SECTORAL MARKET REVIEW

Enterprises Survey Results in the Real Sector of the Economy
(Sectors: Mining, Manufacturing, Construction, Trade, Transportation and Warehousing, Agriculture)

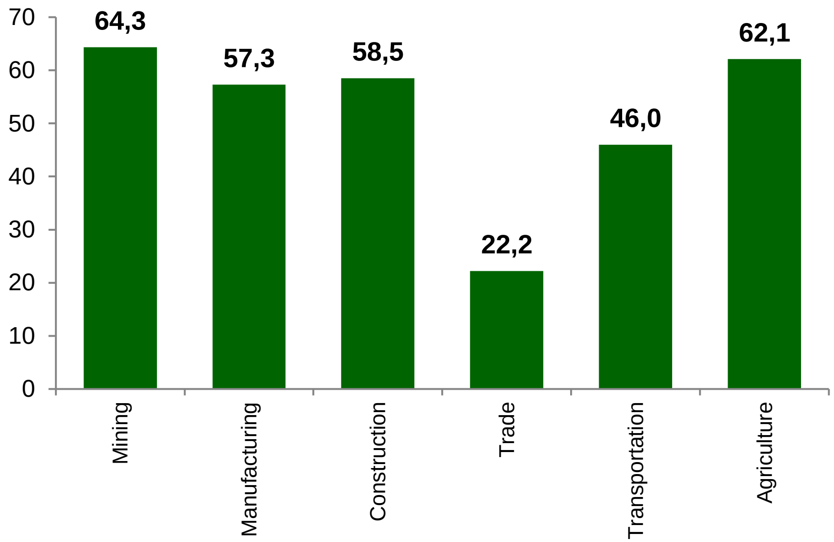
Q1 2025

Monetary Policy Department
National Bank of Kazakhstan

Content

Survey details		
The purpose of the survey	➢	Identification of the main trends in the business environment in industries
Respondents	➢	Heads of enterprises, employees of financial departments
Survey method	➢	Questionnaire
Period of the survey	➢	1Q 2025
Total monitoring participants	➢	3 450
Sample details		
Mining	➢	230
Manufacturing	➢	789
Construction	➢	323
Trade	➢	950
Transportation and warehouse	➢	263
Agriculture	➢	190
Total respondents in the sample	➢	2 745

Chart 1. The share of large and medium-sized enterprises, %



In Q1 of 2025 over half of the sample is represented by large and medium-sized enterprises in the **mining (64.3%)**, **agriculture (62.1%)**, **construction (58.5%)** and **manufacturing (57.3%)** sectors. In **transportation and warehousing** almost half of the sample is represented by large and medium-sized enterprises (**46.0%**). In **trade** the share of such enterprises is the lowest (**22.2%**).

In Q1 of 2025 the importance of competition increased only in construction.

Trade remains the industry most affected by market competition, with **43.4%** of enterprises feel its impact on their business.

In the **manufacturing industry,** the share of such enterprises reached **35.5%, transportation and warehousing - 24.0%, construction - 22.3%, agriculture - 20.5%, and in the mining - 11.3%.**

Chart 2. The share of enterprises whose further development opportunities are limited by market competition from other enterprises, %

