



Kazakhstan Business Activity Index

September 2020





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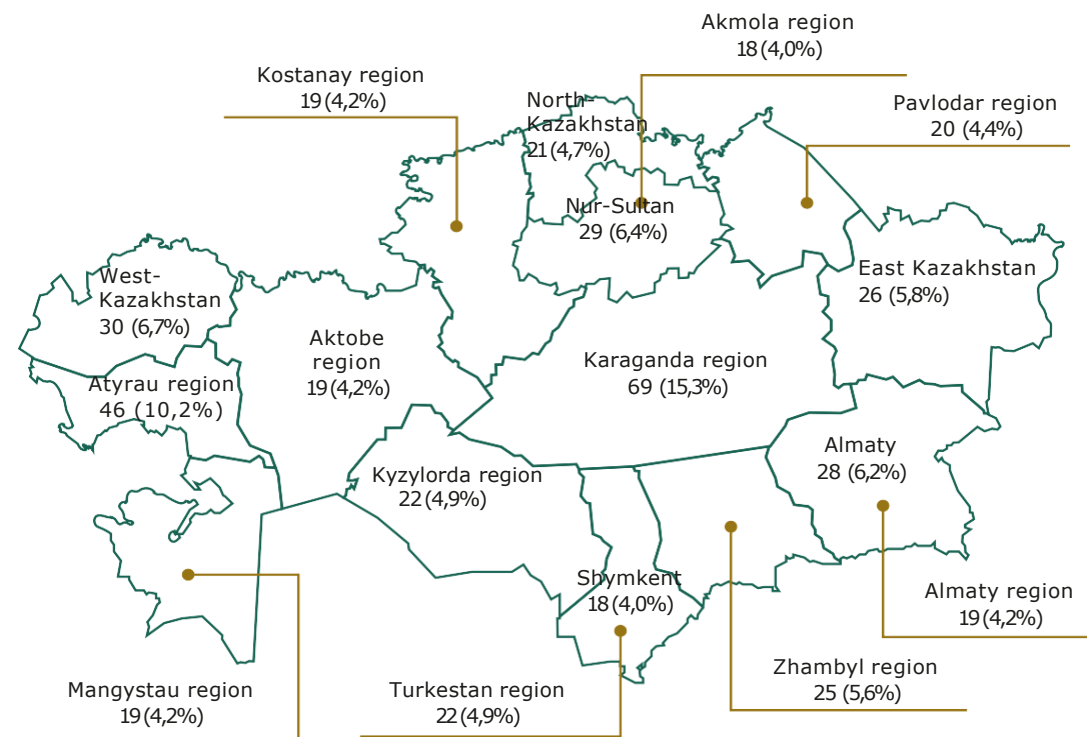
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01

SAMPLE INFORMATION

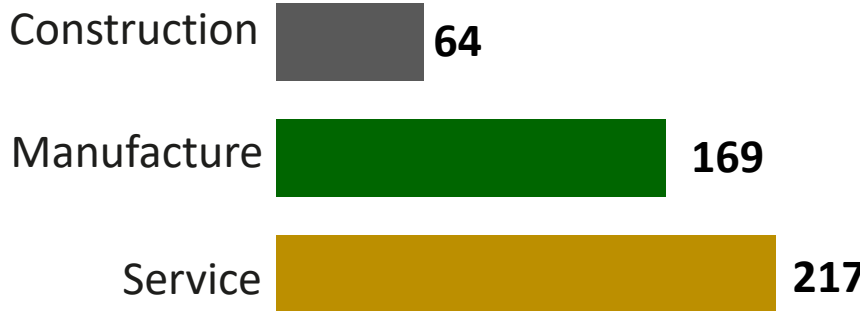
Number of respondents in September 2020 - 450 enterprises



