



Kazakhstan Business Activity Index

February 2022





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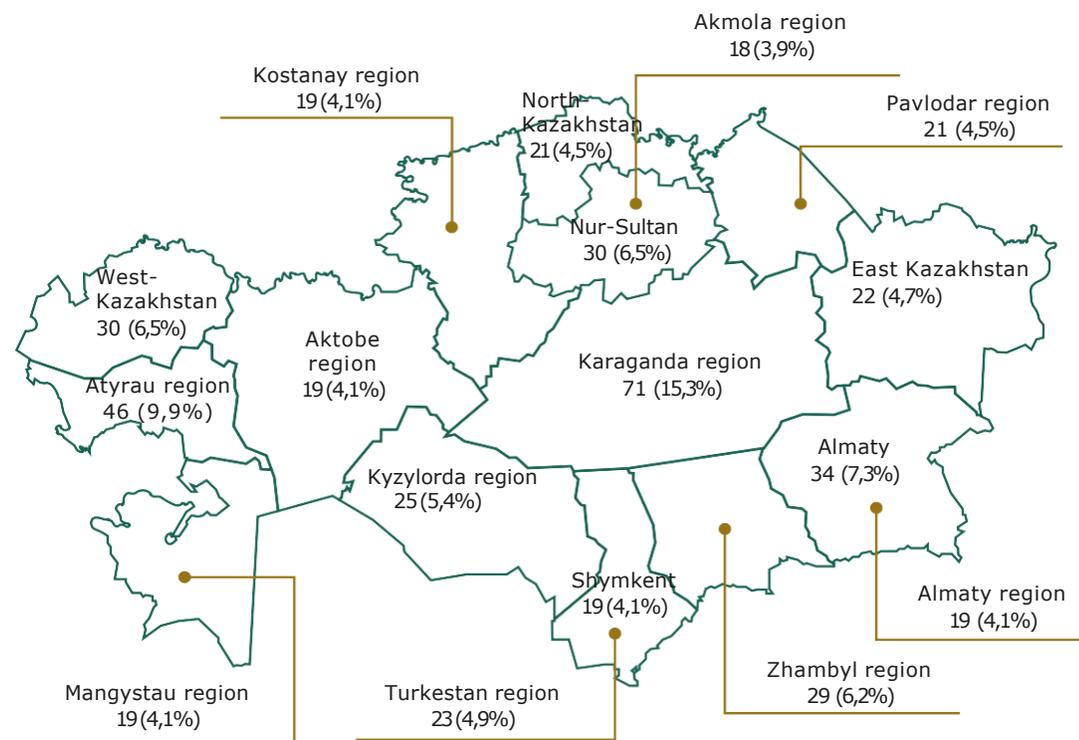
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01

SAMPLE INFORMATION

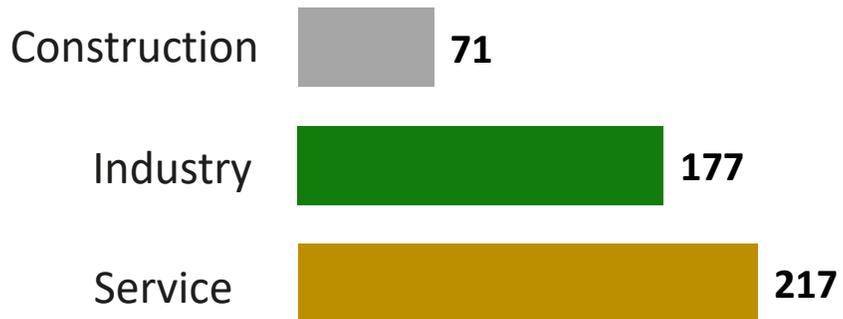
Number of respondents in February 2022 - 465 enterprises



