

RESULTS OF THE MACROECONOMIC SURVEY OF THE NATIONAL BANK OF KAZAKHSTAN

Survey dates: August 11-17, 2022

Number of respondents: 11

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

Survey results (median of respondents' forecasts):

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

OIL PRICE. According to the median forecast of respondents, Brent oil price on average for the year will be at the level of **\$101** per barrel in 2022, **\$89.9** per barrel in 2023, **\$75** per barrel in 2024. Analysts' expectations for the current year range from \$90 to \$110 per barrel. Forecast range for 2023 and 2024 is expanding, however, most respondents expect oil prices to decline.

GDP. According to the respondents' expectations, the growth of Kazakhstan economy will be at the level of **3%** in 2022, **3.8%** in 2023, **4%** in 2024. Analysts' expectations for the current year varies from 2.6% to 4%. In 2023 and 2024 analysts expect recovery of economic growth.

CPI. In December 2022, respondents expect inflation at **15.1%**. In 2023, respondents expect a significant decline in inflation to **8.8%** and a smoother one in 2024 to **7%**.

*Base rate level at which monetary policy keeps inflation and inflation expectations on target over the long term and also GDP at its potential

**Expected average growth rates of potential GDP over a 5-year horizon

BASE RATE. Respondents expect the base rate on average for the year to be **13.6%** in 2022, **12%** in 2023, **9.2%** in 2024. At the current moment the average base rate since the beginning of the year is at **13.1%**. Thus, the majority respondents expect **the base rate to be maintained or raised** until the end of the year.

EXPORTS OF GOODS AND SERVICES. The median forecast for the volume of exports is at the level of **\$85 bln.** in 2022, **\$92,6 bln.** in 2023, **\$90.6** in 2024.

IMPORTS OF GOODS AND SERVICES. Respondents expect a growing volume of imports at **\$52.8 bln.** in 2022, **\$56.4 bln.** in 2023, **\$60.1 bln.** in 2024.

USD/KZT EXCHANGE RATE. Tenge exchange rate on average for the year is expected to be at the level of **460** tenge per US dollar at the end of 2022, weakening to **478.4** tenge per US dollar in 2023, and to **495.0** tenge per US dollar in 2024.

NEUTRAL BASE RATE. The base rate level at which monetary policy keeps inflation and inflation expectations on target over the long term and also GDP at its potential is estimated by the respondents at the level of **8%**. The range of forecasts varies from 6% to 11%.

LONG-TERM GDP GROWTH. Analysts expect an average growth rate of potential GDP over a 5-year horizon at **3.5%**. The range of forecasts varies from 2% to 4%.

In general, **the ranges of respondents' forecasts** for macroeconomic indicators are wide both on the horizon of 1 year and in the medium term, which indicates a high level of uncertainty of market participants regarding the prospects for the development of the situation in the domestic and global markets.