

## INFLATION AND CONSUMER PRICE INDICES IN MARCH 2023

According to the preliminary data of the NSI, the monthly inflation rate was 0.5%, while the annual inflation rate was 14.0%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of March 2023 compared to the previous month, and annual inflation being for March 2023 compared to the same month of the previous year.

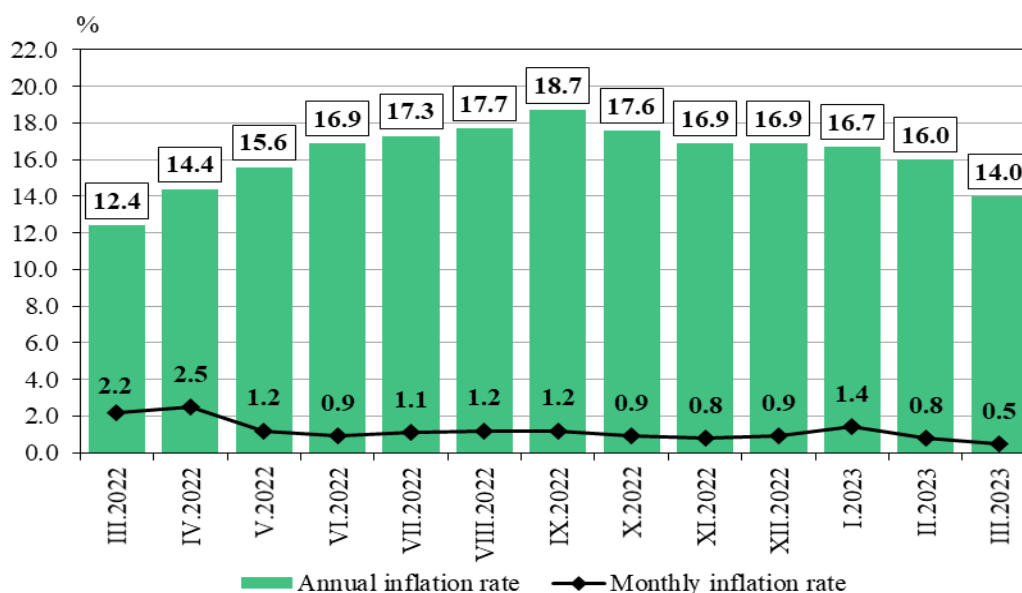
In March 2023, compared to the previous month, the highest price increase was registered for Miscellaneous goods and services (+2.9%), Restaurants and hotels (+1.2%), Alcoholic beverages and tobacco (+1.1%), Furnishings, household equipment and routine maintenance of the house (+1.0%) and Food and non-alcoholic beverages (+0.9%). The decrease was recorded in the prices for Clothing and footwear (-0.8%), Transport (-0.7%), Housing, water, electricity, gas and other fuels (-0.5%) and Recreation and culture (-0.5%).

### Consumer Price Index (CPI)

In March 2023, the **monthly inflation** rate was 0.5% compared to the previous month, and the **annual inflation** rate in March 2023 compared to March 2022 was 14.0%.<sup>1</sup>

The inflation rate since the beginning of the year (March 2023 compared to December 2022) was 2.6%, and the annual average inflation rate for the period April 2022 - March 2023 compared to the period April 2021 - March 2022 was 16.5%.

Figure 1. Inflation, measured by CPI, by month



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

- Miscellaneous goods and services - an increase of 2.9%;
- Restaurants and hotels - an increase of 1.2%;

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

- Alcoholic beverages and tobacco - an increase of 1.1%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 1.0%;
- Food and non-alcoholic beverages - an increase of 0.9%;
- Health - an increase of 0.8%;
- Communications - an increase of 0.7%;
- Education - an increase of 0.3%.

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

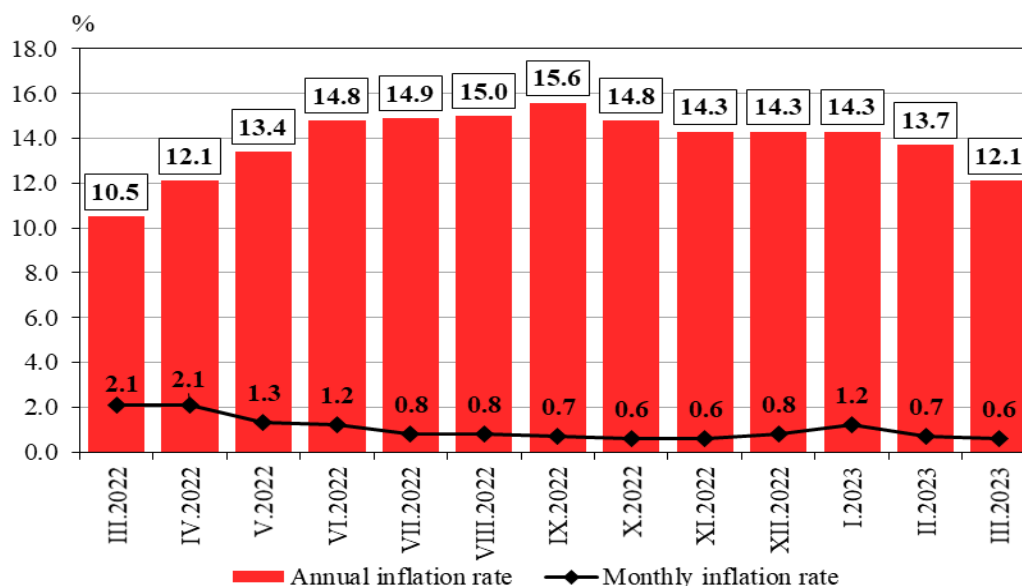
- Clothing and footwear - a decrease of 0.8%;
- Transport - a decrease of 0.7%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.5%;
- Recreation and culture - a decrease of 0.5%.

