



# INFLATION EXPECTATIONS

DECEMBER 2024

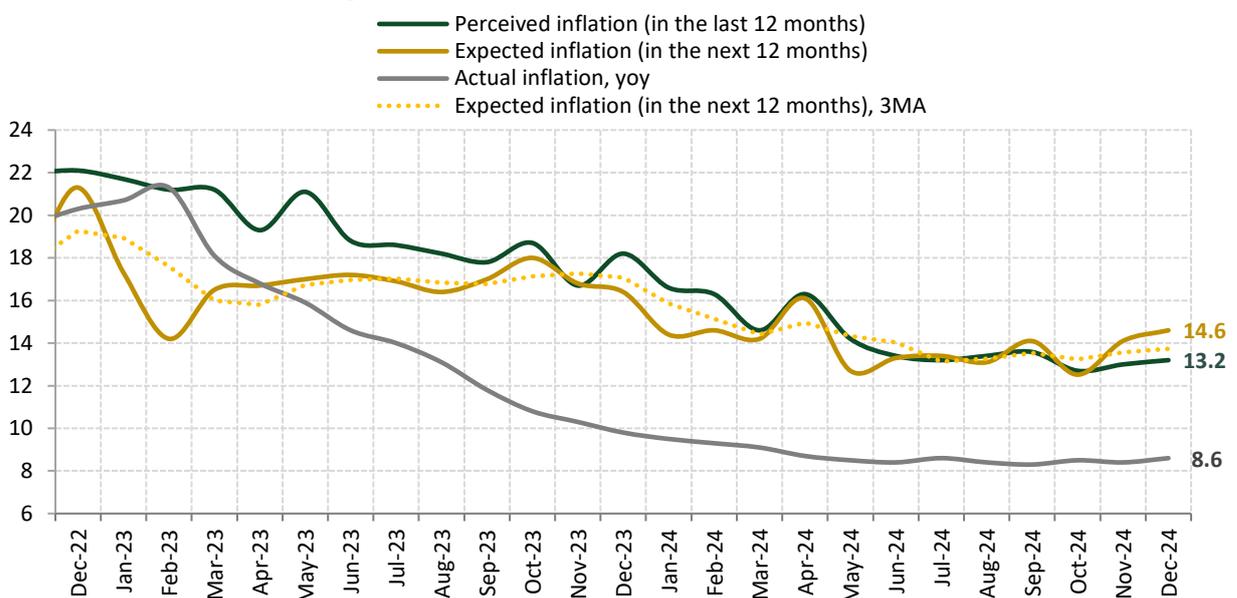
**In December 2024, household inflation expectations for the next 12 months rose to 14.6%, up from 14.1% in November 2024. It is worth noting that in recent months, inflation expectations have been shaped by fluctuations in the nominal exchange rate and the acceleration of annual inflation in December 2024.**

**At the same time, consumer sentiment has improved, driven by higher assessments of the country’s development prospects and personal financial situation.**

### Households` inflation expectations

The median estimate<sup>1</sup> of inflation expected in 1 year in December 2024 increased to 14.6% (November 2024 – 14.1%) (Figure 1). At the same time, the median estimate of perceived inflation has increased slightly over the past 12 months to 13.2% (13%).

