



Kyrgyz Republic: Impact of Food Price Increases on Poverty

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The World Bank



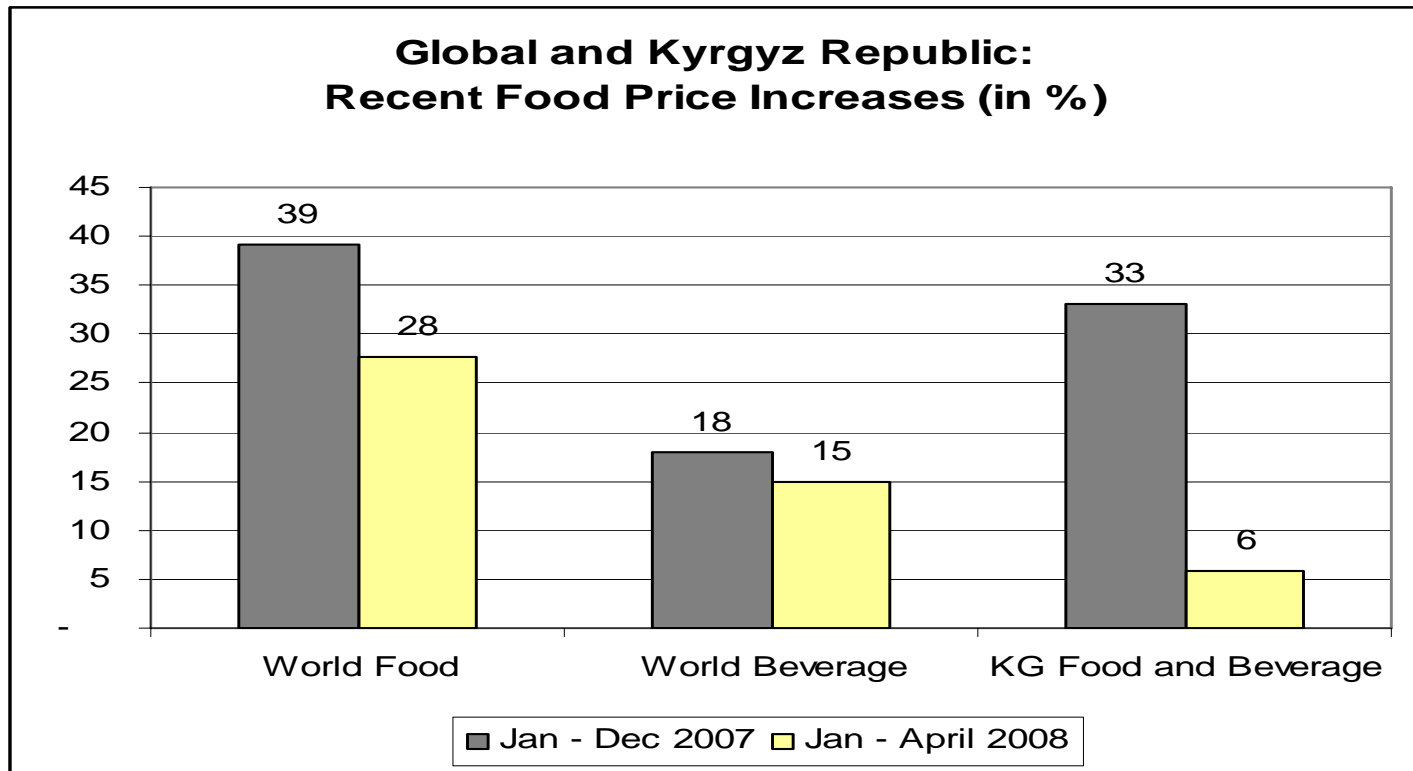
Outline

- The significance of food price increases for the Kyrgyz Republic
- Food consumption patterns
- Impact of price increases on poverty

