Market Price Monitoring (Armenia)

Bulletin Issue No.33

2024 December

Contents

Highlights

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

For the period of November 2023– November 2024 the exchange rate of USD vs AMD was AMD 389 per 1 USD. RUB vs AMD exchange rate for the same period was AMD 3.9 per 1 RUB.

The net inflow of remittances to Armenia in November 2024 was USD 76mln. Leading countries sending remittances to Armenia in November 2024, were Russia (USD 261.3mln), US (USD 59mln), Isle of Man (USD 25,1mln), Switzerland (USD 16,3mln), Great Britain (USD 9,9mln).

The Consumer Price Index (CPI) was 1.4 percent in November 2024 compared to November 2023. Compared to October 2024, the CPI increased by 1.3%. Food prices increased by 1.7% for the same period. Compared to October 2024 they increased by 3.1%. CPIs and food prices were the highest in Shirak (3.1 and 3.3 %), Syunik (2.9 and 2.3%), and Kotayk (2.5 and 3.4%)

The highest annual price inflation was recorded in the "Vegetables" group at 8.1%, followed by "Fish and seafood" at 5%. Within the "Vegetables" group, the price of potatoes increase by 1.1% compared to November 2023. The "Oils and fats" and "Fruit" categories saw a 3% increase in prices over the same period, with butter in the "Oils and fats" group, becoming 2.8% more expensive. Conversely, the categories "Sugar, jam, honey, chocolate" and "Bread and cereals" exhibited the lowest levels of positive inflation, at 1.7% and 0.6% respectively. Bread, within the "Bread and cereals" category, experienced a price inflation of 1.8%. Meanwhile, "Meat" and "Milk, cheese, and eggs" categories saw deflation, with prices decreasing by 0.8% and 1.4% respectively. However, within the "Milk, cheese, and eggs" group, eggs registered a price increase of 1.4% compared to November 2023.

Regular diesel price decreased by 9 percent in October 2024 compared to October 2023. Compared to September 2024 it changed slightly decreasing by 0.6%. Similarly, the price of petrol-gasoline declined by 7 percent compared to October 2023. Yet price of petrol gasoline didn't change over a month.

EXCHANGE RATE: USD vs. AMD

In late 2023 and early 2024 AMD experienced brief period of depreciation against USD. The highest AMD vs USD exchange rate
was recorded in January 2024, at 405 AMD per USD. After January 2024, there was a gradual downward trend, showing AMD strengthening against USD. This was most prominent from February 2024 (AMD 404) to April 2024 (AMD 391). From May to October 2024, the exchange rate stabilized around AMD 387–388 per 1 USD, indicating reduced volatility. In November 2024, the exchange rate rose slightly to 389 AMD per USD, breaking the stabilization trend from previous months.

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

NOV, 2023   DEC, 2023   JAN, 2024   FEB, 2024   MAR, 2024   APR, 2024   MAY, 2024   JUNE, 2024   JULY, 2024   AUG, 2024   SEP, 2024   OCT, 2024   NOV, 2024

EXCHANGE RATE: RUB vs. AMD

Compared to the earlier months, the second half of 2024 showed higher volatility, with notable decreases in the exchange rate, particularly in the final two months.
From November 2023 (AMD 4.4 per 1 RUB) to December 2023 (AMD 4.5 per 1 RUB), there was a slight increase in the rate, suggesting a brief depreciation of AMD against RUB.
From January to March 2024, the exchange rate hovered around AMD 4.4–4.5 per 1 RUB, indicating relative stability. Starting from April 2024, the RUB weakened against AMD, with the rate declining from AMD 4.2 in April to AMD 4.0 in October 2024.The most significant change occurred in November 2024, with the exchange rate dropping to AMD 3.85 per 1 RUB, suggesting a sharp appreciation of the AMD or devaluation of the RUB.

