

Kazakhstan

Market Structure

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December 2025



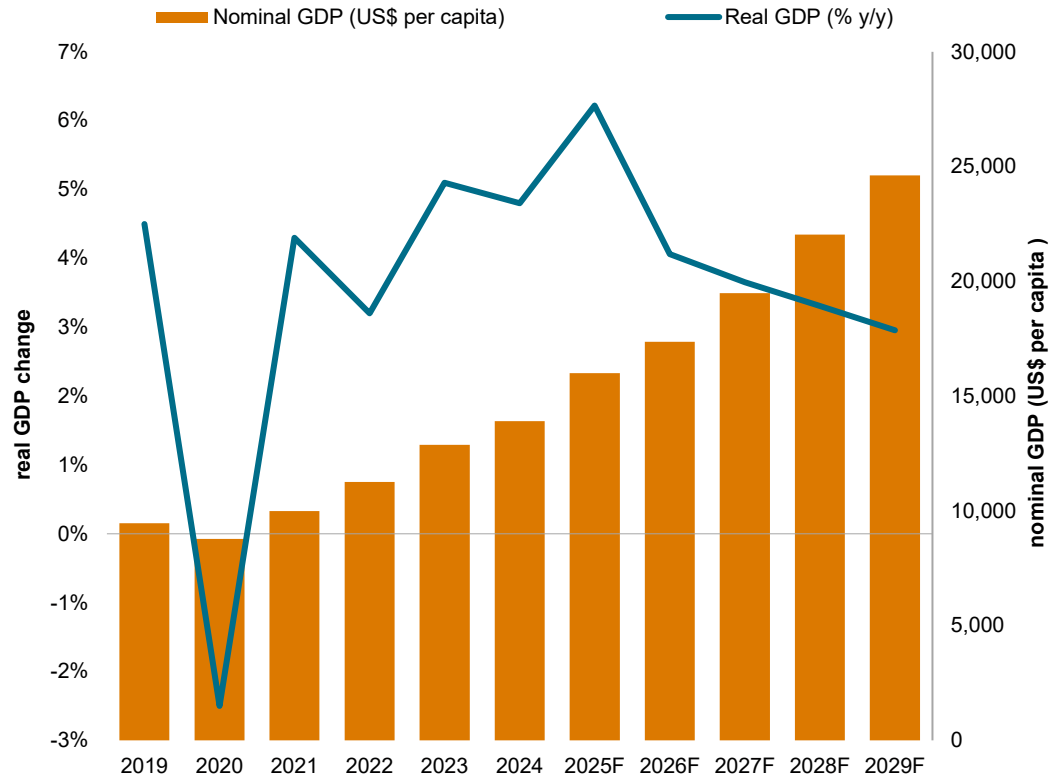
Economic overview

- Kazakhstan's economy grew by 4.8% in 2024, buoyed by the agricultural and construction sectors. Increased upstream production has also fueled the country's rapid post-pandemic recovery.
- Kazakhstan's economy is acutely exposed to external price shocks and experienced double-digit inflation in 2022 and 2023. Despite a fall in 2024, inflation is set to rise to double-digits once more in the short term.
- As a result of strong long-term GDP growth and a moderate population increase, Kazakhstan is forecasted to have the region's highest GDP per capita from the 2030s.

