



### Monthly Inflation Review • October 2019

The inflation<sup>1</sup> rate after steady growth in previous months, in October, 2019 amounted to 0.1%, which is less for 0.5 percentage points (p.p.) than in September.

As a result, the annual inflation (over the last 12 months), as compared to the previous month, had a downward trend on 0.8 p.p. and amounted to 7.3%.

The prevailing inflation for the reporting month was due to the rise in prices for non-foodstuffs by 0.9% (share in the inflation of 0.3 percentage points) and cost of paid services to the population by 0.2%. At the same time, a decrease in prices for foodstuffs was noted in the amount of -0.4%.

For the reporting month, in the structure of non-foodstuffs, there was a rise in prices mainly for medicines of 3.6%, clothes and footwear of 0.4%, liquefied gas of 1.5% and AI 92 gasoline of 0.7%.

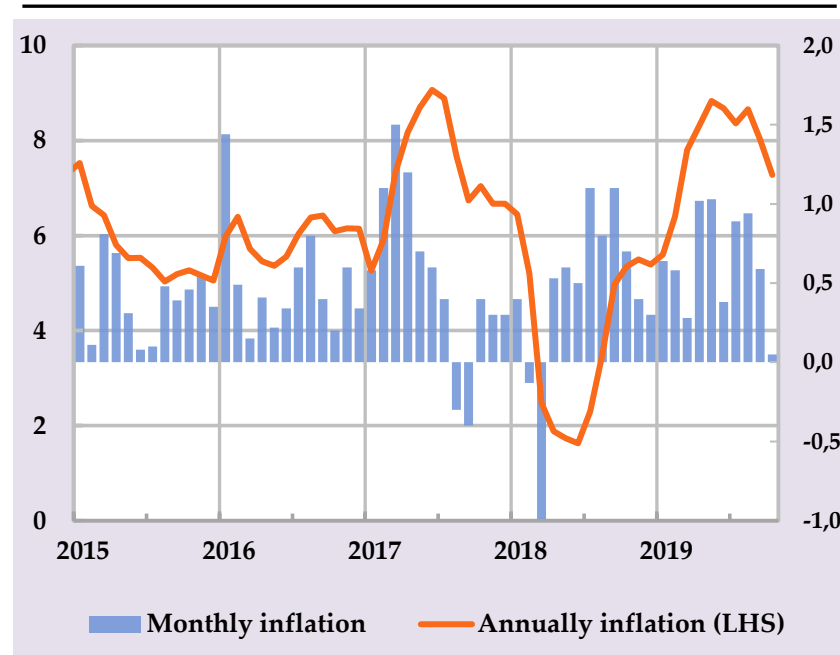
Along with this, for the reporting month, prices and tariffs for paid services to the population in the amount of 0.2% had a stable upward trend, which was mainly caused by increasing cost of housing and communal services on 0.2% and transport services on 0.8%.

The inflation rate is in line with expectations and projection, which indicates the stability of supply and demand aggregates and its approximation to the projected targets.

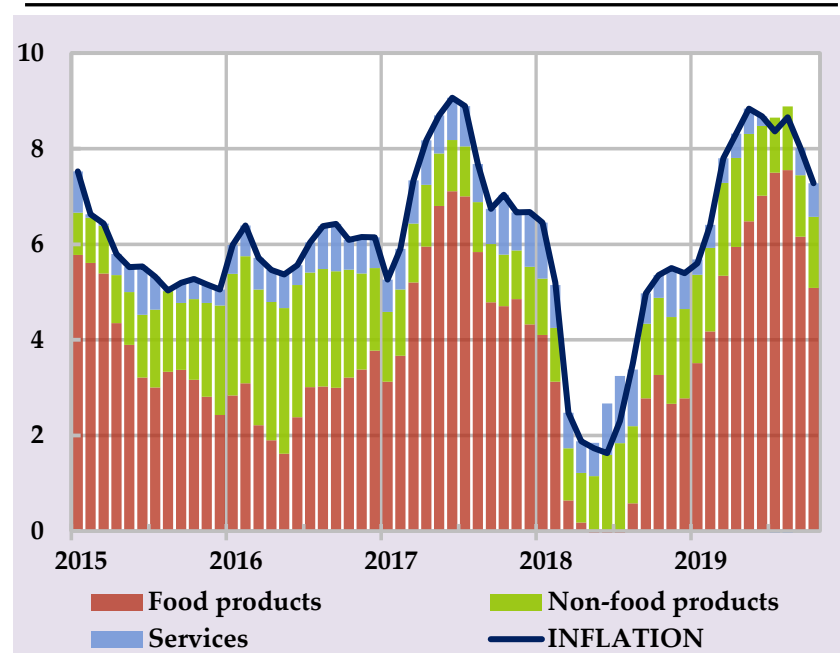
The decrease in the inflation rate was caused by the impact of short-term seasonal factors, in particular, the decrease and stabilization of prices for food products (including vegetables) as a result of the rich autumn harvest, as well as an increase in the supply of these crops.