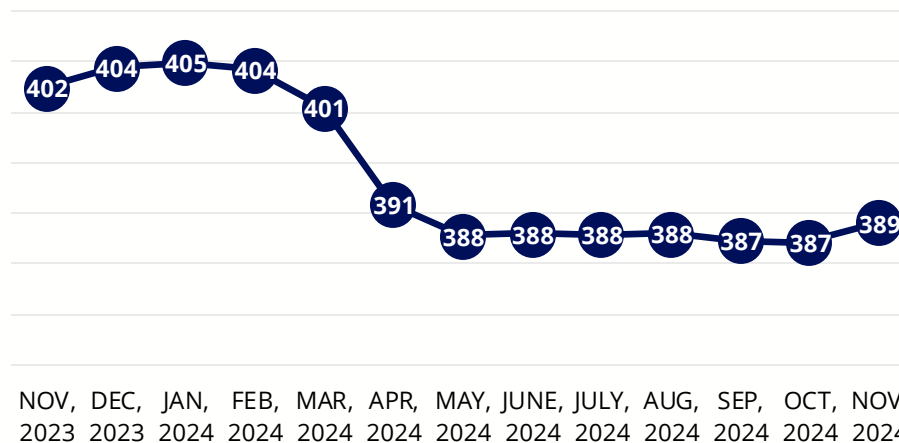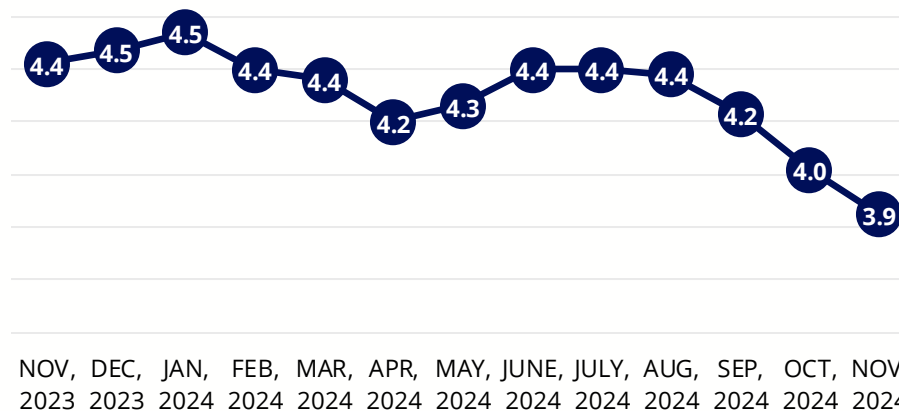**Figure 2: Exchange rate (AMD/RUB), November 2023 – November 2024 (in AMD)**

NOV, 2023   DEC, 2023   JAN, 2024   FEB, 2024   MAR, 2024   APR, 2024   MAY, 2024   JUNE, 2024   JULY, 2024   AUG, 2024   SEP, 2024   OCT, 2024   NOV, 2024

*Source: Central Bank of the Republic Armenia*

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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 November 2024 was
$76 mln

Figure 3: Inflow, outflow and net remittances to Armenia, November 2023 – November 2024, in USD
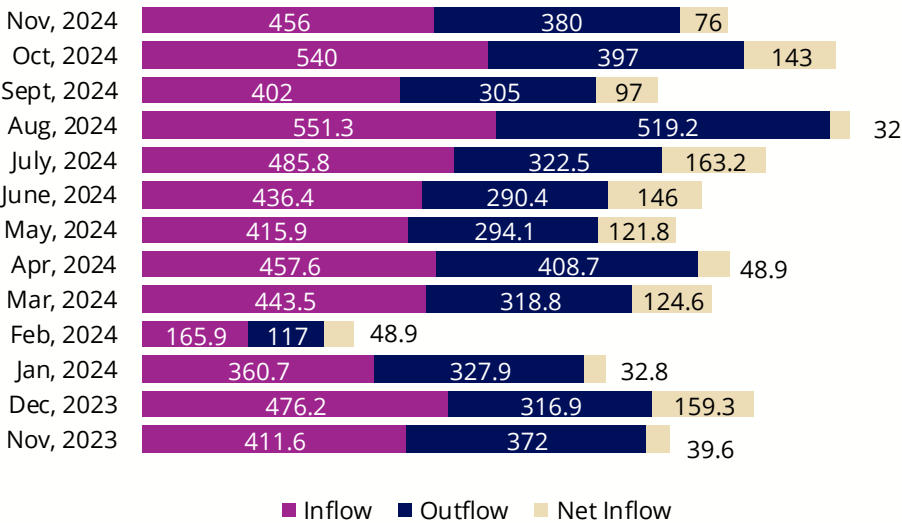
August 2024 recorded the highest inflow at AMD 551.3 million, indicating a significant surge in remittances. February 2024 saw the lowest inflow at AMD 165.9 million, likely reflecting seasonal variations in remittance patterns. The inflows ranged widely, with notable increases during mid-year months (e.g., June-July) and around year-end (December 2023, October 2024). Similarly, August 2024 had the largest outflow at AMD 519.2 million, correlating with the highest inflow. February 2024 recorded the smallest outflow at AMD 117 million, aligning with its low inflow. Outflows were generally stable across months, except for noticeable peaks in April 2024, August 2024, and October 2024. Net inflows remained positive throughout the year, reflecting a consistent influx of remittances into Armenia. However, fluctuations in net inflows show significant variability influenced by seasonal and economic factors.

