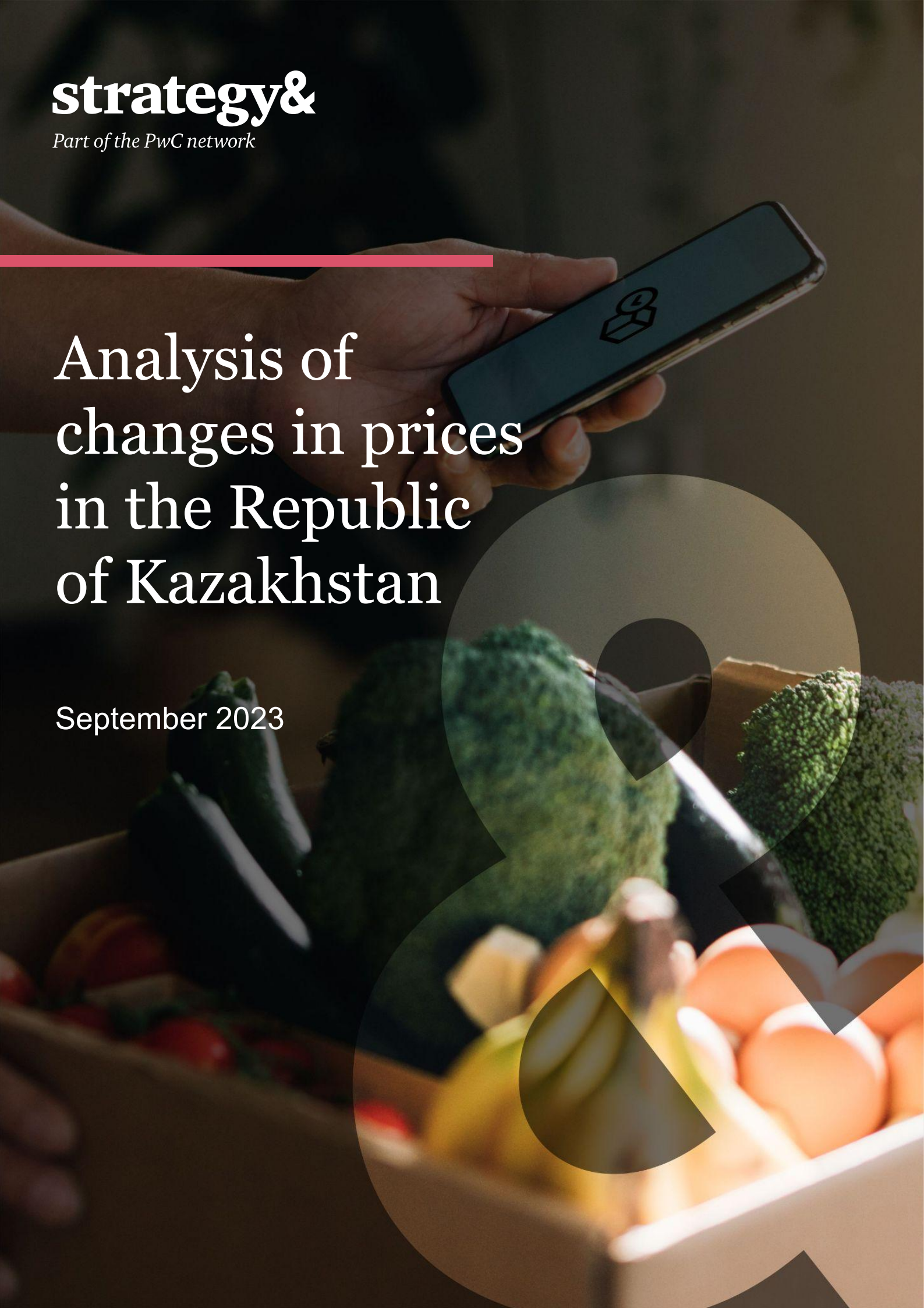


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# Analysis of changes in prices in the Republic of Kazakhstan

September 2023



# Introduction



**Natalya Lim**

Partner, Strategy & Advisory  
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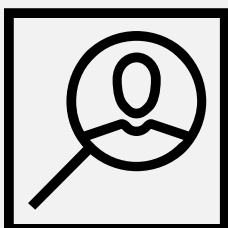
We bring to your attention the first issue of our new regular study “Analysis of price changes in the Republic of Kazakhstan”, the purpose of which is to reflect the real situation regarding changes in prices for certain product categories, including basic food products, pharmacy and medicines, electronics and household appliances, and building materials.

Since March 2022, Kazakhstan has experienced double-digit annual inflation (12%) which continued to rise until February 2023, reaching a 26-year high of 21.3%, after which the annual inflation rate gradually decreased to 14.6% in June 2023. Despite the decline in annual inflation, price analysis for food products, shows a significant increase in June 2023 compared to June 2022 (+35%). Prices for building materials increased by 30% in the six months of 2023, while prices for medicines and electronics remained almost without changes during the same period.

We hope that this study will be useful to a wide range of readers and all interested parties.

The analysis was conducted in July-August 2023.

Respectfully,  
Natalya Lim





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# Research overview and objectives

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The analysis of changes in food prices is a study, the purpose of which is to reflect the real market situation regarding price changes of some product categories.

