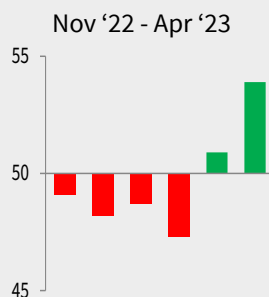


# Tengri Partners Kazakhstan Services PMI™

Including Tengri Partners Kazakhstan Composite PMI™

## Demand for Kazakh services rises solidly in April

### Tengri Partners Kazakhstan Services Business Activity Index



#### April sees quickest rise in activity since last July

#### New business growth joint-strongest on record

#### Sentiment at two-and-a-half year low

Business activity in the Kazakh service sector improved for the second consecutive month during April. Moreover, the rate of expansion quickened to the fastest since July 2022 on the back of new business growing at the joint-strongest rate since the survey began in March 2019. In turn, firms increased their staffing levels for the first time in five months.

Despite these improvements at the start of the second quarter, Kazakh firms registered a further loss in confidence. The degree of optimism registered a 30-month low in April.

The headline figure from the survey is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase

and below 50 a decrease. The index is adjusted for seasonal variation.

The seasonally adjusted Business Activity Index printed a nine-month high of 53.9 in April, up from 50.9 in March. The index signalled a solid expansion in activity, with the rate of growth quickening from the previous month. The latest rise was also marked when put into the context of the history of the series since data collection began just over four years ago.

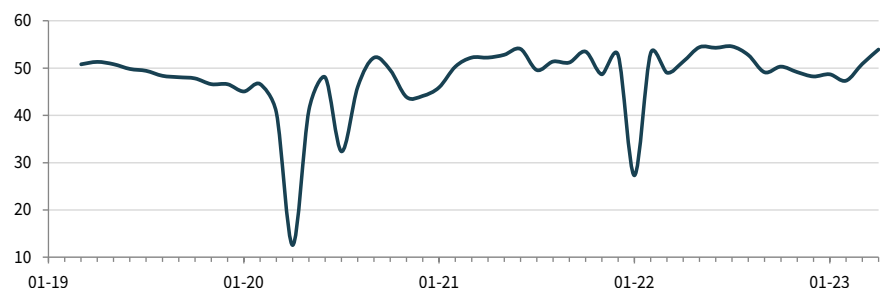
Supporting the latest upturn in service sector activity was a sharp rise in new business. According to anecdotal evidence, improved demand conditions and the securing of new customers were behind the latest rise in sales. Moreover, the rate of expansion accelerated for the second successive month and was the joint-highest on record, equal with that seen in August 2022.

The gains in new business seen across the

*continued...*

Tengri Partners Kazakhstan Services Business Activity Index

sa, >50 = growth since previous month



## Contents

[Overview](#)

[Comment](#)

[Activity and demand](#)

[Business expectations](#)

[Employment](#)

[Prices](#)

[Kazakhstan Composite PMI](#)

[International PMI](#)

[Survey methodology](#)

[Further information](#)

## Overview continued...

Kazakh service sector led firms to expand their workforce numbers in April. While the rate of job creation was fractional overall, it marked the first uptick in payroll numbers since November last year. According to anecdotal evidence, a number of voluntary leavers had prevented a more marked expansion in employment during the month.

Turning to prices, service sector firms reported a sharp rise in expenses in April. The upturn was blamed on higher prices from suppliers, growth in wages and increased costs for energy. That said, the pace of input price inflation was the slowest since August 2020, the opening month of the current run of rising costs.

Despite further signs of cost inflation

softening, service sector firms across Kazakhstan raised their charges at a slightly quicker pace than was the case in March. Firms were keen to share higher expenses with clients. Nonetheless, charge inflation was weaker than the average seen over the current 30-month sequence of rising selling prices.

Looking ahead, business sentiment at Kazakh service providers weakened further in April. The respective index was at a 30-month low. Concerns regarding future economic and demand conditions weighed on optimism. That said, 17% of panellists were upbeat with regards to the outlook for business activity in the coming 12 months, compared to 2% that were pessimistic.



