



**INFLATION
EXPECTATIONS
MAY 2025**

The population's inflation expectations for the year ahead increased to 14.1% in May 2025 amid an increase in estimates of perceived inflation. At the same time, the median estimate of expected inflation over a five-year horizon decreased slightly, but remained at an elevated level.

At the same time, there is an improvement in consumer sentiment due to an increase in estimates of the country's development prospects in the coming year and readiness for large purchases.

Households' inflation expectations

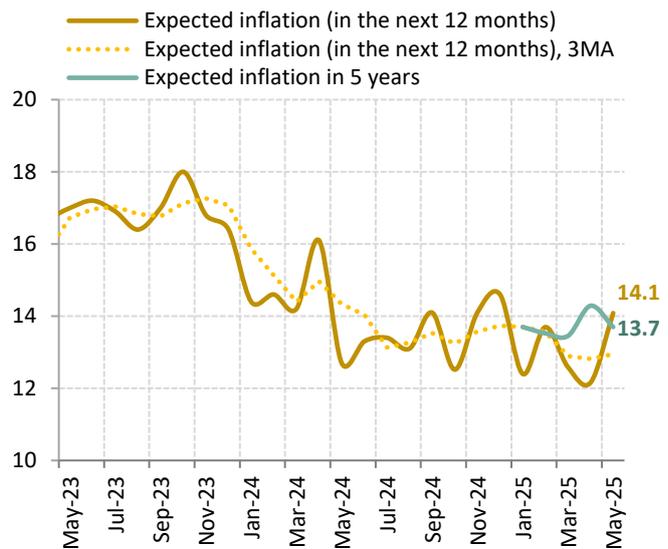
In May 2025, the median estimate¹ of expected inflation in the next 12 months increased to 14.1% (12.2% in April 2025). At the same time, the median estimate of expected inflation in 5 years in May 2025 decreased slightly, amounting to 13.7% (14.3%) (Figure 1).

Compared to the previous month, the structure of respondents' responses to short-term inflation expectations shows a shift in expectations towards higher price growth over the one-year horizon.

The dynamics of short-term inflation expectations continues to be volatile. The increase in this indicator in May 2025 is accompanied by an increase

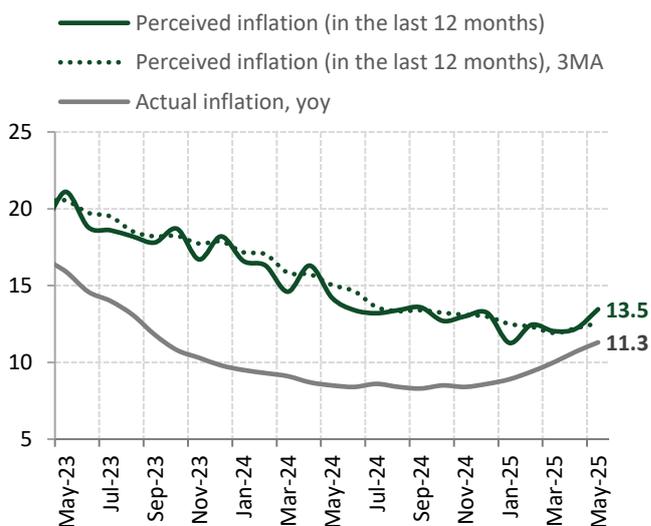
in the level of uncertainty in the responses of respondents, against the background of accelerating actual inflation and expectations regarding the planned reforms.

