



MARKET PRICE MONITORING BULLETIN

ISSUE NO.26: APRIL 2024

WFP ARMENIA





HIGHLIGHTS



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

In March 2024, USD vs AMD exchange was AMD 401 per 1 USD. RUB vs AMD exchange rate in March 2024 was AMD 4.4 per 1 RUB.



The net inflow of remittances to Armenia in February 2024 was USD 48,9mln. Five leading countries sending remittances to Armenia in February 2024, were Russia (USD 112,9mln), US (USD 22,5mln), Switzerland (USD 3mln), Great Britain (USD 2,2mln), Germany (USD 2,1mln).



The Consumer Price Index (CPI) was -1.2 percent in March 2024 compared to March 2023. Food prices decreased by 5.6 percent for the same period.



The highest annual price drop was detected among the products included in “Oils and vegetables” (-16.5 percent). The price of butter included in this food group dropped by 7 percent compared to March 2023.



The second food group with the biggest annual price drop was “Vegetables” (13.8 percent). The price of potato included in this food group decreased by 45 percent compared to March 2023.

“Bread and cereals” was the third group with higher price drops (6.8 percent). The price of bread included in this group dropped by 5 percent compared to March 2023.

Food prices dropped below zero in all the regions of Armenia for the observed period. The lowest food prices were seen in Tavush (-8.1 percent), Lori (-6.8 percent), Kotayk (-6.5 percent).



In March 2024, the price of regular diesel in Armenia increased by 2 percent compared to March 2023. Compared to February 2024, it increased by 1 percent in March 2024 indicating a slight increase of price within a month.

The price of petrol gasoline in March 2024 increased by 39 percent compared to March 2023, while comparing the prices to February 2024 they didn't change.

EXCHANGE RATE, AMD vs. USD and RUB

Starting from the end of September, the USD vs AMD exchange rate was increasing mostly caused by the mass influx of refugees 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 (see Figure 1).

Though decreasing slightly in November, the exchange rate continued growing in the following months peaking at AMD 405 in January 2024. However, in March 2024, AMD vs USD exchange rate plummeted which is reportedly connected with the increased export volumes (mostly of gold/golden products).

AMD vs RUB exchange rates remains relatively stable in January-March 2024 insignificantly fluctuating between AMD 4.4 – 4.5 per 1 RUB. In February and March of 2024, it remained stable at the rate of AMD 4.4 per 1 RUB.

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

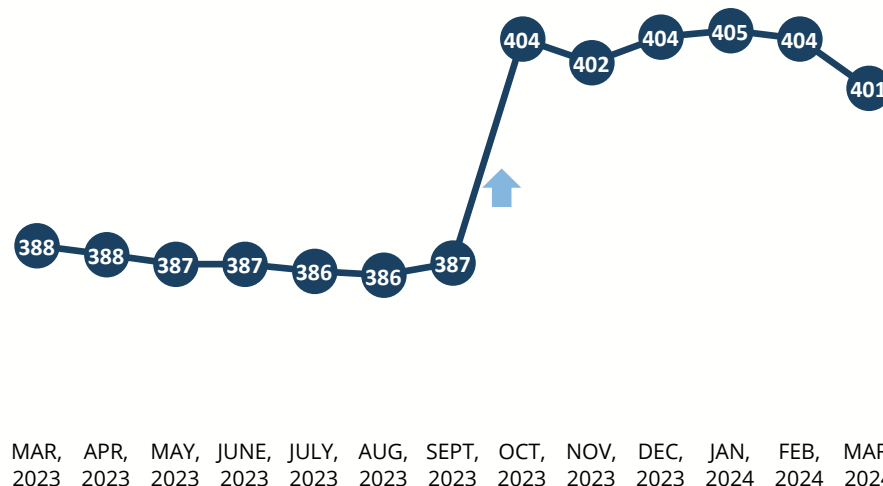
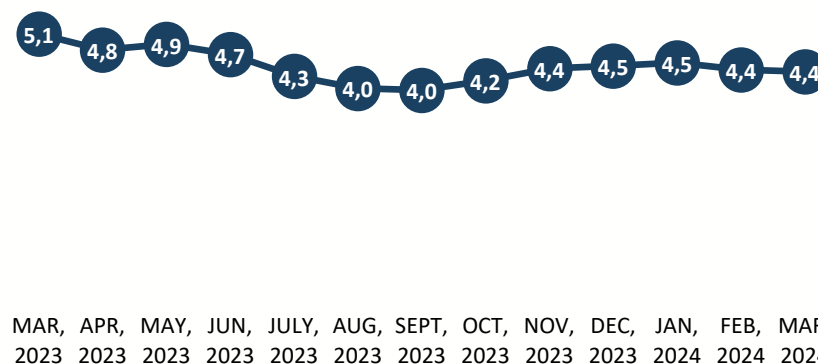


