

# News digest for

02/13/2023-  
02/17/2023

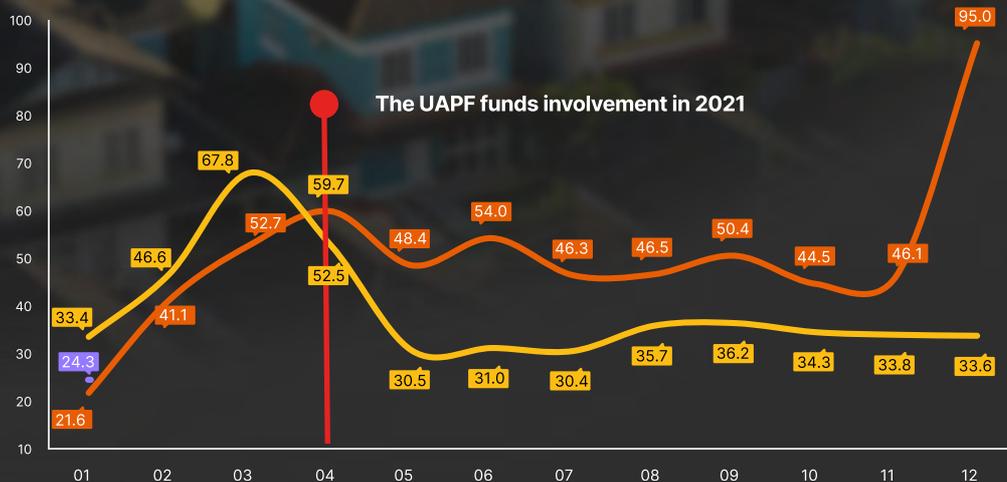


# The number of housing purchase and sale transactions in Kazakhstan decreased by 27.7% in January

[https://www.interfax.kz/?lang=rus&int\\_id=22&news\\_id=96603](https://www.interfax.kz/?lang=rus&int_id=22&news_id=96603)

## Dynamics of the number of real estate purchase and sale transactions

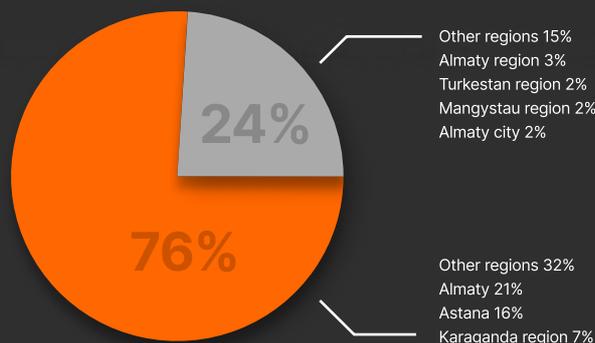
— 2021 — 2022 — 2023



## Structure of transactions by type of real estate

Single-family houses 24%

Apartments 76%



“The number of real estate purchase and sale transactions decreased by 27.7% in January 2023, and the monthly transactions decreased from 50-60 thousand in 2021 to 24 thousand in January 2023. Recall that the number of transactions was about 606 thousand units in 2021.

Increasing the sufficiency thresholds for withdrawing funds from the Unified Accumulative Pension Fund is one of the key factors in reducing transactions to improve housing conditions: 3.5 times lower pension savings were transferred in 2022 than in 2021. The tightening of mortgage lending conditions, especially the reduction in lending under affordable mortgage programs negatively affected the real estate market activity. A significant role in reducing the number of transactions was also the high growth in housing prices noted in 2022.

And a further decline in housing market activity is expected this year.”



**Gulnaz Aldibekova**

# The EBRD has cut its 2023 GDP growth forecast for emerging markets from 3% to 2.1%

<http://www.finmarket.ru/database/news/5898589>

Real GDP annual growth, in %


**European Bank**  
 for Reconstruction and Development

regions	2021	January-September 2022	February 2023 (forecast)			Forecast revision from September 2022		
			2022 estimate	2023	2024	2022	2023	2024
developing countries included in the EBRD's regions of operations	7.1	3.2	2.4	2.1	3.3	0.1	-0.9	0.4
Central Asia	5.1	4.3	4.3	4.9	5.4	0	0.1	-0.1
Kazakhstan	<b>4.1</b>	<b>3.0</b>	<b>3.1</b>	<b>3.5</b>	<b>4.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
Kyrgyzstan	3.7	7.2	7	7	7.2	0	0	0
Tajikistan	9.2	7.8	7.3	8	8	0.3	0	0
Turkmenistan	6.2	6.2	6.2	6.5	7	-0.8	0.5	-1
Uzbekistan	7.4	5.8	5.7	6.5	7	0.2	0	0

