



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 **July 2023 – July 2024**



For the period of July 2023 – July 2024 the exchange rate of USD vs AMD was AMD 388 per 1 USD. RUB vs AMD exchange rate for the same period was AMD 4.4 per 1 RUB.



The net inflow of remittances to Armenia in June 2024 was USD 146mln. Leading countries sending remittances to Armenia in June 2024, Russia (USD 272.8mln), USA (USD 55.2mln), UAE (USD 15.6mln), Switzerland (USD 13.1mln), Kazakhstan (USD 8mln).

The Consumer Price Index (CPI) was 1.4 percent in July 2024 compared to July 2023. Food prices increased by 0.7 percent for the same period.



The highest increase of food prices was detected in Vayots Dzor and Shirak (2% both). The highest decrease of those was seen in Armavir and Tavush (-1%). Both Shirak and Vayots Dzor were experiencing higher inflation rates in CPIs and food prices.



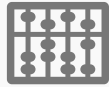
The highest annual price drop was detected among the products included in “Oils and fats” (-5.5 percent). The price of butter included in this food group dropped by 2.7 percent compared to July 2023. The second food group with the biggest annual price drop was “Fish and seafood” (-5.4 percent). The prices of meat, bread and cereals, milk, cheese, and eggs also declined, but to a lesser extent – 2.2%, 1.8%, 0.6%, respectively. The price of bread in the group of bread and cereals decreased by 0.4 percent and the price of eggs increased by 8.1%. Fruit, vegetables and sugar were the only categories with an annual price increase, at 11.6%, 14.3%, and 0.5%, respectively.



In July 2024, the price of regular diesel in Armenia increased by 17 percent compared to July 2023. Compared to June 2024, however, it decreased by 3 percent.

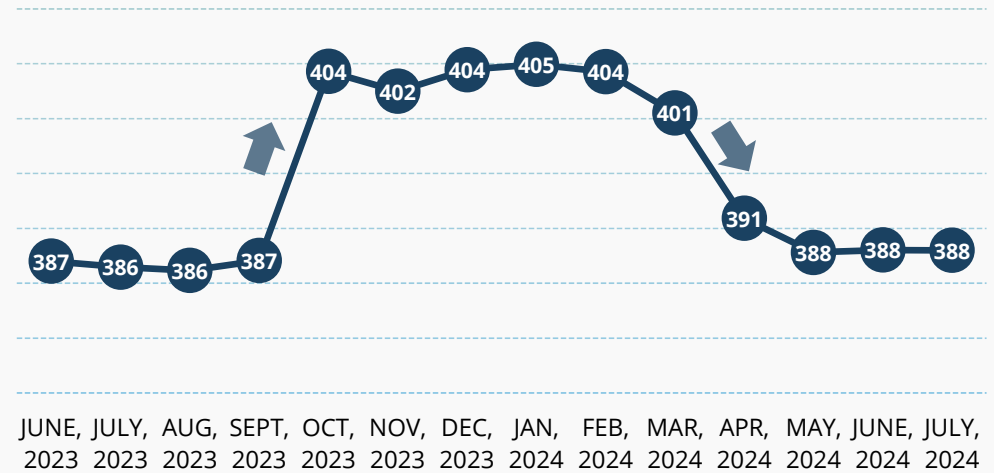
The price of petrol gasoline in July 2024 increased by 10 percent compared to July 2023, while comparing the prices to June 2024 it decreased by 3 percent.

EXCHANGE RATE: USD vs. AMD



Starting from October 2023 the USD vs AMD exchange rate started increasing followed by relative stability. In October 2023 – February 2024 it was fluctuating between AMD 402-405 per 1 USD peaking at AMD 405 per 1 USD in January 2024. However, from March 2024 it had mostly downward tendency and stabilized around AMD 388 per 1 USD in May-July 2024. The overall change from July 2023 to July 2024 was an increase of 1 AMD.

