



Bank of Russia



TALKING TRENDS
Economy and markets

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The Research and Forecasting Department prepared this bulletin based on data as of 31.01.2025.

The views and recommendations expressed in the bulletin do not necessarily reflect the official position of the Bank of Russia.

Please send your comments and suggestions to djp1@cbr.ru

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Executive summary

Monthly summary

- High-frequency data and surveys show that the Russian economy received a new boost at the end of the year. This happened amid a faster increase in budget expenditures and a growing budget deficit. Consequently, consumer demand stayed high despite a slowdown in retail lending and a high saving ratio, while consumer prices continued to go up. To return to a low inflation rate, it is necessary to maintain tight monetary conditions for an extended period and comply with the budget parameters approved for 2025–2027.
 - In December 2024–January 2025, the growth rates of consumer prices remained high, which was mostly attributed to rising consumer demand that still exceeded the capacities to ramp up the supply of goods and services. Another important contributor to price growth was supply-side factors associated with new sanctions, indexations of regulated prices and tariffs, and a decline in harvest. Moreover, the pass-through of the earlier ruble weakening to prices increased in December 2024.
 - The dynamics in the consumer sector of the economy remain positive, except for the car segment and the housing market where the surge in demand, provoked by lending, was most notable. Lending and fiscal normalisation expected this year will decelerate the growth of aggregate demand in the economy to more sustainable rates. This will also have an effect on consumer demand dynamics, although with a certain time lag.
 - The unchanged level of the key rate in December came as a positive surprise to the financial market. It caused a considerable rise in share and bond prices and a reduction in credit spreads for high-quality corporate bonds. As a result, monetary conditions eased.

In focus. Why perceived inflation is usually higher than official rate

- Everyone has his or her own consumer basket of goods and services. The estimate of a rise in this basket's price is, as a rule, different from Rosstat's inflation estimate, which is calculated for a national average household. That said, the world practice shows that a subjective inflation estimate is, as a rule, higher than its actual rate. This fuels interest in alternative estimates of price growth, especially during the periods of accelerated inflation.
- Progressively increasing availability of data on prices and methods of data processing offers opportunities for constructing alternative estimates. That said, they are all subject to methodological constraints, and, if interpreted inaccurately, may provoke a rise in inflation expectations and faster price increases.
- Rosstat's methodology of calculating the consumer price index is in line with international practices. R&F Department estimates using massive dataset showed no one-way distortions in Rosstat's price statistics.

1. Inflation

The ongoing consumer price growth substantially accelerated in November–December, with stable components of price rises, which show stronger inertia, starting to play a greater role among price growth factors. In addition, the input of demand-side factors notably increased in October–November. Data for the first weeks of January indicate that the price dynamics have become slightly more favorable, although so far it is not possible to draw a reasonably substantiated conclusion that the trend has been reversed.

One, therefore, needs to analyse other metrics, such as the so-called leading indicators, which can help assess the possibility of transition to sustainable disinflation in the short term. In the logic of monetary policy's effect on inflation, these indicators are supposed to reflect the functioning of monetary policy's transmission mechanism (MP TM). As noted in the previous two issues of the Talking Trends, most of the above leading indicators really show that the MP TM channels are functioning. The key rate pass-through to interest rates in the economy and via them to changes in deposits (confident growth) and loans (marked growth slowdown) has continued. The credit impulse, i.e., the effect of loan growth on demand in the economy, is weakening. Moreover, it appears from polls that domestic demand in the economy is expanding at a much more moderate pace than previously. As a result, the trend towards a reduction in labour market imbalances is gradually gaining strength. Therefore, monetary conditions for the disinflationary trend to emerge are overall in place.

However, in addition to the credit channel of creating money supply, there are other channels. The most important of them and autonomous, i.e., independent of the central bank's policies, is the fiscal channel. The budget deficit significantly expanded in November–December. This ramped up money supply through growth in funds at banks resulting from expansion in the banking system's claims on public administration agencies. It is, therefore, so important to adhere to the parameters of the approved 2025 budget, providing for a gradual return to the fiscal rule parameters.

Other sources of funds in bank accounts are banks' other than loan claims on the non-financial sector (e.g., outstanding bonds, including those issued as part of loan securitisation) and loan claims on the financial sector (e.g., on leasing and factoring companies). Interest rates also affect them, but their performance may be different from that of loans.

Finally, we note that after the Bank of Russia's key interest rate decision in December, monetary conditions with respect to interest rates have eased. Yields on government securities, serving as a benchmark of the medium- and long-term cost of money have decreased, as have premiums on yields priced in loans and corporate bonds from reliable borrowers. The stock market has partially recovered. This will need to be taken into consideration as the Bank of Russia's forecast is updated.

1.1. Price rise acceleration at the end of the year

- Seasonally adjusted month-on-month consumer price growth remained double digit in December, accelerating marginally, with annual inflation reaching 9.5%. Notable growth in the prices of goods outweighed its slowdown in the services sector. A significant effect on prices came from ruble weakening in October–November.
- Stable components are providing an increasingly large input to the pace of price growth. Against a backdrop of strong consumer activity, the impact of demand-side factors strengthened over the autumn months. This suggests the need to maintain a tight monetary stance for an extended period in order to bring down inflation.
- Price growth remained fast early in January. Although prices were affected by one-off factors, there are still no signs of sustainable inflation slowdown.

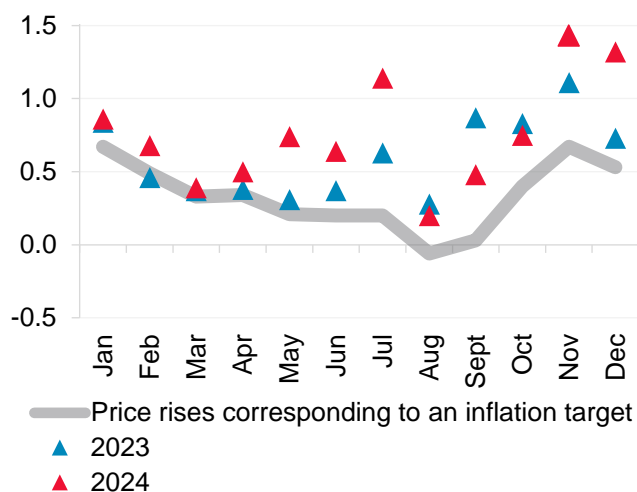
Consumer price growth accelerated to 14.2% MoM SAAR in December from 13.8% MoM SAAR in November. The goods segment saw a significant rise in the pace of price growth, especially fast in non-food goods. As a result, annual inflation went up to 9.52% from 8.88% in November (Table 1). At the same time, month-on-month price increases were slower than assumed based on weekly data, primarily because services, whose price growth slowed in December, are underrepresented in the weekly consumer basket.