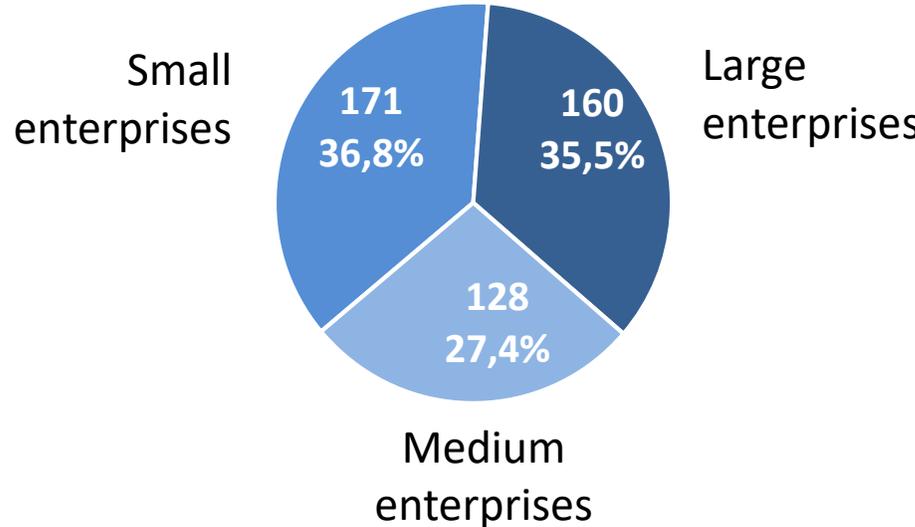
- *The business activity index is a composite indicator that includes the aggregate of enterprises' answers to questions regarding the actual changes in the economic indicators of enterprises and the expectations regarding their changes in the future.*
- *The National Bank of Kazakhstan conducts a survey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



ENTERPRISES-RESPONDENTS BY SECTOR



ENTERPRISES-RESPONDENTS BY SIZE

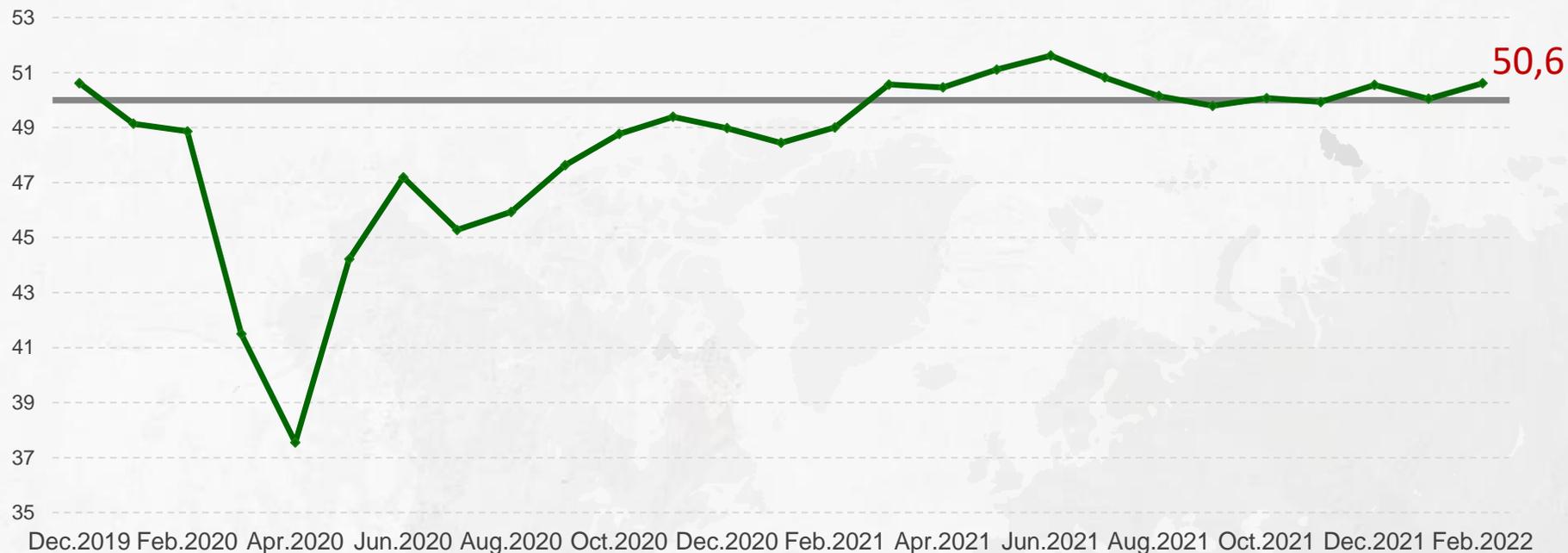




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CONSOLIDATED BUSINESS
ACTIVITY INDEX BY
ECONOMY

CONSOLIDATED BUSINESS ACTIVITY INDEX (BAI) BY ECONOMY



According to the results of a monthly survey of 465 enterprises in the real sector in February 2022 the business activity index increased, making **50,6** (January - 50,0).

