



Monthly Inflation Review • April 2019

According to statistical data, the headline inflation¹ showing modest acceleration in April, 2019 has reached 1,0%, that is 0,7 percentage points (p.p.) more in compare to previous month (March, 2019).

It should be noted that inflation has slightly exceeded the expected level in line mainly with rise in prices for some food products by 2,0% (share in the inflation 0,1 p.p.), while prices for non-food products dropped by 0,1% and tariffs for services by 0,2%.

In term of contributions to inflation growth, prices of individual consumer products categories, such as beef, lamb, rice, potatoes, onions and carrots have increased. The underlying this trend occurred in reflection of short-term seasonal factors, particularly, increases in demand owing to Ramadan Holly month.

At the same time, prices of some non-food products including the prices for combustible materials declined by 2,3% (gasoline A-92 1,3% and liquid gas on 9,6%) in consequences of stabilization of imported prices.

Prices and tariffs for services for the reporting month had dropped, caused mainly by fall prices for housing and municipal services by 2,0%.

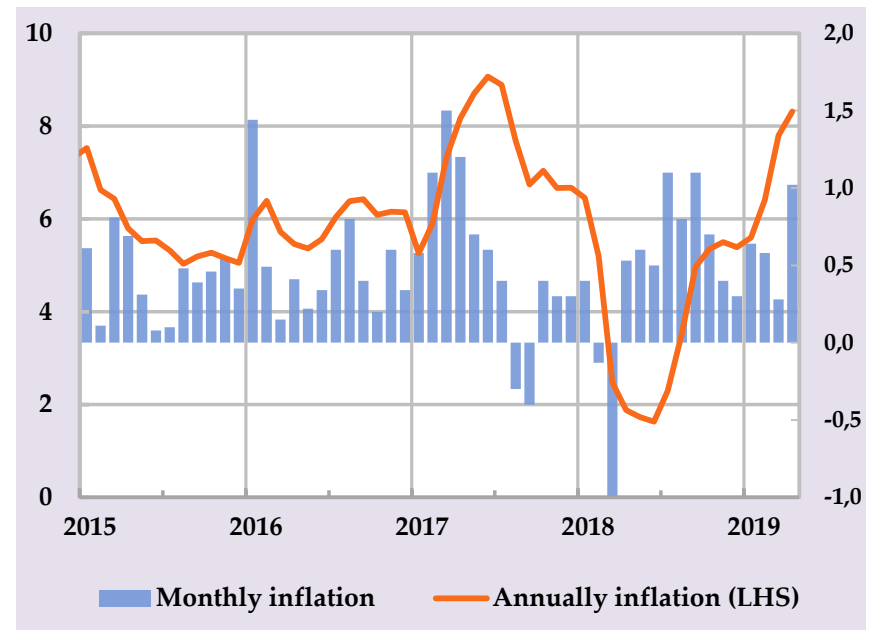
As a result, the pace of annual inflation (for last 12 months) in April of 2019 accelerated, reaching 8,3%, 0,5 p.p. more in compare with the previous month.

According to analysis, taking into account “base effect” and influence of external and seasonal factors, the trend in inflation appears to be temporary, and at the end of the year inflation will likely to slow to targeted range for the mid-term period.

The core inflation** in April has made 0,5% (m/m) and 3,0% (y/y), driven mostly by modest changes in prices for