Table 1. Inflation and its components

	Dec.	Dec.	Oct.	Nov.	Dec.
	2022	2023	2024		
% YoY					
All goods and services	11.9	7.4	8.5	8.9	9.5
Core inflation	14.3	6.8	8.2	8.3	8.9
Food	10.3	8.2	9.0	9.8	11.1
Non-food goods	12.7	6.0	5.7	5.7	6.1
Services	13.2	8.3	11.3	11.4	11.5
% MoM SAAR					
All goods and services	5.5	6.5	8.4	13.8	14.2
Core inflation	2.3	6.6	9.9	11.9	14.6
Food	-1.0	8.0	11.6	21.4	22.9
– net of fruit and vegetables	-1.5	8.1	13.2	14.1	19.6
Non-food goods	0.7	5.2	7.2	5.7	10.3
– net of refined petroleum products	0.8	6.2	7.3	4.3	9.2
Services	22.8	6.3	5.9	13.8	7.8
– net of housing and communal services	11.9	6.5	5.2	19.9	9.6

Sources: Rosstat, R&F Department estimates.

Figure 1. Price growth corresponding to an inflation rate of 4% MoM

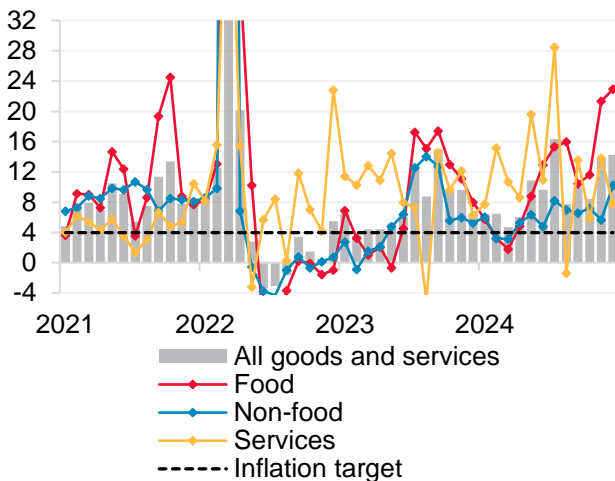


Sources: Rosstat, R&F Department estimates.

The pace of food price growth accelerated to 22.9% MoM SAAR in December from 21.4% MoM SAAR in November (Figure 2). Fruit and vegetable price rises slowed but still were notably faster than usual for these weeks. Price increases in other food categories significantly accelerated to 19.6% MoM SAAR in December from 14.1% MoM SAAR in November. Butter and dairy product price growth slowed, remaining fast, though. Fish product price rises also

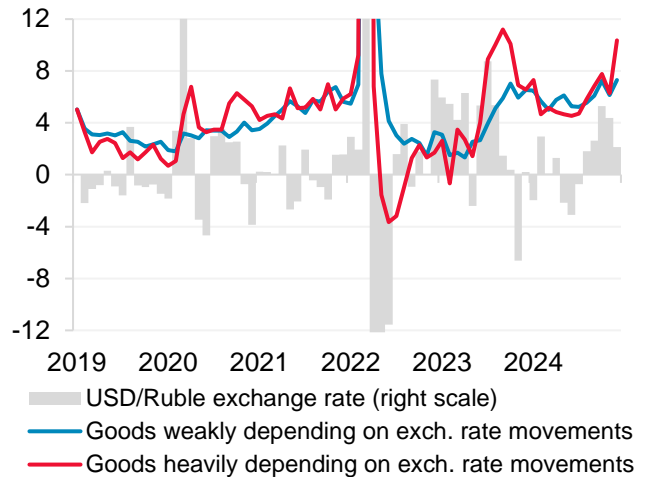
edged down but remained fast ([fish capture contraction](#), among other things, made itself felt). Growth in the prices of meat products, especially poultry meat, accelerated concurrently. To slow down price rises in the food segment, import duties on butter, potatoes, carrots and apples imposed by the Eurasian Economic Union were slashed to zero for half a year, while duties on cattle meat were put in place until the end of 2025.

Figure 2. Seasonally adjusted price growth, % MoM SAAR



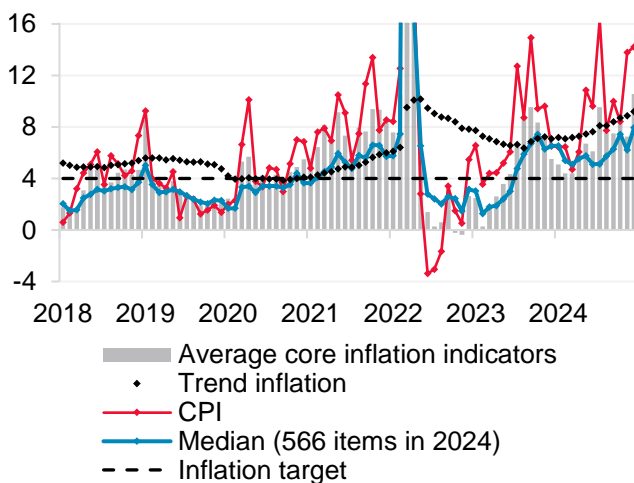
Sources: Rosstat, R&F Department estimates.

Figure 3. Median CPI (% MoM SAAR) and US dollar to ruble exchange rate (%)



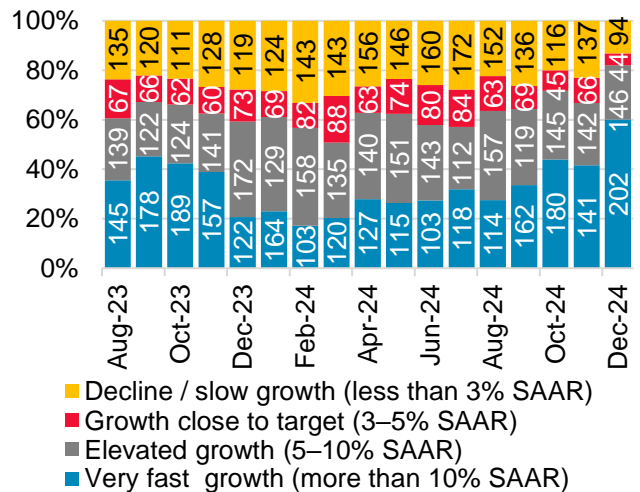
Sources: Bank of Russia, Rosstat, R&F Department estimates.

Figure 4. Modified core inflation indicators* (% in annualised terms) and trend inflation estimate (%YoY)



* Indicators are computed using the method of excluding the most volatile components and the truncation method.
Sources: Rosstat, R&F Department estimates.

Figure 5. Aggregate weight of goods and services* distributed based on seasonally adjusted price growth



* Net of fruit and vegetables and regulated services.
Note: The figures represent the number of items.
Sources: Rosstat, R&F Department estimates.

Ruble weakening took a specially heavy toll on the non-food segment, where, in part due to this, the pace of price growth almost doubled in December to 10.3% MoM SAAR from 5.7% MoM SAAR in November. The pace of price rises in electronic goods and [foreign cars](#) (also driven by the pass-through of the hiked car disposal fee) dramatically accelerated. The median

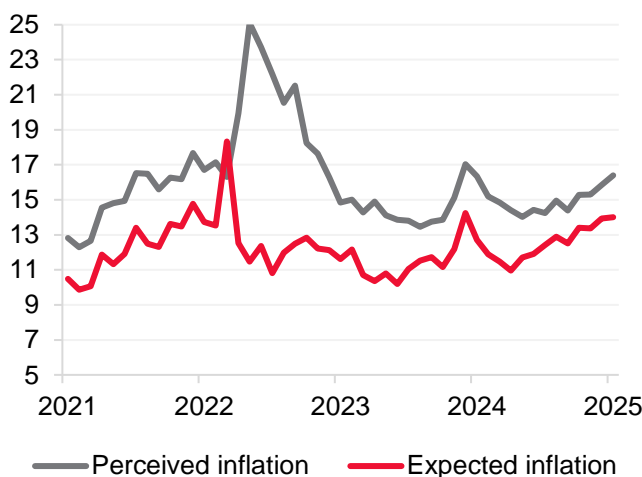
of price growth in goods highly depending on exchange rate movements rose significantly to one of the highest levels in recent years (Figure 3). Fuel price increases also accelerated.

