Responding to the Coronavirus Crisis
Update on Kazakhstan  (13/05/20)

EBRD Policy Comparator

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Economic channels of disruption
Exports, private consumption, services
- Severe lockdown (curfew in major cities, schools, non-essential businesses closed) affecting private consumption and the service industry
- Lower prices and weak global demand reducing commodity exports
- Services affected strongly: the sector declined by 17.5% y/y in Apr 2020 (namely, trade, transport, real estate and administrative services)

Selected crisis impact indicators
EBRD GDP growth outlook (May 2020)
2020: -3%
2021: 5.5%
Business Activity Index (published by the NBRK, April 2020)
37.2 (down 4.3 points m/m)
Business Activity Index in Services (published by the NBRK, April 2020)
34.8 (down 3.9 points m/m)
Exports (January-February 2020)
down 8% y/y
Exchange rate (01 January – 13 May 2020)
down 9%

Crisis response measures to date
Support for healthcare, vulnerable individuals and businesses
- US$ 10 billion anti-crisis package to support vulnerable individuals and businesses, strengthen the healthcare system
- KZT 600 billion subsidised short-term lending to SMES for working capital needs
- KZT 1 trillion in subsidised lending under ‘Economy of Simple Things’
- KZT 1 trillion ‘Employment Roadmap’ program to create jobs and finance infrastructure projects
- Forward contracts for government purchases of agricultural products

Selected crisis response indicators
Direct support to firms
Deferral of taxes and other obligatory payments for SMEs in affected sectors until Jun 2020. Property tax cancelled for hospitality sector until end-2020
Individual entrepreneurs exempted from individual income tax
Support to individuals
Minimum wage for affected individuals - KZT 42,500 (US$ 95) per month
3-month payment holidays for loans
VAT reduced from 12% to 8% for essential food products until Oct 2020
FX restrictions
Mandatory sale of FX revenue by SOEs, tightening of FX sale to local companies
Export quotas
Wheat (200,000 tonnes), flour (70 tonnes) until June 2020

Key short-term priorities
Improve targeting of fiscal stimulus measures, focusing on vulnerable sectors, SMEs, and individuals

To learn more about EBRD’s support to Kazakhstan visit: [https://www.ebrd.com/kazakhstan.html](https://www.ebrd.com/kazakhstan.html)

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