Five leading countries sending remittances to Armenia in November 2024 were Russia (USD 261.3mln), US (USD 59mln), Isle of Man (USD 25,1mln), Switzerland (USD 16,3mln), Great Britain (USD 9,9mln). The countries Armenia sent the highest remittances to were UAE (USD 71,5mln), Switzerland (USD 55,3mln), US (USD 49,7mln) and Spain (USD 23,6mln).

Russia (USD 198,1mln), Isle of Man (USD 25,1mln), US (USD 9,2mln), Singapore (USD 4,3mln), Ireland (USD 3,9mln) were the countries with the highest net inflow.

Month	Inflow	Outflow	Net Inflow
Nov, 2024	456	380	76
Oct, 2024	540	397	143
Sept, 2024	402	305	97
Aug, 2024	551.3	519.2	32
July, 2024	485.8	322.5	163.2
June, 2024	436.4	290.4	146
May, 2024	415.9	294.1	121.8
Apr, 2024	457.6	408.7	48.9
Mar, 2024	443.5	318.8	124.6
Feb, 2024	165.9	117	48.9
Jan, 2024	360.7	327.9	32.8
Dec, 2023	476.2	316.9	159.3
Nov, 2023	411.6	372	39.6

Source: Central Bank of the Republic Armenia

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The first half of the observed period was dominated by deflationary pressures, with prices falling significantly. From November 2023 to April 2024, the inflation rate was consistently negative. The lowest inflation rate during this period was -1.7% in February 2024. The second half saw inflation rates picking up, reflecting a gradual recovery of consumer prices. Starting from May 2024, inflation turned positive at 0.3%, indicating the beginning of price recovery. Inflation steadily increased through the summer months, reaching 1.4% in July 2024. Inflation rates fluctuated between 0.6% and 1.4% from August to November 2024. November 2024 saw a return to 1.4%, matching the peak inflation rate observed in July 2024.

Food prices were predominantly in deflation from November 2023 to June 2024. The steepest decline occurred in February 2024, with a deflation rate of -7.4%, indicating significant drops in food prices during this time. Gradual moderation was observed after February, with deflation easing from -7.4% (Feb) to -0.7% (June). Food prices transitioned into positive inflation in July 2024, registering 0.7%, indicating rising food costs. Continuing to grow inflation peaked at 1% in August 2024. In September 2024, food prices fell into deflation again at -1.0%. This deflationary pressure eased slightly in October 2024, with a rate of -0.5%.
Inflation continued to grow slightly, peaking at 1.0%. In November 2024, food price inflation increased sharply to 1.7%, the highest level in the year, marking a strong rebound in food costs.

