



### Monthly Inflation Review • July, 2020

The inflation rate for last three months had a downward trend and retained stable level in July of the current year, having reached 0,3%, which in comparison with the indicator of the previous year is less by 0,6% (p.p.).

The inflation has occurred mainly due to the rise in prices for non-food products by 1,7% (share to inflation 0,5 p.p.) and costs of the paid services to the population by 1,9% (0,3 p.p.). At the same time price reduction for food products was at the level of -0,9% (-0,5 p.p.).

In the structure of nonfood products in July of the current year mainly rise in prices of combustible products by 14,7% was observed (especially liquid gas by 33,8%, which is imported mainly from trading partner-country). The given process has developed mainly due realization of scheduled maintenance and temporary suspension of activities in some companies, producing this fuel in trading partner country.

In addition, increase of domestic demand of the country exporting liquid gas due to seasonal factors of harvesting agricultural products has caused a rise in prices for this type of fuel.

A rise in prices for medicines by 1,5% and washing liquids by 1,7% was observed in connection with increasing demand due to the spread of coronavirus (COVID-19) pandemic.

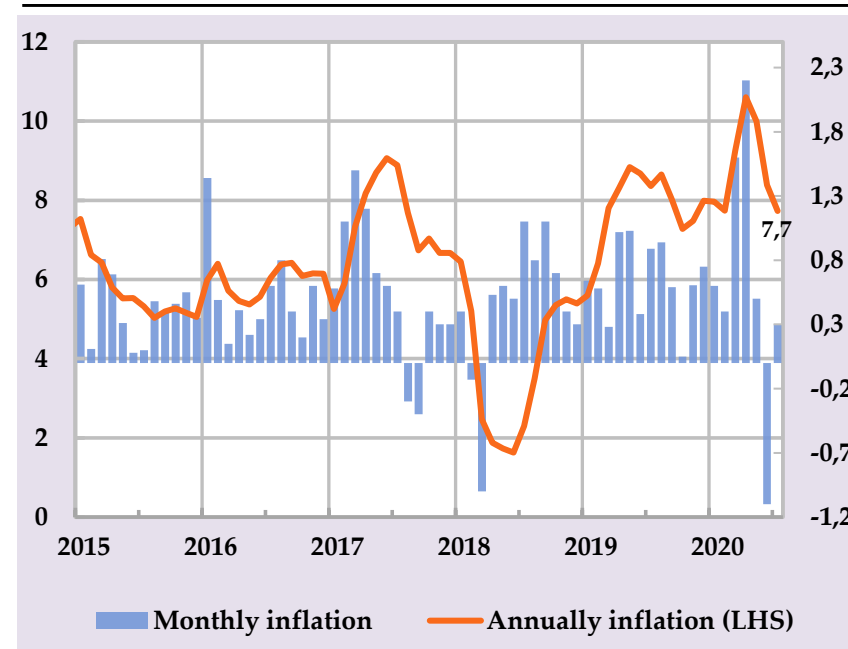
The prices and tariffs for paid services to population in July of current year has moved up to 1,9%. This was influenced by the to rise in prices for energy, gas and other types of fuels by 7,2%.

In the structure of food products a drop in prices for consumer goods of population was observed for products such as wheat flour of the first grade 2,9%, meat 0,4%, granulated sugar 2,0%, potatoes 4,5%, onions 6,5%, tomatoes 14,7%, pear 4,4% and grapes 24,6%.

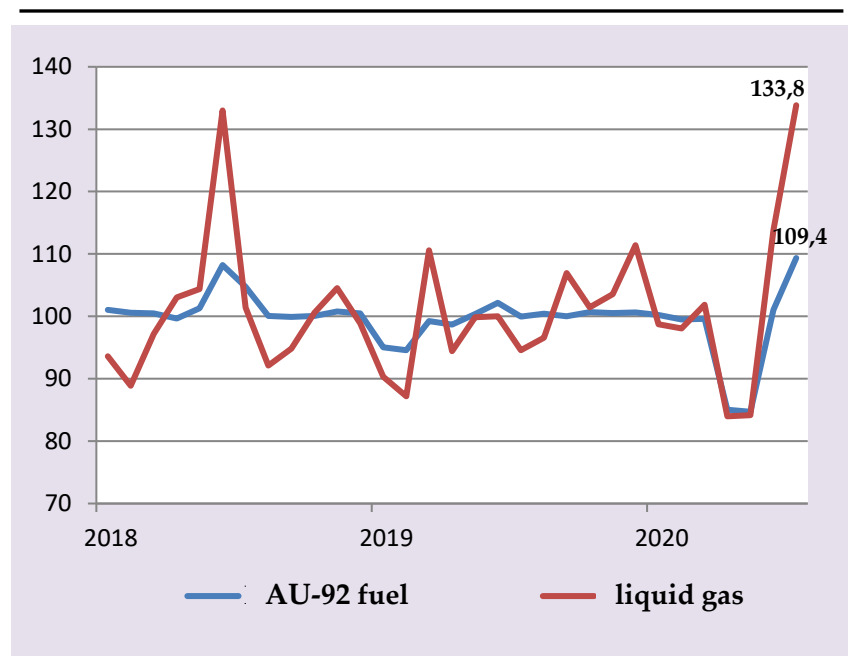
This process has developed mainly at the result of increase of supply of some food products group because of high spring and summer harvests that created a ground for stable level of supply and demand.

