



NATIONAL BANK OF KAZAKHSTAN



# INFLATION TRENDS

June 2025

In June, annual inflation continued to accelerate for the seventh consecutive month, reaching 11.8%. The main contributors to the acceleration were rising prices for food and non-food products. The growth rate of prices for paid services also slightly increased.

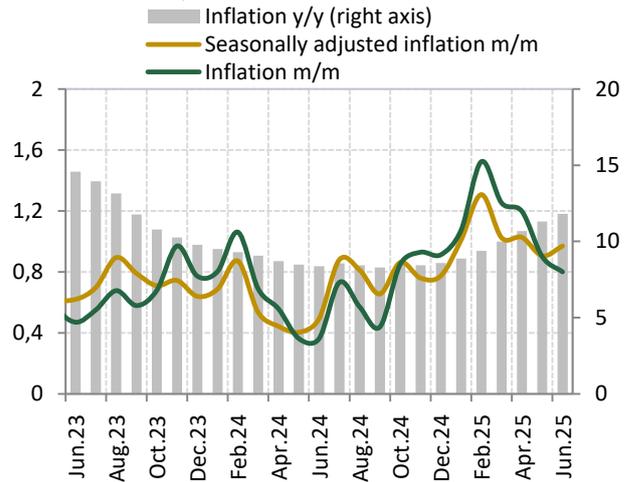
Despite some slowdown, monthly inflation remained elevated at 0.8%. Seasonally adjusted inflation, on the contrary, accelerated compared to the previous month.

Seasonally adjusted price growth for food and non-food products accelerated, while price growth for services slowed down. Compared to the previous month, the seasonally adjusted increase in food prices rose from 1% to 1.2%, and for non-food products – from 0.6% to 1%. The growth rate of service prices slowed from 1.1% to 0.6%.

After seasonal adjustment, price increases were observed for fruits, vegetables, coffee, tea and cocoa, meat, oils and fats, household appliances, medicines, tools and equipment used in households and gardening, fuel and lubricants, waste removal services, maintenance and repair of personal vehicles, as well as transportation, catering, and secondary education services.

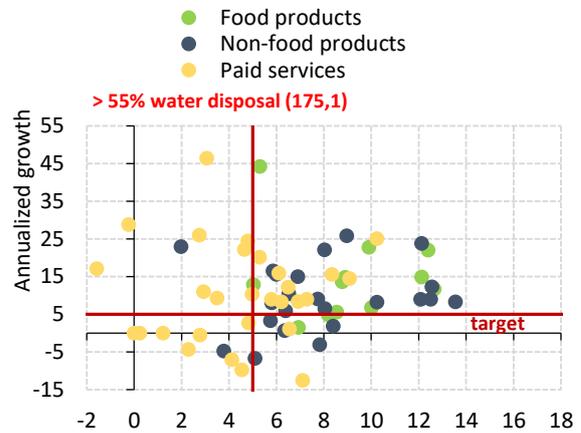
The median estimate of seasonally adjusted core inflation, calculated using various methods, increased compared to the previous month and amounted to 0.9% (May – 0.8%). Core inflation indicators based on a 10% trimmed mean and exclusion of the eight most volatile components also accelerated, reaching 0.92% (0.72%) and 1% (0.77%), respectively. The accelerating trend in core inflation indicates persistent underlying price pressures.

Graph 1. Inflation indicators, %



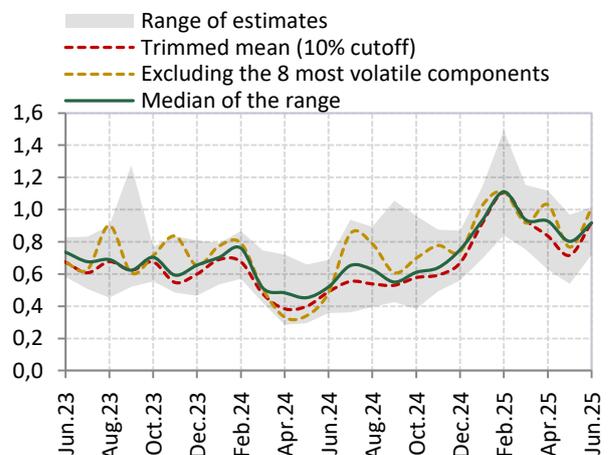
Source: BNS ASPR RK, calculations of the NB RK

