



INFLATION TRENDS

October 2025

In October, annual inflation decreased to 12.6%. The slowdown was driven by a more moderate increase in service prices, while food and non-food inflation continued to accelerate. The largest contribution still comes from the food component of inflation.

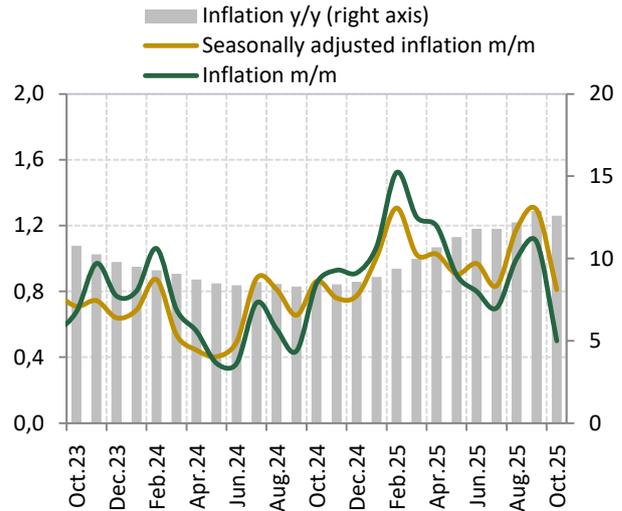
Monthly inflation also slowed to 0.5%, influenced by monthly deflation in services. Seasonally adjusted inflation showed a similar trend, slowing to 0.8%.

Seasonally adjusted price growth slowed across all components, with inflation in the services sector reaching almost zero. On a monthly basis, seasonally adjusted inflation for food products slowed from 1.33% to 1.23%, for non-food products from 1.45% to 1.11%, and in the services sector from 1.09% to (-)0.04%.

The highest price increases, after seasonal adjustment, were recorded for fish and seafood, meat, vegetables, personal care items, fuel, medicines, education, unclassified by level, recreational organization, residential repairs, and public catering services. At the same time, a significant decrease in prices, after seasonal adjustment, was observed for water, gas, and electricity supply services.

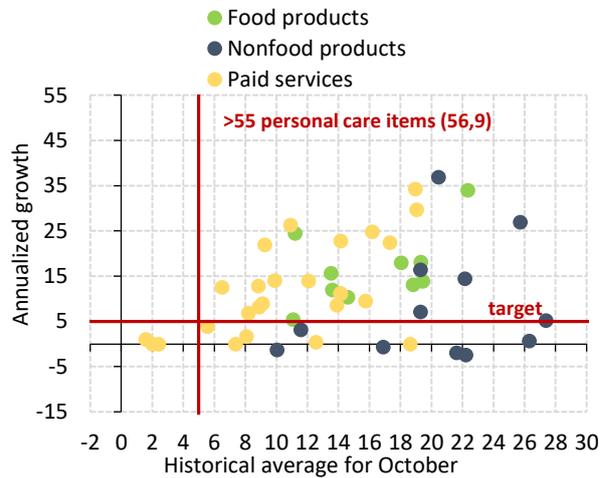
The median estimate of seasonally adjusted core inflation, despite the significant slowdown in overall seasonally adjusted inflation from 1.3% to 0.8%, decreased only from 1.1% to 1.0%. This is because the main slowdown in price growth occurred in regulated services, which are not included in the core inflation calculation, while prices for goods and market services remain stable. Other indicators of core inflation also show only a slight slowdown in inflationary processes.

