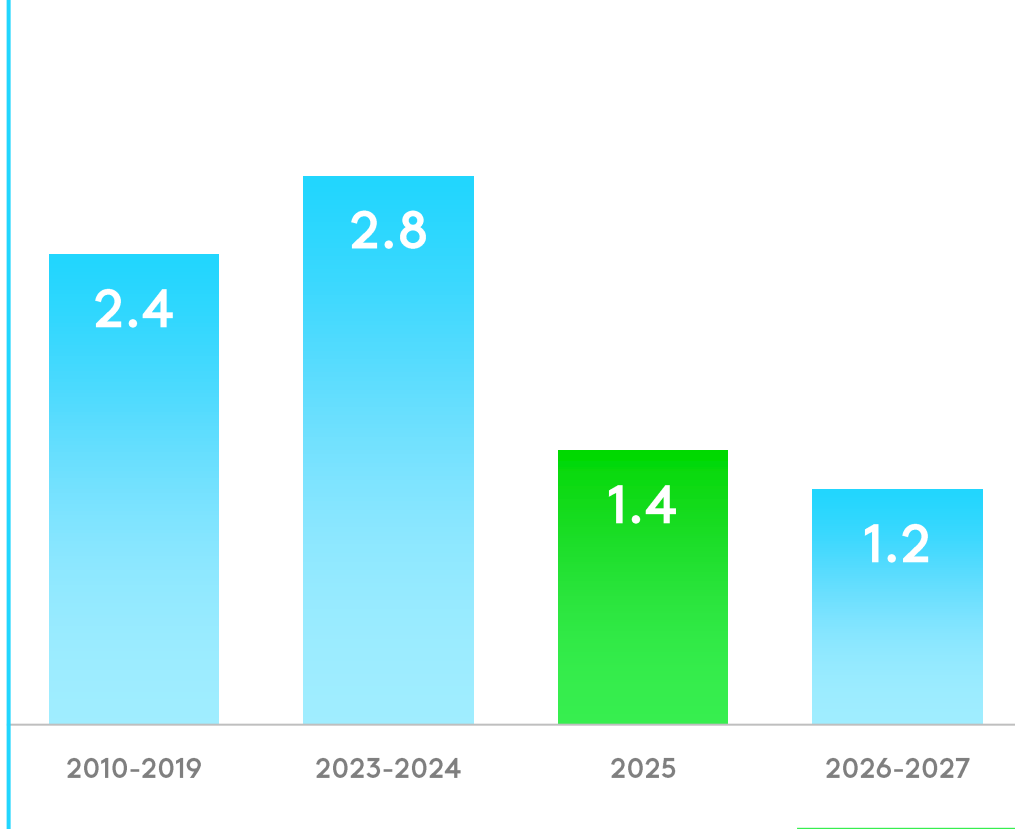


Cumulative damage to GDP growth (p.p.)

Source: International Monetary Fund

Tariff barriers could return to levels last seen nearly 90 years ago

Average GDP growth, %



# Slowdown in the US economy to 1.4%

after 2,8% in 2024

The lowest growth rates in 20 years, excluding crisis periods

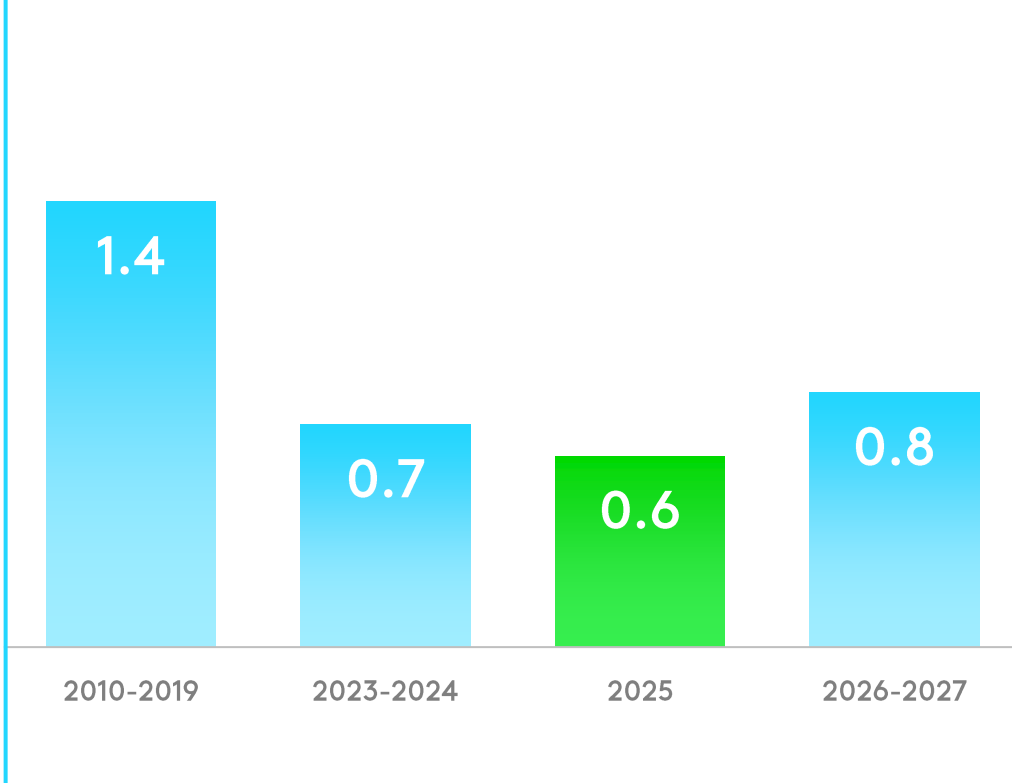
## Factors:

Fiscal stimulus reduction

Slower consumption and investment growth

Sustainably elevated interest rates

## Average GDP growth, %



# Eurozone economic growth below 1%

Over the entire forecast horizon

Our forecast: 0.6% in 2025

## Factors:

Stagnation in industrial sector


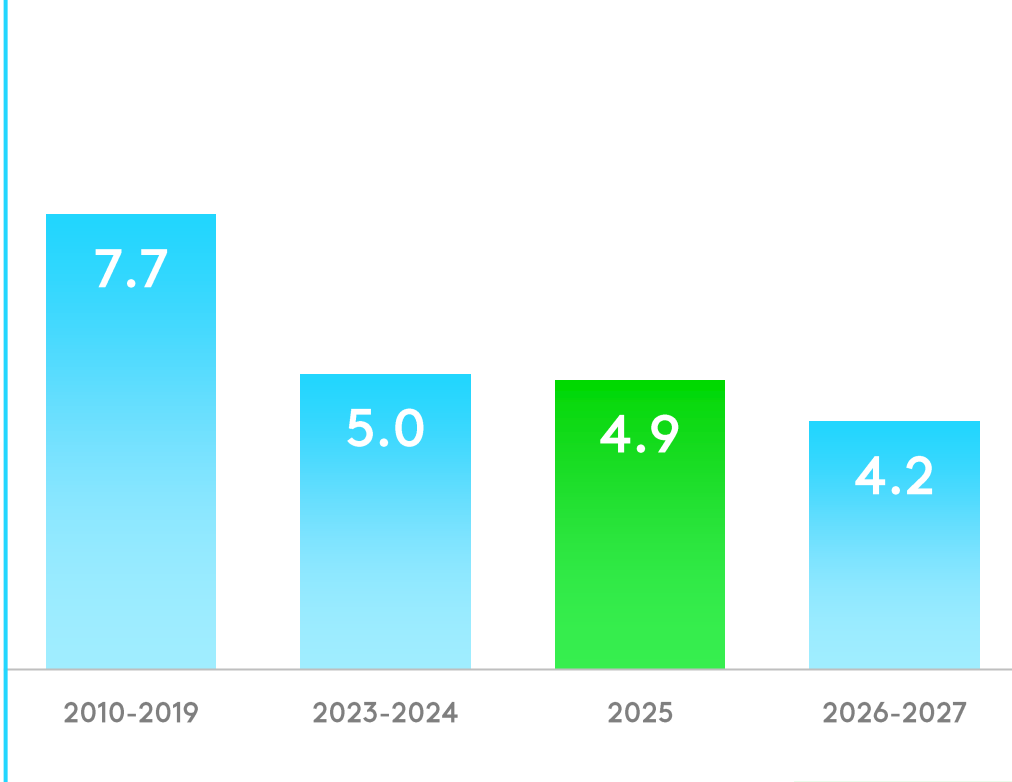
Consumption slowdown

Interest rate decrease

Public spending increase



Average GDP growth, %



Economic growth  
in China in 2025 will  
remain close to

5%

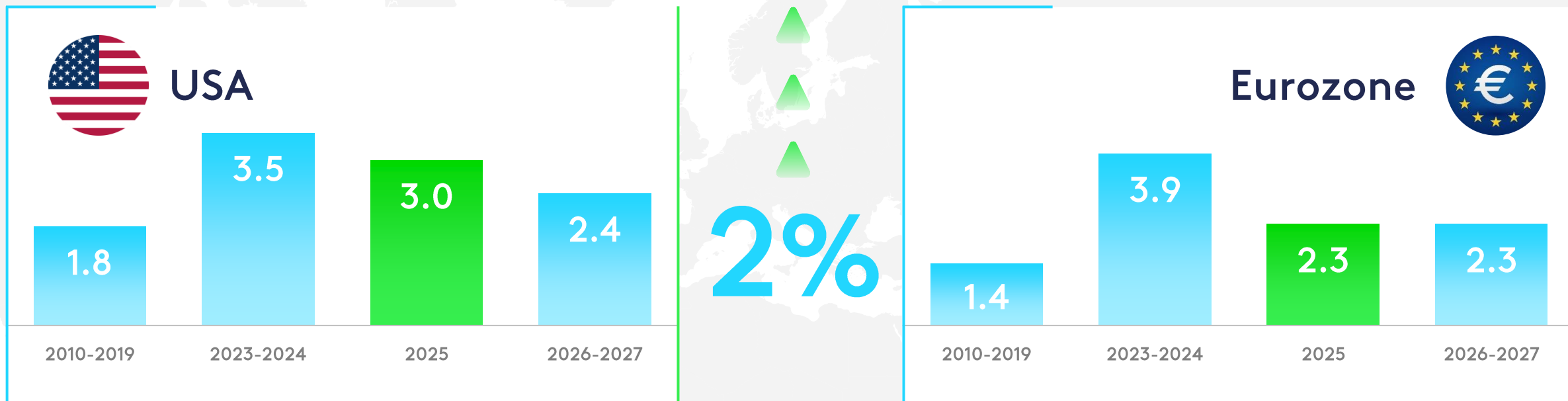
## Factors:

Stimulative measures  
by government

Export decrease due to the  
tariff policy by the USA

Low consumer activity

# Inflationary risks remain in the USA and the eurozone



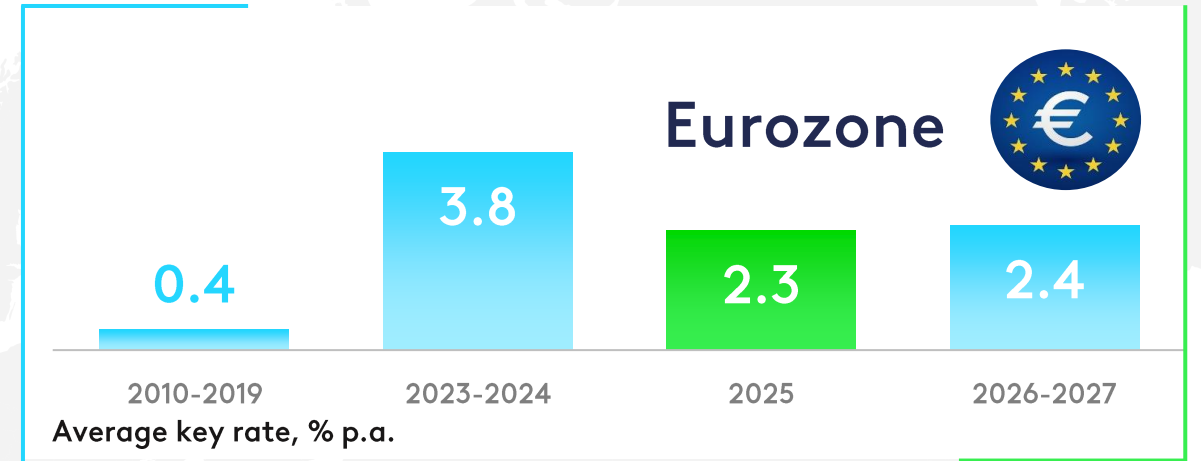
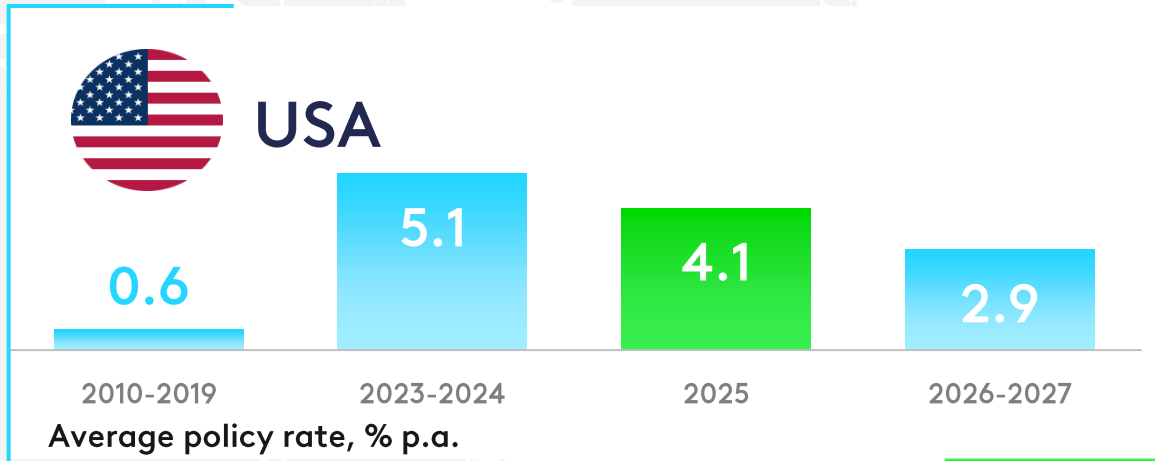
## Factors:

Higher tariffs

Tight labor market

Consumption slowdown

# Interest rates will remain elevated



## Factors:

Growing inflationary risks

High public and private debt service expenditures

Slowdown in business activity (recession risks)

FRS and ECB will continue to cut rates but the room for further cuts is limited



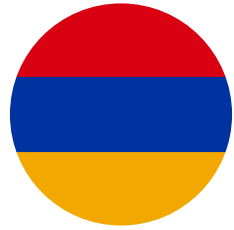
# 2022

Macroeconomic Outlook

## Country Forecasts



Eurasian Development Bank



Macroeconomic outlook

# Republic of Armenia





Economic growth

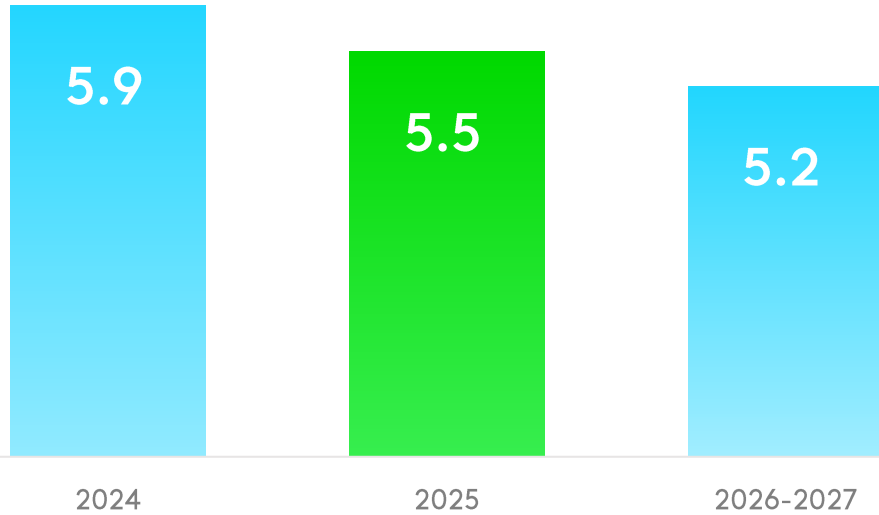
Inflation

Refinancing rate

Dram exchange rate



Average GDP growth, %



## Republic of Armenia

Balanced economic growth  
in 2025

### Factors:

Stimulative fiscal  
policy

Growth in  
remittance inflows

Growth in lending  
to households

Slowdown in the growth  
of foreign trade



Inflation, % YoY

3±1%  
inflation target  
range of CB RA

4%

3±1%

2%

1.5

3.1

2.8

2024

2025

2026-2027



## Republic of Armenia

Inflation close to target over  
the entire forecast period

### Factors:

Global food price  
growth recovery

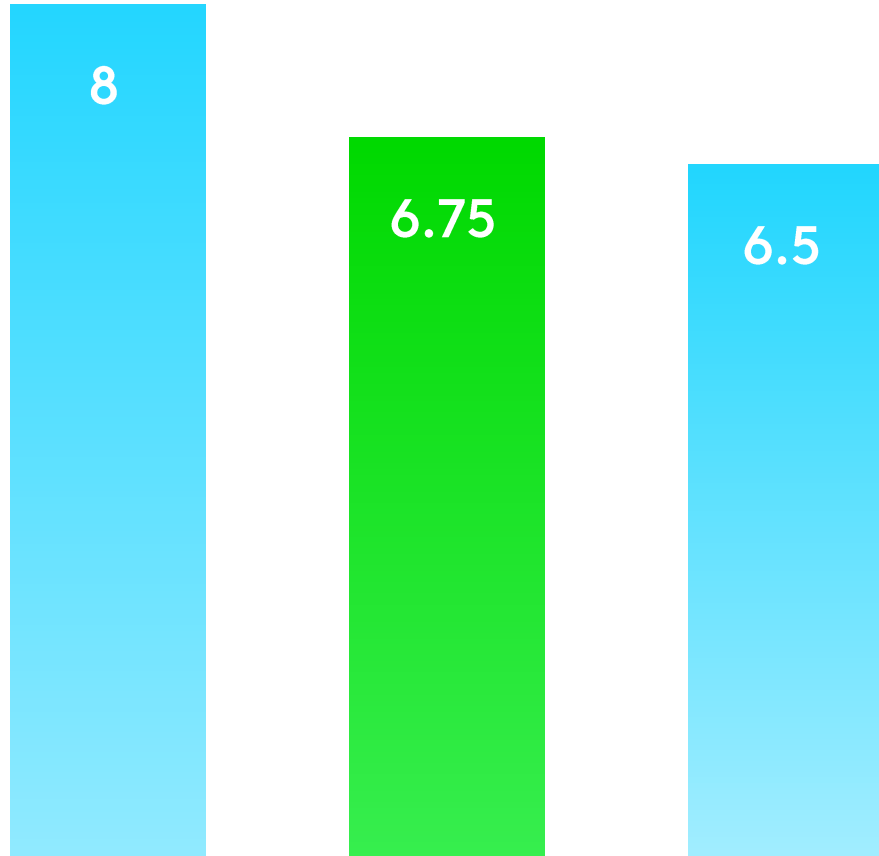
Effect of the past  
refinancing rate cuts

