

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 **September 2023 – September 2024**.

For the period of September 2023 – September 2024 the exchange rate of USD vs AMD was AMD 387 per 1 USD. RUB vs AMD exchange rate for the same period was AMD 4.2 per 1 RUB.



The net inflow of remittances to Armenia in August 2024 was USD 32mln. Leading countries sending remittances to Armenia in August 2024, were Russia (USD 393,3mln), US (USD 61,9mln), Switzerland (USD 9,3mln), Great Britain (USD 8,2mln) and Germany (USD 8mln).



The Consumer Price Index (CPI) was 0.6 percent in September 2024 compared to September 2023. Compared to August 2024, the CPI increased by 0.2%. Food prices decreased by 1 percent for the same period. Compared to August 2024 they declined by 0.6%.



CPIs were the highest in Syunik (2.5%), Shirak (2.1%) and Vayots Dzor (2.1%). Food prices were high in Syunik (0.8%) and Vayots Dzor (0.6%). Shirak and Kotayk had relatively small food price increases at 0.1% and 0.6%, respectively.

The highest annual price deflation was seen for the group Vegetables (-4.3). However, potato included in this group was by 4.5 percent more expensive than it was in September 2023. The second food group with the highest annual deflation was Fish and seafood (-2.9%) followed by Oils and fats (-1.7%). Butter included in this group showed 1,2% annual price inflation. Meat (-1.4%) and Bread and cereals (-1.1%) had moderate price deflation. Bread became cheaper by 0.4 percent. Though Milk, cheese and eggs saw overall 4 percent of annual deflation eggs included in this group had 8% of annual price inflation.

Fruit (1%) and Sugar, jam honey, chocolate (4.3%) group experienced annual price inflation for the observed period.



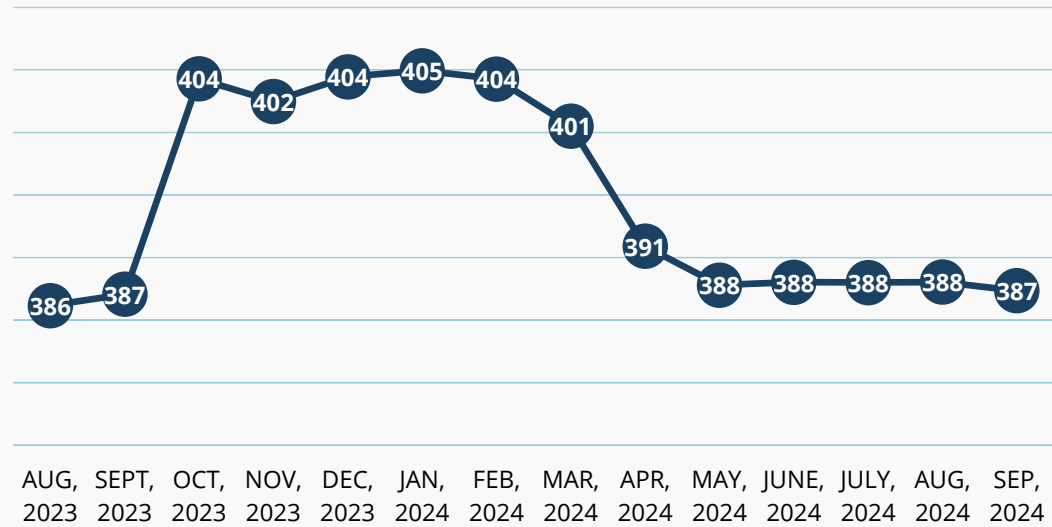
Regular diesel price decreased by 1 percent in September 2024 compared to September 2023 but didn't change compared to August 2024. The price of petrol-gasoline declined by 1 percent compared to September 2023 yet in September 2024 it became more expensive by 3 percent compared to August 2024.