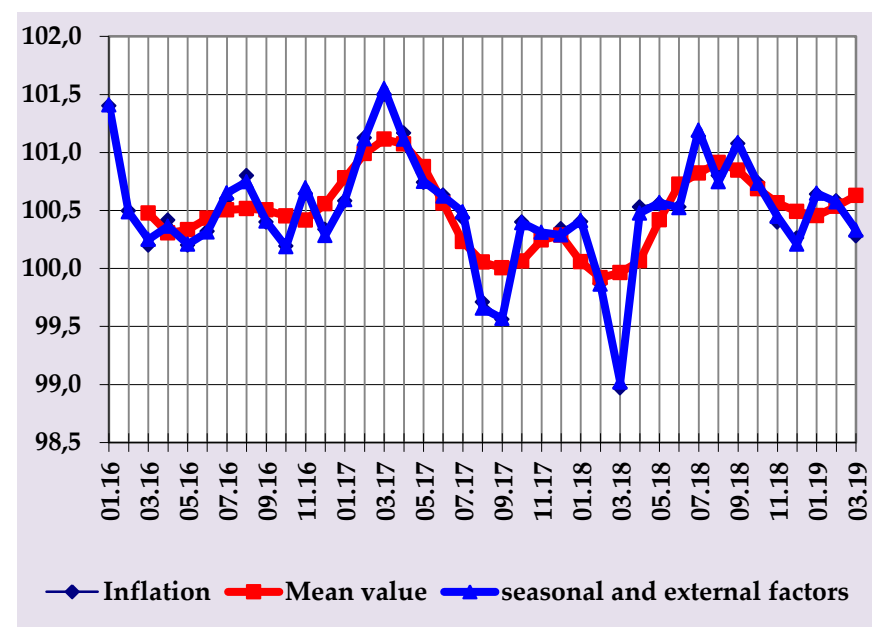
Monthly and annual Inflation, in %

(Source: Agency on Statistic, NBT estimations)



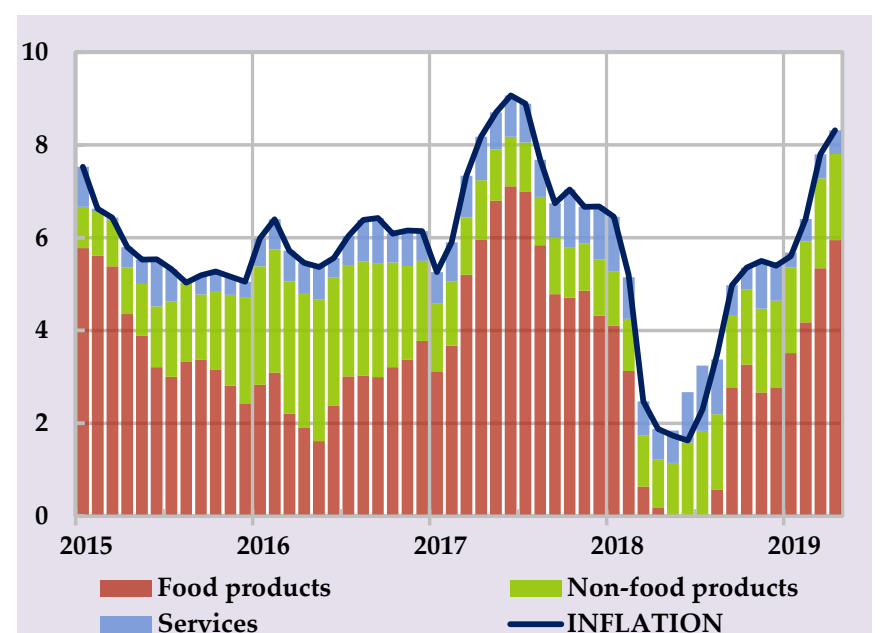
Influence of seasonal and external factors on inflation, in %

(Source: Agency on Statistic, NBT estimations)