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

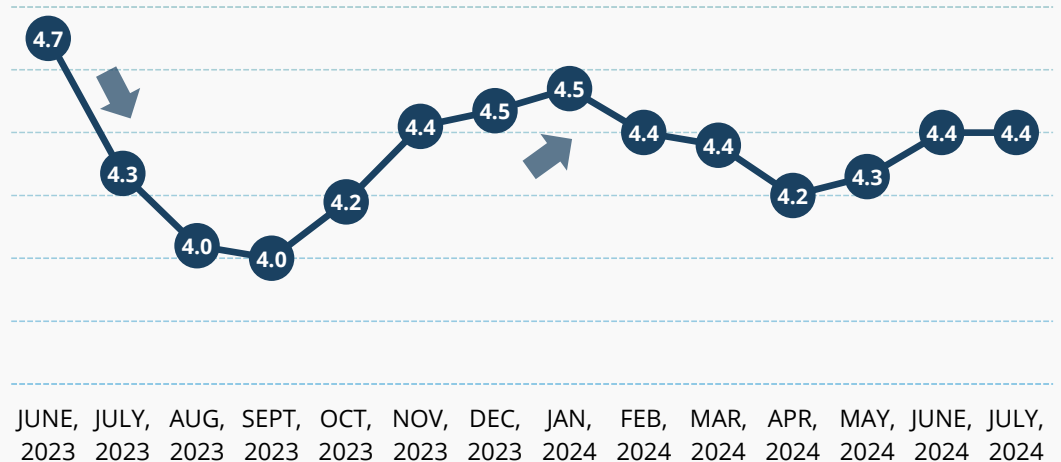


EXCHANGE RATE: RUB vs. AMD



The RUB exchange rate experienced more variability compared to USD over the observed period. Overall, there was a general decreasing trend over the year dropping from June to August 2023 (from AMD 4,7 to AMD 4). Though there was a slight recovery after August 2023 it did not reach the initial high rate. In June-July 2024 the exchange rate stabilized around AMD 4.4 per 1 RUB.

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



Source: Central Bank of the Republic Armenia

Remittances

The remittance landscape for Armenia during the period from July 2023 to June 2024 was characterized by fluctuations, with a notable drop in both inflows and outflows around February 2024. Despite this, net inflows remained positive, indicating that Armenia consistently received more in remittances than it sent out. Russia remains the dominant source of remittances to Armenia.

The net inflow of remittances in June 2024 was **\$146mIn**

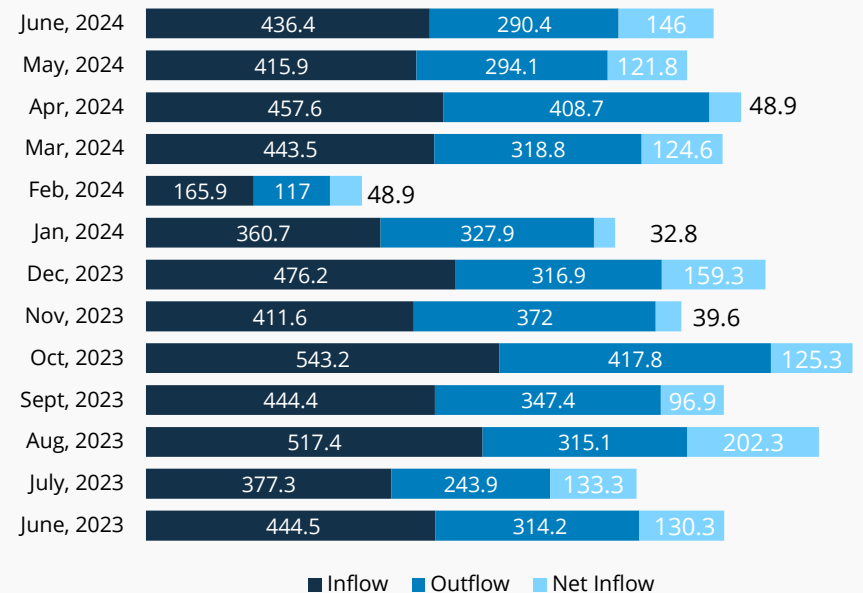
In July-October 2023 inflows increased from USD 377.3mIn in July to USD 543.2mIn in October 2023, indicating a growing remittance inflow during this period. However, decrease was observed, with inflows dropping to a low of USD 165.9mIn in February 2024. In June 2024 the inflows were USD 436.4mIn.

Similarly, outflows also increased from USD 243.9mIn in July to USD 417.8mIn in October 2023, reflecting higher remittance activity. A decline was observed from November, with outflows reaching USD 117mIn in February 2024. However, there was a slight rise again in April 2024 (USD 408.7mIn). In June 2024, the outflow was USD 290.4mIn.

