

RESULTS OF THE MACROECONOMIC SURVEY OF THE NATIONAL BANK OF KAZAKHSTAN

Survey dates: August 3-9, 2023

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

Indicator	2022 (fact)	2023	2024	2025
Brent oil price USD per barrel, average for the year	99,1	80,0 (80,0)	77,0 (78,7)	76,2 (80,0)
GDP %, YoY	3,2	4,4 (4,0)	4,3 (4,0)	4,4 (4,1)
CPI %, Dec. to Dec. of the previous year	20,3	12,0 (12,2)	8,5 (9,4)	7,0 (7,1)
Base rate % per annum, average for the year	13,9	16,5 (16,3)	12,0 (12,0)	10,0 (10,0)
Exports of goods and services billions of USD per year	94,1	83,7 (83,6)	85,4 (86,4)	90,2 (90,7)
Imports of goods and services billions of USD per year	59,2	57,5 (60,0)	60,4 (59,1)	59,0 (59,0)
USD/KZT exchange rate average for the year	460,5	454,0 (459,0)	475,4 (477,5)	497,0 (500,0)
Neutral base rate * % per annum		8,0 (9,0)		
Long-term GDP growth ** %, YoY		4,0 (4,0)		

OIL PRICE. In August the scenario conditions for the oil price for 2023 remained at the level of **80** US dollars per barrel, for 2024 and 2025 – revised downward from 78.7 to **77** US dollars per barrel and from 80 to **76.2** US dollars per barrel, respectively.

GDP. Respondents improved forecasts for Kazakhstan's economic growth over the entire forecast horizon: for 2023 – from 4% to **4.4%**, for 2024 – from 4% to **4.3%**, for 2025 – from 4.1% to **4.4%**.

CPI. Analysts' inflation forecasts for 2023 and 2025 have not undergone significant changes and amounted to **12%** and **7%** (previously – 12.2% and 7.1%), respectively. The forecast for 2024 has been revised downward – from 9.4% to **8.5%**.

* 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. Compared to the previous period, respondents raised their expectations for the base rate for 2023 from 16.3% to **16.5%**. Expectations for 2024 and 2025 remained at the same values and amounted to **12%** and **10%**, respectively.

EXPORTS OF GOODS AND SERVICES. The respondents' forecasts for the volume of exports of goods and services have not undergone significant changes. Thus, in 2023, the volume of exports is expected to reach **83.7** billion US dollars (previously – 83.6 billion US dollars), in 2024 – at the level of **85.4** billion US dollars (86.4 billion US dollars), in 2025 – **90.2** billion US dollars (90.7 billion US dollars).

IMPORTS OF GOODS AND SERVICES. Respondents lowered forecasts for the volume of imports of goods and services for 2023 from 60 to **57.5** billion US dollars. The forecast for 2024 has been slightly raised from 59.1 to **60.4** billion US dollars. The forecast for 2025 remains at the level of **59** billion US dollars.

USD/KZT EXCHANGE RATE. Analysts expect a stronger tenge exchange rate over the entire forecast horizon. Thus, the forecast for 2023 has been improved from 459 to **454** tenge per US dollar, for 2024 – from 477.5 to **475.4** tenge per US dollar, for 2025 – from 500 to **497** 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 **8%** against the previous estimate of 9%.

LONG-TERM GDP GROWTH. The estimate of the average growth rate of potential GDP on the horizon of 5 years remains at the level of 4%.

The ranges of forecasts for most macroindicators are beginning to narrow. The range of forecasts for oil prices, despite some narrowing, remains quite wide for 2024-2025, 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.