

Kazakhstan	
Policy responses	
Containment	<p>A 30-day state of emergency from March 16, and extended to end of April.¹ [27 April] Extended to May 11.²</p> <p>Nur-Sultan and Almaty are under quarantine, a stay-at-home order have been in place since March 28, and all non-essential businesses remain closed.</p> <p>Other large cities are also moving to quarantine with bans on entry/exit and social distancing measures.</p> <p>Use drones to patrol capital city during COVID-19 lockdown.³</p> <p>Mass testing for doctors, announced on 16 April.⁴</p> <p>[21 April] starting from April 20 Nur-Sultan and Almaty eased quarantine regulations, reopened manufacturing facilities, construction industry and some services.⁵</p> <p>[5 May] State of emergency will be lifted on May 11 if situation doesn't change for worse.⁶ [11 May] Quarantine restrictions are gradually lifted.⁷</p> <p>[11 May] Passengers of the domestic flights in Kazakhstan no longer have to provide a certificate of a PCR-based test for coronavirus with a negative result before boarding, said Kazakh Chief State Sanitary Doctor on Transport Sadvakas Baigabulov.⁸</p> <p>[24 May] Kazakhstan to impose two-day quarantine on arrivals.⁹</p> <p>[26 May] Kazakhstan announced that wearing face masks in public places obligatory.¹⁰</p>

¹ <https://www.jpost.com/breaking-news/kazakhstan-to-extend-coronavirus-state-of-emergency-to-end-of-april-624266>.

² <https://www.timesca.com/index.php/news/22405-kazakhstan-extends-state-of-emergency-over-covid-19-uzbekistan-reopens-some-businesses>.

³ <https://www.terra-drone.net/global/2020/04/09/kazakhstan-drones-patrol-coronavirus-covid-19-lockdown/>.

⁴ https://www.interfax.kz/?lang=eng&int_id=21&news_id=43955.

⁵ https://www.inform.kz/en/kazakhstan-to-gradually-ease-quarantine-depending-on-epidemiological-situation_a3640638.

⁶ https://www.inform.kz/en/state-of-emergency-to-be-lifted-if-situation-doesn-t-change-for-worse-president_a3646090.

⁷ https://www.inform.kz/en/kazakhstan-to-gradually-lift-quarantine-restrictions-president_a3648243

⁸ https://kazakh-tv.kz/en/view/society/page_212322_kazakh-authorities-lift-covid19-test-certificate-requirement-for-air-passengers.

⁹ https://www.inform.kz/en/kazakhstan-to-impose-two-day-quarantine-on-arrivals-chief-sanitary-doctor_a3653567.

¹⁰ https://www.inform.kz/en/wearing-face-masks-in-public-places-obligatory-president_a3654072.

	<p>[6 June] Kazakhstan eases quarantine measures for arrivals from abroad.¹¹</p> <p>[18 June] Restrictive measures are strengthened in Kazakhstan on 20-21 June.¹²</p> <p>Re-imposing containment measures:</p> <p>[2 July] The Kazakh government started a second lockdown from July 5 for two weeks, after a sharp rise in new cases.¹³ Later extended to mid-August.</p> <p>[Late August] While partial reopening resumed, containment measures were tightened in Nur-Sultan after observing early warning signs of the epidemiological indicators. The government imposed more stringent controls and testing requirement at the border and reduced the number of flights.</p> <p>Reopening:</p> <ul style="list-style-type: none"> • The pandemic situation stabilized in the early months of 2021. The government have loosened restrictions for non-high-risk regions. The number of international flights with a few countries are rising. • A mobile app was launched recently to track people's level of immunity. • Kazakhstan launched local production of the Russia-developed vaccine (Sputnik V) in December 2020 and started voluntary vaccination of the local population in February 2021. A locally developed vaccine and the vaccine developed by Pfizer/BioNTech are expected to be available later in 2021.
Fiscal	<p>A significant anti-crisis package (\$13 billion or 9 percent of GDP), announced in late March.</p> <ul style="list-style-type: none"> • cash payments to the unemployed (\$95 per month per person) • a 10-percent increase in pension and social benefits • additional spending to strengthen the health sector (e.g. wage increase, procurement of medical equipment), support employment and business. • Subsidize diesel use for agricultural producers.¹⁴ • KZT 1.8 trillion is allocated to support employment under an "Employment Roadmap" program, including some large-scale projects to modernize the transportation infrastructure. • Subsidized lending of KZT 1 trillion (1½ percent of GDP) is being provided under State Program "Economy of Simple Things," along with actions to help small and medium-sized enterprises (SMEs) finance working capital (KZT 600 billion). • [10 July] As of early July, 150 billion tenge has been channeled to deal with immediate problems during the pandemic. The funds have

