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Macroeconomic review

Results of the expert survey for 2H 2025 and market overview

pwc

This publication was developed by Strategy&, part of the PwC global network and its strategy consulting business, in close collaboration with PwC's Data & Analytics team. Our goal is to build trust in society and address critical issues and challenges.

Strategy& is a global strategy consulting business uniquely positioned to help deliver your best future: one that is built on differentiation from the inside out and tailored exactly to you. As Part of PwC, we build winning systems at the heart of growth daily. We combined our powerful foresight with this tangible know-how, technology, and scale to help you create a better, more transformative strategy from day one. As the only at-scale strategy business being part of the global professional services network, we embed our strategy capabilities with frontline teams to show you where you need to go, the choices you'll need to make to get there, and how to get it right.

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Foreword

We are conducting our sixteenth survey on macroeconomic indicators among leading economists (including those with experience in central banks), professors of macroeconomics, and representatives of international development institutions, commercial banks, and brokerage firms, with the aim of obtaining a balanced and consolidated view of the factors most relevant to Kazakhstan's economy.

This survey focuses on forecasting macroeconomic indicators over horizons ranging from one to five years, including:

- Brent crude oil price
- USD/KZT, USD/RUB, RUB/KZT exchange rates
- Inflation in Kazakhstan
- Base rate of the National Bank of Kazakhstan (NBRK)

We understand that revealing the identity of experts may affect the quality of their responses. To maximize the objectivity of opinions, this survey was conducted confidentially. The names and positions of respondents were disclosed only with their formal permission.

Macroeconomic review is a regular publication that provides an up-to-date analysis of the macroeconomic situation in Kazakhstan. The survey was conducted in January – first half of February 2026. All forecast figures and textual material presented in the report for 2H 2025 reflect the macroeconomic situation in Kazakhstan and globally, taking into account events that occurred in July–December 2025. The report also includes some data for January 2026.

Opening remarks

Natalya Lim

Partner of Strategy& and Leader of Advisory practice in Eurasian region

“Only a thin line separates black from white, and a single mistake is enough to cross it.”

Qin Ming, “Silent Testimony"

We present to your attention the sixteenth issue of a regular macroeconomic analysis for the second half of 2025. In this issue, you will find various insights regarding inflation, real household income, statistics on changes in the USD/KZT and RUB/KZT exchange rates, the base rate, and crude oil prices. I would like to sincerely thank all our experts who have shared their opinions with us over the years. Through our work, we aim to provide all readers with an independent, professional, and objective view of the real macroeconomic situation in Kazakhstan.

The composition of the survey participants continues to comprise leading economists, financial professionals, and members of Kazakhstan’s academic community.

Sincere regards,
Natalya Lim

Contents

Survey overview and objectives

14 experts participated in this survey. Some of the surveyed respondents provided in-depth comments, which formed the basis for the analytical narrative of this report.

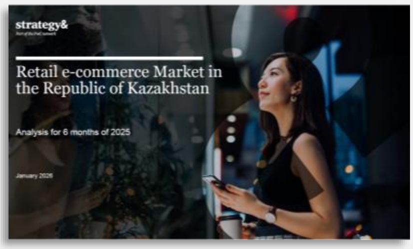
To obtain a comprehensive and well-balanced perspective, experts from a broad range of fields were engaged. The respondents included leading economists, professors of macroeconomics, and representatives of international financial institutions, commercial banks, and brokerage firms.

Experts were asked to assess the impact of geopolitical and exogenous factors on Kazakhstan’s economy. In addition, respondents provided their forecast expectations for the price of Brent crude oil, exchange rates (USD/KZT, USD/RUB, and RUB/KZT), inflation in Kazakhstan, and the base rate of the National Bank of the Republic of Kazakhstan, across horizons ranging from one to five years. This range of horizons was selected to capture medium-term forecast expectations.

Our team also publishes the following regular reports:

Analysis of the payment market in Kazakhstan

Analysis of changes in prices in Kazakhstan



Retail e-commerce Market in Kazakhstan

The results of the survey are forecasts of key macroeconomic indicators, which often serve as a foundation for companies’ financial and economic models, including those used by commercial banks and investors. These forecasts are often used by economic departments to benchmark and calibrate the baseline assumptions incorporated into their calculations.

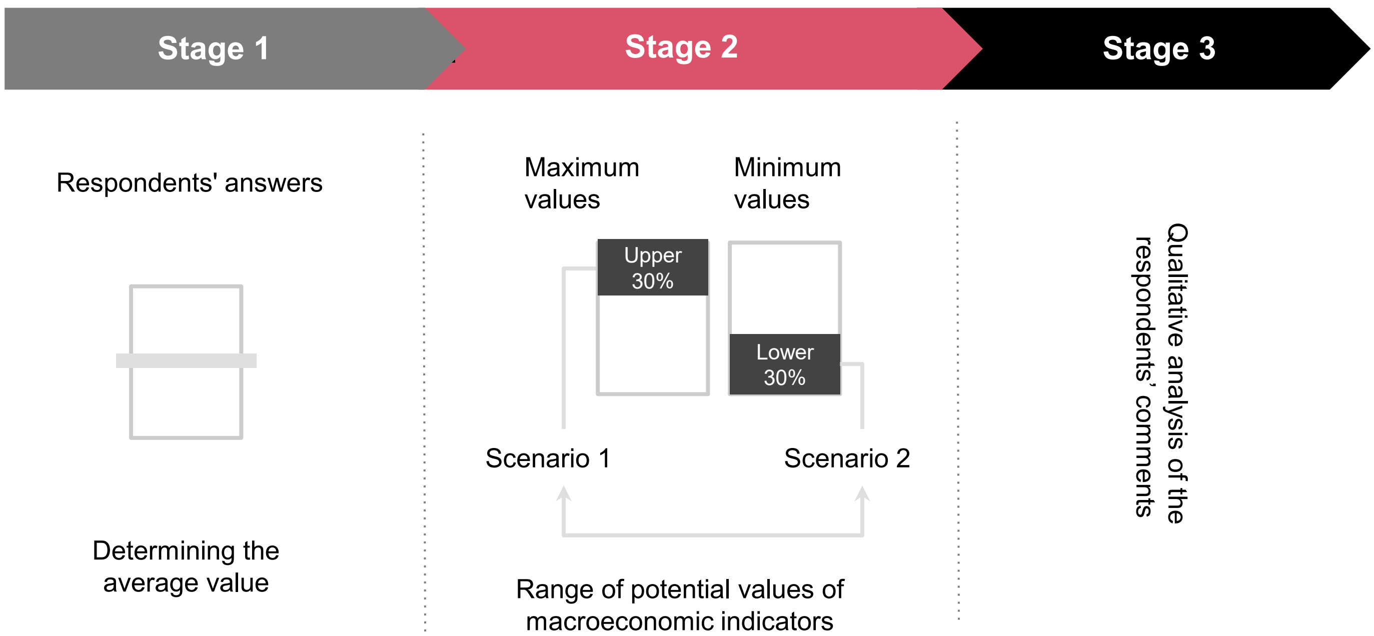
When conducted on a regular basis, such comparisons can enhance model quality and support a more flexible response to dynamic changes in the economic environment.

In our practice, we have encountered situations where, despite a high degree of detail and sophistication, analytical models failed to provide businesses with the insights needed to support decision-making aimed at preserving corporate capital.

Through this survey, we aim to provide readers with a structured, consistent, and regularly updated set of macroeconomic indicators based on leading expert assessments available in the market. The survey of respondents was conducted in January – first half February 2026.

Approach to analyzing the survey results

During the analysis of respondents' answers to a number of questions, substantial differences in views were identified, which is to be expected in studies where experts represent different fields (economists, traders, academics, bankers, financial professionals) and, accordingly, have access to different sources of information. The consolidation of views reflecting those of a broad range of professional financial market participants, as well as academic experts and leading economists in Kazakhstan, enables us to outline several potential scenarios for the development of Kazakhstan's economy. For this purpose, we asked the respondents to provide their minimum and maximum projections for questions where this was appropriate (oil price, exchange rates, inflation), and several approaches were used to analyze the results. In addition to standard averaging across all responses, we also considered the upper 30% of "maximum" responses and the lower 30% of "minimum" responses in order to identify the most optimistic and the most pessimistic development scenarios.



Key findings

Kazakhstan's economy

Page 9

Expansion or peak stage

36% of respondents believe that Kazakhstan's economy is currently in the growth stage, while **another 36%** view it as being at the peak of the economic cycle

Oil prices

Page 13

Not less than USD 55 per barrel

64% of respondents expect that the price of Brent crude oil will not fall below USD 55 per barrel over the next 12 months

Exchange rates

Page 18

Not less than 500 tenge per dollar

57% of respondents expect that the USD/KZT exchange rate will not fall below 500 tenge over a one-year horizon

Inflation (CPI)

Page 26

Not less than 10%

71% of respondents expect inflation in Kazakhstan will be at least 10% YoY over the next 12 months

Base rate of the NBRK

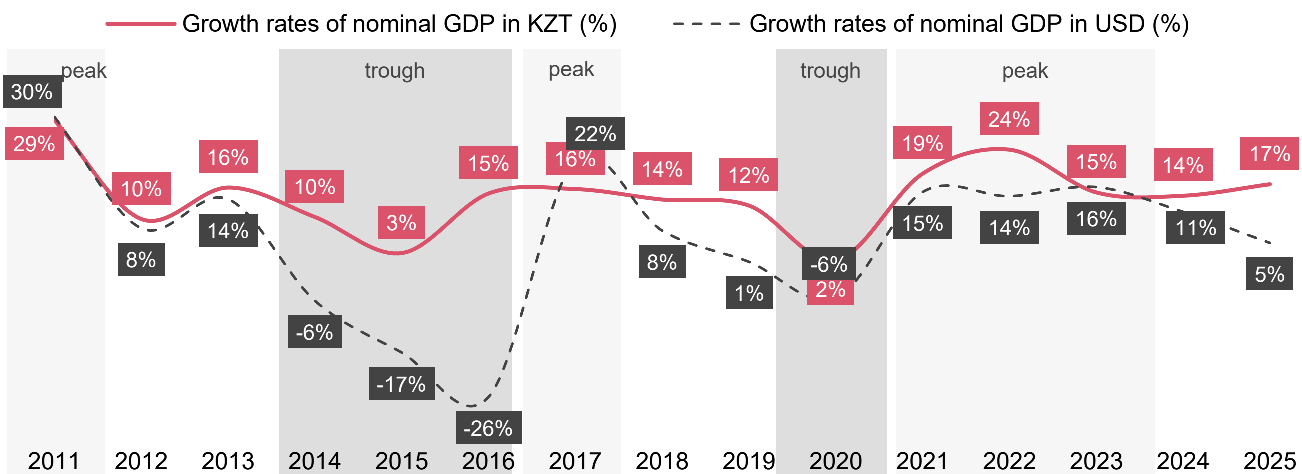
Page 31

Not higher than 17.00%

79% of respondents expect that the base rate will not exceed 17.00% over a one-year horizon

I. Economy and investment climate of Kazakhstan

Figure 1. Growth rates of nominal GDP using the production method in KZT and USD (%)



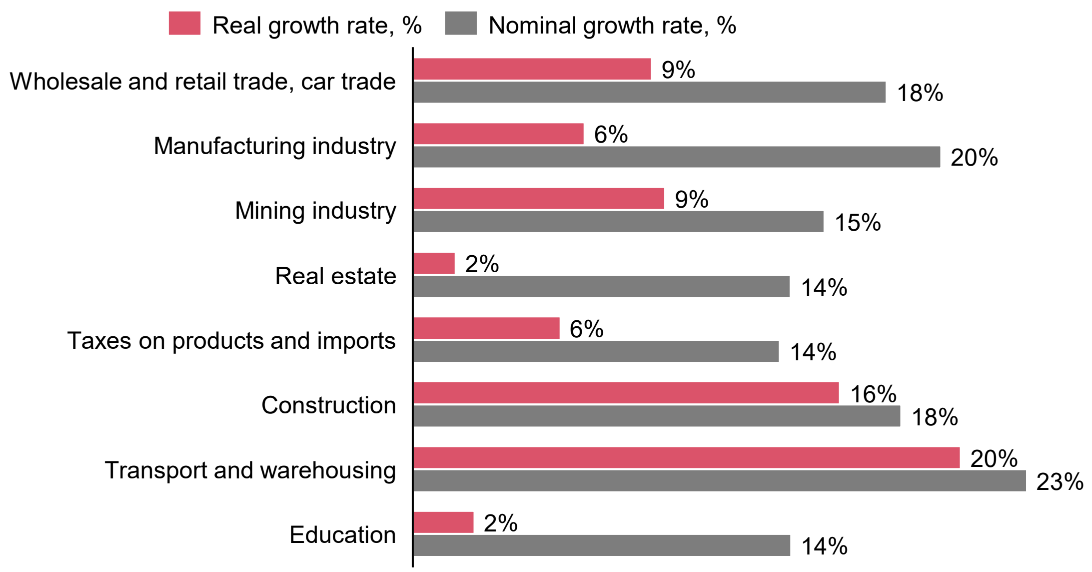
Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

In 2025, Kazakhstan's economy accelerated its growth amid an expansion in domestic economic activity. Nominal GDP reached 159.6 trillion tenge*, increasing by 16.7% YoY (compared to 14.4% in 2024), while real growth amounted to 6.5% (vs. 5.0% a year earlier). Despite a decline in real household incomes, consumer activity remained resilient in 2025, supported by the expansion of domestic trade. Investment activity was sustained by infrastructure projects, primarily financed by the government and the quasi-government sector. A significant contribution to GDP growth also came from the transport sector, mining and manufacturing industries, as well as the construction sector. Reflecting these factors, the share of goods production in GDP increased by 0.2 pp compared to 2024, reaching 36.1%, while the share of the services sector declined by 0.3 pp to 57.7%. Real growth in the goods sector amounted to 8.7%, while the services sector grew by 5.2%.