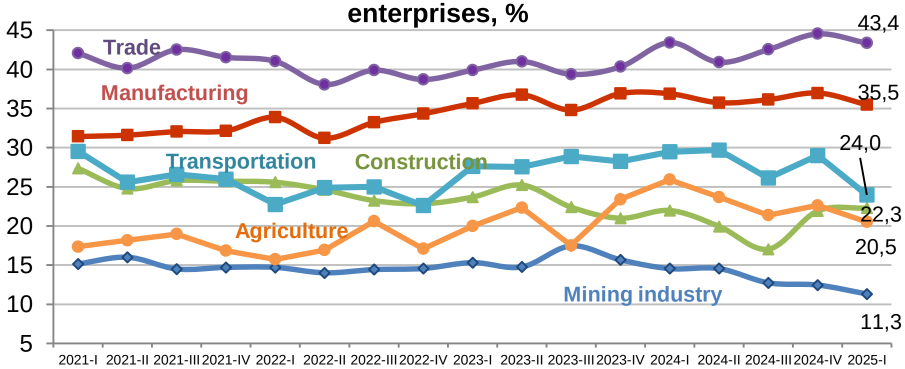


Chart 3. Restrictions on investment activity of enterprises

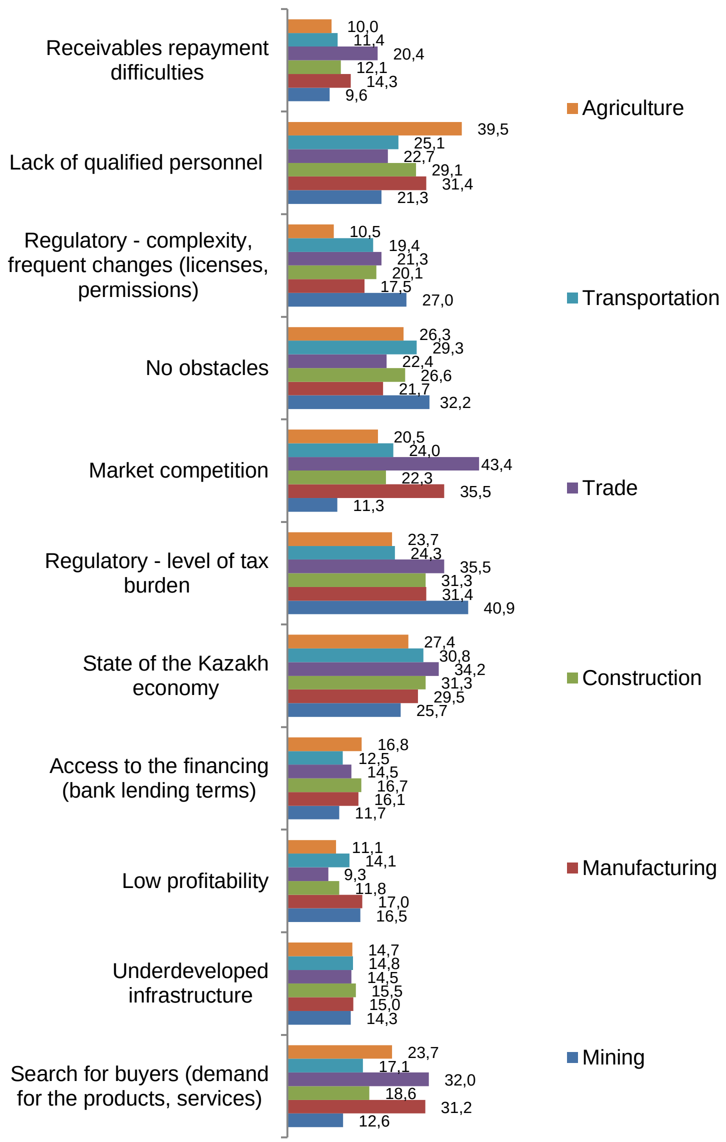
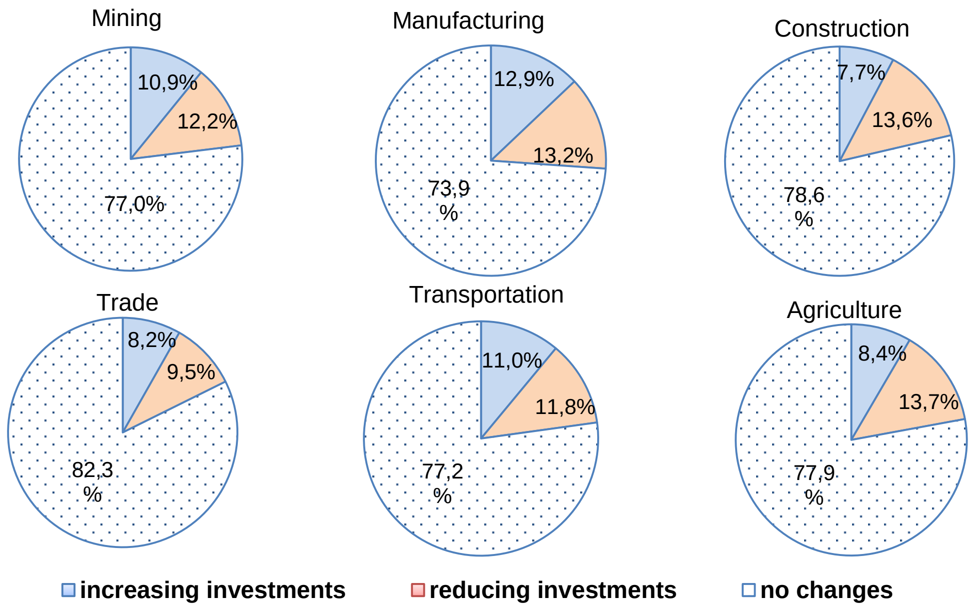


Chart 4. Expectations of enterprises for changes in investments in the next 12 months,%

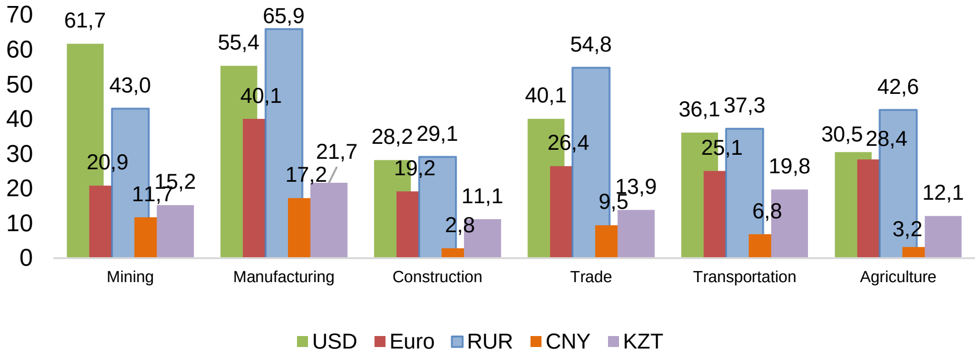


In Q1 of 2025 the following factors are the dominant obstacles to doing business for enterprises:

- **market competition** for trade and manufacturing;
- **level of tax burden** for mining and construction;
- **lack of qualified personnel** for agriculture;
- **state of the economy** for construction, transportation and warehousing.

In the next 12 months, investment financing will remain largely unchanged across all sectors, with the largest increase expected in manufacturing (12.9%). At the same time, the most negative expectations for a reduction in investment were found in agriculture (13.7%).

Chart 5. Use of foreign currency in settlements (share of enterprises,%)



The Russian ruble dominates in all industries, except mining (the US dollar dominates).

Tenge in calculations in Q1 of 2025 was mostly used by enterprises of the manufacturing industry – 21.7%.

Chart 6. Impact of changes in the exchange rate of the tenge against the US dollar for the activities of the enterprise (DI* by industry for the quarter)

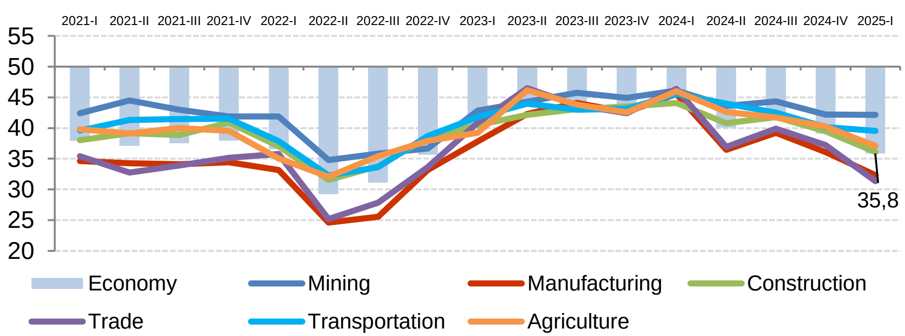
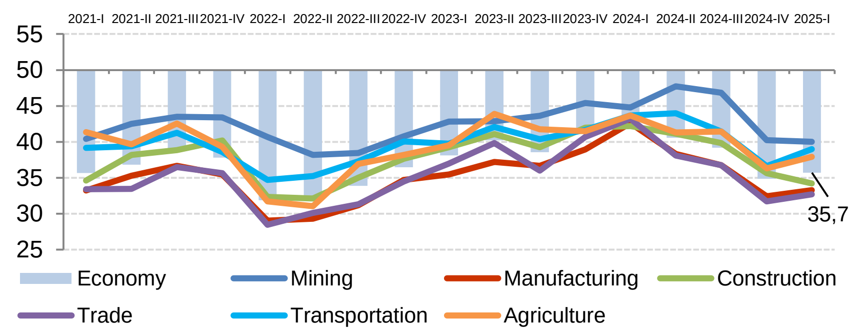


Chart 7. Impact of changes in the exchange rate of the tenge against the Russian ruble on the activities of the enterprise (DI by industry for the quarter)



In Q1 of 2025 the negative impact of the change in the exchange rate of the tenge to the **Russian ruble** increased for enterprises in all industries. The negative impact of the change in the exchange rate of the tenge to the **US dollar** increased only for enterprises of construction and mining industries.

