

National Bank of the Kyrgyz Republic

Inflation Report

III quarter 2013

October 2013

Bishkek

Inflation Report in Kyrgyz Republic

Editorial Board:

Chairman:	Abdybaly tegin S.
Editorial Board Members:	S.A. Urustemov G.A. Isakova A.R. Berdigulova
Executive Editor:	A.K. Aidarova

If you have any questions regarding the content of this edition, please contact us at:

101 Umetaliev St., Bishkek
National Bank of the Kyrgyz Republic
Phone: (996 312) 669 051
Fax: (996 312) 610 730
E-mail: aaidarova@nbkr.kg

If you have any questions regarding the distribution of this edition, please contact us at:

101 Umetaliev St., Bishkek
National Bank of the Kyrgyz Republic
Phone: (996 312) 669 009
Fax: (996 312) 610 730
E-mail: pr@nbkr.kg
<http://www.nbkr.kg>

This edition contains the description of the consumer price trends in the Kyrgyz Republic and its regions, analysis of major inflation factors, decisions made by the National Bank of the Kyrgyz Republic on monetary policy, and also presents inflation forecast for the upcoming period. It is published on a quarterly basis in Kyrgyz, Russian and English languages.

The last update of the present publication is: October 31, 2013

Founder: The National Bank of the Kyrgyz Republic.

This edition has been registered by the Ministry of Justice of the Kyrgyz Republic (mass media registration certificate No 628).

Prepared for publication and printed by the publishing house LLC “Pozitiv”.

Number of copies - 100.

© The National Bank of the Kyrgyz Republic, 2013.

This issue shall not be a subject to reproduction and distribution in any form and by any means unless authorized by the National Bank of the Kyrgyz Republic. When reprinting and translating the extracts, the reference to «The Kyrgyz Republic Inflation Report» issued by the NBKR is mandatory.

Content

CHAPTER 1. ECONOMIC SITUATION IN THE KYRGYZ REPUBLIC.....	4
1.1. Demand and Supply on Commodities and Services Market.....	4
1.1.1. Demand.....	4
1.1.2. Supply.....	7
1.2. Monetary Trends.....	9
1.3. External Economic Conditions	13
1.4. Exchange Rate.....	15
CHAPTER 2. INFLATION AND ITS COMPONENTS.....	17
2.1. Consumer Price Index Development.....	17
2.2. Dynamics of Prices for Food Products	17
2.3. Dynamics of Prices for Non-Food Products.....	18
2.4. Dynamics of Prices for Services	20
2.5. Dynamics of Consumer Prices in Regions	20
2.6. Core Inflation.....	21
CHAPTER 3. WORLD COMMODITY MARKETS SURVEY.....	23
3.1. Survey of the World Commodity Markets.....	23
3.2. Survey of the World Energy Markets.....	23
CHAPTER 4. MONETARY POLICY DECISIONS OF THE NATIONAL BANK OF THE KYRGYZ REPUBLIC	25
4.1. Major Decisions of the NBKR Board.....	25
4.2. Major Decisions of the Monetary Regulation Committee	25
CHAPTER 5. INFLATION FORECAST	26
5.1. Forecast of Key Inflation Factor Dynamics.....	26
5.2. Inflation Forecast for 2013	27
STATISTICAL ANNEX.....	29
GLOSSARY	33
ABBREVIATIONS	36

Chapter 1. Economic Situation in the Kyrgyz Republic

1.1. Demand and Supply in Commodities and Services Market

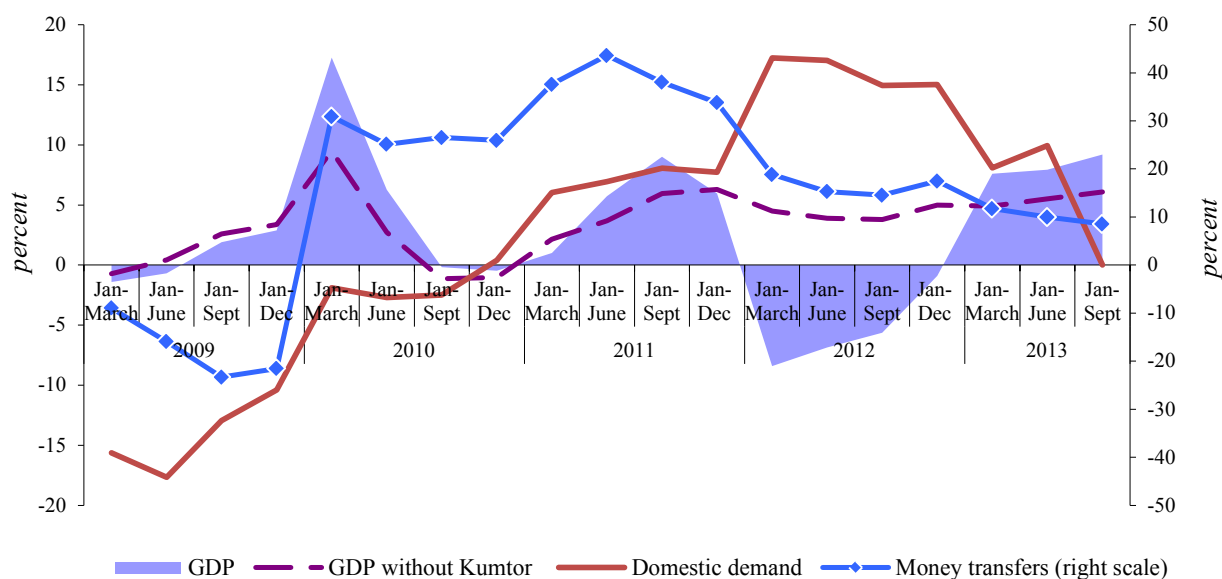
1.1.1. Demand

According to preliminary data in January-September 2013, the nominal volume of GDP constituted 236.9 billion KGS, having increased in real terms by 9.2 percent against corresponding index of comparable period of 2012, whereas in January-September 2012, GDP decreased by 5.6 percent. Excluding on enterprises on exploration of gold-mining deposit “Kumtor”, the GDP volume in January-September 2013 increased by 6.1 percent (in January-September 2012, the growth of the same index was 3.7 percent). GDP deflator constituted 3.4 percent against 10.5 percent in January-September 2012.

In the first half-year of 2013, growth in domestic demand (the sum of final consumption expenditure and gross capital formation) was 9.9 percent in comparison with the first quarter of 2012 due to increase of expenditures for consumption of households by 16.7 percent and positive changes in inventories by 8.5 percent. The increases in the average nominal wage by 5.1 percent to 11,057 KGS, and the expansion of purchasing power due to the increase in remittances have increased the expenditures of households.

Chart 1.1.1. Dynamics of Changes in GDP and Remittances

(the period from the beginning of the year to the corresponding period of the previous year)



In January-September 2013, increase of individuals' remittances inflow by money transfer systems was 13.0 percent, as compared to the corresponding index of the last year. In the observing year net inflow of remittances increased by 8.5 percent, which constituted 1384.5 million USD, while in 2012 this index was 15.0 percent. The main bulk of remittances (99.0 percent) comes from the CIS countries, including, 98.8 percent of remittances inflow are from Russia, 1.2 percent – from Kazakhstan.

Table 1.1.1. Remittances of Individuals by Money Transfer Systems*
(million USD)

	2010	2011	2012	January- September 2012	January- September 2013**
Balance	1 124.9	1 505.4	1 768.5	1 275.5	1 384.5
Inflow	1 252.6	1 695.4	2 017.9	1 455.5	1 644.7
CIS countries	1 199.3	1 639.4	1 980.4	1 426.0	1 628.9
Kazakhstan	35.0	41.2	33.8	25.5	19.0
Russia	1 164.3	1 597.5	1 946.2	1 400.3	1 609.5
Others	0.0	0.7	0.5	0.2	0.3
Far-abroad countries	53.3	56.0	37.5	29.5	15.8
Belgium	0.2	1.4	0.0	0.0	0.0
Great Britain	1.4	1.5	1.2	0.8	1.1
Germany	9.9	15.7	9.5	7.0	1.8
USA	41.7	36.1	25.0	20.5	11.5
Others	0.1	1.3	1.8	1.2	1.3
Outflow	127.6	190.1	249.4	180.0	260.2
CIS countries	125.8	185.8	243.8	175.6	256.4
Kazakhstan	0.4	0.7	0.6	0.5	0.4
Russia	125.4	184.9	242.8	175.0	254.3
Others	0.0	0.3	0.4	0.1	1.7
Far-abroad countries	1.8	4.3	5.6	4.4	3.8
Belgium	0.5	0.6	0.3	0.2	0.3
Germany	0.3	1.4	1.4	1.1	0.2
USA	0.9	2.0	2.5	2.1	2.6
Others	0.2	0.3	1.4	0.9	0.6

* - Anelik, Blizko, Contact, Migom, MoneyGram, Western Union, Unistream, Zolotaya Korona, Leader, Bystraya Pochta, Allyur and other money transfer systems and remittances via the PE "Kyrgyzpochtasy".

**Preliminary data

According to the preliminary data of the Central Treasury of the Ministry of Finance, the state budget deficit in January-August 2013 amounted to 5.4 billion KGS or 2.7 percent to GDP (in the similar period of 2012 – 5.0 percent to GDP).

Total state budget revenues, including revenues from sales of non-financial assets constituted 63.5 billion KGS (32.0 percent to GDP), having increased by 13.7 percent or 7.7 billion KGS as compared to the corresponding index in January-August of the previous year. Revenues from operating activity constituted 63.4 billion KGS or 32.0 percent to GDP. The largest contribution to growth in operating income was made by tax revenues (8.8 percentage points), the contribution of received official transfers was 3.5 percentage points, while the contribution of non-tax revenues – 1.6 percentage points.

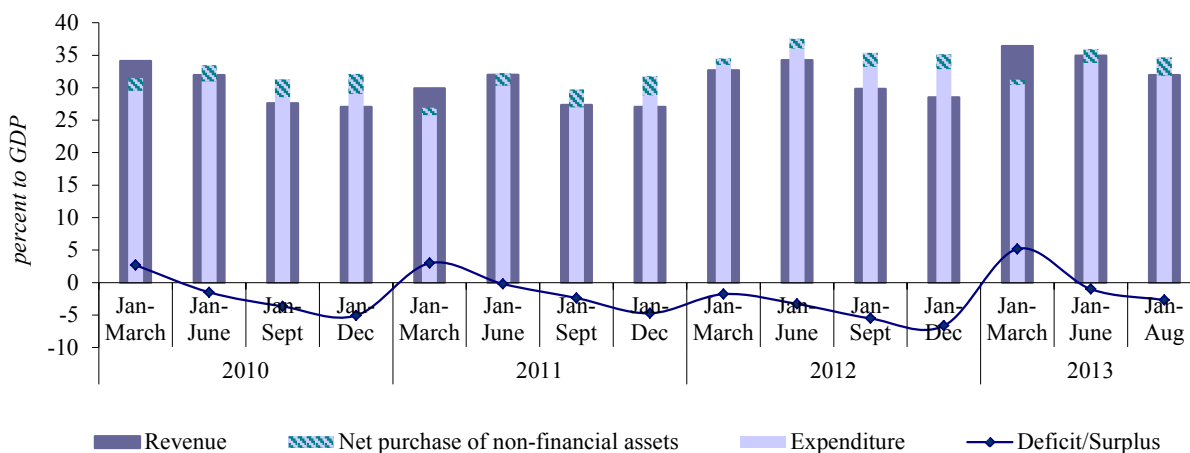
Total expenditures of the state budget, including expenditures for purchase of non-financial assets constituted 68.8 billion KGS or 34.7 percent to GDP, having increased by 6.3 percent or 4.1 billion KGS as compared to the corresponding index in January-August 2012.

Expenditures for operating activity constituted 63.1 billion KGS or 31.8 percent to GDP. The share of expenditures directed for current consumption is still significant in the structure of expenditures in accordance with economic classification. In the period under review there was observed an increase by 2.7 percentage points in the share of expenses for subsidies and social allowances payment, primarily due to growth of expenditures for payment of pension basic components.

According to the preliminary data of the Social Fund of the Kyrgyz Republic, the surplus of the Social Fund budget amounted to 0.2 billion KGS or 0.1 percent to GDP, revenues – 21.6 billion KGS or 10.9 percent to GDP, expenditures – 21.5 billion KGS or 10.8 percent to GDP.

Chart 1.1.2. State Budget Implementation

(for the period)



In January-September 2013, the volume of investments into fixed capital increased by 13.8 percent (in comparable prices) as compared to the corresponding period of 2012. In the industrial distribution of investments, the share of investments is attributed to the mining industry (27.7 percent), transport and communication (15.6 percent), processing industry (13.3 percent). At the same time, financing of the mining industry was implemented by means of funds submitted by the enterprises and organizations (77.1 percent) and by means of direct foreign investments (21.4 percent), which led to the increase in the volume of investments in fixed assets on the construction of mining industry by 13.3 percent.

The volume of investments into the processing industry increased by 19.4 percent compared to January-September 2012. Financing was implemented by means of foreign credits (83.7 percent) and funds of enterprises and organizations (10.6 percent). Increase in the volume of investments in the processing industry was primarily conditioned by rehabilitation of industrial production at gold-mining deposit “Kumtor” and by attracting of funds for construction and putting into operation of oil refinery in Kara-Balta.

Financing of construction objects in the sphere of transport and communication was primarily implemented by means of funds submitted by foreign grants and humanitarian aid (39.3 percent), foreign credits (28.3 percent), enterprises and organizations (18.9 percent), republican budget (10.0 percent).

Table 1.1.2. Investments in the Fixed Capital by Sources of Finances

	January-September 2012	January-September 2013	January-September 2013	
	total, million KGS		share, percent	real growth rate ¹ , percent
Total	35 379.8	41 253.9	100.0	113.8
Internal investments	25 674.6	26 439.8	64.1	100.4
Republican budget (including funds intended for emergencies)	1 768.1	1 540.1	3.7	85.2
Local budget	514.8	260.6	0.6	49.6
Funds of enterprises and organizations	13 559.3	13 465.2	32.6	96.8
Bank credit	293.7	166.0	0.4	55.4
Population assets	9 538.7	11 007.9	26.7	112.6
External investment	9 705.2	14 814.1	35.9	1.5 times
Foreign credit	3 262.0	7 772.3	18.8	2.3 times
Foreign direct investments	4 697.7	3 602.2	8.7	74.9
Foreign grants and humanitarian aid	1 745.5	3 439.6	8.3	1.9 times

Source: NSC KR

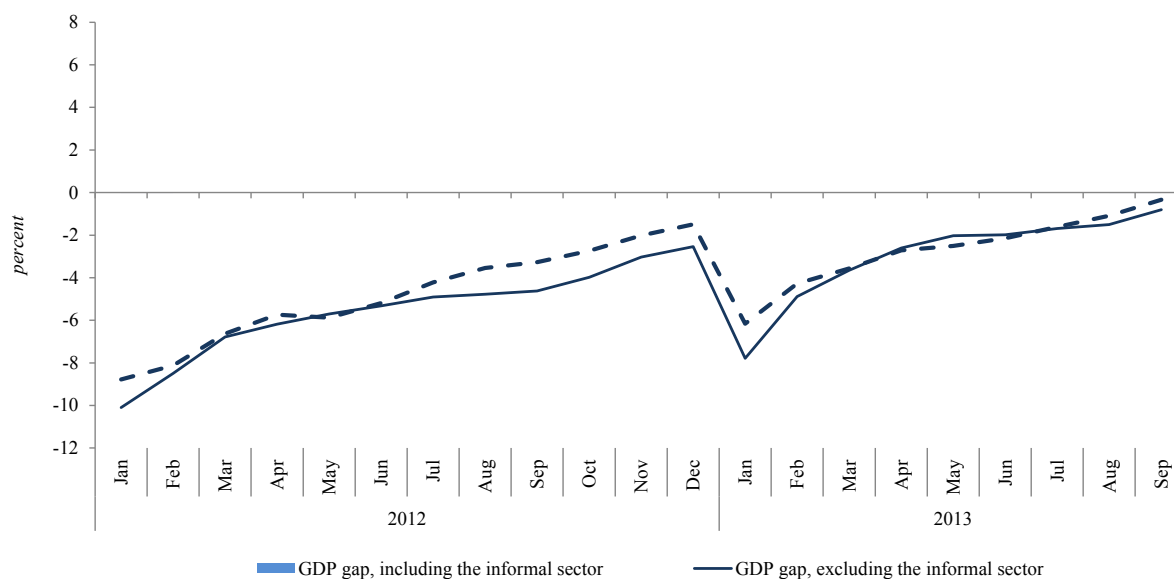
¹Growth rates are calculated in comparable prices

1.1.2. Supply

In the first nine months of the current year there was registered a GDP gap closing, which approached close to zero. Negative values of GDP gap in 2012 pointed to the lack of active use of production capacities. However, the recovery process is taking place.

