



MARKET PRICE MONITORING BULLETIN

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WFP ARMENIA





H I G H L I G H T S



This bulletin focuses on market prices of the period of **February 2023 – February 2024**

For the period of February 2023 – February 2024 USD vs AMD as well as RUB vs AMD exchange rates remained relatively low compared to the previous years. In February 2024, USD vs AMD exchange was AMD 404 per 1 USD. RUB vs AMD exchange rate in February 2024 was AMD 4.4 per 1 RUB.



The net inflow of remittances to Armenia in January 2024 was USD 32,8mln. Five leading countries sending remittances to Armenia in January 2024, were Russia (USD 234,1mln), US (USD 45,1mln), Hong Kong (USD 7,4mln), France (USD 7,1mln), Great Britain (USD 6,5mln).



The Consumer Price Index (CPI) was -1.7 percent in February 2024 compared to February 2023. Food prices decreased by 7.4 percent for the same period.



The highest annual price drop was detected among the products included in “Vegetables” (-19.3 percent). The price of potato included in this food group dropped by 45 percent compared to February 2023.

The second food group with the biggest annual price drop was “Oils and fats” (18.9 percent). The price of butter included in this food group decreased by 7 percent compared to February 2023.

“Bread and cereals” was the third group with higher price drops (8.8 percent). The price of bread included in this group dropped by 8 percent compared to February 2023.



Food prices dropped below zero in all the regions of Armenia for the observed period. The lowest food prices were seen in Tavush (-9.2 percent), Kotayk (-8.9 percent) and Lori (-8.5 percent).

In February 2024, the price of regular diesel in Armenia increased by 5 percent compared to February 2023. Compared to January 2024, however, it decreased by 2 percent in February 2024 indicating a slight decrease of price within a month.



The price of petrol gasoline in February 2024 increased by 50 percent compared to February 2023, while comparing the prices to January 2024 they decreased by 4 percent.

EXCHANGE RATE, AMD vs. USD and RUB

Since end of September, the USD vs AMD exchange rate was increasing mostly caused by the mass influx to Armenia. Uncertainty and vagueness towards future among locals made them buy currency that is relatively stable in the global market which resulted in a drastic increase of the exchange rate (in September 2023 the USD vs AMD exchange rate was AMD 387 for 1 USD while in October 2023 it was AMD 404 for 1 USD).

Though decreasing slightly in November, the exchange rate continued growing in December and January becoming AMD 404 and AMD 405 per 1 USD, respectively. However, starting from the end of February, AMD vs USD exchange rate started continuously dropping which is reportedly connected with the increased export volumes (mostly of gold/golden products).

Despite this abrupt spike of the USD vs AMD exchange rate in October 2023, overall, it continues to remain relatively lower compared to the previous years (i.e., in November 2021 the USD vs AMD exchange rate was AMD 477.6 per 1 USD).

AMD vs RUB exchange rates remain relatively stable insignificantly fluctuating between AMD 4.4 – 4.5 per 1 RUB. Starting from the end of September 2023 RUB vs AMD exchange rate was slightly increasing and was AMD 4.5 in both December 2023 and January 2024. Yet, in February 2024, it slightly declined and became AMD 4.4 per 1 RUB.

Figure 1: Exchange rate (AMD/USD), February 2023 – February 2024 (in AMD)

