



INFLATION EXPECTATIONS

APRIL 2025

The population's inflation expectations for the year ahead decreased to 12.2% in April 2025, equaling the indicator of perceived inflation. The median estimate of expected inflation in 5 years increased to 14.3%.

At the same time, there is an improvement in consumer sentiment due to an increase in estimates of changes in personal financial situation and readiness for large purchases.

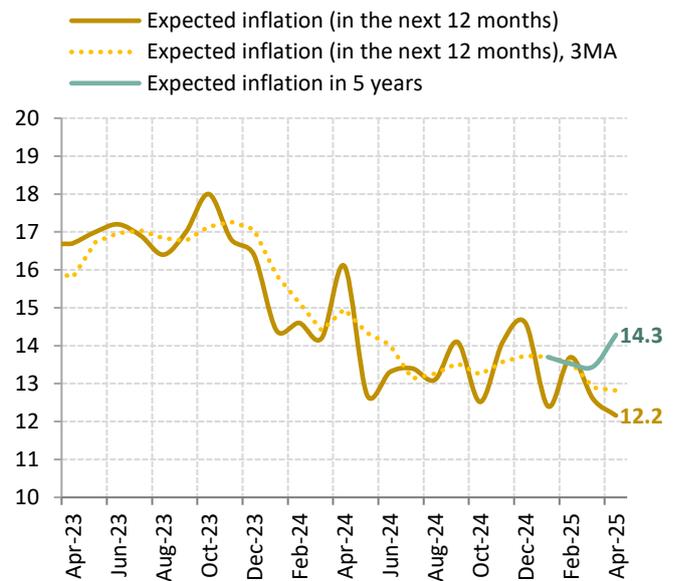
Households` inflation expectations

In April 2025, the median estimate¹ of expected inflation over the next 12 months decreased slightly to 12.2% (12.6% in March 2025). At the same time, the median estimate of expected inflation in 5 years in April 2025 increased to 14.3% (13.5%) (Figure 1).

Compared to the previous month, the structure of respondents' responses to short-term inflation expectations shows a shift in expectations towards lower price growth rates over the one-year horizon. The indicator, smoothed out over three months, has been forming for a long time in the range of 12-14%.

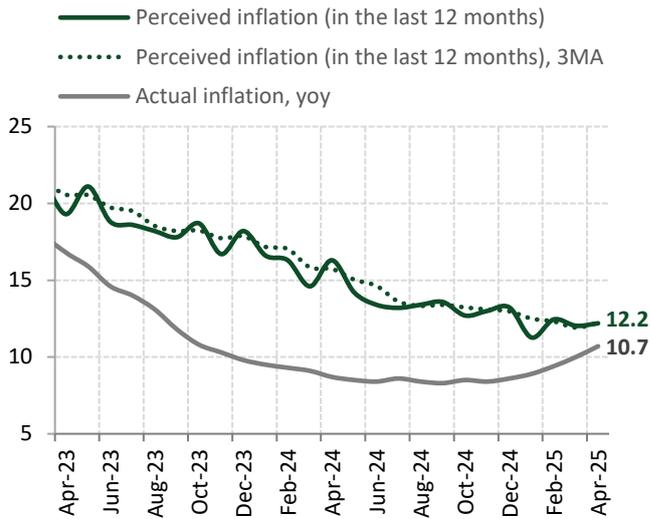
At the same time, there continues to be a significant amount of uncertainty in short-term inflation expectations, exceeding the share of uncertainty in long-term expectations. This indicates that it is currently more difficult for respondents to quantify inflation for the next 12 months compared to estimates for a five-year period. It should also be noted that the formation of inflation expectations in April took place against the background of an external news background reflecting events in the global economy.

Figure 1. Respondents' inflation expectations, %



Source: Results of the population survey, Fusion Lab

Figure 2. Respondents' perceived inflation and actual inflation, %



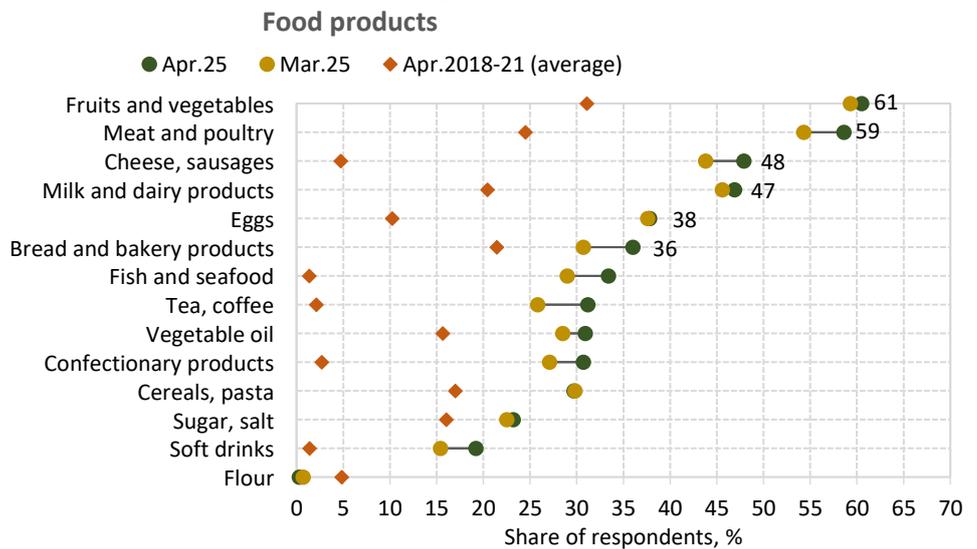
Source: Results of the population survey, Fusion Lab, BNS ASPR RK

