

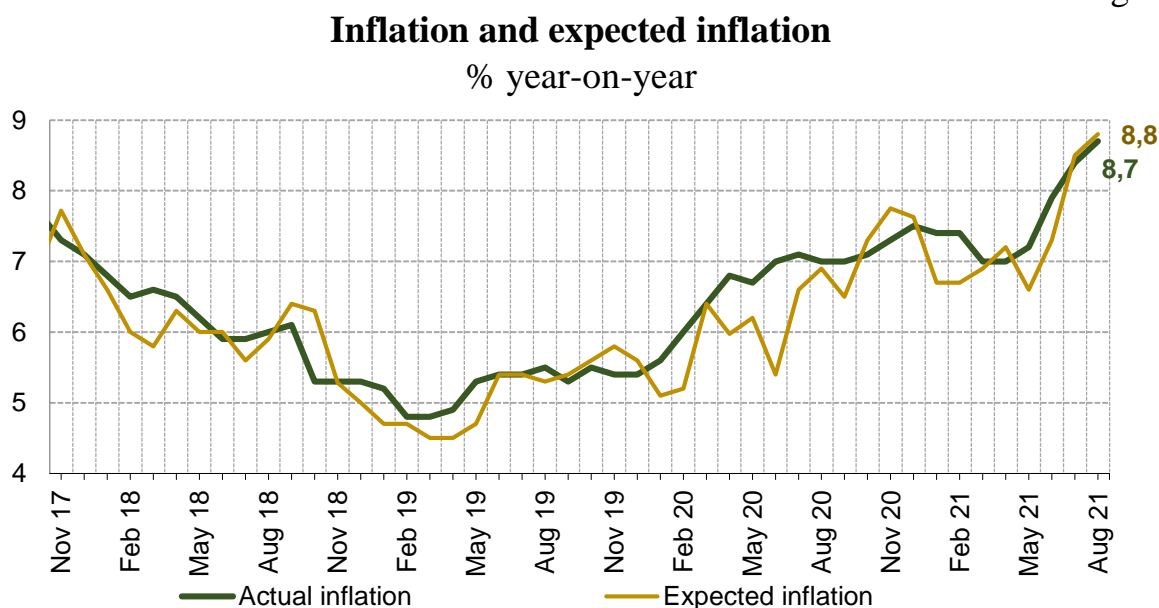
Comment on households' inflation expectations in August 2021 by Denis Chernyavskiy, Deputy Director of Monetary Policy Department of the NBK

Results of August survey demonstrate that inflation expectations remain high. Quantitative assessment of inflation expectations for a year ahead in August 2021 accounted for 8.8%.

The majority of respondents (73%) still indicate a strong increase in prices over the past year, which is one of the highest historical rates. Most of the respondents who highlighted the increase in prices over the past month choose food products (85%). In the structure of goods, respondents noted a rapid rise in prices for fruits and vegetables, meat and poultry, vegetable oil, construction materials, clothing and footwear, products for children.

Consumer sentiment improved slightly in August, with estimates of the current situation slightly higher after falling in July. Readiness of the households to make large purchases slightly rose in August, which may be attributed to intensification of purchases of children's goods and school supplies due to return to the traditional format of education. At the same time, short-term expectations for economic development continue to deteriorate.

Figure 1



Source: National Statistics Bureau of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, FusionLab