Source: <https://www.ebrd.com/sites/Satellite?c=Content&cid=1395311608048&d=&pagename=EBRD%2FContent%2FDownloadDocument>

“According to the EBRD report, the deterioration in economic growth forecasts for developing countries is explained by high gas prices and inflation, the slowdown of which may take longer than markets expect. At the same time, the forecasts for Central Asia, especially Kazakhstan, have not changed significantly, they correspond to the consensus for the domestic economy: 2.8% (AFC), 2-3% (NBK), 4% (Government of the Republic of Kazakhstan), and 3.8-4.3% (Jusan Analytics).

EBRD economists believe that the economy of our country has maintained positive growth rates in 2022 "largely due to intermediary trade with Russia, the influx of capital and well-educated migrants from Russia, as well as the relocation of enterprises that previously worked in the territory of the Russian Federation."

We do not agree with the MFI economists' idea about Kazakhstan, especially concerning the influx of skilled labour and the benefits from the relocation of enterprises. Firstly, the influx of Russian migrants that probably remained in Kazakhstan is being lost in the total mass of manpower due to its relative insignificance. Secondly, if there is an impact on the economy by the relocation effect, then a certain period is needed to establish work on the territory of Kazakhstan to feel its contribution.

Moreover, it is difficult to correlate the "damage" and "benefit" from the consequences of geopolitical instability in Russia. The concomitant disruption and elongation of supply chains caused periodic shortages in certain commodity markets, which contributed to the emergence of inflationary pressure growth surges in the country. In addition, the tension in the neighbouring country was a factor in suppressing investment activity (not related to government intervention) due to increased uncertainty and regional risks.

The preservation of positive dynamics of economic growth in Kazakhstan is overwhelmingly ensured by the favourable price environment of commodity markets in 2022, as well as significant financial state support for business activity."



**Aizhan Alibekova**

# Retail trade in Kazakhstan increased by 20.8 in January 2023%

[https://www.inform.kz/ru/na-20-8-uvelichilsya-ob-em-rozничnoy-torgovle-v-kazahstane-v-yanvare\\_a4035867](https://www.inform.kz/ru/na-20-8-uvelichilsya-ob-em-rozничnoy-torgovle-v-kazahstane-v-yanvare_a4035867)



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

“The abnormally high increase in the quantum of retail trade is due to the January events of 2022 that caused a low base effect.

At the same time, if we look at the value of the Physical Volume Index to the previous month (December 2022), its reduction was much greater (-50.6%) than in the same period of 2022 (-42.3%).”



