

Households' inflation expectations for the next 12 months remain volatile. In January 2025, they declined to 12.4% amid a weakening public perception of current inflation. However, inflation expectations remain elevated, shaped by fluctuations in the nominal exchange rate of the tenge. The median estimate of expected inflation in five years stood at 13.7% in January 2025.

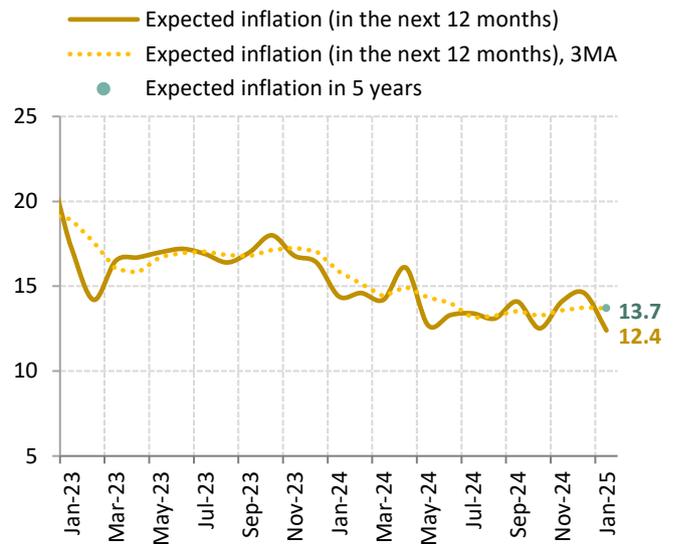
Households' inflation expectations

The median estimate¹ of inflation expected in 1 year in January 2025 decreased to 12.4% (December 2024 – 14.6%) (Figure 1). At the same time, the indicator smoothed out over 3 months shows some stabilization over several months, amounting to 13.7% in January 2025.

Compared to the previous month, in January 2025, the structure of respondents' responses showed a shift in respondents' expectations towards lower price increases in the next 12 months.

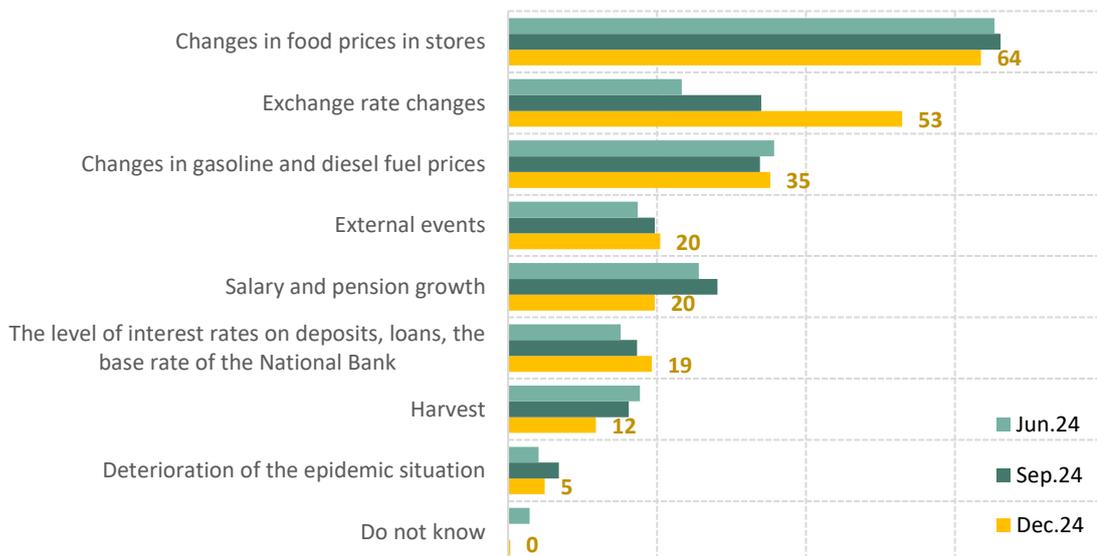
At the same time, the median estimate of expected inflation in 5 years in January 2025 was 13.7%. At the same time, there is a significant amount of uncertainty in the responses of the respondents.