Economic overview

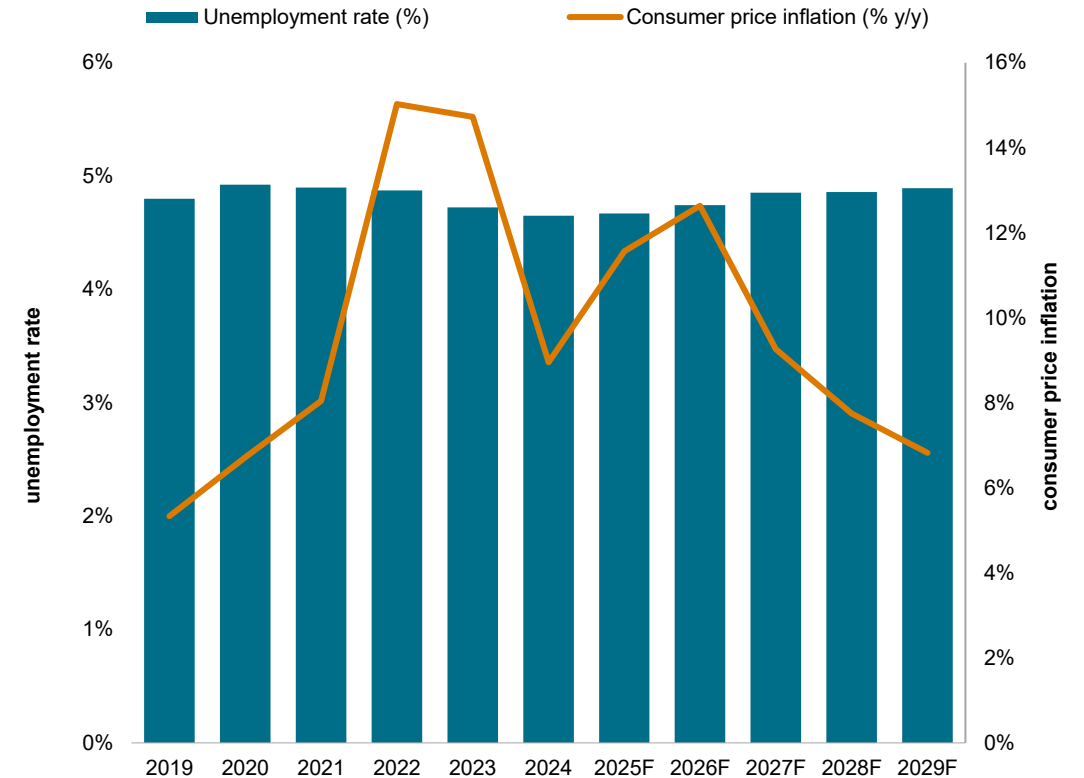
GDP rebounded within a year of pandemic and has continued robust growth

Kazakhstan economic growth and per capita GDP



Data compiled Oct. 2025.
Sources: S&P Global Market Intelligence; S&P Global Energy.
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Kazakhstan unemployment and inflation