Stimulative fiscal  
policy

Moderate dram  
depreciation by  
the end of 2025



Average refinancing rate, %



2024

2025

2026-2027



## Republic of Armenia

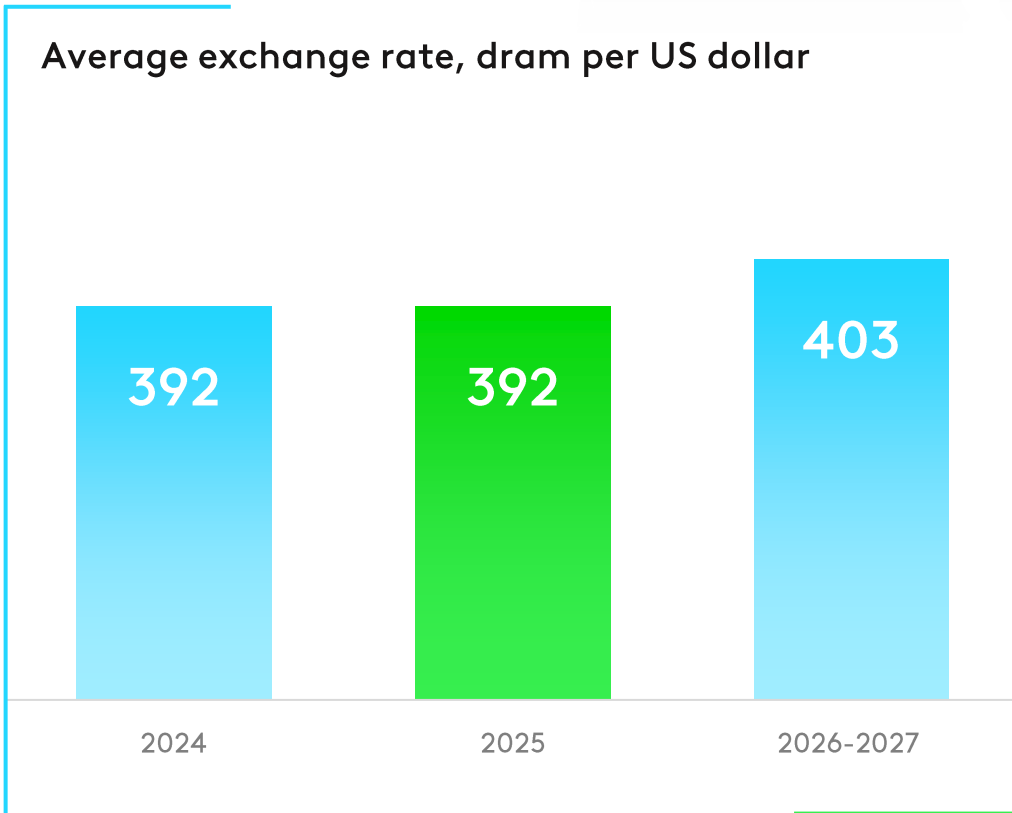
Refinancing rate will remain  
at the current level

**6.75%**  
in 2025

Will be close to 6.5%  
in 2026-2027



Average exchange rate, dram per US dollar



## Republic of Armenia

The dram is stronger than previously forecast, but we expect a moderate weakening in 2026-2027

### Factors:



Exchange rate appreciation

Exchange rate depreciation



Macroeconomic outlook

# Republic of Belarus



Eurasian Development Bank





Economic growth

Inflation

Refinancing rate

Ruble exchange rate



Average GDP growth, %



## Republic of Belarus

### Elevated economic growth rate in 2025

#### Factors:

Wage growth will remain high

State support for investments

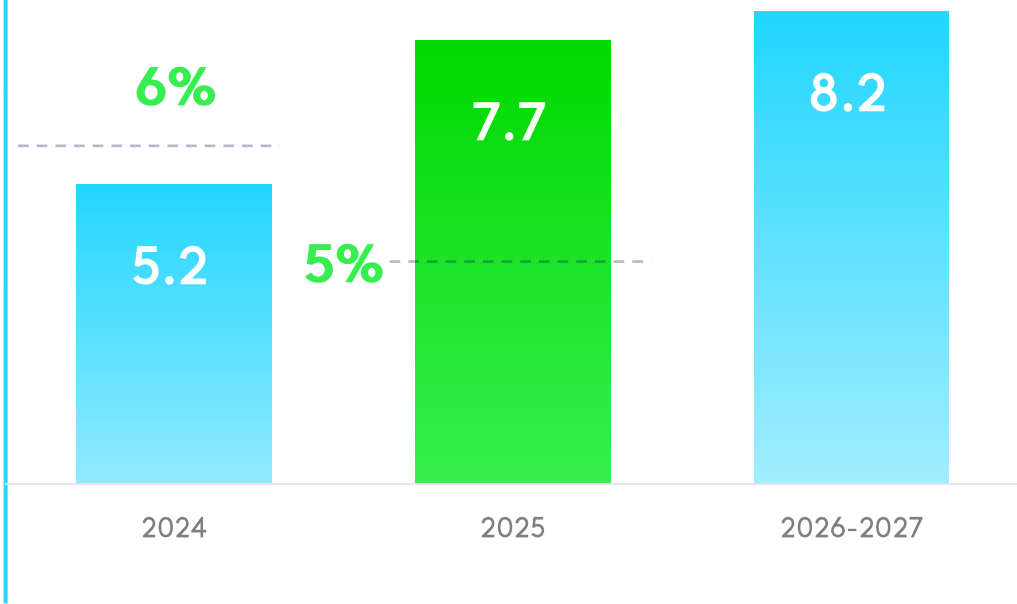
Increasing competition in the Russian market

