



INFLATION EXPECTATIONS

JUNE 2025

Inflation expectations of the population over the horizon of one year remain volatile: in June 2025, they decreased to 12.6%. At the same time, the smoothed indicator has shown signs of stabilization in recent months, holding at the level of 12.9%. Respondents continue to cite the change in food prices as the main factor influencing expectations of future price increases. The expected inflation in 5 years was 14.2%, remaining at a high level and forming with greater certainty in comparison with expectations for the year ahead.

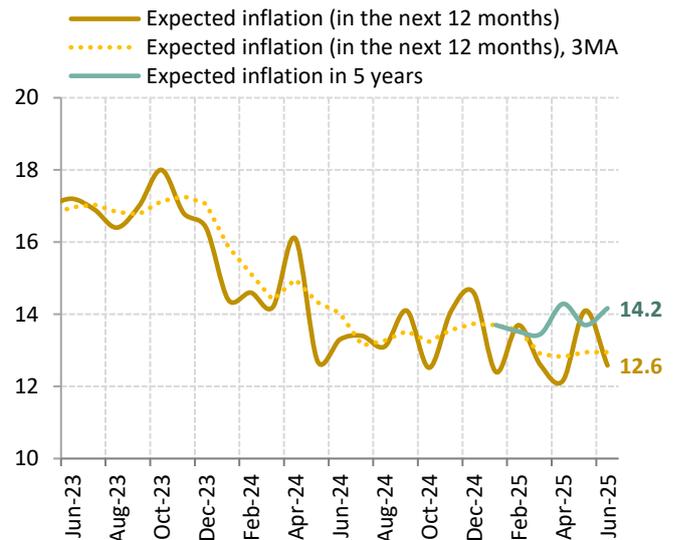
Households` inflation expectations

In June 2025, the median estimate¹ of expected inflation in the next 12 months decreased to 12.6% (May 2025 – 14.1%) (Figure 1).

At the same time, despite the volatility of inflation expectations, the smoothed three-month indicator of inflation expectations in recent months has shown stabilization at about 12.9%. At the same time, the median estimate of expected inflation in 5 years in June 2025 was 14.2% (May 2025 – 13.7%). There is still a significant amount of uncertainty about the future price growth over the one-year horizon in the structure of respondents' responses.

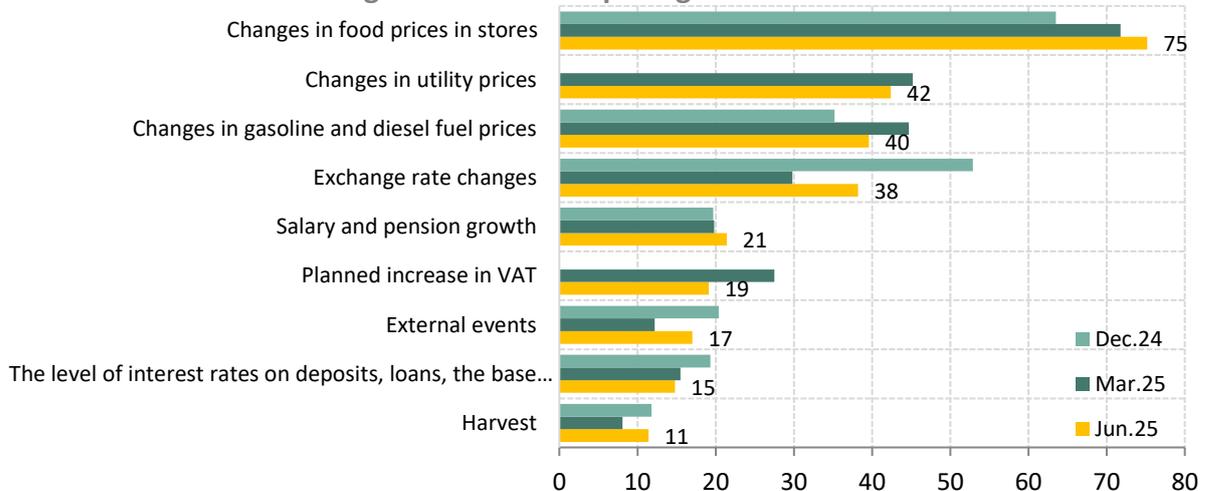
Among the factors of expected price increases over the next 12 months, noted by respondents in the second quarter of 2025, changes in food prices in stores continue to prevail (Figure 2). Respondents also note changes in prices for utilities, gasoline and diesel fuel, and changes in the exchange rate. At the same time, the share of respondents who cited the planned VAT increase as a factor contributing to future price growth has slightly decreased.

