



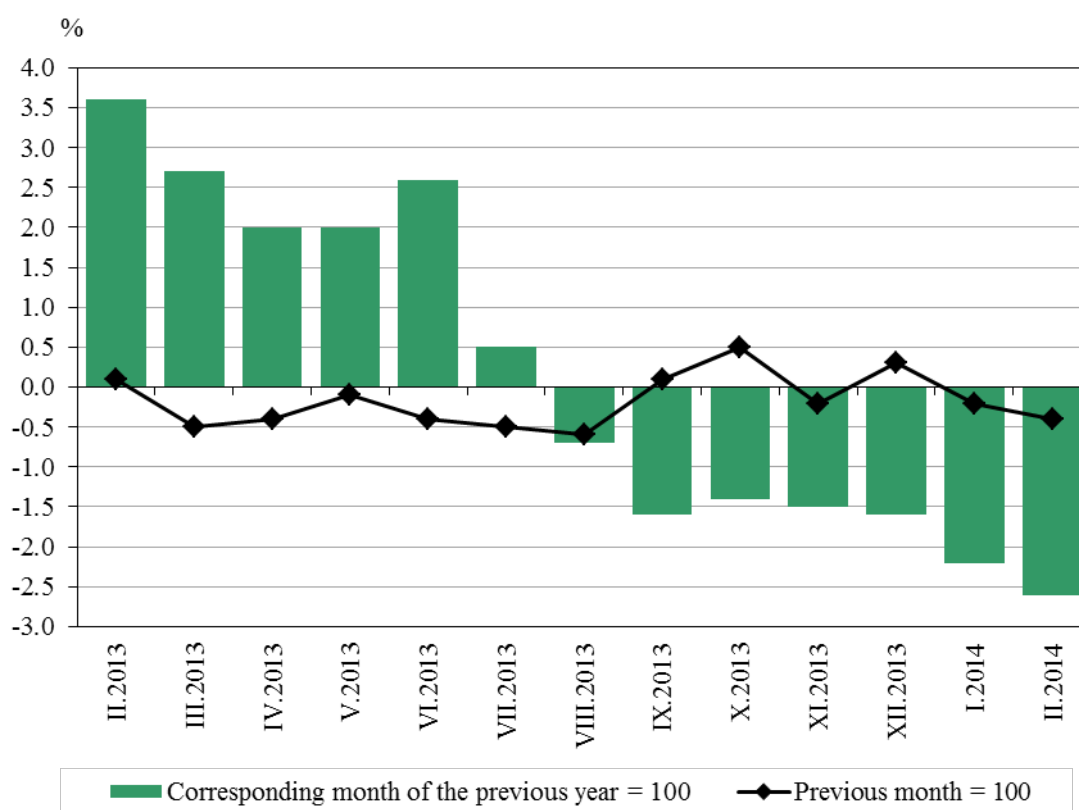
## INFLATION AND CONSUMER PRICE INDICES IN FEBRUARY 2014

### Consumer price index (CPI)

The **consumer price index** in February 2014 compared to January 2014 was 99.6%, i.e. the monthly inflation was -0.4%. The inflation rate since the beginning of the year (February 2014 compared to December 2013) was -0.6% and the annual inflation in February 2014 compared to February 2013 was -2.6% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (March 2013 - February 2014) compared to the previous 12 months (March 2012 - February 2013) was -0.2%.

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



In February 2014 compared to the previous month the prices of goods and services in the main consumer groups have changed as follows:

- Food and non-alcoholic beverages - an increase of 0.2%;
- Alcoholic beverages and tobacco - the prices remained at the level of the previous month;
- Clothing and footwear - a decrease of 3.1%;
- 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 0.8%;
- Health - a decrease of 0.2%;



- Transport - a decrease of 2.3%;
- Communications - a decrease of 0.1%;
- Recreation and culture - a decrease of 0.1%;
- Education - an increase of 0.2%;
- Restaurants and hotels - the prices remained at the level of the previous month;
- Miscellaneous goods and service - a decrease of 0.4%.

According to the final data of the NSI, the consumer price index in January 2014 compared to December 2013 was 99.8%, i.e. the monthly inflation was -0.2% (Annex, Table 4).

