

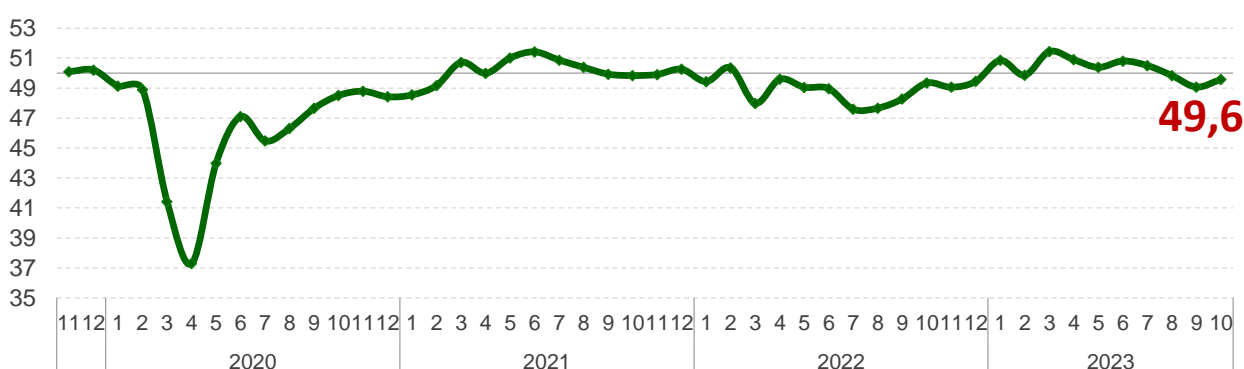


Business activity index

October 2023

In October, the business activity index improved slightly, but the indicator remained in the negative area, amounting to 49.6.

Graph 1. Dynamics of business activity index (BAI)*



* A value of the indicator above level 50 means a positive change, below level 50 - a negative. The further (higher or lower) the index value is from the 50 level, the higher the rate of change (increase or decrease) of the indicator.

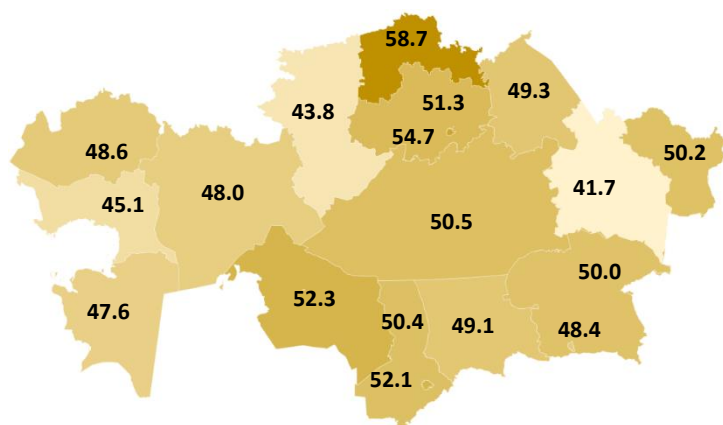
The business activity index in October 2023 increased to 49.6.

The improvement in business activity was noted only in production, where the indicator moved into a positive area, amounting to **51.6** (in September – 49.5). The index of business activity in construction remained unchanged, as in the previous month, the indicator was **48.5**. In the services and mining sectors, the indices also remained in the negative area, but in services there was a slight increase to **49.5** (from 49.1 in September), and in the mining industry a decrease to **48.0** (48.7), due to an increase in delivery times and a decrease in employment.

Graph 2. BAI in October by regions

Business activity improved in 8 regions, worsened in 9 regions, in 1 region did not change.

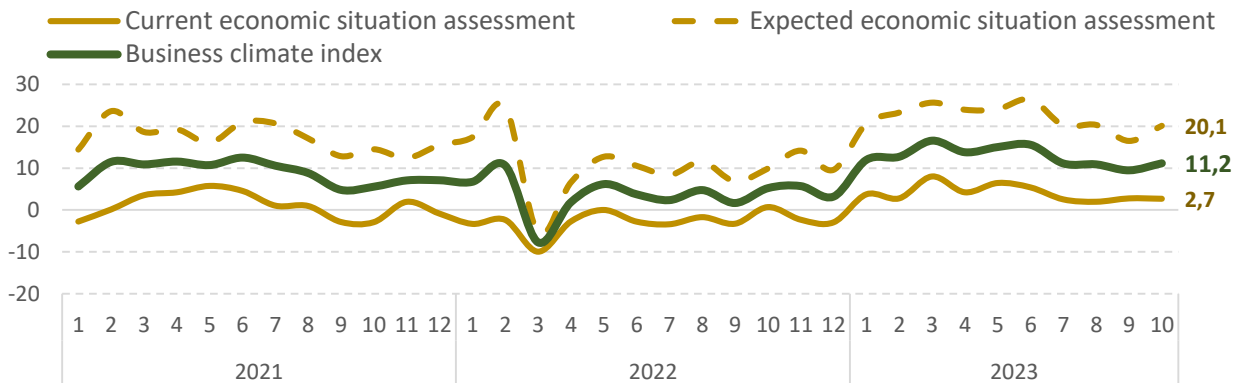
The highest index value was recorded in North Kazakhstan region (58.7), the lowest - in Mangystau region (41.7), in Almaty region business activity kept unchanged.