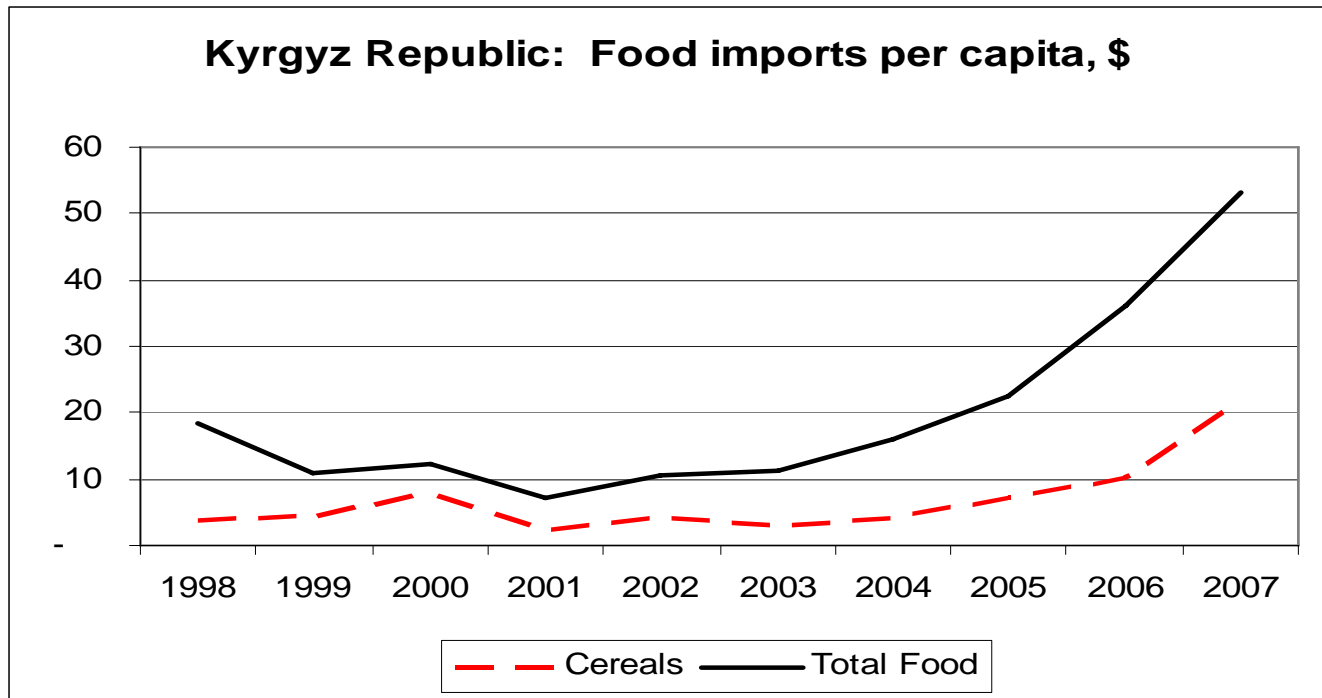


The Big Picture

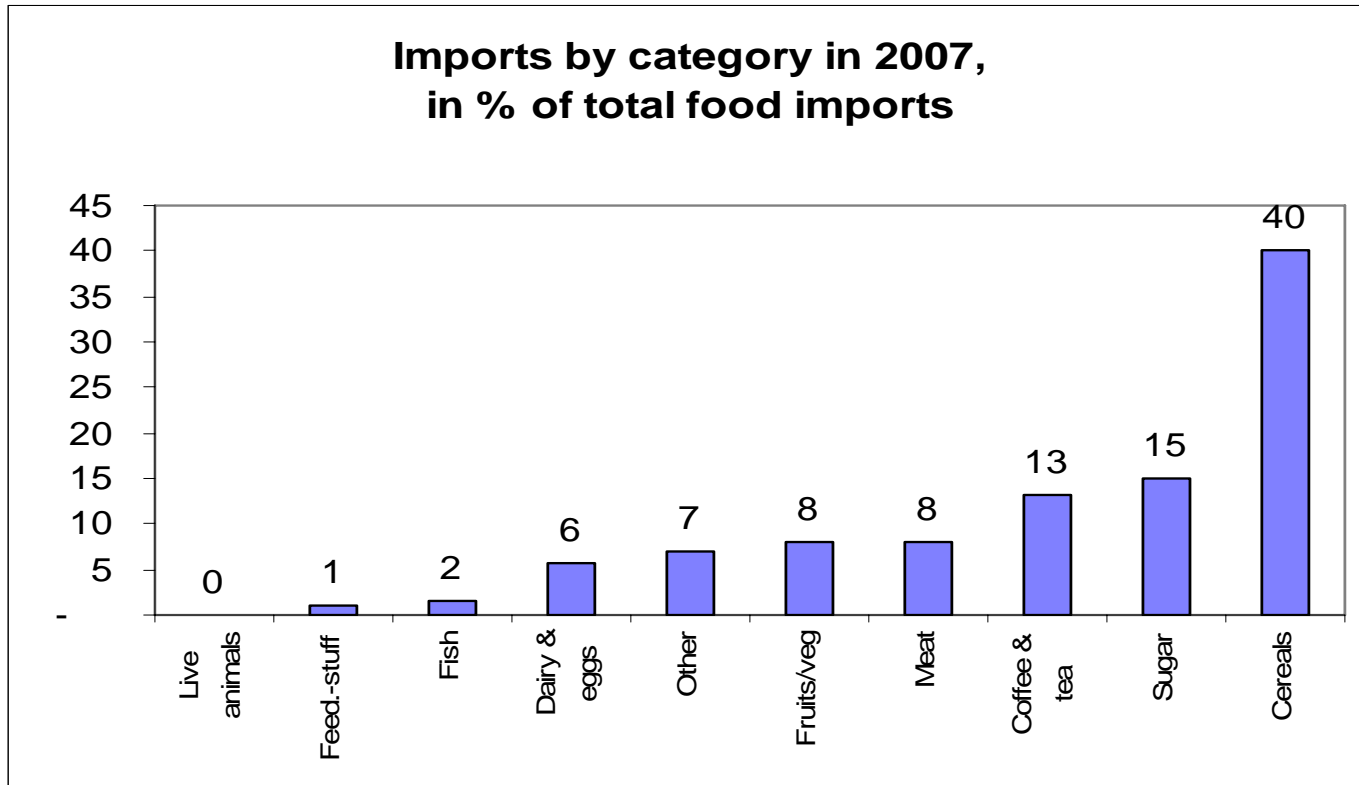
Food and Beverage Inflation