According to the agricultural statistic data in the first half of the current year more than 773,1 thousand tons of wheat and 1,3 million vegetables were produced in the country , which in comparison with the same period of the last year is more by 3,9% and 13,0% accordingly.

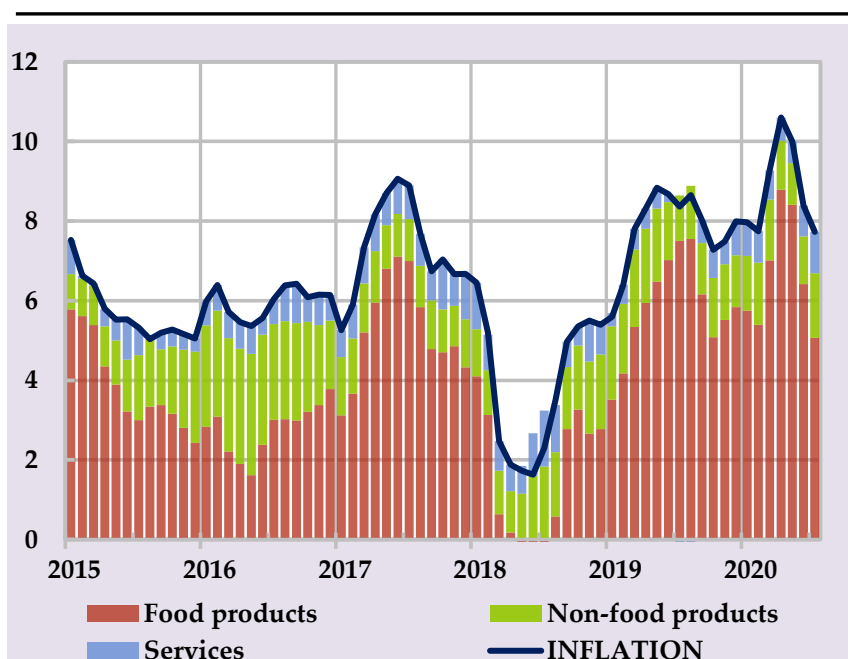
Monthly and annual Inflation, in %  
(Source: Agency on Statistic, NBT estimations)



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)



Hence, the annual inflation (for the last 12 months) in July of current year had downward trend and reached 7,7%, which in comparison with the same month of the last year is less by 0,7 p.p..

During March-June of the current year increasing of inflation rates beyond the forecasted indicators, was mainly influenced by the demand factors related to the outbreak of pandemic coronavirus (COVID-19) that caused a decrease of supply of some core food products, limitation of international trade, decrease of business competitiveness level on the domestic markets and also was influenced by seasonal factors.