Business climate index

The business climate index has increased due to improved optimism about future business conditions. The indicator has significantly improved in production, while in the mining industry it has slightly decreased. The index remains positive in all sectors.

Graph 3. Dynamics of business climate index (BCI)*



* To assess current and future business conditions, a balance of responses (BO) is used, which is calculated as the difference between the shares of positive and negative answers to questions about changes in business conditions. An index value above 0 indicates an improvement, below 0 indicates a deterioration of the situation.

The demand for finished goods/services noticeably increased.

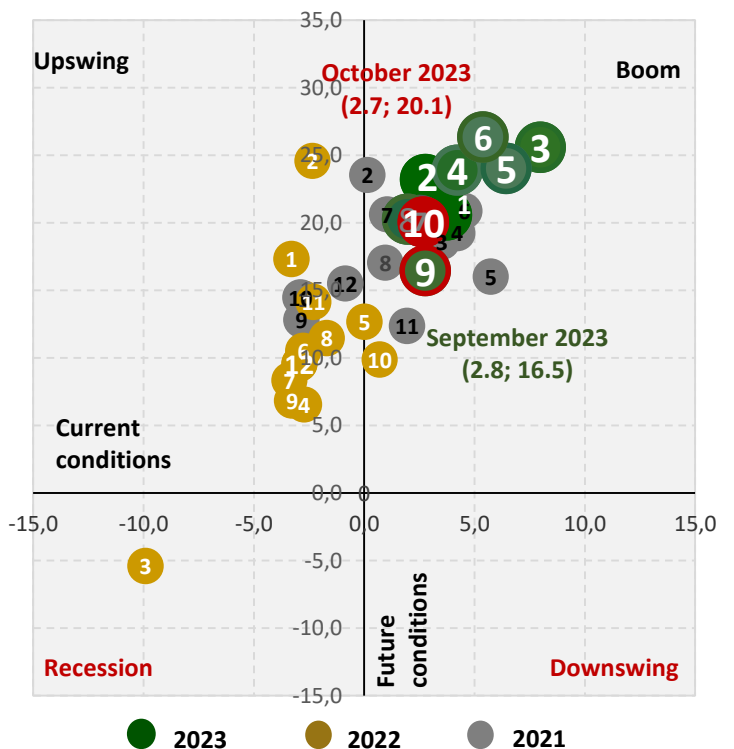
Infrastructure was rated positive. In the assessment of other factors (tax burden, business protection and access to finance/credit issues) negative answers prevail.

Graph 4. Business cycle clock

In October 2023, the business cycle "clock" indicator remained in the boom area.

The current business conditions have not changed much, the estimate was 2.7.

The assessment of future business conditions for the next 6 months increased to 20.1.



* Business cycle clock is developed by Ifo institute demonstrates in which phase of the cycle the economy was in a certain period. To construct it the series of current conditions (X axis) and future conditions (Y axis) assessments are used.

METHODOLOGICAL COMMENT

¹ The information was prepared based on the results of monthly survey of enterprises participating in the monitoring of the real sector.

² The business activity index is calculated as an aggregated change in such indicators of enterprises as the volume of new orders, the level of employment, the volume of new products, the volume of inventories, delivery times.

³ To calculate the Business Activity Index, the diffusion index (DI) is used, which is calculated as the sum of positive responses and half of the responses unchanged. This index is a generalized indicator characterizing the dynamics of changes in the indicator.

⁴ To calculate the business climate index (BCI), according to the methodology of the Ifo Institute, a balance of answers (BA) on indicators of business conditions in the current month (SIT) and expected changes in business conditions in the next 6 months (EXP) is used:

$$BCI^* = \sqrt{(BA(SIT) + 200) * (BA(EXP) + 200)} - 200$$

where, BA – balance of answers

SIT – current economic condition

EXP – expected economic condition

⁵ The BA (balance of answers) is calculated as the difference between the shares of positive and negative responses to questions about changing business conditions. Enterprises choose one of the three suggested answers "improved", "have not changed" and "worsened". The response shares are calculated using weights.

⁶ The business cycle clock, developed by the Ifo Research Institute, is a diagram (coordinate system) divided into four quadrants using the crosshair of two zero lines, which from the point of view of the business situation refer to the four stages of the economic cycle: upswing, expansion, downswing, recession. If the assessment of current conditions is negative and expectations are positive, the economy is in the upswing area, if both the assessment of current conditions and expectations are positive, then the economy is in the expansion phase, etc.

⁷ The data in the diagrams are seasonally adjusted (except for the assessment of future conditions and the assessment of factors).

⁸ Changes are possible in the previous months dynamics due to seasonal clearing and GVA adjustment.

⁹ Detailed information by sector (information about the sample, the dynamics of indicators, the results of the distribution of responses) is presented in the dashboard.

¹⁰ As the representativeness of the sample by region by sector is achieved, the calculation results will be presented in accordance with the new administrative-territorial structure.