Dramatic increase in food imports per capita



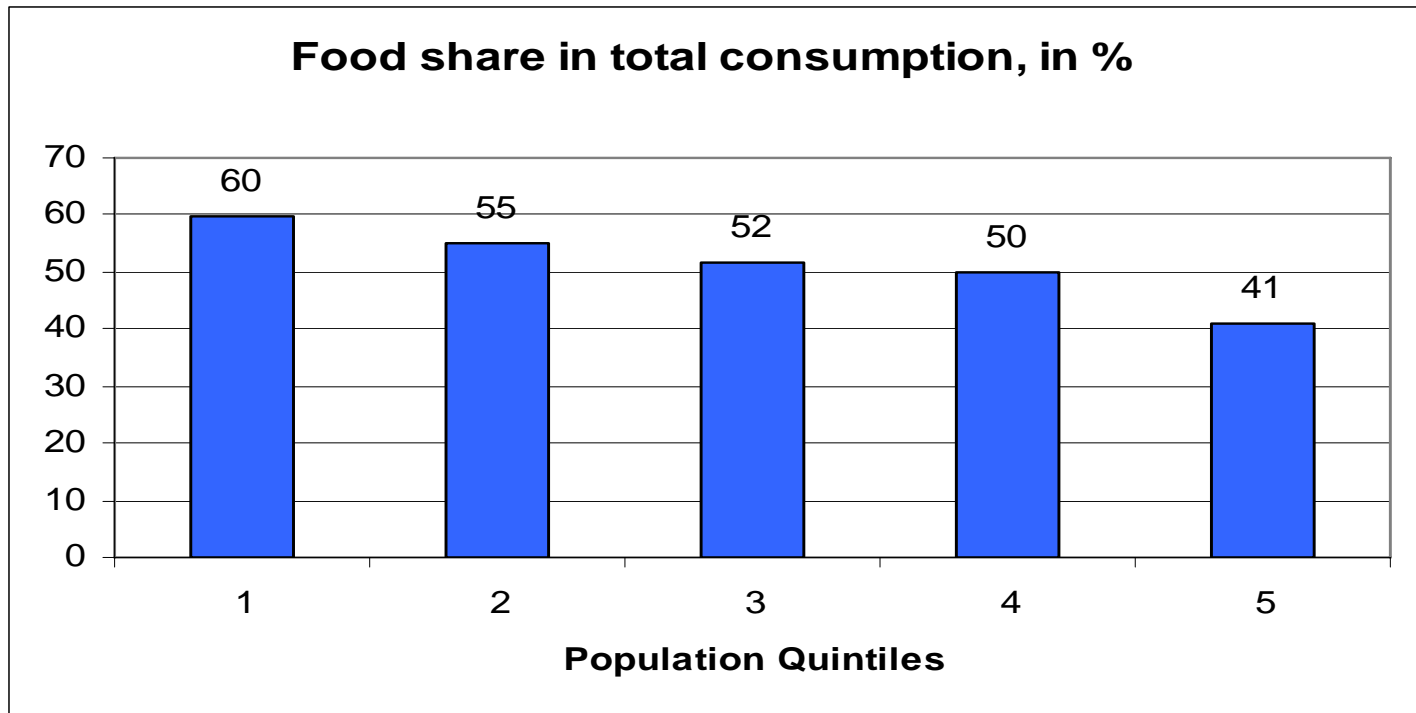
Kyrgyz Republic: Major Food Imports



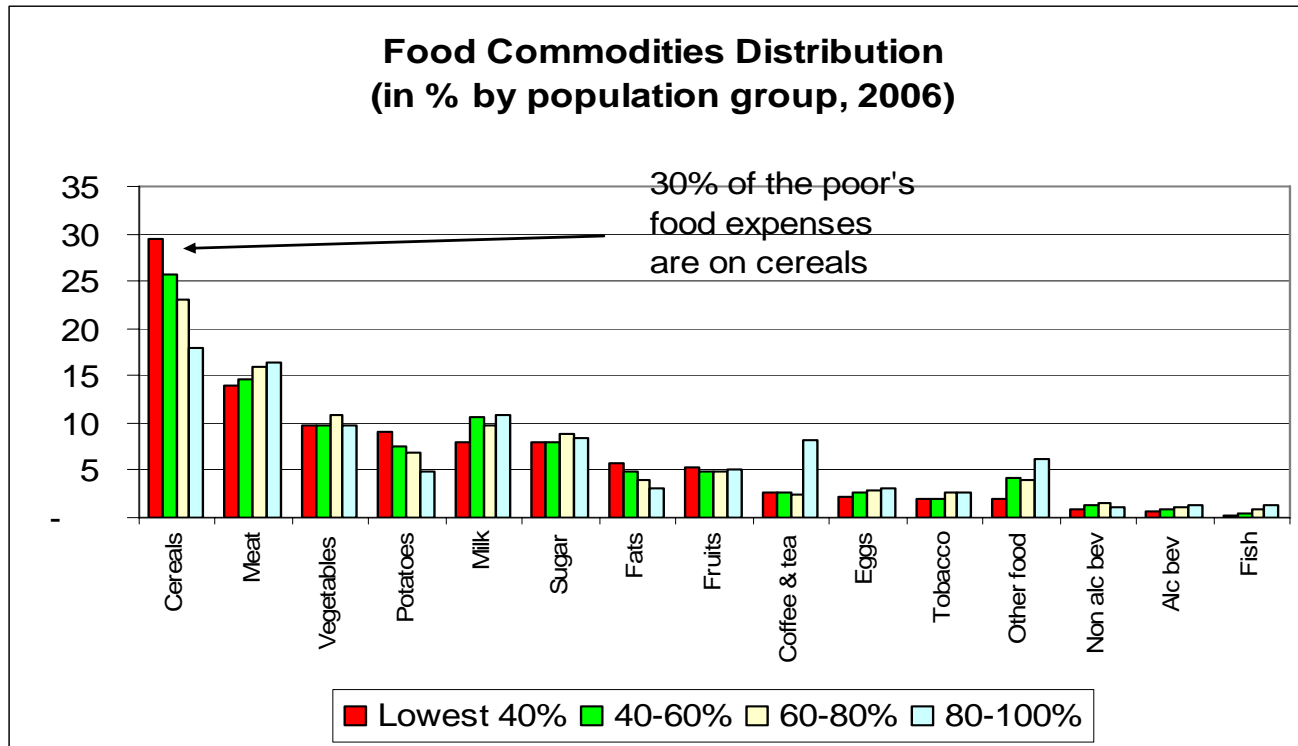