Figure 1. Respondents' inflation expectations, %



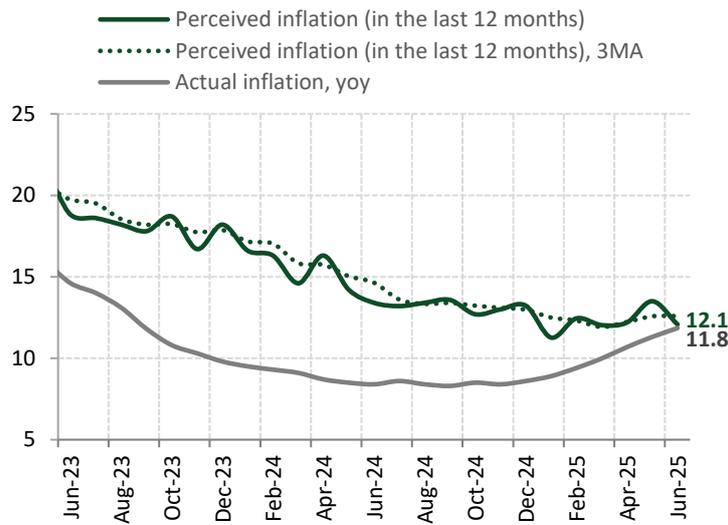
Source: Results of the population survey, Fusion Lab

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

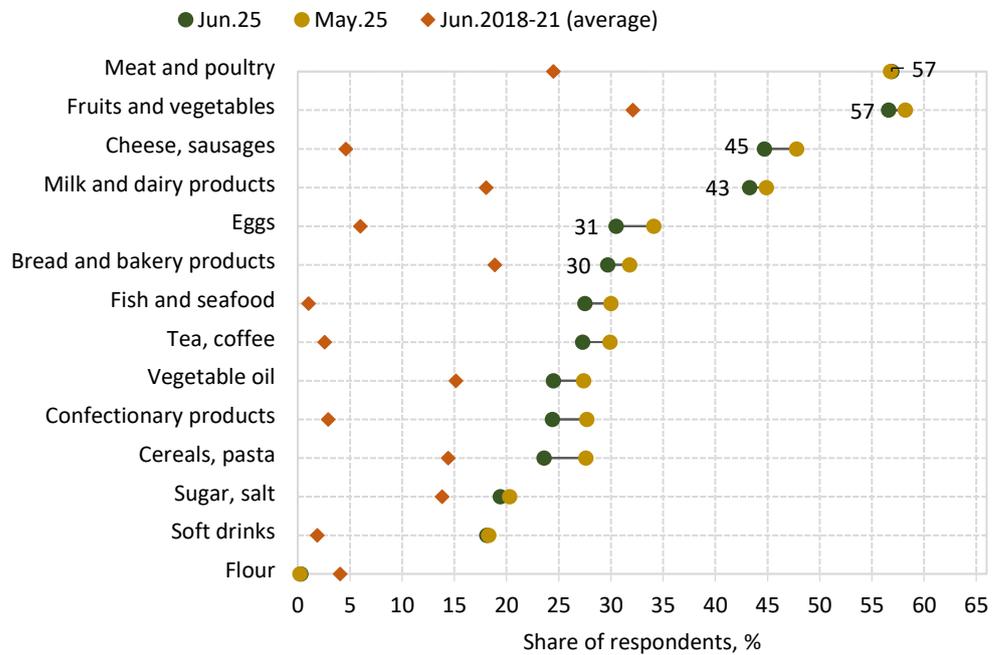
The median estimate of perceived inflation over the past 12 months also decreased in June 2025 to 12.1% (May 2025 – 13.5%) (Figure 3).

