



Kazakhstan Business Activity Index

November 2021





CONTENT

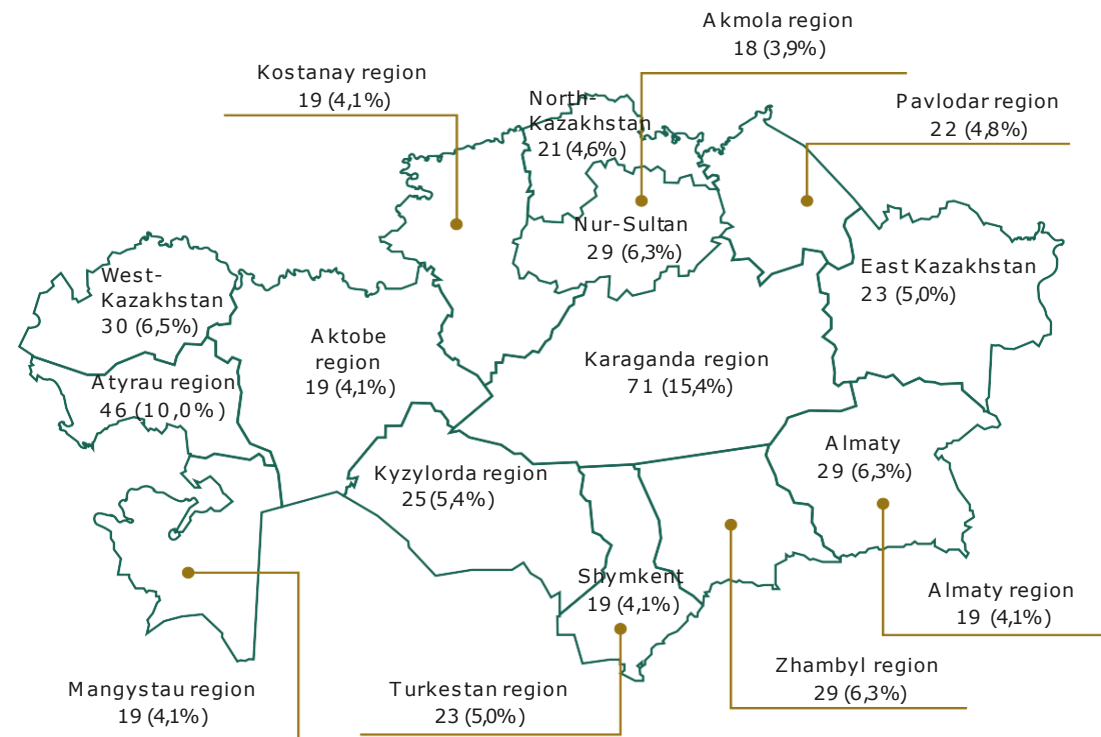
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01

SAMPLE INFORMATION

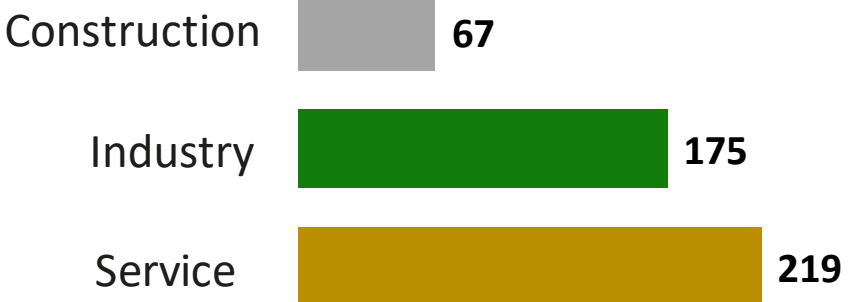
Number of respondents in November 2021 - 461 enterprises