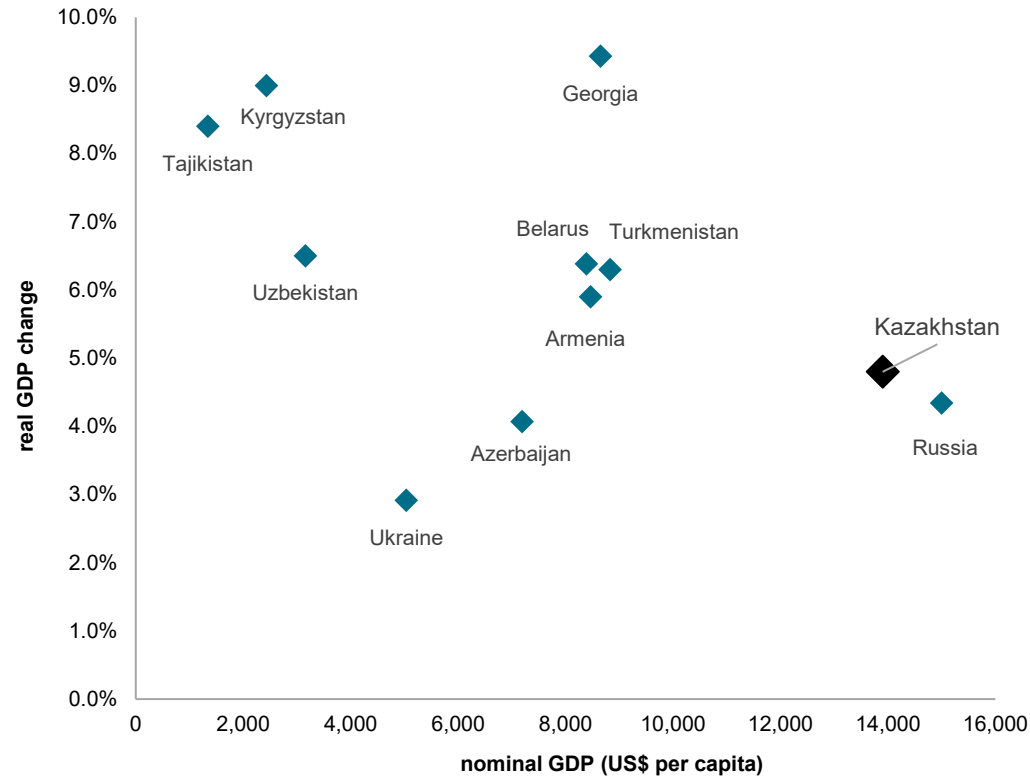


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Economic overview

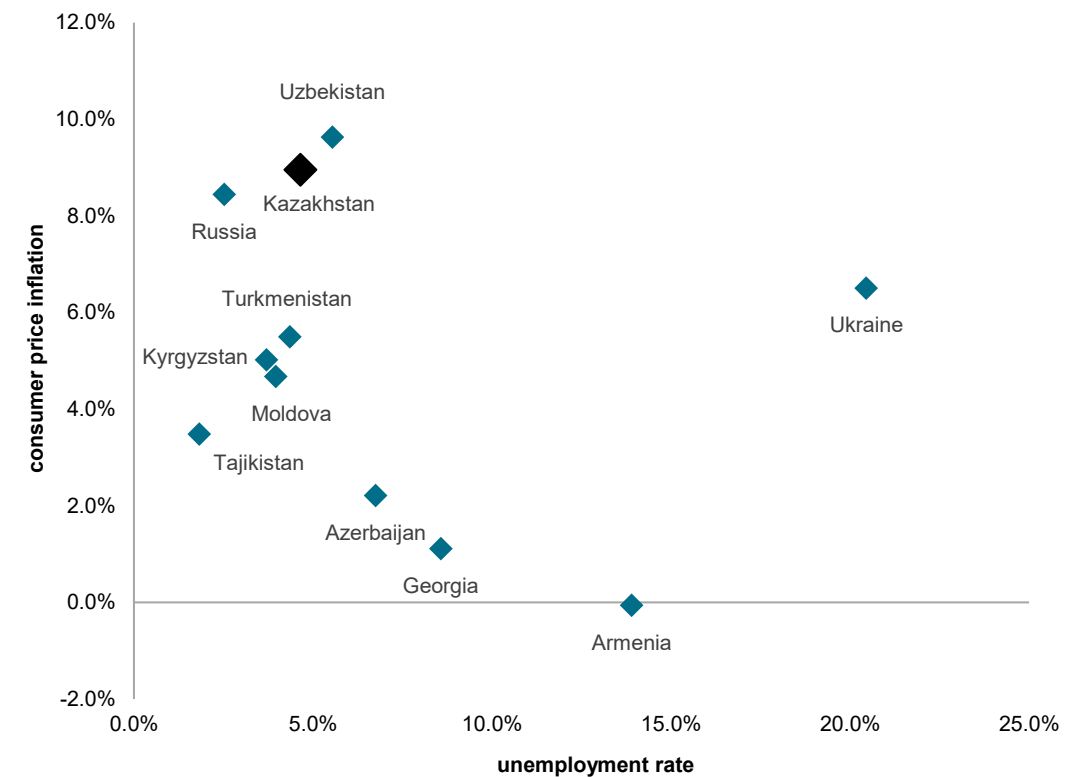
Inflationary pressures continue to cast shadow on otherwise healthy economic picture

Economic growth and per capita GDP: 2024



Data compiled Oct. 2025.
Sources: S&P Global Market Intelligence; S&P Global Energy.
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Unemployment and inflation: 2024



Data compiled Oct. 2025.
Sources: S&P Global Market Intelligence; S&P Global Energy.
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Economic overview

GDP growth to peak in 2025 but will remain above 3% for the rest of decade

Key economic indicators—Kazakhstan

Indicator	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F	2029F
Demography											
Population (million)	19.2	19.5	19.7	20.0	20.3	20.6	20.8	21.0	21.1	21.3	21.5
Population (% y/y)	+1.5%	+1.4%	+1.3%	+1.5%	+1.5%	+1.3%	+0.9%	+0.9%	+0.9%	+0.8%	+0.8%
Economic growth											
Real GDP (% y/y)	+4.5%	-2.5%	+4.3%	+3.2%	+5.1%	+4.8%	+6.2%	+4.1%	+3.7%	+3.3%	+3.0%
Industrial production (% y/y)	+3.9%	-0.5%	+3.6%	+1.1%	+4.2%	+2.9%	+8.3%	+4.5%	+3.3%	+2.9%	+2.5%
International trade											
Nominal trade balance (billion US\$)	18.4	6.0	24.1	34.9	19.8	17.7	20.3	18.9	21.6	26.6	29.5
Nominal trade balance (% of GDP)	10.1%	3.5%	12.2%	15.5%	7.6%	6.2%	6.1%	5.2%	5.2%	5.7%	5.6%
Personal income											
Nominal GDP (billion US\$)	181.6	170.9	197.1	225.4	261.8	286.3	332.3	363.9	412.0	469.7	528.9
Nominal GDP (US\$ per capita)	9,456.2	8,772.0	9,983.2	11,252.3	12,876.9	13,901.5	15,998.0	17,363.2	19,487.4	22,033.6	24,610.7
Consumer sector											
Real retail sales (% y/y)	+5.8%	-4.8%	+6.2%	+6.8%	+9.9%	+11.0%	+8.1%	+3.4%	+4.2%	+3.5%	+3.8%
Unemployment rate (%)	4.8%	4.9%	4.9%	4.9%	4.7%	4.7%	4.7%	4.7%	4.9%	4.9%	4.9%
Consumer price inflation (% y/y)	+5.3%	+6.7%	+8.0%	+15.0%	+14.7%	+9.0%	+11.6%	+12.6%	+9.3%	+7.8%	+6.8%
Financial markets											
Exchange rate, US\$ (average)	382.78	413.40	425.93	460.29	456.26	468.97	525.38	547.22	549.97	544.45	540.11
Exchange rate, US\$ (year-end)	381.18	420.71	431.67	460.98	453.64	523.54	543.43	552.85	543.88	543.47	538.32

