



### Monthly Inflation Review • June 2021

In June 2021, relative price decline was observed and the inflation<sup>1</sup> rate has reached 0.5%, which is 1.0 percentage points (p.p.) less in comparison with the last month.

This mainly resulted from decline in prices for food items by 1.3% (+0.7 p.p. to inflation). Moreover, relative increase in prices for non-food items was observed by 0.3%, (0.1 p.p.) and for prices and tariffs on paid services to population by 0.5% (0.1 p.p.).

In food items sector, decrease in prices was observed for such items as first-grade quality flour by 0.9%, egg 11.1%, sugar 4.5%, apple 10.7%, onion 15.0%, tomatoes 54.3%, potato 19.2%, etc.

Likewise, increase was observed in average food items such as beef 0.6%, lamb 1.8%, cottonseed oil 1.6%, cabbage 4.0 % and carrot 18.4 %.

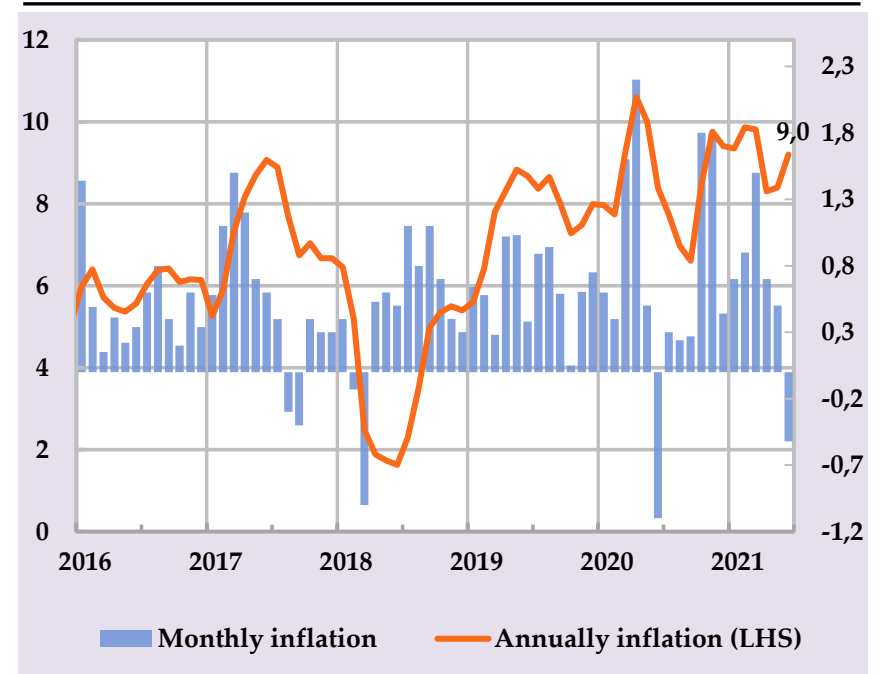
Among non-food items, in June 2021, increase was mainly observed in the average prices for fuels by 4.0%, especially in prices for diesel fuel 13.4%, AI-92 petrol 2.2% and liquefied gas 5.6%.

Thus, the annual inflation rate in June, 2021 has reached 9.0%, which is 0.6 p.p. more than in the same period of last year.

