



INFLATION EXPECTATIONS

AUGUST 2025

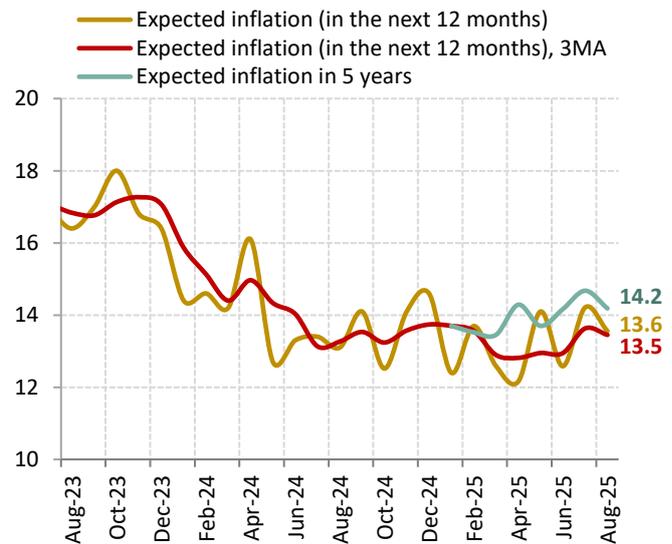
The population's inflation expectations for the year ahead in August 2025 decreased to 13.6%, having developed at a level close to the smoothed three-month indicator. It is important to note that the short-term expectations of the population remain volatile, and a high level of uncertainty remains in the responses of respondents. The expected inflation over the five-year horizon decreased and amounted to 14.2%.

Households' inflation expectations

In August 2025, the median estimate¹ of expected inflation in the next 12 months decreased to 13.6% (July 2025 – 14.2%), and the smoothed three-month indicator decreased to 13.5% (13.6%). At the same time, the median estimate of expected inflation in 5 years in August 2025 was 14.2% (14.7%).

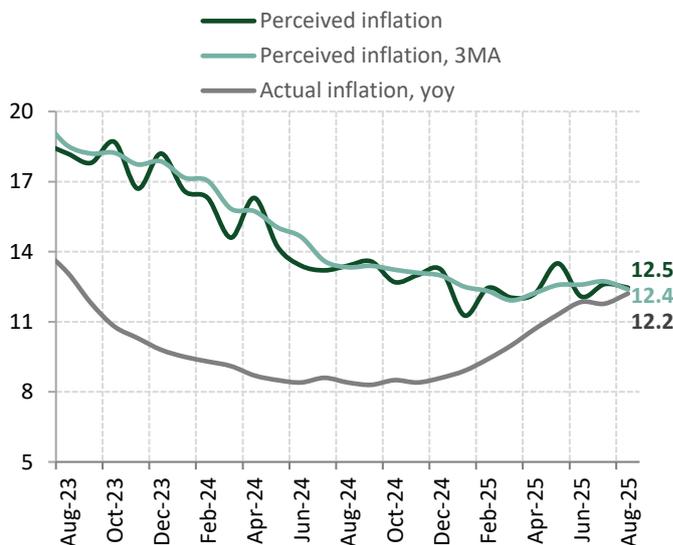
Compared to the previous month, the structure of respondents' responses to short-term inflation expectations shows a shift in expectations towards lower price growth. At the same time, there is still a significant degree of uncertainty among respondents about the future price growth over the one-year horizon (Figure 1).

Figure 1. Respondents' inflation expectations, %



Source: Results of the population survey, FusionLab

Figure 2. Respondents' perceived inflation (in the last 12 months) and actual inflation, %



