



### Monthly Inflation Review • August 2019

The inflation growth in August of the current year has reached 0.9%<sup>1</sup>, remaining unchanged compared to the previous month.

The analysis shows that in the headline inflation, food products made the largest share compared to non-food products and services mainly due to the increase in prices for such consumer goods as beef and mutton, potatoes, apples, etc., caused by external factors, supply and seasonal factors.

For the reporting month, inflation was driven due to rise in prices of food products 1.0% (share in the inflation 0.5 p.p.), non-food products 0.5% (0.2 p.p) and services 1.5 % (0.2 p.p.).

In the structure of food products of the mentioned month mainly prices for meat products increased on 4.1% (beef 5.1% and mutton by 4.2%), potatoes by 22.9%, apple by 10.6%, eggs by 12.1%, etc.

At the same time, for the reporting month the structure of non-food products has shown a rise in prices for non-food products such as detergents, medicines, clothes and shoes, which in general has made 0.2% of non-food products growth.

Also, in the reporting month, prices and tariffs for services tended to increase by 1.5%, which was caused mainly by the seasonal increase in the cost of air tickets by 38.0% (for the international flight Dushanbe – Moscow).

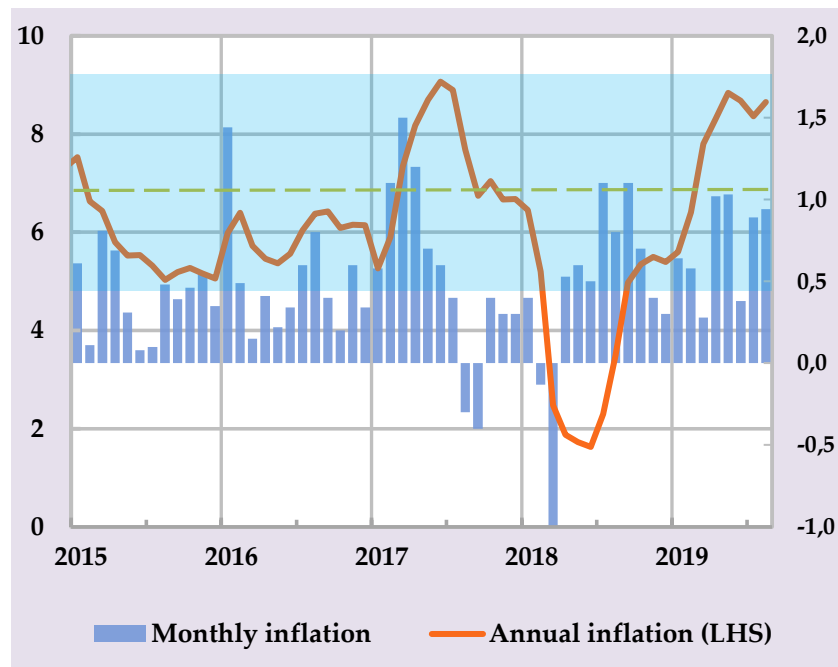
As the result, the annual inflation (for past 12 months) in August, 2019 had a growth pace reaching 8.6%, which is less 0.2 p.p. compared the previous month.

At the same time, in the reporting month, as compared with the previous month, the trend of the average quarterly change in the inflation rate (excluding seasonal factors) increased due to higher prices of non-food products.

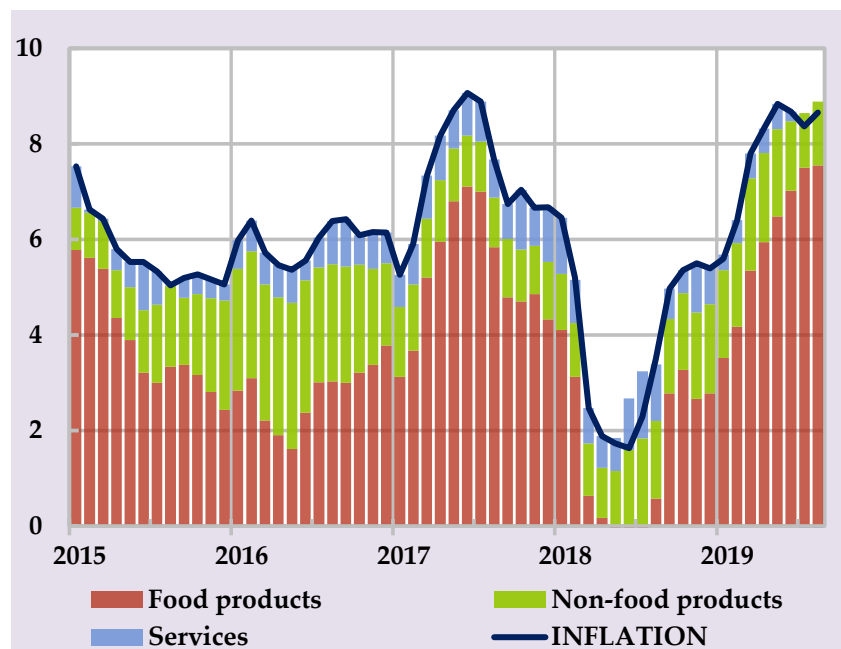
The level of core inflation\*\* in August of the current year amounted to 0.3%<sup>2</sup> and on the annualized basis reached 2.5%<sup>3</sup>, which indicates the limited impact of monetary factors on inflation.

