



Monthly Inflation Review • October, 2020

The inflation rate, after the decrease in its trend over the past 5 months, in October of this year due to the influence of external and internal factors amounted to 1,8%, having increased by 1,5 percentage points (p.p.) as compared to the previous month and the same month of last year by 1,7 percentage points.

The prevailing inflation was mainly due to the rise in prices for foodstuffs of 3,1% (share in the inflation-1,66 p.p.), and on-foodstuffs of 0,5% (share in the inflation 0,16 p.p.). This month, prices and tariffs for paid services to the population tended to decline and reached -0,1% (share in the inflation - 0,02 percentage points).

In the structure of foodstuffs, the increase in prices for such seasonal and imported consumer goods as the first grade flour of 1,2%, beef of 0,6%, lamb of 0,9%, milk of 1,8%, cottonseed oil of 16,6 %, sunflower oil of 14,3%, eggs of 22,7%, granulated sugar of 15,2%, potatoes of 5,2%, onions of 28,2%, tomatoes of 47,1% and cucumbers of 41,3%.

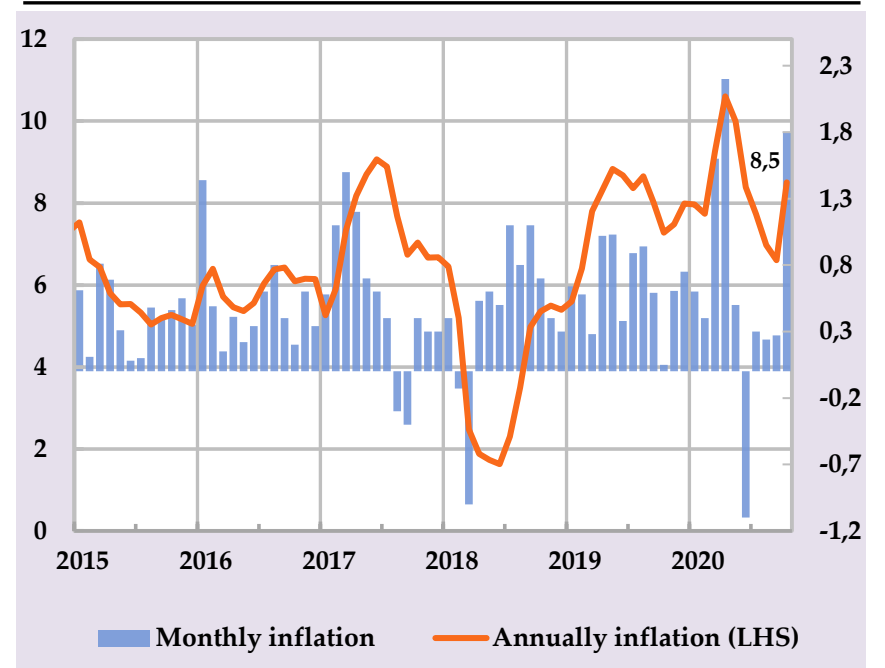
It should be noted that in October of this year, among foodstuffs, there was mainly an increase in prices for granulated sugar (share in the inflation of 0,3 p.p.), cottonseed oil and sunflower oil (0,7 p.p.), the share of which in the consumer basket is 2,2% and 4,4%.

During the current year, because of poor harvest due to bad weather, a reduction of cultivated area and a decrease in the volume of raw materials for production of granulated sugar and vegetable oil, the price for these products in the exporting countries tended to grow. The internal demand of the Republic of Tajikistan for granulated sugar in full volume (100%) is provided by its imports, 82,6% of which falls on Russia, 16,8% on Belarus, 0,5% on Pakistan and 0,1% on Ukraine.

