



Kazakhstan Business Activity Index

March 2022



A black and white photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of large, horizontal and vertical pipes, some with insulation. In the lower-left corner, there is a large, round analog clock mounted on a wall. The overall scene is industrial and somewhat abstract due to the perspective and lighting.

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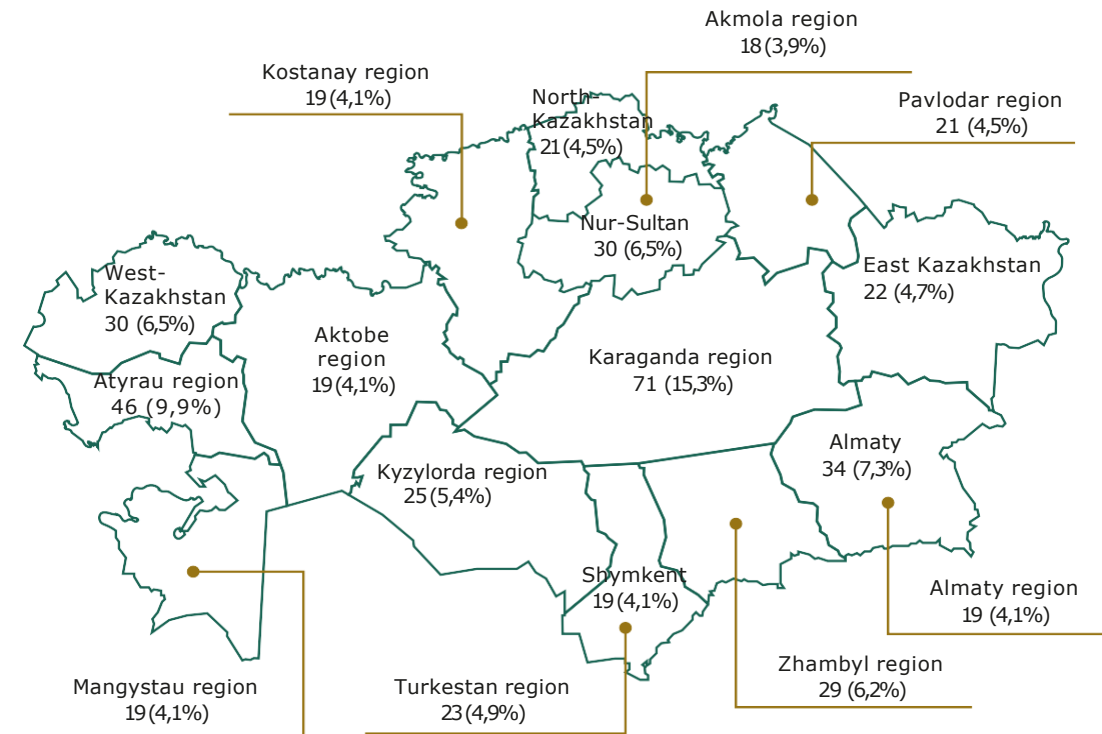
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Business Climate Index

01

SAMPLE INFORMATION

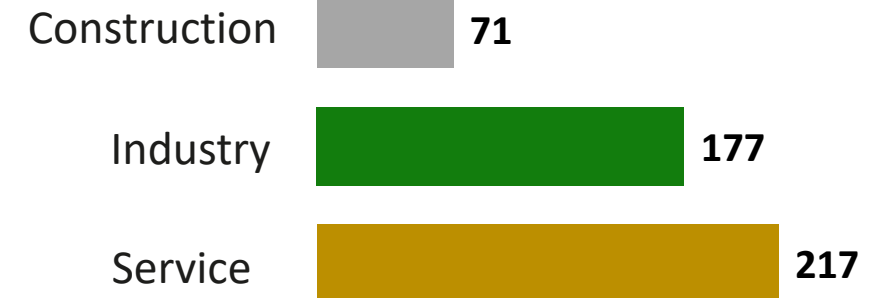
Number of respondents in March 2022 - 465 enterprises



