

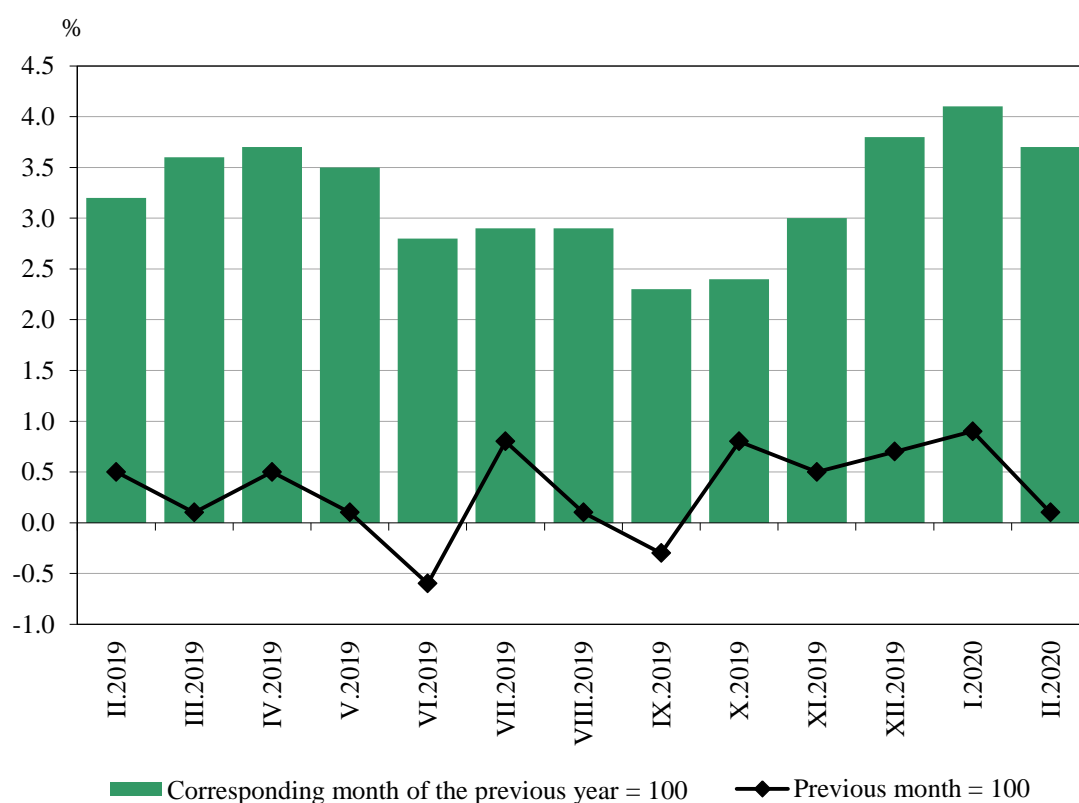
INFLATION AND CONSUMER PRICE INDICES IN FEBRUARY 2020

Consumer price index (CPI)

The **consumer price index** in February 2020 compared to January 2020 was 100.1%, i.e. the monthly inflation was 0.1%. The inflation rate since the beginning of the year (February 2020 compared to December 2019) has been 1.0% and the annual inflation in February 2020 compared to February 2019 was 3.7% (Figure 1 and Annex, Table 1).

The annual average inflation, measured by CPI, in the last 12 months (March 2019 - February 2020) compared to the previous 12 months (March 2018 - February 2019) was 3.2%.

Figure 1. Inflation measured by CPI by months



In February 2020 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 0.6%;
- Alcoholic beverages and tobacco - the prices remained at the level of the previous month;
- Clothing and footwear - a decrease of 2.0%;

- Housing, water, electricity, gas and other fuels - the prices remained at the level of the previous month;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.1%;
- Health - an increase of 0.3%;
- Transport - a decrease of 0.4%;
- Communications - a decrease of 0.1%;
- Recreation and culture - a decrease of 0.8%;
- Education - an increase of 0.6%;
- Restaurants and hotels - an increase of 0.7%;
- Miscellaneous goods and service - a decrease of 0.2%.

According to the final data of the NSI, the consumer price index in January 2020 compared to December 2019 was 100.9%, i.e. the monthly inflation was 0.9% (Annex, Table 4).

