



NATIONAL BANK OF KAZAKHSTAN

INFLATION TRENDS

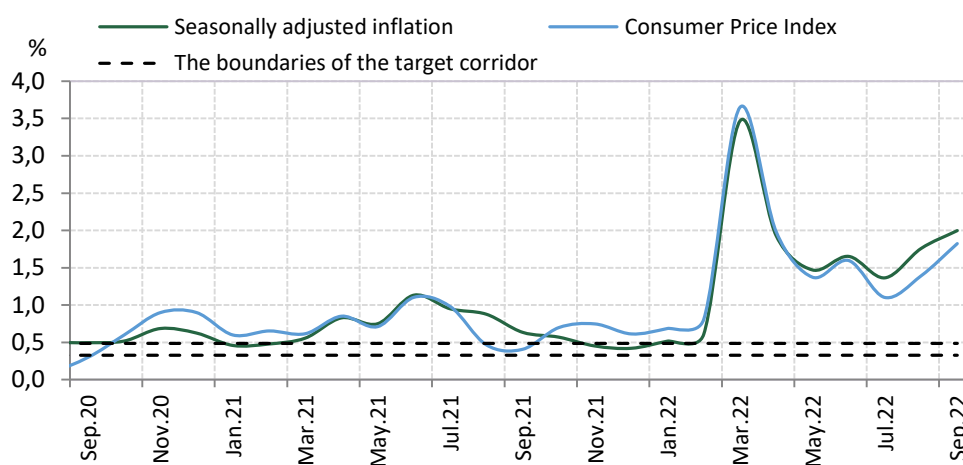
September **2022**

Monthly inflation in September 2022 was 1.8%, in annual terms inflation accelerated to 17.7%. The acceleration of price growth (in annual terms) continued for a wide range of food and non-food products. Among paid services, the growth of prices for rent of comfortable housing and education services has significantly accelerated.

Monthly inflation in September 2022 was 1.8%. Against this background, annual inflation accelerated to 17.7% (in August 2022 – 16.1%).

Monthly seasonally adjusted inflation was estimated at 2%. At the same time, its value exceeds the overall inflation without seasonal adjustment since May of this year, which is primarily due to the seasonal decline in prices for fruit and vegetable products.

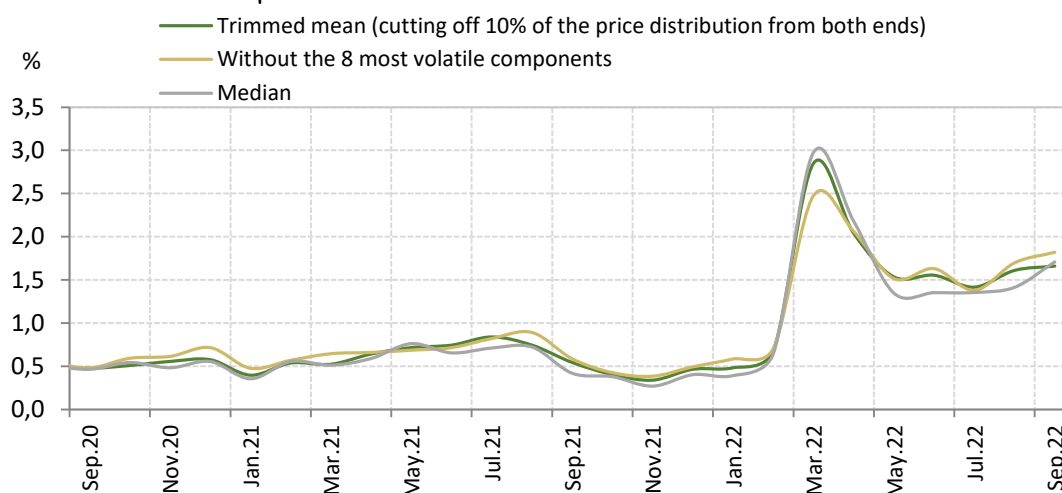
Graph 1. Monthly seasonally adjusted inflation



Source: BNS ASPR RK, calculations of the NBRK

Core seasonally adjusted inflation¹, calculated according to various methods, continued to accelerate, indicating the preservation of the inflationary background in the economy.