In the construction the index formed at **46,0**, in the service sector - **50,6**, in industry - **51,4** (in January - 45,7, 49,4 and 51,8, 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
50,6



BAI
in construction
46,0



BAI
in service
50,6



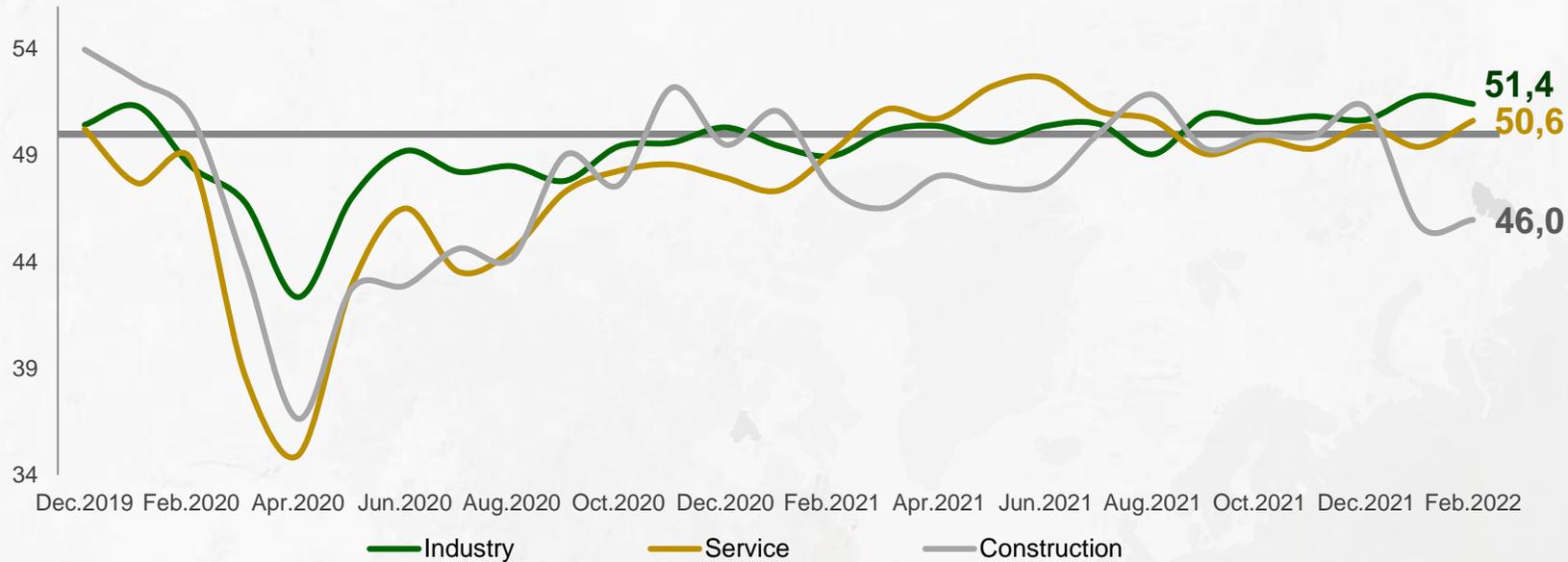
BAI
in industry
51,4



03

BUSINESS ACTIVITY
INDEX BY SECTOR

BUSINESS ACTIVITY INDEX (BAI) BY SECTOR



Despite some slowdown, business activity was higher in industry, than in other sectors, the index made **51,4**.

In the service sectors the index moved to the positive area, and amounted to **50,6**, due to the improvement in all components.

In construction the index slightly improved to **46,0**, but remains in negative area.

