

RESULTS OF THE MACROECONOMIC SURVEY OF THE NATIONAL BANK OF KAZAKHSTAN

Survey dates: March 13-19, 2023

Number of respondents: 12

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

Survey results (the median value of respondents' predictions, the median values of previous predictions are in brackets):

Indicator	2022 (fact/ estimate)	2023	2024	2025
Brent oil price USD per barrel, on average per year	99,1	83,1 (83,1)	80,0 (80,0)	80,0 (80,0)
GDP %, YoY	3,2	3,7 (3,7)	4,0 (4,0)	4,0 (4,0)
CPI %, Dec. to Dec. of the previous year	20,3	12,2 (11,8)	8,8 (8,0)	7,2 (7,0)
Base rate % per annum, on average per year	13,9	15,7 (15,5)	11,7 (11,4)	9,0 (9,3)
Exports of goods and services billions of USD per year	92,5*	89,3 (91,6)	93,0 (93,9)	90,7 (90,7)
Imports of goods and services billions of USD per year	58,7*	59,5 (60,7)	60,7 (60,7)	60,0 (62,9)
USD/KZT exchange rate on average per year	460,5	472,0 (477,8)	496,0 (500,0)	516,0 (515,0)
Neutral base rate** % per annum*	8,5 (8,5)			
Long-term GDP growth*** %, YoY**	3,9 (3,9)			

OIL PRICE. Compared to survey results in February 2023 oil price scenario conditions for 2023-2025 remained unchanged (median values). At the same time, in March, there was a narrowing of the ranges of respondents' forecasts for 2023 and 2024.

GDP. Respondents' expectations for the Kazakhstan economy growth for 2023-2025 also did not change in March (median values). Forecast ranges for 2025 are narrowed: from 3.0-4.5% in February to 3.0-4.1% in March.

CPI. The median inflation forecasts for 2023-2025 were raised. Thus, in 2023 respondents expect inflation at the level of 12.2% (in February they expected 11.8%), in 2024 - at the level of 8.8% (8.0%) and in 2025 - 7.2% (7.0%).

BASE RATE. Respondents raised their base rate forecasts for 2023 and 2024. At the same time, downward dynamics of the base rate is expected. The median expectation for the base rate for 2023 is 15.7% on average per year, for 2024 - 11.7%. In 2025, the

*Preliminary estimates – the estimate of the NBK

**Base rate level at which monetary policy maintains inflation and inflation expectations on targets and GDP at potential levels in the long run

***Expected average growth rate of potential GDP on the horizon of 5 years

base rate is expected to average 9.0%, below the expectations of respondents in the February survey.

EXPORTS OF GOODS AND SERVICES. Respondents lowered their forecasts for the volume of exports of goods and services for 2023 from 91.6 to 89.3 billion US dollars, for 2024 - from 93.9 to 93.0 billion US dollars. According to analysts' forecasts, in 2025 the volume of exports will decrease and amount to 90.7 billion US dollars.

IMPORTS OF GOODS AND SERVICES. Respondents' forecasts for the volume of imports of goods and services for 2023 have also been adjusted downward. Thus, in 2023, the volume of imports is expected to be at the level of 59.5 billion US dollars (previously 60.7 billion US dollars). Respondents' expectations for 2024, compared with the survey results for February, remained unchanged. In 2025, according to respondents' expectations, imports of goods and services will be reduced to 60.0 (previously 62.9 billion US dollars).

USD/KZT EXCHANGE RATE. Compared to the previous period, the forecasts for the tenge exchange rate have been improved - from 477.8 to 472.0 tenge per US dollar in 2023, from 500.0 to 496.0 tenge per US dollar in 2024. The median expectation for 2025 is 516 tenge per US dollar (previously 515 tenge per US dollar).

NEUTRAL BASE RATE. The base rate, at which monetary policy maintains inflation and inflation expectations on target and GDP at the potential level in the long run, remains at the level of 8.5%.

LONG-TERM GDP GROWTH. Analysts expect an average growth rate of potential GDP over a 5-year horizon at 3.9%. The forecast range varies from 3% to 4%.

In general, the ranges of respondents' forecasts for macroeconomic indicators remain 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.