According to the survey for the second half of 2025, experts expect the following sectors to have the most significant impact on Kazakhstan's GDP dynamics over a one-year horizon: the construction sector (86% of respondents), industry (71%), transport and logistics (71%), and trade (64%).

** Based on the data from stat.gov.kz, GDP by method of production*

Figure 2. Growth rates of real and nominal GDP in 2025 across economic sectors, %



Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

Amid accelerating economic growth and strengthening domestic demand in 2025, inflationary pressures in the economy increased significantly. Annual inflation reached 12.3%, compared to 8.6% a year earlier*. Price increases were observed across all major categories: food products rose in prices by 13.5%, paid services by 12.0%, and non-food products by 11.1%. In the context of accelerating inflation, the National Bank of the Republic of Kazakhstan consistently tightened its monetary policy throughout 2025, with the base rate raised to 16.5% in March and then to 18.0% in October.

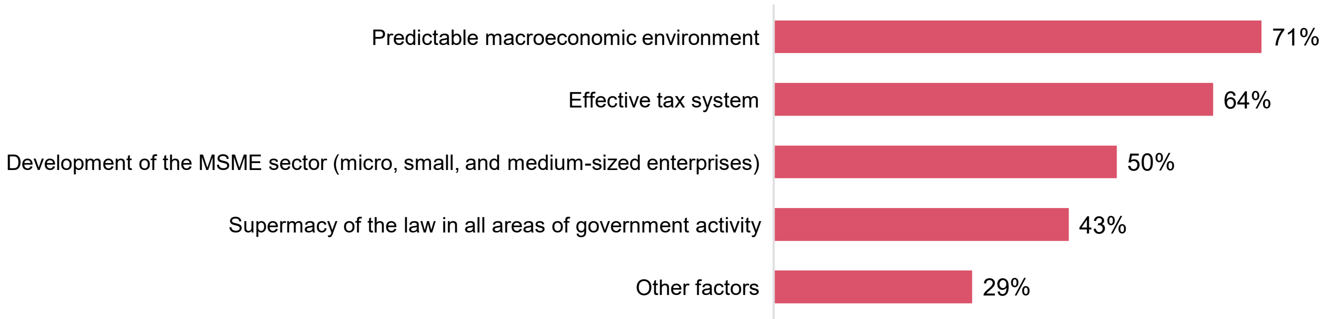
According to the results of a survey of experts at the end of 2025, assessments of the current phase of Kazakhstan's economic cycle remain heterogeneous. Equal shares of respondents (36% each) consider the economy to be either at the peak of the cycle or in the growth stage, while 29% of experts classify the current phase as a downturn.

Expectations regarding the dynamics of real GDP over a one-year horizon are positive. According to 57% of respondents, real GDP will increase by 5-10%, while 36% of experts expect growth in the range of 2-5%. When asked which countries will be most important for Kazakhstan's economic dynamics over the next year, respondents most frequently cited China (100%), the United States (93%), and Russia (79%).

Among the key conditions for Kazakhstan's economic development, most experts highlight a predictable macroeconomic environment (71%) and an effective tax system (64%). Additionally, half of respondents emphasize the importance of developing the micro-, small- and medium-sized enterprise (MSME) sector. Experts further point to other drivers of economic development, including fiscal policy, a reduced role and intervention of the state in market processes, and the development and adoption of AI technologies.

** Based on NBRK data*

Figure 3. Factors influencing changes in Kazakhstan's economy (% of respondents)



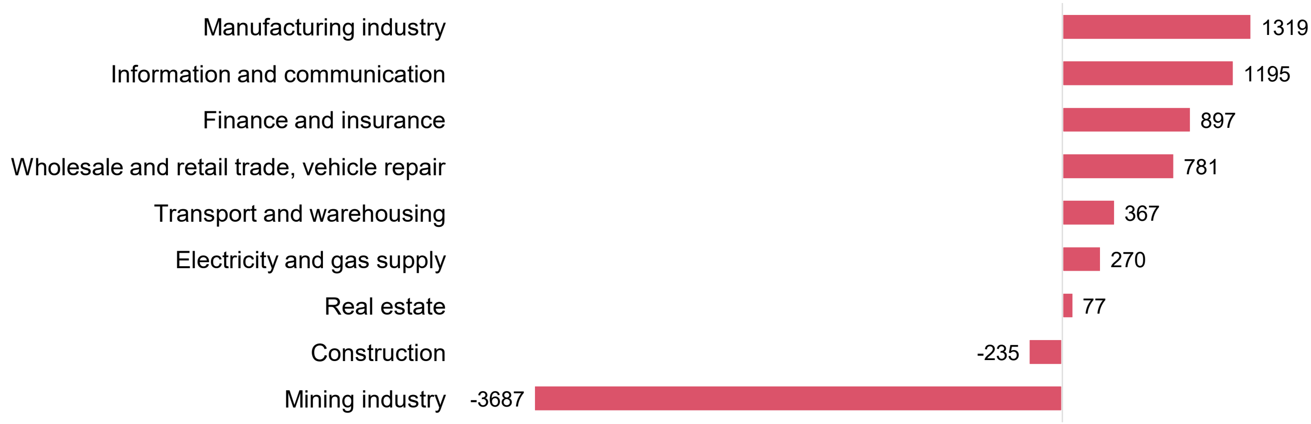
Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025

The total foreign trade turnover of Kazakhstan as of the end of 2025 amounted to USD 143.9 billion, increasing by 1.3% compared with the previous year**. The trade balance surplus stood at USD 14.2 billion, which is 33% lower than the 2024 level (USD 21.3 billion). The decline in the surplus was driven by lower export revenues amid rising imports. Imports increased by 7% compared with 2024 and reached USD 64.9 billion, while exports decreased by 3% to USD 79.0 billion.

Fuel and energy products remained the key component of Kazakhstan's export structure, accounting for 55% of total exports as of the end of 2025*. However, exports in this category declined by 7% YoY to USD 43.1 billion. This was primarily due to a 15% YoY decrease in the average crude oil price in 2025 (to USD 68.2 per barrel). The decline in oil prices put pressure on export revenues, leading to a narrower trade balance gap for Kazakhstan.

*** Based on the data from stat.gov.kz, foreign trade turnover*

Figure 4. Net inflow of direct investments to Kazakhstan by type of economic activity for 9M2025, USD mln



Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025, based on data from NBRK

As full-year 2025 FDI statistics from the National Bank of Kazakhstan were not available at the time of publication, the analysis is based on the data released for the first three quarters of 2025*. The net inflow of foreign direct investment for the first 9 months of 2025 amounted to USD 1.18 billion, exceeding the level of the corresponding period in 2024 (USD 498 million) by 137%. The sectoral breakdown indicates an uneven distribution of investment activity across the economy: the overall positive result was primarily driven by non-resource industries, which accounted for the main contribution to net capital inflows. The largest contribution came from manufacturing, as well as the services and trade sectors, which continue to attract interest from foreign investors. Meanwhile, the mining industry recorded a net capital outflow, exerting a restraining effect on the overall result.

** Notes: Based on the available at the time of publication data from NBRK, for the III quarter of 2025, on net inflow of direct investments*

Dialogue with experts

In your opinion, which main factors had the most significant impact on the economy of Kazakhstan in 2025?

“

Geopolitics, the budget deficit, and the associated fiscal adjustment, inflation.

- ***Almas Chukin***

“

The key driver of the observed economic growth was the increase in production volumes at the Tengiz field.

- ***Kamilla Mamatova***

“

Budget spending and oil prices.

- ***Mukhamedkali Ospanov***

“

U.S. geopolitics.

- ***Andrey Tkachenko***

“

High inflation and rising utility service prices. The base rate also has an impact, as it transmits into the economy through lending channels. However, the growth in household well-being is significantly lagging behind inflation, and demand is financed mainly through borrowing. In the longer term, this may lead to risks in the banking sector.

- ***Anonymous***

“

Transfers from the National Fund and higher oil production.

- ***Anonymous***

“

Tight monetary policy, inflation, and rising government spending.

- ***Anonymous***

According to experts, real economic growth in Kazakhstan continues, but it is driven by the commodity sector and its exports, as well as by investment, primarily financed through government infrastructure spending. At the same time, the regular expansion of budget expenditures (through higher social payments, increased wages for public-sector employees, and infrastructure expenses) raises the money supply in the economy.

It was also YoYd that prioritizing GDP growth, especially over a one-year horizon, without considering the growth of household incomes, makes this indicator short-sighted and imprecise. Therefore, for Kazakhstan’s long-term and sustainable development, the well-being of the population must also be a high priority, as it cannot be derived from the value of goods produced.

II – Brent crude oil price forecasts

Figure 5. Dynamics of the Brent crude oil price for January 2024 – January 2026, USD per barrel

Source: LSEG

In 2025, oil prices remained on a downward trajectory, extending the previous year's trend, while volatility stayed elevated – particularly in the first half. Brent crude oil traded within the range of 58.9–82.0 USD per barrel. As supply growth continued to outpace demand, excess inventories accumulated, and the trading range gradually narrowed over the course of the year. The average oil price in 2025 was 68.2 USD per barrel, down 14.6% YoY from 2024 (79.9 USD). The decline in oil prices was driven by subdued growth in global demand amid faster expansion of supply, including increased production and the easing of certain restrictions. At the same time, trade frictions, sanctions-related risks, and periodic spikes in geopolitical tensions amplified price volatility. By end-2025, Brent stood at 60.85 USD per barrel, down 18.5% YoY.

In the first half of 2025, oil-market price dynamics showed pronounced volatility. Price movements were driven by intensifying trade frictions, heightened geopolitical tensions, and supply growth outpacing demand. Brent crude traded in the 60.2–82.0 USD per-barrel range, while the average price for the first half of 2025 stood at around 70.8 USD per barrel, 7.3% lower than in the second half of 2024.

Despite brief increases in January and March, oil-market dynamics in the first quarter of 2025 were dominated by declining Brent prices and elevated volatility. The average Brent price stood at 75.0 USD per barrel. Early in the year, prices rose steadily, reaching 82.0 USD per barrel by mid-January, supported by concerns over supply disruptions, including sanctions-related risks involving Russia and Iran, as well as stronger demand amid cold weather and China's economic recovery. Over the following two months, prices declined steadily as non-OPEC+ production expanded, global demand expectations weakened, and geopolitical tensions eased. A short-term price spike in the second half of March reflected concerns over potential production cuts in response to U.S. trade measures, including sanctions on Iranian oil exports and import tariffs on countries purchasing Venezuelan oil.

** Based on data from:*
LSEG; EIA Short-Term Energy Outlook, January 2026; IEA Monthly Oil Market Reports, 2025

In the second quarter of 2025, the global oil market remained highly volatile, while prices moved steadily lower on average, with the quarterly average falling to 66.7 USD per barrel. Prices dropped sharply in early April after the United States introduced new import tariffs. A brief rebound in mid-April did not change the overall trend, and by early May Brent crude fell to its lowest level since 2021, 60.2 USD per barrel. Prices remained under pressure as OPEC+ output increased following the easing of restrictions, production outside the alliance rose, and global oil-demand growth weakened amid recession risks. After the early-May decline, prices recovered by the end of May, supported by trade agreements between the United States, the United Kingdom, and China. In the first half of June, prices rose sharply as the escalation of the Israel–Iran conflict intensified concerns about supply disruptions. By the end of the quarter, however, easing geopolitical tensions shifted price dynamics downward.