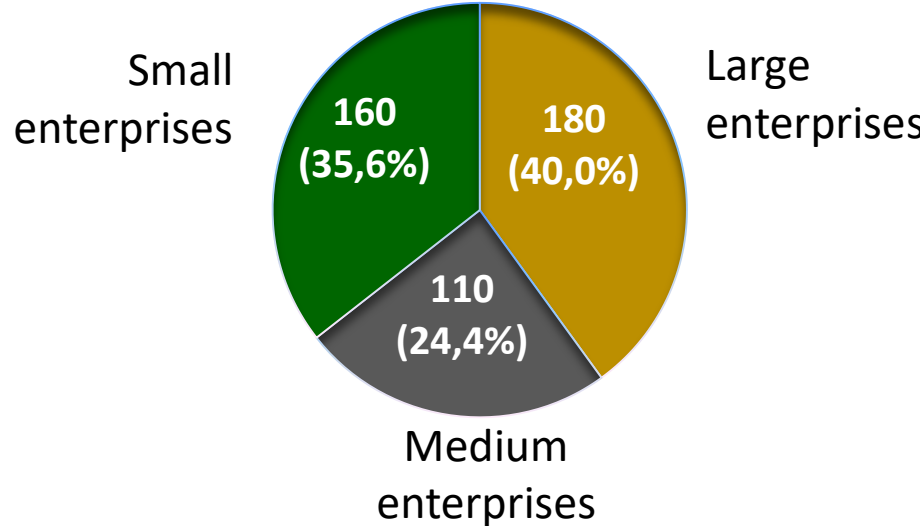
- *The business activity index is a composite indicator that includes the aggregate of enterprises' answers to questions regarding the actual changes in the economic indicators of enterprises and the expectations regarding their changes in the future.*
- *The National Bank of Kazakhstan conducts a survey of enterprises participating in the monitoring of the real sector on a monthly basis*