Graph 1. Inflation indicators, %



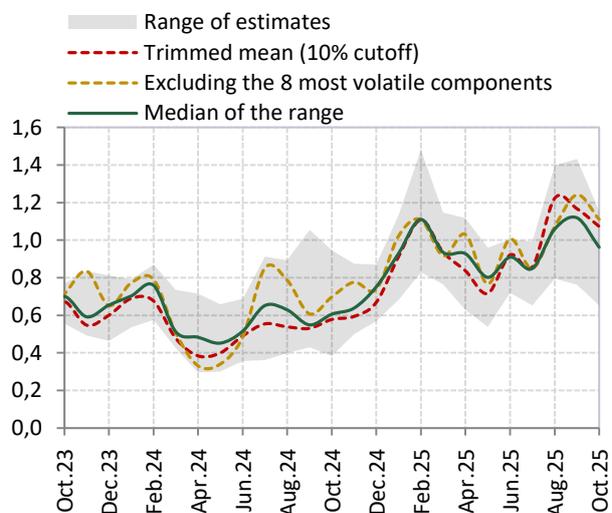
Source: BNS ASPR RK, calculations of the NB RK

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, %

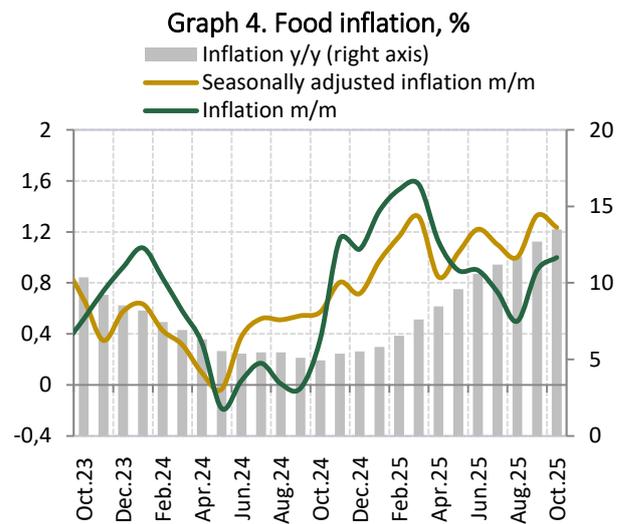


Source: BNS ASPR RK, calculations of the NB RK

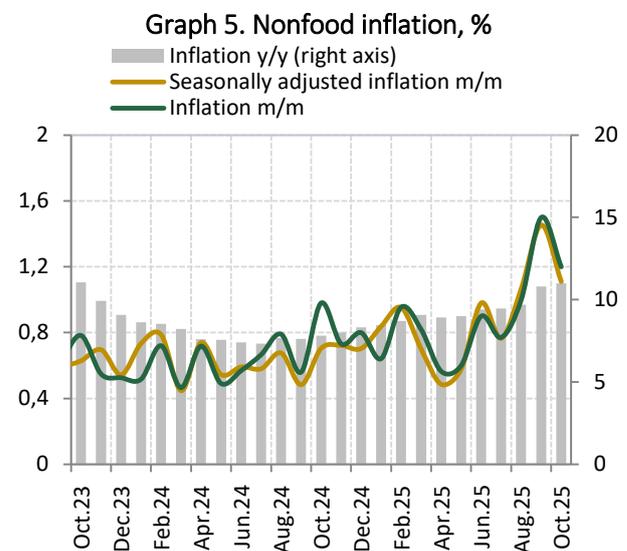
Food prices are rising due to high global prices, increased food exports, and rising domestic costs. In October, annual food inflation reached 13.5% (12.7% in September). The monthly price increase was 1% (0.9%). The main driver of food inflation remains the rise in meat prices, particularly beef, due to increased exports and a reduction in domestic supply. The rise in dairy prices is caused by a decrease in milk production, while the increase in egg prices is driven by rising production costs. Additionally, the acceleration of food inflation is supported by the seasonal depletion of the suppressing effect from earlier falling vegetable prices.

The increase in prices for non-food goods reflects the influence of stable demand, high import prices, and the rising cost of fuel. Annual price growth accelerated to 11% (10.8% in September), while the monthly rate slowed to 1.2% (1.5%). The rise in fuel prices, within the framework of fuel market deregulation, remains the main factor behind non-food inflation. Strong consumer demand and high import prices are amplifying price pressure, increasing the cost of a wide range of goods, including medicines, clothing and footwear, and personal care items.