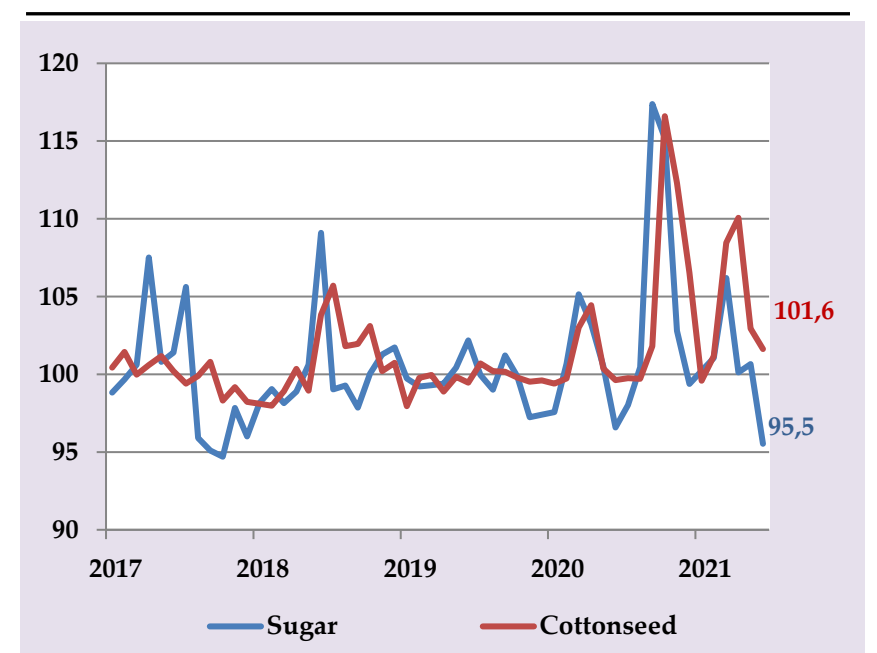
Analyses indicate that increase of inflation rate beyond the established target was mainly caused by the influence of seasonal factors, external pressures and supply-side factors associated with the COVID-19 pandemic. Likewise, imported goods price volatility in the world markets, due to recovery of global economy and increasing demand against the backdrop of rising incomes, international trade restrictions, decrease of domestic market competitiveness caused decrease in supply of the number of basic food items (granulated sugar, vegetable oil, etc.).

The core inflation rate, which to some extent reflects monetary factors, in June this year remained unchanged (0.003%) and its annual rate reached 1.9%. This was mainly due to increase in prices for non-food items

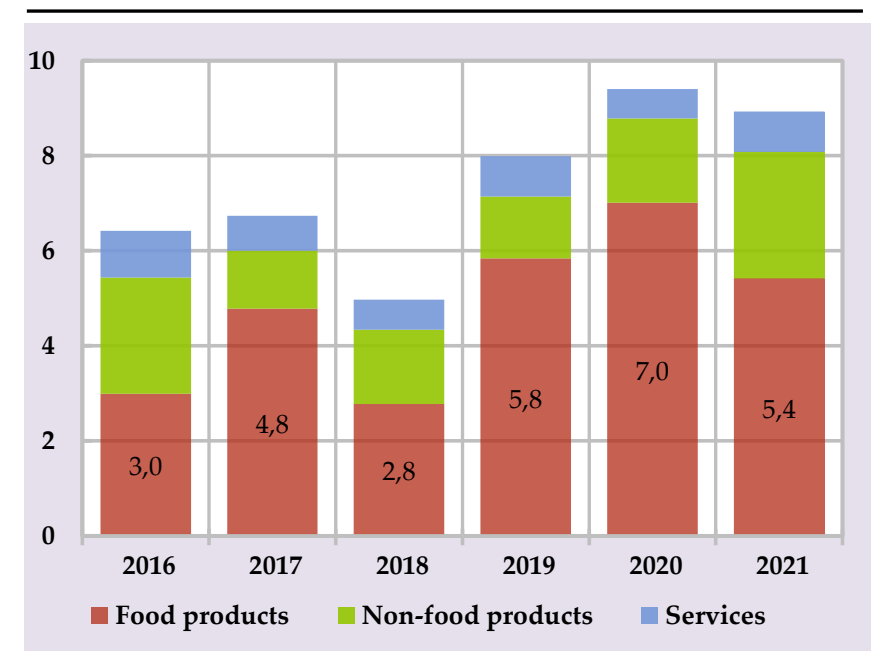
Monthly and annual inflation, in %  
(Source: Agency on Statistics, NBT estimations)