ENTERPRISES-RESPONDENTS BY INDUSTRY



ENTERPRISES-RESPONDENTS BY SIZE

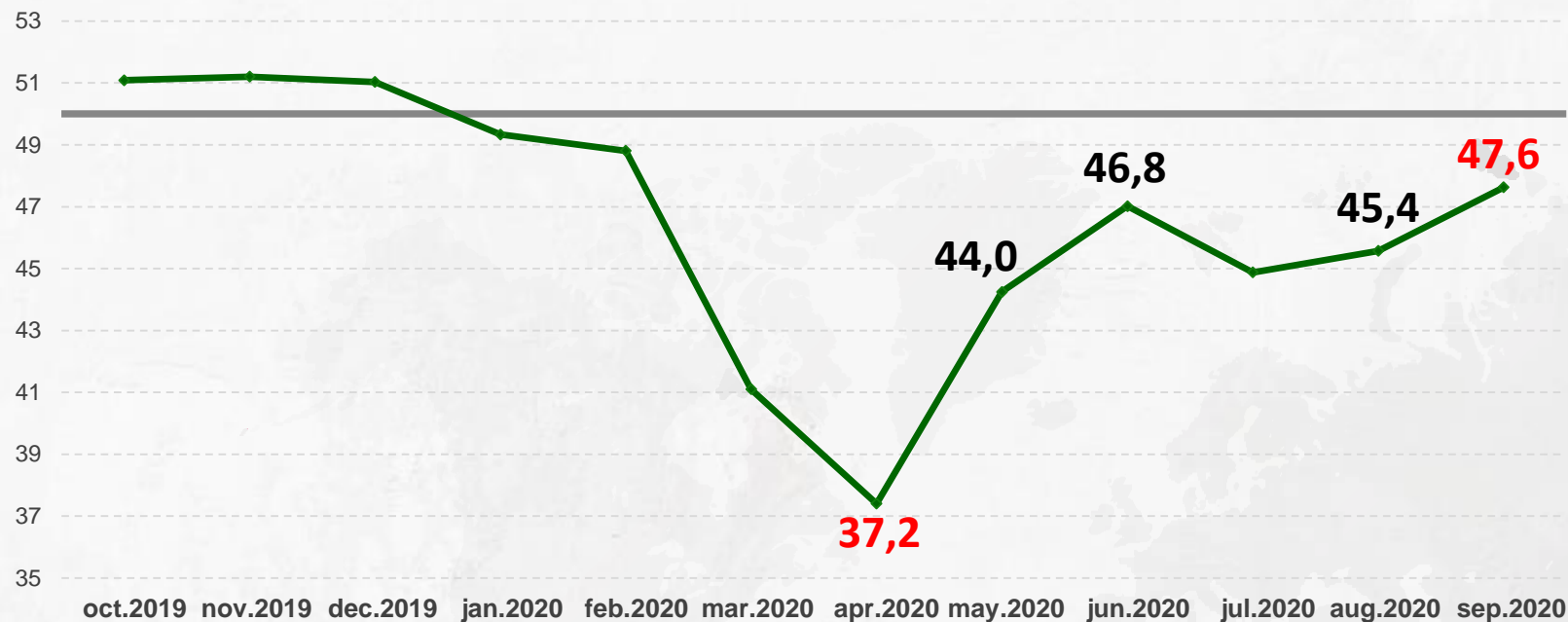




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CONSOLIDATED BUSINESS
ACTIVITY INDEX BY
ECONOMY

CONSOLIDATED BUSINESS ACTIVITY INDEX BY ECONOMY



In September 2020, according to the results of a monthly survey of 450 enterprises, **the business activity** index (BAI) amounted to **47,6**, having increased by 2,2 points (in August - **45,4**). The index is still below 50, however, there is a gradual recovery in economic activity.

In the context of industries, the business activity index increased by 5.5 points in the construction sector (**49,1**) and by 3.1 points in the service sector (**47,3**). Industry fell by 0.5 points (**47,8**).

* A value of the indicator above level 50 means a positive change, below level 50 - a negative. The further (higher or lower) the index value is from the 50 level, the higher the rate of change (increase or decrease) of the indicator.



The consolidated business activity index by the economy is an aggregate index for three sectors of the economy, weighted by the contribution to GVA



