



Monthly Inflation Review • January 2019

In January, 2019 the headline inflation¹ shows a growth tendency, reaching 0,6%, that is for 0,2 percentage points (p.p) above the same month of the previous year.

The acceleration of inflation for the reporting month has reflected mainly the price rises of 1,2% (share in the inflation 0,6 p.p.) for non-food products 0,2% for cost services. At the same time, a rise in prices for food products rose by 0,1%.

Change of the inflation rate in January of the current year has occurred mainly owing to rise in prices for certain foods, particularly apple, pears, grapes, tomatoes, cucumbers and cabbages under influence of seasonal factors. Prices for flour (first grade) grew by 4,6% (0,5 p.p.).

the analysis reveals that price rise for flour in the country primarily depend on the external and domestic factors, particularly rise of prices in the exporting countries, increase of tariffs by transit countries, and increase of VAT for the same type of production (from 10 to 18%), as well as decline in the domestic output of wheat by 14,6% in comparison with 2017.

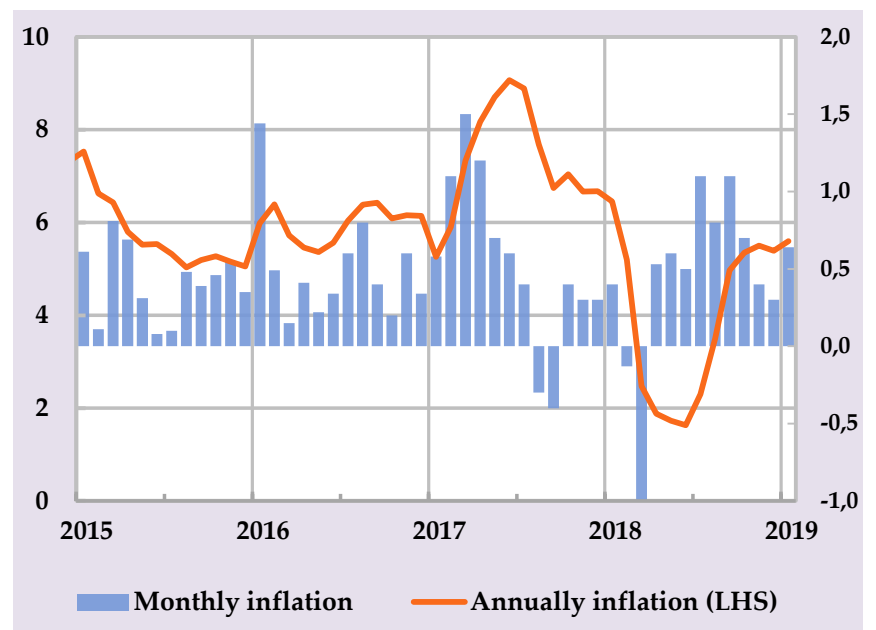
It should be noted that increase of prices for flour has seasonal nature and it is expected rich harvest of wheat in the current year, accompanied by stabilization of its price because of favorable weather in the Republic of Tajikistan and in exporting country (the Republic of Kazakhstan).

It is observed that tariffs for services have increased to 0,2% which was caused basically by growth of prices and tariffs for passenger transport services by 2,3% (mainly at the expense of seasonal price hike for air tickets in the international airline of Dushanbe – Moscow on 2,1%).