This analysis covers the average price change of the following product categories:

- Main food products (June 2023 vs June 2022)
- Pharmacy and medicine (June vs January 2023)
- Electronics and household appliances (June vs January 2023)
- Building materials (June vs January 2023)

Due to the varying level of data quality and availability, the methodology and approach to the comparative data analysis is different for main food products and other product categories (ref. page 5).

We hope that this analysis will be helpful to a wide audience of readers and interested parties.



# Methodology and approach to data analysis

## Main food products

In the analysis of changes in food prices in RK, data was used, including categories, subcategories and names of food products in large online stores.

Product categories and subcategories were selected primarily from a minimum food basket list (in total 9 categories and 38 subcategories, ref. page 8), subject to sufficient data availability for the period of June 2022 - June 2023.

To calculate the correct average price, all products have been converted to a common unit of measure (UM), as shown in the table below.

Product	UM	Product	UM
bread	100 g	meat and poultry	1 kg
flour	1 kg	canned food	1 kg
starchy foods	1 kg	salt and sugar	1 kg
cereals and legumes	1 kg	water	1 ltr
vegetables and fruits	1 kg	tea, instant coffee	1 kg
milk, cream, kefir, ayran, tan	1 ltr	eggs	10 pcs
cheese, cottage cheese, sour cream, mayonnaise	1 kg	vegetable oil	1 ltr

Our analysis is focused on lower price range food items. Thus, the analysis included products whose price did not exceed the minimum price and 25% of the difference between the minimum and maximum prices.

The calculation of the average price for each subcategory of products was carried out as follows:

- Identifying and removing product items whose price is abnormally far from other prices in the dataset
- Identifying and removing products that exceed the low price range
- Calculation of the average price for product subcategories in each analyzed period

## Other product categories

In addition to food products, our analysis includes such categories as pharmacy and medicines (7 categories in total, ref. page 11), electronics and household appliances (4 categories in total and 17 subcategories, ref. page 12), building materials (10 in total categories, ref. page 13). The analysis of these categories covers the period from January to June 2023.

An analysis of price changes for these product categories was carried out by comparing the prices of the same items, since it is not possible to reduce such items to a single unit of measurement. The selection of goods was made in such a way that the same goods were present in most of the analyzed periods/months, while the analysis takes into account only those categories and/or subcategories of goods whose share in the total number of analyzed goods is not lower than a certain limit, which differs for various product categories.

To extrapolate missing data, average prices and price changes for products in the same category were taken based on brand, country of origin, category and/or subcategory.

The approach also includes identifying and removing, at different stages of the analysis, items with abnormal price differences over different periods.



## Key findings

1

Prices for food products increased on average for

10%

in June comparing to January 2023

2

Prices for pharmacy and medicines have

not changed

in June comparing to January 2023

3

Prices for electronics and household appliances decreased on average for

0,3%

in June comparing to January 2023

4

Prices for building materials increased on average for

30%

in June comparing to January 2023





# Basic food products

Considering an overall decrease in inflation in 2023 compared to 2022, prices for the analyzed food products generally increased by 10% in June compared to January 2023, while in the same period last year the overall increase in food prices was 22%. The total annual price change in June 2023 was 35%.

The following subcategories of goods increased in price the most in annual terms: flour (+84%), tea (+80%), kefir, ayran, tan (+70%). Prices for some goods decreased, for example onions (-51%), bananas (-41%), beets (-33%).

Prices for imported goods increased by 40%, among which the following goods had the most price increase: flour (+109%), tea (+97%) and cottage cheese (+80%), while prices for goods of Kazakhstani origin increased by 29%, among which the largest increase in prices was for rice (+84%), kefir, ayran, tan (+83%) and barley groats (+62%).

According to the Bureau of National Statistics (BNS), total food imports for the period January-June 2023 amounted to about 2.4 billion US dollars, of which sugar accounts for the largest share (7.6%). At the same time, the volume of imports of some food products\* in quantitative (thousand tons/liters) and in monetary (US dollars) terms increased during the period January-June 2023 by 18% and 14%, respectively, compared to the same period in 2022, amounting to approximately US\$831 million. At the same time, the share of imports of such goods from Russia decreased from 72% to 61%.

