



Inflation Expectations

December 2023

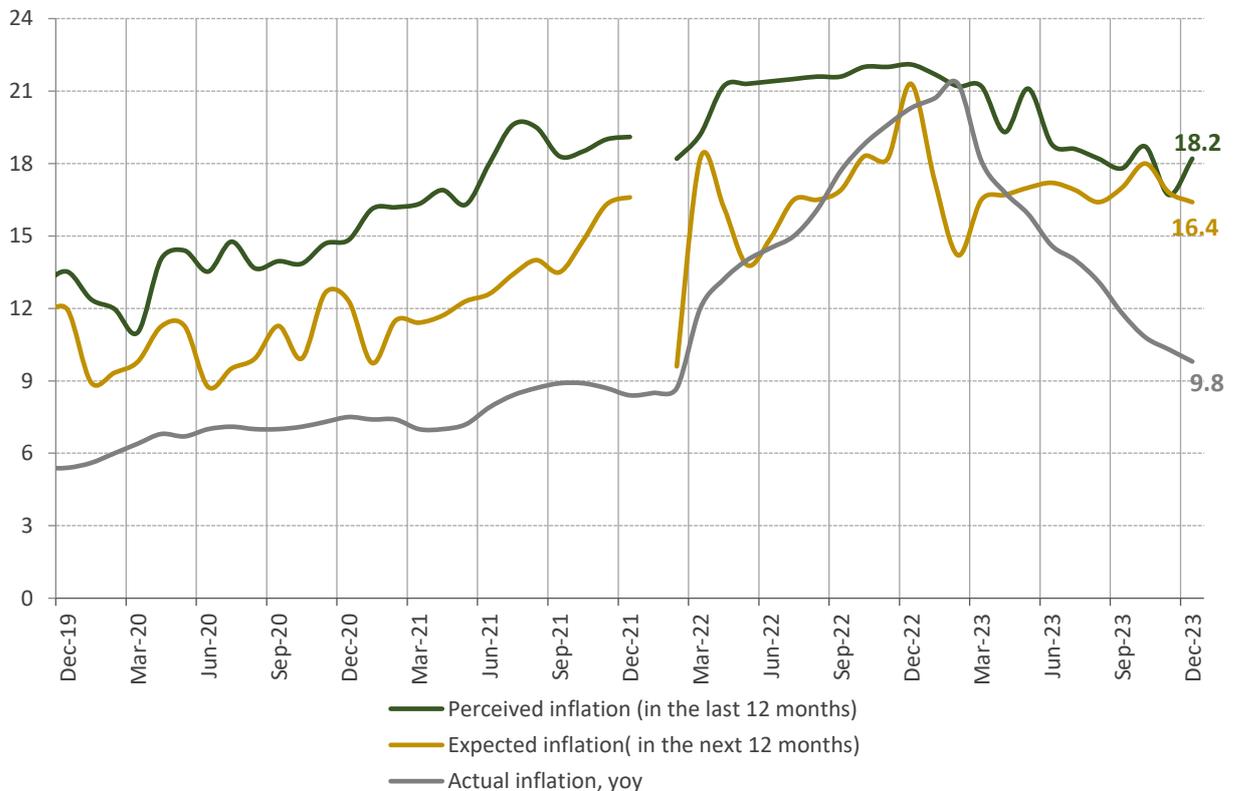
- Inflation expectations of the population decreased slightly in December 2023
- Consumer sentiment has improved due to higher estimates of personal financial situation in a year and the assessments of the country's development prospects

Inflation expectations of the population

The median estimate¹ of expected inflation in the next 12 months continued to decrease to 16.4% (November 2023 – 16.8%). At the same time, the median estimate of perceived inflation over the past 12 months increased to 18.2% (16.7%) (Figure 1).

According to the results of the December survey, the share of respondents expecting a faster increase in the prices on the one-year horizon remained almost unchanged (27.2%), while the share of respondents expecting a slower price increase in the next 12 months increased to 10.6% (November 2023 – 9.5%).

Figure 1. Inflation and median estimates, %



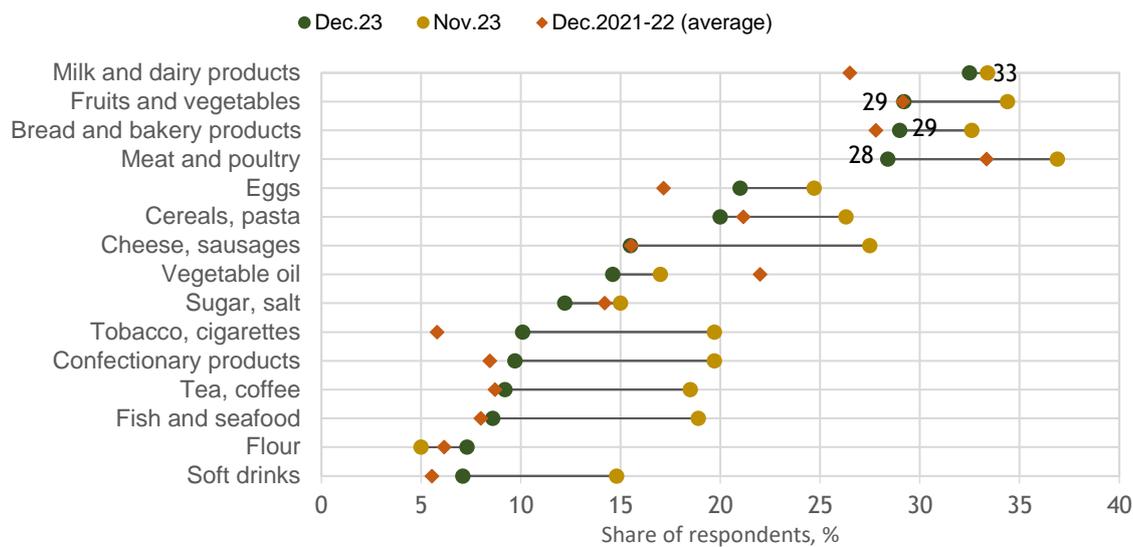
Source: Results of a telephone survey of the population, Fusion Lab