**Figure 1. Inflation and median estimates, %**

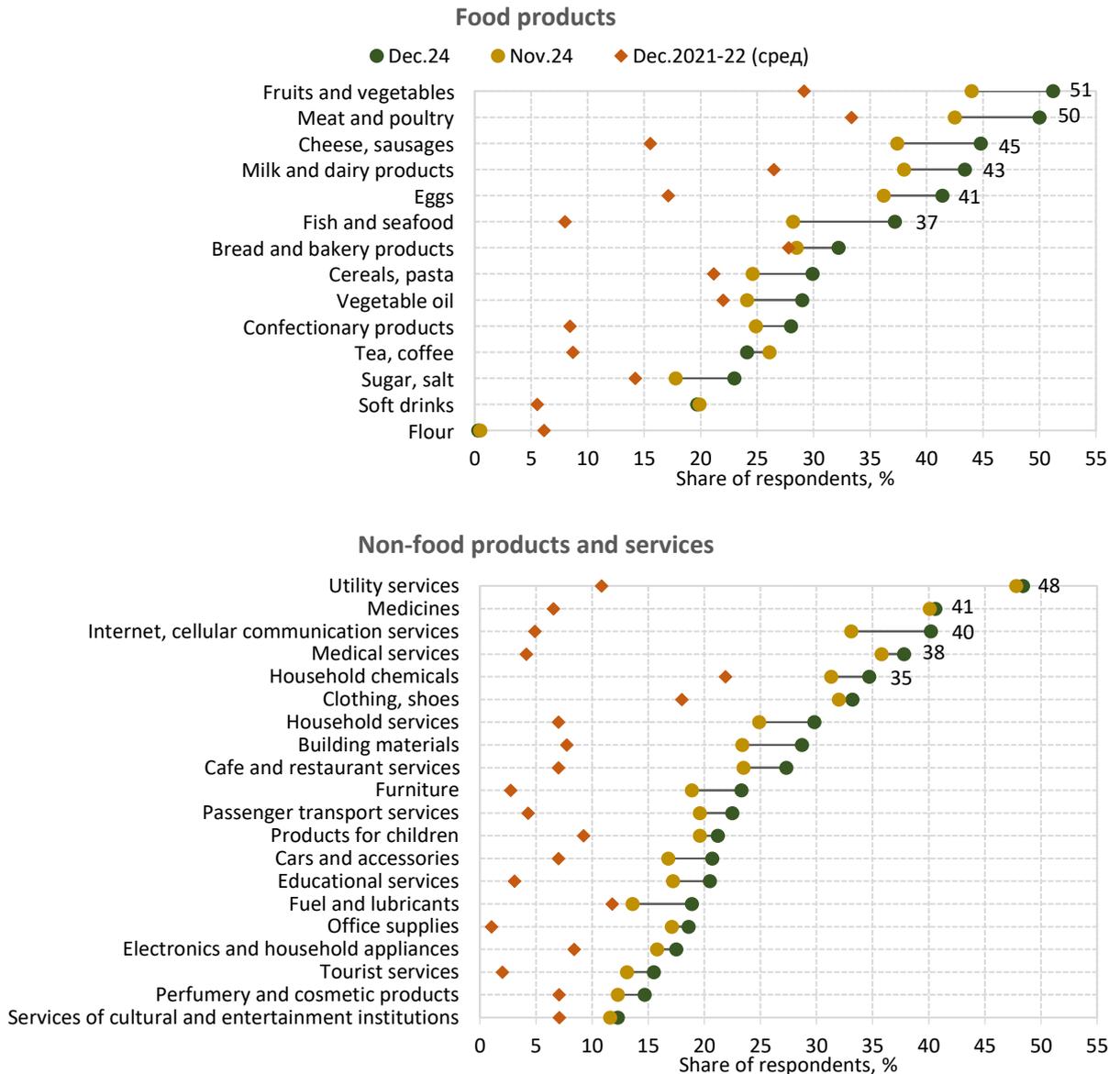


Source: Results of the population survey, Fusion Lab, BNS ASPR RK

The share of respondents who noted an increase in food prices rose to 70.1% in December 2024 (November 2024 – 68.2%). The share of those who noted an increase in prices for non-food products also increased to 15.9% (13.4%).

In December 2024, the largest number of respondents among food products noted an increase in prices for fruits and vegetables, meat products, cheese and sausages. In the structure of non-food products, the population pointed to an increase in the cost of medicines and pharmaceuticals, household chemicals, clothing and footwear. Among paid services, respondents most noted an increase in prices for housing and utility services, internet and mobile services, and medical services (Figure 2).

Figure 2. Frequently mentioned goods and services



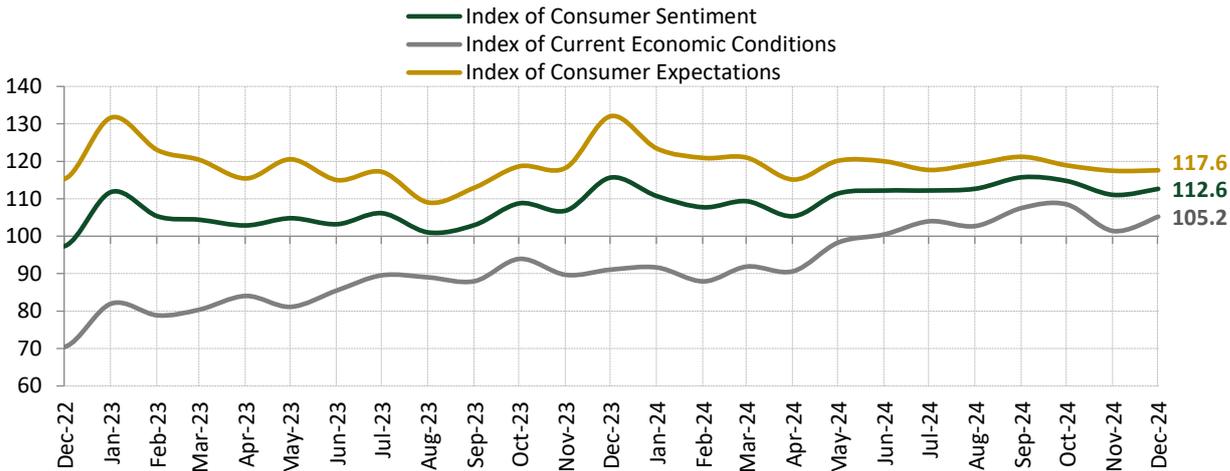
Source: Results of the population survey, Fusion Lab

