



Monthly Inflation Review • June 2019

In June, 2019 headline inflation after acceleration during the last two months (April-May, 2019 on 2,1%) slightly stabilized, reaching 0,4% month on month basis, 0,7% less compare to the previous month.

In general, inflation mainly occurred owing to influence of external, supply and seasonal factors. At the same time, increase of population's income and demand has added pressures to inflation trend.

Inflation was driven due to rise in prices of food products by 0,4% (share in inflation 0,2 p.p.), non-food products by 0,6% (0,2 p.p.) and services by 0,1%.

In terms of contribution to inflation by individual product categories, prices of meat products, including beef (5,1%) and lamb (3,8%) increased in the reporting month on back of diminishing supply.

Meanwhile, prices rise for rice, granulated sugar, vegetables and others accelerated in line with influence of short-term external and seasonal factors.

In the structure of non-food products categories share of rise in prices of medicine, washing liquids, combustible materials, clothes and footwear was overall 0,2%.

In this month the dynamics of three months averaged inflation (excluding seasonal factors) in compare to the same month of the previous year has declined in consequence of price fall of non-food products.

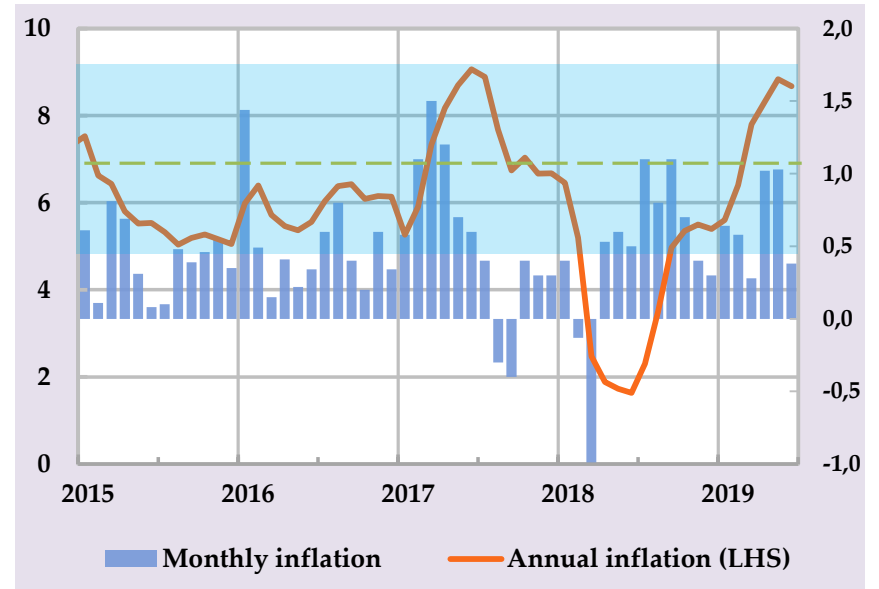
The prices and tariffs of services in the reporting month remained stable, and slightly increase on the account of rise of prices for public services by 0,6%. Herewith, administered prices of services (including energy, hot water and other housing and municipal services) remained unchanged.

Hence, the annual inflation (for the last 12 month) in June of 2019 has decreased, reaching 8,7% that is 0,1 p.p. less in compare with the previous month.

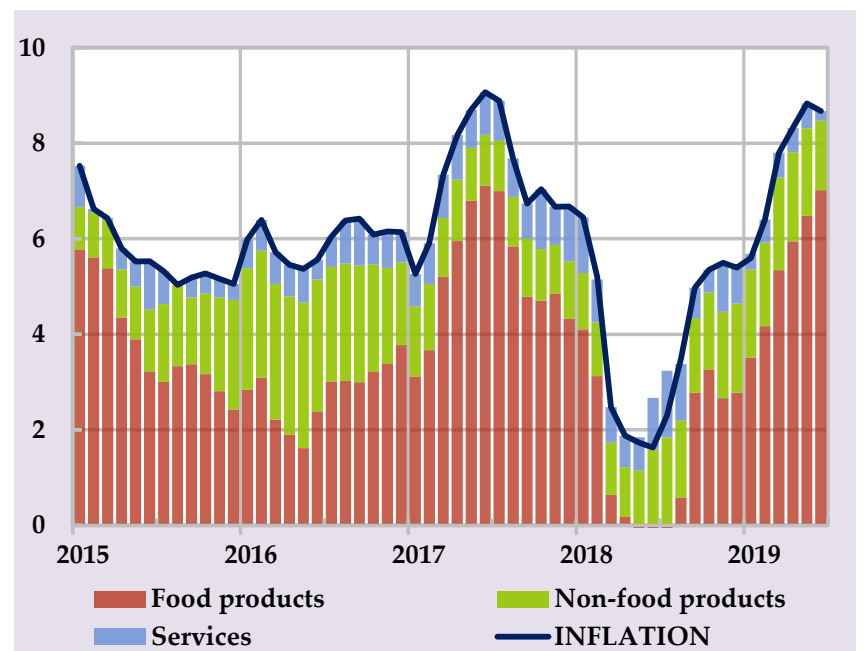
The core inflation** in June, 2019 has made 0,3% (m/m) and 2,7% (y/y) showing limited monetary factors pressure on price level.