In December 2023, the share of respondents who noted an increase in food prices significantly increased to 80%. At the same time, the share of those who noted an increase in non-food prices has significantly decreased (up to 6%).

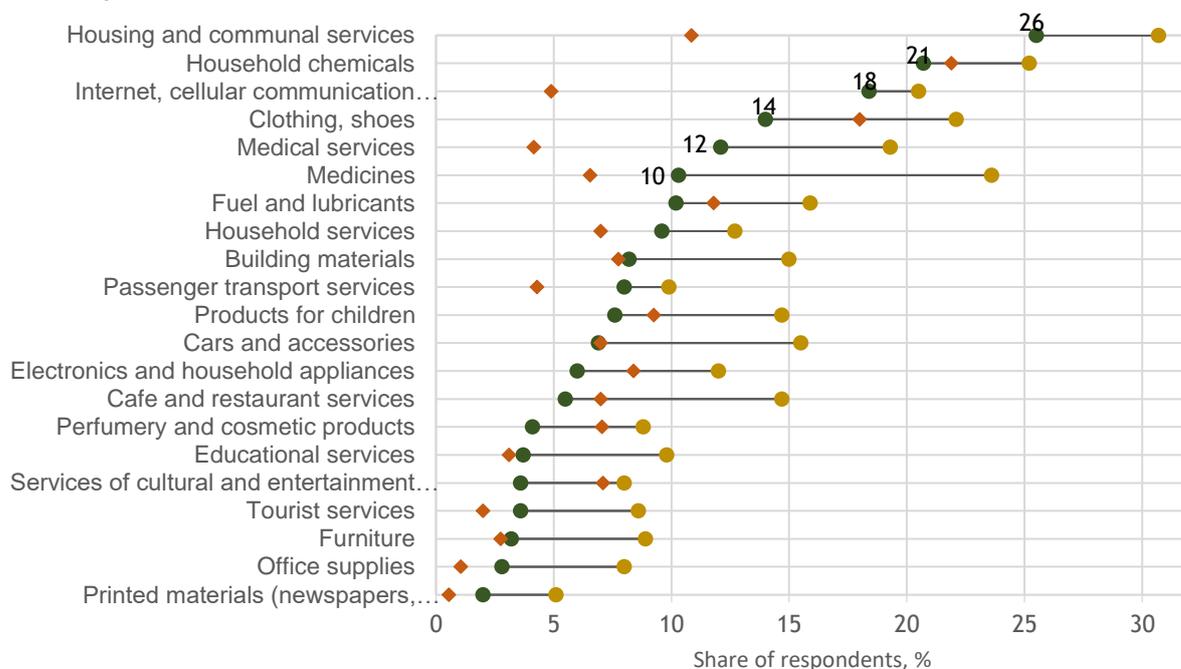
Among the food products, respondents noted an increase in prices for dairy, meat and bakery products, as well as fruits and vegetables. In the structure of non-food products, the population noted an increase in the cost of household chemicals, clothing and shoes, as well as medicines. Among paid services, respondents most noticed an increase in the cost of housing utility services, Internet and mobile services, and medical services (Figure 2).

Figure 2. Frequently mentioned goods and services

Food products



Non-food products and services



Source: Results of a telephone survey of the population, FusionLab

Consumer sentiment of the population

The consumer sentiment index in December 2023 significantly increased to 115.7 (November 2023 – 106.8) (Figures 3,4,5).

In particular, the assessment of the country's development prospects in the coming year (by 13.8 points) and the assessment of the country's development prospects in 5 years (by 12.4 points) have significantly increased. The assessment of personal financial situation in a year also increased significantly (by 15.2 points).

In the assessments of the current situation, the population's readiness for large purchases has increased (by 2.7 points), the assessment of personal financial situation over the past year has practically not changed.