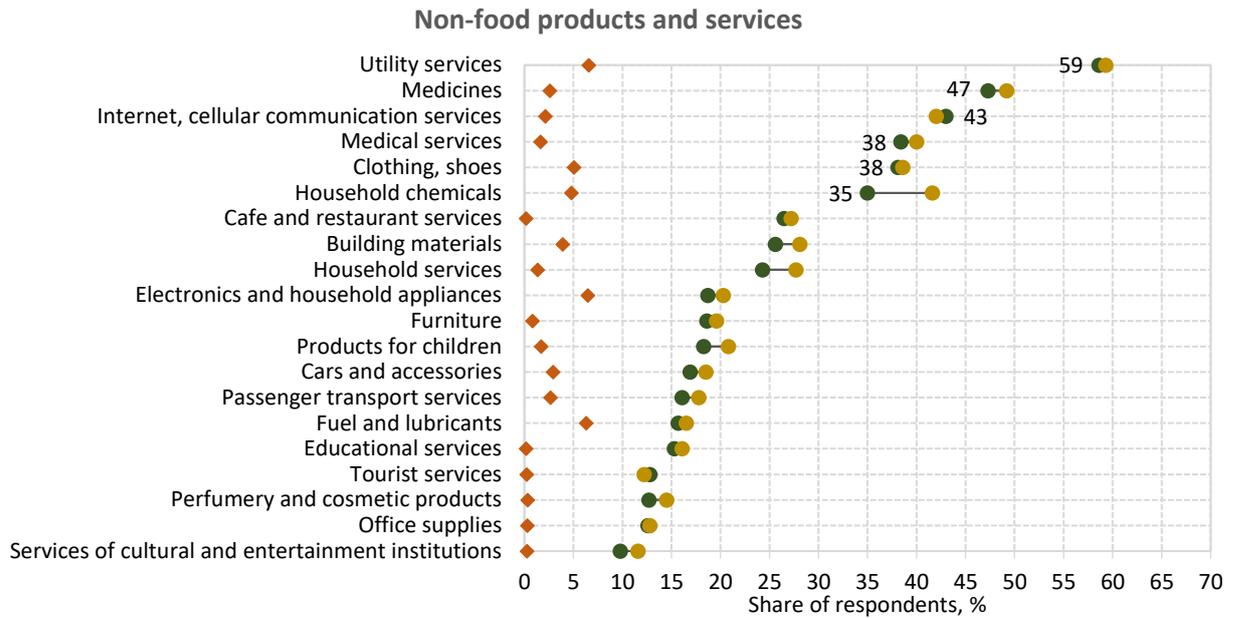
The share of respondents who noted an increase in food prices in June 2025 was 79.6% (May 2025 – 79.1%). The share of those who noted an increase in prices for non-food products was 8.7% (8.9%), paid services 8.4% (8.2%).

In June 2025, the largest number of respondents among food products noted an increase in prices for meat products, fruits and vegetables, cheese and

sausages (Figure 4). In the structure of non-food products, the population pointed to an increase in the cost of medicines, clothing and footwear, and household chemicals. 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. Frequently mentioned goods and services
Food products