*DI, diffusion index, the higher (lower) from the level 50, the more positive (negative) the influence of the indicator, the level 50 means no influence

Chart 8. The share of enterprises for which lending conditions are above the acceptable level, %

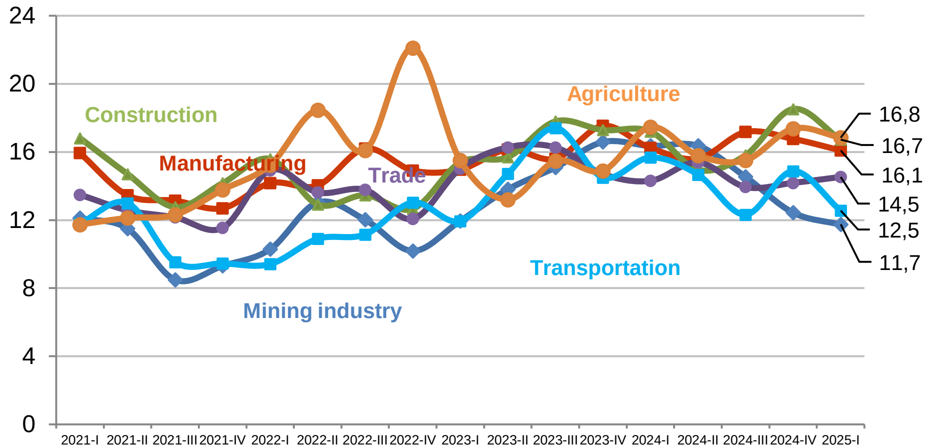
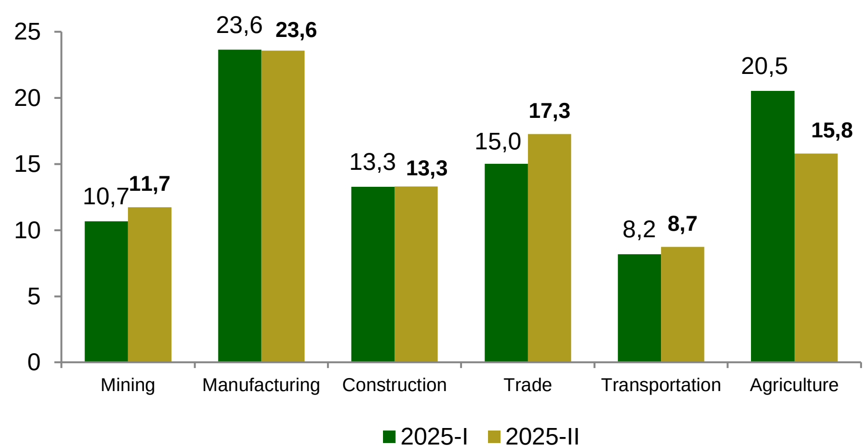


Table 1. Average lending rates,%

	In tenge		In foreign currency	
	in fact	preferred	in fact	preferred
Mining	17,5	5,5	5,9	2,4
Manufacturing	15,4	6,6	4,7	3,0
Construction	18,7	7,8	7,3	3,6
Trade	18,6	9,1	5,9	3,8
Transportation	19,8	7,0	6,2	3,3
Agriculture	13,3	6,3	5,0	3,0

Chart 9. Companies intending to apply for a loan, %



In Q1 of 2025 the share of enterprises for which bank lending conditions were unacceptable decreased in all sectors except trade. The largest number of enterprises for which lending conditions turned out to be higher than acceptable level belong to the agriculture sector (16.8%), and the smallest – the to mining industry (11.7%).

The highest interest rate on loans received in tenge was noted in the transportation and warehousing industry (19.8%), and in foreign currency - construction (7.3%).

The largest share of enterprises intending to take out a loan in Q2 of 2025 falls on the manufacturing industry (23.6%), and the smallest – in transportation and warehousing (8.7%).