Chart 1.1.3. GDP Gap

(the period from the beginning of the year to the corresponding period of the previous year)



The largest contribution in GDP formation was made by the processing enterprises (3.7 percentage points) due to rehabilitation of production output at the enterprises on exploration of gold-mining deposit “Kumtor”, trade (1.3 percentage points), transport and communication (1.1 percentage points).

In the sectorial subdivision the primary growth was registered in production output of the processing industry (+34.7 percent), construction (+20.4 percent) and transport and communication (+12.1 percent). Herewith, the negative contribution in GDP growth was made by the sector on electricity, gas and water generation and distribution (-0.1 percentage points) thereby reducing the volume of production output by 3.1 percent, conditioned by decrease in electricity generation by 7.7 percent as well as in the volume of services on electricity distribution by 4.4 percent.

Table 1.1.3. Contribution of Individual Activities to GDP Increase/Decrease
percent

	Share		Growth rate		Contrib to growth	
	<i>Jan-September</i>		<i>Jan-September</i>		<i>Jan-September</i>	
	2012	2013	2012	2013	2012	2013
Agriculture, hunting and forestry	20.1	18.8	2.8	4.2	0.5	0.8
Mining industry	1.2	0.9	22.6	-1.7	0.2	0.0
Processing industry	10.5	12.0	-43.4	34.7	-8.3	3.7
including Kumtor	4.5	6.2	-68.6	74.8	-8.9	3.4
Electricity, gas and water generation and dist	3.2	2.5	9.1	-3.1	0.3	-0.1
Construction	4.9	5.4	2.5	20.4	0.1	1.0
Trade; cars repair	15.2	15.5	8.6	8.3	1.2	1.3
Transport and communication	9.1	9.4	9.6	12.1	0.8	1.1
Other	22.4	21.1	0.8	1.0	0.2	0.2
Net tax on products	13.3	14.4	-5.6	9.2	-0.6	1.2
GDP	100.0	100.0	-5.6	9.2	-5.6	9.2
GDP without Kumtor			3.7	6.1	3.3	5.8

Source: NSC KR, NBKR calculations

In January-September 2013, the physical volume index (PVI) of industrial production increased by 24.5 percent as compared to the corresponding period of 2012 (in January-September 2012 decreased by 33.0 percent). Positive dynamics was attributed mainly to most of the processing sectors. Increase in PVI of industrial production was mainly due to increase of production output in the processing industry (by 34.7 percent), as well as due to metallurgy production and production of finished metal goods (by 1.9 times), chemical manufacturing (by 30.3 percent), manufacturing of transport facilities and equipment (by 29.5 percent). There was increase in PVI of industrial production at the level of 1.7 percent excluding enterprises on exploration of gold-mining deposit “Kumtor”, while, the similar index of 2012 increased by 10.0 percent. Meanwhile, decrease in production output of the textile and garment industry was observed for the third quarter in a row. Decline in the textile and garment industry by 12.3 percent was conditioned by decline in demand for final products due to changes in conditions of foreign trade.

According to the preliminary data of NSC, in January-September 2013, growth of PVI was at the level of 4.2 percent (in January-September of the last year growth was 2.8 percent). In January-September 2013, the total trade turnover constituted 213.1 billion KGS, meanwhile, the volume of trade operations in real terms increased by 7.7 percent compared to the corresponding index of 2012 (in January-September 2012 growth of trade constituted 9.5 percent). The observed increase in trade turnover, repair of motor vehicles, household goods and items of personal use in the period under review were provided by all regions of the country. Along with this, the volume of retail trade, except of motor vehicles and motor fuel, compounded 53.8 percent, while wholesale trade amounted to 31.2 percent, and retail sale of automotive fuel - 11.8 percent.

Table 1.1.4. Dynamics and Structure of Gross Turnover of Trade Operations

	Jan-September 2012		Jan-September 2013	
	share, percent	growth rate, percent	share, percent	growth rate, percent
Trade	100.0	109.5	100.0	107.7
Trade in cars, motor vehicles and their spare parts	2.7	107.6	2.5	105.8
Car maintenance and repair	0.5	106.6	0.5	103.0
Wholesale trade	32.0	109.8	31.2	103.8
Motor fuel retail trade	11.7	126.1	11.8	116.6
Retail trade, excluding cars and motor fuel	52.9	106.5	53.8	108.3
Repair of household appliances and articles	0.2	103.1	0.2	101.8

Source: NSC KR

1.2. Monetary Trends

Monetary Base

In January-September 2013, the monetary base increased by 6.9 percent or 4.4 billion KGS, and as of October 1, 2013, it amounted to 68.9 billion KGS (in the corresponding period of 2012 – by 9.8 percent). The monetary base increased by 2.4 billion KGS due to operations of the Government, and the operations of the National Bank which increased it by 2.0 billion KGS. Thus, the basic operations of National Bank, which made a positive contribution to the expansion of reserve money, were buying gold in the domestic market in the amount of 0.9 billion KGS and issuing refinancing loans at the amount of 0.7 billion USD. The operations of the Government increased the monetary base by 6.8 billion KGS. The operations of the National Bank decreased the monetary base by 1.4 billion KGS.

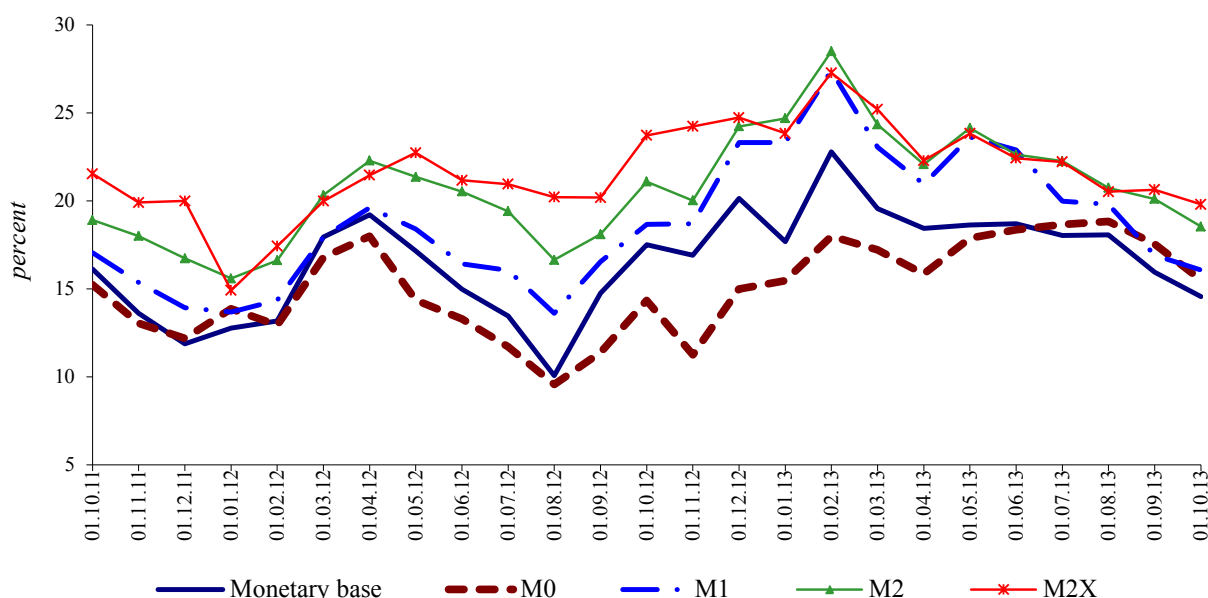
Taking into account inflation risks existing in the country, as well as high level of the state budget deficit, the NBKR conducted prudent monetary policy. For the purposes of restricting monetary component of inflation the National Bank sterilized excessive liquidity in the banking system by means of sales of the NBKR notes the total volume in circulation of which was 2.7 billion KGS. In addition, in the first and second quarters NBKR conducted a sale of government securities under REPO terms in order to reduce excessive liquidity: the government securities in circulation sold under REPO terms as of the end of March amounted to 546.6 million KGS, while as at the end of June – 0.2 billion KGS. NBKR did not conduct a sale of government securities under REPO terms in the third quarter.

According to the results of January-September 2013, the share of cash in circulation increased by 8.0 percent and amounted to 63.0 billion KGS (in the corresponding period of 2012– by 7.4 percent).

M2 Aggregate

Money stock M2 (M0 + deposits in the national currency) as of October 1, 2013, amounted to 84.3 billion KGS, having increased in January-September 2013 by 8.8 percent (in the corresponding period of 2012 increase constituted 14.5 percent). The components of the monetary aggregate M2 changed as follows: the money outside the banks (M0) increased by 7.2 percent, while the deposits in the national currency increased by 12.7 percent, including deposit with fixed period– by 37.3 and transferable deposits (till called for) – by 1.4 percent.

Chart 1.2.1. Annual Nominal Growth Rates of Monetary Aggregates
(percent)

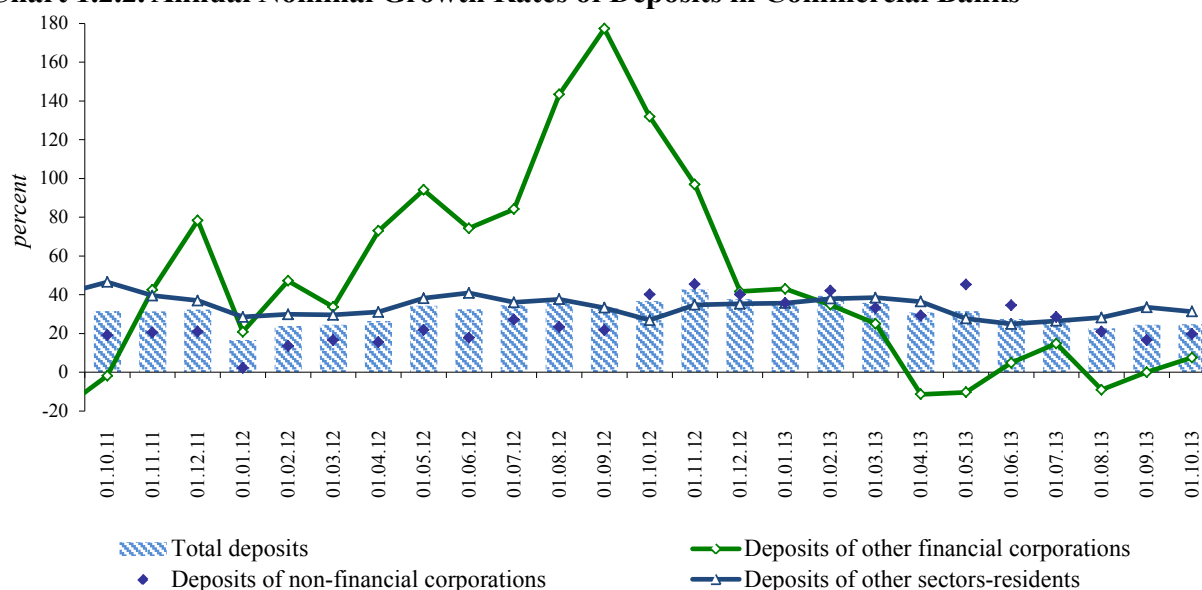


M2X Aggregate

As of October 1, 2013 the volume of M2X broad money supply (M2 + deposits in foreign currency) amounted to 107.4 billion KGS, having increased in January-September 2013 by 15.1 percent (in the corresponding period of 2012 – by 18.9 percent). The total amount of deposits¹, included in the definition of M2X broad money supply, increased by 24.9 percent, while deposits in foreign currency increased by 38.1 percent (in the corresponding period of 2012 the increase in total volume of deposits was 36.2 percent, while money outside the banks – 7.1 percent).

In the sectorial structure among the components of M2X broad money supply the most rapid growth was observed in the deposits of non-financial corporations and other financial corporations, the growth thereof constituted 30.8 and 30.3 percent, respectively. Deposits of other sectors-residents increased by 20.2 percent.

Chart 1.2.2. Annual Nominal Growth Rates of Deposits in Commercial Banks



¹ According to the data of analytical accounting, the banking systems contain the deposits of individuals and legal entities, as well as the deposits of other financial institutions, however, the deposits of the Government and non-residents are excluded.

CONTENT

According to the results of January-September 2013, the structure of money stock M2X changed as follows:

- the share of money outside the banks decreased from 55.4 to 51.6 percent;
- the share of deposits in the national currency decreased from 23.3 to 22.8 percent;
- the share of deposits in foreign currency increased from 21.3 to 25.6 percent.

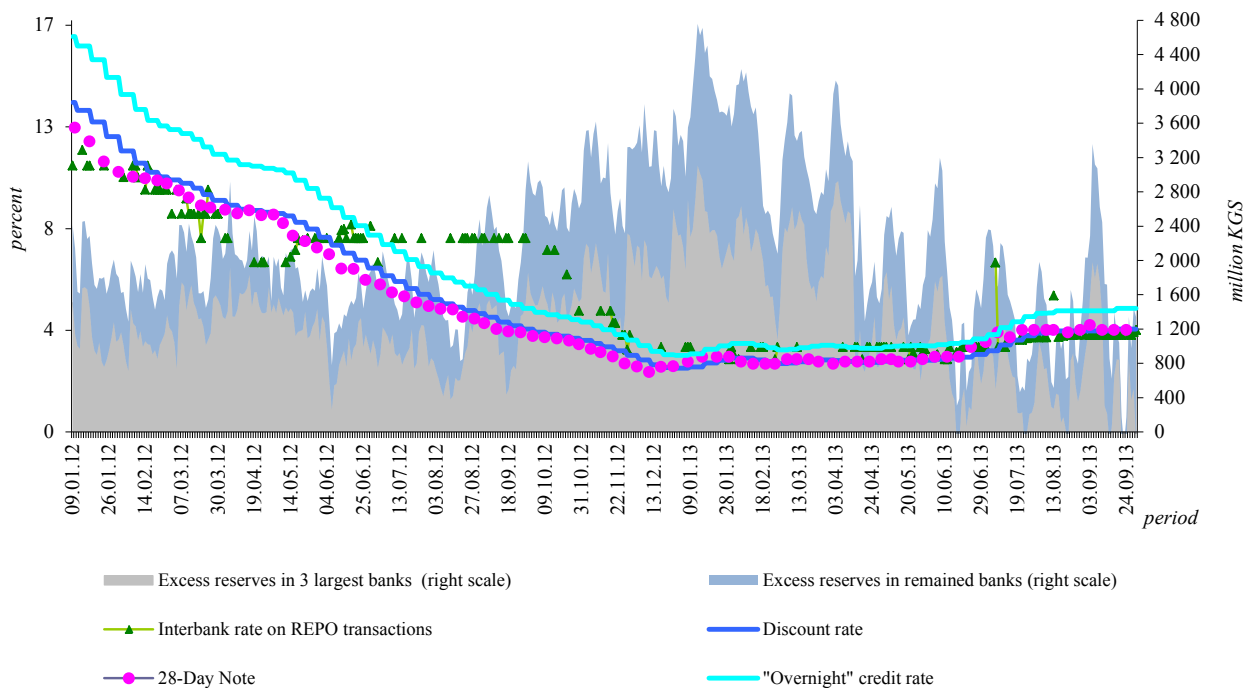
The multiplier of M2X broad money, which is a measure of financial intermediation, has increased during the reporting period from 1.527 at the beginning of the year to 1.644 as of the end of September 2013 due to increase of deposits in the volume of M2X broad money supply.

The velocity of M2X broad money circulation decreased from 3.4 percent at the beginning of the year to 3.2 percent as of the end of September 2013. Therefore, coefficient of the economy monetization, calculated on the basis of M2X monetary aggregate, increased from 29.0 percent at the beginning of the year to 31.0 percent at the end of September 2013, as a result of advanced growth rates of money stock as compared to the economic growth rates.

Operations in the Inter-Bank Market

As of the end of the period under review the volume of excessive liquidity in the banking system, as one of the factors having significant influence on the process of formation of the major development trends in the financial market, amounted to 1.3 billion KGS, having decreased by 57.6 percent within the year. Minimum value of this index in January-June 2013 was recorded in the beginning of the year, when the level of this index reached 4.8 billion KGS.

Chart 1.2.3. Dynamics of Monetary Market Rates



Aggregate volume of loans in the national currency increased by 2.3 times and amounted to 15.5 billion KGS, due to increase in the total volume of standard credit transactions in the national currency in the internal inter-bank market of credit resources (+86.3 percent), which constituted 1.6 billion KGS with an average interest rate of 7.8 percent per annum (+0.1 percentage points). Transactions in foreign currency were not carried out in the reporting period.