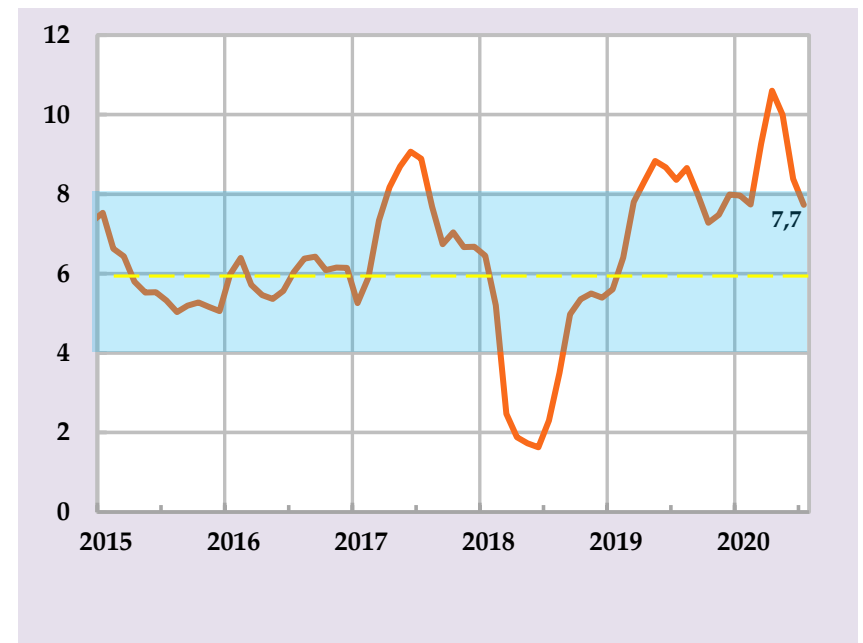
Due to the influence of pandemic coronavirus (COVID-19) on decrease of aggregate demand level, relative stabilization of the inflationary expectations in the world and in the country, also to support the real sector of country's economy, in accordance with the Resolution of the Monetary Policy Committee of the National Bank of Tajikistan (dd. July 27, 2020, №21) the refinancing rate was reduced by 1,0 p.p. and set at 10,75% per annum on August 3, 2020.

Core inflation rate, reflecting the monetary factors, in July of the current year has reached 0,1% and in the annual calculation has reached 2,6% Non food products, including clothes and shoes, washing liquids and medicines have mainly influenced the aforementioned growth.

**The National Bank of Tajikistan, with the view of prevention of additional pressure on the inflation rate, will continue realization of monetary policy by use of monetary and exchange rate tools**

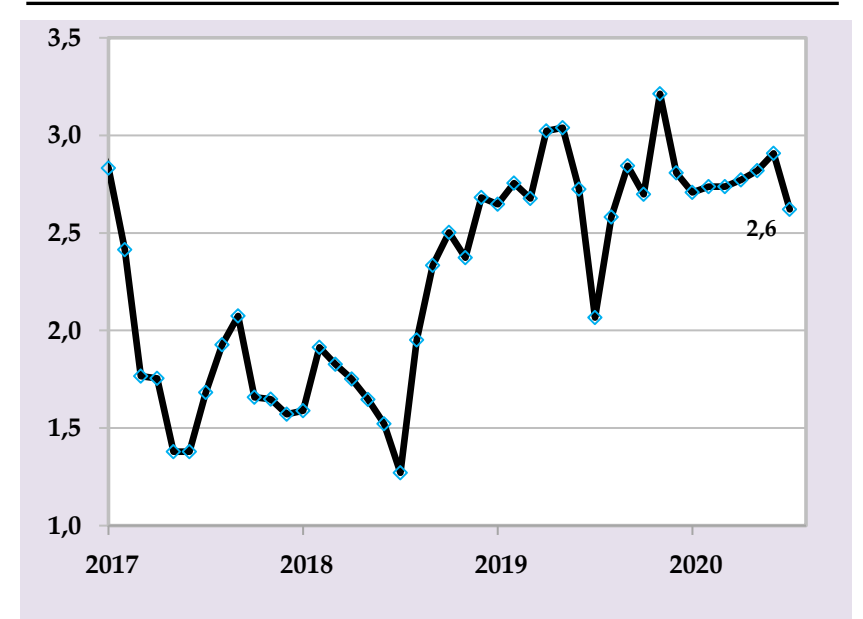
Annual inflation, in %

(Source: Agency on Statistic, NBT estimations)



Core inflation, in %, annual

(Source: Agency on Statistic, NBT estimations)