Chart 10. Weighted average* credit load **,%

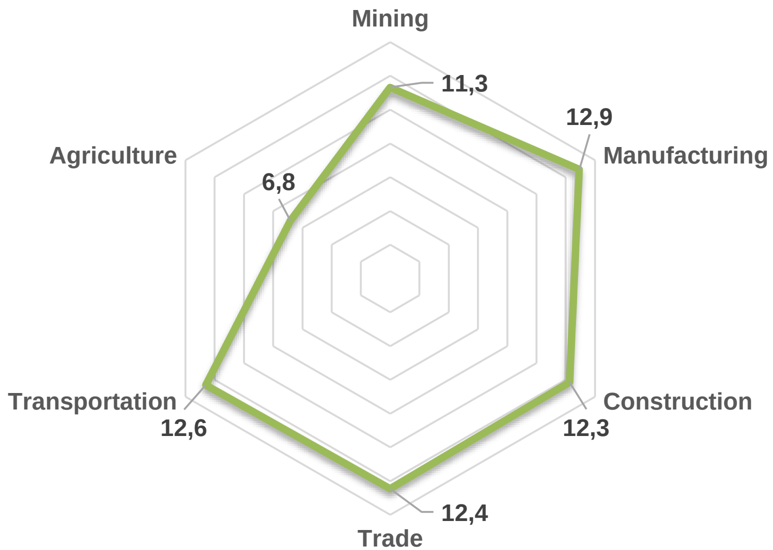


Chart 11. The share of enterprises with overdue * debt on bank loans,%**

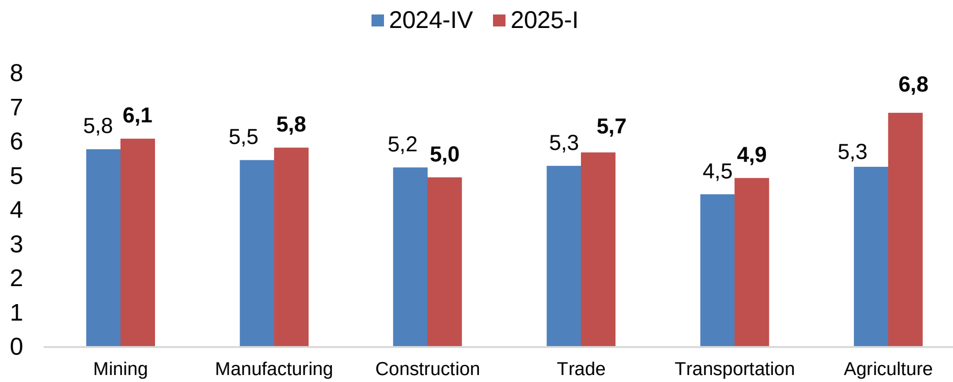
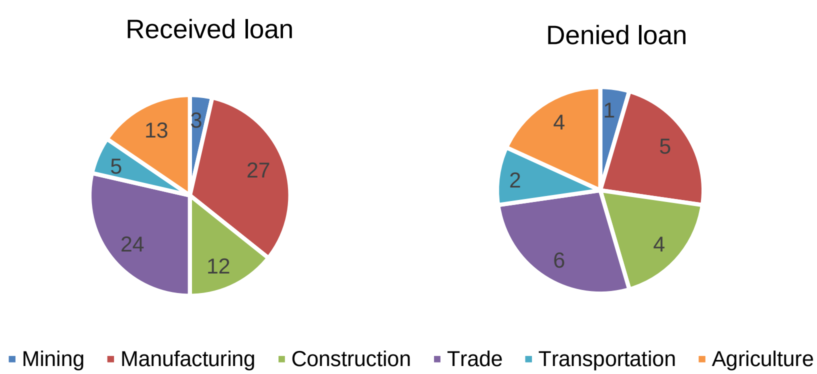


Chart 12. Results for consideration of loan applications, number



In Q1 of 2025 the weighted average credit load in the manufacturing industry (**12.9%**) was higher than in other sectors. The lowest value of this indicator is observed in agriculture sector (**6.8%**).

The share of enterprises with overdue debt on bank loans increased in all industries except construction.

In Q1 of 2025, **22 surveyed enterprises** from all industries were denied a loan.

* Arithmetic weighted average is the average value of the interval, weighted by the share of enterprises
** Monthly payment / Income from product sales * 100
*** more than 90 days

Assessment of performance indicators of enterprises

Chart 13. Mining industry, DI*

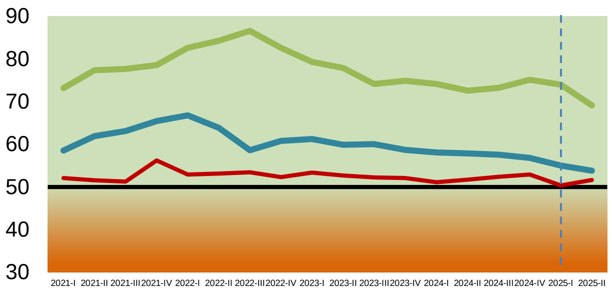


Chart 14. Manufacturing, DI*

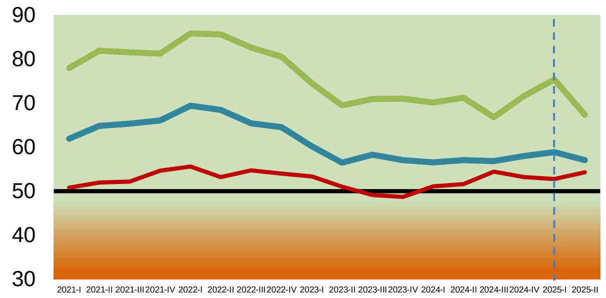


Chart 15. Construction, DI*

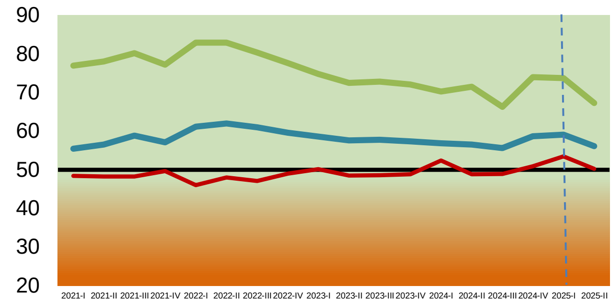


Chart 16. Trade, DI*

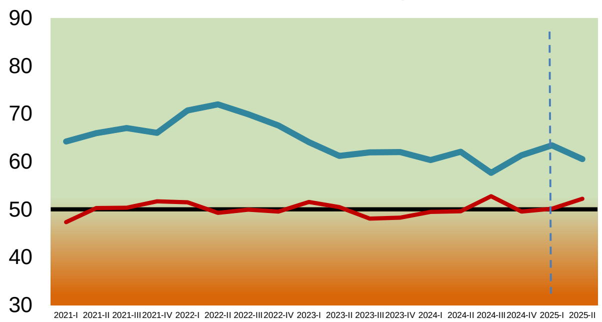


Chart 17. Transportation and warehousing, DI*

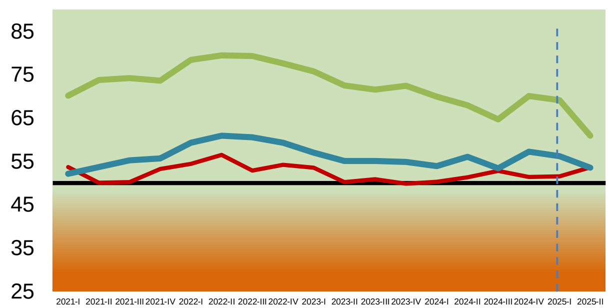
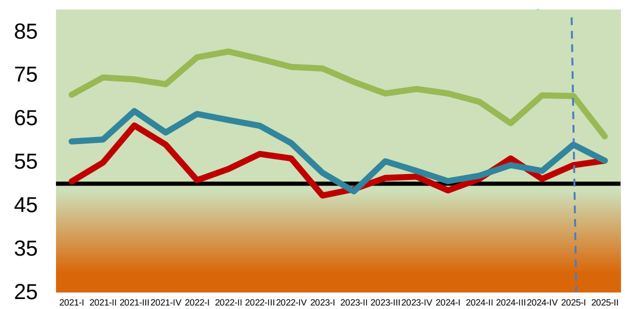


Chart 18. Agriculture, DI*



Demand — Production prices — Prices for raw materials

In Q1 of 2025 **demand for finished products** increased in all industries, except mining and manufacturing. In Q2 of 2025 enterprises, except construction, expect an increase in demand for finished products.

