

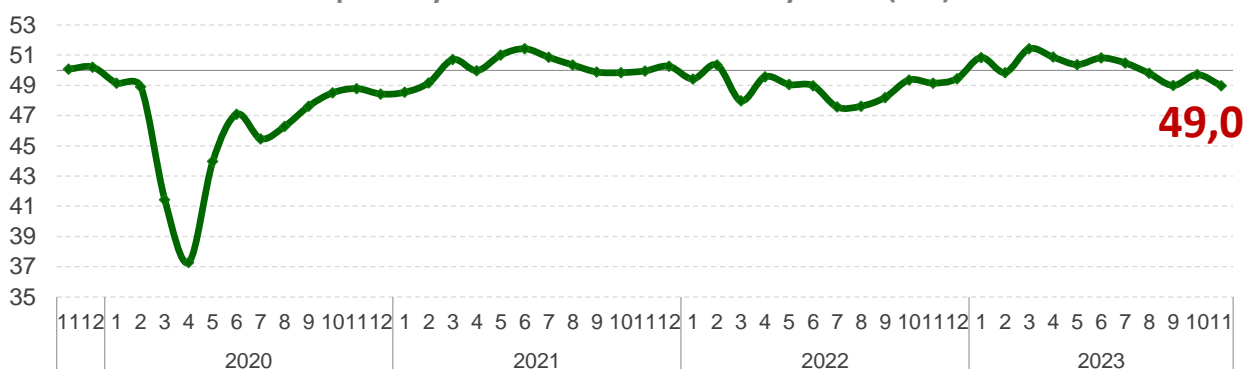


Business activity index

November 2023

In November, the business activity index decreased to 49.0. Business activity increased in manufacturing and construction, decreased in the mining industry and the services sector.

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.

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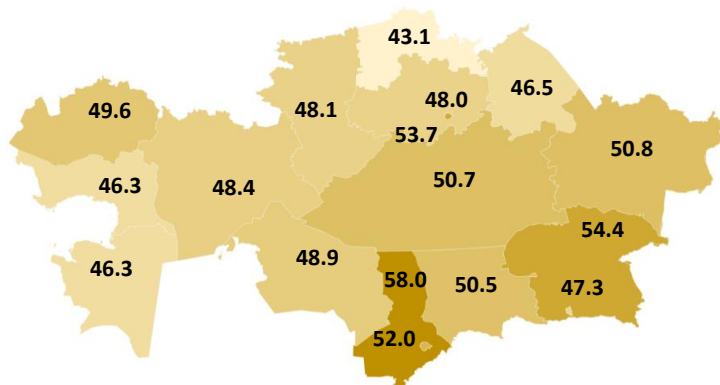
The improvement in business activity was noted in production and construction, where the indicators were **51.4** (in October – 51.6) and **50.2** (in October – 48.8), respectively. In construction, the volume of new orders and the level of employment increased, and in production noted also an increase in the volume of new products and inventories.

Deterioration was noted in the service and mining sectors, with the indices falling to **48.3** (from 49.4 in October) and **47.4** (from 48.3 in October), respectively. In the service sector a decrease in the volume of new orders and employment was noted, and in the mining industry - in all components, except for the volume of inventories.

Graph 2. BAI in November by regions

Business activity improved in 7 regions, worsened in 11 regions.

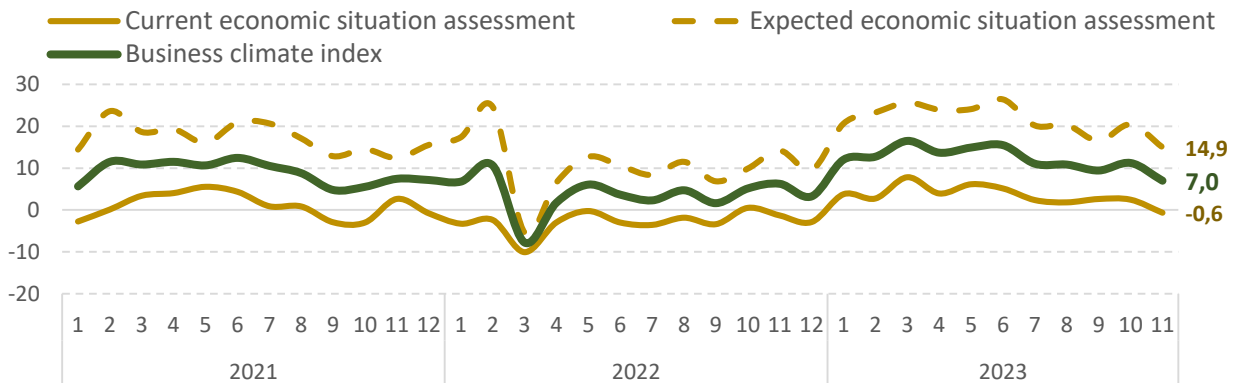
The highest index value was recorded in Turkistan region (58.0), the lowest - in North Kazakhstan region (43.1).



Business climate index

The business climate index declined, but the indicator remained positive. Estimates of both current and future business conditions have decreased. The dynamics of the index was negatively affected by a decrease in the indicator in the service sector.

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 decreased.

The decrease in demand was noted by enterprises in all sectors except production. The largest decrease was recorded in the mining industry and in the service sector. Access to communications and finance/loans were rated weakly positive. For the rest of the factors (tax burden and business protection issues), negative assessments still prevail.

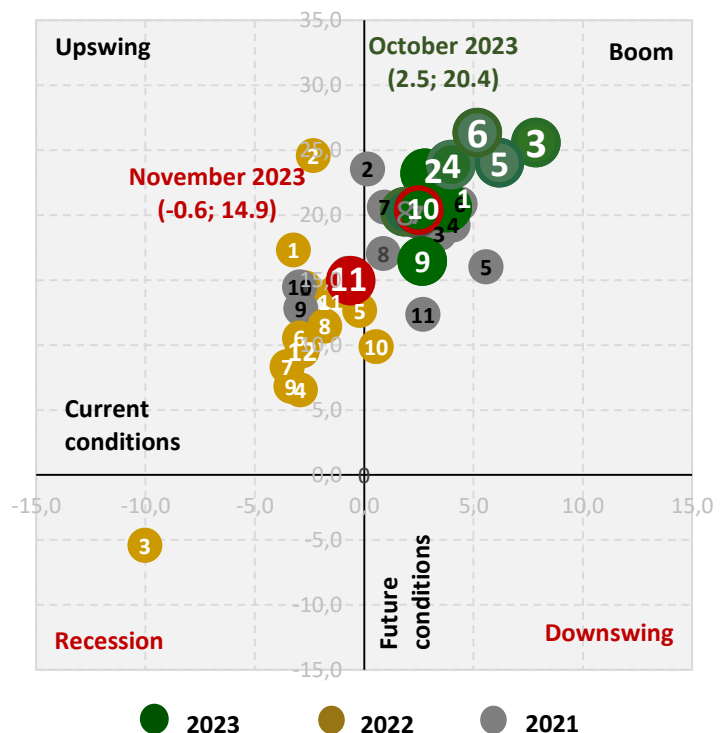
In November 2023, the business cycle "clock" indicator was on the border of the area of upswing and boom

The current business conditions worsened, the assessment turned out to be negative, amounting to (-)0.6.

The assessment of future business conditions for the next 6 months has also decreased. The indicator was 14.9.

* 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.