



NATIONAL BANK OF KAZAKHSTAN

INFLATION TRENDS

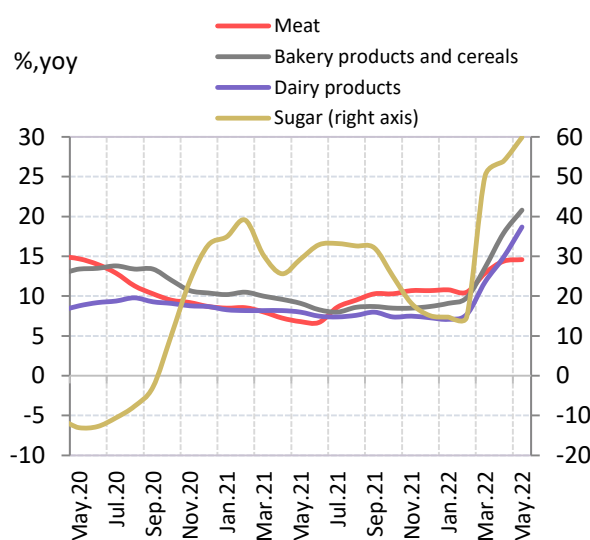
May **2022**

In May 2022, monthly consumer price growth was 1.4%, annual price growth accelerated to 14%. In food products, there was a higher increase in prices for bakery products, sugar, meat and dairy products. In non-food products, prices for personal goods, medicines, clothing and shoes have increased markedly. In paid services, the cost of renting housing, outpatient services and services of restaurants and hotels continued to increase

In May 2022, inflation was 1.4% in monthly terms and 14% in annual terms (in April 2022 – 13.2%).

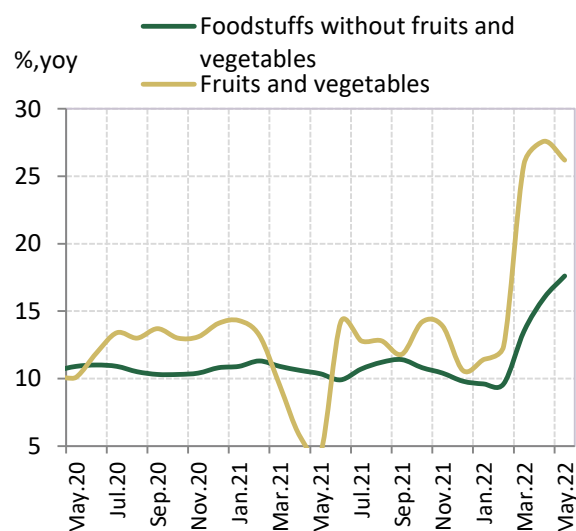
The annual increase in **food** prices accelerated to 19% in May 2022 (17.9% in April 2022). Prices for bakery products and cereals continued to rise due to high world prices and a decrease in grain stocks. Sugar prices have increased amid a decline in domestic production and a reduction in supplies from Russia. Prices for meat and dairy products have increased as a result of rising producer prices. Egg prices continued to decline. In May, the annual growth of prices for almost all types of vegetables slowed down, including cabbage, beets, tomatoes, potatoes, at the same time, prices for cucumbers decreased. The increase in fruit prices accelerated due to the continued increase in prices for apples, grapes and citrus fruits.

