

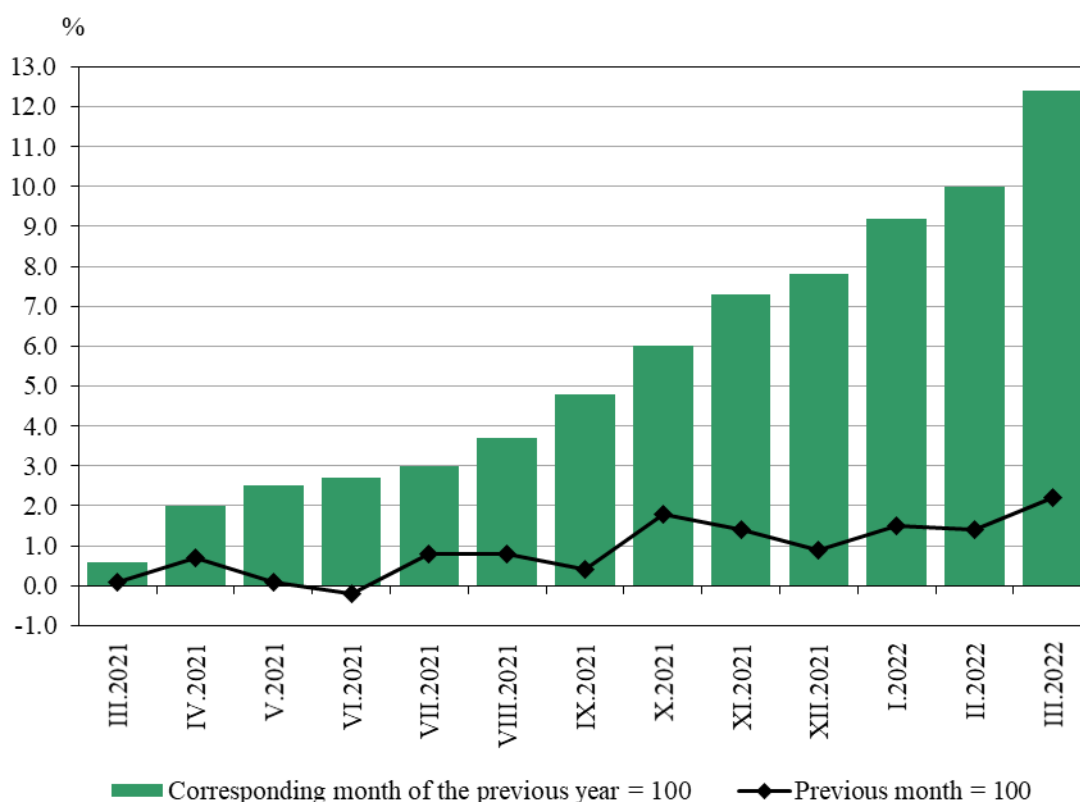
INFLATION AND CONSUMER PRICE INDICES IN MARCH 2022

Consumer price index (CPI)

The **consumer price index** in March 2022 compared to February 2022 was 102.2%, i.e. the monthly inflation was 2.2%. The inflation rate since the beginning of the year (March 2022 compared to December 2021) has been 5.2%, and the annual inflation in March 2022 compared to March 2021 was 12.4% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (April 2021 - March 2022) compared to the previous 12 months (April 2020 - March 2021) was 6.0%.

Figure 1. Inflation measured by CPI by months



In March 2022, 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 3.3%;
- Alcoholic beverages and tobacco - an increase of 0.1%;
- Clothing and footwear - a decrease of 0.5%;
- Housing, water, electricity, gas and other fuels - an increase of 1.0%;



- Furnishings, household equipment and routine maintenance of the house - an increase of 0.9%;
- Health - an increase of 0.3%;
- Transport - an increase of 7.9%;
- Communications - an increase of 0.6%;
- Recreation and culture - a decrease of 0.6%;
- Education - an increase of 0.7%;
- Restaurants and hotels - an increase of 2.8%;
- Miscellaneous goods and services - an increase of 1.1%.

Harmonized index of consumer prices (HICP)

The **harmonized index of consumer prices** in March 2022 compared to February 2022 was 102.1%, i.e. the monthly inflation was 2.1%. The inflation rate since the beginning of the year (March 2022 compared to December 2021) has been 4.5%, and the annual inflation in March 2022 compared to March 2021 was 10.5% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (April 2021 - March 2022) compared to the previous 12 months (April 2020 - March 2021) was 5.0%.

In terms of HICP, in March 2022 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 3.1%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Clothing and footwear - a decrease of 0.2%;
- Housing, water, electricity, gas and other fuels - an increase of 1.2%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.7%;
- Health - an increase of 0.4%;
- Transport - an increase of 6.5%;
- Communications - an increase of 0.6%;
- Recreation and culture - an increase of 0.4%;
- Education - an increase of 0.8%;
- Restaurants and hotels - an increase of 2.2%;
- Miscellaneous goods and services - an increase of 0.7%.



Price index of a small basket (PISB)

The **price index of a small basket** in March 2022 compared to February 2022 was 102.1%, and the overall increase since the beginning of the year (March 2022 compared to December 2021) has been 106.0% (Annex, Table 3).

In March 2022, compared to the previous month, the prices of goods and services in the small basket for the 20% of households with the lowest income changed as follows:

- Food products - an increase of 3.4%;
- Non-food products - an increase of 0.9%;
- Services - an increase of 0.3%.



