

News digest

for 02/06/2023-
02/12/2023



Earthquake in Turkey halted the oil exports from Azerbaijan

<https://eurasianet.org/turkish-earthquake-halts-azerbaijans-oil-exports>



Source: <https://www.bqprime.com/amp/world/quake-latest-turkish-army-in-rescue-operations-oil-flows-begin>

Two massive earthquakes of 7.8 and 7.5 magnitudes happened in southern Turkey on February 6, 2023. The country's largest oil port – Ceyhan, through which Azerbaijan and Iraq oil is transported, was suspended on the same day. The reason was that one of the Ceyhan terminals at the end of the Azerbaijan pipeline, where oil is loaded onto tankers to be delivered to international markets, was damaged.

The port management resumed the re-export of Iran oil on February 8. Crude oil from Azerbaijan still flows through the BTC pipeline to Ceyhan, where it is held in storage tanks. Its re-export will resume on February 12.

Ceyhan receives crude oil through two major cross-border pipelines:

about 660 thousand barrels per day from Azerbaijan and Turkmenistan through Georgia to the Mediterranean coast of Turkey is delivered by the Baku-Tbilisi-Ceyhan (BTC) pipeline, and oil from northern Iraq with a volume of 390 thousand barrels per day is transported by the Kirkuk-Ceyhan pipeline. Then the oil is re-exported from the Ceyhan terminal by tankers to Eastern Europe. 2 out of 7 planned million barrels of oil will be exported through the port of Ceyhan from February 6 to 12.



Abylay Assylkhan

Analysts are upgrading guidance for China's economic growth

<https://kapital.kz/world/112916/analitiki-uluchshayut-prognozy-po-rostu-ekonomiki-kitaya.html>

China's Real GDP Growth for 2023:

	Previous forecast:	Now:
Fitch Ratings	4.1%	5.0%
UN		4.8%
S&P	4.0%	5.0%
IMF	4.4%	5.2%
Moody's		4.0%
Goldman Sachs	5.2%	5.5%
Bank of America		5.5%
Morgan Stanley	5.4%	5.7%
JPMorgan	4.3%	5.6%

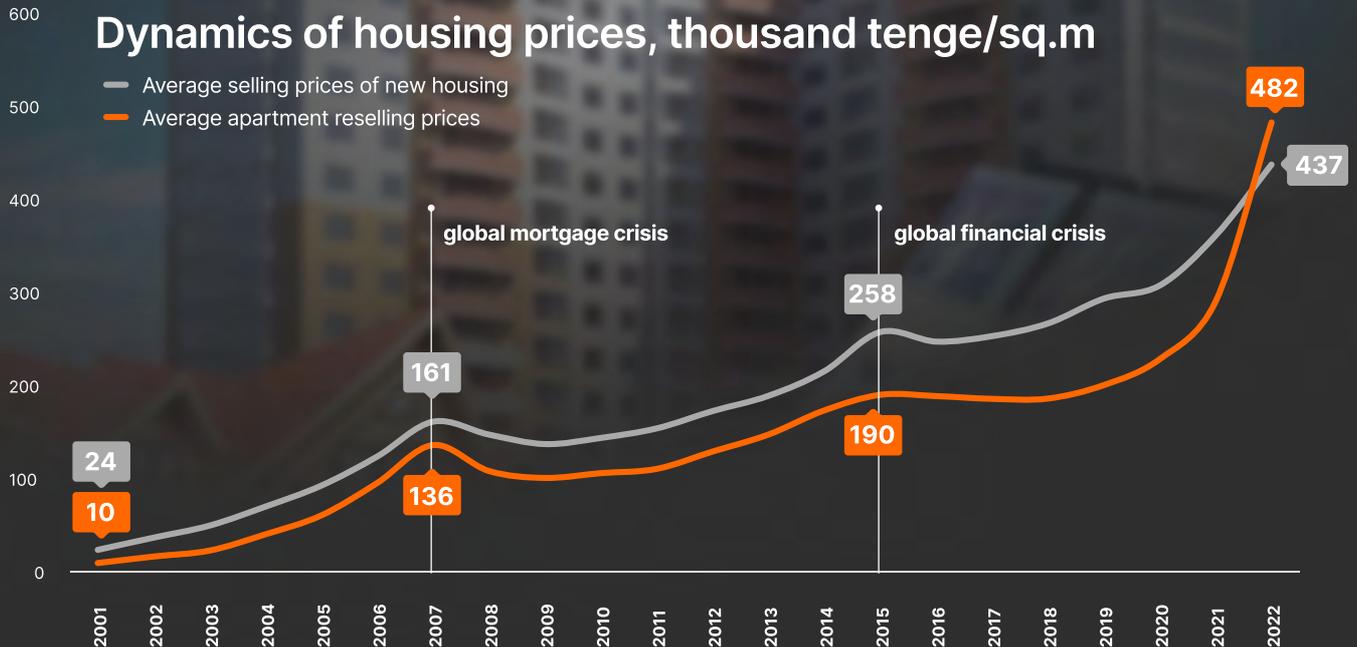
“Many rating agencies and global financial organizations started to revise the forecasts of China's economic growth upward since China opened its borders and eased the current COVID restrictions. We also believe that this factor will positively impact the development of not only China itself but also global GDP since the share of China in the global economy is growing every year. The main driver of China's economic growth this year will be the consumption recovery by the population and businesses. At the same time, the real estate market that suffered due to delays in the implementation of construction projects, falling demand for housing and the increasing risk of declining demand from the United States and Europe may continue to have a negative impact.

