



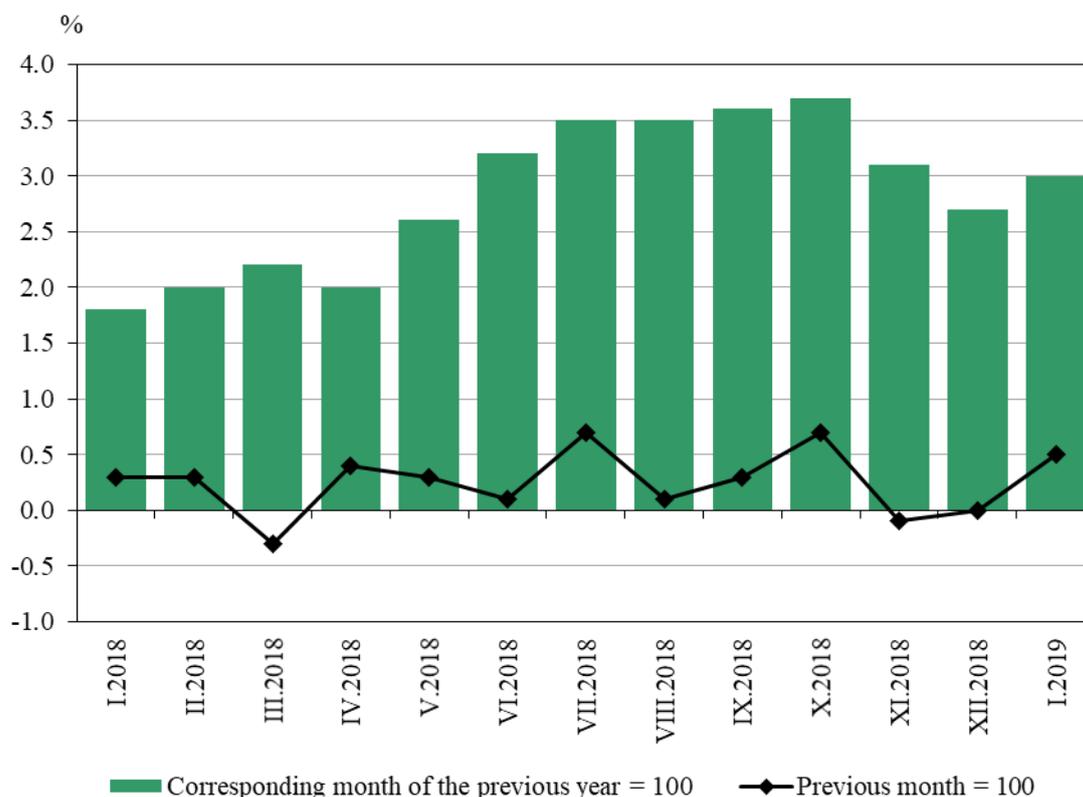
INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2019

Consumer price index (CPI)

According to the preliminary data of the NSI, the **consumer price index** in January 2019 compared to December 2018 was 100.5%, i.e. the monthly inflation was 0.5%. The annual inflation in January 2019 compared to January 2018 was 3.0% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2018 - January 2019) compared to the previous 12 months (February 2017 - January 2018) was 2.9%.

Figure 1. Inflation measured by CPI by months



In January 2019 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 1.6%;
- Alcoholic beverages and tobacco - a decrease of 0.2%;
- Clothing and footwear - a decrease of 4.2%;
- Housing, water, electricity, gas and other fuels - an increase of 0.6%;
- Furnishings, household equipment and routine maintenance of the house - the prices remained at the level of the previous month;
- Health - an increase of 0.1%;



- Transport - a decrease of 2.8%;
- Communications - an increase of 0.2%;
- Recreation and culture - an increase of 5.6%;
- Education - the prices remained at the level of the previous month;
- Restaurants and hotels - an increase of 0.3%;
- Miscellaneous goods and service - an increase 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 2019 compared to December 2018 was 100.0%, i.e. the monthly inflation was 0.0%. The annual inflation in January 2019 compared to January 2018 was 2.2% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2018 - January 2019) compared to the previous 12 months (February 2017 - January 2018) was 2.7%.