### Consumer sentiment of the population

The Consumer Sentiment Index increased to 112.6 in December 2024 (November 2024 – 111) (Figures 3, 4, 5). Expectations for the country's development prospects over the next year improved by 1.3 points to 130.4.

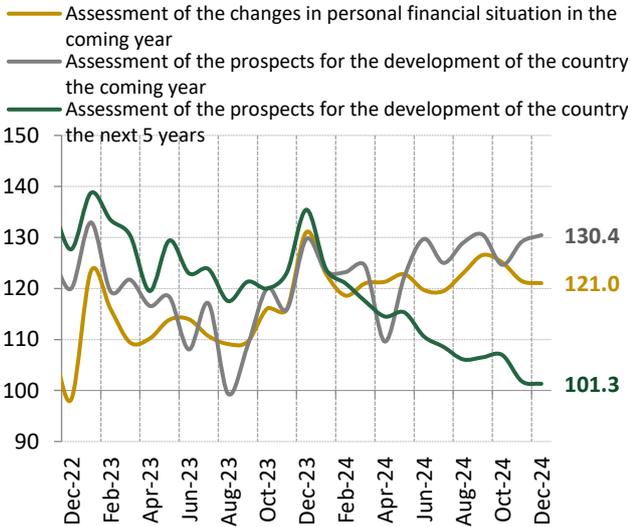
At the same time, assessments of the current situation improved, with personal financial situation over the past year rising by 2.6 points to 101.9, and the willingness to make major purchases increasing by 5.1 points to 108.6.

Figure 3. Index<sup>2</sup> of Consumer Sentiment



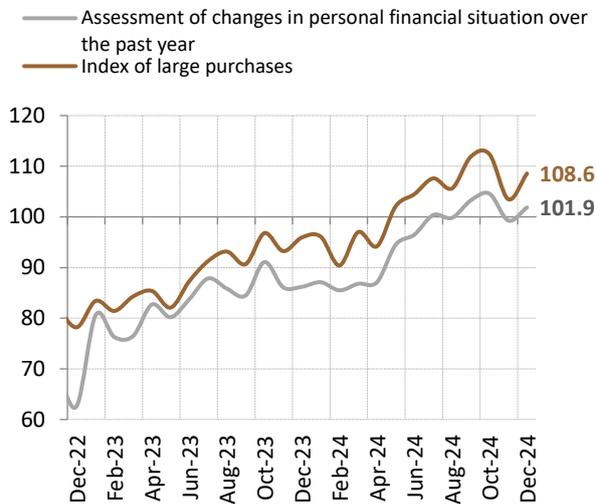
Source: Results of the population survey, Fusion Lab

Figure 4. Consumer Expectations



Source: Results of the population survey, Fusion Lab

Figure 5. Current Conditions



**NOTES**

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<sup>1</sup> A quantitative assessment of inflation expectations/median estimates for January 2022 has not been published, because the results of the survey in January 2022 were influenced by January events in the country, which affected the smaller sample size and incompatibility with previous data. Median estimate of perceived inflation based on the survey results: «How much exactly do you think the prices of goods and services have increased over the past 12 months?». Median estimate of expected inflation based on the question: «How much exactly do you think prices for goods and services will rise in the next 12 months?».

<sup>2</sup> Consumer sentiment index - The average value of private indices:

- changes in personal financial situation over the past year;
- changes in personal financial situation in the coming year;
- prospects for the development of the country in the coming year;
- prospects for the development of the country in the next 5 years;
- large purchases.

Current status index - The average value of private indices:

- changes in personal financial situation over the past year;
- the index of large purchases.

Consumer expectations index - The average value of private indices:

- changes in personal financial situation in the coming year;
- prospects for the development of the country in the coming year;
- prospects for the development of the country in the next 5 years.

The numerical value represents the balance of responses, which is calculated as the difference between the proportion of positive and negative responses + 100. Index values can vary from 0 to 200. A value above 100 indicates the predominance of positive estimates, below 100 – negative estimates.