Monthly Inflation Review • November 2019

The inflation rate[1] in November of the current year had an upward trend and reached 0,6% which is 0,2% more that in the same month of the previous year (November, 2018).

In this connection the annual inflation rate (in the last 12 months) for the reporting month had upward tendency and in comparison with previous month has increased by 0,2 p.p. that in aggregate made 7,5%.

In the reporting month, inflation has mainly occurred owing to a rise in prices for food products 0,8% (share in the inflation 0,4 p.p.), non-food products 0,4% (0,2 p.p.) and cost of paid services provided to population 0,2%.

In this month a rise in prices for consumer products, breadstuffs (including the first grade flour), meat products (meat and lamb), fruits, vegetables and eggs have caused raise in prices that the given process has occurred due to influence of seasonal supply factors, especially growth of demand. At the same time, it was observed a reduction of prices for rice, milk, cotton-seed oil, granulated sugar and etc.

It should be noted that during eleven months of 2019 it was observed the rise in prices for breadstuffs by 17,5% in the country. In the structure of breadstuffs mainly increase in prices for first grade flour by 22,2% has been observed and in compare with the same period of the previous year (January – November, 2018) it was more on 11,3%.

The analysis shows that the given process occurred due to the influence of demand factors, i.e., because of production cutback and its supply by grain producing countries (unfavorable weather conditions) as well as an increase of import prices.

In this connection, for the period of January – November, 2019 959,5 thousand tons of wheat in the amount of USD 193,5 million has been imported to the country. The average price of 1 ton of imported wheat to the country has made USD 201,7 that against the same period of the last year is more on 19,4% (USD 32,7).

Additionally, during this period 66,1 thousand tons of wheat flour for the amount of USD 16,1 million was imported to the country. The average price for the 1 ton of flour imported into country has made USD 243,6 that in compare with the same period of the previous month was more on 11,8% (USD 25,7).