According to the data\*\*\*, starting in September, it is planned to increase the prices of administratively regulated services, such as, housing and communal services (tariffs for electricity, hot water), which, to a

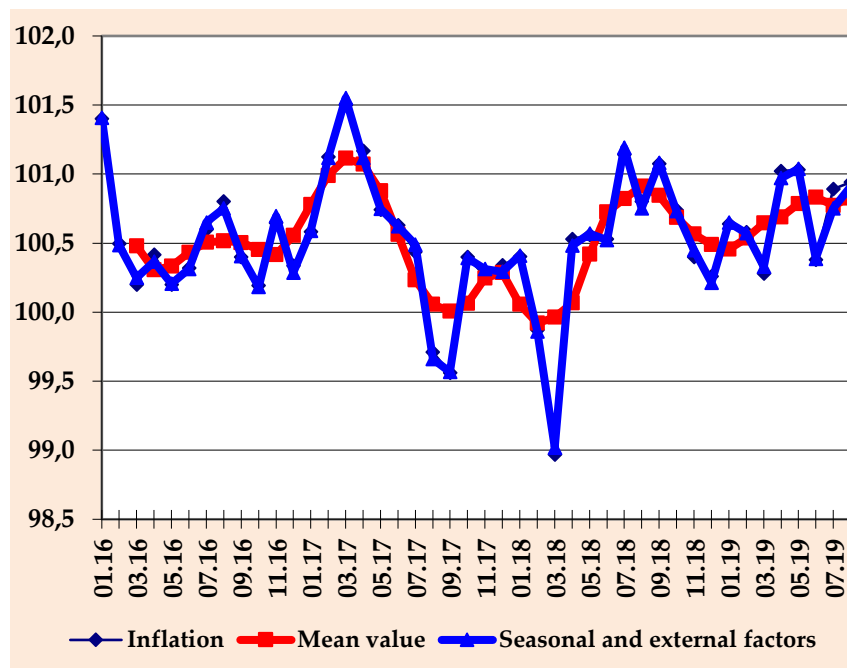
Monthly and annual Inflation, in %  
(Source: Agency on Statistic, NBT estimations)



Contribution of Components to Inflation, in %, annual  
(source: Statistical Agency, NBT calculations)



Influence of seasonal and external factors on inflation, in %  
(Source: Agency on Statistic, NBT estimations)



certain extent, will affect the inflation rate in September of this year.

**According to the analysis, headline inflation taking into account inflation expectations, a decrease in influence of external factors and seasonal shocks, will develop within targeted indicator 7% (+2 p.p.)\*.**

**In order to prevent additional pressure on the inflation rate and achieve the target by the end of the year, the National Bank of Tajikistan will continue to implement a accommodative monetary policy.**

**Core inflation, in %, annual**  
(Source: Agency on Statistic, NBT estimations)



<sup>1</sup> - Agency of Statistics

<sup>2</sup> - m/m –month on month (monthly change)

<sup>3</sup> - y/y – year on year (annual change)

p.p- percentage point

\*Monetary Policy Committee a NBT which has taken place on August 2, 2017, for the purpose of transition from monetary targeting to inflation targeting regime established and published a inflation target indicator for medium-term period.