EXCHANGE RATE: USD vs. AMD

In the period of August 2023 – January 2024 USD vs AMD exchange rate strengthened significantly jumping from AMD 386 in August 2023 to AMD 405 per 1 USD in January 2024. However, starting from February 2024 USD vs AMD rate started weakening and plummeted to AMD 388 per 1 USD in May 2024. By August 2024, it was stable at AMD 388, yet in September it decreased to AMD 387 per 1 USD.

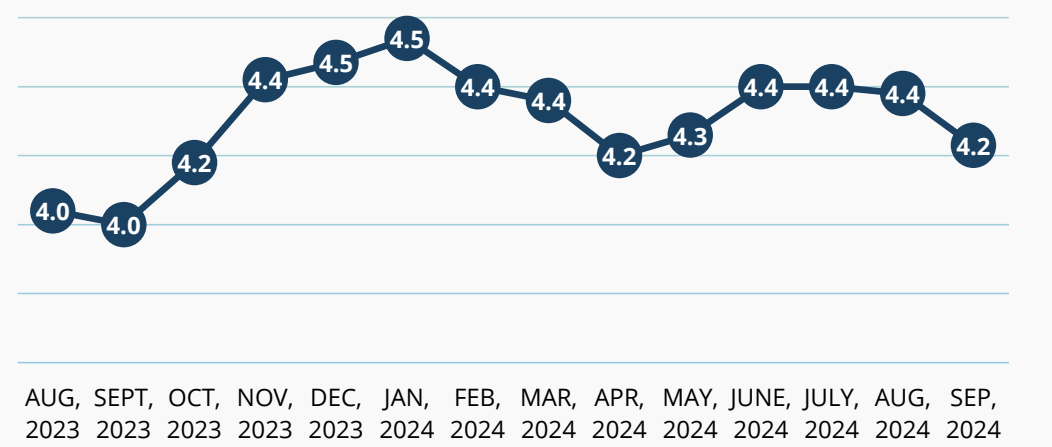
Figure 1: Exchange rate (AMD/USD), September 2023 –September 2024 (in AMD)



EXCHANGE RATE: RUB vs. AMD

In August - September 2023, the RUB vs AMD exchange rate was stable at AMD 4 per 1 RUB. In October - December 2023 the Ruble strengthened, as the rate increased from AMD 4.2 to AMD 4.5 by December. In January - March 2024 it was comparatively stable slightly declining in April to AMD 4.2. In May - August 2024 the Ruble stabilized again between AMD 4.3 - 4.4 weakening again in September 2024 to AMD 4.2.

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



Source: Central Bank of the Republic Armenia

Remittances

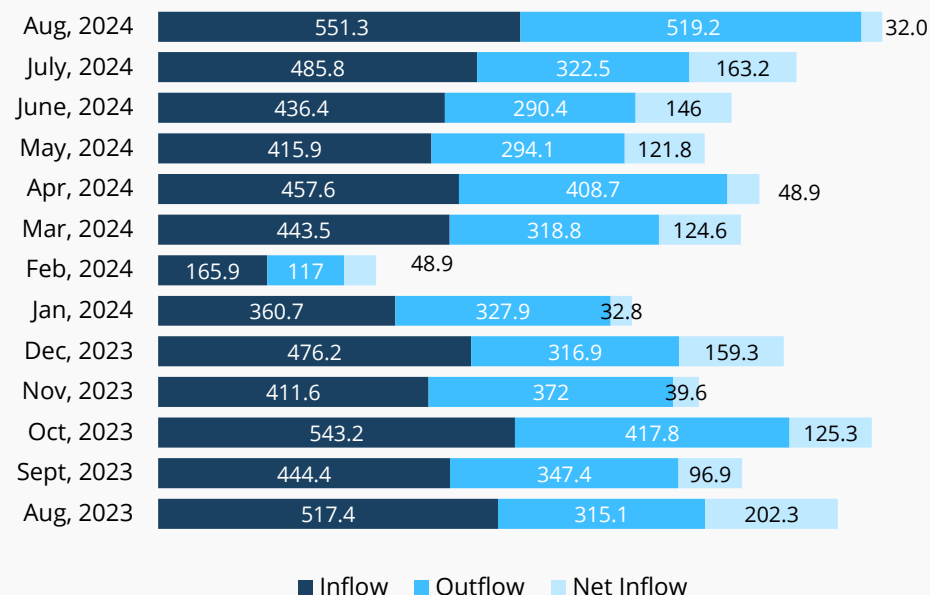
The remittance landscape for Armenia during the period from July 2023 to July 2024 was characterized by fluctuations, with a notable drop in both inflows and outflows around February 2024. Despite this, net inflows remained positive, indicating that Armenia consistently received more in remittances than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

