

RESULTS OF THE MACROECONOMIC SURVEY OF THE NATIONAL BANK OF KAZAKHSTAN

Survey dates: May 2-10, 2023

Number of respondents: 11

(AERC, Halyk Finance, Jusan Invest, NAC Analytica, Asian Development Bank, ACRA, 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, average for the year	99,1	82,4 (83,1)	78,7 (80,0)	73,0 (80,0)
GDP %, YoY	3,3*	4,0 (3,7)	4,0 (4,0)	4,0 (4,0)
CPI %, Dec. to Dec. of the previous year	20,3	11,8 (12,2)	8,4 (8,8)	7,2 (7,2)
Base rate % per annum, average for the year	13,9	16,2 (15,7)	13,0 (11,7)	9,5 (9,0)
Exports of goods and services billions of USD per year	94,1	85,3 (89,3)	86,4 (93,0)	90,7 (90,7)
Imports of goods and services billions of USD per year	59,2	59,6 (59,5)	61,0 (60,7)	61,4 (60,0)
USD/KZT exchange rate average for the year	460,5	462,3 (472,0)	487,8 (496,0)	510,0 (516,0)
Neutral base rate ** % per annum	9,0 (8,5)			
Long-term GDP growth *** %, YoY	4,0 (3,9)			

OIL PRICE. In May of this year, analysts revised the scenario conditions for the oil price downward over the entire forecast horizon. Thus, the median value of the average oil price for 2023 decreased from 83.1 to **82.4** US dollars per barrel, for 2024 – from 80 to **78.7** US dollars per barrel, for 2025 – from 80 to **73** US dollars per barrel.

GDP. Respondents improved forecasts for Kazakhstan's economic growth for 2023 from 3.7% to **4%**. For the next two years, GDP growth is expected to remain at the level of **4%**, which also coincides with analysts' expectations for long-term growth of potential GDP.

* Preliminary estimates of the BNS ASPR

** 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

CPI. Compared to the previous period, analysts have slightly improved inflation forecasts for 2023 and 2024. Thus, in December of this year, annual inflation is expected to be at the level of **11.8%** (previously – 12.2%), at the end of 2024 – at the level of **8.4%** (8.8%). The forecast for 2025 remained unchanged at **7.2%**.

BASE RATE. Compared to the previous period, respondents expect the base rate to be at a higher level over the entire forecast horizon. Thus, the forecast for 2023 has been increased from 15.7% to **16.2%** on average for the year, for 2024 – from 11.7% to **13%**, for 2025 – from 9% to **9.5%**. At the upcoming meeting of the Monetary Policy Committee, analysts **expect the base rate to remain at 16.75%**.

EXPORTS OF GOODS AND SERVICES. Respondents worsened forecasts for the volume of exports of goods and services for 2023 from 89.3 to **85.3** billion US dollars, for 2024 – from 93 to **86.4** billion US dollars. The forecast for 2025 remains at the level of **90.7** billion US dollars.

IMPORTS OF GOODS AND SERVICES. The respondents' forecasts for the volume of imports of goods and services for 2023 and 2024 have not undergone significant changes. Thus, in 2023, the volume of imports is expected to reach **59.6** billion US dollars (previously 59.5 billion US dollars), in 2024 – at the level of **61** billion US dollars (60.7 billion US dollars). In 2025, according to respondents' expectations, imports of goods and services will amount to **61.4** billion US dollars (60 billion US dollars).

USD/KZT EXCHANGE RATE. Analysts' expectations for the tenge exchange rate continue to improve over the entire forecast horizon. Thus, the forecast for 2023 has been improved from 472 to **462.3** tenge per US dollar, for 2024 – from 496 to **487.8** tenge per US dollar, for 2025 – from 516 to **510** tenge per US dollar.

NEUTRAL BASE RATE. The prime rate, at which monetary policy keeps long-term inflation and inflation expectations on target and GDP at potential levels, is estimated by respondents at **9%** against the previous estimate of 8.5%.

LONG-TERM GDP GROWTH. Analysts expect the average growth rate of potential GDP on the horizon of 5 years at the level of **4%** against the previous forecast of 3.9%.

The range of forecasts for most macroindicators remains expanded. The range of forecasts for oil prices, despite some narrowing, remains quite wide, reflecting the uncertainty of the prospects for the development of the oil market. Forecasts for the volume of exports and imports of goods and services also remain divergent over the entire forecast horizon. Meanwhile, a noticeable narrowing is observed in the forecast range of inflation and the base rate.