Food Consumption Patterns

The share of food in total consumption

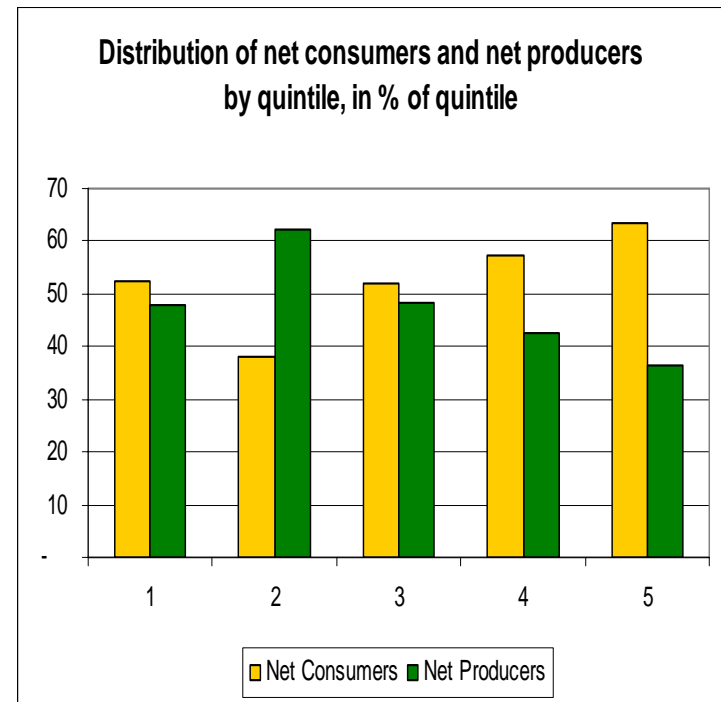


What types of food do different groups consume?