In terms of HICP, in January 2019 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 1.4%;
- Alcoholic beverages and tobacco - a decrease of 0.1%;
- Clothing and footwear - a decrease of 3.7%;
- Housing, water, electricity, gas and other fuels - an increase of 0.6%;
- Furnishings, household equipment and routine maintenance of the house - the prices remained at the level of the previous month;
- Health - an increase of 0.1%;
- Transport - a decrease of 2.8%;
- Communications - a decrease of 0.1%;
- Recreation and culture - an increase of 2.9%;
- Education - the prices remained at the level of the previous month;
- Restaurants and hotels - an increase of 0.4%;
- Miscellaneous goods and service - an increase of 0.2%.

Price index of a small basket (PISB)

According to the preliminary data of the NSI, the **price index of a small basket** in January 2019 compared to December 2018 was 101.1% (Annex, Table 3).

In January 2019 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 2.1%;
- Non-food products - a decrease of 0.1%;
- Services - an increase of 0.6%.



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 $t-2$.

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 2019 price indices are released as preliminary since they are calculated with the household budget data for the period October 2017 - September 2018. **The final January 2019 consumer price indices**, calculated with the annual 2018 household budget data for the weights, will be released along with the February 2019 data.



Annex

Table 1

Consumer price indices in January 2019 (preliminary data)

(Per cent)

Commodity groups	October 2017 - September 2018 weights	January 2019		
		Previous month = 100	December 2018 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.5	100.5	103.0
01 Food and non-alcoholic beverages	30.644	101.6	101.6	103.6
02 Alcoholic beverages and tobacco	5.047	99.8	99.8	103.0
03 Clothing and footwear	4.239	95.8	95.8	97.5
04 Housing, water, electricity, gas and other fuels	17.215	100.6	100.6	104.9
05 Furnishings, household equipment and routine household maintenance	5.104	100.0	100.0	100.9
06 Health	6.777	100.1	100.1	100.5
07 Transport	9.189	97.2	97.2	97.4
08 Communication	5.325	100.2	100.2	104.2
09 Recreation and culture	5.364	105.6	105.6	108.3
10 Education	0.480	100.0	100.0	101.8
11 Restaurants and hotels	5.775	100.3	100.3	104.4
12 Miscellaneous goods and service	4.841	100.2	100.2	103.5
Foods	31.925	101.6	101.6	103.5
Non-foods	34.505	99.0	99.0	100.5
Catering	5.166	100.3	100.3	104.2
Services	28.404	101.2	101.2	105.1



Table 2

Harmonized indices of consumer prices in January 2019 (preliminary data)

Commodity groups	2017 weights	January 2019			
		2015 = 100	Previous month = 100	December 2018 = 100	Corresponding month of the previous year = 100
		%			
00 Total HICP	1000.000	103.26	100.0	100.0	102.2
01 Food and non-alcoholic beverages	218.525	107.95	101.4	101.4	103.3
02 Alcoholic beverages and tobacco	63.658	107.24	99.9	99.9	102.9
03 Clothing and footwear	36.716	95.82	96.3	96.3	98.1
04 Housing, water, electricity, gas and other fuels	109.518	108.99	100.6	100.6	104.7
05 Furnishings, household equipment and routine household maintenance	59.305	99.93	100.0	100.0	100.6
06 Health	72.634	100.79	100.1	100.1	100.5
07 Transport	156.547	92.96	97.2	97.2	97.3
08 Communication	54.994	93.99	99.9	99.9	101.2
09 Recreation and culture	72.370	105.05	102.9	102.9	104.4
10 Education	13.629	111.38	100.0	100.0	102.1
11 Restaurants and hotels	84.892	111.61	100.4	100.4	104.8
12 Miscellaneous goods and service	57.213	107.71	100.2	100.2	106.2

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 2019 (preliminary data)

(Per cent)

Commodity groups	October 2017 - September 2018 weights	January 2019
		Previous month = 100
Total PISB	100.000	101.1
Food and non-alcoholic beverages	48.813	102.1
Clothing and footwear	3.866	96.5
Housing, water, electricity, gas and other fuels	28.281	100.7
Furnishings, household equipment and routine household maintenance	2.391	102.4
Health	9.970	100.0
Transport	1.465	98.6
Communication	0.335	100.0
Recreation and culture	0.660	102.1
Miscellaneous goods and service	4.220	100.0
Foods	48.813	102.1
Non-foods	29.514	99.9
Services	21.673	100.6