**Kazakhstan** 

The large country (more than 6 times the area of Sweden) with huge resources of energy and minerals, had a positive economic development after the global financial crisis 2008-09. Extensive state support, both to the ailing banking sector and to infrastructure projects at the same time as world market prices for oil – that accounts for 80 % of the country´s export and close to half of the state budget revenues – increased, once again gave Kazakhstan a strong economy. However, the rapid falling price on oil lately has put serious constraints on the economy and especially a large pressure on the Kazakh Tenge (KZT). Already in February 2014 the KZT was devalued by 19 % vs. the USD, and in August previous year the “free floating exchange regime” was introduced, which meant further dramatic depreciation. The “oil fund” (*NFRK),* now amounts to more than 90 billion USD, although 9,4 billion annually, for the coming three years, will be used to cover government expenses.

Kazakhstan is firmly ruled by the president Nursultan Nazarbayev (and his family and friends), ever since the country gained independence 1991. President Nazarbayev has proclaimed several long-term plans, currently “Kazakhstan 2050”, containing a far-reaching diversification of the economy and modernization of the society, meaning large investments in other sectors than oil, gas and mineral extraction. The relations with the neighboring China, having a huge interest in energy and minerals, with the close ally Russia, as well as with the West (incl. the USA) are skillfully balanced and overall very good. 2017 the capital Astana will host the World Expo, that will have focus on “green energy”.

Key facts (Sources: IMF, World Bank, The Economist, Business Monitor Int´l, National Bank of Kazakhstan)

 2014 2015e 2016f 2017f

Population (mn) 17,4 17,6 17,9 18,1

GDP (nom.; USD, bn) 205,9 182,5 142 154

GDP-growth, real (%, y-o-y) +6,1 +0,9 +0,5 +1,5

GDP/capita (USD) 11.855 10.880 8.900 9.200

Budget balance (% of GDP) -1,2 -2,0 -1,8 -1,5

Inflation (CPI; e-o-p, %) 7,4 13,0 12,0 8,0

Export (USD, bn) 85,4 82,3 87 98

Import (USD, bn) 56,2 58,9 62 65

Balance of trade (USD, bn) +29,2 +23,4 +25 +33

Current account (USD, bn) +4,6 -3,2 -5,6 -3,3

Current account (% of GDP) +2,3 -1,7 -4,0 -2,2

Foreign reserves (USD, bn) 21,5 22,6 23,7 25,5

Total external debt (USD, bn) 140,6 137,6 135,9 130

Total external debt (% of GDP) 68,3 75.4 90,5 84,4

Exchange rate (KZT/USD) 182 340 355 350