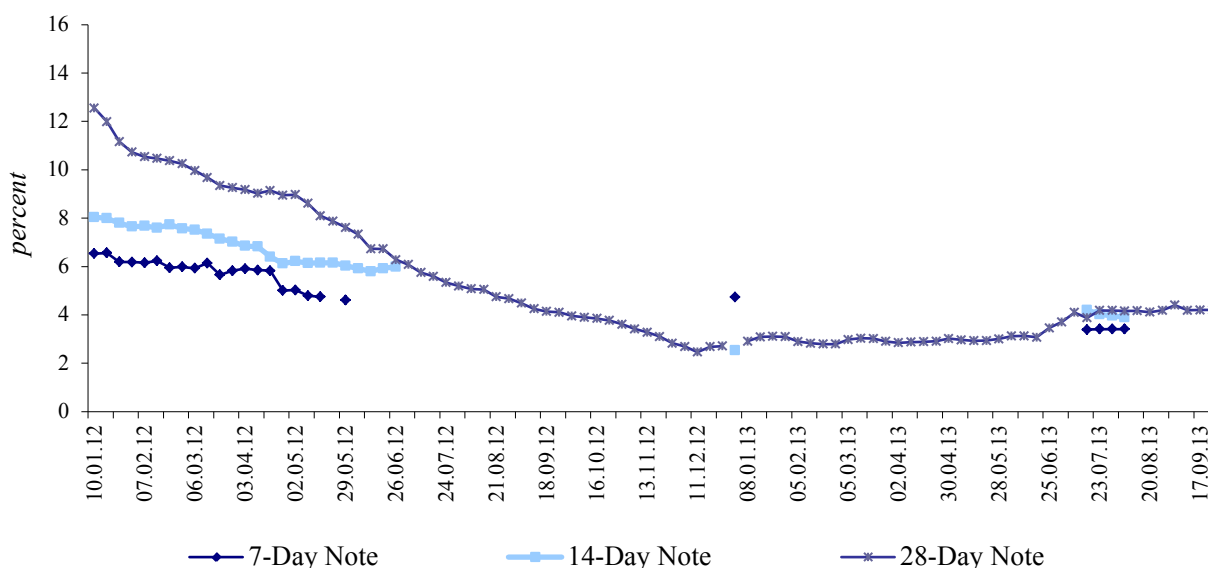
As of the end of September 2013, the discount rate amounted to 4.3 percent, having increased by 1.6 percentage points from the beginning of the year. As a result, “overnight” credit rate decreased by 6.1 percentage points per annum compared to the results in January-September 2012 and constituted in average 4.0 percent for the period, the volume of such credits increased by 6.0 times, to 7.7 billion KGS.

The average weighted interest rate on repo-transactions decreased by 5.0 percentage points, to 3.7 percent. The volume of repo-transactions amounted to 6.2 billion KGS (+33.1 percent).

In January-September 2013, three auctions with credits to be provided for 6 months were carried out in order to support the liquidity. The total volume of credit resources provided by the commercial banks amounted to 575.8 million KGS. In the period under review the average weighted interest rate constituted 5.0 percent. In addition, there was conducted one auction of refinancing for the period of 3 months, the total amount of which equaled to 200.0 million KGS. The weighted average interest rate was 6.7 percent.

The focus of investors was drawn towards the most profitable 28-day notes of the National Bank. The total volume of declared emission during the period of January-September 2013 amounted to 34.2 billion KGS, having increased by 54.1 percent as compared to the corresponding index in 2012. Aggregate sales of National Bank notes amounted to 29.4 billion KGS (+38.4 percent).

Chart 1.2.4. Dynamics of the NBKR Notes Yield

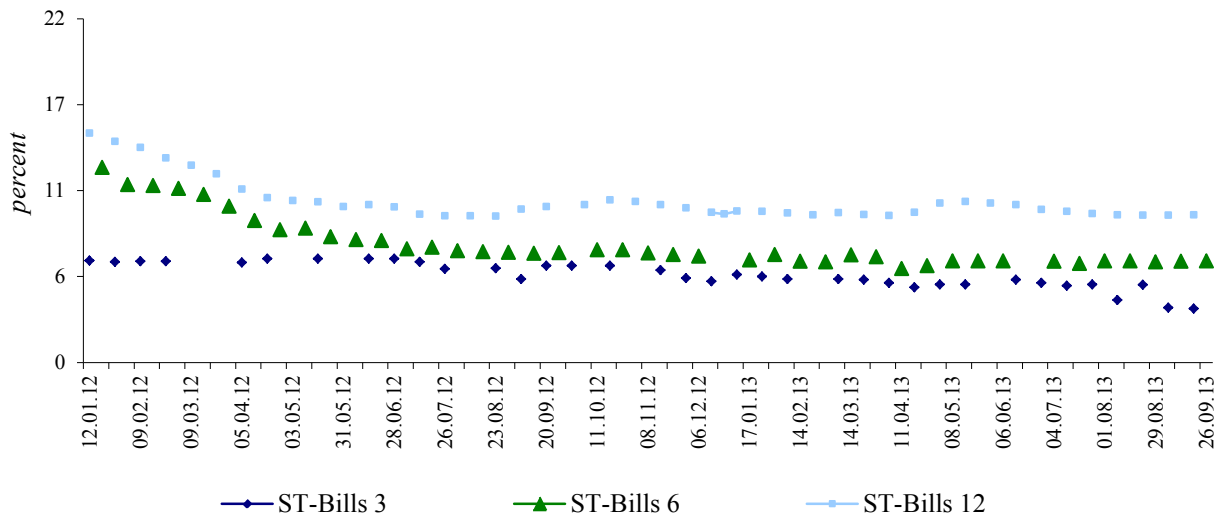


In January-September 2013, the volume of declared ST-Bills emission amounted to 4.6 billion KGS (+21.9). The total sales volume of ST-Bills in the reporting period increased as compared to the corresponding period of 2012 by 25.1 percent, to 4.4 billion KGS. The average monthly index of ST-Bill yield as compared to the corresponding period of 2012 decreased to 8.6 percent (-1.6 percentage points) due to decline in the profitability on all types of securities, particularly the profitability of 3-, 6- and 12-month ST-Bills decreased by 1.4; 2.5 and 1.4 percentage points, respectively.

In the reviewed period, including additional allocations, the total amount of allocated bonds constituted 1.8 billion KGS, which was 6.5 percent less than in the corresponding period of 2012. In January-September 2013, the total volume of declared emission amounted to 1.4 billion KGS (-31.2 percent).

Besides certain increases of market activities that occurred on the background of the increase in the volume of securities emission, there followed a slight increase of the average monthly interest rate by 0.1 percentage points to 15.1 percent.

Chart 1.2.5. Dynamics of ST-Bills Yield

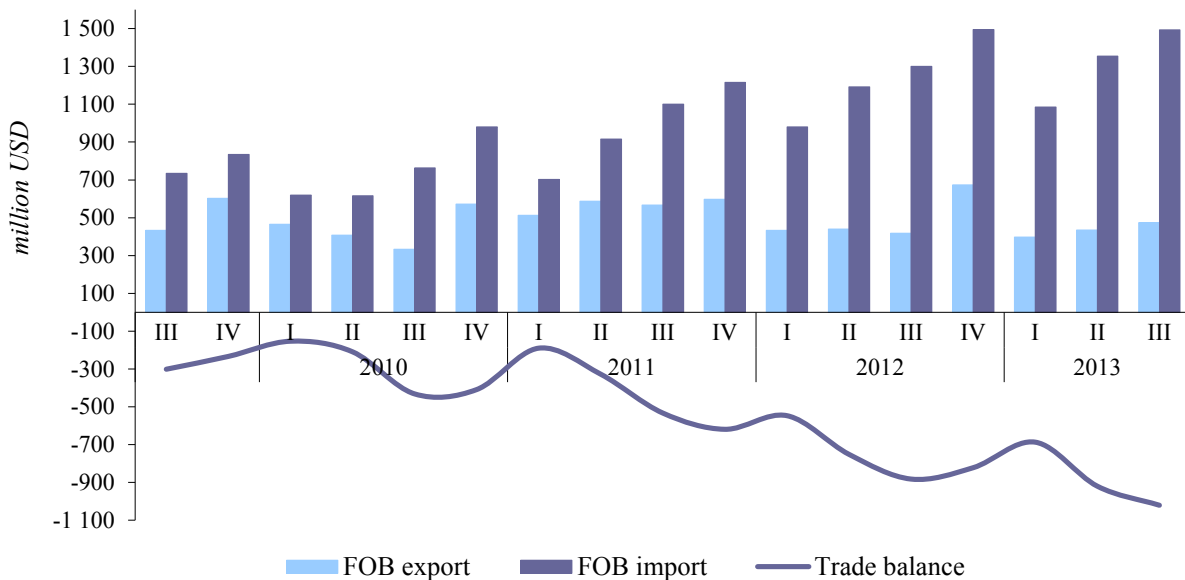


1.3. External Economic Conditions ¹

According to the preliminary data, the deficit of trade balance of the Kyrgyz Republic for the nine months of 2013 increased by 20.5 percent and amounted to 2 626.7 million USD as compared to the corresponding index of the similar period in 2012.

In the reporting period the external turnover amounted to 5 240.5 million USD, having increased by 10.0 percent as compared to the corresponding of nine months in 2012.

Chart 1.3.1. Foreign Trade



For the first nine months of 2013 export of goods (in FOB prices) constituted 1 306.9 million USD, having increased by 1.2 percent as compared to the corresponding period in 2012. During the reporting period, the volume of gold exports increased by 11.8 percent (by 31.3 million USD in absolute terms). This growth was caused the increase the physical volume of supplies by 25.2 percent, meanwhile, the actual average export price for gold supplies decreased by 10.7 percent. Besides, growth was observed in the supplies of jet fuel, rubber tires, rolled glass, iron and steel, etc. Along with this, there was a reduction in the supply of clothes and clothing accessories, ores

¹ According to the data of NSC KR and SCS KR including NBKR additional estimates, unless otherwise indicated

and concentrates of precious metals, electric power, motor vehicles for the transport of goods and special purpose vehicles, milk, cotton, etc. Thus, the volume of export excluding gold decreased by 1.5 percent and amounted to 1 009.1 million USD.

During the reporting period the shares of main exported goods¹ had not changed significantly. For all product groups, with the exception of intermediate goods and energy products, there was a decrease in the value that has led to a decrease in their share of total exports.

Exports of consumer goods decreased by 12.8 percent and constituted 279.7 million USD. Meanwhile, there was a decline in the volume of exported food and non-food products.

Reduction in the supplies of foodstuff was mainly caused by decrease in the value of milk exports, with the exception of butter and cheese, which decreased by 65.4 percent (or by 13.1 million USD) due to decline in the physical volume of supplies by 69.1, while contract prices increased by 12.0 percent. In addition, the supplies of cheese and cottage cheese decreased by 75.6 percent or by 2.3 million USD, due to reduction in the physical volume by 68.6 percent and export prices by 22.5 percent. At the same time, due to an increase in export prices and the volume of deliveries by 1.9 and 0.4 percent respectively, there occurred an increase in the value of vegetables export (by 2.4 percent or 1.3 million USD). In addition, there was an increase in the volume of exports of fruits and nuts (by 2.5 percent or 1.0 million USD), which was determined by the growth of physical volume of deliveries by 3.6 percent against the background of decreasing in price by 1.1 percent.

In the structure of non-food products, the largest reduction was accounted for clothes and clothing accessories (decrease by 30.5 percent or by 38.8 million USD). Along with this, there was a decrease of jewelry exports made of precious metals (by 30.8 percent or 0.9 million USD) and second-hand passenger cars (by 17.7 percent or 0.7 million USD).

In the reporting period, import of goods² in FOB prices increased by 13.3 percent and amounted to 3 933.6 million USD. Growth of import was primarily conditioned by increase in the supplies of oil products by 17.2 percent or 119.2 million USD due to growth of physical volume of supplies by 21.8 percent with price decline by 4.1 percent. Significant contribution to the growth in the volume of imported goods was made by construction of iron, steel and aluminum, cast iron and steel, jet fuel, the products of grain, flour and starch, medicines, etc. At the same time, there was a decrease in import of vehicles for the transport of goods and special purpose vehicles, coffee, tea, cocoa, sugar, clothes and clothing accessories, etc.

During the reviewed period in the functional structure of imports³, increase of value was observed in all groups of goods. Nevertheless, the share of food products decreased slightly due to outpacing import growth of other groups.

In the reporting period, the imports of consumer goods reached the amount of 1 392.3 million USD (increase by 7.7 percent). Growth was primarily conditioned by increase in the supplies of food and non-food products by 10.3 and 6.4 percent respectively. There was an increase in the volumes of imports of wheat and maslin flour (increase of 91.1 percent or 17.0 million USD) as a result of the increase in physical volume by 39.3 percent and import prices by 37.2 percent. The volume of imports of fruits and nuts increased by 96.4 percent or 11.3 million USD, which occurred as a result of the increase in volume by 47.3 percent and prices by 33.3 percent. In addition, the decline of import price by 13.9 percent and volume of imports by 12.7 percent led to a reduction of the value of imports of coffee, tea and cocoa by 24.8 percent (or by 16.6 million USD). In addition, there was a decrease in the amount of sugar imports (by 20.2 percent or 11.7 million USD) that was provided by a reduced volume of 11.3 percent and import prices of 10.0 percent.

In the structure of non-food products, increase was observed in the imports of medicine by 23.6 percent or by 23.7 million USD because of growth in the physical volume by 39.5 percent and im-

¹ Hereinafter, according to the NSC KR and SCS KR excluding NBKR additional estimates.

² CIF import amounted to 4 256.3 million USD, deficit of trade balance in CIF prices – 2 949.3 million USD.

³ Hereinafter in CIF prices, according to the data of NSC KR and SCS KR excluding NBKR additional estimates.

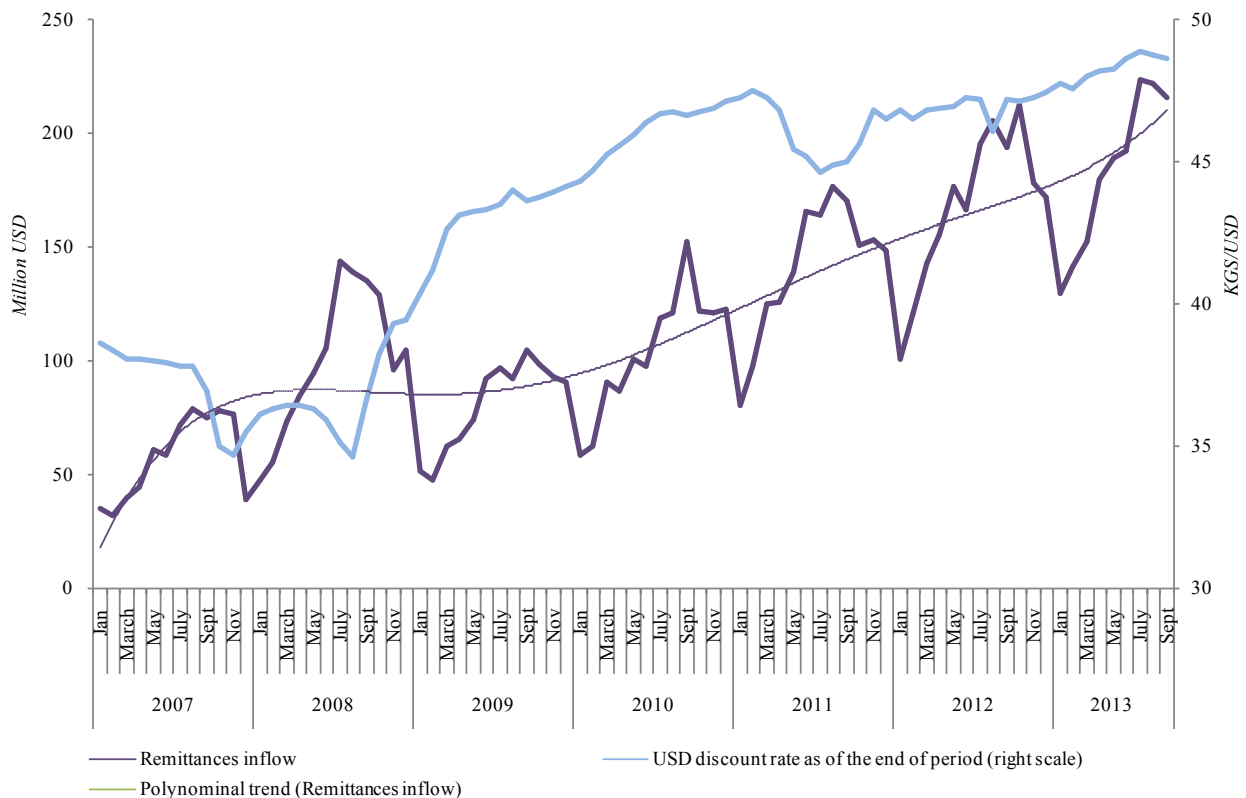
porting prices by 11.4 percent. Growth in prices by 8.5 percent and in the physical volume by 8.2 percent resulted in increase of essential oils and perfume materials imports by 17.5 percent (or by 11.0 million USD). Moreover, imports of clothes and clothing accessories considerably decreased (by 6.2 percent or 9.6 million USD) and of footwear by 15.7 percent (or by 9.0 million USD).