Data compiled Oct 2025

Sources: S&P Global Market Intelligence; S&P Global Energy.






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Regulatory framework and policy overview

- The Ministry of Energy is responsible for overseeing the oil and gas industry in Kazakhstan. The state's interests in the country's oil and gas sector are represented by the national oil and natural gas company, KazMunayGas (KMG).
- Kazakhstan's domestic fuel availability is negatively affected by fuel smuggling to neighboring countries as a result of its extremely low retail prices. Attempts to raise retail prices to regional levels risk provoking social unrest at a time of double-digit inflation.
- In line with other regional players Ukraine and Russia, Kazakhstan has set a net zero goal of 2060.

Regulatory snapshot

The government, through KazMunayGas (KMG), is the dominant player in the downstream industry

	Is private competition allowed?	Are there non-statutory barriers to private competition?	Does the government have a dominant position?
REFINING 	Yes. The only non-state actor in Kazakhstan's refining industry is China's CNPC, which owns a stake in the Shymkent refinery.	Yes. KMG is unlikely to relinquish control over what the government considers a strategic industry. All refineries operate based on toll-manufacturing agreements, with refining tariffs being coordinated by the Ministry of Energy.	Yes. KMG has complete control over the Pavlodar and Atyrau refineries, and it shares control of the Shymkent refinery through its joint venture with China's CNPC.
IMPORTS 	Yes. Private companies can import refined products provided they are either registered legal entities in Kazakhstan or work through licensed customs brokers. Imports are subject to EAEU regulations.	Yes. There is an informal preference for state-linked suppliers.	Yes. State-owned KazTransOil (KTO) owns the majority of the country's crude pipeline capacity. The national train company, Temir Zholy (KTZ), owns the rail infrastructure, but several private companies own wagon fleets for transporting oil products.
MIDSTREAM LOGISTICS 	Yes. Storage terminals and rail transport are open to private competition, however, KTO has national monopoly status in the trunk pipeline segment, and third-party pipelines require government approval.	Yes. There is preferential treatment of state-linked firms which leads to railcar and tank-wagon scarcity during high-demand seasons, and there is limited transparency in pipeline and terminal capacity allocations.	Somewhat. The state dominates trunk pipelines, but the several smaller privately-held companies compete in the storage sector.
FUEL WHOLESALE 	Yes. Private investors are permitted to participate in the wholesale sector.	Yes. Prices are not fully liberalized, and supply priority is given to state-linked entities during shortages, which have occurred frequently in recent years.	Yes. The Kazakh Demonopolization Committee returned TOO Petrosun under KMG control in 2024, giving KMG roughly 80% of the domestic wholesale market.
RETAIL 	Yes. Private investors are free to own retail operations after registering with the Department of Energy Business.	Yes. There is an informal preference for state entities; land acquisition for sites may depend on good relations with local authorities.	No, but as KMG is the only refiner in Kazakhstan, except for CNPC, its vertical integration benefits the company. It does dominate the wholesale trade and logistics and is prioritized during fuel shortages.

Data compiled Nov 2025.
Source: S&P Global Energy.