The services sector saw price growth slow to 7.8% MoM SAAR in December from 13.8% MoM in November. The heftiest contribution to the slowdown came from communication services after their sharp growth in November. Transport services also provided its input to a slowdown. Indexation of public transport fares late in December in [some regions](#) was offset by air fare cuts. Meanwhile, price rises gained pace in tourism, mainly foreign.¹ Net of tourism and transport, services price growth slowed to 7.2% from 16.3% in November.

Analytical indicators portraying sustainable price movements point to the mounting of inflationary pressure in December. Indeed, the estimates of modified core inflation indicators rose dramatically (Figure 4). The median of price growth distribution went up to 8.0% from 6.2% in annualised terms, while the aggregate weight of items going up in price at a very fast pace hit the highest levels since the spring of 2022 (Figure 5). The trend inflation estimate climbed to 9.20% from 8.87% in November.

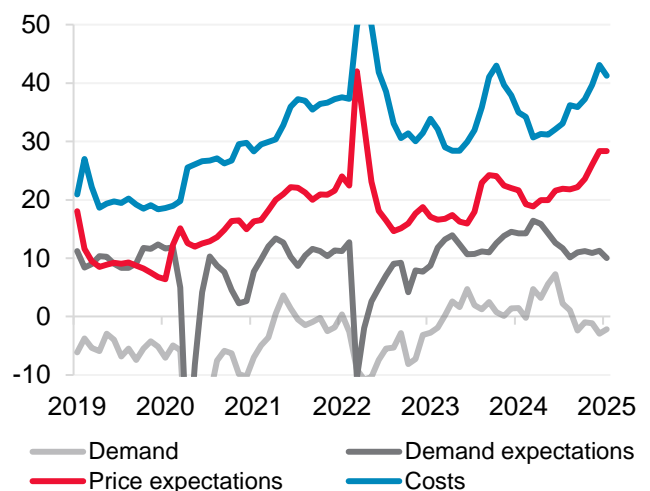
Perceived inflation and household inflation expectations edged up again in January (Figure 6). Businesses' price expectations rose in December, fuelled by climbing costs, and stayed all but unchanged in January (Figure 7). The analytical decomposition of price growth² (the last point is November) shows a resumed trend towards a rise in the input of demand-side factors to price growth acceleration, chiefly driven by food prices. The role of supply-side factors has declined but remains significant amid harvest contraction in 2024, retail and regulated services prices indexation, as well as continuing external restrictions. All this suggests the need to maintain a tight monetary stance for an extended period.

Figure 6. Direct inflation estimates by households: median readings, %YoY



Source: inFOM.

Figure 1. Business monitoring data for the economy at large, points, SA

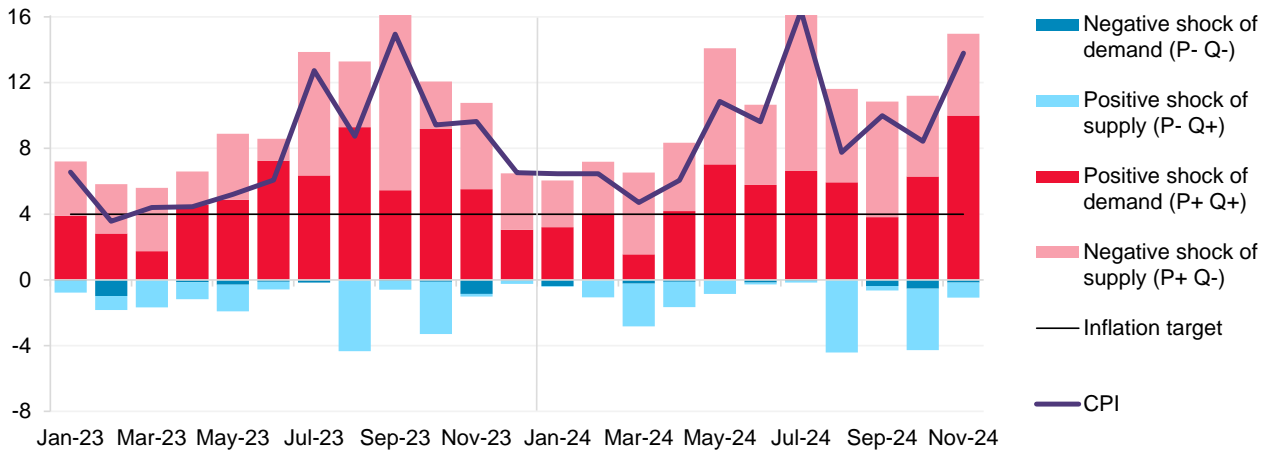


Source: Bank of Russia.

¹ There is substantial volatility in tourism services due to changes in seasonality.

² Sheremirov V. (2022). Are the Demand and Supply Channels of Inflation Persistent? Evidence from a Novel Decomposition of PCE Inflation. Federal Reserve Bank of Boston Current Policy Perspectives. November 4, 2022.

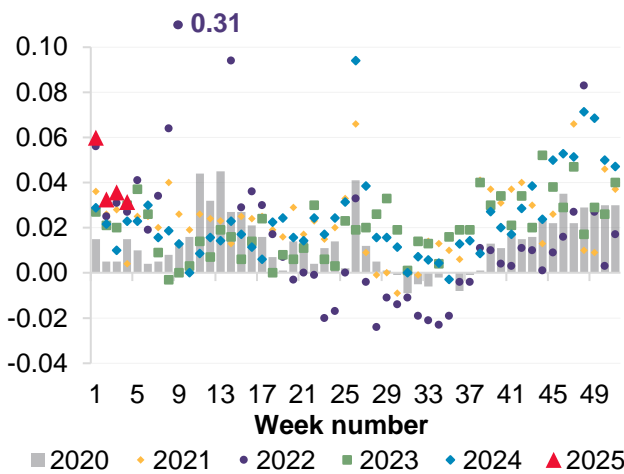
Figure 8. Price growth decomposition, % MoM SAAR



* The diagram uses Rosstat data on CPI and retail sales (in physical terms) for 45 categories of goods and services with a total weight of more than 80% of the consumer basket. The idea of the method is based on the baseline model of aggregate demand and supply: if changes in price (P) and volume of consumption (Q) are oppositely directed, then the cause of these changes is deemed to be a shift of the supply curve, if changes are codirectional, then the cause is assumed to be the shift of the demand curve. Unlike the key method of the source paper, trend removal is not conducted. Sources: Rosstat, R&F Department estimates.