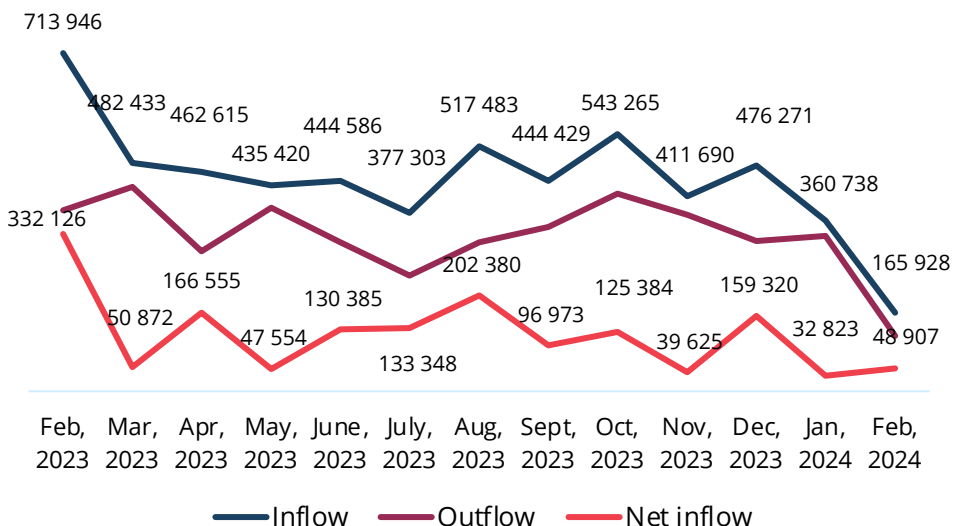
Figure 2: Exchange rate (AMD/RUB), March 2023 – March 2024 (in AMD)



Source: Central Bank of the Republic Armenia

In February 2024, the amount of inflow of remittances to Armenia was USD 165,9mln, while the outflow was USD 117mln. Hence the net inflow of remittances was USD 48,9mln which was higher than it was in January 2024 (USD 32,8mln).

Figure 3: Inflow, outflow and net remittances to Armenia, February 2023 - February 2024, in USD



Source: Central Bank of the Republic of Armenia

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

Five leading countries sending remittances to Armenia in February 2024, were Russia (USD 112,9mln), US (USD 22,5mln), Switzerland (USD 3mln), Great Britain (USD 2,2mln), Germany (USD 2,1mln).

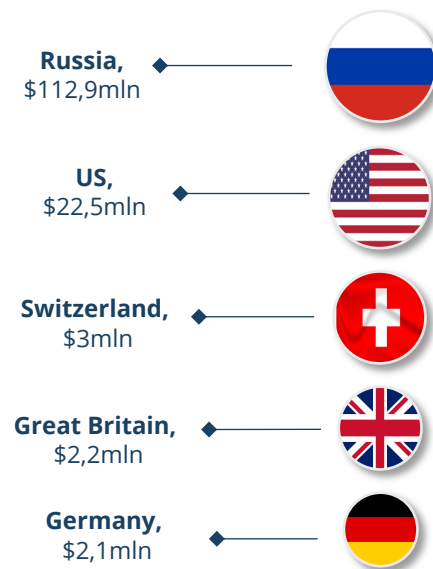
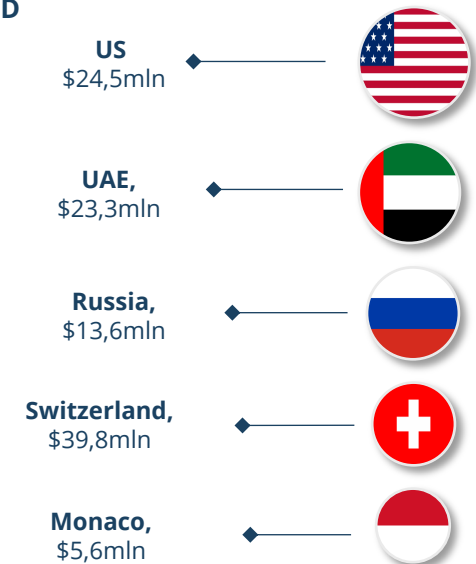