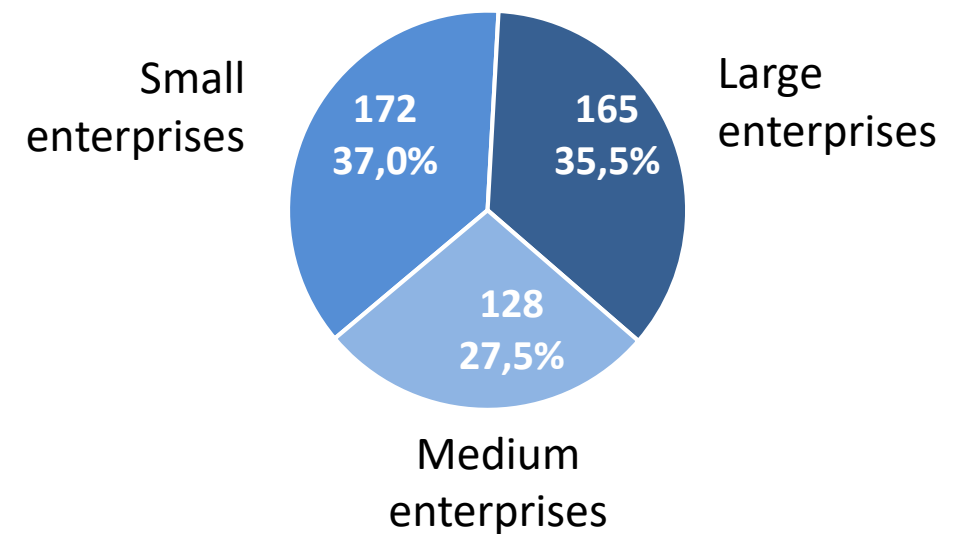
- The business activity index is a composite indicator that includes the aggregate of enterprises' answers to questions regarding the actual changes in the economic indicators of enterprises and the expectations regarding their changes in the future.
- The National Bank of Kazakhstan conducts a survey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



