



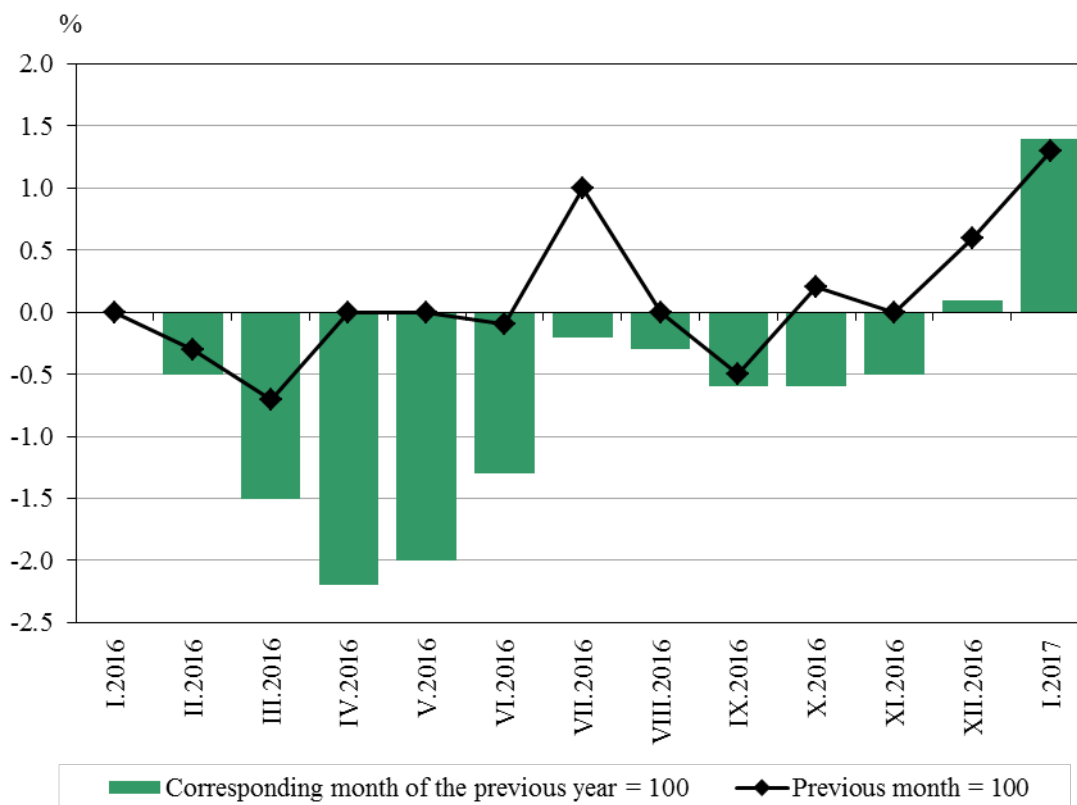
INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2017

Consumer price index (CPI)

According to the preliminary data of the NSI, the **consumer price index** in January 2017 compared to December 2016 was 101.3%, i.e. the monthly inflation was 1.3%. The annual inflation in January 2017 compared to January 2016 was 1.4% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2016 - January 2017) compared to the previous 12 months (February 2015 - January 2016) was -0.7%.

Figure 1. Inflation measured by CPI by months



In January 2017 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 3.5%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - a decrease of 2.8%;
- Housing, water, electricity, gas and other fuels - an increase of 0.8%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.1%;
- Health - an increase of 0.2%;



- Transport - an increase of 1.1%;
- Communications - a decrease of 0.7%;
- Recreation and culture - an increase of 0.5%;
- Education - an increase of 0.3%;
- Restaurants and hotels - an increase of 0.5%;
- Miscellaneous goods and service - an increase of 0.1%.

Harmonized index of consumer prices (HICP)

According to the preliminary data of the NSI, the **harmonized index of consumer prices** in January 2017 compared to December 2016 was 100.7%, i.e. the monthly inflation was 0.7%. The annual inflation in January 2017 compared to January 2016 was 0.4% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2016 - January 2017) compared to the previous 12 months (February 2015 - January 2016) was -1.3%.

