



Monthly Inflation Review • September, 2020

Due to the increase of supply influenced by the rich harvest in the farms, decreased aggregate demand and implementation of anti-inflationary monetary policy for past five months (May-September, 2020) the stable price level was observed in the country, the inflation rate in September of this year has reached 0,3%, which is lower for 0,3 p.p., than in the same month of the previous year.

The occurred inflation was mainly due to the rise in prices for food products by 0,1% (share to inflation 0,05 p.p.), non-food products by 0,5% (share to inflation 0,15 p.p.) and cost of paid services to population 0,6% (0,09 p.p.).

In the structure of food products, the most increase was observed in prices for consumer goods such as beef by 1,5%, mutton by 1,0%, milk by 1,8%, cottonseed oil by 1,8%, sugar by 17,4% and apples by 2,8%, onions -14,8% and cucumbers 15,6%.

It should be noted that in September of this year among the food products the largest increase was observed in prices for sugar (0,4 p.p.), the specific share of which in the consumer basket has reached 2,2%.

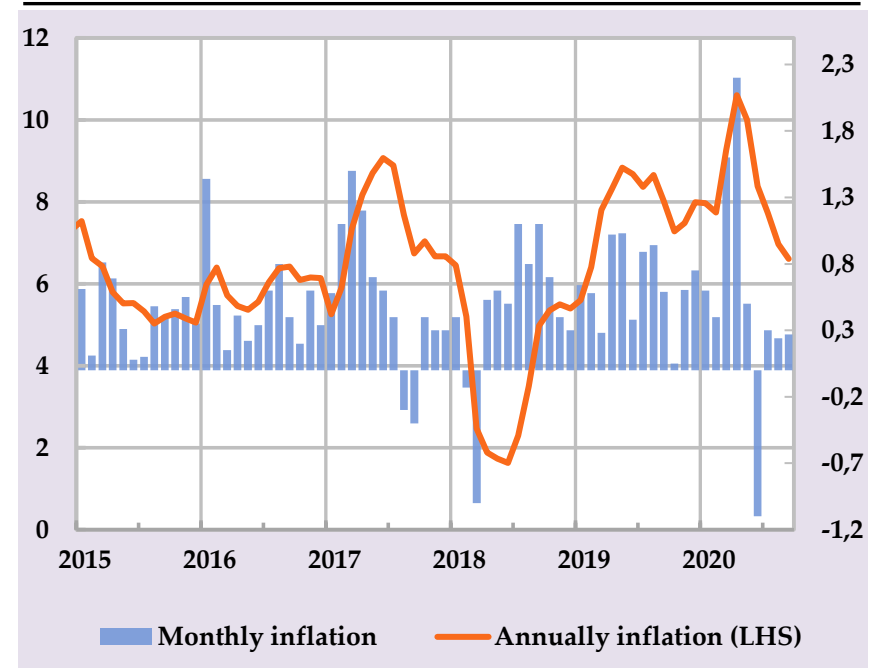
Due to decrease in volume of raw materials for production of sugar and an increase in its price in the exporting countries including the Russian Federation by 100,0% (January-September, 2020), a rise in sugar prices was recorded in the Republic of Tajikistan. The largest share of its imports (more than 82,0%) falls to this country.

In the structure of non-food products in September of the current year the highest increase in prices for solid fuels was recorded at 3,1% (especially coal by 3,4%), construction materials by 1,1%, clothing and footwear by 0,9%.