BAI
by economy
47,6



BAI
in construction
49,1



BAI
in service
47,3



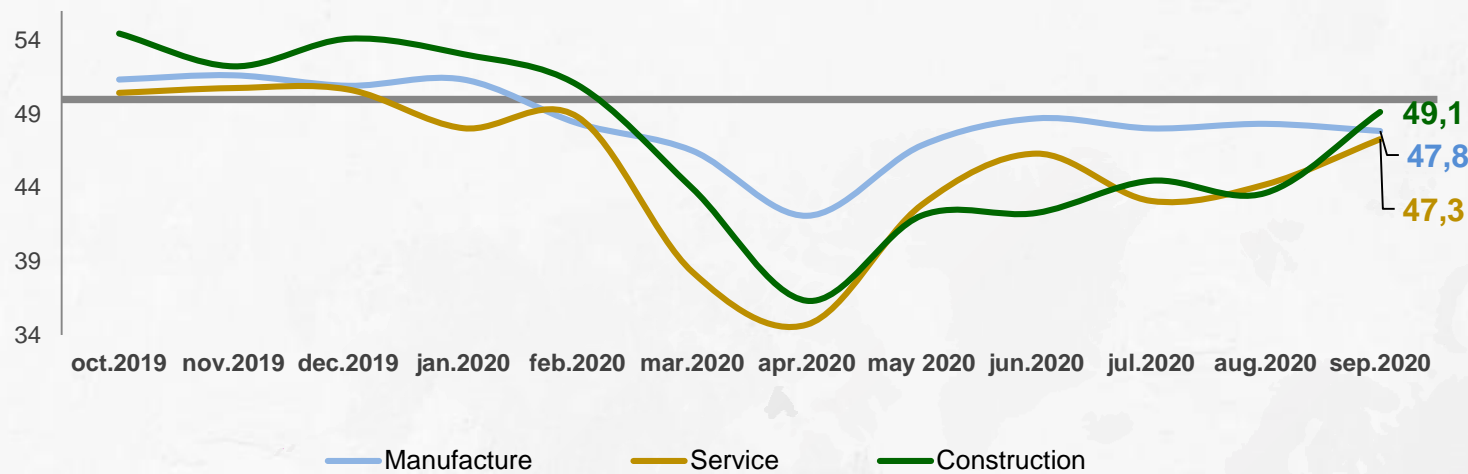
BAI
in manufacture
47,8



03

BUSINESS ACTIVITY
INDEX BY SECTOR

BUSINESS ACTIVITY INDEX BY SECTOR



In September 2020, the largest increase in the index was noted in the **construction** sector, where all the constituent components of the index improved significantly.

In the **service** sector, all indicators increase also contributed to the growth of BAI.

However, in the **manufacture** sector, the index declined due to a decrease in the number of new products, new orders and inventories.

** A value of the indicator above the 50 level means a positive change, below the 50 level - a negative one. The further (higher or lower) the value of the index from the level 50, the higher the rate of change (increase or decrease) of the indicator.*



BAI by sector is calculated as an aggregated change in the following indicators of the enterprises

Business Activity Index in manufacture

- Inventories
- New products
- Delivery time
- Employment rate
- New orders
- Business activity

