

RESULTS OF THE MACROECONOMIC SURVEY OF THE NATIONAL BANK OF KAZAKHSTAN

Survey dates: October 1-6, 2022

Number of respondents: 12

(ACRA, AERC, Asian Development Bank, Centras Securities, Economic Research Institute, Eurasian Development Bank, Eurasian Economic Commission, Freedom Finance, Halyk Finance, Jusan Invest, NAC Analytica, Renaissance Capital)

Survey results (median of respondents' forecasts, in parentheses are the median values of previous forecasts):

Indicator	2021 (факт)	2022	2023	2024
Brent oil price USD per barrel average for the year	71,1	100,0 (101,0)	85,0 (89,9)	75,6 (75,0)
GDP %, YoY	4,1	3,0 (3,0)	3,8 (3,8)	4,0 (4,0)
CPI %, December to December of the previous year	8,4	18,5 (15,1)	11,0 (8,8)	8,0 (7,0)
Base rate % per annum, average for the year	9,2	13,9 (13,6)	12,4 (12,0)	9,8 (9,2)
Exports of goods and services billions of USD per year	66,2	83,3 (85,0)	86,2 (92,6)	88,0 (90,6)
Imports of goods and services billions of USD per year	47,3	52,5 (52,8)	55,4 (56,4)	57,0 (60,1)
USD/KZT exchange rate average for the year	426,0	462,7 (460,0)	494,7 (478,4)	501,6 (495,0)
Neutral base rate* % per annum *		8,5 (8,0)		
Long-term GDP growth ** %, YoY		3,5 (3,5)		

OIL PRICE. According to the respondents' median forecast, in 2022 the price of Brent crude oil will average \$100/bbl per year, in 2023 - \$85.0/bbl, in 2024 - \$75.6/bbl. Analysts' expectations for the current year range from \$77.8 to \$107.4/bbl (in August, \$117.4/bbl to \$117.5/bbl). The range of forecasts for 2023 and 2024 is widening, nevertheless the majority of respondents expect a decrease in oil prices.

GDP. According to expectations of respondents in 2022 the growth of Kazakhstan's economy will amount to 3.0%, in 2023 - 3.8%, in 2024 - 4%. Analysts' expectations for the current year range from 2.6% to 4%, and have remained unchanged since August. Analysts expect economic growth to recover in 2023 and 2024.

CPI. In December 2022, respondents expect inflation to be 18.5%. In 2023, respondents expect inflation to decline significantly to 11.0% and more gradually in 2024 to 8.0%.

BASE RATE. In 2022, respondents expect the base rate to average 13.9% for the year, 12.4% in 2023, and 9.8% in 2024. Currently, the base rate has averaged 13.3% since the beginning of the year. If the rate remains at its current level of 14.5% through

the end of 2022, it will average 13.55% for the year. Thus, respondents expect an increase in the base rate by the end of the year.

EXPORTS OF GOODS AND SERVICES. In 2022, the median export projections were \$83.3 billion, \$86.2 billion in 2023, and \$88.0 billion in 2024.

IMPORTS OF GOODS AND SERVICES. Respondents expect growing imports of \$52.5 billion in 2022, \$55.4 billion in 2023, and \$57.0 billion in 2024.

USD/KZT EXCHANGE RATE. Tenge exchange rate on average for the year is expected to be at the level of **462.7** tenge per US dollar at the end of 2022, and to weaken to **494.7** tenge per US dollar in 2023, and to **501.6** tenge per US dollar in 2024.

NEUTRAL BASE RATE. The level of the base rate at which monetary policy keeps inflation and inflation expectations for targets and GDP at potential levels in the long run is estimated by respondents at 8.5%. The range of forecasts ranges from 6% to 15.2% (in August from 6% to 11%).

LONG-TERM GDP GROWTH. Analysts expect an average potential GDP growth rate of 3.5% over the horizon of 5 years. The range of forecasts varies from 2% to 4% (in August from 2% to 4%).

In general, the ranges of respondents' forecasts for macroeconomic indicators are broad for both the horizon of 1 year and the medium term, which indicates a high level of uncertainty among market participants about the prospects for the domestic and global markets.