Monthly Inflation Review ● September 2019

The increase of inflation rate[1] in September, 2019 has made 0,6%, this indicator is lower on 0,3 percentage points (p.p.) in compare to the previous month.

The analysis shows that a share of food and non-food products in comparison with paid services to population is comparatively stable in the developed inflation, and mainly has developed at the expense of increase of regulated services, including housing and public utility services.

The developed inflation in the reporting period has been mainly caused by rise in prices for food products of 0,5% (its share in the inflation made 0,3 percentage points), non-food products - 0,5% (0,1 p.p.) and cost of paid services to population - 1,2 % (0,2 p.p.).

In the structure of food products in this month mainly the rise in prices for bakery products of 6,6% (10,0%), meat of 1,3%, also some types of vegetables was observed.

In general in the given month mostly rise in prices for wheat flour of first grade is observed. It should be noted that flour is one of the mostly consumable product of population and its specific weight in consumer basket makes 10,7%.
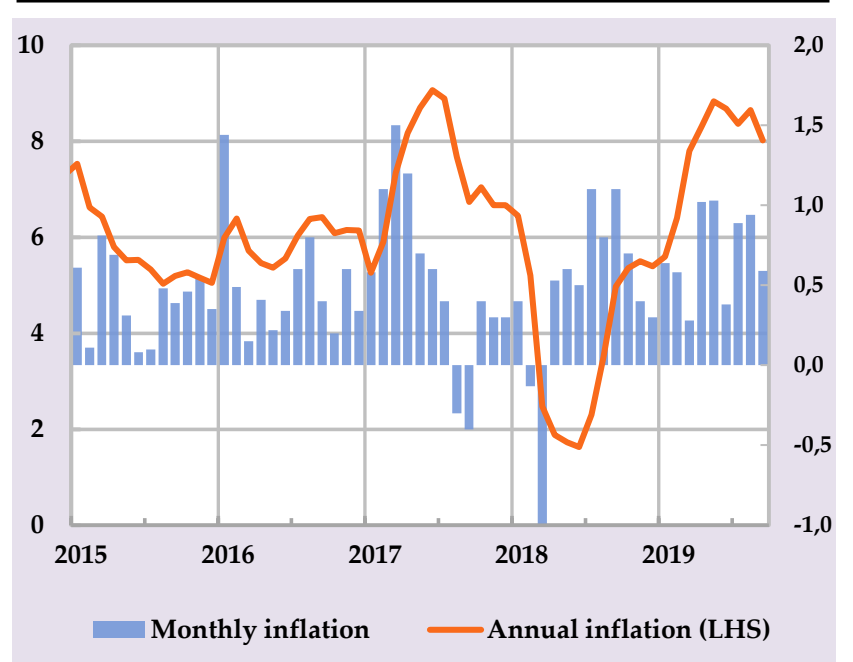
According to customs statistics for nine months of the current year (January – September) 748,3 thousand tons of wheat for USD 148,6 million was imported to the country that in compare with the same period of the last year has increased 3,8% on quantity and on 23,1% on volume. The average price of imported to the country wheat in this period has made USD 198,6 per ton that in comparison with the same period of the last year it is more on 18,3%.

At the same time, in the structure of non-food products in the reporting month the rise in prices for washing-up liquids, medicines, clothes and footwear was observed, which in general has made 0,1% of rise in prices of common level of non-food products.
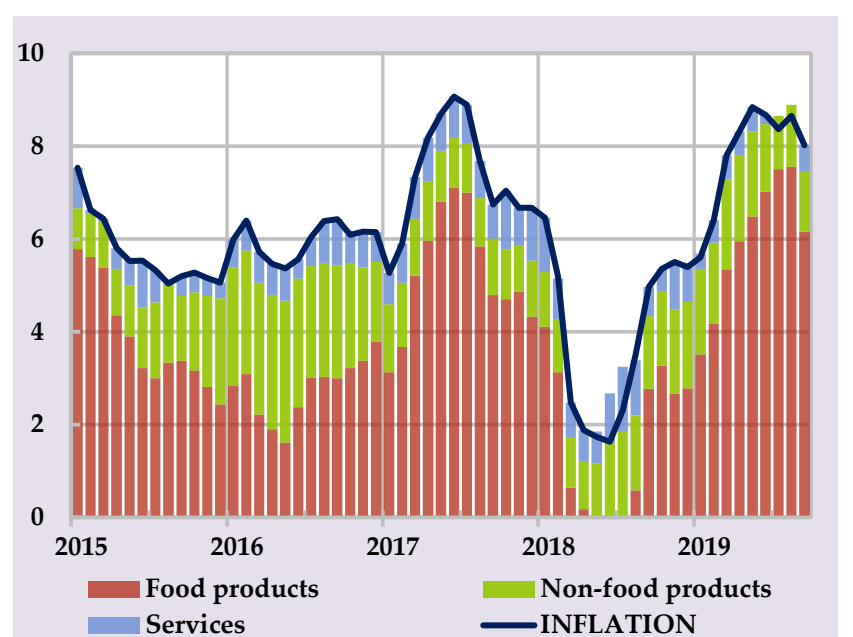
Prices and tariffs for paid services to population in the reporting month had an increase trend and made 1,2% that the given process has basically developed at the expense of price hike of housing-and-municipal services at the rate of 10,6% (including, energy on 16,2%).