ENTERPRISES-RESPONDENTS BY SECTOR



ENTERPRISES-RESPONDENTS BY SIZE

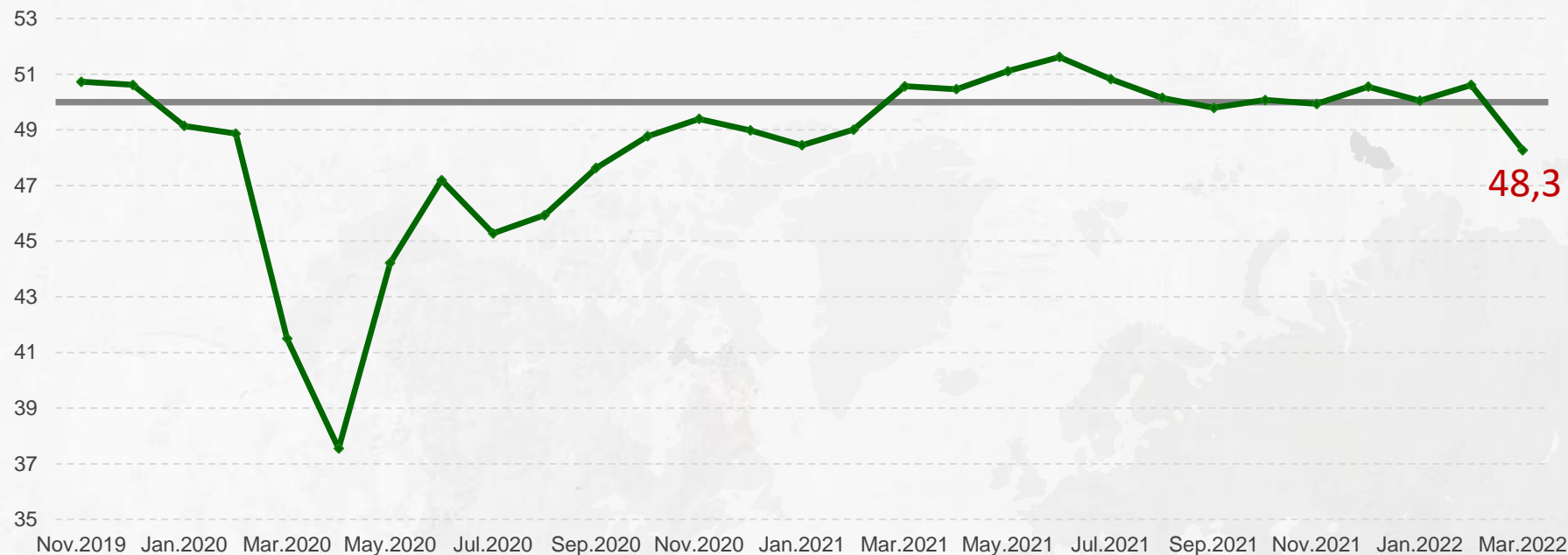




02

**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 March 2022 the business activity index moved to declining area, making **48,3** (February – 50,6).

In the construction the index formed at **47,1**, in the service sector – **48,4**, in industry – **48,2** (in February – 46,0, 50,6 and 51,4, 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
48,3



BAI
in construction
47,1



BAI
in service
48,4



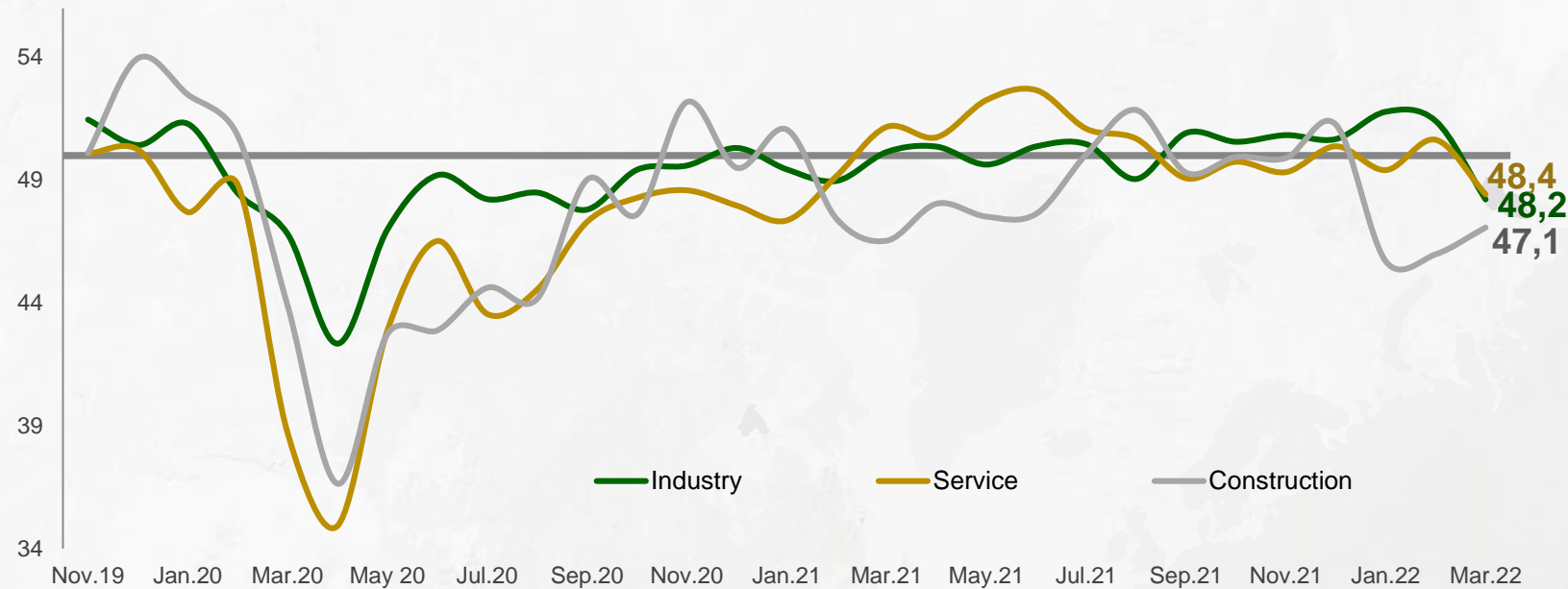
BAI
in industry
48,2



03

BUSINESS ACTIVITY INDEX BY SECTOR

BUSINESS ACTIVITY INDEX (BAI) BY SECTOR



In industry and the services sector, business activity declined to **48.2** and **48.4**, respectively.

