

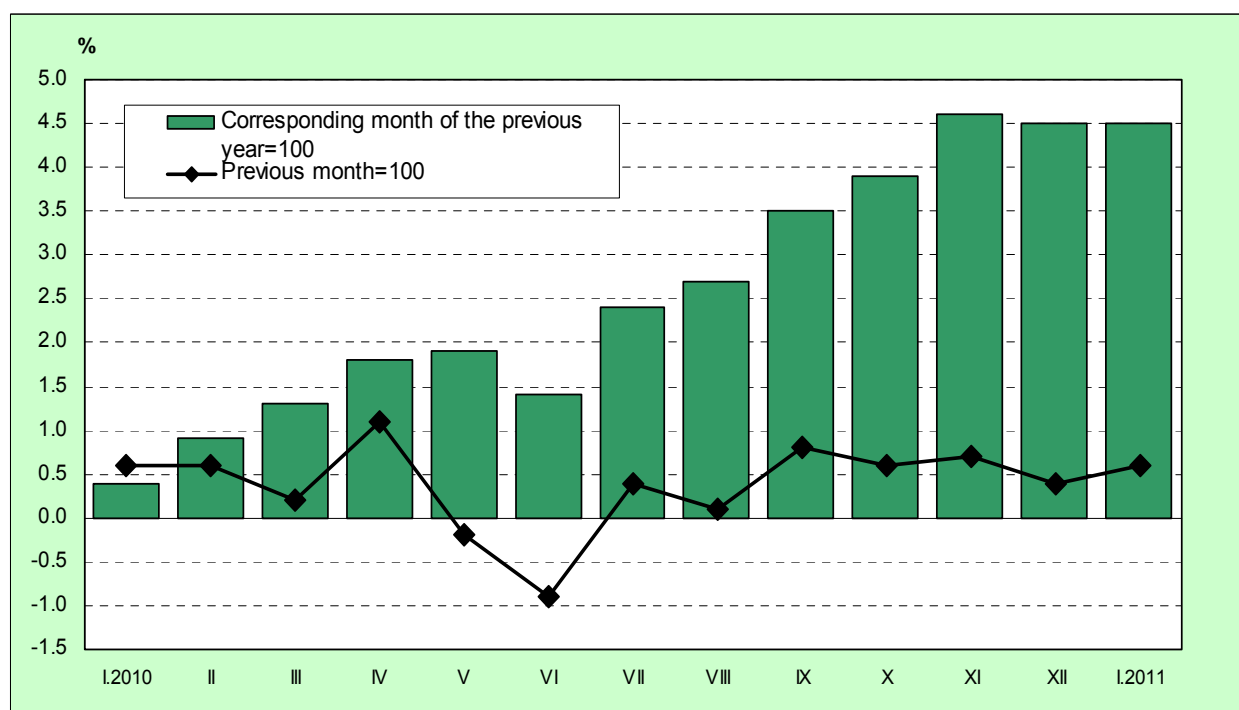


INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2011

According to the preliminary data of the NSI, the **consumer price index** (CPI) in January 2011 compared to December 2010 was **100.6%**, i.e. the monthly inflation was **0.6%**. The annual inflation in January 2011 compared to January 2010 was **4.5%** (Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2010 - January 2011) compared to the previous 12 months (February 2009 - January 2010) was **2.8%**.

Figure 1. Inflation measured by CPI by months



In January 2011 compared to the previous month the prices of goods and services in the main consumer groups have been changed as follows:

- Food and non-alcoholic beverages - an increase of **1.4%**;
- Alcoholic beverages and tobacco - an increase of **0.2%**;
- Clothing and footwear - a decrease of **1.0%**;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - a decrease of **0.4%**;
- Furnishings, household equipment and routine maintenance of the house - the prices have remained at the level of the previous month;
- Health - an increase of **1.0%**;
- Transport - an increase of **1.4%**;
- Communications - a decrease of **0.1%**;
- Recreation and culture - an increase of **0.2%**;
- Education - an increase of **0.2%**;



- Restaurants and hotels - an increase of **0.2%**;
- Miscellaneous goods and service - an increase of 0.4%.

According to the preliminary data of the NSI, the **harmonized index of consumer prices (HICP)** in January 2011 compared to December 2010 was **100.5%**, i.e. the monthly inflation was **0.5%**. The annual inflation in January 2011 compared to January 2010 was **4.3%** (Table 2).

The annual average inflation, measured by CPI, in the last 12 months (February 2010 - January 2011) compared to the previous 12 months (February 2009 - January 2010) was **3.2%**.

