



NATIONAL BANK OF KAZAKHSTAN

**PRESS - RELEASE № 37**

**On the publication of the preliminary estimate  
of the Balance of Payments of the Republic of Kazakhstan for the 9 months of 2018**

November 5<sup>th</sup>, 2018

Almaty

For the 9 months of 2018, the **current account deficit decreased by 5.4 times** to US\$ 0.9 billion compared to \$ 4.6 billion for the 9 months of 2017.

Favorable price situation in the global market of raw materials contributed to a significant growth of the **export of goods** which increased by 28.2% or US\$ 10.0 billion and amounted to US\$ 45.3 billion. Value of exports of oil and gas condensate (62.7% of total exports) increased by 45.6% mainly due to the growth of contract prices with a less significant increase in the physical volume of supply. Exports of ferrous metals increased by 2.0%; while export of non-ferrous metals decreased by 5.6%. Export of grain increased by 1.6 times.

**Import of goods** increased by 8.5% to US\$ 25.2 billion. The value of import increased in all groups of primary commodity nomenclature. The largest increase (by 20.1%) was in import of investment goods (36.9% of total imports). Import of intermediate industrial consumption goods increased by 3.8%. Imports of consumer goods grew by 7.0%, of which import of food goods - by 4.6%, non-foods goods – by 8.5%. As a result, the trade balance improved by 66.2% and amounted to US\$ 20.1 billion.

The growth of export earnings, mainly due to earnings from export of mineral products, ensured increase in foreign direct investors' **income** by 37.1% to US\$ 16.7 billion. However, half of these revenues were used to finance Kazakhstan's subsidiaries. However, half of these earnings were served on financing of subsidiaries in Kazakhstan.

According to the preliminary data, the **financial account** (excluding transactions with reserve assets of the National Bank) formed with a positive balance in a sum of US\$ 1.4 billion (negative balance of US\$ 6.6 billion for the 9 months of 2017). Net capital outflow was caused by the reduction in residents' liabilities; and this outflow was partly compensated by the reduction in residents' foreign assets.

On **foreign direct investment**, net capital inflow increased 1.8 times and amounted to US\$ 5.2 billion. The main source of inflow was repayment by foreign affiliated companies of their debt obligations to Kazakhstani residents and reinvestment by nonresidents their income into capital of Kazakhstan's enterprises.

On **portfolio investment**, the net outflow of capital amounted to US\$ 3.1 billion. The outflow was caused by decrease in residents' liabilities as a result of redemption by Kazakhstani enterprises and banks of their previously issued Eurobonds, repurchase by JSC "KazMunaiGas Exploration Production" of its shares and global depositary receipts on the market, as well as purchase of Eurobonds of the Ministry of Finance of Republic of Kazakhstan by residents on the secondary market.

As of October 1, 2018, the **reserve assets** (excluding assets of the National Fund of Kazakhstan) were estimated at US\$ 30.0 billion which cover funding of about 8 months of import of goods and services by the Republic of Kazakhstan.

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