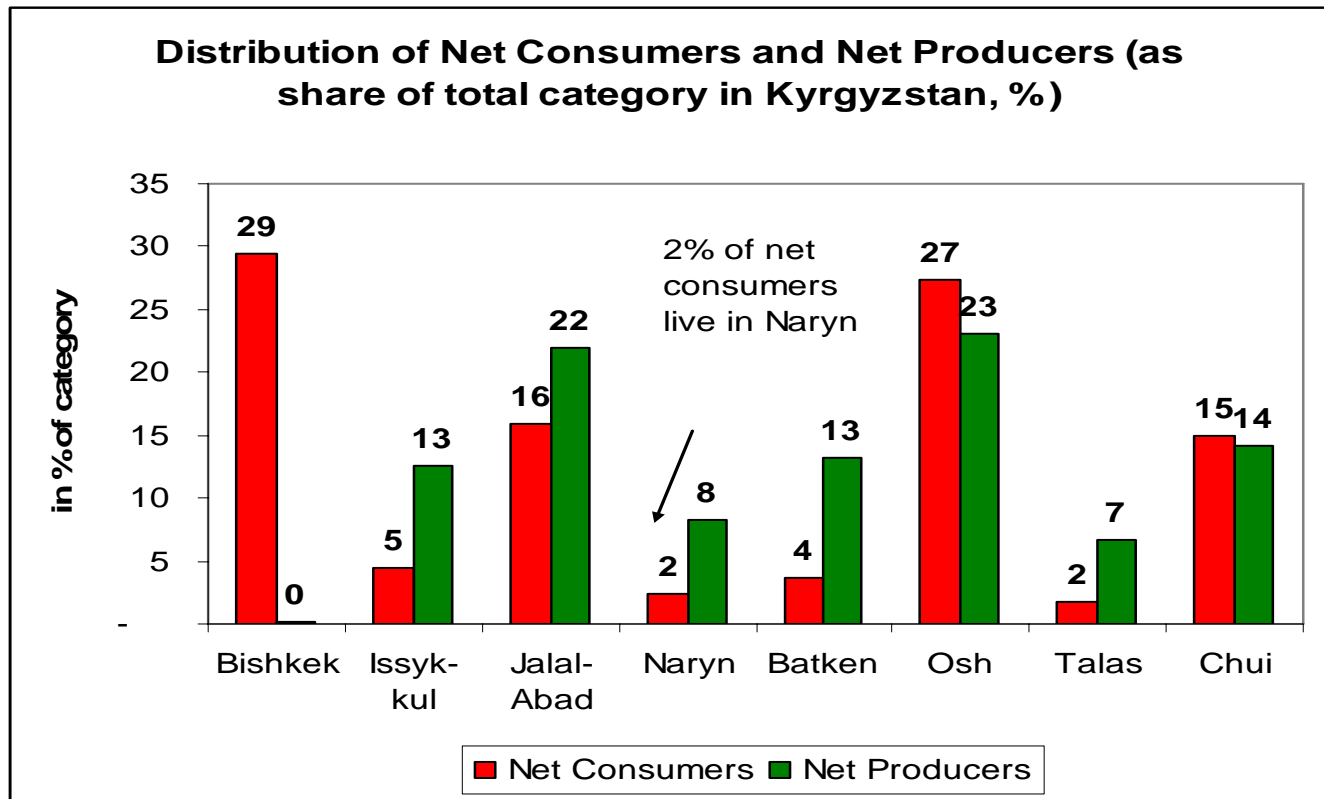


But there are many net producers

- 47% of the population live in households that are net food producers
- 44% of net producers are poor vs. 35% of net consumers.