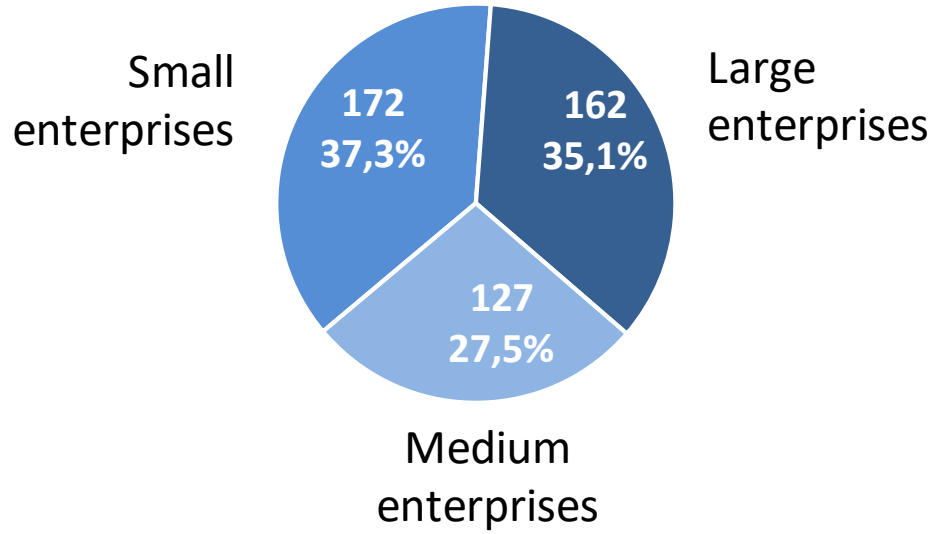
- *The business activity index is a composite indicator that includes the aggregate of enterprises' answers to questions regarding the actual changes in the economic indicators of enterprises and the expectations regarding their changes in the future.*
- *The National Bank of Kazakhstan conducts a survey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