Graph 2. Seasonally adjusted price growth for various CPI groups, m/m, annualized, %



Source: BNS ASPR RK, calculations of the NB RK

Graph 3. Core inflation: various calculation methods, m/m, %

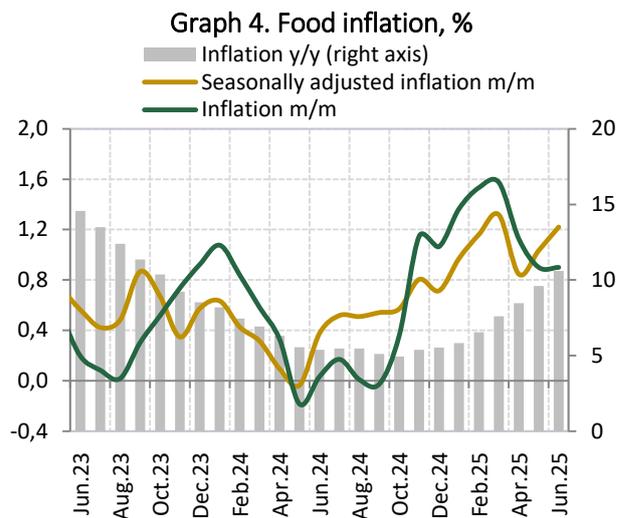


Source: BNS ASPR RK, calculations of the NB RK

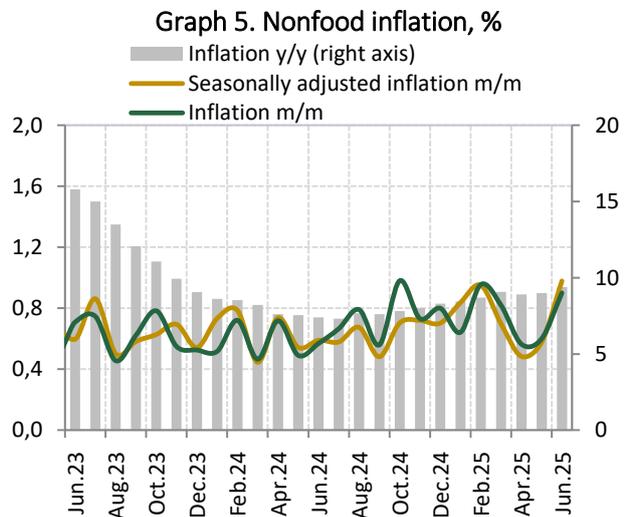
Prices for certain food products continue to rise amid high export volumes and increasing import prices. In June, annual food inflation accelerated to 10.6%. Monthly price growth stood at 0.9%, while seasonally adjusted growth rose to 1.2%. Meat prices continued to increase due to reduced domestic supply caused by higher export volumes. A similar situation is observed in the vegetable oil market. Prices for fruits, coffee, and tea continue to rise under the influence of growing import costs. The decline in vegetable prices in June was less pronounced than in previous years, resulting in a notable seasonally adjusted price increase of 3.1%, indicating a persistent pro-inflationary environment.

Non-food inflation remains under pressure from elevated demand and rising import prices for certain goods. Annual price growth accelerated to 9.4%. Monthly inflation also increased to 0.9%, while seasonally adjusted growth rose to 1%, indicating elevating price pressures. Price increases were recorded across most non-food products, driven by heightened consumer demand. Additionally, a number of items experienced significant price hikes due to higher import costs. In particular, the upward trend in medicine prices continues.

