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PRESS RELEASE



Fitch Affirms Kazakhstan's Rating at BBB with Stable Outlook

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The Fitch credit rating agency affirmed Kazakhstan's long-term foreign currency issuer default rating (IDR) at 'BBB' with a stable outlook, according to the Fitch ratings released on May 17, reported the agency.

The key rating factors include strong sovereign external and fiscal balance sheets that have been resilient to shocks, and financing flexibility underpinned by accumulated oil revenue savings.

"Set against these are its very high dependence on commodities, export concentration risk, high inflation, which partly reflects a less developed macroeconomic policy framework relative to 'BBB' peers, and weak governance indicators," reads the report.

Other factors include significant external buffers, foreign currency reserves, a stable fiscal position, low public debt levels, and moderate geopolitical risks.

The report notes that annual oil production of 89.9 million tons in 2023 "will be boosted by 12 million tons on completion of the Tengiz oil field expansion, expected in 2025, and will slightly decline thereafter due to aging fields."

Fitch sees the country as "at relatively low risk of broad-based secondary Western sanctions," due to the implementation of banking sector sanctions and re-export measures.

Fitch Ratings

The report indicates that Kazakhstan's GDP growth slowed to 3.8% in 2024, from 5.1% in 2023 "partly reflecting a cooling of investment, construction, and credit growth, and mild drag from the severe flooding in April in the north-west of the country."

The rating expects GDP growth to accelerate to 5% in 2025. "Progress on economic diversification includes the development of the middle-corridor transportation sector and securing of new renewable energy investment, but is not sufficient to markedly raise the share of non-energy GDP," it reads.