According to analysis*** population's expectation on change of general price level in the last 12 months is assessed relatively lower pace compare to general actual prices level and for the long-term period is forecasted in the stable level.

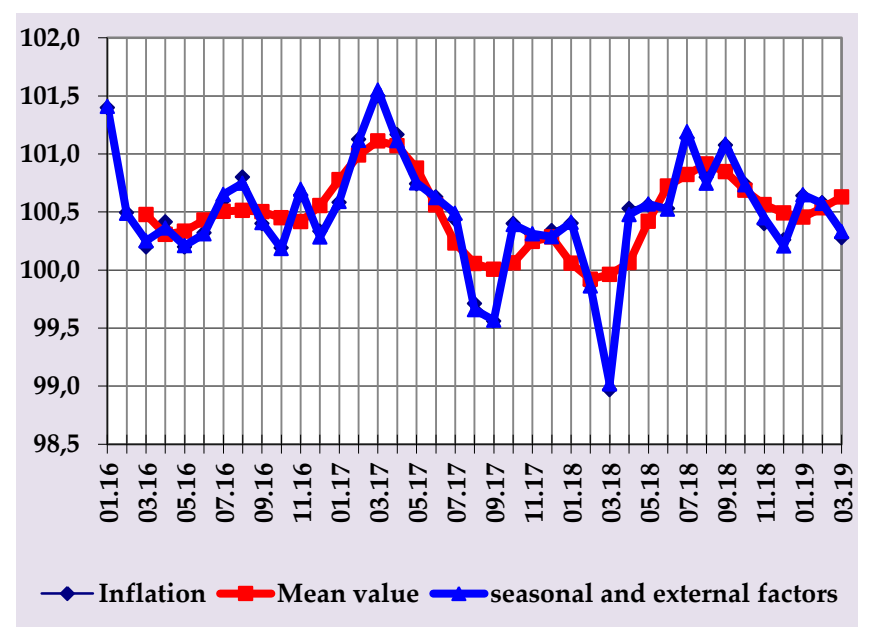
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)



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



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



Public’s prescribed risks on basic factors influencing the increase of price level are connected with upward movement of global prices, prices for agricultural products and unsteadiness in the domestic market.

According to analysis inflation with the view of inflationary expectations and reduction of influence of external factors and seasonal shocks, balancing of supply and demand will come back to its stable rate, and hover around a targeted inflation in the medium-term.

The National Bank of Tajikistan in order to prevent additional pressure on inflation rate and achievement of projected target value before the end of the year will implement the efficient monetary policy.

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



¹ - Agency on Statistic

² - m/m –month on month (monthly change)

³ - y/y – year on year (annual change)