In construction, the index value increased to 47.1, but remains in the area of decline.

In all sectors, the index values were below the 50 mark.

*** 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

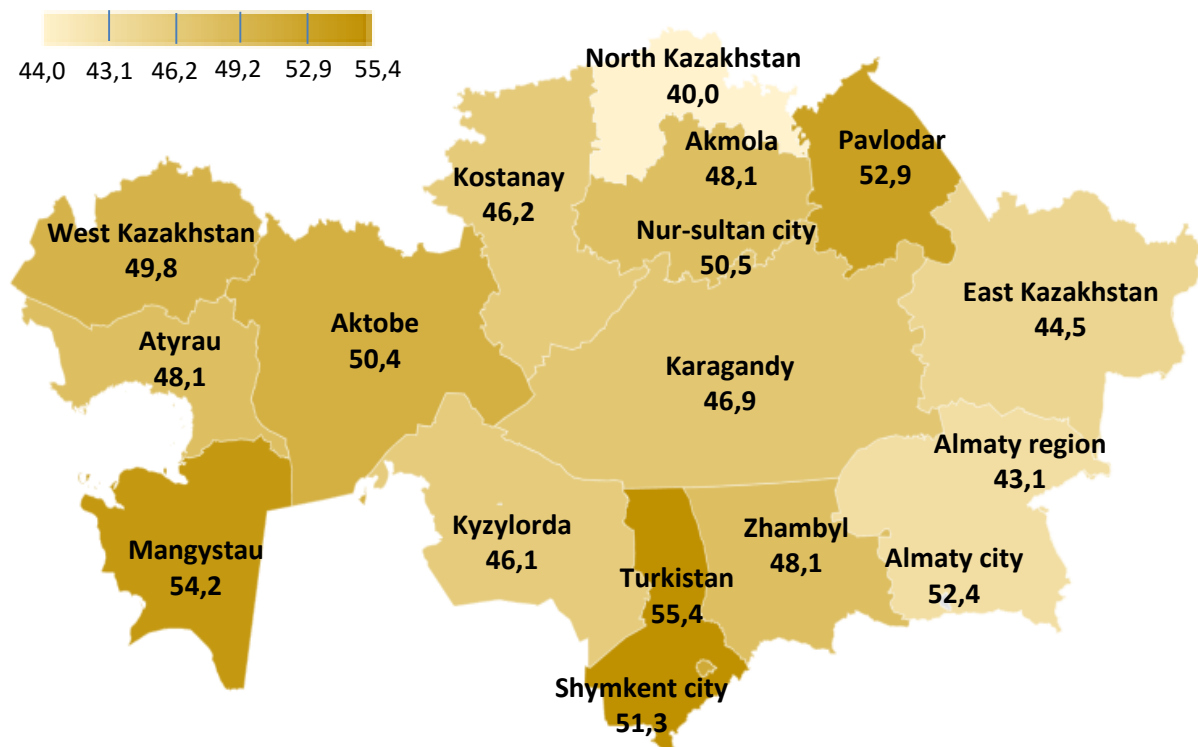
Business Activity Index in Service

in Turkistan (55.4), Mangystau (54.2), Pavlodar (52.9) regions, in the cities of Almaty (52.4), Shymkent (51.3) and Nursultan (50.5), as well as in Aktope region (50.4).
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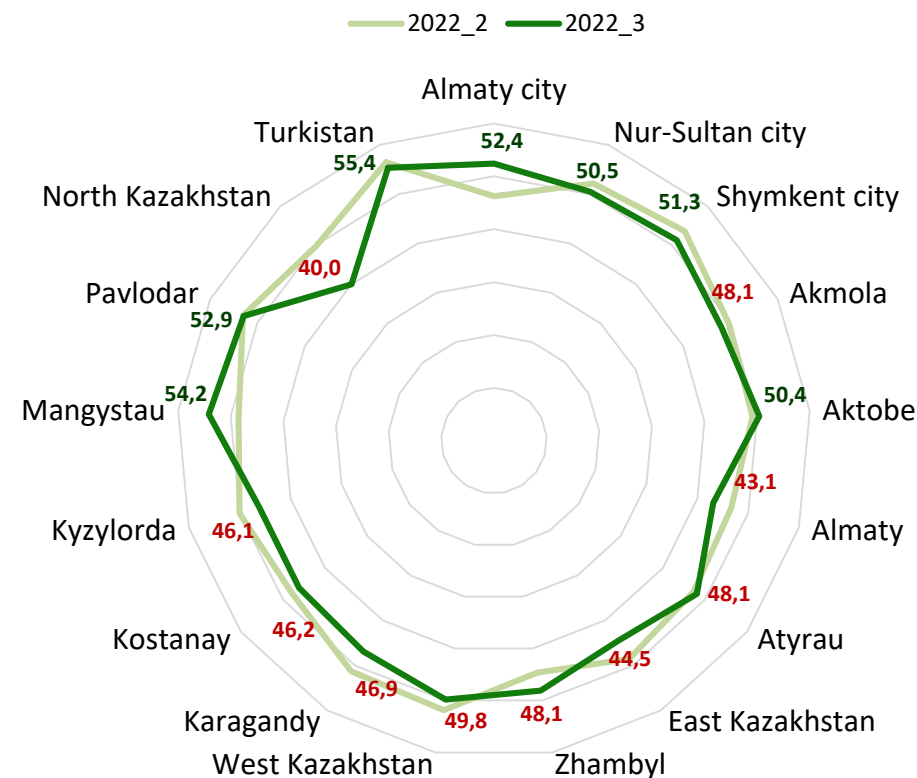
04

BUSINESS ACTIVITY INDEX BY REGIONS

BAI in March 2022 by region



BAI dynamics for February - March 2022