* 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

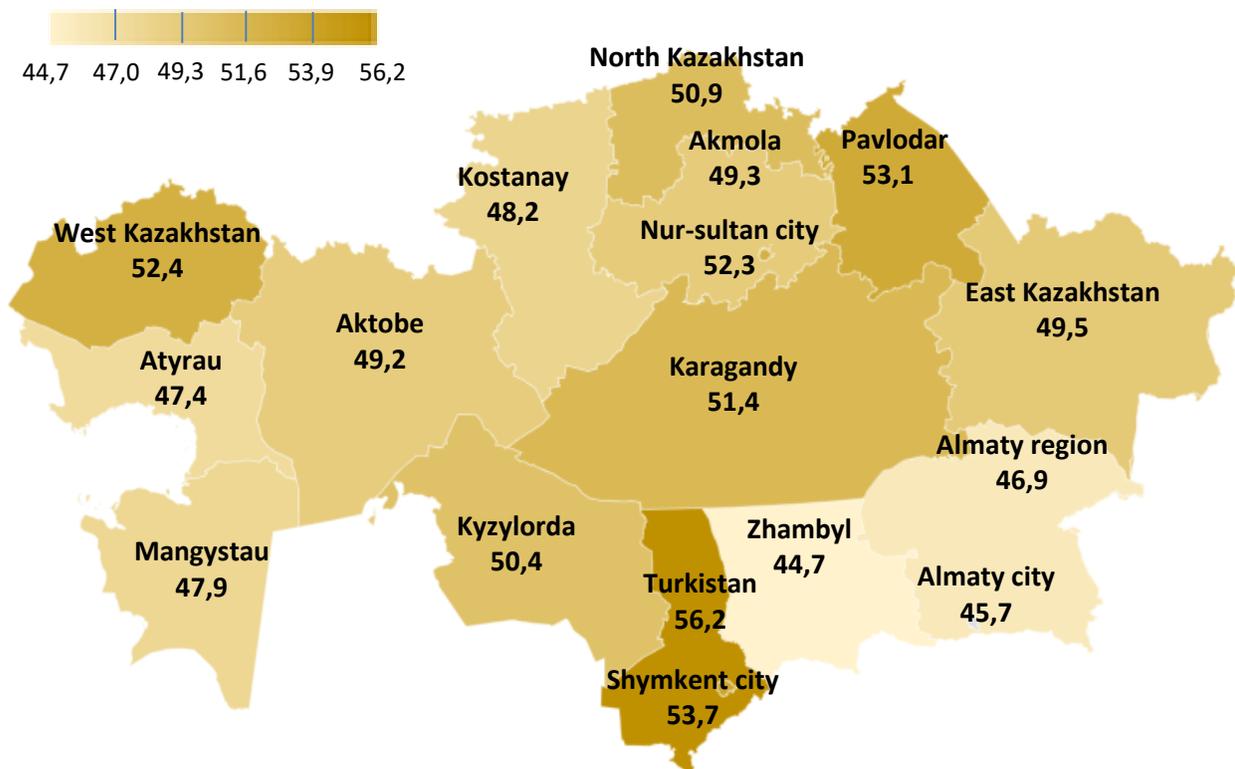
Business Activity Index in construction

Business Activity Index in Service

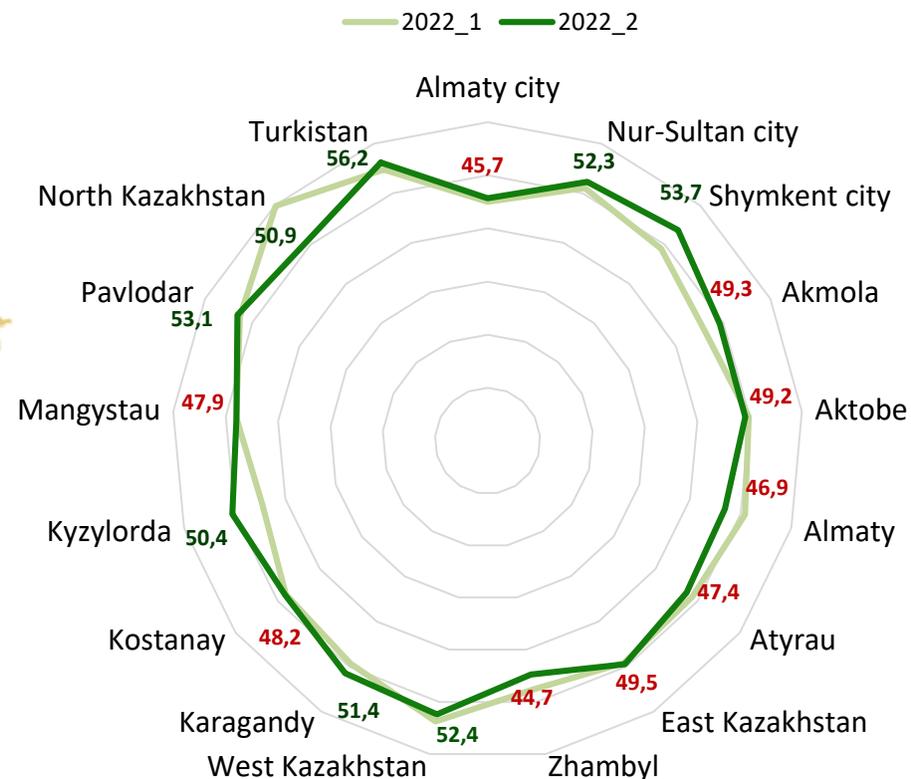
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BUSINESS ACTIVITY INDEX BY REGIONS

