

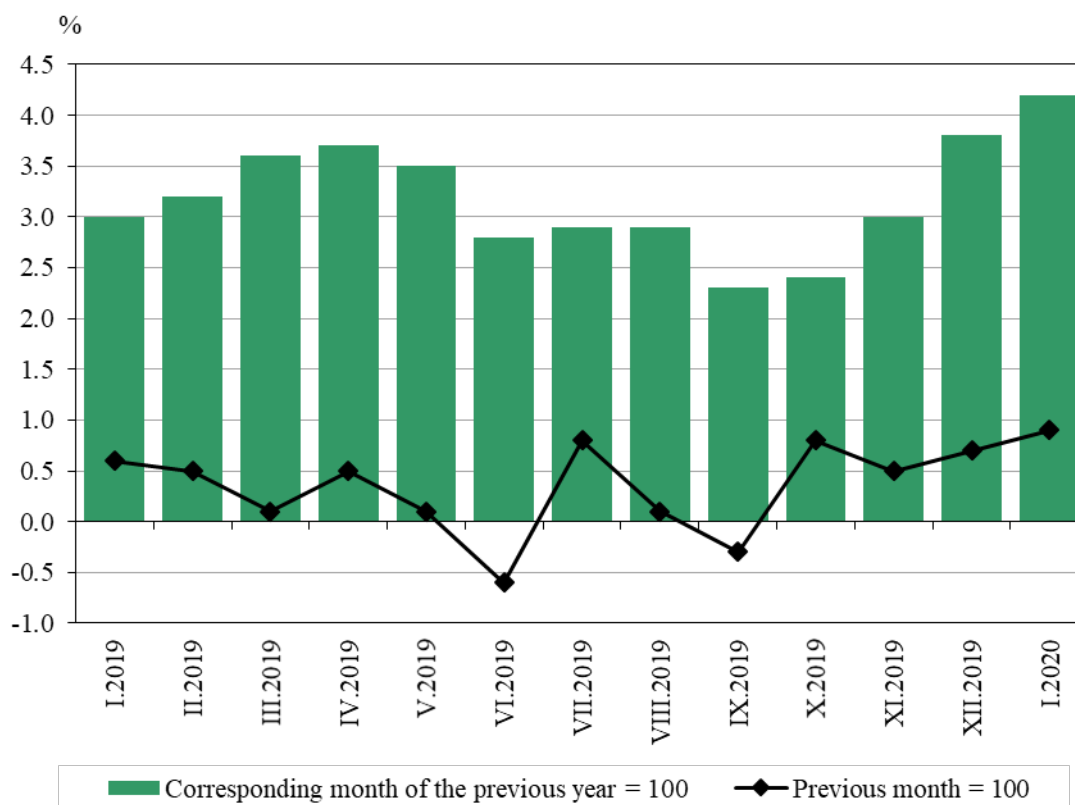
## INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2020

### Consumer price index (CPI)

According to the preliminary data of the NSI, the **consumer price index** in January 2020 compared to December 2019 was 100.9%, i.e. the monthly inflation was 0.9%. The annual inflation in January 2020 compared to January 2019 was 4.2% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (February 2019 - January 2020) compared to the previous 12 months (February 2018 - January 2019) was 3.2%.

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



In January 2020 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 2.6%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - a decrease of 4.4%;
- Housing, water, electricity, gas and other fuels - an increase of 0.6%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.2%;

- Health - an increase of 0.4%;
- Transport - an increase of 0.2%;
- Communications - an increase of 0.4%;
- Recreation and culture - an increase of 0.9%;
- Education - an increase of 0.1%;
- Restaurants and hotels - an increase of 0.5%;
- Miscellaneous goods and service - an increase of 1.3%.

### Harmonized index of consumer prices (HICP)

According to the preliminary data of the NSI, the **harmonized index of consumer prices** in January 2020 compared to December 2019 was 100.5%, i.e. the monthly inflation was 0.5%. The annual inflation in January 2020 compared to January 2019 was 3.4% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (February 2019 - January 2020) compared to the previous 12 months (February 2018 - January 2019) was 2.5%.