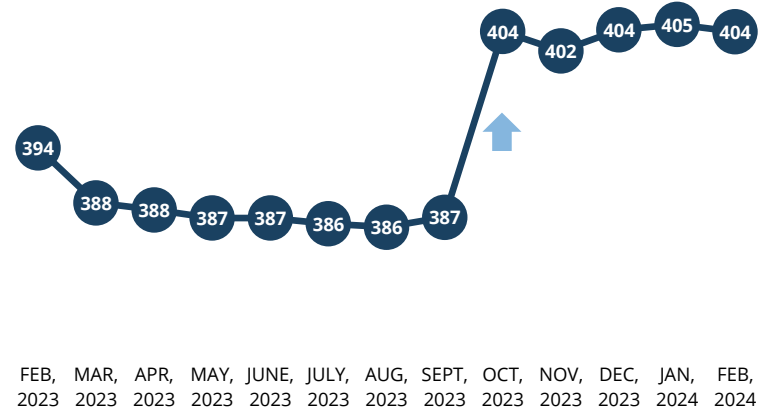
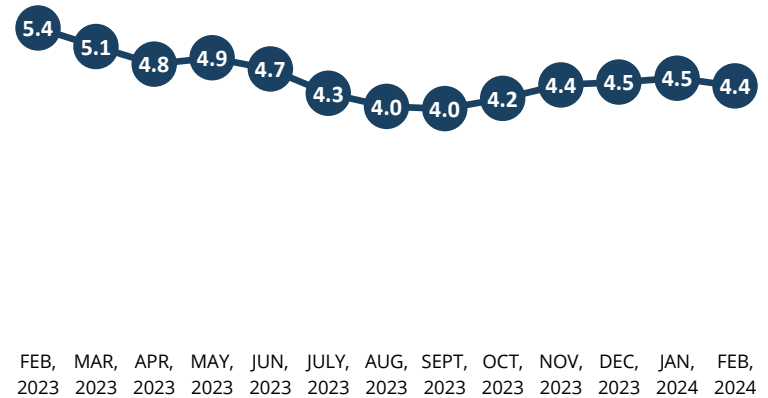


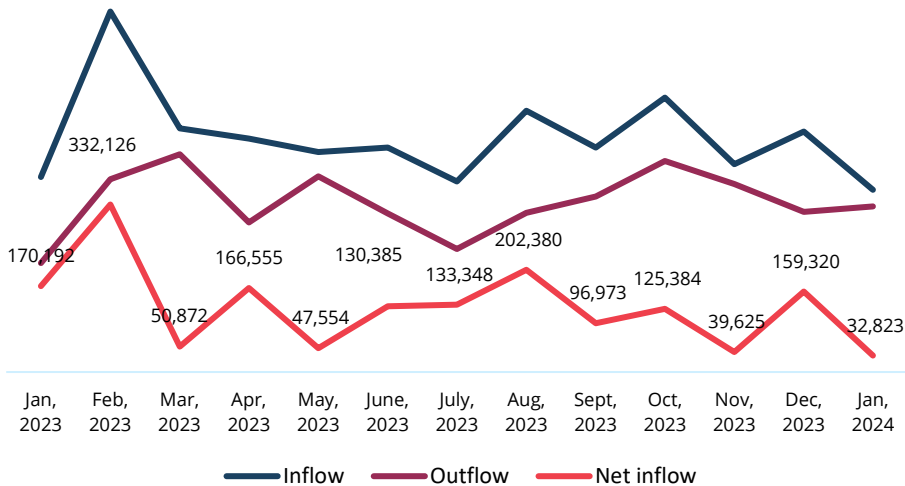
Figure 2: Exchange rate (AMD/RUB), February 2023 – February 2024 (in AMD)



Source: Central Bank of the Republic Armenia

In January 2024, the amount of inflow of remittances to Armenia was USD 360,7mln, while the outflow was USD 327,9mln. Hence the net inflow of remittances was USD 32,8mln which was considerably lower than it was in December 2023 (USD 159,3mln). The higher amount of net inflows of remittances in December might be due to the new year celebrations. For the period of January 2023 – January 2024, the average amount of inflows to Armenia was USD 465,8mln whereas the average net inflow was USD 129,8mln.

Figure 3: Inflow, outflow and net remittances to Armenia, January 2023 – January 2024, in USD



Source: Central Bank of the Republic of Armenia

Figure 4: Top 5 countries sending remittances to Armenia, January 2024, USD

Five leading countries sending remittances to Armenia in January 2024, were Russia (USD 234,1mln), US (USD 45,1mln), Hong Kong (USD 7,4mln), France (USD 7,1mln), Great Britain (USD 6,5mln).