¹¹ https://www.inform.kz/en/kazakhstan-eases-quarantine-measures-for-arrivals-from-abroad_a3659002.

¹² https://www.inform.kz/en/restrictive-measures-to-be-strengthened-in-kazakhstan-this-weekend-june-20-21_a3663213.

¹³ <https://www.reuters.com/article/us-health-coronavirus-kazakhstan/kazakhstan-plans-two-week-lockdown-from-july-5-over-covid-19-idUSKBN2425Y6>.

¹⁴ ILO.

	<p>been provided from the government and regional budgets.¹⁵</p> <p>Tax exemption:¹⁶</p> <ul style="list-style-type: none"> • Property taxes for businesses whose activities are related to large retail facilities, shopping and entertainment facilities, expositions, and health, fitness, and sports facilities. • Land tax for farming lands for agricultural producers • Individual income tax for individual entrepreneurs <p>[June 30] Further measures recently announced to restore economic growth include: a subsidized mortgage program for households with a segment targeting youth specifically, tax incentives to agriculture and hard-hit sectors (civil aviation, tourism) and other promotion measures (such as free domestic flights for children under 14), credit support to SMEs and manufacturing enterprises (the latter via a newly created industry development fund), and infrastructure development.</p> <p>[July 16] The Kazakh National Bank and the Kazakh Ministry of Finance announced to issue short-term government securities up to 1 trillion tenge (US\$2.43 billion) on a regular basis until the end of 2020 to maintain economic activity.¹⁷</p> <p>[July 17] The Kazakh government and the National Bank announce to adopt a plan to help restart economic growth following the fallout of COVID-19, including:¹⁸</p> <ul style="list-style-type: none"> • to maintain of investment conditions for strategic investors and to attract direct investments; • to improve the efficiency of the budget revenues through increasing dividends paid by state companies to the budget and analyzing tax preference schemes; • transfers from the National Fund that accumulates the nation's windfall oil revenues to target social issues and infrastructure development starting in 2021 (in 2020 the amount of guaranteed transfers from the National Fund amounts to 4.7 trillion tenge (US\$11.4 million)); • to develop public-private partnerships (As of July 2020, there are 1,356 projects, 800 of them are already signed and ready, while the total volume of the investments amounts to 1.19 trillion tenge (US\$2.9 billion). The projects primarily focus on transport, infrastructure, energy, housing and communal services, education and healthcare sectors); • to revise the country's Economy of Simple Things program designed to develop domestic production of daily consumed goods and services, which was meant to become the most important tool for import
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¹⁵ https://lenta.inform.kz/en/kzt-150b-allocated-from-government-and-regional-budget-during-pandemic-tokayev_a3671292.

¹⁶ ILO.

¹⁷ <https://astanatimes.com/2020/07/kazakhstan-to-issue-short-term-government-securities-in-region-of-2-43-billion-to-support-economy/>.

¹⁸ <https://astanatimes.com/2020/07/kazakh-government-national-bank-to-adopt-plan-to-recover-economy/>.

