



### Monthly Inflation Review • February, 2021

In February 2021, the inflation<sup>1</sup> rate has reached 0.7%, having increased by 0.3 percentage points (p.p.) compared to the same month of last year.

The prevailing inflation was mainly due to rise in prices for foodstuffs by 0.9%, non-foodstuffs by 0.7%, prices and tariffs for paid services to population by 1.0%.

In the structure of food products, it was observed an increase in prices for such consumer products of population as potatoes of 12.8%, cabbages of 6.4%, beef of 1.1%, lamb of 1.9%, milk of 0.8%, eggs of 2.0%, cottonseed oil of 1.2%, sunflower oil of 1.3%, granulated sugar of 1.1%, lemon of 9.1%, pear of 1.9%, peas of 2.1% and grapes of 2.5%. This growth is due to the influence of external and seasonal factors.

Along with this, there was a decrease in prices for a number of foodstuffs such as apple -3.0%, rice -0.8%, carrots -1.1% and onions -6.9%.

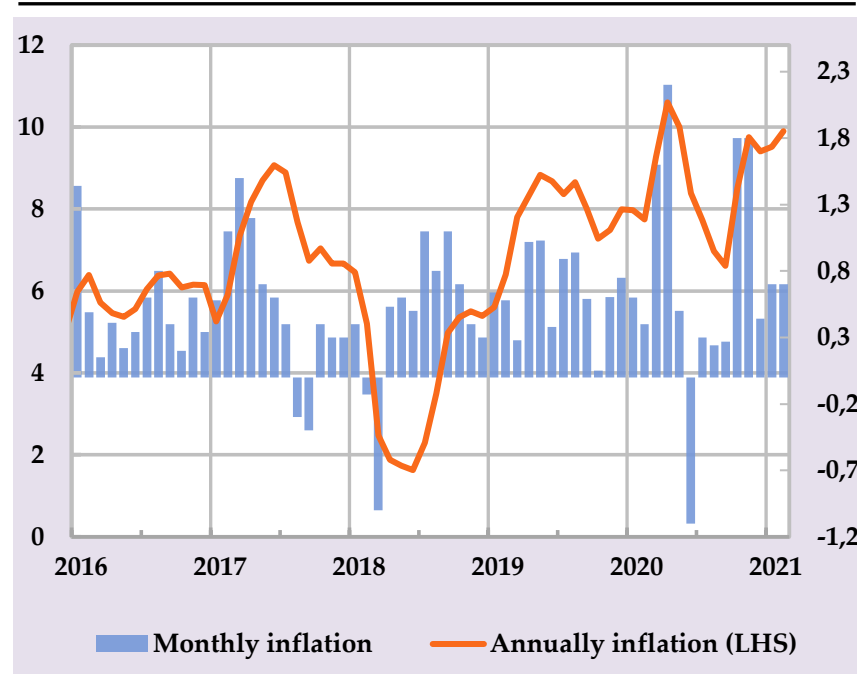
Among non-food products, in February 2021, the increase in the average prices for textiles on 1.1%, clothing and footwear on 0.6%, diesel fuel on 2.6%, gasoline of AI-92 on 8.2% and liquefied gas on 3.1% was recorded.

Thus, the annual inflation in February, 2021 has reached 9.9%, which is more for 2.1 p.p. than in the same period of last year.

