

Embargoed until 1200 ALMT (0600 UTC) 01 November 2023

# Tengri Partners Kazakhstan Manufacturing PMI®

## New orders fall for first time in 12 months

### Key findings

Renewed declines in output and new orders

Stocks of purchases rise at record pace as purchasing ramped up

Cost inflation hits seven-month high

Data were collected 12-24 October 2023.

The latest PMI® survey data from Tengri Partners and S&P Global signalled a drop off in customer demand during October, which resulted in renewed falls in both new orders and production. More positively, employment continued to rise and firms ramped up purchasing activity, leading to a record increase in stocks of inputs.

Meanwhile, there were widespread reports of higher raw material costs, resulting in the fastest rise in input prices since March. Output charge inflation also quickened.

The headline Kazakhstan Manufacturing PMI is a composite single-figure measure of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement in the sector.

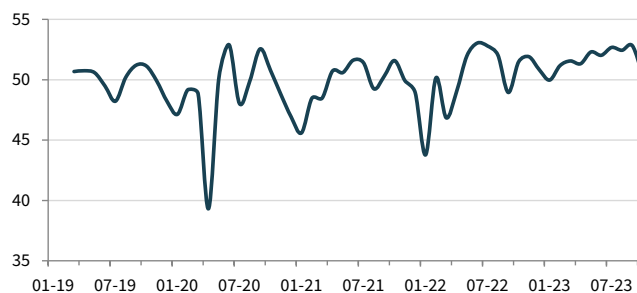
Although the headline PMI remained above the 50.0 no-change mark in October, at 50.3 the index was down from 52.8 and signalled only a marginal improvement in overall business conditions during the month. In fact, the latest figure was the lowest in the current nine-month sequence of above-50 readings.

Dragging down the headline index in October were reductions in the two largest constituent parts, namely new orders and output.

New business decreased for the first time in a year, with the modest fall representing a marked turnaround from the solid improvements in new work seen through much of 2023 so far. A similar picture was evident for production as solid growth in September gave way to a decline in October. The fall in

*continued...*

Tengri Partners Kazakhstan Manufacturing PMI®  
sa, >50 = improvement since previous month



Sources: Tengri Partners, S&P Global PMI.

### Comment

Anuar Ushbayev, Managing Partner and Chief Investment Officer at Tengri Partners said:

*"After a good run of growth it is concerning to see that come to an abrupt halt in October. Hopefully the drop in demand will prove to be just a blip rather than the start of a sustained downturn."*

*"Firms themselves were confident enough to keep raising employment and purchasing activity despite the slowdown, ramping up stocks to an extent previously unseen in almost five years of data collection."*

production was the first in eight months, and most marked since October last year.

The fall in new orders meant that some firms were left with unsold products held in stock, but the reduction in production cancelled this out, leaving stocks of finished goods unchanged.

Despite recording a drop in new business, manufacturers continued to expand their employment and purchasing activity. The increase in input buying was particularly sharp, and the fastest since May, while the pace of job creation was the softest in the current six-month sequence of rising workforce numbers.

The ramping up of input buying meant that growth of stocks of purchases hit a fresh record high for the second successive month. Firms were able to build inventories despite further reports of logistical difficulties causing longer suppliers' delivery times.

A combination of rising capacity and falling new orders meant that manufacturers were able to deplete backlogs of work again in October.

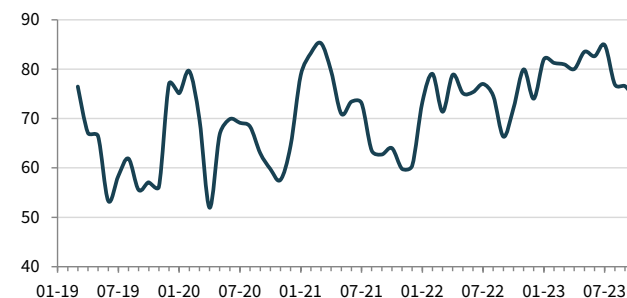
The rate of input cost inflation quickened for the second month running from August's record low and was marked. Panellists mainly linked rising input prices to higher raw material costs.

In turn, firms increased their own selling prices for the second month running. The pace of inflation quickened, but was still relatively modest.

Companies remained optimistic that output will increase over the coming year, with a number of firms reporting that new contracts were on the verge of being signed. There were some concerns raised about the weakness of demand in October, however, leading sentiment to dip to a one-year low.

Kazakhstan Manufacturing PMI Future Output Index

>50 = growth expected over next 12 months



Sources: Tengri Partners, S&P Global PMI.

## Contact

Ilias Tsakalidis  
Press Enquiries  
Tengri Partners  
[i.tsakalidis@tengripartners.com](mailto:i.tsakalidis@tengripartners.com)

Maxim Kryuchkov  
Tengri Partners  
[m.kryuchkov@tengripartners.com](mailto:m.kryuchkov@tengripartners.com)

Andrew Harker  
Economics Director  
S&P Global Market Intelligence  
T: +44-1491-461-016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
T: +44 (0) 7967 447030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

### Survey methodology

The Tengri Partners Kazakhstan Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### Survey dates and history

October data were collected 12-24 October 2023.

Data collection began in March 2019.

### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

### About Tengri Partners

Tengri Partners is a diversified Central Asia-based merchant banking group engaged in securities trading, capital markets, investment banking, investment management, commercial finance and principal investments.

### About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com).

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

### About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

[www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)