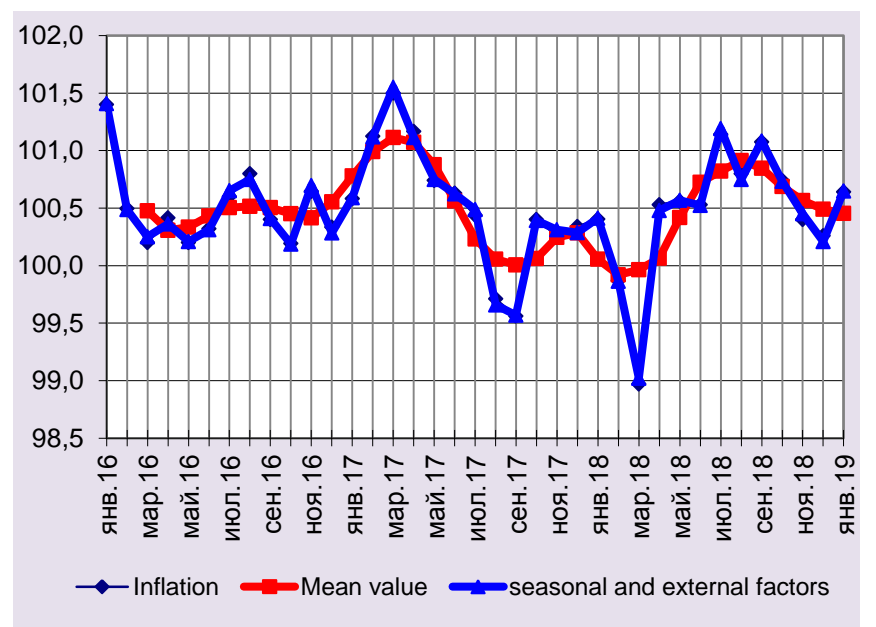
In the structure of non-food products, decline in combustible materials linked with decrease of prices for gasoline A-92 on 5,0% and liquid gas on 9,7% for the account of drop of imported prices and requisite measures taken by the corresponding government agencies (adoption of corresponding measures for combustible materials market regulation) with the view of maintenance of price level for petroleum.

In January, 2019 the annual inflation (for the last 12 months) had stable growth trend, reaching 5,7%,

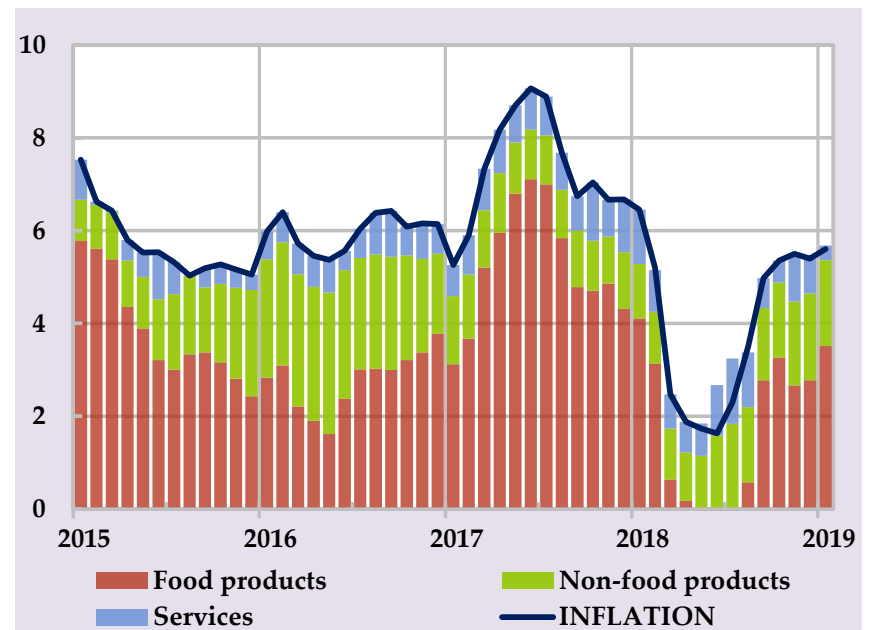
Monthly and annual Inflation, in % (Source: Agency on Statistic, NBT estimations)



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



Contribution of Components to Inflation, in %, annual (source: Statistical Agency, NBT calculations)