Figure 1. Respondents' inflation expectations, %



Source: Results of the population survey, Fusion Lab,

Figure 2. Factors of price growth in the future



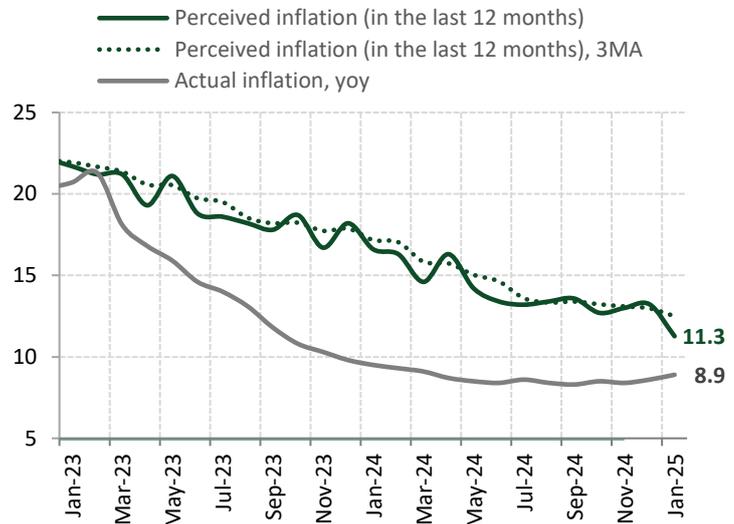
Source: Results of the population survey, Fusion Lab,

Among the factors of price growth that respondents noted in the previous quarter, changes in food prices in stores continue to prevail (Figure 2). At the same time, the share of respondents who indicated a change in the exchange rate has increased significantly. The respondents also noted a change in fuel prices.

The median estimate of perceived inflation over the past 12 months, after a period of some stabilization, decreased to 11.3% in January 2025 (December 2024 – 13.2%) (Figure 3).

The share of respondents who noted an increase in food prices increased to 80.7% in January 2025 (December 2024 – 70.1%). At the same time, the share of those who noted an increase in prices for non-food products and services decreased to 9.8% (15.9%) and 6.3% (11.5%), respectively.

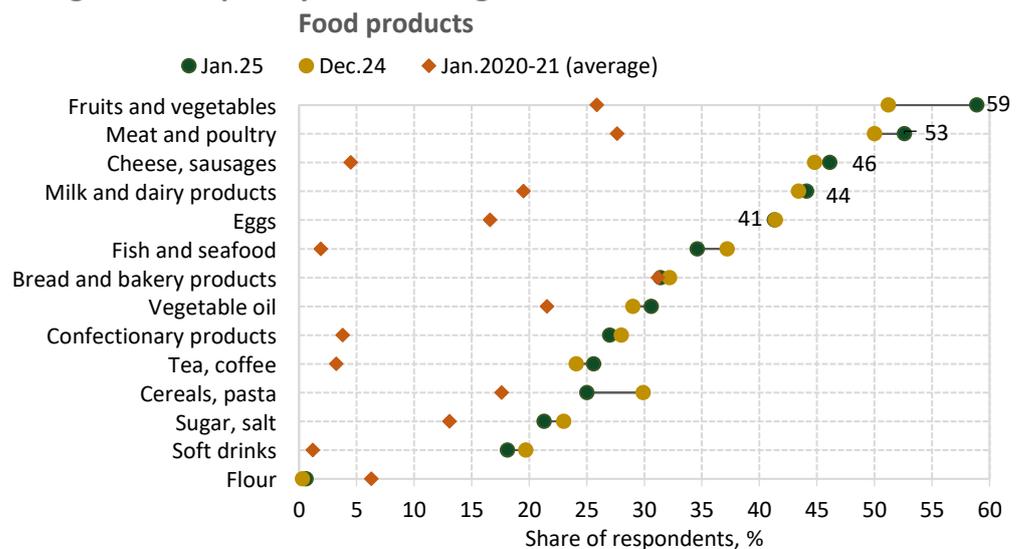
Figure 3. Respondents' perceived inflation and actual inflation, %

