Zhandos Shaimardanov, Director of Department of Monetary Policy of the NBK Commented on the Enterprises Monitoring Results for the Fourth Quarter of 2020

The monitoring results indicate the persistence of the low rates of the economic activity in the real sector, caused by a decrease in the investment activity, production volumes, and an increase in the share of enterprises with a critical financial state.

At the same time, there is a recovery in demand, an acceleration in the growth of prices for final products, a decrease in the negative impact from changes in the exchange rate and a decrease in the interest rates on loans.

In the fourth quarter of 2020, there was a gradual recovery in demand for the final products in the real sector, the diffusion index (DI) increased from 45.1 to 49.3. The growth of the index was noted in the service sector (DI = 47.2) and the goods manufacturing sector (50.6). The rate of growth in prices for final products of enterprises was accelerated, the DI increased from 53.0 to 57.9.

The volume of production decreased, the DI fell from 51.4 to 49.4, the average profitability of sales in the economy as a whole decreased by 0.6 percentage points up to 21.4%.

In the fourth quarter of 2020, 17.0% of the surveyed enterprises applied to the bank for loans, 16.2% of enterprises received loans (or 95.3% of those who applied for loans). The overwhelming majority of enterprises (82.3%) applied for loans to finance the working capital (purchase of materials, raw materials, semi-final products, etc.).

According to the results of the surveys in the fourth quarter of 2020, the state of the economy of Kazakhstan is an obstacle to doing business for 35.1% of enterprises. The other main obstacles to doing business in Kazakhstan are the market competition (29.1%), search for customers (23.1%), the level of tax burden (22.9%), the lack of the qualified personnel (15.0%). At the same time, the access to financing (conditions of bank lending) ranks seventh in importance (13.1%).

The dynamics of the composite leading indicator (CLI), which is an aggregated assessment of the enterprise surveys, showed signs of a gradual recovery in the economic activity of the real sector; the CLI rose to 99.7. In the first quarter of 2021, the respondents expect a weak growth in the economic activity (CLI moved into the growth area, amounting to 100.4).