



**INFLATION  
EXPECTATIONS  
MARCH 2025**

The population's inflation expectations over the one-year horizon remain volatile, having declined to 12.6% in March 2025. This decrease is due to a weakening perception of current inflation, a reduction in the influence of the exchange rate factor, as well as a shift of high expectations to an area of uncertainty. The median estimate of expected inflation in 5 years remained at 13.5% in March this year. At the same time, there is an improvement in consumer sentiment due to an increase in estimates of the country's development prospects and readiness for large purchases.

### Households` inflation expectations

In March 2025, the median estimate<sup>1</sup> of expected inflation in the next 12 months decreased to 12.6% (February 2025 – 13.7%). The median estimate of expected inflation in 5 years in March 2025 remained at 13.5% (Figure 1).

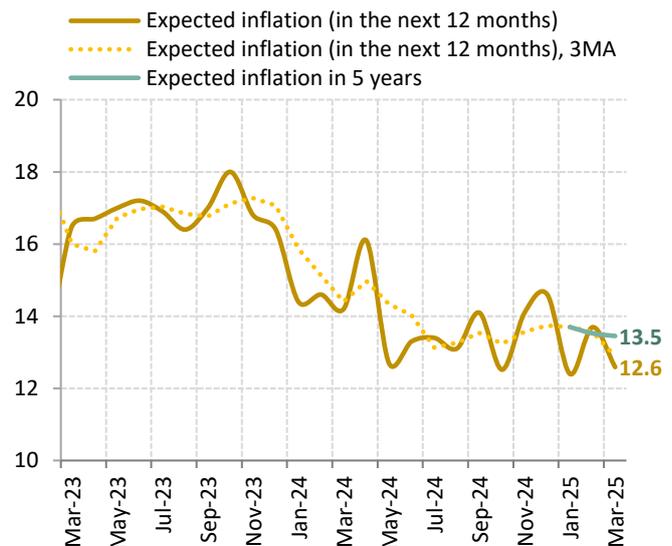
Compared to the previous month, the structure of respondents' responses shows a shift in expectations towards lower price growth rates over the one-year horizon. This is due to a weakening perception of current inflation, as well as a reduction in the influence of the exchange rate factor. At the same time, the level of uncertainty in inflation estimates after 12 months continued to increase. The decrease in short-term inflation expectations, despite the acceleration of actual inflation and the deterioration of the news background, is partly due to the redistribution of high expectations into an area of uncertainty.

At the same time, the level of uncertainty in long-term inflation expectations is lower than in short-term ones. This indicates that currently it is more difficult for respondents to quantify inflation for the next 12 months compared to estimates for a five-year period.

Among the factors of expected price increases over the next 12 months, noted by respondents in the first quarter, changes in food prices in stores continue to prevail (Figure 2). Respondents also note changes in prices for utilities, gasoline and diesel fuel. At the same time, the share of respondents who indicated a change in the exchange rate decreased significantly.

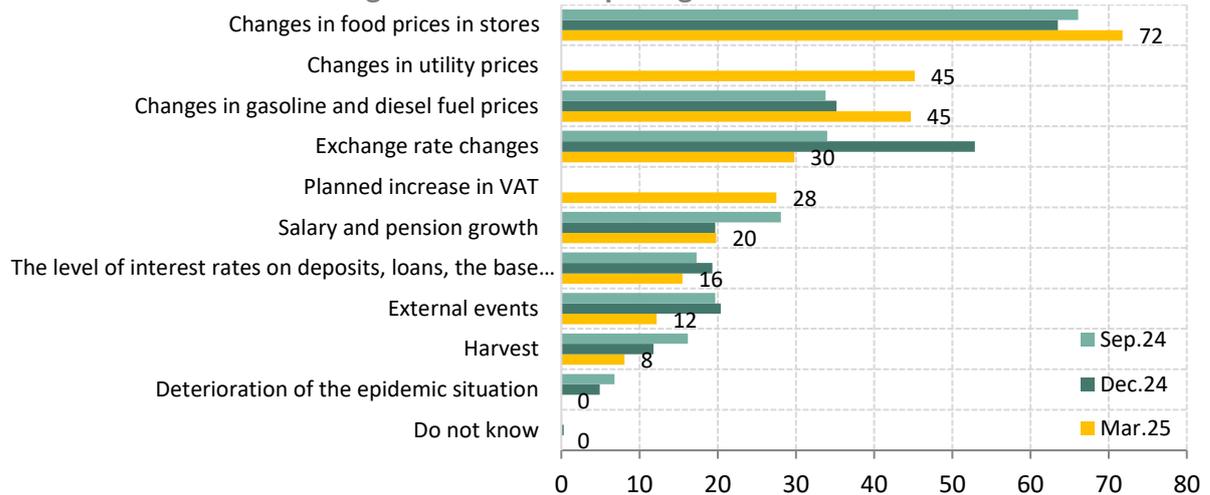
In addition, amid the news about the planned VAT increase, respondents noted this factor as a potential reason for price increases in the future.