The net inflow remained positive but fluctuated, peaking at USD 202.3 in August 2023 and then declining slightly by October 2023 (USD 125.3mIn). Net inflow improved and peaked at USD 146mIn in June 2024.

In June 2024 the leading countries Armenia sent remittances to were UAE (USD 72mIn), Russia (USD 53.6mIn), USA (USD 35.6mIn), Switzerland (USD 17.6mIn). The countries sending most remittances to Armenia for the same period were Russia (USD 272.8mIn), USA (USD 55.2mIn), UAE (USD 15.6mIn), Switzerland (USD 13.1mIn), Kazakhstan (USD 8mIn).

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



Source: Central Bank of the Republic Armenia

The CPI was generally negative from July 2023 to April 2024, indicating a period of deflation. The lowest point was in February 2024 with a CPI of -1.7%.

There was a shift starting in May 2024, where the CPI turned positive, reaching 1.4% in July 2024.

Food prices were consistently deflationary in July 2023 to February 2024, with the lowest point in February 2024 at -7.4 percent.

The deflation in food prices was even more pronounced than in the overall CPI, indicating that food prices were decreasing at a faster rate than general consumer prices. Starting from March 2024 food price deflation slowed down, with inflation becoming positive in July 2024 at 0.7 percent.

Figure 4: Consumer Price Index and Food Price Inflation, July 2023 - July 2024, %

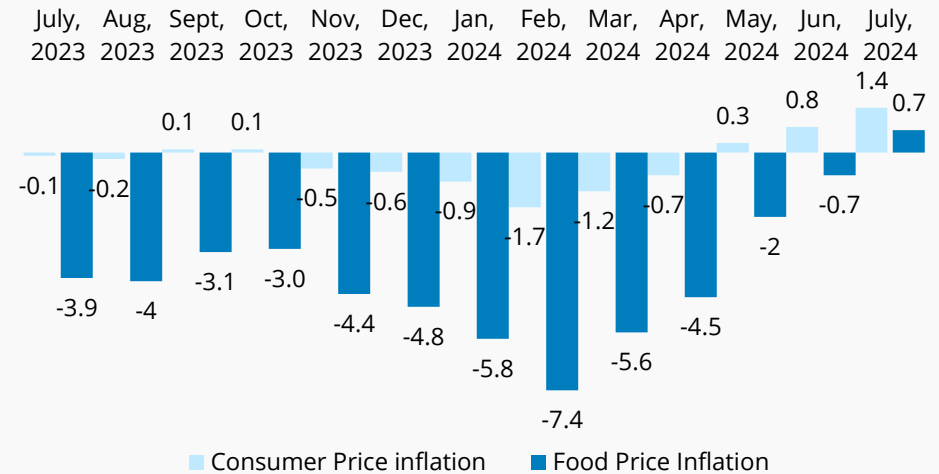
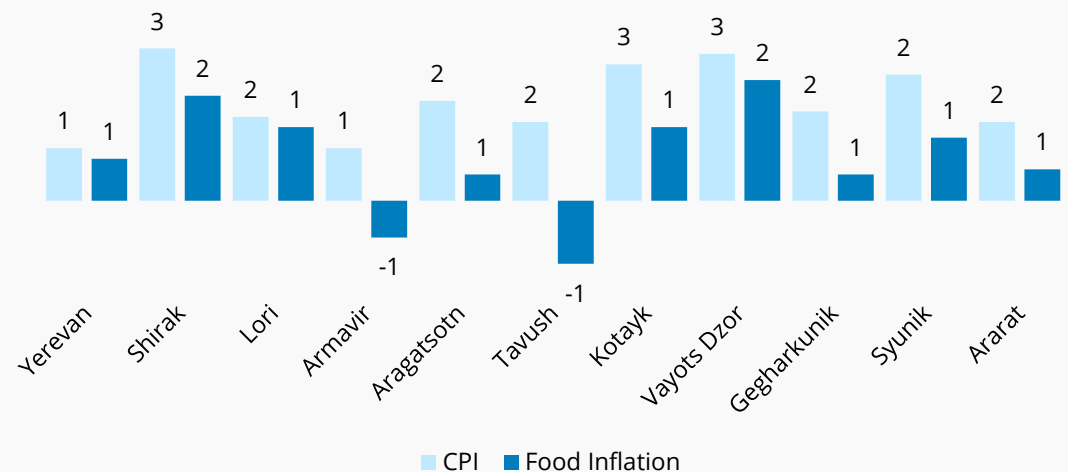


Figure 5: Consumer Price Index and Food Price Inflation per region, July 2023 -July 2024, %



The inflation trends across Armenia's regions are diverse with some regions experiencing higher inflation and others seeing more stable or even deflationary trends, particularly in food prices. This could be attributed to different factors such as supply chains, living conditions and purchasing power of regional population.

