

INFLATION AND CONSUMER PRICE INDICES IN JANUARY 2023

According to the preliminary data of the NSI, the monthly inflation rate was 1.1%, while the annual inflation rate was 16.4%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of January 2023 compared to the previous month, and annual inflation being for January 2023 compared to the same month of the previous year.

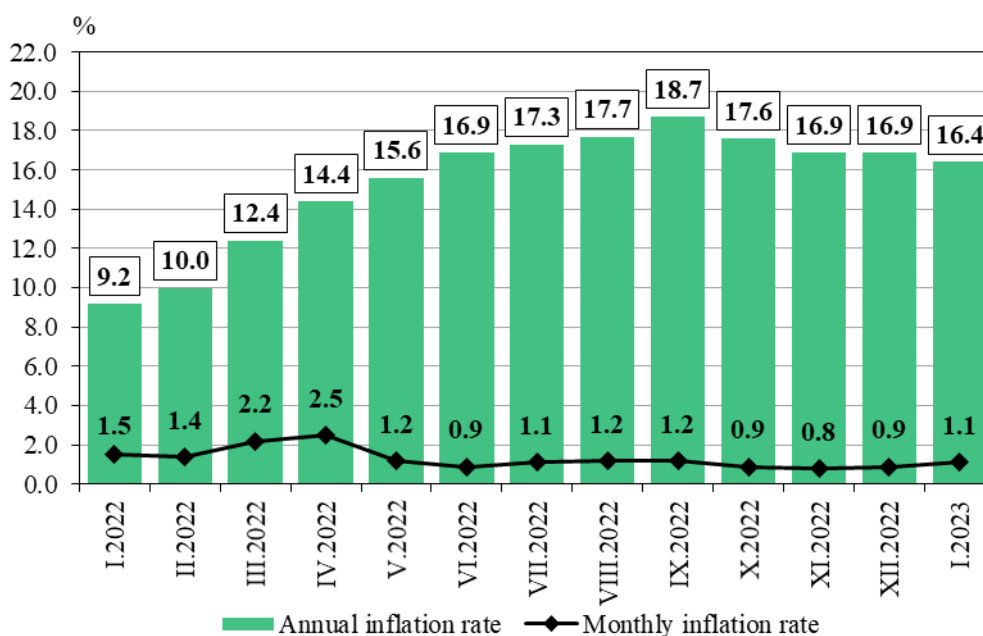
In January 2023, compared to the previous month, the highest price increase was registered for Transport (+2.3%), Miscellaneous goods and services (+1.7%), Health (+1.5%) and Food and non-alcoholic beverages (+1.5%). The decrease was recorded in the prices for Clothing and footwear (-1.9%) and Recreation and culture (-0.1%).

Consumer price index (CPI)

According to the preliminary data of the NSI, in January 2023 the **monthly inflation** rate was 1.1% compared to the previous month, and the **annual inflation** rate in January 2023 compared to January 2022 was 16.4%.¹

The annual average inflation rate for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 was 15.9%.

Figure 1. Inflation, measured by CPI, by month



In January 2023, compared to the previous month, the prices of goods and services increased in the following consumer groups:

- Transport - an increase of 2.3%;
- Miscellaneous goods and services - an increase of 1.7%;

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

- Health - an increase of 1.5%;
- Food and non-alcoholic beverages - an increase of 1.5%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 1.4%;
- Education - an increase of 1.4%;
- Restaurants and hotels - an increase of 1.0%;
- Housing, water, electricity, gas and other fuels - an increase of 0.7%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Communications - an increase of 0.4%.

In January 2023, compared to the previous month, the prices of goods and services decreased in the following consumer groups:

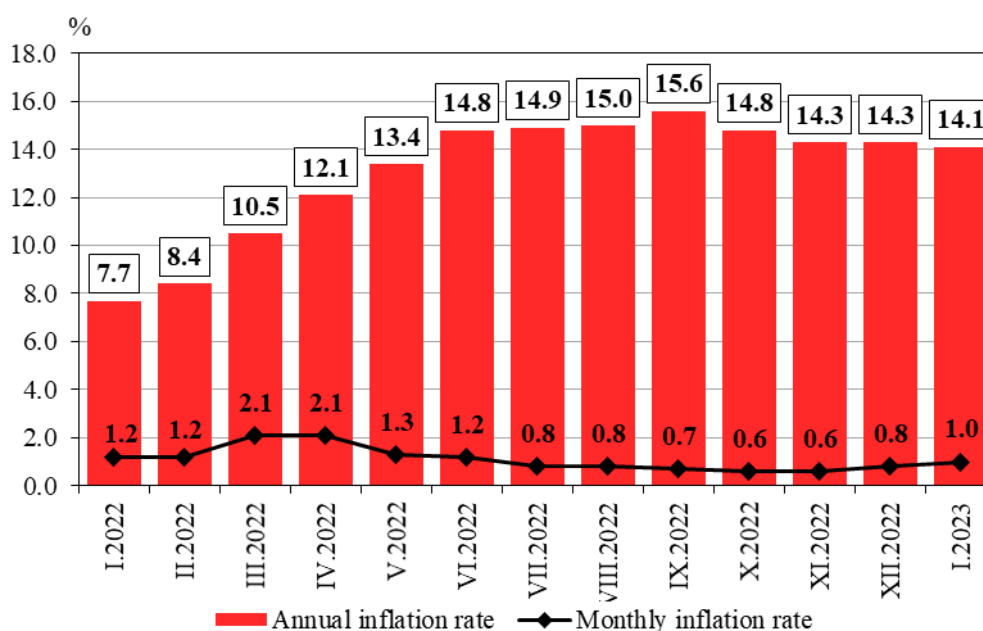
- Clothing and footwear - a decrease of 1.9%;
- Recreation and culture - a decrease of 0.1%.