ENTERPRISES-RESPONDENTS BY SECTOR



ENTERPRISES-RESPONDENTS BY SIZE

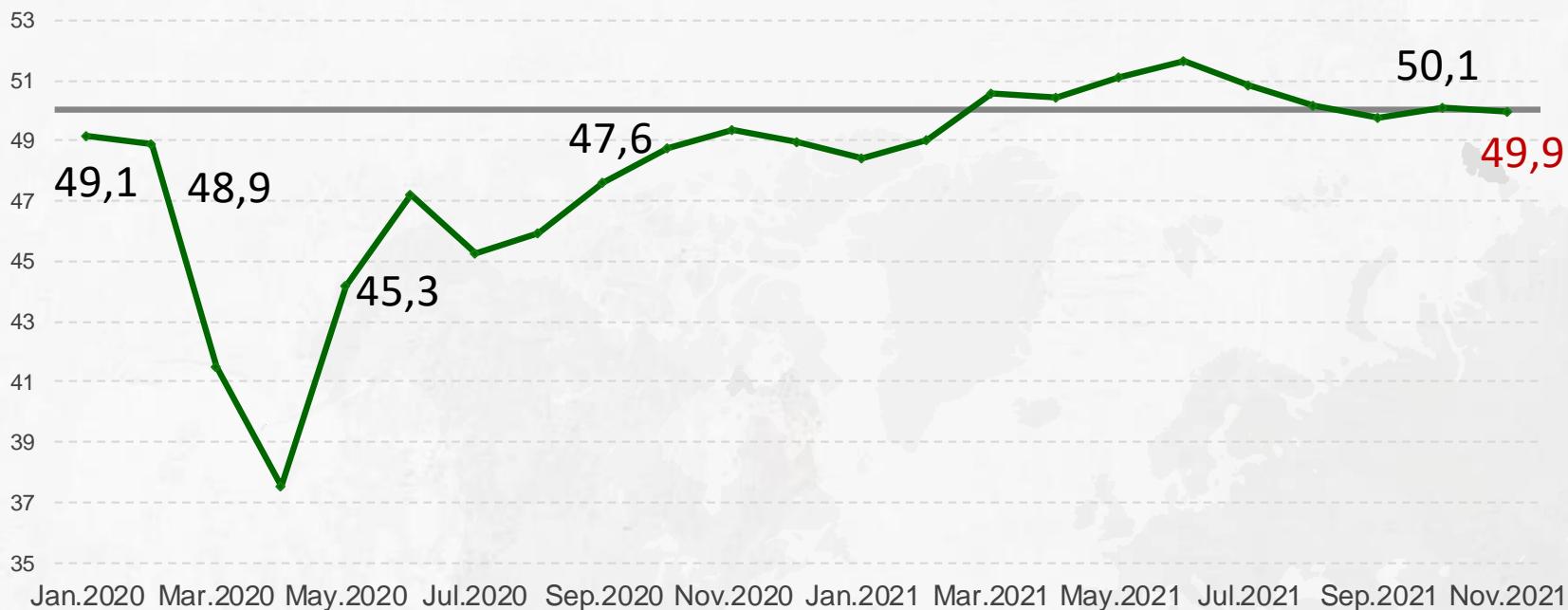




02

CONSOLIDATED BUSINESS
ACTIVITY INDEX BY
ECONOMY

CONSOLIDATED BUSINESS ACTIVITY INDEX (BAI) BY ECONOMY



According to the results of a monthly survey of 461 enterprises in the real sector in November 2021 the business activity index decreased by 0,2 points, amounting to **49,9** (in October - 50,1).

In the service sector the index formed at **49,3**, in industry - **50,8**, in construction - **49,9** (in October - 49,7, 50,6, 49,9, respectively).