\*\* Core inflation, which reflects the long-term tendency of the prices without influence of short-term fluctuations the calculated by the NBT with a view of estimation and analysis of constant process of change of a price level on the basis of State Statistical Agency under the President of the Republic of Tajikistan data. As one of components of common inflations (Consumer Price Index), core inflation reflects a steady and long-term trend of change of prices, caused by influence of factors of internal demand and monetary character. The basic method of calculation of core inflation - exclusion method which means exclusion of separate categories of production and services which have shown greatest volatility, not connected with considerable price changes. The item of products, prices (components) which are subject to short-term and transitive fluctuations which are independent on influence of non-monetary factors, including supply factors (world prices, environment), seasonal and administrative factors is excluded from consumer price index basket. That is, raw food products, combustible materials and administratively adjustable services are not included at calculation of core inflation.

\*\*\* Government regulation from 22 June 2019 year, №329 «About tariffs for electricity and hot water»

Consumer price index*															
	Weight, %	annual change													August, monthly change, %
		2015	2016	2017	2018					2019					
					January	March	June	September	December	January	March	June	July	August	
<b>Inflation</b>	<b>100,0</b>	<b>5,1</b>	<b>6,1</b>	<b>6,7</b>	<b>6,5</b>	<b>2,5</b>	<b>1,6</b>	<b>5,0</b>	<b>5,4</b>	<b>5,6</b>	<b>7,8</b>	<b>8,7</b>	<b>8,4</b>	<b>8,6</b>	<b>0,9</b>
<b>Food and non-alcoholic beverages</b>	<b>53,1</b>	<b>3,8</b>	<b>6,4</b>	<b>7,7</b>	<b>7,3</b>	<b>0,9</b>	<b>-2,1</b>	<b>4,8</b>	<b>4,9</b>	<b>6,3</b>	<b>10,2</b>	<b>13,5</b>	<b>14,7</b>	<b>14,6</b>	<b>1,1</b>
Bread and bread products	17,5	9,1	-2,5	-0,8	-0,9	-3,4	-4,2	4,5	8,9	13,2	19,7	18,8	16,8	15,7	0,5
Rise	2,9	11,6	-9,2	-6,9	-7,0	1,9	8,1	15,8	19,5	20,7	22,1	24,8	22,6	18,1	-0,1
Flour	10,7	7,8	-3,0	0,3	0,2	-6,0	-8,2	3,9	9,9	16,0	25,3	22,1	19,6	19,0	0,6
Meat and meat products	8,3	-10,2	3,7	13,8	14,0	13,5	4,9	6,7	8,6	9,4	10,4	18,0	19,5	22,3	4,1
Beef	5,4	-14,3	3,2	14,7	15,0	14,0	3,0	6,1	8,9	9,7	11,4	21,8	23,7	26,5	5,1
Eggs	1,5	5,5	12,0	1,0	0,1	-0,6	0,1	7,7	3,9	1,8	6,6	6,0	5,0	14,6	12,1
Milk and dairy products	1,7	7,3	0,4	4,4	3,7	2,3	3,7	3,4	4,1	2,6	3,1	4,8	4,2	2,8	0,1
Milk	0,5	16,1	-7,2	6,3	6,3	-2,2	0,7	-1,4	1,3	-2,1	0,0	2,7	1,8	0,2	0,2
Plant and Animal Oil	5,7	12,7	11,3	1,3	0,0	-2,5	-0,8	4,7	9,2	9,1	10,4	5,2	2,1	1,4	0,4
Fruit	4,3	12,3	16,7	-1,8	-0,3	6,4	24,2	18,2	4,0	2,3	-4,0	-15,5	-15,2	-12,6	-1,0
Vegetables	6,6	-12,4	16,5	40,2	37,1	-6,4	-23,8	-1,4	-10,7	-9,7	3,7	33,1	53,2	44,8	0,0