p.p- percentage point

* 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 | | | | | | | | | | | | | | June, monthly change, % |
| | | 2015 | 2016 | 2017 | 2018 | | | | | 2019 | | | | | | |
| | | | | | January | March | June | September | December | January | February | March | April | May | June | |
| Inflation | 100,0 | 5,1 | 6,1 | 6,7 | 6,5 | 2,5 | 1,6 | 5,0 | 5,4 | 5,6 | 6,4 | 7,8 | 8,3 | 8,8 | 8,7 | 0,4 |
| Food and non-alcoholic beverages | 53,1 | 3,8 | 6,4 | 7,7 | 7,3 | 0,9 | -2,1 | 4,8 | 4,9 | 6,3 | 7,9 | 10,2 | 11,4 | 12,4 | 13,5 | 0,4 |
| Bread and bread products | 17,5 | 9,1 | -2,5 | -0,8 | -0,9 | -3,4 | -4,2 | 4,5 | 8,9 | 13,2 | 15,8 | 19,7 | 18,8 | 18,4 | 18,8 | 0,9 |
| Rise | 2,9 | 11,6 | -9,2 | -6,9 | -7,0 | 1,9 | 8,1 | 15,8 | 19,5 | 20,7 | 21,9 | 22,1 | 25,2 | 25,4 | 24,8 | 2,2 |
| Flour | 10,7 | 7,8 | -3,0 | 0,3 | 0,2 | -6,0 | -8,2 | 3,9 | 9,9 | 16,0 | 18,7 | 25,3 | 22,7 | 21,4 | 22,1 | 0,7 |
| Meat and meat products | 8,3 | -10,2 | 3,7 | 13,8 | 14,0 | 13,5 | 4,9 | 6,7 | 8,6 | 9,4 | 10,2 | 10,4 | 11,4 | 14,3 | 18,0 | 4,1 |
| Beef | 5,4 | -14,3 | 3,2 | 14,7 | 15,0 | 14,0 | 3,0 | 6,1 | 8,9 | 9,7 | 11,2 | 11,4 | 12,9 | 17,2 | 21,8 | 5,1 |
| Eggs | 1,5 | 5,5 | 12,0 | 1,0 | 0,1 | -0,6 | 0,1 | 7,7 | 3,9 | 1,8 | -2,0 | 6,6 | -3,1 | 7,8 | 6,0 | -5,0 |
| Milk and dairy products | 1,7 | 7,3 | 0,4 | 4,4 | 3,7 | 2,3 | 3,7 | 3,4 | 4,1 | 2,6 | 2,4 | 3,1 | 3,2 | 2,0 | 4,8 | 1,9 |
| Milk | 0,5 | 16,1 | -7,2 | 6,3 | 6,3 | -2,2 | 0,7 | -1,4 | 1,3 | -2,1 | -1,6 | 0,0 | 2,3 | -1,6 | 2,7 | 2,3 |
| Plant and Animal Oil | 5,7 | 12,7 | 11,3 | 1,3 | 0,0 | -2,5 | -0,8 | 4,7 | 9,2 | 9,1 | 9,6 | 10,4 | 8,1 | 8,5 | 5,2 | -0,2 |
| Fruit | 4,3 | 12,3 | 16,7 | -1,8 | -0,3 | 6,4 | 24,2 | 18,2 | 4,0 | 2,3 | -3,0 | -4,0 | -12,2 | -16,0 | -15,5 | -7,6 |
| Vegetables | 6,6 | -12,4 | 16,5 | 40,2 | 37,1 | -6,4 | -23,8 | -1,4 | -10,7 | -9,7 | -3,6 | 3,7 | 18,7 | 25,5 | 33,1 | -0,3 |
| Sugar | 2,4 | 19,3 | 15,0 | -6,7 | -7,3 | -10,1 | -11,2 | -11,3 | 2,7 | 4,4 | 4,5 | 5,7 | 6,3 | 6,1 | -0,6 | 2,2 |
| Soft drinks | 1,3 | 13,7 | 19,9 | 1,6 | 2,7 | 0,6 | 3,3 | 3,6 | 2,8 | 2,5 | 5,4 | 5,1 | 8,3 | 6,7 | 6,2 | 0,1 |
| Catering* | 0,9 | 14,9 | 19,9 | 2,7 | 2,7 | 3,9 | 3,9 | 6,9 | 8,0 | 8,0 | 6,7 | 6,7 | 8,1 | 8,1 | 8,1 | 0,0 |
| Alcoholic beverages and tobacco | 1,4 | 15,9 | 11,8 | 6,2 | 6,2 | 8,0 | 4,7 | 6,4 | 5,4 | 6,5 | 4,6 | 3,8 | 3,8 | 3,5 | 3,5 | 0,0 |
| Non-food products | 29,2 | 7,9 | 5,7 | 4,4 | 4,3 | 4,0 | 5,8 | 5,7 | 6,4 | 6,3 | 5,6 | 6,3 | 6,0 | 5,9 | 4,7 | 0,6 |