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. The 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 the readiness of Bulgaria to join the euro-zone. HICP, as well as CPI, measures 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 using weights, which reflect the individual and the collective consumption of all households (incl. institutional and foreign households) in the economic territory of the country. The main source of information for HICP weights is the national accounts (NA) data. For the calculation of the HICP in 2022, NA data for households' final monetary consumption expenditures (HFMCE) - domestic concept in 2020 is used. NA 2020 data are reviewed and updated to make them representative of the year 2021 following Eurostat's methodological guidance on the compilation of HICP weights in case of large changes in consumer expenditures¹.

In compliance with Regulation (EC) No. 2015/2010 since **January 2016, the base year for HICP has been changed** and all indices have been calculated and published using **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 households' 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-month 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 **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**.

¹ Guidance on the compilation of HICP weights in case of large changes in consumer expenditures, Eurostat, Directorate C, Macro-economic statistics, 3.02.2020:
<https://ec.europa.eu/eurostat/documents/10186/10693286/Guidance-on-the-compilation-of-HICP-weights-in-case-of-large-changes-in-consumer-expenditures.pdf>.

Consumer price indices in the context of the COVID-19 crisis

The National CPI, HICP and the PISB for March 2022 have been produced according to Eurostat's methodological guidance on the compilation of the HICP in the context of the COVID-19 crisis, applying the following principles:

- fixed statistical weights used in the calculation of the indices;
- production of all indices according to the ECOICOP classification (European Classification Of Individual Consumption by Purpose);
- minimizing the number of imputed prices and sub-indices where possible;
- estimation of missing price observations by applying imputation methods.

The percentage of missing price observations for March 2022 was 3%, distributed according to ECOICOP main headings as follows:

(Per cent)	
Commodity groups	Missing price observations
00 Total CPI	3
01 Food and non-alcoholic beverages	3
02 Alcoholic beverages and tobacco	1
03 Clothing and footwear	6
04 Housing, water, electricity, gas and other fuels	2
05 Furnishings, household equipment and routine household maintenance	2
06 Health	1
07 Transport	0
08 Communication	0
09 Recreation and culture	3
10 Education	0
11 Restaurants and hotels	2
12 Miscellaneous goods and services	2

The missing price observations' estimation has been carried out by using the imputation methods recommended by Eurostat and agreed with the Member States:

- with the nearest aggregate index (sub-index) in the hierarchical structure of the index (at a product level based on available prices for the same product) - for missing price observations of products that were available on the market;
- carry forward the last observed prices - for some products (e.g. cultural services), where there were reasons to expect that their prices would be the same once the situation would revert back to normal.



Annex

Table 1

Consumer price indices in March 2022

(Per cent)

Commodity groups	Weights	March 2022		
		Previous month = 100	December 2021 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	102.2	105.2	112.4
01 Food and non-alcoholic beverages	31.625	103.3	109.3	117.4
02 Alcoholic beverages and tobacco	4.934	100.1	100.6	101.7
03 Clothing and footwear	4.296	99.5	96.7	105.9
04 Housing, water, electricity, gas and other fuels	17.193	101.0	102.4	114.0
05 Furnishings, household equipment and routine household maintenance	5.576	100.9	103.5	108.2
06 Health	8.090	100.3	101.0	101.7
07 Transport	9.127	107.9	110.4	126.7
08 Communication	5.402	100.6	101.8	97.1
09 Recreation and culture	4.608	99.4	103.1	111.6
10 Education	0.624	100.7	101.1	105.3
11 Restaurants and hotels	3.689	102.8	107.0	113.6
12 Miscellaneous goods and services	4.837	101.1	103.9	105.3
Foods	32.997	103.2	109.0	116.9
Non-foods	36.016	102.6	104.0	112.4
Catering	3.215	103.1	107.5	114.0
Services	27.773	100.5	102.0	106.9



Table 2

Harmonized indices of consumer prices in March 2022

Commodity groups	Weights	March 2022			
		2015 = 100	Previous month = 100	December 2021 = 100	Corresponding month of the previous year = 100
		%			
00 Total HICP	1000.000	118.59	102.1	104.5	110.5
01 Food and non-alcoholic beverages	227.300	136.44	103.1	108.8	116.5
02 Alcoholic beverages and tobacco	57.880	113.36	100.2	100.9	102.2
03 Clothing and footwear	38.676	96.25	99.8	97.1	106.1
04 Housing, water, electricity, gas and other fuels	119.880	127.32	101.2	103.0	113.3
05 Furnishings, household equipment and routine household maintenance	62.879	110.25	100.7	103.4	108.7
06 Health	86.139	106.71	100.4	101.0	101.8
07 Transport	137.521	115.88	106.5	107.8	120.8
08 Communication	56.268	87.91	100.6	101.7	97.1
09 Recreation and culture	78.210	111.77	100.4	102.6	105.5
10 Education	15.152	127.76	100.8	101.4	105.7
11 Restaurants and hotels	62.278	132.58	102.2	106.2	112.5
12 Miscellaneous goods and services	57.818	120.45	100.7	102.8	104.2

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 March 2022

(Per cent)

Commodity groups	Weights	March 2022
		Previous month = 100
Total PISB	100.000	102.1
Food and non-alcoholic beverages	49.460	103.4
Clothing and footwear	4.357	99.1
Housing, water, electricity, gas and other fuels	26.006	100.3
Furnishings, household equipment and routine household maintenance	2.598	101.3
Health	11.029	100.5
Transport	1.109	104.1
Communication	0.111	100.0
Recreation and culture	0.605	102.0
Miscellaneous goods and services	4.726	102.4
Foods	49.460	103.4
Non-foods	28.486	100.9
Services	22.054	100.3