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

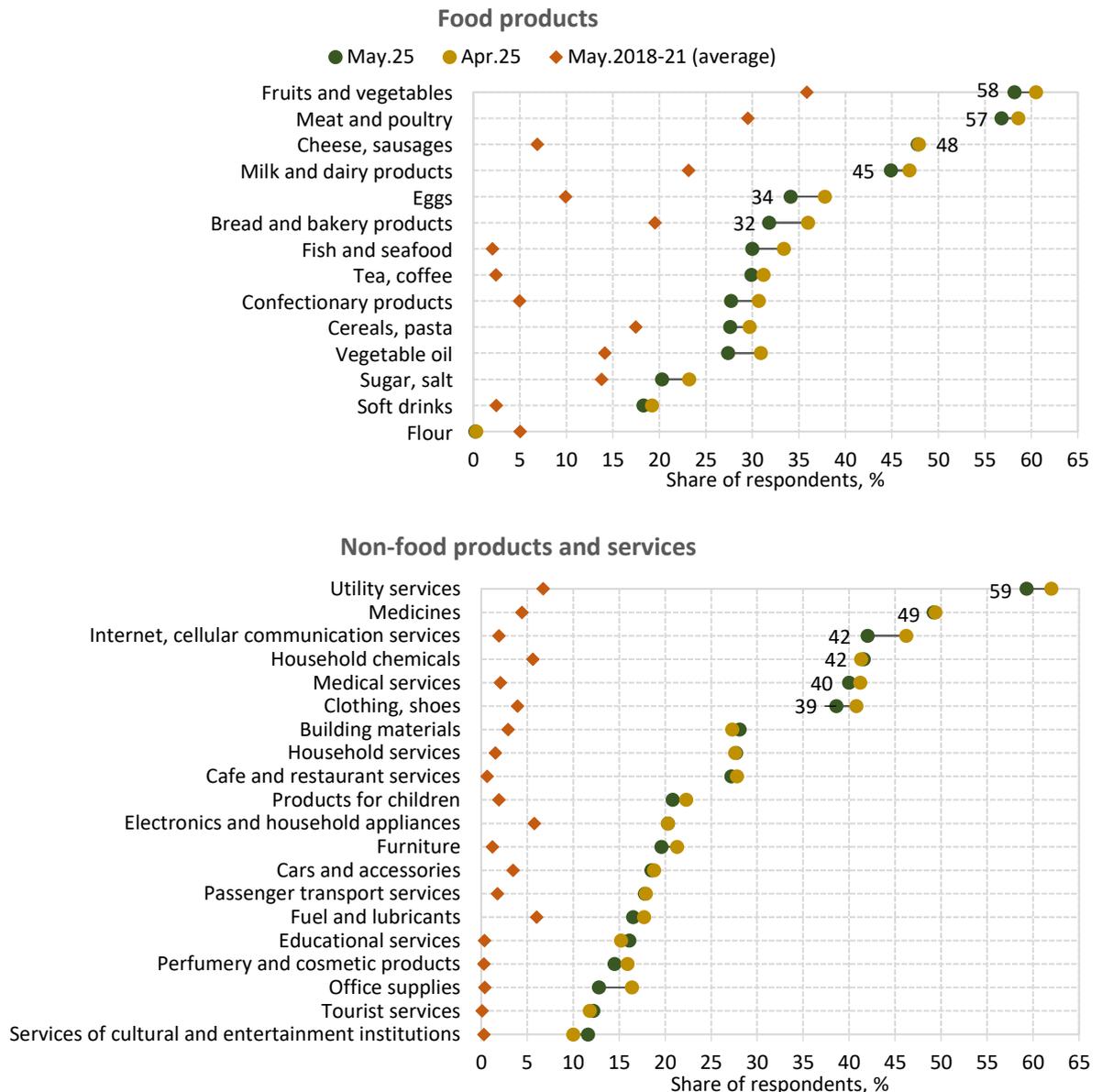
The median estimate of perceived inflation over the past 12 months increased to 13.5% in May 2025 (12.2% in April 2025) (Figure 2).

The share of respondents who noted an increase in food prices increased to 79.1% in May 2025 (77.8% in April 2025). At the same time, the share of those who noted an increase in prices for non-food products decreased to 8.9% (9.6%), as well as for paid services – to 8.2% (9.4%).

