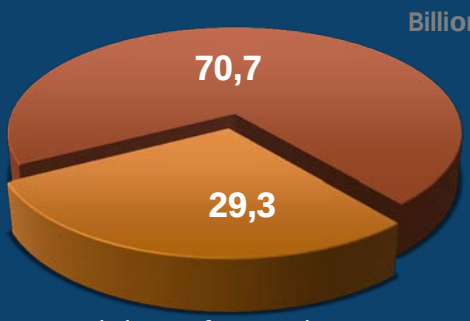
QazIndustry

MINING AND METALLURGICAL INDUSTRY

January-April 2021

KZT 3,3
BILLION



PVI

METAL ORE MINING – **100,2%**

METALLURGY - **103%**

US$2,6
BILLION



EXPORT



MARKET

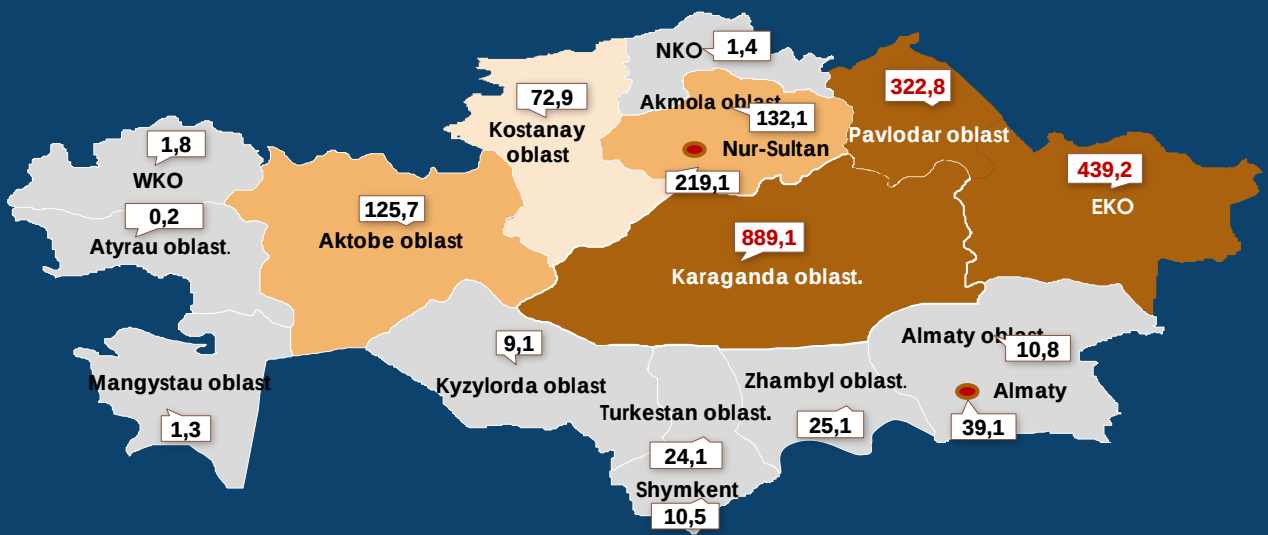
US$568
MLN



IMPORT

Market, export and import data for 3 months of 2021

PRODUCTION VOLUME BY REGION FOR JANUARY-APRIL 2021, BILLION KZT



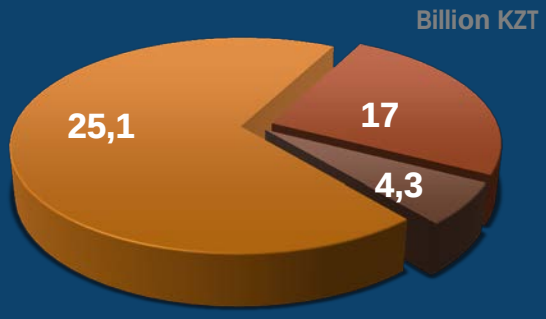
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LIGHT INDUSTRY