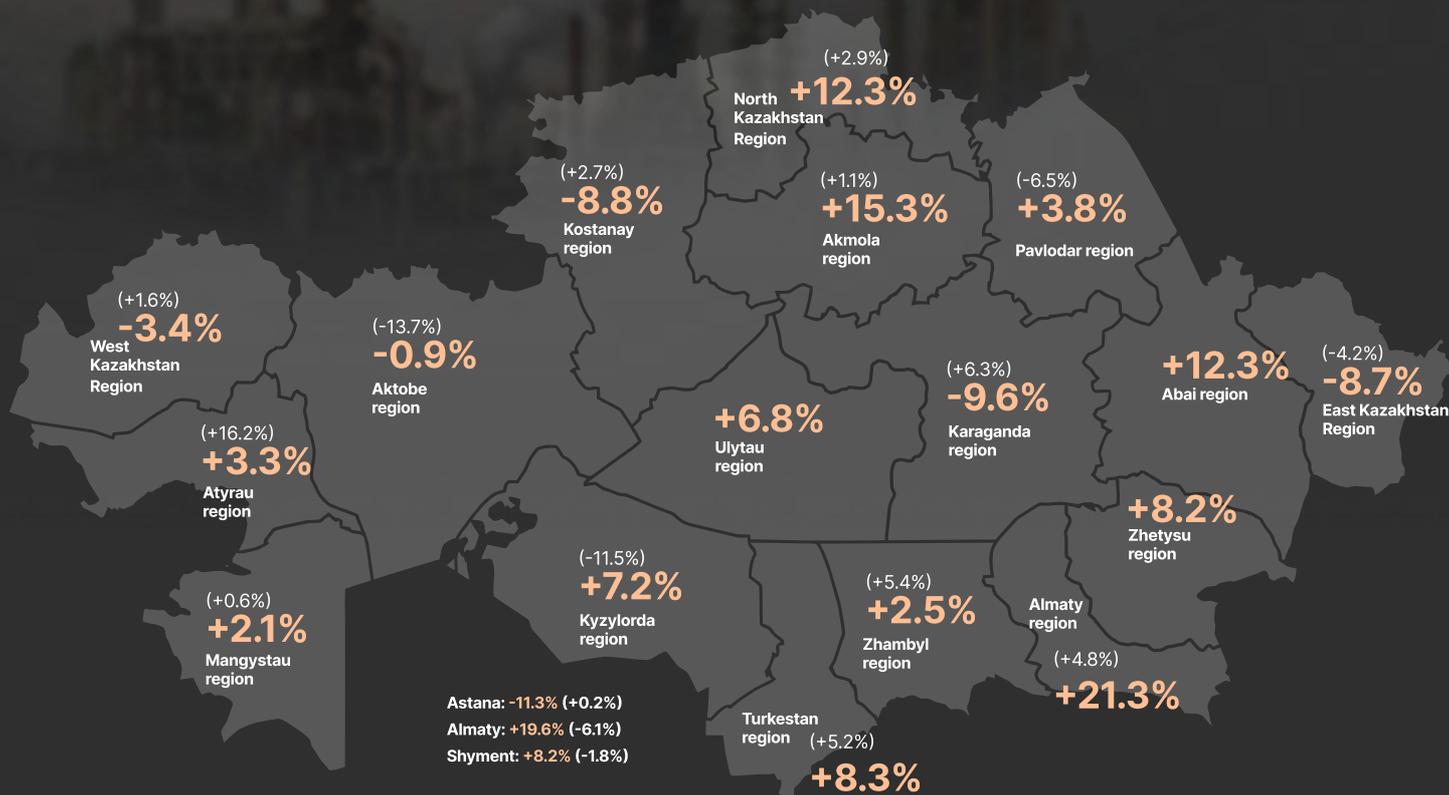
**Aizhan Alibekova**

# How many industrial products were produced in Kazakhstan in January

<https://kapital.kz/economic/113117/skol-ko-promyshlennoy-produktsii-proizvedeno-v-kazakhstane-v-yanvare.html>

## The Industrial Production Index growth in January 2023

Across Kazakhstan **+1.4%** (+2.9%)\*



Source: BNS of the Republic of Kazakhstan, Jusan Analytics calculations

\*data for January 2022 are shown in parentheses

"Industry growth was +1.4% in January 2023. The mining sector moved into the growth zone (+1.2) due to the increased production of oil, non-ferrous metals and other minerals for the first time since October last year. The manufacturing industry grew by 1.6% due to increased production of pharmaceutical products, food, beverages, automobiles, tobacco and textiles.

The industrial sector has grown in 14 regions of the country. The greatest growth was in Almaty region (+21.3%) and Almaty city (+19.6%), where the production of soft drinks, chocolate and tobacco products has increased. The largest drop was noted in Astana city (-11.3%) due to a decrease in the production of concrete and refined gold, and as a result of a decrease in coal mining, iron and steel production in Karaganda region (-9.6%).

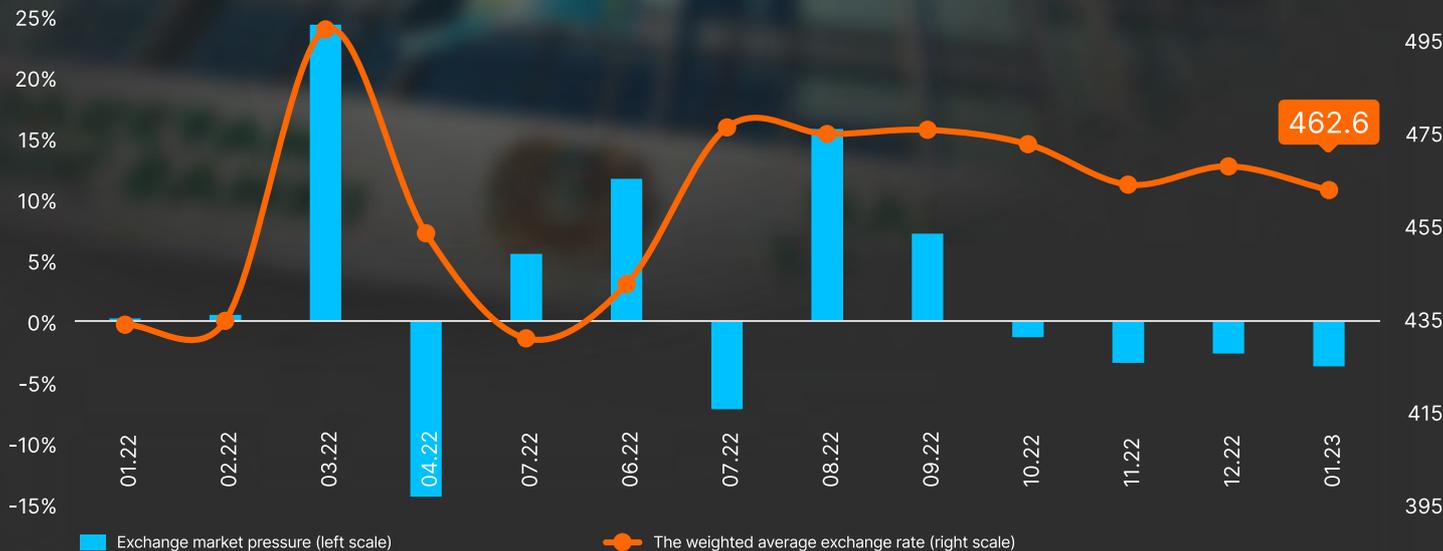
At the same time, the further development of the industrial sector is rather ambiguously affected by the mining industry (more than 50% of the total output), which is very dependent on external factors as was observed last year."