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



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



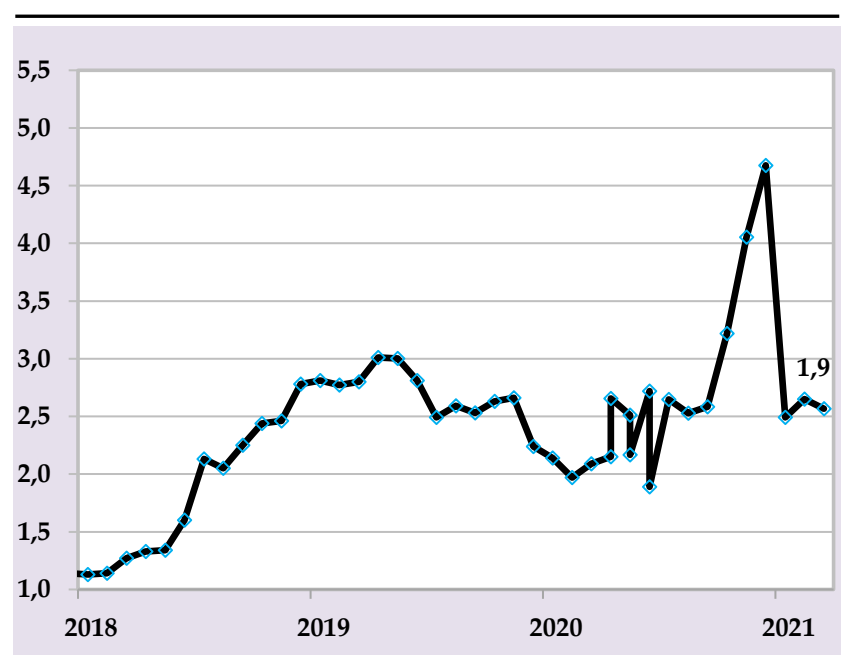
(clothing and shoes) and ready-made food products (such as bakery).

The refinancing rate, as a key tool for conducting monetary operations, based on the forecast of impact of potential risks on the economy and growth of pressures, inflation expectations and return of the inflation rate to the established limit for the medium term, over this period was gradually increased up to 1.25 p.p. (for the 1<sup>st</sup> time on February 5<sup>th</sup> up to 0.25 p.p. and for the 2<sup>nd</sup> time up to 1.0 p.p. on April 27<sup>th</sup>) and set at 12.0% per annum.

With the view to regulating money supply in circulation, effectively managing bank liquidity, minimizing exchange rate and inflationary pressures in January-May 2021, the NBT attracted overnight deposits in amount of 152.9 billion TJS which is 5.7% more than in the same period of last year. Moreover, over this period, 33 auctions were held on NBT securities for the amount of 3.3 billion TJS.