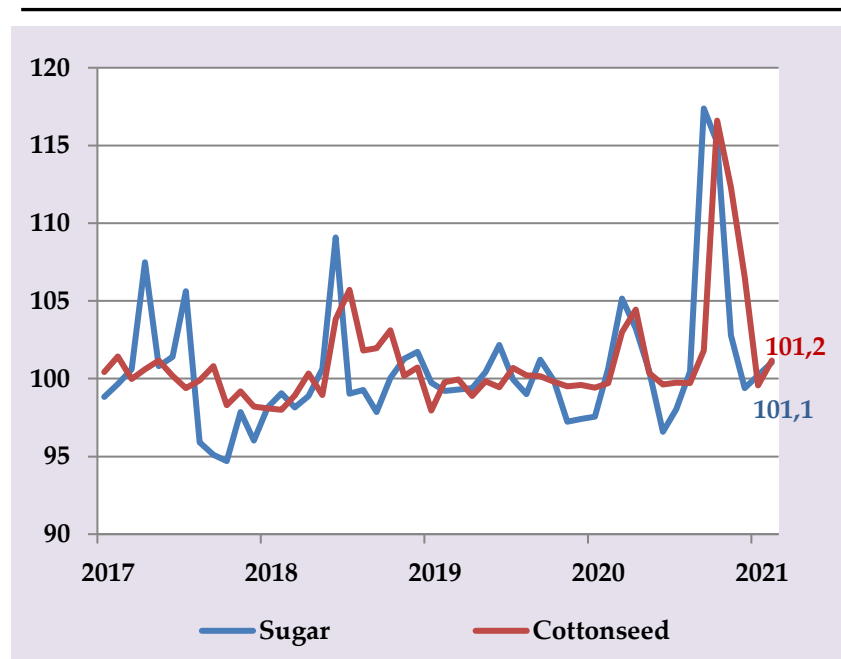
The analysis shows that the reasons for inflation to go beyond the established projection were mainly the influence of seasonal factors, external pressures and supply factors associated with the coronavirus (COVID-19) pandemic, as well as price volatility in the world markets, which caused a reduction in supply of a number of major consumer goods (granulated sugar, vegetable oil and the increase in their prices in exporting countries), restrictions on the international trade, reduced competitiveness in domestic markets.

The level of core inflation, which to some extent reflects monetary factors, amounted to 0.3% in February of current year and reached 5.0% on the annualized basis,

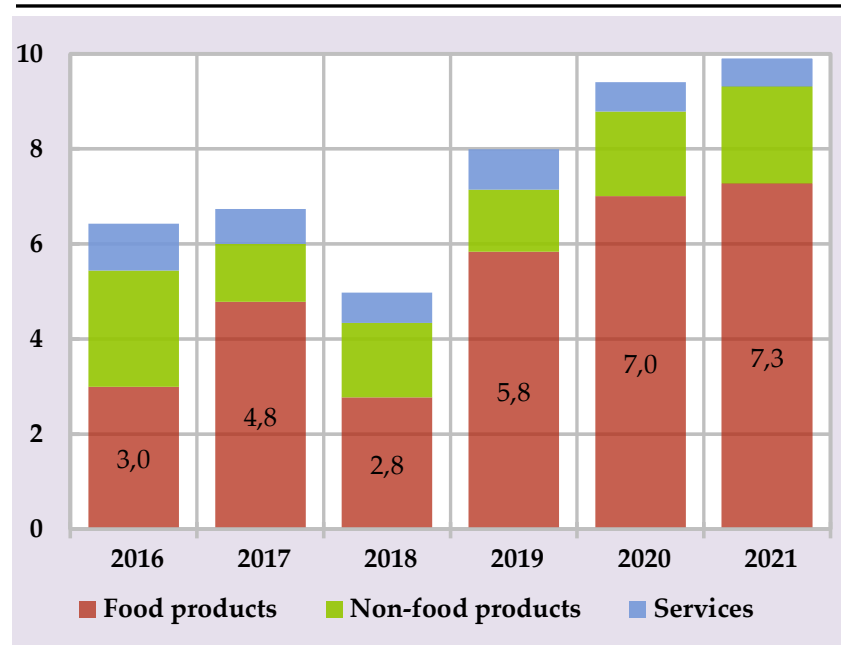
Monthly and annual inflation, in %  
(Source: Agency on Statistics, NBT estimations)



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)



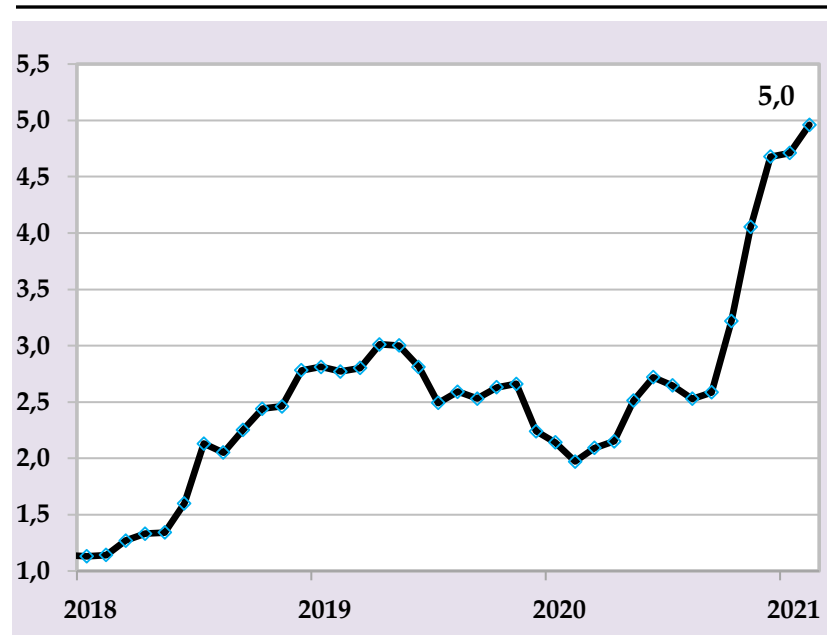
having increased by 3.0 percentage points compared to the same period of last year.