### **Harmonized index of consumer prices (HICP)**

The **harmonized index of consumer prices** in February 2014 compared to January 2014 was 99.4%, i.e. the monthly inflation was -0.6%. The inflation rate since the beginning of the year (February 2014 compared to December 2013) was -0.9% and the annual inflation in February 2014 compared to February 2013 was -2.1% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (March 2013 - February 2014) compared to the previous 12 months (March 2012 - February 2013) was -0.3%.

In terms of HICP, in February 2014 compared to the previous month the prices of goods and services in the main consumer groups have changed as follows:

- Food and non-alcoholic beverages - an increase of 0.2%;
- Alcoholic beverages and tobacco - the prices remained at the level of the previous month;
- Clothing and footwear - a decrease of 2.5%;
- 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 0.6%;
- Health - a decrease of 0.4%;
- Transport - a decrease of 2.3%;
- Communications - a decrease of 0.1%;
- Recreation and culture - a decrease of 0.3%;
- Education - an increase of 0.2%;
- Restaurants and hotels - a decrease of 0.1%;
- Miscellaneous goods and service - a decrease of 0.2%.

According to the final data of the NSI, the harmonized index of consumer prices in January 2014 compared to December 2013 was 99.7%, i.e. the monthly inflation was -0.3% (Annex, Table 5).

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

The **price index of a small basket** in February 2014 compared to January 2014 was 100.0% and in February 2014 compared to December 2013 had been 100.0% (Annex, Table 3).



In February 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 0.2%;
- Non-food products - a decrease of 0.5%;
- Services - the prices remained at the level of the previous month.

According to the final data of the NSI, the price index of a small basket in January 2014 compared to December 2013 was 100.0% (Annex, Table 6).



## 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 is calculated by applying the structure of the final monetary consumption expenditures of 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 weights used. 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 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 the 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 the 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**.

**January 2014 price indices were released as preliminary** since they were calculated with the household budget data for the period October 2012 – September 2013. **The final January 2014 consumer price indices**, calculated with the annual 2013 household budget data for the weights, are released along with the February 2014 data.



## Annex

Table 1

### Consumer price indices in February 2014

(Per cent)

Commodity groups	2013 weights	February 2014		
		Previous month = 100	December 2013 = 100	Corresponding month of the previous year = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>99.6</b>	<b>99.4</b>	<b>97.4</b>
01 Food and non-alcoholic beverages	33.015	100.2	101.1	98.5
02 Alcoholic beverages, tobacco	4.856	100.0	100.2	101.4
03 Clothing and footwear	4.228	96.9	93.8	98.4
04 Housing, water, electricity, gas and other fuels	17.334	99.9	98.7	92.3
05 Furnishing, household equipment and routine maintenance of the house	4.180	99.2	99.1	98.4
06 Health	6.476	99.8	97.7	96.2
07 Transport	8.593	97.7	97.0	96.3
08 Communications	5.279	99.9	99.9	99.9
09 Recreation and culture	4.869	99.9	99.8	96.7
10 Education	0.678	100.2	100.2	101.3
11 Restaurants and hotels	6.059	100.0	100.4	102.0
12 Miscellaneous goods and services	4.433	99.6	99.6	100.2
Foods	34.271	100.2	101.0	98.7
Non-foods	31.516	99.0	98.4	97.8
Catering	5.611	100.0	100.2	101.8
Services	28.603	99.7	98.5	94.7



Table 2

**Harmonized indices of consumer prices in February 2014**

Commodity groups	2012 weights	February 2014			
		2005 = 100	Previous month = 100	December 2013 = 100	Corresponding month of the previous year = 100
	%	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>143.57</b>	<b>99.4</b>	<b>99.1</b>	<b>97.9</b>
01 Food and non-alcoholic beverages	230.884	155.04	100.2	101.1	98.7
02 Alcoholic beverages, tobacco	69.453	270.78	100.0	100.2	101.8
03 Clothing and footwear	33.997	125.00	97.5	94.9	99.0
04 Housing, water, electricity, gas and other fuels	87.605	137.94	99.9	98.7	92.7
05 Furnishing, household equipment and routine maintenance of the house	66.964	114.36	99.4	99.3	98.5
06 Health	60.572	134.38	99.6	96.9	95.9
07 Transport	189.910	140.66	97.7	96.8	96.1
08 Communications	60.330	90.60	99.9	99.8	99.2
09 Recreation and culture	62.802	102.35	99.7	99.4	95.5
10 Education	9.428	179.81	100.2	100.2	101.1
11 Restaurants and hotels	78.143	168.25	99.9	100.9	102.7
12 Miscellaneous goods and services	49.911	167.28	99.8	99.4	99.5