Graph 2. Core inflation: various calculation methods

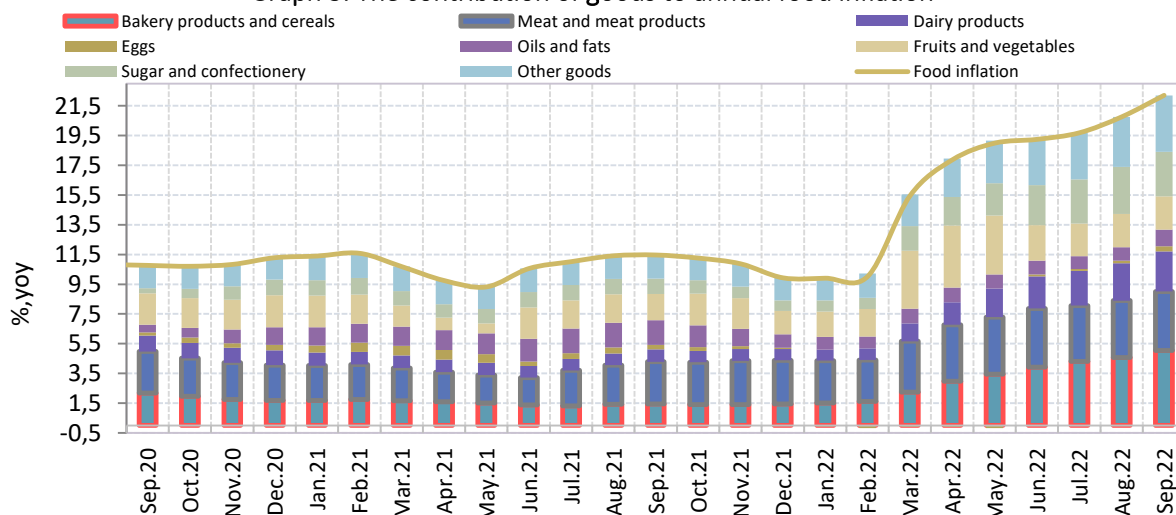


Source: BNS ASPR RK, calculations of the NBRK

¹ Core inflation is a value that characterizes a steady change in prices. The trimmed mean is calculated by excluding from the calculation 10% of the smallest and 10% of the largest seasonally adjusted price changes in a given month; core inflation without the 8 most volatile components excludes from the inflation calculation those 8 components whose standard deviation of seasonally adjusted price changes over the past 2 years is the maximum; the median is a 50% percentile distribution of seasonally adjusted price changes in a given month.

The increase in **food** prices in September 2022 accelerated to 22.2% in annual terms (in August 2022 – 20.8%). Prices for bakery products and cereals have been accelerating for eleven months in a row. Prices for meat and dairy products, eggs have increased, which, in addition to the influence of the seasonal factor, is also associated with an increase in production costs. At the same time, it is worth noting that for the first time in the last two years, prices for granulated sugar have decreased, as a result, annual price growth has slowed down. In addition, the seasonal decline in prices for fresh fruits and vegetables had a restraining effect on inflationary processes in the economy.

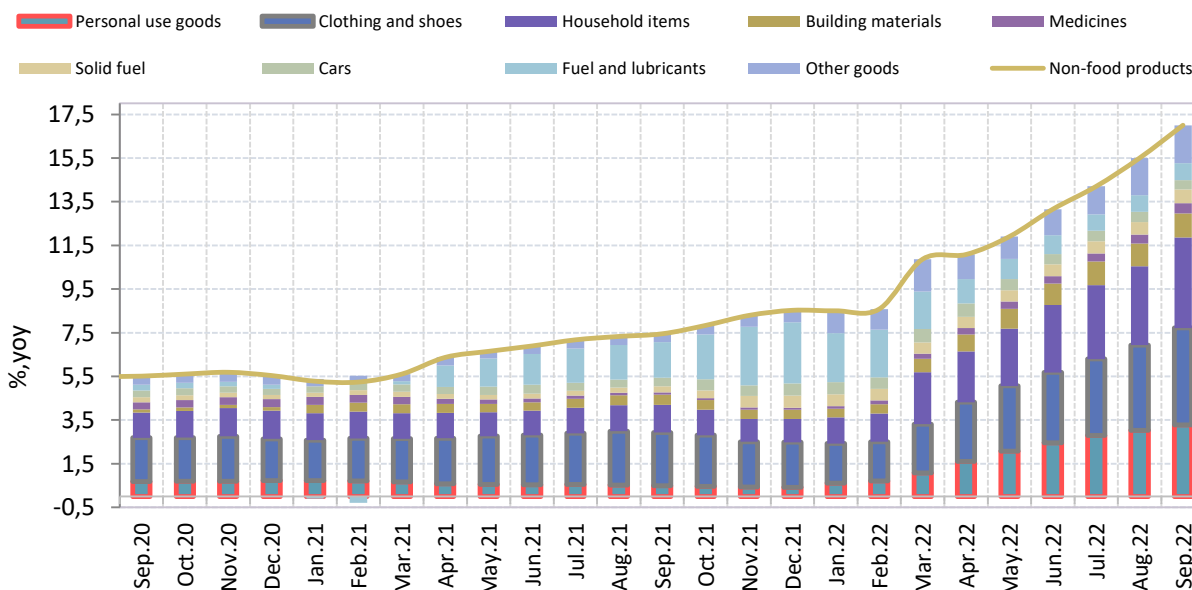
Graph 3. The contribution of goods to annual food inflation



Source: BNS ASPR RK, calculations of the NBRK

Inflation of **non-food** products accelerated in September 2022 to 17.0% (in August 2022 – 15.5%). There was a seasonal rise in the price of solid fuel. Prices continued to rise for categories of goods with a high import component, including clothing and footwear, personal goods, furniture and household items, household appliances, medicines. At the same time, car prices have slightly decreased.