In terms of HICP, in January 2020 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 2.4%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - a decrease of 4.1%;
- Housing, water, electricity, gas and other fuels - an increase of 0.5%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.1%;
- Health - an increase of 0.3%;
- Transport - a decrease of 0.4%;
- Communications - an increase of 0.2%;
- Recreation and culture - an increase of 0.1%;
- Education - an increase of 0.1%;
- Restaurants and hotels - an increase of 0.5%;
- Miscellaneous goods and service - an increase of 0.7%.

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

According to the preliminary data of the NSI, the **price index of a small basket** in January 2020 compared to December 2019 was 101.5% (Annex, Table 3).

In January 2020 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 2.8%;
- Non-food products - the prices remained at the level of the previous month;
- Services - an increase of 0.7%.

## 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 2020 price indices are released as preliminary** since they are calculated with the household budget data for the period October 2018 - September 2019. **The final January 2020 consumer price**

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**indices**, calculated with the annual 2019 household budget data for the weights, will be released along with the February 2020 data.

## Annex

Table 1

### Consumer price indices in January 2020 (preliminary data)

(Per cent)

Commodity groups	October 2018 - September 2019 weights	January 2020		
		Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>100.9</b>	<b>100.9</b>	<b>104.2</b>
01 Food and non-alcoholic beverages	30.075	102.6	102.6	108.0
02 Alcoholic beverages and tobacco	5.076	100.2	100.2	102.5
03 Clothing and footwear	4.060	95.6	95.6	100.5
04 Housing, water, electricity, gas and other fuels	16.831	100.6	100.6	102.3
05 Furnishings, household equipment and routine household maintenance	4.641	100.2	100.2	101.4
06 Health	7.337	100.4	100.4	102.7
07 Transport	9.736	100.2	100.2	105.5
08 Communication	5.282	100.4	100.4	97.4
09 Recreation and culture	6.004	100.9	100.9	101.8
10 Education	0.358	100.1	100.1	103.6
11 Restaurants and hotels	5.933	100.5	100.5	105.8
12 Miscellaneous goods and service	4.668	101.3	101.3	102.0
Foods	31.358	102.6	102.6	107.8
Non-foods	34.696	99.7	99.7	101.9
Catering	5.429	100.5	100.5	106.0
Services	28.517	100.7	100.7	102.4

Table 2

Harmonized indices of consumer prices in January 2020 (preliminary data)

Commodity groups	2018 weights	January 2020			
		2015 = 100	Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
		‰		%	
<b>00 Total HICP</b>	<b>1000.000</b>	<b>106.96</b>	<b>100.5</b>	<b>100.5</b>	<b>103.4</b>
01 Food and non-alcoholic beverages	227.018	116.05	102.4	102.4	107.5
02 Alcoholic beverages and tobacco	63.666	109.96	100.2	100.2	102.5
03 Clothing and footwear	36.497	96.37	95.9	95.9	100.6
04 Housing, water, electricity, gas and other fuels	107.283	111.39	100.5	100.5	102.2
05 Furnishings, household equipment and routine household maintenance	60.707	100.79	99.9	99.9	100.8
06 Health	73.388	103.21	100.3	100.3	102.4
07 Transport	148.765	97.63	99.6	99.6	103.9
08 Communication	54.123	91.34	100.2	100.2	97.2
09 Recreation and culture	72.921	105.66	100.1	100.1	100.6
10 Education	15.054	114.96	100.1	100.1	103.2
11 Restaurants and hotels	84.716	117.61	100.5	100.5	105.4
12 Miscellaneous goods and service	55.863	110.13	100.7	100.7	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 2020 (Preliminary data)**

(Per cent)

Commodity groups	October 2018 - September 2019 weights	January 2020
		Previous month = 100
<b>Total PISB</b>	<b>100.000</b>	<b>101.5</b>
Food and non-alcoholic beverages	49.059	102.8
Clothing and footwear	3.600	96.9
Housing, water, electricity, gas and other fuels	27.461	100.5
Furnishings, household equipment and routine household maintenance	2.533	103.6
Health	11.345	100.1
Transport	1.248	100.3
Communication	0.298	100.0
Recreation and culture	0.466	100.2
Miscellaneous goods and service	3.990	100.6
Foods	49.059	102.8
Non-foods	28.876	100.0
Services	22.065	100.7