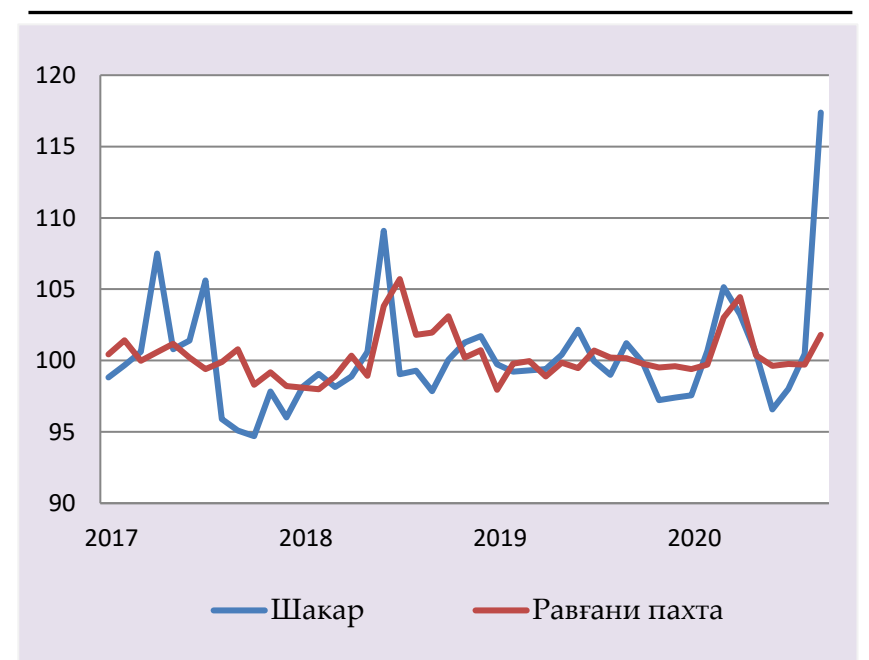
Prices and tariffs for paid services to the population also tended to increase in the reporting month and amounted to 0,6%, which was mainly caused by rise in prices for education services by 6,4%, catering by 4,4% and consumer services by 0,4%.

Thus, the annual inflation (for last 12 months) in September of the current year has been decreasing and reached 6,6% that in comparison with the previous month was more by 0,4 p.p. and lower by 1,5 p.p. against the same period of last year.

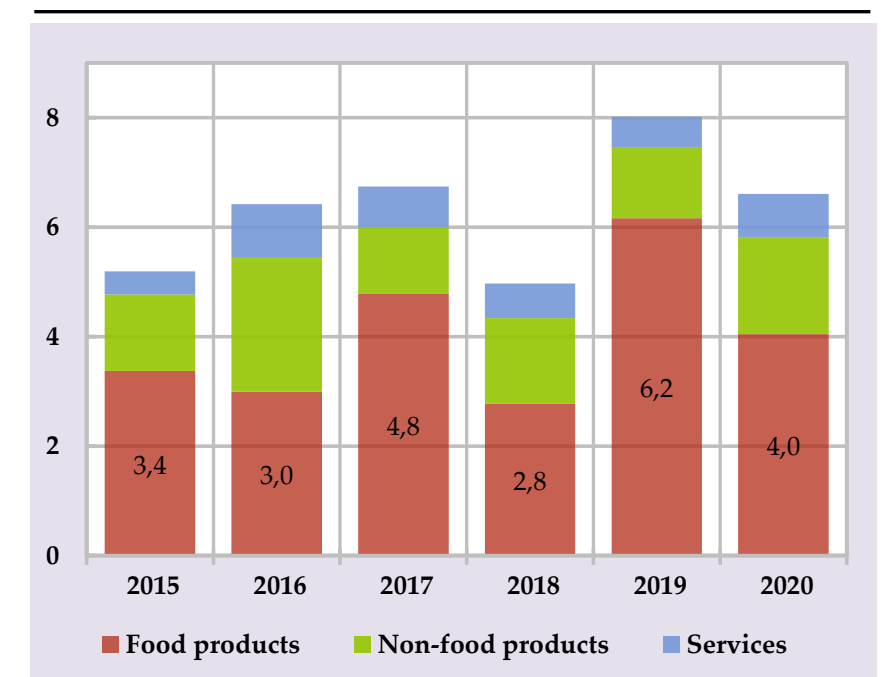
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)



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)