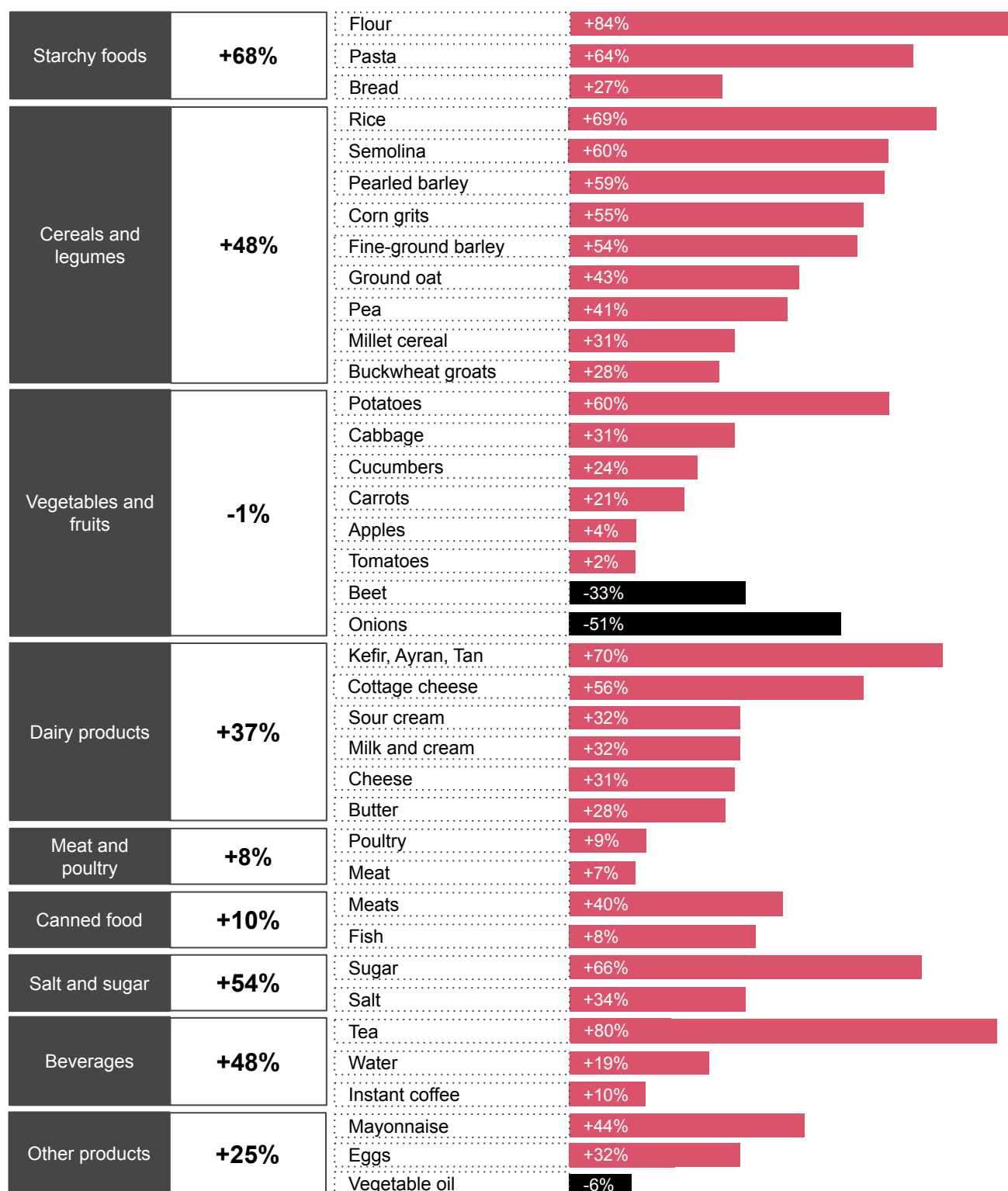
\* According to the preliminary data of stat.gov.kz, including:

- Meat and offal, fresh, frozen and chilled
- Milk and cream, condensed and uncondensed
- Tea with or without flavoring additives
- Vegetable oils and fats
- Cane or beet sugar and chemically pure sucrose, in solid form
- Molasses obtained from the extraction or refining of sugar
- Sugar confectionery (including white chocolate) not containing cocoa
- Chocolate and other prepared food products containing cocoa
- Waters, including mineral and carbonated waters containing added sugar or other sweetening or flavoring matter, and other non-alcoholic drinks, excluding fruit or vegetable juices of commodity item 2009



# Basic food products

Price change in June 2023 vs June 2022 for the basic food products (%),  
917 product items analyzed





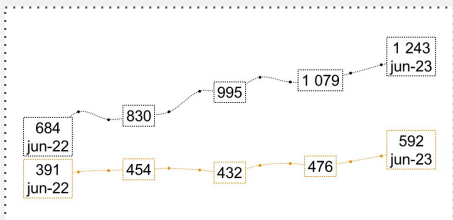
Source: Analysis of changes in prices in the Republic of Kazakhstan





*Changes in average prices during the period from June 2022 till June 2023 (tenge) and overall change in average price in June 2023 vs June 2022 by categories for Kazakhstani and imported products (%)*