In Kotayk, Vayots Dzor and Shirak the CPIs were the highest at 3 percent. The CPI was uniformly elevated at 2% in Lori, Aragatsotn, Tavush, Gegharkunik, Syunik and Ararat. Food prices saw the greatest decrease in Armavir and Tavush at -1%, and the highest increase in Shirak and Vayots Dzor at 2%. Both Shirak and Vayots Dzor were experiencing higher inflation rates in CPIs and food prices.

Source: Statistical Committee of the Republic of Armenia

PRICE INFLATION OF SELECTED FOOD GROUPS

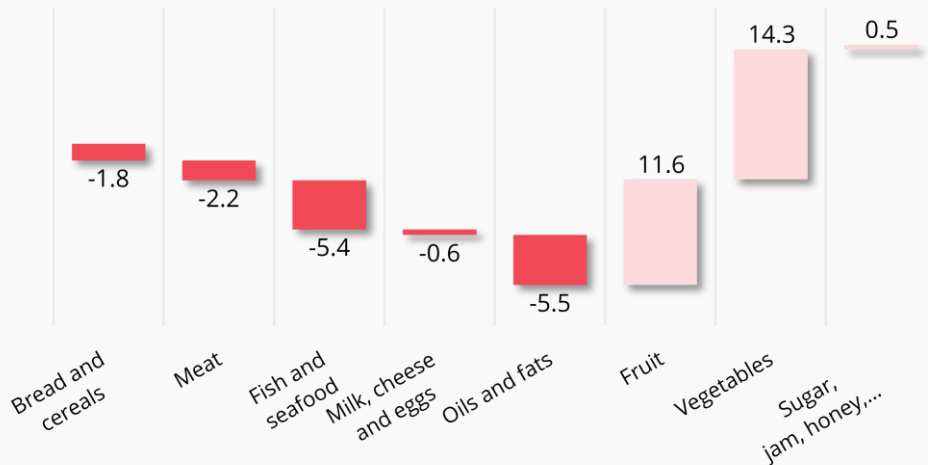
Fish and seafood and oils and fats prices had the **highest deflation** (-5.4% and -5.5%, accordingly), indicating significant price decreases over the year. The price of butter dropped by 2.7 percent.

Price reduction of meat and bread and cereals also seen, though less pronounced than fish, seafood, and oils (-2.2% and 1.8% respectively). The price of bread decreased by 0.4%.

The **price decrease** in dairy products is modest (-0.6%), suggesting that this category is relatively stable compared to others. The price of eggs increased by 8.1% while butter became cheaper by 2.7%.

Fruit and vegetables experienced significant **price increases**, with vegetables seeing the highest inflation among all the food groups (14.3% and 11.6%). Potato became expensive by 26.8%.