The analysis of CPI across the regions of Armenia revealed low to moderate to high price fluctuations. CPI was positive in all regions, ranging from the lowest of 0.9% in the capital Yerevan to the highest of 3.1% in Shirak region. The highest inflation after Shirak was observed in Syunik (2.9%) and Kotayk (2.5%) regions indicating rising living costs.
Food prices were more diverse, with some regions experiencing deflation and others showing positive inflation. Negative food prices were seen in Tavush (-0.3%) and Aragatsotn (-0.2%). The highest food price inflation was detected in Kotayk (3.4%), Shirak (3.3%) followed by Syunik (2.3%). Yerevan (1.7%), Lori (1.5%), Gegharkunik (1.2%) and Vayots Dzor (1.1%) demonstrated moderate food price inflation whereas Armavir and Ararat saw lower food inflation (0.8% and 0.3%, respectively).

Source: Central Bank of the Republic Armenia

Figure 4: Consumer Price Index and Food Price Inflation, November 2023 – November 2024, %
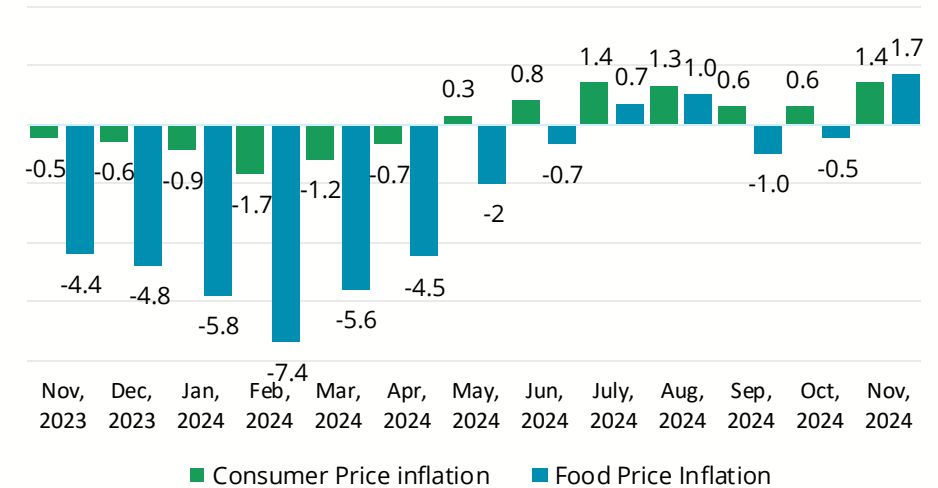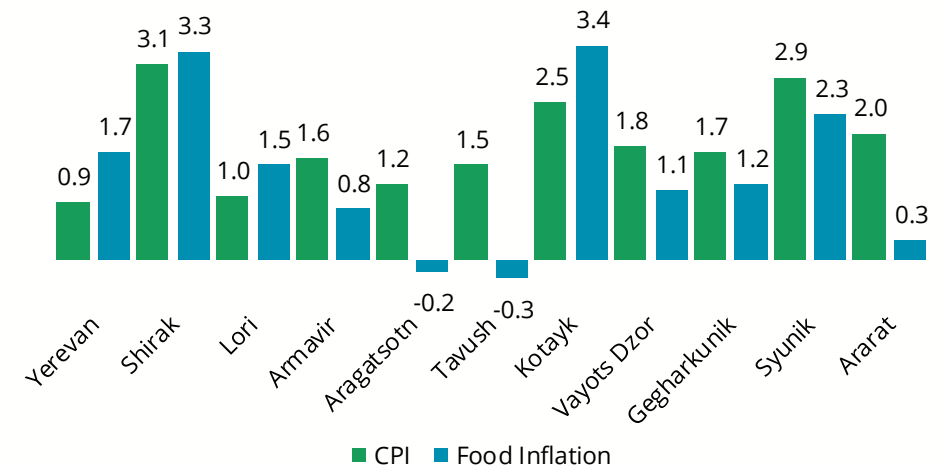