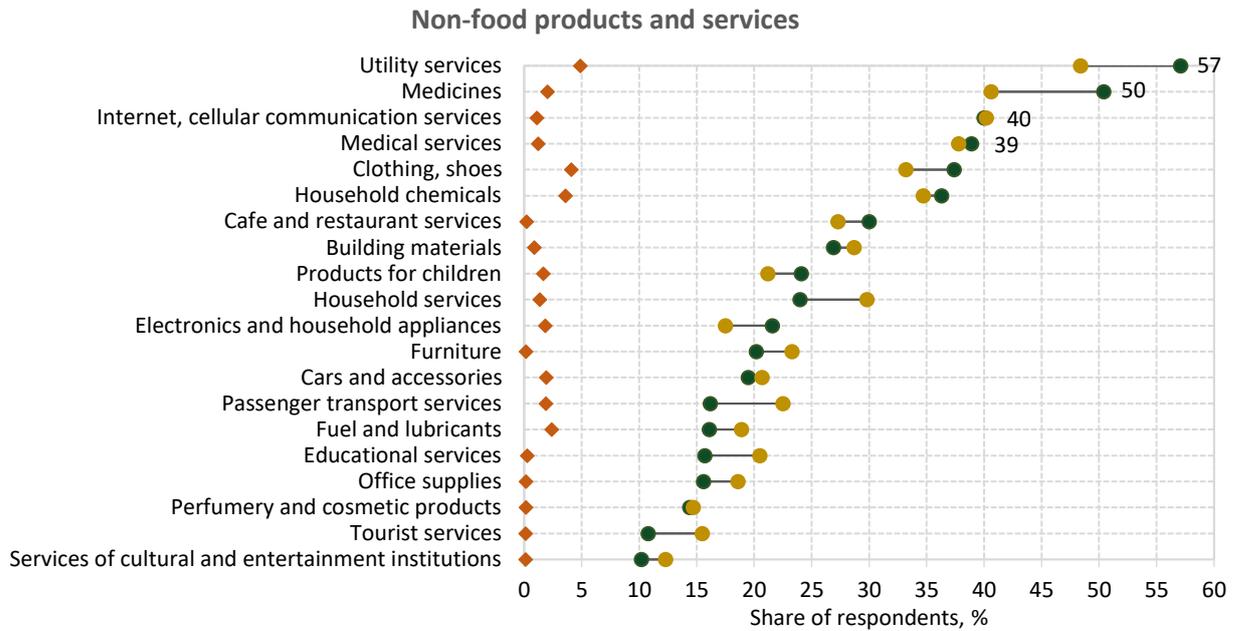


Source: Results of the population survey, Fusion Lab, BNS ASPR RK

In January 2025, 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, clothing and footwear, and household chemicals. Among the paid services, respondents most noted an increase in prices for housing and utility services, Internet and mobile services, and medical services (Figure 4).

Figure 4. Frequently mentioned goods and services





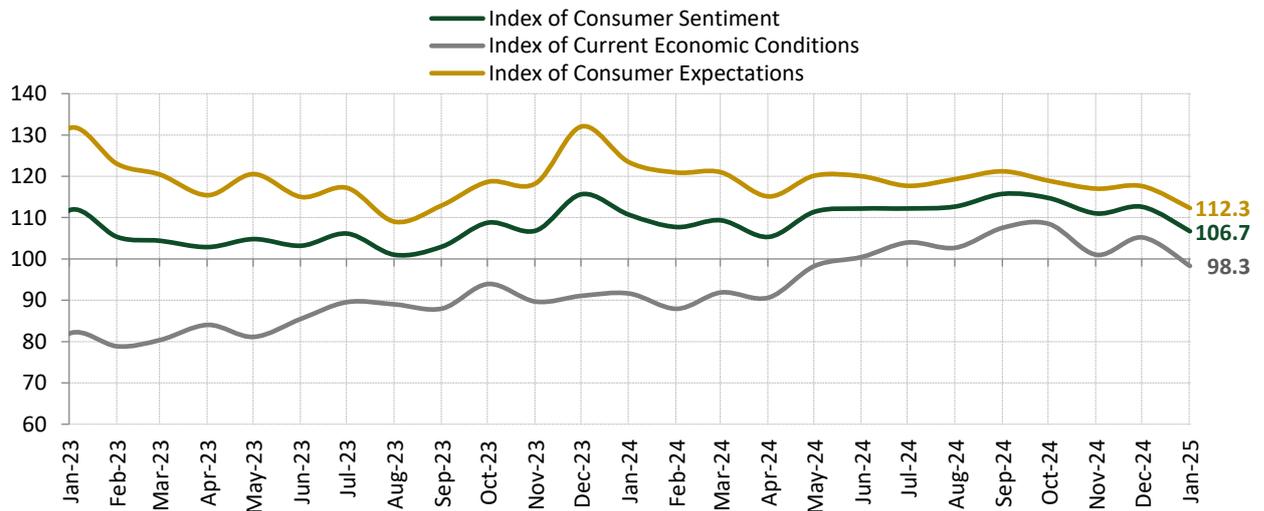
Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

The consumer sentiment index in January 2025 was 106.7 (Figures 5,6.7). The assessment of the country's development prospects in a year decreased, but at the same time remained in the positive zone. The estimate for the five-year period has increased to 105.2.