Acceleration of growth in **prices for finished products** in Q1 of 2025 was noted in the manufacturing, construction, trade and agriculture sectors. At the same time, growth in **prices for raw materials and materials** in the manufacturing industry accelerated.

In Q2 of 2025 a slowdown in the growth rate of **prices for raw materials and materials**, as well as **finished products**, is expected in all industries.

* DI, diffusion index, the higher (lower) the level of 50, the more positive (negative) the influence of the indicator, level 50 means no influence
** The graphs reflect the expectations of enterprises for the change in the parameter in the Q2 of 2025

Chart 19. Weighted average* utilization of production capacities by industry, %

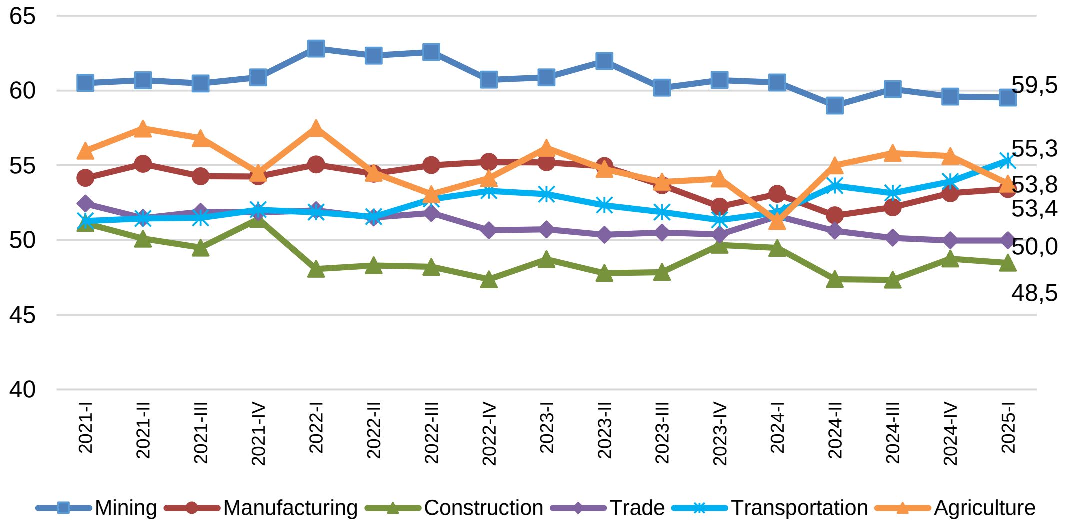
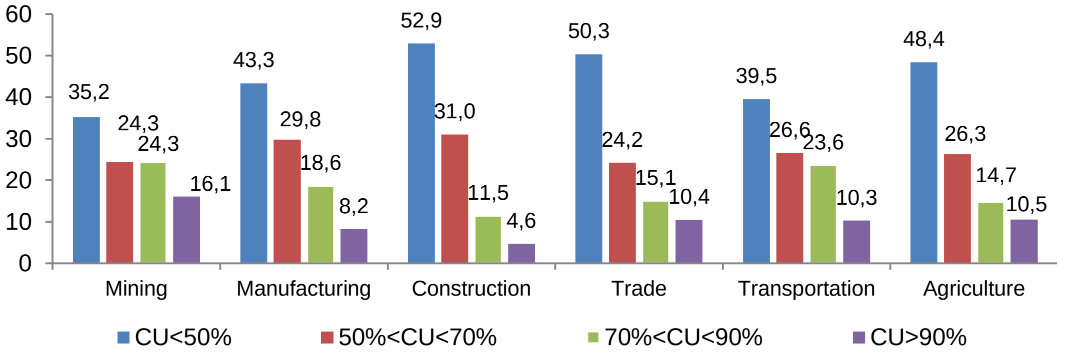


Chart 20. The level of utilization of production capacities in the 1st quarter of 2025, the share of enterprises in %



In Q1 of 2025 the weighted average **capacity utilization** (CU) increased in transportation and warehousing and manufacturing industries. The highest level of CU is in the mining industry (59.5%).

The best situation is in the mining industry, where the share of enterprises with the maximum CU (**CU>=90%**) is greater than in other industries.

*The arithmetic weighted average is the average value of the interval, weighted by the share of answers to the question about the level of utilization of production facilities.

Table 2. Median* value of main indicators

	CLR	SR	ATR	ROS**, %	SFR	SWCA, %
Mining	1,30	1,58	0,14	35,9	0,51	53,2
Manufacturing	1,47	1,53	0,20	22,5	0,41	64,5
Construction	1,11	1,21	0,14	18,3	0,23	73,7
Trade	1,22	1,20	0,32	21,9	0,26	79,8
Transportation	1,29	1,75	0,15	37,0	0,50	41,5
Agriculture	1,43	1,33	0,10	13,6	0,39	43,4

The main indicators of the financial and economic activity of enterprises in Q1 of 2025 were as follows:
- the highest liquidity is in manufacturing enterprises (**CLR=1.47**);
- the most solvent are transportation and warehousing enterprises (**SR=1.75**);
- business activity in trade is significantly higher than in other industries (**ATR=0.32**);
- transportation and warehousing enterprises remain the most profitable (**ROS=37.0%**), agricultural companies remain the least profitable (**ROS=13.6%**);
- the possibility of financing investments at the expense of own funds in the mining enterprises (**SFR=0.51**), transportation and warehousing (**SFR=0.50**) is higher than in other industries;
- most of the assets of trade enterprises are working capital (**SWCA=79.8%**).