## Comment

Anuar Ushbayev, Managing Partner and Chief Investment Officer at Tengri Partners said:

*"The second quarter started on a solid footing for service providers in Kazakhstan. A rapid increase in incoming new business translated to the quickest rise in service sector activity for nine months. Furthermore, there were again signs that the stubbornly high inflation seen in recent years is moderating. In fact, cost burdens rose at the weakest pace since August*

*2020.*

*"However, Kazakh service firms erred on the side of caution, as sentiment dipped to a 30-month low. Concerns regarding the future economic climate dampened the level of optimism within the sector."*

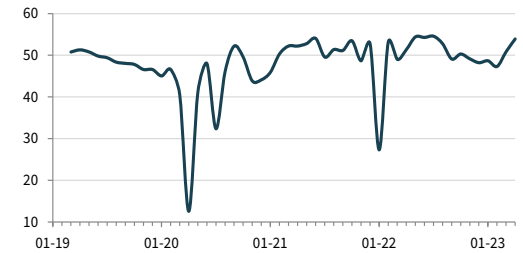
## Activity and demand

### Business activity

Kazakh service providers registered a second successive monthly rise in business activity during April. Moreover, the pace of growth quickened on the month to the fastest overall since July 2022. The solid increase in services activity was credited to new contract wins and higher customer activity.

Business Activity Index

sa, >50 = growth since previous month

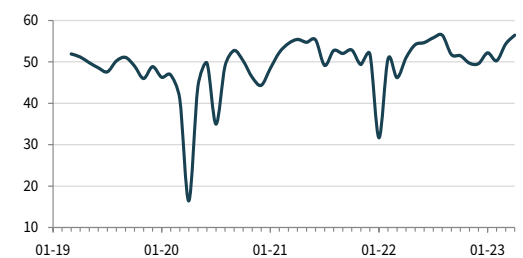


### New business

New business received at Kazakhstan's services firms have risen in each month of 2023 so far, and this trend continued in April. The respective seasonally adjusted index increased further from February, posting at its joint-highest level on record. According to anecdotal evidence, an improved demand climate drove the latest upturn.

New Business Index

sa, >50 = growth since previous month

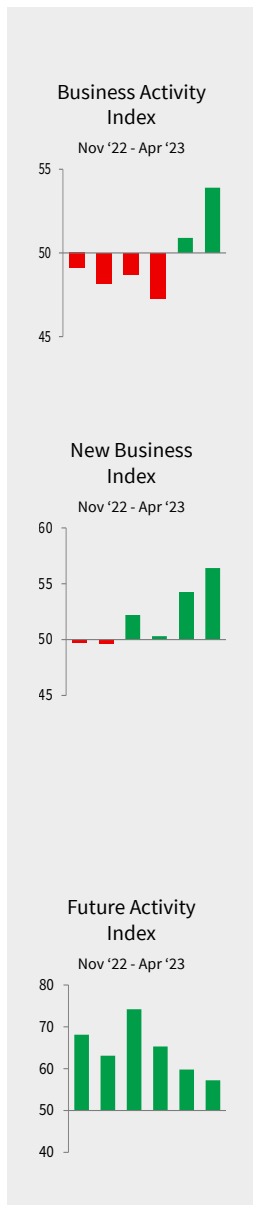
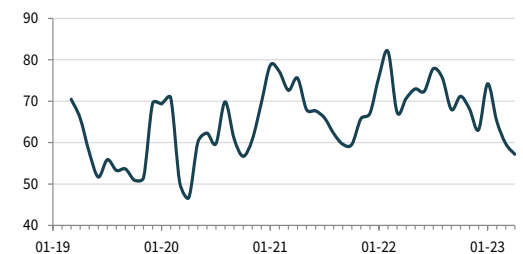


## Business expectations

Kazakh services companies registered a further loss in confidence during April. The degree of optimism has now slipped for three straight months, the latest figure signalling the weakest activity expectations in two-and-a-half years. Concerns regarding the future economic outlook weighed on sentiment. That said, nearly 17% of the respondents were optimistic compared to 2% that were downbeat.

Future Activity Index

>50 = growth expected over next 12 months

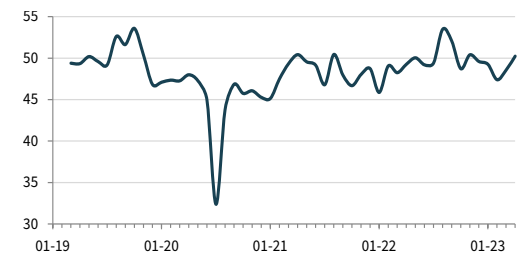


## Employment

Following four consecutive months of contraction, service sector firms across Kazakhstan raised employment - albeit fractionally - at the start of the second quarter. Growth in new business encouraged firms to raise their staffing levels. Anecdotal evidence suggested that the pace of job creation was limited by resignations.