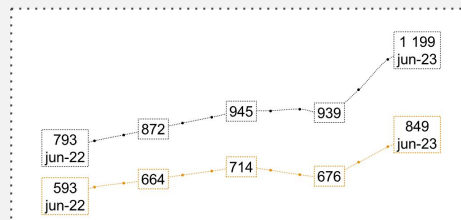
### Starchy foods

 **+52%**  
 **+82%**





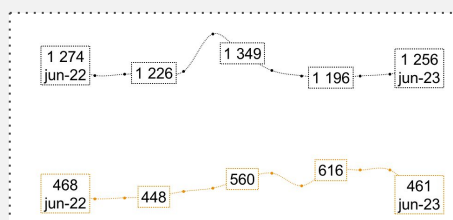
### Cereal and legumes

 **+43%**  
 **+51%**





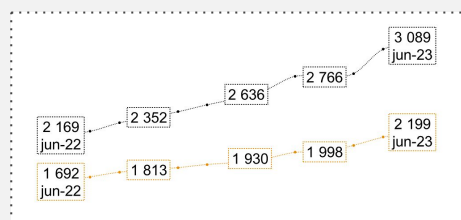
### Vegetables and fruits

 **-1%**  
 **-1%**





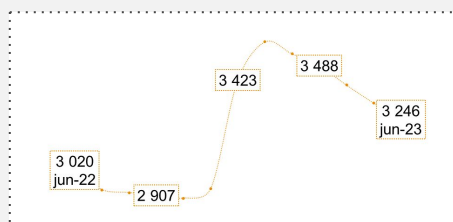
### Dairy products

 **+30%**  
 **+42%**



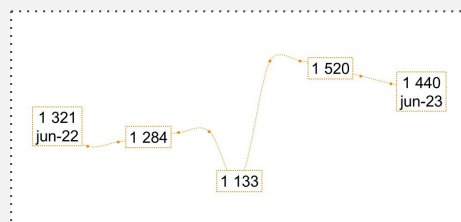
### Meat

 **+7%**  
 **н/п**





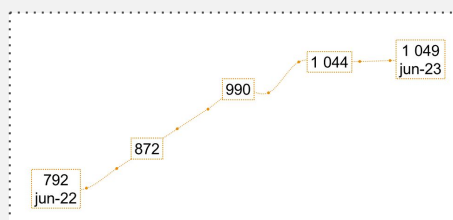
### Poultry

 **+9%**  
 **н/п**





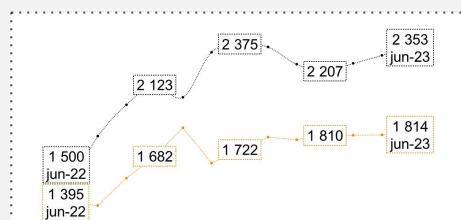
### Eggs

 **+32%**  
 **н/п**



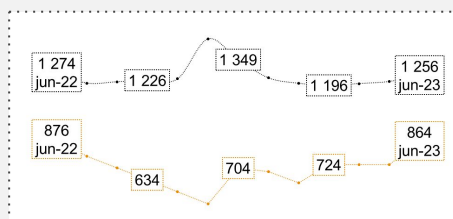
### Mayonnaise

 **+30%**  
 **+57%**





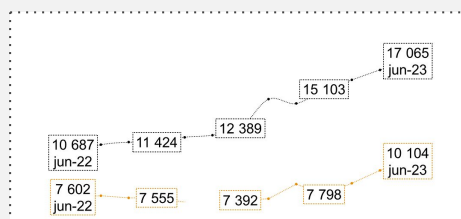
### Vegetable oil

 **-2%**  
 **-9%**





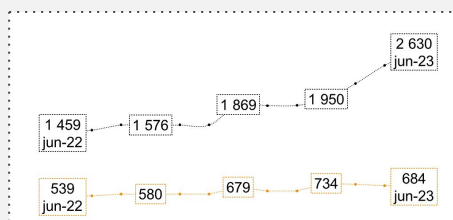
### Tea and instant coffee

 **+33%**  
 **+60%**





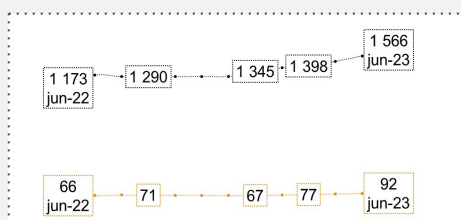
### Sugar

 **+27%**  
 **+80%**



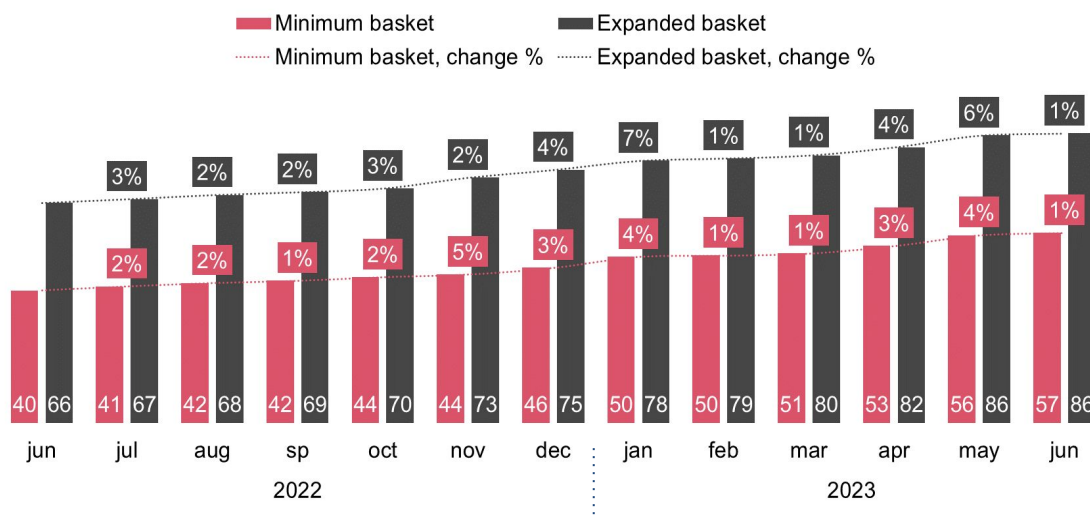
### Salt

 **+39%**  
 **+33%**



## How did the amount to buy a one-time food basket change?

Price change in June 2023 vs June 2022 (%)