January -April 2021

KZT 46,4
BILLION

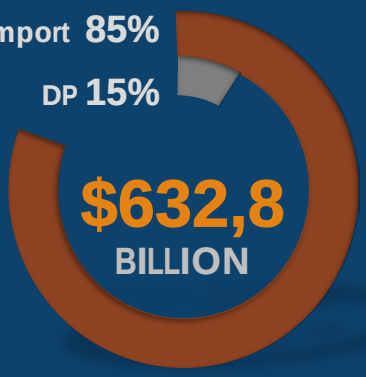


104,9%
PVI

US$ 14,7
MLN



EXPORT



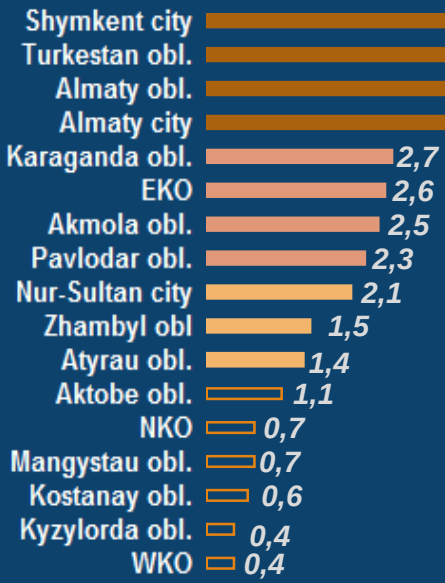
MARKET

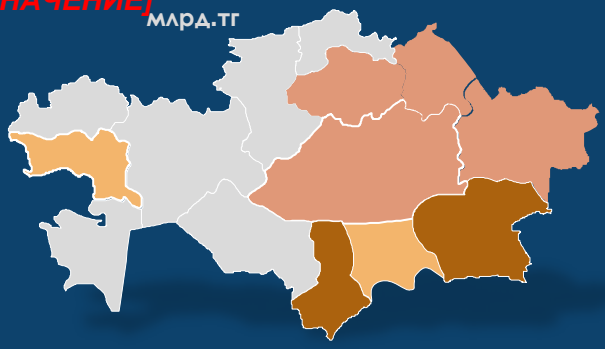
US$536,9
MLN



IMPORT

Market, Export and Import data for January-March 2021





PRODUCTION IN THE REGIONS

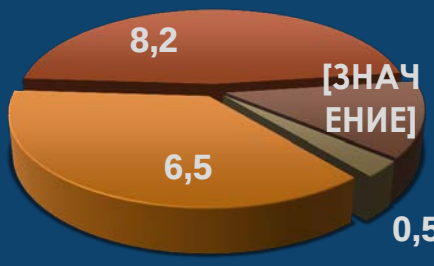
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FURNITURE INDUSTRY
January-April 2021

KZT 24,6
BILLION

млрд. тенге



119,5%
PVI

US$1,3 MLN.

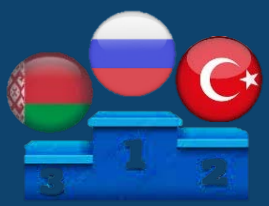


EXPORT



MARKET

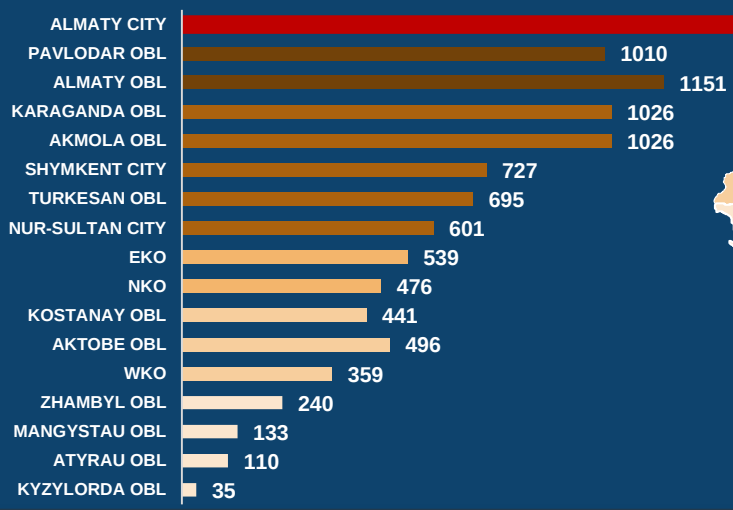
US$78,1
MLN.

