



# NATIONAL BANK OF TAJIKISTAN

## Monthly Inflation Review • April 2018

In April, 2018 inflation has reached 0,5%, -0,7 percentage points (p.p.) it is then less the same period of the last year. In general, monthly inflation exceeded projected path, and after two months of deflation (Feb. – March 2018 by -1,1%) showed positive trend.

Inflation occurred mainly due to rise in prices for food products by 0,9% (its contribution 0,5 p.p.) and other goods 0,2%. Meanwhile, tariffs for services dropped by -0,1%.

Headline inflation in April mainly has driven by seasonal factors and external pressure on national currency influencing prices of some imported goods.

According to expectation, annual inflation has continued to decelerate showing deflationary trend of 1,9% in April. This indicator is less -0,6 p.p. compared to the previous month.

In annual inflation food products (weight in consumer basket 55,5%) contributed to inflation by 0,2 p.p. other goods by 1,1 p.p and services by 0,6 p.p.

In line with expectation annual inflation appears to be temporary, and to the end of the year it will develop within targeted range (7,0 ± 2%).

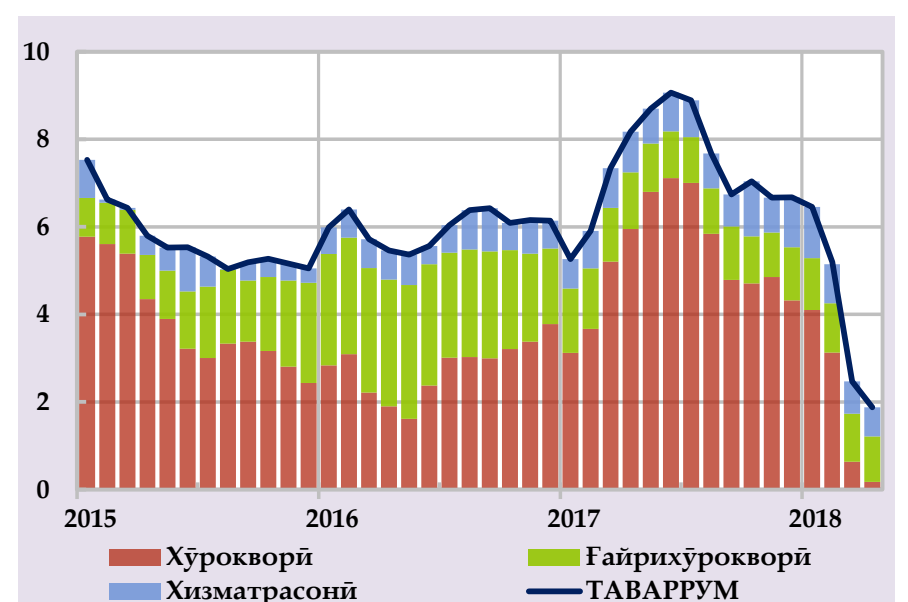
The core inflation,\* reflecting long-term price fluctuation remained stable<sup>2</sup>, and reached 1,8%<sup>1</sup> (YoY). This tendency was mainly driven by change in prices for ready food production (meat products, dairy products, vegetative and animal oil), other goods (washing-up liquids and medicines) and services (including household services).

Dynamics of consumer goods prices excluding core inflation in April of 2018 showed declining price in raw food products, specifically prices for rice (-0,3% m/m or 3,2% y/y), granulated sugar (-1,1% m/m or 17,3% y/y), potato (-2,4% m/m or -19,6% y/y), onions (-14,5 % m/m or 39,4% y/y), pea (-2,7% m/m or -5,2% y/y), tomatoes (-2,8% m/m or -49,7% y/y), cucumbers (-55,1% m/m or -21,3% y/y) and etc. At the same time, owing to influencing seasonal and supply factors the price for eggs (4,7% m/m or 2,4% y/y), an apple (23,0% m/m or