In May 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

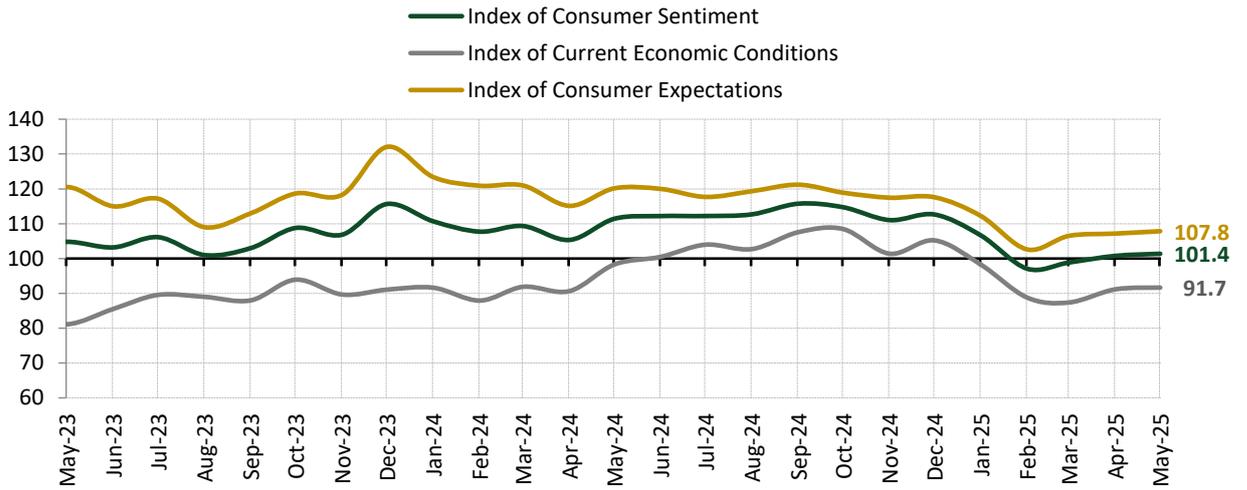


Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

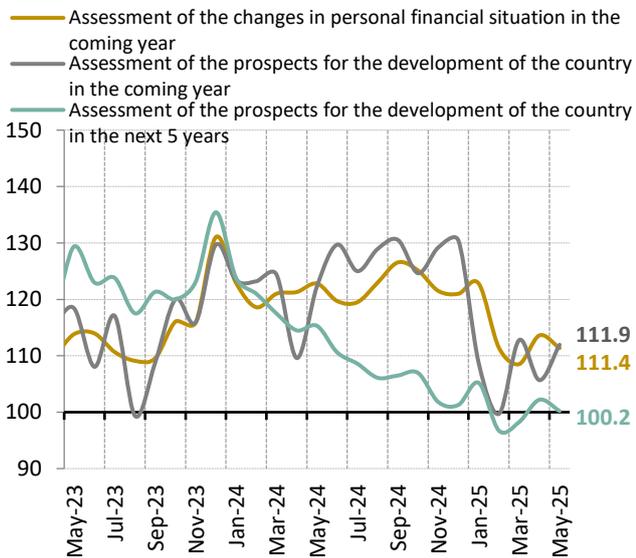
The consumer sentiment index increased to 101.4 in May 2025 (100.8 in April 2025) (Figures 4,5,6). In the estimates of expectations, the assessment of the country's development prospects in the coming year increased by 6.3 points, to 111.9. At the same time, the assessment of changes in personal financial situation in the coming year decreased by 2.2 points, to 111.4. At the same time, in the estimates of the current state, the indicator of personal financial situation has slightly increased by 0.1 points over the past year, amounting to 85.5. The willingness to make large purchases also increased by 0.9 points to 97.8.

Figure 4. Index² of Consumer Sentiment



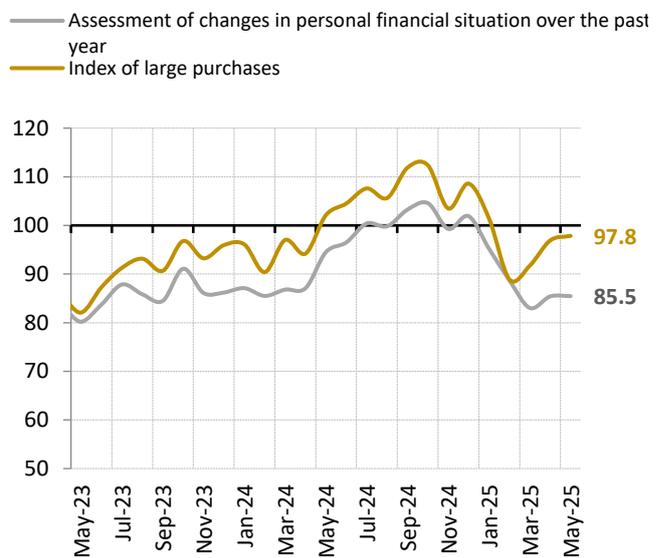
Source: Results of the population survey, Fusion Lab

Figure 5. Consumer Expectations



Source: Results of the population survey, Fusion Lab

Figure 6. Current Conditions



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.