**Klara Seidakhmetova**

# Gross international reserves of the National Bank increased by 4.7% to 36.7 billion US dollars

## Exchange market pressure and the tenge to the US dollar exchange rate



“The gross international reserves of the National Bank increased by 4.7% to 36.7 billion US dollars.

Such an increase in stocks is due to the tenge strengthening and a sufficient supply of foreign currency on the market. The increase in the level of international reserves indicates the absence of measures of the NBK to support the exchange rate and the market exchange rate formation.

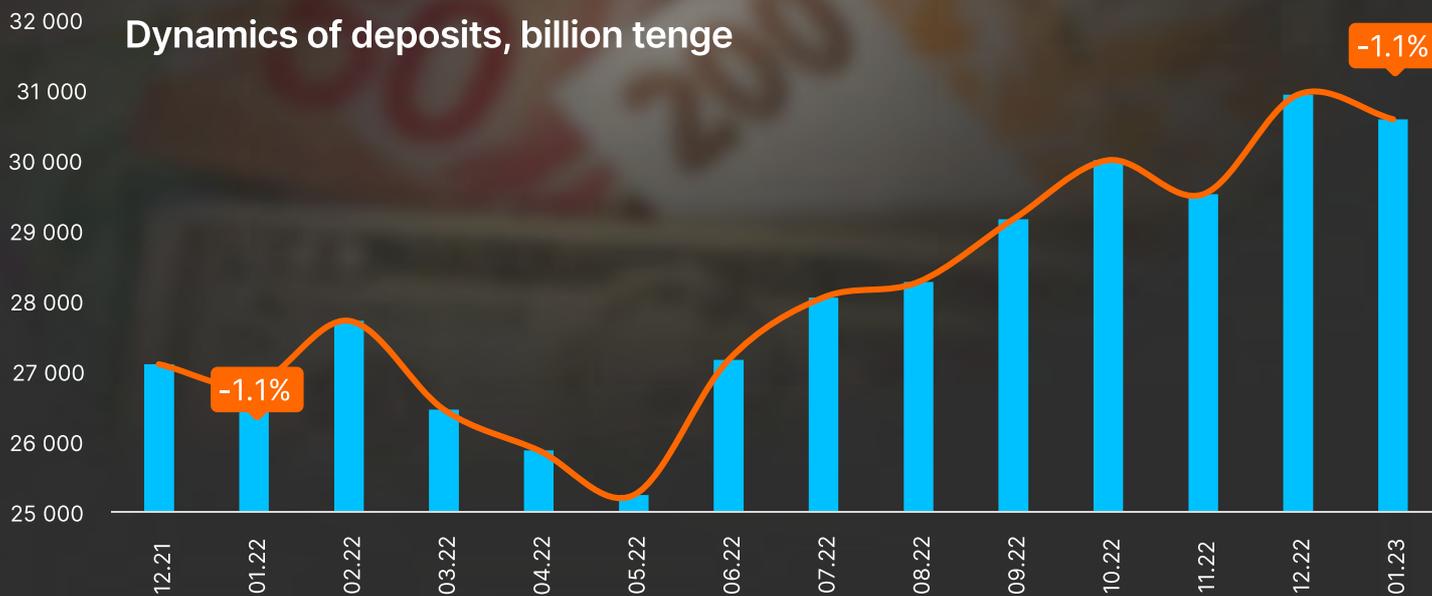
We calculated the Currency Pressure Index using data on international reserves, the dynamics of the exchange rate and the base rate. So, negative pressure values on the national currency have been observed since October last year and are reflected by the tenge strengthening.

