

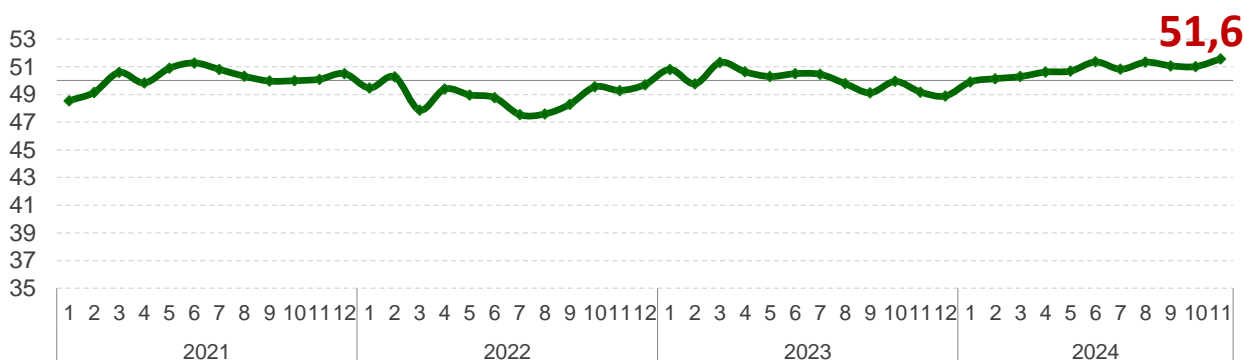


Business activity index

November 2024

In November 2024 business activity improved noticeably. The indicator remains in the positive area for the tenth month in a row.

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.

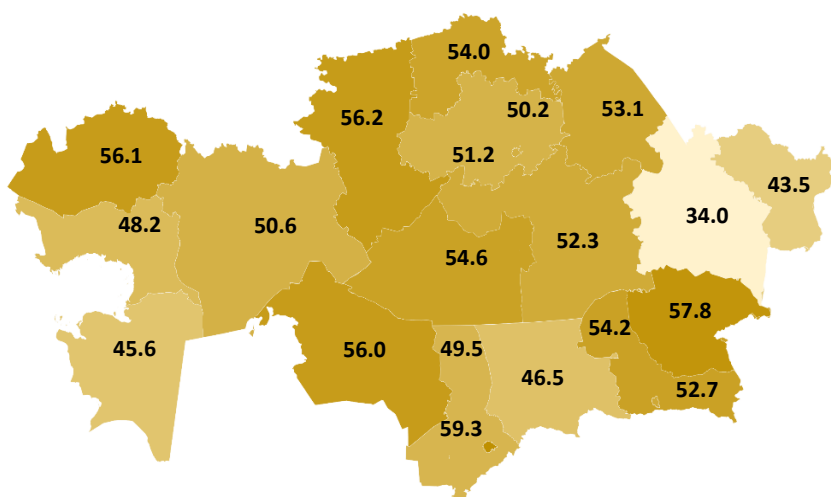
The business activity was 51.6 in November.

The indicator increased due to the growth of business activity in production and in the service sector to **53.1** and **51.5**, respectively (from 52.9 and 50.6 in October). In construction, the index moved into the declining area, amounting to **49.9** (in October – 51.8), and in the mining industry, on the contrary, moved into the growth area, amounting to **50.3** (in October – 49.6). New orders increased markedly in production, and decreased slightly in construction. There has also been an increase in the level of employment in all sectors.

Graph 2. BAI in November 2024 by regions

Business activity improved in 14 regions, worsened in 6 regions.

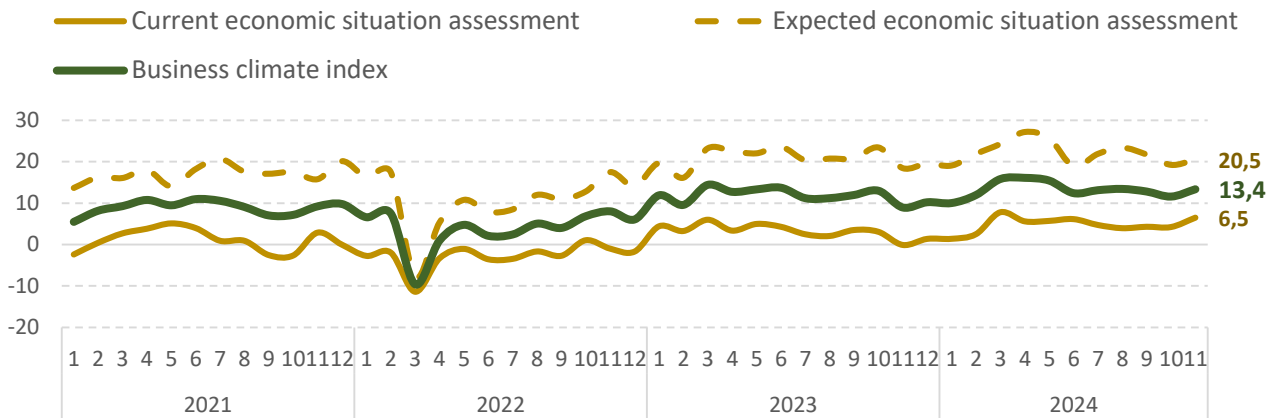
The highest index value was observed in Shymkent city (59.3), the lowest – in Abai region (34.0).



