

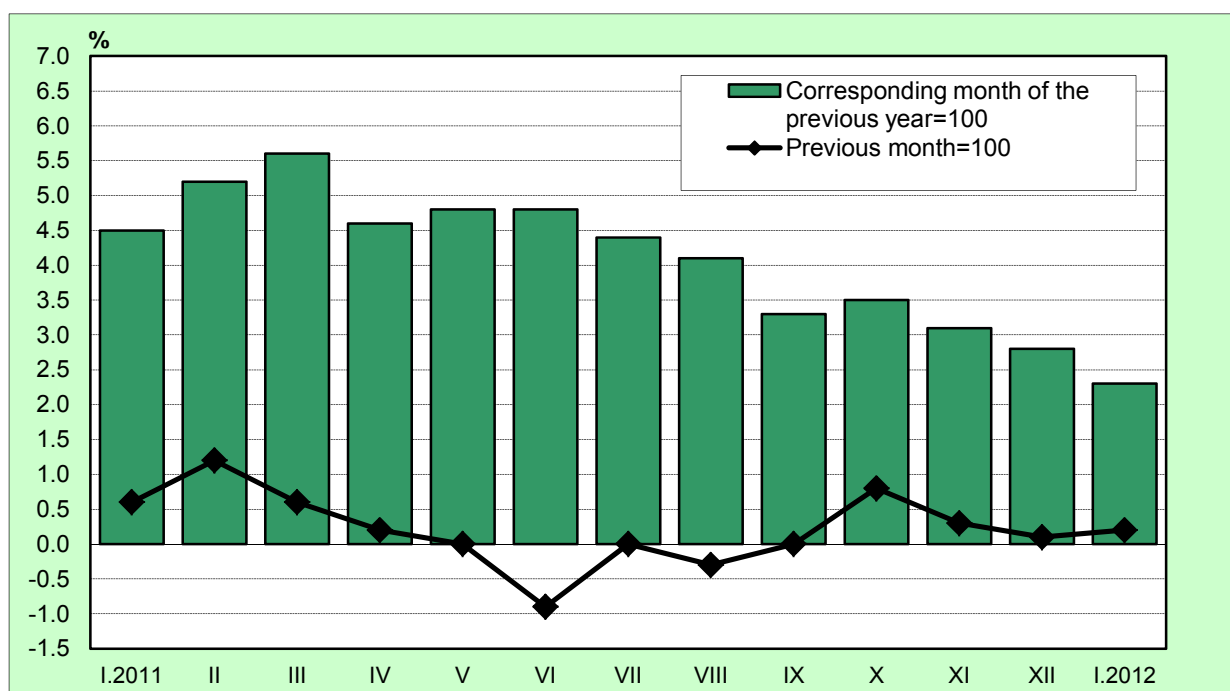


INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2012

According to the preliminary data of the NSI, the **consumer price index** (CPI) in January 2012 compared to December 2011 was **100.2%**, i.e. the monthly inflation was **0.2%**. The annual inflation in January 2012 compared to January 2011 was **2.3%** (Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2011 - January 2012) compared to the previous 12 months (February 2010 - January 2011) was **4.0%**.

Figure 1. Inflation measured by CPI by months



In January 2012 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 **0.3%**;
- Alcoholic beverages and tobacco - the prices have remained at the level of the previous month;
- Clothing and footwear - a decrease of **1.9%**;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - the prices have remained at the level of the previous month;
- Furnishings, household equipment and routine maintenance of the house - a decrease of **0.1%**;
- Health - an increase of **0.2%**;
- Transport - an increase of **2.7%**;
- Communications - a decrease of **0.1%**;
- Recreation and culture - a decrease of **1.1%**;
- Education - an increase of **2.0%**;



- Restaurants and hotels - an increase of **0.2%**;
- Miscellaneous goods and service - an increase of **0.1%**.

According to the preliminary data of the NSI, the **harmonized index of consumer prices (HICP)** in January 2012 compared to December 2011 was **100.3%**, i.e. the monthly inflation was **0.3%**. The annual inflation in January 2012 compared to January 2011 was **1.9%** (Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2011 - January 2012) compared to the previous 12 months (February 2010 - January 2011) was **3.2%**.

