

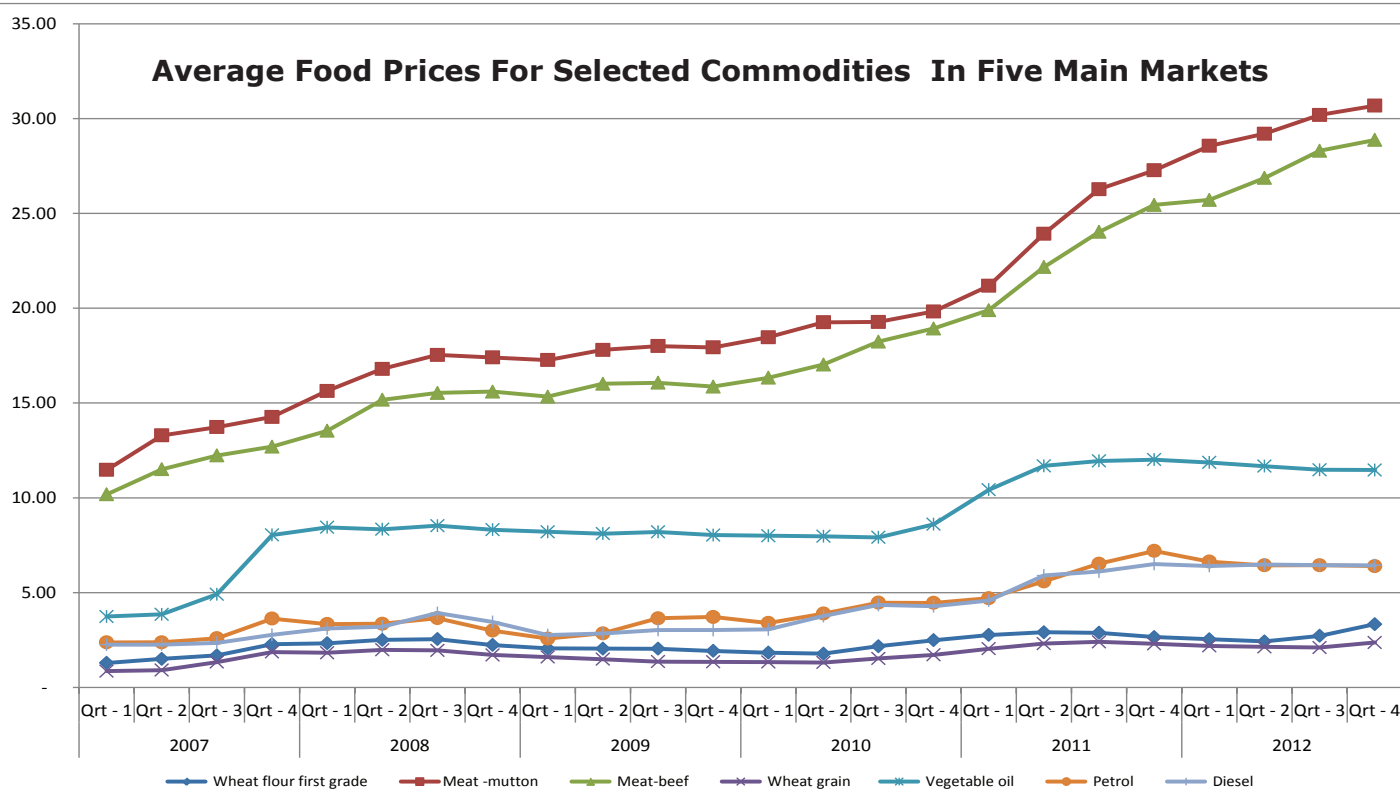
Tajikistan Market Price Report December 2012



Highlights

- In November 2012, the national average prices for wheat flour stabilised but are 27 percent higher than the same period last year.
- In Khujand prices for the first grade wheat flour dropped by 3 percent on a month-on-month basis. The year on year rise for the commodity in region's markets was 36 percent.
- The inflation rate since the beginning of the year was 6.3 percent, according to the National Bank of Tajikistan (NBT). The Economist Intelligence Unit (EIU) predicts inflation for 2012 to be at around 7.5 percent.

Average Food Prices For Selected Commodities In Five Main Markets



World Food Programme

WFP monitors weekly food and fuel prices in the five main markets of Tajikistan: Dushanbe, Kurgan-Tyube, Khujand, Garm and Khorog. This report presents an overview of November 2012 prices, consumer trends and outlook for the future. For more information, contact Saidamon.Bodamaev@wfp.org



Current prices and trends

Wheat flour prices stabilised country-wide throughout November 2012 due to increased supplies from outside country and from the domestic harvest. The prices for first grade wheat flour increased by 3 percent on a month-on-month basis in the capital, but dropped by in Khujand markets, due to sufficient delivery.