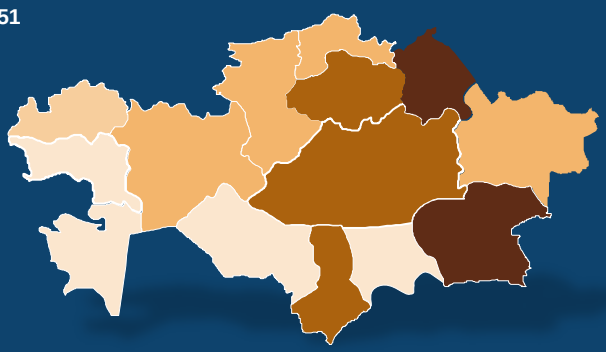


IMPORT

Data on the market, exports and imports for January-March 2021

PRODUCTION IN THE REGIONS, MLN KZT





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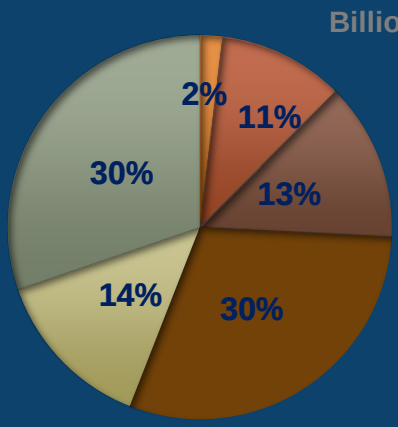
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MECHANICAL ENGINEERING
January -April 2021

KZT 648 BILLION

120,6% PVI

Billion KZT



- Computers, electrical and wholesale prod
- Electrical equipment
- Machinery and equipment
- Motor vehicles
- Other vehicles
- Repair and installation

US$277 MLN



EXPORT

Import 78,5%

DP 21,5%

US$3,9 BILLION

MARKET

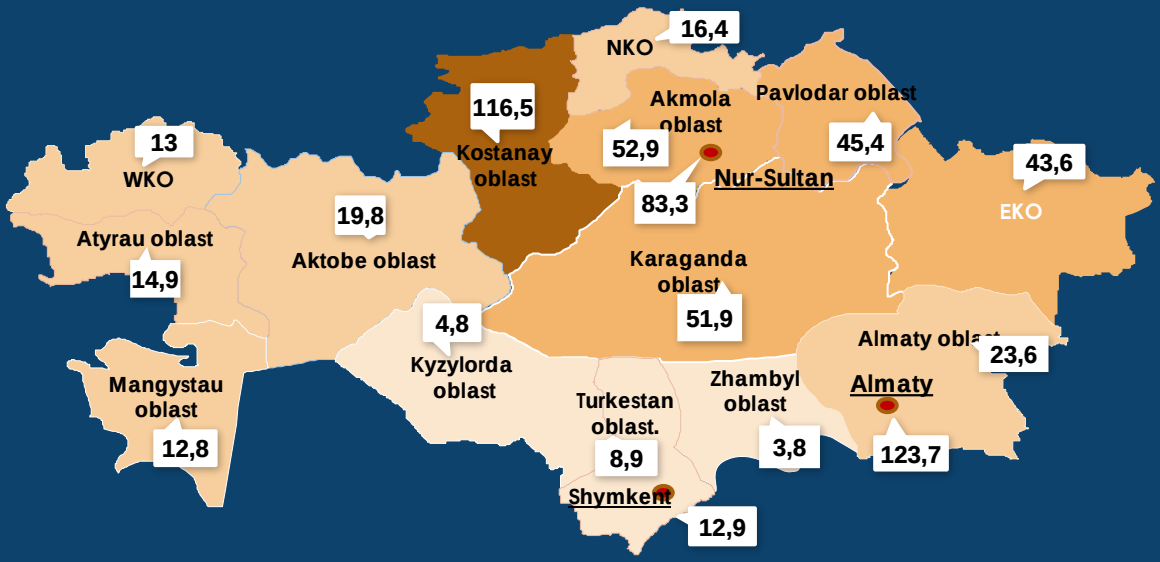
US$3 074 MLN



IMPORT

Data on the market, exports and imports for 3 months of 2021

PRODUCTION VOLUME BY REGION FOR JANUARY-APRIL 2021, BILLION KZT



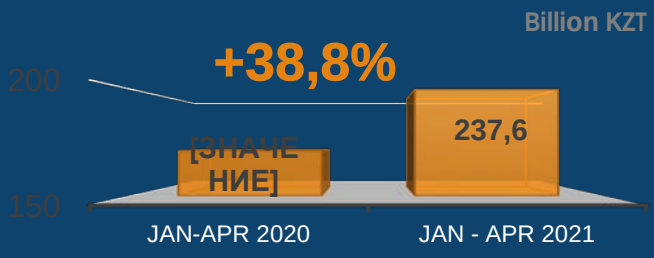
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PRODUCTION OF CONSTRUCTION MATERIALS