Figure 5: Consumer Price Index and Food Price Inflation per region, November 2023 – November 2024, %
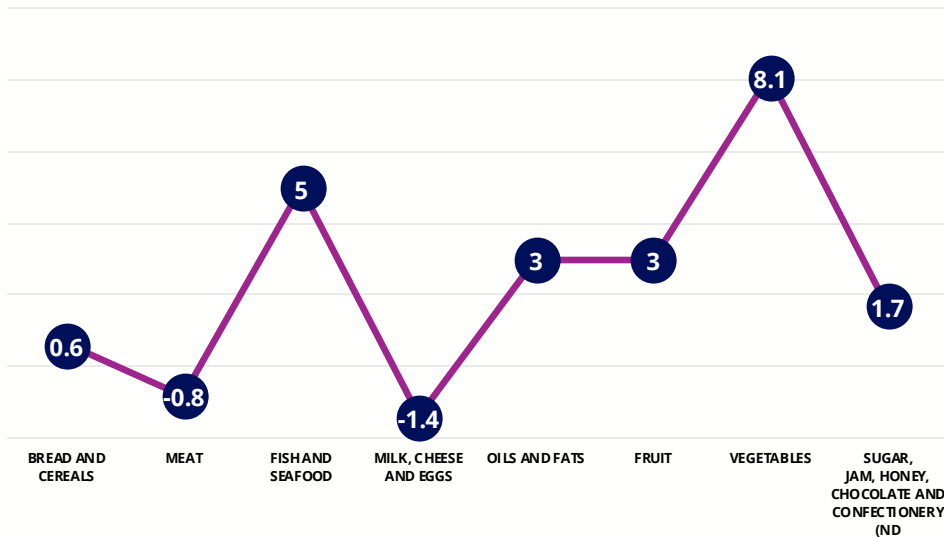
Price inflation of selected food groups

The highest annual price inflation was recorded in the "Vegetables" group at 8.1%, followed by "Fish and seafood" at 5%. Within the "Vegetables" group, potatoes experienced a price increase of 1.1% compared to November 2023. The "Oils and fats" and "Fruit" categories saw a 3% increase in prices over the same period, with butter in the "Oils and fats" group, becoming 2.8% more expensive.

Conversely, the categories "Sugar, jam, honey, chocolate" and "Bread and cereals" exhibited the lowest levels of positive inflation, at 1.7% and 0.6% respectively. Bread, within the "Bread and cereals" category, experienced a price inflation of 1.8%.

Meanwhile, "Meat" and "Milk, cheese, and eggs" categories saw deflation, with prices decreasing by 0.8% and 1.4% respectively. However, within the "Milk, cheese, and eggs" group, eggs registered a price increase of 1.4% compared to November 2023.

On a monthly basis, the "Vegetables" category recorded the highest inflation rate at 22%. Potatoes within this group experienced a 5% price increase in November 2024.

Moderate inflation was observed in the "Fish and seafood" (3.7%), "Oils and fats" (3.4%), and "Fruit" (1.1%) categories compared to October 2024. In the "Oils and fats" category, butter prices rose by 1.5%.

Relatively lower inflation was noted in the "Bread and cereals" (0.5%) and "Meat" (0.3%) categories, with bread prices in the "Bread and cereals" group also increasing by 0.5%.

In contrast, the "Milk, cheese, and eggs" (-0.1%) and "Sugar, jam, honey, chocolate, and confectionery" (-0.9%) categories experienced deflation on a monthly basis. Prices for eggs within the "Milk, cheese, and eggs" category remained stable during this period.

