

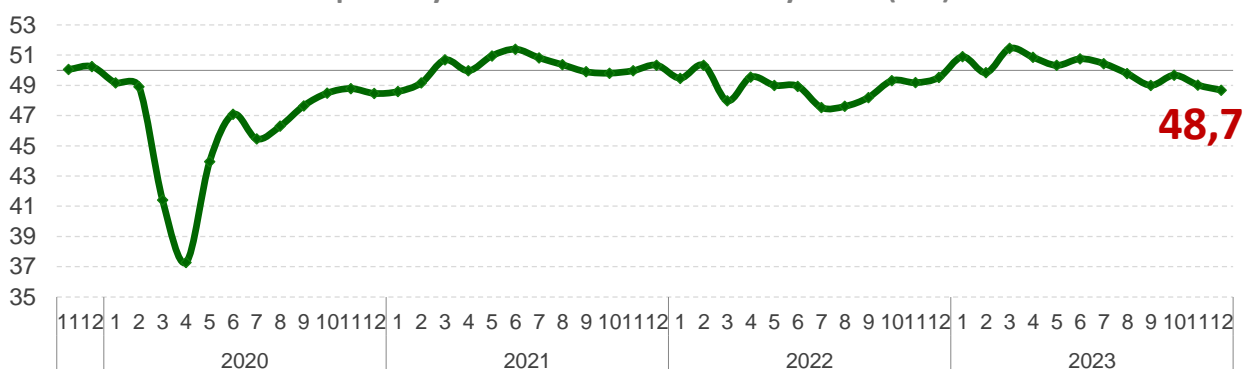


Business activity index

December 2023

In December, the business activity index decreased slightly due to declines in the mining industry and the services sector. At the same time, business activity in production and construction has increased.

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 December 2023 decreased from 49.0 to 48.7.

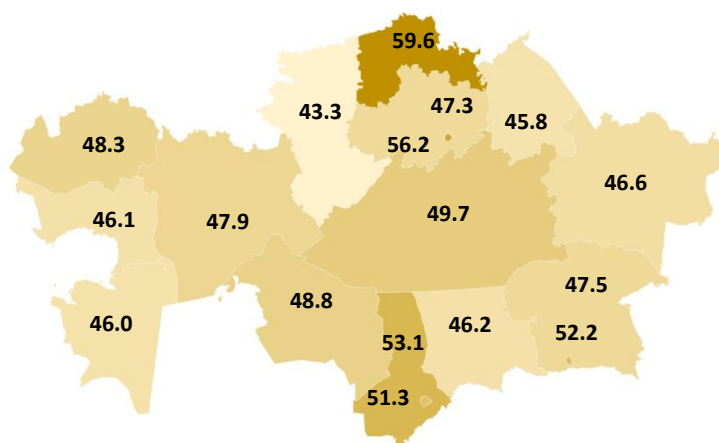
The dynamics of the index was influenced by a decrease in the mining industry and the service sector, where a decrease in all components was noted. The indices were **46.8** and **47.8**, respectively (in November - 47.2 and 48.4). In the mining industry, the volume of new orders has noticeably decreased.

At the same time, there was an improvement in business activity in production and construction, where the indicators were **51.8** (in November – 51.4) and **50.2** (in November – 50.3), respectively. In construction and production, all components have improved, except for delivery times.

Graph 2. BAI in December by regions

Business activity improved in 5 regions, worsened in 12 regions.

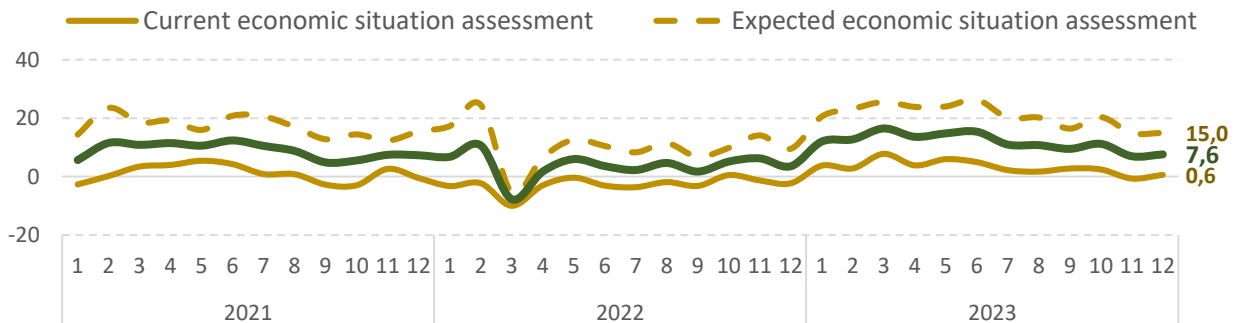
The highest index value was recorded in North Kazakhstan region (59.6), the lowest – in Kostanay region (43.3).



Business climate index

The business climate index, according to enterprise estimates, has not changed significantly, the indicator has remained positive. Current conditions are evaluated poorly positively, estimates of future business conditions have not changed much.

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.

Access to finance/credit has improved.

Enterprises assessed the change in infrastructure and demand neutrally. Negative assessments still prevail on factors such as the tax burden and business protection issues.

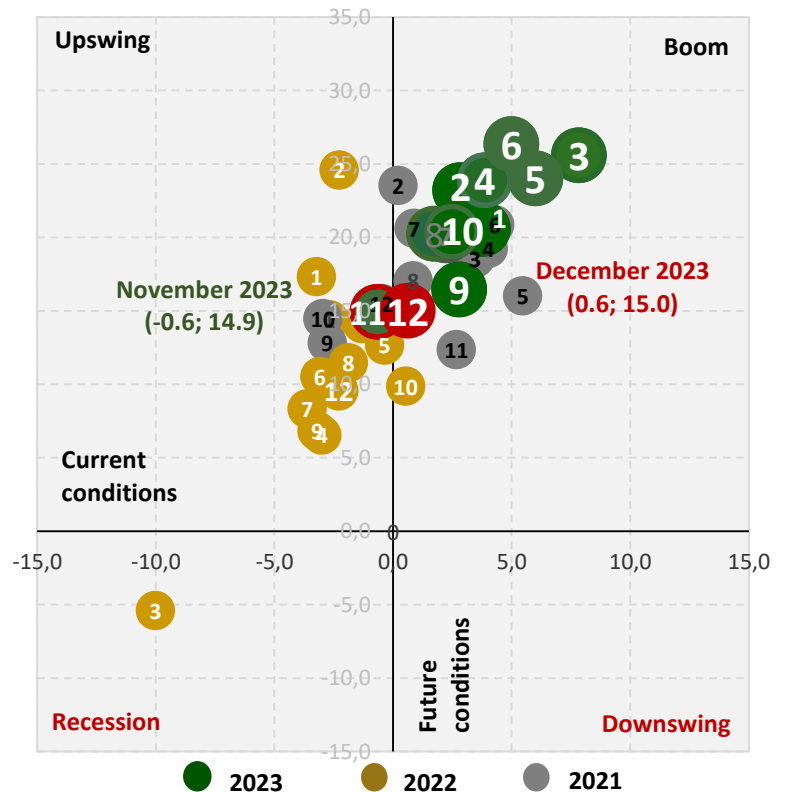
In December 2023, the business cycle "clock" indicator was on the border of the area of upswing and boom

The current business conditions improved, the assessment turned out to be positive, amounting to 0.6.

The assessment of future business conditions for the next 6 months was 15.0.

* 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.

Graph 4. Business cycle clock



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.