January - April 2021

KZT 237,6
BILLION



126,5%
PVI

US$ 46,2 MLN



EXPORT



MARKET

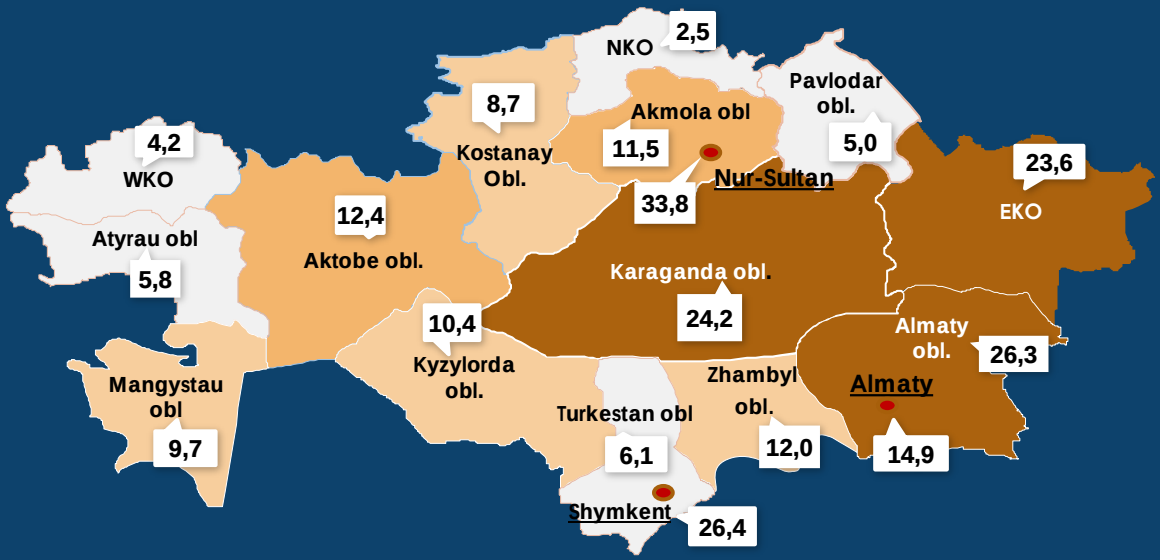
US$ 243,6 MLN



IMPORT

Data on the market, exports and imports for January-March 2021

PRODUCTION VOLUME BY REGION FOR JANUARY-APRIL 2021, BILLION KZT



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PHARMACEUTICAL INDUSTRY

January - April 2021

KZT 62,1 BILLION

13 thous.ton +19%
medicines containing alkaloids

843 ton +2,5 times
medicines containing antibiotics

126,2% PVI

52,5 ton +3,8 times
dressing materials

growth compared to the same period in 2020

US$18,6 MLN



EXPORT



MARKET

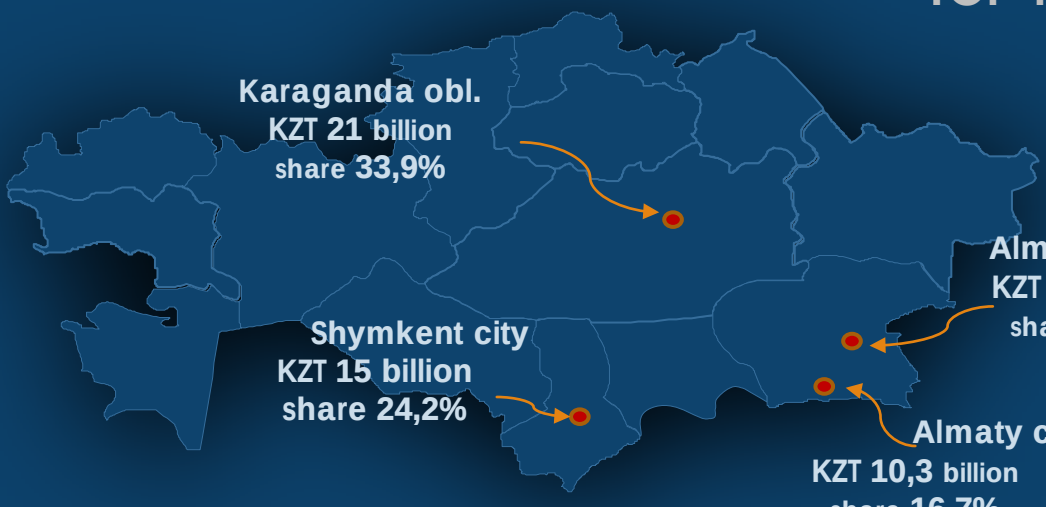
US$394, MLN



IMPORT

Data on the market, exports and imports for January-March 2021

TOP-PRODUCERS REGIONS



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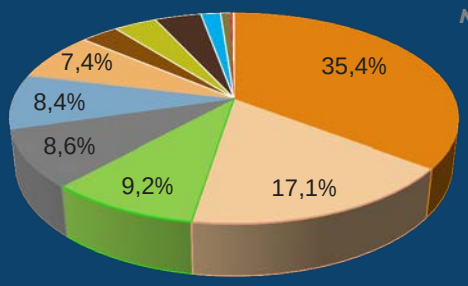
QazIndustry