* 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
49,9



BAI
in construction
49,9



BAI
in service
49,3



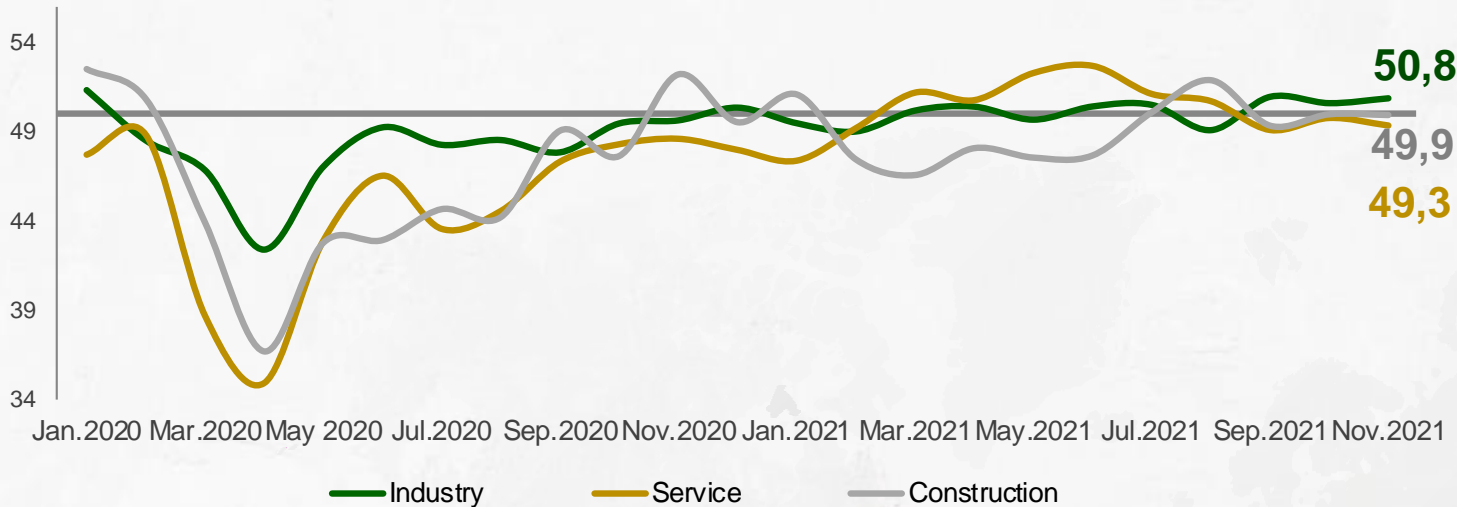
BAI
in industry
50,8



03

BUSINESS ACTIVITY
INDEX BY SECTOR

BUSINESS ACTIVITY INDEX (BAI) BY SECTOR



Business activity was in the positive area only in **industry**, where the index increased slightly by 0,2 points, amounting to **50,8**. Increase in new orders and shorter delivery time made positive impact.

