



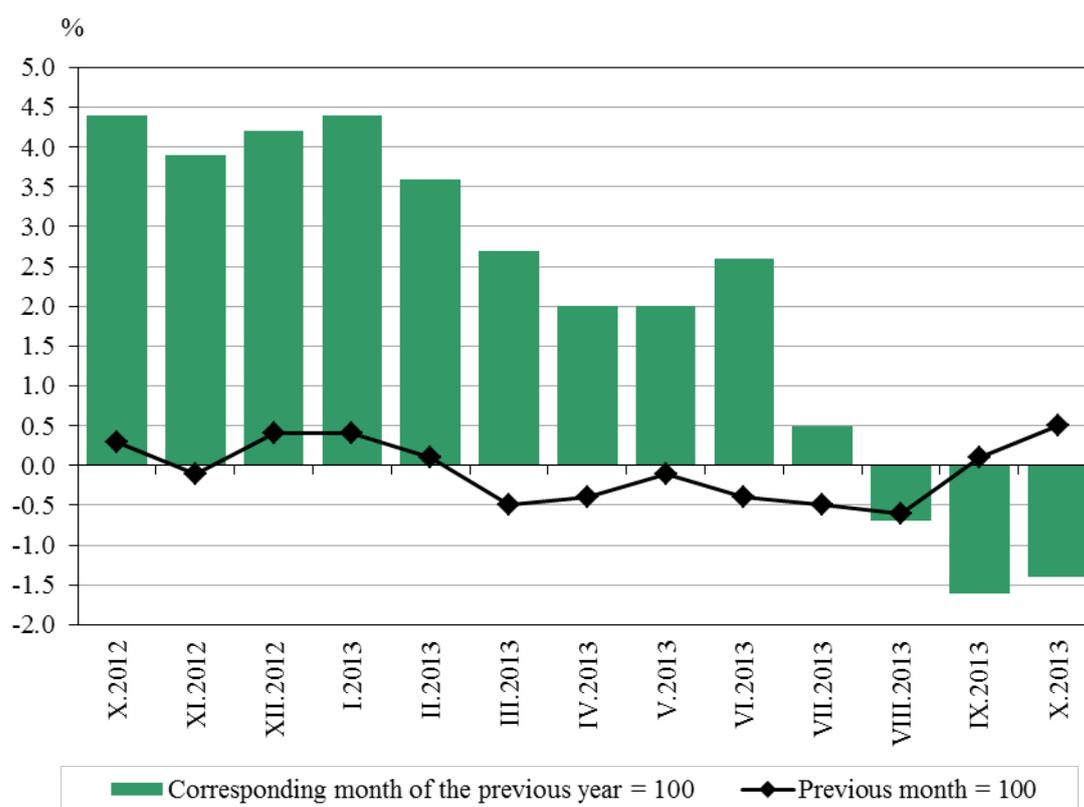
## INFLATION AND CONSUMER PRICE INDICES IN OCTOBER 2013

### Consumer price index (CPI)

The **consumer price index** in October 2013 compared to September 2013 was 100.5%, i.e. the monthly inflation was 0.5%. The inflation rate since the beginning of the year (October 2013 compared to December 2012) was -1.7% and the annual inflation in October 2013 compared to October 2012 was -1.4% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (November 2012 - October 2013) compared to the previous 12 months (November 2011 - October 2012) was 1.8%.

**Figure 1. Inflation measured by CPI by months**



In October 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 0.9%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - an increase of 4.9%;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - a decrease of 0.1%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.1%;



- Health - an increase of 0.2%;
- Transport - a decrease of 0.9%;
- Communications - an increase of 0.6%;
- Recreation and culture - an increase of 0.2%;
- Education - an increase of 0.4%;
- Restaurants and hotels - an increase of 0.1%;
- Miscellaneous goods and service - an increase of 0.2%.

### Harmonized index of consumer prices (HICP)

The **harmonized index of consumer prices** in October 2013 compared to September 2013 was 100.2%, i.e. the monthly inflation was 0.2%. The inflation rate since the beginning of the year (October 2013 compared to December 2012) was -1.2% and the annual inflation in October 2013 compared to October 2012 was -1.1% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (November 2012 - October 2013) compared to the previous 12 months (November 2011 - October 2012) was 1.0%.