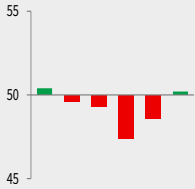
### Employment Index

sa, >50 = growth since previous month



### Employment Index

Nov '22 - Apr '23



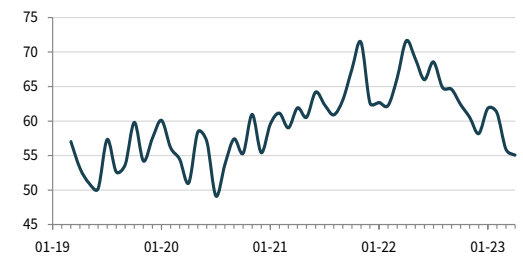
## Prices

### Input prices

Price pressures moderated at Kazakh service providers in April. The pace of input price inflation eased for the third month running and was the softest in 32 months. That said, costs still inclined sharply, with companies blaming growth in wages as well as higher supplier and energy charges.

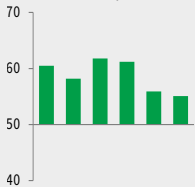
### Input Prices Index

sa, >50 = inflation since previous month



### Input Prices Index

Nov '22 - Apr '23

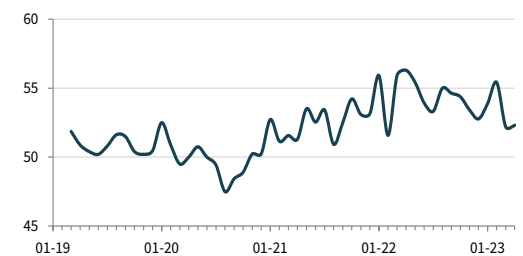


### Prices charged

Service sector firms across Kazakhstan raised their charges for the thirtieth successive month in April. The rate of charge inflation accelerated slightly from March but remained weaker than the average recorded over the aforementioned sequence. Companies continued to pass on higher costs to their customers.

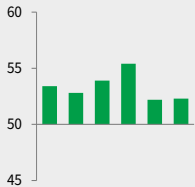
### Prices Charged Index

sa, >50 = inflation since previous month



### Prices Charged Index

Nov '22 - Apr '23



## Tengri Partners Kazakhstan Composite PMI™

# Private sector activity growth at nine-month high

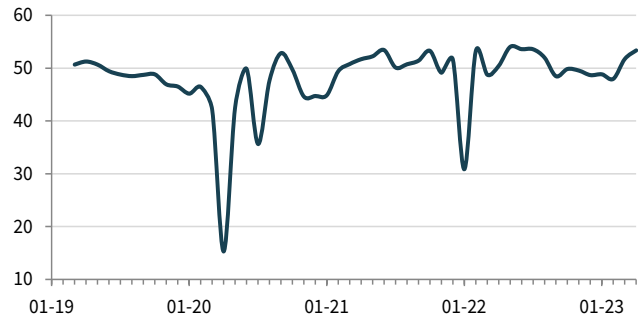
The Kazakhstan Composite PMI\* signalled a second consecutive month of output expansion as the respective seasonally adjusted index rose to a nine-month high of 53.3 in April from 51.7 in March. Driving the upturn was an accelerated rise in business activity across Kazakh service providers and a modest, although slightly slower expansion in manufacturing output.

Central to the increase in private sector output was a sharp upturn in new business. A stronger expansion across service sector firms resulted in new work rising at a record rate at the composite level.

Private sector firms registered a further reduction in payroll numbers during April. That said, increasing business requirements helped soften the rate of job shedding to the weakest in the current five-month sequence of contraction, and one which was marginal overall. By sector, a slower contraction in manufacturing employment was noted in April, while services firms raised their workforce numbers for the first time in five months, albeit only fractionally.

Overall sentiment in the Kazakh private sector remained largely positive at the start of the second quarter. However, the level of confidence weakened to a 17-month low amid concerns around future economic and demand conditions.

