

5 March 2025

# FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI<sup>®</sup>

## Business activity rises only fractionally in February

5 March 2025

# FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI®

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## About the report

The Freedom Holding Corp. Kazakhstan Services PMI® provides a timely snapshot of service sector performance. The report tracks monthly changes in activity, demand, employment and prices, compiled from survey responses from a representative panel of service providers.

# KEY FINDINGS

February 2025

Growth in business activity moderates

Cost inflation continues to trend up

Confidence highest in 11 months

Freedom Holding Corp.  
Kazakhstan Services PMI  
Business Activity Index  
February 2025

**50.2**

The Services PMI Business Activity Index is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, and is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The index is seasonally adjusted. For more information on the PMI survey methodology, click [here](#).



# BUSINESS ACTIVITY RISES ONLY FRACTIONALLY IN FEBRUARY

**Although business activity and new orders continued to rise in the Kazakhstan services sector in February, respective rates of expansion were only marginal.**

In fact, the Freedom Holding Corp. PMI<sup>®</sup> produced by S&P Global noted that the latest gains in new business and activity were the weakest in the current four- and two-month sequences of growth, respectively.

A softer increase in services activity was accompanied by intensifying inflationary pressures. The rates of inflation were historically strong, as sharply rising cost burdens fed through to a stronger increase in charges. On a more positive note, forecasts for activity over the next 12 months were the strongest in almost a year.

The headline figure is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase and below 50 a decrease. The index is adjusted for seasonal variation.

The headline index was only just above the neutral 50.0 threshold, registering at 50.2 in February, down from 51.3 the previous month. Growth in activity was only fractional, in line with a milder increase in new business, according to anecdotal evidence.

Indeed, the latest rise in new business was marginal and the weakest in the current four-month sequence of growth.

Respondents noted that while improving demand, new projects wins and the

introduction of new services boosted sales, this was partially hampered by rising competitiveness within the market.

Despite concerns of growing competition, businesses continued to raise their charges for the provision of services in February. In fact, the rate of output charge inflation quickened for the third straight month to the fastest since the start of last year.

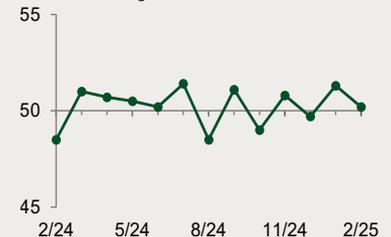
The rise in charges was largely attributed to growing cost burdens which rose rapidly and at the strongest rate in 11 months. Contributing to the higher uptick in prices were general cost increases and higher salaries.

Despite growth of output and new orders slowing midway through the opening quarter of the year, Kazakh service providers were highly confident regarding activity for the coming 12 months. The level of optimism rose for the fifth consecutive month to the strongest for almost a year. Sentiment was also above the six-year series average.

The historically strong degree of confidence across the sector was supported by expectations of improved demand trends, along with plans for advertising, investment in new machinery and the introduction of new services.

As a result, while job creation slowed in February in line with the picture for new orders, the continuous growth in new business and expectations of increased business activity prompted services firms to continue expanding their staffing levels for the sixth consecutive month. That said, the pace of job creation eased from the recent peak seen in January.

Freedom Holding Corp. Kazakhstan Services PMI Business Activity Index, sa, >50 = growth m/m



Data were collected 10-25 February 2025. Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

# COMMENT

**Yerlan Abdikarimov, Director of Financial Analysis Department at Freedom Finance Global PLC (100% subsidiary of the Freedom Holding Corp.):**

"In February 2025, the service sector in Kazakhstan, unlike the manufacturing industries, experienced a slowdown in business activity following the January recovery. The current PMI index barely exceeded the neutral level of 50.0. Minimal growth in new business was observed, the weakest

in the past four months, with firms citing increasing competition. Cost pressures were the strongest in nearly a year: not only overall costs but also labour costs rose. At the same time, service companies passed on increased costs to customers to a greater extent than manufacturers did. Nevertheless, we see that despite increased uncertainty during the period of economic reforms in the country and rapidly changing market conditions, sector representatives raised their expectations for the next 12 months to an 11-month high, betting on improved demand and the implementation of new projects."