Consequently, annual inflation rate (for the last 12 months) in September of 2019 had decrease trend and made 8,1% that in compare with previous month is less on 0,5 p.p.
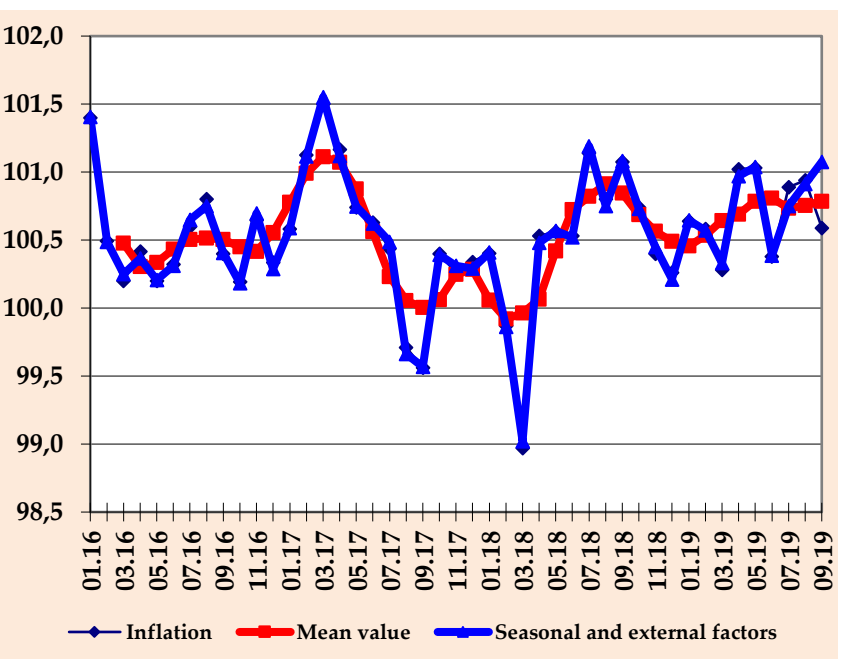
Monthly and annual Inflation, in %
(Source: Agency on Statistic, NBT estimations)

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)

Also, in the given month quarterly inflation rate change trend (excluding influence of seasonal factors) in comparison with the same month of previous year has decreased that given trend has mainly occurred at the expense of stability in prices for food products.

Core inflation rate** in September of the current year has made 0,2 %[2] and in annual calculation has made 2,7%[3] that certifies on limitation of influence of monetary factors on prices level.

According to the analysis of inflation rate trend based on inflation expectations and reduction of influence of external factors and seasonal shocks will be maintained within projected core indicators 7% (±2 p.p.)*.

The National Bank of Tajikistan, with the view of prevention of additional pressure on inflation rate and achievement of targeted indicator of expected inflation at the end of year, will continue the realization of balanced 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)