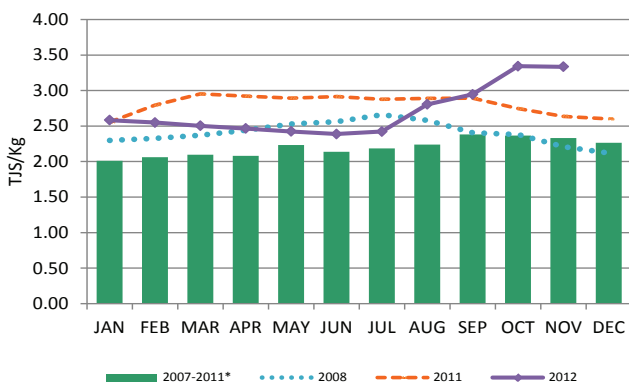
The rise year on year for wheat flour first grade was 27 percent, reflecting the impact of higher import prices over the past months. The State Unitary Enterprise "Ghalla" of Tajikistan reports that the wholesale prices for wheat rose by US\$160.00 per ton in November 2012 compared to the beginning of the year and were equal to US\$340-US\$345 per ton on DAF terms.

During November the Government continued subsidized sales from national reserves in Khorog markets, mainly wheat flour milled in the country from imported wheat.

Wheat grain rose by 9 percent in Kurgan-Tyube due to less delivery and demand overweighing supply, however, slightly dropped in all other markets. Country-wide, wheat grain was up 5 percent over November 2011.

The rise year on year for locally produced wheat flour (second grade) was 27 percent.

Wheat Flour First Grade



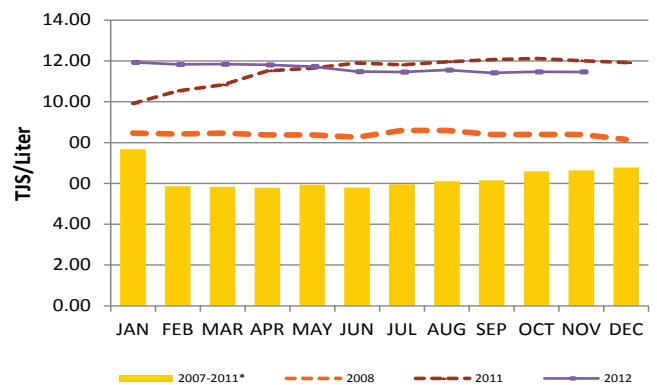
*Five-year average

Vegetable oil prices dropped by 1 percent and cotton oil decreased by 6 percent due to adequate supplies entering markets and sufficient availability of locally produced cotton seed oil.

Country-wide, vegetable oil prices were 4 percent

and cotton oil 12 percent lower than November 2011.

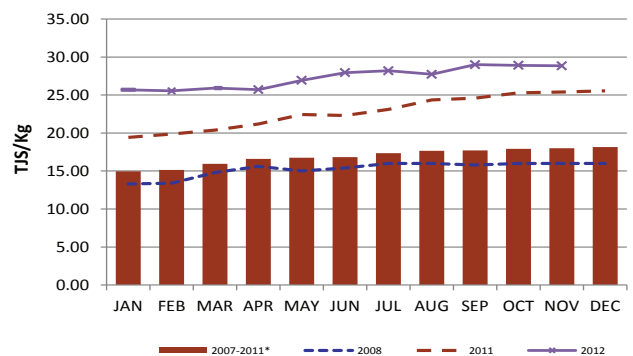
Vegetable Oil



*Five-year average

Meat prices remained unchanged country-wide and rose by 2 percent in Khujand, due to fewer supplies and higher prices for fodder. The year on year rise for meat was 13 percent. The greatest increase in meat prices was in Gharm, where prices for meat rose by 23 percent since November last year.

Beef

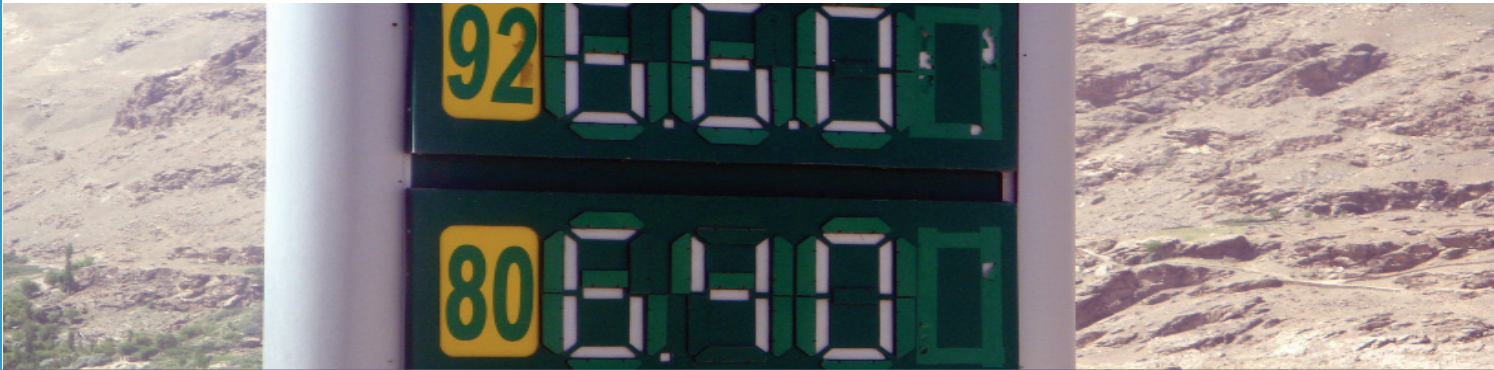


*Five-year average

Potato prices remained stable in all markets, except in Khujand, where higher demand pushed up prices by 3 percent compared to October 2012.