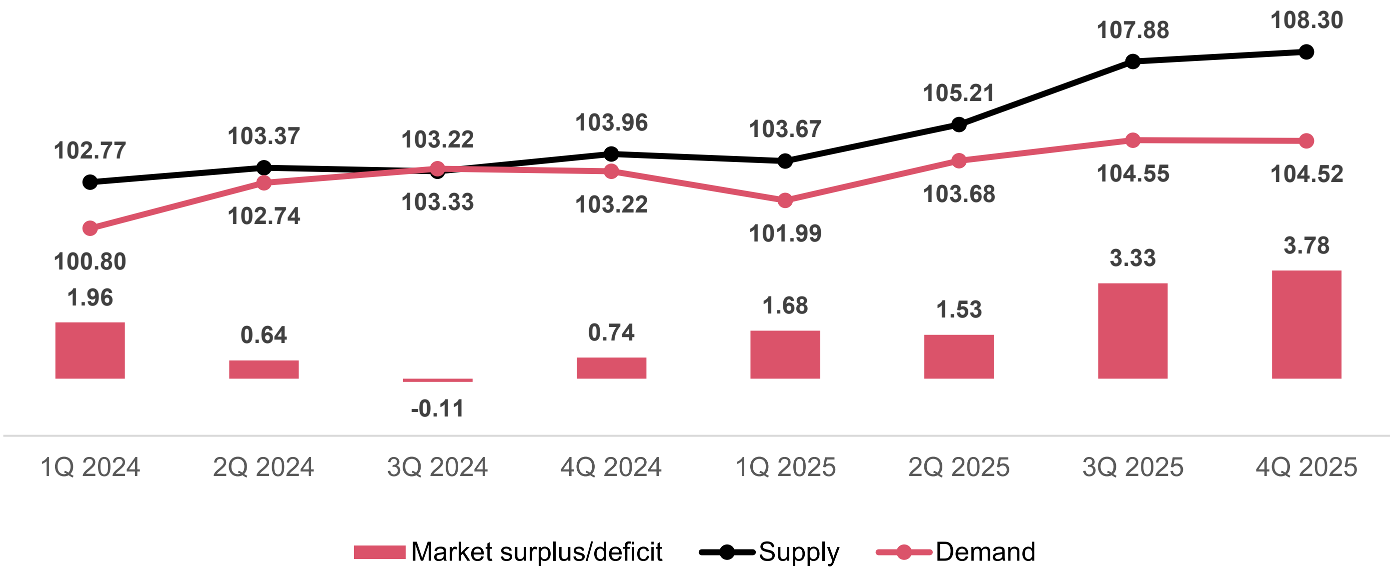
In the second half of 2025, the oil market settled into a sustained supply surplus, and prices continued to decline. Crude oil traded between 58.9 and 73.2 USD per barrel, and the average price fell by 7.3% compared with the first half of the year, to 65.6 USD per barrel.

In the second half of the year, oil prices generally moved lower; however, the third quarter was relatively stable and volatility remained limited. After the decline in the second quarter, Brent recovered in July–September and averaged 68.2 USD per barrel. In July, prices were broadly steady: easing trade frictions and heightened sanctions-related risks provided support, but the growing market surplus continued to weigh on prices. In August, prices declined as the surplus widened further and expectations of higher supply increased after OPEC+ signaled further easing of voluntary production curbs. Toward the end of the third quarter, price dynamics were influenced by mixed factors: the persistent surplus kept downward pressure on prices, while sanctions against Russia and Iran, along with occasional spikes in geopolitical tensions, provided offsetting support.

After prices stabilized toward the end of the third quarter, Brent resumed a downward trend in the fourth quarter of 2025. The quarterly average fell to the year's low of 63.1 USD per barrel. In October, prices declined as market conditions weakened and the imbalance between moderate demand and elevated supply persisted. In the second half of October, prices briefly jumped after the United States imposed sanctions on several Russian oil companies, prompting concerns about potential supply shortfalls. However, downward pressure persisted through the end of the quarter. Despite a tighter sanctions backdrop, weak market fundamentals kept prices on a gradual downward path from November, reaching the annual low in mid-December (59.7 USD per barrel). The supply surplus accumulated over the year continued to weigh on the market, limiting the recovery of prices in response to sanctions-related and geopolitical developments.

** Based on data from:*
LSEG; EIA Short-Term Energy Outlook, January 2026; IEA Monthly Oil Market Reports, 2025

Figure 6. Global crude oil and other liquid fuels production and consumption, million bpd



Source: EIA Short-Term Energy Outlook, January 2026

In 2025, the global oil market was shaped by steady supply growth and more subdued demand dynamics. With output rising across both OPEC+ members and non-OPEC+ producers, the market balance continued to shift toward an expanding oil surplus.

In 2025, global oil supply increased steadily, with average production rising from 103.7 million barrels per day in the first quarter to 108.3 million barrels per day in the fourth quarter. The pace of growth also strengthened over the year. In the first half of 2025, global oil supply grew by 1.3% YoY, and growth accelerated to 4.3% YoY in the second half. This increase was driven mainly by the gradual easing of OPEC+ production restrictions starting in April, along with strong output growth among non-OPEC+ producers — led by the United States, Brazil, Guyana, and Canada. By end-2025, global oil supply reached 108.0 million barrels per day in December, up 4.0% YoY (from 103.9 million barrels per day in December 2024).

Global oil demand grew more slowly than supply in 2025. Demand increased by 1.0% YoY in the first half and by 1.2% YoY in the second half of the year. As macroeconomic conditions improved, oil consumption showed an upward trend – from an average of 102.0 million barrels per day in the first quarter to 104.5 million barrels per day in the fourth. According to IEA estimates, global demand reached its quarterly peak in July–September, largely due to stronger consumption in China. Although average consumption eased in the fourth quarter, global demand in December 2025 reached 105.3 million barrels per day, up 1.9% YoY, supported by a gradual improvement in macroeconomic and trade conditions.

As a result, in 2025 the global oil market developed under a widening surplus, as production growth outpaced consumption. By December, the surplus reached 2.8 million barrels per day, nearly five times the level recorded in December 2024 (0.6 million barrels per day). In 2026, the surplus is expected to increase further. According to the U.S. Energy Information Administration, global oil supply in 2026 is projected to rise by 1.4 million barrels per day, while demand growth is expected to be more moderate (+440 thousand barrels per day YoY). As a result, according to the forecasts**, considering only economic factors and excluding the impact of geopolitical risks, Brent crude is expected to average 56 USD per barrel in 2026, which is 17.9% below the 2025 average.

** Based on data from:*
LSEG; EIA Short-Term Energy Outlook, January 2026; IEA Monthly Oil Market Reports, 2025
*** Based on data from EIA Short-Term Energy Outlook, January 2026*

According to the survey, 79% of experts cited geopolitical tensions as a key factor that could affect oil prices over a one-year horizon. Respondents also assigned a significant role to OPEC+ decisions, mentioned by 64% of respondents. Other important factors include changes in oil production outside OPEC+ (50%) and shifts in global oil demand (43%), underscoring the role of both supply and demand in shaping price expectations.

Compared with the first half of 2025, respondents' forecasts for the second half of 2025 indicate lower expected Brent crude prices over a one-year horizon and a wider range of estimates at longer horizons. The median of minimum forecasts for the one-year horizon declined by 7% to 56.0 U.S. dollars per barrel, while for the three-year horizon it increased by 10% to 55.0 U.S. dollars, and for the five-year horizon it remained unchanged at 50.0 U.S. dollars per barrel. The median of maximum forecasts was 75.0 U.S. dollars per barrel for the one-year horizon (down 6%) and 79.0 U.S. dollars for the three-year horizon (down 1%). For the five-year horizon, the median maximum value was 80.0 U.S. dollars per barrel, down 6% relative to previous estimates.

The changes in forecast bounds suggest tighter expectations in the short term and a wider range at longer horizons. Over a one-year horizon, the lower bound fell by 2% to 47.5 U.S. dollars per barrel, while the upper bound declined by 4% to 87.8 U.S. dollars per barrel. Over the three-year horizon, the lower bound dropped by 14%, while the upper bound increased by 4%. Over the five-year horizon, the range also widened: the lower bound decreased by 2%, whereas the upper bound rose by 7%.

Based on the results for the second half of 2025, the medians of minimum and maximum forecasts for Brent crude formed a range of 56.0–75.0 U.S. dollars per barrel over a one-year horizon, 55.0–79.0 U.S. dollars over a three-year horizon, and 50.0–80.0 U.S. dollars per barrel over a five-year horizon, indicating that price expectations remained moderate in the short and medium term, while the forecast range was wider over the longer horizon.

In your opinion, what will the price of Brent crude oil be during the forecast periods under consideration, in USD per barrel ?

Figure 7. Forecast oil price, in U.S. dollars per barrel

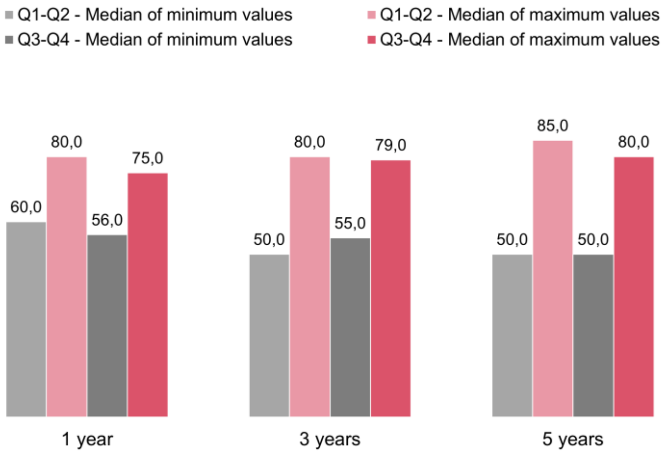


Figure 8. Bounds of forecasts of the oil price, in U.S. dollars per barrel

Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025

Dialogue with experts

In your opinion, which factors may have a significant impact on Kazakhstan's economy, and why?

“ ***Some tightening of the expenditure side and a more pronounced tightening of tax policy.***

- Sabit Khakimzhanov

“ ***The role of the state in regulating the economy becomes more important as the economy grows more complex. However, in Kazakhstan, such regulation remains, in terms of its quality and scope, impulsive, manifesting as reactions to isolated factors, unsystematic, and often administrative-command in essence.***

- Almas Chukin
Managing partner, Visor Kazakhstan

“ ***From a pattern recognition perspective – given that an economy can rely on empirical data only to a certain extent – it becomes evident that abstract principles and values can produce tangible outcomes. No matter how much is invested in individual projects, the aggregate financial resources of individuals far exceed the capacities of governments and other managed entities.***

- Olzhas Junussov

“ ***The tax system and the macroeconomic environment are the primary drivers of changes in Kazakhstan's economy.***

- Mukhamedkali Ospanov

“ ***Predictability in macroeconomic growth, along with fair competition and the protection of property rights, reduces uncertainty and creates incentives for investment.***

- Andrey Tkachenko

“ ***AI technologies – due to open support from the government.***

- Anonymous

“ ***For investors to enter our market, the rules of the game must be transparent and predictable.***

- Anonymous

“ ***A predictable macroeconomic environment fundamentally influences changes in Kazakhstan's economy.***

- Anonymous

“ ***All factors can have a significant impact if implemented effectively.***

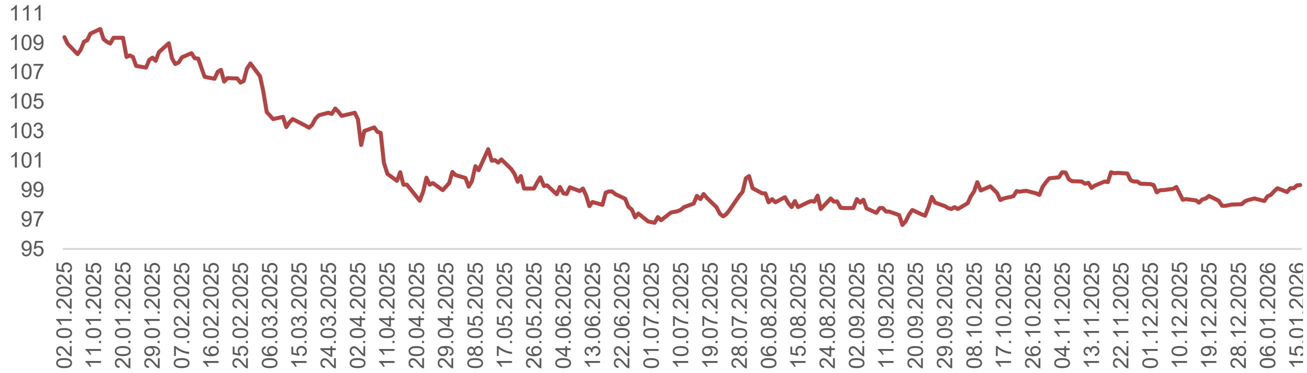
- Anonymous

According to experts, the main factors that will influence changes in the economy (its growth or slowdown) are new tax policy and the level of government spending. At the same time, the role of the state in the microeconomics of individual sectors remains significant, which also affects competition levels and the efficiency of resource allocation.