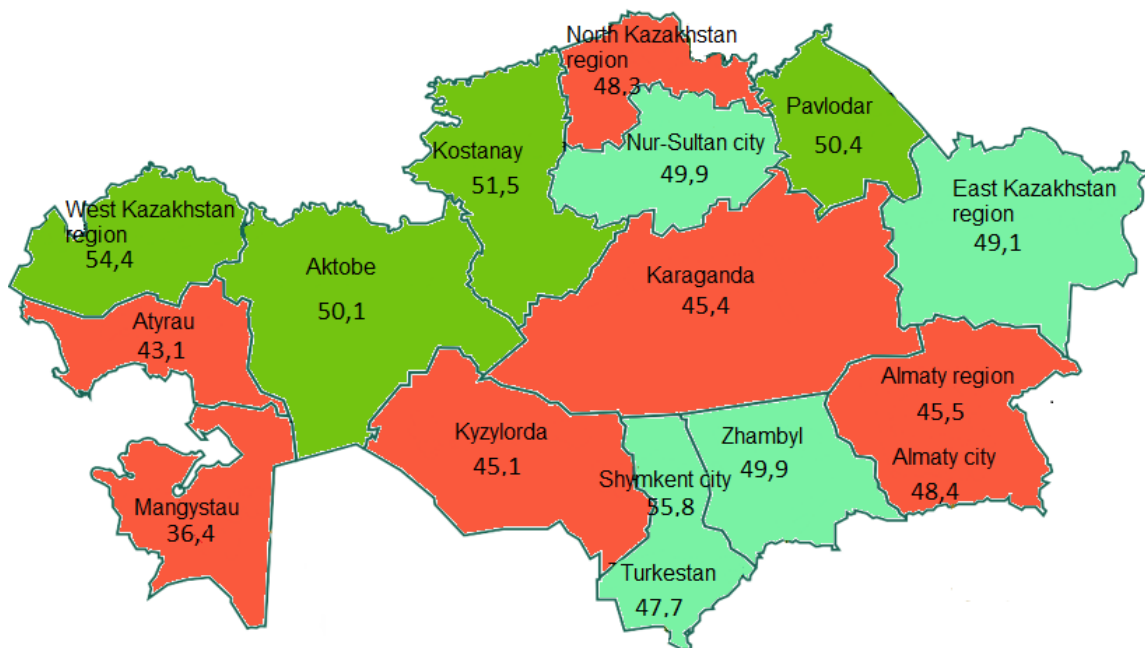
Business Activity Index in construction

Business Activity Index in Service

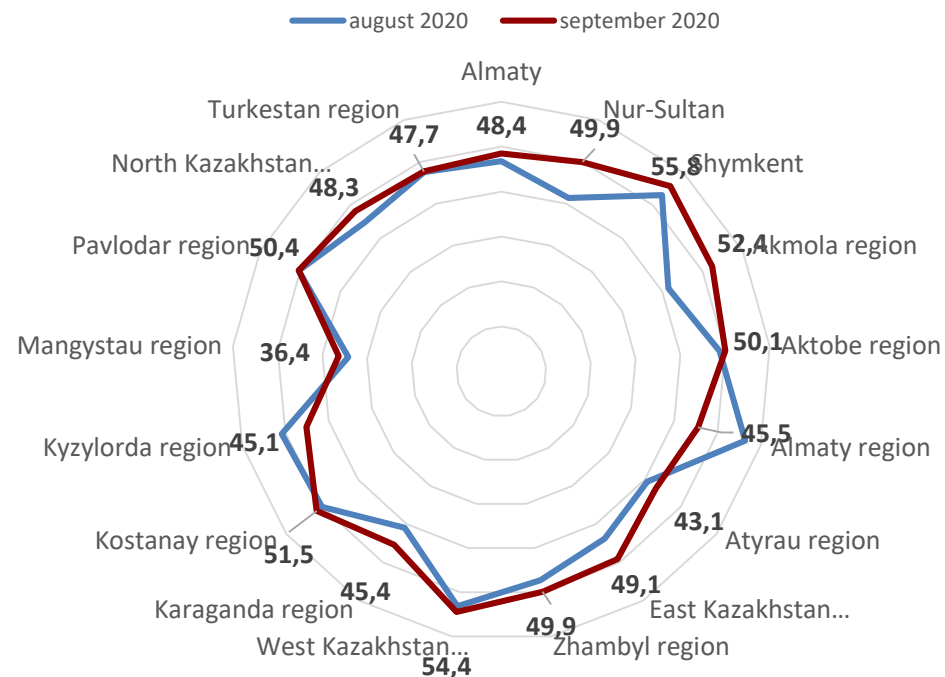
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BUSINESS ACTIVITY INDEX BY REGIONS

