

INFLATION AND CONSUMER PRICE INDICES IN OCTOBER 2022

The monthly inflation rate was 0.9%, while the annual inflation rate was 17.6%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of October 2022 compared to the previous month, and annual inflation being for October 2022 compared to the same month of the previous year.

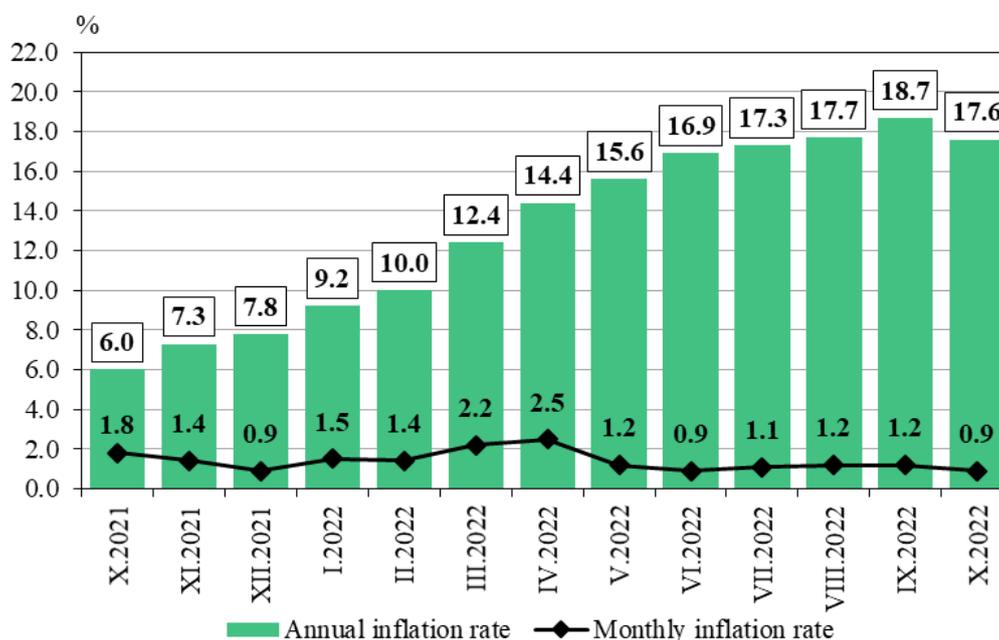
In October 2022, compared to the previous month, the highest price increase was registered for Clothing and footwear (+7.0%), Recreation and culture (+2.7%), Food and non-alcoholic beverages (+2.3%). The decrease was recorded in the prices for Housing, water, electricity, gas and other fuels (-2.1%), Transport (-1.4%) and Communications (-0.1%).

Consumer price index (CPI)

In October 2022, the **monthly inflation** rate was 0.9% compared to the previous month, and the **annual inflation** rate in October 2022 compared to October 2021 was 17.6%.¹

The inflation rate since the beginning of the year (October 2022 compared to December 2021) was 15.0%, and the annual average inflation rate for the period November 2021 - October 2022 compared to the period November 2020 - October 2021 was 13.8%.

Figure 1. Inflation, measured by CPI, by month



In October 2022, compared to the previous month, the prices of goods and services increased in the following consumer groups:

- Clothing and footwear - an increase of 7.0%;
- Recreation and culture - a increase of 2.7%;

¹ According to the CPI methodology. For more information, see the Methodological notes on pages 4 and 5 and Annex, Table 1.

- Food and non-alcoholic beverages - an increase of 2.3%;
- Health - an increase of 2.1%;
- Education - an increase of 1.4%;
- Miscellaneous goods and services - an increase of 1.0%;
- Restaurants and hotels - an increase of 0.8%;
- Alcoholic beverages and tobacco - an increase of 0.4%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.4%.