III – Exchange rate forecasts

2025 was a year of pronounced weakness in the U.S. Dollar Index (DXY), with dynamics shaped by political and trade-related uncertainty. The index peaked at 110.0 points on January 13 before entering a downward trajectory. By mid-September, it had fallen to its annual low of 96.6 points. After a partial recovery, the DXY ended the year at 98.3 points, down 9.4% YoY, marking its sharpest annual decline since 2017. The dollar was pressured by trade tensions, Federal Reserve monetary easing, and ongoing economic and political uncertainty in the United States.

Figure 9. Dynamics of the U.S. dollar index (DXY) at the close of trading for 2025



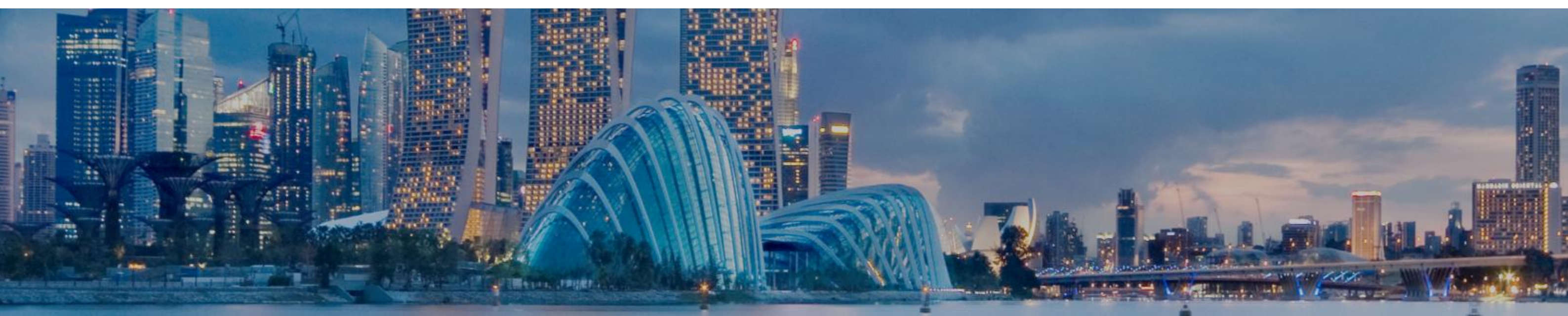
Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from LSEG

In the first half of 2025, the U.S. Dollar index moved into a downward trend amid deteriorating market expectations regarding the sustainability of U.S. economic growth. Over the period, the DXY index declined by 10.7% compared with the previous half-year, marking the steepest weakening of the dollar since 1973. The downward dynamics was driven by weaker expectations for U.S. economic growth, the expansion of trade tariffs, and the associated risks of reduced external trade and rising inflation.

At the start of the year the dollar strengthened favorable U.S. economic growth expectations, supported by increased productivity and rising investment. Having reached the annual peak in mid-January (110.0 points), the DXY entered a phase of decline. By the end of the first quarter, the index stood at 104.3 points, decreasing by 3.9% compared to the fourth quarter of 2024. The weakening of the dollar was driven by negative U.S. economic growth (-0.6% YoY), heightened global trade tensions, and anticipated Federal Reserve rate cuts. In the second quarter, the downward trend intensified, and by the end of June, the DXY had fallen to 96.9 points, a 7.1% drop from the first quarter. The depreciation of the dollar was linked to the announcement of new U.S. import tariffs, rising risks of accelerating inflation, and investor concerns over the sustainability of government debt. Additional pressure on the dollar came from persistent expectations of monetary policy easing by the Federal Reserve.

Following the pronounced weakness in the first half of 2025, the U.S. dollar partially recovered in the second half of the year. By December, the DXY had increased 1.5% compared to the first half, reaching 98.3 points. In the third quarter, the index strengthened by 0.9% relative to the second quarter, reaching 97.8 points, supported by an acceleration in real GDP growth to 4.4% (annualized). A temporary dip to the annual low (96.6 points) in mid-September was driven by the start of the monetary policy easing cycle, as the Federal Reserve cut the policy rate by 25 basis points to 4.00-4.25%. The rate cut was in line with market expectations. Moreover, confidence in the dollar improved following Federal Reserve statements signaling a cautious, macroeconomic data-dependent approach to further easing. a persistent yield differential between dollar-denominated assets and other currencies, together with a 4.7% increase in corporate profits relative to the second quarter, supported the U.S. dollar.

Sources: Federal Reserve System, The U.S. Bureau of Economic Analysis, International Monetary Fund, Reuters

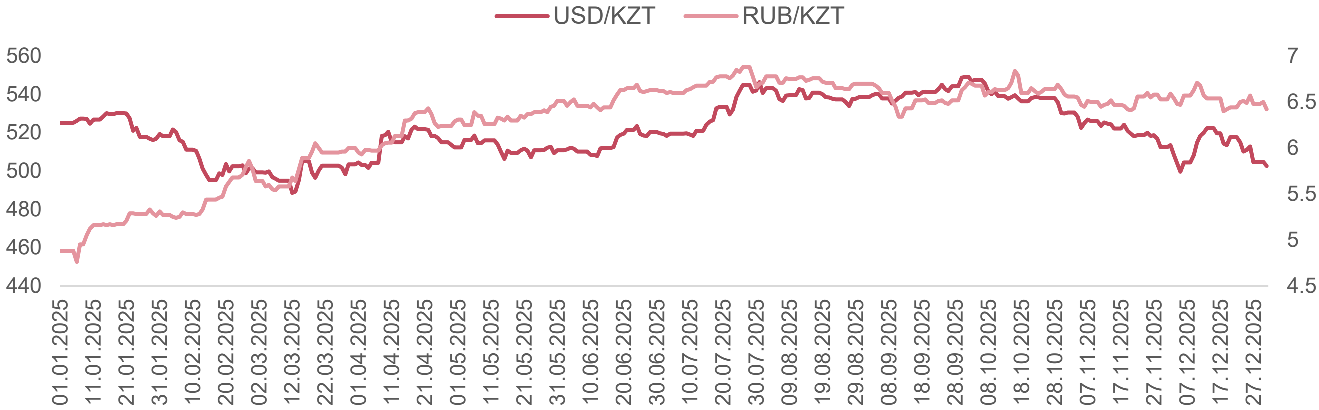


The U.S. dollar's partial recovery trend continued in the fourth quarter: by the end of December, the DXY index strengthened by 0.6% from the previous quarter. In October–November, the index was supported by a temporary weakening of competing currencies amid economic uncertainty in Europe and Japan. However, the strengthening of the dollar was constrained by further reductions in the policy rate, to 3.75-4.00% in October and 3.50-3.75% in December, and by uncertainty over the future course of monetary policy. Additional downward pressure came from a persistent current-account deficit and reduced investor demand for the dollar as a safe-haven asset amid global uncertainty. By the end of 2025, the DXY index stood at 98.3 points, reflecting a 9.4% YoY decline.

At the start of 2026, the dollar continued to weaken against the global currency basket, falling below 97 points by the end of January. The depreciation of the dollar was accompanied by capital outflows into emerging-market currencies and the euro, alongside ongoing uncertainty over U.S. monetary and tariff policy.

Source: U.S. Federal Reserve, The U.S. Bureau of Economic Analysis, International Monetary Fund, Reuters

Figure 10. Dynamics of the USD/KZT, RUB/KZT currency pairs for 2025



Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025, based on data from NBRK

In 2025, the tenge exchange rates against the U.S. dollar and the Russian ruble fluctuated significantly, driven by both domestic and external factors.

By year-end 2025, the tenge appreciated by 4.0% against the U.S. dollar: USD/KZT fell to 502.57 at end-2025 (from 523.54 at end-2024). Over the year, the dollar traded in a range of 488.53–549.15 tenge per U.S. dollar.

By year-end 2025, the tenge depreciated by 28.7% against the Russian ruble: RUB/KZT rose to 6.42 at end-2025 (from 4.99 at end-2024). Over the year, the ruble traded in a range of 4.76–6.88 tenge per ruble.

Table 1. Statistical indicators for the USD/KZT and RUB/KZT currency pairs for 2025

	USD/KZT				RUB/KZT			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Minimum	488.53	501.57	518.34	499.65	4.76	5.93	6.34	6.40
Maximum	530.24	523.46	549.06	549.15	6.05	6.69	6.88	6.84
Mean	510.17	513.77	536.05	524.76	5.46	6.35	6.65	6.56
% change in mean by quarter	+ 2.1%	+ 0.7%	+ 4.3%	- 2.1%	+ 8.8%	+ 16.3%	+ 4.7%	- 1.4%

Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025, based on data from NBRK

In 2025, average market exchange rates were as follows:

- 521.59 tenge per U.S. dollar, the tenge depreciated by 11% against the dollar (from 469.44 in 2024).
- 6.28 tenge per Russian ruble, the tenge depreciated by 24% against the ruble (from 5.08 in 2024).

Figure 11. Dynamics of U.S. dollar trading volumes for 2025, billion units

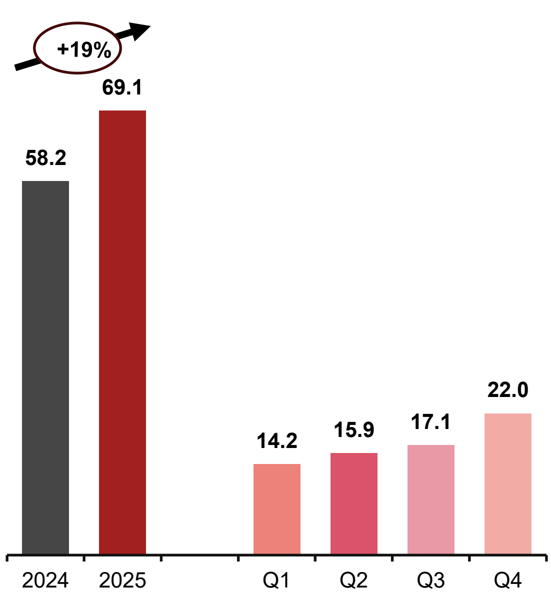
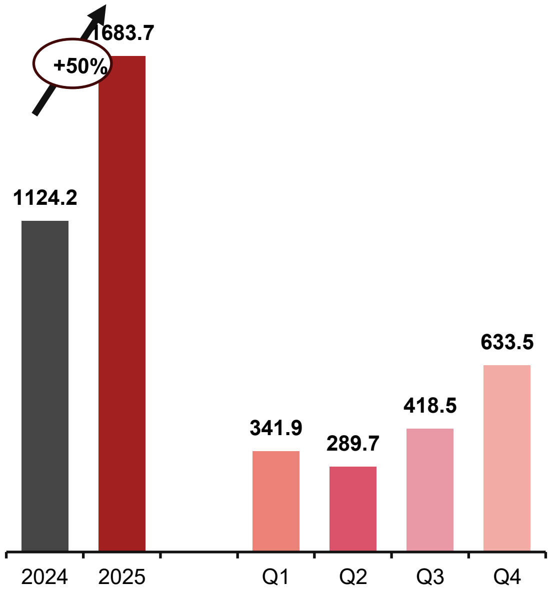


Figure 12. Dynamics of Russian rubler trading volumes for 2025, billion units



Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2024, based on data of KASE

According to data from the Kazakhstan Stock Exchange (KASE), total foreign-exchange market turnover reached 51.2 trillion tenge in 2025, 35% higher than the 2024 level (38.0 trillion tenge). Trading activity increased steadily throughout the year: 9.8 trillion tenge in the first quarter, 10.9 trillion tenge in the second quarter, 13.3 trillion tenge in the third quarter, and 17.1 trillion tenge in the fourth quarter.

Amid shifts in the structure of the foreign-exchange market in 2025, the share of USD/KZT trading declined by 1.8 pp to 70.4%. At the same time, the share of RUB/KZT transactions increased by 5.7 pp to 20.8%. Meanwhile, the share of USD/CNY trading fell by 4.1 pp compared with 2024, accounting for 3.0% of total foreign exchange trading volume in 2025.

III Exchange rate forecasts: USD/KZT

At end-2025, the tenge had appreciated by 4% YoY against the U.S. dollar, closing the year at 502.57 tenge per U.S. dollar. Throughout the year, the exchange rate remained volatile, influenced by shifts in external conditions and domestic foreign exchange market factors, including episodes of stronger demand for foreign currency and the use of foreign exchange and monetary policy tools.*

In the first half of 2025, the USD/KZT exchange rate was volatile, trading within the range of 488.53–530.24 tenge per U.S. dollar. The tenge strengthened at times early in the year, but weakened by the end of the period, with volatility persisting throughout. Exchange rate movements were shaped by external factors, including lower oil prices and global weakening of the U.S. dollar. Domestic factors also played a role, including foreign currency sales to finance transfers from the National Fund, mirroring operations, transactions related to the pension assets of the Unified Accumulative Pension Fund (UAPF), and the mandatory sale of a part of FX revenues by quasi-government entities.