BAI in September 2020 by region



BAI dynamics for August-September 2020



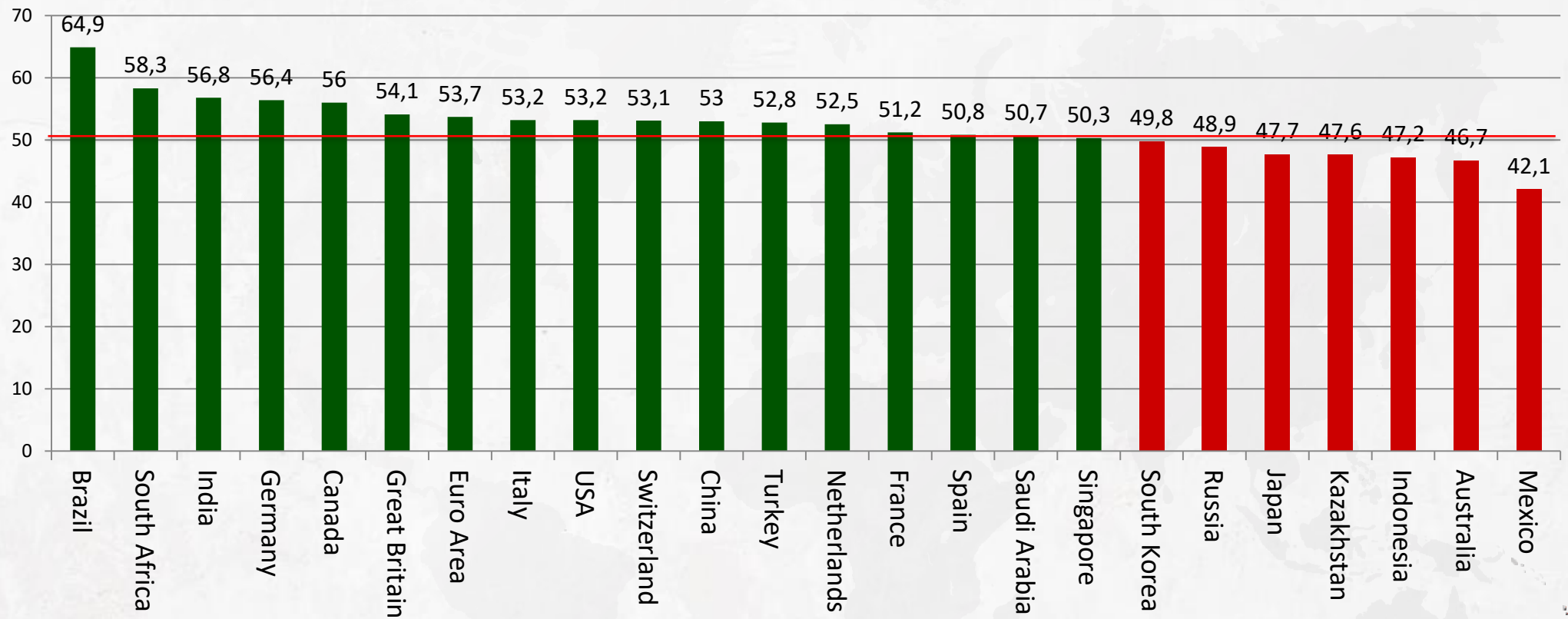
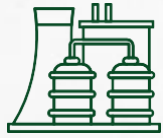
In September 2020, in terms of the regions of Kazakhstan, a noticeable improvement in the business activity index is noted in the Akmola region by 10,9 points (up to **52,4**), Nur-Sultan city by 8,6 points (**49,9**) and the East Kazakhstan region by 5,4 points (**49,1**). At the same time, the index significantly decreased in the Almaty region by 10,9 points (**45,5**) and in the Kyzylorda region by 5,7 points (**45,1**).



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PMI BY COUNTRY

PMI BY COUNTRY



Data as for 09.10.2020

Source: G20 Industrial PMI

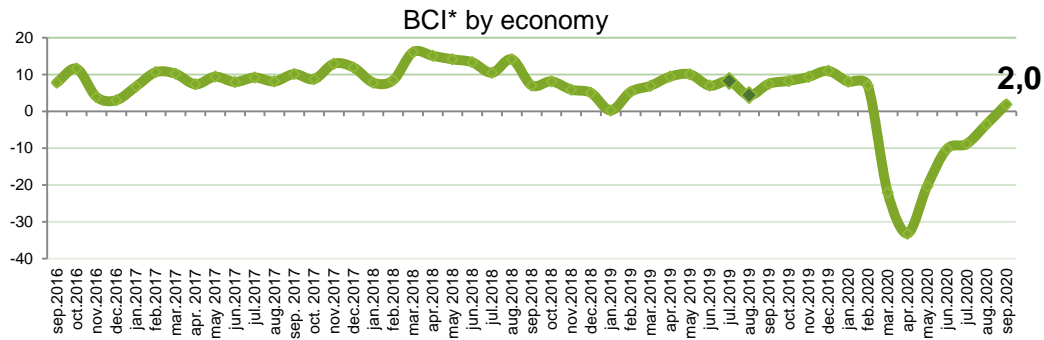
<https://tradingeconomics.com/forecast/manufacturing-PMI?continent=g20>, Kazakhstan - BAI by economy