In terms of HICP in January 2012 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 **0.2%**;
- Alcoholic beverages and tobacco - an increase of **0.1%**;
- Clothing and footwear - a decrease of **1.6%**;
- Housing (rentals, maintenance and repair), water, electricity, gas and other fuels - the prices have remained at the level of the previous month;
- Furnishings, household equipment and routine maintenance of the house - a decrease of **0.1%**;
- Health - an increase of **0.3%**;
- Transport - an increase of **1.5%**;
- Communications - a decrease of **0.1%**;
- Recreation and culture - a decrease of **1.1%**;
- Education - an increase of **1.9%**;
- Restaurants and hotels - an increase of **0.8%**;
- Miscellaneous goods and service - an increase of **0.1%**.

According to the preliminary data of the NSI, the **price index of a small basket (PISB)** in January 2012 compared to December 2011 was **100.1%** (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 been changed as follows:

- Food products - an increase of **0.3%**;
- Non-food products - a decrease of **0.2%**;
- Services - an increase 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 $t-2$.

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 2012 price indices are released as preliminary since they are calculated with the household budget data for the period October 2010 – September 2011. **The final January 2012 consumer price indices**, calculated with the annual 2011 household budget data for the weights, will be released along with the February 2012 data.



Annexes

Table1

CONSUMER PRICE INDICES: JANUARY 2012 (PRELIMINARY DATA)

(Per cent)

Commodity groups	October 2010 - September 2011 weights - %	January 2012		
		Previous month = 100	December 2011 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.2	100.2	102.3
01 Food and non-alcoholic beverages	37.446	100.3	100.3	103.1
02 Alcoholic beverages, tobacco	5.322	100.0	100.0	99.9
03 Clothing and footwear	3.517	98.1	98.1	102.5
04 Housing, water, electricity, gas and other fuels	16.853	100.0	100.0	102.7
05 Furnishing, household equipment and routine maintenance of the house	3.421	99.9	99.9	99.7
06 Health	6.679	100.2	100.2	102.2
07 Transport	7.476	102.7	102.7	105.3
08 Communications	5.651	99.9	99.9	99.3
09 Recreation and culture	3.825	98.9	98.9	96.4
10 Education	0.506	102.0	102.0	106.4
11 Restaurants and hotels	5.156	100.2	100.2	103.3
12 Miscellaneous goods and services	4.146	100.1	100.1	102.2
Foods	38.737	100.3	100.3	103.0
Non-foods	29.521	100.4	100.4	102.0
Catering	4.777	100.0	100.0	103.7
Services	26.965	100.0	100.0	101.5



Table 2

HARMONISED INDICES OF CONSUMER PRICES: JANUARY 2012 (PRELIMINARY DATA)

(Per cent)

Commodity groups	2010 - weights - ‰	2005 = 100	January 2012		Corresponding month of the previous year = 100
			Previous month = 100	December 2011 = 100	
00 Total HICP	1000.000	142.58	100.3	100.3	101.9
01 Food and non-alcoholic beverages	182.027	148.18	100.2	100.2	103.7
02 Alcoholic beverages, tobacco	81.203	263.91	100.1	100.1	100.1
03 Clothing and footwear	34.859	130.52	98.4	98.4	102.5
04 Housing, water, electricity, gas and other fuels	89.330	136.89	100.0	100.0	102.4
05 Furnishing, household equipment and routine maintenance of the house	86.241	115.28	99.9	99.9	99.7
06 Health	54.212	140.24	100.3	100.3	106.7
07 Transport	203.341	141.68	101.5	101.5	103.6
08 Communications	63.867	92.02	99.9	99.9	98.7
09 Recreation and culture	68.897	109.25	98.9	98.9	94.4
10 Education	9.770	171.24	101.9	101.9	106.4
11 Restaurants and hotels	69.781	159.21	100.8	100.8	101.8
12 Miscellaneous goods and services	56.472	165.59	100.1	100.1	102.5

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 2012
(PRELIMINARY DATA)**

Commodity groups	October 2010 - September 2011 weights - %	(Per cent)
		January 2012 Previous month = 100
Total PISB	100.000	100.1
Food and non-alcoholic beverages	59.869	100.3
Clothing and footwear	2.491	99.6
Housing, water, electricity, gas and other fuels	20.735	100.1
Furnishing, household equipment and routine maintenance of the house	2.575	99.4
Health	6.361	100.0
Transport	1.774	100.9
Communications	1.575	100.0
Recreation and culture	0.610	100.2
Miscellaneous goods and services	4.011	99.2
Foods	59.869	100.3
Non-foods	19.400	99.8
Services	20.731	100.1