



Monthly Inflation Review • May, 2021

In May 2021, the inflation rate¹ amounted to 0.5% and remained unchanged compared to the same period of last year.

Prevailing inflation rate mainly resulted from increase in prices for food items by 1.2% (+0.6 percentage points (p.p.) to inflation), decrease in non-food items by -0.2% (-0.1 p.p.). Additionally, prices and tariffs for paid services to population remained unchanged.

In food items sector ,increase in prices was observed for such items as cottonseed oil by 2.9%, egg by 3.7%, apple by 8.2%, cabbage by 4.2% and carrot by 82.1%. This growth resulted from the influence of external and seasonal factors.

Furthermore, decrease in prices was observed for several food items such as first-grade flour by -0.8%, milk -1.9%, rice -0.4%, onion -17.2%, tomato -20.6% and cucumber -43.5%.

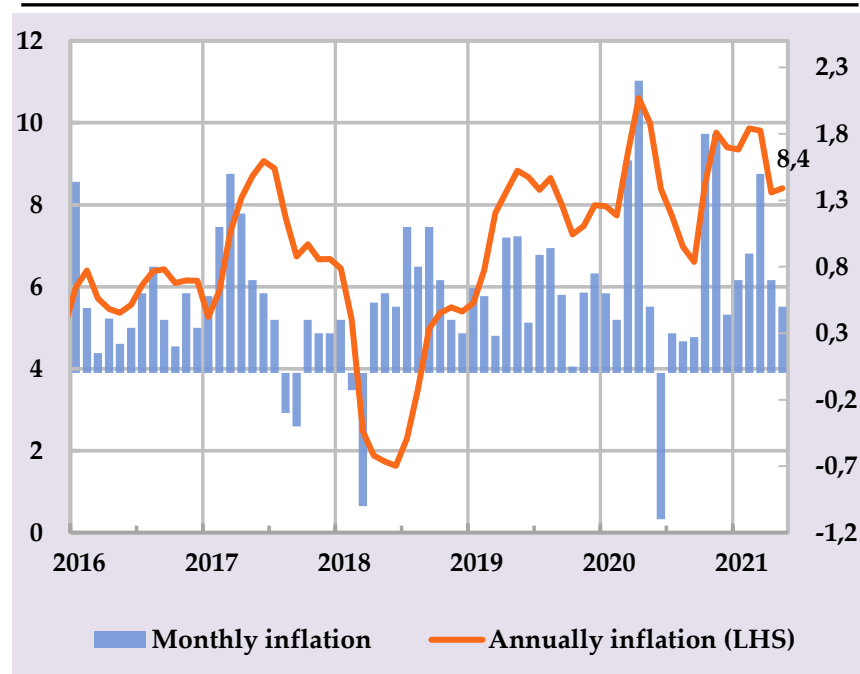
Among non-food items, in May 2021, decrease was observed in the average prices for fuel by -1.7%, diesel fuel by -0.6%, AI-92 petrol by -3.3% and closing and shoes by -0.2%

Thus, the annual inflation rate in May, 2021 has reached 8.4%, which is -1.6 p.p. less than in the same period of last year.

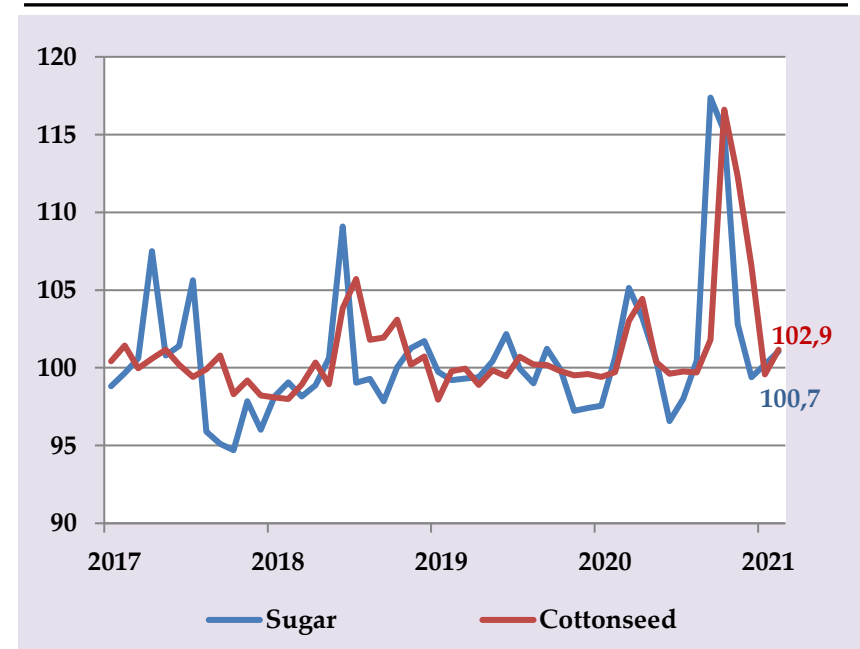
Analyses indicate that increase of inflation rate beyond the established target was mainly caused by the influence of seasonal factors, external pressures and supply-side factors associated with the COVID-19 pandemic. Likewise, imported items price volatility in the world markets, due to recovery of global economy and increasing demand against the backdrop of rising incomes, international trade restrictions, decrease of domestic market competitiveness led to 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, amounted to 0.02% in May of the current year and reached 2.2%. This was mainly due to