**43%**

increase in the amount for the purchase of the minimum basket

**32%**

increase in the amount for the purchase of the expanded basket

### Minimum basket



	Июн-22	Июн-23
Pea	706 T/kg	996 T/kg
Buckwheat	1021 T/kg	1308 T/kg
Cabbage	199 T/kg	260 T/kg
Potatoes	247 T/kg	395 T/kg
Onions	627 T/kg	310 T/kg
Mayonnaise	1448 T/kg	2084 T/kg
Pasta	826 T/kg	1352 T/kg
Semolina	732 T/kg	1168 T/kg
Butter	3069 T/kg	3940 T/kg
Milk and cream	517 T/ltr	681 T/kg
Carrots	280 T/kg	339 T/kg
Flour	379 T/kg	698 T/kg
Meat	3020 T/kg	3246 T/kg
Poultry	1321 T/kg	1440 T/kg
Oat groats	706 T/kg	1011 T/kg
Cucumbers	475 T/kg	588 T/kg
Pearl barley	549 T/kg	873 T/kg
Tomatoes	689 T/kg	700 T/kg
Vegetable oil	995 T/kg	934 T/kg
Rice	814 T/kg	1372 T/kg
Sugar	999 T/kg	1657 T/kg
Salt	620 T/kg	713 T/kg
Sour cream	1794 T/kg	2361 T/kg
Cheese	3426 T/kg	4484 T/kg
Cottage cheese	2228 T/kg	3469 T/kg
Bread	129 T/kg	164 T/kg
Tea	10021 T/kg	18038 T/kg
Apples	963 T/kg	1005 T/kg
Eggs	792 T/10 pcs	1049 T/kg

**Total: 39 592 T 56 751 T**

### Expanded basket



#### Minimum basket +

	Июн-22	Июн-23
+ Oranges	1255 T/kg	1391 T/kg
+ Bananas	900 T/kg	532 T/kg
+ Water	331 T/l.	393 T/kg
+ Pears	1399 T/kg	1477 T/kg
+ Beets	350 T/kg	235 T/kg
+ Kefir, ayran, tan	546 T/l.	927 T/kg
+ Canned meat	3510 T/kg	4900 T/kg
+ Canned fish	4753 T/kg	5079 T/kg
+ Instant coffee	8628 T/kg	9131 T/kg
+ Corn grits	589 T/kg	914 T/kg
+ Lemons	1658 T/kg	1577 T/kg
+ Tangerines	1381 T/kg	1416 T/kg
+ Millet cereal	652 T/kg	856 T/kg
+ Barley groats	467 T/kg	718 T/kg

**Total: 65 651 T 86 365 T**

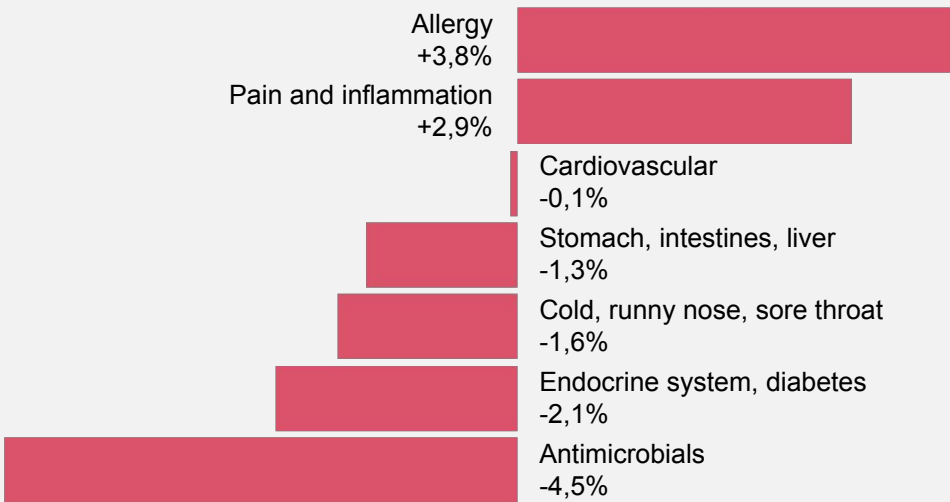


# Pharmacy and medicines

An analysis of price changes in the first half of 2023 for pharmacy and medicines showed that the average price for medicines generally did not change in June compared to January 2023. At the same time, prices for some types of drugs decreased, for example, antimicrobial drugs (-4.5%), and some types of drugs increased in price, for example, allergy drugs (+3.8%).

The analysis included 197 items.

Average price change by medicine type in June vs January 2023



Source: Analysis of changes in prices in the Republic of Kazakhstan

Although overall drug prices have remained unchanged since the start of 2023, there are certain products that have seen significant price increases. Table 1 shows the five product items with the largest price increases from January to June 2023. For comparison, Table 2 shows the five product items with the largest price reductions.