Composite Output Index  
sa, >50 = growth since previous month

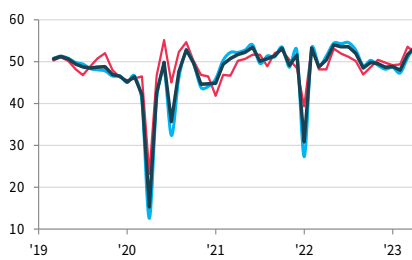


\*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

Composite / Manufacturing / Services

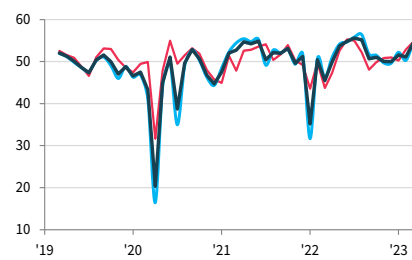
Output Index

sa, >50 = growth since previous month



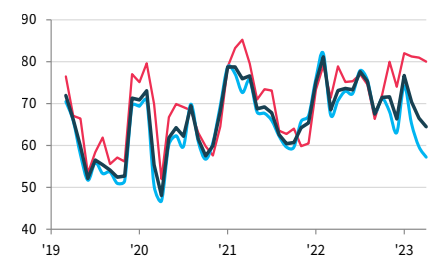
New Business Index

sa, >50 = growth since previous month



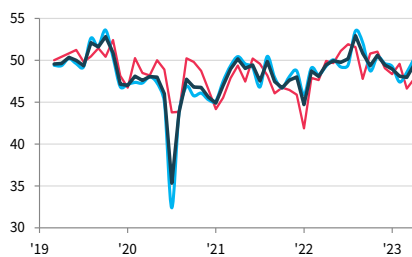
Future Output Index

>50 = growth expected over next 12 months



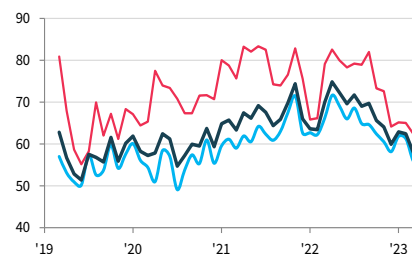
Employment Index

sa, >50 = growth since previous month



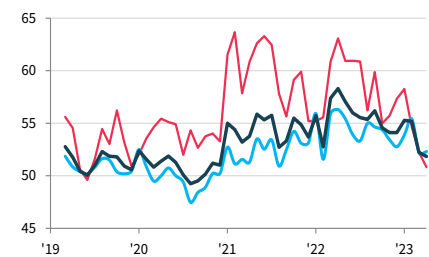
Input Prices Index

sa, >50 = inflation since previous month



Output Prices Index

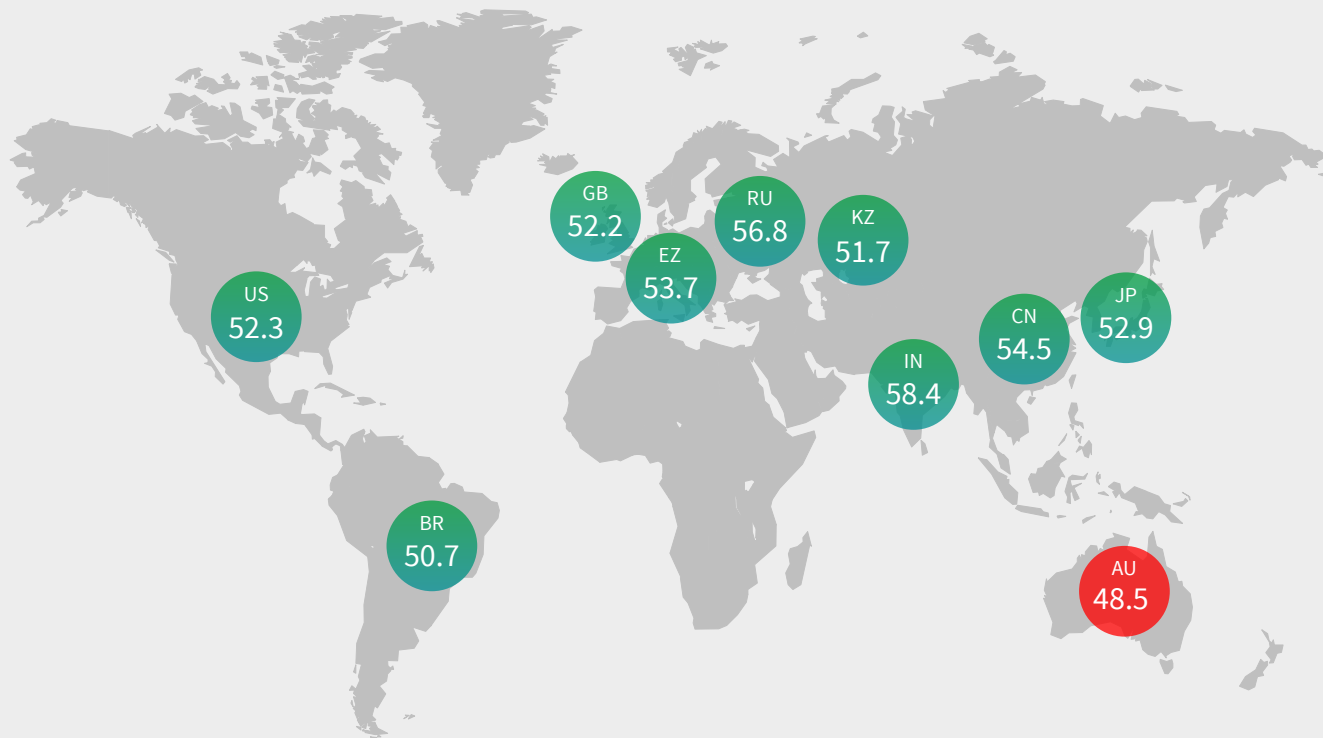
sa, >50 = inflation since previous month