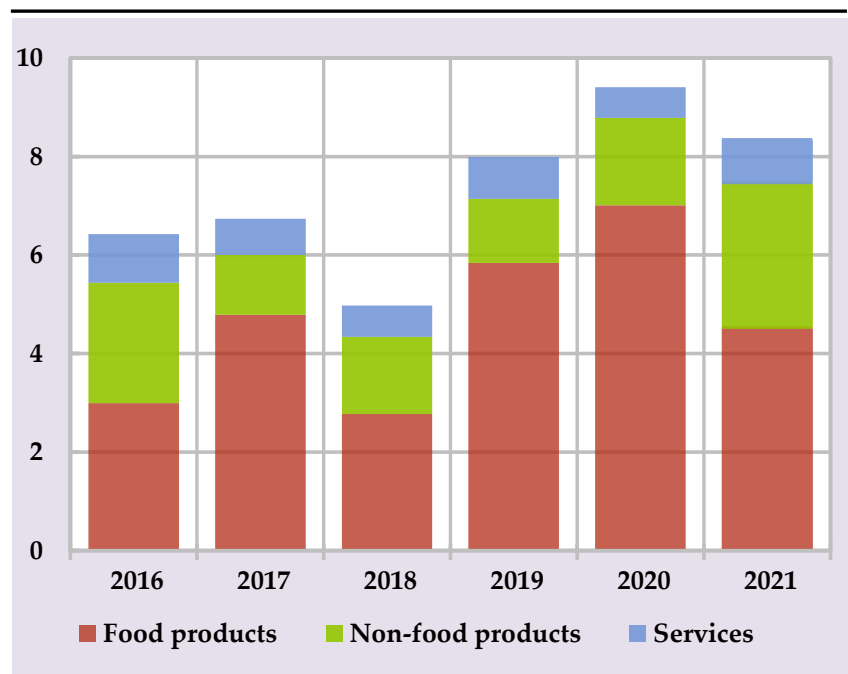
Monthly and annual inflation, in %
(Source: Agency on Statistics, NBT estimations)



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)



increase in prices for non-food items (clothing and shoes) and ready-made food products (such as bakery).

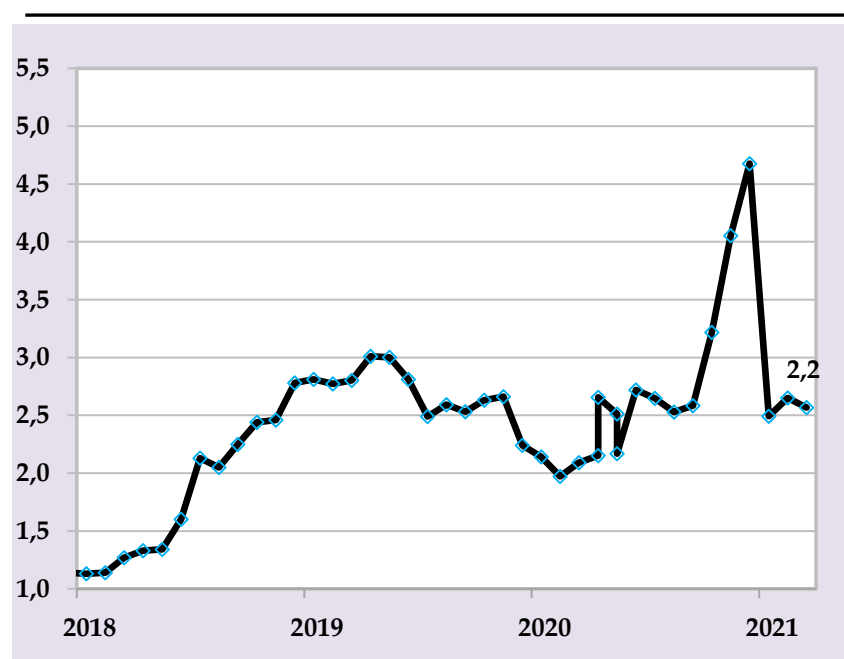
The refinancing rate, as a key tool for conducting monetary operations, based on the forecast of impact of potential risks on the economy and growth of pressures, inflation expectations and return of the inflation rate to the established limit for the medium term, was increased up to 1.25 p.p. (for the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

With the purpose of 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 the amount of 141.7 billion TJS, which is 5.7% more than in the same period of last year. Moreover, over this period, 25 auctions were held on NBT securities for the amount of 2.6 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)



¹ - according to data of Statistics Agency

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

*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