Labour shortage

Slowdown in demand growth in Russia

Inflation, % YoY

5%  
NB RB inflation  
target



## Republic of Belarus

### Gradual rise in inflation

### Factors:

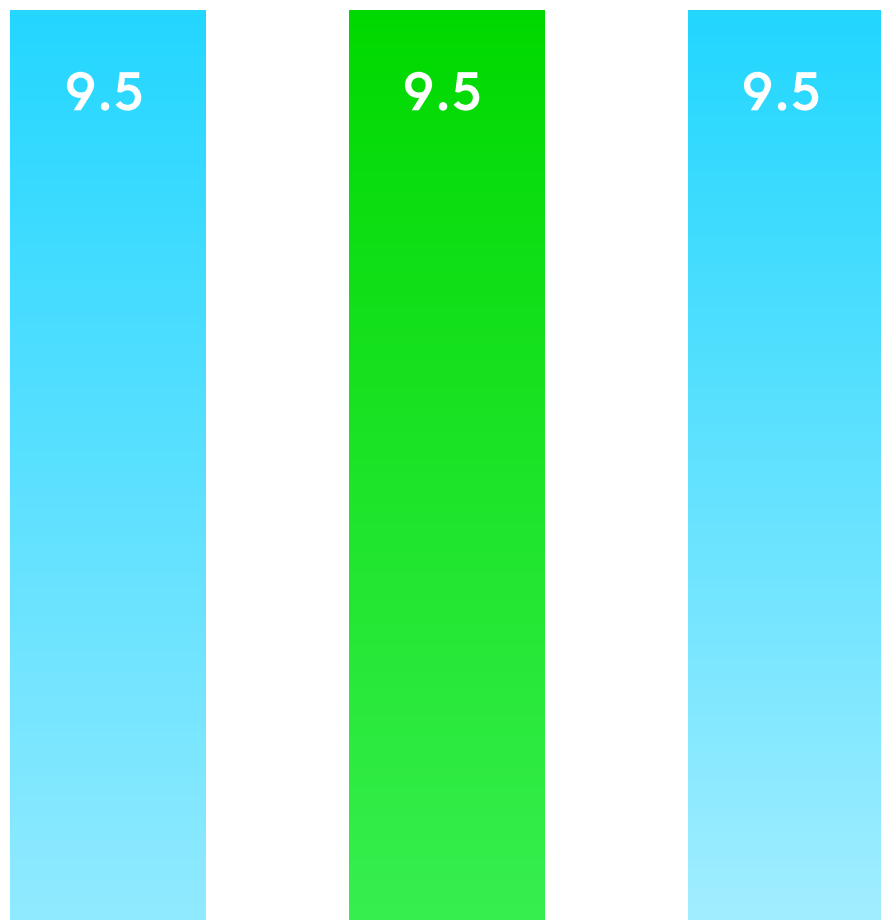
Wage growth

Imported inflation due to high growth of prices in Russia

Belarusian ruble depreciation

Easing regulation of prices

Average refinancing rate, %



2024

2025

2026-2027



## Republic of Belarus

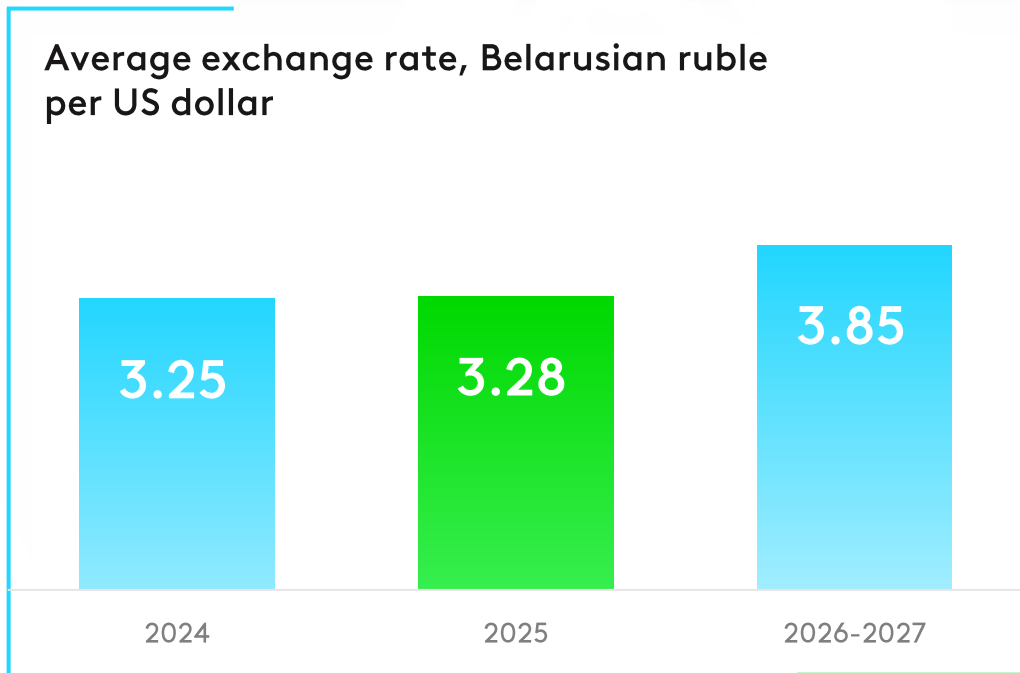
Refinancing rate  
will be around

**9.5%**

as NB RB keeps balancing  
economic growth support  
and inflation reduction



Average exchange rate, Belarusian ruble per US dollar



## Republic of Belarus

### Depreciation of Belarusian ruble in 2026-2027

#### Factors:



Exchange rate appreciation

Exchange rate depreciation



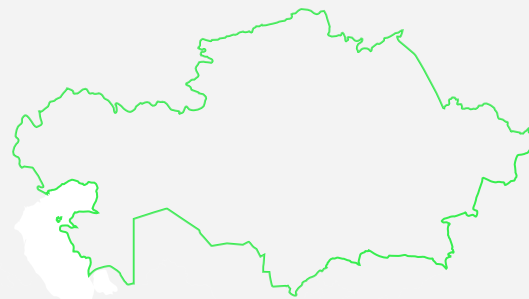
Macroeconomic outlook

# Republic of Kazakhstan



Eurasian Development Bank





Economic growth

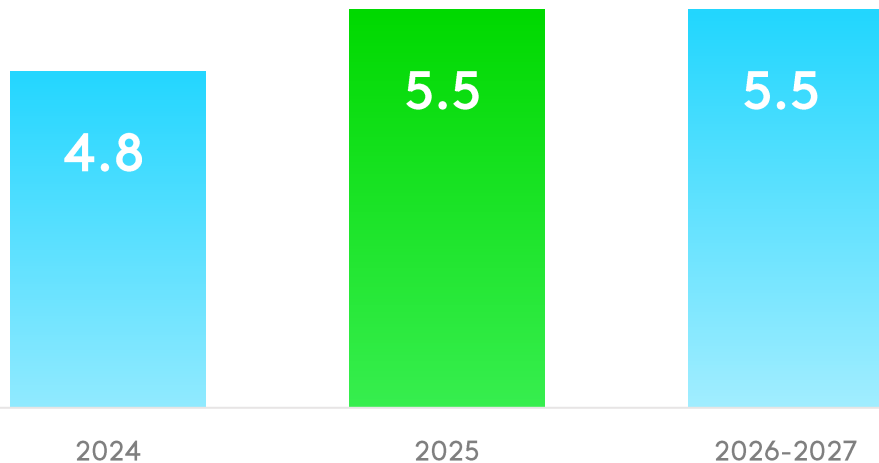
Inflation

Base rate

Tenge exchange rate



Average GDP growth, %



## Republic of Kazakhstan

Rise in economic growth rate  
to 5.5%

### Factors :

Start of investment support through "Bayterek" – 8 trln tenge (6% of GDP) by 2027

Growth in manufacturing, transportation, and construction

Oil price decrease

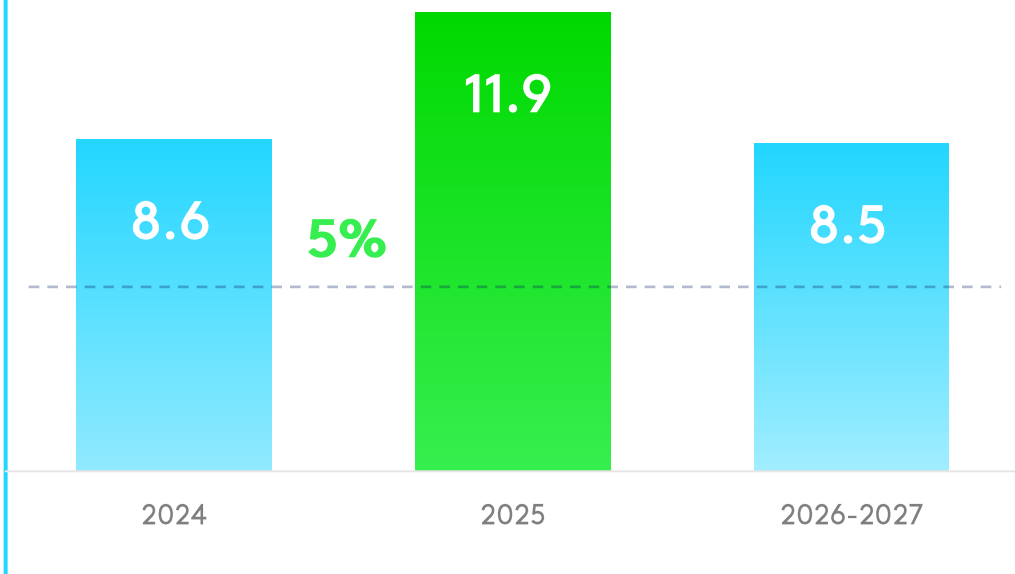
Oil production increase

Launch of new capacity at the Tengiz field

Slowdown in foreign trade growth

Inflation, % YoY

5%  
NB RK inflation  
target



# Republic of Kazakhstan

Gradual slowdown  
in inflation after a hike  
in 2025

## Factors :

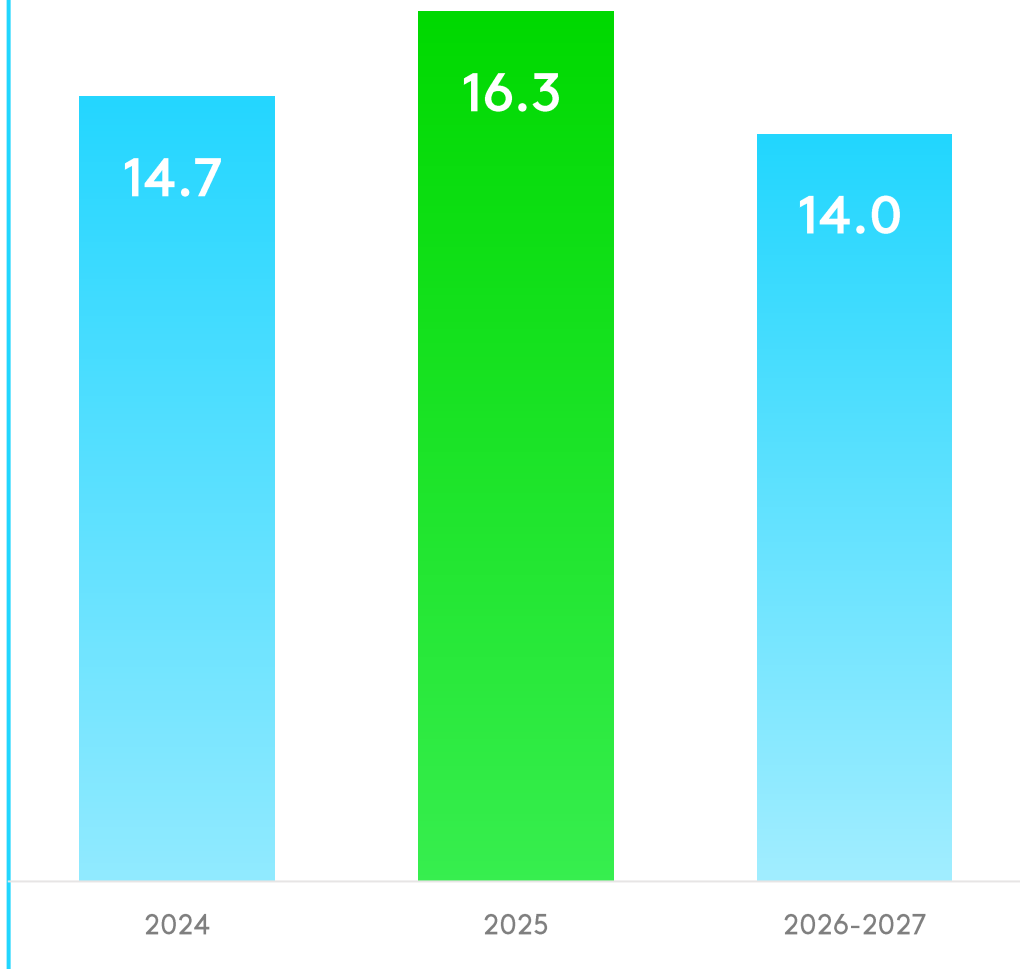
VAT rate increase

Increase in utility  
tariffs

High interest rates

Decrease in inflation  
expectations

Average base rate, %



## Republic of Kazakhstan

National Bank will keep the base rate unchanged at

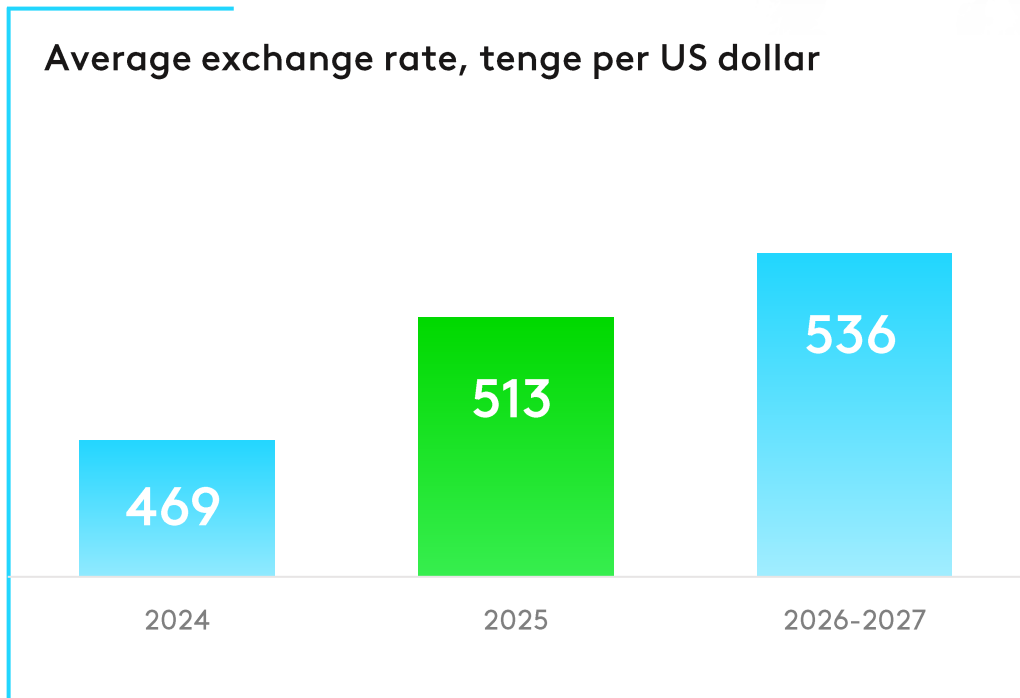
# 16.5%

until the I quarter of 2026

Base rate decrease to 14.5% by the end of 2026 against the backdrop of decrease in inflation expectations



