

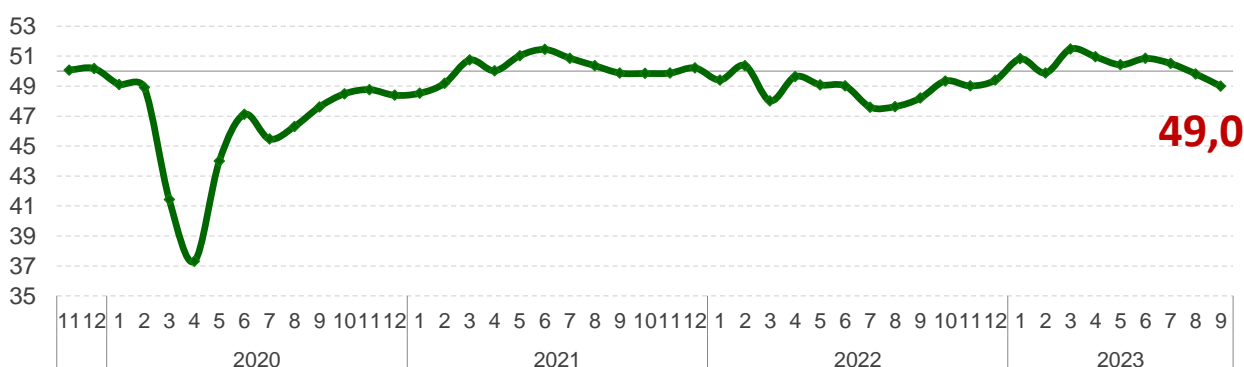


Business activity index

September 2023

In September, business activity declined, the index moved into negative area, amounting to 49.0.

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.

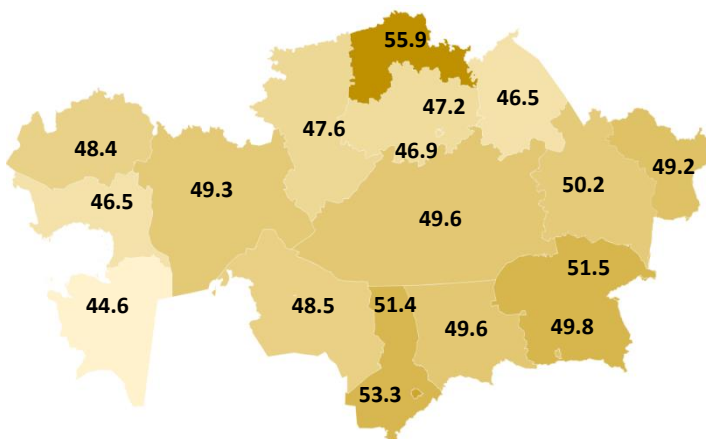
The business activity index in September 2023 decreased to 49.0.

The index was in the negative area for all sectors. The largest decrease was noted in construction, where the indicator decreased from 49.9 to **48.5**. In production, the index was **49.4** (in August – 49.7), in service – **49.1** (49.9), in the mining industry – **48.6** (49.5). Delivery times remain a constraint on business activity in all sectors other than mining. In the mining industry, there was a decrease in production and employment.

Graph 2. BAI in September by regions

Business activity improved in 5 regions, worsened in 13 regions.

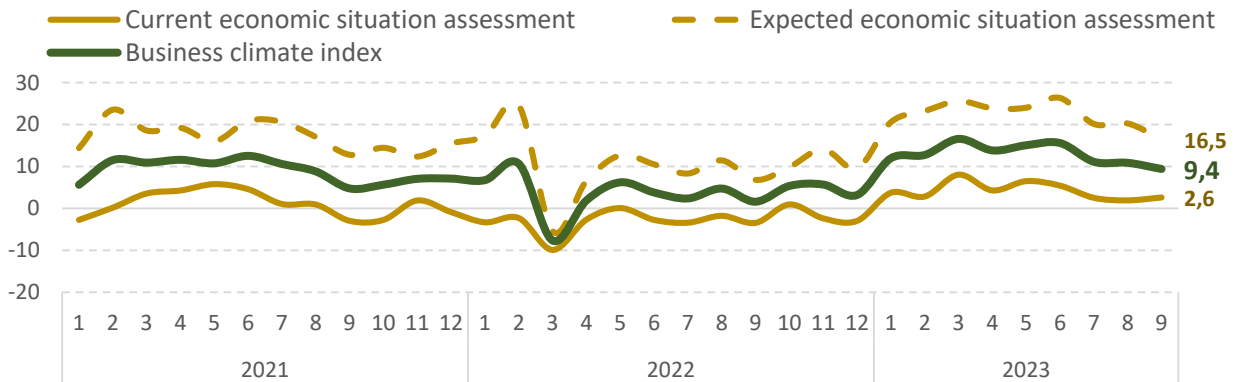
The highest index value was recorded in North Kazakhstan region (55.9), the lowest - in Mangystau region (46.5).



Business climate index

The business climate index decreased slightly, but the indicator remains positive. Assessments of current business conditions have improved, but optimism about future business conditions has declined.

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 slightly declined.

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

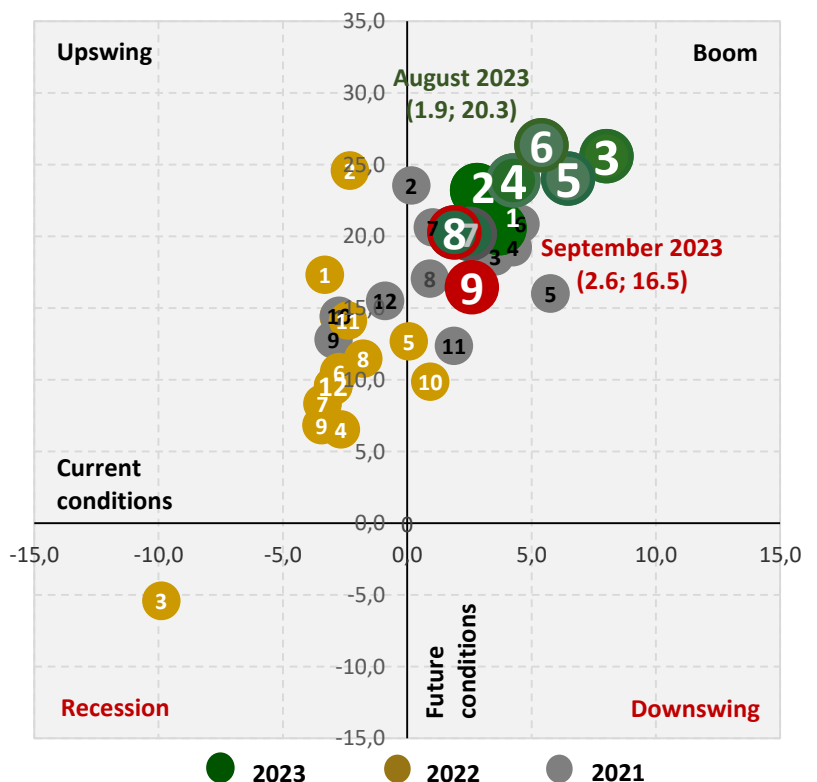
In September 2023, the business cycle "clock" indicator remained in the boom area.

Enterprises' assessment of current business conditions increased to 2.6

The assessment of future business conditions for the next 6 months decreased to 16.5.

* 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.