



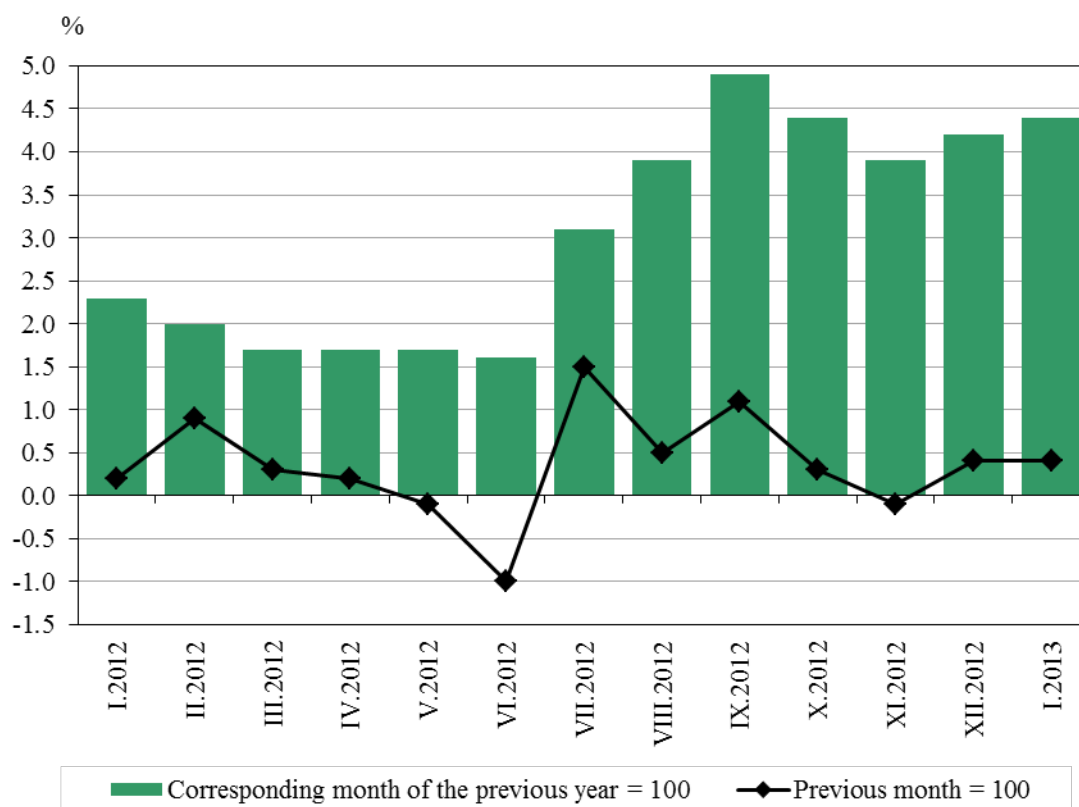
INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2013

Consumer price index (CPI)

According to the preliminary data of the NSI, the **consumer price index** in January 2013 compared to December 2012 was 100.4%, i.e. the monthly inflation was 0.4%. The annual inflation in January 2013 compared to January 2012 was 4.4% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2012 - January 2013) compared to the previous 12 months (February 2011 - January 2012) was 3.1%.

Figure 1. Inflation measured by CPI by months



In January 2013 compared to the previous month the prices of goods and services in the main consumer groups changed as follows:

- Food and non-alcoholic beverages - an increase of 1.7%;
- Alcoholic beverages and tobacco - an increase of 0.1%;
- Clothing and footwear - a decrease of 3.2%;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - a decrease of 0.7%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.5%;



- Health - a decrease of 0.1%;
- Transport - an increase of 0.1%;
- Communications - the prices remained at the level of the previous month;
- Recreation and culture - an increase of 0.2%;
- Education - the prices remained at the level of the previous month;
- Restaurants and hotels - an increase of 0.4%;
- Miscellaneous goods and service - an increase of 0.4%.

Harmonized index of consumer prices (HICP)

According to the preliminary data of the NSI, the **harmonized index of consumer prices** in January 2013 compared to December 2012 was 100.2%, i.e. the monthly inflation was 0.2%. The annual inflation in January 2013 compared to January 2012 was 2.6% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2012 - January 2013) compared to the previous 12 months (February 2011 - January 2012) was 2.4%.

In terms of HICP in January 2013 compared to the previous month the prices of goods and services in the main consumer groups changed as follows:

- Food and non-alcoholic beverages - an increase of 1.6%;
- Alcoholic beverages and tobacco - an increase of 0.1%;
- Clothing and footwear - a decrease of 2.7%;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - a decrease of 0.8%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.5%;
- Health - a decrease of 0.1%;
- Transport - the prices remained at the level of the previous month;
- Communications - the prices remained at the level of the previous month;
- Recreation and culture - the prices remained at the level of the previous month;
- Education - the prices remained at the level of the previous month;
- Restaurants and hotels - an increase of 0.8%;
- Miscellaneous goods and service - an increase of 0.2%.

Price index of a small basket (PISB)

According to the preliminary data of the NSI, the **price index of a small basket** in January 2013 compared to December 2012 was 101.1% (Annex, Table 3).

In January compared to the previous month the prices of goods and services in the small basket for the 20% households with the lowest income, changed as follows:

- Food products - an increase of 2.0%;
- Non-food products - a decrease of 0.4%;
- Services - a decrease of 0.2%.



