



NATIONAL BANK OF KAZAKHSTAN



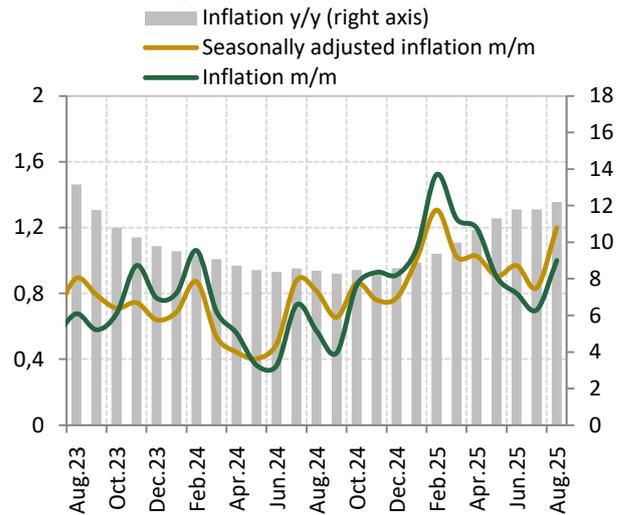
INFLATION TRENDS

August 2025

In August, annual inflation accelerated to **12.2%**. The acceleration was observed across all components of inflation, with the largest contribution coming from higher food prices.

Monthly inflation also picked up, reaching 1%. Seasonally adjusted inflation showed a similar trend, increasing by 1.2% compared to the previous month.

Graph 1. Inflation indicators, %

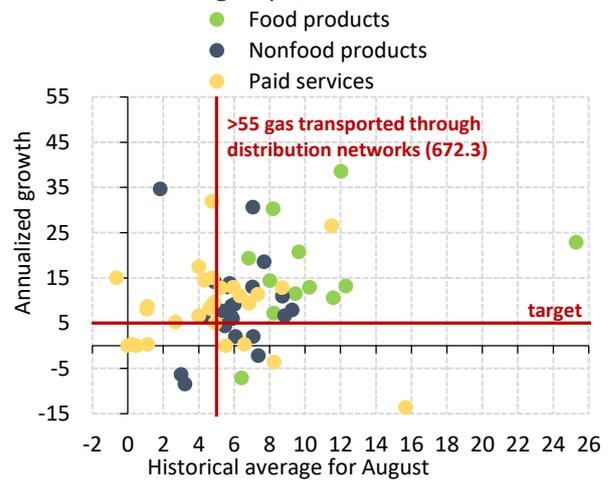


Source: BNS ASPR RK, calculations of the NB RK

Seasonally adjusted price growth for services and non-food goods accelerated, while for food products it slowed down. Compared to the previous month, seasonally adjusted growth in prices for paid services rose from 0.55% to 1.53%, and for non-food goods – from 0.76% to 1.07%. At the same time, seasonally adjusted food price growth decelerated from 1.1% to 1.0%.

Seasonally adjusted increases were recorded in prices for meat, dairy products and eggs, coffee, tea and cocoa, fuel, personal care items, medicines, housing rental, transportation, outpatient services, as well as regulated utilities, including gas.

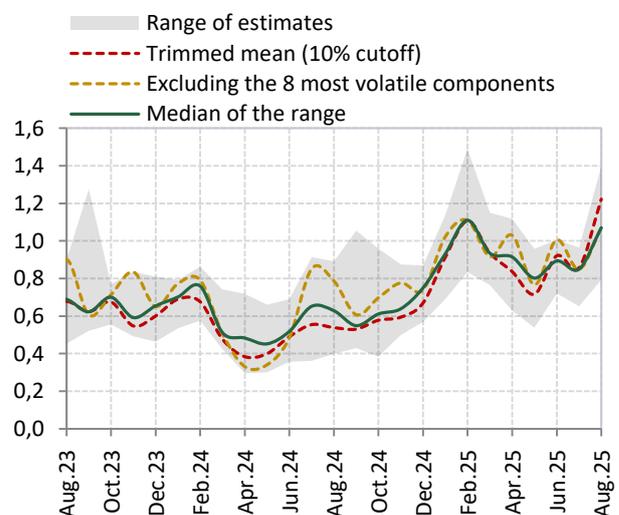
Graph 2. Seasonally adjusted price growth for various CPI groups, m/m, annualized, %