Harmonized index of consumer prices (HICP)

The **harmonized index of consumer prices** in February 2020 compared to January 2020 was 100.0%, i.e. the monthly inflation was 0.0%. The inflation rate since the beginning of the year (February 2020 compared to December 2019) has been 0.5% and the annual inflation in February 2020 compared to February 2019 was 3.1% (Annex, Table 2).

The annual average inflation, measured by HICP, in the last 12 months (March 2019 - February 2020) compared to the previous 12 months (March 2018 - February 2019) was 2.6%.

In terms of HICP, in February 2020 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 0.4%;
- Alcoholic beverages and tobacco - the prices remained at the level of the previous month;
- Clothing and footwear - a decrease of 1.6%;
- Housing, water, electricity, gas and other fuels - an increase of 0.1%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.2%;
- Health - an increase of 0.3%;
- Transport - a decrease of 0.9%;
- Communications - a decrease of 0.1%;
- Recreation and culture - an increase of 0.1%;
- Education - an increase of 0.5%;
- Restaurants and hotels - an increase of 0.3%;
- Miscellaneous goods and service - an increase of 0.1%.

According to the final data of the NSI, the harmonized index of consumer prices in January 2020 compared to December 2019 was 100.5%, i.e. the monthly inflation was 0.5% (Annex, Table 5).

Price index of a small basket (PISB)

The **price index of a small basket** in February 2020 compared to January 2020 was 100.3% and the overall increase since the beginning of the year (February 2020 compared to December 2019) has been 101.9% (Annex, Table 3).

In February 2020 compared to the previous month the prices of goods and services in the small basket for the 20% households with the lowest income changed as follows:

- Food products - an increase of 0.9%;
- Non-food products - a decrease of 0.5%;
- Services - an increase of 0.1%.

According to the final data of the NSI, the price index of a small basket in January 2020 compared to December 2019 was 101.6% (Annex, Table 6).

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. 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 readiness of Bulgaria to join the euro-zone**. HICP, as well as CPI, measure 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 through the use of weights, which reflect the individual and the collective consumption of all households (incl. institutional and foreign households) on the economic territory of the country. The main source of information for HICP weights is the national accounts data. HICP in year t is calculated with the weights of year $t-2$.

In compliance with Regulation (EC) No 2015/2010 **since January 2016 the base year for HICP has been changed** and the all indices have been calculated and published at **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 household's 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-months 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 the **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 2020 price indices were released as preliminary since they were calculated with the household budget data for the period October 2018 - September 2019. **The final January 2020 consumer price indices**, calculated with the annual 2019 household budget data for the weights, are released along with the February 2020 data.

Annex

Table 1

Consumer price indices in February 2020

(Per cent)

Commodity groups	2019 weights	February 2020		
		Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.1	101.0	103.7
01 Food and non-alcoholic beverages	30.093	100.6	103.2	106.9
02 Alcoholic beverages and tobacco	5.134	100.0	100.2	102.3
03 Clothing and footwear	3.995	98.0	93.6	100.6
04 Housing, water, electricity, gas and other fuels	16.866	100.0	100.6	102.4
05 Furnishings, household equipment and routine household maintenance	4.572	100.1	100.3	101.4
06 Health	7.777	100.3	100.6	102.9
07 Transport	9.621	99.6	99.7	103.8
08 Communication	5.204	99.9	100.1	98.0
09 Recreation and culture	5.973	99.2	100.1	102.0
10 Education	0.404	100.6	100.7	103.8
11 Restaurants and hotels	5.872	100.7	101.2	106.0
12 Miscellaneous goods and service	4.489	99.8	101.1	101.5
Foods	31.390	100.5	103.1	106.7
Non-foods	34.512	99.8	99.5	101.5
Catering	5.374	100.8	101.3	106.4
Services	28.724	99.8	100.4	102.6

Table 2

Harmonized indices of consumer prices in February 2020

Commodity groups	2018 weights	February 2020			
		2015 = 100	Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
	%	%			
00 Total HICP	1000.000	106.95	100.0	100.5	103.1
01 Food and non-alcoholic beverages	227.072	116.58	100.4	102.8	106.5
02 Alcoholic beverages and tobacco	63.136	109.94	100.0	100.2	102.4
03 Clothing and footwear	36.509	94.83	98.4	94.4	100.8
04 Housing, water, electricity, gas and other fuels	106.234	111.54	100.1	100.6	102.3
05 Furnishings, household equipment and routine household maintenance	60.703	100.99	100.2	100.1	101.0
06 Health	74.227	103.51	100.3	100.6	102.6
07 Transport	148.685	96.61	99.1	98.6	102.6
08 Communication	54.222	91.29	99.9	100.1	98.0
09 Recreation and culture	73.727	105.77	100.1	100.2	101.2
10 Education	15.056	115.52	100.5	100.5	103.4
11 Restaurants and hotels	84.742	118.02	100.3	100.9	105.0
12 Miscellaneous goods and service	55.687	110.28	100.1	100.9	102.1

