



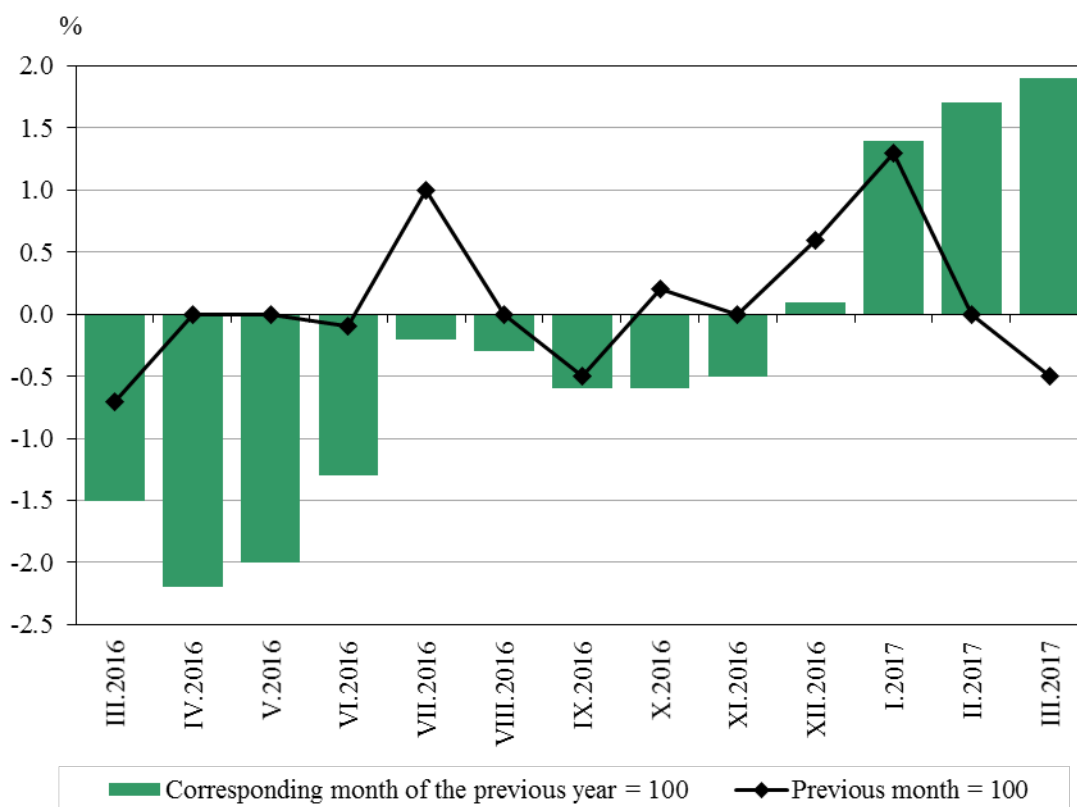
INFLATION AND CONSUMER PRICE INDICES IN MARCH 2017

Consumer price index (CPI)

The **consumer price index** in March 2017 compared to February 2017 was 99.5%, i.e. the monthly inflation was -0.5%. The inflation rate since the beginning of the year (March 2017 compared to December 2016) has been 0.8% and the annual inflation in March 2017 compared to March 2016 was 1.9% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (April 2016 - March 2017) compared to the previous 12 months (April 2015 - March 2016) was -0.2%.

Figure 1. Inflation measured by CPI by months



In March 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 - a decrease of 0.5%;
- Alcoholic beverages and tobacco - a decrease of 0.1%;
- Clothing and footwear - a decrease of 0.9%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.2%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.2%;
- Health - the prices remained at the level of the previous month;



- Transport - a decrease of 0.2%;
- Communications - a decrease of 1.1%;
- Recreation and culture - a decrease of 2.6%;
- Education - an increase of 0.4%;
- Restaurants and hotels - a decrease of 0.2%;
- Miscellaneous goods and service - an increase of 0.4%.

Harmonized index of consumer prices (HICP)

The **harmonized index of consumer prices** in March 2017 compared to February 2017 was 99.5%, i.e. the monthly inflation was -0.5%. The inflation rate since the beginning of the year (March 2017 compared to December 2016) has been 0.2% and the annual inflation in March 2017 compared to March 2016 was 1.0% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (April 2016 - March 2017) compared to the previous 12 months (April 2015 - March 2016) was -0.9%.