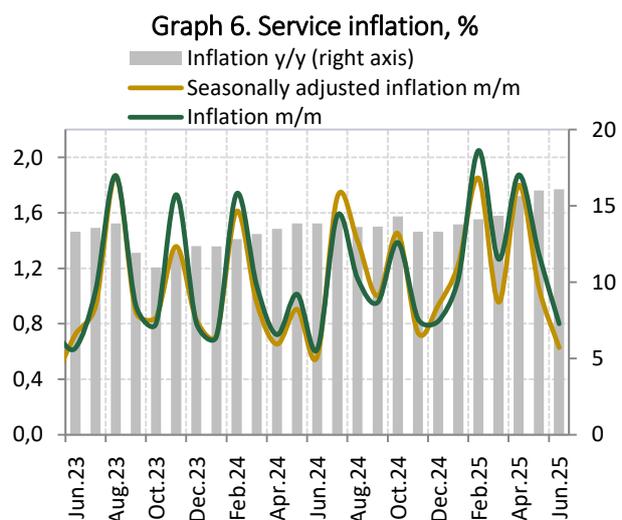
Amid moderate growth in utility tariffs, the increase in service prices slightly slowed down. Annual inflation stood at 16.1%, while monthly inflation decelerated to 0.8%. The seasonally adjusted figure declined to 0.6%. Alongside the continued rise in utility tariffs, there was a significant increase in the prices of certain market-based services. This price growth was driven by stronger consumer demand during the holiday season from both domestic residents and foreign tourists. Notable price increases were observed for tour packages, air travel, hotel services, as well as food services and travel insurance.



Source: BNS ASPR RK, calculations of the NB RK



Source: BNS ASPR RK, calculations of the NB RK



Source: BNS ASPR RK, calculations of the NB RK

## Domestic and International Food Prices

In June 2025, inflationary pressures on global food markets slightly intensified. The FAO Food Price Index rose by 0.5% month-on-month and by 5.8% year-on-year. The main contributors to this increase were vegetable oils, meat, and dairy products – driven by steady demand, reduced supply, and expectations of further supply tightening. At the same time, declines in cereal and sugar prices partially offset the overall price pressure.

The Cereal Price Index declined in June. The main contributors to the decrease were corn, barley, and sorghum. The drop in corn prices was driven by increased seasonal supply from Latin American countries. Amid weakening demand, rice prices also fell. In contrast, wheat prices rose despite the start of the harvest season in the Northern Hemisphere. The increase was attributed to weather-related risks in key producing regions: Russia, the EU, and the United States.

Vegetable oil prices increased – with palm, rapeseed, and soybean oils becoming more expensive. Sunflower oil, on the other hand, edged down slightly due to expectations of a high-yield harvest in the Black Sea region.

Meat prices also went up, except for poultry. The rise in beef, pork, and lamb prices was driven by reduced supply and steady demand. Poultry prices declined due to an oversupply in Brazil following temporary export restrictions.

Dairy product prices continue to rise, especially for butter and cheese, due to limited supply in Oceania and the EU and strong demand in Asia.

Sugar prices dropped to their lowest level since April 2021, driven by improved crop forecasts in Brazil, India, and Thailand.

The gap between domestic and international prices remains significant, particularly for certain categories of food. The largest price differentials persist for sugar, cereals, and meat. For vegetable oils and dairy products, domestic prices are below global levels, which may be linked to a higher degree of integration into international markets and lower logistical barriers (Table 1).

Table 1. Domestic and International Food Prices (Dec. 2019 = 100)

	2024		2025		
	June	December	April	May	June
<b>Cereal (FAO)</b>	140,4	155,1	153,0	149,5	148,1
CPI for flour	195,1	199,2	198,7	198,9	199,1
Differential, p.p.	54,8	44,0	45,7	49,4	50,9
<b>Vegetable oil (FAO)</b>	154,2	216,6	209,2	200,4	206,2
CPI for vegetable oil	146,0	168,7	181,9	182,6	185,6
Differential, p.p.	8,1	48,0	27,3	17,8	20,6
<b>Sugar (FAO)</b>	170,7	195,0	181,8	176,2	167,9
CPI for sugar	222,0	207,0	220,6	225,7	227,3
Differential, p.p.	51,3	12,0	38,8	49,5	59,3
<b>Meat (FAO)</b>	131,4	152,1	153,2	154,6	158,8
CPI for meat	153,1	155,1	166,1	168,2	170,2
Differential, p.p.	21,6	3,0	12,8	13,6	11,5
<b>Dairy products (FAO)</b>	146,6	185,9	196,9	198,2	200,4
CPI for dairy products	173,7	180,2	183,3	183,5	183,5
Differential, p.p.	27,1	5,8	13,6	14,8	16,9

Source: BNS ASPR, UN FAO, calculations of the NB RK

Note: The table presents FAO food price indices converted into tenge using the average monthly exchange rate of the tenge to the US dollar. Red indicates that domestic prices exceed international prices (negative gap), while green indicates the opposite – international prices exceed domestic ones.