CHEMICAL INDUSTRY

JANUARY - APRIL 2021

KZT 163,4

BILLION



111,2%

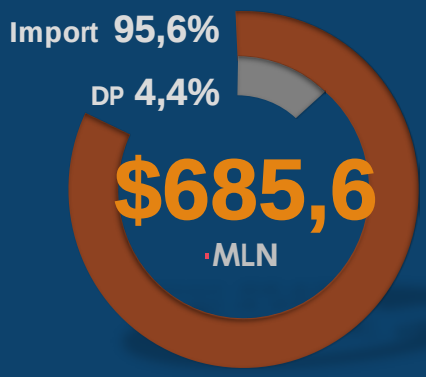
ИФО

US$257,9

MLN



EXPORT



MARKET

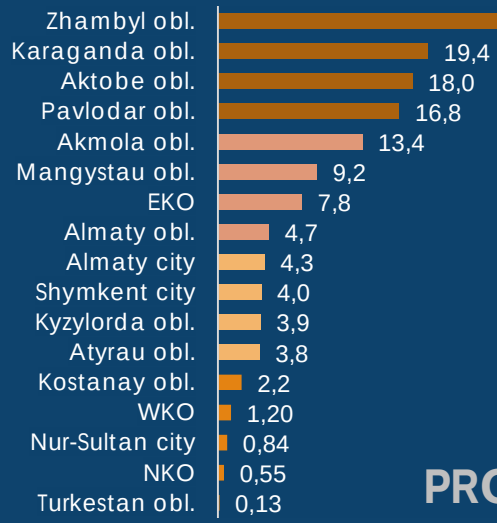
US$655,3

MLN



IMPORT

Data on the market, exports and imports for January-March 2021





PRODUCTION IN THE REGIONS

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Comments on the Mechanical Engineering digest

The volume of production of mechanical engineering products in the Republic of Kazakhstan in January — April 2021 in monetary terms **increased by 25%** compared to the same period in 2020 and amounted to **KZT 648 billion**, in real terms, there is also an increase in production by 20.6%. Significant growth was demonstrated by the other vehicles production sector by 1.8 times, the production of machinery and equipment, which are not included in other categories - 53%.

The PVI of mechanical engineering products for January - April 2021 was 120.6% compared to January - April 2020.

It should be noted a significant increase in the physical volume in the *Motor Vehicle Manufacturing sector +25.4%*. The growth of indicators was achieved as a result of state support in the form of cash tranches for the issuance of soft loans for the purchase of cars and the demand of the population, in 2021, the tranche amounted to KZT 20 billion.

PVI of the other vehicles Manufacturing (+49.7). Due to the production of railway locomotives and rolling stock (190.5%).

PVI of the machinery and equipment production (+42.5%), positive dynamics was maintained due to the early introduction of the recycling fee and, as a result, the launch of a number of assembly plants – on the basis of "Agromashholding KZ" JSC tractors of the Chinese brand LOVOL, a project for the production of tractors of the Kirovets brand was introduced. As well as the growth of production volumes at existing facilities (for example, on the basis of the Kokshetau Kazakhstan-Belarus industrial and Technological Park of agricultural and municipal equipment). PVI of the production of agricultural and forestry equipment (260.8%).

PVI of the production of computers, electronic and optical products (+52.3%) due to the production of computers and peripheral equipment and the production of communication equipment. The increase in the production of computer equipment was recorded due to the launch of the production of laptops and tablets in Petropavlovsk at the Kirov plant.

PVI of the production of electrical equipment (109.8%) due to the production of transformers (224.3%) and batteries (277.6%).

Exports of mechanical engineering products in January-March 2021 increased by 12.6%, amounting to **US $ 277 million**, including re-export products (aircraft, turbojet engines, tankers, etc.). The increase was due to both an increase in exports of domestic products and re-exports.