Average exchange rate, tenge per US dollar



# Republic of Kazakhstan

We expect stable tenge exchange rate over the remaining part of 2025

Exchange rate by the end of 2025 at 515 tenge per US dollar

## Factors :

Global oil price decrease

Rise in oil export volume

Conversion of transfers from National Fund to the budget

Mandated sale of 50% of export revenue by quasi-public sector

High NB RK base rate



Macroeconomic outlook

# Kyrgyz Republic



Eurasian Development Bank





Economic growth

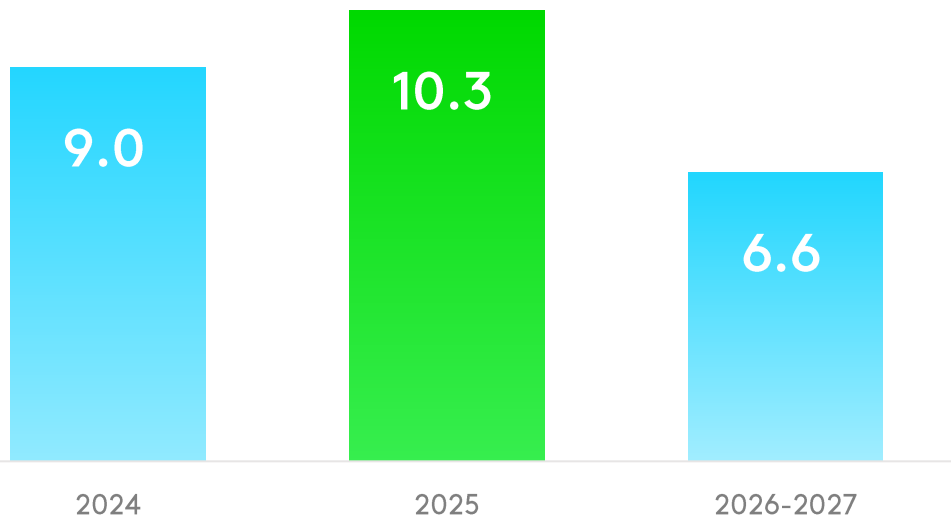
Inflation

Policy rate

Som exchange rate



Average GDP growth, %



# Kyrgyz Republic

## Leadership in terms of economic growth rates in the region in 2025

Gradual return of the economy to balanced growth in 2026-2027

### Factors:

Implementation of state investment programs

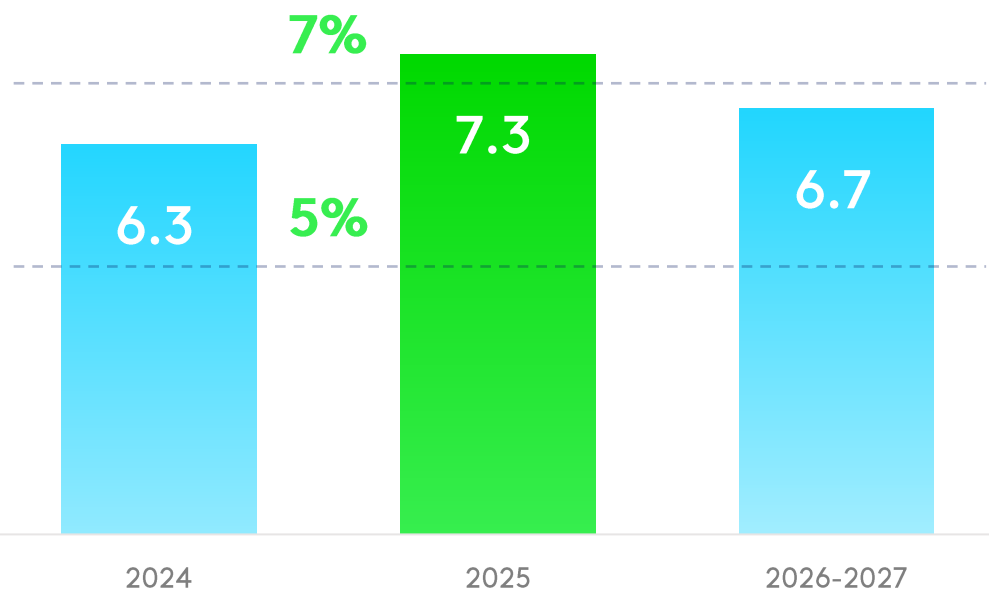
Output increase by industrial and construction sectors

Cooling of personal consumption

Slowdown in foreign trade growth

Inflation, % YoY

5 - 7%  
NB KR inflation  
target



## Kyrgyz Republic

Inflation close to target

5-7%  
in 2025

### Factors:

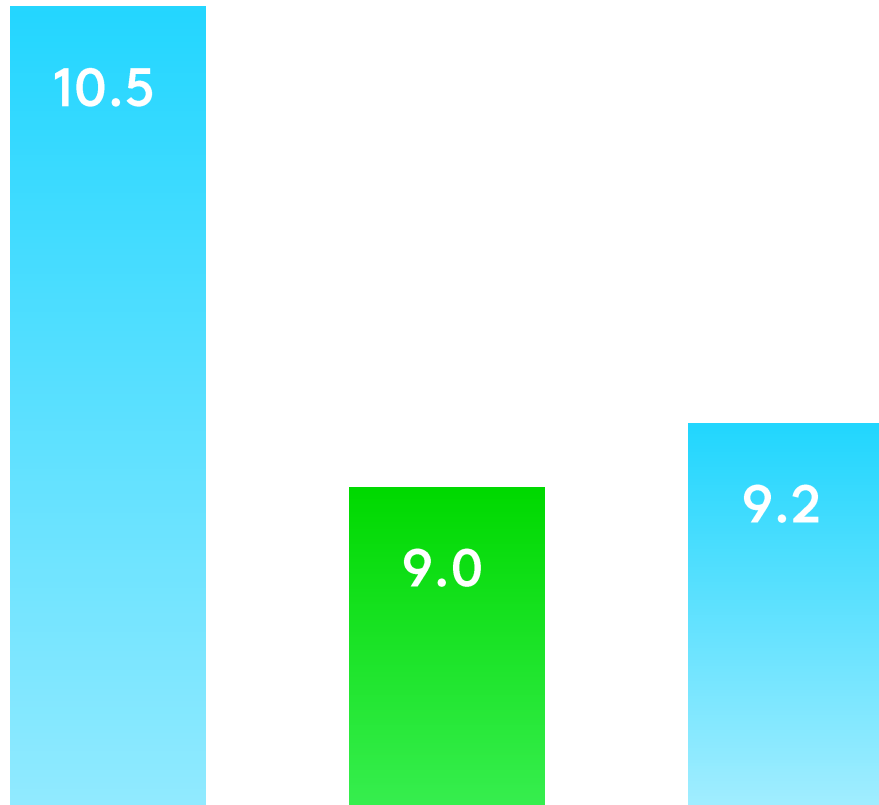
Rise in global price  
of grain imported  
by Kyrgyzstan