Methodological notes

The **consumer price index (CPI)** is the official measure of inflation in the Republic of Bulgaria. It measures the total relative price change of goods and services used by households for private (non-production) consumption and it is calculated by applying the structure of the final monetary consumption expenditures of the Bulgarian households. The main source of information for the expenditures is the household budget survey in the country. CPI in year t is calculated with the expenditures structure of year $t-1$.

The **Harmonized Index of Consumer Prices (HICP)** is the comparable measure of inflation across EU Member states. It is one of the criteria of price stability and for readiness of Bulgaria to join the euro-zone. HICP, as well as CPI, measures the total relative price change of goods and services. Both indices are calculated using the same basket of goods and services, but differ with respect to the used weights. HICP is calculated through the use of weights, which reflect the individual and the collective consumption of all households (incl. institutional and foreign households) on the economic territory of the country. The main source of information for HICP weights is the national accounts data. HICP in year t is calculated with the weights of year $t-2$.

The **Price Index of a Small Basket (PISB)** is a measurement of the relative average price changes of 100 socially useful and vital for the living goods and services. The weights of this index reflect the expenditures of the 20% lowest income households. The source of weights information is the Households Budget Survey in the country. This index in year t is calculated with the weights of year $t-1$.

The **chain** consumer price indices measure the price change in current month compared to the previous month. The chain consumer price indices are used as a measure of **monthly inflation**.

The **12-month** consumer price indices measure the price changes having occurred between the current month and the same month of the previous year. The 12-month consumer price indices are used as a measure of **annual inflation**.

Consumer price indices **over December of the previous year** measure the accumulated changes in prices of the current month with respect to December of previous year. Consumer price indices over December of the previous year are used as measures of the **inflation since the beginning of the year**. In December of each year, the 12-month index is equal to the index over December of the previous year.

The **annual average** consumer price indices measure the average price change during the 12 months of the current year compared to the average price change during the 12 months of the previous year. The annual average consumer price indices are used as a measure of the **annual average inflation**.

January 2013 price indices are released as preliminary since they are calculated with the household budget data for the period October 2011 – September 2012. **The final January 2013 consumer price indices**, calculated with the annual 2012 household budget data for the weights, will be released along with the February 2013 data.



Annex

Table 1

Consumer price indices in January 2013 (preliminary data)

(Per cent)

Commodity groups	October 2011 - September 2012 weights	January 2013		
		Previous month = 100	December 2012 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.4	100.4	104.4
01 Food and non-alcoholic beverages	35.103	101.7	101.7	106.9
02 Alcoholic beverages, tobacco	5.378	100.1	100.1	100.4
03 Clothing and footwear	3.707	96.8	96.8	98.1
04 Housing, water, electricity, gas and other fuels	18.194	99.3	99.3	109.5
05 Furnishing, household equipment and routine maintenance of the house	3.602	99.5	99.5	99.8
06 Health	6.662	99.9	99.9	98.1
07 Transport	7.955	100.1	100.1	102.2
08 Communications	5.514	100.0	100.0	99.7
09 Recreation and culture	4.169	100.2	100.2	101.2
10 Education	0.523	100.0	100.0	104.2
11 Restaurants and hotels	4.943	100.4	100.4	103.7
12 Miscellaneous goods and services	4.250	100.4	100.4	101.0
Foods	36.434	101.7	101.7	106.7
Non-foods	30.700	99.6	99.6	100.7
Catering	4.710	100.3	100.3	103.8
Services	28.157	99.6	99.6	105.6



Table 2

Harmonized indices of consumer prices in January 2013 (preliminary data)

Commodity groups	October 2011 - September 2012 weights	January 2013			
		2005 = 100	Previous month = 100	December 2012 = 100	Corresponding month of the previous year = 100
	‰	%			
00 Total HICP	1000.000	146.40	100.2	100.2	102.6
01 Food and non-alcoholic beverages	222.494	157.17	101.6	101.6	106.1
02 Alcoholic beverages, tobacco	70.131	265.38	100.1	100.1	100.5
03 Clothing and footwear	32.560	128.64	97.3	97.3	98.6
04 Housing, water, electricity, gas and other fuels	95.383	148.51	99.2	99.2	108.5
05 Furnishing, household equipment and routine maintenance of the house	64.430	116.11	99.5	99.5	100.7
06 Health	67.214	140.24	99.9	99.9	100.0
07 Transport	196.958	144.43	100.0	100.0	101.7
08 Communications	62.266	91.29	100.0	100.0	99.2
09 Recreation and culture	57.496	107.58	100.0	100.0	98.3
10 Education	9.614	178.26	100.0	100.0	104.1
11 Restaurants and hotels	70.018	164.31	100.8	100.8	103.3
12 Miscellaneous goods and services	51.436	168.23	100.2	100.2	101.6

Table 3

Price indices of 100 socially useful and vital for the living goods and services in the small basket for the 20% lowest income households in January 2013 (preliminary data)

(Per cent)

Commodity groups	October 2011 - September 2012 weights	January 2013
		Previous month = 100
Total PISB	100.000	101.1
Food and non-alcoholic beverages	57.488	102.0
Clothing and footwear	2.416	98.0
Housing, water, electricity, gas and other fuels	23.547	99.7
Furnishing, household equipment and routine maintenance of the house	2.444	99.2
Health	6.883	99.9
Transport	1.543	100.0
Communications	1.344	100.0
Recreation and culture	0.525	100.4
Miscellaneous goods and services	3.809	100.0
Foods	57.488	102.0
Non-foods	20.050	99.6
Services	22.461	99.8