## Contact

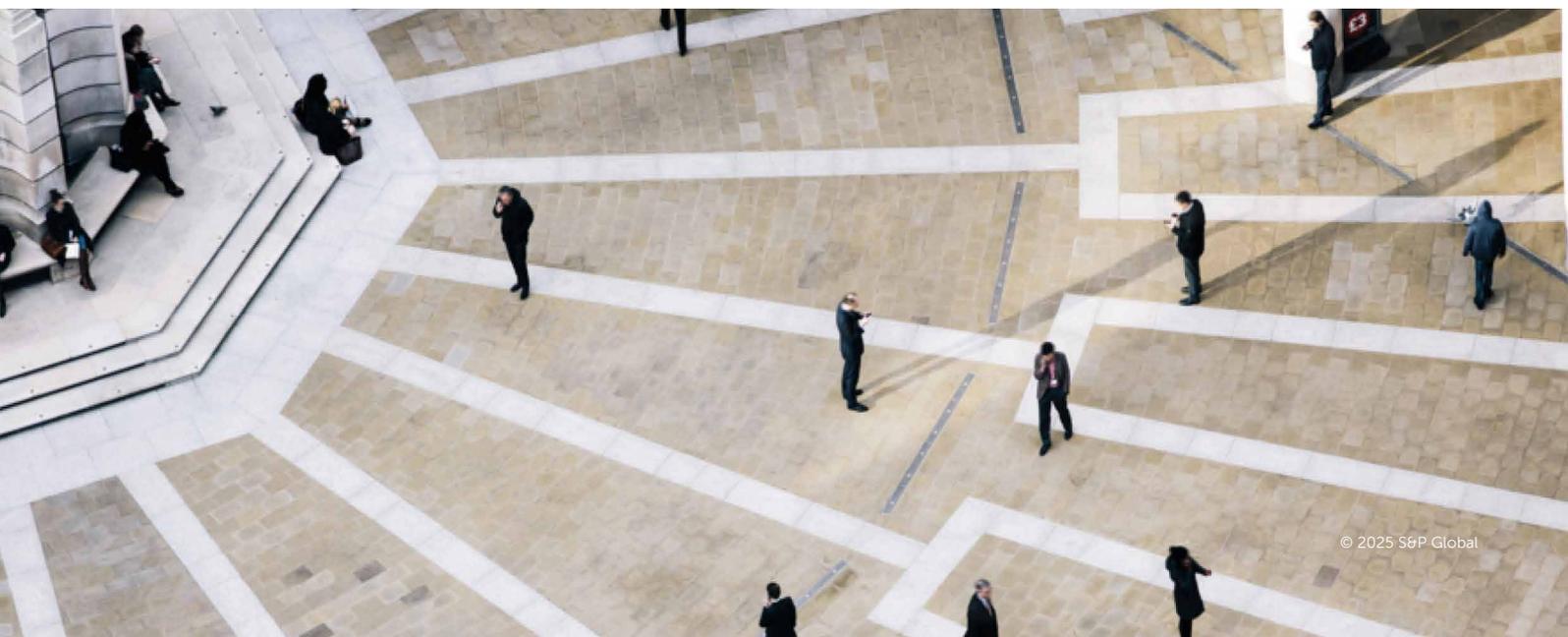
Yerlan Abdikarimov  
Financial Analysis Department  
Director, Freedom Finance Global PLC  
[Yerlan.abdikarimov@ffin.kz](mailto:Yerlan.abdikarimov@ffin.kz)  
Freedom Holding Corp.

Freedom Holding Corp. Kazakhstan Services PMI Business Activity

Index, sa, >50 = growth m/m. Dots = long-run average.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