In the context of the regions, an improvement in the business activity was observed in 7 regions of Kazakhstan: Turkistan (**55.4**), Mangystau (**54.2**), Pavlodar (**52.9**) regions, Almaty (**52.4**), Shymkent (**51.3**) and Nur-Sultan (**50.5**) cities, as well as in Aktope region (**50.4**).

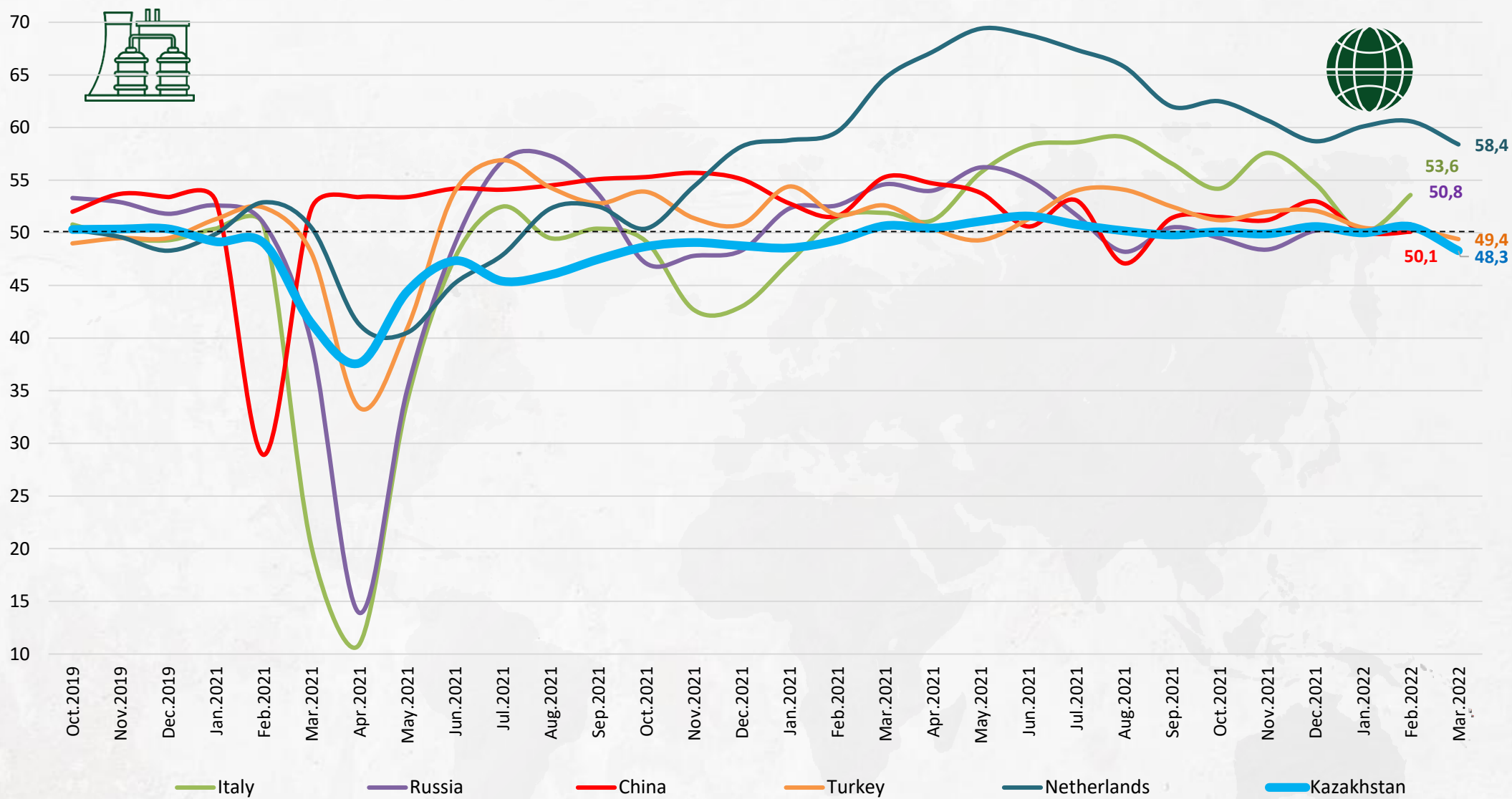
The deterioration of the business activity was observed in 10 regions of Kazakhstan: North Kazakhstan (**40.0**), Almaty (**43.1**), East Kazakhstan (**44.5**), Kyzylorda (**46.1**), Kostanay (**46.2**), Karaganda (**46.9**), Akmola (**48.1**), Zhambyl (**48.1**), Atyrau (**48.1**) and West Kazakhstan (**49.8**) regions.