This process was mainly influenced by the rise in prices for finished food products (such as vegetable oil and bakery foods). The refinancing rate, which is a key instrument for conducting monetary operations, taking into account the forecast of potential risks impact on the economy and the growth of pressures, inflation expectations and return of the inflation rate to the established limit for the medium term, was increased on February 5, 2021 to 0.25 percentage points and set at 11.0 % per annum.

In order to regulate the money supply in circulation, effectively manage the liquidity of banks, to minimize exchange rate and inflationary pressures in January-February 2021, the NBT attracted overnight deposits of credit financial institutions in the amount of TJS 63.7 billion, which is more for 19,4% than in the same period of last year. Also, during this period, 14 auctions were held on NBT securities for the amount of TJS 1.6 billion.

**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)



<sup>1</sup> - according to data of Statistics Agency

Consumer price index (annual change %)*													
	Weight, %	2015	2016	2017	2018	2019	2020				2021		February monthly change, %
							March	June	September	December	January	February	
<b>Inflation</b>	<b>100,0</b>	<b>5,1</b>	<b>6,1</b>	<b>6,7</b>	<b>5,4</b>	<b>8,0</b>	<b>9,3</b>	<b>8,4</b>	<b>6,6</b>	<b>9,4</b>	<b>9,5</b>	<b>9,9</b>	<b>0,7</b>
<b>Food and non-alcoholic beverages</b>	<b>50,4</b>	<b>3,8</b>	<b>6,4</b>	<b>7,7</b>	<b>4,9</b>	<b>11,4</b>	<b>13,5</b>	<b>12,4</b>	<b>7,6</b>	<b>13,5</b>	<b>13,7</b>	<b>14,1</b>	<b>1,0</b>
Bread and bread products	15,3	9,1	-2,5	-0,8	8,9	16,5	13,5	25,3	15,1	13,8	12,8	14,6	0,0
Rise	2,6	11,6	-9,2	-6,9	19,5	7,6	4,0	-0,5	-0,4	3,2	2,6	2,8	-0,8
Flour	9,0	7,8	-3,0	0,3	9,9	21,0	17,3	36,7	19,0	16,4	15,5	18,4	0,0
Meat and meat products	8,4	-10,2	3,7	13,8	8,6	21,8	20,6	12,3	5,9	5,7	5,1	6,1	1,1
Beef	5,3	-14,3	3,2	14,7	8,9	25,9	25,2	14,0	5,7	6,2	5,2	6,0	1,1
Eggs	1,4	5,5	12,0	1,0	3,9	6,3	-5,1	-0,1	-2,1	18,9	22,9	39,8	2,0
Milk and dairy products	1,7	7,3	0,4	4,4	4,1	6,4	6,7	8,1	7,6	4,3	4,6	5,7	1,3
Milk	0,5	16,1	-7,2	6,3	1,3	7,3	11,0	13,0	8,1	5,6	8,7	9,3	0,9
Plant and Animal Oil	5,1	12,7	11,3	1,3	9,2	-1,7	0,5	6,4	7,2	42,3	42,4	44,3	1,0
Fruit	3,8	12,3	16,7	-1,8	4,0	-2,2	12,1	18,6	11,5	4,7	1,7	-4,3	0,5