In **construction** sector the index remained unchanged - **49,9**.

In the **service sector** the index fell down by 0,4 points, and amounted **49,3**. The deterioration was related with a decrease in employment rate, an increase in delivery time.

* 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

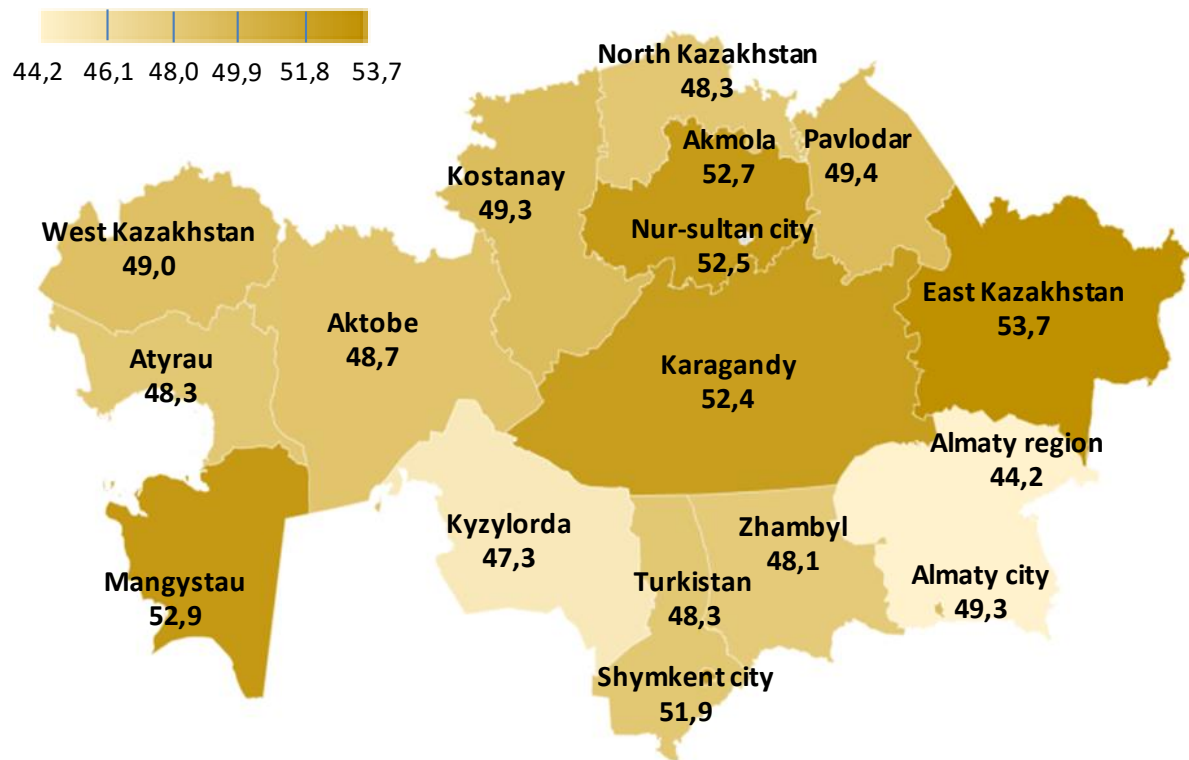
Business Activity Index in industry

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

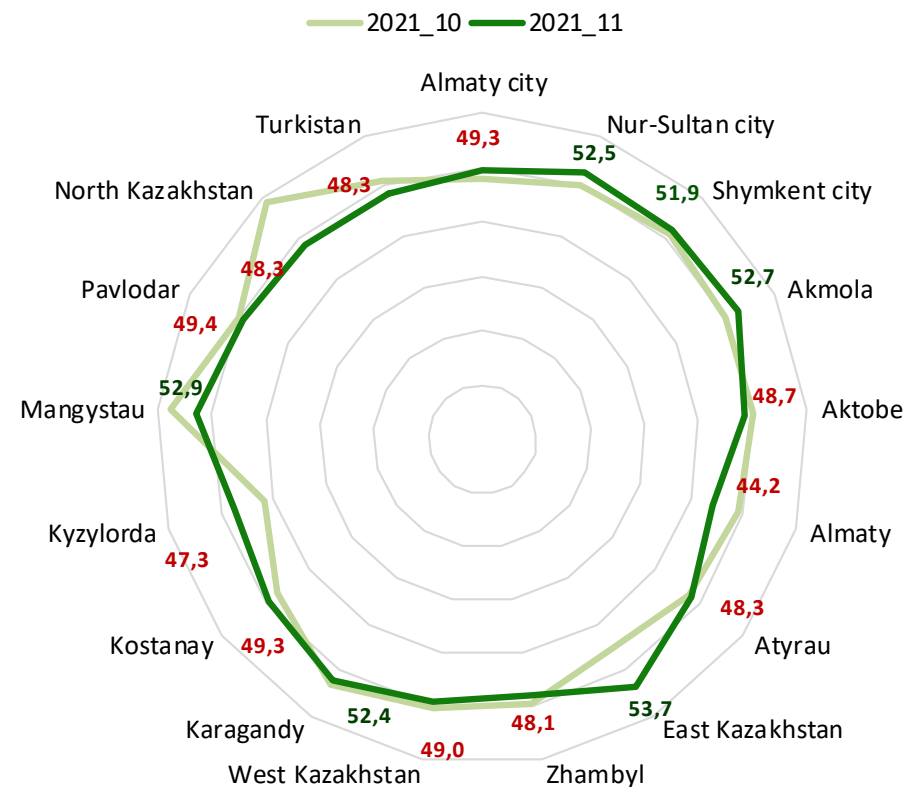
Business Activity Index in construction

Business Activity Index in Service

BAI in November 2021 by region



BAI dynamics for October - November 2021



In the context of the regions, an improvement in the business activity was observed in 6 regions of Kazakhstan: East Kazakhstan (**53,7**), Mangystau (**52,9**), Akmola (**52,7**) regions, Nur-Sultan city (**52,5**), Karaganda region (**52,4**) and Shymkent city (**51,9**).

