

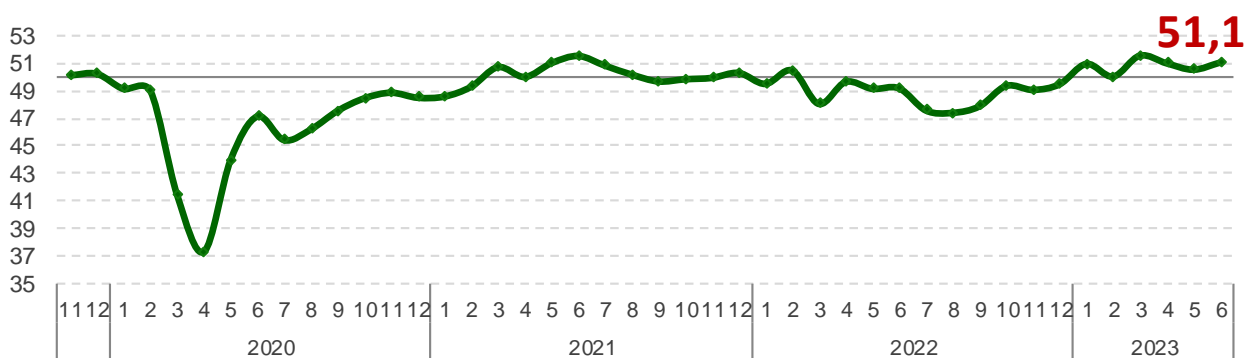


Business activity index

June 2023

Business activity improved in June, despite delivery problems. The index was 51.1 and remained in the positive area.

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.

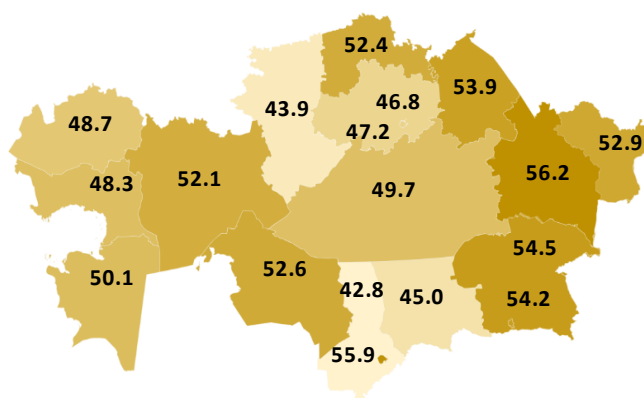
The business activity index in June 2023 increased to 51.1.

The improvement was noted in the service sector (from 51.1 in May to **52.2**) and the mining industry, where the index moved into a positive area, amounting to **50.9** (in May – 49.4). In the service sector, there was an improvement in all components except delivery times, and the volume of inventories in the mining industry increased noticeably. In production and construction, there was a slight decrease in business activity to **48.4** (from 49.9 in May) and **47.7** (from 49.2 in May), respectively, where a decrease in the volume of new orders was recorded.

Graph 2. BAI in June by regions

Business activity improved in 10 regions, worsened in 8 regions.

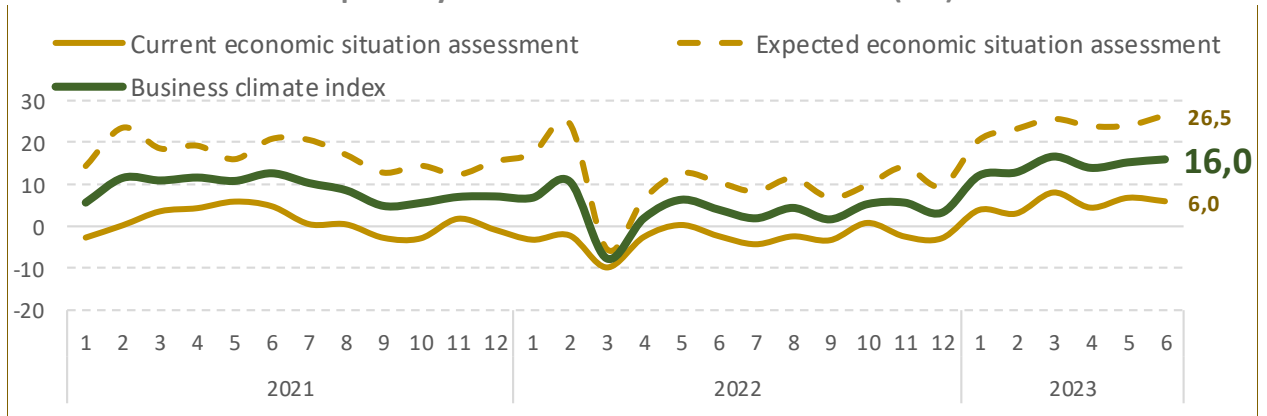
The highest index value was recorded in Abai region (56.2), the lowest - in Turkistan region (42.8).



Business climate index

The business climate index increased slightly, despite a slight decrease in estimates of current business conditions. The indicator has increased noticeably in service sector, while there was a slight decrease in production.

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 of enterprises has noticeably improved.

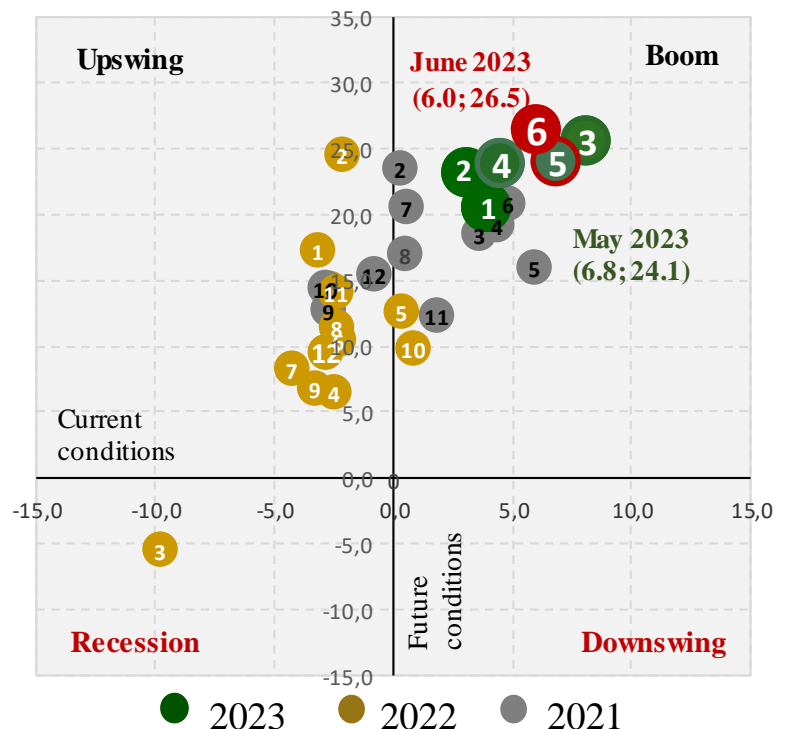
The change in access to communications was also positively assessed. For other factors of business conditions (tax burden, access to finance/loans, business protection issues) negative assessments prevail.

Graph 4. Business cycle clock

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

Enterprises' assessment of current business conditions was to 6.0

The assessment of future business conditions for the next 6 months increased to 26.5.



* 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.

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.