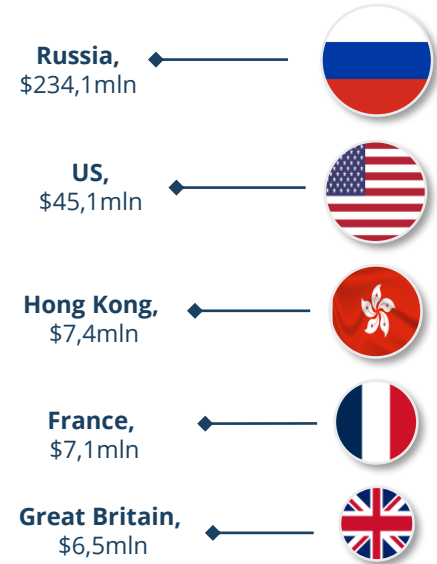
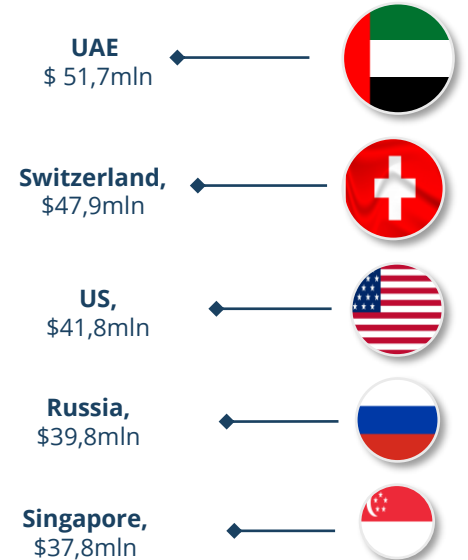


Figure 5: Top 5 countries receiving remittances from Armenia, January 2024, USD

The countries where Armenia in January 2024 sent the biggest amount of money to, were UAE (USD 51,7mln), Switzerland (USD 47,9mln), US (USD 41,8mln), Russia (USD 39,8mln), Singapore (USD 37,8mln).

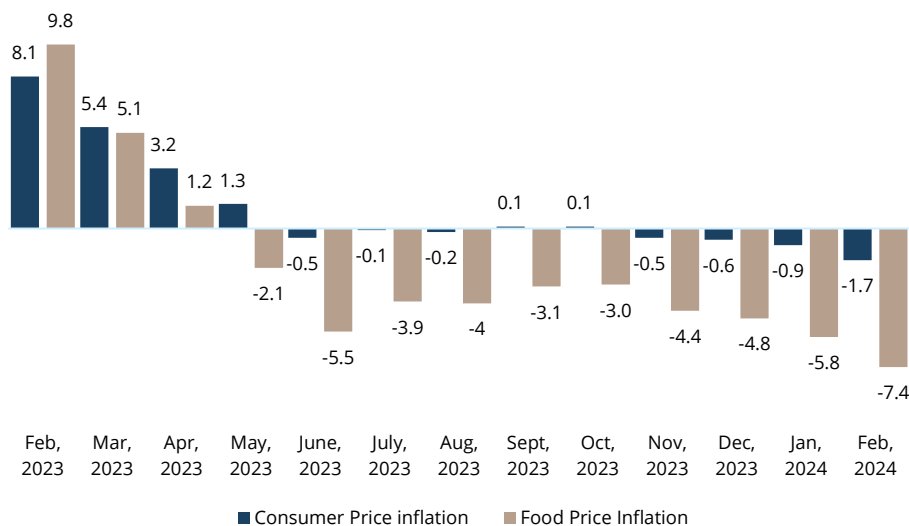


CONSUMER PRICE INDEX AND FOOD PRICE INFLATION

The Consumer Price Index (CPI) in Armenia fell in February 2023 – June 2023, then fluctuated slightly in July – December 2023. During winter months CPIs were below zero (-0.6, -0.9, -1.7 percent in December, January and February respectively).

Food prices in Armenia kept falling throughout February 2023 – June 2023. In July 2023 – February 2024 they were fluctuating yet remaining below zero. In February 2024 food prices decreased by 7.4 percent compared to February 2023.