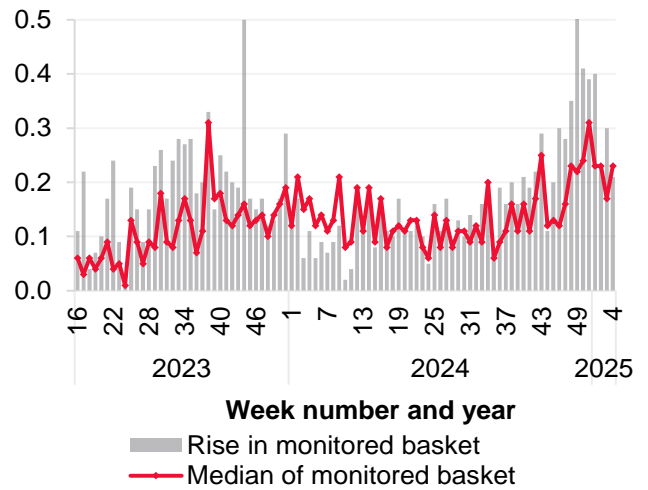
Based on weekly data, consumer price growth remained fast relative to previous years in January (Figure 9). Prices rose 1.14% from 1 to 27 January.

Figure 9. Average daily price growth, %



Sources: Rosstat, R&F Department estimates.

Figure 10. Price growth and median distribution of weekly price increases, %



Sources: Rosstat, R&F Department estimates.

Prices were in large part driven by one-off factors in January: indexation of public transport fares, rises in some of housing and communal services prices, hikes in minimum vodka prices.

A notable contribution to price rises was also provided by domestically produced cars [as one of Russian carmakers raised its prices](#). In January, prices will likely be driven by a new increase in the car disposal fee as of that month and [a buildup of unsold car stocks](#).

At the same time, the median of price growth distribution slid from its December peak, with price hikes in most of enlarged categories slowing relative to late December (Figure 10). It is so far too early to claim that this is a sustainable trend: consumer demand remains strong amid the continuing rapid nominal wage growth.

Overall, price statistics and the analysis of price movements indicate that there are no signs of a sustainable price growth slowdown at the moment.

2. Economic performance

At the end of the year, the Russian economy received a new growth impetus, as evidenced by statistical data, real-time indicators, and business surveys. Given the lending slowdown, this impetus came from budget expenditure. It rose more substantially than usual at this time of year. The payment of bonuses, part of which shifted from Q1 2025 to Q4 2024 seems to have also had an effect on consumer demand.

Going forward, the trend towards a return to slower but more sustainable economic growth posted in Q3 and the start of Q4 will resume.

How should we look upon this? Central banks' monetary policy impacts via interest rates aggregate *demand* in the first place. It also has an effect on aggregate *production* of goods and services, but to a much lesser extent, especially if the economy is in the phase of overheating or a cyclical downturn. It is what makes it possible to narrow or eliminate a gap between demand and production (as part of supply).

The continuation of fast economic growth where resources (production capacities, labour) are exhausted is impossible. If growth stimulation is continued under such circumstances, high and accelerating inflation is inevitable, pushing the economy to a recession. It follows from this that there is, in fact, no choice between the continuation of dynamic economic growth accompanied by inflation, on the one hand, and the economy's slowdown and disinflation, on the other hand.

Inflation comes as a gauge of what GDP level and growth rate are in line with potential. Sustainably low inflation close to 4% will show what the potential GDP level is and how fast it can grow in the new structure of the economy.

2.1. Signs of economic growth acceleration in Q4

- Rosstat statistics along with a variety of real-time and survey-based indicators show uneven economic activity performance in Q4: a slowdown at the start of the quarter gave place to an acceleration as the quarter continued. Indeed, core industries' output expanded 0.5% MoM SA in November after close-to-zero growth in October (Figure 12).

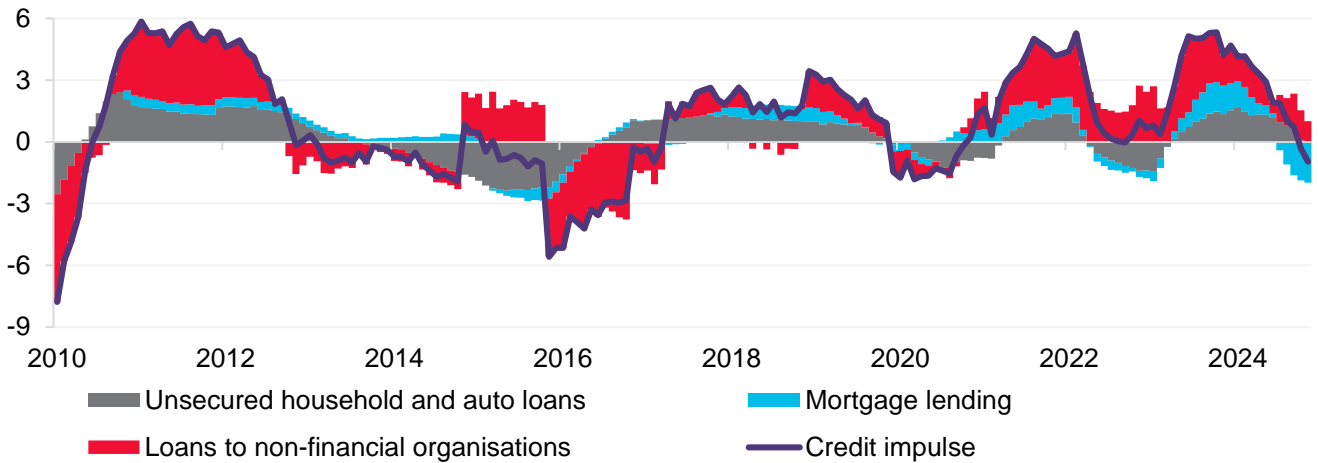
- Activity expansion may have slowed somewhat in December, although survey-based and real-time indicators were mixed. On the one hand, incoming payments dramatically rose in December (Figure 11), notably, in all enlarged industry groups, with consumer demand growth remaining strong. On the other hand, the estimates of the current situation and expectations for the economy worsened, with optimism declining (Figure 13).
- Overall, based on our estimates,³ seasonally adjusted GDP growth accelerated in Q4 relative to Q3 (the current Q3 estimate stands at +0.4% QoQ SA). This may have in part arisen from stepped up budget expenditure. Overall, 2024 GDP growth is set to come in closer to the upper bound of the Bank of Russia October's forecast at 3.5%-4.0%.
- Industrial output performance continues to vary across sectors. Overall output was all but unchanged in November, up 0.1% MoM SA. Mining and quarrying posted 0.3% MoM SA growth (Figure 14), driven by a rise in mining services output. Close-to-zero manufacturing output expansion (up 0.1% MoM SA) after a period of buoyant growth in August–October stemmed from output contraction in the investment and consumer goods groups (Figure 15). It is too early to suggest that a downtrend took root in the former segment: the investment industries index net of the “heftiest” industries (by input to gross value added) corrected down after a surge in October. The performance of the “heftiest” investment goods industries remains volatile. An output decline in the consumer goods industries is more stubborn amid harvest contraction in many agricultural crops.⁴ Given a rise in demand, this created additional inflationary pressure in the food segment in Q4 (Figure 8).

