

COUNTRY PROFILE



Kazakhstan

GLOBAL RANK: 56th of 104



Relatively strong education and low costs of starting a business earn Kazakhstan an Economic Competitiveness score of 40th. However, Kazakhstan's poor political rights and health scores leave it at 74th for Comparative Liveability, and reduce its rank to 56th place overall.

● BACKGROUND

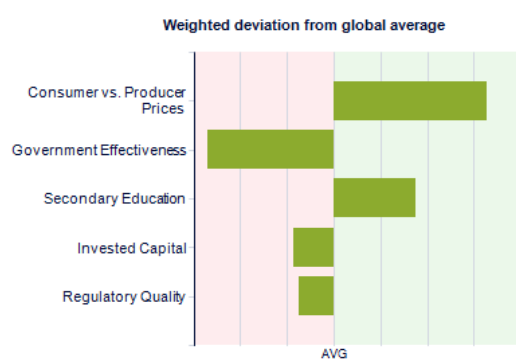
This landlocked former Soviet republic has the largest economy in Central Asia, with vast reserves of minerals and fossil fuels. Kazakhstan is a major supplier of oil to western China, and oil production is expected to increase substantially over the next decade, with the opening of the huge Kashagan oilfield. An expanding middle class is fuelling a retail and construction boom in the cities of Astana and Almaty. Politically stable since independence in 1991, Kazakhstan is a nominal democracy in which power is monopolised by one party. Its state health system is underfunded and inefficient, and rates of tuberculosis infection are very high.

FAST FACTS

Population:	15.3 million (2008 est.)	FDI (net inflow):	4.04% (2006 est.)
Life Today	5.6 (2007 est.)	Exports	49.96% (2006 est.)
GDP (PPP)	\$167.6 billion (2007 est.)	Imports	30.81% (2006 est.)
GDP (Growth)	8.5% (2007 est.)	Unemployment:	7.3% (2007 est.)
GDP (per Capita)	\$11,100 (2007 est.)	Life Expectancy	67.55 years (2008 est.)
Political System:	Republic; Authoritarian Presidential Rule, with little power outside the executive branch		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

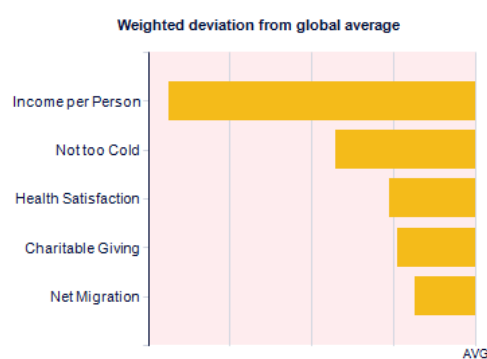
ECONOMIC COMPETITIVENESS



The Kazakh economy has recovered from the sharp contraction that followed independence in 1991. Partly as a result of high global prices that greatly increased revenue from oil and mineral exports, growth rates have approached or exceeded 10% in every year since 2000.

There is a competitive business environment created, in part, by low cost of starting a business. This, along with the impetus provided by the good mass educational achievement of an average 3.67 years of secondary education per worker, fosters an entrepreneurial spirit. Movements in relative price levels also suggest a degree of competitiveness in domestic markets, as

COMPARATIVE LIVEABILITY



In terms of Comparative Liveability, low incomes are the greatest challenge, impeding a great number of the other drivers of growth.

The country inherited an extensive system of public health provision at the end of the Soviet era but a sharp fall in state revenues left these unaffordable. This has contributed to a decline in health-adjusted life expectancy, particularly amongst men, which now stands at 55.9 years. The state has struggled to respond to a number of health challenges, including tuberculosis infection and surging levels of HIV/AIDS, and the Gallup World Poll shows that many citizens are dissatisfied with their state of health.

At these low levels of income, a cold climate has a detrimental

testified to by the good ratio for consumer to wholesale prices.

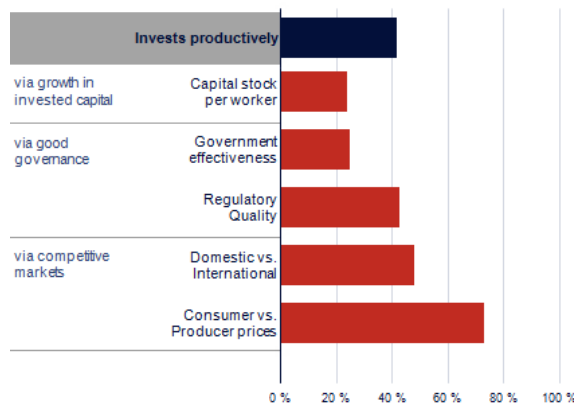
However, these strengths are not reflected in correspondingly high levels of commercialisation of innovation. There is a dearth of highly-skilled research labour, and commodity exports comprise more than one-third of Kazakhstan's GDP, posing risks for job creation and diversification in other sectors of the economy.

Although Kazakhstan began to adopt liberal economic reforms much faster than many of its Central Asian neighbours, government effectiveness and regulatory quality remain low and will need to be tackled to allow further increases in the material wealth of the country.