Now we see an increased demand for tenge instruments that also affects the dynamics of the exchange rate. This phenomenon occurs cause of the expectations of financial market participants to maintain the base rate at the current level.”



**Sunggat Rysbek**

## The volume of deposits decreased in January



“The volume of deposits in deposit organizations decreased by 1.1% in January of this year. Given the preservation of the base rate at 16.75% and the absence of shocks that can affect the outflow of deposits from the banking system, we assume that such a decrease in deposits is seasonal. An additional factor constraining it is the state reimbursement of tenge deposits, which is accumulated by the end of February this year.

The continued decline in the dollarization level can be called a positive factor. In January, dollarization amounted to 31.1% (-0.5 percentage points per month). It was affected by the outflow of foreign currency deposits from legal entities and individuals. Such an outflow is due to low household devaluation expectations.”



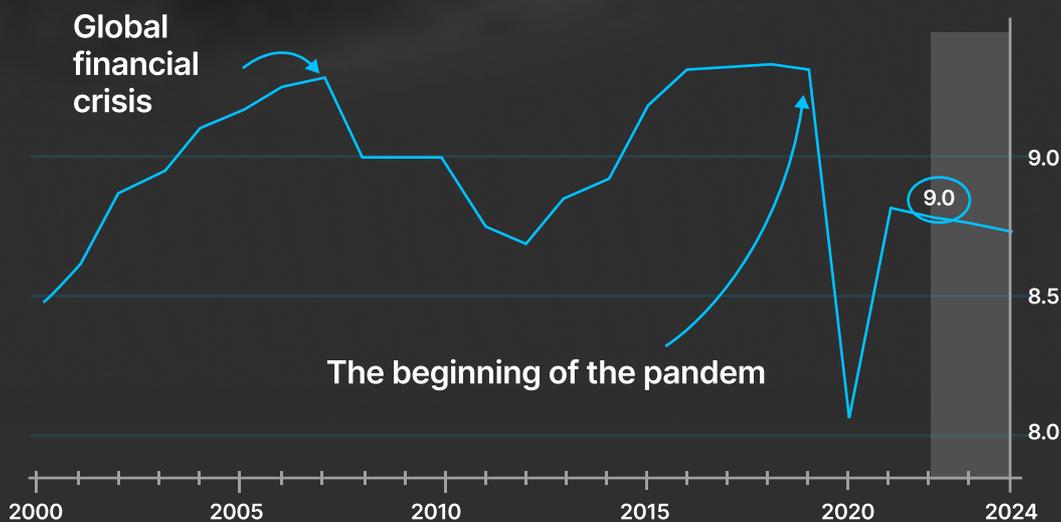
**Sunggat Rysbek**

# The drop in gasoline consumption in the US warns of a shift in global markets. Americans consumed 8.78 million barrels of gasoline per day in 2022, which is 6% lower than the record volumes sold before the pandemic.

<https://www.ft.com/content/aa1a291e-4293-4b8d-8e33-2b6da4664d35>

## The forecast of the US gasoline consumption is lower than during pre-pandemic

Consumption million barrels per day



Source: <https://www.ft.com/content/aa1a291e-4293-4b8d-8e33-2b6da4664d35>

"The decline in demand for gasoline is due to several factors:

1. American motorists drive less than before the pandemic. According to Inrix, travelled kilometres in 2022 was 10% less than in the pre-pandemic period. Demand for electric vehicles has also increased sharply: by 28% more than in 2019.
2. Fuel economy, which increased by a third on average from 2004 to 2021. And following the Environmental Protection Agency, this has led to a reduction in related CO2 emissions by a quarter. This was due to stricter regulations introduced by the Obama administration. The Joe Biden administration has tightened them even more.

The U.S. government expects gasoline consumption to decline in 2023 and 2024. About 9% of global oil consumption accounts for American gasoline. But the prospect of stagnating or falling demand has severe consequences for energy markets and carbon emissions."



**Abylay Assylkhan**

**Auhors:** Aizhan Alibekova, Abylay Assylkhan, Klara Seidakhmetova, Gulnaz Aldibekova, Sunggat Rysbek

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