Consumer activity shows a better stability. Despite the cooling of consumer lending, expenditure rose at approximately the same rate in November–December as in the previous months. This is evidenced by Rosstat reports (Figure 16) and real-time statistics (Figure 17). As deposit rates stabilised, the share of respondents preferring to save spare money also showed stabilisation (Figure 21). The labour market tightness continues as unemployment stays at an all-time-low (Figure 18) with the employment rate and labour participation rate hitting all-time highs (Figure 19). Confident growth in real labour income continues. In this environment, production still lags consumption, with wage growth still outpacing a rise in productivity (Figure 20). Consumption growth slowdown to sustainable levels amid the tight monetary stance is expected to be gradual, given the labour shortage.

³ As more comprehensive 2024 data become available to Rosstat, GDP performance within the year may be revised, including moving part of growth to earlier quarters.

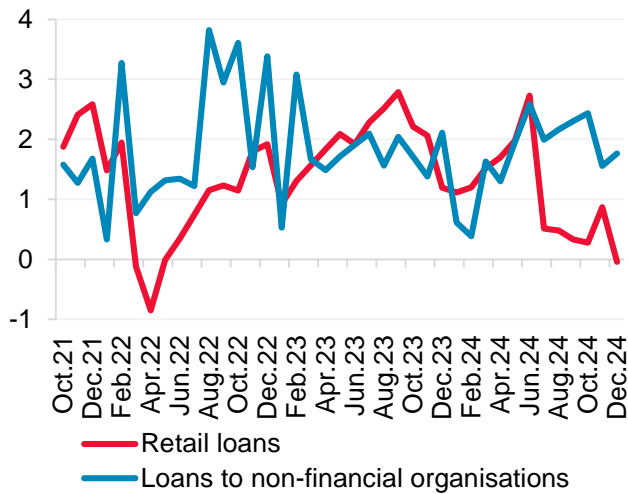
⁴ Agricultural output contraction worsened in November, with output falling 24.5% MoM SA versus 15.2% MoM SA in October, according to an R&F Department estimate. This stemmed from both a harvest fall in 2024 and a possible shift of harvesting to an earlier period.

Figure 22. Credit impulse, % of GDP



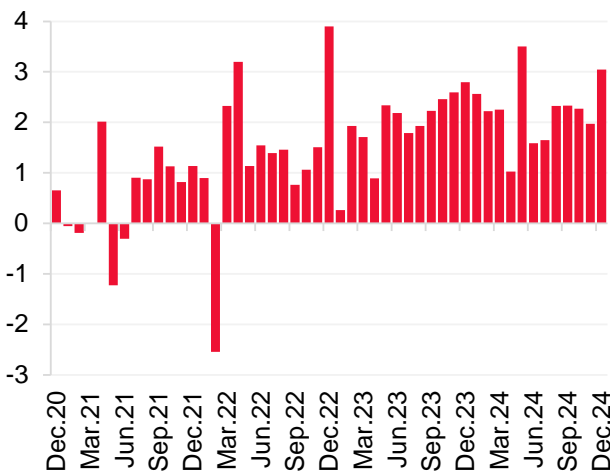
Sources: Bank of Russia, R&F Department estimates.

Figure 23. Ruble loans portfolio growth, % MoM SA



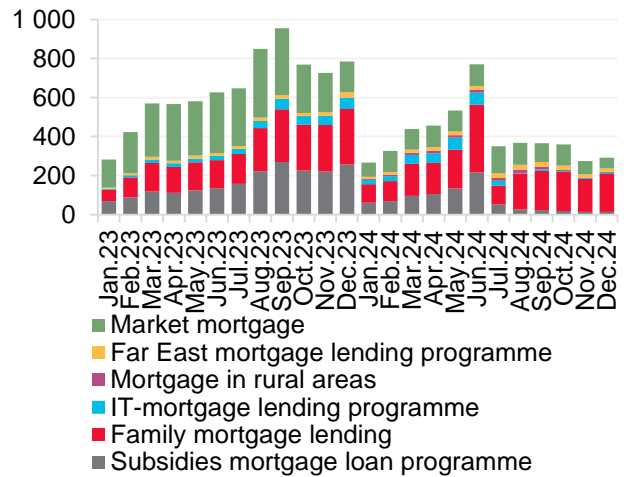
Sources: Bank of Russia, R&F Department estimates.

Figure 25. Household ruble funds at banks, % MoM SA



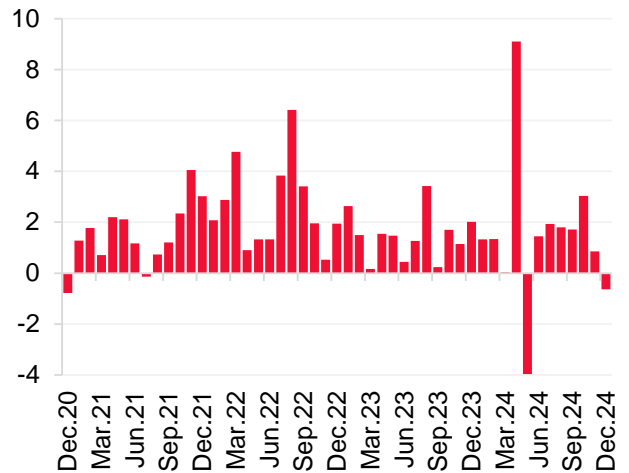
Sources: Bank of Russia, R&F Department estimates.

Figure 24. Loan issuance under subsidies mortgage loan programmes and market mortgage, billion rubles



Sources: DOM.RF, Bank of Russia, R&F Department estimates.

Figure 26. Corporate ruble funds at banks, % MoM SA



Sources: Bank of Russia, R&F Department estimates.

2.2. Credit impulse continues to decline

- Lending performance is providing an increasingly significant input to the cooling of demand in the economy. This occurs as the effect of tightening price-related monetary stance (due to the tightening of both monetary policy and [factors](#) autonomous from it) and macroprudential requirements makes itself felt. The credit impulse⁵ remained in negative territory in December, continuing to slide in the retail and corporate segments alike (Figure 22).
- Thereby credit creates lesser additional demand in the economy than earlier. The lending slowdown is owed to an increasingly pronounced impact of the monetary policy transmission channel compared with the previous quarters. On top of that, the restraining effect of macroprudential measures on lending materialised at the end of the year.
- At the same time, keeping the key interest rate unchanged in December eased price-related monetary conditions. Banks' transfer curve, serving as a basis for loan and deposit pricing, shifted down. This was owed to a decline in the yields of government bonds. On top of that, credit spreads on high-quality corporate bonds declined.
- The retail loan portfolio was all but unchanged in December, inching down 0.04 MoM SA after November's 0.7% MoM SA rise adjusted for the securitisation of consumer loans⁶ (Figure 23). According to preliminary data, cooling was posted in all the segments, except for mortgage lending, which was supported by subsidised programmes,⁷ the "Family Mortgage Lending" in the first place (Figure 24). A rise in the amount of loans provided was helped by [changes in the limits allocation mechanism](#): limits began to be automatically allocated among banks as those extended loans.⁸
- The key factors behind the cooling in the non-mortgage lending segment on the side of demand are loan rate hikes, while on the side of supply it is [banks' more moderate lending policy](#) amid [a decrease in macroprudential limits](#) in Q4 2024 and an increase in risk-weight adds-ons for a number of requirements. Cooling in the retail lending may continue in the months to come.
- Growth in ruble lending to non-financial organisations edged up to 1.8% MoM SA in December from 1.6% MoM SA a month earlier. Expansion in ruble loans to financial organisations also accelerated, to 3.2% MoM NSA from 1.9% MoM NSA. Meanwhile, foreign currency lending plummeted due to the repayment or settlements of old loans. As a result, a total corporate loan portfolio somewhat [contracted](#) in December.