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

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

Source: Central Bank of the Republic Armenia
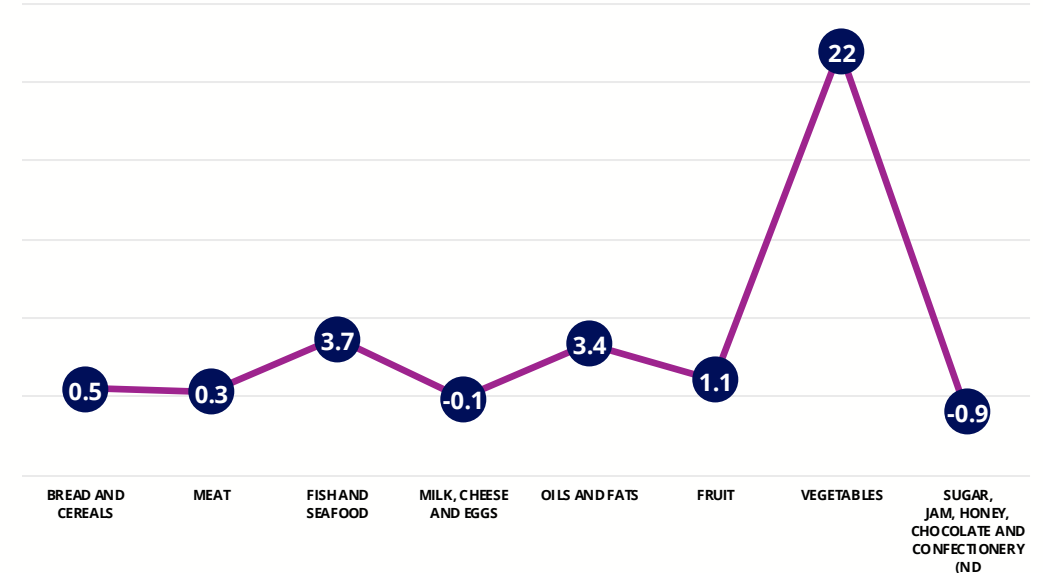
Market prices of selected food commodities

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

Commodity	November 2023		November 2024		October 2024
Pasta	744	⬇	740	⬇	701
Lentils	1164	⬆	1164	⬇	1209
Buckwheat	1029	⬇	1010	⬇	876
Rice	989	⬇	993	⬇	977
Wheat flour	403	⬆	402	⬆	416
Oil (Vegetable)	746	⬇	726	⬆	709
Meat (Chicken)	1687	⬇	1681	⬇	1692
Diesel (Regular)	555	⬇	550	⬇	502
Petrol gasoline	531	⬇	528	➡	499

On an annual basis, oil and buckwheat were the only food commodities to experience price deflation, with decreases of 3% and 2%, respectively. Prices for pasta, lentils, rice, wheat, and meat remained stable throughout the year, showing no fluctuations.

On a monthly scale, buckwheat recorded the highest price increase at 15%. Moderate to low price inflation was observed for pasta (6%), rice (2%), and vegetable oil (2%). Conversely, a deflationary trend was noted for lentils (-4%), wheat (-3%), and meat (-1%) during the same period.

Source: Central Bank of the Republic Armenia

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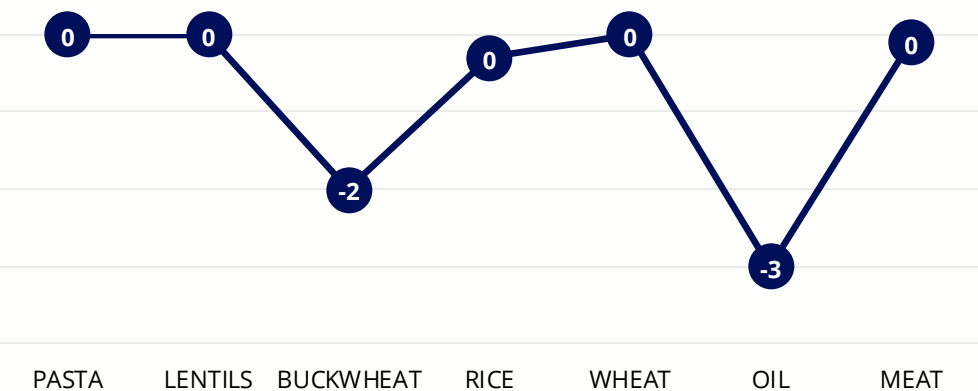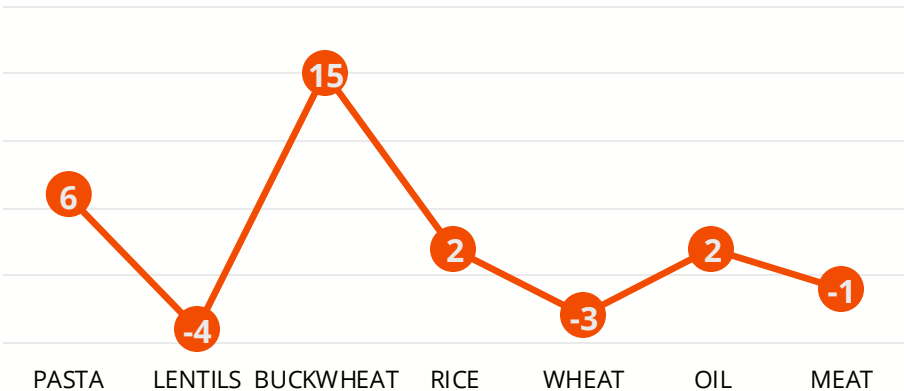