In October 2022, compared to the previous month, the prices of goods and services decreased in the following consumer groups:

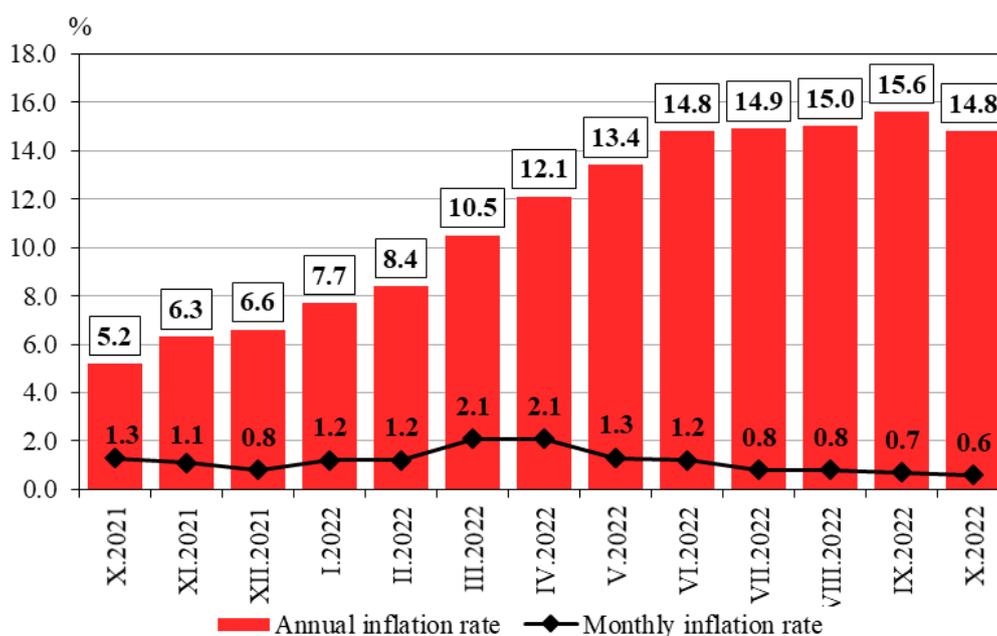
- Housing, water, electricity, gas and other fuels - a decrease of 2.1%;
- Transport - a decrease of 1.4%;
- Communications - a decrease of 0.1%.

Harmonized index of consumer prices (HICP)

According to the HICP, in October 2022, the **monthly inflation** rate was 0.6% compared to the previous month, and the **annual inflation** rate in October 2022 compared to October 2021 was 14.8%.¹

The inflation rate since the beginning of the year (October 2022 compared to December 2021) was 12.7%, and the annual average inflation rate for the period November 2021 - October 2022 compared to the period November 2020 - October 2021 was 11.7%.

Figure 2. Inflation, measured by HICP, by month



¹ According to the HICP methodology. For more information, see the Methodological notes on pages 4 and 5 and Annex, Table 2.



In terms of HICP, in October 2022, compared to the previous month, the prices of goods and services increased in the following consumer groups:

- Clothing and footwear - an increase of 6.6%;
- Food and non-alcoholic beverages - an increase of 2.4%;
- Health - an increase of 2.0%;
- Recreation and culture - an increase of 1.5%;
- Education - an increase of 1.5%;
- Miscellaneous goods and services - an increase of 1.4%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.5%.

In October 2022, compared to the previous month, the prices of goods and services decreased in the following consumer groups:

- Housing, water, electricity, gas and other fuels - a decrease of 2.9%;
- Transport - a decrease of 1.4%;
- Restaurants and hotels - a decrease of 0.9%;
- Communications - a decrease of 0.1%.

Price index of a small basket (PISB)

According to the **price index of a small basket**, in October 2022, a price increase of 1.9% was registered on a monthly basis and a price increase of 19.7% since the beginning of the year (October 2022 compared to December 2021).¹

In October 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:

- Non-food products - an increase of 3.0%;
- Food products - an increase of 2.0%;
- Services - an increase of 0.1%.