BAI in February 2022 by region



BAI dynamics for January - February 2022



In the context of the regions, an improvement in the business activity was observed in 8 regions of Kazakhstan: Turkistan (**56,2**), Shymkent (**53,7**) and Nur-Sultan (**52,3**) cities, Pavlodar (**53,1**), West Kazakhstan (**52,4**), Karagandy (**51,4**), North Kazakhstan (**50,9**) and Kyzylorda (**50,4**) regions.

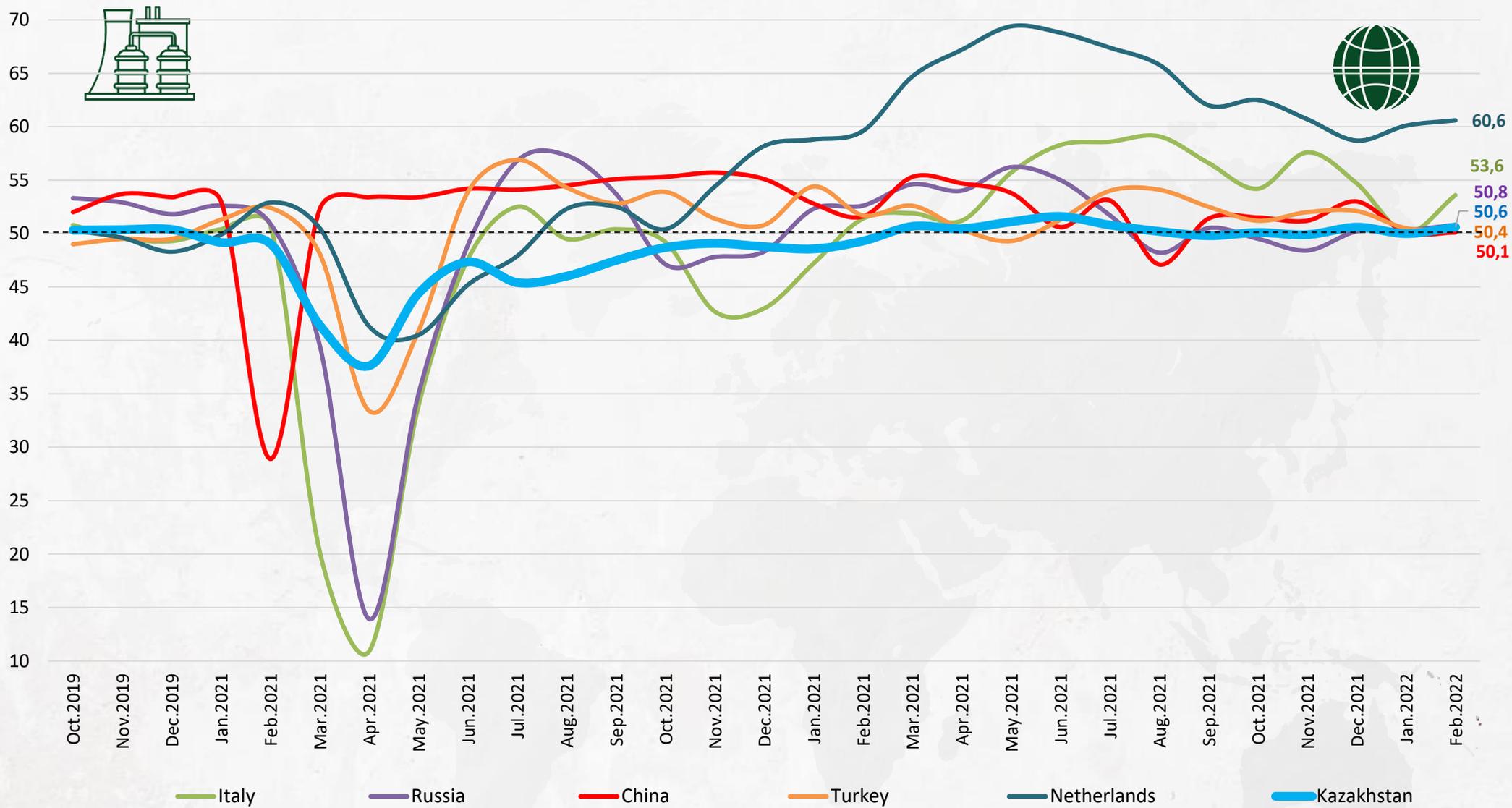
The deterioration of the business activity was observed in 9 regions of Kazakhstan: Almaty city (**45,7**), Zhambyl (**44,7**), Almaty (**46,9**), Atyrau (**47,4**), Mangystau (**47,9**), Kostanay (**48,2**), Aktobe (**49,2**), Akmola (**49,3**), East Kazakhstan (**49,5**) regions.