In the structure of exports, the main share of domestic manufacturers is accounted for batteries (5.0%), railway bogies (5.5%), bearings with cylindrical rollers (4.6%), vehicles (HS 870323,870322) (4.9%), other fittings for pipelines (1.5%), etc. Main export countries: Russia, Kyrgyzstan, Uzbekistan.

In January-March 2021, imports of mechanical engineering products increased by 13% and amounted to US $ 3,074 million. The growth was due to

the revival of the market, the launch of new projects and the increase in the purchasing power of the population.

The growth of import supplies is noted for vehicles (6.1%), telephones (5.5%), digital data processing units (2.4%), and other air pumps (2.2%). Main importing countries: Russia, China, Germany.

In January-March 2021, the volume of the machine-building market of the Republic of Kazakhstan amounted to US$ 3.9 billion, where the share of DP - 21.5%, and the share of imported products – 78.5%.

The industry is characterized by a high territorial concentration in: Nur-Sultan, Almaty, Kostanay, Karaganda and Akmola regions.

Comments on the MMC digest

The volume of production in the mining and metallurgical industry (MMC) of the Republic of Kazakhstan for January-April 2021 amounted to KZT 3.3 trillion, which in nominal terms is 43.5% higher than the same period in 2020. In the structure of the mining and metallurgical industry, the main share is non-ferrous metallurgy – KZT 1530.62 billion, followed by the production of ferrous metallurgy – KZT 789.2 billion and metal casting – KZT5.1 billion, while in the mining of metals, the main share is occupied by the production of non-ferrous ores – KZT 659.6 billion and followed by the production of iron ores - KZT 301.5 billion.

The PVI of the "production of metal ores" for January-April 2021 amounted to 100.2%. In the structure of metal ore production, the iron ore mining division accounted for 100.5%. Positive growth in the sector was achieved due to an increase in production of "iron ore (140%)" and "manganese ore (171.3%)". The PVI of the "mining of ores, except iron" increased to 100.2%. The positive PVI of the sector was formed due to the growth of the PVI of production of the main non-ferrous ores: copper (115.5%), aluminum (115.2%), gold (123.7%) and lead-zinc (131%).

The PVI of the "metallurgical production" for January - April 2021 amounted to 103%. The main growth was recorded due to two base metals, refined silver (112.9%), refined gold (122.9%), despite a significant decline in the PVI indicators of untreated aluminum (95.8%), unrefined untreated lead (94.9%), untreated zinc (97.4%) and refined untreated copper (99.4%). A slight increase in the iron and steel industry's PVI (102.7%) was due to the positive PVI of unrefined steel (117%) and flat rolled steel (123.6%). In this sector, there is a decrease in the production of non-alloy steel finned sheets (90.5%), ferroalloys (91%) and pipes of various diameters (99.8%). In

During January-March 2021, exports of metallurgical products increased by 23.6%, amounting to US$2.6 billion. In the structure of metallurgical products, the volume of exports of ferrous metallurgy increased by 39.9% compared to the previous year. Exports of non-ferrous metallurgy increased by 14.4% from US $ 1,336 million to US $ 1,528 million.

In the structure of exports of metallurgical products, the main volume falls on flat rolled products, ferroalloys and alumina. In the value structure, the growth of exports of the metallurgical industry was achieved due to an increase in exports of copper, ferroalloys and flat rolled products.

In January-March 2021 the main markets for metallurgical products of the RoK were China (31,9%), Russia (19,2%), United Kingdom (8.4%) and Turkey (7,4%).

In January-March 2021, the volume of imports of metallurgical products decreased in comparison with last year's figure of 5.6% and amounted to 568,1 million dollars. USA.

In the structure of imports of the metallurgical industry in January-March 2021, metal structures (32.4%), bars (21%) and flat rolled products (15.5%) dominated. The main suppliers of metallurgical products in Kazakhstan in January-March 2021 were Russia (83%), China (5.6%), Japan (2.9%) and Uzbekistan (2.5%).

For 3 months of 2021, the market volume of the metallurgical industry in the Republic of Kazakhstan amounted to US$ 3.7 billion, where the share of DP accounts for 84.5%, and the share of imported products – 15.5%.

The industry is characterized by a high territorial concentration in 3 regions: Karaganda, East Kazakhstan and Pavlodar oblasts. The share of the mining and metallurgical industry in Karaganda is about 38% of the total production in Kazakhstan. The share in the other 2 regions, East Kazakhstan oblast and Pavlodar oblast is 19% and 14%, respectively.