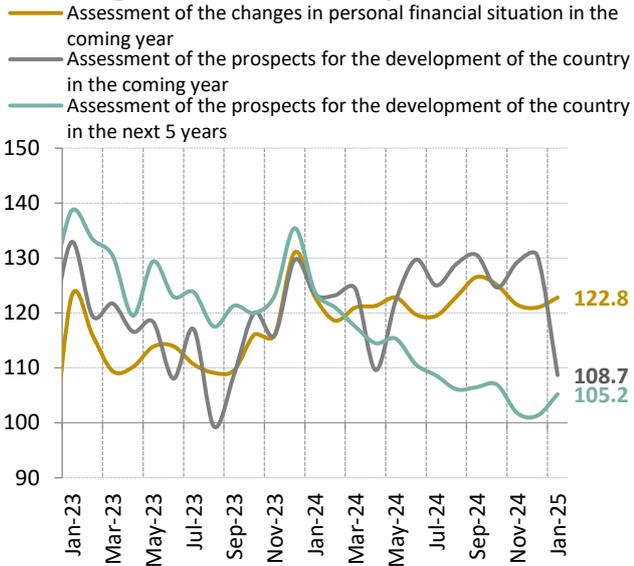
Along with this, in the estimates of the current state, personal financial situation indicators decreased by 6.7 points over the past year, amounting to 95.2, as well as readiness for large purchases by 7.2 points to 101.4.

Figure 5. Index² of Consumer Sentiment



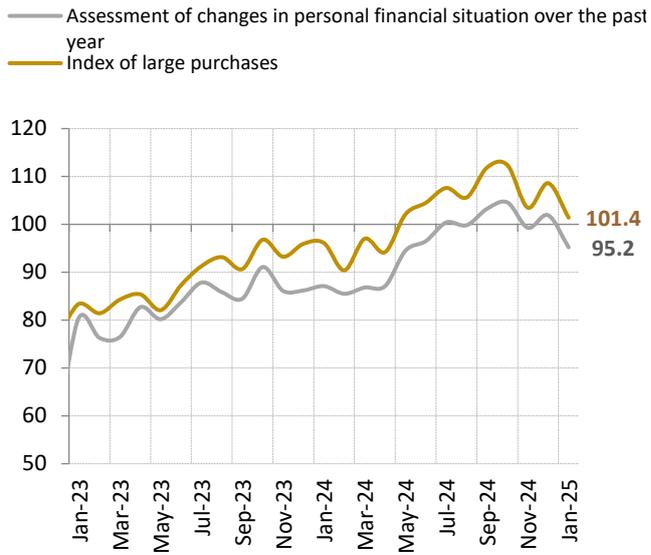
Source: Results of the population survey, Fusion Lab

Figure 6. Consumer Expectations



Source: Results of the population survey, Fusion Lab

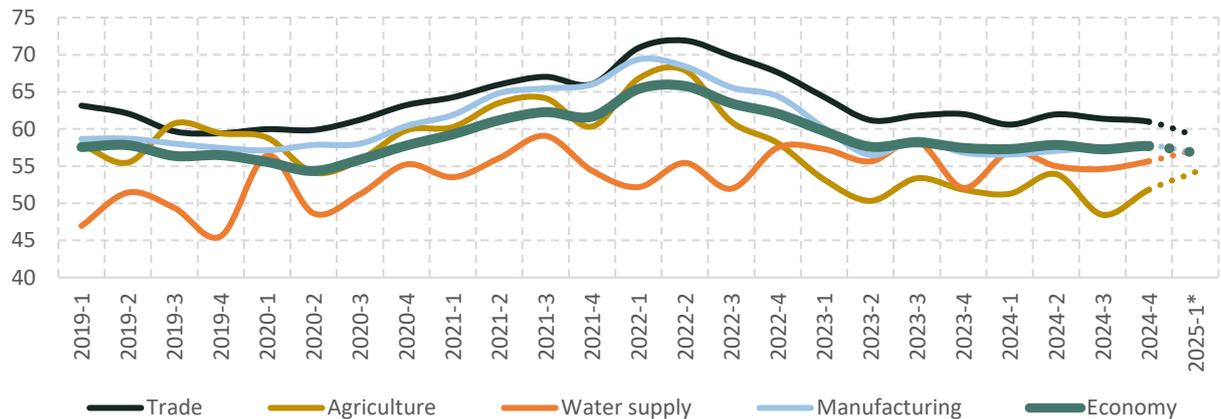
Figure 7. Current Conditions



The price expectations of enterprises remained at the level of the previous quarter