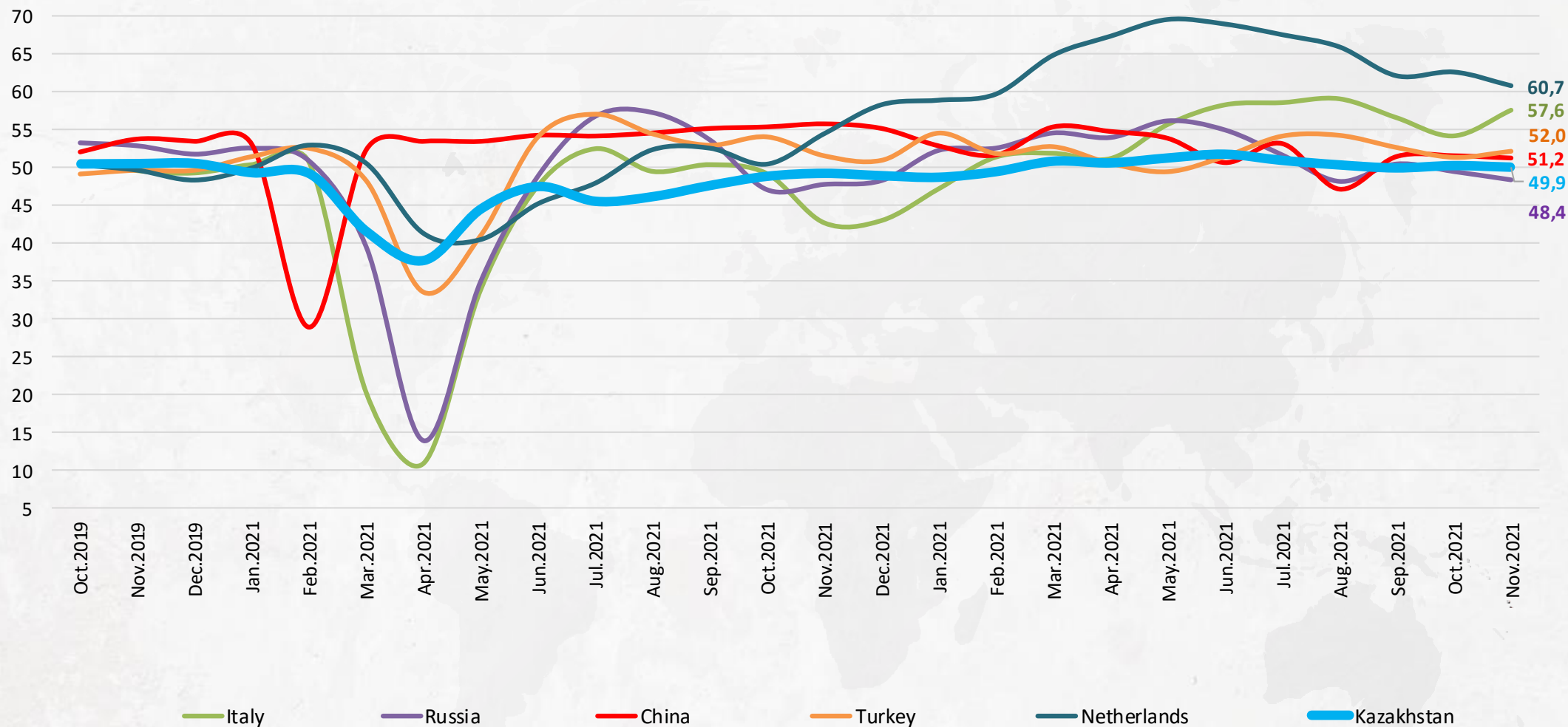
The deterioration of the business activity was observed in 11 regions of Kazakhstan: Almaty (**44,2**), Kyzylorda (**47,3**), Zhambyl (**48,1**), Turkistan (**48,3**), Atyrau (**48,3**), North Kazakhstan (**48,3**), Aktobe (**48,7**), West Kazakhstan (**49,0**), Kostanay (**49,3**) regions, Almaty city (**49,3**) and Pavlodar region (**49,4**).



05

PMI BY COUNTRY

DYNAMICS OF COMPOSITE PMI BY COUNTRIES, MAJOR TRADING PARTNERS OF KAZAKHSTAN



Data as for 08.12.2021

Sources: Thomson Reuters; <https://tradingeconomics.com>

Industry PMI for Turkey and the Netherlands



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**BUSINESS CLIMATE
INDEX (BCI)**