1.4. Exchange Rate

In January-September 2013 the exchange rate has increased from 47.4012 KGS per one USD to 48.6197 KGS. In July the exchange rate reached its' peak, when the main indicator of the foreign exchange market amounted to 48.8745 KGS per one USD, having increased by 3.1 percent from the beginning of the year. The U.S. dollar strengthening was primarily conditioned by increased demand for the foreign currency on the part of the economic agent to pay for imported products, particularly, petroleum, oil and lubricants, cars, metal and other consumer goods. According to preliminary data, in January-September 2013, the inflow of funds from abroad increased by 13.0 percent compared to the same period in 2012.

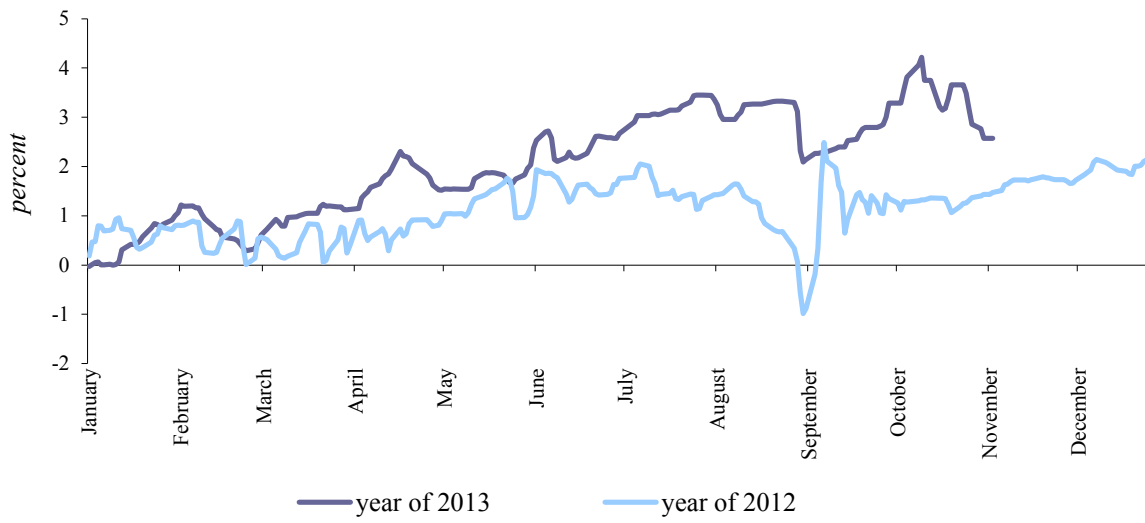
In the third quarter the exchange rate showed a slight decrease, which resulted in the amount of 48.6197 KGS per one USD at the end of September 2013 (since the beginning of the year increase was 2.6 per cent).

Chart 1.4.1. Dependence of the U.S. dollar Exchange Rate on the Inflow of Remittances



Sustainable currency market stability in the reviewed period allowed the National Bank to continue reducing its presence in the currency market in accordance with the stipulated objectives of monetary control. In the third quarter of 2013 there was not implemented any currency interventions. On the whole, for the first nine months of 2013, currency interventions were implemented to the amount of 14.7 million USD, having decreased by 65.9 percent as compared to the corresponding index of 2012.

Chart 1.4.2. Monthly Rates of Change of the USD Discount Rate



CONTENT

Chapter 2. Inflation and its Components

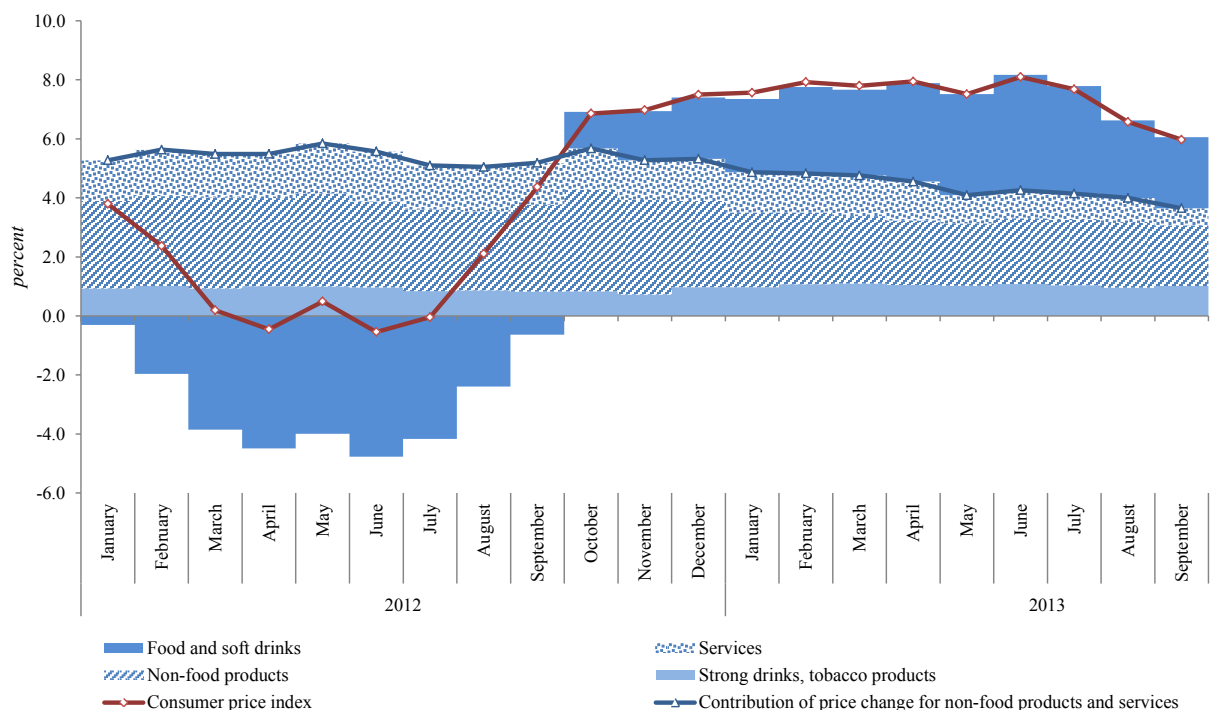
2.1. Consumer Price Index Development

According to the data of the National Statistics Committee, inflation index at the end of September 2013 (September 2013 to September 2012) constituted 6.0 percent, the average annual inflation index was at the level of 7.4 percent.

In January-September 2013, the dynamics of consumer price index constituted under the influence of prices for food products that make up approximately 48 percent in the consumer goods basket. Prices for this group of goods rose by 5.0 percent in annual terms.

In the period under review, the consumer price index for non-food products increased by 7.1 percent in annual terms, while paid services – by 4.2 percent. In connection with the administrative increase in excise tax on alcoholic beverages and tobacco products there was showed a significant increase in the cost of alcohol and tobacco products – by 11.0 percent in annual terms.

Chart 2.1.1. Annual Dynamics of CPI Structure



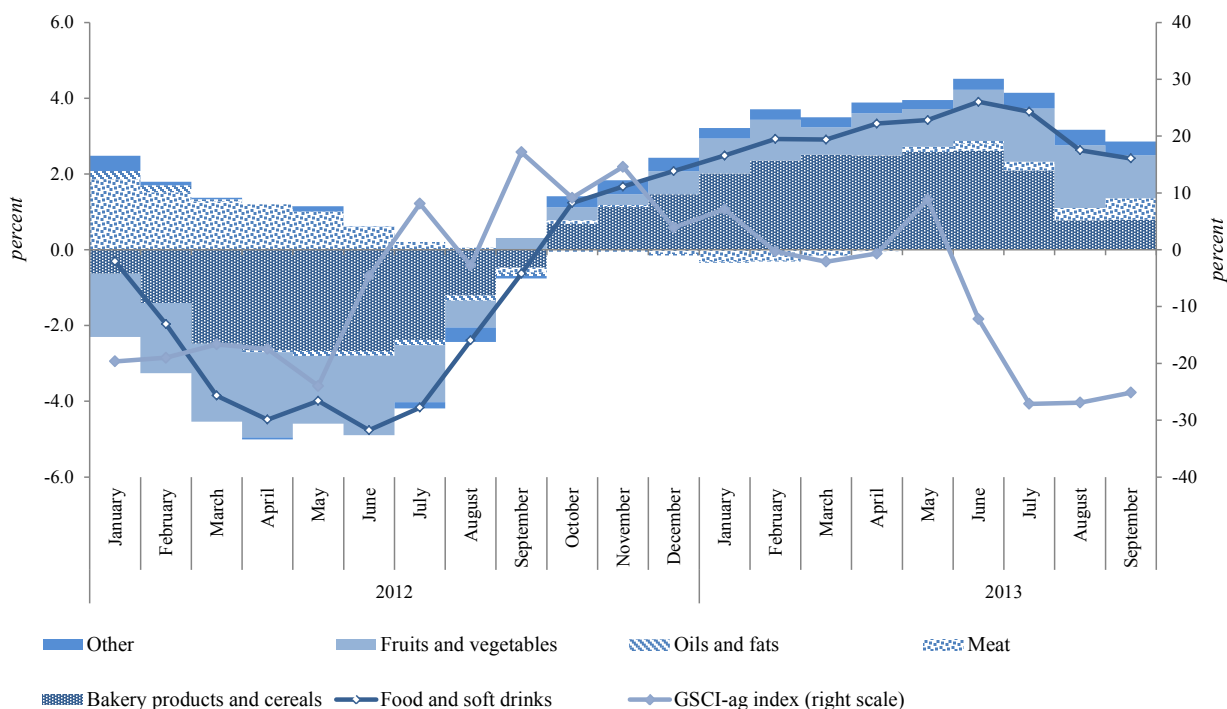
2.2. Dynamics of Prices for Food Products

The relative stabilization of prices on world commodity markets and high yield of agriculture harvest led to the saturation of the domestic market. This affected the reduction in consumer price index for food products.

According to the results of September 2013, prices for food products increased by 6.0 percent in annual terms. In the structure of food products the largest share is accounted for bakery products and cereals. In September 2013, the prices for bakery products and cereals increased by 4.4 percent in annual terms, as well as the prices for first grade wheat flour increased by 6.9 percent. Poor harvest of wheat in the republic and in the countries that are major trade partners in 2012 was the main reasons for the increase in prices for bakery products and cereals. However, in January-September 2013, prices for crops stabilized and were characterized by the downward trend against expectations of rich harvest in 2013.

Price index for dairy products increased in annual terms by 8.7 percent, for fruits and vegetables – by 15.6 percent. Prices in the “oils and fats” group increased in annual terms by 0.7 percent.

Chart 2.2.1. Contribution Dynamics of Prices for Food Products to Annual CPI



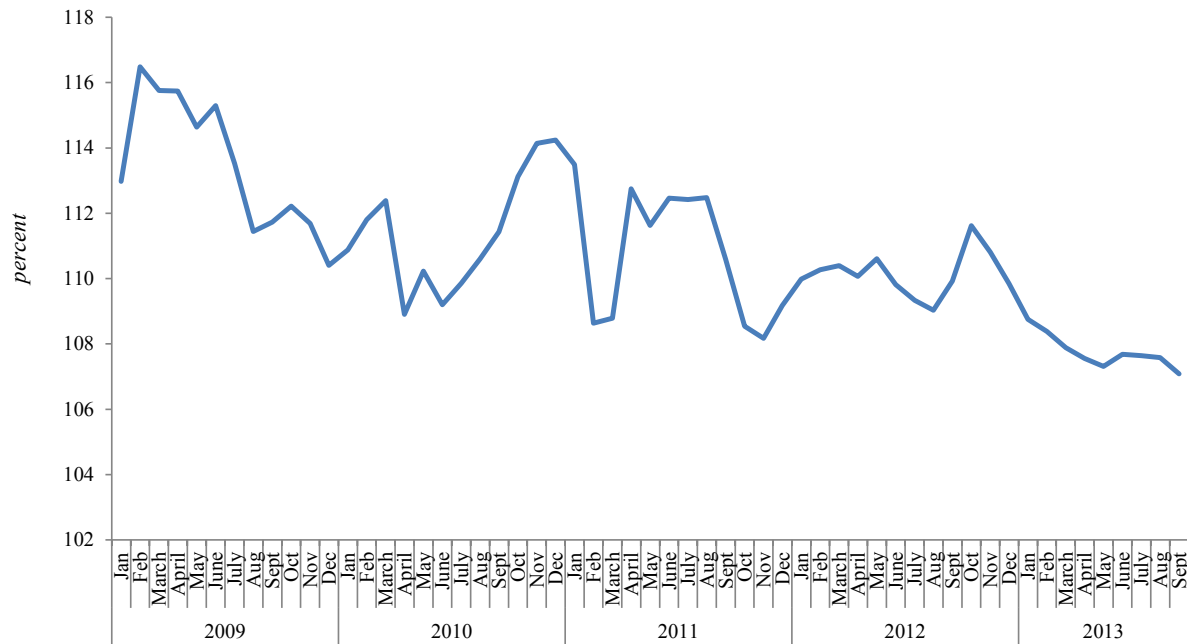
Significant dependence of internal prices for food products on dynamics of world prices is generally conditioned by high dependence of economy in Kyrgyzstan on imported food products. Thus, according to the NSC KR in the first quarter of 2013, the share of import in the structure of bakery products consumption constituted 56.3 percent, import of vegetable fat in consumption made 71.8 percent, sugar consumption was provided by import which constituted 90.9 percent.

2.3. Dynamics of Prices for Non-Food Products

According to the results of September 2013, growth of the price index for non-food products in annual terms constituted 7.1 percent. During the last years, prices for this group of goods are rather stable, at that, growth of prices for non-food products slows down every year.

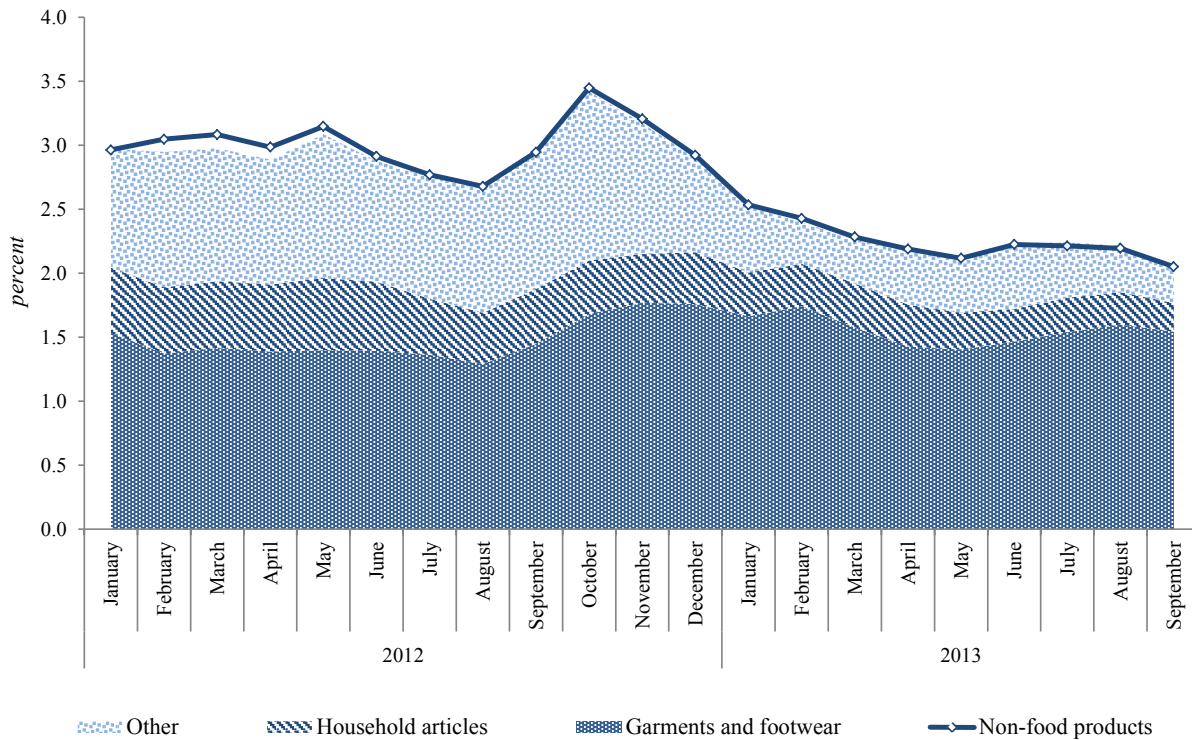
CONTENT

Chart 2.3.1. Dynamics of Prices Growth for Non-Food Products
(percent, to the corresponding month of the previous year)



The largest increase in prices was observed in the group “garments and footwear”, which constituted 13.7 percent. Prices for household articles and appliances increased by 6.1 percent. Prices for petroleum, oil and lubricants in annual terms increased by 2.9 percent, prices for gasoline increased by 3.0 percent, prices for diesel fuel increased by 2.2 percent.