Table 1. Top 5 product items with the largest price increases over 6 months of 2023

Product item	Price in January	Price in June	Change, %
Protargol drops 1% 10 ml	369 ₸	588 ₸	59%
Tizin spray 0.1% 10 ml	1257 ₸	1949 ₸	55%
Ibuprofen tablets 200 mg 10 pcs	67 ₸	103 ₸	54%
Cef 3 powder 1000 mg 1 piece	950 ₸	1449 ₸	53%
Tsitovir-3 syrup 0.15 mg 50 ml	3879 ₸	5866 ₸	51%

Table 2. Top-5 product items with the largest price reduction over 6 months of 2023

Product item	Price in January	Price in June	Change, %
Anaferon children's tablets 0.003 mg 20 pcs	1983 ₸	1490 ₸	-25%
Dolphin spray 240 ml 1 piece	3333 ₸	2495 ₸	-25%
Kagocel tablets 12 mg 20 pcs	4780 ₸	3511 ₸	-27%
Paracetamol tablets 500 mg 10 pcs	175 ₸	117 ₸	-33%
Cefekon D suppositories 100 mg 10 pcs	800 ₸	490 ₸	-39%

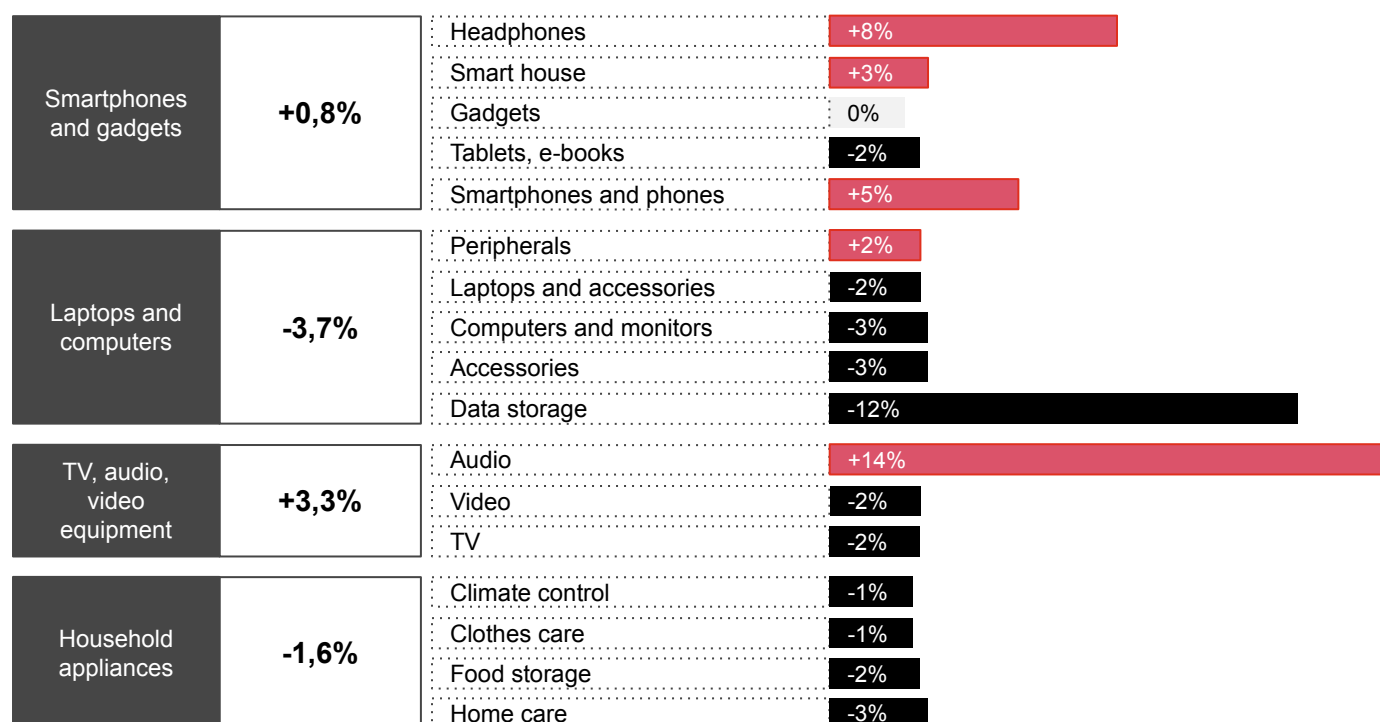
# Electronics and household appliances

Analysis of price changes for electronics and household appliances includes such subcategories as smartphones and gadgets, laptops and computers, TV, audio, video equipment and household appliances. The analysis included 2578 product items.

Overall, the results of the analysis showed a decrease in prices by 0.3% in June to January 2023. This may be due to the specific nature of this category of goods - the price of most goods naturally decreases as newer models of various devices are released. At the same time, the decrease in price can be explained by the high base of the first quarter of 2023, when annual inflation in February reached its 26-year high at 21.3%. As a result, there is a gradual decline in prices by June 2023, when annual inflation dropped to 14.6%.

The biggest price increases were in subcategories such as audio equipment (+14%), headphones (+8%), smartphones and phones (+5%). It is interesting to note that the largest price reductions are related to data storage products (-12%).

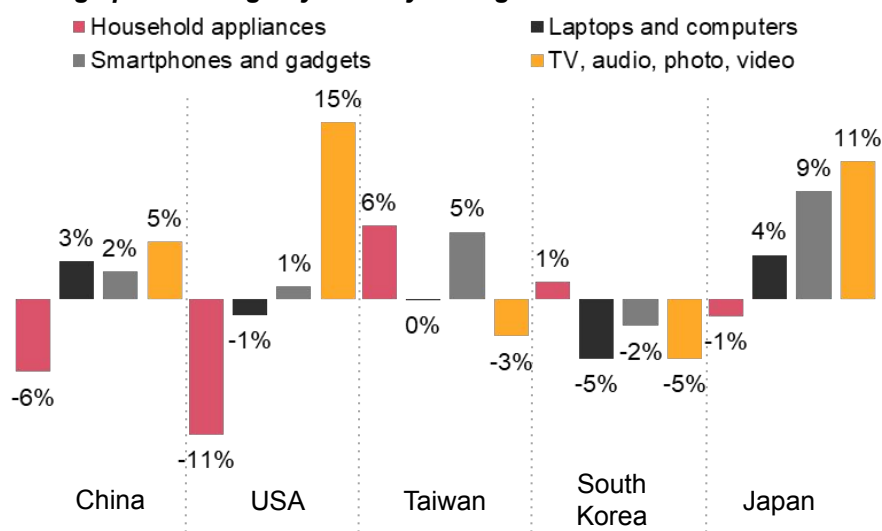
## Average change in prices for electronics and household appliances in June vs January 2023



