

Under embargo until 12:00 noon. Bangkok Time, Monday, 1 May 2017

KAZAKHSTAN

GDP (current US\$, billions):	\$181.75	Population (thousands):	17,885
Share of GDP in developing Asia-Pacific:	1.0%	GDP per capita (current US\$):	\$10,312
Share of GDP in North and Central Asia:	8.1%	Average inflation (2016)	14.7%

- Output growth in Kazakhstan dipped further in 2016 to only 1 per cent from an already low base of 1.2 per cent in 2015.
- Exports shrank amid subdued commodity prices and more sluggish import demand in China and the Russian Federation. Household consumption increased only slightly due to strong price pressures.
- Inflation jumped to a multi-year high of 14.7 per cent in 2016 following significant depreciation of the local currency in late 2015. As a result, the monetary policy stance remained tight.
- Overall economic growth in 2016 was underpinned by public investment, as reflected in expanding construction activity. Private investment was more subdued. Corporate profitability deteriorated amid the weaker exchange rate that pushed up the debt burden.
- Economic growth is projected to rebound to 2 per cent in 2017 and 2.5 per cent in 2018.
- A major oilfield reached its commercial production stage in late 2016 so oil output is expected to rise in coming years.
- An expected increase in global commodity prices would also support exports and government revenue, which would improve the Government's ability to sustain its ongoing fiscal support. To finance the fiscal shortfall, transfers from sovereign wealth funds have been raised.
- For medium- term economic development, the country aspires to become a hub for Eurasian trade. Higher investment in transport infrastructure and logistics is being planned.