In the first quarter of 2025, the average market exchange rate was 510.17 tenge per U.S. dollar, reflecting a 2.1% depreciation of the national currency relative to the average level in the fourth quarter of 2024. However, exchange rate dynamics within the quarter were mixed, and by the end of the period the tenge had strengthened by 4.1% against the U.S. dollar compared with the previous quarter. The most pronounced appreciation occurred from mid-January to mid-March, when the exchange rate reached the annual low of 488.53 tenge per U.S. dollar. Support for the tenge during this period came from the suspension of foreign currency purchases for the pension assets of the UAPF in January–February, as well as foreign currency sales by the government and quasi-government sectors, including mirroring operations and sales to finance transfers from the National Fund. An additional factor was a favorable external environment, as the U.S. dollar weakened amid expectations of Federal Reserve policy easing and investors' reassessment of risks related to U.S. trade policy and the government-debt level.

In the second quarter of 2025, the average exchange rate was 513.77 tenge per U.S. dollar, indicating a 0.7% depreciation of the national currency compared with the previous quarter. Despite further weakening of the U.S. dollar against a global currency basket, external conditions for the tenge deteriorated, including higher volatility in global markets, lower oil prices, and rising risks of a slowdown in the global economy. Domestically, the resumption in March of foreign currency purchases for the UAPF pension assets boosted demand for U.S. dollars and added pressure on the tenge. An additional factor was the June reduction of foreign currency sales to finance transfers from the National Fund, which contributed to further weakening of the national currency. As a result, over the second quarter of 2025 the tenge depreciated by 3.2% against the U.S. dollar.

In the second half of 2025, the tenge traded within the range of 499.65–549.15 tenge per U.S. dollar, and by the end of the period the national currency appreciated by 3.4% compared with the first half of 2025. At the start of the second half of the year, pressure on the tenge persisted amid stronger demand for foreign currency, which led to a weaker exchange rate in the third quarter. By year-end, the tenge strengthened on the back of higher foreign currency supply in the domestic market and tighter monetary policy.

In the third quarter, the average exchange rate was 536.05 tenge per U.S. dollar, indicating a 4.3% depreciation of the tenge compared to the second quarter. The weakening at the start of the quarter occurred amid stronger demand for foreign currency, driven by budget spending, increased import activity, dividend payments, and seasonal tourism-related demand. Against the backdrop of lower foreign exchange market liquidity and rising speculative pressure, the National Bank conducted a foreign exchange intervention in late July to stabilize exchange rate dynamics. Despite the suspension from August of foreign currency purchases for the pension assets of the Unified Accumulative Pension Fund (UAPF), pressure on the tenge persisted due to reduced foreign currency supply through key channels, including transfers from the National Fund, sales by quasi-government entities, and mirroring operations. As a result, by the end of the third quarter the tenge had depreciated by 5.4% compared to the previous quarter.

** NBRK information reports on the foreign exchange market for January–December 2025*

In the fourth quarter, the average exchange rate was 524.76 tenge per U.S. dollar, indicating a 2.1% appreciation of the tenge compared with the third quarter. At the same time, early in the quarter, amid persisting depreciation momentum, the exchange rate reached its annual high of 549.15 tenge per U.S. dollar. Measures to support the tenge included larger volumes of foreign currency sales through mirroring operations and the financing of National Fund transfers. Additional support came from the increase in the base rate to 18.0% in October, which raised the attractiveness of Kazakhstan's government securities for non-residents and, consequently, demand for tenge-denominated assets. A favorable external factor was the U.S. dollar index, which did not fully recover after its decline in the first half of the year. Taken together, these factors resulted in an 8.4% appreciation of the tenge by the end of the fourth quarter compared with the third quarter.

Table 2. Statistical indicators for the USD/KZT currency pair for July 2025 – January 2026

	July	August	September	October	November	December	January
Minimum	518.34	533.87	535.13	530.07	512.53	499.65	501.02
Maximum	546.36	543.24	548.79	549.15	530.47	522.38	512.83
Mean	528.81	538.95	540.74	539.92	522.72	511.46	507.64
% change in mean by month	+2.7%	+1.9%	+0.3%	-0.2%	-3.2%	-2.2%	-0.7%

Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025, based on data from NBRK

In your opinion, what will the USD/KZT exchange rate be during the forecast periods under consideration?

Figure 13. Forecast USD/KZT rate

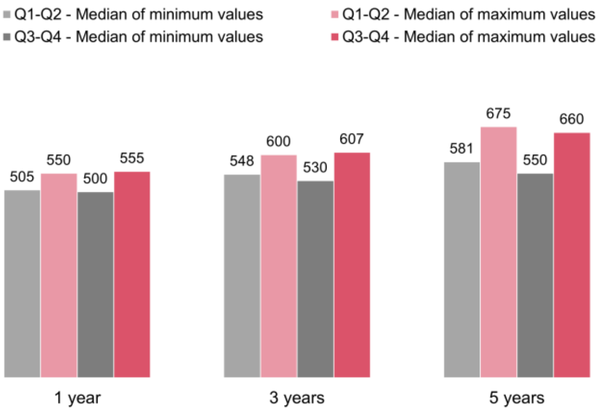
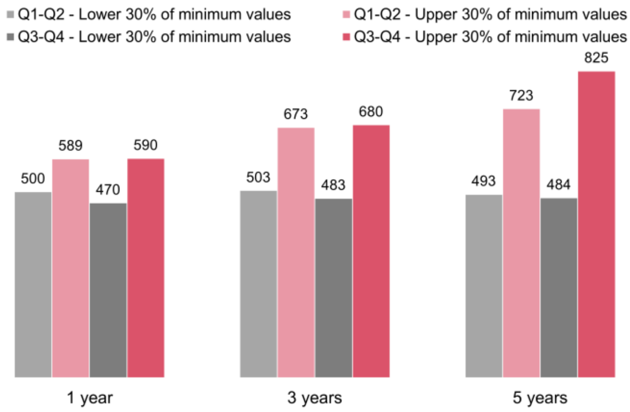


Figure 14. Bounds of USD/KZT forecasts



Source: Macroeconomic survey by Strategy&, part of the PwC network for 2nd half of 2025

Compared with the results of the expert survey for the first half of 2025, the forecasts for the second half show divergent shifts in expectations for the USD/KZT exchange rate. The median of minimum forecasts declined to 500 tenge per U.S. dollar (-1%) over a one-year horizon, to 530 tenge (-3%) over a three-year horizon, and to 550 tenge (-5%) over a five-year horizon, indicating an improvement in the baseline outlook for the tenge. At the same time, the median of maximum forecasts shows a mixed pattern: it increased by 1% to 555 tenge per U.S. dollar over a one-year horizon and rose by 1% to 607 tenge over a three-year horizon, while over a five-year horizon it declined by 2% to 660 tenge per U.S. dollar.

Compared with the first half of 2025, the lower bounds of the forecast range declined across all horizons, indicating an improvement in optimistic scenarios: to 470 tenge per U.S. dollar (-6%) over one year, to 483 tenge (-4%) over three years, and to 484 tenge (-2%) over five years. The upper bounds moved in different directions: remaining virtually unchanged at 590 tenge in the one-year horizon, increasing to 680 tenge (+1%) in the three-year horizon, and rising sharply to 825 tenge (+14%) in the five-year horizon, indicating a wider range of possible outcomes and higher long-term risks of tenge depreciation.

Based on results for the second half of 2025, the medians of the minimum and maximum forecasts for the USD/KZT exchange rate fall within the range of 500–555 tenge over a one-year horizon, 530–607 tenge over a three-year horizon, and 550–660 tenge per U.S. dollar over a five-year horizon.

III Exchange rate forecasts: RUB/KZT

On average in 2025, the tenge depreciated by 23.6% YoY against the Russian ruble, with the annual average RUB/KZT exchange rate at 6.28 tenge per ruble. Throughout the year, the RUB/KZT dynamics were shaped by changes in interest rates, external trade conditions, and foreign exchange market operations.

In the first half of 2025, the RUB/KZT exchange rate moved higher as the tenge weakened against the ruble, trading in the 4.76–6.69 tenge per ruble range. This occurred amid broad ruble strengthening against the global currency basket. In Russia, the key drivers were monetary conditions, external-trade parameters, and subdued demand for foreign currency, while in Kazakhstan the exchange rate was shaped by pension-asset management operations and the execution of budget transfers.

In the first quarter, the average market exchange rate was 5.46 tenge per ruble, reflecting an 8.8% depreciation of the tenge from the previous quarter. In January, the annual low of 4.76 tenge per ruble was recorded. Despite domestic support measures, including the suspension of foreign currency purchases for pension assets in January–February and foreign currency sales to finance transfers from the National Fund and mirroring operations, the currency-pair dynamics were dominated by factors strengthening the ruble. Early in the year, the ruble was supported by subdued demand for foreign currency amid sanctions restrictions in Russia and by the policy rate remaining elevated at 21%. Foreign currency supply was supported by strong export volumes and exporters' FX-proceeds sales. As a result, over the quarter the tenge depreciated by 20.2% against the ruble.

In the second quarter, the tenge continued to weaken against the ruble. The average exchange rate was 6.35 tenge per ruble, indicating a 16.3% depreciation of the tenge compared with the previous quarter. Exchange rate dynamics during the second quarter were largely driven by foreign exchange operations in Kazakhstan. The resumption of foreign currency purchases for the Unified Accumulative Pension Fund (UAPF) from March increased demand for foreign currency, while the reduction in sales to finance transfers from the National Fund in June limited foreign currency supply. These developments took place against the backdrop of a high policy rate in the Russian Federation during the first half of the year. As a result, over the quarter the tenge depreciated by 10.5% against the ruble.

In the second half of 2025, the RUB/KZT exchange rate was more stable and traded within the range of 6.34–6.88 tenge per ruble. Exchange rate fluctuations remained contained amid shifts in external price conditions and adjustments to policy rates. Overall, the exchange rate stayed largely within a relatively narrow range throughout the period.

In the third quarter, the average exchange rate was 6.65 tenge per ruble, reflecting a 4.7% depreciation of the tenge relative to the second quarter. In July, the rate reached the annual high of 6.88 tenge per ruble amid dividend payments and a seasonal increase in foreign currency demand in Kazakhstan. Pressure on the tenge also persisted due to reduced volumes of foreign currency sales for National Fund transfers and mirroring operations. In Russia, demand for foreign currency from non-financial companies increased, most notably in late July, and in August–September the ruble was additionally affected by lower net foreign currency sales by Russian exporters. As a result, the exchange rate was shaped by offsetting factors and remained close to its level at the end of the second quarter.

In the fourth quarter, RUB/KZT dynamics were characterized by a strengthening of the tenge against the ruble. The average exchange rate was 6.56 tenge per ruble, indicating a 1.4% appreciation of the tenge compared with the third quarter. Conditions in the FX market during the final quarter of the year were driven by more stable ruble dynamics and by tenge appreciation amid higher foreign currency sales through mirroring operations and transfers from Kazakhstan's National Fund. Additional support came from a wider interest-rate differential: an increase in Kazakhstan's base rate to 18.0% from October, together with a reduction in Russia's key rate to 17% from September and to 16.0% from late December, supported demand for tenge-denominated assets. By quarter-end, the tenge had appreciated by 3.2% against the ruble on an end-of-period basis.

** Based on data from NBRK and Bank of Russia*

Table 3. Statistical indicators for the RUB/KZT currency pair for July 2025 – January 2026

	July	August	September	October	November	December	January
Minimum	6.60	6.64	6.34	6.57	6.41	6.40	6.32
Maximum	6.88	6.78	6.70	6.84	6.60	6.71	6.65
Mean	6.71	6.72	6.53	6.66	6.50	6.53	6.50
% change in mean by month	+2.6%	+0.1%	-2.8%	+2.0%	-2.4%	+0.5%	-0.5%

Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025, based on data from NBRK

In your opinion, what will the RUB/KZT exchange rate be during the forecast periods under consideration?