* 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*															September,
					annual change										monthly
	Weight, %	2015	2016	2017	2018					2019					change, %
					January	March	June	September	December	January	March	June	August	September	
Inflation	**100,0**	**5,1**	**6,1**	**6,7**	**6,5**	**2,5**	**1,6**	**5,0**	**5,4**	**5,6**	**7,8**	**8,7**	**8,6**	**8,0**	**0,6**
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**	**10,2**	**13,5**	**14,6**	**11,9**	**0,5**
Bread and bread products	17,5	9,1	-2,5	-0,8	-0,9	-3,4	-4,2	4,5	8,9	13,2	19,7	18,8	15,7	16,1	6,6
Rise	2,9	11,6	-9,2	-6,9	-7,0	1,9	8,1	15,8	19,5	20,7	22,1	24,8	18,1	15,3	1,3
Flour	10,7	7,8	-3,0	0,3	0,2	-6,0	-8,2	3,9	9,9	16,0	25,3	22,1	19,0	19,7	10,0
Meat and meat products	8,3	-10,2	3,7	13,8	14,0	13,5	4,9	6,7	8,6	9,4	10,4	18,0	22,3	22,9	1,3
Beef	5,4	-14,3	3,2	14,7	15,0	14,0	3,0	6,1	8,9	9,7	11,4	21,8	26,5	27,2	1,3
Eggs	1,5	5,5	12,0	1,0	0,1	-0,6	0,1	7,7	3,9	1,8	6,6	6,0	14,6	3,1	0,2
Milk and dairy products	1,7	7,3	0,4	4,4	3,7	2,3	3,7	3,4	4,1	2,6	3,1	4,8	2,8	4,3	1,5
Milk	0,5	16,1	-7,2	6,3	6,3	-2,2	0,7	-1,4	1,3	-2,1	0,0	2,7	0,2	6,7	6,0
Plant and Animal Oil	5,7	12,7	11,3	1,3	0,0	-2,5	-0,8	4,7	9,2	9,1	10,4	5,2	1,4	0,6	0,4
Fruit	4,3	12,3	16,7	-1,8	-0,3	6,4	24,2	18,2	4,0	2,3	-4,0	-15,5	-12,6	-5,4	-3,9
Vegetables	6,6	-12,4	16,5	40,2	37,1	-6,4	-23,8	-1,4	-10,7	-9,7	3,7	33,1	44,8	15,0	-8,6
Sugar	2,4	19,3	15,0	-6,7	-7,3	-10,1	-11,2	-11,3	2,7	4,4	5,7	-0,6	0,0	3,4	1,2
Soft drinks	1,3	13,7	19,9	1,6	2,7	0,6	3,3	3,6	2,8	2,5	5,1	6,2	5,7	6,7	0,9
Catering**	**0,9**	**14,9**	**19,9**	**2,7**	**2,7**	**3,9**	**3,9**	**6,9**	**8,0**	**8,0**	**6,7**	**8,1**	**8,0**	**7,3**	**1,2**
Alcoholic beverages and tobacco	**1,4**	**15,9**	**11,8**	**6,2**	**6,2**	**8,0**	**4,7**	**6,4**	**5,4**	**6,5**	**3,8**	**3,5**	**0,2**	**0,9**	**0,7**
Non-food products	**29,2**	**7,9**	**5,7**	**4,4**	**4,3**	**4,0**	**5,8**	**5,7**	**6,4**	**6,3**	**6,3**	**4,7**	**4,3**	**4,1**	**0,5**
Clothes and shoes	9,7	9,2	14,5	9,2	2,5	3,0	4,9	4,6	5,6	14,4	14,7	13,5	13,8	14,4	0,5
Repair and construction materials	3,7	2,2	-0,9	2,4	2,5	4,9	6,1	7,0	7,3	7,8	6,0	5,2	5,5	4,9	0,4
Detergents	1,8	15,5	1,2	4,0	3,1	4,0	0,7	3,2	6,2	6,2	7,0	9,0	7,2	6,3	0,5
Medicine	2,9	24,7	14,1	1,0	0,7	2,2	1,9	9,2	10,4	10,7	6,4	18,1	15,7	10,8	0,0
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	14,1	26,4	14,1	12,2	7,2	5,4	-10,6	-12,5	-9,1	2,2
Other Heating Products	1,3	19,0	3,0	0,9	0,4	-8,1	-8,9	-8,9	-8,4	-8,4	-5,0	-12,7	-16,3	-18,0	-2,0
Vehicle	0,9	-2,0	0,0	0,0	0,0	0,1	4,4	4,4	5,2	5,2	8,1	0,4	1,3	1,5	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	4,9	4,3	4,1	0,5
Services	**15,2**	**2,2**	**4,5**	**7,7**	**7,9**	**5,0**	**7,3**	**4,3**	**4,9**	**2,1**	**3,4**	**1,3**	**-1,5**	**3,7**	**1,2**
Housing and communal	5,2	3,2	9,8	17,5	17,1	11,7	20,5	11,3	10,8	9,8	12,3	3,2	3,4	15,7	10,6
Rental of property	0,2	14,3	0,0	0,0	0,0	1,4	4,6	5,0	5,0	5,0	6,5	3,3	2,8	2,9	0,1
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	8,7	8,2	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	14,4	14,4	32,9	16,2
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	0,0
Gas	1,1	-6,3	-6,6	40,1	35,7	8,5	52,3	8,7	6,2	2,8	14,1	-23,3	-24,8	-15,8	6,4
Transport	4,4	-2,3	-1,4	2,8	5,0	0,7	-0,6	-0,7	2,9	-4,8	-2,4	-0,2	-11,1	-8,8	-8,0
communication	1,6	0,8	0,0	1,3	0,0	0,0	0,0	0,0	0,1	0,1	0,0	0,1	0,2	0,2	0,0
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	1,2	2,0	1,0
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	15,2	15,4	0,2
Household	1,9	12,3	5,2	1,1	0,9	1,5	2,9	1,8	3,3	3,3	3,2	3,2	4,8	5,3	0,1

- 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