

# News Release

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## S&P Global Kazakhstan Manufacturing PMI<sup>®</sup>

### Output growth hits eight-month high in May

#### Key findings

Sharper rises in production and new orders

Employment and purchasing activity increase

Cost inflation eases further

An improving demand environment supported a strengthening of growth in the Kazakhstan manufacturing sector during May. A solid expansion of new orders fed through to a faster rise in output. In turn, firms increased their employment and purchasing activity.

Although input costs and output prices continued to rise, the respective rates of inflation were softer than the series averages.

The S&P Global Kazakhstan Manufacturing Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) rose to 52.2 in May from 51.5 in April, signalling a modest monthly improvement in the health of the manufacturing sector, and one that was the most marked since September last year. Business conditions have now strengthened in each of the past three months.

A key factor in the strengthening of business conditions in May was a solid and accelerated increase in new orders. The rate of growth hit a nine-month high amid widespread reports from panellists of customer demand improving. New business has risen continuously on a monthly basis since February.

The increase in new orders as the demand environment strengthened fed through to a third consecutive rise in production. Moreover, the rate of growth quickened to a solid pace that was the most marked since September last year.

Rising production requirements led manufacturers to increase both their employment and purchasing activity midway through the second quarter, while stocks of finished goods were accumulated.

Employment rose for the third month running, with a number of respondents indicating that extra staff had been hired on a full-time basis. The rate of job creation was only modest, however, and not sufficient to prevent a fractional build-up in backlogs of work as solid new order growth imparted some pressure on capacity.

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



Source: S&P Global PMI.  
Data were collected 10-23 May 2024.

#### Comment

Andrew Harker, Economics Director at S&P Global Market Intelligence, said:

"Growth in Kazakhstan's manufacturing sector moved up a gear in May, with output rising to the greatest extent since last September. The current expansion across the sector has now been sustained for three months, providing encouragement for firms to take on extra staff and build up holdings of inputs and finished products. It was particularly pleasing to see reports of firms hiring staff on a full-time basis.

"Part of the success firms are having in terms of demand likely in part reflects a relatively benign cost environment, with input prices rising at a pace much softer than seen on average since the survey began in 2019."

PMI<sup>®</sup>

by S&P Global

Meanwhile, input buying also rose for the third successive month and at a solid pace. The sustained increases in purchasing activity fed through to a further accumulation of stocks of inputs, though the latest rise was softer than the previous month's near-record high.

Where inputs were purchased, logistical issues continued to cause delays from suppliers. That said, the latest lengthening of lead times was only modest.

Suppliers also often increased their prices in May, with higher raw material costs leading to a further marked rise in input prices during the month. That said, the rate of inflation softened to an eight-month low and was much weaker than the series average.

Output prices also rose. Although reaching a three-month high, the pace of inflation remained only modest.

Manufacturers remained strongly optimistic regarding the prospects for output growth over the coming year, with sentiment well above the series average despite easing for the second month running in May. Optimism was often centred on hopes that demand conditions will continue to strengthen in the months ahead.

## PMI Input Prices Index

sa, >50 = inflation since previous month



Source: S&P Global.

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## Survey methodology

The S&P Global 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. Data collection began in March 2019.

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).

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