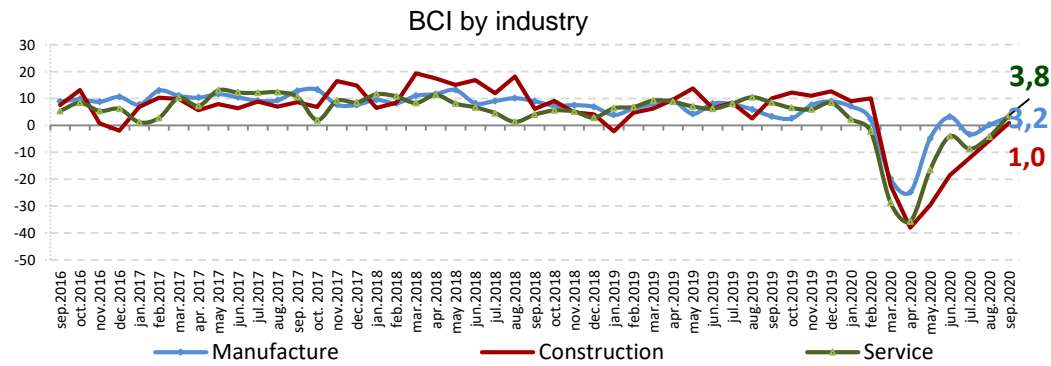
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**BUSINESS CLIMATE
INDEX (BCI)**

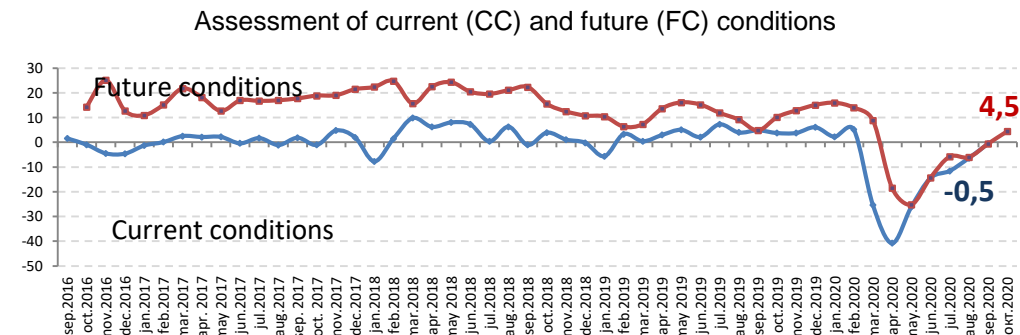
BUSINESS CLIMATE INDEX (BCI)



The business environment has noticeably improved and become less difficult for enterprises in the real sector of Kazakhstan. The business climate index (BCI) for the economy of Kazakhstan in September, after a long stay in the negative zone, turned into a positive plane, amounting to 2,0, in August this indicator was (-) 3,0.



Within the industries, there is an improvement in BCI across all sectors. In particular, the service and construction sectors left the negative zone and increased by 8 points (3,8) and 6,6 points (1,0), respectively. BCI in the industrial sector also showed an improvement and amounted to 3,2.



In September 2020, the assessment of the current conditions of survey respondents improved significantly, amounting to (-)0,5. At the same time, business expectations of enterprises in the real sector for October 2020 amounted to 4,5.

* Business Climate Index is calculated as the difference between positive and negative responses to questions about changing business conditions in the current month and expected changes in business conditions in the next month. Enterprises are assessed by the access to finance / loans, infrastructure, legal issues and business protection, tax burden, presence of inspections, fines, etc.



METHODOLOGICAL COMMENTARY

- ✓ The information was prepared based on the results of monthly surveys of enterprises participating in the monitoring of the real sector.
- ✓ To calculate the Business Activity Index, the diffusion index (DI) is used, which is calculated as the sum of positive responses and half of the responses unchanged. This index is a generalized indicator characterizing the dynamics of changes in the indicator.
- ✓ The data on the diagram are presented with the elimination of the seasonality factor.
- ✓ To calculate the Business Climate Index, a balance of responses is used - the difference between positive and negative responses to questions about changes in business conditions in the current month and expected changes in business conditions in the next month:

$$BCI^* = \sqrt{(BA(CC) + 200) * (BA(FC) + 200)} - 200,$$

where, BA - balance of answers
CC - current economic conditions
FC - future economic conditions

* According to the methodology for assessing the business climate CESifo, Germany