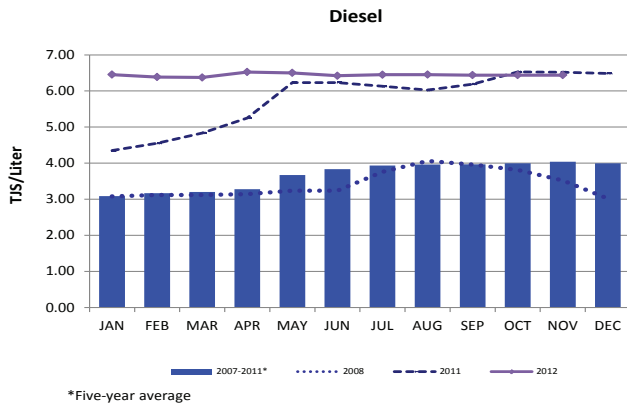
Prices for potato are still up by 12 percent in comparison with the same period of last year. High transportation costs for delivery of cargo to regional markets remains as the main reason behind the higher prices for the commodity.

Rice prices were stable due to adequate local and imported supplies with exception of Dushanbe, where due to less delivery prices for rice increased by 2 percent. The rise year on year for rice was 7 percent.

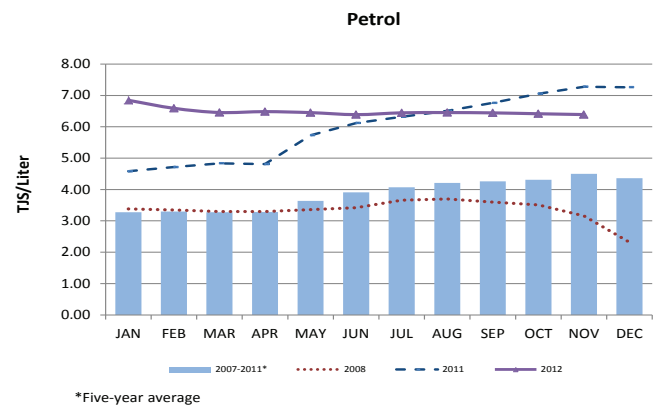


Current prices and trends

Diesel prices were stable in November thanks to sufficient supplies entering the country's markets. Country-wide, diesel prices were down by 1 percent in comparison with the same period of last year.



Petrol prices remained unchanged in all markets, except Kurgan-Tyube, where they decreased by 2 percent because of supply outweighing demand. Petrol prices dropped by 12 percent year on year.



Outlook for the next three months

A rise in grain prices will continue putting upward pressure on prices in Tajikistan, heavily relying on imports from Kazakhstan to meet demands for wheat and wheat flour.

The Ministry of Agriculture reports on this year's a favourable wheat harvest of 794,000 tons, may contribute to stabilisation of prices for wheat grain and locally produced flour in next month. However, prices for these commodities and other main staple food will remain high during remaining part of lean season, as households stocks will be depleted and more people will depend on the market. Consequently, the demand for wheat flour, the main staple food, will increase, pushing the prices upward.

The Government interventions to keep the prices from rising, particularly in remote areas, through use of strategic reserves and subsidized sales may contribute to stabilizing wheat flour and other staple food prices in these areas as well.

Prices for fuel will also rise in remote regions during the winter period because of additional transportation costs and higher demand due to the increased domestic heating requirements, following the limitations in provision of electricity power in rural areas.

High transportation costs will affect food prices in areas with difficult accessibility, particularly during the cold season when access to these areas remains difficult. This could be reflected in the prices of such basic commodities as wheat flour, cooking oil and potato.

The Cost of the Minimum Food Basket

The Minimum Food Basket is calculated using the average food needs for an individual per month to reach the daily requirement of 2,100 kcal. It is based on 11 food groups (meat, fish, milk, eggs/cheese, butter/oil/fats, fruits/vegetables, potato, sugar/honey, spices, coffee/tea, mineral water/soft drinks/juices).

The cost of the Minimum Food Basket in November was TJS142.57/US\$29.41, lower than in October (TJS147.64/US\$30.64). The difference was mainly due to decrease in prices for vegetable oil and vegetables (cabbage) and slight drop in potato prices in Dushanbe markets, where prices are used for the calculation of the Minimum Food Basket.