⁵ It is calculated from changes in claims on households and non-financial organisations. The calculation includes both ruble and foreign currency components, with the result adjusted for foreign exchange revaluation. As of the most recent calculation date (01.01.2025), with full data on claims absent, the funds are estimated based on the data as of 01.12.2024 and December's increase in loan claims according to Form 0409101.

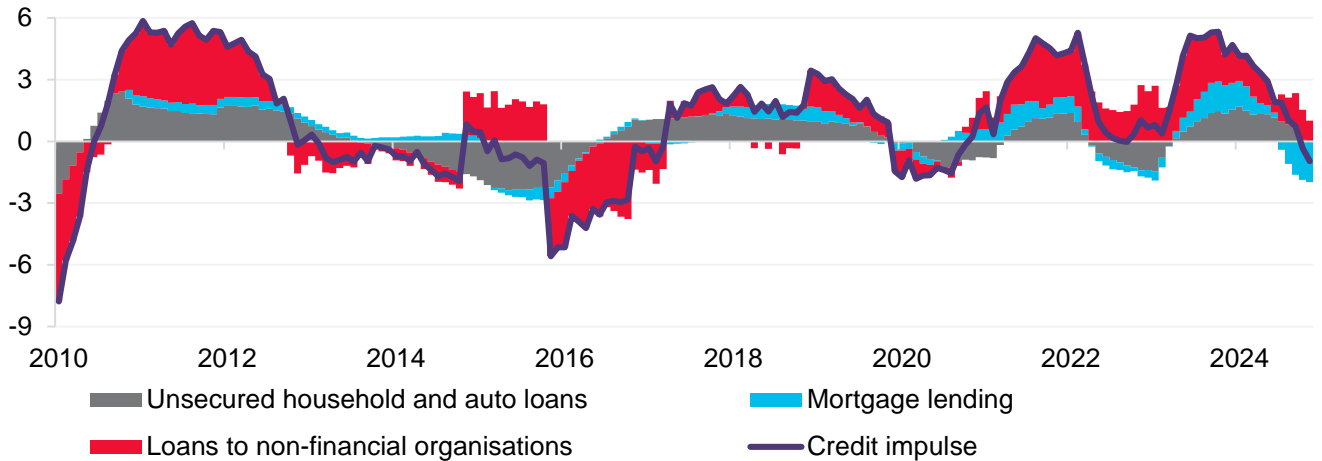
⁶ A total of securitisation in the household ruble loan portfolio stood at 2.1% in November and 0.6% in December.

⁷ Based on DOM RF data, subsidised mortgage loans provided expanded 18.4% MoM NSA in December versus a fall of 13.7% MoM NSA in November.

⁸ On approval of a subsidised mortgage loan, its sum is automatically reallocated from the overall mortgage loan limit. Earlier, a total sum of limits was allocated among banks and then spent on the provision of limits. Thus, a number of banks sometimes paused mortgage loan provision as they temporarily ran out of bank limits.

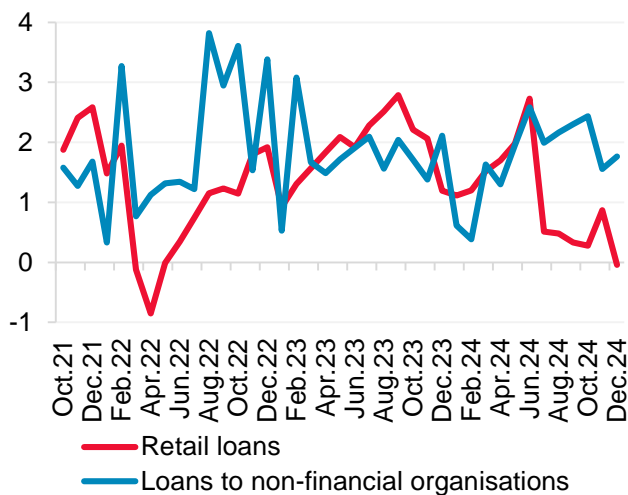
- A rise in household funds at banks accelerated to 3.0% MoM SA from 2.0% MoM SA (Figure 25). In addition to deposit rate hikes in December, the acceleration in household funds growth may have been driven by a shift of annual bonus payment to December ahead of the personal income tax hike as of 2025. This assumption is borne out by a 0.6% MoM SA drop in corporate customers' funds at banks.

Figure 22. Credit impulse, % of GDP



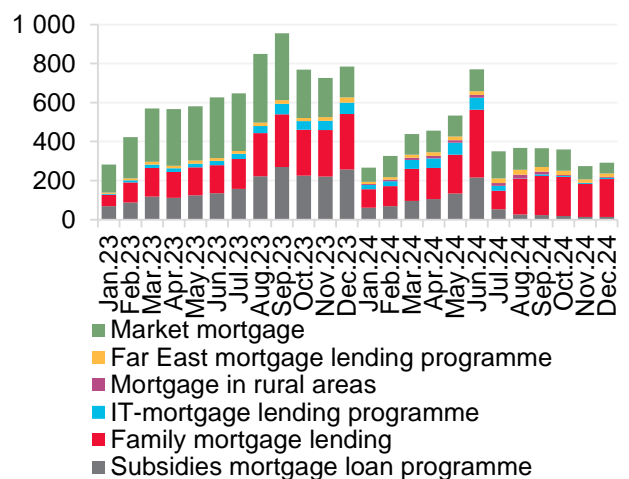
Sources: Bank of Russia, R&F Department estimates.

Figure 23. Ruble loans portfolio growth, % MoM SA



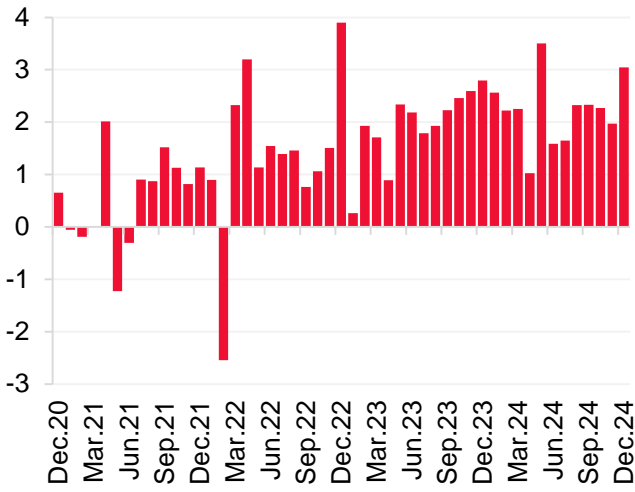
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Figure 24. Loan issuance under subsidies mortgage loan programmes and market mortgage, billion rubles



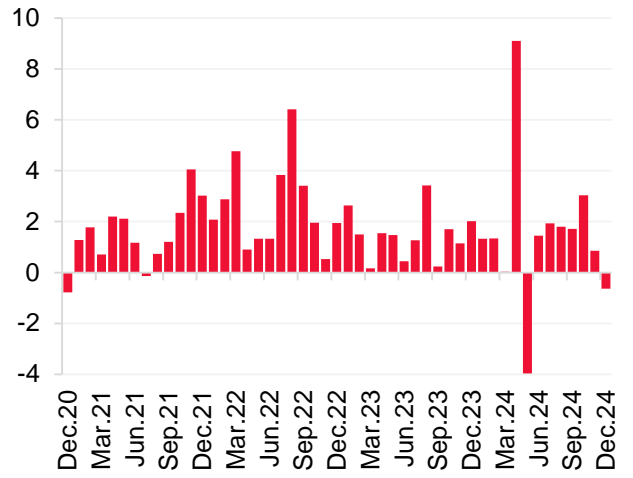
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Figure 25. Household ruble funds at banks, % MoM SA



Sources: Bank of Russia, R&F Department estimates.