Business climate index

In November, both assessments of current business conditions and optimism about future business conditions improved. As a result, the business climate index increased to 13.4.

Graph 3. Dynamics of business climate index (BCI)*



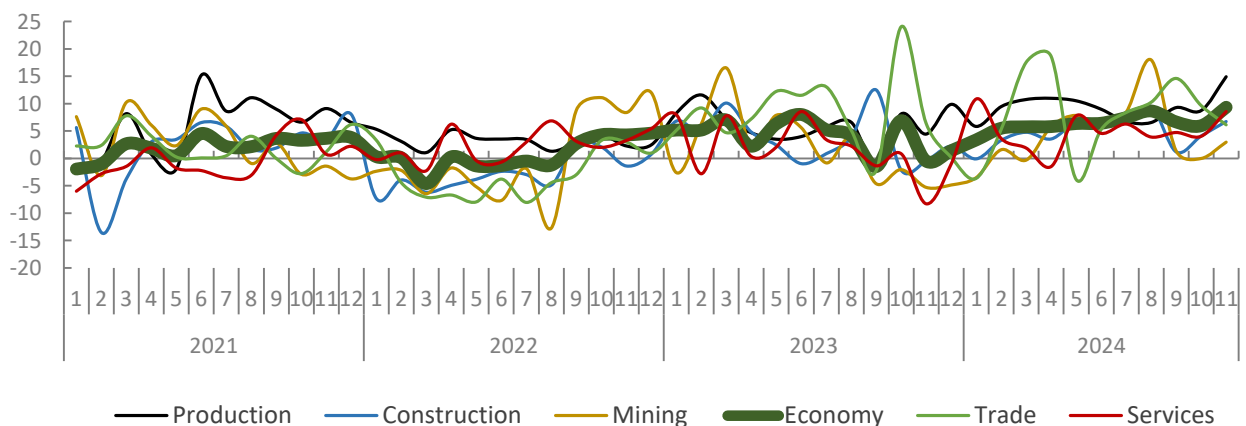
* To assess current and future business conditions, a balance of responses (BR) is used, which is calculated as the difference between the shares of positive and negative answers to questions about changes in business conditions. An index value above 0 indicates an improvement, below 0 indicates a deterioration of the situation.

According to enterprises, growth rate of demand for their products/services improved.

In November, demand growth increased in all sectors except trade. In trade, despite the slowdown in growth rate, demand remains positive.

Other factors (business protection issues, tax burden, and access to finance/credit) worsened, respondents assessed neutrally only the change in infrastructure.

Graph 4. Dynamics of demand changes by sector (BR)*



* To assess demand, a balance of responses (BR) is used, which is calculated as the difference between the shares of positive and negative answers to questions about changes in demand. An index value above 0 indicates an improvement, below 0 indicates a deterioration of the situation.

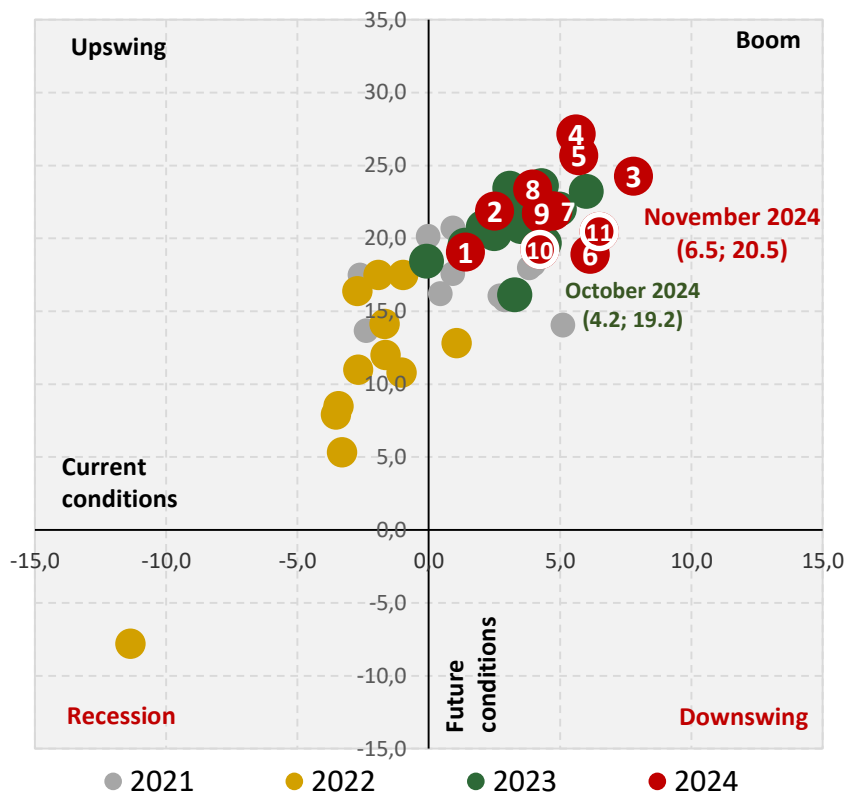
Graph 5. Business cycle clock

In November 2024, the business cycle clock indicator remained in the boom area

The current business conditions increased noticeably and amounted to 6.5

The assessment of future business conditions for the next 6 months also increased and amounted to 20.5

** 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.