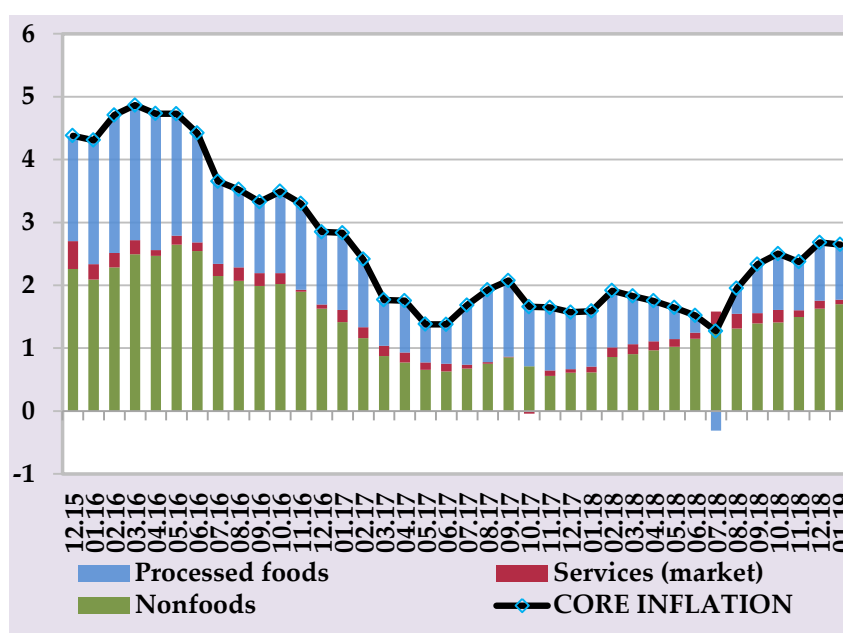
1,7 p.p. more compare previous month and 0,8 p.p. less in compare to beginning of year.

Core inflation rate** in January of the current year was 0,1% (m/m)² and 1,3%³ (y/y).

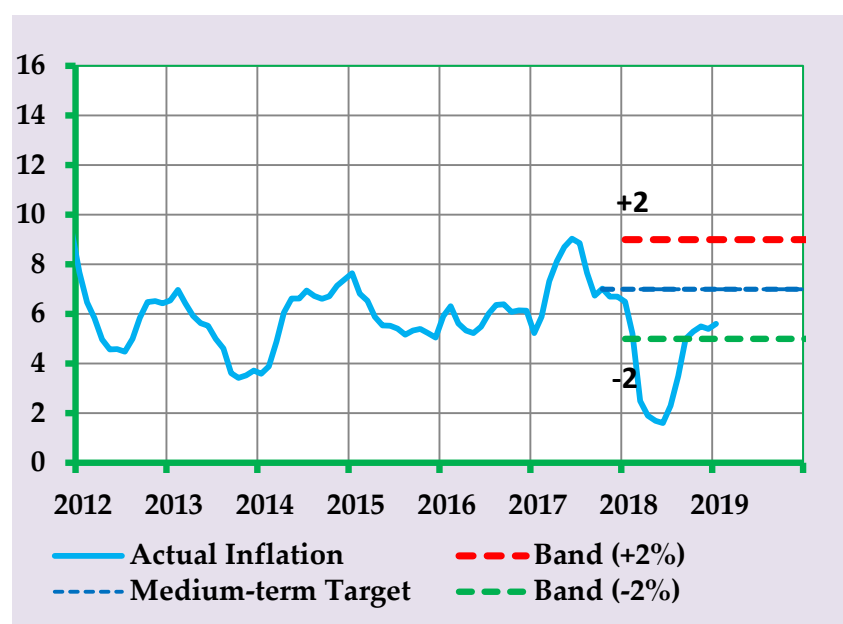
This trend mainly occurred by a slightly stabilization of prices for finished product (bread and bakery products), non-food products (clothes and footwear, repair and building materials, accessories and other consumer goods).

With the view of regulation of currency in circulation and maintenance of stable price level, the National Bank of Tajikistan will revise monetary policy to preserve inflation within the targeted range 7% ±2 to the end of year.