Source: Analysis of changes in prices in the Republic of Kazakhstan

More than 83% of the products included in the analysis are from such countries of origin as China with a share of 27%, USA - 20%, South Korea - 19%, Taiwan - 11%, and Japan - 6%. Analysis of data from five countries of origin showed that goods of Japanese origin increased the most (+6%), while goods of South Korean origin decreased by 3%. It is also worth noting that average prices for TV, audio, video equipment from USA increased by 15%, while prices for household appliances from USA decreased by 11%.

## Average price change by country of origin



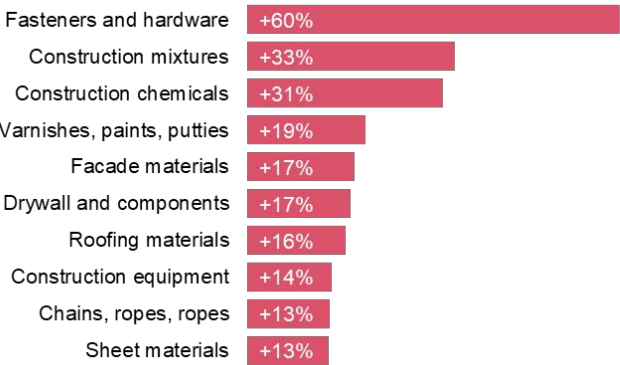


# Building materials

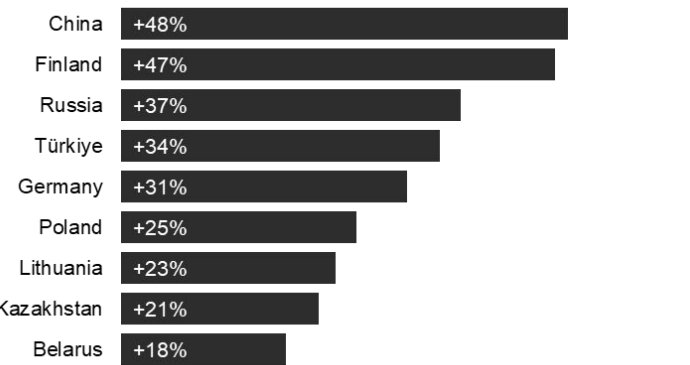
As the results of the analysis showed, prices for building materials increased by 30% in June compared to January 2023. The biggest increase in prices affected such subcategories as fasteners and hardware (+60%), building mixtures (+33%) and construction chemicals (+31%). An analysis of price changes by country showed that goods from China and Finland had the biggest price increase, by 48% and 47%, respectively.

The analysis included 1951 product items.