Fuel subsidies and/or price intervention

Attempts at price liberalization have been stymied by risks of social unrest amid high inflation

- The Ministry of Energy is responsible for overseeing the oil and gas industry in Kazakhstan. The state's interests in the country's oil and gas sector are represented by the national oil and natural gas company, KazMunayGas (KMG), which dominates refining and wholesale trade.
- Kazakhstan has long had the region's (and some of the world's) lowest retail fuel prices. This has led to pervasive fuel 'tourism' of both transit and consumer vehicles from the country's neighbors Russia, Uzbekistan and Kyrgyzstan, alongside significant cross-border fuel smuggling operations. This has exacerbated fuel shortages in the country, particularly at times of peak seasonal demand and during refinery maintenance periods.
- The Kazakh government has tried to liberalize prices in recent years to disincentivize these activities but is restricted by the politically sensitive nature of such moves.
 - After three years of delay, sudden LPG price liberalization enacted on January 1, 2022, doubled the fuel's retail price overnight, igniting mass protests in the Mangystau region (where around 80% cars are estimated to be LPG-powered), which quickly catalyzed into unprecedented nationwide civil unrest. In response, the government introduced a wholesale price cap for LPG in January 2022, alongside retail price caps for diesel, AI-92, AI-93 and AI-95 gasoline. Caps differed on a regional basis.
 - The government announced in 2023 that LPG prices would be gradually increased over several years until the wholesale price cap reached the breakeven price for producers at 70,000 KZT per ton. Wholesale prices rose in January 2024, February 2025, and August 2025, reaching 59,722 KZT per ton.
 - Kazakh authorities removed retail price caps on AI-95 in July 2022, and differentiated pricing for AI-92 gasoline and diesel was introduced for foreign vehicles in 2024.
 - Communicated to the public as a key part of a policy to stabilize fuel supply and modernize refineries, the Minister of Energy signed an order that abolished state regulation of gasoline and diesel fuel prices on 30 January 2025. Retail price caps for AI-92 gasoline and diesel were removed and price rises were not fixed, but were to follow the Ministry of Economy's 'inflation corridor', and it was stated clearly that sharp price rises beyond inflation would not be permitted.
 - Subsidies for certain industries were not abolished, such as subsidized wholesale diesel for the agricultural sector.
 - Prices rose gradually until autumn 2025, when sharp rises were observed, attributed by officials to the effects of sharp price rises in neighboring Russia, where repeated Ukrainian drone strikes led to record-high diesel and gasoline prices. In response, authorities introduced a six-month moratorium on retail price increases for AI-92 gasoline and diesel, freezing prices at their 16 October 2025 levels.

Data compiled Nov 2025
Source: S&P Global Energy.

Key policies affecting downstream sector

Periodic domestic shortages prompt restrictions on refined product exports

- The Kazakh government regularly restricts exports of refined products to combat supply shortages and to tackle smuggled, or 'gray', exports.
 - Exports of refined products including diesel, gasoline, and LPG to countries outside the EAEU have been banned since April 2023 and the ban will be reconsidered in early 2027.
 - In January 2025, the Kazakh government banned exports of diesel and gasoline by road and rail within the EAEU, which was later extended through May 2026.
- In May 2025, the Kazakh government amended the excise tax for imported and domestically-produced gasoline and diesel.
 - Historically a flat rate, it was redesigned to change in line with market conditions, which allows for increased government revenue during price spikes and increased state control over margins of market participants. Both retail and wholesale excises taxes are based on the 'average wholesale price', which is determined by the authorities.
- In 2023, Kazakhstan adopted its **Strategy on Achieving Carbon Neutrality by 2060**, and in 2025 the country updated its NDC, stating the country's unconditional ambition of a 17% decline in GHG emissions by 2035 when compared to 1990 levels.
 - Net emissions in 2023 were 9.4% below 1990 levels. Further reductions are set to come from low-carbon electricity generation through increasing gas and renewable use at the expense of coal.
- Under the government's Green Transport 2030 strategy, the country aims for 30% of vehicle registrations to be hybrid or electric by the start of the next decade. However, of the 2,000 public charging points aimed to be installed by year-end 2025, the figure currently stands at under 100. There are transport tax, import duty and recycling fee waivers for EVs, but it is likely consumers are not yet assuaged of their concerns regarding range anxiety, winter performance and a lack of charging infrastructure.
- Kazakhstan does not have a minimum biofuel blending policy, but in September 2025 it was reported that KMG had moved to the front-end engineering and design (FEED) stage of the country's first SAF facility in partnership with US firm LanzaJet.