Chart 2.3.2. Contribution Dynamics of Prices for Non-Food Products to Annual CPI

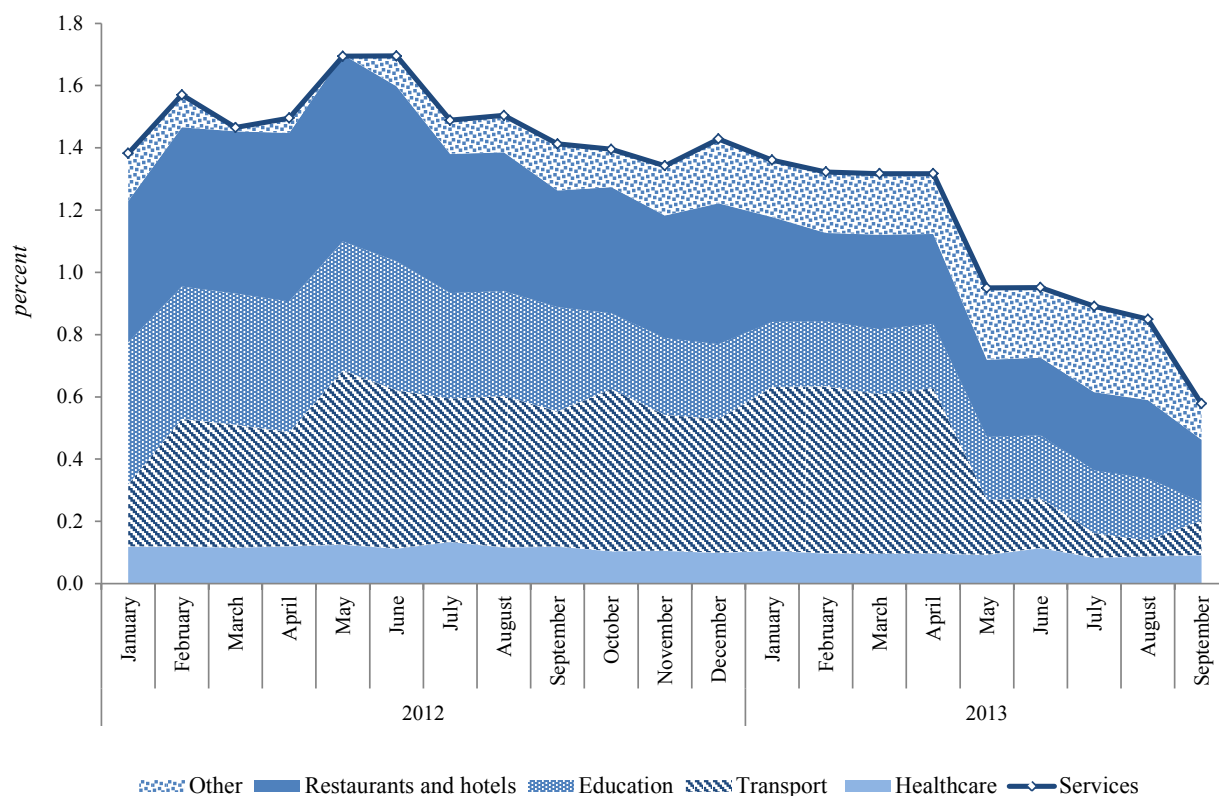


CONTENT

2.4. Dynamics of Prices for Services

In September 2013, the price index for paid services increased in annual terms by 4.2 percent (in September 2012 – by 10.0 percent). The index growth in this group occurred mainly due to the increase in prices for restaurants and hotels services by 7.7 percent, education service (+2.4 percent) and transportation services (+1.8 percent). Prices for healthcare services increased by 10.3 percent.

Chart 2.4.1. Contribution Dynamics of Prices for Services to Annual CPI



2.5. Dynamics of Consumer Prices in Regions

Since the beginning of the current year, increase in the price index within the range of 3.2-9.3 percent was observed in all regions of the republic. The largest price increase was observed in Jalal-Abad and Osh regions, as a result of the appreciation of non-food and alcoholic beverages and tobacco products.

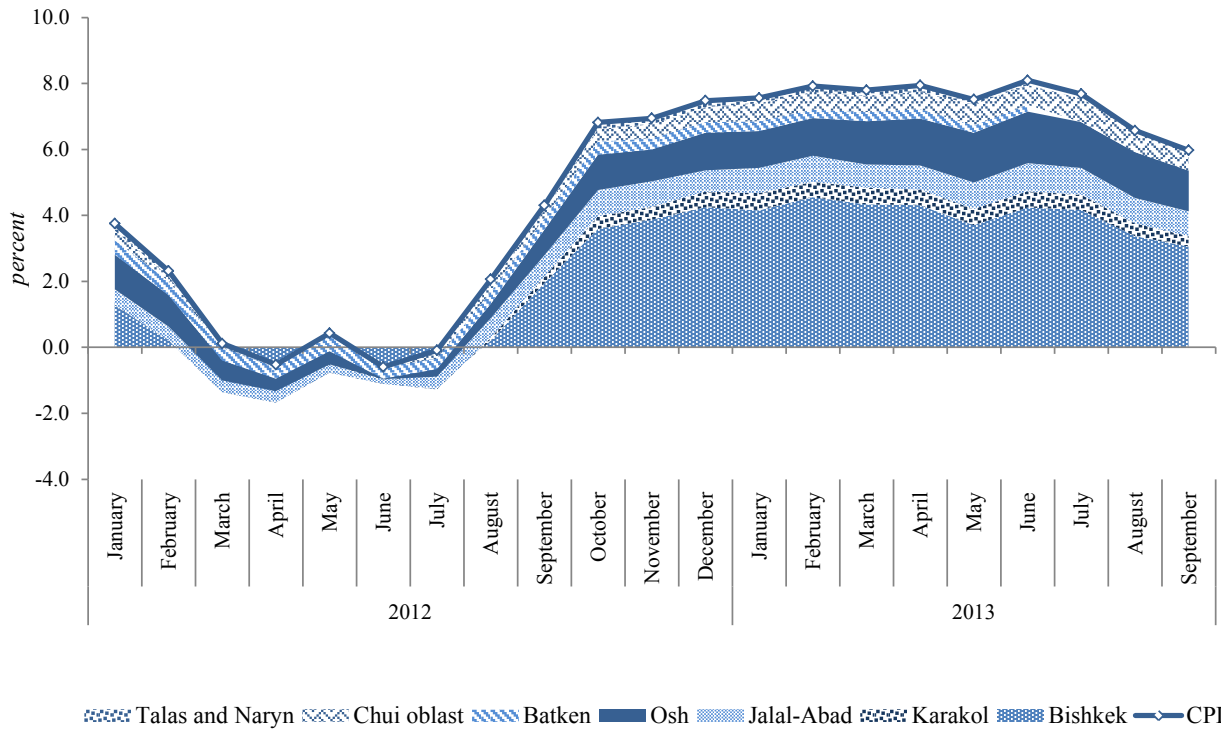
Table 2.5.1. Dynamics of Consumer Prices in Regions

(percent)

	September 2013 to		
	September 2012	December 2012	August 2013
CPI	106.0	101.6	100.5
Barkent oblast	103.2	98.9	100.2
Jalal-Abad oblast	109.3	103.0	101.3
Issyk-Kul oblast	105.9	101.4	99.7
Naryn oblast	104.6	99.5	99.2
Osh oblast	108.6	103.3	100.6
Talas oblast	103.2	100.1	101.2
Chui oblast	105.5	101.5	100.3
Bishkek	105.3	101.4	100.5

In Bishkek city consumer prices increased by 5.3 percent, while the prices for food products increased by 4.5 percent, prices for alcoholic drinks and tobacco products increased by 10.0 percent, for non-food products – by 6.5 percent and for paid services – by 2.7 percent.

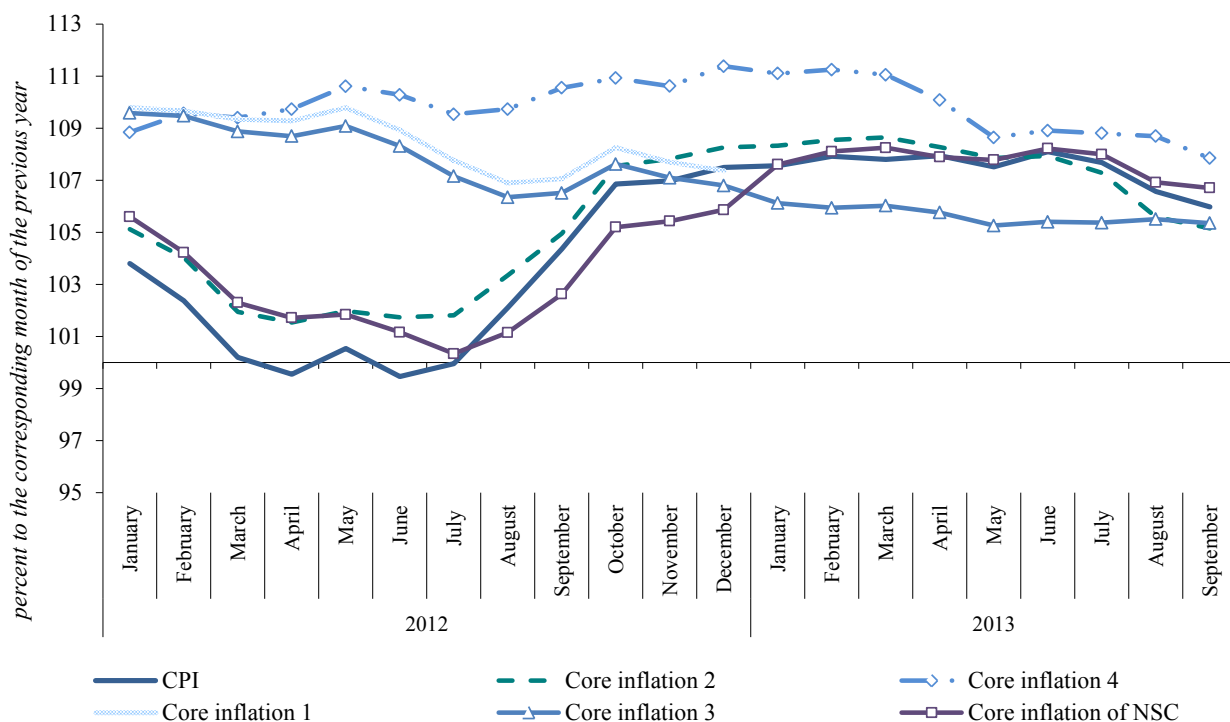
Chart 2.5.1. Regional Structure of Annual Inflation
(percent)



2.6. Core Inflation

As per the results of September 2013, the annual value of the core inflation estimated in accordance with the methodology of the NSC KR amounted to 6.7 percent, while the consumer price index was 6.0 percent. It should be noted that the graphical representation of core inflation indicator 4 (completely excluding food products, electricity, gas and other types of fuel) indicates that the emerging trends in the food market are the determinants for the dynamics of consumer prices in the country. This indicator has a stable dynamics and a small dispersion of values.

Chart 2.6.1. Annual Dynamics of the Estimated Core Inflation Indicator



Core inflation 1 – excluded the following types of goods: (1) bakery products and cereals, (2) oils and fats, (3) fruits and vegetables, (4) gas, (5) materials for repair and construction.

Core inflation 2 - excluded the following types of goods: (1) meat, (2) fruits and vegetables, (3) gas, (4) materials for repair and construction.

Core inflation 3 - excluded the following types of goods: (1) bakery products and cereals, (2) dairy products, (3) fruits and vegetables, (4) gas, (5) materials for repair and construction.

Core inflation 4 - excluded all food products and electricity, gas and other fuels.

Core inflation of NSC - excluded milk, sugar, certain types of fruits and vegetables, alcoholic drinks and tobacco products, petroleum products, product group “electricity, gas and other types of fuel”, passenger transport services, communication and some other.

Chapter 3. World Commodity Markets Survey

3.1. Survey of the World Commodity Markets

In January - September 2013, the situation on world food markets was stable with a moderate downward trend in price level for basic food products.

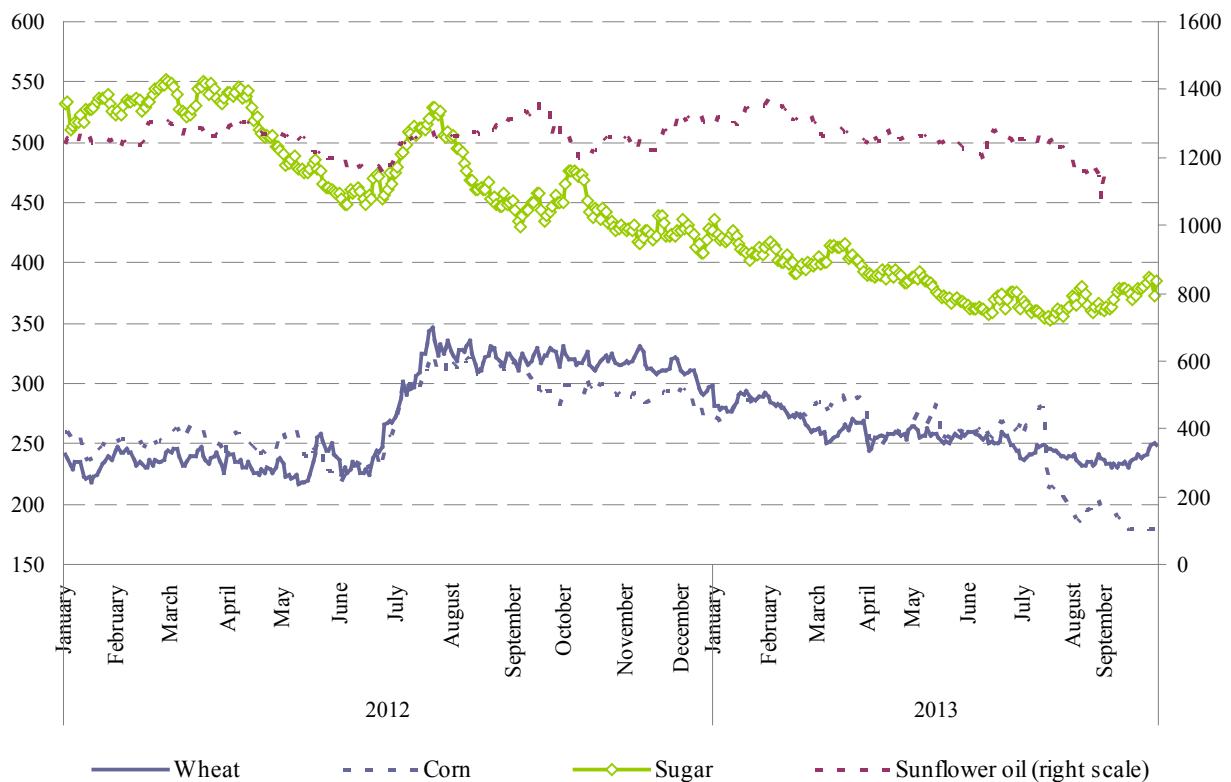
In the end of the third quarter of 2013, there were showed slight price fluctuations, in particular, in late September, the wheat market experienced a small increase in prices due to the possible increase in demand for U.S. wheat from the side of Brazil, as well as increased forecast for wheat imports to China. A slight increase was demonstrated by sugar market as well. This was associated mainly with the rainy weather in Brazil – the largest producer of sugar, as well as an increase in demand in India – the largest consumer of sugar in the world.

On the world markets corn and sunflower oil have demonstrated continuing downward trend in price level that is promoted by favorable harvest forecasts.

In September, the average value of the FAO food price index was 199.1 points, which was 11 points lower in comparison with the beginning of the year. In September, there was marked a continuing downward trend in the index, which lasts five months in a row. This is mainly because of a sharp decline in world cereal prices, while the prices of all other components of the index: dairy products, butter, meat and sugar slightly increased.