	<p>substitution and employment;</p> <ul style="list-style-type: none"> • to launch a “government for business” service to support businesses and simplify the procedures they need to receive state services and consultations; • to develop digital technologies. • [Early September] Further supportive measures were proposed. Immediate policies include trade restrictions and regulated prices for essential goods, cash transfers to vulnerable households, and targeted assistance to affected sectors and SMEs. More medium-term plans include civil service reform, enhancing competitiveness in key sectors such as manufacturing, pharmaceutical, and agriculture, and supporting social welfare. • [September] The government provided additional cash transfers to people who lost their jobs due to the lockdown, lowered subsidized interest rates for SME loans (to 6%), and extended tax concessions for vulnerable individuals and businesses. • Selected supportive measures, such as “Employment Roadmap” and working capital support to SMEs, are expected to continue in 2021. • The Ministry of Health announced plans to increase salaries for doctors over 2021-23.
Monetary	<p>National Bank (NBK):</p> <ul style="list-style-type: none"> • [March 10] raised its policy rate from 9.25 percent to 12 percent and widened the interest rate corridor from 100 to 150 bps, after pressures on the tenge (KZT) intensified with the drop of oil prices. • [early April] cut the base rate to 9.5 percent and further widened the corridor to +/-200 bps to stimulate economic growth. • [July 20] cut the base rate to 9.0 percent per annum with the narrowing of the corridor to +/- 1.5 percentage points. Consequently, the rate for the liquidity provision standing facilities is 10.5 percent and for the liquidity withdrawal standing facilities is 7.5 percent.¹⁹ • [September] intervened in the foreign exchange market amid the pressure on tenge due to lower oil prices. International reserves increased after gold price increases.
Financial	<p>Macroprudential: To support banks and the economy, the authorities have, since the imposition of the state of emergency:</p> <ul style="list-style-type: none"> (i) lowered risk weights (for SME from 75% to 50%, for FX loans from 200% to 100%, and for syndicated loans from 100% to 50%); (ii) expanded the list of eligible collaterals; (iii) lowered capital conservation buffer (by one percentage point); (iv) reduced the liquidity coverage ratio requirement (from 80% to 60%), and (v) lowered limits on foreign currency positions. <p>Banking:</p> <ul style="list-style-type: none"> • Banks have requested to allow loan repayments deferrals until mid-June and refrain from charging penalties for borrowers affected by the emergency.

¹⁹ <https://nationalbank.kz/en/news/press-relizy/9628>.

	<ul style="list-style-type: none"> • A pilot biometric information center has been launched to help banks identify customers in order to provide remote banking services. <p>Foreign Exchange:</p> <p>NBK:</p> <ul style="list-style-type: none"> • Allowed the tenge to adjust, intervening in the market to mitigate excessive volatility. • introduced a limit on bid-ask spread and lowered the ceiling of FX purchase without supporting import documents (from \$100,000 to \$50,000) for the duration of the state of emergency. • called on state-owned enterprises to sell part of their FX reserves to support the tenge, but the tenge remains vulnerable to oil price volatility. <p>Support SMEs:</p> <ul style="list-style-type: none"> • The authorities have encouraged banks and other lenders to grant loan repayment deferrals to eligible borrowers, and to freeze their loan classifications at the pre-COVID-19 status. Most of these measures are expected to be in place for at least six months, with some (e.g., capital conservation buffer) extending to mid-2021. Cash withdrawals limits have also been temporarily imposed on legal entities starting early June. • The authorities have also lowered risk weights for SME exposure in tenge (from 75 to 50 percent) and for FX loans (from 200 to 100 percent) to encourage lending.
Trade measures ²⁰	<p>Restrictive:</p> <ul style="list-style-type: none"> • Kazakhstan bans export of masks. • Government has introduced a ban on the import of certain types of cement from countries outside the Eurasian Economic Union for a period of six months (status unknown). • Temporary export ban on certain types of timber, due to the COVID-19 pandemic (status unknown). <p>Liberalizing: N/A.</p>
SME measures ²¹ (last update 22 January 2021)	<p>Tax exemption:</p> <ul style="list-style-type: none"> • The government exempted affected SMEs from income tax, social tax, mandatory pension, and compulsory medical insurance from 1 April to 1 October 2020. • Business owners are exempted from (i) property taxes when the business operation takes place in large shopping centers, shopping and entertainment malls, cinemas, theatres, exhibitions, sport centers, and sport and recreation complexes, (ii) land tax on agricultural land and (iii) personal income tax until 31 December 2020.²² <p>Deferral of tax payment:</p>

²⁰ <https://www.macmap.org/covid19>

²¹ https://www.inform.kz/cn/article_a3641219

²² <https://home.kpmg/xx/en/home/insights/2020/04/kazakhstan-tax-developments-in-response-to-covid-19.html>