Core inflation, in %, annual
(Source: Agency on Statistic, NBT estimations)



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



¹- Agency on Statistics
²- m/m – month to month (monthly change)
³- y/y – year to year (annual 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.

Consumer price index*																		
	Weight, %	annual change															January, monthly change, %	
		2015	2016	2017	2018													2019
					January	February	March	April	May	June	July	August	September	October	November	December		
Inflation	100,0	5,1	6,1	6,7	6,5	5,2	2,5	1,9	1,7	1,6	2,3	3,5	5,0	5,3	5,5	5,4	5,6	0,6
Food and non-alcoholic beverages	53,1	3,8	6,4	7,7	7,3	5,4	0,9	0,0	-0,5	-2,1	-1,9	0,7	4,8	5,6	4,9	4,9	6,3	1,2
Bread and bread products	17,5	9,1	-2,5	-0,8	-0,9	-1,4	-3,4	-4,2	-4,7	-4,2	-2,1	-0,8	4,5	6,0	8,6	8,9	13,2	3,2
Rise	2,9	11,6	-9,2	-6,9	-7,0	-5,4	1,9	3,2	5,9	8,1	10,2	13,1	15,8	16,3	17,9	19,5	20,7	0,5
Flour	10,7	7,8	-3,0	0,3	0,2	-0,6	-6,0	-7,5	-8,5	-8,2	-5,5	-4,3	3,9	6,3	9,8	9,9	16,0	4,6
Meat and meat products	8,3	-10,2	3,7	13,8	14,0	13,4	13,5	8,9	5,2	4,9	4,5	5,8	6,7	5,8	6,0	8,6	9,4	1,0
Beef	5,4	-14,3	3,2	14,7	15,0	14,1	14,0	7,8	3,0	3,0	2,8	5,1	6,1	5,7	5,7	8,9	9,7	0,1
Eggs	1,5	5,5	12,0	1,0	0,1	1,9	-0,6	2,4	4,7	0,1	-4,2	0,0	7,7	11,5	7,6	3,9	1,8	-1,2
Milk and dairy products	1,7	7,3	0,4	4,4	3,7	4,6	2,3	5,0	6,1	3,7	3,9	3,9	3,4	6,0	3,9	4,1	2,6	-0,1
Milk	0,5	16,1	-7,2	6,3	6,3	4,5	-2,2	4,1	7,2	0,7	0,9	0,7	-1,4	5,4	1,3	1,3	-2,1	0,0
Plant and Animal Oil	5,7	12,7	11,3	1,3	0,0	-1,6	-2,5	-2,2	-3,6	-0,8	3,5	4,0	4,7	7,8	7,5	9,2	9,1	-1,2
Fruit	4,3	12,3	16,7	-1,8	-0,3	3,9	6,4	15,7	24,5	24,2	51,6	36,9	18,2	7,2	6,9	4,0	2,3	1,3
Vegetables	6,6	-12,4	16,5	40,2	37,1	21,2	-6,4	-9,7	-13,1	-23,8	-34,4	-21,9	-1,4	4,2	-6,6	-10,7	-9,7	1,5
Sugar	2,4	19,3	15,0	-6,7	-7,3	-7,9	-10,1	-17,3	-17,5	-11,2	-16,8	-13,8	-11,3	-6,3	-3,0	2,7	4,4	-0,3
Soft drinks	1,3	13,7	19,9	1,6	2,7	0,3	0,6	2,0	3,9	3,3	4,0	3,6	3,6	3,3	3,2	2,8	2,5	-0,1
Catering**	0,9	14,9	19,9	2,7	2,7	3,9	3,9	3,9	3,9	3,9	5,2	5,2	6,9	6,9	3,1	8,0	8,0	0,0
Alcoholic beverages and tobacco	1,4	15,9	11,8	6,2	6,2	7,1	8,0	8,2	7,5	4,7	6,2	6,8	6,4	5,7	4,5	5,4	6,5	1,0