Figure 6: Consumer Price Index and Food Price Inflation, February 2023 –February 2024, %

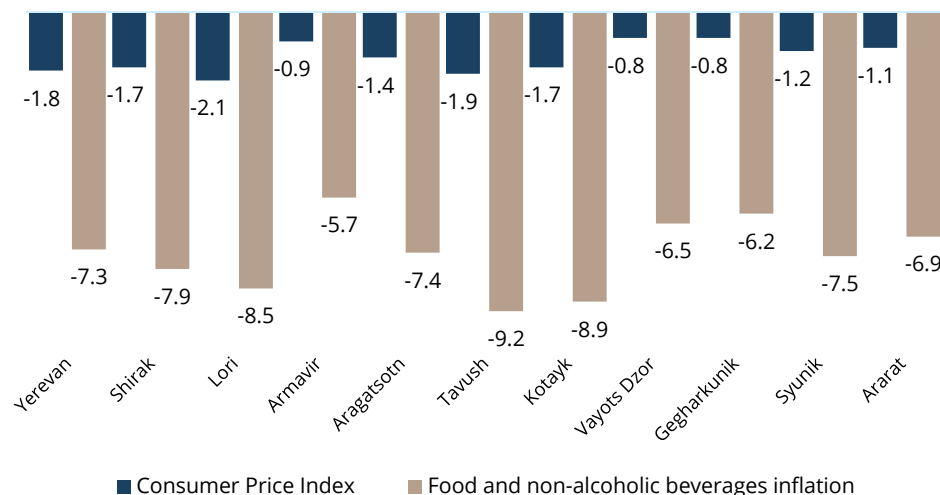


Source: Statistical Committee of the Republic of Armenia *Consumer Price Index in the Republic of Armenia January-October 2023*

The monitoring of Consumer Price Index and food price inflation in the regions of Armenia and the capital city Yerevan revealed the lowest CPI rates in Lori (-2.1 percent), Tavush (-1.9 percent), and Yerevan (-1.8 percent).

At the same time, food prices dropped below zero in all the regions of Armenia for the observed period. The lowest food prices were seen in Tavush (-9.2 percent), Kotayk (-8.9 percent) and Lori (-8.5 percent).

Figure 7: Consumer Price Index and Food Price Inflation per region, February 2023 –February 2024, %



Source: Statistical Committee of the Republic of Armenia *Price Index in the Republic of Armenia January-October 2023*

PRICE INFLATION OF SELECTED FOOD GROUPS

The analysis of the annual prices of certain food groups showed annual price decrease among all food groups. The highest annual price drop was detected among the products included in “Vegetables” (-19.3 percent). The price of potato included in this food group dropped by 45 percent compared to February 2023.

The second food group with the biggest annual price drop was “Oils and fats” (18.9 percent). The price of butter included in this food group decreased by 7 percent compared to February 2023.

“Bread and cereals” was the third group with higher price drops (8.8 percent). The price of bread included in this group dropped by 8 percent compared to February 2023.

Other food groups with considerable annual price drop compared to February 2023 were “Fish and seafood” (-7.1 percent), “Fruit” (4.5 percent), and “Meat” (-1.9 percent).

Observation of price dynamics of selected food groups revealed price decrease in February 2024 compared to January 2024. Comparison highlighted a price decrease of “Fruit” and “Vegetables” (both 4.1 percent equally) and “Meat” (0.9 percent) compared to January 2024.

Prices of other food groups dropped compared to January 2024, i.e., “Milk, cheese and eggs”, “Fish and seafood” became cheaper equally by 0.7 percent, the prices of “Bread and cereals” and “Oils and fats” declined by 0.4 percent equally.

Figure 8: Annual Inflation of selected food groups, February 2023 – February 2024, %

