



NATIONAL BANK OF KAZAKHSTAN

## **PUBLIC INFORMATION NOTICE**

**Fitch Ratings international rating agency affirms sovereign rating of Kazakhstan**

*November 18, 2023*

Fitch affirmed the sovereign credit rating of Kazakhstan at “**BBB**”, **Outlook Stable** on November 17. Fitch notes strong fiscal and external balance sheets that have proven resilience to external shocks as key factor in reaffirming the rating.

Based on Fitch’s projections, the economy is expected to grow by around 4.8% by the end of 2023. Solid investment growth, along with an increase in personal consumption as real incomes rise are expected to raise economic growth levels to 5.1% in 2024 and 5.4% in 2025, well above potential.

Fitch analysts indicated a decline in inflation to 10.8% in October, modest easing in food inflation and the effect of monetary policy tightening. At the same time, despite the reduction in inflation, inflation expectations have not trended down.

In Fitch’s view, dollarisation has declined (30% as of end-Q3 2023 compared to 36.7% in 2022) and credit growth has slowed from a year earlier. The National Bank’s scheduled termination of the subsidized lending programs in 2024 would signal monetary policy independence.

Fitch expects government spending growth to slow in 2024–2025 as the new budget rule is implemented, which is designed to restrict expenditure growth and limit guaranteed and targeted transfers from the National Fund for Republic of Kazakhstan to the budget.

**Detailed information for media is available upon request:**

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