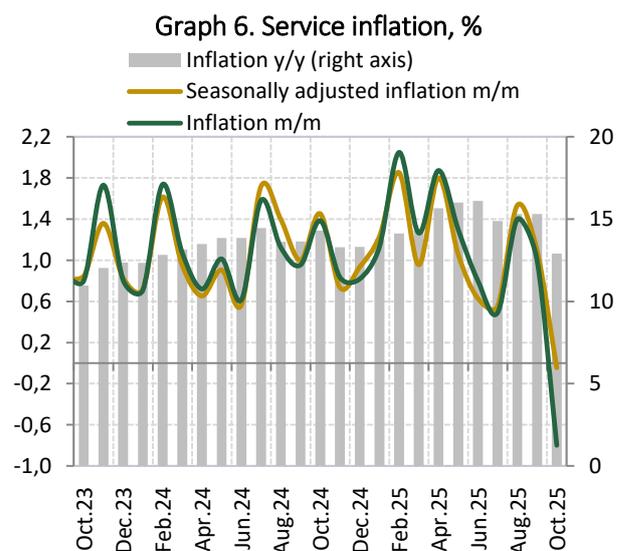
Service inflation slowed down amid a decrease in regulated utility tariffs. In October, service prices increased by 12.9% year-on-year (15.3% in September), while the monthly inflation declined by 0.8% (1% increase). Among the regulated utilities, prices for water supply decreased by 40%, gas transported through distribution networks by 10.7%, electricity by 2%, and heating by 0.2%. The reduction in the prices of these services became the main factor behind the slowdown in both service and overall inflation. At the same time, prices for market services continue to rise. Among specific positions, this includes ambulatory, hairdressing, public catering, rental services, and education, unclassified by level.



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 October 2025, the FAO Food Price Index stood at 126.4 points (compared with 128.5 points in September), declining by 1.6% month-on-month and 0.3% year-on-year. The decrease in the index reflected lower prices for cereals, dairy products, sugar, and meat, while vegetable oils, on the contrary, made a positive contribution to the overall index.

Cereal prices declined in October 2025. Wheat prices fell amid ample global supplies and favorable crop prospects in the Southern Hemisphere. Maize, barley, and sorghum prices also decreased under pressure from abundant supplies, despite reports of lower yields in the European Union and the United States. Rice prices fell due to increased availability and the onset of main-crop harvests.

Vegetable oil prices increased, reaching their highest level since July 2022. The rise affected all major types of oils: palm oil rose due to expected supply reductions in Indonesia, sunflower oil – because of limited exports from the Black Sea region and constrained farmer sales, while rapeseed and soybean oils increased amid tight supplies in the European Union and strong domestic demand in Brazil and the United States.

Meat prices declined, ending an eight-month upward trend. The decrease was driven by lower pork and poultry prices amid ample global supplies and reduced demand from China. The ovine meat prices also fell due to increased exports from Australia, while beef prices continued to rise, supported by strong global demand.

Dairy prices continued to decline. The decrease affected all major categories. The overall trend was driven by increased production among key exporters and weaker demand from Asia and the Middle East.

Sugar prices continued to decline, reaching their lowest levels in several years. The decrease was driven by high production in Brazil and improved crop prospects in India and Thailand.

The price differential for meat, sugar, and cereals continues to widen, both compared with the previous month and with December 2024, reflecting a slower pass-through of declining global prices to domestic markets.

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

	2024		2025		
	October	December	August	September	October
Cereal (FAO)	149,0	155,1	152,6	152,1	149,9
CPI for flour	198,8	199,2	201,4	202,2	203,4
Differential, p.p.	49,8	44,0	48,8	50,1	53,5
Vegetable oil (FAO)	190,8	216,6	234,5	233,6	235,2
CPI for vegetable oil	157,8	168,7	192,9	195,2	195,6
Differential, p.p.	32,9	48,0	41,6	38,4	39,7
Sugar (FAO)	197,9	195,0	175,6	169,1	159,8
CPI for sugar	214,4	207,0	231,0	231,3	226,9
Differential, p.p.	16,5	12,0	55,4	62,2	67,0
Meat (FAO)	142,6	153,0	168,6	169,8	166,2
CPI for meat	154,2	155,1	178,4	183,2	186,6
Differential, p.p.	11,6	2,1	9,8	13,4	20,4
Dairy products (FAO)	169,7	184,9	206,9	200,7	193,6
CPI for dairy products	177,6	180,2	187,7	190,9	193,7
Differential, p.p.	7,9	4,8	19,2	9,9	0,1

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

Note: The table presents FAO food price indices converted into Kazakhstani tenge using the average monthly KZT/USD exchange rate. Red indicates that domestic prices exceed global prices, while green shows that global prices exceed domestic ones.