Chart. 3.1.1. Dynamics of the Food Products Prices in 2012-2013

(USD per ton)



International Sugar Organization (ISO) predicted a decline in world sugar production to 178.5 million tons in 2013-14 marketing season. This assessment may have a negative effect on world prices and, consequently, may create a risk of increase in domestic prices in Kyrgyzstan.

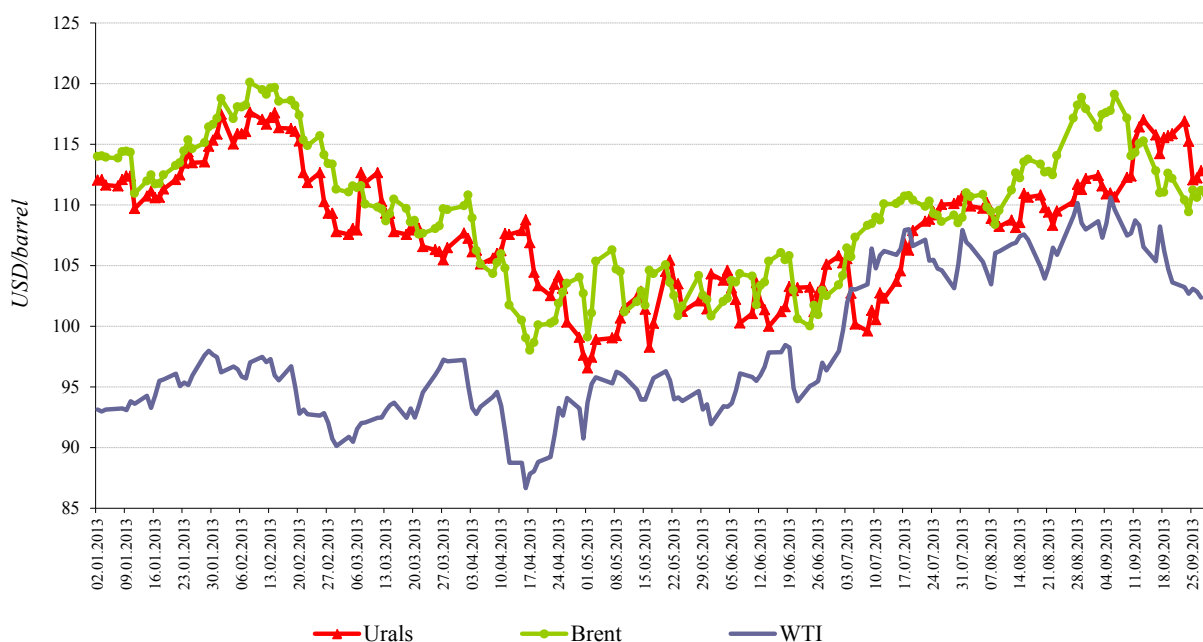
Despite the fact that estimates of the yield of grain and sugar in the world adjusted to the downward trend, as a whole, the prospects for world food markets do not portend significant price jumps or lack of supply.

3.2. Survey of the World Energy Markets

In the period under review, the world energy market was characterized by relative price volatility. In the beginning of 2013, the prices for oil rose rapidly, however starting from the end of February prices started to decline and reached the maximum decline in the mid-year. In the second quarter there was resumed a gradual increase until the mid-September. The current situation in the world market of oil was conditioned by political and economic situation, environmental factors in the countries – major oil importers and exporters, news about macro statistics from the USA, China and the Euro-zone.

In January-September 2013, the prices for basic grades (Urals, Brent, WTI) fluctuated between 86.7 – 120.1 USD per barrel. At that, the average price for oil of “Brent” grade in the reviewed period amounted to 109.5 USD, having decreased by 1.5 percent compared to the corresponding index in 2012 (111.2 USD).

Chart 3.2.1. Dynamics of Prices for Oil in January-September 2013



According to the data of the NSC KR, the average price for gasoline of AI-92 and AI-95 for the period of October 1, 2013 increased by 0.46 KGS in comparison with the average price in December 2012 (+1.1 percent) and amounted to 38.3 and 42.9 KGS respectively. As of October 1 the price for diesel fuel in the republic increased by 0.31 KGS compared with the average price in December 2012 (+0.8 percent). The highest price increase was fixed in the Batken region for the petroleum AI-80 standard at the level of 39.1 KGS (+10.0 percent).

In the reviewed period, there were no interruptions in the supplies of petroleum, oil and lubricants. The situation remained stable, while at the end of the third quarter in Kyrgyzstan, fuel prices began to increase. This price increase was influenced by a price hike in oil refineries in Russia.

Chapter 4. Monetary Policy Decisions of the National Bank of the Kyrgyz Republic

4.1. Major Decisions of the NBKR Board

The major monetary policy decisions of the National Bank of the Kyrgyz Republic Board (hereinafter referred to as the NBKR Board) approved in the third quarter of 2013 are provided below:

1. On August 26, 2013 in order to assess the current situation in the monetary sphere and the analysis of economic development, the Board of National Bank considered and adopted the report on monetary policy for the first half of 2013 (Decree number No31/1) and approved a monetary program for the upcoming period, where it identified key areas of monetary policy in the short term, as well as indicative parameters of its implementation.

For the purposes of information distribution, the condensed version of the report on monetary policy for the first half of 2013 was sent to the Jogorku Kenesh, the Office of the President, the Government Office, the Ministry of Finance and the Ministry of Economic Affairs of the Kyrgyz Republic, as well as posted on the official website of the National Bank.

4.2. Major Decisions of the Monetary Regulation Committee

Monetary Regulation Committee (hereinafter referred to as the MRC) develops and takes operative decisions in the monetary sphere. The MRC takes decisions every week based on the situation assessment results in the monetary market. The volumes of operations on liquidity regulation in the banking system are determined by the MRC on the basis of the goals and objectives defined by the NBKR Board, specified in the Basic Guideline of Monetary Policy for 2013-2015, monetary program for the coming period, as well as taking into account the state of the banking system and the situation in the fiscal sphere.

In the third quarter of 2013, 15 meetings were held by the MRC including 3 unscheduled meetings on the regulation of the foreign exchange market. For the purpose of liquidity regulation in the banking system the weekly auctions on the NBKR notes were carried out. In the third quarter of 2013 the NBKR notes. In the third quarter of 2013 NBKR did not conduct foreign exchange interventions on the interbank foreign exchange market that was a result of relative stability in the foreign exchange market.

At the end of 2012, the NBKR increased the range of instruments of the monetary policy for providing banking system with liquidity by means of conducting credit auctions for refinancing purposes, thereby expanding the opportunities of the banks for liquidity supporting and economy crediting. In the third quarter of 2013, 3 auctions for refinancing credit were declared, the total amount of which equaled to 343.8 million KGS.

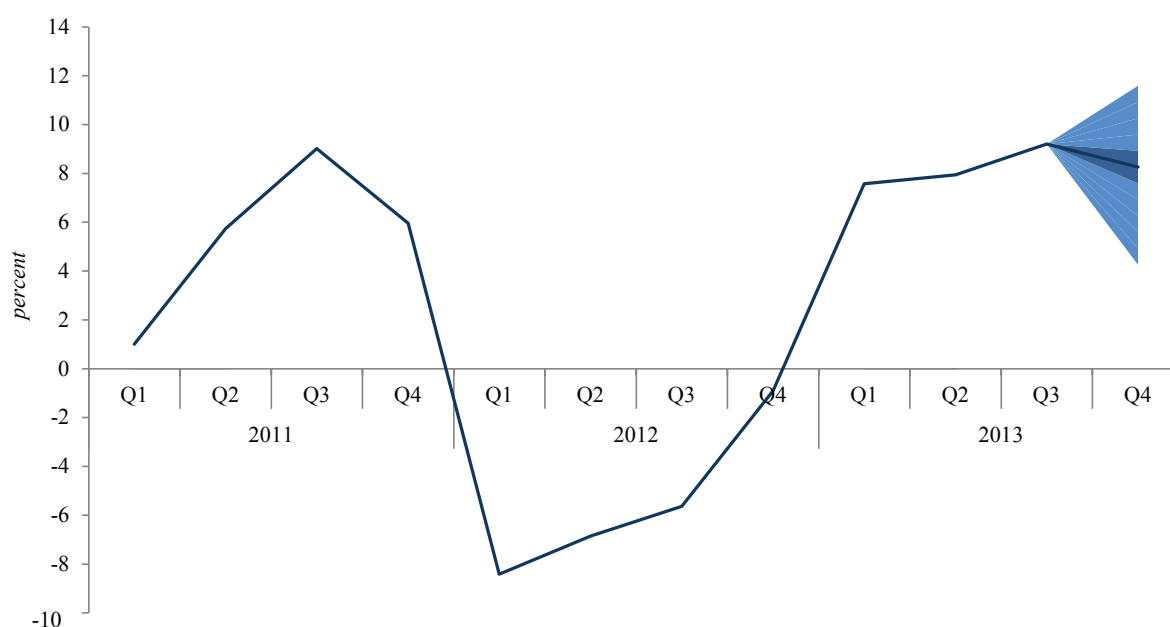
Chapter 5. Inflation Forecast

5.1. Forecast of Key Inflation Factor Dynamics

Overall assessment of the economic development in 2013 is quite optimistic. The results of the nine months of the current year and low price dynamics on commodities and basic food products in foreign markets as well as domestic ones, have a restraining effect on inflation. In the first nine months of 2013 the real annual growth was around 9.2 percent, against a decline of 5.6 percent over the same period in 2012. Exclusive of enterprises on exploration of gold-mining deposit “Kumtor”, the GDP growth constituted 6.1 percent. A significant increase in the current year was due to the rehabilitation of work on the gold exploration deposit mine “Kumtor”, the activation of construction industry (20.4 percent), a large harvest in the agricultural sector (4.2 percent) and the low base of the last year. The impact of these factors will last till the end of 2013. Overall positive economic growth rate of 10.3 percent is projected for the year. Forecast of the GDP deflator is 3.0 percent.

Chart 5.1.1. Forecast of GDP Growth

(percent, period from the beginning of the year to the corresponding period of the previous year)



There are still some risks of weakening economic growth. Goal achievement of targeted amount of gold at gold-mining deposit “Kumtor” will largely determine the final value of growth. In addition, exposure to demand shocks from the side of economies that belong to our major trading partners, changes in the terms of trade and economic slowdown¹ in China and Russia in the medium term can reduce the development of some tradable sectors of the economy and the pace of effective demand of the population.

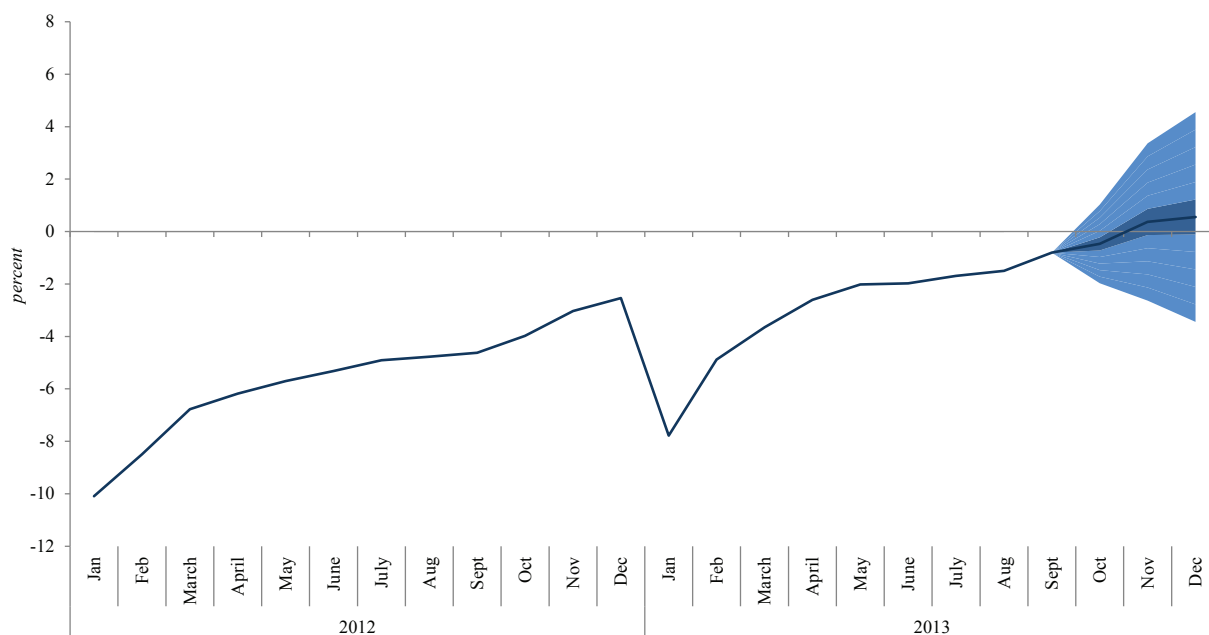
According to the forecasts of the Government of the Kyrgyz Republic, the GDP growth in 2013 will constitute 7.8 percent, the GDP deflator will be at the level of 7.0 percent, the nominal volume of GDP is expected at the level of 351.1 billion KGS.

In the first nine months of this year developed a slight negative output gap. At the end of the year it is expected that it will continue the trend and by the end of 2013 this figure will move into positive side. In the medium term, opening of GDP gap in the positive zone can strengthen inflationary processes in the economy.

¹ Given current trends, the IMF adjusted the forecast of economic growth of Russia in 2013, from 2.7 percent to 1.5 percent, in China – from 7.8 percent to 7.6 percent

Chart 5.1.2. Forecast of GDP Gap

(percent, period since the beginning of the year to the corresponding period of the previous year)

**5.2. Inflation Forecast for 2013**

Forecast inflation rate in 2013 is expected within the declared single digits by NBKR. Stabilization of prices on the world commodity markets and a large crop of domestic agricultural products favorably affected price movements in the country. Inflation in the third quarter of 2013 stood at 0.1 percent, slightly below the expected level of NBKR.

Preservation of price stability in the food market will slow down inflation. The growth rate of non-food prices will be moderate and will remain at the level of 107-108 percent till the end of the year.

In the absence of internal and external shocks, at the end of the year inflation is projected at 5 percent.

Chart 5.2.1. Annual Inflation Forecast
 (percent, month to the corresponding month of the previous year)

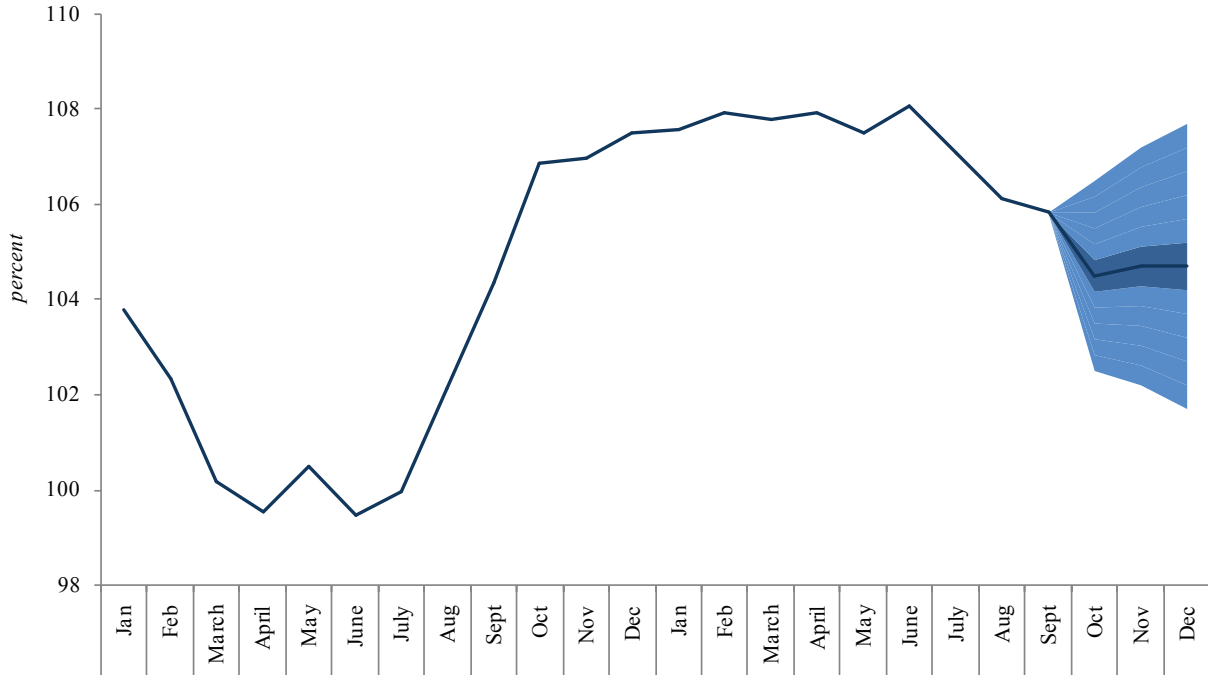
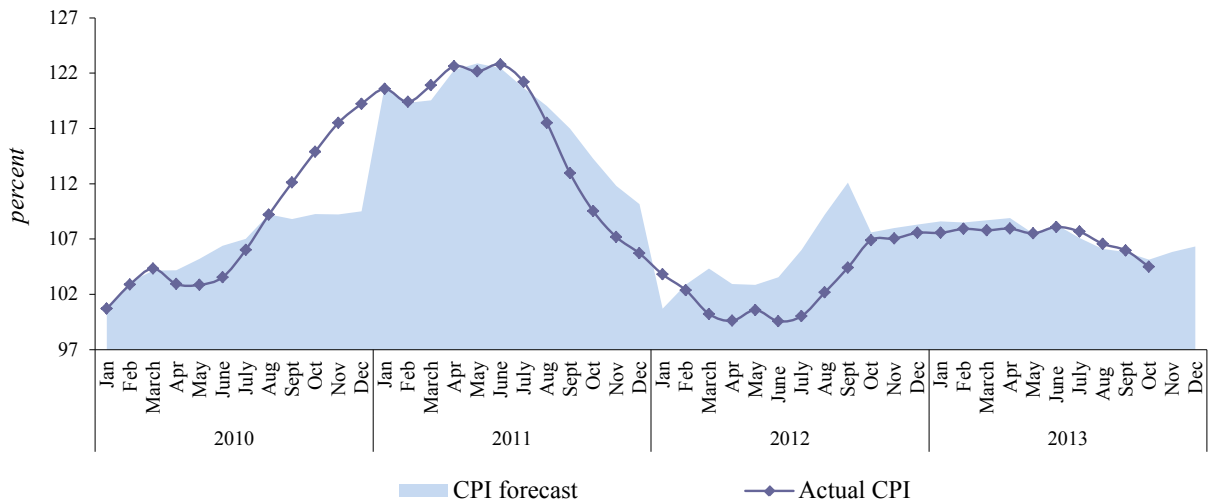