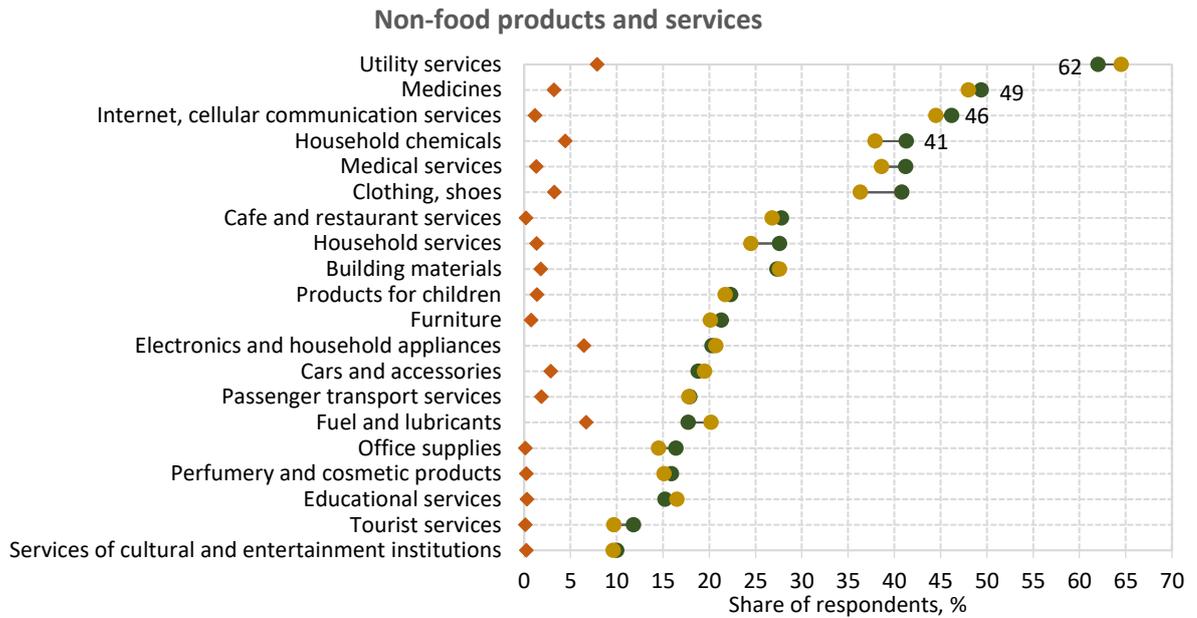
The median estimate of perceived inflation over the past 12 months increased slightly in April 2025 to 12.2% (12% in March 2025) (Figure 2).

The share of respondents who noted an increase in food prices increased to 77.8% in April 2025 (73.9% in March 2025). At the same time, the share of those who noted an increase in prices for non-food products decreased to 9.6% (12.6%), as well as paid services to 9.4% (9.9%).

In April 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, 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 3).