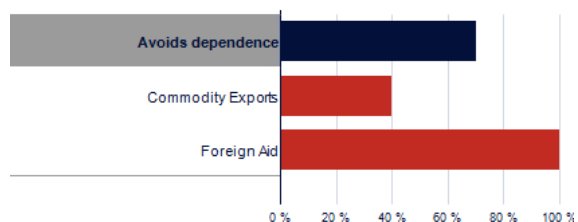
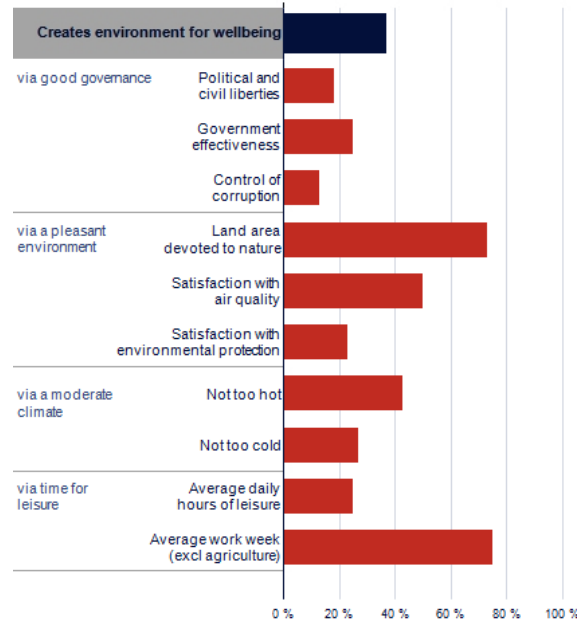
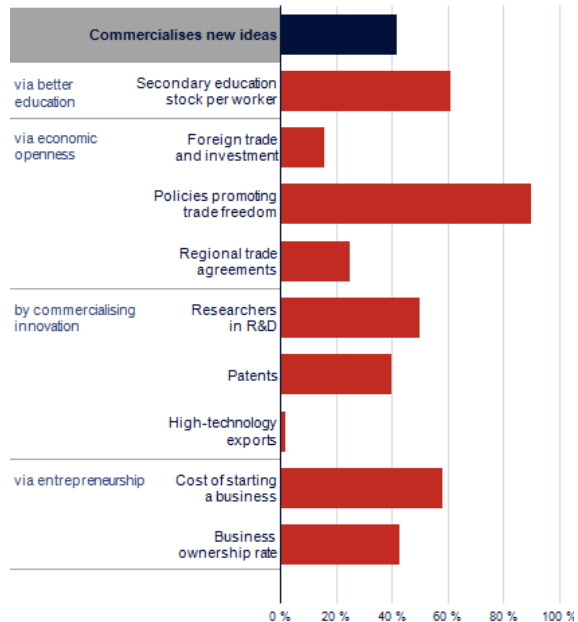
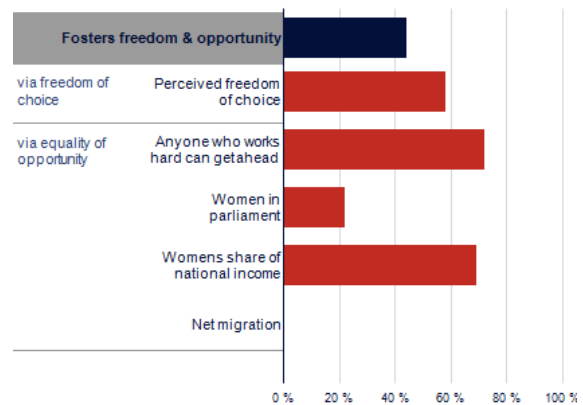
influence on life satisfaction, as people are less able to access good housing and other means to protect against the cold. Similarly, the lack of disposable income may have a negative impact on the level of charitable giving: according to Gallup, only 6%⁹ of Kazaks had donated to charity in the preceding month.

One further aspect which exerts a significant negative impact on Kazakhstan's prosperity is the high rate of divorce, which together with high levels of widowhood, results in a low score for family life.

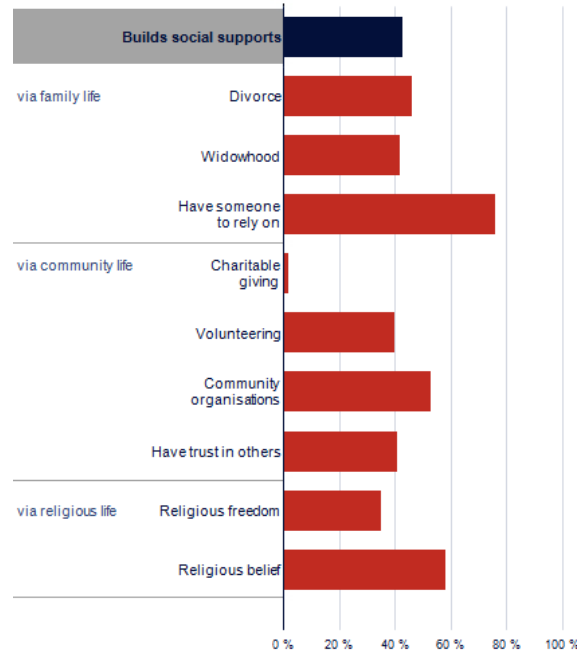
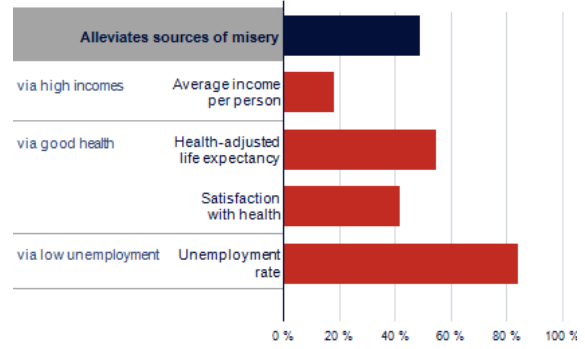
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.