05

PMI BY COUNTRY

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



Data as for 05.04.2022

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

Industry PMI for Turkey and the Netherlands



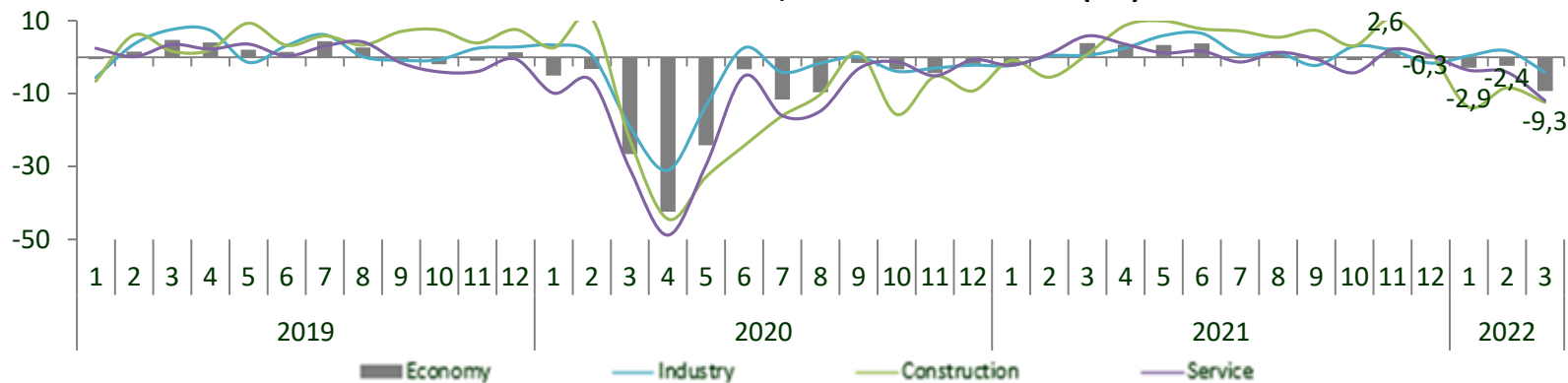
06

**BUSINESS CLIMATE
INDEX (BCI)**

BUSINESS CLIMATE INDEX (BCI)