Figure 15. Forecast RUB/KZT rate

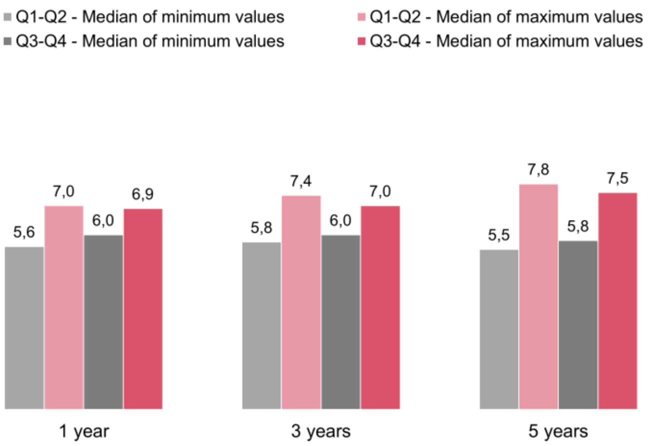
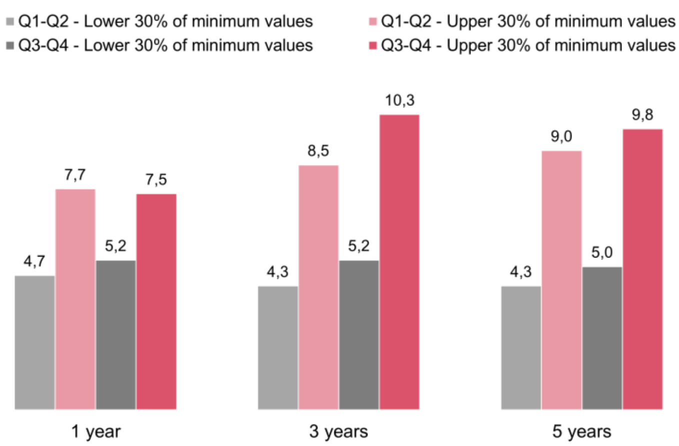


Figure 16. Bounds of RUB/KZT forecasts

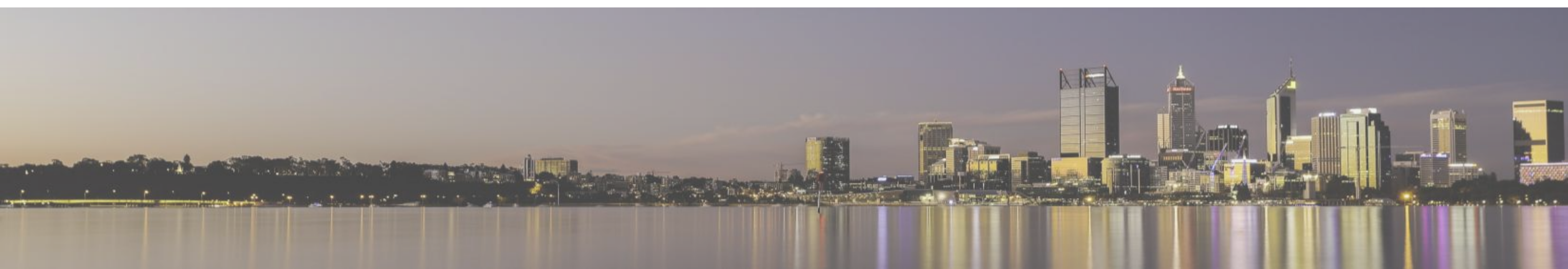


Source: Macroeconomic survey by Strategy&, part of the PwC network for 2nd half of 2025

Based on the median of minimum forecasts from experts for the second half of 2025, the baseline level of the RUB/KZT exchange rate is expected to increase. The median of minimum forecasts rose by 7% to 6.0 tenge per ruble over a one-year horizon, by 4% to 6.0 tenge over a three-year horizon, and by 5% to 5.8 tenge over a five-year horizon, indicating expectations of a stronger ruble in the baseline scenario. At the same time, the median of maximum forecasts shows a moderate decline: over a one-year horizon, it decreased by 1% to 6.9 tenge per ruble; over a three-year horizon, it fell by 5% to 7.0 tenge; and over a five-year horizon, it declined by 4% to 7.5 tenge per ruble.

According to the survey for the second half of 2025, the forecast bounds for the RUB/KZT exchange rate moved in different directions. The lower bounds increased across all horizons: by 11% to 5.2 tenge per ruble over one year, by 21% to 5.2 tenge over three years, and by 16% to 5.0 tenge over five years. At the same time, the upper bounds changed unevenly: the short-term bound declined by 2% to 7.5 tenge per ruble, while the medium-term bound increased by 21% to 10.3 tenge, and the long-term bound rose by 8% to 9.8 tenge per ruble.

The median forecasts for the second half of 2025 imply an exchange rate range of 6.0–6.9 tenge per ruble in the short term, 6.0–7.0 tenge per ruble in the medium term, and 5.8–7.5 tenge per ruble in the long term.



Dialogue with experts

In your opinion, how might changes in international trade, including tighter trade barriers, influence Kazakhstan's external trade over the next 3–5 years?

"

Not particularly, and it may even be positive. Kazakhstan's commodities and transit potential are, in effect, largely unaffected by trade barriers. At the same time, production relocation from other countries may continue, especially in the context of the war in Ukraine.

- ***Almas Chukin***

"

Their impact is likely to be limited, given the commodity-based nature of Kazakhstan's exports.

- ***Mukhamedkali Ospanov***

"

We are part of the Eurasian customs union. Accordingly, a tightening of trade barriers within this union could have a significant impact on international trade. However, Kazakhstan's exports are largely commodity-based, and trade barriers may exert significant pressure on the national economy. At the same time, commodity prices remain one of the key influencing factors.

- ***Anonymous***

"

This would increase risks while also opening niche opportunities. Tighter trade barriers would slow the growth of Kazakhstan's external trade and raise its volatility, while simultaneously creating a window of opportunity for increased transit, deeper regional integration, and partial diversification.

- ***Anonymous***

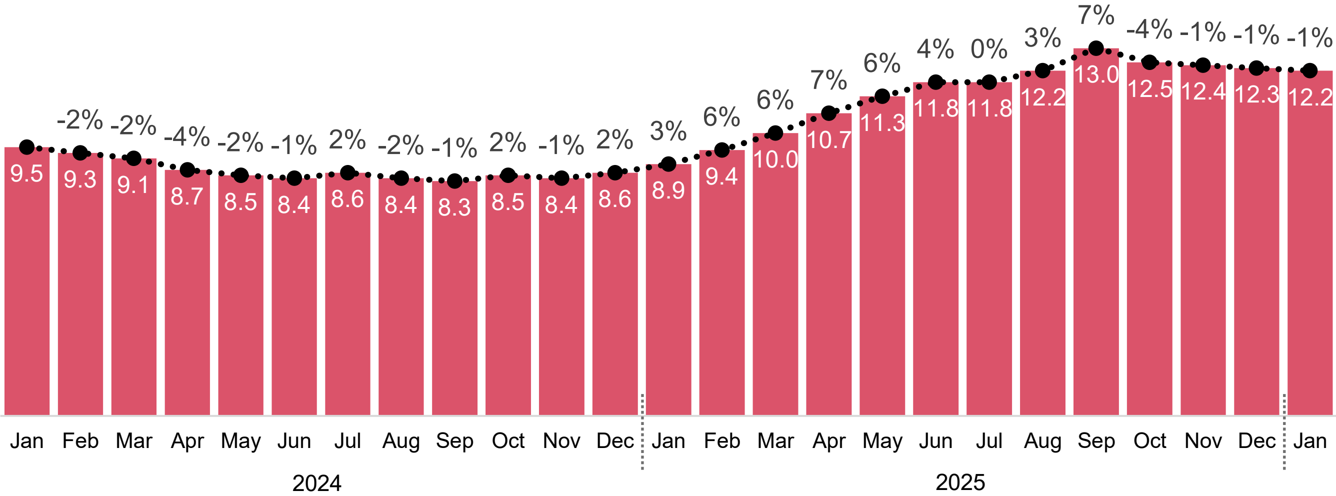
"

Trade wars, the regionalization of trade agreements, and more active bilateral one-to-one arrangements between countries.

- ***Anonymous***

IV – Inflation forecasts

Figure 17. Monthly dynamics of annual inflation, % YoY



Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

In 2025, annual inflation in Kazakhstan accelerated significantly, reaching 12.3% at year-end and exceeding the previous year's level by 3.7 pp (8.6%). Price growth accelerated until September, after which inflation dynamics began to ease toward the end of the year. Inflationary pressure affected all major components of the consumer basket: in the first half of the year, the key driver was rising service prices, while in the second half, increasing food prices became the dominant factor.

Inflation in 2025 was shaped by a combination of external and domestic factors. External factors included the depreciation of the tenge against the Russian ruble, a decline in global oil prices, higher prices for imported goods, as well as persistently high global food prices. Domestic inflationary pressure was supported by resilient consumer demand, the implementation of the utility tariff program, as well as the deregulation of retail prices for gasoline and diesel fuel. Additional price pressure came from rising production costs and a reduction in domestic food supply amid increasing exports. However, in the second half of the year, the influence of disinflationary factors strengthened, including the gradual increase in the base rate, administrative reductions in utility tariffs, the introduction of a moratorium on retail fuel price increases, as well as the tightening of consumer-lending requirements.

In the first half of 2025, annual inflation accelerated from 8.9% in January to 11.8% in June. The key driver of inflation in this period was the service sector, where annual price growth reached 16.1% in June. The implementation of the "Tariff in exchange for investment" program led to a significant increase in regulated utility costs, including a 96.3% YoY rise in cold water supply tariffs. Market-based services also recorded price increases, reflecting businesses' adjustment to elevated inflation and the partial transfer of higher costs to consumers. In addition, substantial inflationary pressure came from the food segment, where annual price growth reached 10.6% amid a contraction in domestic supply, rising production costs, and expanding exports in the context of rising global food prices. Another pro-inflationary factor was elevated inflation in Russia, along with the depreciation of the tenge against the ruble. At the same time, upward pressure on inflation was also exerted by non-food goods, with annual price growth reaching 9.4%, largely driven by increases in gasoline and diesel prices following the removal of state price regulation at the end of January. Price increases affected most product categories amid resilient consumer demand supported by active lending. Furthermore, certain non-food goods experienced particularly strong price growth due to rising import costs. Thus, in the first half of 2025, the acceleration of inflation was driven by rising tariffs and service prices, higher food prices amid constrained supply and increasing import costs, as well as rising prices for non-food goods.

** Analysis based on the data from stat.gov.kz and NBRK*

In the second half of the year, inflation continued to accelerate, reaching a peak of 12.9% in September, after which it began to gradually moderate, with the annual rate standing at 12.3% by year-end. The easing of price pressure toward the end of the year was driven by the continued tightening of monetary conditions: following the increase in October, the base rate was kept at 18%. Amid this backdrop, the structure of inflationary pressure shifted: in the first half of the year, price acceleration was primarily driven by services, whereas in the second half, rising food prices became the key source. In December, food inflation reached 13.5% YoY. Price increases for both imported and domestically produced goods were driven by rising production costs, reduced output, and increased exports amid elevated global prices. Amid the weakening of services inflation in the second half of the year, the contribution of services to core inflation steadily declined, with service price growth slowing to 12.0% YoY in December. The easing of the services component of inflation was largely due to administrative reductions in regulated utility tariffs in October–December 2025. Despite the price growth slowdown in the market-based services segment, price dynamics remained elevated. Price increases were observed across a wide range of services, including residential rents, outpatient and hairdressing services. In the non-food segment, inflation increased moderately over the year, reaching 11.1% YoY in December. The acceleration of non-food inflation was driven by higher gasoline and diesel prices following fuel market deregulation; however, the introduction of a moratorium on retail price increases in October contributed to price stabilization. As a result, growth of motor fuel prices slowed in November, which helped contain non-food inflation. At the same time, strong domestic demand and high import prices continued to exert upward pressure on the value of non-food goods. Thus, in the second half of the year, following the peak in September, inflation gradually moderated amid tightening monetary policy and administrative measures to contain price growth. In the meantime, inflationary pressure shifted toward the food segment, while the contribution of services and non-food components weakened. An additional pro-inflationary factor remained the depreciation of the tenge against the ruble, which intensified imported price pressures and affected all key components of the consumer basket.

According to the results of the expert survey for the second half of 2025, compared with the first half, inflation expectations diverged across forecast horizons. The medians of the maximum annual inflation values increased by 2.0 pp over the one-year horizon, remained unchanged over the three-year horizon, and declined by 3.0 pp over the five-year horizon. The medians of the minimum values showed a similarly mixed pattern: the one-year and five-year medians remained unchanged, while the three-year median increased by 0.3 pp.

Over a one-year horizon, the lower and upper forecast bounds increased by 0.4 pp and 1.2 pp, respectively. Over the three-year horizon, the lower bound decreased by 0.4 pp, while the upper bound increased by 0.5 pp. Over the five-year horizon, both bounds declined relative to the previous survey: the lower bound fell by 0.5 pp and the upper bound by 1.5 pp, indicating more moderate long-term inflation expectations.