Figure 1. Respondents' inflation expectations, %



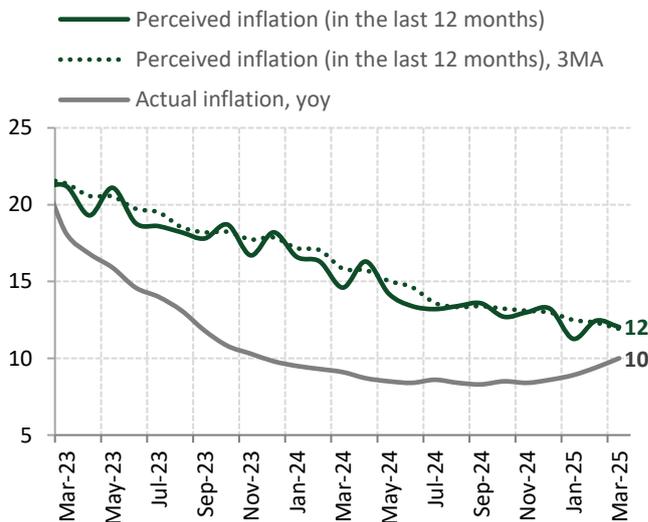
Source: Results of the population survey, Fusion Lab

**Figure 2. Factors of price growth in the future**



Source: Results of the population survey, Fusion Lab

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



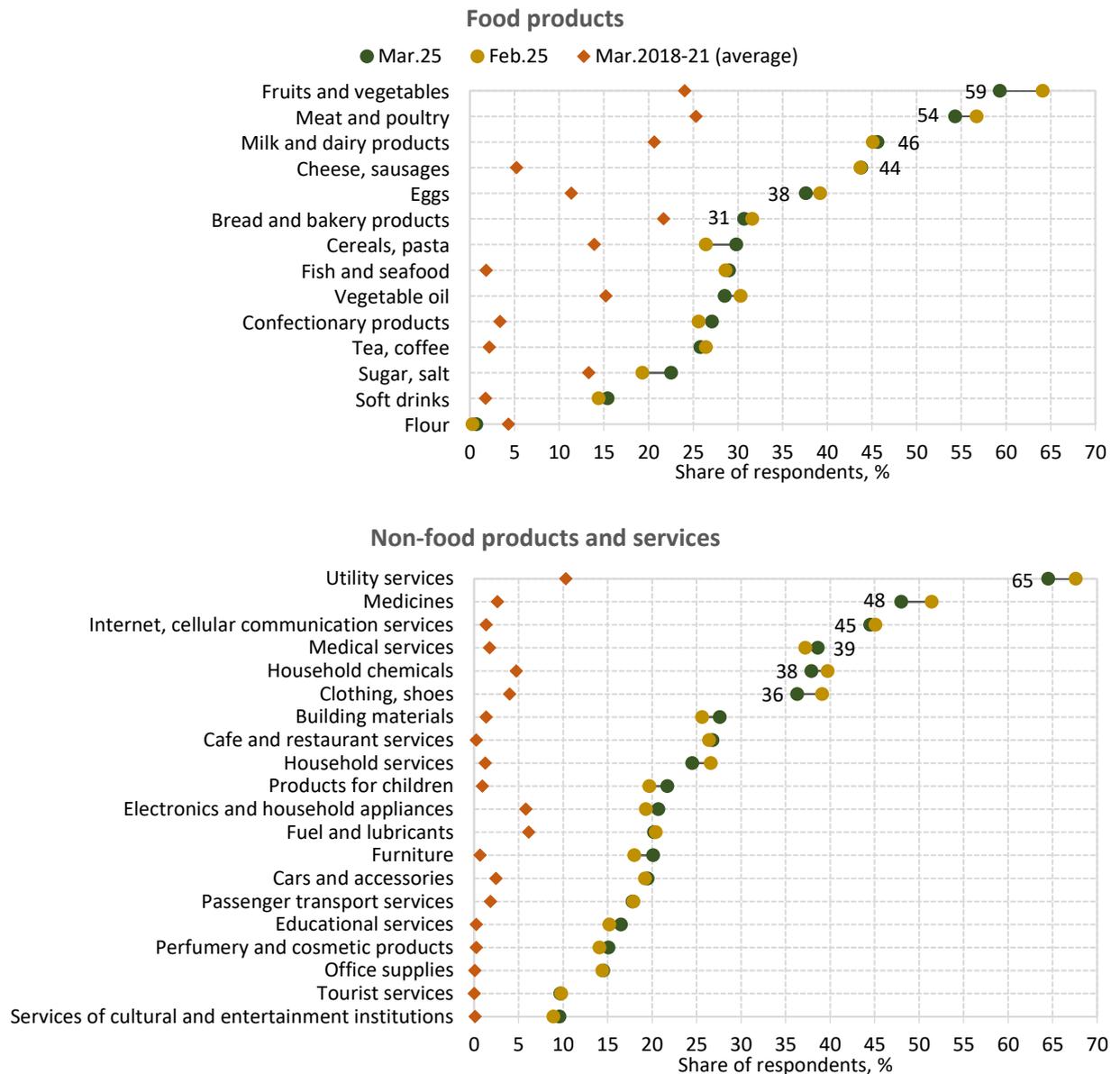
Source: Results of the population survey, Fusion Lab, BNS ASPR RK

The median estimate of perceived inflation over the past 12 months decreased in March 2025 to 12% (February 2025 – 12.4%) (Figure 3).

The share of respondents who noted an increase in food prices decreased to 73.9% in March 2025 (79.7% in February 2025). At the same time, the share of those who noted