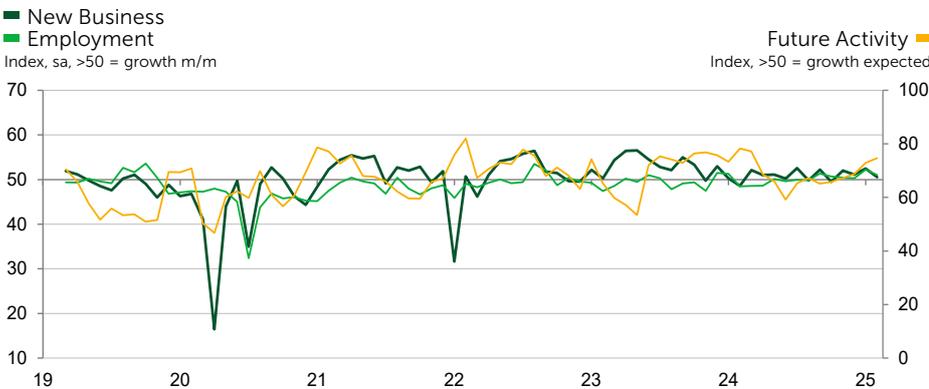
# DEMAND, EMPLOYMENT AND OUTLOOK

## Growth in new business cools, but confidence levels strengthen again in February.

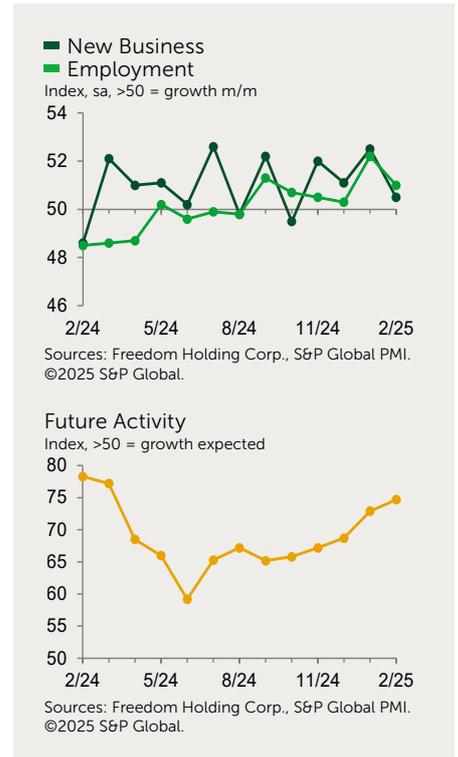
New business rose for a fourth consecutive month in February. Companies that reported growth attributed it to the initiation of new projects and a trend of improving demand. However, the latest rise was only marginal, and the weakest in the aforementioned sequence, as growing competition limited the ability of firms to secure new orders.

Nonetheless, sustained expansion in new business meant that employment rose for a sixth straight month in February. The pace of job creation was modest, but moderated from January's recent peak.

Confidence in the year ahead outlook for activity improved further in February to its highest level since March last year. Over half of panellists expected business activity to rise in the next 12 months, with companies often hoping that improved demand trends will lead to greater activity. Firms also mentioned plans for marketing, signing new projects, investing in new equipment and introducing new services.



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.



# INFLATION

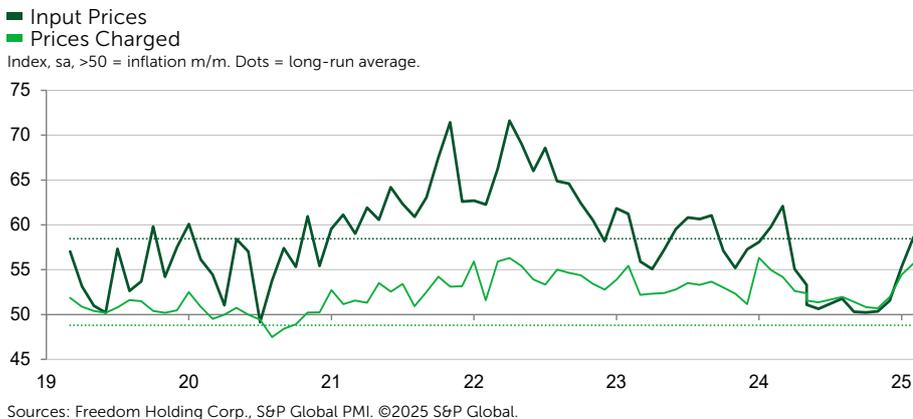
**Cost pressures intensified in February, leading to services firms raising their charges at a quicker pace.**

Since hitting a recent low in October 2024, the rate of input price inflation has accelerated in four consecutive months, with the latest increase in costs the fastest in almost a year. According to anecdotal evidence, general price hikes and growing labour costs were key reasons for February's rise in input prices.

