+44 20 8123 2220
info@marketpublishers.com

Kazakhstan and Central Asia Business Forecast Report Q1 2015

https://marketpublishers.com/r/K4ADA0890C3EN.html
Date: November 2014
Pages: 38
Price: US$ 1,195.00 (Single User License)
ID: K4ADA0890C3EN

Abstracts

Core Views

Kazakh economic activity will slow in 2015 and 2016 as production issues at the Kashagan oil field hurt export revenues and private consumption is constrained by rising inflation. However, the outlook over our 10-year forecast period has improved, with the government committing USD5.5bn to promoting economic diversification, a crucial step in weaning Kazakhstan off its hydrocarbon reliance.

The increasing frequency of ethnic violence in southern Kyrgyzstan will continue to damage the country's security profile. This will in turn discourage long-term foreign investment and threaten the longevity of the government in Bishkek.

Tajikistan faces two significant security threats in the years ahead; the return of insurgents following the ISAF withdrawal from Afghanistan, and the escalation of border tensions with Kyrgyzstan. These threats will lead to the government forging closer ties with Russia, which already has troops in Tajikistan, while also seeking further security support from rising power in the region, China. Rising natural gas export revenues will continue to support strong economic growth in Turkmenistan over the course of our 10-year forecast period. While an end to petrol subsidies will likely constrain private consumption growth, this will be more than offset by production from the vast Galkynysh gas field and rising fixed investment from China, the largest investor in Turkmenistan's hydrocarbons sector.

We do not see the recent limited transfer of powers to the Prime Minister in Uzbekistan as a sign that President Islam Karimov has outlined a clear succession strategy or is willing to de-centralise power from his office. While we expect Karimov to remain in

power following 2015 presidential elections, uncertainty regarding succession will continue to damage the country's investment profile.

Major Forecast Changes

Tajikistan's exposure to the Russian economy will dampen economic growth over the coming quarters. We have downgraded our forecasts for real GDP growth to 5.1% in 2015 and 2016, from 5.9% and 5.8% respectively, due to the likelihood of uncertainty in Russia weighing on remittance inflows into Tajikistan.

Kazakhstan's reliance on hydrocarbons is a key factor behind the downward revision of our real GDP growth forecast for 2015 to 5.0%, from 5.4% previously. Our Oil & Gas team projects the value of total net oil exports to fall from an estimated USD53.8bn in 2012 to USD48.2bn in 2015 due to slowly declining global oil prices, as well as ongoing production delays at the vast Kashagan oil field in the Caspian Sea.

+44 20 8123 2220
info@marketpublishers.com

Contents

Kyrgyzstan will remain one of the most vulnerable states in Central Asia to an uptick in both domestic and external political risks in the years ahead. Kyrgyzstan's democratically elected government remains weak and fractured, hindered by ethnic strife in the south of the country, border disputes with neighbouring states, and the ongoing regional 'great power' struggle between China and Russia.

Table: Political Table

CHAPTER 2.2: ECONOMIC OUTLOOK - KYRGYZSTAN

Economic Activity

Lack Of Diversity To Dampen Growth

Kyrgyzstan's over-reliance on gold exports and remittances, combined with a fragile political environment, will restrict growth and ensure that the economy remains highly exposed to external shocks over the coming years.

Table: GDP Contribution To Growth

CHAPTER 3.1: POLITICAL OUTLOOK - TAJIKISTAN

Domestic Politics

Investor Conference A Step In The Right Direction

Tajikistan held its first international investment conference on October, and along with other signs of reform momentum, this will boost the country's standing and attractiveness to the international investor community. However, the remaining structural problems of the economy and the business environment means that we will not see a significant boost to foreign investment any time soon.

Table: Political Overview

CHAPTER 3.2: ECONOMIC OUTLOOK - TAJIKISTAN

Economic Activity

Exposure To Russia Rearing Its Head

Real GDP growth in Tajikistan will be curtailed by Russia's economic slowdown and weakening rouble. This will reduce the volume and value of remittance flows to Tajikistan over the coming quarters.

Table: Economic Activity

CHAPTER 4.1: POLITICAL OUTLOOK - TURKMENISTAN

Domestic Politics

Assessing The Threat Of Insurgency
Turkmenistan remains relatively isolated from the threats of the Taliban in Afghanistan and Islamic State in the Middle East, but the country's porous borders, lack of a battle-tested military and vast gas network make it an attractive target for any jihadist group seeking to establish a foothold in Central Asia. It is not our core scenario for an organised insurgency to develop, but we believe Turkmenistan's defences could be increasingly tested over the coming quarters.
Table: Political Overview

CHAPTER 4.2: ECONOMIC OUTLOOK - TURKMENISTAN

Economic Activity
Transport Investment To Assist Diversification Efforts
The hydrocarbon sector will remain the main driver of Turkmen economic growth as production levels continue to ramp up as the Galkynysh natural gas field continues to ramp up production. The government's sustained push at investing in transport infrastructure should also bolster economic growth and assist economic diversification.
Table: Economic Activity

CHAPTER 5.1: POLITICAL OUTLOOK - UZBEKISTAN

Domestic Politics
Succession Uncertainty, Security Risks Weigh On Political Outlook
Succession uncertainty in Uzbekistan will continue to have a damaging effect on the investment climate, especially amid regional instability and rising external security threats which could amplify the destabilising impact of any internal power struggle in the coming years.
Table: Political Overview
Table: Operational Risk Index

CHAPTER 5.2: ECONOMIC OUTLOOK - UZBEKISTAN

Economic Activity
Resilient To Regional Headwinds
While weaker external demand and foreign remittances will impede more robust GDP growth in Uzbekistan in the short term, the country will be able to weather regional headwinds without a significant deceleration of real GDP growth rates. That said, we continue to expect a gradual, long-term decline in growth potential.
Table: Economic Activity

+44 20 8123 2220
info@marketpublishers.com

CHAPTER 6: BMI GLOBAL ASSUMPTIONS

+44 20 8123 2220
info@marketpublishers.com

I would like to order

Product name: Kazakhstan and Central Asia Business Forecast Report Q1 2015

Product link: https://marketpublishers.com/r/K4ADA0890C3EN.html

Price: US$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/K4ADA0890C3EN.html