The net inflow of remittances in August 2024 was \$32m

August 2023 had the highest net inflow (USD 202.3m), indicating a period of strong remittances coming into the country. The net inflow fluctuated significantly, with some months experiencing high outflow compared to inflow, such as November 2023 and August 2024, which resulted in relatively low net inflow. December 2023 and July 2024 showed strong inflow, likely influenced by seasonal factors (e.g., holidays, travel seasons), leading to higher remittances. In some months, such as November 2023 and January-February 2024, the net inflow dropped significantly, possibly indicating reduced economic activity or increased outgoing remittances during these months. August 2024 stands out as the highest inflow period (USD 551.3m), but the outflow is also high, reducing the net inflow to just USD 32.0m.

Five leading countries sending remittances to Armenia are Russia (USD 393,3m), US (USD 61,9m), Switzerland (USD 9,3m), Great Britain (USD 8,2m) and Germany (USD 8m). The countries Armenia sent remittances to in August 2024 were UAE (USD 201,5m), Switzerland (USD 68,7m), US (USD 55,4m), Russia (USD 51,9m) and Great Britain (USD 24,5m). Russia (USD 341,4m), US (USD 6,4m), Ireland (USD 5,8m), Kazakhstan (USD 4,2m) and Isle of Man (USD 3,7m) are the countries with the highest net inflow.

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



Source: Central Bank of the Republic Armenia



From September to October 2023, consumer inflation remained minimal at 0.1%, indicating stable prices. Between November 2023 and March 2024, prices experienced deflation, with the sharpest decline occurring in February 2024 at -1.7%, followed by a slight improvement to -1.2% in March 2024. The deflationary trend continued in April 2024 but eased to -0.7%. From May to September 2024, consumer prices recovered, with inflation gradually rising and reaching a peak of 1.4% in July 2024. By August, inflation moderated to 1.3%, and it stabilized at 0.6% in September 2024.

Food prices dropped significantly between September 2023 and March 2024, with the steepest decline reaching -7.4% in February 2024. In July 2024, food prices started to rebound, showing positive inflation and indicating a rise in food costs after an extended period of deflation.

In Syunik (2.5%), Shirak (2.1%) and Vayots Dzor (2.1%) the highest consumer price inflation was detected. The lowest CPI inflation was seen in Yerevan (0.1%), Lori (0.5%) and Armavir (0.7%). Other regions experienced moderate CPI inflation over the observed period.

The steepest food price decline occurred in Tavush (-2.1%), followed by Armavir (-2%), Aragatsotn (-1.7%) and Ararat (-1.7%). Yerevan (-1%), Gegharkunik (-0.9%), Kotayk (-0.8) and Lori (-0.4%) had moderate food price decrease. Syunik (0.8%), Vayots Dzor (0.6%), and Shirak (0.1%), on the other hand, showed food price inflation.