Figure 9: Monthly price fluctuations of selected food and non-food items, %

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.

For the observed period of November 2023 – November 2024 an annual deflation trend was detected in regular diesel prices, with a decrease of 1%. However, on a monthly basis, diesel prices experienced a significant inflation of 9%. Similarly, petrol (gasoline) prices saw an annual deflation of 1% but recorded a 6% increase on a monthly basis.
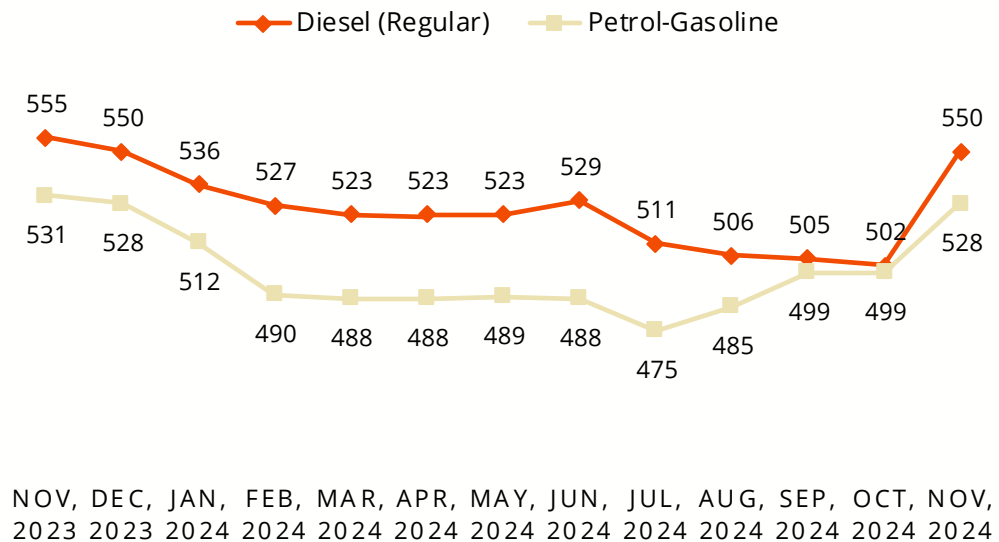
As of December 30, the global average price of diesel was AMD 463.49 per liter. In Armenia, diesel was priced at AMD 510 per liter, exceeding the global average by AMD 46.51. In comparison, diesel prices in neighboring countries were significantly lower: AMD 2.269 per liter in Iran (the second lowest globally after Venezuela), AMD 233.2 in Azerbaijan, AMD 423.3 in Georgia, and AMD 251.9 in Russia.

The global average price of petrol gasoline was AMD 489.02 per liter. In Armenia, the price stood at AMD 530 per liter, which was AMD 40.98 higher than the global average. Notably, Iran had the lowest gasoline price in the world at AMD 11.3 per liter, while prices were AMD 256.5 in Azerbaijan, AMD 436 in Georgia, and AMD 217.1 in Russia.

Source: Global Petrol Prices

Source: Central Bank of the Republic Armenia

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

NOV, 2023 DEC, 2023 JAN, 2024 FEB, 2024 MAR, 2024 APR, 2024 MAY, 2024 JUN, 2024 JUL, 2024 AUG, 2024 SEP, 2024 OCT, 2024 NOV, 2024

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

Statistical committee of The Republic of Armenia

Global Petrol Prices

World Food Programme

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