Figure 6: Annual Inflation of selected food groups, July 2023 – July 2024, %

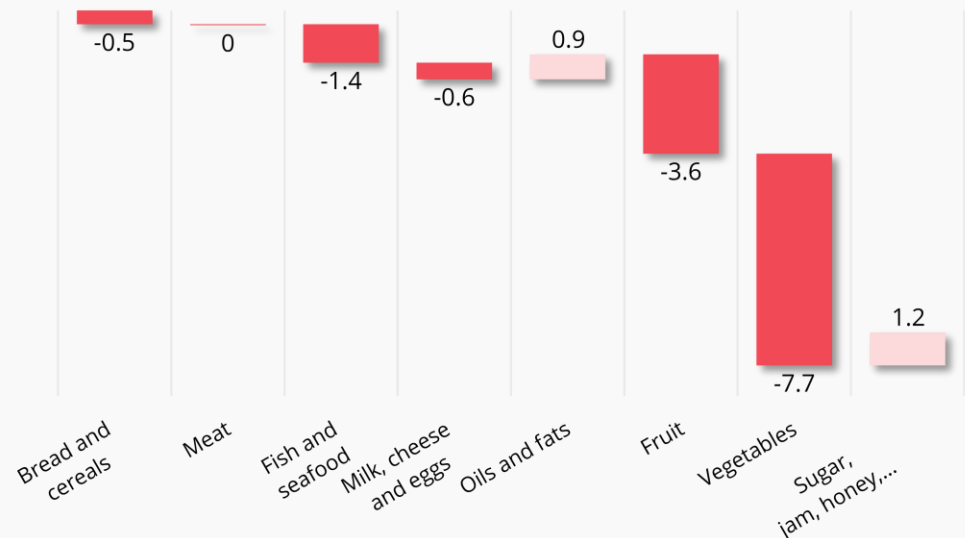


Source: Statistical Committee of the Republic of Armenia

The largest monthly price drop was seen for vegetables (-7.7%). This significant deflation could be due to seasonal factors, such as the harvest period. Fruit prices also decreased (-3.6), which might similarly be tied to seasonal availability. The price of fish and seafood also declined (-1.4%). Milk, cheese and eggs and Bread and cereals experienced modest price reductions (-0.6% and -0.5%, respectively). The price of meat remained stable over the month, oils and fats experienced a slight price increase (0.9%). Sugar, jam, honey, chocolate, and confectionery had the highest price increase (1.2%).

According to WFP's Sixth Food Security and Vulnerability Assessment, people in Armenia typically consume cereals and tubers daily throughout the week. Items in the fats group are consumed on average six days a week, while dairy products are consumed five days a week. An increase in prices of these commodities could suggest either a reduction in consumption and affordability or increased financial strain on household budgets.

Figure 7: Monthly consumer price index of selected food groups, June 2024 – July 2024, %



MARKET PRICES OF SELECTED FOOD COMMODITIES

Table 1: Prices of selected food and non-food items, AMD

Commodity	July 2023	July 2024	June 2024
Pasta	743	↓ 683 ↓	703
Lentils	1178	↓ 1191 ↓	1197
Buckwheat	1056	↓ 945 ↓	963
Rice	962	↑ 998 ↑	996
Wheat flour	422	↓ 398 ↑	396
Oil (Vegetable)	739	↓ 678 ↑	668
Meat (Chicken)	1701	↓ 1558 ↓	1565
Diesel (Regular)	436	↑ 511 ↓	529
Petrol gasoline	430	↑ 475 ↓	488

The highest annual drop was seen in buckwheat price (-11%). Pasta (-8%), vegetable oil (-8%), chicken (-8%) also experienced considerable deflation. Wheat flour (-6%) had a moderate price decrease. Rice (+4%) had a moderate price increase, while lentils (+1%) had a slight price increase within a year.

Pasta, buckwheat and lentils had a monthly price reduction of -3%, -2% and -1%. Wheat flour and vegetable oil became expensive by 1% compared to June 2024. The prices of rice and chicken remained stable.

The data shows that prices of key staple foods like buckwheat, pasta, and chicken reduced on an annual basis, which could benefit consumers. However, the slight increases in items like wheat flour and vegetable oil on a monthly basis could impact consumers' purchasing opportunities.