Producer prices

Despite the ongoing decline in prices for grain crops, overall producer prices for food products remain under pressure. In June 2025, prices continued to rise for certain types of agricultural products. Prices increased for oilseeds, vegetables, livestock, and poultry. The main contributing factors were sustained demand from the processing industry, as well as the expansion of export shipments of domestic products.

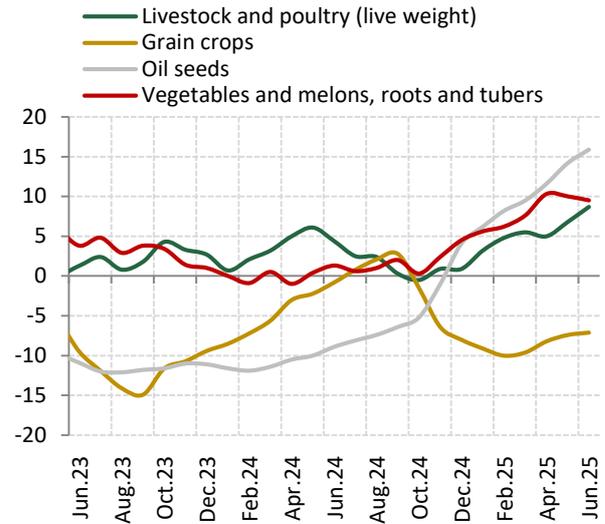
Additional upward pressure on costs is exerted by increases in utility tariffs and rising logistics expenses, including transportation and cargo storage.

At the same time, disinflationary pressure continues to come from the grain segment. Producer prices for wheat and buckwheat continued to decline, which has a restraining effect on the overall price dynamics in the agricultural sector.

In addition to the increase in domestic production costs, a rise in prices for imported food products was recorded in June. In the structure of supplies from CIS countries, there was an increase in wholesale prices for meat and meat products, butter and vegetable oils, chocolate, confectionery, and bakery products. This trend is driven by persistently high inflation in the Russia, as well as the appreciation of the Russian ruble.

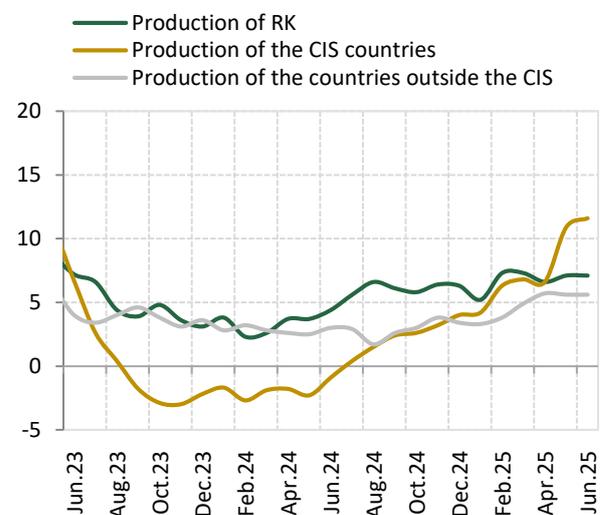
Prices for food products imported from non-CIS countries are growing at a more moderate pace. In June, there was an increase in wholesale prices for imported cocoa beans, spices, cheeses, cottage cheese, and seafood, which is associated with the continued rise in global prices for the respective product categories.

Graph 7. Producer prices in agriculture, %, y/y



Source: BNS ASPR RK

Graph 8. Wholesale prices for food products, %, y/y



Source: BNS ASPR RK