Low water levels  
in reservoirs

Low global energy prices

Rise in policy rate

Average policy rate, %



2024

2025

2026-2027



Eurasian Development Bank



## Kyrgyz Republic

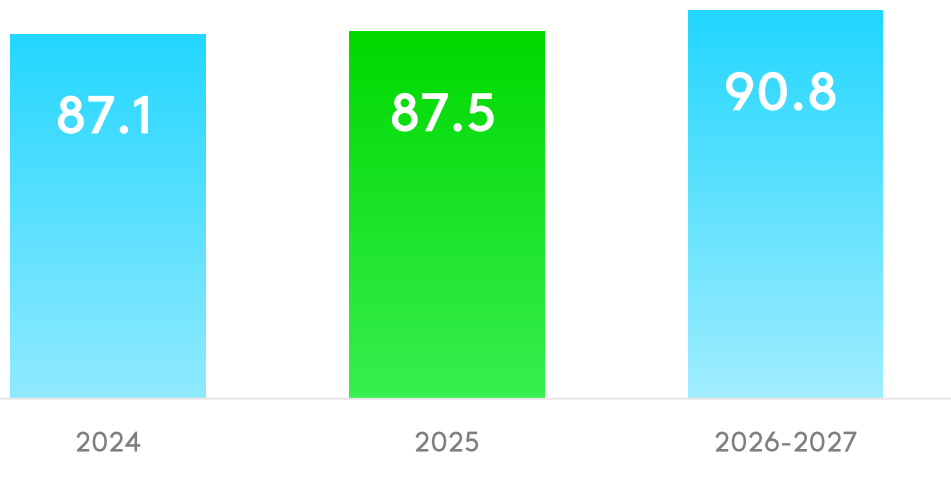
Stability of policy rate

Policy rate may be raised

**to 9.25%**

by end-2026

Average exchange rate, som per US dollar



## Kyrgyz Republic

We do not expect significant changes in the som exchange rate

### Factors:

Depreciation of currencies in countries-trading partners of Kyrgyz Republic

Rise in global gold prices

Rise in gold exports

Slowdown in import growth

Exchange rate appreciation

Exchange rate depreciation



Macroeconomic outlook

# Russian Federation



Eurasian Development Bank





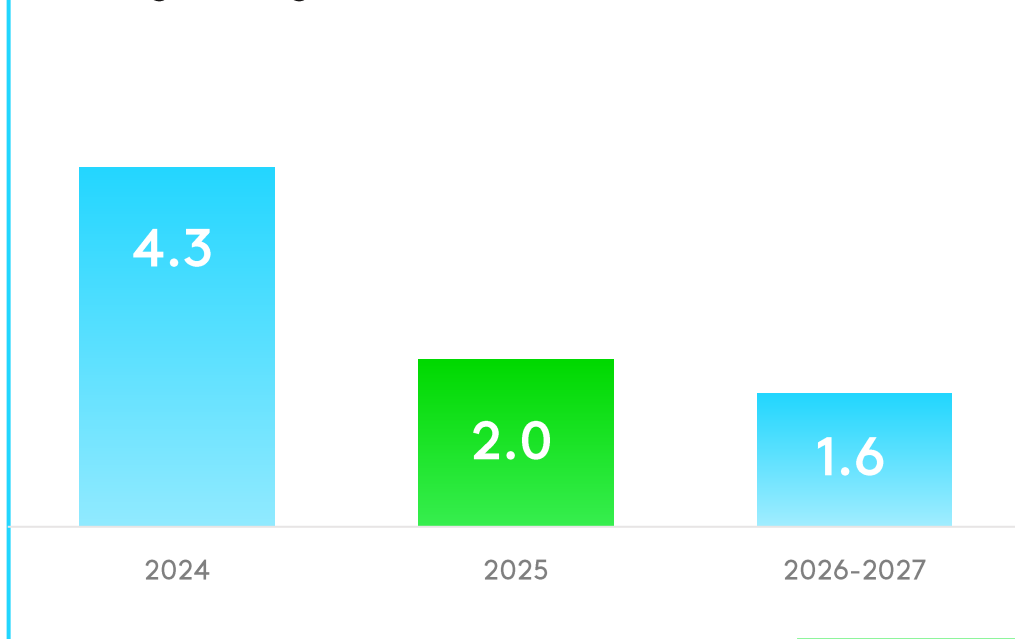
Economic growth

Inflation

Key rate

Ruble exchange rate

Average GDP growth, %



# Russian Federation

## Gradual slowdown in the economy after a period of rapid growth

### Factors:

Stimulative fiscal policy

High interest rates

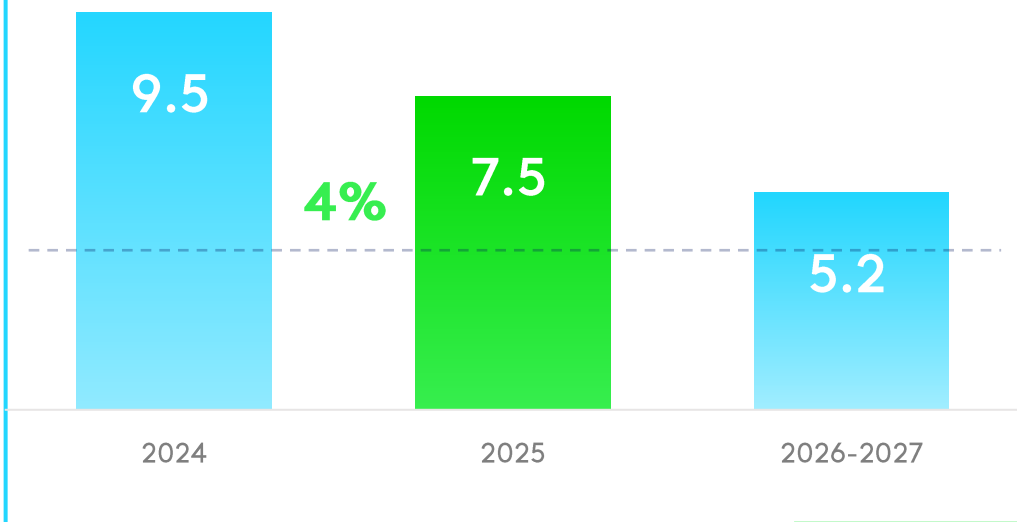
Cooling of internal demand

Labour shortage

Slowdown in exports

Inflation, % YoY

4%  
CB RF inflation  
target



## Russian Federation

Inflation will slow down but  
remain above the target

### Factors:

Depreciation of ruble in  
the second half of 2025

Limited room for supply  
expansion

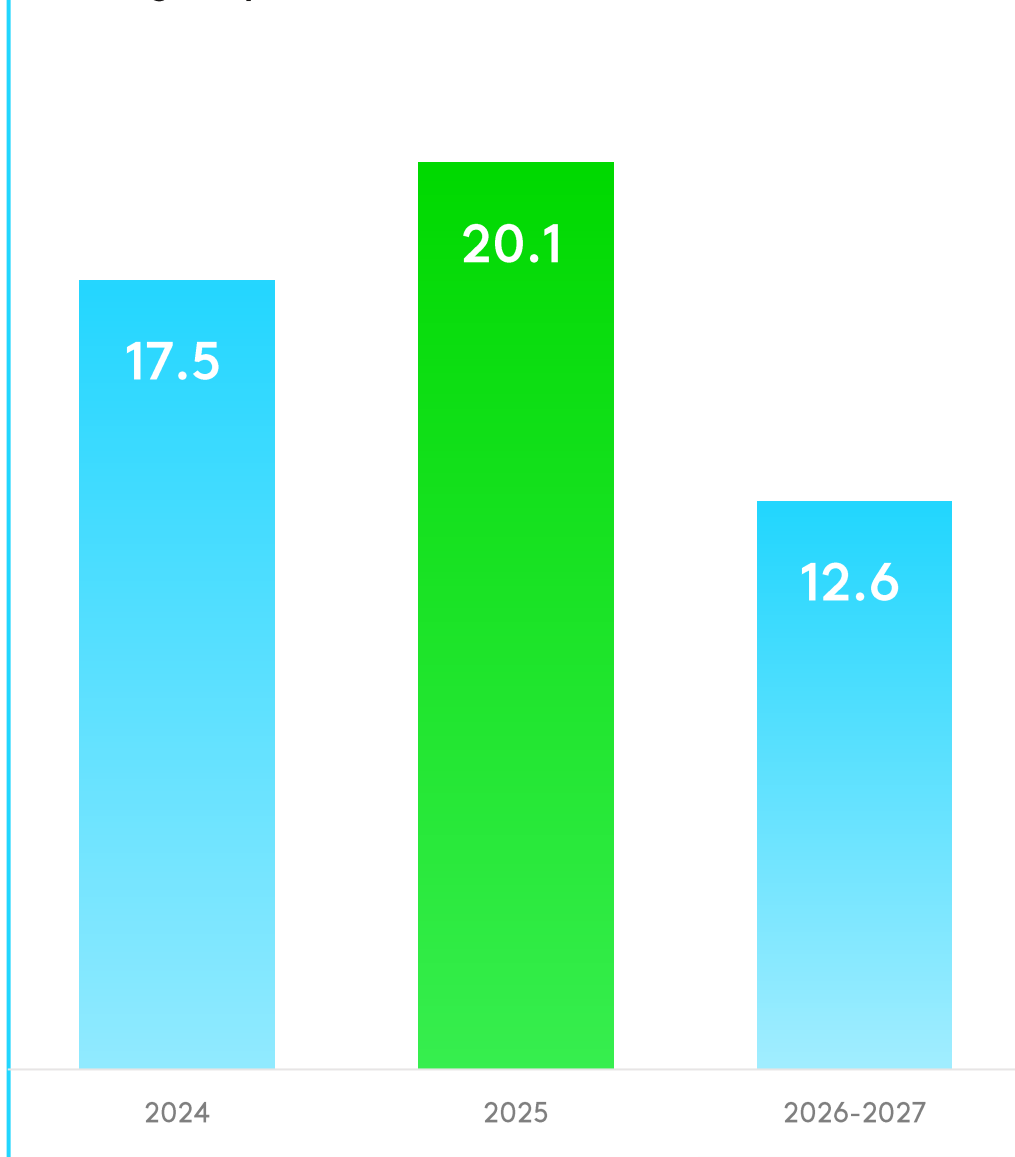
Planned rise in utility  
tariffs by 11.9%

Rise in budget deficit

Cooling of internal demand

High interest rates

Average key rate, %

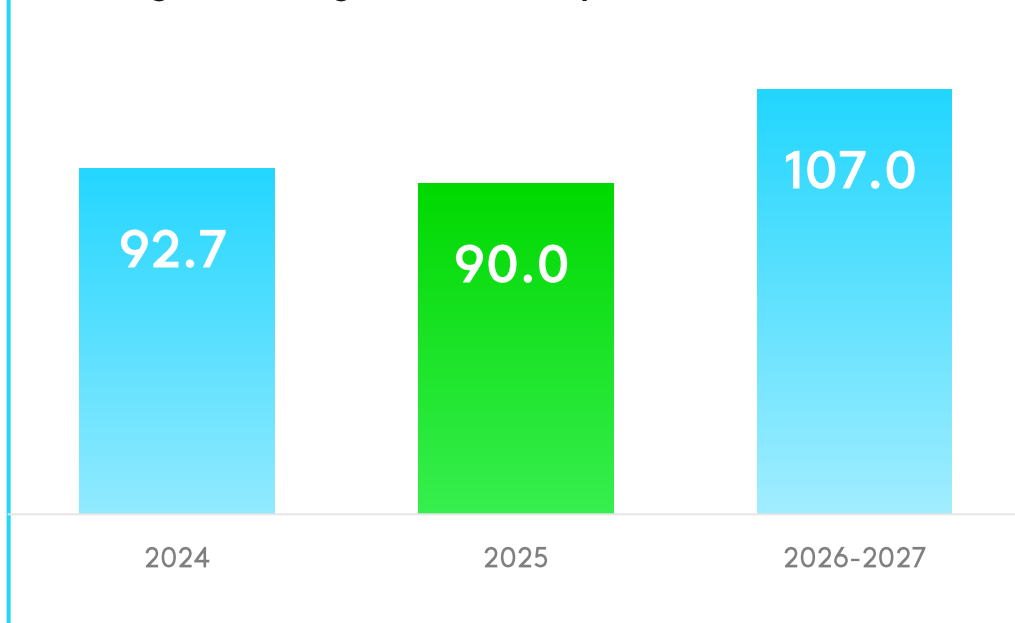


**Russian Federation**  
Continuation of the cycle  
of interest rate cuts in  
the second half of 2025

≈ **18%**

Key rate by end-2025

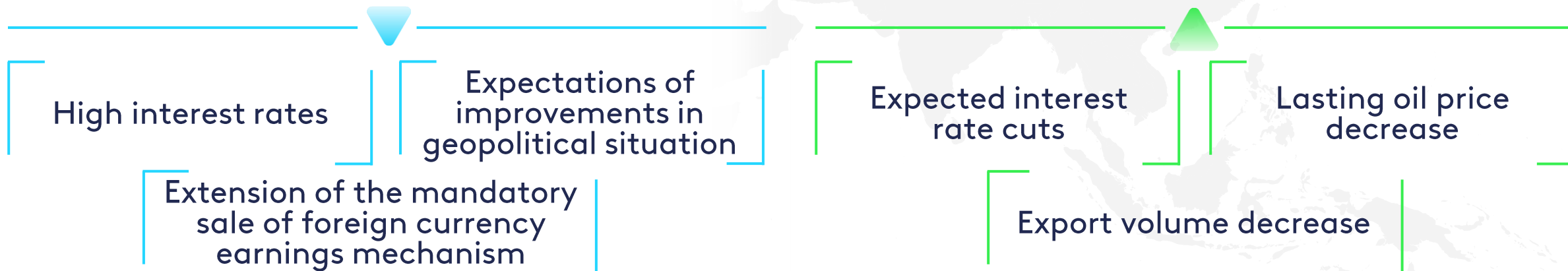
Average exchange rate, rouble per US dollar