Harmonized index of consumer prices (HICP)

According to the preliminary data of the NSI, in January 2023 the **monthly inflation** rate, measured by HICP, was 1.0% compared to the previous month, and the **annual inflation** rate in January 2023 compared to January 2022 was 14.1%.¹

The annual average inflation rate for the period February 2022 - January 2023 compared to the period February 2021 - January 2022 was 13.5%.

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 January 2023, compared to the previous month, the prices of goods and services increased in the following consumer groups:

- Food and non-alcoholic beverages - an increase of 1.5%;
- Health - an increase of 1.5%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 1.2%;
- Transport - an increase of 1.2%;
- Education - an increase of 1.0%;
- Miscellaneous goods and services - an increase of 1.0%;
- Housing, water, electricity, gas and other fuels - an increase of 0.9%;
- Restaurants and hotels - an increase of 0.9%;
- Alcoholic beverages and tobacco - an increase of 0.6%;
- Communications - an increase of 0.5%;
- Recreation and culture - an increase of 0.4%.

In January 2023, compared to the previous month, the prices of goods and services decreased in the following consumer groups:

- Clothing and footwear - a decrease of 1.8%.

Price index of a small basket (PISB)

According to the preliminary data of the NSI, in January 2023 a price increase of 1.4%, measured by **price index of a small basket**, was registered on a monthly basis.¹

In January 2023, 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 1.7%;
- Non-food products - an increase of 1.2%;
- Services - an increase of 0.9%.

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 of the information on weights 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**.

January 2023 price indices are released as preliminary since they are calculated with the household budget data for the period October 2021 - September 2022. **The final January 2023 consumer price indices**, calculated with the annual 2022 household budget data for the weights, will be released along with the February 2023 data.

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 January 2023 (preliminary data)

(Per cent)

Commodity groups	Weights	January 2023	
		December 2022 = 100	January 2022 = 100
00 Total CPI	100.000	101.1	116.4
01 Food and non-alcoholic beverages	31.133	101.5	124.9
02 Alcoholic beverages and tobacco	4.632	100.5	104.0
03 Clothing and footwear	4.059	98.1	107.5
04 Housing, water, electricity, gas and other fuels	17.652	100.7	118.8
05 Furnishings, household equipment and routine household maintenance	5.355	101.4	114.0
06 Health	8.162	101.5	110.0
07 Transport	9.594	102.3	110.0
08 Communication	5.161	100.4	106.3
09 Recreation and culture	4.822	99.9	109.6
10 Education	0.340	101.4	111.5
11 Restaurants and hotels	4.399	101.0	119.5
12 Miscellaneous goods and services	4.690	101.7	111.0
Foods	32.396	101.5	124.5
Non-foods	36.706	101.1	113.9
Catering	3.920	101.1	121.9
Services	26.979	100.6	109.2



Table 2

Harmonized indices of consumer prices in January 2023 (preliminary data)

Commodity groups	Weights	January 2023		
		2015 = 100	December 2022 = 100	January 2022 = 100
	‰	%		
00 Total HICP	1000.000	130.97	101.0	114.1
01 Food and non-alcoholic beverages	238.531	160.43	101.5	125.1
02 Alcoholic beverages and tobacco	49.999	118.24	100.6	105.0
03 Clothing and footwear	35.581	105.16	98.2	108.0
04 Housing, water, electricity, gas and other fuels	118.559	147.00	100.9	116.6
05 Furnishings, household equipment and routine household maintenance	61.783	121.88	101.2	112.9
06 Health	81.060	116.60	101.5	110.0
07 Transport	143.408	118.45	101.2	110.0
08 Communication	49.860	91.94	100.5	106.3
09 Recreation and culture	75.276	119.72	100.4	107.6
10 Education	17.206	140.72	101.0	111.3
11 Restaurants and hotels	68.868	147.14	100.9	115.3
12 Miscellaneous goods and services	59.870	131.11	101.0	110.6

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 2023 (preliminary data)

Commodity groups	Weights	(Per cent)
		January 2023 December 2022 = 100
Total PISB	100.000	101.4
Food and non-alcoholic beverages	49.185	101.7
Clothing and footwear	4.231	98.2
Housing, water, electricity, gas and other fuels	26.448	100.3
Furnishings, household equipment and routine household maintenance	2.547	105.0
Health	11.060	102.0
Transport	1.161	100.3
Communication	0.096	100.0
Recreation and culture	0.492	102.1
Miscellaneous goods and services	4.780	103.3
Foods	49.185	101.7
Non-foods	29.363	101.2
Services	21.452	100.9