### Harmonized Index of Consumer Prices (HICP)

In March 2023, the **monthly inflation** rate, measured by HICP, was 0.6% compared to the previous month, and the **annual inflation** rate in March 2023 compared to March 2022 was 12.1%.<sup>1</sup>

The inflation rate since the beginning of the year (March 2023 compared to December 2022) was 2.5%, and the annual average inflation rate for the period April 2022 - March 2023 compared to the period April 2021 - March 2022 was 14.1%.

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

- Miscellaneous goods and services - an increase of 3.4%;
- Alcoholic beverages and tobacco - an increase of 1.1%;
- Food and non-alcoholic beverages - an increase of 0.9%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.8%;
- Health - an increase of 0.8%;
- Communications - an increase of 0.7%;
- Restaurants and hotels - an increase of 0.6%;
- Education - an increase of 0.2%.

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

- Clothing and footwear - a decrease of 0.7%;
- Transport - a decrease of 0.3%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.2%.

In March 2023, the prices of the goods and services in the Recreation and culture remained at the level of the previous month.

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

In March 2023, a price increase of 0.3%, measured by the **Price Index of a Small Basket**, was registered on a monthly basis, and a price increase of 3.0% since the beginning of the year (March 2023 compared to December 2022).<sup>1</sup>

In March 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%;
- Non-food products - an increase of 0.2%;
- Services - an increase 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 March 2023

(Per cent)

Commodity groups	Weights	March 2023		
		February 2023 = 100	December 2022 = 100	March 2022 = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>100.5</b>	<b>102.6</b>	<b>114.0</b>
01 Food and non-alcoholic beverages	31.198	100.9	104.9	121.0
02 Alcoholic beverages and tobacco	4.615	101.1	102.2	105.4
03 Clothing and footwear	3.996	99.2	96.4	107.4
04 Housing, water, electricity, gas and other fuels	17.219	99.5	99.2	116.2
05 Furnishings, household equipment and routine household maintenance	5.381	101.0	102.5	112.8
06 Health	8.120	100.8	103.4	111.3
07 Transport	9.544	99.3	101.2	99.2
08 Communication	5.107	100.7	103.0	107.3
09 Recreation and culture	5.069	99.5	103.9	115.7
10 Education	0.330	100.3	101.7	110.9
11 Restaurants and hotels	4.764	101.2	103.3	116.7
12 Miscellaneous goods and services	4.656	102.9	105.1	112.2
Foods	32.435	100.9	104.9	120.8
Non-foods	36.889	100.0	101.1	110.2
Catering	4.284	101.4	103.5	118.6
Services	26.393	100.4	101.8	110.1



Table 2

Harmonized indices of consumer prices in March 2023

Commodity groups	Weights	March 2023			
		2015 = 100	February 2023 = 100	December 2022 = 100	March 2022 = 100
	%	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>132.90</b>	<b>100.6</b>	<b>102.5</b>	<b>112.1</b>
01 Food and non-alcoholic beverages	238.994	165.84	100.9	104.9	121.5
02 Alcoholic beverages and tobacco	51.169	120.40	101.1	102.4	106.2
03 Clothing and footwear	35.637	103.47	99.3	96.6	107.5
04 Housing, water, electricity, gas and other fuels	115.668	145.48	99.8	99.9	114.3
05 Furnishings, household equipment and routine household maintenance	61.905	123.03	100.8	102.1	111.6
06 Health	83.555	118.66	100.8	103.3	111.2
07 Transport	134.623	117.31	99.7	100.2	101.2
08 Communication	50.200	94.30	100.7	103.0	107.3
09 Recreation and culture	79.503	122.79	100.0	103.0	109.9
10 Education	17.724	141.24	100.2	101.3	110.6
11 Restaurants and hotels	71.010	150.01	100.6	102.8	113.1
12 Miscellaneous goods and services	60.012	135.36	103.4	104.2	112.4

**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 March 2023**

(Per cent)

Commodity groups	Weights	March 2023
		February 2023 = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.3</b>
Food and non-alcoholic beverages	49.304	100.3
Clothing and footwear	4.182	99.4
Housing, water, electricity, gas and other fuels	26.367	99.5
Furnishings, household equipment and routine household maintenance	2.488	102.6
Health	11.196	101.3
Transport	1.158	99.9
Communication	0.089	100.0
Recreation and culture	0.551	100.5
Miscellaneous goods and services	4.665	100.6
Foods	49.304	100.3
Non-foods	30.412	100.2
Services	20.284	100.1