

## INFLATION AND CONSUMER PRICE INDICES IN MAY 2023

The monthly inflation rate was -0.1%, while the annual inflation rate was 10.1%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of May 2023 compared to the previous month, and annual inflation being for May 2023 compared to the same month of the previous year.

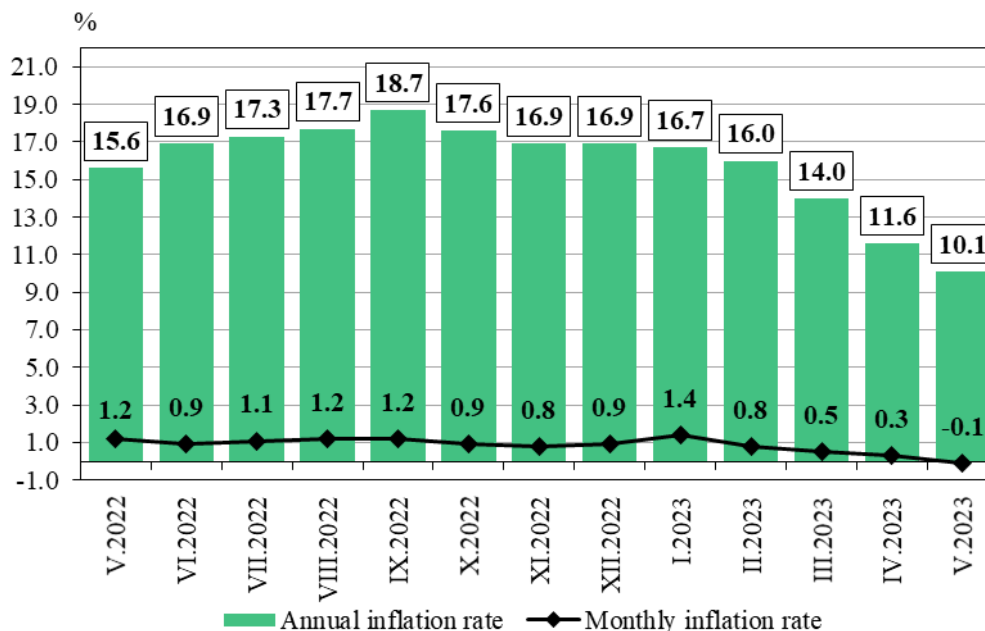
In May 2023, compared to the previous month, the highest decrease was recorded in the prices for Recreation and culture (-3.4%), Transport (-2.5%) and Housing, water, electricity, gas and other fuels (-0.4%). The highest increase was registered for Alcoholic beverages and tobacco (+1.1%), Clothing and footwear (+1.0%), Miscellaneous goods and services (+0.5%), Health (+0.5%) and Food and non-alcoholic beverages (+0.5%).

### Consumer Price Index (CPI)

In May 2023, the **monthly inflation** rate was -0.1% compared to the previous month, and the **annual inflation** rate in May 2023 compared to May 2022 was 10.1%.<sup>1</sup>

The inflation rate since the beginning of the year (May 2023 compared to December 2022) was 2.8%, and the annual average inflation rate for the period June 2022 - May 2023 compared to the period June 2021 - May 2022 was 15.8%.

**Figure 1. Inflation, measured by CPI, by month**



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

- Recreation and culture - a decrease of 3.4%;
- Transport - a decrease of 2.5%;

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

- Housing, water, electricity, gas and other fuels - a decrease of 0.4%;
- Communications - a decrease of 0.3%.

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

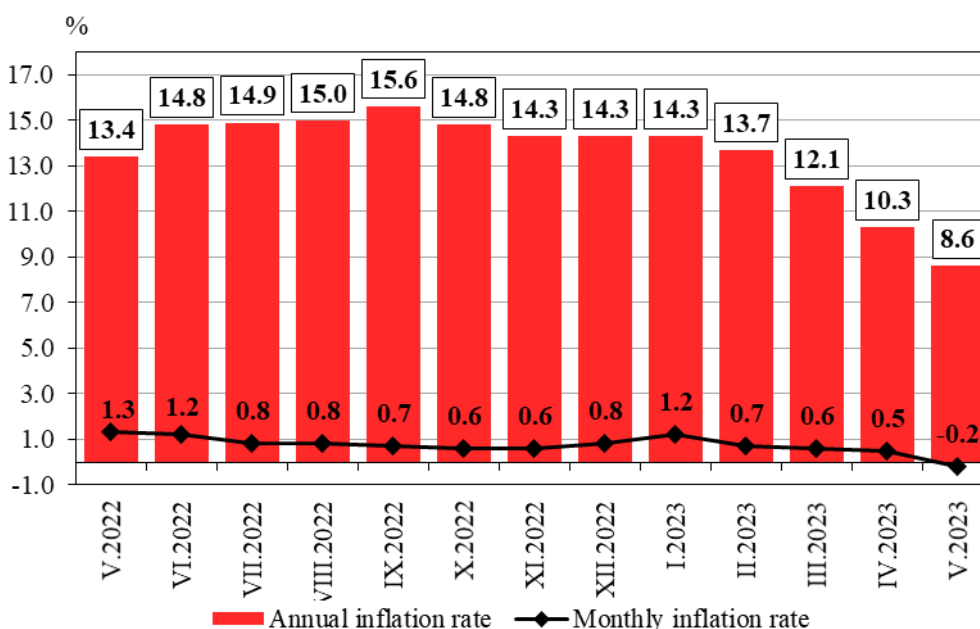
- Alcoholic beverages and tobacco - an increase of 1.1%;
- Clothing and footwear - an increase of 1.0%;
- Miscellaneous goods and services - an increase of 0.5%;
- Health - an increase of 0.5%;
- Food and non-alcoholic beverages - an increase of 0.5%;
- Education - an increase of 0.4%;
- Restaurants and hotels - an increase of 0.3%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.1%.