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

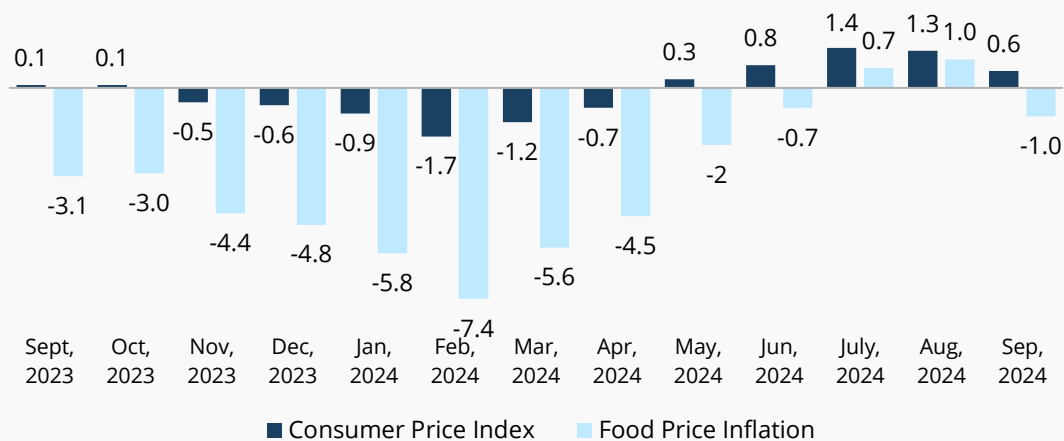
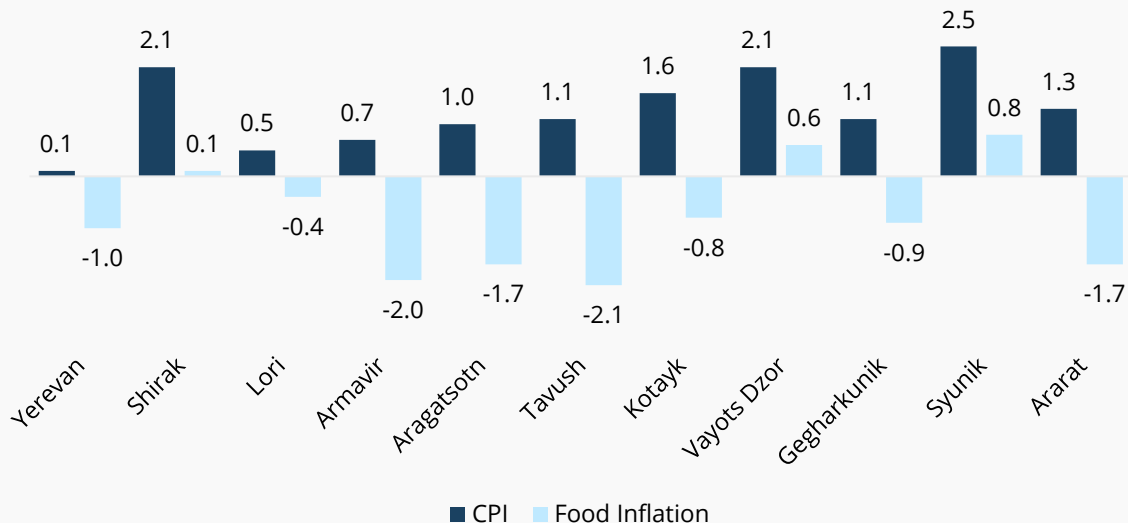


Figure 5: Consumer Price Index and Food Price Inflation per region, September 2023 - September 2024, %



Source: Statistical Committee of the Republic of Armenia

PRICE INFLATION OF SELECTED FOOD GROUPS

The highest annual price deflation was seen for the group Vegetables (-4.3). However, potato included in this group was by 4.5 percent more expensive than it was in September 2023. The second food group with the highest annual deflation was Fish and seafood (-2.9%) followed by Oils and fats (-1.7%). Butter included in this group showed 1,2% annual price inflation. Meat (-1.4%) and Bread and cereals (-1.1%) had moderate price deflation. Bread became cheaper by 0.4 percent. Though Milk, cheese and eggs had overall 4 percent of annual deflation eggs included in this group had 8% of annual price inflation.