The dynamics of changes in prices for the group of consumer products shows that the share of food products in the inflation has a negative value of -0.2 p.p., caused mainly by a decrease in prices for rice, potatoes, onions, carrots, granulated sugar, etc. Along with this it is observed a rise in prices for the first grade flour, fruits, a number of vegetables and etc.

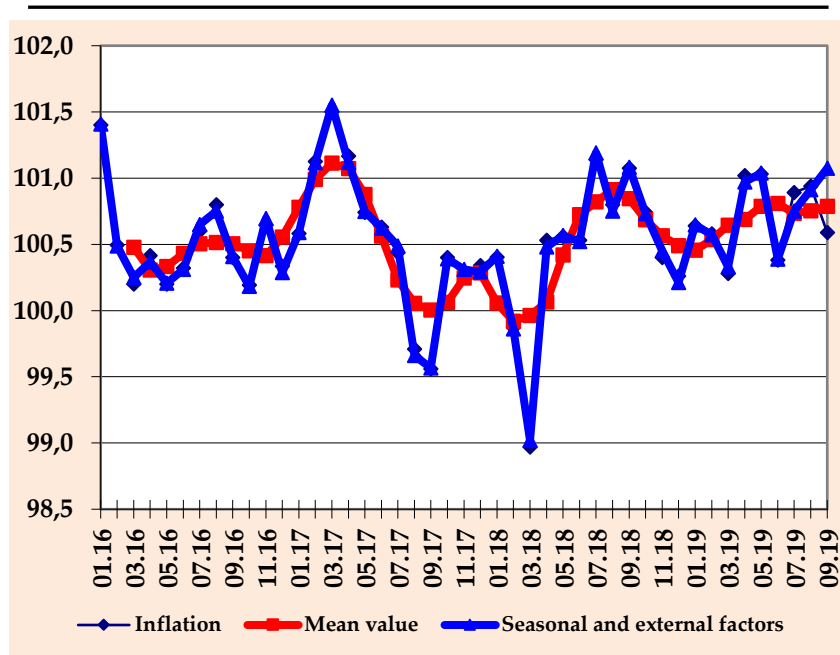
Monthly and annual Inflation, in %  
(Source: Agency on Statistic, NBT estimations)



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)



The level of core inflation\*\* in October of the current year remained unchanged<sup>2</sup> and reached 2.7%<sup>3</sup> on the annual basis, which indicates the limited impact of monetary factors on the inflation rate.

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

In order to prevent additional pressures on the inflation rate and achieve the projected target by the end of the year, the National Bank of Tajikistan will continue to implement a balanced and efficient monetary policy.

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



<sup>1</sup> - Agency on Statistic

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

<sup>3</sup> - 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													October, monthly change, %
		2015	2016	2017	2018					2019					
					January	March	June	September	December	January	March	June	September	October	
<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>5,7</b>	<b>7,8</b>	<b>8,7</b>	<b>8,1</b>	<b>7,3</b>	<b>0,1</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>11,9</b>	<b>9,8</b>	<b>-0,5</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	16,1	18,8	3,7
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	-0,5
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	5,2
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	0,3
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	-0,4
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	0,4
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	4,0
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	3,4
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
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	3,8
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	-12,0
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	3,4	3,3	-0,1
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	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>7,3</b>	<b>7,8</b>	<b>0,5</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>0,9</b>	<b>1,3</b>	<b>0,4</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>4,1</b>	<b>4,8</b>	<b>0,9</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	14,4	14,5	0,4
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	1,0
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	-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	10,8	16,2	3,6
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	0,7
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	2,7
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	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	0,7
<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>3,7</b>	<b>4,6</b>	<b>0,2</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	15,7	14,8	0,2
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	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	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	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	-15,8	-15,2	1,4
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	0,8
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	0,0
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	-0,5
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	0,2
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	5,3	4,4	-0,2

\*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