With respondents often linking higher selling prices to rising costs, charges

were also raised sharply and at a faster pace. The rate of output price inflation was the strongest in 13 months.

Prices pressures across Kazakhstan's service sector were historically strong.



# KAZAKHSTAN COMPOSITE PMI<sup>®</sup>

## Kazakh private sector activity growth cools

The Kazakhstan Composite PMI Output Index signalled a rise in activity for a fourth straight month in February. At 50.7, down from 51.3 in January, the index reflected only a slight uptick, which was also the weakest in the current sequence of growth.

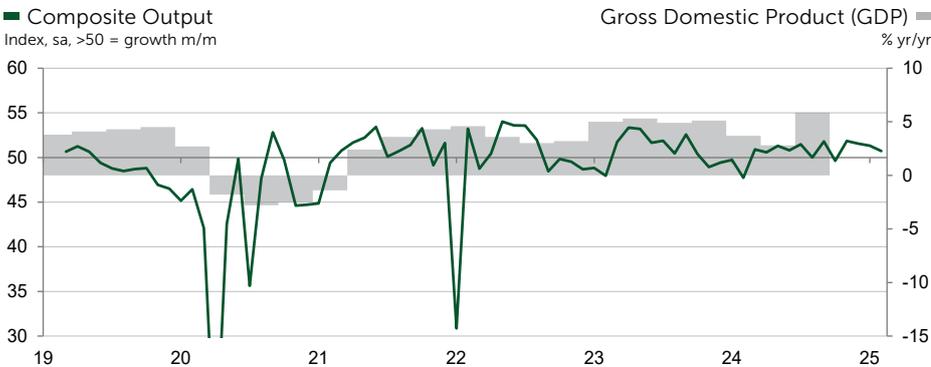
Underlying data noted that a cooldown in growth of service sector activity partially offset a stronger rise in manufacturing production. The trend in new business mirrored that for output, with the pace of growth moderating in the latest survey period.

The employment picture continued to improve, with growth marked for a tenth straight month. That said, the pace of job creation lost momentum from the recent high observed at the start of the year.

Confidence regarding the outlook for the year ahead reached an 11-month high and was historically strong.

However, February data also revealed intensifying price pressures. In fact, both tracked sectors recorded stronger rates of input cost and output price inflation.

Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Kazakhstan Composite Output Index is a weighted average of the Kazakhstan Manufacturing Output Index and the Kazakhstan Services Business Activity Index.



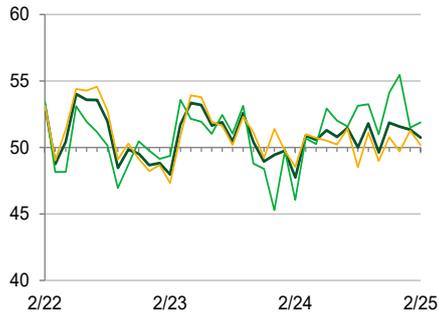
Sources: Freedom Holding Corp., S&P Global PMI. Agency of Statistics of the Republic of Kazakhstan via S&P Global Market Intelligence. ©2025 S&P Global.