Excise taxes are now calculated as follows:

AI-92 and AI-93:

Retail excise tax (per ton) = 38,634 KZT + (Average wholesale price – 214,584 KZT) x 50%

Wholesale excise tax (per ton) = 38,134 KZT + (Average wholesale price – 214,584 KZT) x 50%

Diesel:

Retail excise tax (per ton) = 35,786 KZT + (Average wholesale price – 284,350 KZT) x 50%

Wholesale excise tax (per ton) = 35,726 KZT + (Average wholesale price – 284,350 KZT) x 50%

Retail fuel specifications

Since the completion of the refinery modernization program, Kazakhstan has limited the sulfur content in motor fuels to 10 ppm

Parameter	Unit	2021	2022	2023	2024	2025	2026	2027	2028	2029
Gasoline octane	RON, minimum	80	80	80	80	80	80	80	80	80
Gasoline sulfur	ppm, maximum	10	10	10	10	10	10	10	10	10
Diesel cetane	CN, minimum	51	51	51	51	51	51	51	51	51
Diesel sulfur	ppm, maximum	10	10	10	10	10	10	10	10	10

Data compiled Nov 2025
Source: S&P Global Energy.

Vehicle fleet

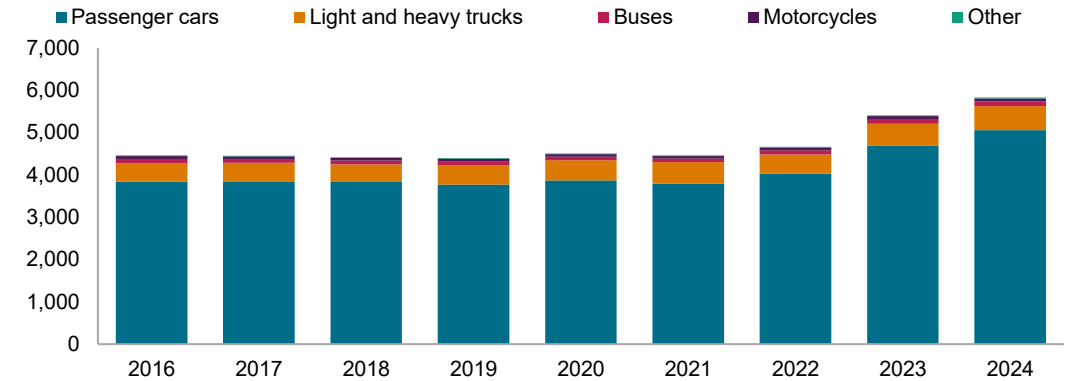
- After several years of substantial growth, Kazakhstan's passenger vehicle fleet now exceeds five million units.
- Dieselization of passenger car registrations remains in the low single digits, as periodic fuel shortages have encouraged price-sensitive consumers to pursue vehicle conversions to LPG.
- Alternative drivetrain sales have increased in recent years but still make up less than 0.5% of LDV registrations.

Vehicle fleet

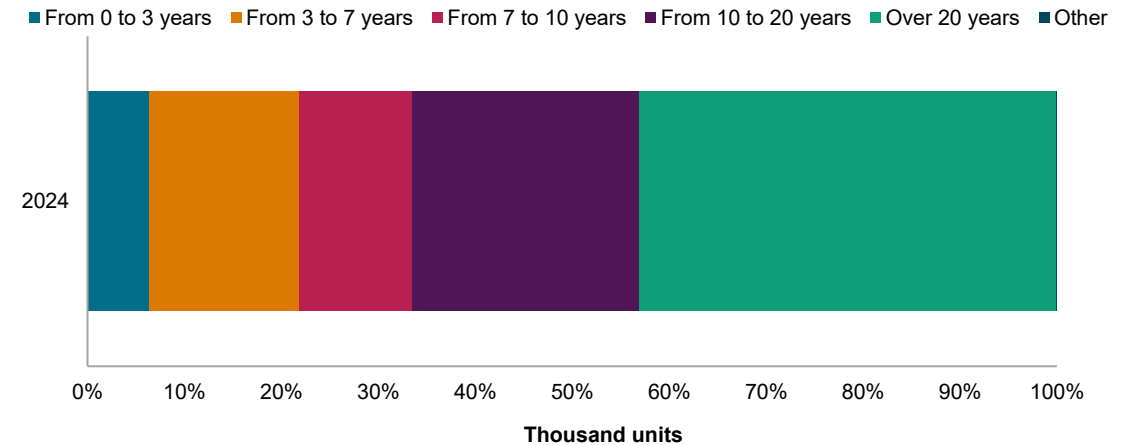
Record new car sales were reported in 2024, as the overall fleet continues expansion apace