Source: BNS ASPR RK, calculations of the NB RK

The median estimate of seasonally adjusted core inflation, calculated using various methods, accelerated compared to the previous month and amounted to **1.07% (0.85% in July)**. Core inflation indicators calculated by trimming 10% of the price distribution from both ends, as well as by excluding the eight most volatile components, also showed acceleration, indicating the presence of persistent pro-inflationary pressures in the economy.

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



Source: BNS ASPR RK, calculations of the NB RK

The rise in prices for certain food products is driven by active exports and higher producer prices. In August, annual food inflation accelerated to 11.7%, while monthly growth slowed to 0.5% (0.7% in July).

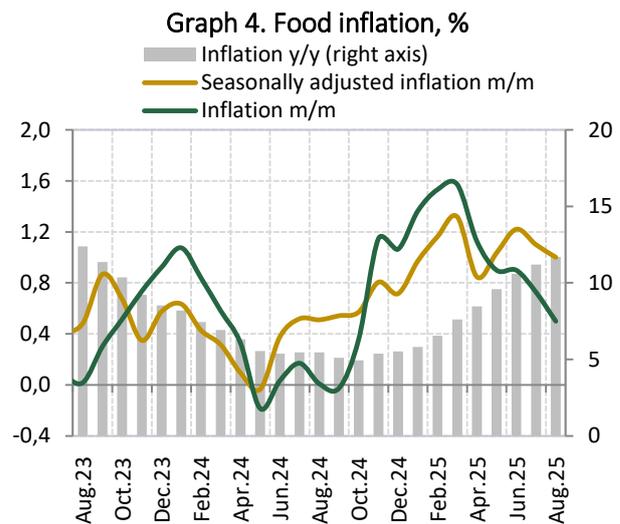
High world prices for meat and vegetable oils stimulate exports, reducing domestic supply and thereby pushing domestic prices up. Additional pressure is generated through rising producer prices in the manufacturing industry.

At the same time, the decline in prices for vegetables and fruits acted as a restraining factor.

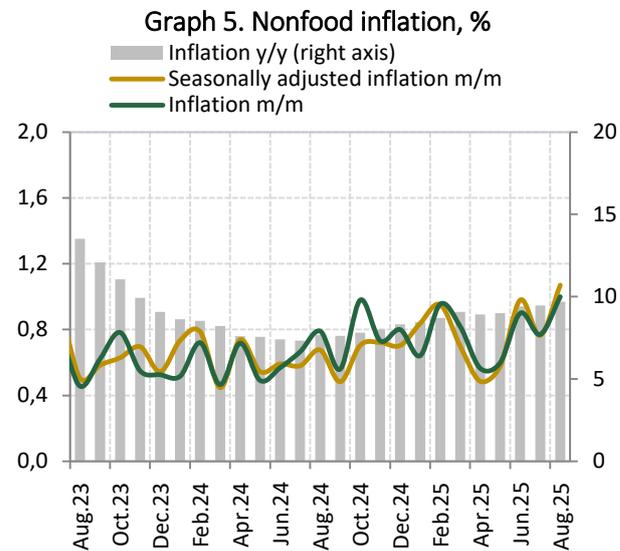
Sustained demand, rising import prices, and higher fuel costs are putting pressure on non-food inflation. Annual price growth accelerated to 9.7%, while monthly inflation picked up to 1%. A significant contribution to price growth came from higher fuel prices as a result of price deregulation. In addition, strong consumer demand and rising import prices drove increases in a wide range of goods, including personal care items, books and stationery, medicines, and outerwear.