	<ul style="list-style-type: none"> • SMEs are allowed to defer all types of taxes and other obligatory payments until 1 June 2020. <p>Other fiscal support:</p> <ul style="list-style-type: none"> • The government exempted rents of state-owned properties from 20 March 2020 for a period of three months. • The deadline for tax declaration submission is postponed to the third quarter of 2020.²³ • Following the reintroduction of the quarantine in early July, the authorities are developing new measures to support the economy and vulnerable population, including the possibility of extending tax concessions beyond early October for vulnerable individuals and businesses. <p>Loan support:²⁴</p> <ul style="list-style-type: none"> • The government announced a national plan, the Economy of Simple Things, worth KZT 1 trillion, which provides loans to SMEs with an annual interest rate of 8 per cent. • The government reduced a risk weight of SMEs' exposures from 75 to 50 per cent and reduced a risk weight of foreign currency loans from 200 to 100 per cent to facilitate SME loans. • Business entities may apply for low-interest loans under the rescue package. The loans for individuals are capped at KZT 50 million, for SMEs - at KZT 3 billion. • As part of the Business Roadmap 2025, a 7 per cent interest rate for microbusiness has been locked - the lowest rate among all the programs and among all regions. • The Business Roadmap program ensures a maximum guarantee of 85 per cent of the total loan amount for start-up entrepreneurs and up to 50 per cent for other companies. • Start-up entrepreneurs can receive soft loans of up to 8,000 MCIs (the monthly calculated index) at a lending rate of at least 6 per cent per annum as part of the Enbek State program. • Further measures announced to restore economic growth include credit support to SMEs and manufacturing enterprises through a newly created Industry Development Fund. • To support the population and SMEs, the authorities have encouraged banks and other lenders to freeze their loan classifications at the pre-COVID-19 status • Following the reintroduction of the quarantine in early July, the authorities lowered subsidized interest rates for SME loans (to 6 per cent). <p>Subsidy:</p> <ul style="list-style-type: none"> • Following the reintroduction of the quarantine in early July, the authorities lowered subsidized interest rates for SME loans (to 6
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²³ Ibid.

²⁴ <https://home.kpmg/xx/en/home/insights/2020/04/kazakhstan-government-and-institution-measures-in-response-to-covid.html>

	<p>per cent).</p> <p>Deferral of loan repayment:</p> <ul style="list-style-type: none"> • The National Bank of the Republic of Kazakhstan and financial institutions have reached a consensus on moratoriums of loan repayments and waivers of overdue interest penalties and additional payments on borrowers affected by emergencies. Borrowers can repay their debts until mid-June at the latest. <p>Employment support:²⁵</p> <ul style="list-style-type: none"> • KZT 1.8 trillion is allocated to support employment under an “Employment Roadmap” program. • KZT 40 billion will be allocated for the implementation of state and regional programs aiming for the creation of 30,000 jobs and the implementation of relief measures for small businesses. These programs include the Business Roadmap 2025 plan, the Enbek (Labor) employment and mass entrepreneurship program, the Economics of Simple Things group and Almaty Business 2025 program.
Other policy measures	<p>Food imports: The government has negotiated with other countries to reduce import duties on a number of food products of which the country is not self-sufficient.</p> <p>Price regulation: regulated prices for socially important goods.²⁶</p> <p>Food: [29 April] Kazakhstan is proceeding to a new stage in ensuring food security and price control by creating a national commodity distribution system. This was said at the government teleconference meeting on April 28 chaired by Prime Minister Askar Mamin, primeminister.kz reported.²⁷</p> <p>International cooperation:</p> <ul style="list-style-type: none"> • [18 April] Kazakhstan announced to provide humanitarian assistance to Kyrgyzstan and Tajikistan. This includes 5,000 tons of Kazakhstan’s flour for each country worth more than \$3 million.²⁸ • [29 April] The first batch (800 tons) of Kazakhstani flour has arrived in the Kyrgyz Republic.²⁹ • [15 May] Kazakhstan will share its experience in digital transformation of the healthcare with the United States Department of

²⁵ <https://astanatimes.com/2020/06/almaty-authorities-approve-more-relief-measures-for-small-businesses/>

²⁶ <https://www.euractiv.com/section/central-asia/news/kazakhstan-takes-decisive-steps-to-stop-the-spread-of-coronavirus/>.