Table 3. Financial indicators overview

	Formula	Short description
CLR (current liquidity ratio)	Current assets / Current liabilities	It characterizes the company's ability to repay current (short-term) liabilities using only current assets. The higher the indicator, the better the company's solvency.
SR (solvency ratio)	Assets / Liabilities	Shows the ability to cover all the liabilities of the enterprise (short-term and long-term) with all of its assets
ATR (asset turnover ratio)	SI / Assets SI - income from product sales	Shows the intensity of use (rate of turnover) of assets. It serves as an indicator of the business activity of the enterprise
ROS (return on sales)	(SI – COGS) / SI * 100 COGS - cost of goods sold	An indicator of the financial performance of the organization, showing what part of the organization's revenue is profit (before tax)
SFR (self-financing ratio)	E / (E + Liabilities) E – equity	The ratio of own investment funds to the total amount of funds required for investment
SWCA (share of working capital in assets)	Short-term assets / Assets * 100	Allows to judge the liquidity of the balance as a whole

* The median values are presented due to the lower degree of exposure to the influence of extreme values, in contrast to the arithmetic mean.
** Sales before deducting interest, taxes and depreciation expenses

Chart 21. Current liquidity ratio dynamics (CLR)

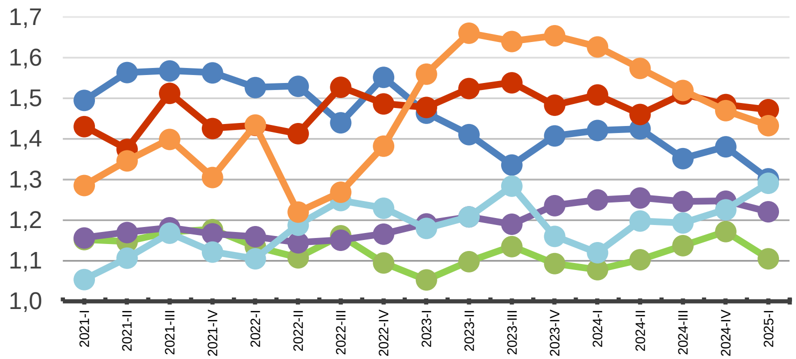


Chart 22. Self-financing ratio dynamics (SFR)

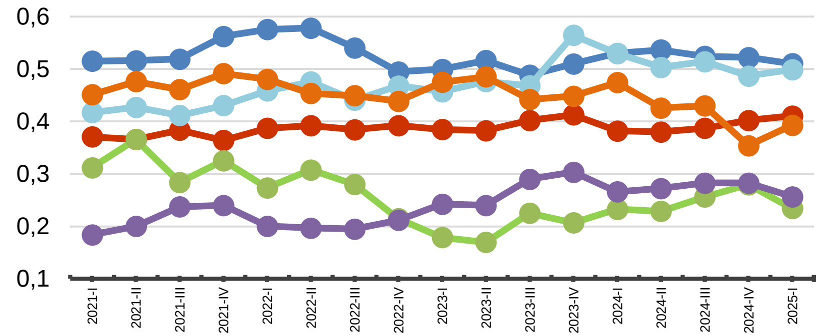


Chart 23. Asset turnover ratio dynamics (ATR)

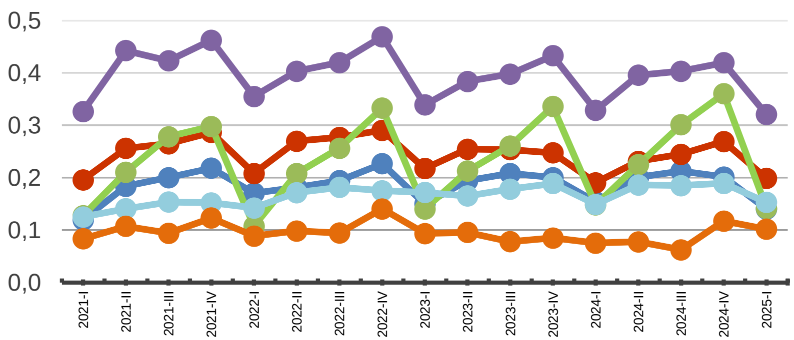
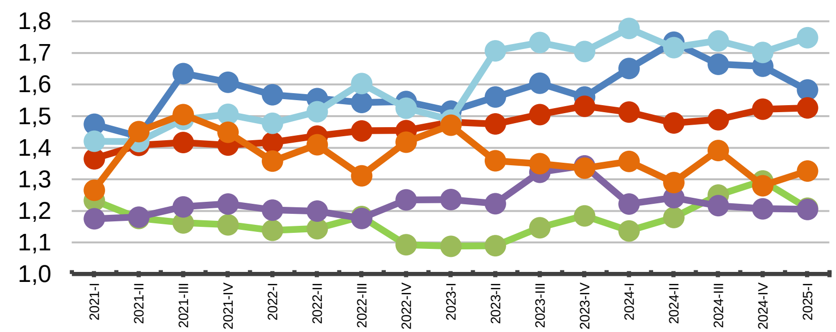


Chart 24. Overall solvency ratio dynamics (SR)



Mining Manufacturing Construction Trade Transportation Agriculture

In Q1 of 2025 the ability of enterprises to **repay their short-term obligations improved** only in the transportation and warehousing industry (CLR increased). The possibility to finance investments on own funds (SFR) decreased in mining, trade and construction industries.

A deterioration in business activity (ATR) is observed in all sectors. The overall solvency of enterprises (SR) increased in transportation and warehousing, manufacturing and agriculture.

* The median values are presented due to the lower degree of exposure to the influence of extreme values, in contrast to the arithmetic mean
** Formula and the short description of the financial indicators are on the table 3 (page 11)