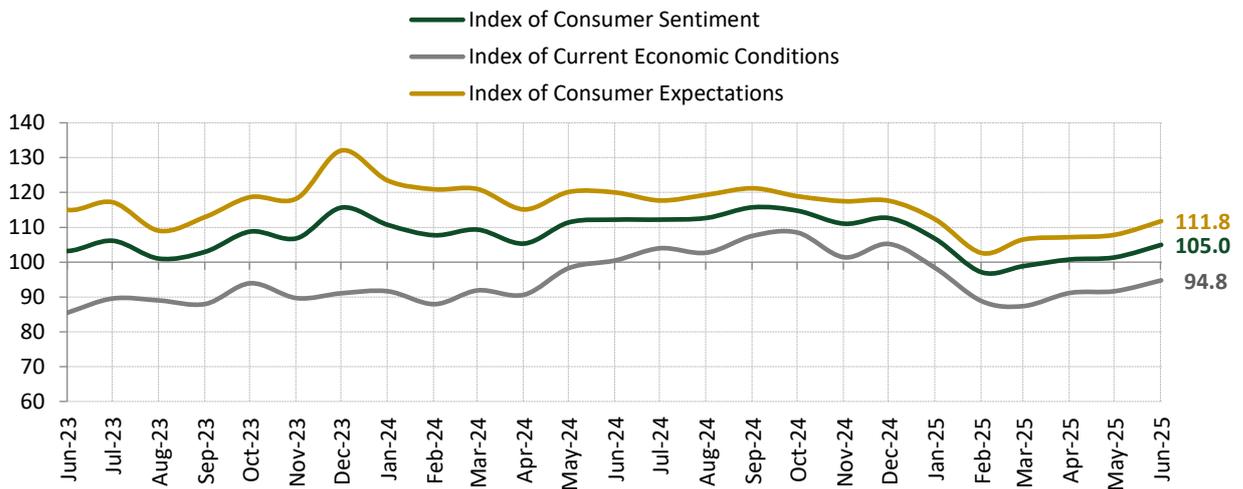
Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

The consumer sentiment index increased to 105 in June 2025 (May 2025 – 101.4) (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. The estimate of changes in personal financial situation in the coming year also rose.

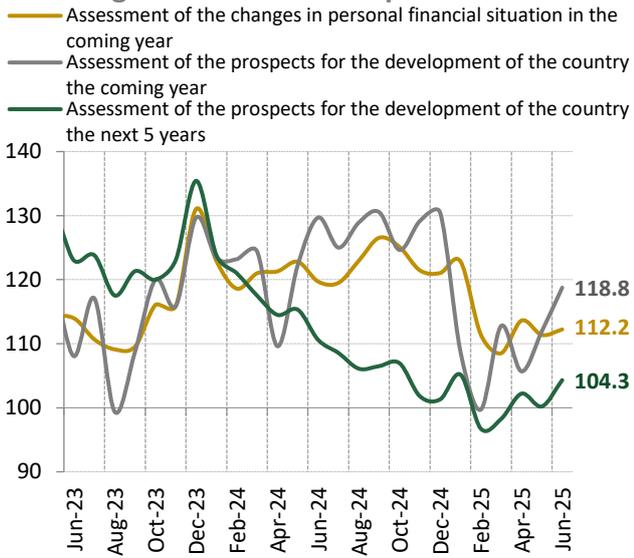
At the same time, in the estimates of current conditions, the assessments of personal financial situation over the past year and readiness for large purchases increased.

Figure 5. Index² of Consumer Sentiment



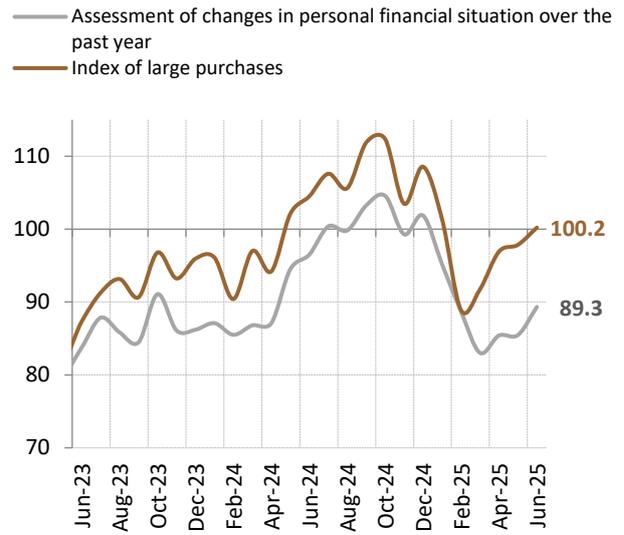
Source: Results of the population survey, Fusion Lab

Figure 6. Consumer Expectations



Source: Results of the population survey, Fusion Lab

Figure 7. Current Conditions



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.