- 19% of the population are both poor and net consumers and will be especially hard hit by food price increases



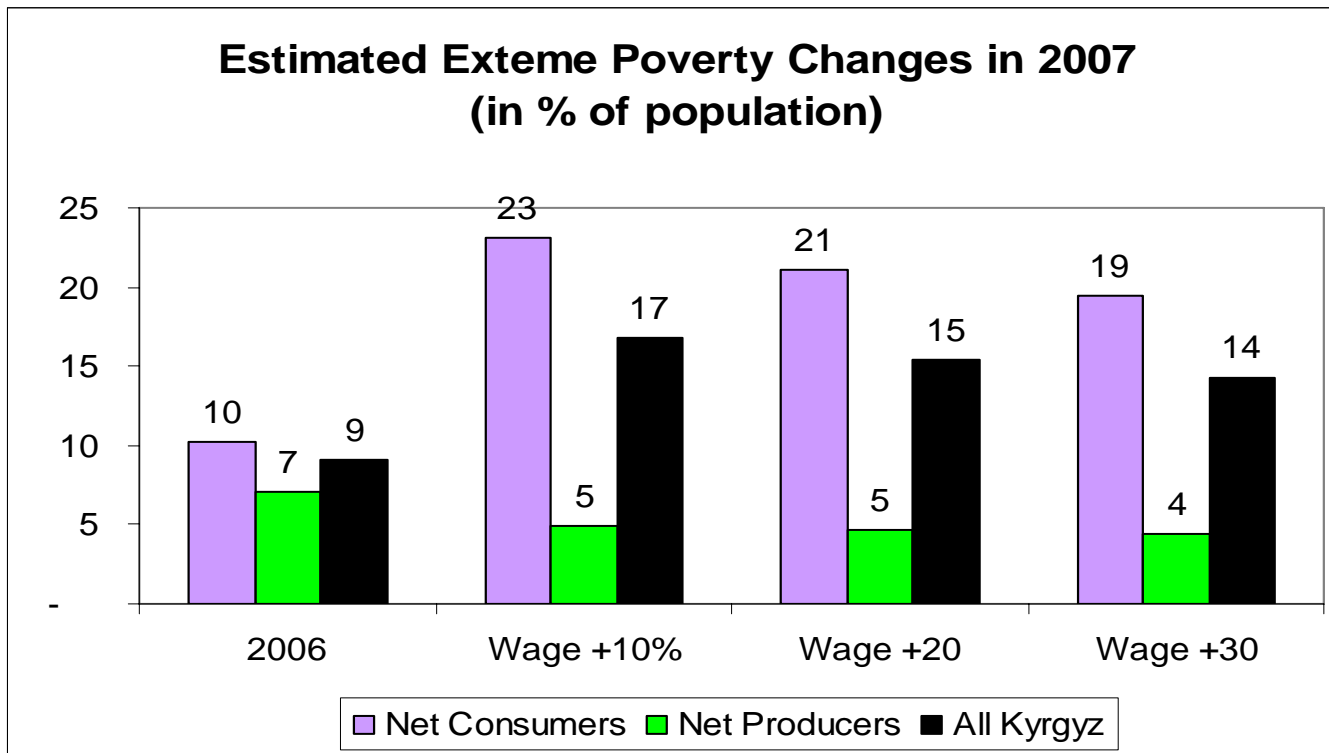
Regional distribution of net producers and consumers