Chart 5.2.2. Comparison of Forecasted and Actual Inflation
 (percent, month to the corresponding month of the previous year)



CONTENT

Statistical Annex

Table 1. Consumer Price Index
(month to the corresponding month, percent)

	2012												2013											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September			
Consumer price index	100.8	100.1	100.1	99.8	100.7	99.6	100.1	100.9	101.1	101.9	100.8	101.5	100.8	100.4	99.9	99.9	100.3	100.1	99.7	99.9	100.5			
Food products and soft drinks	100.6	98.2	98.7	99.3	99.5	99.0	99.3	101.9	107.4	100.7	101.3	101.8	101.4	100.2	100.1	99.6	100.3	99.7	99.4	99.3	100.4			
Bakery products and cereals	101.9	99.9	98.7	99.4	99.7	99.3	99.6	99.9	99.8	101.3	99.9	99.5	99.7	100.0	100.2	100.6	101.0	100.5	100.0	100.9	102.3			
Meat	102.2	100.1	101.1	102.2	100.8	99.8	101.4	101.5	102.9	104.8	101.5	100.2	100.1	100.2	100.1	100.0	100.1	99.4	98.3	100.0	99.3			
Fish	102.2	100.3	99.0	97.3	96.1	96.3	96.9	100.0	106.4	107.3	102.3	104.5	101.3	99.3	98.7	97.7	97.1	97.6	99.5	99.7	104.0			
Dairy products, cheese and eggs	100.0	99.4	99.6	99.0	99.0	99.7	99.8	100.1	101.1	101.2	99.9	100.4	100.1	99.7	100.0	99.4	99.9	100.0	100.4	99.8	100.0			
Oils and fats	103.4	98.5	101.3	94.6	102.9	95.6	95.3	91.6	102.8	102.6	108.6	112.5	107.8	100.3	97.1	99.1	101.5	99.7	95.9	94.2	96.9			
Fruits and vegetables	101.2	99.5	100.1	99.6	104.4	99.2	98.2	99.3	98.1	99.0	100.1	100.5	99.9	99.9	99.4	100.3	102.3	99.6	99.9	99.8	99.5			
Sugar, jam, honey, chocolate and candies	101.0	100.4	99.5	99.7	100.5	100.2	100.1	100.2	102.2	100.6	100.2	100.4	100.4	100.2	100.2	100.0	100.4	100.0	100.1	99.3	99.2			
Other food products	101.0	101.2	98.8	100.6	100.3	100.5	100.0	100.7	100.1	100.4	100.0	100.9	103.4	102.0	100.4	100.2	100.6	100.6	100.2	100.1	100.3			
Soft drinks	100.2	100.9	100.1	100.8	100.6	100.7	100.5	101.0	100.4	101.1	100.4	103.5	100.2	101.9	100.4	100.3	100.4	101.3	100.0	100.1	101.0			
Strong drinks and tobacco products	100.1	101.2	100.0	100.9	100.5	100.2	100.2	101.3	100.5	101.4	100.5	104.8	100.0	102.4	100.2	100.1	100.5	101.6	100.0	100.1	100.5			
Strong drinks	100.6	99.9	100.5	100.4	100.9	101.9	101.1	100.1	100.1	100.1	100.1	100.1	100.8	100.2	101.1	100.9	100.0	100.0	100.0	100.5	103.1			
Tobacco products	101.9	100.2	102.2	101.9	101.2	100.6	100.3	100.4	101.4	102.5	101.2	101.4	100.7	100.8	100.9	100.7	101.0	101.1	100.9	100.8	101.0			
Garments and footwear	101.2	100.6	99.2	98.9	100.1	99.6	101.0	100.8	100.3	102.1	100.5	100.6	99.5	99.1	99.4	100.0	100.2	100.2	100.2	100.2	99.9			
Services for dwelling premises maintenance and repair, water supply, electricity, gas and other types of fuel	101.0	101.2	100.5	100.9	101.2	100.8	99.9	100.8	100.9	101.1	100.6	100.7	100.4	100.9	100.9	100.5	100.2	99.9	100.2	100.3	99.9			
Household articles and household appliances	101.5	101.4	100.5	100.7	101.1	99.4	102.8	100.4	101.2	99.7	100.3	100.3	103.5	100.5	100.2	101.0	100.6	101.7	99.6	100.8	101.7			
Healthcare	99.4	100.3	99.9	100.0	105.5	100.2	101.1	101.0	99.9	100.2	100.3	100.2	100.0	100.4	100.3	99.5	99.8	99.9	99.8	100.5	100.9			
Transport	99.4	98.3	99.9	100.4	100.2	99.1	100.3	101.2	100.1	102.1	101.4	99.9	99.2	99.5	99.5	98.9	97.6	99.2	98.3	102.1	105.6			
Petroleum oil, lubricants	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
Communication	100.4	101.1	101.2	101.2	98.7	100.1	100.4	101.8	101.4	100.5	100.2	100.9	101.3	101.3	100.2	99.9	100.1	100.0	100.0	100.6	100.6			
Recreation, entertainment and culture	100.3	100.0	100.1	100.0	100.1	100.0	100.2	100.0	107.8	99.9	100.0	100.0	100.0	100.3	100.0	100.0	100.0	100.0	100.0	100.0	102.1			
Education	102.9	102.1	100.5	100.7	101.7	100.0	100.7	100.0	101.8	102.2	100.0	102.2	100.4	100.3	101.0	100.4	100.2	100.1	100.8	100.0	100.0			
Restaurants and hotels	101.1	100.5	100.5	100.7	100.9	100.0	100.1	100.5	102.6	100.6	100.3	100.8	100.4	100.2	100.2	99.9	100.0	100.6	100.8	100.0	99.1			
Various goods and services	101.1	100.5	100.5	100.7	100.9	100.0	100.1	100.5	102.6	100.6	100.3	100.8	100.4	100.2	100.2	99.9	100.0	100.6	100.8	100.0	99.1			

Table 2. Consumer Price Index

(month to the corresponding month of the previous year; percent)

	2012												2013											
	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September			
Consumer price index	103.8	102.4	100.2	99.6	100.6	99.6	100.0	102.2	104.4	106.9	107.0	107.6	107.6	107.9	107.8	107.9	107.5	108.1	107.7	106.6	106.0			
Food products and soft drinks	99.3	95.8	91.8	90.4	91.5	89.8	91.0	94.8	98.5	102.9	103.5	104.4	105.2	106.1	106.0	106.9	107.1	108.1	107.6	105.5	105.0			
Bakery products and cereals	96.1	91.1	84.3	83.2	83.1	83.1	85.0	92.1	96.8	104.1	107.0	109.1	111.2	113.1	114.0	113.8	114.4	114.6	111.7	104.4	104.4			
Meat	120.8	117.1	144.5	113.7	111.5	107.0	102.4	106.6	98.5	101.0	100.6	98.8	96.7	96.9	98.4	99.6	100.9	102.1	102.5	103.5	106.1			
Fish	115.1	114.2	114.4	116.5	117.8	116.6	117.6	119.3	122.2	123.8	122.7	119.9	117.2	117.4	116.3	113.7	113.0	112.6	109.0	107.3	103.6			
Dairy products, cheese and eggs	107.3	105.4	107.7	106.3	105.0	103.9	103.9	103.1	105.0	108.1	108.0	107.9	107.0	105.9	105.6	106.0	107.2	108.7	111.5	111.3	108.7			
Oils and fats	105.0	104.2	101.2	98.9	97.1	97.4	96.9	97.0	98.0	98.9	99.0	99.1	99.3	99.6	99.9	100.2	101.2	101.5	102.1	101.7	100.7			
Fruits and vegetables	76.0	73.4	70.7	68.0	74.6	70.2	78.2	89.7	103.9	104.1	103.6	108.1	112.6	114.7	109.9	115.1	113.7	118.5	119.2	122.6	115.6			
Sugar, jam, honey, chocolate and confectionery	98.3	93.5	92.4	91.3	95.4	94.2	90.6	86.3	91.6	97.0	98.7	98.9	97.6	98.0	97.3	98.1	96.1	96.5	98.2	98.7	100.1			
Other food products	107.6	105.4	105.9	105.4	105.8	105.7	105.2	103.7	104.3	104.8	104.8	105.0	104.4	104.2	104.9	105.1	105.0	104.8	104.9	103.9	100.9			
Soft drinks	110.6	110.9	106.7	106.2	107.4	105.0	104.1	104.2	103.8	104.0	104.5	104.4	106.9	107.8	109.6	109.1	109.4	109.5	109.7	109.1	109.3			
Strong drinks and tobacco products	109.8	110.6	109.8	110.6	110.5	110.3	109.0	109.3	109.0	107.9	110.6	110.6	110.5	111.7	112.0	111.4	111.1	111.8	110.4	110.4	111.0			
Strong drinks	108.8	101.0	109.9	111.0	110.7	110.2	108.0	108.8	108.3	108.8	108.5	112.3	112.2	113.5	113.7	112.8	112.7	114.3	114.1	112.6	112.6			
Tobacco products	112.3	112.0	109.4	109.5	110.0	110.9	111.4	110.7	110.5	109.3	106.5	105.9	106.1	106.4	107.1	107.6	106.6	104.6	103.5	103.9	107.0			
Garments and footwear	113.8	112.4	112.9	112.6	112.7	112.7	112.4	111.8	113.2	115.3	116.1	116.0	114.7	115.4	113.9	112.6	112.4	113.0	113.6	114.2	113.7			
Services for dwelling premises maintenance and repair, water supply, electricity, gas and other types of fuel	103.3	104.6	104.7	104.8	106.9	106.0	106.8	107.5	107.2	110.4	108.0	105.2	103.4	101.8	102.0	103.1	103.2	103.7	102.9	102.3	101.9			
Household articles, household appliances	112.5	112.7	111.7	112.9	113.9	113.3	110.8	109.9	110.6	110.4	109.4	110.0	109.3	109.0	109.4	108.9	107.9	107.0	107.3	106.9	106.1			
Healthcare	112.0	112.0	111.7	112.1	112.6	111.2	113.4	111.6	111.9	110.3	110.4	109.7	111.9	110.9	110.6	110.9	110.4	112.9	109.4	109.9	110.3			
Transport	103.4	106.9	106.6	106.2	109.5	108.6	108.0	108.9	108.0	109.5	108.1	108.1	108.7	108.9	109.3	108.8	102.9	102.6	101.3	100.8	101.8			
Petroleum, oil, lubricants	99.0	100.4	111.1	110.3	106.3	103.7	100.8	100.0	100.3	103.0	103.7	102.2	101.9	103.2	102.8	101.3	98.5	98.6	96.6	97.5	102.9			
Communication	103.1	103.1	100.0	100.0	100.0	100.0	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	101.1	101.1	101.1	101.1	100.9	100.9	100.9			
Recreation, entertainment and culture	111.5	111.9	111.4	112.3	111.0	110.1	109.1	108.5	109.8	109.4	107.8	108.2	108.1	108.3	107.3	105.9	107.4	107.3	106.9	105.6	104.8			
Education	116.0	114.9	114.9	114.9	114.8	114.8	112.1	112.2	111.8	108.5	108.6	108.4	108.5	108.5	108.4	108.4	108.3	108.3	108.2	108.1	102.4			
Restaurants and hotels	115.9	118.0	118.4	119.0	120.9	119.5	115.4	115.4	113.0	114.1	113.7	115.8	112.9	110.9	111.5	111.1	109.5	109.6	109.6	107.7	107.7			
Various goods and services	106.4	106.5	106.6	106.5	107.1	106.8	106.1	105.8	109.0	109.2	108.8	108.9	108.1	107.9	107.6	106.6	105.7	106.4	107.1	106.7	103.1			