**Composite**

**Output**

Index, sa, >50 = growth m/m

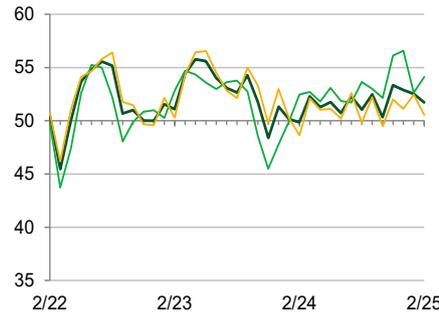


Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Manufacturing**

**New Business**

Index, sa, >50 = growth m/m

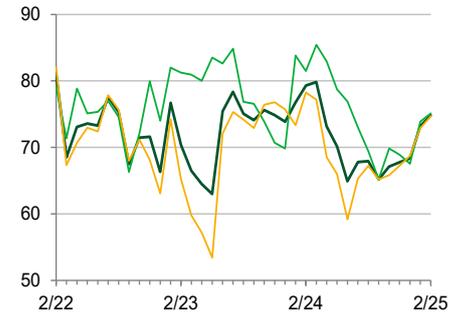


Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Services**

**Future Output**

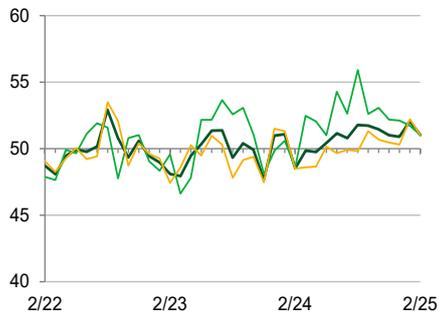
Index, >50 = growth expected



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Employment**

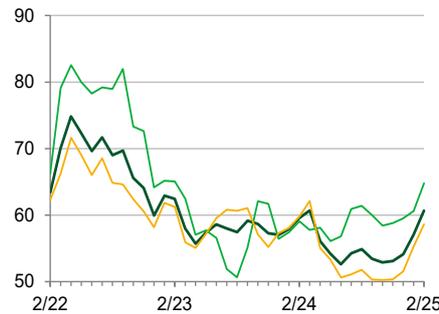
Index, sa, >50 = growth m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Input Prices**

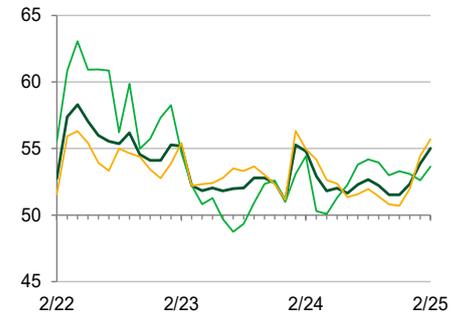
Index, sa, >50 = inflation m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Output Prices**

Index, sa, >50 = inflation m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

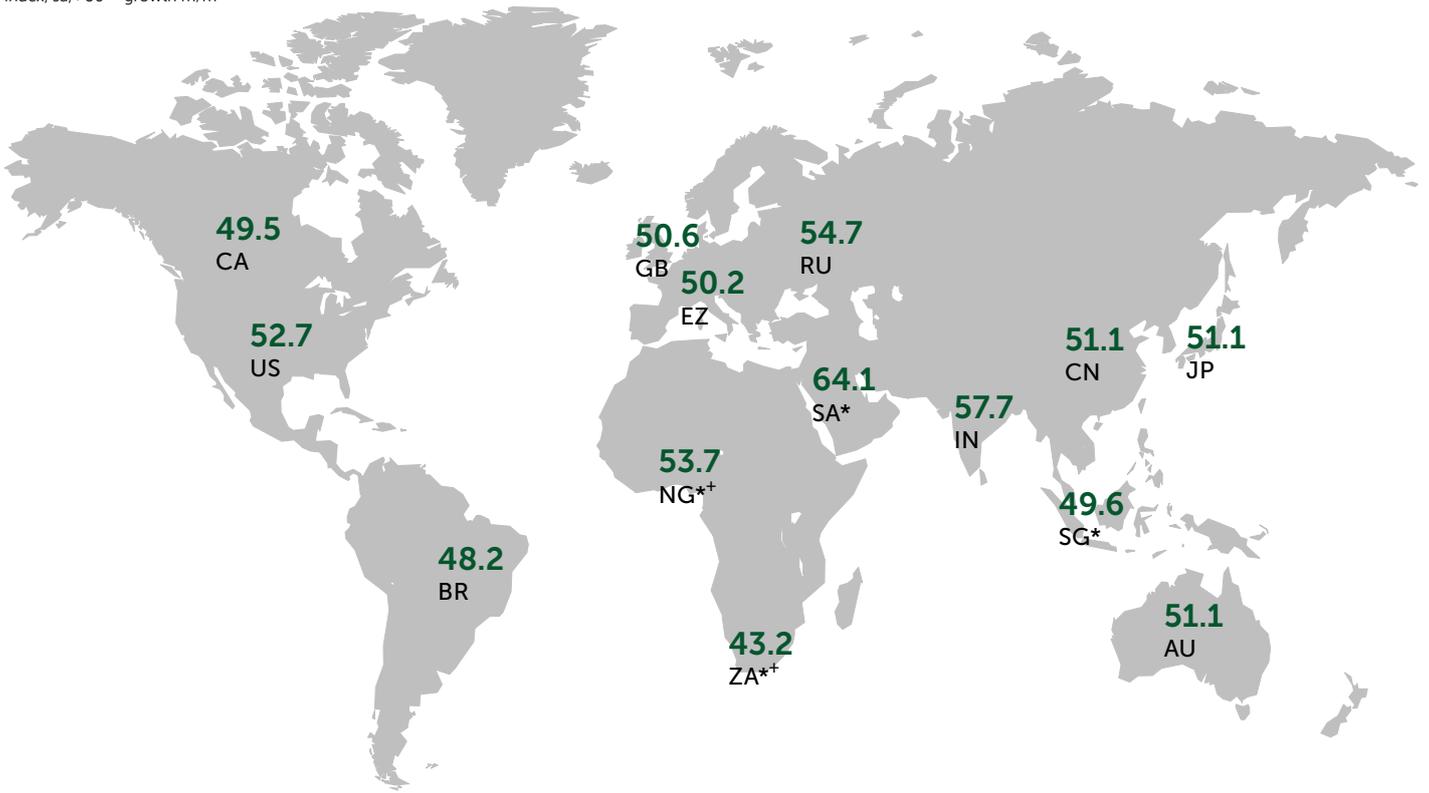
Note: Sector indices are smoothed using a three-month moving average (3mma).