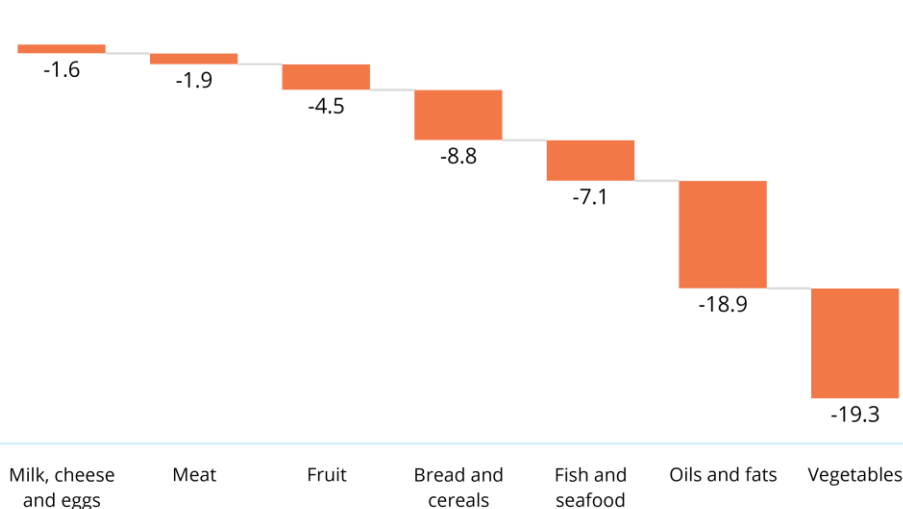
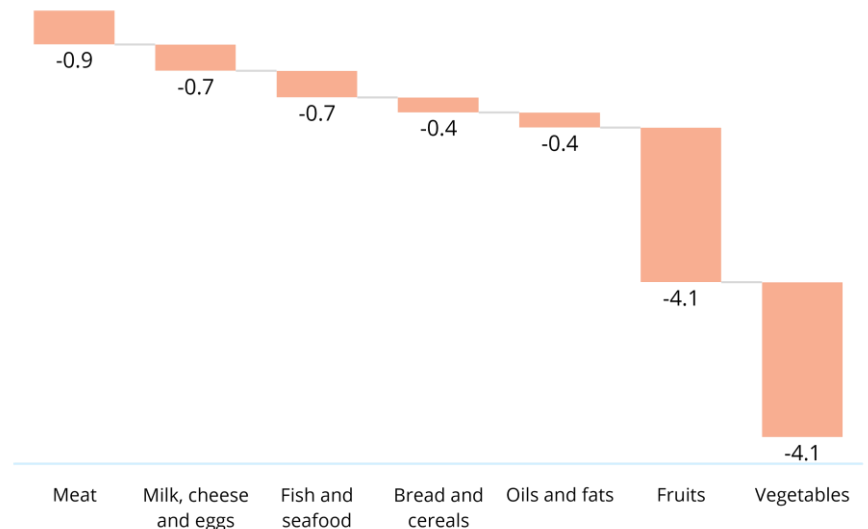


Figure 9: Monthly consumer price index of selected food groups, January 2024 – February 2024, %



Source: Statistical Committee of the Republic of Armenia

MARKET PRICES OF SELECTED FOOD COMMODITIES



Compared to February 2023, all food commodities assessed by this bulletin became cheaper in February 2024. Vegetable oil became cheaper by 29, buckwheat – by 22, wheat flour by 16 percent, lentils – by 13, pasta and rice by 12 and 3 percent respectively. All the mentioned items are predominantly imported rather than produced locally. The main supplier for most of these commodities is Russia. Specifically, 99.7 percent of imported oil, 95 percent of wheat flour, 91 percent of buckwheat and 72 percent of imported pasta come from Russia.

Compared to January 2024, the price of rice didn't change. The price of Wheat flour rose by 1 percent and lentils by 3 percent compared to January 2024. On the other buckwheat price dropped by 3 percent, oil by 4 percent, pasta by 2 and chicken by 1 percent.

The overall decline in food prices suggests an improvement in the supply and availability of these commodities, which can have positive effects on consumers' purchasing power and the overall affordability of these food items. However, other factors such as inflation, political instability and conflicts, economic conditions, transportation issues and supply chain dynamics might also influence these price changes.

Table 1: Annual and monthly inflation of selected food and non-food items

Commodity	February, 2023	February, 2024	% change		January, 2024	February, 2024	% change January	
	(in AMD)	(in AMD)	February 2023 vs February 2024 (+/-10%)		(in AMD)	(in AMD)	2024 vs February 2024 (+/-10%)	
Pasta	825	726	-12		740	726	-2	
Lentils	1347	1173	-13		1139	1173	3	
Buckwheat	1268	985	-22		1014	985	-3	
Rice (White)	1013	982	-3		987	982	0	
Wheat Flour	487	407	-16		401	407	1	
Oil (Vegetable)	976	696	-29		722	696	-4	
Chicken	1691	1652	-2		1670	1652	-1	
Diesel (Regular)	504	527	5		536	527	-2	
Petrol-gasoline	326	490	50		512	490	-4	