- Kazakhstan has seen sustained vehicle fleet growth since 2022 due to population growth, rising incomes, and redirected trade flows because of Russia’s invasion of Ukraine.
- The fleet size grew 7.8% in 2024, largely driven by an increase in the passenger car fleet, but all segments recorded growth.
- Kazakhstan is a market for growth, with 23.9 cars per 100 inhabitants in 2024, compared to 33.1 in Russia and an average of 50 in mature European markets.
- Despite a record of over 205,000 new car sales in 2024, only one-third of the country’s passenger car fleet is under 10 years old. Almost one-half of passenger vehicles are over 20 years old.
 - From January 2026, cars aged between 11 and 20 years old will receive a 30% transport tax discount, rising to 50% for vehicles over 20 years old. This measure to assuage consumers’ economic concerns is likely to dampen new car sales growth.
 - At the same time, the government has introduced a new tax on luxury cars.
- Dieselization of the passenger fleet stood at 1.8% in 2024, a result of high levels of imports of predominantly gasoline-powered Russian, Japanese, and South Korean vehicles.
 - Diesel remains a popular choice for industrial, agricultural, and freight vehicles, powering 56% of LCVs and HCVs in 2024.
 - Periodic shortages of diesel and gasoline in recent years have likely dampened demand growth for diesel vehicles and increased demand for alternative fuel sources such as LPG.

Vehicle fleet evolution—Kazakhstan (1,000 units)



Fleet of passenger cars by age category — Kazakhstan



Data compiled Nov 2025.
Source: S&P Global Energy.

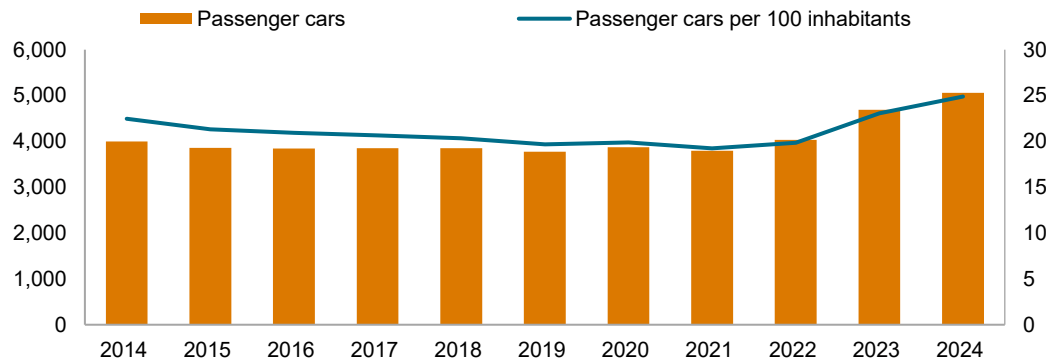
Vehicle fleet

Vehicle fleet continues to expand on the back of rising population and incomes

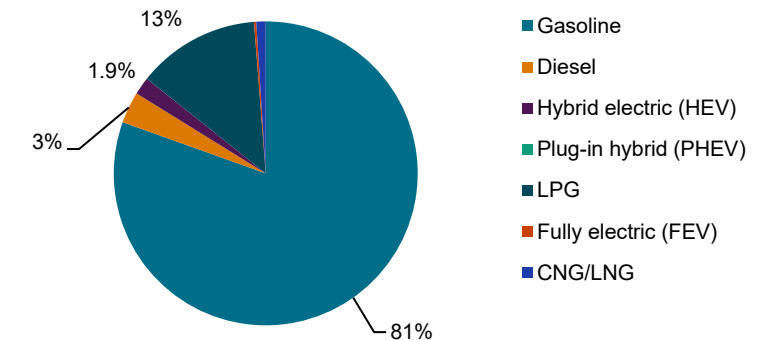
Vehicle fleet evolution—Kazakhstan

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vehicles in circulation (1,000)											
Passenger cars	4,000	3,857	3,845	3,852	3,848	3,777	3,870	3,798	4,034	4,691	5,060
Light and heavy trucks	435	443	439	441	405	462	480	507	454	524	569
Buses	99	98	99	90	89	87	84	82	96	112	115
Motorcycles	64	62	62	62	61	61	61	62	64	66	69
Other	15	15	15	15	15	15	15	15	16	18	19
Key indicators											
Passenger cars per 100 inhabitants	22.5	21.3	20.9	20.6	20.3	19.7	19.9	19.2	19.8	23.1	24.9
Diesel cars as % of light duty vehicle (LDV) fleet	3.1%	3.0%	3.1%	3.2%	4.5%	4.3%	4.5%	4.6%	3.7%	3.5%	3.4%

Passenger car fleet—Kazakhstan (1,000 units)