an increase in prices for non-food products increased to 12.6% (9.2%), as well as paid services to 9.9% (8.1%).

In March 2025, the largest number of respondents among food products noted an increase in prices for fruits and vegetables, meat and dairy products. In the structure of non-food products, the population pointed to an increase in the cost of medicines, household chemicals, clothing and footwear. Among the paid services, respondents most noted an increase in prices for housing and communal services, Internet and mobile services, and medical services (Figure 4).

Figure 4. Frequently mentioned goods and services



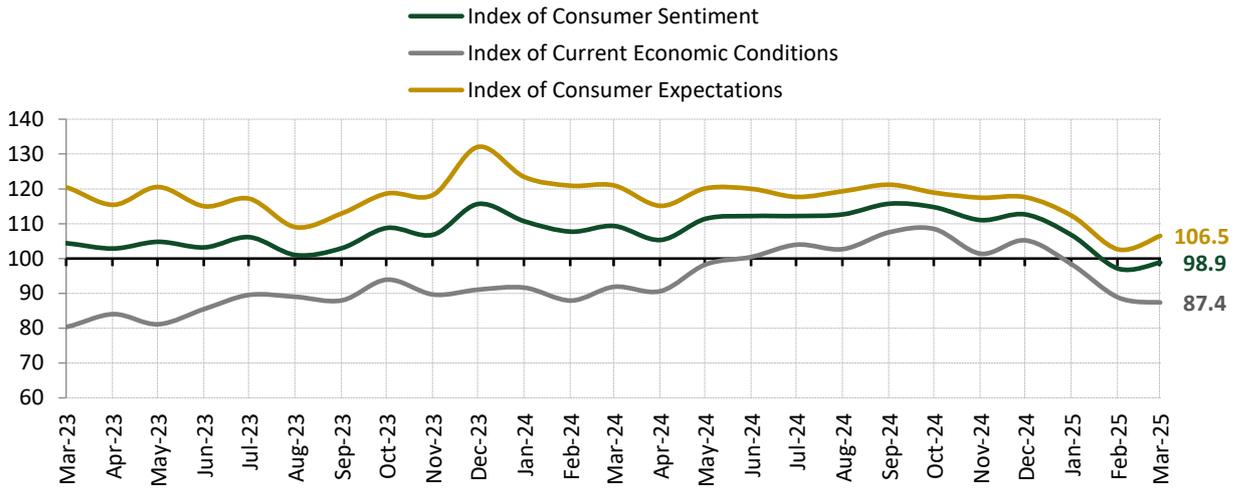
Source: Results of the population survey, Fusion Lab