In August, price growth in services was driven by both certain market-based services and regulated utility tariffs. Annual services inflation accelerated to 15.3% (14.9% in July), while monthly inflation rose to 1.4%. Among market services, the main contributions to price growth came from housing rental, hairdressing, hospital, insurance, and outpatient services.

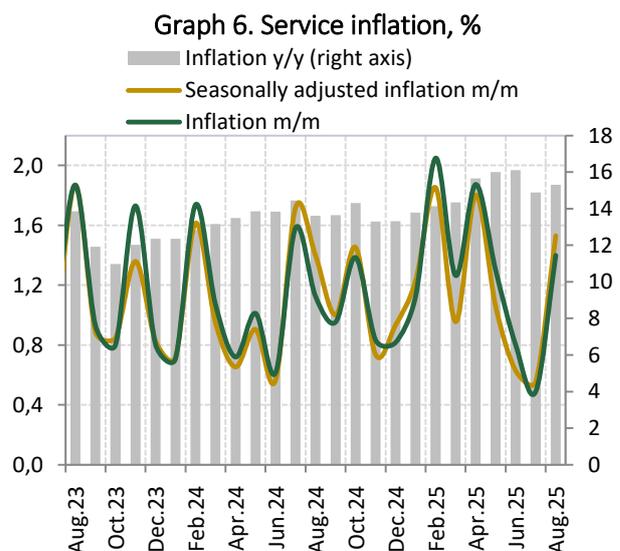
Among regulated utilities, prices increased across all categories, with the most notable rises in gas supply and electricity.



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 August, the FAO Food Price Index stood at 130.1 points (130.0 points in July). Year-on-year, the index rose by 6.9%, and month-on-month by 0.1%. Declines in cereal and dairy prices were offset by increases in meat, sugar, and vegetable oil prices.

Cereals fell by 0.8% m/m and 4.1% y/y in August. Wheat prices continued to decline due to abundant global supply and weak import demand. Additional downward pressure came from strong harvests in the EU and Russia. At the same time, global corn prices rose for the third consecutive month amid concerns over heat-related crop impacts in the EU, as well as rising demand for feed and ethanol production. Sorghum and rice prices fell, while barley became more expensive.

Vegetable oils increased by 1.4% m/m, reaching their highest level since July 2022. Palm oil prices rose due to strong import demand. Sunflower and rapeseed oils became more expensive amid reduced supply in Europe and the Black Sea region. In contrast, soybean oil prices declined on the back of favorable harvest forecasts.

Meat prices reached record highs, driven by beef and lamb on the back of strong demand in the U.S. and China, combined with limited supply from Oceania. Pork prices remained stable, while poultry meat declined due to increased supplies from Brazil.

Dairy prices fell for the second consecutive month. Butter, cheese, and whole milk powder prices declined due to abundant supply and weak demand in Asia, while skimmed milk powder prices rose on the back of limited stocks in New Zealand and steady demand in Southeast Asia.

Sugar prices rose for the first time in five months. The increase was driven by concerns about lower yields in Brazil and strong import demand (including from China), while improved crop prospects in India and Thailand helped restrain price growth.

For vegetable oils and dairy products, domestic prices remain below global levels, but their rise in external markets creates risks of higher domestic prices. Although domestic meat prices are rising faster than global ones, their level remains lower, which, against the backdrop of a sharp increase in world prices, adds pressure on domestic prices.