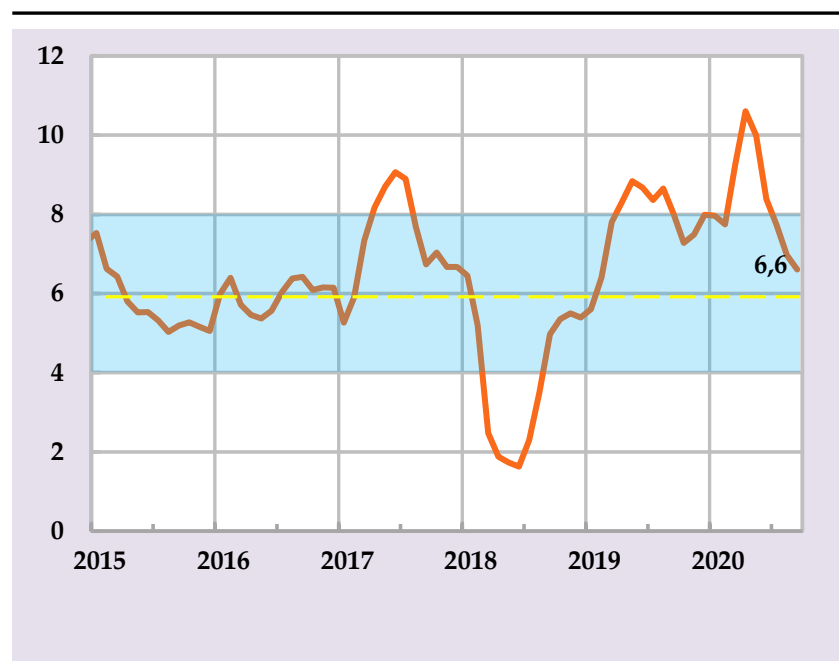


The analysis shows that the reason of deviation of the annual inflation rate from the projected figure in March-June of this year was mainly caused by the supply factor related to the outbreak of the coronavirus pandemic (COVID-19), which has led to the decrease in supply of some food products, restrictions of the international trade, declining competitiveness in domestic markets as well as the impact of the seasonal factors.

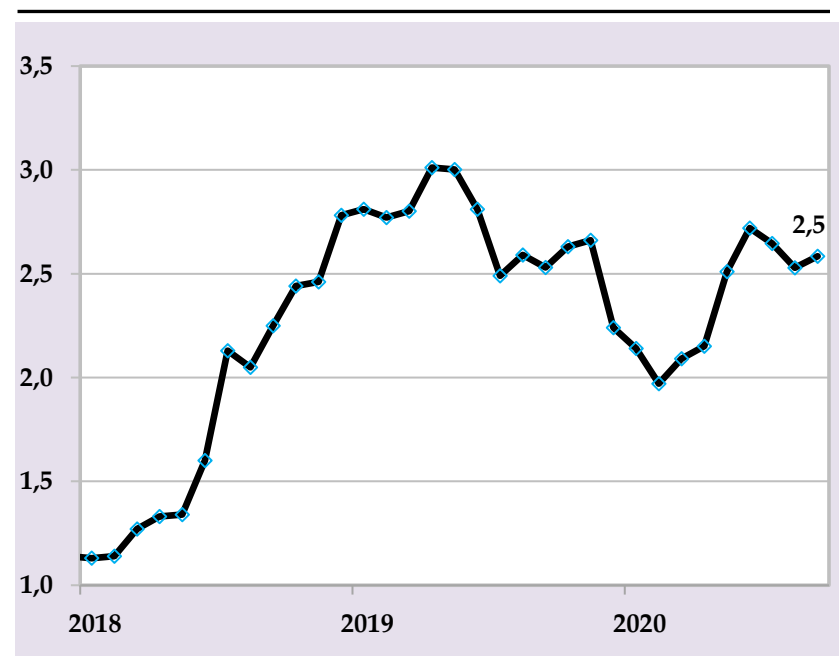
The core inflation rate, which reflects the monetary factors, has made 0,4% in September this year, reaching 2,5% in the annual terms. This trend has mainly occurred due to the increase of prices for non-food products (such as clothing and footwear), detergents and medicines) and refined food products (such as bread and vegetable oil).

The National Bank of Tajikistan using monetary instruments will pursue a balanced monetary policy in order to prevent and eliminate additional pressures on the inflation rate.

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 Inflation, %)*														
	Weight, %	2015	2016	2017	2018	2019				2020				September monthly change, %
						March	June	September	December	March	June	July	September	
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	0,3
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	-0,1
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	-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	-0,5
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	-0,9
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	1,2
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	1,5
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	-1,3
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	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	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	2,4
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	-2,4
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	-6,4
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	17,4
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	-1,0
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	4,4
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	1,3
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	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	0,9
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	1,1
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	-0,4
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	-0,5
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	-1,2
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	3,1
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	1,0
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	0,3
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	0,6
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	-0,5
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	1,2
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	0,0
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
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	0,0
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	-2,3
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	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	0,0
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	6,4
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	0,0
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	0,4

*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