

VIII. PRICES

Consumer price index (CPI) measures the total relative price change of goods and services used by households for final personal (non-production) consumption. It is defined as 'pure price change' index. Total consumer price index summarizes the individual price indices of the observed goods and services. It is accepted as measure of *inflation* in the Republic of Bulgaria.

Calculation of consumer price indices is based on data from the monthly statistical survey of consumer prices.

Object, scope and unit of the survey

Consumer prices i.e. prices of goods and services used by the population for final personal (non-production) consumption, are *objects of the survey*. In a more narrow sense, prices of goods and services included in the so called 'consumer basket' are observed.

CPI coverage has few aspects:

- Concerning **goods and services**, which are included in CPI – the prices of goods and services included in the consumer basket are collected. In 2001 it covers 520 goods and services;

- **Geographical coverage** – all 28 regional centers on the territory of the country, where the prices are collected, are observed;

- **Points of observation** – prices are collected from a sample of shops, restaurants, cafes and etc. in the cities included in the geographical coverage. Observation points are 4864 in 2001;

- Concerning **the population** – CPI is calculated on the basis of the consumption pattern of the households included in the Household Budgets Survey (HBS).

Unit of the survey is a single good or service, which price is collected in a particular point of observation.

Consumer price indices are Laspeyres-type indices with base weights – household final monetary consumption expenditures (HFMCE) for 2000, and base prices – average annual prices for 2000. The HFMCE cover by consumer price index amount to 83.67 % from 2000 annual household monetary expenditures observed by HBS.

The aggregate index numbers by group are presented both as index numbers of consumer groups, reflecting the average change in prices of a given category of commodities and as index numbers of main commodity groups: 'Foods', 'Non-foods' and 'Services'.

Since 1999 NSI applies developed methodology for constructing and calculating consumer price index according to Eurostat requirements and IMF recommendations. For ensuring the comparable index series, monthly consumer price indices are revised for the period from January 1995 to December 2000. The chapter includes revised consumer price indices.

Sources of information

Prices of consumer goods and services are registered from 5th to 25th date of each month in the so called 'collector's diary'. Data is put in a computer in the regional statistical offices and is sent to CPI Division of NSI.

International classifications used

Classification of Individual Consumption by Purpose for the needs of Harmonized Indices of Consumer Prices (COICOP/HICP) is used for the calculation of the National CPI.

Harmonization of the methodology and the statistical tools according to Eurostat requirements and EU regulations

Since 1996 NSI calculates monthly preliminary harmonized index of consumer prices (HICP) according to the requirements of Eurostat on the basis of the initial data used for the calculation of the National CPI. The overall assessment is closely harmonized HICP. Preliminary HICP is equal to the National CPI.

More information about consumer price indices and inflation can be found in NSI monthly publication 'Statistical Journal'.

According to the 'Memorandum of understanding' signed in 1999 between NSI and Ministry of Agriculture and Forestry (MAF), the production of **statistical information on agricultural prices** is of NSI competence.

Object, scope and units of the survey

Purchase prices survey of agricultural products (quarterly, annually)

The object of survey are 90 vegetable and 63 animal products in volume and value, which are purchased directly from agricultural farms. The average procurement prices and price indices are calculated on different bases by Paasche's formula. The procurement prices exclude value added taxes, trade extra but include a small part of trade expenses related to the delivery.

The units of the survey are trade companies, industrial enterprises for processing of agricultural raw materials and agricultural holdings.

Sources of information

The main source of information is the statistical form, which is filled-in by the statistical units, and sent to NSI. The other sources of information about the agricultural prices are: the issues of the State Commission of Goods Exchange and Market-places at Bulgarian Government, Sofia's goods exchange and SAPI (Agro-market Information System at MAF).

Harmonization of the methodology and the statistical tools according to Eurostat requirements

During the period from January 2000 to June 2001, NSI took part in the Eurostat Pilot project on Agro-monetary statistics, sub-project - 'Agricultural price statistics'. A pilot survey was carried out within the project.