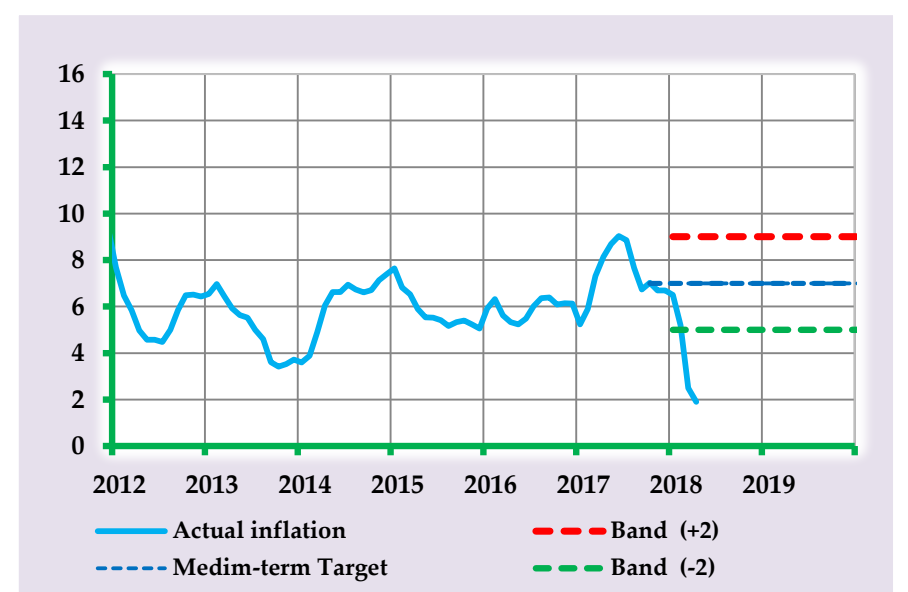
Monthly and annual inflation, in %  
(Source: Agency on Statistic)



Growth of group of consumer prices and its contribution to Inflation structure, in % annual  
(Source: Agency on Statistic, NBT estimations)



Annual Inflation targeted indicators for mid-term period, in %  
(Source: Agency on Statistic, NBT estimations)

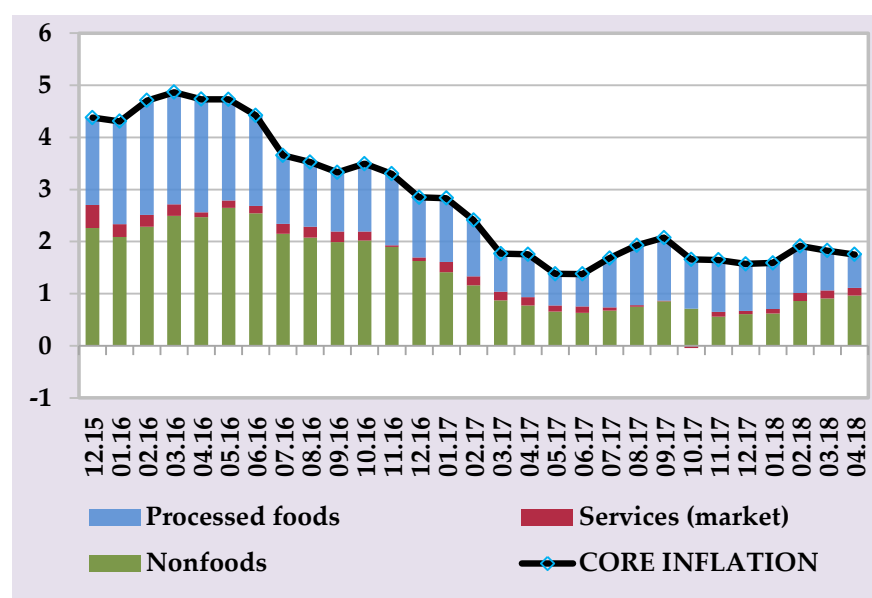


16,9%, y/y), carrots (29,2% m/m or -30,3% y/y) and lemon (23,4% m/m or in 1,4 times, y/y) slightly increased.