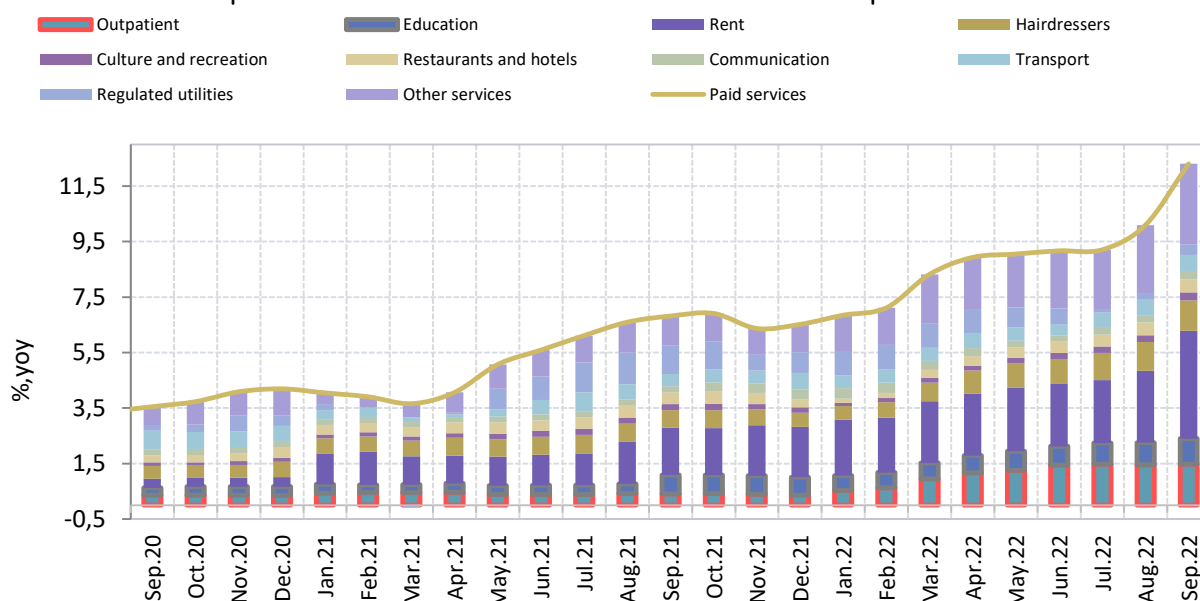
Graph 4. Contribution of goods to annual non-food inflation



Source: BNS ASPR RK, calculations of the NBRK

The inflation of **paid services** accelerated to 12.3% in September (10.1% in August 2022). At the beginning of the new academic year, prices for all types of education services have increased. In September of this year, the cost of renting comfortable housing sharply increased against the background of increased demand and uncertainty in the market. There was an acceleration in the growth of prices for services in the field of culture and entertainment. Among the regulated utilities, tariffs for sanitation, cold water and electricity have increased in some regions.

Graph 5. Contribution of services to the annual inflation of paid services



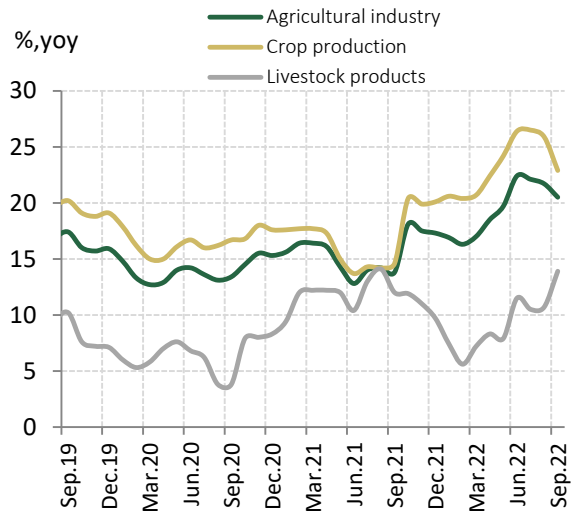
Source: BNS ASPR RK, calculations of the NBRK

The rate of price growth in the manufacturing industry remained at the level of last month and slowed down in agriculture against the background of harvesting crop production

The annual growth of producer prices in the manufacturing industry in September 2022 remained at the level of 13.6%. Among food products, the price growth of producers of bakery and pasta products, meat and dairy products accelerated. Meanwhile, there was a weaker increase in prices of producers of oils and fats, flour and cereal products.

In agriculture, the increase in producer prices in September 2022 continued to slow down, amounting to 20.5% in annual terms (in August 2022 – by 21.7%), against the background of harvesting. In crop production, the growth of prices for wheat, oilseeds and fodder crops has slowed down. In animal husbandry, the growth of prices for eggs and raw cow's milk has significantly accelerated.

Graph 6. Prices in agriculture



Source: BNS ASPR RK

Graph 7. Prices in industry