Figure 5: Top 5 countries receiving remittances from Armenia, February 2024, USD

The countries where Armenia in February 2024 sent the biggest amount of money to, were US (USD 24,5mln), UAE (USD 23,3mln), Russia (USD 13,6mln), Switzerland (USD 10mln), Monaco (USD 5,6mln).

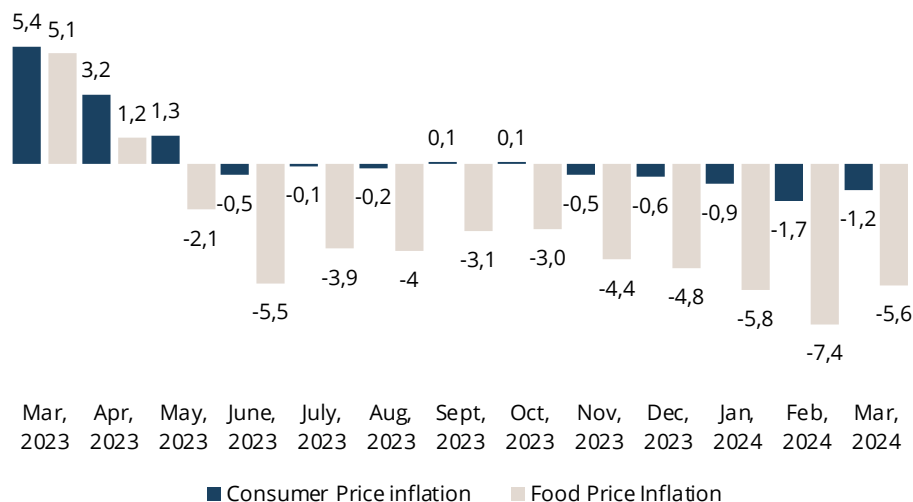


CONSUMER PRICE INDEX AND FOOD PRICE INFLATION

The Consumer Price Index (CPI) in Armenia was falling in March 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). In March they dropped by 1.2 percent.

Food prices in Armenia kept falling in March 2023 – June 2023. In July 2023 – February 2024 they were fluctuating though remaining below zero. In March 2024 food prices decreased by 5.6 percent compared to March 2023.

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

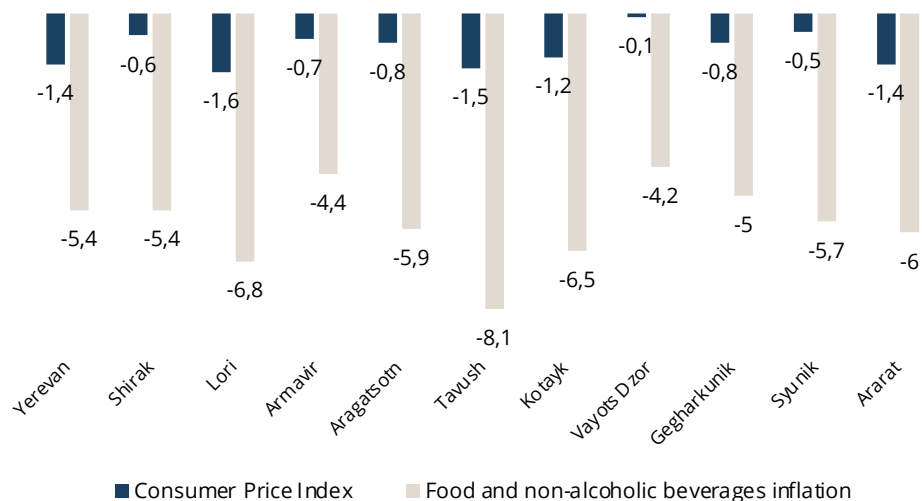


Source: Statistical Committee of the Republic of Armenia Consumer Price Index in the Republic of Armenia January-October 2023

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 (-1.6 percent), Tavush (-1.5 percent), and Yerevan and Ararat (-1.4 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 (-8.1 percent), Lori (-6.8 percent), Kotayk (-6.5 percent).

