# Responding to the Coronavirus Crisis
## Update on Kazakhstan  
(06/11/20)

**Key short-term priorities**

Improve targeting of fiscal stimulus measures, focusing on vulnerable sectors, SMEs, and individuals

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### EBRD Policy Comparator

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### Economic channels of disruption

**Exports, private consumption, services**

- Lockdown (severe lockdown in March-May 2020 with curfew in major cities, schools, non-essential businesses closed, softer lockdown in July-August 2020) affecting private consumption and investment
- Lower prices and weak global demand reducing commodity exports
- Services affected strongly: trade and transportation declined by 9.5% and 17.1% year-on-year, respectively.

### Selected crisis impact indicators

- **EBRD GDP growth outlook**
  - (September 2020) 2020: -4%
  - (January-September 2020) 2021: 3%

- **Real GDP growth**
  - (January-September 2020) -2.8%

- **Business Activity Index**
  - (published by NBRK, September 2020) 47.6 (up 2.2 points m/m)

- **Sovereign bond yield**
  - (6 November 2020) 0.5% (down from 3.9% on 20 March 2020)

- **Exports**
  - (January-August 2020) down 16% y/y

- **Exchange rate**
  - (01 January – 06 Nov 2020) down 11%

### Crisis response measures to date

**Support for healthcare, vulnerable individuals and businesses**

- KZT 4.7 trillion guaranteed transfer from the Oil fund to support the economy
- 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 1.8 trillion ‘Employment Roadmap’ program to create jobs and finance infrastructure projects
- Forward contracts for government purchases of agricultural products

**Selected crisis response indicators**

- Property tax cancelled for hospitality sector until end-2020, sports and entertainment facilities,
- Individual entrepreneurs exempted from individual income tax
- Deferral of loan repayments
- VAT reduced from 12% to 8% for essential food products until Oct 2020
- Cash transfer to affected individuals - KZT 42,500 (US$ 95) per month for the period of lockdown
- Mandatory sale of FX revenue by SOEs, tightening of FX sale to local companies
- ADB: US$1 Billion assistance package to support Kazakhstan's pandemic response

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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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