

Coronavirus response in 2021: building back better

Update on Kyrgyz Republic (20 December 2021)



Covid-19: policy response

- **Additional measures to support economic recovery were adopted in February 2021.** They are outlined in the Plan of Priority Measures to ensure social stability and economic sustainability. In particular, the government will increase the quality and number of electronic government services, aid businesses, simplify administrative procedures and invest in the automation of customs and tax processes.
- **Steps are being taken to ensure that the healthcare system is resilient to future waves of the Covid-19 pandemic.** The government will intensify the vaccination campaign and introduce preventive measures in schools to curb the spread of coronavirus.

Macroeconomic indicators (per cent)

	2018	2019	2020	
				Short-term indicators
GDP growth	3.5	4.5	-8.6	EBRD GDP growth forecast (Nov 2021) 2021: 2.5%; 2022: 5.0%
Annual inflation (year end)	1.5	1.1	6.3	GDP growth: 1.6% (Jan-Oct 2021, y/y)
Government balance/GDP	-0.6	-0.1	-6.8	Industrial production: 3.51% (Jan-Oct 2021, y/y)
Current account balance/GDP	-12.1	-5.6	-8.2	Net remittances: +4.1% (Jan-Sep 2021, y/y)
Net FDI/GDP	-1.7	-2.5	4.0	Exports: -22.5% (Jan-Sep 2021, y/y)
Public debt/GDP (year end)	54.8	54.1	74.3	Imports: 43.6% (Jan-Sep 2021, y/y)
Unemployment rate (year end)	6.6	6.6	6.6	Inflation: 12.5% (Oct 2021, y/y)

Key short-term priorities

- Sustain private-sector employment by attracting investment to labour-intensive sectors.
- Resolve the conflict over the temporary Kumtor takeover to restore the country's access to global gold markets and address foreign investors' concerns.
- Implement fiscal consolidation measures to ensure the deficit level is in line with announced targets.

EBRD assessment of transition qualities (ATQs), 2021¹



Building back better: key ongoing initiatives

- Green**
 - The ongoing construction of the CASA-1000 electricity transmission line will help unlock the hydropower potential of Central Asia and reduce carbon emissions in the region.
- Inclusive**
 - A platform for the development of inclusive education was opened in the Ysyk-Ata district. It will facilitate experience sharing, consultative and methodological support for teachers and serve as a place for hosting seminars and training.
- Resilient**
 - The country announced long-overdue energy-sector reforms, as current electricity tariffs are among the lowest in the world, leading to the inefficient use of energy, severe under-spending on maintenance and new investment, and poor supply reliability and quality.
- Integrated**
 - As a part of an alternative North-South road project, two elevated bridges and Aral-Kazarman highway were opened.
- Digital**
 - The "Digital Kyrgyzstan 2019-23" strategy aims to digitalise the majority of public services and make significant improvements to the digital literacy of citizens.

To learn more about EBRD's support to Kyrgyz Republic visit: <https://www.ebrd.com/kyrgyz-republic.html>.

¹ For more details on ATQs, see EBRD (2021), *Transition Report 2021-22: System Upgrade: Delivering the Digital Dividend*, London.