Figure 8: Annual price fluctuations of selected food and non-food items, %

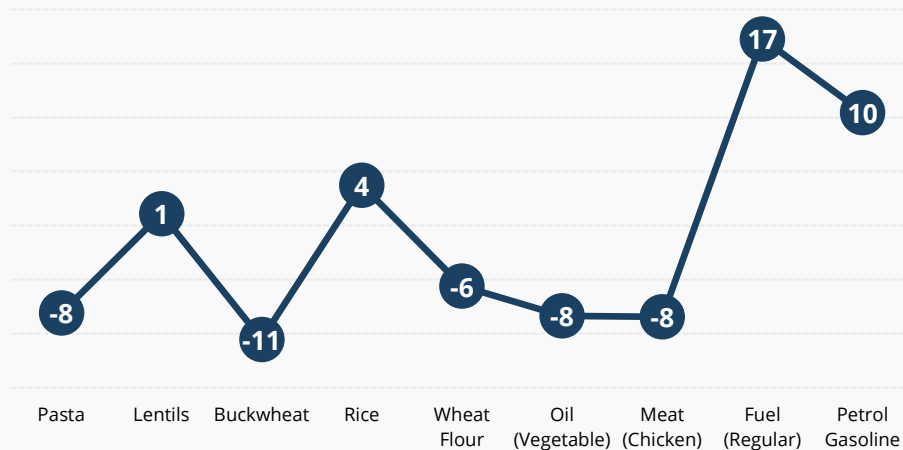
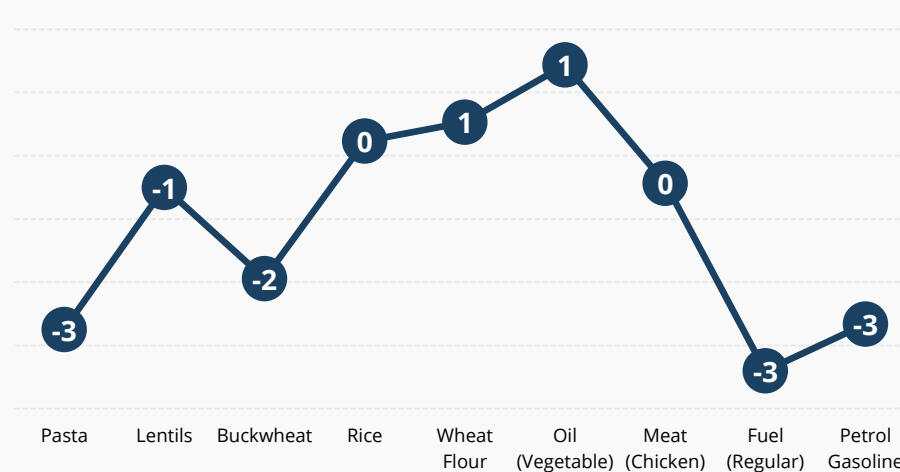


Figure 9: Monthly price fluctuations of selected food and non-food items, %



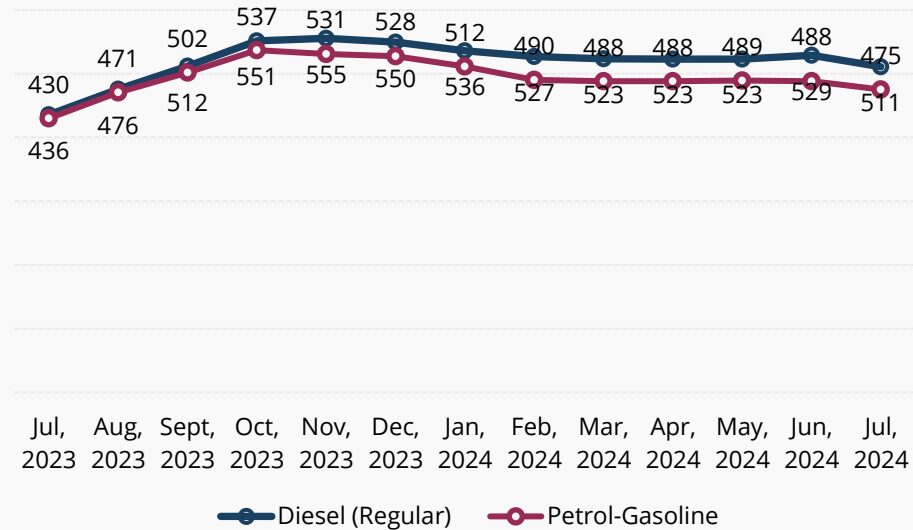
Source: Statistical Committee of the Republic of Armenia



Market Price of Fuel

Armenia does not have its own natural fossil fuel reserves and relies on importing fuel to fulfill its energy requirements. This dependency exposes Armenia to global fuel price fluctuations. The majority of Armenia's goods are imported and exported by land through Georgia, specifically via the Upper-Lars border crossing. Most transportation trucks in Armenia use diesel, so any changes in fuel prices directly impact transportation costs. This, in turn, affects the expenses of companies involved in importing and exporting goods and influences the prices of imported products. Consequently, global fuel price fluctuations can have significant effects on the Armenian economy and businesses, especially those dependent on transportation.

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



Fuel prices increased significantly over the year: diesel (regular – 17%, petrol gasoline – 10%). These increases can have a ripple effect on the economy, raising transportation costs and potentially leading to higher prices for other goods.



However, on monthly basis they dropped by -3%.

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/STATEEXTERNALSECTOR.ASPX](https://www.cba.am/am/sitepages/stateexternalsector.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