In terms of HICP in October 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 0.6%;
- Alcoholic beverages and tobacco - an increase of 0.3%;
- Clothing and footwear - an increase of 4.1%;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - the prices remained at the level of the previous month;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.3%;
- Health - an increase of 0.1%;
- Transport - a decrease of 0.8%;
- Communications - an increase of 0.4%;
- Recreation and culture - a decrease of 0.1%;
- Education - an increase of 0.6%;
- Restaurants and hotels - a decrease of 0.2%;
- Miscellaneous goods and service - an increase of 0.1%.

### Price index of a small basket (PISB)

The **price index of a small basket** in October 2013 compared to September 2013 was 100.6% and the overall decrease since the beginning of the year (October 2013 compared to December 2012) was 97.4% (Annex, Table 3).

In October 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 1.0%;
- Non-food products - an increase of 0.1%;
- Services - the prices remained at the level of the previous month.



## 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 readiness of Bulgaria to join the euro-zone. HICP, as well as CPI, measure 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 household's incomes. 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 occurring between the current month and the same month of the previous year. The 12-months 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-months 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**.



Annex

Table 1

Consumer price indices in October 2013

(Per cent)

Commodity groups	2012 weights	October 2013		
		Previous month = 100	December 2012 = 100	Corresponding month of the previous year = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>100.5</b>	<b>98.3</b>	<b>98.6</b>
01 Food and non-alcoholic beverages	35.109	100.9	99.6	100.3
02 Alcoholic beverages, tobacco	5.360	100.2	100.8	100.9
03 Clothing and footwear	3.859	104.9	99.0	100.3
04 Housing, water, electricity, gas and other fuels	17.845	99.9	93.0	93.4
05 Furnishing, household equipment and routine maintenance of the house	3.695	99.9	99.4	99.0
06 Health	6.410	100.2	98.2	97.8
07 Transport	8.064	99.1	100.3	97.5
08 Communications	5.456	100.6	100.3	100.4
09 Recreation and culture	4.353	100.2	93.8	96.2
10 Education	0.420	100.4	100.9	100.9
11 Restaurants and hotels	5.112	100.1	101.6	102.8
12 Miscellaneous goods and services	4.316	100.2	100.5	100.3
Foods	36.427	100.9	99.7	100.3
Non-foods	30.617	100.4	98.9	98.3
Catering	4.887	100.1	101.9	102.7
Services	28.069	100.1	95.3	95.9



Table 2

**Harmonized indices of consumer prices in October 2013**

Commodity groups	2012 weights	October 2013			
		2005 = 100	Previous month = 100	December 2012 = 100	Corresponding month of the previous year = 100
	%	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>144.38</b>	<b>100.2</b>	<b>98.8</b>	<b>98.9</b>
01 Food and non-alcoholic beverages	222.519	154.04	100.6	99.6	100.1
02 Alcoholic beverages, tobacco	70.136	268.50	100.3	101.3	101.3
03 Clothing and footwear	32.546	131.29	104.1	99.3	100.5
04 Housing, water, electricity, gas and other fuels	95.353	139.83	100.0	93.4	93.7
05 Furnishing, household equipment and routine maintenance of the house	64.433	115.71	100.3	99.2	99.5
06 Health	67.175	138.71	100.1	98.9	98.6
07 Transport	197.061	144.15	99.2	99.8	97.9
08 Communications	62.136	90.98	100.4	99.6	99.6
09 Recreation and culture	57.501	101.73	99.9	94.6	95.9
10 Education	9.615	179.38	100.6	100.7	100.7
11 Restaurants and hotels	70.084	162.95	99.8	99.9	102.1
12 Miscellaneous goods and services	51.441	168.06	100.1	100.1	100.1

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 October 2013**

(Per cent)

Commodity groups	2012 weights	October 2013
		Previous month = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.6</b>
Food and non-alcoholic beverages	56.591	101.0
Clothing and footwear	2.613	102.9
Housing, water, electricity, gas and other fuels	24.336	99.9
Furnishing, household equipment and routine maintenance of the house	2.357	99.0
Health	6.776	99.9
Transport	1.581	100.2
Communications	1.237	100.0
Recreation and culture	0.544	100.1
Miscellaneous goods and services	3.964	100.1
Foods	56.591	101.0
Non-foods	20.830	100.1
Services	22.579	100.0