Chart 25. Return on sales *,%

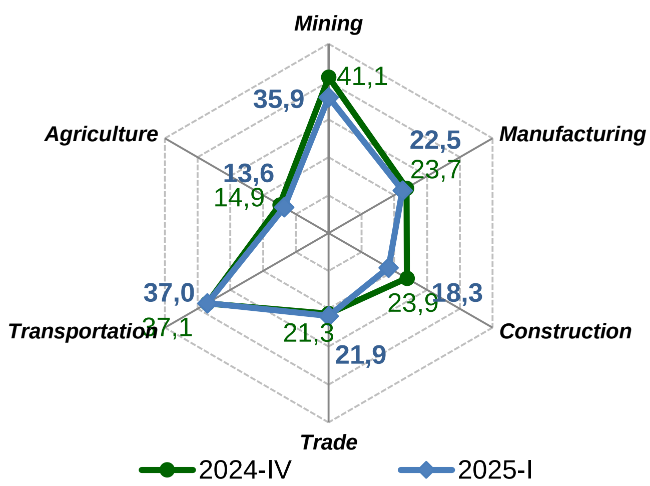


Chart 26. Dynamics of sales profitability *,%

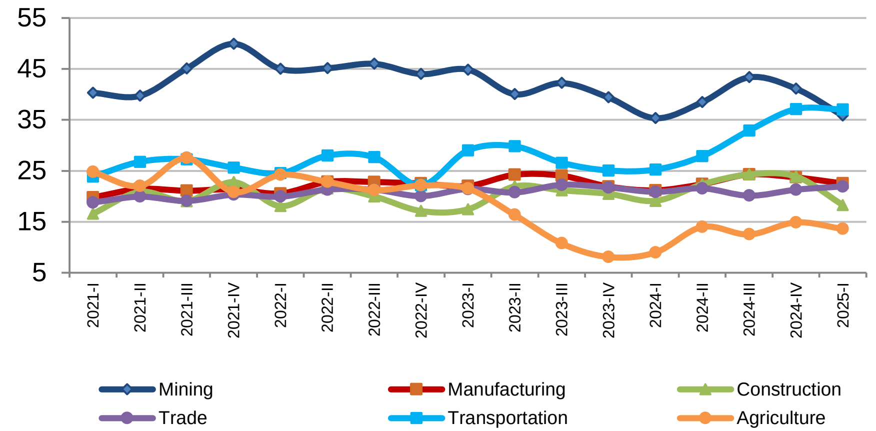
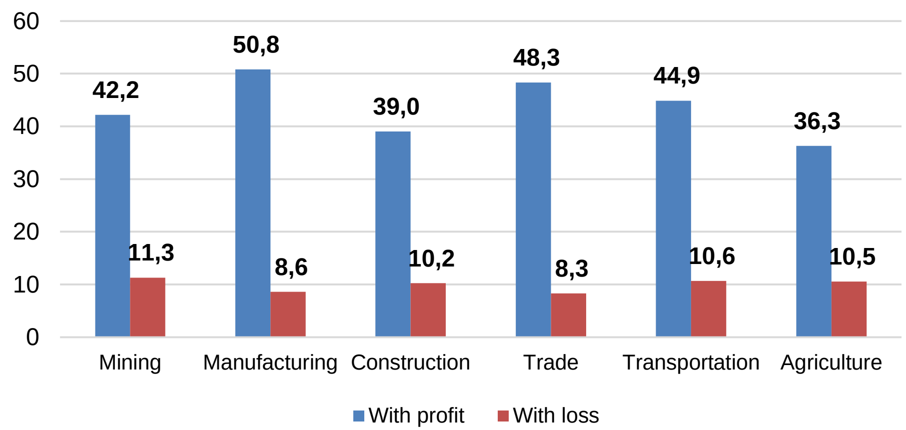


Chart 27. The share of enterprises planning to end the financial year with profit / loss,%



Return on sales (before tax, interest, depreciation and amortization) increased only in trade in Q1 of 2025. Return on sales in transportation and warehousing is higher than in other industries.

The share of enterprises planning to close the financial year with **losses** is higher in the mining industry (11.3%).

Among the enterprises planning to close the financial year with a profit, the most optimistic estimates are in the manufacturing industry (50.8%).

In all industries under consideration, the share of enterprises planning to close the year with a profit is greater than the share of those who expect to end the year with a loss.

* The median values are presented due to the lower degree of exposure to the influence of extreme values, in contrast to the arithmetic mean.

The situation with overdue debt outside the banking sector, that is, mutual settlements with suppliers, contractors, customers, buyers, etc., has changed. According to the results of Q1 of 2025, on average in the economy, the share of enterprises with overdue (more than 90 days) **receivables** and **payables** increased slightly (from **23.7%** to **23.9%** and from **19.7%** to **20.5%**, respectively). The largest number of enterprises with overdue receivables and payables is in the mining industry.

Chart 28. Overdue accounts receivable debt (%)

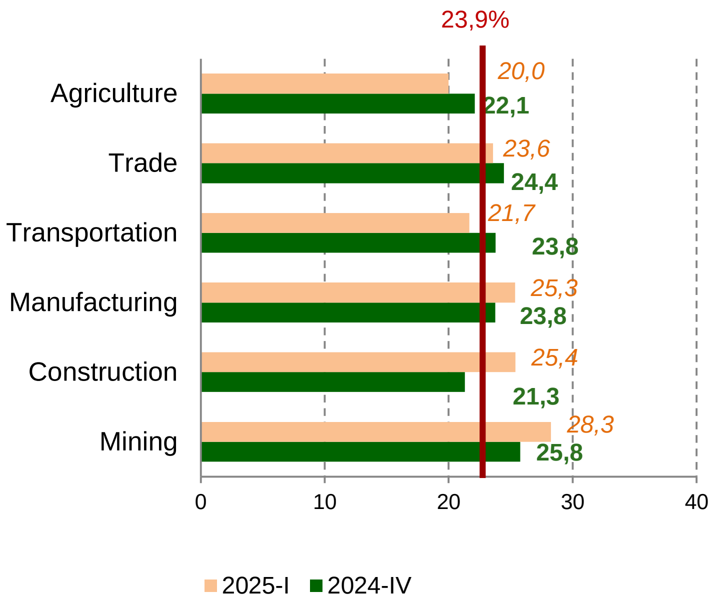


Chart 29. Overdue payables debt (%)

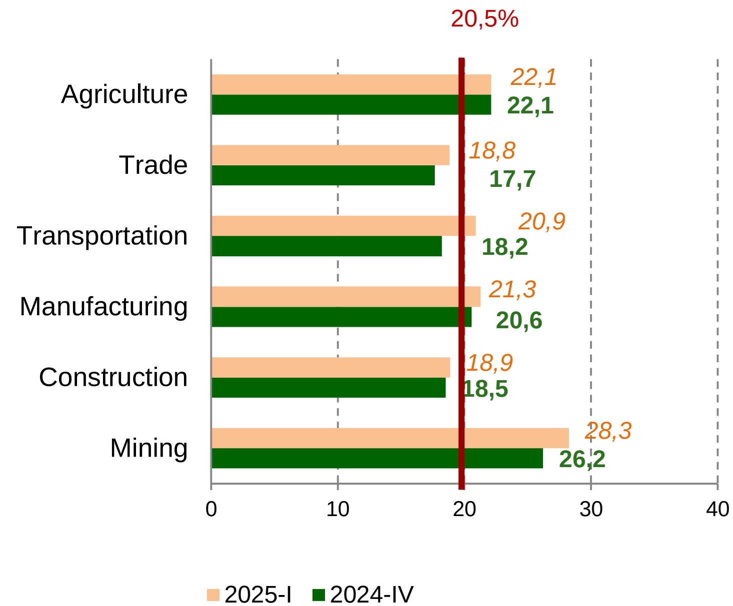


Chart 30. Production volume dynamics[1], DI[2]