** Analysis based on the data from stat.gov.kz and NBRK*

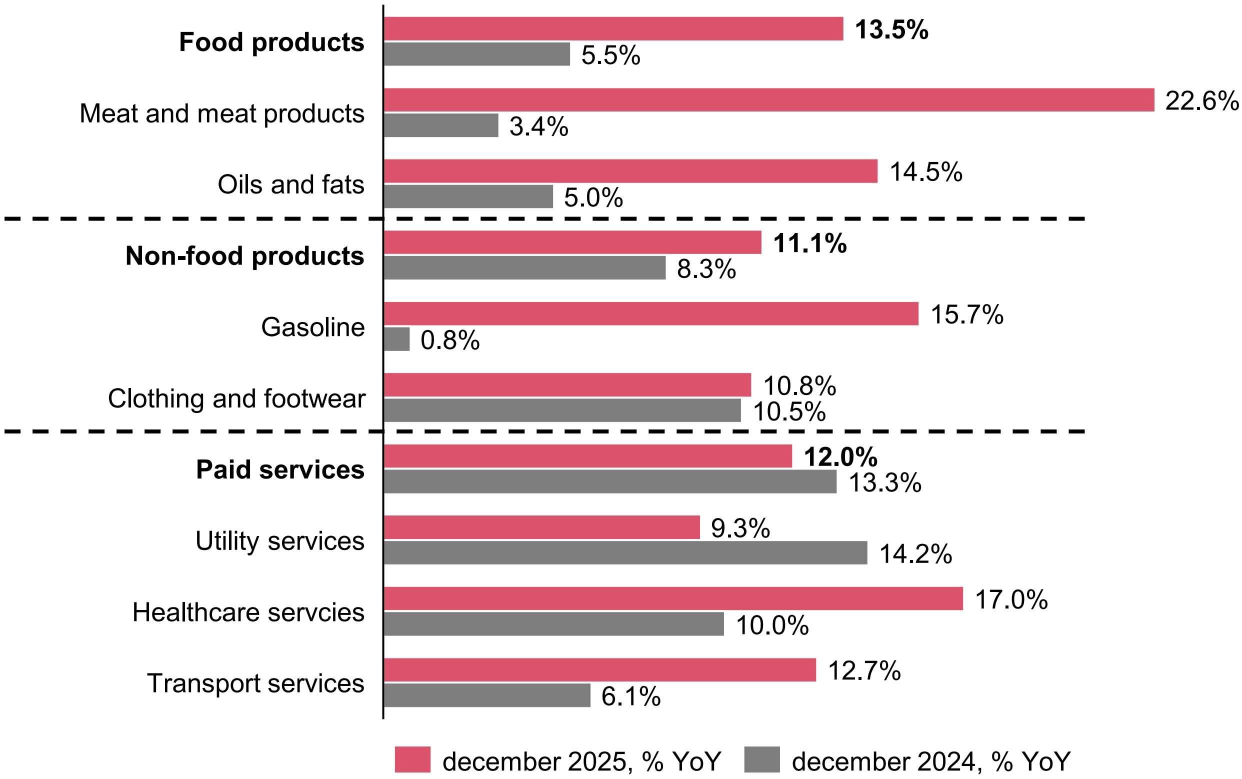
In your opinion, what will Kazakhstan's inflation indicators (in particular, the Consumer Price Index – CPI) be over the forecast periods under consideration?

Figure 18. CPI level forecast, %

Figure 19. Bounds of CPI forecast, %

Source: Macroeconomic survey by Strategy&, part of the PwC network, for 2nd half of 2025

Figure 20. Dynamics of annual inflation by components, goods and services, % YoY



Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

The annual analysis of consumer inflation (December 2025 versus December 2024) shows an acceleration in price growth across most key categories of consumer goods and services. By year-end 2025, inflation reached 12.3%, which is 3.7 pp higher than the 2024 level (8.6%). The most pronounced acceleration was observed in the food segment: the price growth accelerated to 13.5% (vs. 5.5% in 2024). In the non-food segment, inflation rose to 11.1% (vs. 8.3% in 2024). In the services sector, price pressures remained elevated, though the growth rate slowed to 12.0% in 2025 (vs. 13.3% a year earlier).

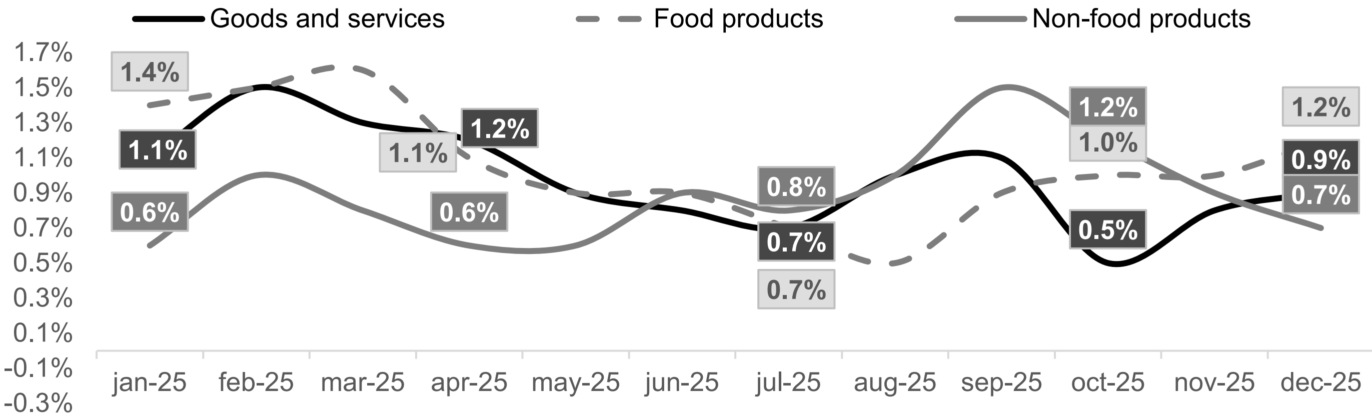
The largest contribution to the acceleration of food inflation came from the meat and meat products category (22.6% in 2025 vs. 3.4% in 2024), as well as oils and fats (14.5% vs. 5.0% a year earlier). The price increases were driven by rising production costs and robust export activity amid elevated global prices, resulting in reduced domestic supply.

In the non-food segment, the most significant acceleration in inflation was recorded in the category of fuels and lubricants, including gasoline, where price growth increased to 15.7%, while in 2024 the growth was 0.8%. This acceleration of inflation was driven by the transition to market-based pricing for motor fuel, which took effect in January 2025. The clothing and footwear category showed a moderate increase in prices – by 10.8%, broadly in line with the previous year (10.5%).

In the services sector, price dynamics across major categories remained uneven. A slowdown in inflation was observed primarily in utility services, where the rate declined to 9.3% from 14.2% a year earlier. This was due to reductions in regulated tariffs for several utility services, including water supply (-40%), gas (-10.7%), electricity (-2.0%) and heating (-0.2%). The price of healthcare services increased by 17.0% YoY (vs. 10.0% in 2024), reflecting higher tariffs in outpatient and diagnostic services. An upward trend was also observed in transport services: prices rose by 12.7%, more than double the previous year's rate (6.1%). The increase was driven by higher prices for imported goods, as well as growth in outbound tourism, which boosted demand for transport services.

** Analysis based on the data from stat.gov.kz*

Figure 21. Monthly consumer price index (CPI) inflation in Kazakhstan in 2025: for all goods and services, for food and non-food products, % MoM



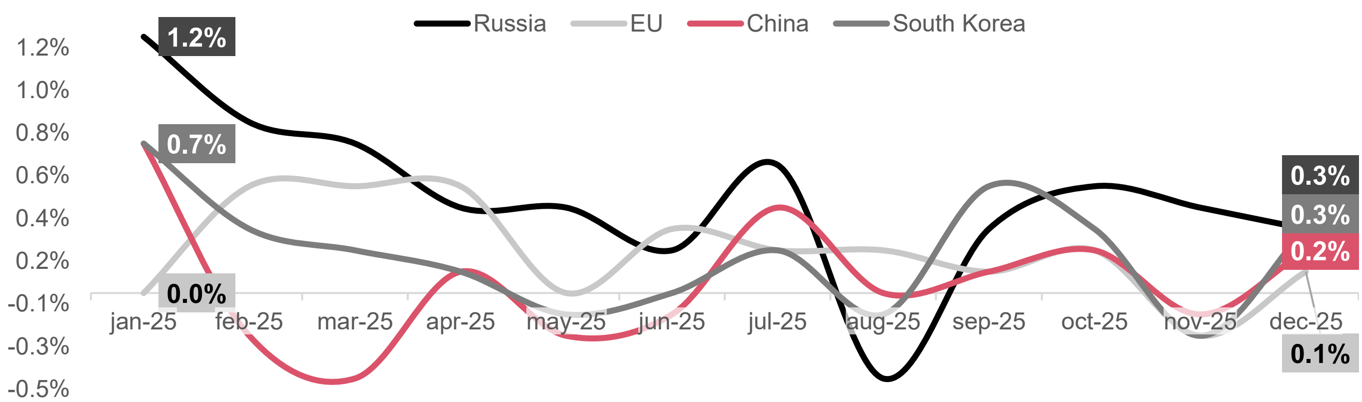
Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

Throughout 2025, monthly inflation rates for goods and services ranged between 0.5–1.5% MoM*. Following elevated rates at the start of the year (1.1–1.5% in January–February), inflationary pressure gradually eased, with the rate declining to 0.7% MoM by July. In August–September, a moderate acceleration was observed to 1.0–1.1%, with October recording the year's low (0.5%). By year-end, monthly inflation stabilized at 0.9%.

Monthly food inflation was higher and more volatile. Starting the year at 1.4–1.6% in Q1, monthly inflation gradually slowed during spring and summer, reaching an annual low in August (0.5% MoM). However, in the following months, inflationary pressure on food gradually increased, ending the year at 1.2% MoM.

In the first half of the year, the monthly inflation rate for non-food goods remained contained (below 0.9%), while the second half was characterized by a gradual acceleration in monthly price growth, peaking at September (1.5%). In the subsequent months, non-food inflation slowed, easing to 0.7% in December.

Figure 22. Monthly consumer price index (CPI) inflation in selected countries in 2025, % MoM

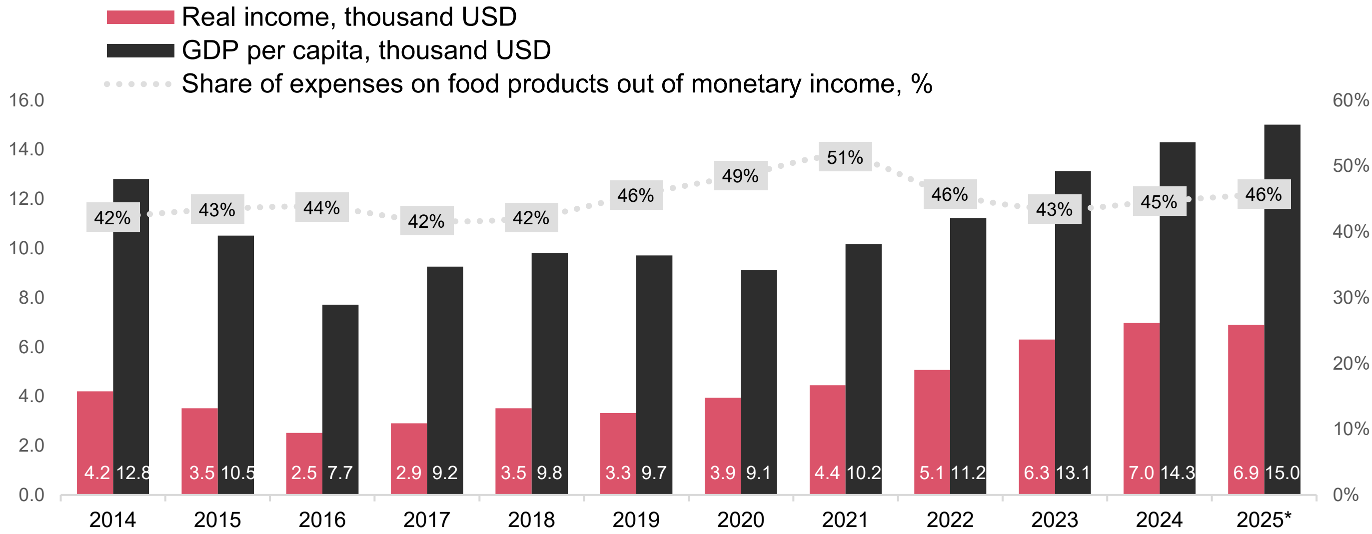


Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on open source data

Figure 22 shows the monthly inflation dynamics in 2025 for Russia, China, the European Union, and South Korea, whose combined share of Kazakhstan's total imports was 78.4% in 2025*. According to the Bureau of National Statistics for 2025, Kazakhstan's import structure by key trading partners is as follows. Russia remains the largest supplier, with imports totaling USD 19.23 billion (29.7%); its share declined by 0.8 pp compared with 2024. China ranks second, with imports amounting to USD 18.94 billion (29.2%); China's share in total imports increased by 3.9 pp YoY. The European Union ranks third, with imports of USD 10.40 billion (16.0%), 1.8 pp below the 2024 level. Within the EU, the largest contributions come from Germany (4.8%) and France (2.4%). South Korea occupies the fourth position among the largest trading partners, with imports of USD 2.25 billion (3.5%), with an increase in share of 0.3 pp compared with the previous year.