In terms of HICP in January 2011 compared to the previous month the prices of goods and services in the main consumer groups have been changed as follows:

- Food and non-alcoholic beverages - an increase of **1.0%**;
- Alcoholic beverages and tobacco - an increase of **0.2%**;
- Clothing and footwear - a decrease of **0.8%**;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - a decrease of **0.6%**;
- Furnishings, household equipment and routine maintenance of the house - a decrease of **0.3%**;
- Health - an increase of **3.0%**;
- Transport - an increase of **0.8%**;
- Communications - a decrease of **0.1%**;
- Recreation and culture - the prices have remained at the level of the previous month;
- Education - an increase of **0.1%**;
- Restaurants and hotels - an increase of **0.5%**;
- Miscellaneous goods and service - an increase of 0.6%.

According to the preliminary data of the NSI, the **price index of a small basket (PISB)** in January 2011 compared to December 2010 was **101.1%** (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, have changed as follows:

- Food products - an increase of **1.8%**;
- Non-food products - the prices have remained at the level of the previous month;
- Services - a decrease of 0.1%.



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 $t-3$.

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 2011 price indices are released as preliminary since they are calculated with the household budget data for the period October 2009 – September 2010. **The final January 2011 consumer price indices**, calculated with the annual 2010 household budget data for the weights, will be released along with the February 2011 data.



Annexes

Table 1

**CONSUMER PRICE INDICES: JANUARY 2011
(PRELIMINARY DATA)**

(Per cent)

Commodity groups	October 2009 - September 2010 weights - %	January 2011		
		Previous month = 100	December 2010 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.6	100.6	104.5
01 Food and non-alcoholic beverages	35.938	101.4	101.4	104.6
02 Alcoholic beverages, tobacco	5.494	100.2	100.2	125.4
03 Clothing and footwear	3.470	99.0	99.0	101.1
04 Housing, water, electricity, gas and other fuels	17.200	99.6	99.6	102.5
05 Furnishing, household equipment and routine maintenance of the house	4.257	100.0	100.0	99.4
06 Health	6.838	101.0	101.0	101.7
07 Transport	7.340	101.4	101.4	110.0
08 Communications	5.595	99.9	99.9	98.8
09 Recreation and culture	3.715	100.2	100.2	97.8
10 Education	0.451	100.2	100.2	101.8
11 Restaurants and hotels	5.698	100.2	100.2	101.2
12 Miscellaneous goods and services	4.005	100.4	100.4	104.5
Foods	37.263	101.4	101.4	104.5
Non-foods	30.682	100.2	100.2	107.4
Catering	5.394	100.1	100.1	101.9
Services	26.661	100.1	100.1	101.5



Table 2

**HARMONIZED INDICES OF CONSUMER PRICES: JANUARY 2011
(PRELIMINARY DATA)**

(Per cent)

Commodity groups	2008 - weights - ‰	January 2011			
		2005 = 100	Previous month = 100	December 2010 = 100	Corresponding month of the previous year = 100
00 Total HICP	1000.000	139.96	100.5	100.5	104.3
01 Food and non-alcoholic beverages	204.274	142.92	101.0	101.0	104.1
02 Alcoholic beverages, tobacco	109.113	263.69	100.2	100.2	124.6
03 Clothing and footwear	34.521	127.59	99.2	99.2	101.3
04 Housing, water, electricity, gas and other fuels	78.038	133.70	99.4	99.4	102.8
05 Furnishing, household equipment and routine maintenance of the house	78.645	115.57	99.7	99.7	99.6
06 Health	50.121	131.28	103.0	103.0	103.8
07 Transport	169.694	136.79	100.8	100.8	107.3
08 Communications	56.402	93.38	99.9	99.9	98.8
09 Recreation and culture	71.701	115.84	100.0	100.0	97.3
10 Education	10.885	160.96	100.1	100.1	101.9
11 Restaurants and hotels	69.290	156.53	100.5	100.5	100.5
12 Miscellaneous goods and services	67.317	161.57	100.6	100.6	109.7

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: JANUARY 2011
(PRELIMINARY DATA)**

Commodity groups	October 2009 - September 2010 weights - %	(Per cent)
		January 2011 Previous month = 100
Total PISB	100.000	101.1
Food and non-alcoholic beverages	58.435	101.8
Clothing and footwear	2.706	99.3
Housing, water, electricity, gas and other fuels	22.126	99.9
Furnishing, household equipment and routine maintenance of the house	2.602	100.4
Health	6.158	100.0
Transport	1.774	100.3
Communications	1.804	100.0
Recreation and culture	0.592	100.0
Miscellaneous goods and services	3.804	100.0
Foods	58.435	101.8
Non-foods	19.951	100.0
Services	21.615	99.9