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

	2024		2025		
	August	December	June	July	August
Cereal (FAO)	141,2	155,1	148,0	150,9	152,6
CPI for flour	196,7	199,2	199,1	200,0	201,4
Differential, p.p.	55,5	44,0	51,1	49,1	48,8
Vegetable oil (FAO)	167,5	216,6	206,2	226,9	234,5
CPI for vegetable oil	148,3	168,7	185,6	190,5	192,9
Differential, p.p.	19,1	48,0	20,6	36,4	41,6
Sugar (FAO)	171,3	195,0	167,7	171,9	175,6
CPI for sugar	220,1	207,0	227,3	229,1	231,0
Differential, p.p.	48,8	12,0	59,6	57,2	55,4
Meat (FAO)	143,7	153,0	159,7	165,7	169,8
CPI for meat	153,6	155,1	170,2	173,5	178,4
Differential, p.p.	9,9	-2,1	10,5	7,8	8,6
Dairy products (FAO)	158,3	185,9	201,8	206,1	207,4
CPI for dairy products	172,9	180,2	183,5	184,2	187,7
Differential, p.p.	14,6	5,8	18,3	21,9	19,7

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

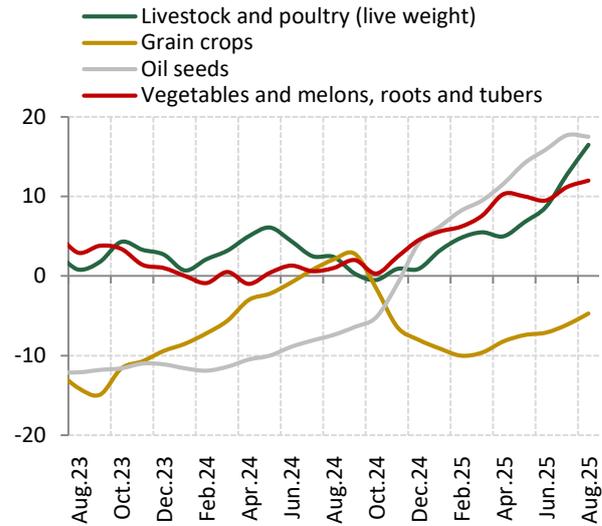
In August 2025, prices continued to rise across most subsectors of the food industry. The main pressure is generated by higher costs of agricultural raw materials. In addition to livestock, poultry, milk, and oilseeds, an increase in the price of eggs is also recorded.

Strong demand from the manufacturing industry, amid active export deliveries, reduces the attractiveness of selling products on the domestic market. An additional factor is the reduction of feed crop stocks, which increases the cost of livestock production. Growth in logistics and water supply tariffs, as well as higher prices for energy resources, also persists.

Alongside the increase in domestic production costs, prices for imported food products are rising. In the segment of imports from CIS countries, meat products, bakery and confectionery items, vegetable oils, as well as cheese and cottage cheese have become more expensive. The main factors are the persistently high inflation in Russia and the weakening of the tenge against the ruble.

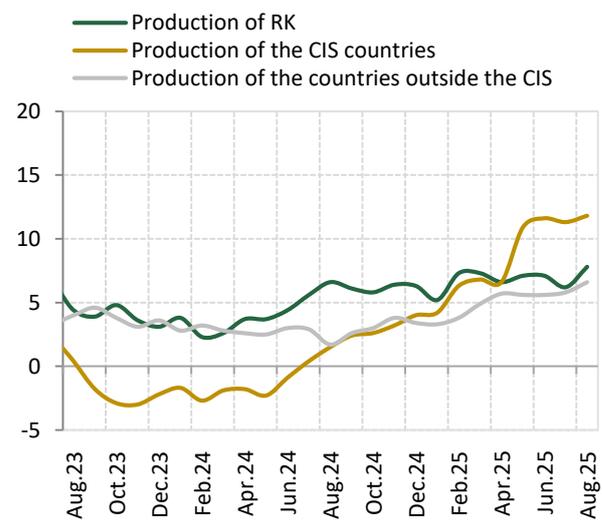
Imports from non-CIS countries are becoming more expensive at a more moderate pace, however, in August an increase in prices was recorded for dairy products, chocolate and confectionery items, coffee, spices, and seafood. This dynamic is driven by the depreciation of the tenge against the U.S. dollar and rising global prices for certain 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