Graph 1. Food inflation



Source: ASPR RK BNS

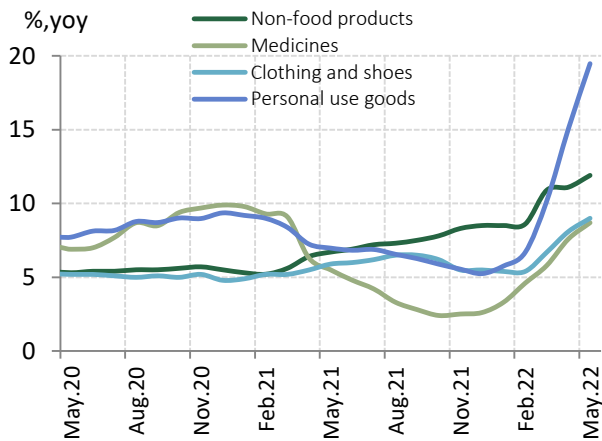
Graph 2. Food inflation



Non-food inflation in May 2022 showed an acceleration to 11.9% (in April 2022 – 11.1%). The growth of prices for a wide range of goods has accelerated, including clothing and shoes, detergents and cleaning products, personal goods, household items, building materials and medicines. At the same time, the slowdown in the growth of prices for fuels and lubricants continued against the background of established marginal prices.

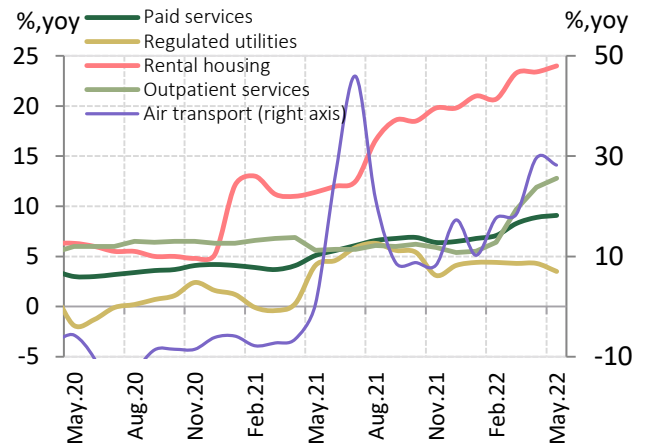
The inflation of **paid services** accelerated to 9.1% in May this year (8.9% in April). In May, there was an increase in the cost of outpatient services, including dental. Before the opening of the holiday season, there was an increase in the cost of sanatorium services, as well as air passenger transport services. Prices for rent of comfortable housing continued to rise. Moreover, prices for hairdressing services and services of restaurants and hotels have increased.

Graph 3. Non-food inflation



Source: ASPR RK BNS

Graph 4. Paid services

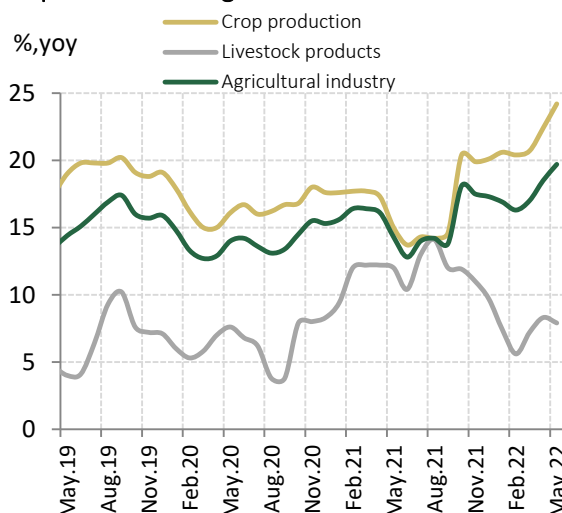


The slowdown in price growth in the manufacturing industry for the second month in a row and the acceleration of price growth for agricultural products since March 2022

The annual price growth in the manufacturing industry in May this year continued to slow down and amounted to 19.5% (in April 2022 – 21.6%). The price growth of food-producing enterprises accelerated to 22.6% (in April 2022 - 21%). Within this subgroup, there was an acceleration in the growth of prices of producers of dairy, flour-grain and bakery products.

In agriculture, producer prices increased by 19.7% year-on-year (in April 2022 - by 18.5%). In crop production, the growth of prices for wheat, corn, oilseeds and fresh vegetables accelerated, while the growth of prices for fodder crops slowed down. In animal husbandry, there was a lower increase in prices for live poultry, while the annual growth rate of prices for raw milk accelerated.

Graph 5. Prices in agriculture



Source: ASPR RK BNS

Graph 6. Prices in industry