Contribution of Components to Inflation, in %, annual

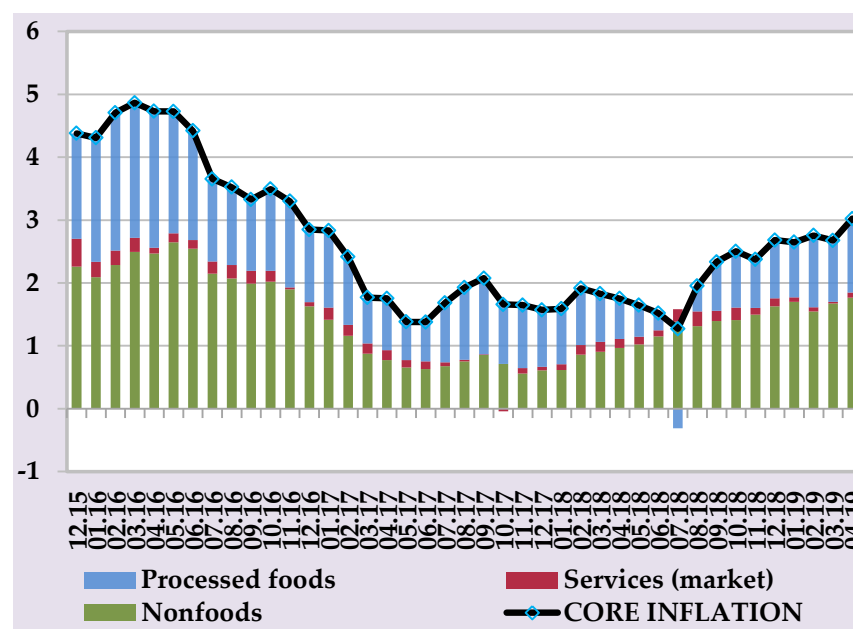
(source: Statistical Agency, NBT calculations)



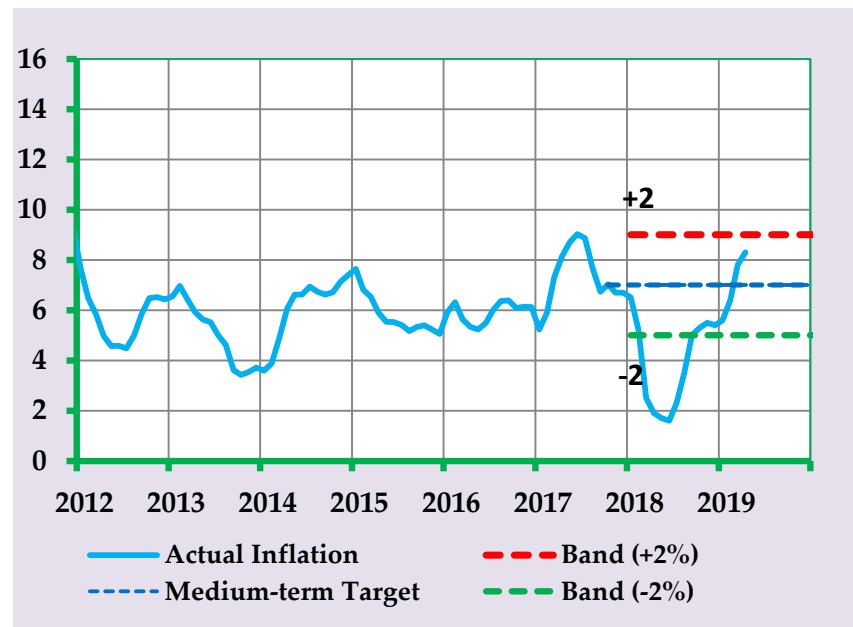
non-food products (clothes and footwear, repair and building materials, washing liquids, accessories and other consumer goods).

The National Bank of Tajikistan will continue to maintain accommodative monetary policy stance to prevent additional pressure on the inflation, and to achieve targeted inflation at 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 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												April, monthly change, %
		2015	2016	2017	2018					2019				
					January	March	June	September	December	January	February	March	April	
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	1,0
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	2,1
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	-0,7
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	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	-1,7
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	0,0
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	2,3
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	-4,8
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	-0,6
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	0,2
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	-1,3
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	-0,3
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	13,2
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	-0,6
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	4,6
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	1,3
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	0,2
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	-0,1
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	0,3
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	0,2
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	0,3
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	1,0
Petrol vehicles lubrication products	2,0	-7,0	2,9	27,7	25,9	14,1	26,4	14,1	12,2	7,2	3,0	5,4	2,3	-2,3
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	-8,2
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	-1,1
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	-0,2
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	-0,2
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	-1,0
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	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	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	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	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	-5,3
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	0,3
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
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	0,0
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
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	0,3

*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