LDV breakdown by fuel type—Kazakhstan



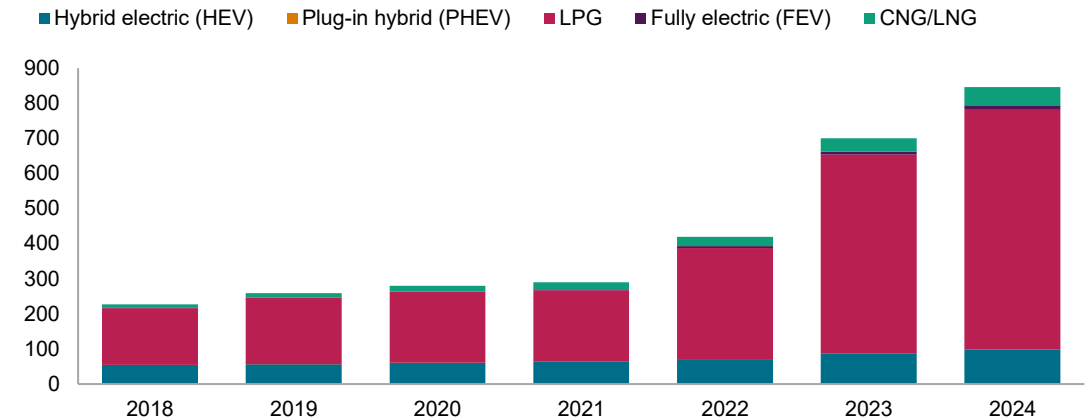
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Vehicle fleet

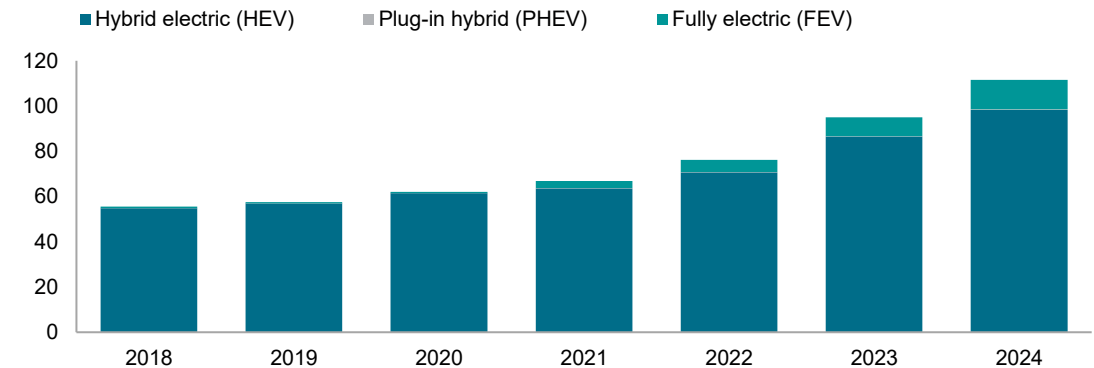
LPG adoption growing rapidly among cost-sensitive consumers, while EV penetration remains modest

- LPG conversion has become increasingly popular in recent years for economic and supply reasons, as traditional fuel shortages have become commonplace.
 - A Kazakh official stated that 300,000 vehicles were converted to LPG in 2023, a year that experienced a 20.5% annual increase in domestic LPG consumption. This led to shortages of LPG, limiting the scope for further LPG conversion growth at the same rate.
 - The Kazakh government has repeatedly banned the export of LPG by road and rail to meet this increased domestic demand. The most recent ban was extended in October 2025 for another six months.
- EV registrations have risen considerably in recent years, but market penetration remains modest due to performance and infrastructure concerns.
 - The number of registered Evs grew from 7,680 in 2023 to 12,587, a 63.9% increase. This represented 0.2% of the total LDV fleet in 2024.
 - The Almaty Social Entrepreneurial Corporation intends to add 600 new EV charging stations in 2025 in the country’s largest city and EV market. With its warmer southern climate, Almaty’s consumers are less affected by concerns over EV performance issues in cold conditions. Nevertheless, lack of infrastructure continues to constrain demand.
 - Plug-in hybrid electric vehicles could alleviate some consumer concerns regarding range and performance anxiety in the future, but penetration is negligible in the country, with numbers in the low hundreds as of 2024.
- With little infrastructure, CNG uptake remains limited, making up less than 1% of the overall fuel mix for LDVs.
 - The Kazakh government aims to rapidly expand domestic gas-processing capacity and almost double the fleet of gas-powered buses from 2,700 to 5,100 by 2029.

Fleet of alternative fuel LDVs – Kazakhstan (Thousand units)



Fleet of electric LDVs—Kazakhstan (Thousand units)



Data compiled Nov 2025
Source: S&P Global Energy.

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