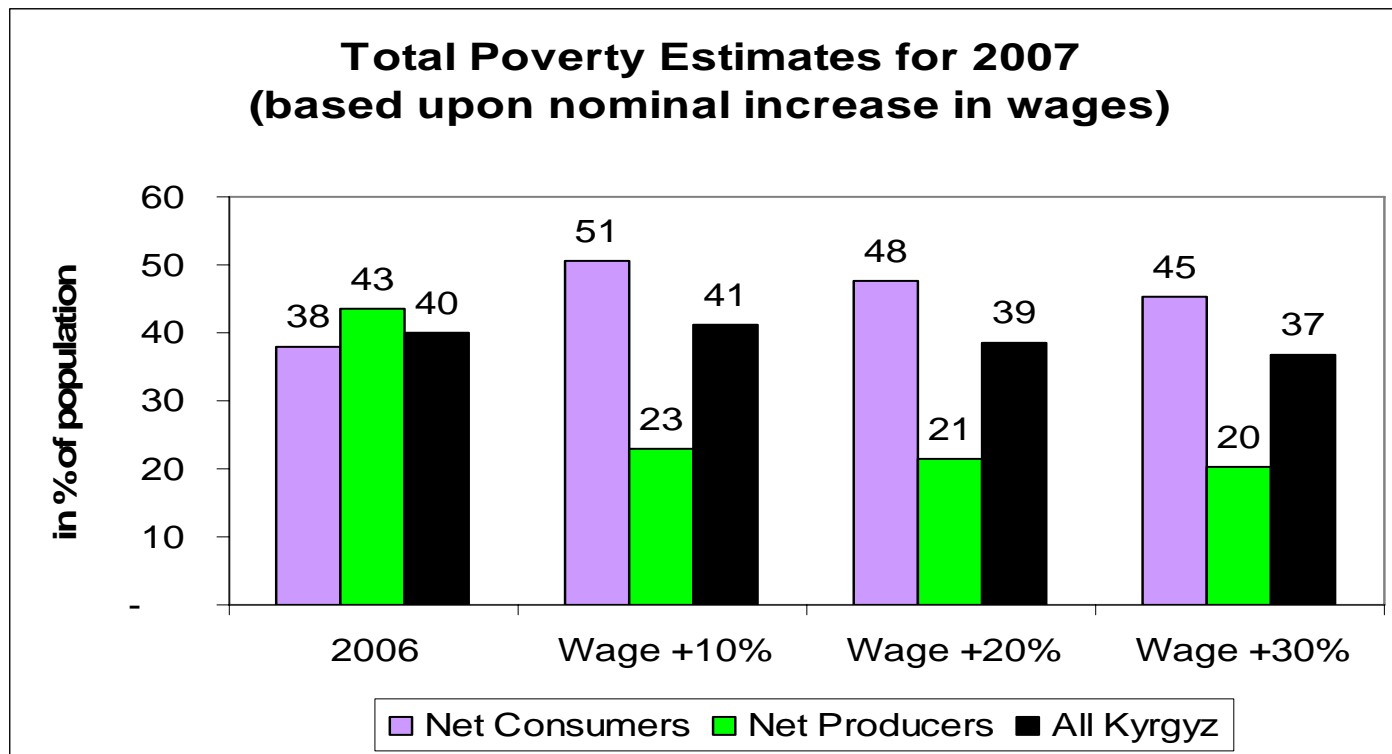


Implications for Poverty

Extreme poverty estimates



Total Poverty Estimates





Poverty developments

- Food price increases are going hand-in-hand with wage increases
- Net impact is uncertain and depends upon employment status and wage increases
- Food price increases will hurt net consumers significantly
- Extreme poverty will increase sharply between 56% to 84% (or 264,000 – 398,000 persons)
- Total poverty could either increase or decrease by 2-3 percentage points



Some concluding thoughts

- The extreme poor are being hit the hardest and the safety net must help those in the bottom 10-15% of the population
- Urban poverty will increase sharply
- As real incomes decline, vulnerability to poverty will increase