Non-food products	29,2	7,9	5,7	4,4	4,3	4,1	4,0	3,8	4,2	5,8	6,7	5,9	5,7	5,9	6,2	6,4	6,3	-0,1
Clothes and shoes	9,7	9,2	14,5	9,2	2,5	2,7	3,0	3,8	4,0	4,9	5,4	5,2	4,6	4,7	4,9	5,6	14,4	8,5
Repair and construction materials	3,7	2,2	-0,9	2,4	2,5	4,9	4,9	5,5	6,0	6,1	6,7	6,0	7,0	6,9	6,9	7,3	7,8	0,7
Detergents	1,8	15,5	1,2	4,0	3,1	4,0	4,0	3,3	1,5	0,7	1,9	1,9	3,2	4,9	5,7	6,2	6,2	0,0
Medicine	2,9	24,7	14,1	1,0	0,7	2,2	2,2	0,8	1,2	1,9	4,7	4,5	9,2	7,7	9,3	10,4	10,7	0,0
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	17,2	14,1	8,9	11,9	26,4	27,1	20,4	14,1	15,5	18,1	12,2	7,2	-5,9
Other Heating Products	1,3	19,0	3,0	0,9	0,4	-7,7	-8,1	-8,1	-8,1	-8,9	-8,9	-8,9	-8,9	-8,9	-12,5	-8,4	-8,4	0,0
Vehicle	0,9	-2,0	0,0	0,0	0,0	0,1	0,1	0,1	2,9	4,4	4,4	4,4	4,4	4,5	4,5	5,2	5,2	0,1
Other personal effects	1,5	7,6	7,1	8,6	7,3	8,5	9,1	9,5	9,7	11,9	13,1	10,6	8,4	9,0	8,7	8,3	8,7	0,4
Services	15,2	2,2	4,5	7,7	7,9	6,0	5,0	4,5	4,7	7,3	9,5	8,0	4,3	3,2	6,7	4,9	2,1	0,2
Housing and communal	5,2	3,2	9,8	17,5	17,1	12,6	11,7	11,3	13,6	20,5	19,2	14,9	11,3	5,6	14,0	10,8	9,8	-1,6
Rental of property	0,2	14,3	0,0	0,0	0,0	0,0	1,4	1,4	4,6	4,6	4,6	5,0	5,0	5,0	5,0	5,0	5,0	0,0
Water and garbage collection fee	0,7	20,1	5,1	9,1	11,6	8,4	8,4	8,4	9,5	9,5	9,5	9,5	9,5	14,2	9,4	9,4	8,4	0,0
Electricity	2,6	0,0	28,6	14,7	15,0	15,0	15,0	14,9	14,9	14,9	14,7	14,7	14,7	0,6	14,9	14,9	14,6	0,0
Hot water	0,0	14,6	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,5	1,5	1,5	0,0
Gas	1,1	-6,3	-6,6	40,1	35,7	13,4	8,5	7,2	17,2	52,3	44,7	24,8	8,7	13,4	20,4	6,2	2,8	-9,2
Transport	4,4	-2,3	-1,4	2,8	5,0	3,3	0,7	-0,2	-1,9	-0,6	7,2	6,0	-0,7	2,1	5,2	2,9	-4,8	2,3
communication	1,6	0,8	0,0	1,3	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,1	0,1	0,1	0,0
Education	1,6	2,6	11,3	5,3	2,0	1,5	1,5	1,5	1,5	1,5	1,5	1,5	0,2	0,3	0,3	0,3	0,7	0,4
Health	0,8	14,0	1,9	1,7	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	1,3	0,0	0,0
Household	1,9	12,3	5,2	1,1	0,9	1,3	1,5	1,5	1,8	2,9	3,1	3,1	1,8	2,5	2,8	3,3	3,3	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