Sugar	2,4	19,3	15,0	-6,7	-7,3	-10,1	-11,2	-11,3	2,7	4,4	5,7	-0,6	0,3	0,0	-1,0
Soft drinks	1,3	13,7	19,9	1,6	2,7	0,6	3,3	3,6	2,8	2,5	5,1	6,2	5,7	5,7	0,0
<b>Catering**</b>	<b>0,9</b>	<b>14,9</b>	<b>19,9</b>	<b>2,7</b>	<b>2,7</b>	<b>3,9</b>	<b>3,9</b>	<b>6,9</b>	<b>8,0</b>	<b>8,0</b>	<b>6,7</b>	<b>8,1</b>	<b>8,1</b>	<b>8,0</b>	<b>-0,1</b>
<b>Alcoholic beverages and tobacco</b>	<b>1,4</b>	<b>15,9</b>	<b>11,8</b>	<b>6,2</b>	<b>6,2</b>	<b>8,0</b>	<b>4,7</b>	<b>6,4</b>	<b>5,4</b>	<b>6,5</b>	<b>3,8</b>	<b>3,5</b>	<b>2,1</b>	<b>0,2</b>	<b>-0,1</b>
<b>Non-food products</b>	<b>29,2</b>	<b>7,9</b>	<b>5,7</b>	<b>4,4</b>	<b>4,3</b>	<b>4,0</b>	<b>5,8</b>	<b>5,7</b>	<b>6,4</b>	<b>6,3</b>	<b>6,3</b>	<b>4,7</b>	<b>3,7</b>	<b>4,3</b>	<b>0,5</b>
Clothes and shoes	9,7	9,2	14,5	9,2	2,5	3,0	4,9	4,6	5,6	14,4	14,7	13,5	13,1	13,8	0,9
Repair and construction materials	3,7	2,2	-0,9	2,4	2,5	4,9	6,1	7,0	7,3	7,8	6,0	5,2	4,6	5,5	1,1
Detergents	1,8	15,5	1,2	4,0	3,1	4,0	0,7	3,2	6,2	6,2	7,0	9,0	7,0	7,2	0,1
Medicine	2,9	24,7	14,1	1,0	0,7	2,2	1,9	9,2	10,4	10,7	6,4	18,1	14,8	15,7	0,7
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	14,1	26,4	14,1	12,2	7,2	5,4	-10,6	-14,1	-12,5	-0,8
Other Heating Products	1,3	19,0	3,0	0,9	0,4	-8,1	-8,9	-8,9	-8,4	-8,4	-5,0	-12,7	-13,0	-16,3	-3,8
Vehicle	0,9	-2,0	0,0	0,0	0,0	0,1	4,4	4,4	5,2	5,2	8,1	0,4	0,9	1,3	0,4
Other personal effects	1,5	7,6	7,1	8,6	7,3	9,1	11,9	8,4	8,3	8,7	8,5	4,9	2,8	4,3	1,4
<b>Services</b>	<b>15,2</b>	<b>2,2</b>	<b>4,5</b>	<b>7,7</b>	<b>7,9</b>	<b>5,0</b>	<b>7,3</b>	<b>4,3</b>	<b>4,9</b>	<b>2,1</b>	<b>3,4</b>	<b>1,3</b>	<b>-1,9</b>	<b>-1,5</b>	<b>1,5</b>
Housing and communal	5,2	3,2	9,8	17,5	17,1	11,7	20,5	11,3	10,8	9,8	12,3	3,2	1,9	3,4	-0,3
Rental of property	0,2	14,3	0,0	0,0	0,0	1,4	4,6	5,0	5,0	5,0	6,5	3,3	3,3	2,8	-0,1
Water and garbage collection fee	0,7	20,1	5,1	9,1	11,6	8,4	9,5	9,5	9,4	8,4	8,7	8,2	8,2	8,2	0,0
Electricity	2,6	0,0	28,6	14,7	15,0	15,0	14,9	14,7	14,9	14,6	14,6	14,4	14,4	14,4	0,0
Hot water	0,0	14,6	0,0	0,0	0,0	0,0	0,0	0,0	1,5	1,5	1,5	1,5	1,5	1,5	0,0
Gas	1,1	-6,3	-6,6	40,1	35,7	8,5	52,3	8,7	6,2	2,8	14,1	-23,3	-28,2	-24,8	-3,2
Transport	4,4	-2,3	-1,4	2,8	5,0	0,7	-0,6	-0,7	2,9	-4,8	-2,4	-0,2	-11,2	-11,1	5,5
communication	1,6	0,8	0,0	1,3	0,0	0,0	0,0	0,0	0,1	0,1	0,0	0,1	0,1	0,2	0,1
Education	1,6	2,6	11,3	5,3	2,0	1,5	1,5	0,2	0,3	0,7	0,7	0,7	0,6	1,2	0,6
Health	0,8	14,0	1,9	1,7	1,3	1,3	1,3	1,3	1,3	0,0	0,0	0,0	13,8	15,2	1,2
Household	1,9	12,3	5,2	1,1	0,9	1,5	2,9	1,8	3,3	3,3	3,2	3,2	4,1	4,8	1,0

\* - The dining room, café and restaurant

\*\*The given name of goods. Products and services in general form or consumer goods. Detailed information about name of goods (on consumer basket from 546 types) which is available on the website of the Statistics Agency under the President of the RT.

\*\* - The dining room, café and restaurant