** Analysis based on the data from stat.gov.kz and open source*

Figure 23. Indicators of real household well-being



Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025, based on data from stat.gov.kz

According to available data at the time of publication*, the median monthly wage in the Republic of Kazakhstan was 303 thousand tenge in the third quarter of 2025, which is 10.0% higher than in the same period of 2024 (275 thousand tenge). The average monthly wage in the third quarter also increased by 10.0% compared to the corresponding period in 2024, reaching 429 thousand tenge (vs. 390 thousand).

The industry with the highest average monthly wage in the third quarter of 2025 remains the mining industry and quarrying – 922 thousand tenge, which is 8.0% higher than in the corresponding period of 2024. The lowest average monthly wage was recorded in the education sector – 291 thousand tenge. For comparison, in the third quarter of 2024, the lowest wage was observed in field of arts, entertainment, and recreation (267 thousand tenge).

The most pronounced increase in the average monthly wages in the third quarter of 2025 was recorded in the information and communications sector, where wages grew by 21.5% compared to the third quarter of 2024. Significant growth was also observed in agriculture, forestry and fishing (+18.4% YoY), as well as in transport and warehousing (17.6% YoY). At the same time, the lowest wage growth rates were recorded in construction (2.5%), healthcare (5.0%), as well as in accommodation and food services (6.2%).

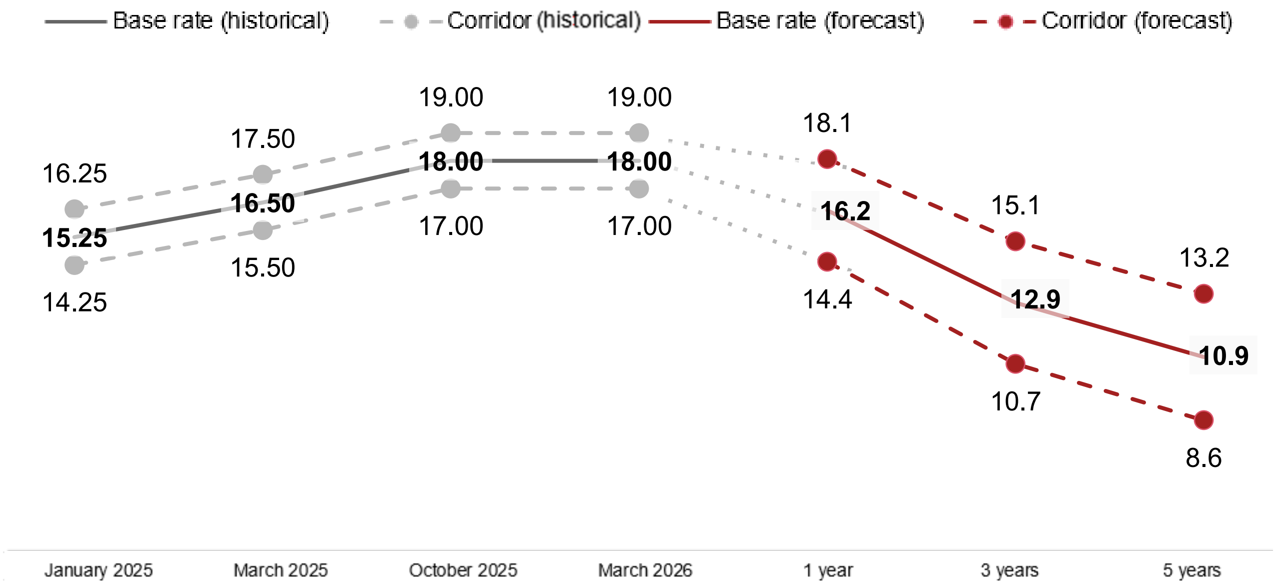
According to the data for the third quarter of 2025, the real annual household income amounted to USD 6.9 thousand, which is 1.1% lower than in the same period of the previous year (USD 7.0 thousand). According to the results of the sample employment survey for the fourth quarter of 2025, the number of people employed in the economy of Kazakhstan was 9.3 million people.** Of the total number of employed, 7.2 million (77.0%) were wage employees, while 2.1 million (23.0%) were self-employed. Compared with the same period of the previous year, total employment increased by 0.9% (81.9 thousand people), mainly due to growth in the number of wage employees.

** Notes: Based on the available at the time of publication data from stat.gov.kz, for the III quarter of 2025, on the share of expenses on population and wage statistics, as well as the share of food expenditures in monetary income.*
*** Main indicators of the labor market in the Republic of Kazakhstan based on data from stat.gov.kz*

IV – NBRK base rate forecasts

In your opinion, what are the most likely NBRK base rate indicators for the coming periods?

Figure 24. Actual and forecast level and corridor of the base rate, %



Source: Macroeconomic survey by Strategy&, Part of the PwC network, for 2nd half of 2025 and NBRK

Throughout 2025, the monetary policy of the National Bank of the Republic of Kazakhstan (NBRK) was characterized by consistent tightening, driven by the regulator's priority to contain inflationary pressure and stabilize inflation expectations.

In the first half of 2025, the base rate was at the level of 15.25–16.50% per annum, exceeding the levels observed in the corresponding period of the previous year (14.50–15.25%)*. At the start of the year, the base rate stood at 15.25% per annum. In March, the Monetary Policy Committee of the National Bank decided to raise the base rate to 16.50% per annum with a corridor of ±1 pp. This level was maintained in the following months amid intensifying inflationary pressure in the economy.

After annual inflation peaked in September (13% YoY), the parameters of monetary policy were revised. Thus, in October, the NBRK decided to raise the base rate to 18.00% with a corridor of ±1 pp. By the end of the year, inflation slowed primarily due to the dynamics of prices for non-food goods and services, supported by moderately tight monetary conditions, administrative tariff reductions, and the implementation of other measures to restrain price growth. However, inflationary pressure remained elevated, with inflation standing at 12.3% YoY in December. Under these conditions, the base rate was maintained at 18% per annum at subsequent meetings of the Monetary Policy Committee.

In his statement, the Chairman of the NBRK T.M. Suleimenov YoYd that "Economic activity in the country remains high. Domestic demand also remains elevated, despite declining real household incomes and a slowdown in consumer lending... The base rate is highly likely to be maintained at the current level during the first half of 2026. This is necessary to reduce inflation and anchor a sustainable disinflation trend."**

According to the results of the survey for the second half of 2025, experts expect a decrease in the base rate compared to the current level of 18.0% per annum over horizons of one to five years. Over a one-year horizon, respondents forecast the base rate at 16.2%, which is 0.9 pp above the expectations recorded in the report for the first half of 2025.

** Analysis based on the data from NBRK*
*** Statement by the Chairman of the National Bank of the Republic of Kazakhstan, T.M. Suleimenov, on the base rate of the National Bank, January 23, 2026*

Dialogue with experts

In your opinion, what economic risks and opportunities may arise from the entry into force of the new Tax Code in 2026?

“

There are risks, limited in scale and time, associated with adjustments in economic linkages due to the rather abrupt change in certain regulations affecting small businesses. However, these do not carry systemic implications.

- ***Almas Chukin***

“

The impact of the reform will be uneven: it may improve efficiency but at the same time may create short-term challenges for certain segments of the business sector. In particular, the simplification of procedures, the digitalization of processes, and greater transparency reduce transaction costs for businesses, making formal economic activity more attractive. This may lead to a gradual reduction in the scale of the informal economy, an expansion of the tax base, and stronger fiscal discipline. At the same time, increased fiscal pressure may result in some entrepreneurs, especially those operating in low-margin segments, choosing to move into the shadow economy.

- ***Kamilla Mamatova***

“

High inflation.

- ***Mukhamedkali Ospanov***

“

An increase in taxes will lead to an expansion of the shadow sector. An open empirical question of proportions?

- ***Andrey Tkachenko***

“

An increase in inflation in the short term, a short-term decline in business activity in certain segments of the economy.

- ***Anonymous***

“

The new tax code may significantly reshape the landscape of small and medium-sized businessesUnder conditions of high inflation and weak household income growth, tighter tax legislation may lead to a substantial contraction of the SME sector.

- ***Anonymous***

“

The new Tax Code carries short-term risks for investment and SMEs, but with a balanced implementation, it can improve fiscal sustainability.

- ***Anonymous***

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Appendix to the macroeconomic review

Summary table of indicators

Summary table of indicators

Section	Indicator	Period	Q1 – Q2 2024	Q3 – Q4 2024	Q1 – Q2 2025	Q3 – Q4 2025
Oil price	at the medians of minimum values	1 year	75.0	65.0	60.0	56.0
		3 years	65.0	60.0	50.0	55.0
		5 years	60.0	60.0	50.0	50.0
	at the medians of maximum values	1 year	90.0	82.5	80.0	75.0
		3 years	90.0	80.0	80.0	79.0
		5 years	85.0	85.0	85.0	80.0
	the lower 30% of minimum values	1 year	67.5	53.3	48.3	47.5
		3 years	61.3	41.7	46.7	40.0
		5 years	47.5	43.3	38.3	37.5
	the upper 30% of maximum values	1 year	102.5	90.0	91.7	87.8
		3 years	99.3	95.0	90.0	93.8
		5 years	100.0	96.7	93.3	100.0
USD/KZT exchange rate	at the medians of minimum values	1 year	450.0	500.0	505.0	500.0
		3 years	483.5	533.0	547.5	530.0
		5 years	500.0	565.0	581.0	550.0
	at the medians of maximum values	1 year	490.0	550.0	550.0	555.0
		3 years	527.5	615.0	600.0	606.5
		5 years	585.0	650.0	675.0	660.0
	the lower 30% of minimum values	1 year	436.3	486.7	500.0	470.0
		3 years	452.5	490.0	503.3	482.5
		5 years	462.5	490.0	581.0	483.8
	the upper 30% of maximum values	1 year	505.0	580.0	588.7	590.0
		3 years	567.5	680.0	673.3	680.0
		5 years	675.0	780.0	723.3	825.0
RUB/KZT exchange rate	at the medians of minimum values	1 year	5.0	4.8	5.6	6.0
		3 years	5.0	4.5	5.8	6.0
		5 years	5.2	4.9	5.5	5.8
	at the medians of maximum values	1 year	5.8	5.5	7.0	6.9
		3 years	6.0	5.7	7.4	7.0
		5 years	6.8	6.0	7.8	7.5
	the lower 30% of minimum values	1 year	4.2	4.4	4.7	5.2
		3 years	4.1	4.2	4.3	5.2
		5 years	4.2	4.1	4.3	5.0
	the upper 30% of maximum values	1 year	6.8	6.7	7.7	7.5
		3 years	7.9	7.2	8.5	10.3
		5 years	9.4	7.1	9.0	9.8

Summary table of indicators

Section	Indicator	Period	Q1 – Q2 2024	Q3 – Q4 2024	Q1 – Q2 2025	Q3 – Q4 2025
USD/RUB exchange rate	at the medians of minimum values	1 year	84.0	95.0	75.0	70.0
		3 years	94.0	103.5	80.0	74.0
		5 years	95.0	105.0	80.0	80.0
	at the medians of maximum values	1 year	99.0	110.0	95.0	87.0
		3 years	117.5	120.0	110.0	100.0
		5 years	140.0	120.0	118.0	107.0
	the lower 30% of minimum values	1 year	75.0	92.3	68.3	65.0
		3 years	75.3	76.7	64.0	62.5
		5 years	66.7	73.3	63.3	63.8
	the upper 30% of maximum values	1 year	123.3	143.3	111.7	107.0
		3 years	153.3	163.3	120.0	113.3
		5 years	266.7	203.3	150.0	136.3
CPI Expectations	at the medians of minimum values	1 year	7.3	7.0	10.0	10.0
		3 years	6.0	5.0	7.0	7.3
		5 years	5.0	5.0	6.0	6.0
	at the medians of maximum values	1 year	9.5	9.0	12.0	14.0
		3 years	8.0	8.2	12.0	12.0
		5 years	8.5	9.0	11.0	8.0
	the lower 30% of minimum values	1 year	6.8	6.5	8.7	9.1
		3 years	4.9	4.8	5.9	5.5
		5 years	4.3	4.2	5.0	4.5
	the upper 30% of maximum values	1 year	11.0	11.2	15.1	16.3
		3 years	10.0	11.3	14.3	14.8
		5 years	10.0	11.3	16.0	14.5
Base Rate Expectations	Base rate	1 year	11.5	14.3	15.3	16.2
		3 years	10.3	11.9	12.1	12.9
		5 years	9.3	9.9	10.8	10.9
	Corridor	1 year	1.4	1.1	1.3	1.9
		3 years	1.3	1.6	2.3	2.2
		5 years	1.7	2.3	2.5	2.3

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