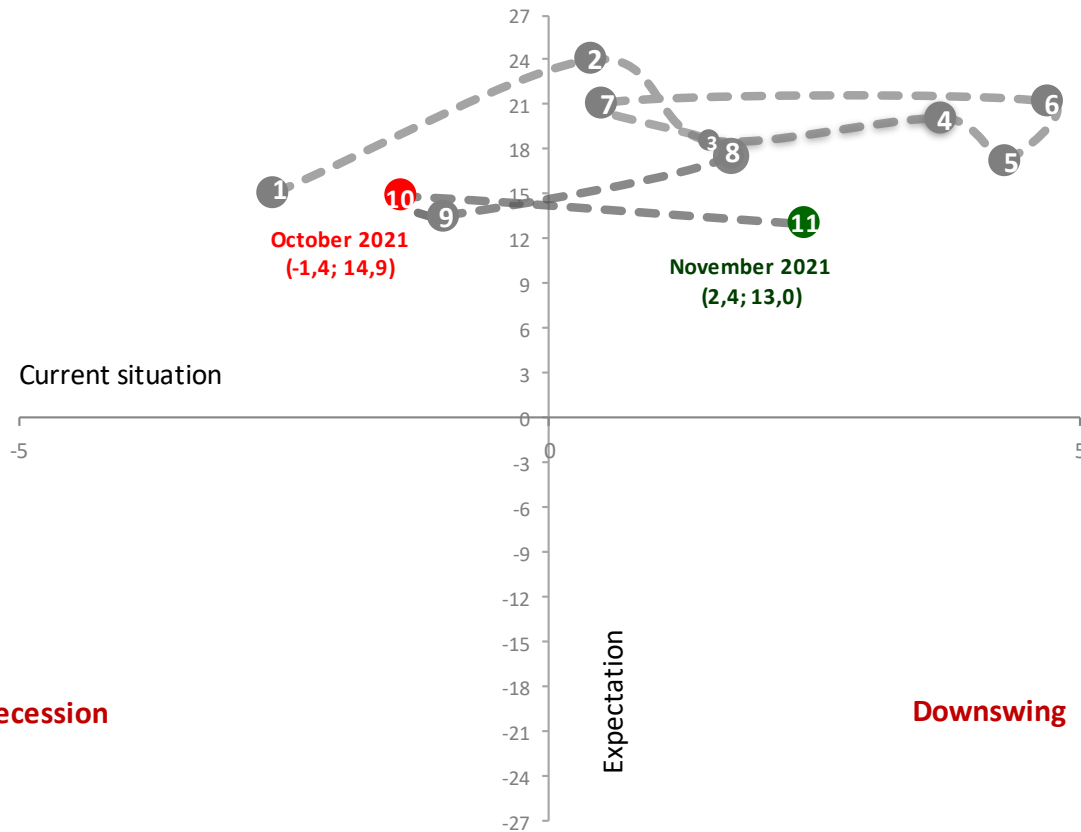
BUSINESS CLIMATE INDEX (BCI)

Business cycle clock

Business cycle clock

Upswing

Boom



Economy
BCI
7,6



Construction
BCI
12,1



Service
BCI
7,8



Industry
BCI
6,6

In November 2021 the balance of answers of the **current** business conditions assessment was **2,4** (in October (-)1,4). The balance of answers on **expectations** for the next **6 months** was **13,0** (in October - 14,9). The change in the assessment of the current situation from negative to positive value with optimistic expectations made the indicator of business cycle "clock" move from the area of upswing to the area of **boom**.

The **business climate index**, which is an average assessment of current and future business conditions, improved in the economy, amounting to **7,6** (in October - 6,6). The increase in the BCI was related with an increase in the confidence about current business conditions (from (-)1,4 to 2,4). In construction BCI was 12,1. The indicators in service and industrial sectors were 7,8 and 6,6, respectively.

Recession

Downswing



*BCI is geometrical mean of current situation assessment and expectation

Business Climate Index (BCI)

Current situation (SIT)

Expectation (EXP)

$$BCI^* = \sqrt{(BA(SIT) + 200) * (BA(EXP) + 200)} - 200$$

where, BA – balance of answers

SIT – current economic condition

EXP – expected economic condition



METHODOLOGICAL COMMENT

- ✓ 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.
- ✓ Changes are possible in the previous months dynamics due to seasonal clearing and GVA adjustment.
- ✓ The Business Climate Index and Business Cycle Clock are constructed using the methodology of Ifo institute, Germany.

Monetary Policy Department
NATIONAL BANK OF KAZAKHSTAN