<sup>1</sup> - according to data of Statistics Agency

Monthly Inflation Review • July 2020

Consumer price index*																		
	Weight, %	annual change																July, monthly change, %
		2015	2016	2017	2018	2019					2020							
						January	March	June	September	December	January	February	March	April	May	June	July	
<b>Inflation</b>	<b>100,0</b>	<b>5,1</b>	<b>6,1</b>	<b>6,7</b>	<b>5,4</b>	<b>5,7</b>	<b>7,8</b>	<b>8,7</b>	<b>8,1</b>	<b>8,0</b>	<b>8,0</b>	<b>7,8</b>	<b>9,3</b>	<b>10,6</b>	<b>10,0</b>	<b>8,4</b>	<b>7,7</b>	<b>0,3</b>
<b>Food and non-alcoholic beverages</b>	<b>50,4</b>	<b>3,8</b>	<b>6,4</b>	<b>7,7</b>	<b>4,9</b>	<b>6,3</b>	<b>10,2</b>	<b>13,5</b>	<b>11,9</b>	<b>11,4</b>	<b>11,2</b>	<b>10,4</b>	<b>13,5</b>	<b>17,3</b>	<b>16,5</b>	<b>12,4</b>	<b>9,7</b>	<b>-1,0</b>
Bread and bread products	15,3	9,1	-2,5	-0,8	8,9	13,2	19,7	18,8	16,1	16,5	13,3	10,2	13,5	23,1	29,4	25,3	23,9	-1,1
Rise	2,6	11,6	-9,2	-6,9	19,5	20,7	22,1	24,8	15,3	7,6	7,1	4,7	4,0	3,1	1,2	-0,5	0,6	2,8
Flour	9,0	7,8	-3,0	0,3	9,9	16,0	25,3	22,1	19,7	21,0	16,0	12,3	17,3	33,7	43,8	36,7	33,1	-2,9
Meat and meat products	8,4	-10,2	3,7	13,8	8,6	9,4	10,4	18,0	22,9	21,8	22,0	21,1	20,6	18,4	16,2	12,3	9,2	0,1
Beef	5,3	-14,3	3,2	14,7	8,9	9,7	11,4	21,8	27,2	25,9	27,0	25,8	25,2	22,3	18,9	14,0	9,8	-0,4
Eggs	1,4	5,5	12,0	1,0	3,9	1,8	6,6	6,0	3,1	6,3	7,2	-1,1	-5,1	14,7	14,8	-0,1	12,8	0,7
Milk and dairy products	1,7	7,3	0,4	4,4	4,1	2,6	3,1	4,8	4,3	6,4	6,3	5,5	6,7	5,3	8,8	8,1	7,6	-0,8
Milk	0,5	16,1	-7,2	6,3	1,3	-2,1	0,0	2,7	6,7	7,3	5,8	5,6	11,0	5,8	14,0	13,0	12,8	-0,8
Plant and Animal Oil	5,1	12,7	11,3	1,3	9,2	9,1	10,4	5,2	0,6	-1,7	-0,8	-1,1	0,5	4,6	5,5	6,4	5,9	0,0
Fruit	3,8	12,3	16,7	-1,8	4,0	2,3	-4,0	-15,5	-5,4	-2,2	0,7	9,0	12,1	18,5	24,1	18,6	9,9	-5,3
Vegetables	7,6	-12,4	16,5	40,2	-10,7	-9,7	3,7	33,1	15,0	15,4	19,9	19,5	29,9	28,1	10,8	3,0	-3,2	-1,1
Sugar	2,2	19,3	15,0	-6,7	2,7	4,4	5,7	-0,6	3,4	-5,1	-7,1	-5,8	-0,2	3,6	3,7	-2,0	-3,9	-2,0
Soft drinks	1,3	13,7	19,9	1,6	2,8	2,5	5,1	6,2	6,7	8,1	0,9	0,4	-0,8	-5,3	-3,0	-0,2	-0,3	0,1
<b>Catering**</b>	<b>1,0</b>	<b>14,9</b>	<b>19,9</b>	<b>2,7</b>	<b>8,0</b>	<b>8,0</b>	<b>6,7</b>	<b>8,1</b>	<b>7,3</b>	<b>3,0</b>	<b>3,0</b>	<b>3,0</b>	<b>3,0</b>	<b>1,7</b>	<b>1,7</b>	<b>2,9</b>	<b>2,8</b>	<b>0,0</b>
<b>Alcoholic beverages and tobacco</b>	<b>2,5</b>	<b>15,9</b>	<b>11,8</b>	<b>6,2</b>	<b>5,4</b>	<b>6,5</b>	<b>3,8</b>	<b>3,5</b>	<b>0,9</b>	<b>1,0</b>	<b>-0,1</b>	<b>0,9</b>	<b>1,9</b>	<b>0,4</b>	<b>0,2</b>	<b>3,2</b>	<b>3,4</b>	<b>0,2</b>