05

PMI BY COUNTRY

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



Data as for 9.03.2022

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

Industry PMI for Turkey and the Netherlands

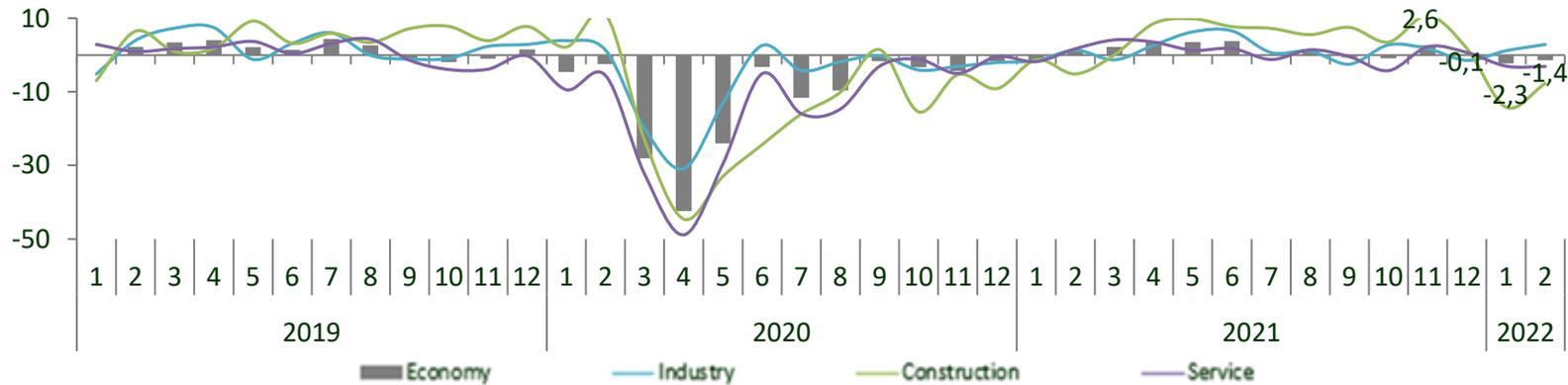


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BUSINESS CLIMATE INDEX (BCI)