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

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



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

Consumer price index (annual change)*											
	Weight, %	2019	2020				2021				June monthly change, %
			March	June	September	December	March	April	May	June	
<b>Inflation</b>	<b>100,0</b>	<b>8,0</b>	<b>9,3</b>	<b>8,4</b>	<b>6,6</b>	<b>9,4</b>	<b>9,9</b>	<b>8,3</b>	<b>8,4</b>	<b>9,0</b>	<b>-0,5</b>
<b>Food and non-alcoholic beverages</b>	<b>48,1</b>	<b>11,4</b>	<b>13,5</b>	<b>12,4</b>	<b>7,6</b>	<b>13,5</b>	<b>13,5</b>	<b>9,0</b>	<b>9,0</b>	<b>10,9</b>	<b>-1,5</b>
Bread and bread products	15,1	16,5	13,5	25,3	15,1	13,8	10,4	1,0	-5,0	-3,7	-0,9
Rise	2,8	7,6	4,0	-0,5	-0,4	3,2	0,4	-2,6	-4,3	-5,5	-0,9
Flour	8,6	21,0	17,3	36,7	19,0	16,4	12,9	-1,0	-8,9	-5,7	-0,9
Meat and meat products	7,3	21,8	20,6	12,3	5,9	5,7	9,0	15,7	14,9	14,6	0,5
Beef	3,9	25,9	25,2	14,0	5,7	6,2	9,5	16,9	15,8	15,5	0,6
Eggs	1,5	6,3	-5,1	-0,1	-2,1	18,9	43,2	24,3	15,5	24,2	-11,1
Milk and dairy products	1,9	6,4	6,7	8,1	7,6	4,3	5,6	11,3	8,0	6,2	-0,4
Milk	0,5	7,3	11,0	13,0	8,1	5,6	10,3	13,6	7,6	3,1	-2,8
Plant and Animal Oil	4,6	-1,7	0,5	6,4	7,2	42,3	51,5	62,4	64,0	64,3	0,8
Fruit	4,1	-2,2	12,1	18,6	11,5	4,7	-6,4	-11,4	-16,3	-9,5	-4,6
Vegetables	6,8	15,4	29,9	3,0	-3,0	5,8	5,5	-8,1	8,7	14,1	-2,8
Sugar	1,9	-5,1	-0,2	-2,0	13,1	40,8	46,7	42,3	42,5	41,0	-4,5
Soft drinks	1,4	8,1	-0,8	-0,2	-2,1	-2,2	4,5	4,6	1,3	-1,7	-0,1
<b>Catering**</b>	<b>1,3</b>	<b>3,0</b>	<b>3,0</b>	<b>2,9</b>	<b>6,2</b>	<b>5,9</b>	<b>5,9</b>	<b>5,9</b>	<b>5,9</b>	<b>5,7</b>	<b>1,0</b>
<b>Alcoholic beverages and tobacco</b>	<b>2,0</b>	<b>1,0</b>	<b>1,9</b>	<b>3,2</b>	<b>5,0</b>	<b>5,0</b>	<b>4,6</b>	<b>6,2</b>	<b>6,6</b>	<b>4,3</b>	<b>0,8</b>
<b>Non-food products</b>	<b>31,8</b>	<b>4,2</b>	<b>5,0</b>	<b>3,9</b>	<b>5,8</b>	<b>5,8</b>	<b>7,6</b>	<b>9,2</b>	<b>9,2</b>	<b>8,4</b>	<b>0,3</b>
Clothes and shoes	11,3	13,4	4,2	3,8	4,1	4,5	4,9	4,9	4,6	4,1	0,0
Repair and construction materials	4,2	4,9	5,5	6,5	8,0	8,0	7,8	7,7	6,9	6,5	0,1
Detergents	2,0	3,3	2,9	5,0	7,0	10,1	9,5	10,0	9,0	7,7	0,0
Medicine	2,9	13,0	16,5	11,9	12,6	7,8	6,6	6,2	3,0	-0,4	0,0
Petrol vehicles lubrication products	2,0	-5,7	4,2	-16,5	-1,2	-6,1	16,8	39,4	56,3	56,8	4,0
Other Heating Products	1,2	-9,9	-2,1	-2,7	14,8	14,8	12,8	24,4	25,4	22,1	-1,7
Vehicle	1,1	0,8	-0,7	2,7	2,8	3,2	4,3	4,3	4,3	4,2	0,0
Other personal effects	1,8	3,8	2,9	8,4	7,5	8,8	9,3	9,7	8,0	5,6	0,5
<b>Services</b>	<b>16,7</b>	<b>5,5</b>	<b>4,7</b>	<b>5,0</b>	<b>5,0</b>	<b>4,0</b>	<b>4,1</b>	<b>5,3</b>	<b>6,2</b>	<b>5,1</b>	<b>0,5</b>
Housing and communal	5,7	9,1	11,0	7,5	4,9	1,8	3,7	7,2	10,2	9,6	1,5
Rental of property	0,2	2,8	1,3	1,3	2,8	6,0	4,7	4,7	3,8	3,8	0,0
Water and garbage collection fee	0,8	4,3	1,1	0,6	0,6	0,0	0,2	0,2	0,2	0,2	0,0
Electricity	3,2	16,2	16,2	16,2	0,0	0,7	0,7	0,7	0,7	0,7	0,0
Hot water	0,0	0,6	0,6	0,6	0,6	0,0	0,0	0,0	0,0	0,0	0,0
Gas	1,1	-5,9	5,9	-9,3	28,1	4,0	14,1	36,2	61,2	52,0	6,9
Transport	4,3	3,7	-1,4	0,9	4,6	3,0	1,5	1,5	1,5	1,5	0,0
communication	2,0	0,1	0,2	8,5	8,6	9,0	9,0	9,0	9,0	0,6	0,0
Education	1,8	1,5	1,6	1,6	7,7	9,3	8,8	8,8	8,8	8,8	0,0
Health	1,1	15,6	15,6	16,0	0,5	0,4	0,3	0,0	0,0	0,0	0,0
Household	1,6	3,8	4,4	3,1	2,6	6,7	5,9	5,7	5,6	5,5	0,0

\*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