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 February 2020

(Per cent)

Commodity groups	2019 weights	February 2020
		Previous month = 100
Total PISB	100.000	100.3
Food and non-alcoholic beverages	49.396	100.9
Clothing and footwear	3.564	98.0
Housing, water, electricity, gas and other fuels	27.199	99.9
Furnishings, household equipment and routine household maintenance	2.563	98.9
Health	11.080	100.2
Transport	1.399	100.3
Communication	0.295	100.0
Recreation and culture	0.492	100.4
Miscellaneous goods and service	4.013	98.9
Foods	49.396	100.9
Non-foods	28.454	99.5
Services	22.150	100.1

Table 4

Consumer price indices in January 2020 (final data)

(Per cent)

Commodity groups	2019 weights	January 2020		
		Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
00 Total CPI	100.000	100.9	100.9	104.1
01 Food and non-alcoholic beverages	30.093	102.7	102.7	108.0
02 Alcoholic beverages and tobacco	5.134	100.2	100.2	102.5
03 Clothing and footwear	3.995	95.5	95.5	100.5
04 Housing, water, electricity, gas and other fuels	16.866	100.6	100.6	102.4
05 Furnishings, household equipment and routine household maintenance	4.572	100.2	100.2	101.4
06 Health	7.777	100.3	100.3	102.7
07 Transport	9.621	100.0	100.0	105.3
08 Communication	5.204	100.2	100.2	97.2
09 Recreation and culture	5.973	100.9	100.9	101.8
10 Education	0.404	100.1	100.1	103.6
11 Restaurants and hotels	5.872	100.5	100.5	105.8
12 Miscellaneous goods and service	4.489	101.3	101.3	102.1
Foods	31.390	102.6	102.6	107.8
Non-foods	34.512	99.7	99.7	101.9
Catering	5.374	100.5	100.5	106.0
Services	28.724	100.7	100.7	102.4

Table 5

Harmonized indices of consumer prices in January 2020 (final data)

Commodity groups	2018 weights	January 2020			
		2015 = 100	Previous month = 100	December 2019 = 100	Corresponding month of the previous year = 100
	%	%			
00 Total HICP	1000.000	106.94	100.5	100.5	103.4
01 Food and non-alcoholic beverages	227.072	116.06	102.4	102.4	107.5
02 Alcoholic beverages and tobacco	63.136	109.96	100.2	100.2	102.5
03 Clothing and footwear	36.509	96.33	95.9	95.9	100.5
04 Housing, water, electricity, gas and other fuels	106.234	111.40	100.5	100.5	102.2
05 Furnishings, household equipment and routine household maintenance	60.703	100.76	99.9	99.9	100.8
06 Health	74.227	103.20	100.3	100.3	102.4
07 Transport	148.685	97.47	99.4	99.4	103.7
08 Communication	54.222	91.41	100.2	100.2	97.2
09 Recreation and culture	73.727	105.71	100.1	100.1	100.7
10 Education	15.056	114.96	100.1	100.1	103.2
11 Restaurants and hotels	84.742	117.61	100.5	100.5	105.4
12 Miscellaneous goods and service	55.687	110.12	100.7	100.7	102.2

Table 6

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 2020 (final data)

(Per cent)

Commodity groups	2019 weights	January 2020
		Previous month = 100
Total PISB	100.000	101.6
Food and non-alcoholic beverages	49.396	102.9
Clothing and footwear	3.564	96.9
Housing, water, electricity, gas and other fuels	27.199	100.5
Furnishings, household equipment and routine household maintenance	2.563	103.5
Health	11.080	100.1
Transport	1.399	100.3
Communication	0.295	100.0
Recreation and culture	0.492	100.2
Miscellaneous goods and service	4.013	100.6
Foods	49.396	102.9
Non-foods	28.454	100.0
Services	22.150	100.7