BUSINESS CLIMATE INDEX (BCI) Current situation assessment

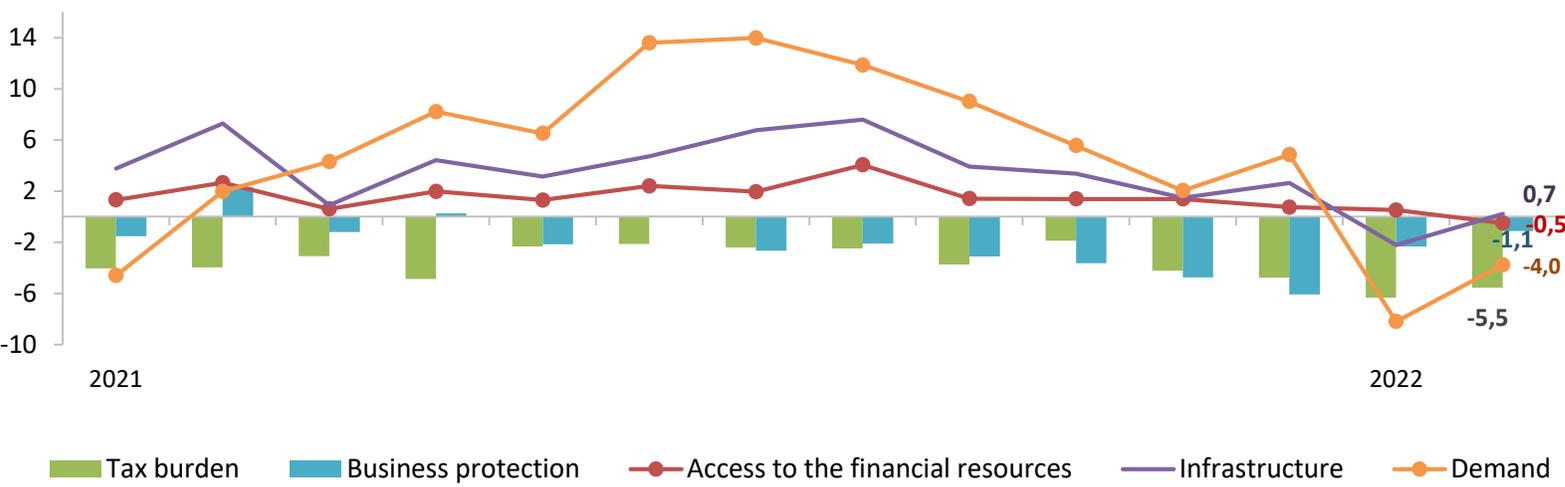
Current situation assessment, balance of answers (BA)*



*Balance of answers (BA) is difference between positive and negative answers. Enterprises asked to assess the current business situation choosing one of the given answers «favorable», «unfavorable» and «neutral». Answers are weighted by respondents' size.
If index is above 0 improvement, if below 0 – worsening.

In February 2022 the assessment of the current business conditions was negative, but it was better than a month before: the balance of answers (BA*) amounted **(-)1,4** compared to **(-)2,3** in January. It was affected by the improvement in construction from **(-)13,4** to **(-)7,7**. In industry the assessment increased till **2,8**, in the service sector it remained almost unchanged **(-3,1)**.