Source: Statistical Committee of the Republic of Armenia

MARKET PRICES OF FUEL

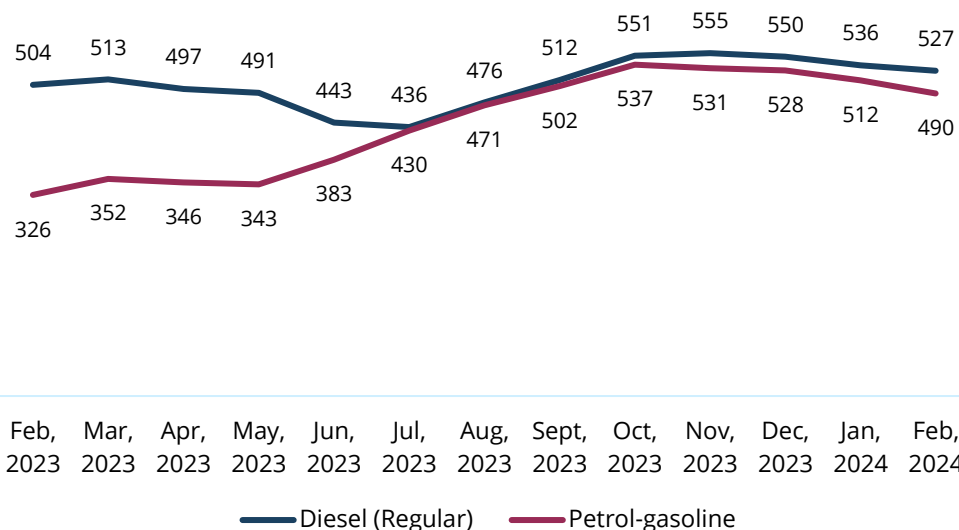
Armenia lacks its own natural fossil fuel reserves, thereby relying on importing fuel to meet its energy needs. Due to its reliance on fuel imports, Armenia is exposed to fluctuations in global fuel prices. Most of Armenia's import and export of goods by land are conducted through Georgia, particularly through the Upper-Lars border crossing point. The majority of trucks used for transportation in Armenia use diesel, thus any changes in fuel prices can directly affect transportation costs, which, in turn, impact the expenditures of companies involved in importing and exporting goods as well as influence the prices of imported goods. Fluctuations in global fuel prices can have significant consequences for the country's economy and businesses, especially those heavily reliant on transportation.

In February 2024, monthly and annual prices decreased for both regular diesel and petrol gasoline.

In February 2024, the price of regular diesel in Armenia increased by 5 percent compared to February 2023. Compared to January 2024, however, it decreased by 2 percent in February 2024 indicating a slight decrease of price within a month.

The comparison of the price of petrol gasoline in February 2024 to February 2023 showed that there was a 50 percent increase while comparing the prices to January 2024 they decreased by 4 percent. (see Table 1).

Figure 10: Price of fuel (petrol-gasoline and diesel), AMD



Source: Statistical Committee of the Republic of Armenia

The World Food Programme carries out market analysis on a monthly basis to monitor the market situation in Armenia. Observing foreign currency exchange rates (namely USD and Russian Ruble) and retail market price fluctuations, WFP tries to draw possible implications on the overall socio-economic situation and purchasing power of the households. Based on the interest, the bulletin contains descriptive information about the market prices of selected food and non-food items.

THE SOURCES USED IN THIS MARKET BULLETIN

CENTRAL BANK OF THE REPUBLIC OF ARMENIA

[HTTPS://WWW.CBA.AM/AM/SITEPAGES/STATEXTERNALSECTOR.ASPX](https://www.cba.am/am/sitepages/statexternalsector.aspx)

STATISTICAL COMMITTEE OF THE REPUBLIC OF ARMENIA

[HTTPS://ARMSTAT.AM/AM](https://armstat.am/am)

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Food and basic needs price information can be found in WFP's
online database: dataviz.vam.wfp.org