Fruit (1%) and Sugar, jam, honey, chocolate (4.3%) group experienced annual price inflation for the observed period.

Fruit (-4.7%) and vegetables (-4.3%) displayed the highest monthly price deflation. Potato was by 11% cheaper in September 2024 compared to August 2024. This could be due to seasonal factors, such as a harvest period.

Sugar, jam, honey, chocolate had low monthly deflation of 0.3%. Milk, cheese and eggs didn't experience price changes over a month period. However, eggs included in this group became 0.1% more expensive in September 2024 compared to August 2024.

Bread and cereals and Meat demonstrated low monthly price inflation. Bread and cereals became expensive by 0.3%. The price inflation of Bread constituted 0.3%. Meat price increased by 0.6%.

Oils and fats had moderate price inflation of 1.3%. Butter in this group became 1.5% more expensive in September compared to August 2024. Fish and seafood had the highest monthly price inflation of 2.1%.

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

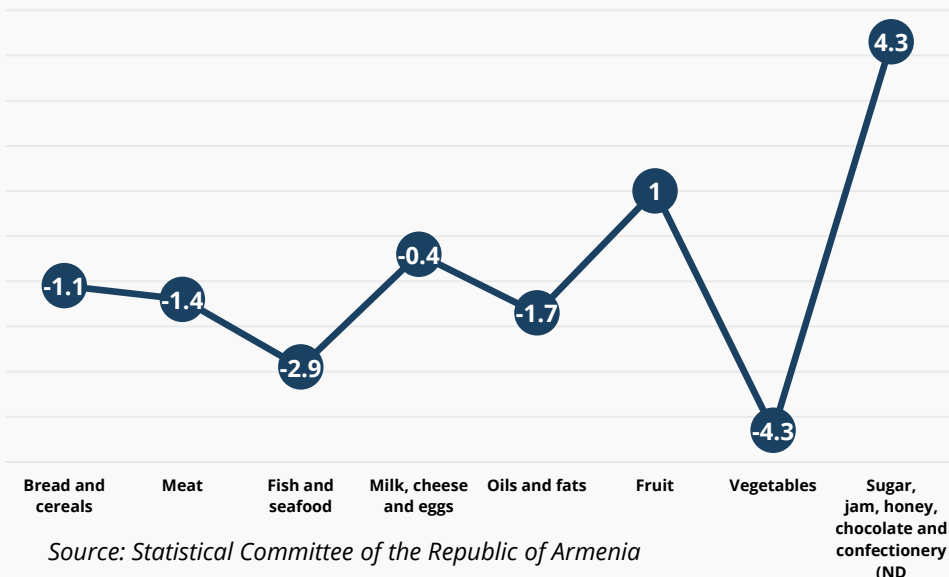
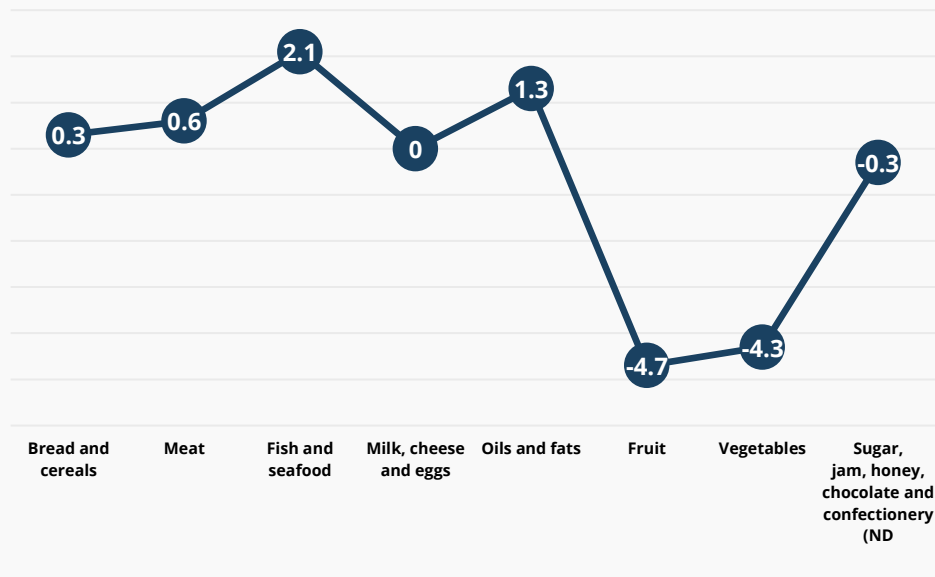