| Clothes and shoes | 9,7 | 9,2 | 14,5 | 9,2 | 2,5 | 3,0 | 4,9 | 4,6 | 5,6 | 14,4 | 14,3 | 14,7 | 14,4 | 14,4 | 13,5 | 0,2 |
| Repair and construction materials | 3,7 | 2,2 | -0,9 | 2,4 | 2,5 | 4,9 | 6,1 | 7,0 | 7,3 | 7,8 | 5,5 | 6,0 | 5,9 | 5,2 | 5,2 | 0,7 |
| Detergents | 1,8 | 15,5 | 1,2 | 4,0 | 3,1 | 4,0 | 0,7 | 3,2 | 6,2 | 6,2 | 6,1 | 7,0 | 8,0 | 7,9 | 9,0 | 0,1 |
| Medicine | 2,9 | 24,7 | 14,1 | 1,0 | 0,7 | 2,2 | 1,9 | 9,2 | 10,4 | 10,7 | 6,3 | 6,4 | 9,2 | 16,7 | 18,1 | 1,8 |
| Petrol vehicles lubrication products | 2,0 | -7,0 | 2,9 | 27,7 | 25,9 | 14,1 | 26,4 | 14,1 | 12,2 | 7,2 | 3,0 | 5,4 | 2,3 | 0,4 | -10,6 | 1,3 |
| Other Heating Products | 1,3 | 19,0 | 3,0 | 0,9 | 0,4 | -8,1 | -8,9 | -8,9 | -8,4 | -8,4 | -4,5 | -5,0 | -12,8 | -13,2 | -12,7 | -0,2 |
| Vehicle | 0,9 | -2,0 | 0,0 | 0,0 | 0,0 | 0,1 | 4,4 | 4,4 | 5,2 | 5,2 | 8,3 | 8,1 | 6,9 | 2,1 | 0,4 | -0,2 |
| Other personal effects | 1,5 | 7,6 | 7,1 | 8,6 | 7,3 | 9,1 | 11,9 | 8,4 | 8,3 | 8,7 | 8,5 | 8,5 | 7,8 | 6,9 | 4,9 | 0,1 |
| Services | 15,2 | 2,2 | 4,5 | 7,7 | 7,9 | 5,0 | 7,3 | 4,3 | 4,9 | 2,1 | 3,1 | 3,4 | 3,3 | 3,4 | 1,3 | 0,1 |
| Housing and communal | 5,2 | 3,2 | 9,8 | 17,5 | 17,1 | 11,7 | 20,5 | 11,3 | 10,8 | 9,8 | 9,6 | 12,3 | 10,5 | 9,4 | 3,2 | 0,2 |
| Rental of property | 0,2 | 14,3 | 0,0 | 0,0 | 0,0 | 1,4 | 4,6 | 5,0 | 5,0 | 5,0 | 5,0 | 6,5 | 6,5 | 3,3 | 3,3 | 0,0 |
| Water and garbage collection fee | 0,7 | 20,1 | 5,1 | 9,1 | 11,6 | 8,4 | 9,5 | 9,5 | 9,4 | 8,4 | 8,4 | 8,7 | 8,7 | 8,2 | 8,2 | 0,0 |
| Electricity | 2,6 | 0,0 | 28,6 | 14,7 | 15,0 | 15,0 | 14,9 | 14,7 | 14,9 | 14,6 | 14,6 | 14,6 | 14,4 | 14,4 | 14,4 | 0,0 |
| Hot water | 0,0 | 14,6 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 | 1,5 | 0,0 |
| Gas | 1,1 | -6,3 | -6,6 | 40,1 | 35,7 | 8,5 | 52,3 | 8,7 | 6,2 | 2,8 | 0,9 | 14,1 | 4,8 | 0,5 | -23,3 | 0,0 |
| Transport | 4,4 | -2,3 | -1,4 | 2,8 | 5,0 | 0,7 | -0,6 | -0,7 | 2,9 | -4,8 | -0,7 | -2,4 | -1,0 | -0,2 | -0,2 | -0,1 |
| communication | 1,6 | 0,8 | 0,0 | 1,3 | 0,0 | 0,0 | 0,0 | 0,0 | 0,1 | 0,1 | 0,1 | 0,0 | 0,1 | 0,0 | 0,1 | 0,1 |
| Education | 1,6 | 2,6 | 11,3 | 5,3 | 2,0 | 1,5 | 1,5 | 0,2 | 0,3 | 0,7 | 0,7 | 0,7 | 0,7 | 0,7 | 0,7 | 0,0 |
| Health | 0,8 | 14,0 | 1,9 | 1,7 | 1,3 | 1,3 | 1,3 | 1,3 | 1,3 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Household | 1,9 | 12,3 | 5,2 | 1,1 | 0,9 | 1,5 | 2,9 | 1,8 | 3,3 | 3,3 | 2,9 | 3,2 | 3,4 | 3,7 | 3,2 | 0,6 |

* - The dining room, café and restaurant

*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