Comments on the Pharmaceutical Industry Digest

The main driving factor for the development of the industry was a steady increase in production volumes. In January-April 2021, domestic pharmaceutical enterprises produced products worth KZT **62.1 billion**: +48% compared to the same period in 2020. The industrial production index (PVI) was 126.2%.

Domestic enterprises **provide a high demand** for pharmaceutical products in the fight against coronavirus infection, which has influenced the significant growth of the following product groups: medicines containing antibiotics (+2.5 times), medicines containing alkaloids (+19%), dressings (+3.8 times).

For 3 months of 2021, the volume of the pharmaceutical market in the Republic of Kazakhstan amounted to **US$465.2 million** (*KZT 196.5 billion*), where the share of DP accounts for **15.3%,** and the share of imported products – 84.7%.

The volume of **exports for January-March 2021** increased by 47.6%, amounting to **US$18.6 million** . The increase was due to an increase in the supply of drugs consisting of mixed or unmixed products; drugs, sod. ascorbic acid (vitamin C) or nicotinic acid; veterinary vaccines; medicines, packaged in forms or packages for retail sale. The main export markets for Kazakhstan during the observed period were **Russia (55.9%), Uzbekistan (28.5%), and Turkey (1.6%)**.

In January-March 2021, the import of pharmaceutical products increased by 19% and amounted to US$ 394.1 million. The main reason for the increase in import volumes is due to the high demand for pharmaceutical products.

The production capacities of the Kazakhstan pharmaceutical industry are concentrated within four key regions and provided **95.3% of production volumes for January-April 2021**: Karaganda oblast (33.9%), Shymkent (24.2%), Almaty oblast (20.5%) and Almaty (16.7%).

Comments on the Furniture Industry Digest

The volume of production of furniture products in January-April 2021 amounted to KZT 24.6 billion, which in nominal terms is KZT 11.4 billion higher than in the same period of 2020. The PVI of the industry increased significantly during the reporting period and amounted to 119.5%. The growth of the PVI is ensured in all sectors of the industry. At the same time, the largest growth in production volumes is observed in the production of furniture for offices and trade enterprises (by 2.5 times), in the production of mattresses (by 1.6 times) and in the production of other furniture (by 1.6 times).

In January-April 2021, in physical terms, there was a significant increase in the volume of production of wooden office furniture (2.7 times), wooden furniture for dining and living rooms (1.4 times) and special seating furniture, mainly with a metal frame (by 35.5%), which contributed to a significant increase in the PVI of the industry.

At the same time, there was a decrease in the production of kitchen furniture by 8.8%.

In the territorial context, furniture companies are located in all regions of the country. At the same time, more than half of the country's furniture production is produced in Almaty (56.1%).

The domestic **market of furniture products consumption** in January-March 2021 amounted to **US$ 118.6 million** (KZT 49.8 billion), which is higher than in the same period of 2020 by US$ 32.4 million. At the same time, the share of products of domestic producers in the domestic market increased by 5.0 percentage points and amounted to 34.1%. Besides, the share of imported furniture products in total consumption decreased by 5.0 percentage points and amounted to 65.9%.

In general, it should be noted that in the context of the easing of quarantine measures against COVID-19, **domestic companies have begun to restore the lost shares of the domestic furniture market in the crisis.**

The volume of exports of furniture products in January-March 2021 compared to the same period in 2020 in monetary terms increased by 1.5 times and amounted to US$ 1304.1 thousand, and in physical terms - by 2 times and 650 tons, respectively.

The increase in the volume of exports of furniture products in the current year was facilitated by an increase in the volume of the domestic furniture industry products and an increase in demand for furniture products in neighboring countries.

In the commodity structure of the industry's exports, the main volume is accounted for plastic furniture (38.3%), wooden bedroom furniture (9.8%) and other metal furniture (9.0%). The main exports of furniture products were sent to Russia (52.7% of total exports or US$ 686.8 thousand), Kyrgyzstan (15.8% or US$ 206.4 thousand), Uzbekistan (12.9% or US$ 168.6 thousand), and Armenia (8.9% or US$ 116.1 thousand) and to Tajikistan (3.6% or US$ 47.3 thousand).

The volume of imports of furniture products in January-March 2021 in monetary terms compared to the same period in 2020 increased by 27.8% and amounted to US$ 78.1 million, and in physical terms – by 30.1% and 33.8 thousand tons, respectively. The main imported products of the furniture industry are other wooden furniture (US $ 20.7 million or 26.7% of total imports), wooden bedroom furniture (US $ 11.5 million or 14.7%), upholstered seating furniture with a wooden frame (US $ 8.9 million or 11.4%), other metal furniture (US $ 5.9 million), parts of furniture made of metal, wood, and other materials (US $ 5.3 million or 6.8%).