The acceleration of the growth of the Chinese economy for Kazakhstan means demand increases for domestic goods (China's share in exports is about 20%), and stable high energy source prices will also positively impact the country's development.”



Klara Seidakhmetova

The year begun with another housing price hikes



	01.22	02.22	03.22	04.22	05.22	06.22	07.22	08.22	09.22	10.22	11.22	12.22	01.23
Prices for new constructions	2.10	0.40	5.50	0.80	1.70	1.10	0.50	-0.10	0.30	0.90	1.20	0.40	0.70
Prices on secondary market	2.80	5.50	4.60	1.80	1.00	0.40	0.80	0.40	1.10	2.10	1.00	-1.50	0.30

	01.22	02.22	03.22	04.22	05.22	06.22	07.22	08.22	09.22	10.22	11.22	12.22	01.23
Prices for new constructions	21.02	14.60	20.30	20.30	19.30	19.50	19.60	18.10	17.70	16.60	17.30	15.60	14.00
Prices on secondary market	21.74	24.50	27.70	27.70	27.90	26.80	26.40	25.80	25.90	27.10	26.90	21.60	18.70

“The main generator of the real estate market in Kazakhstan is the state backing (affordable mortgage programs) and construction companies (subsidies). In particular, prolonged until 2029 "7-20-25" program will continue to contribute to the growth of mortgage lending (the share of commercial mortgages is about 1% of mortgage housing loans) and, accordingly, the growth of housing prices. At the same time, we note that since the maximum housing cost in Almaty and Astana cities established under the program in 2018 has not been revised, the price increase will be observed due to the demand for apartments with a small square.

At the same time, the price hikes for primary housing are associated with price hikes for construction materials and works, which increased significantly in 2022. Experts expect a slowdown in the pace of housing construction (8.8% less was set in operation in 2022) and an increase in housing prices in the range of 5-7% this year.”