Figure 7: Consumer Price Index and Food Price Inflation per region, March 2023 –March 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 “Oils and vegetables” (-16.5 percent). The price of butter included in this food group dropped by 7 percent compared to March 2023.

The second food group with the biggest annual price drop was “Vegetables” (13.8 percent).

The price of potato included in this food group decreased by 45 percent compared to March 2023.

“Bread and cereals” was the third group with higher price drops (6.8 percent). The price of bread included in this group dropped by 5 percent compared to March 2023.

Observation of monthly price dynamics of selected food groups revealed price increase of “Vegetables” (1.4 percent), “Fish and seafood” (0.4 percent), “Bread and cereals” and “Sugar, honey, chocolate” (0.3 percent equally) in March 2024 compared to February 2024. Comparison highlighted a price decrease of “Milk, cheese and eggs” (-1.7 percent) and “Meat” (-1.1 percent) and “Oils and fats” (-0.7 percent) compared to February 2024.

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

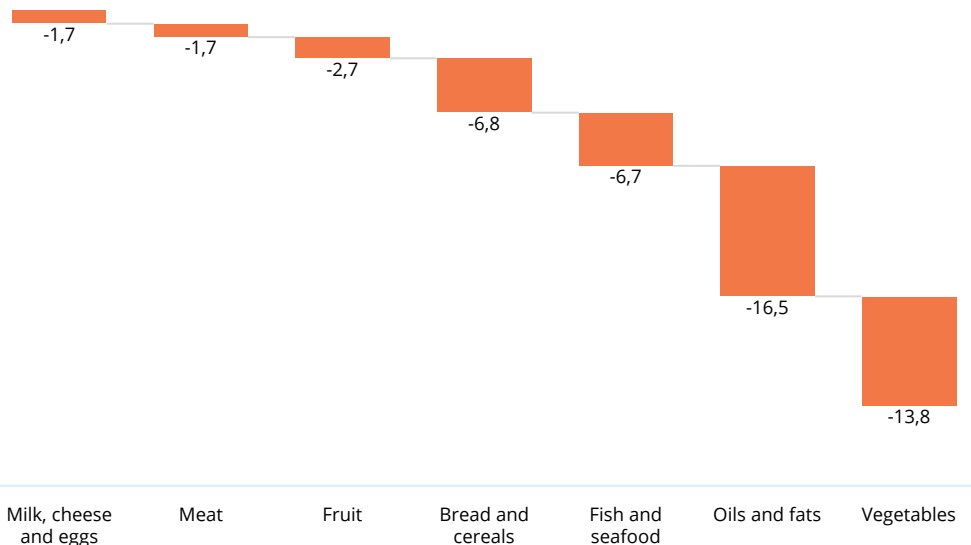
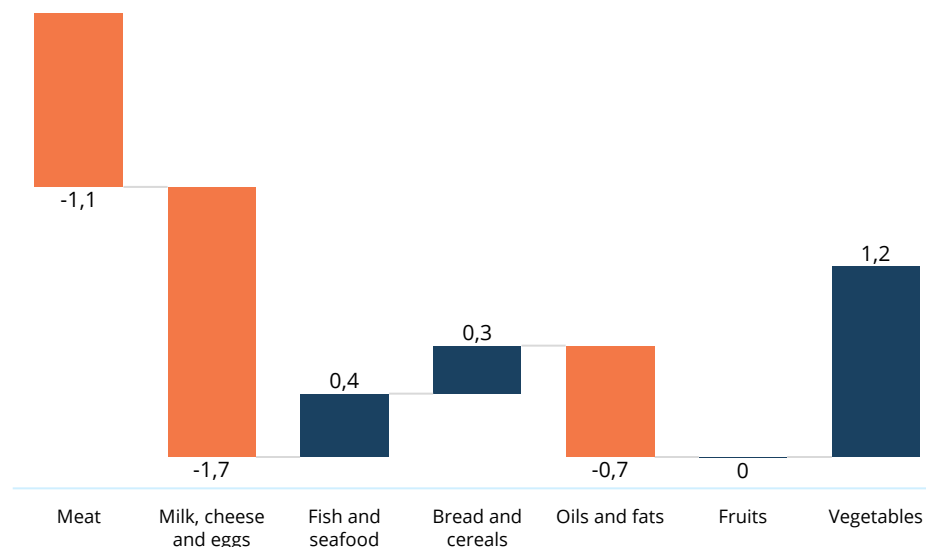