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

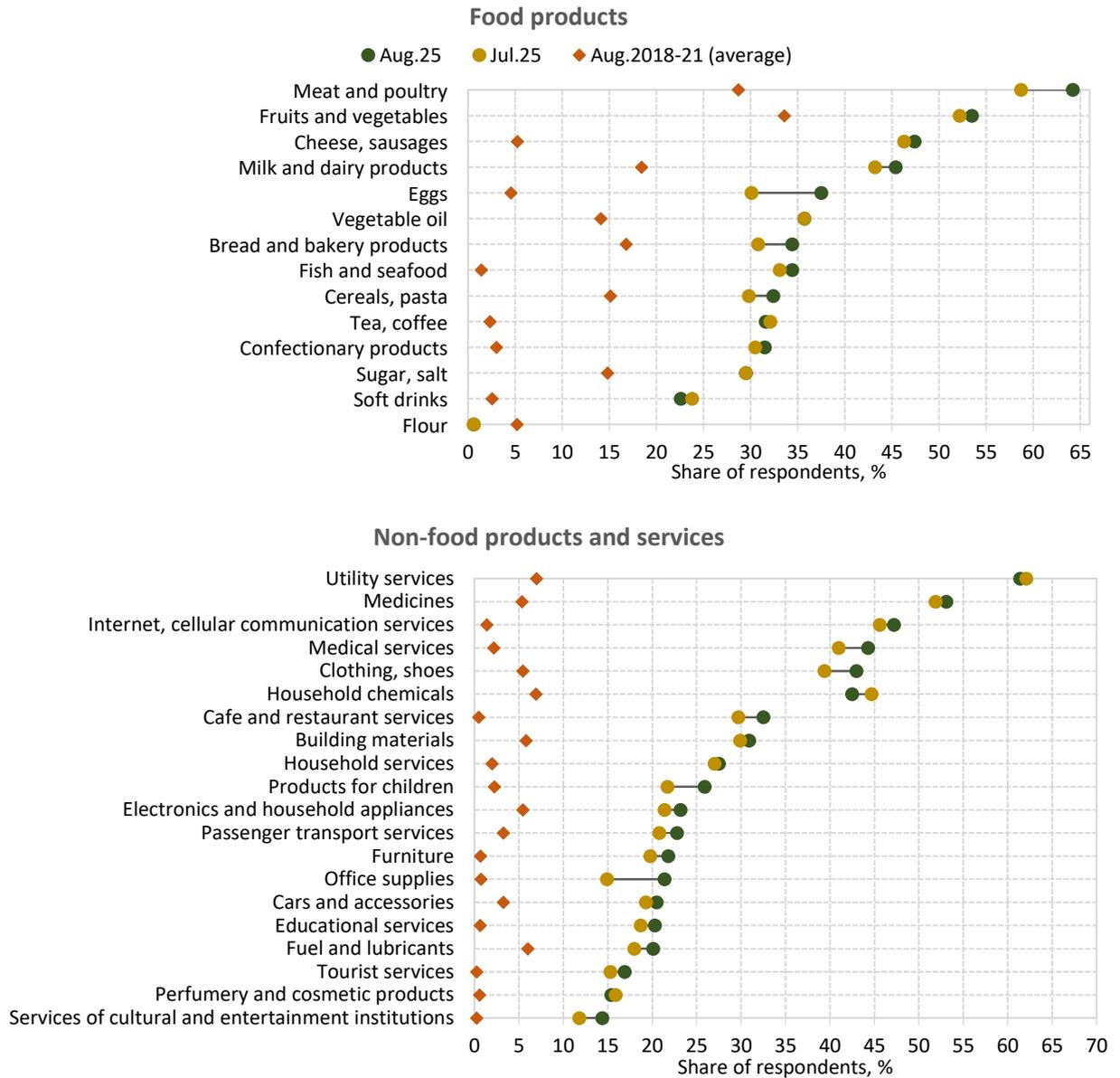
The median estimate of perceived inflation over the past 12 months decreased slightly in August 2025 to 12.5% (July 2025 – 12.6%), and the smoothed three-month indicator to 12.4% (12.7%) (Figure 2).

The share of respondents who noted an increase in food prices in August 2025 was 82% (July 2025 – 79.2%). At the same time, the share of those who noted an increase in prices for non-food products were 8.2% (8.6%), paid services – 5.8% (7.5%).

