

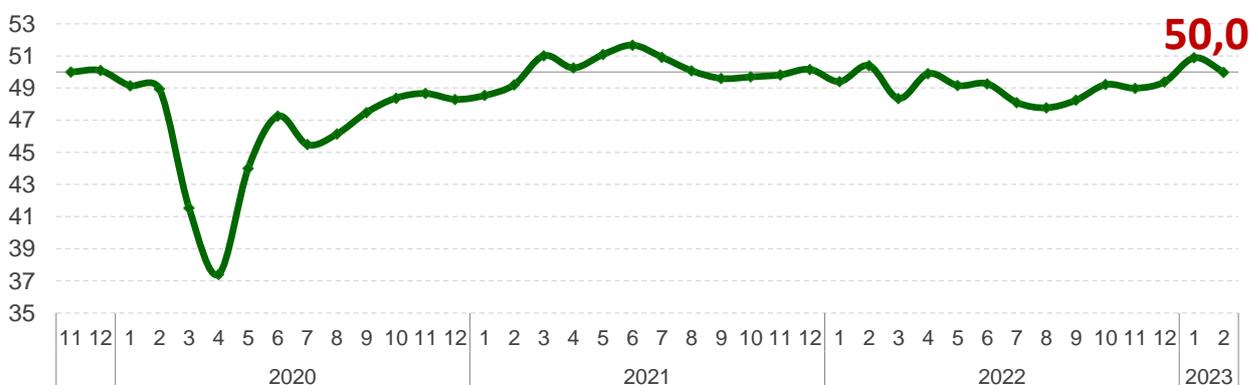


Business activity index

February 2023

In February, the indicator of business activity was 50.0, which indicates the absence of changes. For all sectors, long delivery times remain a factor restraining business activity.

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.

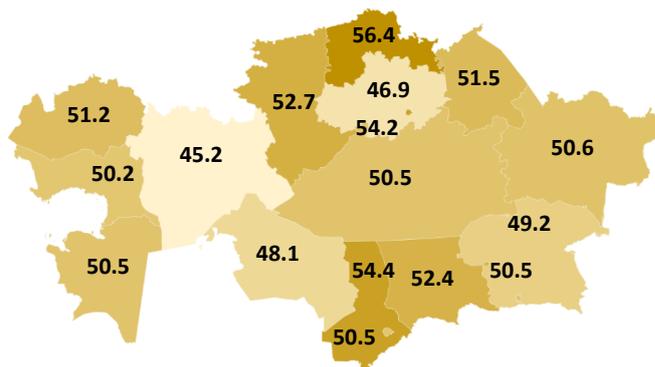
The business activity index dropped to 50.0 in February 2023

The improvement in business activity was noted in construction, where the index rose from 49.1 to 51.6. In the services sector, despite the decline, the index remained in the growth area, amounting to 50.6 (in January 2023 - 52.0). In production, the business activity index moved into the area of decline, falling slightly to 49.7 from 51.0 in January. In the mining sector, there was a slight improvement in the indicator from 45.8 in January to 46.6, however, the indicator remained in the negative area. In production and mining, in addition to the increase in delivery times, which was noted in all sectors, there was also a decrease in employment.

Graph 2. BAI in February by regions

In 13 regions business activity improved, in 4 regions it worsened.

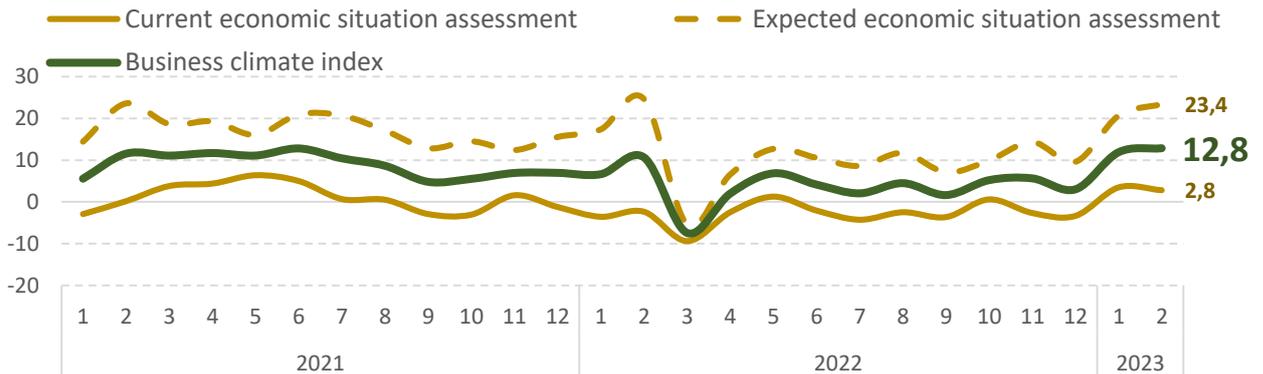
The highest index value was recorded in the North Kazakhstan region (56.4), the lowest - in the Aktobe region (45.2).



Business climate index

The business climate index improved slightly. According to the enterprises' estimates, the current business conditions remained generally favorable, despite a slight decrease, and expectations regarding future conditions improved slightly.

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 enterprises assessed the current business conditions in general positively.

Infrastructure and demand were positively assessed, negative assessments prevailed for other factors of business conditions (tax burden, access to finance/loans, business protection issues), but their dynamics improved compared to January.

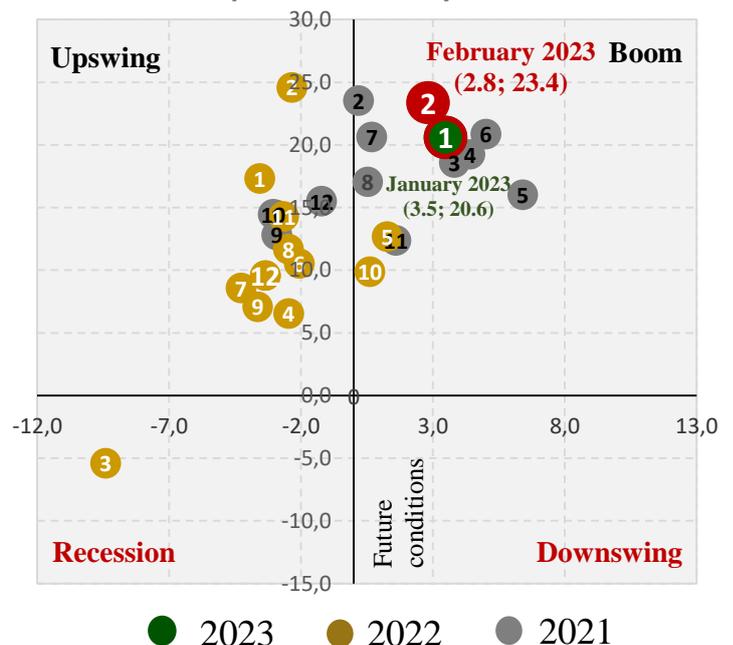
In February 2023 the business cycle clock indicator remained in the boom area

Enterprises' assessment of current business conditions remained positive, amounting to 2.8.

The assessment of future business conditions for the next 6 months has improved, amounting to 23.4.

* 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.