Figure 7: Monthly consumer price index of selected food groups, August 2024 – September 2024, %



Source: Statistical Committee of the Republic of Armenia

MARKET PRICES OF SELECTED FOOD COMMODITIES

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

Commodity	September 2023		September 2024	August 2024
Pasta	730	↓	680	682
Lentils	1162	↑	1189	1200
Buckwheat	1004	↓	927	948
Rice	966	↑	985	1001
Wheat flour	407	↑	411	399
Oil (Vegetable)	739	↓	694	687
Meat (Chicken)	1701	↑	1702	1557
Diesel (Regular)	512	↓	505	506
Petrol gasoline	502	↓	499	485

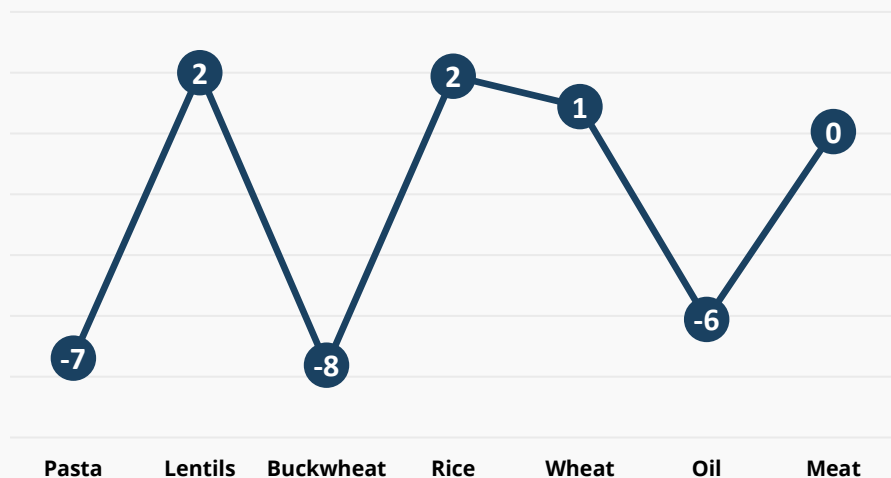
Buckwheat (-8%), Pasta (-7%) and Vegetable oil (-6%) had the highest annual price deflation. Observing monthly price changes of those products, buckwheat showed a price deflation of 2%, pasta had no price change, while vegetable oil became expensive by 1%.

Lentils (2%), rice (2%) and wheat flour (1%) experienced annual price increase. However, comparison of monthly prices revealed that lentils and rice became cheaper by 1% and 2%, respectively, while wheat flour had 3% of price inflation.

The price of chicken remained unchanged in September 2024 compared to September 2023, but it became 3 % more expensive compared to August 2024.