Table 3. Indices of prices and physical volume of imports in January–August 2013

Product name	8 mon. 2013	8 mon. 2012	8 mon. 2012	Indices		
	mln. USD	mln. USD	mln. USD	price	phys.	value
	n13*p13	n13*p12	n12*p12			
	A	B	C	A/B	B/C	A/C
Petroleum, petroleum products and related materials	698.5	732.5	606.1	0.95	1.21	1.15
Cast-iron and steel	169.3	178.8	140.6	0.95	1.27	1.20
Medicaments (including veterinary medicaments)	114.2	124.9	90.3	0.91	1.38	1.26
Vehicles for cargo transportation and vehicles of special assignment	86.7	117.8	123.8	0.74	0.95	0.70
Essential oils, resinoids and perfume materials	68.2	65.8	54.7	1.04	1.20	1.25
Sugar, sugar products and honey	58.8	61.0	65.7	0.96	0.93	0.89
Rubber tires	57.8	46.5	52.0	1.24	0.90	1.11
Paper, cardboard and products made of paper stock, paper and cardboard	53.6	48.1	43.0	1.11	1.12	1.25
Meat and meat products	52.8	33.8	49.0	1.56	0.69	1.08
Crops (including incorn) and mangcorn, unmilled	51.0	30.2	56.5	1.69	0.53	0.90
Coffee, tea, cocoa, spices and other products	49.4	47.8	46.9	1.03	1.02	1.05
Fertilizers	49.0	55.9	48.5	0.88	1.15	1.01
Woven fabrics made of artificial textile materials	48.2	32.7	43.1	1.47	0.76	1.12
Natural gas in gaseous state	47.2	45.5	53.3	1.04	0.85	0.88
Constructions, not included into other categories, of iron, steel and aluminum	46.3	44.5	22.0	1.04	2.02	2.10
Sawed or spitted lengthwise conifer wood	45.7	45.1	37.7	1.01	1.20	1.21
Plastics in prime form	45.0	47.2	38.3	0.95	1.23	1.18
Vegetable oils and fats, raw materials, refined or fractionated	43.8	41.4	39.8	1.06	1.04	1.10
Inorganic chemicals	42.4	50.3	35.4	0.84	1.42	1.20
Electric wire telephone or telegraph sets	40.4	51.0	46.5	0.79	1.10	0.87
Food products and preparations not included into other categories	40.0	113.7	35.1	0.35	3.24	1.14
Plastics in non-prime form	37.8	44.9	26.0	0.84	1.73	1.45
Wheat flour and meslin	33.9	24.0	16.4	1.41	1.46	2.07
Vegetables and fruits	33.8	30.1	21.7	1.12	1.39	1.56
Footwear with rubber or synthetic sole and upper	31.8	23.1	34.0	1.38	0.68	0.94
Cars and vehicles for transportation of people	30.8	22.4	12.0	1.38	1.87	2.58
Products from grain and products from flour or fruit or vegetable starch	29.4	33.5	22.0	0.88	1.52	1.34
Self-contained mechanical shovels, excavators and scoop loaders	27.8	44.2	25.7	0.63	1.72	1.08
Sugar-sweetened mineral water and soft drinks	24.7	21.9	19.9	1.13	1.10	1.24
Compressed wood and restored wood	23.8	27.1	23.4	0.88	1.16	1.02
Electrical distribution equipment not included into other categories	23.6	19.9	17.5	1.18	1.14	1.34
Coloring and tanning matters and dyes	23.5	25.5	19.8	0.92	1.29	1.19
Coal, coke and briquette	23.1	21.9	17.6	1.06	1.24	1.31
Imperfect metal products not included into other categories	23.0	26.9	29.0	0.85	0.93	0.79
Strong drinks	20.9	17.9	22.5	1.17	0.80	0.93
Machines for soil, stones, ores sorting, sifting and sizing	20.0	10.7	10.4	1.86	1.03	1.93
Transformers, electrical	18.4	2.2	4.4	8.23	0.51	4.21
Planes and other aircrafts	17.5	22.6	19.8	0.77	1.14	0.89
Glazed ceramic tiles	17.4	12.0	10.7	1.44	1.12	1.62
Jackets, pullovers, cardigans, waistcoats and similar knitted or crocheted articles	16.6	12.6	7.8	1.31	1.63	2.13
Wire products and practice nets	16.4	33.4	13.6	0.49	2.46	1.21
Machines for automatic data processing and their blocks	16.4	12.5	10.4	1.31	1.20	1.58
Stone, sand and gravel	16.4	10.0	4.9	1.64	2.04	3.35
Medical and pharmaceutical products	15.3	10.1	8.6	1.51	1.17	1.77
Tractors	13.7	15.7	9.1	0.87	1.73	1.51
Trousers, coveralls, breeches and shorts	13.7	10.0	14.9	1.37	0.67	0.92
Reciprocating internal combustion engines for vehicles	13.6	5.9	3.1	2.30	1.91	4.40
Floor coverings	13.0	8.2	8.7	1.58	0.94	1.48
Household refrigerators and freezers	12.5	13.3	14.4	0.94	0.92	0.87
Gold, nonmonetary	11.7	0.1	10.2	81.96	0.01	1.15
Aluminum	11.4	13.2	5.0	0.87	2.61	2.26
Fittings and fastenings	11.1	15.0	4.0	0.74	3.80	2.82
Margarine and combined fats	10.5	10.6	8.9	0.99	1.19	1.18
Hand and machine tools	10.2	3.1	18.4	3.31	0.17	0.55
Knitted or crocheted garments for women and girls	10.2	11.4	11.7	0.89	0.97	0.87
Trousers, coveralls, breeches and shorts	10.1	7.0	10.1	1.45	0.69	1.00
Various chemical products not included into other categories	10.1	16.0	8.9	0.63	1.80	1.13
Hardboard	10.0	8.7	9.7	1.16	0.89	1.03
Products made from non-metallic minerals not included in other categories	10.0	8.7	8.0	1.15	1.08	1.24
Pottery	9.9	4.8	7.3	2.07	0.66	1.36
Nails, screws, nuts, bolts, rivets, etc. of iron, steel or copper	9.8	10.2	8.1	0.96	1.26	1.21
Fish, crustacean mollusks and aquatic invertebrates	9.8	9.2	8.5	1.07	1.08	1.15
Milk, cream and dairy products, except butter and cheese	9.8	9.4	9.0	1.04	1.05	1.09
Construction equipment of plastic	9.6	8.3	3.8	1.15	2.20	2.53
Knitted or crocheted garments for men and boys	9.5	19.1	10.7	0.50	1.78	0.89
Electrothermal equipment, not included into other categories	9.5	18.4	10.0	0.52	1.84	0.95
Bulldozers, graders, levellers, self-propelled	9.1	16.7	2.7	0.54	6.13	3.34
Trailers and semi-trailers for the transport of goods	9.1	7.9	9.1	1.15	0.87	1.00
Nomenclature Total (mln, USD)	2 707.8	2 775.2	2 340.6	0.98	1.19	1.16
Nomenclature Total (% of total exports)	73%		72%			
Total export	3 720.4		3 261.4			

According to the NSC at CIF prices; the Table demonstrates the first 61 export large items

n - physical volume of goods imports

p - estimated import price of the goods

Table 4. Indices of prices and physical volume of exports for January-August 2013

Product name	8 mon. 2013	8 mon.2012	8 mon.2012	Indices		
	mln. USD	mln. USD	mln. USD	price	phys.	value
	n13*p13	n13*p12	n12*p12	A/B	B/C	A/C
	A	B	C			
Gold, nonmonetary	251.8	279.3	248.2	0.90	1.13	1.01
Petroleum, petroleum products and related materials	88.9	96.6	71.8	0.92	1.35	1.24
Vegetables and fruits	84.1	85.5	85.7	0.98	1.00	0.98
Inorganic chemicals	23.6	25.4	22.5	0.93	1.13	1.05
Vehicles for cargo transportation and vehicles of special assignment	23.3	34.4	23.1	0.68	1.49	1.01
Cast-iron and steel	22.1	27.2	16.8	0.81	1.61	1.31
Rolled glass and glass with polished surface	21.3	28.5	4.3	0.74	6.68	4.97
Electric current	20.4	15.0	40.6	1.36	0.37	0.50
Rubber tires	18.9	10.9	5.2	1.73	2.10	3.64
Incandescent lamps	14.9	15.3	12.5	0.98	1.22	1.20
Dresses	13.3	18.6	18.5	0.72	1.01	0.72
Ores and concentrates of precious metals	11.6	23.4	33.5	0.50	0.70	0.35
Blouses, jackets and jacket-blouses	11.6	15.8	17.3	0.74	0.91	0.67
Portlandcement, cement	11.2	10.9	7.2	1.03	1.51	1.56
Trousers, coveralls, breeches and shorts	10.5	15.4	14.8	0.68	1.04	0.71
Unprepared tobacco; tobacco waste	10.5	9.3	10.4	1.13	0.90	1.01
Scrap metal and wastes of precious metals	8.1	10.2	7.5	0.79	1.36	1.08
Various base metals	7.7	13.9	7.0	0.55	2.00	1.10
Cars and vehicles for transportation of people	7.3	7.2	4.3	1.01	1.70	1.72
Live animals	7.1	123.8	5.0	0.06	24.99	1.43
Hosiery, knitted or crocheted	7.0	10.9	9.2	0.65	1.18	0.76
Cotton	6.7	7.2	16.7	0.93	0.43	0.40
Paper, cardboard and products made of paper stock, paper and cardboard	6.7	6.8	6.7	0.98	1.03	1.01
Planes and other aircrafts	6.3	14.8	6.6	0.43	2.25	0.96
Self-contained mechanical shovels, excavators and scoop loaders	6.2	2.5	1.0	2.51	2.44	6.12
Coats, capes, cloaks and similar articles	5.2	5.8	9.5	0.89	0.62	0.55
Bulldozers, graders, levellers, self-propelled	5.1	4.3	1.7	1.18	2.56	3.01
Food products and preparations not included into other categories	4.9	9.0	3.6	0.55	2.48	1.36
Trousers, coveralls, breeches and shorts	4.8	6.2	6.2	0.77	1.01	0.78
Milk, cream and dairy products, except butter and cheese	4.8	4.2	17.8	1.14	0.23	0.27
Plastics in prime form	4.8	3.1	2.0	1.51	1.54	2.33
Knitted or crocheted garments for women and girls	4.6	6.2	9.2	0.73	0.68	0.50
Stone for construction, worked, and articles made of it	4.4	4.4	2.8	1.02	1.57	1.60
Meat and meat products	4.3	3.2	3.0	1.35	1.07	1.44
Tractors	4.1	3.8	1.9	1.08	2.01	2.17
Miscellaneous non-metallic minerals, not included into other categories	3.9	4.2	2.9	0.94	1.44	1.34
Metal scrap and waste of ferrous industry	3.8	4.1	5.0	0.92	0.81	0.75
Hand and machine tools	3.6	3.1	4.4	1.14	0.72	0.82
Skirts and pants-skirt	3.4	4.5	7.1	0.75	0.64	0.48
Fittings and fastenings for railway and tram lines	3.4	3.6	1.7	0.94	2.19	2.06
Coal, coke and briquette	3.2	2.3	2.3	1.41	1.02	1.44
Woven fabrics made of artificial textile materials	3.0	5.8	2.3	0.52	2.52	1.30
Fertilizers	2.9	3.5	2.6	0.83	1.35	1.12
Nomenclature Total (mln, USD)	775.6	990.3	782.1	0.78	1.27	0.99
Nomenclature Total (% of total exports)	84%		85%			
Total export	919.2		919.4			

According to the NSC at FOB prices, excluding additional estimates; the Table demonstrates the first 33 export large items

n - physical volume of goods exports

p - estimated export price of the goods

Glossary

Core inflation is inflation which excludes short-term, structural and seasonal changes of prices. That is, the growth in prices of goods due to seasonal and external factors (such as poor harvest, the price shock in the market of oil products, the administrative changes in tariffs for gas and electricity, etc.) is excluded from the calculation of the inflation rate.

NBKR calculates the core inflation dynamics by the method of simple exclusions. The given method means the exclusion from the CPI of specific categories or an entire group of goods and services which prices are highly sensitive to shocks. Traditionally, such goods include some food products, energy resources and tariffs established by the Government.

From April 2010 the National Statistics Committee of KR started the calculation of core inflation using the method of simple exclusions (according to the approved method No. 9 dated April 29, 2010). Such goods as milk, sugar, certain types of fruits and vegetables, alcoholic and tobacco products, petroleum products, product group «electricity, gas and other fuels», passenger transport and communication services, and others are excluded in calculation. In general, the proportion of excluded goods is 25 percent of the total consumer goods basket.

Discount rate is the tool used as the basic reference point when determining the value of monetary resources in the economy. The size of the discount rate is equal to the average value of the yield of 28-day NBKR Notes for the recent 4 auctions on allocation of the NBKR Notes.

GDP deflator is a composite index of the economy branches prices characterizing the GDP change with regard to growth of prices in the economy. GDP deflator is calculated as the proportion between nominal GDP in prices of the current year against GDP rate of the previous year.

GSCI-ag (Goldman Sachs Commodity Index-agricultural) – index of prices for actively traded future contracts for food (agricultural) products – developed by the investment bank “Goldman Sachs” in order to present these exchange goods as a single group.

Inflation represents the increase in the general level of consumer prices in the economy. The consumer price index is used to quantitatively estimate the rate of inflation. The CPI shows the change in the price level for the goods and services purchased by the population for non-productive consumption. The prices of buyers of 342 selected goods and services are used when calculating the index, the sample size is up to 45 thousand prices per month for 1496 enterprises of trade and services in seven urban and two regional centers.

Monetary aggregate is the money supply classified according to degrees of liquidity: M0; M1; M2; M2X.

M0 – currency in hands.

M1 – M0 + demand deposits in national currency.

M2 – M1 + time deposits in national currency.

M2X – M2 + deposits in foreign currency.

Monetary base – obligations of the National Bank on cash in circulation, and the obligations of the National Bank to other depository corporations in the national currency of the Kyrgyz Republic.

Money in circulation – the cash money in circulation, issued by the National Bank of the Kyrgyz Republic, except for the cash in the NBKR cash desks.

NBKR Repo Operations – operations on purchase (direct repo)/sale (reverse repo) of government securities with the obligation to sell them back/purchase on the specified date in future at the predetermined price.

Non-financial assets include the following categories of economic assets: fixed assets, stocks of tangible current assets, valuables and non-produced assets (natural and intangible assets).

Non-financial corporation is a corporation, which produces and sells goods and non-financial services, which do not refer to the financial sector of economy.

Notes are the government short-term securities issued by the NBKR for 7, 14, 28, 91 and 182 days through the weekly auctions. The profitability rate is determined depending on the supply and the demand on the part of commercial banks. The goal of conducting the auctions of notes is the withdrawal of liquidity in the national currency from the banking system.

Other depositary corporations – all resident financial corporations, except for the central bank, which activities are aimed at financial intermediation and which issue obligations included into the national definition of the broad money stock (M2X).

Other sectors-residents include all households and noncommercial organizations servicing thereof.

Other financial corporation is an institutional unit not issuing liabilities included in the national definition of M2X broad money (which include for example non-bank financial institutions).

Output gap (or GDP gap) is the difference between potential and actual GDP volume. The output gap may serve as an indicator of activation or stagnation of the economy. If actual GDP is less potential ($y < y^*$), then it is assumed that there is so-called «recessionary gap» in the economy, which indicates the possible existence of deflationary processes. And vice-versa, if actual GDP is greater than the potential one ($y > y^*$), then it is assumed that the growth of aggregate demand exceeds aggregate supply growth, which contributes to increased inflationary pressure.

GDP gap is calculated as actual-potential GDP ratio:

$$GAP_t = \frac{GDP_t}{GDP_POT} - 1, \text{ where:}$$

GAP_t - GDP gap at the moment t;

GDP_t - actual GDP at the moment t;

GDP_POT - potential GDP.

“Overnight” credit is given in national currency for one day, upon the collateral, to support short-term liquidity of the bank. Government securities of the Kyrgyz Republic placed through the NBKR, with maturity up to 12 months from the date of “overnight” credit are accepted as collateral. The interest rate is set at the rate of 1.2 of the NBKR discount rate. The credit is used on the initiative of the commercial bank.

Producer price index measures the average changes in selling prices received by domestic producers for their products. Information used in the calculation of the PPI is collected from 148 enterprises that represent almost every branch in the industrial sector of the economy. The list of enterprises includes those most typical for the given industry, characteristic for the given region, and irrespective of patterns of ownership.

Refinancing credit – credit resources/monetary funds provided by the NBKR to the banks by means of conducting credit auction for purposes of refinancing and liquidity support. Refinancing credit is extended to the banks on conditions of maturity (from 1 to 6 months), interest payment and repayment, at the fixed interest rate, with state securities of the Kyrgyz Republic provided as collateral. Terms and volumes of credits to be provided are determined by the resolution of the NBKR Monetary Policy Committee.

State budget operating expenditures – all the operations that lead to a decrease in the net value of assets of the government sector, except for operations on purchase of non-financial assets.

State Treasury Bills are the short-term (3-, 6-, 12-month) discount government securities of the Government of the Kyrgyz Republic. The Ministry of Finance is the emitter of ST-Bills. Placing issues of ST-Bills is made through weekly auctions conducted by the NBKR. Direct participants (primary dealers, finance and credit institutions that have entered into an agreement with the NBKR) enjoy the right to participate in the auctions. The owners of ST-Bills of the Kyrgyz Republic can be both legal entities and individuals. The admission of foreign investors to the market of ST-Bills is not limited. The transactions in the secondary market of ST-Bills are conducted through the electronic trading system of the NBKR, which allows the primary dealers and their clients to conduct transactions on purchase/sale of ST-Bills from their workplaces.

State Treasury Bonds are the long-term government securities of the Government of the Kyrgyz Republic with the interest income (coupon) and maturity over 1 year. The emitter of ST-Bonds is the Ministry of Finance. The NBKR is the general agent servicing issues of ST-Bonds.

Structure of money income of the population by quintile groups reflects the differentiation of the population by size of income into five (quintile) groups, each of which consists of 20 percent of the population. This approach of determination of the population income involves division of the ranged total population into five equal groups, thus determining the proportion of the total income of society attributable to the population group with the highest income or the group with the lowest income.

Swap operations – operations for the exchange of cash in the national currency for an equivalent amount in foreign currency or vice versa, with the obligation of the reverse exchange of principal amounts and accrued interest on pre-specified conditions.

Abbreviations

CIF	Cost on the importer's border (Cost, Insurance, Freight)
CIS	Commonwealth of Independent States
CPI	Consumer Price Index
FAO	Food and Agricultural Organisation of the United Nations
FOB	Cost on exporter's border (Free on Board)
GDP	Gross Domestic Product
GSCI-ag	Goldman Sachs Commodity Index-agricultural
ISO	The International Sugar Organization
KR	Kyrgyz Republic
LLC	Limited Liability Company
MM	Mass Media
MoA	Ministry of Agriculture
MRC	Monetary Regulation Committee
MY	Marketing year
NBFI	Non-banking financial institution
NBKR	National Bank of the Kyrgyz Republic
NCOSh	Non-commercial organizations servicing households
NSC	National Statistics Committee
POL	Petroleum, oil, lubricants
PPI	Producer Price Index
SCS	State Customs Service under the KR Government
SE	State Enterprise
ST-Bills	State Treasury Bills
ST-Bills(s)	State Treasury Bills for settlement
ST-Bonds	State Treasury Bonds
USA	United States of America