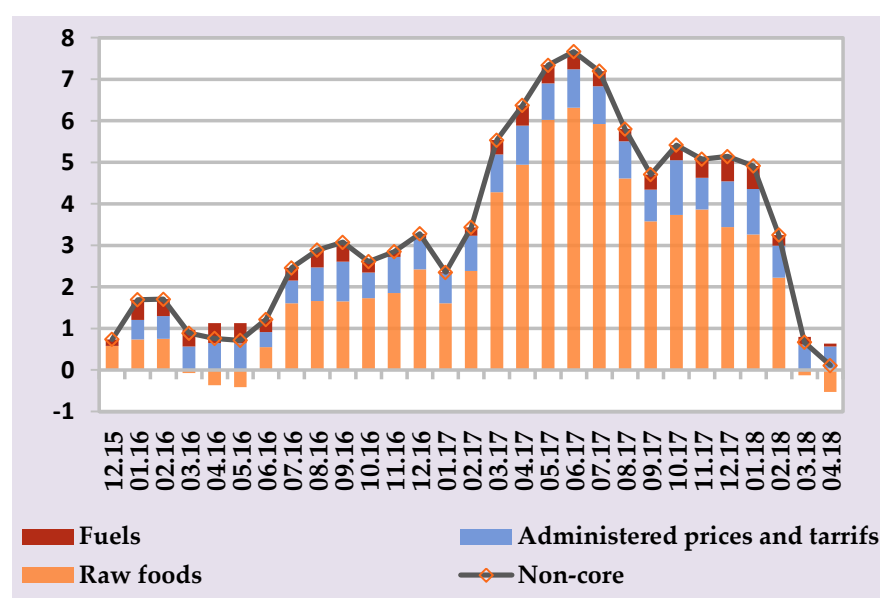
The prices for administrative services (0,0% m/m or 0,6% y/y) in April regardless of price for gas (3,3% m/m or 9,8% y/y) remained unchanged due to drop in price of air tickets (-4,2% m/m or -15,3% y/y).

The National Bank of Tajikistan implements prudent and transparent monetary policy by using monetary and exchange rate instruments, primarily refinancing rate to regulate money supply and to achieve a inflation target.

**Core Inflation, in %, annual**  
(source: Statistical Agency, NBT calculations)



**Non-core Inflation, in %, annual**  
(source: Statistical Agency, NBT calculations)



<sup>1</sup>- y/y – year to year (annual change)

<sup>2</sup>- m/m –month to month (monthly change)

\* At the next session of NBT Monetary Policy Committee which has taken place on August 2, 2017, for the purpose of transition from monetary targeting mode to inflationary targeting mode NBT has established and published a inflation target indicator for medium-term period.

\*\* - Core inflation, which reflects the long-term tendency of the prices without influence of short-term fluctuations the calculated by the NBT with a view of estimation and analysis of constant process of change of a price level on the basis of State Statistical Agency under the President of the Republic of Tajikistan data. As one of components of common inflations (Consumer Price Index), core inflation reflects a steady and long-term trend of change of prices, caused by influence of factors of internal demand and monetary character. The basic method of calculation of core inflation - exclusion method which means exclusion of separate categories of production and services which have shown greatest volatility, not connected with considerable price changes. The item of products, prices (components) which are subject to short-term and transitive fluctuations which are independent on influence of non-monetary factors, including supply factors (world prices, environment), seasonal and administrative factors is excluded from consumer price index basket. That is, raw food products, combustible materials and administratively adjustable services are not included at calculation of core inflation.