Figure 26. Corporate ruble funds at banks, % MoM SA



Sources: Bank of Russia, R&F Department estimates.

In focus. Why perceived inflation is usually higher than official rate

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- Progressively increasing availability of data on prices and methods of data processing offers opportunities for constructing alternative estimates. That said, they are all subject to methodological constraints, and, if interpreted inaccurately, may provoke a rise in inflation expectations and faster price increases.
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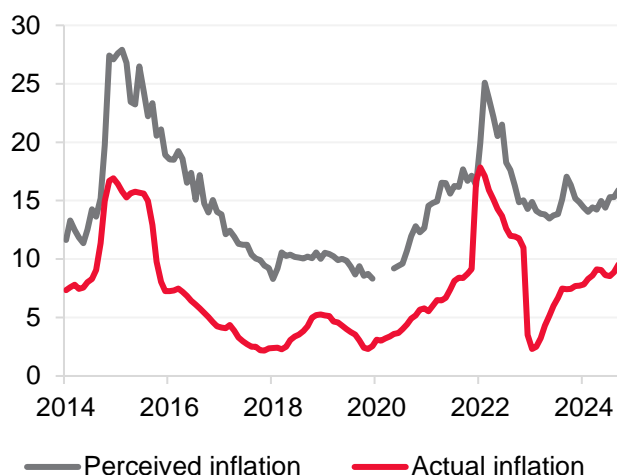
Price growth is a subject of public interest, especially during the periods of relatively high inflation. Every individual has his or her own ideas of price movements. The world and Russian practices show that people's subjective inflation assessment is, as a rule, 1.5-2 times higher than the official estimate from a national statistical authority, moreover, this is, to a greater or lesser degree, typical of all countries (Figure 27, Figure 28). In Russia, for example, inFOM, commissioned by the Bank of Russia, monthly publishes household assessment of current inflation. Annual consumer price growth was estimated by people at 15.9% in December 2024, whereas Rosstat's estimate for the year stood at 9.52%. A study using data from the All-Russian consumer finance survey of households showed that the deviation of inflation expectations and, eventually, inflation from the mean number is influenced by what particular social-demographic group people belong to, their financial position, the level of financial literacy, and expectations for the economic outlook.⁹

This difference arises from a number of factors. Firstly, all individuals or households rely on a consumer basket of their own. No household can exactly replicate a national average household whose spending structure is used for estimating inflation. For example, the residents of cities which, for various reasons, have a less extensive public transport structure spend less money on using it. Households do not, as rule, buy many durable goods making up the consumer basket, such as cars, construction materials for housing renovation, or major household appliances, every year. In the same token, families without small children do not buy perambulators, children's clothes, baby food, etc. However, monitoring prices of the above mentioned

⁹ [Andreev A. et al. Factors of forming inflation expectations and their influence on individuals' behaviour based on data from a survey of household finances. Bank of Russia analytical note, November 2023.](#)

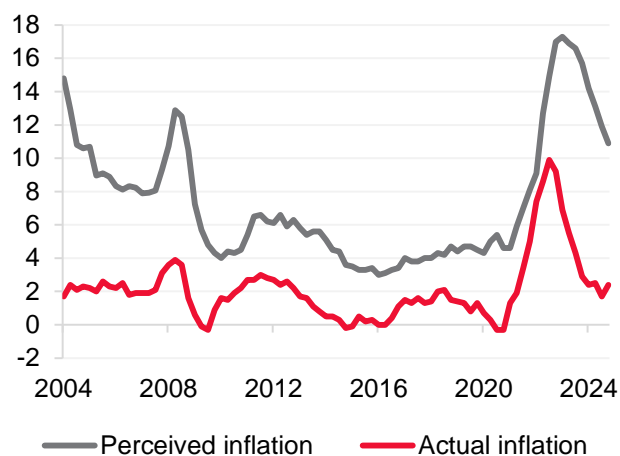
goods and services is essential to accurate representation of changes in prices, because they make up other households' consumer baskets.

Figure 27. Perceived and actual inflation in Russia, % YoY



Sources: Rosstat, inFOM.

Figure 28. Perceived and actual inflation in Euro zone, % YoY

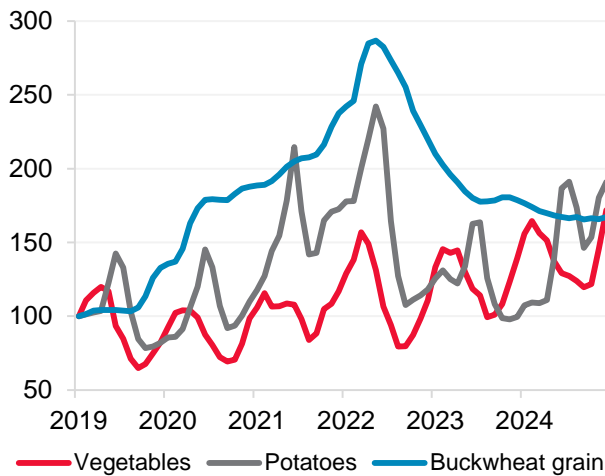


Sources: Eurostat, European Consumer Survey.

Consumers' subjective perceptions have a special effect on the assessment of their personal inflation rate. In forming their perceptions of current inflation, people are known to pay a much greater attention to the prices of certain goods and services in the periods of their growth rather than in the periods of their decline. That is especially clearly the case for goods and services subject to strong seasonality: for example, fruit and vegetable prices decline as newly harvested crops are making their way into the market, with fresh produce stocks built up in storage facilities, and rise as these stocks are being depleted (Figure 29). Similarly, prices of seasonal clothes rapidly rise in the high season and plummet in the periods of low demand (Figure 30). Consumers' perceptions of overall price growth are also strongly affected by the prices of marker goods¹⁰, making people draw conclusions about overall inflation. For example, noting a rapid rise in petrol prices, the consumer may intuitively conclude that prices of other goods and services are rising as rapidly, even if this is really not the case. This makes this particular person conclude that his or her personal inflation rate is high.