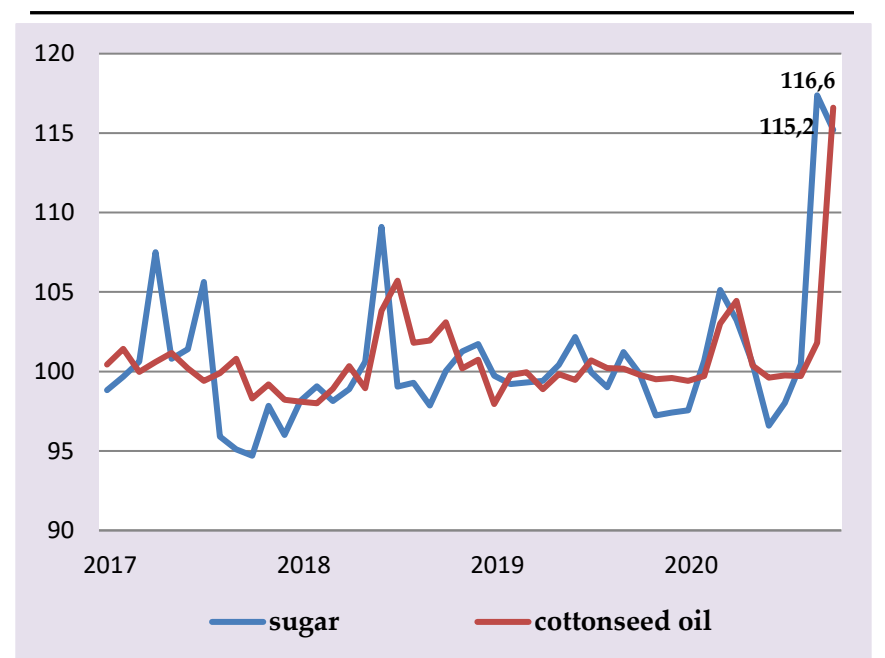
The vegetable oil produced in the country ensures only 13.0% of the domestic needs of population; the rest is imported from outside the country. The vegetable oil is imported into the country mainly from countries such as Russia -58,0%, Kazakhstan -20,4% and Uzbekistan -17,8%.

In the structure of non-foodstuffs in October of this year, a rise in prices for solid fuel of 5,6% (especially coal 5,9%), on 0,7% for construction materials and 1,7% for detergents was recorded.

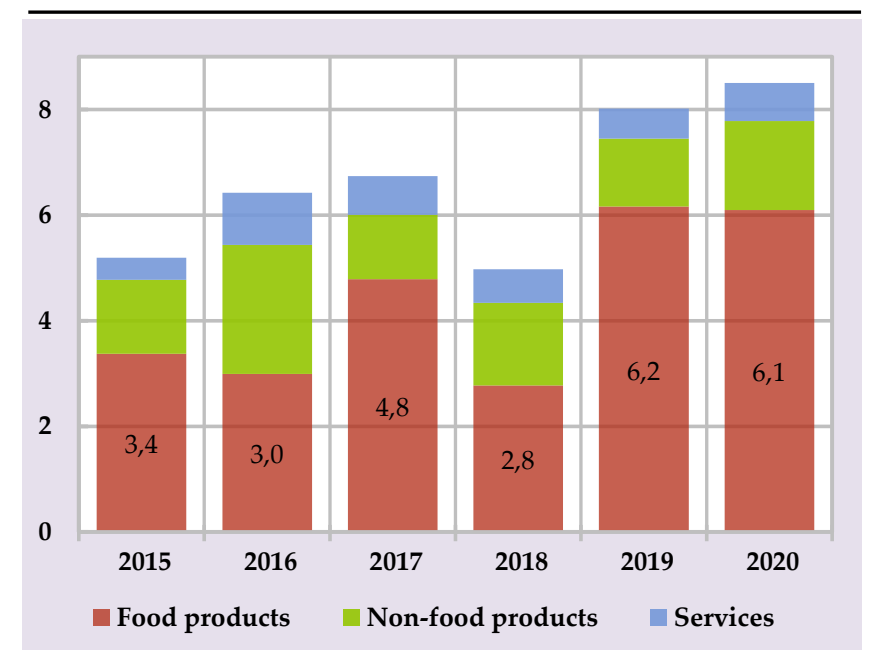
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)



Change of sugar and cotton oil price index in % monthly
Source: Agency on Statistic, NBT estimations)



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



Also, for the reporting month, there was a downward trend in prices and tariffs for paid services to the population on -0,1% caused mainly by a decrease in cost of housing and communal services on 1,1%.

The annual inflation rate (over the last 12 months) in October this year showed an upward trend and reached 8,5%, which is more for 1,9 and 1,2 percentage points respectively than in the previous month and the same period of last year.