In terms of HICP, in January 2017 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 2.9%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - a decrease of 2.6%;
- Housing, water, electricity, gas and other fuels - an increase of 0.4%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.1%;
- Health - an increase of 0.2%;
- Transport - an increase of 0.3%;
- Communications - a decrease of 0.7%;
- Recreation and culture - an increase of 0.2%;
- Education - an increase of 0.3%;
- Restaurants and hotels - an increase of 1.2%;
- Miscellaneous goods and service - an increase of 0.1%.

Price index of a small basket (PISB)

According to the preliminary data of the NSI, the **price index of a small basket** in January 2017 compared to December 2016 was 102.1% (Annex, Table 3).

In January 2017 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 3.8%;
- Non-food products - an increase of 0.6%;
- 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 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 $t-2$.

In compliance with Regulation (EC) No 2015/2010 since January 2016 the base year for HICP has been changed and the all indices have been calculated and published at 2015 as a base year. The time series have been recalculated according to the new base year and have been posted on the NSI website (www.nsi.bg).

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 2017 price indices are released as preliminary since they are calculated with the household budget data for the period October 2015 - September 2016. **The final January 2017 consumer price indices**, calculated with the annual 2016 household budget data for the weights, will be released along with the February 2017 data.



Annex

Table 1

Consumer price indices in January 2017 (Preliminary data)

(Per cent)

Commodity groups	October 2015 - September 2016 weights	January 2017		
		Previous month = 100	December 2016 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	101.3	101.3	101.4
01 Food and non-alcoholic beverages	31.893	103.5	103.5	104.0
02 Alcoholic beverages and tobacco	5.251	100.2	100.2	102.1
03 Clothing and footwear	4.409	97.2	97.2	97.6
04 Housing, water, electricity, gas and other fuels	17.440	100.8	100.8	100.9
05 Furnishings, household equipment and routine household maintenance	4.387	99.9	99.9	98.3
06 Health	6.770	100.2	100.2	100.1
07 Transport	8.722	101.1	101.1	102.3
08 Communication	5.450	99.3	99.3	94.6
09 Recreation and culture	5.330	100.5	100.5	99.7
10 Education	0.575	100.3	100.3	103.8
11 Restaurants and hotels	5.233	100.5	100.5	102.0
12 Miscellaneous goods and service	4.540	100.1	100.1	99.7
Foods	33.241	103.4	103.4	103.8
Non-foods	33.149	100.5	100.5	101.2
Catering	4.751	100.2	100.2	101.9
Services	28.859	99.9	99.9	98.8



Table 2

Harmonized indices of consumer prices in January 2017 (Preliminary data)

Commodity groups	2015 weights	January 2017			
		2015 = 100	Previous month = 100	December 2016 = 100	Corresponding month of the previous year = 100
		%			
00 Total HICP	1000.000	99.81	100.7	100.7	100.4
01 Food and non-alcoholic beverages	212.760	103.68	102.9	102.9	103.6
02 Alcoholic beverages and tobacco	78.769	102.50	100.2	100.2	101.6
03 Clothing and footwear	37.235	98.43	97.4	97.4	98.0
04 Housing, water, electricity, gas and other fuels	100.555	99.69	100.4	100.4	100.3
05 Furnishings, household equipment and routine household maintenance	62.713	98.68	99.9	99.9	98.6
06 Health	64.028	100.02	100.2	100.2	100.1
07 Transport	166.095	95.00	100.3	100.3	99.2
08 Communication	58.948	93.50	99.3	99.3	94.4
09 Recreation and culture	68.187	99.32	100.2	100.2	98.9
10 Education	10.243	104.98	100.3	100.3	103.8
11 Restaurants and hotels	86.996	104.04	101.2	101.2	102.2
12 Miscellaneous goods and service	53.470	99.25	100.1	100.1	100.0

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 2017
(Preliminary data)**

(Per cent)

Commodity groups	October 2015 - September 2016 weights	January 2017
		Previous month = 100
Total PISB	100.000	102.1
Food and non-alcoholic beverages	50.909	103.8
Clothing and footwear	3.555	98.4
Housing, water, electricity, gas and other fuels	28.520	100.8
Furnishings, household equipment and routine household maintenance	2.418	99.8
Health	8.067	100.3
Transport	1.534	100.0
Communication	0.540	100.0
Recreation and culture	0.594	100.0
Miscellaneous goods and service	3.863	99.4
Foods	50.909	103.8
Non-foods	26.161	100.6
Services	22.929	100.0