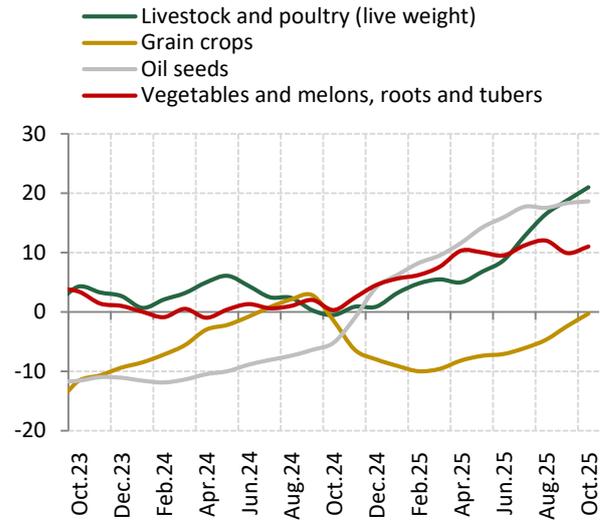
Producer prices

In October 2025, the food industry continued to experience a rising price trend. Producer prices for key types of agricultural products kept increasing, transmitting into higher costs for processing enterprises. The pace of livestock processing in live weight remained moderate. Growing external demand and higher export prices supported an increase in export shipments and a reduction in domestic market sales of certain food products. Additional pressure on the cost of producing agricultural and food products stemmed from rising utility tariffs, higher energy prices, and more expensive logistics services.

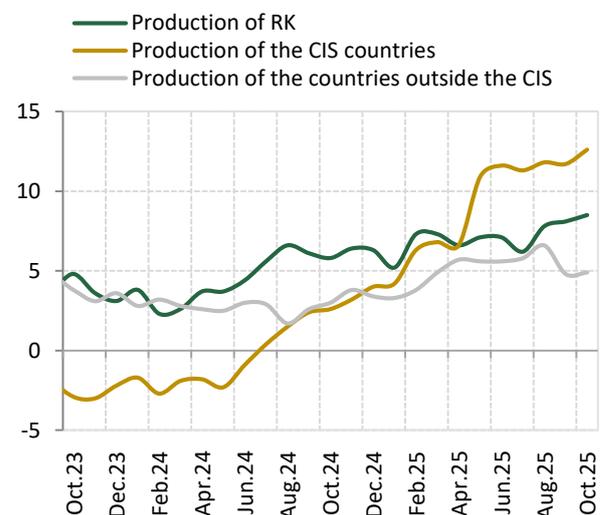
Alongside the increasing cost of domestic production, prices for imported food products also rose. The high level of inflation in Russia and the depreciation of the tenge against the Russian ruble contributed to higher prices for imported goods from CIS countries. Within the CIS-produced food segment, meat products, bakery and confectionery goods, oils, cheeses and cottage cheese became more expensive. In the structure of goods from non-CIS countries, an increase in wholesale prices was observed for chocolate and other confectionery products, coffee, spices, as well as seafood.

Wholesale prices for non-food goods grew at a more moderate pace. At the same time, an acceleration in the growth of wholesale prices for domestically produced goods was recorded. In October, wholesale prices for domestic gasoline increased by 10.9% y/y, and for pharmaceutical goods by 8.7% y/y. Growth in wholesale prices was also observed for goods imported from CIS countries (household appliances, personal hygiene products, and paper products). In October, wholesale prices for goods from non-CIS countries slowed due to lower prices for electrical household appliances and jewelry.

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



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



Graph 9. Wholesale prices for non-food products, % y/y