## Monthly Inflation Review • April 2018

Consumer price index									
	Weight, %	annual change							April, monthly change, %
		2015	2016	2017	2018				
					January	February	March	April	
<b>Inflation</b>	<b>100,0</b>	<b>5,1</b>	<b>6,1</b>	<b>6,7</b>	<b>6,5</b>	<b>5,2</b>	<b>2,5</b>	<b>1,9</b>	<b>0,5</b>
<b>Food and non-alcoholic beverages</b>	<b>53,1</b>	<b>3,8</b>	<b>6,4</b>	<b>7,7</b>	<b>7,3</b>	<b>5,4</b>	<b>0,9</b>	<b>0,0</b>	<b>1,0</b>
Bread and bread products	17,5	9,1	-2,5	-0,8	-0,9	-1,4	-3,4	-4,2	0,0
Rise	2,9	11,6	-9,2	-6,9	-7,0	-5,4	1,9	3,2	-0,3
Flour	10,7	7,8	-3,0	0,3	0,2	-0,6	-6,0	-7,5	0,3
Meat and meat products	8,3	-10,2	3,7	13,8	14,0	13,4	13,5	8,9	0,0
Beef	5,4	-14,3	3,2	14,7	15,0	14,1	14,0	7,8	1,0
Eggs	1,5	5,5	12,0	1,0	0,1	1,9	-0,6	2,4	4,7
Milk and dairy products	1,7	7,3	0,4	4,4	3,7	4,6	2,3	5,0	-0,8
Milk	0,5	16,1	-7,2	6,3	6,3	4,5	-2,2	4,1	-2,0
Plant and Animal Oil	5,7	12,7	11,3	1,3	0,0	-1,6	-2,5	-2,2	0,7
Fruit	4,3	12,3	16,7	-1,8	-0,3	3,9	6,4	15,7	9,0
Vegetables	6,6	-12,4	16,5	40,2	37,1	21,2	-6,4	-9,7	-1,1
Sugar	2,4	19,3	15,0	-6,7	-7,3	-7,9	-10,1	-17,3	-1,1
Soft drinks	1,3	13,7	19,9	1,6	2,7	0,3	0,6	2,0	1,4
<b>Catering*</b>	<b>0,9</b>	<b>14,9</b>	<b>19,9</b>	<b>2,7</b>	<b>2,7</b>	<b>3,9</b>	<b>3,9</b>	<b>3,9</b>	<b>0,0</b>
<b>Alcoholic beverages and tobacco</b>	<b>1,4</b>	<b>15,9</b>	<b>11,8</b>	<b>6,2</b>	<b>6,2</b>	<b>7,1</b>	<b>8,0</b>	<b>8,2</b>	<b>0,2</b>
<b>Non-food products</b>	<b>29,2</b>	<b>7,9</b>	<b>5,7</b>	<b>4,4</b>	<b>4,3</b>	<b>4,1</b>	<b>4,0</b>	<b>3,8</b>	<b>0,2</b>
Clothes and shoes	9,7	9,2	14,5	9,2	2,5	2,7	3,0	3,8	0,7
Repair and construction materials	3,7	2,2	-0,9	2,4	2,5	4,9	4,9	5,5	0,4
Detergents	1,8	15,5	1,2	4,0	3,1	4,0	4,0	3,3	-0,7
Medicine	2,9	24,7	14,1	1,0	0,7	2,2	2,2	0,8	-1,6
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	17,2	14,1	8,9	0,6
Other Heating Products	1,3	19,0	3,0	0,9	0,4	-7,7	-8,1	-8,1	0,0
Vehicle	0,9	-2,0	0,0	0,0	0,0	0,1	0,1	0,1	0,0
Other personal effects	1,5	7,6	7,1	8,6	7,3	8,5	9,1	9,5	0,3
<b>Services</b>	<b>15,2</b>	<b>2,2</b>	<b>4,5</b>	<b>7,7</b>	<b>7,9</b>	<b>6,0</b>	<b>5,0</b>	<b>4,5</b>	<b>-0,1</b>
Housing and communal	5,2	3,2	9,8	17,5	17,1	12,6	11,7	11,3	0,7
Rental of property	0,2	14,3	0,0	0,0	0,0	0,0	1,4	1,4	0,0
Water and garbage collection fee	0,7	20,1	5,1	9,1	11,6	8,4	8,4	8,4	0,0
Electricity	2,6	0,0	28,6	14,7	15,0	15,0	15,0	14,9	0,2
Hot water	0,0	14,6	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Gas	1,1	-6,3	-6,6	40,1	35,7	13,4	8,5	7,2	3,1
Transport	4,4	-2,3	-1,4	2,8	5,0	3,3	0,7	-0,2	-1,1
communication	1,6	0,8	0,0	1,3	0,0	0,0	0,0	0,0	0,0
Education	1,6	2,6	11,3	5,3	2,0	1,5	1,5	1,5	0,0
Health	0,8	14,0	1,9	1,7	1,3	1,3	1,3	1,3	0,0
Household	1,9	12,3	5,2	1,1	0,9	1,3	1,5	1,5	0,0

\* - The dining room, café and restaurant