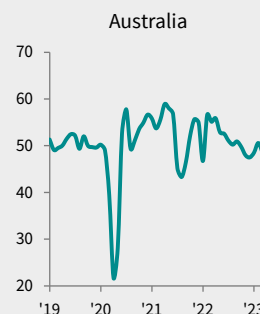
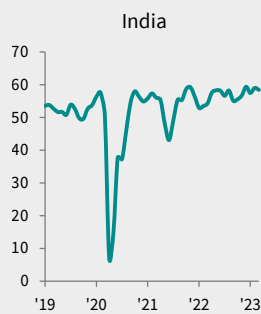
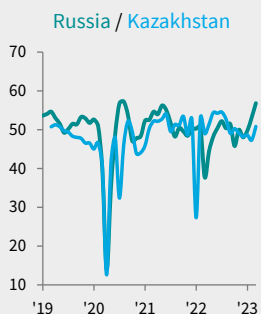
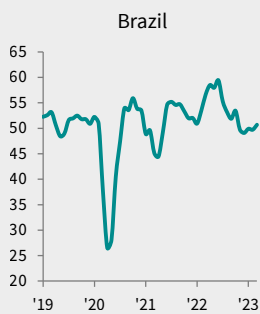
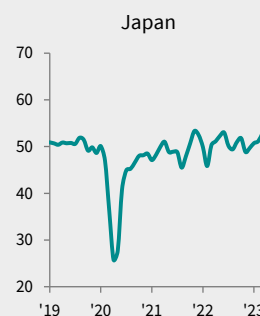
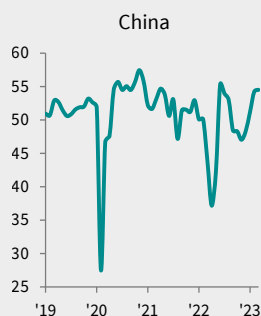
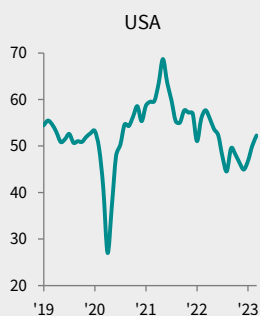
## International PMI

Composite Output Index, Mar '23  
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.



Composite Output Index  
sa, >50 = growth since previous month



Survey panel size

**250**

service providers

Index calculation

% 'Higher'

+

(% 'No change')/2

## Survey methodology

The Tengri Partners Kazakhstan Services PMI™ is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### Survey dates and history

April data were collected 12-25 April 2023.

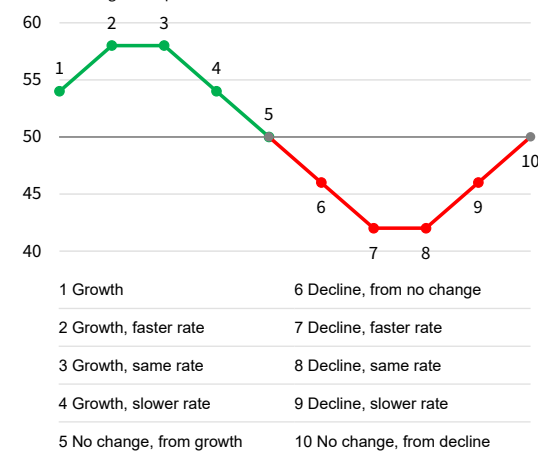
Data collection began in March 2019.

### Survey questions

Business Activity	Employment
New business	Outstanding business
New export business	Input prices
Future activity	Output prices

### Index interpretation

50.0 = no change since previous month



### Sector coverage

Services PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities
L	Real Estate Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
P	Education*
Q	Human Health and Social Work Activities*
R	Arts, Entertainment and Recreation
S	Other Service Activities

\*Private sector

---

#### About Tengri Partners

Tengri Partners is a diversified Central Asia-based merchant banking group engaged in securities trading, capital markets, investment banking, investment management, commercial finance and principal investments.

#### About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics [www.spglobal.com](http://www.spglobal.com)

#### About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

[ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html)

#### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI™ are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.