



Monthly Inflation Review • December 2019

The inflation rate¹ in December, 2019 has demonstrated upward trend, owing the influence of external, supply and seasonal factors, and has made 0,8% which is more on 0,5% in compare with the same period of the last year (December, 2018).

The prevailing inflation for reporting month was caused by rise in prices for food products by 0,8% (share in the inflation 0,4 p.p.) non-food products – 0,6% (0,2 p.p.) and cost of paid services to population by 0,9% (0,2 p.p.).

In the reporting month, a rise in prices for consumer goods, milk products, lamb, vegetables (like onion, potato, tomatoes and cucumbers) have caused raise in prices that the given process has occurred due to influence of seasonal supply factors. At the same time, it was observed the decrease of the price of some food products, in particular for rice, milk, cotton-seed oil, fruits and etc.

In the structure of non-food products, a rise in prices was mainly observed for liquid gas 11,4%, AU 92 fuel at the rate of 0,6% and medicines by 0,1%.

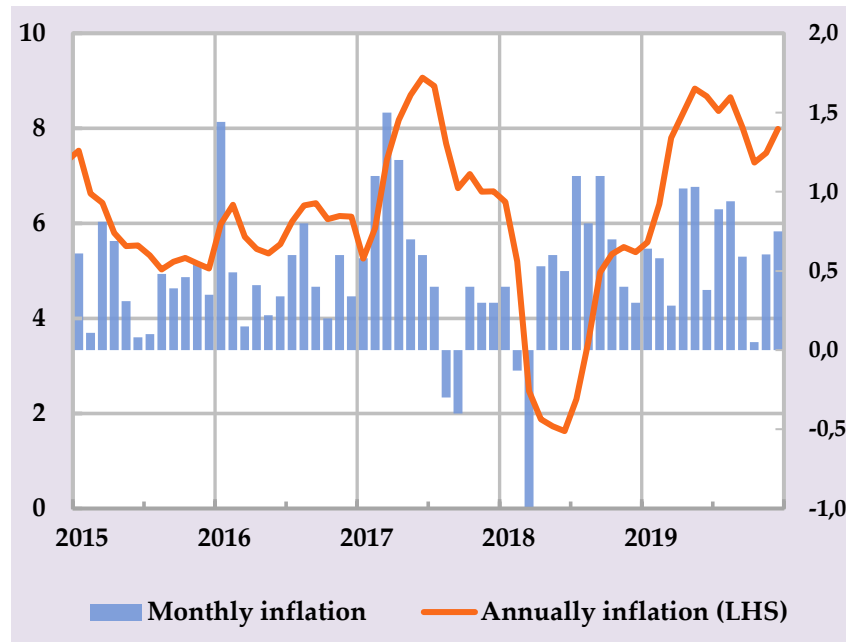
The prices and tariffs for paid services to population, in the reporting month had a stable increase tendency at the rate of 0,9%, that the given trend has mainly occurred due to rise of prices for liquid gas by 11,4% and transport by 0,8%.

In this connection, inflation rate in 2019 has made 8,0% which is more on 2,6 p.p. against the previous year. It should be noted that due to “Monetary Policy Projection of the Republic of Tajikistan for 2019 and medium period” the inflation rate will be maintained within projected core indicator of the National Bank of Tajikistan up to 7,0% (+/2 p.p.).

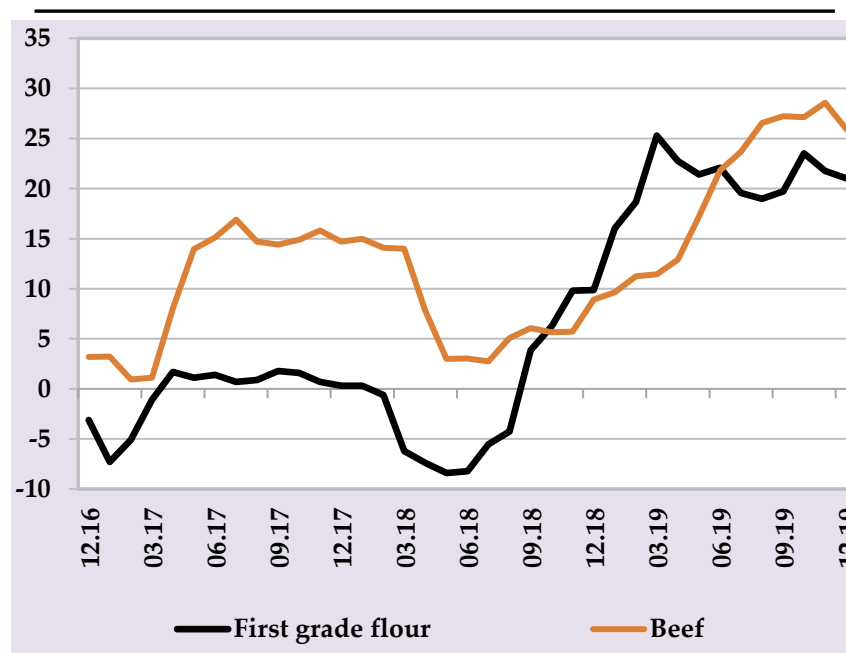
At the same time, increase of consumer incomes and expenditures of population, taking into account insufficient provision of food products in the domestic markets in connection with influence of seasonal factors (bad weather) has caused the prices growth.