The main suppliers of furniture are Russia (48.6% of total imports), Turkey (14.0%), Belarus (11.0%), China (8.5%) and Italy (6.6%).

Comments on the Building Materials Digest

The volume of production of construction materials in the Republic of Kazakhstan for January-April 2021 amounted to KZT 237.6 billion, which in nominal terms is 38.8% higher than the same period in 2020 (KZT 171.2 billion).

The index of the physical volume of production in January-April 2021 was 126.5%. The growth in physical terms is noted for the following products: refractory products (+2.1 times); ceramic non-refractory bricks (+3.1 times); slag wool, silicate mineral wool and similar mineral wool (+2 times); commercial concrete (+52.2%); concrete products for construction purposes (+33.9%); tiles, slabs, bricks and similar products made of cement, concrete or artificial stone (+28.4%); construction solutions (+24.9%), etc.

Only one product showed a decrease in production volumes in physical terms: ceramic facing bricks (-21.6%).

Exports of construction materials for the period of January-March 2021 increased by 15.8% compared to the same period in 2020 and amounted to US$46.2 million. In physical terms, the volume of exports increased by 9.4% to 512.7 thousand tons, while for the same period last year it was at the level of 469.1 thousand tons. The main top export countries: Uzbekistan, Russia and Kyrgyzstan.

The import of construction materials to the domestic market in January-March 2021 amounted to US$ 243.6 million, showing an increase of 23% compared to the same period in 2020. In physical terms, the volume of goods amounted to 692 thousand tons, an increase of 34.3% compared to January-March 2020 (515 thousand tons). The main top importing countries are Russia, China and Turkey.

In January-March 2021, the volume of the construction materials market in the Republic of Kazakhstan amounted to US$ 763 million, where the share of DP accounts for 68%, and the share of imported products – 32%.

The largest volumes of production in value terms for the period under review fall on the cities of Nur-Sultan (KZT 33.8 billion), Shymkent (KZT 26.4 billion) and Almaty oblast (KZT 26.3 billion).

Comments on the Chemical Industry Digest

The volume of production of the chemical industry in January-April 2021 amounted to **KZT 164.3 billion, which is 2.3% lower** compared to the same period in 2020.

In the production of chemical products for the analyzed period, the main share was made up of Other inorganic substances-35.4%, Fertilizers and nitrogen-containing substances-17.1% and Other chemical products not included in other groups - 9.2%.

The physical volume index (hereinafter referred to as the **PVI**) for the analyzed period was **111.2%**. The largest increase in production volumes in physical terms is shown by goods: cement additives (3.4 times), paints and varnishes based on polymers (+16.8%), which is associated with an increase in construction work; caustic soda (2.1 times), sodium tripolyphosphate (+29.4%), detergents (+27.5%), hydrochloric acid (+18.5%), styrene polymers in primary forms (+9.2%), phosphorus fertilizers (+6%), ammonia (+4.6%) and polyurethanes in primary forms (+0.3%) due to increased consumer demand; chromium compounds: sodium bichromate (+20.9%), chromium oxide (+14.2%), chromium anhydride (+12.3%), which is associated with the restoration of production and sales of accumulated raw materials at AZCS JSC.

Exports of chemical products in January-March 2021 amounted to US$ 257.9 million and shows a slight increase of 3.4% compared to the same period in 2020. The main export countries are Russia (18%), Germany (8%) and Uzbekistan (7%).

Imports of chemical products in January-March 2021 amounted to US$655.3 million, which is 2.2% higher compared to the same period of the same indicator in 2020. The main importing countries are Russia (51%), China (15%) and France (4%).

The market volume of chemical products for January-March 2021 amounted to **US$ 685.6 million** (KZT 287.7 billion). During the analyzed period, there was a sharp decline in the share of domestic producers (DP), which is associated with a decrease in production and the exchange rate of the national currency by 7.7%, as well as an increase in imports. The share of DP was **4.4%,** which is **2.3 times lower** than in the same period last year. The share of imported products increased by 6.3% and amounted to 95.6% (Table 3).

The largest volume of production of chemical products in January 2021 is observed in the following regions: Zhambyl (32.6%), Karaganda (11.9%), Aktobe (11.0%) and Pavlodar (10.3%) oblasts.