Current situation assessment

Current situation assessment, balance of answers (BA)*



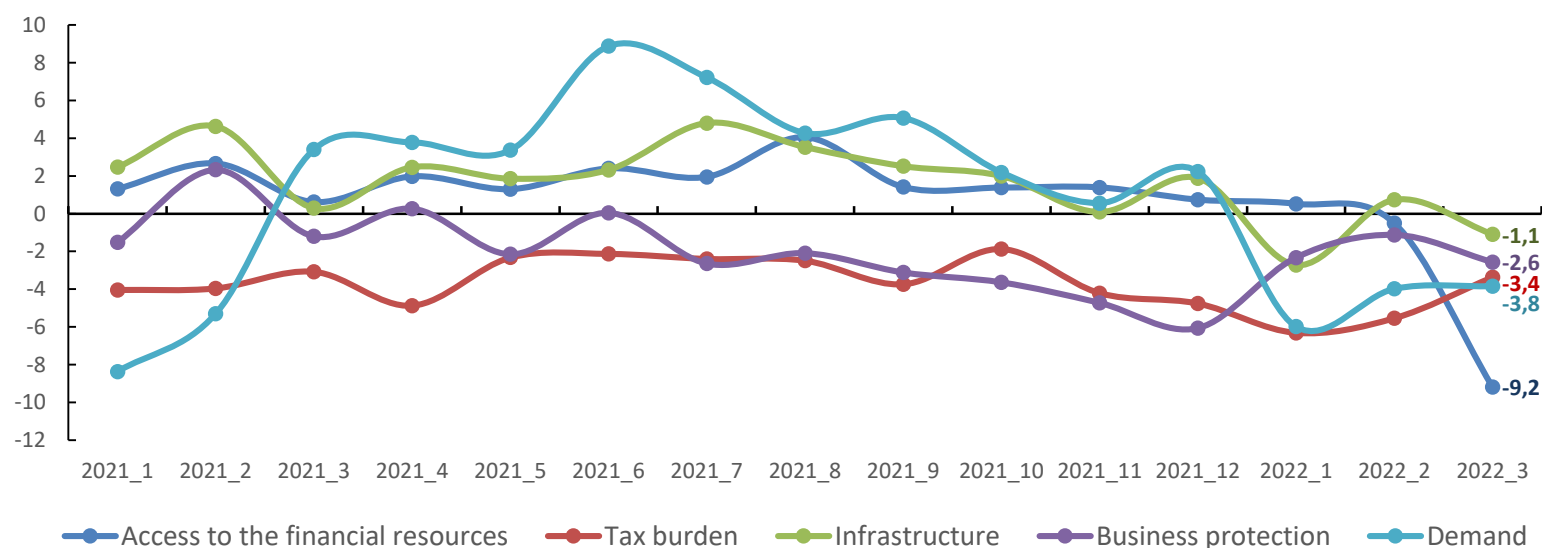
*Balance of answers (BA) is difference between positive and negative answers. Enterprises asked to assess the current business situation choosing one of the given answers «favorable», «unfavorable» and «neutral». Answers are weighted by respondents' size.

If index is above 0 improvement, if below 0 – worsening.

In March 2022, according to enterprises, the current business conditions worsened: the balance of responses* was **(-)9.3** (in February - (-)2.4), deterioration was noted in all sectors.

