



NATIONAL BANK OF KAZAKHSTAN

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On the publication of preliminary estimate of the balance of payments of the Republic of Kazakhstan for the 1st quarter of 2017

May 10, 2017

Almaty

In the first quarter of 2017, there was a reduction in the current account deficit; according to the estimation, the negative balance amounted to US\$ 1.1 billion. The deficit decreased 2.6 times relative to the previous quarter (by 9.3% relative to the 1st quarter of 2016).

There is an increase in revenues from the export of goods and accordingly in the income of foreign direct investors, against the backdrop of positive price dynamics in world commodity markets and the launch of production on the «Kashagan» oil field. The average price of Brent crude oil in the 1st quarter of 2017 was US\$ 54.1 per barrel (average price per barrel for the 1st quarter of 2016 was US\$ 34.4). The growth rate of exports of goods, outpaced the growth rate of imports, which ensured an increase in the positive trade surplus to US\$ 4.1 billion from US\$ 2.5 billion in the 4th quarter of 2016 or 1.5 times compared to 1st quarter of 2016.

Export of goods increased by 5.5% compared with the previous quarter and amounted to US\$ 11.0 billion. In comparison with the 1st quarter of 2016, export increased almost by 30% or by US\$ 2.5 billion, while the cost of exports of oil and gas condensate rose by 35.2%, ferrous and non-ferrous metals – by 63.4% and 24.2% respectively.

Import of goods decreased by 13.3% compared with the previous quarter which is partly due to the seasonal factor and amounted to US\$ 6.9 billion. In comparison with the 1st quarter of 2016, import of goods increased by 19.1%, the growth occurred in all groups of the main commodities nomenclature.

Income payable to foreign direct investors increased 1.5 times to US\$ 3.6 billion compared to the 1st quarter of 2016, and in general, the negative **investment income balance** in the 1st quarter of 2017 amounted to US\$ 3.8 billion. More than 40% of foreign direct investors' income was reinvested by them into the subsidiaries in Kazakhstan.

Net capital inflow of the **financial account** (excluding transactions with reserve assets of the National Bank) amounted to US\$ 1.7 billion.

On **foreign direct investment**, net capital inflow amounted to US\$ 1.9 billion and was due to the increase of Kazakhstani enterprises capital as well as to the increase in intercompany lending to affiliated companies.

The capital outflows was due to the growth of foreign assets of the National Fund of the Republic of Kazakhstan and other residents in foreign securities as well as due to the reduction of long-term loans by banks and nonbanking organizations.

As of March 31, 2017, the **reserve assets** (excluding assets of the National Fund of Kazakhstan) were estimated at US\$ 29.7 billion which cover funding of about 8.9 months of import of goods and services of the Republic of Kazakhstan.

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