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



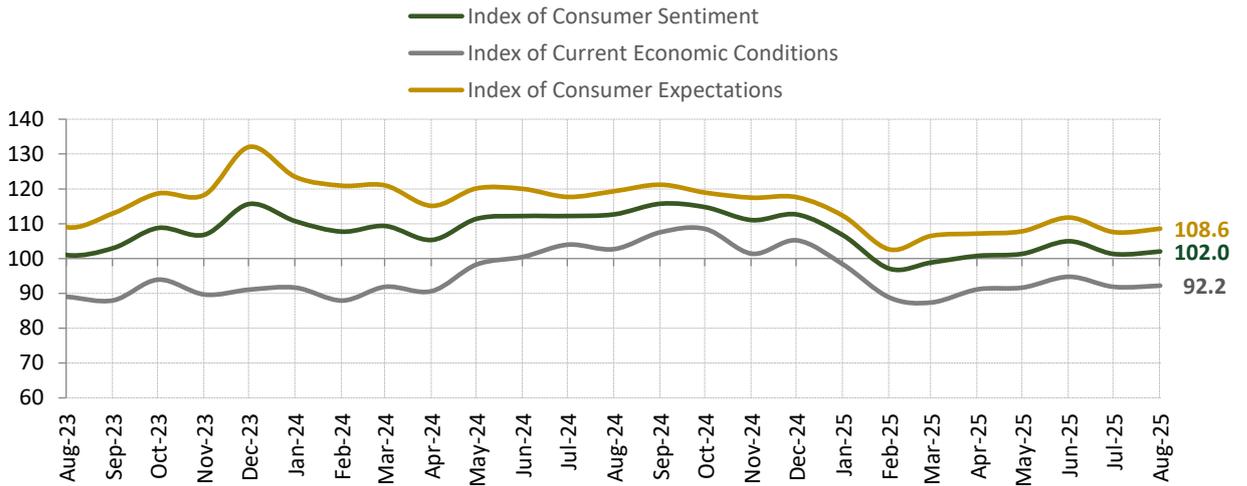
Source: Results of the population survey, Fusion Lab

Consumer sentiment of the population

The consumer sentiment index in August 2025 was 102 (July 2025 – 101.3) (Figures 4,5,6). In the estimates of expectations, the assessment of the country's development prospects in the coming year has increased. At the same time, the assessment of changes in personal financial situation in the coming year has decreased.

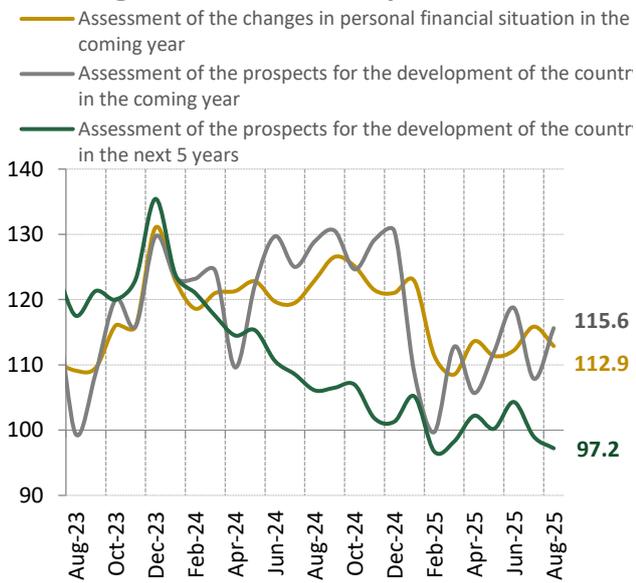
Along with this, in the assessments of the current conditions the indicator of readiness for large purchases has increased.

Figure 4. Index² of Consumer Sentiment



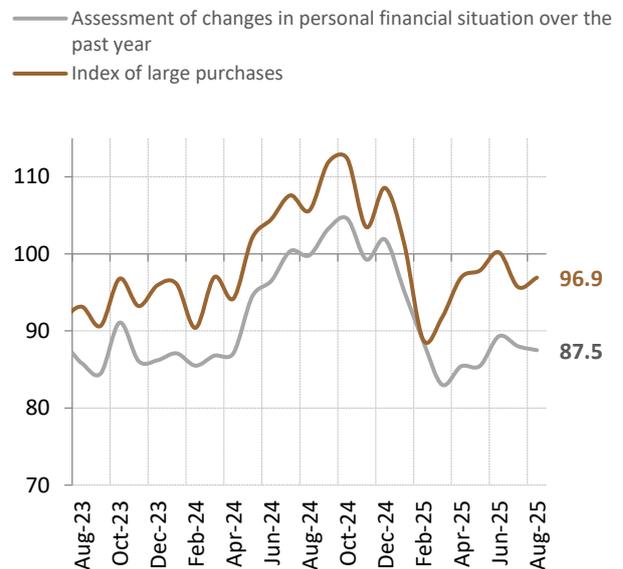
Source: Results of the population survey, Fusion Lab

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.