

# Coronavirus response in 2021: building back better

## Update on Kazakhstan (20 December 2021)



### Covid-19: policy response

- **The Comprehensive Plan for Economic Recovery was extended to the end of 2021.** It includes more than 160 measures related to, among other things, investment promotion, support for small and medium-sized enterprises (SMEs), labour markets, digitalisation, efficiency of fiscal revenues and the financial sector.
- **Measures to support SMEs are continuing in 2021.** Credit support, tax and loan-payment deferrals for SMEs have been extended. Concessional lending (at a 6 per cent interest rate) is provided via state programmes such as the Employment Roadmap, the Business Roadmap and the Economy of Simple Things. A new SME development concept through 2030 has been announced.

### Macroeconomic indicators (per cent)

	2018	2019	2020	
GDP growth	4.1	4.5	-2.6	<b>Short-term indicators</b> <b>EBRD GDP growth forecast (Nov 2021)</b> <b>2021: 3.6% 2022: 3.8%</b>  GDP growth: 3.5% (Jan-Sep 2021, y/y)  Business Activity Index: 50.07 (up by 1.4 points y/y in October 2021)  Retail trade: 9.5% (Jan-Oct 2021, y/y)  Industrial production: 2.9% (Jan-Oct 2021, y/y)  Inflation: 8.7% (Nov 2021, y/y)
Annual inflation	6	5.2	6.8	
Government balance/GDP	2.6	-0.6	-7.3	
Current account balance/GDP	-0.1	-4	-3.6	
Net FDI/GDP	-0.1	-1.8	4	
Public debt/GDP (year end)	20.3	19.9	27.4	
Unemployment rate (year end)	4.9	4.8	4.9	

### Key short-term priorities

- Fiscal support measures need to be better targeted.
- The authorities should step up efforts to build resilience in healthcare, the agricultural sector and climate resilience.
- Further efforts are needed to improve inclusion across regions and for vulnerable population groups.

### EBRD assessment of transition qualities (ATQs), 2021<sup>1</sup>



### Building back better: key ongoing initiatives

#### Competitive

- The government envisages privatising 736 state assets (including subsidiaries) in the coming three years, with a view to reducing the share of state-owned enterprises (SOEs) in the economy to 14 per cent of GDP by 2025.

#### Well-governed

- The National Development Plan, adopted in March 2021, is built on three main pillars: citizen welfare, quality of institutions and a strong economy.

#### Green

- In December 2020, Kazakhstan pledged to become carbon neutral by 2060.
- The 50 largest companies, accounting for 80 per cent of greenhouse gas emissions, are expected to upgrade to the best available technologies by 2025.

#### Inclusive

- Amendments to the Inclusive Education Law were introduced in June 2021. Educational organisations will tailor programmes to children with special needs.

#### Integrated

- Plans are underway for an International Centre for Trade and Economic Cooperation "Central Asia" on the border of Kazakhstan and Uzbekistan.

#### Digital

- The Almaty city Department of Digitalization and Singaporean company Crimson Logic PTE Ltd signed a memorandum of cooperation on 28 July 2021 to further develop smart city projects.