²⁷ <https://www.timesca.com/index.php/news/22412-kazakhstan-creating-a-national-distribution-system-for-agricultural-products>.

²⁸ <https://economictimes.indiatimes.com/news/international/world-news/covid-diplomacy-in-central-asia-humanitarian-aid-by-kazakhstan/articleshow/75222728.cms?from=mdr>.

²⁹ https://www.inform.kz/en/kazakhstan-sends-800-tons-of-flour-to-kyrgyzstan-to-help-amid-coronavirus-pandemic_a3644375.

	<p>Defense.³⁰</p> <ul style="list-style-type: none"> • [23 June] EBRD provides local currency loan of up to US\$ 40 million for Kazakhstan's microfinance organisation KMF, aiming to address the urgent liquidity needs of micro, small and medium-sized enterprises (MSMEs) in the coronavirus crisis.³¹ • [25 June] The Asian Development Bank (ADB) announced to have approved a \$1 billion assistance package to help the Government of Kazakhstan mitigate the health, social, and economic impacts of the coronavirus disease (COVID-19) pandemic.³² • [6 July] The Asian Infrastructure Investment Bank's (AIIB) has approved a loan of EUR661.8 million (approximately USD750 million equivalent) to provide budgetary support to the Government of Kazakhstan in mitigating the adverse impacts of COVID-19 on the health, income and economic opportunities of the country's population.³³ <p>Healthcare: [17 April] Kazakhstan announced to build three hospitals to cure infected.³⁴ [19 June] Increased capacity to produce face masks.³⁵ [September] The government has agreed with the Russian Federation to purchase a newly developed vaccine.</p> <p>Technology: [28 April] Ministry of Healthcare signed a contract with a Silicon Valley research organization to collect Big Data, analyze data on the spread of the novel virus, analyze data on the epidemiological situation in Kazakhstan and other countries, compare measures taken to prevent the spread of the coronavirus infection, and so on.³⁶ [11 May] The government calls for reforms aimed at upgrading health protection system, full technologic retooling of medical facilities, and advanced distant teaching technologies.³⁷</p> <p>Employment:</p> <ul style="list-style-type: none"> • [20 May] 28,500 people got hired in Kazakhstan since May under the Yenbek state program. 14,800 received job under the Employment Roadmap.³⁸ • [22 June] Realization of 5,954 projects creating more than 120,000
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³⁰ https://kazakh-tv.kz/en/view/health/page_212597_kazakh-health-ministry-to-share-digital-transformation-experience-with-u-s-defense-department.

³¹ <https://www.ebrd.com/news/2020/ebrd-local-currency-loan-for-kazakhstans-microfinance-organisation-kmf.html>.

³² <https://www.timesca.com/index.php/news/22624-adb-1-billion-assistance-package-to-support-kazakhstan-s-pandemic-response>.

³³

https://akipress.com/news:644866:Asian_Infrastructure_Investment_Bank_provides_661_8_million_Euro_loan_to_support_Kazakhstan%20Covid-19_response.

³⁴ <https://www.rferl.org/a/kazakhstan-rushes-to-build-hospitals-amid-covid-19-outbreak/30561512.html>.

³⁵ https://www.inform.kz/en/kazakhstan-to-launch-new-medical-mask-production_a3663587.

³⁶ https://www.inform.kz/en/ai-to-help-kazakhstan-fight-coronavirus-infection_a3643803

³⁷ https://www.inform.kz/en/crucial-to-boost-adoption-of-advanced-distant-teaching-technologies_a3648333.

³⁸ https://www.inform.kz/en/about-30-000-kazakhstanis-employed-in-may_a3651993.