In the structure of non-food products in the given month mainly a rise in prices for medicines 0,6%, clothes and
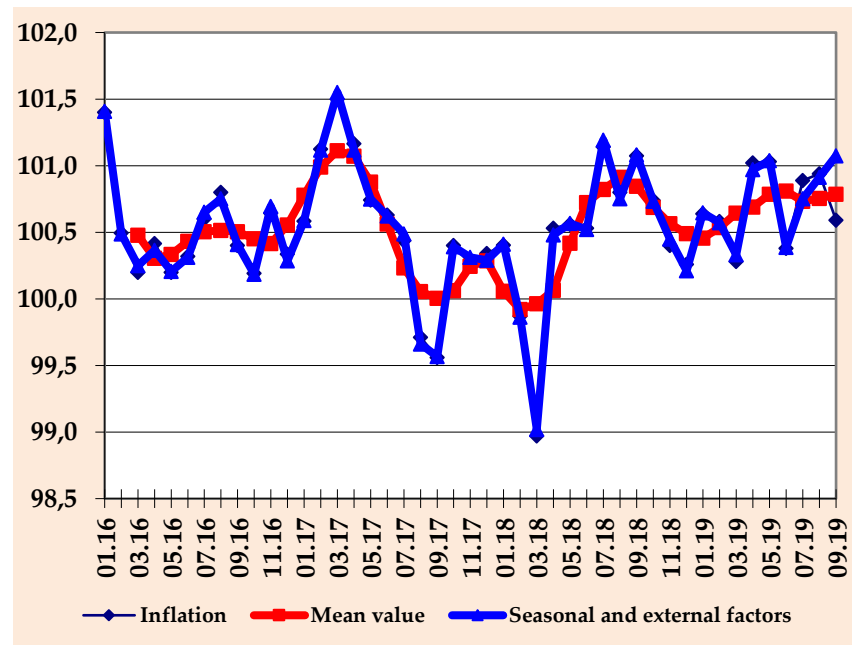
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)
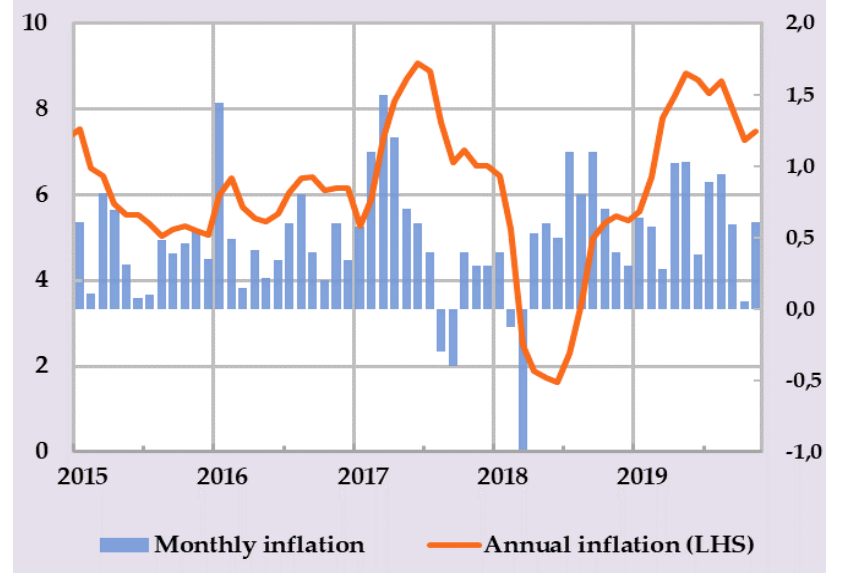
Contribution of Components to Inflation, in %, annual
(Source: Statistical Agency, NBT calculations)
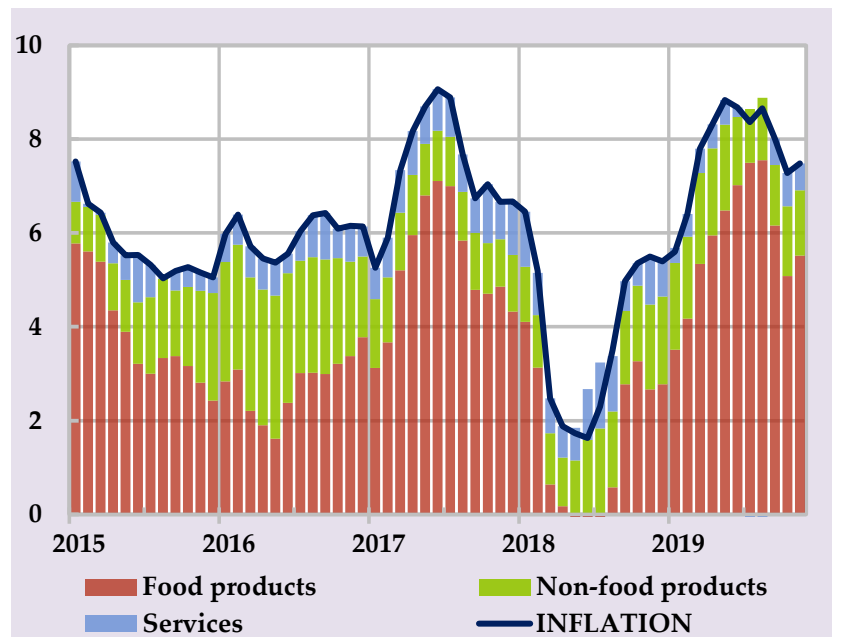
Influence of seasonal and external factors on inflation, in %
(Source: Agency on Statistic, NBT estimations)

footwear 0,6%, liquid gas 3,6% and AU 92 fuel at the rate of 0,5 was observed.

The prices and tariffs of paid services in the reporting month had a stable increase tendency also and made 0,2% that the given trend has occurred mainly for the account of rise in prices for liquid gas by 3,6% and transport by 0,8%.

The core inflation** in November of the current year has made 0,2%[2] and in the annual calculation has made 3,2%[3] that testifies to limitation of influence of monetary factors to price level.

According to the analysis the inflation level based on inflation expectations, decreasing of an impact of external factors and seasonal shocks will be maintained within projected target 7% (±2 p.p.)*.

The National Bank of Tajikistan, with the view of prevention of additional pressure on inflation rate and achievement of targeted indicator of expected inflation at the end of year, will continue the realization of balanced monetary policy.

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.

	Weight, %	2015	2016	2017	2018					2019						November, monthly change, %
					January	March	June	September	December	January	March	June	September	October	November	
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**	**0,6**
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**	**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	0,3
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	-4,3
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	0,9
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	1,2
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	1,5
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	8,4
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	-0,2
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	-1,9
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	-0,1
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
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	1,5
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	-2,8
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	1,5
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**	**0,0**
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**	**0,1**
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**	**0,4**
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	0,6
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	0,3
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	0,0
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	0,6
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	1,4
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	1,9
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	0,0
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	-0,9
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**	**0,2**
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	0,5
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	0,0
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	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	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
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	3,4
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	-0,1
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	0,0
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	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	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	0,1

*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