During 2019 the prices for food products on the whole have risen on 10,9% (share in the inflation 5,8%) and basically it was observed a rise in prices for wheat flour of the first grade, beef, lamb, rice, milk, eggs, onions, potatoes, apples, pears and golden gram.

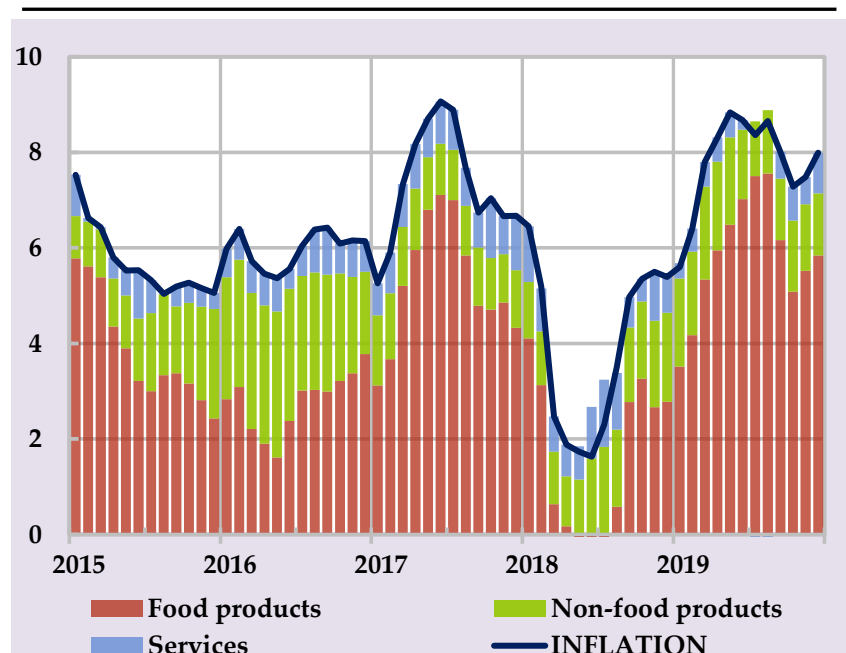
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)



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)



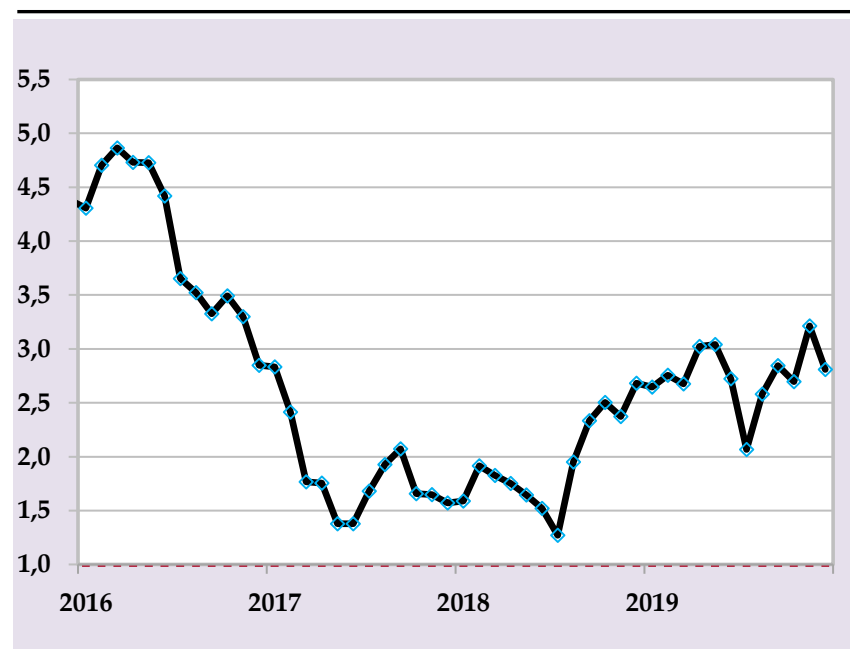
From the beginning of 2019 the prices for nonfood products on the whole have grown by 4,2% (share in the inflation 1,3%), that has been caused by rise in prices for medicines 13,0%, constructing materials 4,9%, footwear 4,6%, washing-up liquids 3,3% and spare parts of vehicle 2,8%.