# INTERNATIONAL PMI

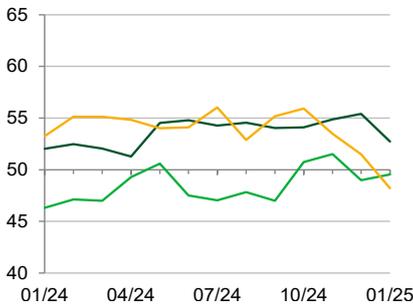
Composite Output (manufacturing and services)  
Index, sa, >50 = growth m/m

Jan '25



## Americas

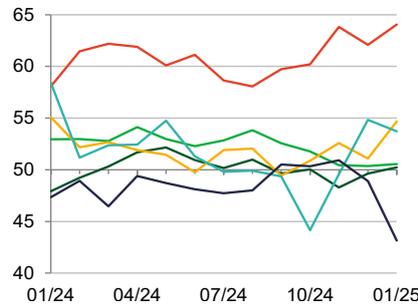
■ US ■ CA ■ BR  
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

## Europe, Middle East & Africa

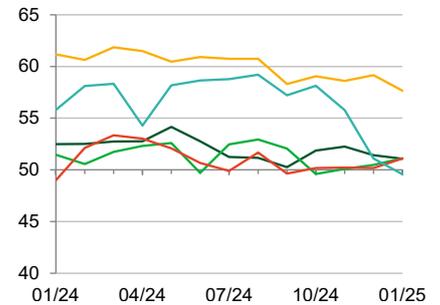
■ EZ ■ GB ■ RU ■ SA\* ■ NG\*\* ■ ZA\*\*  
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

## Asia-Pacific

■ CN ■ JP ■ IN ■ AU ■ SG\*  
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

## Key

US United States  
CA Canada  
BR Brazil

EZ Eurozone  
GB United Kingdom  
RU Russia  
SA Saudi Arabia\*  
NG Nigeria\*\*  
ZA South Africa\*\*

CN Mainland China  
JP Japan  
IN India  
AU Australia  
SG Singapore\*

\*Sector coverage also includes construction, wholesale and retail. \*\*Sector coverage also includes agriculture and energy.

■ Advanced economies ■ Emerging economies

X axis = PMI Output Index, sa, >50 = growth m/m . Y = Change in Index vs. six-month average

Jan '25



Source: S&P Global PMI. ©2025 S&P Global.

### Expansion

Regions are expanding at a faster rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the highest regions are seeing the greatest acceleration in growth.

### Slowdown

Regions are expanding at a slower rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the lowest regions are seeing the greatest deceleration in growth.