Figure 3. Index² of Consumer Sentiment

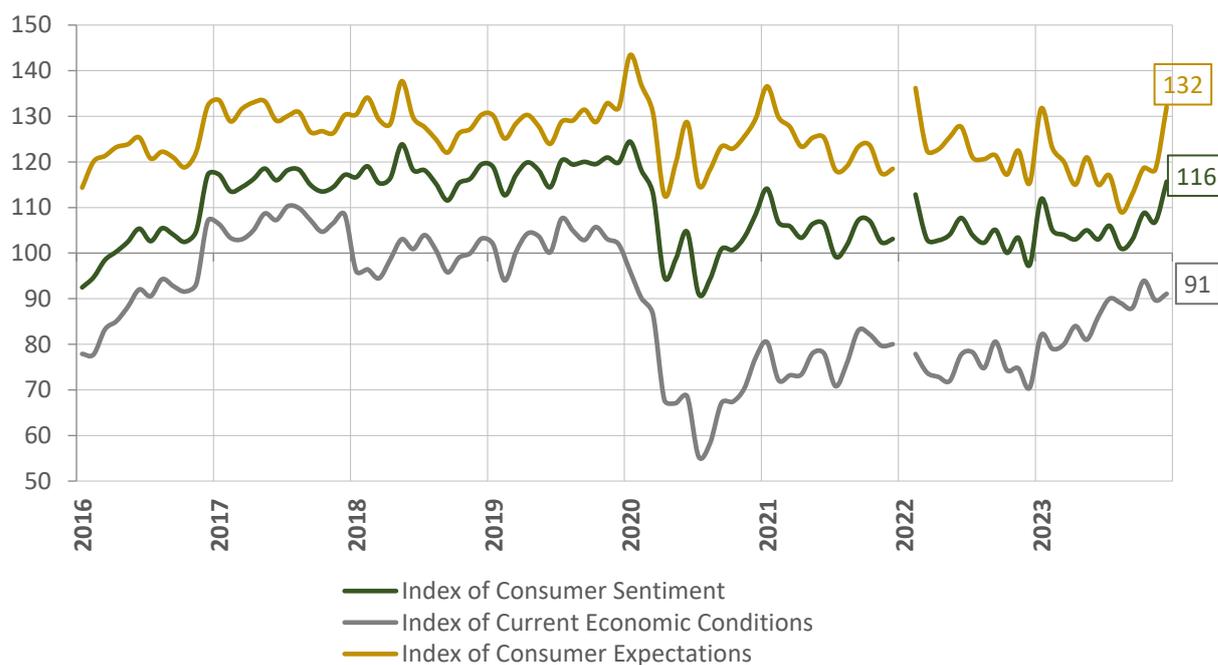


Figure 4. Consumer Expectations

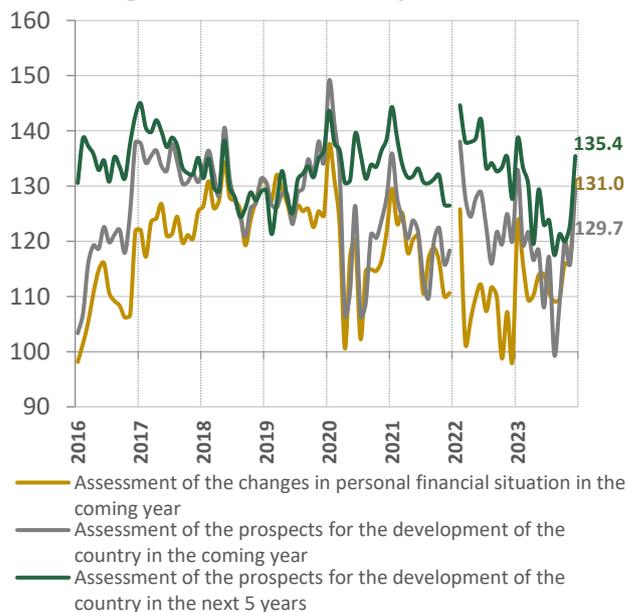
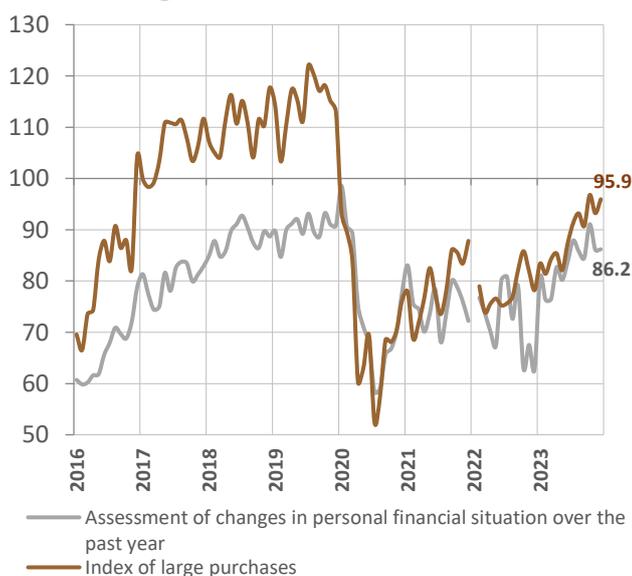


Figure 5. Current Conditions



Source: Results of a telephone survey of the population of Kazakhstan, FusionLab

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?

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.