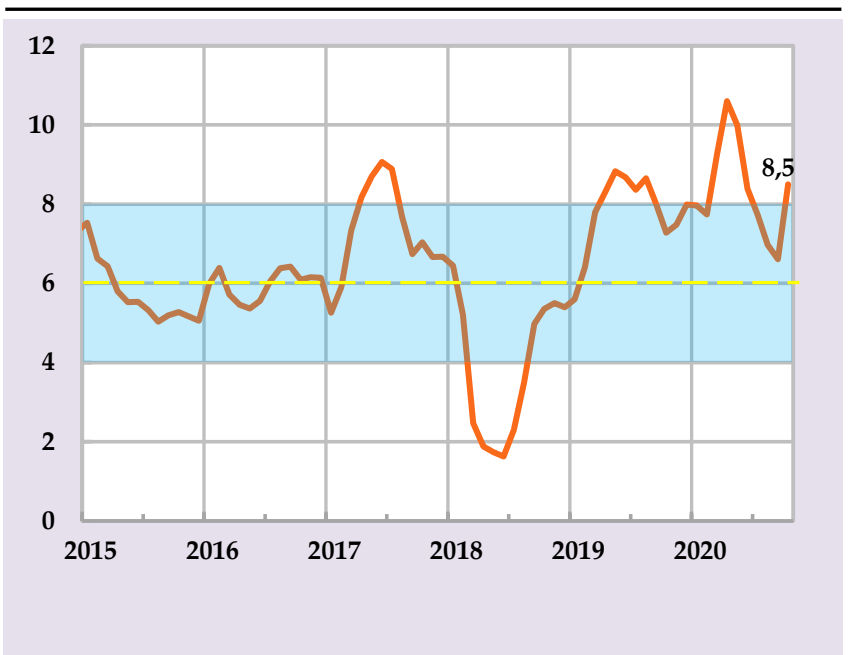
According to the analysis, the inflation went beyond the established projection, first of all, it caused by the influence of seasonal factors, external pressures and supply factors associated with the spread of the coronavirus (COVID-19) pandemic, which led to a decrease in supply of a number of basic foodstuffs (granulated sugar, vegetable oil and a rise in their prices in the exporting countries), limiting international trade, reducing competitiveness in the domestic market.

The core inflation rate, reflecting monetary factors, amounted to 1,0% in October of this year and reached 3,2% in the annual terms. This process was mainly influenced by the increase in prices for finished food products (such as vegetable oil).

In order to prevent additional pressures on the inflation, the National Bank of Tajikistan will continue to implement a balanced monetary policy by using monetary instruments.

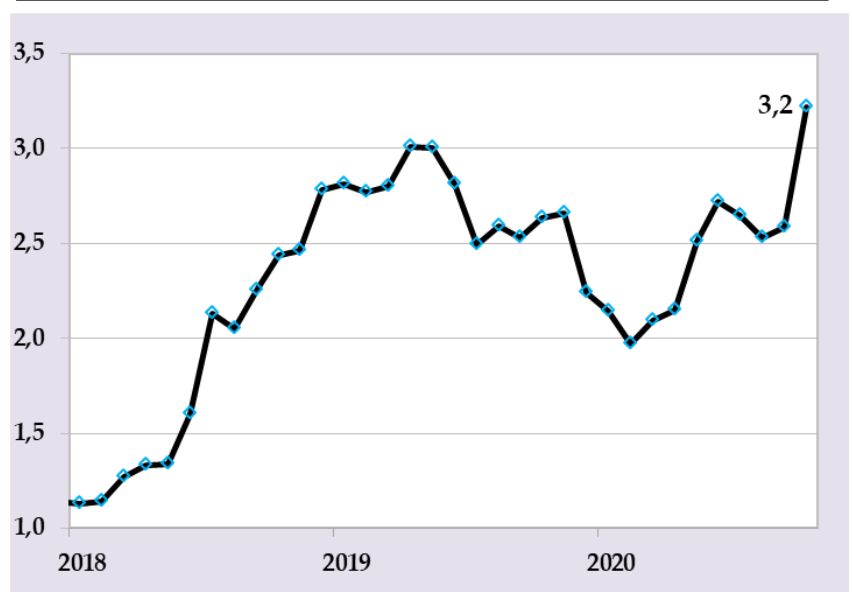
Annual inflation, in %

(Source: Agency on Statistic, NBT estimations)



Core inflation, in %, annual

(Source: Agency on Statistic, NBT estimations)



¹ - according to data of Statistics Agency

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

*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