Vegetables	7,6	-12,4	16,5	40,2	-10,7	15,4	29,9	3,0	-3,0	5,8	8,4	6,4	3,1
Sugar	2,2	19,3	15,0	-6,7	2,7	-5,1	-0,2	-2,0	13,1	40,8	44,6	45,1	1,1
Soft drinks	1,3	13,7	19,9	1,6	2,8	8,1	-0,8	-0,2	-2,1	-2,2	4,1	3,6	-0,5
<b>Catering**</b>	<b>1,0</b>	<b>14,9</b>	<b>19,9</b>	<b>2,7</b>	<b>8,0</b>	<b>3,0</b>	<b>3,0</b>	<b>2,9</b>	<b>6,2</b>	<b>5,9</b>	<b>5,9</b>	<b>5,9</b>	<b>0,0</b>
<b>Alcoholic beverages and tobacco</b>	<b>2,5</b>	<b>15,9</b>	<b>11,8</b>	<b>6,2</b>	<b>5,4</b>	<b>1,0</b>	<b>1,9</b>	<b>3,2</b>	<b>5,0</b>	<b>5,0</b>	<b>5,1</b>	<b>5,7</b>	<b>0,5</b>
<b>Non-food products</b>	<b>30,6</b>	<b>7,9</b>	<b>5,7</b>	<b>4,4</b>	<b>6,4</b>	<b>4,2</b>	<b>5,0</b>	<b>3,9</b>	<b>5,8</b>	<b>5,8</b>	<b>6,1</b>	<b>6,8</b>	<b>0,7</b>
Clothes and shoes	10,4	9,2	14,5	9,2	5,6	13,4	4,2	3,8	4,1	4,5	4,6	5,1	0,6
Repair and construction materials	4,5	2,2	-0,9	2,4	7,3	4,9	5,5	6,5	8,0	8,0	9,0	9,1	0,5
Detergents	1,7	15,5	1,2	4,0	6,2	3,3	2,9	5,0	7,0	10,1	9,7	9,8	0,2
Medicine	2,9	24,7	14,1	1,0	10,4	13,0	16,5	11,9	12,6	7,8	7,0	7,7	0,6
Petrol vehicles lubrication products	2,1	-7,0	2,9	27,7	12,2	-5,7	4,2	-16,5	-1,2	-6,1	-1,8	4,4	5,5
Other Heating Products	1,2	19,0	3,0	0,9	-8,4	-9,9	-2,1	-2,7	14,8	14,8	13,9	9,4	-3,9
Vehicle	1,1	-2,0	0,0	0,0	5,2	0,8	-0,7	2,7	2,8	3,2	1,9	3,1	1,1
Other personal effects	1,6	7,6	7,1	8,6	8,3	3,8	2,9	8,4	7,5	8,8	8,8	10,0	1,4
<b>Services</b>	<b>15,4</b>	<b>2,2</b>	<b>4,5</b>	<b>7,7</b>	<b>4,9</b>	<b>5,5</b>	<b>4,7</b>	<b>5,0</b>	<b>5,0</b>	<b>4,0</b>	<b>3,8</b>	<b>3,5</b>	<b>0,1</b>
Housing and communal	5,4	3,2	9,8	17,5	10,8	9,1	11,0	7,5	4,9	1,8	2,0	3,1	0,7
Rental of property	0,2	14,3	0,0	0,0	5,0	2,8	1,3	1,3	2,8	6,0	5,7	4,7	0,0
Water and garbage collection fee	0,7	20,1	5,1	9,1	9,4	4,3	1,1	0,6	0,6	0,0	0,0	0,0	0,0
Electricity	3,0	0,0	16,3	14,7	14,9	16,2	16,2	16,2	0,0	0,7	0,7	0,7	0,0
Hot water	0,0	14,6	0,0	0,0	1,5	0,6	0,6	0,6	0,6	0,0	0,0	0,0	0,0
Gas	1,1	-6,3	3,4	40,1	6,2	-5,9	5,9	-9,3	28,1	4,0	5,3	10,8	3,2
Transport	4,1	-2,3	-1,4	2,8	2,9	3,7	-1,4	0,9	4,6	3,0	2,0	-0,5	-0,5
communication	1,6	0,8	0,0	1,3	0,1	0,1	0,2	8,5	8,6	9,0	9,0	9,0	0,0
Education	1,7	2,6	11,3	5,3	0,3	1,5	1,6	1,6	7,7	9,3	8,7	8,8	0,0
Health	0,9	14,0	1,9	1,7	1,3	15,6	15,6	16,0	0,5	0,4	0,3	-0,4	-0,7
Household	1,6	12,3	5,2	1,1	3,3	3,8	4,4	3,1	2,6	6,7	7,0	7,2	0,4

\*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