### Consumer sentiment of the population

The consumer sentiment index increased to 98.9 in March 2025 (February 2025 – 97.1) (Figures 5,6,7). In the estimates of expectations, the assessment of the country's development prospects in the coming year and in the next five years increased to 112.8 and 98.3, respectively. At the same time, the estimate of changes in personal financial situation in the coming year decreased to 108.5.

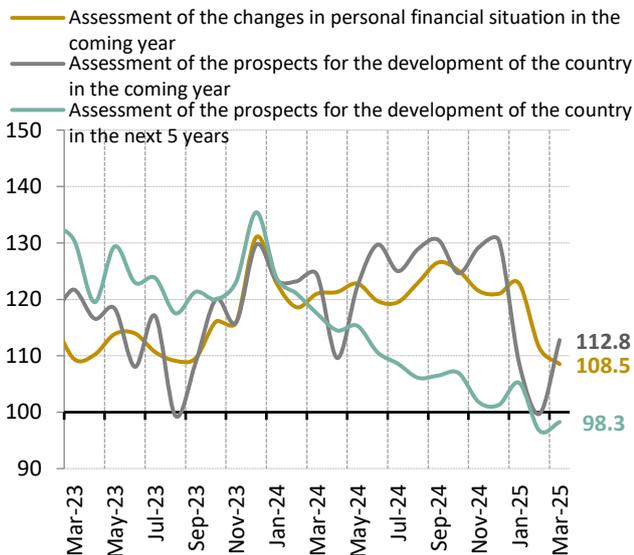
In the estimates of the current conditions, assessment of personal financial situation over the past year have decreased, amounting to 83. At the same time, the readiness for large purchases increased to 91.7.

Figure 5. Index<sup>2</sup> of Consumer Sentiment



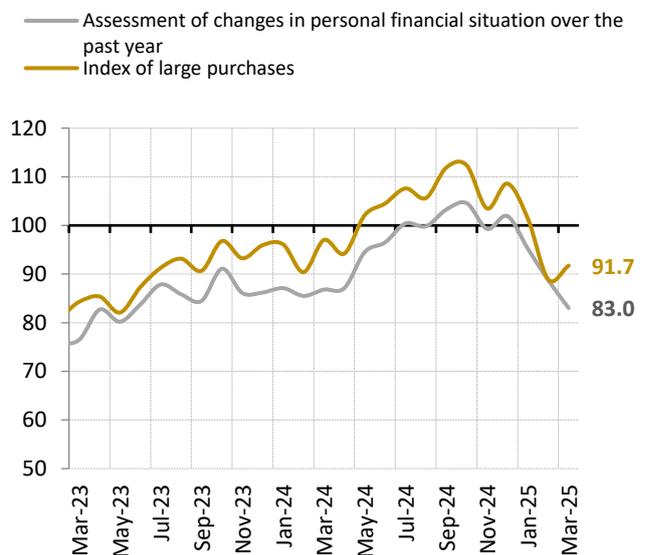
Source: Results of the population survey, Fusion Lab

Figure 6. Consumer Expectations



Source: Results of the population survey, Fusion Lab

Figure 7. Current Conditions



## 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?».

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.

<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.