

INFLATION AND CONSUMER PRICE INDICES IN JULY 2022

The monthly inflation rate was 1.1%, while the annual inflation rate was 17.3%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of July 2022 compared to the previous month, and annual inflation being for July 2022 compared to the same month of the previous year.

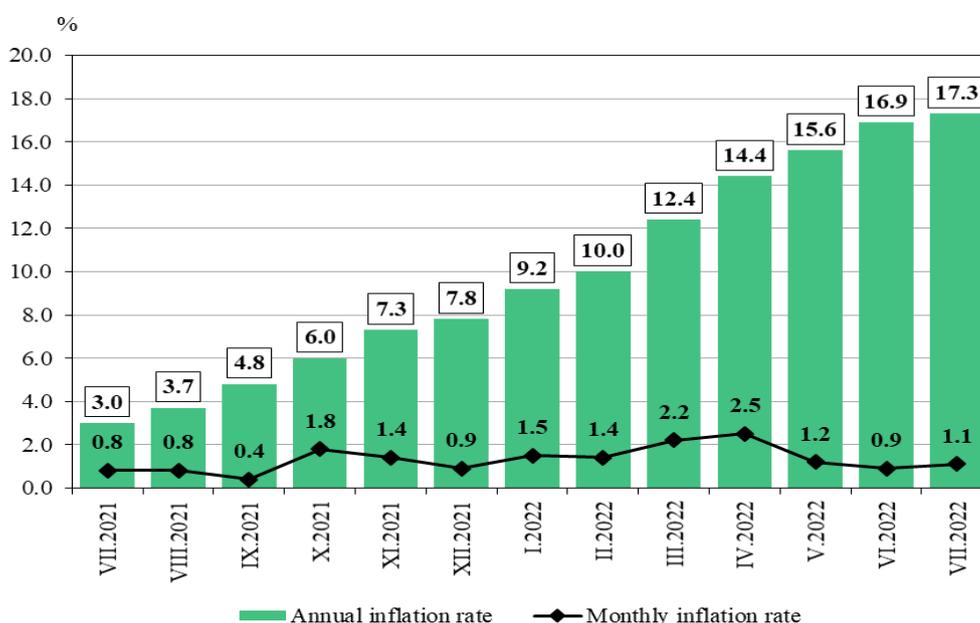
In July 2022, compared to the previous month, the highest price increase was registered for Recreation and culture (+7.4%), Housing, water, electricity, gas and other fuels (+5.2%) and Restaurants and hotels (+1.2%). The highest decrease was recorded in the prices for Clothing and footwear (-2.0%), Transport (-1.7%) and Food and non-alcoholic beverages (-0.1%).

Consumer price index (CPI)

In July 2022, the **monthly inflation** rate was 1.1% compared to the previous month, and the **annual inflation** rate in July 2022 compared to July 2021 was 17.3%.¹

The inflation rate since the beginning of the year (July 2022 compared to December 2021) was 11.3%, and the annual average inflation rate for the period August 2021 - July 2022 compared to the period August 2020 - July 2021 was 10.5%.

Figure 1. Inflation, measured by CPI, by month



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

- Recreation and culture - an increase of 7.4%;
- Housing, water, electricity, gas and other fuels - an increase of 5.2%;

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

- Restaurants and hotels - an increase of 1.2%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.9%;
- Miscellaneous goods and services - an increase of 0.9%;
- Communications - an increase of 0.7%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Health - an increase of 0.2%;
- Education - an increase of 0.1%.

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

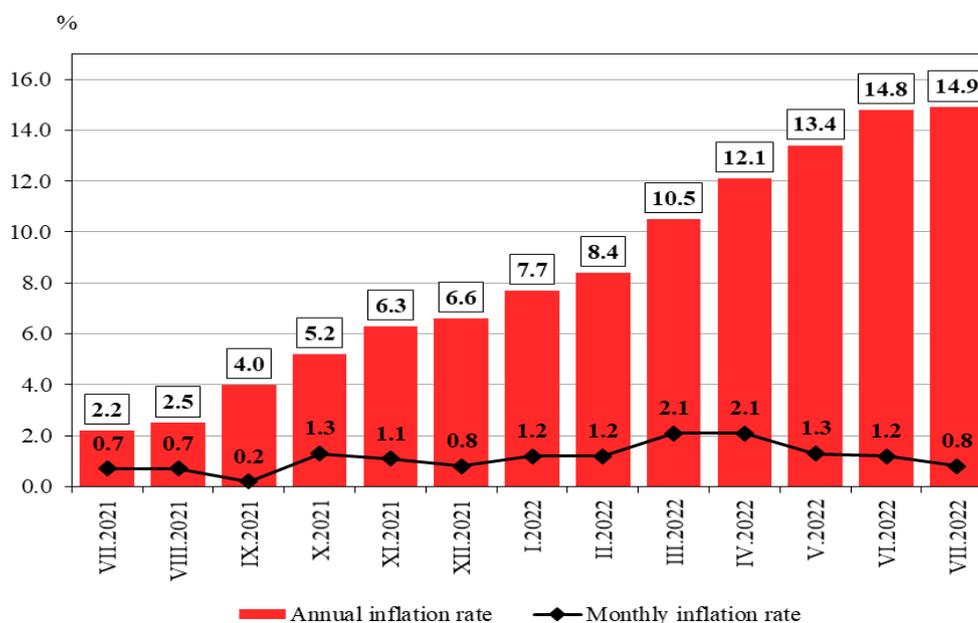
- Clothing and footwear - a decrease of 2.0%;
- Transport - a decrease of 1.7%;
- Food and non-alcoholic beverages - a decrease of 0.1%.