Figure 9: Monthly consumer price index of selected food groups, March 2024 – February 2024, %



Source: Statistical Committee of the Republic of Armenia

MARKET PRICES OF SELECTED FOOD COMMODITIES



Compared to March 2023, all food commodities assessed by this bulletin became cheaper in March 2024. Vegetable oil became cheaper by 24, buckwheat – by 19, pasta by 16 percent, wheat flour by 14 lentils – by 11, chicken and rice by 4 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 February 2024, the price of lentils and vegetable oil didn't change. The price of buckwheat, chicken and rice grew by 1 percent while pasta became expensive by 6 percent. Wheat flour became cheaper 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	March, 2023	March, 2024	% change		% change	
	(in AMD)	(in AMD)	March 2023 vs March 2024 (+/-10%)	February, 2024 (in AMD)	March, 2024 (in AMD)	February 2024 vs March 2024 (+/-10%)
Pasta	812	684	-16	726	684	6
Lentils	1323	1171	-11	1173	1171	0
Buckwheat	1203	971	-19	985	971	1
Rice (White)	1001	972	-3	982	972	1
Wheat Flour	476	411	-14	407	411	-1
Oil (Vegetable)	910	694	-24	696	694	0
Chicken	1701	1635	-4	1652	1635	1
Diesel (Regular)	513	523	2	527	523	1
Petrol-gasoline	352	488	39	490	488	0

Source: Statistical Committee of the Republic of Armenia

MARKET PRICES OF FUEL

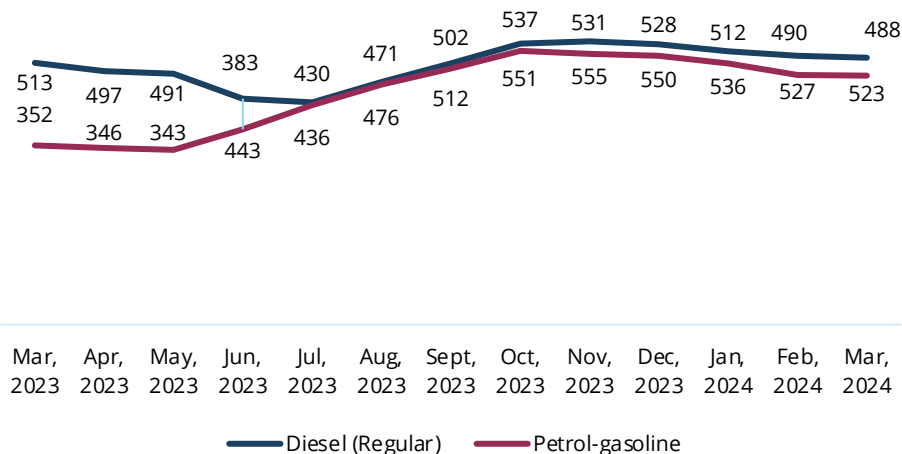
Armenia lacks its own natural fossil fuel reserves, thereby relying on importing fuel to meet its energy needs. Due to its reliance on fuel imports, Armenia is exposed to fluctuations in global fuel prices. Most of Armenia's import and export of goods by land are conducted through Georgia, particularly through the Upper-Lars border crossing point. Many 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 March 2024, monthly and annual prices decreased for both regular diesel and petrol gasoline.

In March 2024, the price of regular diesel in Armenia increased by 2 percent compared to March 2023. Compared to February 2024, it increased by 1 percent in March 2024 indicating a slight increase of price within a month.

The comparison of the price of petrol gasoline in March 2024 to March 2023 showed that there was a 39 percent increase while remained relatively stable in compared to February 2024 see Table 1).

Figure 10: Price of fuel (petrol-gasoline and diesel) March 2023 – March 2024, 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)

For further information, please contact:

zaruhi.ohanjanyan@wfp.org

sona.avakimyan@wfp.org

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