	<p>workplaces started under the 2020-2021 Employment Roadmap program.³⁹</p> <p>Economic rehabilitation:</p> <ul style="list-style-type: none"> • [May 19] The government of Kazakhstan on May 19 adopted the Integrated Plan for Restoring Economic Growth by the end of 2020/The plan consists of 10 areas and 172 systemic and sectoral measures to stimulate business activity, support employment and increase incomes.⁴⁰ Including: <ul style="list-style-type: none"> ○ a subsidized mortgage program for households with a segment targeting youth specifically, ○ tax incentives to agriculture and hard-hit sectors (civil aviation, tourism) and other promotion measures (such as free domestic flights for children under 14), ○ credit support to SMEs and manufacturing enterprises (the latter via a newly created industry development fund), ○ and infrastructure development. • [May 27] Head of State Kassym-Jomart Tokayev decreed to establish the state commission for economic rehabilitation under the Kazakh President, the Akorda press service reports. It is purposed to develop proposals on economic rehabilitation to match the new economic realia.⁴¹ • [22 June] The local executive bodies selected 6,506 projects for realization. Infrastructure projects are to be implemented in four directions: major and minor repairs, reconstruction and construction of sociocultural facilities, housing and utilities renovation, repair, reconstruction and construction of engineering infrastructure, community redevelopment.⁴² • [23 June] A new entrepreneurship development agenda will be developed in the short-term period. The new Strategic Plan of Kazakhstan until 2025 will also contain further course for small and medium-sized business development.⁴³ • [31 July] The Kazakh government and the National Bank have adopted a new plan, including: maintaining employment and incomes within the population, urgent measures to support small and medium-sized enterprises, active import substitution and macroeconomic stability. The main goal will be developing a new economic structure with increased self-sufficiency and import substitution, the targeted attraction of investments and boosting export potential.⁴⁴ • [4 August] Kyrgyzstan has begun to develop the Concept of Intellectual Economy. In the National Development Strategy of Kyrgyzstan for 2018-2040, it was determined that through its economic policy, the state will support investment activity in the direction of creating new export-oriented and innovative sectors of the
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³⁹ https://www.inform.kz/en/employment-roadmap-creates-above-120-000-jobs_a3664519.

⁴⁰ <https://www.timesca.com/index.php/news/22485-kazakhstan-adopts-plan-for-economic-growth-recovery>.

⁴¹ https://www.inform.kz/en/kazakhstan-sets-up-state-economic-rehabilitation-commission_a3654950.

⁴² https://www.inform.kz/en/employment-roadmap-creates-above-120-000-jobs_a3664519.

⁴³ https://www.inform.kz/en/kazakhstan-to-develop-new-entrepreneurship-development-agenda_a3664861.

⁴⁴ <https://astanatimes.com/2020/07/kazakh-government-national-bank-adopt-joint-plan-to-mitigate-covid-19-fallout/>.

	<p>economy, which ensures the rapid growth of added value and exports.⁴⁵</p> <p>Green economy transition: [24 June] Kazakh Prime Minister Askar Mamin on June 24 chaired a meeting of the Council on the Transition to Green Economy under the President of Kazakhstan, which largely focused on measures in the agriculture sector. As part of Kazakhstan's transition to a green economy and in order to stimulate the implementation of modern irrigation systems, measures have been taken to reimburse agribusiness entities 50% of the costs of infrastructure supply and purchase of irrigation systems, subsidizing a 10% interest rate on loans and leasing. By 2022, it is planned to increase the area of irrigated land to 2 million hectares. At the same time, work will continue to reduce the area under water-intensive crops such as rice and cotton.⁴⁶</p> <p>Oil production: [23 June] In the second half of 2020, Kazakhstan to continue to reduce oil production. The adopted approach allows to meet the needs of the domestic market of the Republic of Kazakhstan in the necessary volumes of oil products, as well as a fair distribution of obligations to reduce oil production for large projects and old fields that are at the stage of a natural decline in production.⁴⁷</p> <p>Digital technology: [25 June] Kazakhstan introduces changes to law on regulation of digital technologies. The changes and amendments are to strengthen legislative guarantees for personal data protection of citizen.⁴⁸</p>
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Source: IMF, Policy Responses to COVID-19, if not specified.

⁴⁵ <http://en.kabar.kg/news/kyrgyzstan-starts-developing-concept-of-creative-economy/>.

⁴⁶ <https://www.timesca.com/index.php/news/22619-kazakhstan-taking-steps-for-transition-to-a-green-economy>.

⁴⁷ https://www.inform.kz/en/in-2nd-half-of-2020-kazakhstan-to-continue-to-reduce-oil-production_a3665116.

⁴⁸ <http://en.kabar.kg/news/kyrgyz-pochtasy-resumes-international-postal-exchange-with-24-countries/>.