



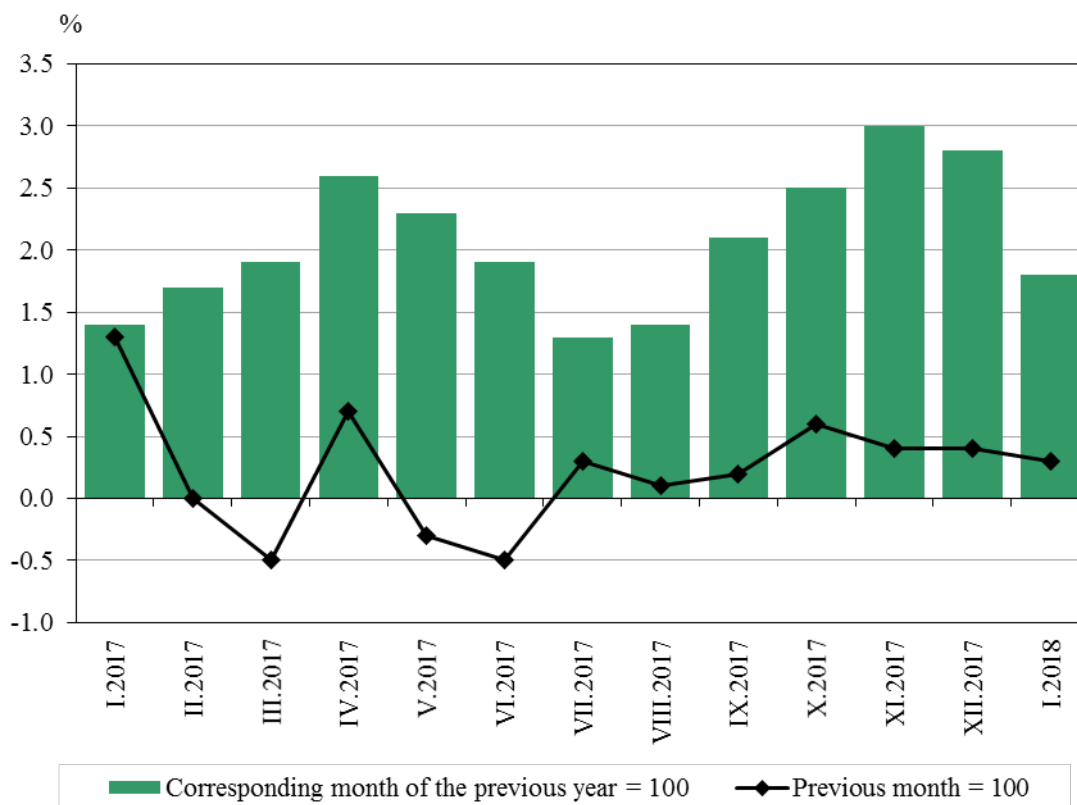
INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2018

Consumer price index (CPI)

According to the preliminary data of the NSI, the **consumer price index** in January 2018 compared to December 2017 was 100.3%, i.e. the monthly inflation was 0.3%. The annual inflation in January 2018 compared to January 2017 was 1.8% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2017 - January 2018) compared to the previous 12 months (February 2016 - January 2017) was 2.1%.

Figure 1. Inflation measured by CPI by months



In January 2018 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 0.7%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Clothing and footwear - a decrease of 3.5%;
- Housing, water, electricity, gas and other fuels - an increase of 0.4%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.3%;
- Health - the prices remained at the level of the previous month;



- Transport - a decrease of 0.3%;
- Communications - the prices remained at the level of the previous month;
- Recreation and culture - an increase of 1.9%;
- Education - an increase of 0.5%;
- Restaurants and hotels - an increase of 0.6%;
- Miscellaneous goods and service - a decrease of 0.2%.

Harmonized index of consumer prices (HICP)

According to the preliminary data of the NSI, the **harmonized index of consumer prices** in January 2018 compared to December 2017 was 100.2%, i.e. the monthly inflation was 0.2%. The annual inflation in January 2018 compared to January 2017 was 1.3% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2017 - January 2018) compared to the previous 12 months (February 2016 - January 2017) was 1.3%.