### Contraction

Regions are contracting at a faster rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the lowest regions are seeing the greatest acceleration in the rate of decline.

### Recovery

Regions are contracting at a slower rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the highest regions are seeing the greatest deceleration in the rate of decline.

**Key**

AE United Arab Emirates*	CA Canada	FR France	HK Hong Kong SAR*	JP Japan	LB Lebanon*	RU Russia	US United States
AU Australia	CN China	DE Germany	IE Ireland	KE Kenya*+	MZ Mozambique**	SA Saudi Arabia*	ZA South Africa**
BR Brazil	EG Egypt*	GB United Kingdom	IN India	KW Kuwait	NG Nigeria**	SG Singapore*	ZM Zambia**
	ES Spain	GH Ghana**	IT Italy	KZ Kazakhstan	QA Qatar*	UG Uganda**	

\*Sector coverage also includes construction, wholesale and retail. +Sector coverage also includes agriculture and energy.

# METHODOLOGY

**The Freedom Holding Corp. Kazakhstan Services PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies.**

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. 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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

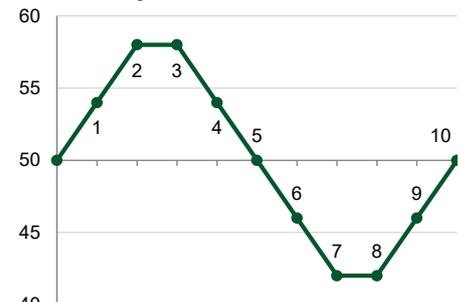
The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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).

Index interpretation

Index, sa, >50 = growth m/m



Sources: Freedom Holding Corp., S&P Global PMI. ©2025 S&P Global.

**Key**

- |                          |                            |
|--------------------------|----------------------------|
| 1 Growth, from no change | 6 Decline, from no change  |
| 2 Growth, faster rate    | 7 Decline, faster rate     |
| 3 Growth, same rate      | 8 Decline, same rate       |
| 4 Growth, slower rate    | 9 Decline, slower rate     |
| 5 No change, from growth | 10 No change, from decline |

## Survey size

250 service providers

## Survey history

March 2019

## Survey questions

Business activity, new business, new export business, future activity, employment, outstanding business, input prices, prices charged

## Sector coverage

International Standard Industry Classification (ISIC) code

H Transportation and storage

I Accommodation and food service activities

J Information and communication

K Financial and insurance activities

L Real estate activities

M Professional, scientific and technical activities

N Administrative and support service activities

P Education\*

Q Human health and social work activities\*

R Arts, entertainment and recreation

S Other service activities

\*Private sector only

# FURTHER INFORMATION

## Freedom Holding Corp.

Freedom Holding Corp. is a diversified company. It provides financial services and brokerage services securities trading, investment research and consulting, investment banking and underwriting services, mortgages, insurance, telecommunications, online sales of airline tickets and event tickets, offer online supermarket services and many others.

The Holding, including subsidiaries, employs more than 6.8 thousand people.

The headquarters of Freedom Holding Corp. is in Almaty (Kazakhstan) with supporting administrative offices and subsidiaries locations in 22 countries including Kazakhstan, the United States of America, Cyprus, Poland, Spain, Uzbekistan, Azerbaijan and others.

Freedom Holding Corp.'s common stocks are registered with the U.S. Securities and Exchange Commission and trades under the ticker symbol FRHC on the Nasdaq Capital Market.

[www.freedomholdingcorp.com](http://www.freedomholdingcorp.com)

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## Contact

Yerlan Abdikarimov  
Financial Analysis Department  
Director, Freedom Finance Global PLC

[Yerlan.abdikarimov@ffin.kz](mailto:Yerlan.abdikarimov@ffin.kz)  
Freedom Holding Corp.

Public Relations Department,  
Freedom Finance Global PLC  
[pr@ffin.kz](mailto:pr@ffin.kz)  
Freedom Holding Corp.

Maryam Baluch  
Economist  
S&P Global Market Intelligence  
T: +44 (0) 1344 327 213  
[maryam.baluch@spglobal.com](mailto:maryam.baluch@spglobal.com)

Corporate Communications  
S&P Global Market Intelligence  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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