

Embargoed until 1200 ALMT (0600 UTC) 03 July 2023

# Tengri Partners Kazakhstan Manufacturing PMI™

## Solid new order growth maintained in June

### Key findings

Employment rises again on the back of expanding workloads

Output increases for fourth month running

Charges decline amid softest rise in input costs in four years

Data were collected 12-23 June 2023.

The latest PMI™ survey data from Tengri Partners and S&P Global signalled sustained growth in the Kazakhstan manufacturing sector as demand continued to improve. Output, new orders, employment and purchasing activity all increased in June, while business confidence remained elevated.

On the price front, there was a further slowdown in the pace of input cost inflation, while output prices decreased for only the second time since the survey began in March 2019.

The headline Kazakhstan Manufacturing PMI is a composite single-figure measure of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement in the sector.

The headline PMI posted above the 50.0 no-change mark for the fifth successive month in June, dipping only marginally to 52.0 from 52.3 in May. The index thereby signalled a modest improvement in the health of the manufacturing sector.

New orders were up solidly in June, reflecting improving customer demand and successful marketing campaigns. The latest rise was the eighth in as many months and solid overall, albeit softer than that seen in May.

The rate of growth in production also eased and was the slowest in the current four-month sequence of expansion. The rise in output was largely a result of higher new orders, according to respondents.

Firms remained strongly confident regarding the year-ahead outlook for production, with sentiment only slightly lower than

*continued...*

Tengri Partners Kazakhstan Manufacturing PMI™

sa, >50 = improvement since previous month



Sources: Tengri Partners, S&P Global PMI.

### Comment

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

*"Manufacturers in Kazakhstan ended the first half of the year on a positive note, with sustained growth of new orders signalled by the latest PMI survey. An associated increase in output was supported by a second successive rise in employment, but backlogs of work built up as capacity was stretched. We could therefore see further improvements in workforce numbers in the months ahead."*

*"Part of the build-up in outstanding work was linked to difficulties securing materials, and supplier lead times lengthened again. Cost pressures are proving to be less of a headwind, however, with the pace of input price inflation at a four-year low. This enabled firms to offer discounts to their own customers, hopefully supporting further improvements in demand in the months ahead."*

the 26-month high posted in the previous survey period.

Higher output requirements encouraged manufacturers to raise both their employment and purchasing activity in June, extending the respective sequences of expansion to two and nine months. With input buying rising, stocks of purchases increased accordingly.

Despite the expansion in capacity, manufacturers reported a build-up of backlogs of work for the first time in four months. Some panellists indicated that staffing levels were still insufficient to deal with new order inflows, while others reported difficulties securing inputs.

Indeed, suppliers' delivery times lengthened markedly, and to the greatest extent since March. Supplier delays and logistical issues were among the factors causing lead times to lengthen, according to respondents.

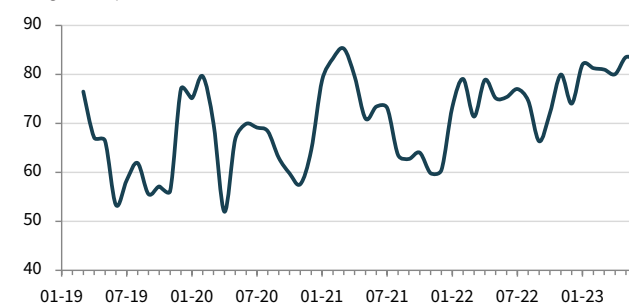
The rate of input cost inflation eased to a four-year low in June and was the second-weakest since the survey began in March 2019. While some raw material prices continued to rise, others had levelled off. There were reports that an appreciation of the tenge against the Russian rouble had also alleviated some pressure on prices.

Softer cost inflation and competitive pressures combined to lead to a marginal reduction in output prices in June. The decrease was only the second in the series history, with the other instance seen in June 2019.

Finally, stocks of finished goods were broadly unchanged at the end of the second quarter of the year. The immediate shipment of finished products to customers meant that some firms saw a drop in post-production inventories, but others were able to build them up due to softer new order growth.

#### Kazakhstan Manufacturing PMI Future Output Index

>50 = growth expected over next 12 months



Sources: Tengri Partners, S&P Global PMI.

## Contact

Ilias Tsakalidis  
Press Enquiries  
Tengri Partners  
[i.tsakalidis@tengripartners.com](mailto:i.tsakalidis@tengripartners.com)

Maxim Kryuchkov  
Tengri Partners  
[m.kryuchkov@tengripartners.com](mailto:m.kryuchkov@tengripartners.com)

Andrew Harker  
Economics Director  
S&P Global Market Intelligence  
T: +44-1491-461-016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44 (0) 7967 447030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

#### Survey methodology

The Tengri Partners Kazakhstan Manufacturing PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. 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 Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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

June data were collected 12-23 June 2023.

Data collection began in March 2019.

#### 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.

#### 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 and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com).

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

#### 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](http://ihsmarkit.com/products/pmi.html).