



08/09

Economic Research Center NEWSLETTER





August 08/2009

Projects

Inflation indicator for July presented

On August 14, 2009 Economic Research Center (ERC) presented statistical findings of prices on July of 2009 in 11 regions of Azerbaijan within the “Calculation of Alternative Inflation Level” program implemented within the Institutional Support project of OSI Budapest Foundation. Statistical observations indicate that there was observed 0.59% growth in consumer price index (CPI) in Azerbaijan in July. Inflation was 0.47% in Baku, in regions – 0.71%. Though there was observed deflation in food (0.16%) and non-food products (0.86%) but price increase in service sector (4.45%) resulted with inflation in July. ERC considers it as a result of double price increase in gas sold to population from the 1st of July by Tariff Council.

On July the most price decrease on commodity groups was observed in fruit-vegetables (3.14%). The most price increase as mentioned above was observed in service, as well as in milk and milk products, egg (4.13%).

Statistical observations of ERC carried out on prices of last 7 months of 2009 shows that during this period there was 3.01% deflation in Azerbaijan. Hence, the highest indicator is on food product with 5.28%. During the reporting period, there was observed 3.96% price decrease in non-food products, but 4.40% price increase in service.

Comparatively to last year’s July, there was observed 3.16% price decrease in CPI this July. Furthermore, annual deflation for food product was 7.17% and non-food – 2.54%. However, there was observed 7.28% price increase in service within last year.

Value of the minimum consumer basket was calculated

Economic Research Center (ERC) has estimated the value of the minimum consumer basket in the country based on statistical price observations conducted in 11 regions of Azerbaijan on July of 2009 within the frame of “Calculation of Alternative Inflation Level” program of the “Institutional Support” project, financed by OSI Budapest Fund. Results of calculations were presented in Press on August 19 of 2009.

Note, that in November of 2008 National Parliament (NP) of Azerbaijan Republic affirmed the bill “About the cost of living in Azerbaijan in 2009”. According to the document, current year intended cost of living is 84AZN per capita, including 92AZN for able-bodied population, 65AZN for pensioners, and 69AZN for children. Changes have been done to composition of minimum



August 08/2009

consumer basket due to the 74th Decree of April 30th of 2009 of Cabinet of Ministers “About the approval of the composition of minimum consumer basket” about change to the 118th decree of Cabinet of Ministers that accepted on 23 July 2005”.

The experts of the Economic Research Center held calculations of the value of consumption basket based on normative defined by the latest judgment of the Cabinet of Ministers. According to those calculations the cost of living in Azerbaijan in July is 119AZN per capita. Including that the value of minimum consumer basket for able-bodied population was 131,83AZN, for pensioners 100,63AZN, and for children (0-15 years) was 124,54AZN. In July minimum service fees for able-bodied population per capita was 24,88 manats, for pensioners 22,76 AZN, for children (0-15 years) - 16,37AZN. Food-stuffs expenses were respectively 78,85AZN, 62,02AZN and 83,15AZN, and expenses of nonfood-stuffs were 28,1AZN, 15,85AZN and 25,02AZN.

Website created for Aran municipalities

Economic Research Center implements “Strengthening local self-governments in Azerbaijan” project with joint financial support of Oxfam Great Britain and Netherlands’ ICCO organizations. ERC started creation of websites at 5 of 28 cooperating municipalities in Central Aran region within this project. The Center’s associates selected Soganverdilar, Daymadagildi, Khanarab municipalities of Barda district, Khajigarvand of Tartar district and Hindarkhi of Agjabadi district considering technical and human resources of municipalities.

During August, project assistant Rajab Imanov traveled to above mentioned municipalities and held discussions on preparation of materials for website. Currently, process of information gathering is going on. According to R.Imanov, placing of information about municipality activity, budget, future strategy, services at website firstly is necessary for local residents and along with providing their participation in local self-governance process also ensures accountability and transparency of municipalities. Moreover, it is the initial source of information and guiding force for local and central authorities in solution of local social, economic and ecological issues. Furthermore, through getting information about municipality resources and infrastructure from the website local and foreign investors may consider investment opportunities in the municipality area. And citizens living, working and studying outside of the municipality through forum of website will be able to hold public discussions on problems related to their native settlement. Keeping and updating of website is going to be a huge step towards increasing of activity of local communities and youth, as well as possessing ICT achievements.



Next issue of “Expert” journal was published

Next issue of “Expert” journal was prepared by the PR Department of Economic Research Center and published in August.

“Century’s contract: myths and realities” article of the Chairman of ERC Management Board, Gubad Ibadoglu, “Nabucco – new bond in global energy struggle” of the Member of ERC Management Board, Dunya Jamalova, as well as alternative energy potential of Azerbaijan, processes in world gold market, resources of the State Oil Fund, losses of Azerbaijan in financial crisis, execution condition of state budget in the first half of 2009 were reflected in this issue. Furthermore, territorial claims of Turkmenistan against Azerbaijan also were placed there. Moreover, associates of journal made reportings from local car and gold markets.

Responsible person for newsletters:

Dunya Djamalova

PR Manager

Address: Djafar Djabbarli 44

Caspian Plaza 3, 9th floor

Tel: (+99 412) 437-32-30

Fax: (+99 412) 437 32 40

e-mail: dcamalova@erc-az.org