Figure 3. Frequently mentioned goods and services





Source: Results of the population survey, Fusion Lab

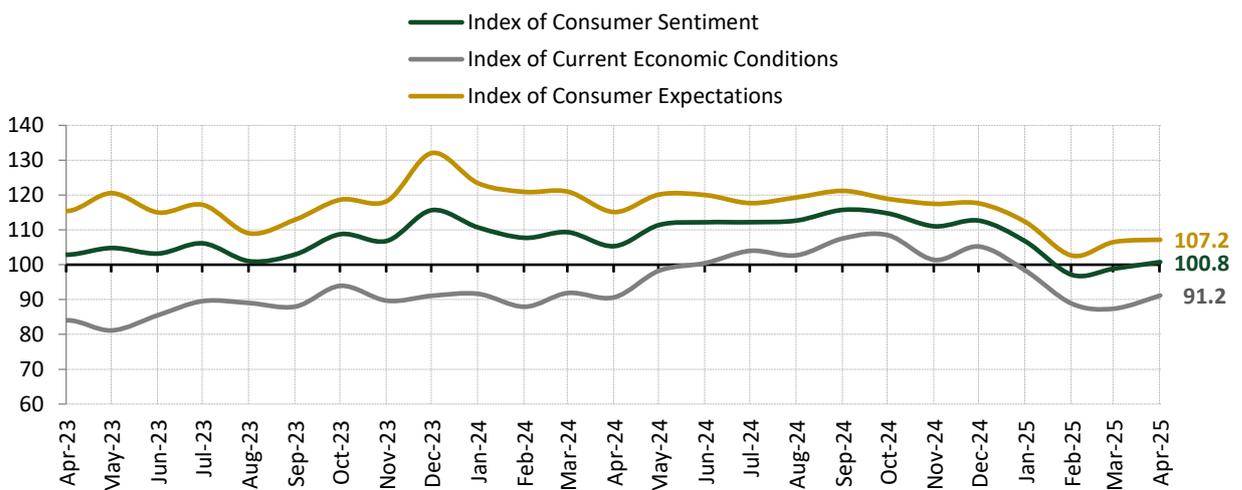
Consumer sentiment of the population

The **consumer sentiment index** increased to 100.8 in April 2025 (98.9 in March 2025) (Figures 4,5,6).

In the **estimates of expectations**, the assessment of the country's development prospects in the coming year decreased by 7.1 points to 105.7. Estimates for the next five years increased by 4 points to 102.2. At the same time, both indicators were in the growth zone. The assessment of changes in personal financial situation in the coming year increased by 5.1 points to 113.6.

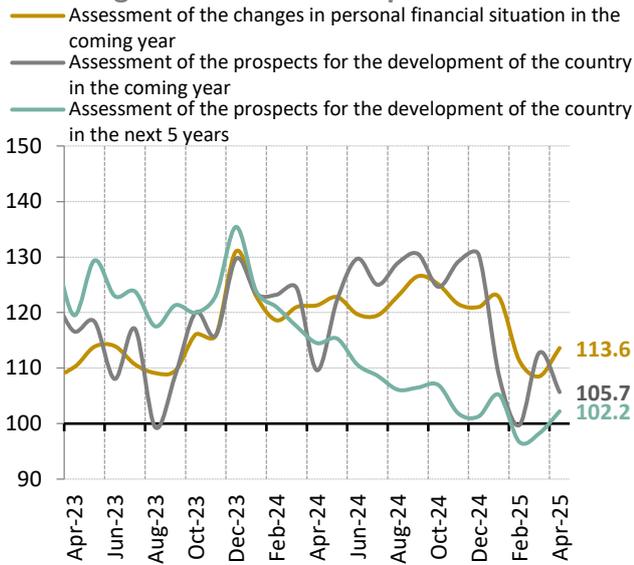
Along with this, in the **estimates of the current conditions**, the indicator of personal financial situation has increased by 2.4 points over the past year, amounting to 85.4. The willingness to make large purchases also increased by 5.2 points to 96.9.

Figure 4. Index² of Consumer Sentiment



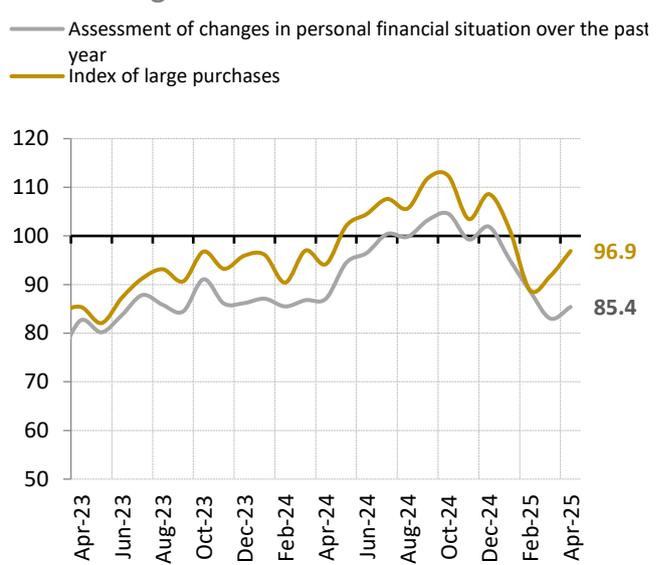
Source: Results of the population survey, Fusion Lab