In terms of HICP, in March 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 - a decrease of 0.5%;
- Alcoholic beverages and tobacco - a decrease of 0.1%;
- Clothing and footwear - a decrease of 0.8%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.1%;
- Furnishings, household equipment and routine maintenance of the house - the prices remained at the level of the previous month;
- Health - the prices remained at the level of the previous month;
- Transport - a decrease of 0.7%;
- Communications - a decrease of 1.1%;
- Recreation and culture - a decrease of 1.4%;
- Education - an increase of 0.4%;
- Restaurants and hotels - a decrease of 1.2%;
- Miscellaneous goods and service - an increase of 0.3%.



Price index of a small basket (PISB)

The **price index of a small basket** in March 2017 compared to February 2017 was 99.7% and the overall increase since the beginning of the year (March 2017 compared to December 2016) has been 102.2% (Annex, Table 3).

In March 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 - a decrease of 0.6%;
- Non-food products - a decrease 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 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**.



Annex

Table 1

Consumer price indices in March 2017

(Per cent)

Commodity groups	2016 weights	March 2017		
		Previous month = 100	December 2016 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	99.5	100.8	101.9
01 Food and non-alcoholic beverages	31.824	99.5	103.2	104.1
02 Alcoholic beverages and tobacco	5.295	99.9	100.1	101.7
03 Clothing and footwear	4.428	99.1	94.3	98.5
04 Housing, water, electricity, gas and other fuels	17.646	99.8	101.0	101.1
05 Furnishings, household equipment and routine household maintenance	4.532	99.8	99.3	98.8
06 Health	6.900	100.0	100.3	100.3
07 Transport	8.551	99.8	101.2	107.6
08 Communication	5.443	98.9	98.0	95.3
09 Recreation and culture	5.230	97.4	97.1	97.6
10 Education	0.609	100.4	101.3	104.7
11 Restaurants and hotels	5.006	99.8	100.3	102.0
12 Miscellaneous goods and service	4.537	100.4	100.2	100.5
Foods	33.156	99.5	103.1	103.9
Non-foods	33.245	99.9	100.3	102.9
Catering	4.562	100.2	100.6	102.0
Services	29.038	99.1	98.8	98.5



Table 2

Harmonized indices of consumer prices in March 2017

Commodity groups	2015 weights	March 2017			
		2015 = 100	Previous month = 100	December 2016 = 100	Corresponding month of the previous year = 100
	‰	%			
00 Total HICP	1000.000	99.28	99.5	100.2	101.0
01 Food and non-alcoholic beverages	213.005	103.54	99.5	102.8	103.8
02 Alcoholic beverages and tobacco	78.826	102.36	99.9	100.1	101.3
03 Clothing and footwear	37.274	95.92	99.2	94.9	98.4
04 Housing, water, electricity, gas and other fuels	100.557	99.77	99.9	100.5	100.4
05 Furnishings, household equipment and routine household maintenance	62.802	98.40	100.0	99.7	99.4
06 Health	64.089	100.09	100.0	100.3	100.2
07 Transport	165.537	94.34	99.3	99.6	102.1
08 Communication	58.796	92.09	98.9	97.8	94.7
09 Recreation and culture	68.250	97.54	98.6	98.4	98.3
10 Education	10.251	106.06	100.4	101.3	104.7
11 Restaurants and hotels	87.048	102.36	98.8	99.5	101.9
12 Miscellaneous goods and service	53.565	100.44	100.3	101.3	101.7

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 in March 2017

(Per cent)

Commodity groups	2016 weights	March 2017
		Previous month = 100
Total PISB	100.000	99.7
Food and non-alcoholic beverages	49.663	99.4
Clothing and footwear	3.661	99.4
Housing, water, electricity, gas and other fuels	29.479	99.7
Furnishings, household equipment and routine household maintenance	2.398	100.7
Health	8.372	100.0
Transport	1.445	100.0
Communication	0.539	100.1
Recreation and culture	0.574	100.1
Miscellaneous goods and service	3.869	101.4
Foods	49.663	99.4
Non-foods	27.572	99.9
Services	22.765	100.0