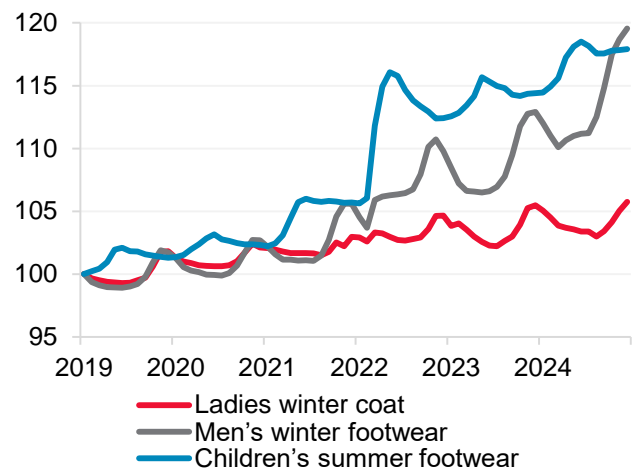
¹⁰ [Grischenko V., Ivanova N. How Marker Goods are Identified. Econs.ru, 09.11.2023](#) ; [Grishchenko V. et al. Visible Prices and Their Influence on Inflation Expectations of Russian Households. Bank of Russia Working Papers \(October 30, 2023\).](#)

Figure 29. Price index for some food goods, January 2019 = 100, NSA



Sources: Rosstat, R&F Department estimates.

Figure 30. Price index for some garments and footwear, January 2019 = 100, NSA



Sources: Rosstat, R&F Department estimates.

Public interest in the subject of consumer prices in general and difference between personal inflation rates and official price statistics give rise to demand for alternative inflation assessment, including in mass and social media. The multitude of such estimates can be notionally split into several categories:

1. Estimates from owners of big data obtained through their operations¹¹

Such estimates are mostly constructed by banks with a large number of household customers. Possessing information about customers' spending, they can break it down by category based on data on retail outlets, time and sum of transactions. The merits of such estimates are their promptness and broad coverage: all spending via bank cards are taken account of. In this manner, spending in individual cities can be monitored even on a one-day basis.

The key drawback of these estimates is that they in fact monitor data on spending rather than on prices. Quality characteristics of goods purchased may be far different. On top of that, capacity for the classification of goods by category is extremely limited: a bank only has access to information about the key economic activity type of a retail outlet (according to the economic activity classification code, OKVED). For example, a purchase of goods on a marketplace would be defined as spending on a marketplace, regardless of what specifically (food or non-food goods) a consumer bought.

The above estimates, therefore, are only useful as an indicator of consumption changes but are not too informative for estimating price movements.

¹¹ For example, SberIndex.

2. Estimates from research organisations providing commercial services¹²

These organisations do not obtain data through their core operations. Rather, they form a respondent database, as a rule, by paying households on a monthly basis for their weekly reports on all their spending including relevant receipts. The organisation thus receives the details of their respondents' spending: the place and time of purchase, the product or service name, their prices and quantity. This offers a wide scope for commercial marketing surveys. For example, producers can obtain a report on purchases of similar products in a certain area in order to take a decision on expanding their market.

However, publicly available aggregated data on household spending changes or prices of certain goods and services are not, as a rule, accompanied by sufficiently detailed methodology of obtaining them or price index estimates.

These estimates can, therefore, be instrumental to marketing research but of little use for assessing consumer price movements on a national level.

3. Estimates of a narrow consumer basket¹³

Price indices for dishes with a well-established set of ingredients have gained some popularity. Interest in such estimates is mainly seasonal in nature: in the New Year holiday period, changes in the prices of ingredients of traditional New Year dishes (most often the Salade Olivier) are compared. In the summer, this is an ingredients set for countryside outings (shashlyk, okroshka). These estimates use both official data and data which researchers collect on their own in shops or retail chains' online catalogues.

These narrow price indices for groups of goods show price trends in narrow markets, give a slanted idea of consumer price movements, and cannot be viewed as an alternative to the official consumer price index.

4. Estimates by individual researches¹⁴

Many of such estimates widely vary as regards publication frequency and report contents. Some researchers check official data comparing them with price movements in retail outlets where they usually purchase goods and services included in the official basket. Others make up a consumer basket of their own, including, among other things, goods and services absent from the official consumer basket. Still others, primarily social media users, publicly calculate their personal inflation rate for a certain period, for example, by comparing their recent receipt from a shop with last year's.

Similarly to estimates based on a narrow consumer basket, such estimates can be of some use. But a lot of constraints (methodology simplification, irregularity of calculation, the narrow geographical scope, and so on), do not allow them to be regarded as a more or less quality alternative to official data.

¹² For example, the check index of basic foodstuffs from the Fiscal Data Operator Platform, Romir, the Hamburger with Mashed Potatoes Project from SocioLife.

¹³ For example, the Salade Olivier and Shashlyk Index from the Centre for Strategic Research, the Okroshka index, the [Borsch Index](#).

¹⁴ The Mishka Index from A. Abramov, the Sravni.ru Index from O. Shibanov in the Telegram messenger.

Inflation estimation by Rosstat

The official authority in charge of estimating inflation in Russia is Rosstat. The agency releases monthly data on average consumer prices and their movements for over 500 goods and services making up the average consumer basket. The consumer basket composition and description of every individual component thereof is annually published by the agency. The weight of every individual item of goods and services is in line with its share in the structure of households' consumer spending.¹⁵ Data on the structure of household spending are quarterly put together by Rosstat in the course of sampling-based survey of household budgets as part of which several tens of thousands of households report to the agency which goods and services they have recently purchased. Expenditures on the payment of taxes, purchase and capital repairs of real property, as well as the purchase of art objects, antiquities and jewelry acquired as investments are excluded from the expenditure composition.

Therefore, the composition of the consumer basket monitored by Rosstat changes almost every year – this a natural process which depends on the change in an average consumer's consumer basket.

Rosstat's methodology¹⁶ is based on the Manual for the Consumer Price Index: Concepts and Methods drawn up by the Intersecretarial Working Group on Price Statistics made up of a host of international organisations.¹⁷ The Manual and, accordingly, Rosstat methodology, detail sampling rules, the index calculation formulae, rules for reducing prices to the uniform dimensions and their adjustment when the quality of goods significantly changes, rules for monitoring prices in monopolistic markets (e.g., the housing and communal services), and other statistical subtleties.

Full reproduction of CPI calculation under the generally accepted methodology used by Rosstat is impossible. Rosstat monitors prices in all Russian regions and retail outlets of different types. The scope and complexity of the alternative estimates described above are far inferior to those from Rosstat. Their use can make sense if their methodological and substantive constraints are accounted for. It is, however, important not to view these estimates as full-fledged analogues of official data and to avoid consequential conclusions about CPI dynamics in Russia. Inaccurate interpretation of alternative indices carries risks of economic agents forming higher inflation expectations, which may prompt more price growth.

R&F Department estimates on data from a major online aggregator showed that price movements in some food and non-food goods in 2022–2023 were in general similar to those which Rosstat showed, while substantial deviations, when recorded, were found to be in both directions.¹⁸

¹⁵ [Section "Structure of Consumer Expenditure".](#)

¹⁶ The official statistical methodology of monitoring consumer prices of goods and services and calculating consumer price indices ([Rosstat directive of 15.12.2021 №915](#)).

¹⁷ [Consumer price index manual: Concepts and Methods \(2020\)](#). International Labour Organization/International Monetary Fund/Organisation for Economic Co-operation and Development/ Statistical Office of the European Union (Eurostat)/United Nations Economic Commission for Europe/The World Bank.

¹⁸ [Starodubtseva M., Sapova A., Vlasov S., Chernyadyev D. \(2024\). Trends of Russia's Consumer Goods Market. Bank of Russia analytical note.](#)

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