Average price change by subcategory in June vs January 2023



Average price change by country of origin in June vs January 2023

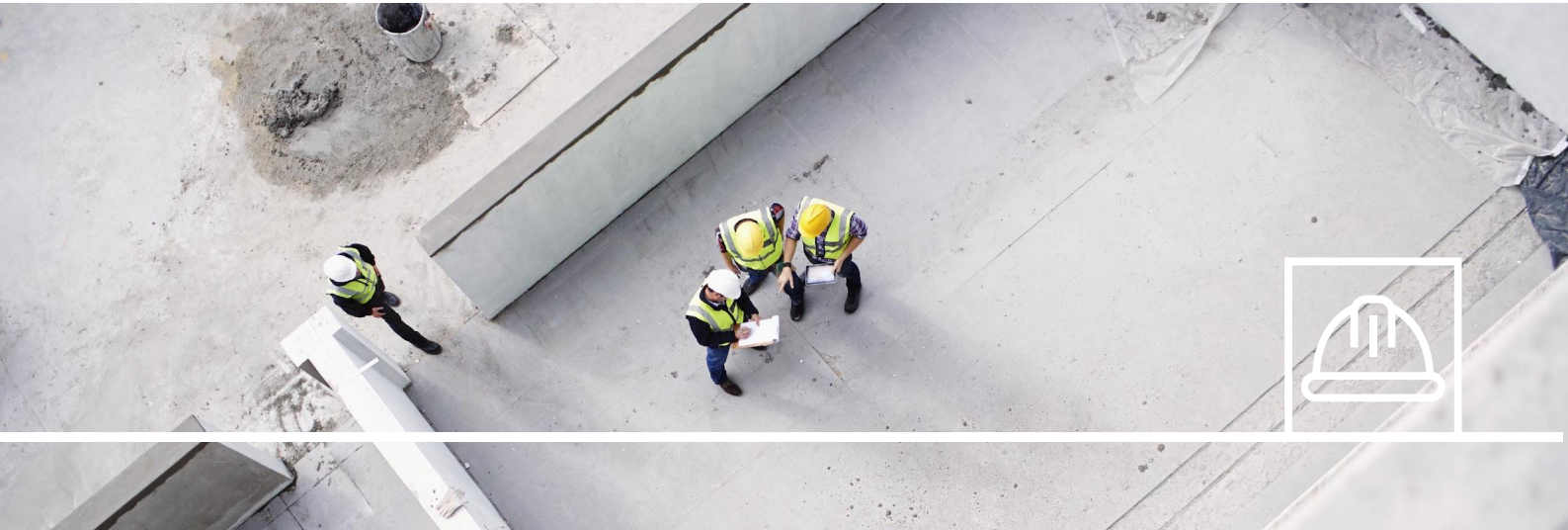


Source: Analysis of changes in prices in the Republic of Kazakhstan

Matrix of average price changes in June vs January 2023 by country of origin and subcategory

	China	Finland	Russia	Turkey	Germany	Poland	Lithuania	Kazakhstan	Belarus
Drywall and components	-	-	17%	-	-	-	-	16%	-
Fasteners and hardware	61%	60%	59%	69%	61%	-	-	-	52%
Roofing materials	-	-	16%	-	-	-	-	-	-
Varnishes, paints, putties	-	35%	27%	39%	30%	32%	-	16%	-
Sheet materials	-	-	11%	-	-	-	-	15%	-
Construction equipment	14%	-	12%	-	17%	17%	-	-	-
Construction mixtures	-	-	47%	-	-	-	-	20%	-
Insulation, insulation	-	-	10%	-	9%	-	9%	9%	-
Facade materials	-	-	-	-	-	-	-	-	17%
Construction chemicals	-	-6%	28%	27%	22%	12%	42%	50%	-
Chains, ropes, ropes	11%	-	14%	-	0%	-	-	17%	-

Source: Analysis of changes in prices in the Republic of Kazakhstan



# Thank you

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We thank every reader of our analysis and hope that the result of this analysis will contribute to the deeper understanding of the current situation at the market of certain products and corresponding improvement at the Kazakhstani market in general.





# Survey Team

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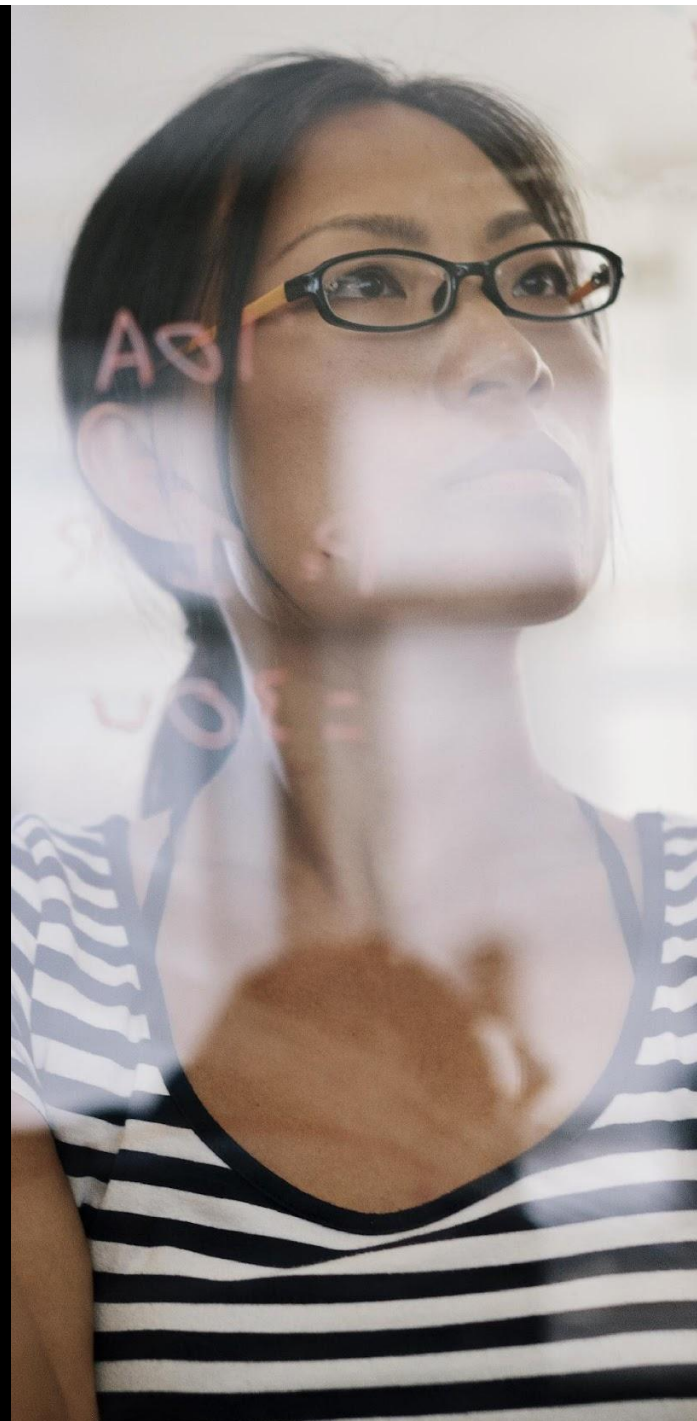
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# Notes

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This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting or typing. There are no margins, text, or other markings on the page.

**www.pwc.com/kz**

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