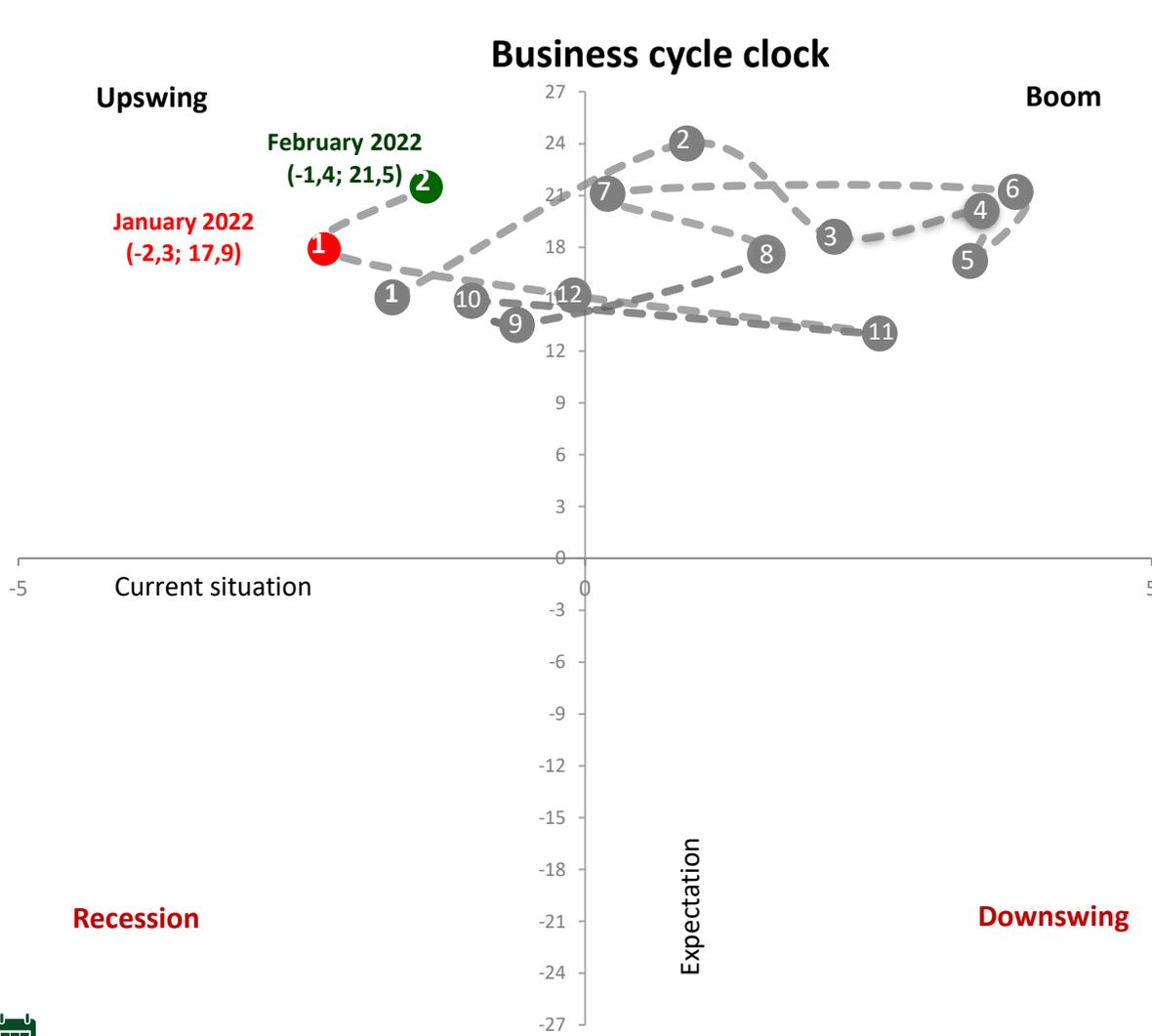
Factors of business climate assessment, BA*



Businesses indicate improvement of all factors, except an access to finance/loans, which was assessed negatively for the first time since January 2021 **(-0,5)**. The assessments of other factors (tax burden, demand, business protection matters) despite some improvement, are still negative. In February 2022 negative answers prevailed for all factors except infrastructure.

BUSINESS CLIMATE INDEX (BCI)

Business cycle clock



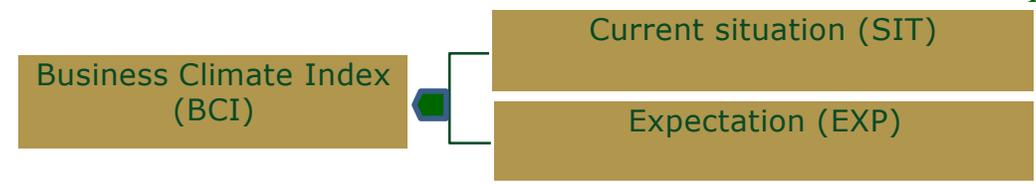
Icon	Category	BCI Value
	Economy BCI	11,4
	Construction BCI	9,6
	Service BCI	12,3
	Industry BCI	10,1

In February 2022 the assessment of **current** business conditions **remained** negative, making (-)1,4. As a result, despite the increase in the confidence about forthcoming 6 months (from 17,9 to 21,5), the indicator of business cycle "clock" stayed in the area of **upswing**.

The **business climate index**, which is an average assessment of current and future business conditions, noticeably increased, amounting to **11,4** (in January - 7,4). In construction BCI amounted to 9,6. The indicators in service and industrial sectors were 12,3 and 10,1, respectively.



*BCI is geometrical mean of current situation assessment and expectation



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

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 share and half of the unchanged responses share. 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