In terms of HICP, in January 2018 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 0.6%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Clothing and footwear - a decrease of 3.0%;
- Housing, water, electricity, gas and other fuels - an increase of 0.4%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.2%;
- Health - the prices remained at the level of the previous month;
- Transport - a decrease of 0.4%;
- Communications - a decrease of 0.1%;
- Recreation and culture - an increase of 1.2%;
- Education - an increase of 0.4%;
- Restaurants and hotels - an increase of 1.1%;
- Miscellaneous goods and service - a decrease 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 2018 compared to December 2017 was 100.5% (Annex, Table 3).

In January 2018 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 0.9%;
- Non-food products - an increase of 0.1%;
- Services - an increase of 0.4%.



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 2018 price indices are released as preliminary since they are calculated with the household budget data for the period October 2016 - September 2017. **The final January 2018 consumer price indices**, calculated with the annual 2017 household budget data for the weights, will be released along with the February 2018 data.



Annex

Table 1

Consumer price indices in January 2018 (preliminary data)

(Per cent)

Commodity groups	October 2016 - September 2017 weights	January 2018		
		Previous month = 100	December 2017 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.3	100.3	101.8
01 Food and non-alcoholic beverages	31.337	100.7	100.7	101.0
02 Alcoholic beverages and tobacco	5.210	100.5	100.5	102.0
03 Clothing and footwear	4.404	96.5	96.5	98.9
04 Housing, water, electricity, gas and other fuels	17.948	100.4	100.4	104.9
05 Furnishings, household equipment and routine household maintenance	4.982	100.3	100.3	101.0
06 Health	6.741	100.0	100.0	100.2
07 Transport	8.781	99.7	99.7	102.0
08 Communication	5.292	100.0	100.0	100.0
09 Recreation and culture	4.963	101.9	101.9	102.1
10 Education	0.630	100.5	100.5	104.1
11 Restaurants and hotels	4.985	100.6	100.6	102.9
12 Miscellaneous goods and service	4.727	99.8	99.8	100.0
Foods	32.669	100.7	100.7	100.9
Non-foods	34.415	99.7	99.7	101.2
Catering	4.505	100.4	100.4	103.1
Services	28.410	100.4	100.4	103.2



Table 2

Harmonized indices of consumer prices in January 2018 (preliminary data)

Commodity groups	2016 weights	January 2018			
		2015 = 100	Previous month = 100	December 2017 = 100	Corresponding month of the previous year = 100
	%	%			
00 Total HICP	1000.000	101.09	100.2	100.2	101.3
01 Food and non-alcoholic beverages	224.718	104.52	100.6	100.6	100.8
02 Alcoholic beverages and tobacco	66.971	104.19	100.5	100.5	101.6
03 Clothing and footwear	36.716	97.69	97.0	97.0	99.3
04 Housing, water, electricity, gas and other fuels	108.865	104.13	100.4	100.4	104.5
05 Furnishings, household equipment and routine household maintenance	58.896	99.32	100.2	100.2	100.7
06 Health	70.357	100.28	100.0	100.0	100.3
07 Transport	163.173	95.51	99.6	99.6	100.7
08 Communication	54.171	92.90	99.9	99.9	99.4
09 Recreation and culture	67.311	100.67	101.2	101.2	101.4
10 Education	12.776	109.14	100.4	100.4	104.0
11 Restaurants and hotels	81.295	106.48	101.1	101.1	102.3
12 Miscellaneous goods and service	54.750	101.39	99.9	99.9	102.2

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 2018 (preliminary data)

(Per cent)

Commodity groups	October 2016 - September 2017 weights	January 2018
		Previous month = 100
Total PISB	100.000	100.5
Food and non-alcoholic beverages	48.729	100.9
Clothing and footwear	3.498	96.8
Housing, water, electricity, gas and other fuels	29.028	100.4
Furnishings, household equipment and routine household maintenance	2.482	101.6
Health	10.019	100.0
Transport	1.258	100.0
Communication	0.441	100.0
Recreation and culture	0.573	100.2
Miscellaneous goods and service	3.972	101.1
Foods	48.729	100.9
Non-foods	28.256	100.1
Services	23.014	100.4