In the 4th quarter of 2024, the growth rate of prices for products and services of enterprises in the economy remained almost unchanged, with a slight increase in prices noted in agriculture, electricity generation and water supply. In the 1st quarter of 2025, a slight slowdown in the rate of price growth in the economy is expected, while agricultural enterprises expect their growth (Figure 8).

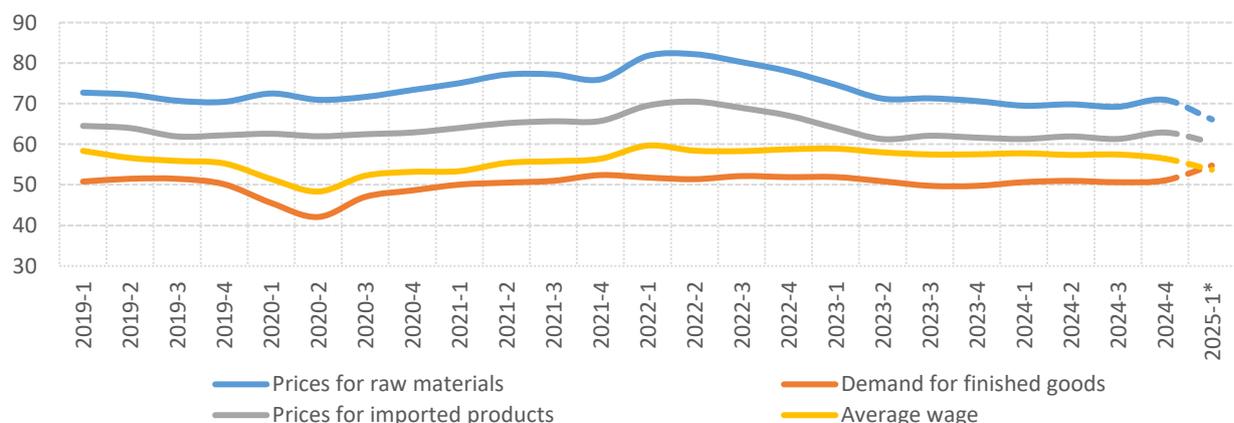
Figure 8. Dynamics of changes in prices for finished products of enterprises, diffusion index³



Source: Results of monitoring of Real Sector Enterprises, National Bank
The survey of enterprises is conducted on a **quarterly** basis

For the vast majority of enterprises, the most important factors in setting prices for finished products are the prices of raw materials (for 79.0% of enterprises), demand (76.7%) and labor costs (65.9%). According to enterprise estimates, in the 4th quarter of 2024, the growth rates of prices for raw materials and imported products increased slightly, the growth rates of demand for finished products and average wages remained almost unchanged. In the 1st quarter of 2025, demand is expected to increase slightly, while other factors are expected to slow down (Figure 9).

Figure 9. Dynamics of factors of setting prices for finished products of enterprises, diffusion index³



Source: Results of monitoring of Real Sector Enterprises, National Bank
The survey of enterprises is conducted on a **quarterly** basis

NOTES

¹ 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?».

Since January 2025, median estimates of expected and perceived inflation have been calculated using 2–4 percentage point intervals, whereas previously, a 4 percentage point interval was applied.

² 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.

³ The diffusion index (DI) is calculated as the sum of positive responses and half of the responses unchanged. DI is a generalized indicator that characterizes the dynamics of changes in the indicator under consideration. A value above level 50 means an increase, and below level 50 means a decrease. The further (higher or lower) the DI value is from the 50 level, the higher the rate of change (increase or decrease) of the indicator. Number of respondents: 3,447 enterprises. Seasonally-cleared data. The companies answered the question: "How have the selling prices for your company's finished products changed?"

*For the 1st quarter of 2025, the expectations of enterprises are given