¹ For more information, see the Methodological notes on pages 4 and 5 and Annex, Table 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. It is calculated by applying the structure of Bulgarian households' final monetary consumption expenditures. 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 Eurozone. 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 concern to the weights used. HICP is calculated using weights, which reflect the individual and collective consumption of all households (incl. institutional and foreign households) in the country's economic territory. The main source of information for HICP weights is the national accounts (NA) data. For calculating 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 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 the HICP has 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)** measures the relative average price changes of 100 socially useful and vital living goods and services. The weights of this index reflect the expenditures of the 20% lowest households' incomes. The source for 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**.

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 **over December of the previous year** measure the accumulated changes in prices of the current month concerning 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**.

Statistical area: Inflation and Consumer Price Indices:

[Inflation and Consumer Price Indices | National statistical institute \(nsi.bg\)](#)

IS Infostat: Consumer prices

https://infostat.nsi.bg/infostat/pages/module.jsf?x_2=68

Metadata and Methodology:

[Consumer Price Indices \(CPI\) | National statistical institute \(nsi.bg\)](#)

Inflation Rate Calculator:

[Inflation Rate Calculator | National statistical institute \(nsi.bg\)](#)

Annex

Table 1

Consumer price indices in October 2022

(Per cent)

Commodity groups	Weights	October 2022		
		September 2022 = 100	December 2021 = 100	October 2021 = 100
00 Total CPI	100.000	100.9	115.0	117.6
01 Food and non-alcoholic beverages	31.625	102.3	122.8	126.3
02 Alcoholic beverages and tobacco	4.934	100.4	103.0	103.3
03 Clothing and footwear	4.296	107.0	108.3	107.9
04 Housing, water, electricity, gas and other fuels	17.193	97.9	120.8	124.2
05 Furnishings, household equipment and routine household maintenance	5.576	100.4	112.6	114.1
06 Health	8.090	102.1	104.6	105.0
07 Transport	9.127	98.6	111.3	115.1
08 Communication	5.402	99.9	102.9	102.2
09 Recreation and culture	4.608	102.7	102.9	111.3
10 Education	0.624	101.4	109.7	109.9
11 Restaurants and hotels	3.689	100.8	118.2	120.7
12 Miscellaneous goods and services	4.837	101.0	108.5	109.2
Foods	32.997	102.2	122.3	125.7
Non-foods	36.016	101.3	113.2	115.4
Catering	3.215	101.7	120.9	123.2
Services	27.773	98.4	107.7	110.1



Table 2

Harmonized indices of consumer prices in October 2022

Commodity groups	Weights	October 2022			
		2015 = 100	September 2022 = 100	December 2021 = 100	October 2021 = 100
	%	%			
00 Total HICP	1000.000	127.87	100.6	112.7	114.8
01 Food and non-alcoholic beverages	227.300	154.13	102.4	122.9	126.4
02 Alcoholic beverages and tobacco	57.880	116.63	100.5	103.8	104.1
03 Clothing and footwear	38.676	107.63	106.6	108.6	108.2
04 Housing, water, electricity, gas and other fuels	119.880	147.75	97.1	119.5	122.5
05 Furnishings, household equipment and routine household maintenance	62.879	119.46	100.5	112.0	113.2
06 Health	86.139	110.57	102.0	104.7	105.1
07 Transport	137.521	118.80	98.6	110.5	114.3
08 Communication	56.268	88.91	99.9	102.9	102.2
09 Recreation and culture	78.210	114.24	101.5	104.8	107.8
10 Education	15.152	138.53	101.5	110.0	110.2
11 Restaurants and hotels	62.278	141.85	99.1	113.6	116.5
12 Miscellaneous goods and services	57.818	126.89	101.4	108.2	108.9

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 October 2022

Commodity groups	Weights	(Per cent)
		October 2022 September 2022 = 100
Total PISB	100.000	101.9
Food and non-alcoholic beverages	49.460	102.0
Clothing and footwear	4.357	107.6
Housing, water, electricity, gas and other fuels	26.006	100.5
Furnishings, household equipment and routine household maintenance	2.598	98.3
Health	11.029	105.1
Transport	1.109	100.0
Communication	0.111	100.0
Recreation and culture	0.605	101.7
Miscellaneous goods and services	4.726	100.3
Foods	49.460	102.0
Non-foods	28.486	103.0
Services	22.054	100.1