**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 in February 2014**

(Per cent)

Commodity groups	2013 weights	February 2014
		Previous month = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.0</b>
Food and non-alcoholic beverages	55.594	100.2
Clothing and footwear	3.251	97.8
Housing, water, electricity, gas and other fuels	24.954	100.0
Furnishing, household equipment and routine maintenance of the house	2.403	98.4
Health	6.839	100.0
Transport	1.499	100.0
Communications	0.989	100.0
Recreation and culture	0.673	99.6
Miscellaneous goods and services	3.798	100.0
Foods	55.594	100.2
Non-foods	23.373	99.5
Services	21.033	100.0



**Table 4**

**Consumer price indices in January 2014 (final data)**

(Per cent)

Commodity groups	2013 weights	January 2014		
		Previous month = 100	December 2013 = 100	Corresponding month of the previous year = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>99.8</b>	<b>99.8</b>	<b>97.8</b>
01 Food and non-alcoholic beverages	33.015	100.9	100.9	98.2
02 Alcoholic beverages, tobacco	4.856	100.2	100.2	101.5
03 Clothing and footwear	4.228	96.8	96.8	99.3
04 Housing, water, electricity, gas and other fuels	17.334	98.8	98.8	92.4
05 Furnishing, household equipment and routine maintenance of the house	4.180	99.9	99.9	99.6
06 Health	6.476	98.0	98.0	96.2
07 Transport	8.593	99.2	99.2	100.4
08 Communications	5.279	100.0	100.0	100.1
09 Recreation and culture	4.869	99.9	99.9	96.6
10 Education	0.678	100.0	100.0	100.9
11 Restaurants and hotels	6.059	100.4	100.4	102.3
12 Miscellaneous goods and services	4.433	99.9	99.9	100.3
Foods	34.271	100.9	100.9	98.4
Non-foods	31.516	99.4	99.4	99.0
Catering	5.611	100.1	100.1	102.1
Services	28.603	98.8	98.8	95.0





Table 5

Harmonized indices of consumer prices in January 2014 (final data)

Commodity groups	2012 weights	January 2014			
		2005 = 100	Previous month = 100	December 2013 = 100	Corresponding month of the previous year = 100
	‰	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>144.42</b>	<b>99.7</b>	<b>99.7</b>	<b>98.6</b>
01 Food and non-alcoholic beverages	230.884	154.79	100.9	100.9	98.5
02 Alcoholic beverages, tobacco	69.453	270.86	100.2	100.2	102.1
03 Clothing and footwear	33.997	128.17	97.3	97.3	99.7
04 Housing, water, electricity, gas and other fuels	87.605	138.07	98.8	98.8	93.0
05 Furnishing, household equipment and routine maintenance of the house	66.964	115.05	99.9	99.9	99.1
06 Health	60.572	134.96	97.3	97.3	96.2
07 Transport	189.910	143.96	99.1	99.1	99.7
08 Communications	60.330	90.71	99.9	99.9	99.4
09 Recreation and culture	62.802	102.62	99.7	99.7	95.4
10 Education	9.428	179.48	100.1	100.1	100.7
11 Restaurants and hotels	78.143	168.41	101.0	101.0	102.5
12 Miscellaneous goods and services	49.911	167.57	99.6	99.6	99.6

Table 6

**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 2014 (final data)**

(Per cent)

Commodity groups	2013 weights	January 2014
		Previous month = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.0</b>
Food and non-alcoholic beverages	55.594	101.0
Clothing and footwear	3.251	98.0
Housing, water, electricity, gas and other fuels	24.954	98.5
Furnishing, household equipment and routine maintenance of the house	2.403	99.8
Health	6.839	99.2
Transport	1.499	100.0
Communications	0.989	100.0
Recreation and culture	0.673	100.3
Miscellaneous goods and services	3.798	99.4
Foods	55.594	101.0
Non-foods	23.373	99.4
Services	21.033	98.2