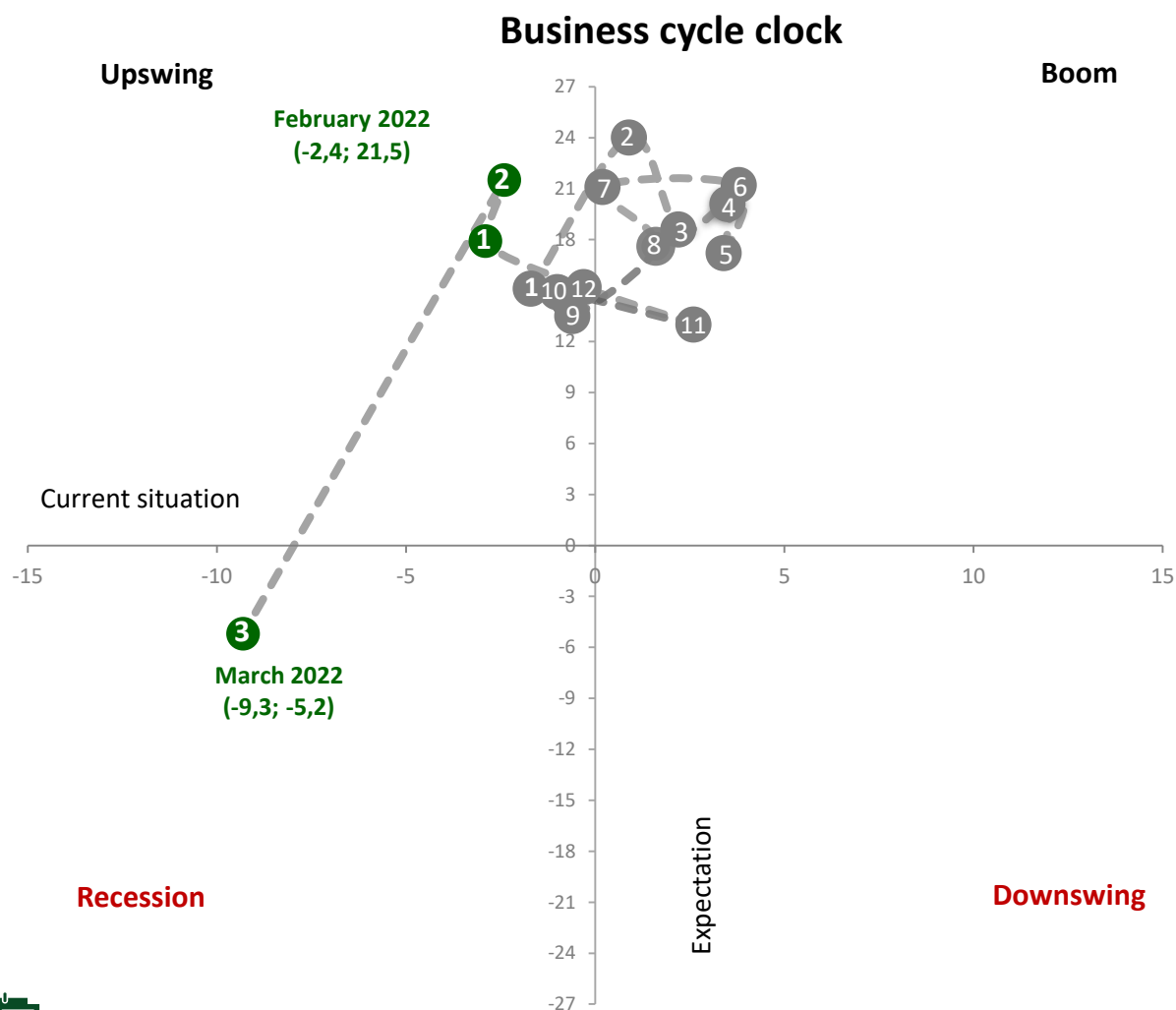
Negative responses prevailed for all factors of assessing business conditions. The assessment of the tax burden has improved from (-)5.5 in February to (-)3.4, but remains negative. Demand has hardly changed (-3.8). Other factors (access to communications, access to finance/credit and business protection issues), according to respondents, worsened.

Factors of business climate assessment, BA*



BUSINESS CLIMATE INDEX (BCI)

Business cycle clock



Economy
BCI
-7,2



Construction
BCI
-14,4



Service
BCI
-8,1



Industry
BCI
-4,4

In March 2022 the assessment of **current** and **future** business conditions turned negative, making (respectively, **-9,3** and **-5,2**). As a result, the indicator of business cycle "clock" moved to the area of **recession**.

The **business climate index**, which is an average assessment of current and future business conditions, noticeably decreased, amounting to (-)7,2 (in February – (-)11,4). In construction BCI amounted to (-)14,4. The indicators in service and industrial sectors were (-)8,1 and (-)4,4, respectively.



*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 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