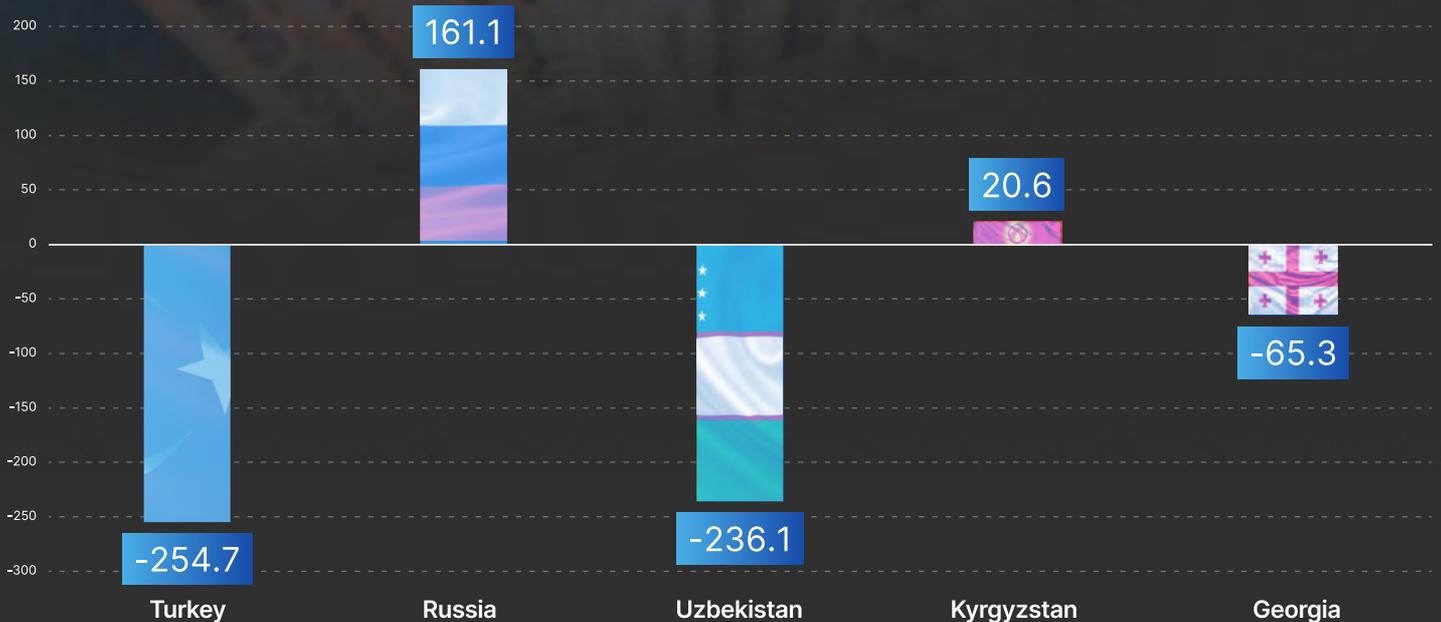


Gulnaz Aldibekova

To which countries money flowed away from Kazakhstan. Money transfers from Kazakhstan to Uzbekistan reached almost 300 billion tenge last year.

<https://ism.kz/perevody-iz-kazakhstanana-dekarb>

Net receipts (receipts from abroad, excluding transfers abroad), billion tenge



Source: data of the National Bank of the Republic of Kazakhstan

“The total amount of money transfers abroad amounted to 1 trillion tenge in 2022, while about 678.5 billion tenge were transferred to Kazakhstan.

Most of all the transfers were from Kazakhstan to Uzbekistan (282.2 billion tenge), Turkey (271.9 billion tenge) and Russia (203.7 billion tenge). The transfers to Uzbekistan and Kyrgyzstan is historically high, and is due to the fact that foreigners working in Kazakhstan transfer money to their relatives in neighbouring countries.

The lira weakening stimulated demand from our fellow citizens since it became more profitable for Kazakhstan citizens to buy Turkish goods and resell them in Kazakhstan at this rate. The situation has worsened by geopolitical conflicts when most entrepreneurs reoriented demand channels from Russia to Turkey.

Kazakhstan has become an area for Russians, from which they have an opportunity to buy foreign goods bypassing sanctions that have increased re-export to Russia and, accordingly, the number of cash receipts. 357.1 billion tenge were transferred from Russia, which is more than half of all external transfers.”