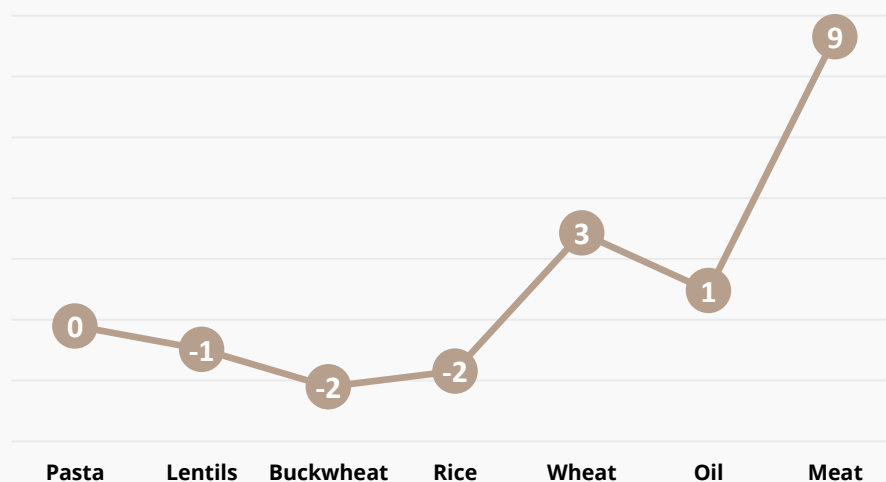
The data shows that prices of key staple food like buckwheat, pasta, and vegetable oil reduced on an annual basis, which could benefit consumers. However, the slight increases in items like lentils, rice and wheat flour on a monthly basis could impact consumers' purchasing opportunities.

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



Source: Statistical Committee of the Republic of Armenia

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





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.

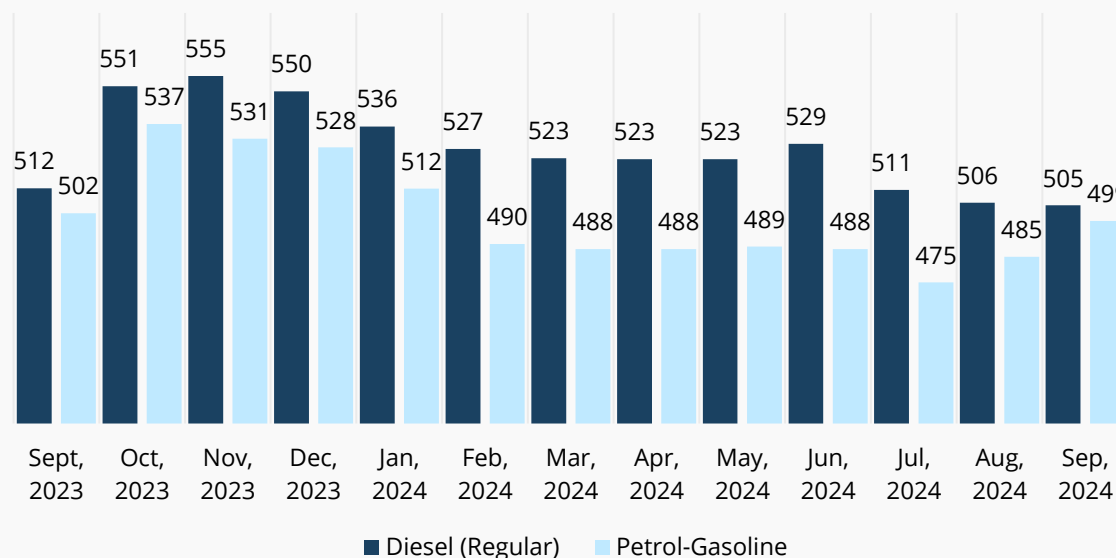


Figure 10: Price of fuel (petrol-gasoline and diesel), September 2023 – September 2024, AMD

Regular diesel price decreased by 1 percent in September 2024 compared to September 2023. However, it didn't change compared to August 2024.

Similarly, the price of petrol-gasoline declined by 1 percent compared to September 2023. Yet in September 2024 it became more expensive by 3 percent compared to August 2024.

Fuel prices that reflect on transportation costs have a thorough impact on the economy, and condition prices for other goods.



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

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