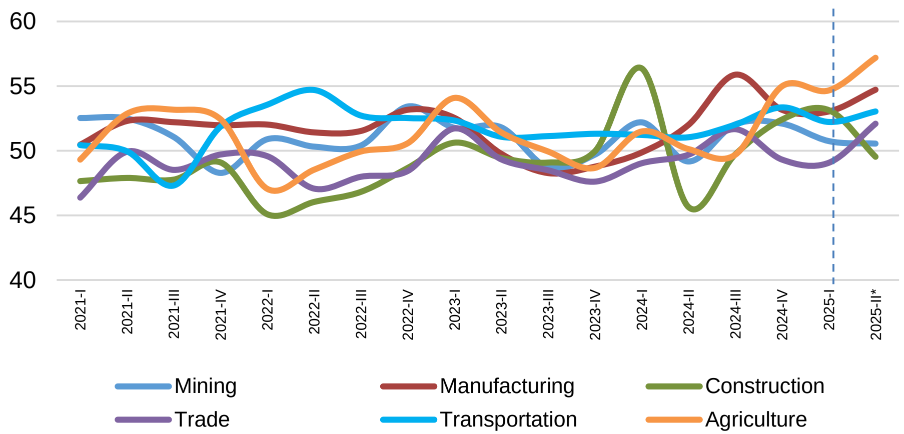


Chart 31. Number of employed dynamics[3], DI

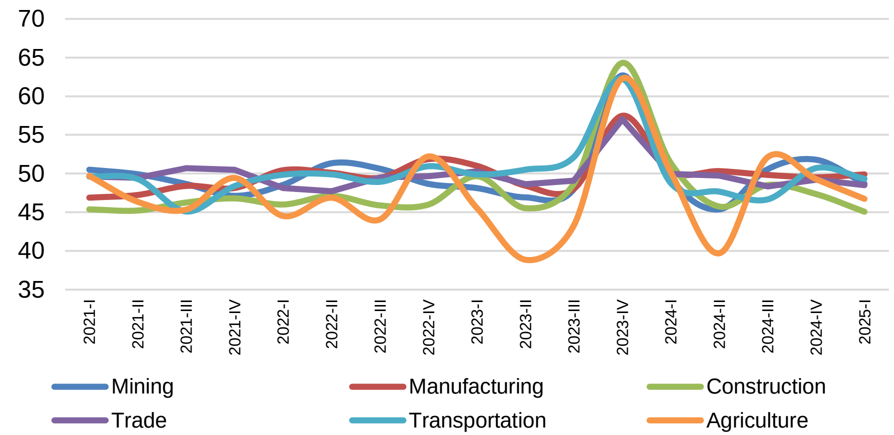
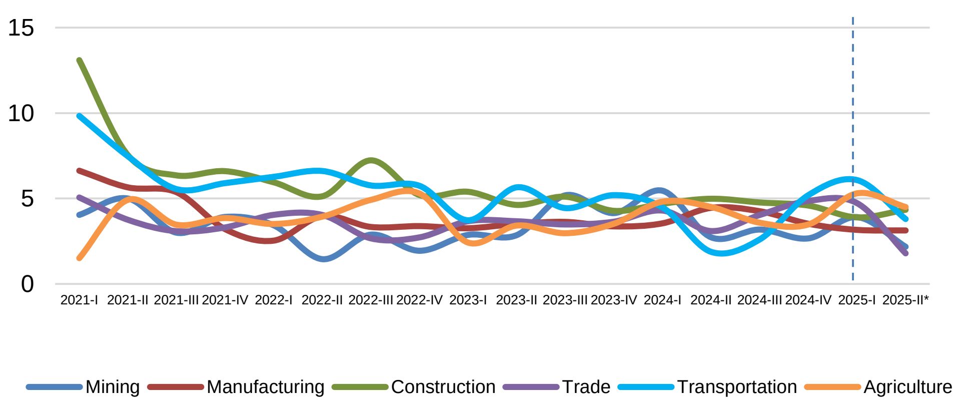


Chart 32. Dynamics of the share of enterprises that reduced average wages[4],%



In Q1 of 2025 an increase in **production volume** was noted only in construction industry. In Q2 of 2025 an increase in production volume is expected in all industries, except construction and mining.

The number of employees increased slightly only in manufacturing industry.

In Q1 of 2025 the number of enterprises that **reduced wages** of their employees increased in transportation and warehousing, agriculture and mining industries. In Q2 of 2025 the situation with wages will improve in all industries, except construction.

[1] Seasonally adjusted data

[2] DI, diffusion index, the higher (lower) the level of 50, the more positive (negative) the influence of the indicator, level 50 means no influence

* The graphs reflect the expectations of enterprises for the change in the parameter in the Q2 of 2025

[3] Seasonally adjusted data (excluding trade)

[4] Seasonally adjusted data (excluding mining, trade, transportation and warehousing)

Conclusions

- The highest **degree of competition still remains** in trade.
- **Demand for finished products** increased in all sectors, except mining and manufacturing.
- Acceleration of growth in **prices for finished products** in Q1 of 2025 was noted in the manufacturing, construction, trade and agriculture sectors. At the same time, growth in **prices for raw materials and materials** in the manufacturing industry accelerated.
- In Q2 of 2025 a slowdown in the growth rate of **prices for raw materials and materials**, as well as **finished products**, is expected in all industries.
- In Q1 of 2025 an increase in **production volume** was noted in construction industry. In Q2 of 2025 an increase in production volume is expected in all industries, except construction and mining.
- The **weighted average capacity utilization** increased in transportation and warehousing and manufacturing industries. The highest level of capacity utilization remains in the mining industry.
- **Return on sales** in Q1 of 2025 increased in trade. Return on sales in transportation and warehousing is higher than in other industries.
- The Russian ruble dominates in all industries, except mining (the US dollar dominates). In Q1 of 2025 the negative impact of the change in the exchange rate of the tenge to the **Russian ruble** increased for enterprises in all industries. The negative impact of the change in the exchange rate of the tenge to the **US dollar** increased only for enterprises of construction and mining industries.
- The share of enterprises with overdue (more than 90 days) **receivables** and **payables** increased slightly.