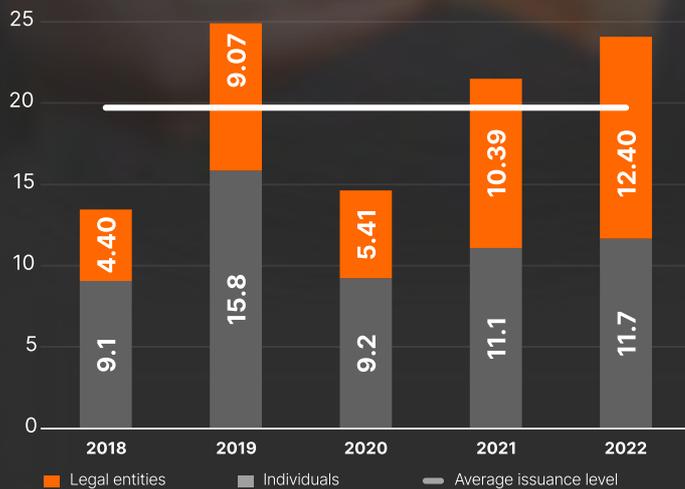
Sunggat Rysbek

Banks issued new loans 24.1 trillion tenge in 2022

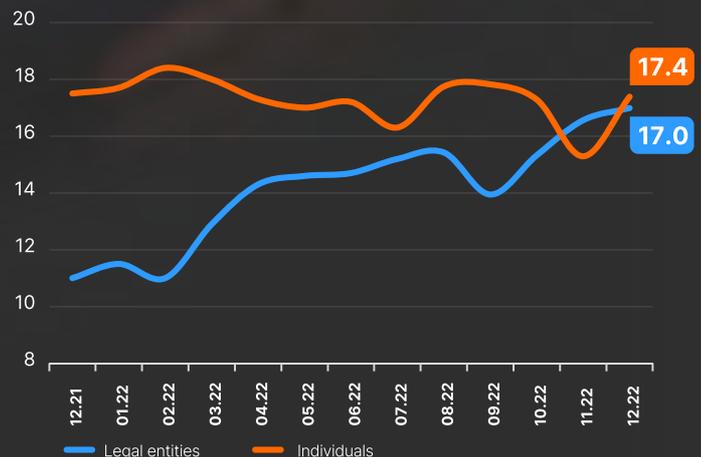
<https://kapital.kz/finance/112852/za-2022-god-banki-vydali-novyie-kredity-na-24-1-trln-tenge.html>

Source: data of the National Bank of the Republic of Kazakhstan

Issuance of loans, in trillion tenge



Average weighted rate on loans issued, %



“The volume of loans issued increased by 12% to 24.1 trillion tenge in 2022. At the same time, the volume of loans issued to individuals exceeded the ones to legal entities. This is mainly due to multiple base rate increases and the lending rate. Retail loan rates do not respond well to the base rate increase and are reduced during marketing campaigns. In general, the average weighted retail loan rate is in 16-18% range.

More loans were issued for consumer purposes than for housing purchases (8.6 trillion against 2.2 trillion tenge) by objects of financing. And for working capital financing as for consumer purposes was issued almost the same amount (8.6 trillion tenge).

Trade remains the main object of lending. 2.5 times less was issued in the industry than in the trade. Such inefficient loan growth impacts the formation of excess demand in the economy.”



Sunggat Rysbek

Auhors: Abylay Assylkhan, Klara Seidakhmetova, Gulnaz Aldibekova, Sunggat Rysbek

Disclaimer:

Jusan Analytics is an analytical structural division of "Jusan Bank" JSC.

This work is for informational purposes only and is not an offer or attempt to provide report, business, financial, investment, legal, tax or other professional advice or services by Jusan Analytics. The publication is based on information that we consider reliable and obtained from dependable open sources, but we do not confirm that all the information provided is absolutely accurate.

We are not responsible for the readers' use of the information that is contained in the work to make his independent financial decisions. "Jusan Bank" JSC represented by the Jusan Analytics team does not undertake to regularly update the information contained in the publication or correct possible inaccuracies. At the same time, the information in the work is not exhaustive and may be changed at any time without prior notice.

The information published in the work is available for personal use, but is not intended for commercial distribution and cannot be reproduced, transmitted or published, in its entirety or in sections, without the prior written permission of Jusan Analytics.

**For issues on the use of the material,
contact Jusan Analytics:**

6th floor, block B, building 36, Al-Farabi avenue,
A25D5F7, Almaty city, the Republic of Kazakhstan.
analytics@jusan.kz