Figure 5. Consumer Expectations



Source: Results of the population survey, Fusion Lab

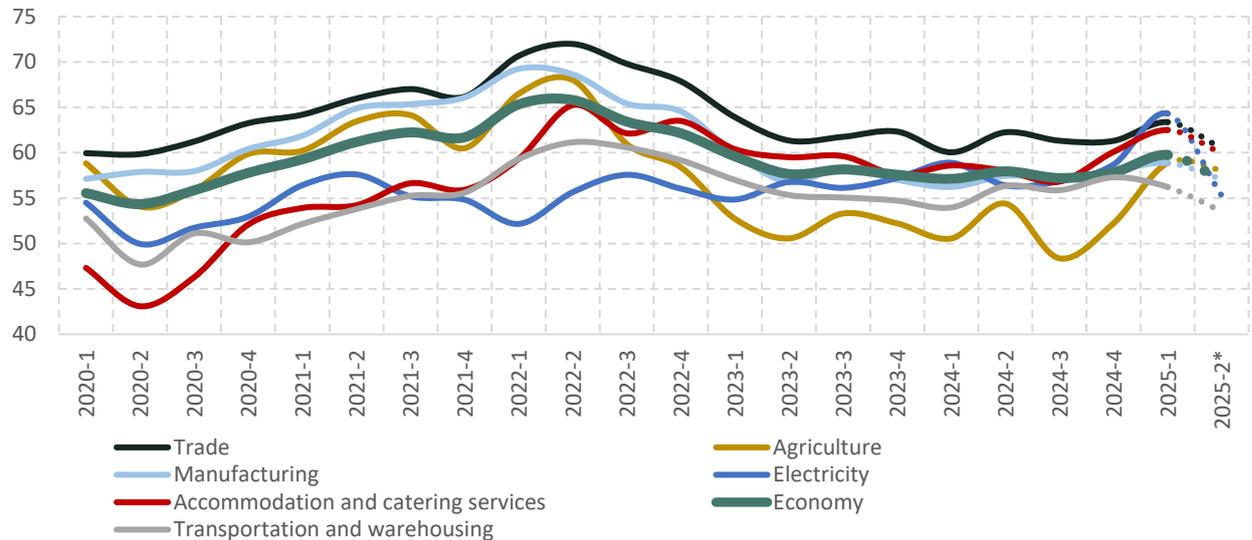
Figure 6. Current Conditions



The price expectations of enterprises remain high

In the 1st quarter of 2025, prices for products and services of enterprises increased in all sectors. The highest growth rates were recorded in the production of electricity and in accommodation and catering services. The decrease in growth rates compared to the 4th quarter of 2024 was noted only in transportation and warehousing. In the 2nd quarter of 2025, enterprises in all industries expect a weaker price (Figure 7).

Figure 7. Dynamics of changes in prices for finished products of enterprises, diffusion index³

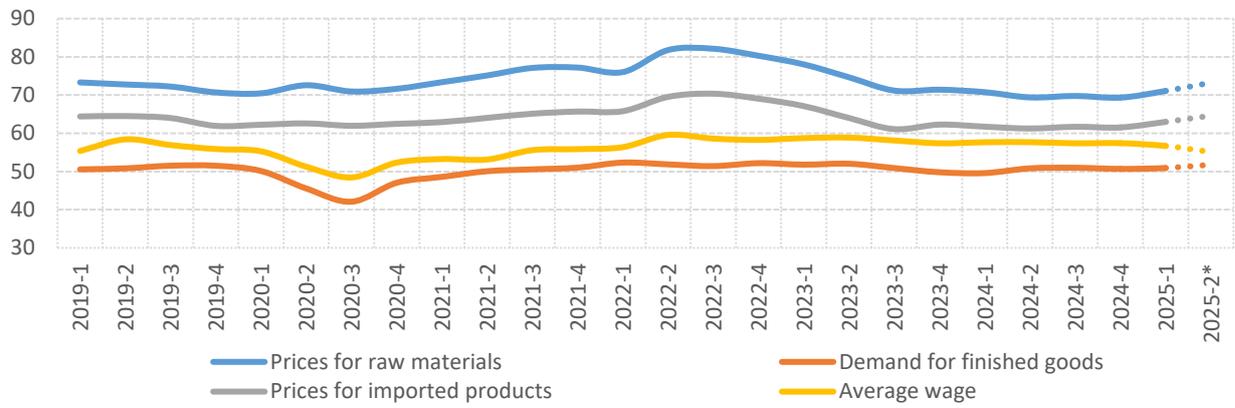


Source: Results of monitoring of Real Sector Enterprises, National Bank
The survey of enterprises is conducted on a quarterly basis

For the vast majority of enterprises, the most important factors in setting prices for finished products are the prices of raw materials (for 78.9% of enterprises), demand (77.0%) and labor costs (67.3%). According to enterprise estimates, in the 1st quarter of 2025, the growth rate of prices for raw materials and imported products increased, demand increased slightly,

remaining stable, and the growth rate of average wages decreased slightly. The trend is expected to continue in the 2nd quarter of 2025 (Figure 8).

Figure 8. 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: 3,450 enterprises. Seasonally-cleared data. The companies answered the question: "How have the selling prices for your company's finished products changed?"

*For the 2nd quarter of 2025, the expectations of enterprises are given