## Russian Federation

We predict a weakening of the rouble in the second half of the year to 95 per US dollar by the end of 2025

### Factors:

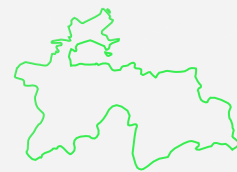




Macroeconomic outlook

# Republic of Tajikistan





Economic growth

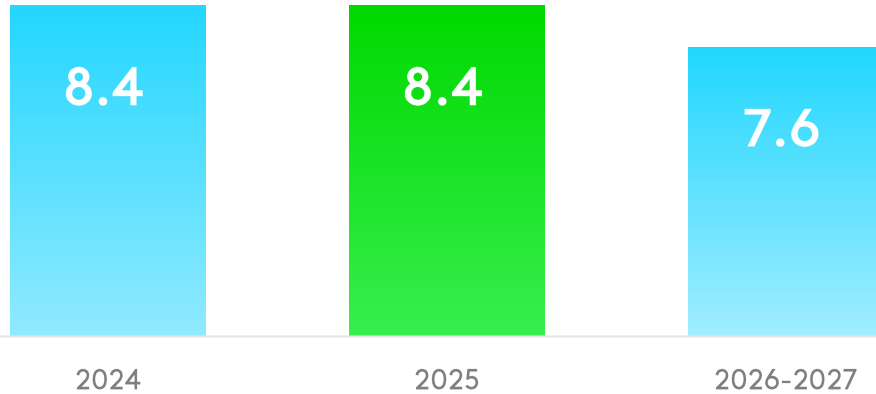
Inflation

Refinancing rate

Somoni exchange rate



### Average GDP growth, %



## Republic of Tajikistan

### Maintaining high economic growth rates

#### Factors:

High gold price —  
export increase

Strong internal demand

Slowdown in foreign trade growth

Expansion of production capacity  
in manufacturing and energy sectors

Inflation, % YoY

5±2%  
NB RT inflation  
target range

7%

5±2%

3%

3.6

3.3

5.8

2024

2025

2026-2027



## Republic of Tajikistan

Inflation will stay within  
the target range

### Factors:

Strong internal  
demand

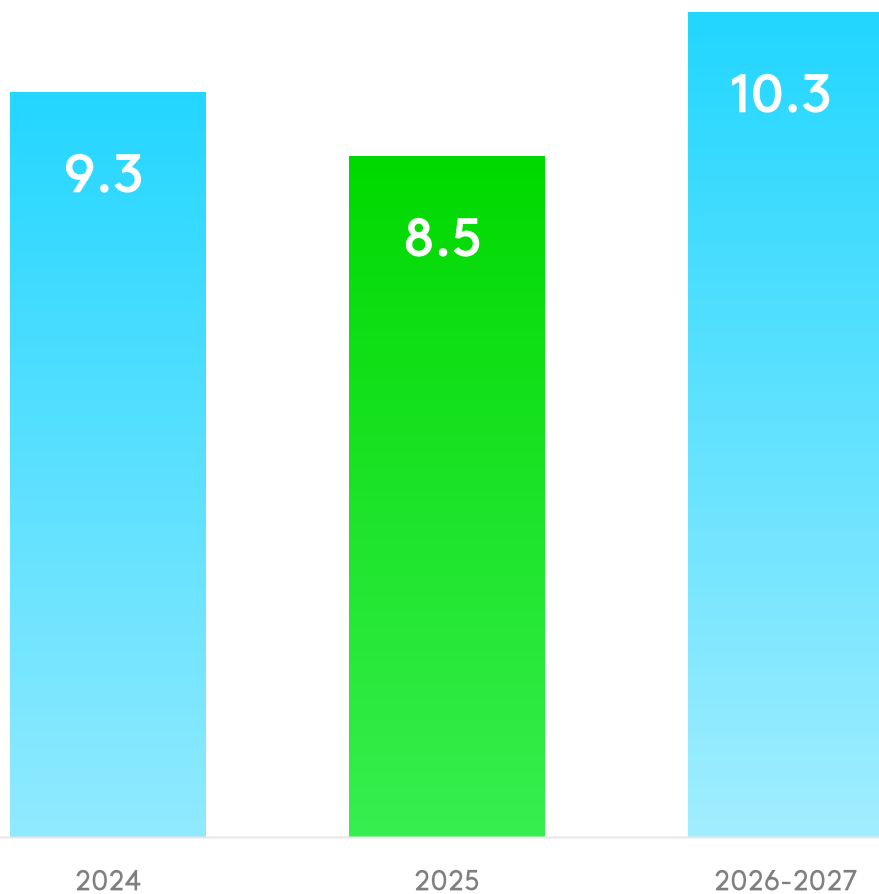
Somoni depreciation

Rise in food prices

Decrease in oil  
prices



Average refinancing rate, %



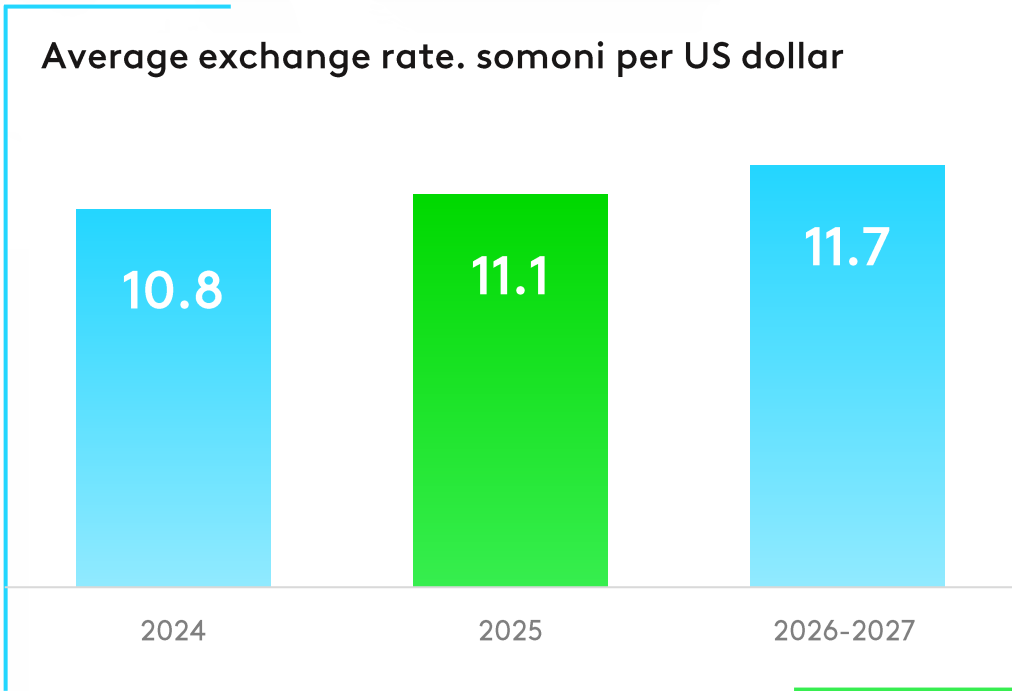
## Republic of Tajikistan

Launch of a series  
of refinancing rate hikes  
in 2026

Refinancing rate at around 8%  
by end-2025



Average exchange rate. somoni per US dollar



# Republic of Tajikistan

## Moderate somoni depreciation

### Factors:





Macroeconomic outlook

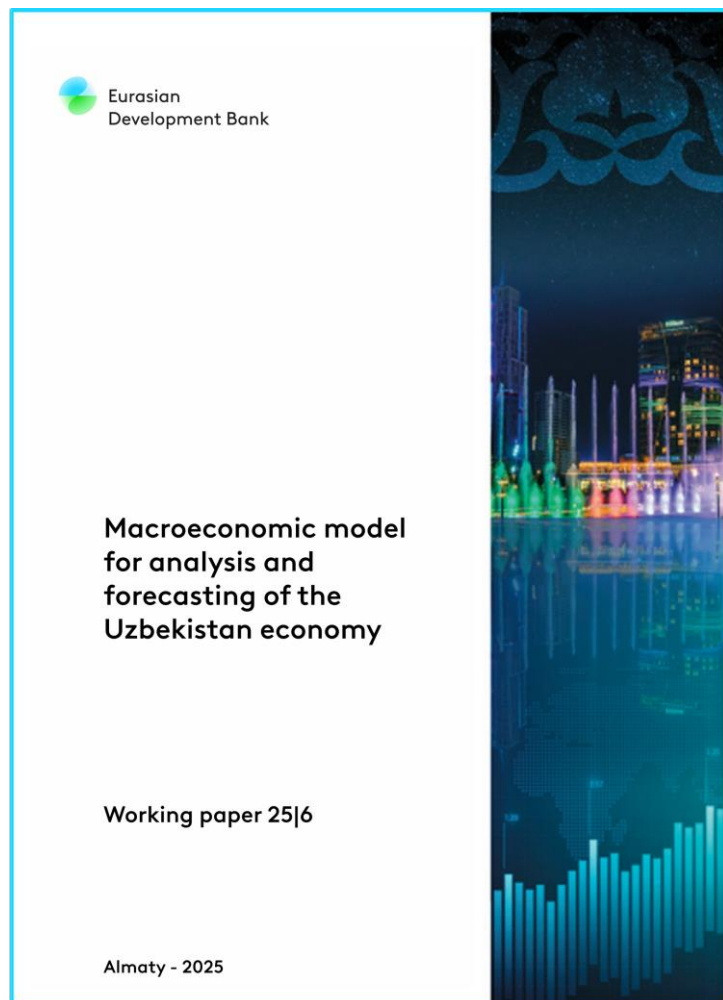
# Republic of Uzbekistan



Eurasian Development Bank



Uzbekistan became the seventh EDB member state in April 2025



The model is represented to the public on May 15, 2025

# The first EDB macroeconomic forecast for the Republic of Uzbekistan on the basis of the proprietary model



The model makes possible:

Taking into account the cross-country economic ties

Analysis of the impact of global, regional and internal shocks on the economy of Uzbekistan

Assessment of the impact of fiscal, monetary and exchange rate policies on macroeconomic indicators

Generation of scenario forecasts for the medium-term development of the Uzbekistan economy

Assessment of risks faced by macroeconomic stability



Economic growth

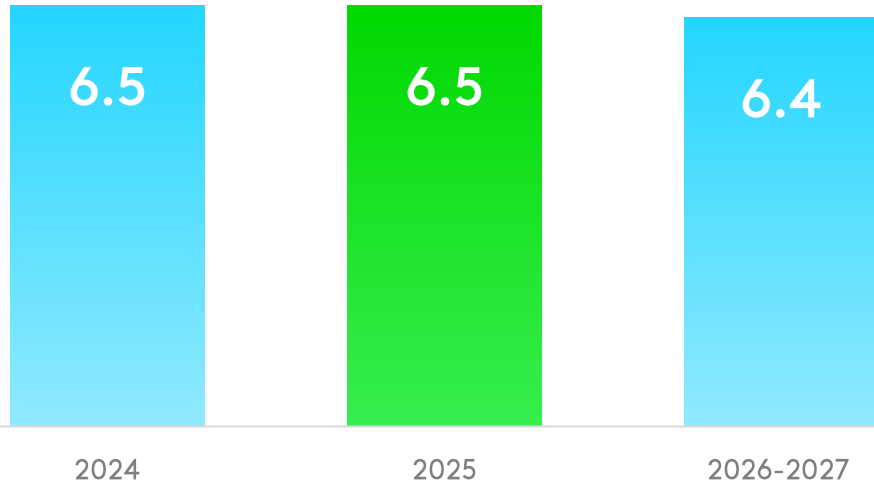
Inflation

Main refinancing rate

Sum exchange rate



Average GDP growth, %



## Republic of Uzbekistan

Consistently high economic growth rates

### Factors:

Increasing exports of precious and non-ferrous metals, textiles, and agricultural products

Large-scale public investment in transport, utilities and irrigation infrastructure

Rise in remittance inflows

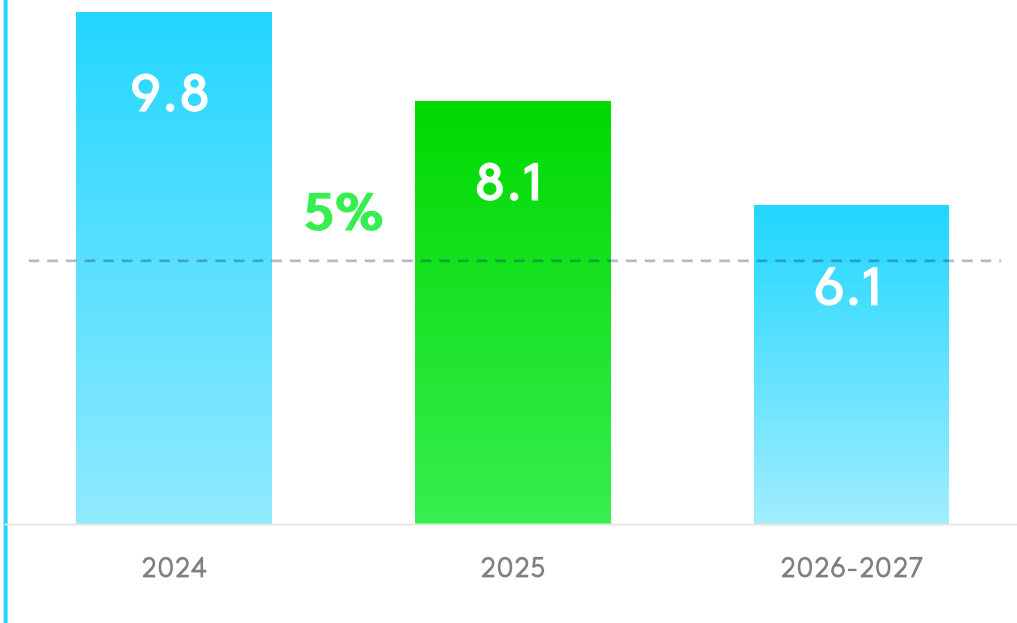
Rise in lending volumes

Slowdown in the growth rate of external demand from trading partners



Inflation, % YoY

5%  
CB RU inflation  
target



# Republic of Uzbekistan

## Gradual decline in inflation

### Factors:

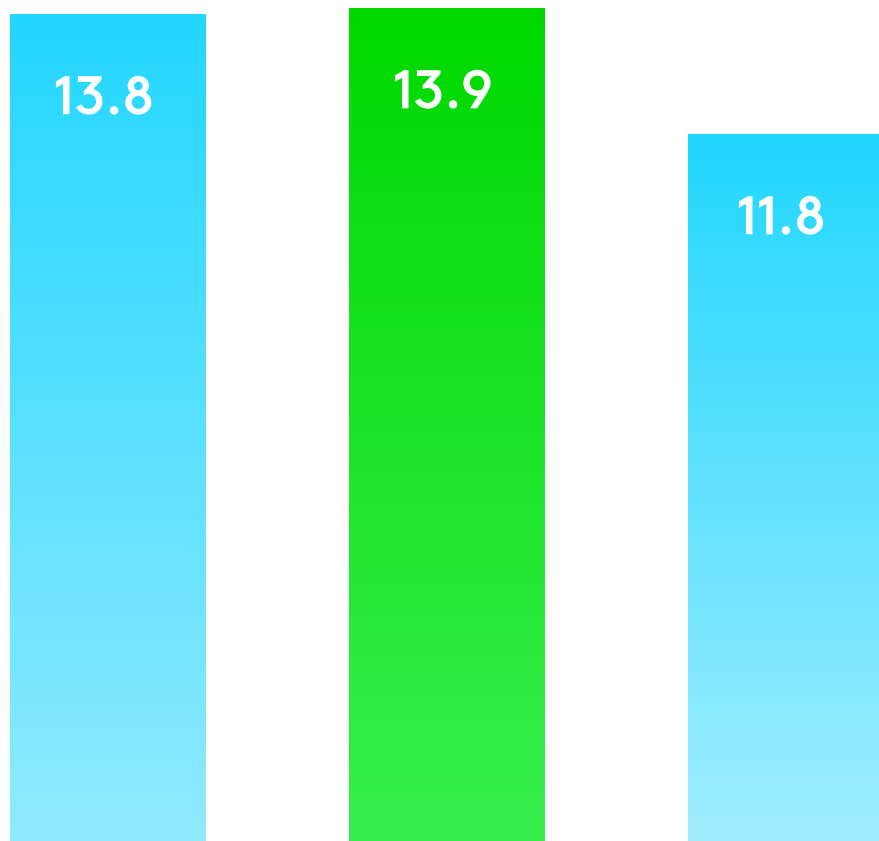
Sum depreciation

Increase in electricity  
and utility rates

Interest rate increase

Slowdown in income  
growth

Average base rate, %



2024

2025

2026-2027



## Republic of Uzbekistan

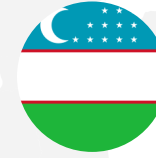
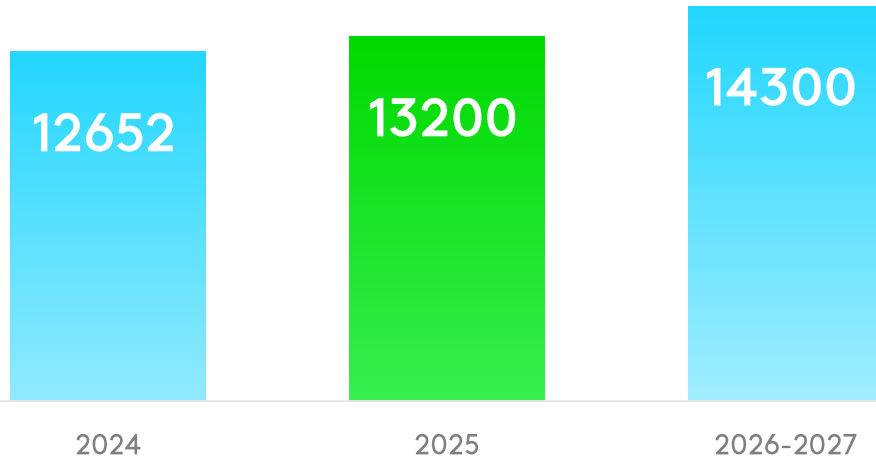
Start of the cycle of lowering the base rate in 2026

≈ 14%

Base rate at the end-2025



Average exchange rate, sum per US dollar



## Republic of Uzbekistan

Moderate weakening  
of the sum

### Factors:

Increase in imports  
amid strong domestic  
demand

Expected reduction  
in the base rate

Sustained growth  
in remittances

Steady growth in exports

Exchange rate  
appreciation

Exchange rate  
depreciation