Harmonized index of consumer prices (HICP)

According to the HICP, in July 2022 the **monthly inflation** rate was 0.8% compared to the previous month, and the **annual inflation** rate in July 2022 compared to July 2021 was 14.9%.¹

The inflation rate since the beginning of the year (July 2022 compared to December 2021) was 10.3%, and the annual average inflation rate for the period August 2021 - July 2022 compared to the period August 2020 - July 2021 was 8.9%.

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

- Housing, water, electricity, gas and other fuels - an increase of 4.6%;
- Recreation and culture - an increase of 2.0%;
- Restaurants and hotels - an increase of 1.3%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.8%;
- Communications - an increase of 0.7%;
- Miscellaneous goods and services - an increase of 0.7%;
- Alcoholic beverages and tobacco - an increase of 0.6%;
- Health - an increase of 0.2%;
- Food and non-alcoholic beverages - an increase of 0.1%;
- Education - an increase of 0.1%.

In July 2022, 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%;
- Transport - a decrease of 0.6%.

Price index of a small basket (PISB)

According to the **price index of a small basket**, in July 2022 a price increase of 0.8% was registered on a monthly basis and a price increase of 12.1% since the beginning of the year (July 2022 compared to December 2021).¹

In July 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:

- Food products - a decrease of 0.8%;
- Non-food products - an increase of 1.9%;
- Services - an increase of 3.7%.

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 July 2022

(Per cent)

Commodity groups	Weights	July 2022		
		June 2022 = 100	December 2021 = 100	July 2021 = 100
00 Total CPI	100.000	101.1	111.3	117.3
01 Food and non-alcoholic beverages	31.625	99.9	116.1	124.2
02 Alcoholic beverages and tobacco	4.934	100.5	101.9	102.8
03 Clothing and footwear	4.296	98.0	101.6	105.8
04 Housing, water, electricity, gas and other fuels	17.193	105.2	112.5	121.4
05 Furnishings, household equipment and routine household maintenance	5.576	100.9	109.4	113.2
06 Health	8.090	100.2	101.6	102.1
07 Transport	9.127	98.3	120.8	131.4
08 Communication	5.402	100.7	104.2	103.2
09 Recreation and culture	4.608	107.4	103.9	111.1
10 Education	0.624	100.1	102.7	106.4
11 Restaurants and hotels	3.689	101.2	116.2	120.2
12 Miscellaneous goods and services	4.837	100.9	104.3	105.8
Foods	32.997	100.0	115.7	123.6
Non-foods	36.016	100.2	110.3	117.2
Catering	3.215	101.1	115.9	120.9
Services	27.773	104.0	106.7	109.6



Table 2

Harmonized indices of consumer prices in July 2022

Commodity groups	Weights	July 2022			
		2015 = 100	June 2022 = 100	December 2021 = 100	July 2021 = 100
	%	%			
00 Total HICP	1000.000	125.18	100.8	110.3	114.9
01 Food and non-alcoholic beverages	227.300	145.82	100.1	116.3	123.9
02 Alcoholic beverages and tobacco	57.880	115.24	100.6	102.6	103.6
03 Clothing and footwear	38.676	100.78	98.2	101.7	106.1
04 Housing, water, electricity, gas and other fuels	119.880	138.67	104.6	112.2	119.8
05 Furnishings, household equipment and routine household maintenance	62.879	116.19	100.8	108.9	112.8
06 Health	86.139	107.37	100.2	101.7	102.2
07 Transport	137.521	126.88	99.4	118.0	125.9
08 Communication	56.268	90.01	100.7	104.2	103.2
09 Recreation and culture	78.210	112.42	102.0	103.2	106.5
10 Education	15.152	130.17	100.1	103.3	107.1
11 Restaurants and hotels	62.278	144.98	101.3	116.1	117.0
12 Miscellaneous goods and services	57.818	122.32	100.7	104.4	105.5

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 July 2022

(Per cent)

Commodity groups	Weights	July 2022
		June 2022 = 100
Total PISB	100.000	100.8
Food and non-alcoholic beverages	49.460	99.2
Clothing and footwear	4.357	98.1
Housing, water, electricity, gas and other fuels	26.006	105.0
Furnishings, household equipment and routine household maintenance	2.598	98.4
Health	11.029	100.2
Transport	1.109	101.7
Communication	0.111	100.0
Recreation and culture	0.605	101.6
Miscellaneous goods and services	4.726	101.8
Foods	49.460	99.2
Non-foods	28.486	101.9
Services	22.054	103.7