In 2019 cost of paid services to population as a whole has raised on 5,5% (share in the inflation 0,9%). caused in particular a rise in prices for housing-and-municipal services 9,1%, medical services of 10,7%, educational 1,5%, insurance services 2,2%, personal and transport services 3,8%.

The core inflation** in December of the current year has made 0,1%² and in the annualized basis has reached 2,7%³ that testifies to limited influence of monetary factors on the price level.

The National Bank of Tajikistan will continue the implementation of consecutive monetary policy by using monetary tools, primarily the key rate, i.e., refinancing rate directed on regulation of money supply and prevention of pressure on the prices level as well as achievement of the indicative target of inflation.

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



¹- Agency on Statistic

²- m/m –month on month (monthly change)

³- y/y – year on year (annual change)

* At the next session of NBT Monetary Policy Committee which has taken place on August 2, 2017, for the purpose of transition from monetary targeting mode to inflationary targeting mode NBT has 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.

Consumer price index*																	
	Weight, %	annual change															December, monthly change, %
		2015	2016	2017	2018					2019							
					January	March	June	September	December	January	March	June	September	October	November	December	
Inflation	100,0	5,1	6,1	6,7	6,5	2,5	1,6	5,0	5,4	5,7	7,8	8,7	8,1	7,3	7,5	8,0	0,8
Food and non-alcoholic beverages	53,1	3,8	6,4	7,7	7,3	0,9	-2,1	4,8	4,9	6,3	10,2	13,5	11,9	9,8	10,6	11,4	0,8
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	16,1	18,8	17,4	16,5	-0,8
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	15,3	14,4	9,9	7,6	-2,0
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	19,7	23,5	21,8	21,0	-1,0
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	22,9	23,5	24,4	21,8	-0,7
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	27,2	27,1	28,6	25,9	-1,2
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	3,1	-3,3	3,1	6,3	4,4
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	4,3	5,0	4,6	6,4	3,0
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	6,7	1,4	-3,0	7,3	10,6
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	0,6	-0,6	-0,7	-1,7	-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	-5,4	1,9	3,4	-2,2	-1,8
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	15,0	-6,1	1,1	15,4	8,3
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	3,4	3,3	-0,9	-5,1	-2,6
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	6,7	6,6	8,1	8,1	0,0
Catering**	0,9	14,9	19,9	2,7	2,7	3,9	3,9	6,9	8,0	8,0	6,7	8,1	7,3	7,8	7,8	3,0	0,1
Alcoholic beverages and tobacco	1,4	15,9	11,8	6,2	6,2	8,0	4,7	6,4	5,4	6,5	3,8	3,5	0,9	1,3	2,6	1,0	-0,5
Non-food products	29,2	7,9	5,7	4,4	4,3	4,0	5,8	5,7	6,4	6,3	6,3	4,7	4,1	4,8	4,5	4,2	0,6
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	14,4	14,5	14,4	13,4	0,0
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	4,9	5,4	5,6	4,9	-0,1
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	6,3	4,4	3,6	3,3	0,2
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	10,8	16,2	14,9	13,0	0,1
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	-9,1	-8,8	-9,1	-5,7	3,6
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	-18,0	-15,7	-14,1	-9,9	9,8
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	1,5	1,4	1,4	0,8	0,0
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	4,1	4,3	3,1	3,8	0,8
Services	15,2	2,2	4,5	7,7	7,9	5,0	7,3	4,3	4,9	2,1	3,4	1,3	3,7	4,6	3,7	5,5	0,9
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	15,7	14,8	6,9	9,1	1,8
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	2,9	2,9	2,9	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	3,7	3,7	4,3	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	32,9	32,7	16,2	16,2	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	0,6	0,6	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	-15,8	-15,2	-15,9	-5,9	10,7
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	-8,8	-5,0	0,3	3,7	0,8
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	0,2	0,1	0,1	0,1	0,0
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	2,0	1,5	1,5	1,5	0,0
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	15,4	15,6	15,6	15,6	0,0
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	5,3	4,4	4,3	3,8	0,0

*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