<b>Non-food products</b>	<b>30,6</b>	<b>7,9</b>	<b>5,7</b>	<b>4,4</b>	<b>6,4</b>	<b>6,3</b>	<b>6,3</b>	<b>4,7</b>	<b>4,1</b>	<b>4,2</b>	<b>4,5</b>	<b>5,1</b>	<b>5,0</b>	<b>4,0</b>	<b>3,4</b>	<b>3,9</b>	<b>5,3</b>	<b>1,7</b>
Clothes and shoes	10,4	9,2	14,5	9,2	5,6	14,4	14,7	13,5	14,4	13,4	4,5	4,5	4,2	3,8	3,5	3,8	3,7	0,1
Repair and construction materials	4,5	2,2	-0,9	2,4	7,3	7,8	6,0	5,2	4,9	4,9	4,4	4,6	5,5	5,7	6,7	6,5	7,6	1,0
Detergents	1,7	15,5	1,2	4,0	6,2	6,2	7,0	9,0	6,3	3,3	3,7	2,7	2,9	2,7	3,9	5,0	6,4	1,7
Medicine	2,9	24,7	14,1	1,0	10,4	10,7	6,4	18,1	10,8	13,0	13,6	16,6	16,5	15,6	10,1	11,9	13,7	1,5
Petrol vehicles lubrication products	2,1	-7,0	2,9	27,7	12,2	7,2	5,4	-10,6	-9,1	-5,7	-0,1	6,4	4,2	-7,0	-18,4	-16,5	-3,1	14,7
Other Heating Products	1,2	19,0	3,0	0,9	-8,4	-8,4	-5,0	-12,7	-18,0	-9,9	-9,2	-3,5	-2,1	-3,4	-3,8	-2,7	4,4	7,0
Vehicle	1,1	-2,0	0,0	0,0	5,2	5,2	8,1	0,4	1,5	0,8	2,1	-1,0	-0,7	0,4	2,4	2,7	2,4	0,2
Other personal effects	1,6	7,6	7,1	8,6	8,3	8,7	8,5	4,9	4,1	3,8	3,5	3,0	2,9	3,3	5,7	8,4	9,1	0,5
<b>Services</b>	<b>15,4</b>	<b>2,2</b>	<b>4,5</b>	<b>7,7</b>	<b>4,9</b>	<b>2,1</b>	<b>3,4</b>	<b>1,3</b>	<b>3,7</b>	<b>5,5</b>	<b>5,5</b>	<b>5,1</b>	<b>4,7</b>	<b>3,8</b>	<b>3,5</b>	<b>5,0</b>	<b>6,6</b>	<b>1,9</b>
Housing and communal	5,4	3,2	9,8	17,5	10,8	9,8	12,3	3,2	15,7	9,1	10,6	12,8	11,0	8,6	5,6	7,5	14,6	5,7
Rental of property	0,2	14,3	0,0	0,0	5,0	5,0	6,5	3,3	2,9	2,8	3,1	4,2	1,3	1,3	1,3	1,3	1,7	0,4
Water and garbage collection fee	0,7	20,1	5,1	9,1	9,4	8,4	8,7	8,2	8,2	4,3	1,4	1,4	1,1	1,1	0,6	0,6	0,6	0,0
Electricity	3,0	0,0	16,3	14,7	14,9	14,6	14,6	14,4	32,9	16,2	16,2	16,2	16,2	16,2	16,2	16,2	16,2	0,0
Hot water	0,0	14,6	0,0	0,0	1,5	1,5	1,5	1,5	1,5	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,6	0,0
Gas	1,1	-6,3	3,4	40,1	6,2	2,8	14,1	-23,3	-15,8	-5,9	2,3	14,2	5,9	-5,6	-20,0	-9,3	26,8	32,7
Transport	4,1	-2,3	-1,4	2,8	2,9	-4,8	-2,4	-0,2	-8,8	3,7	2,4	-1,5	-1,4	-1,7	0,8	0,9	1,5	0,0
communication	1,6	0,8	0,0	1,3	0,1	0,1	0,0	0,1	0,2	0,1	0,1	0,1	0,2	0,2	0,2	8,5	8,6	0,0
Education	1,7	2,6	11,3	5,3	0,3	0,7	0,7	0,7	2,0	1,5	1,7	1,7	1,6	1,6	1,6	1,6	1,7	0,0
Health	0,9	14,0	1,9	1,7	1,3	0,0	0,0	0,0	15,4	15,6	15,6	15,6	15,6	16,0	16,0	16,0	1,9	0,0
Household	1,6	12,3	5,2	1,1	3,3	3,3	3,2	3,2	5,3	3,8	3,9	4,1	4,4	4,3	3,7	3,1	2,6	0,5

\*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