### Harmonized Index of Consumer Prices (HICP)

In May 2023, the **monthly inflation** rate, measured by HICP, was -0.2% compared to the previous month, and the **annual inflation** rate in May 2023 compared to May 2022 was 8.6%.<sup>1</sup>

The inflation rate since the beginning of the year (May 2023 compared to December 2022) was 2.8%, and the annual average inflation rate for the period June 2022 - May 2023 compared to the period June 2021 - May 2022 was 13.5%.

Figure 2. Inflation, measured by HICP, by month



<sup>1</sup> 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 May 2023, compared to the previous month, the prices of goods and services decreased in the following consumer groups:

- Transport - a decrease of 2.5%;
- Recreation and culture - a decrease of 1.4%;
- Restaurants and hotels - a decrease of 0.5%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.4%;
- Communications - a decrease of 0.3%.

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

- Alcoholic beverages and tobacco - an increase of 1.0%;
- Clothing and footwear - an increase of 1.0%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.6%;
- Health - an increase of 0.5%;
- Food and non-alcoholic beverages - an increase of 0.4%;
- Education - an increase of 0.3%;
- Miscellaneous goods and services - an increase of 0.3%.

### **Price Index of a Small Basket (PISB)**

In May 2023, a price increase of 0.1%, measured by the **Price Index of a Small Basket**, was registered on a monthly basis, and a price increase of 3.6% since the beginning of the year (May 2023 compared to December 2022).<sup>1</sup>

In May 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 0.3%;
- Services - an increase of 0.1%;
- Non-food products - a decrease of 0.1%.

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<sup>1</sup> 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 2023, NA data for households' final monetary consumption expenditures (HFMCE) - domestic concept in 2021 is used. NA 2021 data are reviewed and updated to make them representative of 2022, following Eurostat's methodological guidance on the compilation of HICP weights in case of large changes in consumer expenditures<sup>1</sup>.

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](http://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**.

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<sup>1</sup> 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](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 May 2023

(Per cent)

Commodity groups	Weights	May 2023		
		April 2023 = 100	December 2022 = 100	May 2022 = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>99.9</b>	<b>102.8</b>	<b>110.1</b>
01 Food and non-alcoholic beverages	31.198	100.5	105.5	114.4
02 Alcoholic beverages and tobacco	4.615	101.1	104.1	106.8
03 Clothing and footwear	3.996	101.0	102.7	106.3
04 Housing, water, electricity, gas and other fuels	17.219	99.6	98.5	111.8
05 Furnishings, household equipment and routine household maintenance	5.381	100.1	103.5	110.5
06 Health	8.120	100.5	104.2	112.0
07 Transport	9.544	97.5	98.6	90.5
08 Communication	5.107	99.7	102.2	105.9
09 Recreation and culture	5.069	96.6	99.5	117.4
10 Education	0.330	100.4	102.6	110.9
11 Restaurants and hotels	4.764	100.3	104.6	113.0
12 Miscellaneous goods and services	4.656	100.5	106.7	115.8
Foods	32.435	100.5	105.5	114.4
Non-foods	36.889	99.8	101.4	106.5
Catering	4.284	100.7	105.1	115.1
Services	26.393	99.0	101.0	109.0



Table 2

**Harmonized Indices of Consumer Prices in May 2023**

Commodity groups	Weights	May 2023			
		2015 = 100	April 2023 = 100	December 2022 = 100	May 2022 = 100
	%	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>133.30</b>	<b>99.8</b>	<b>102.8</b>	<b>108.6</b>
01 Food and non-alcoholic beverages	238.994	166.73	100.4	105.5	114.9
02 Alcoholic beverages and tobacco	51.169	122.46	101.0	104.2	107.3
03 Clothing and footwear	35.637	109.81	101.0	102.6	106.8
04 Housing, water, electricity, gas and other fuels	115.668	145.12	99.6	99.7	110.1
05 Furnishings, household equipment and routine household maintenance	61.905	124.30	100.6	103.2	109.2
06 Health	83.555	119.59	100.5	104.1	111.8
07 Transport	134.623	116.00	97.5	99.1	94.2
08 Communication	50.200	93.51	99.7	102.2	105.9
09 Recreation and culture	79.503	120.47	98.6	101.0	109.3
10 Education	17.724	142.20	100.3	102.0	110.1
11 Restaurants and hotels	71.010	151.13	99.5	103.6	109.2
12 Miscellaneous goods and services	60.012	136.51	100.3	105.1	113.6

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 May 2023**

Commodity groups	Weights	(Per cent)
		May 2023 April 2023 = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.1</b>
Food and non-alcoholic beverages	49.304	100.3
Clothing and footwear	4.182	100.5
Housing, water, electricity, gas and other fuels	26.367	99.8
Furnishings, household equipment and routine household maintenance	2.488	100.0
Health	11.196	100.5
Transport	1.158	100.0
Communication	0.089	100.0
Recreation and culture	0.551	100.3
Miscellaneous goods and services	4.665	99.1
Foods	49.304	100.3
Non-foods	30.412	99.9
Services	20.284	100.1