

INFLATION AND CONSUMER PRICE INDICES IN JULY 2023

The monthly inflation rate was 0.9%, while the annual inflation rate was 8.5%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of July 2023 compared to the previous month, and annual inflation being for July 2023 compared to the same month of the previous year.

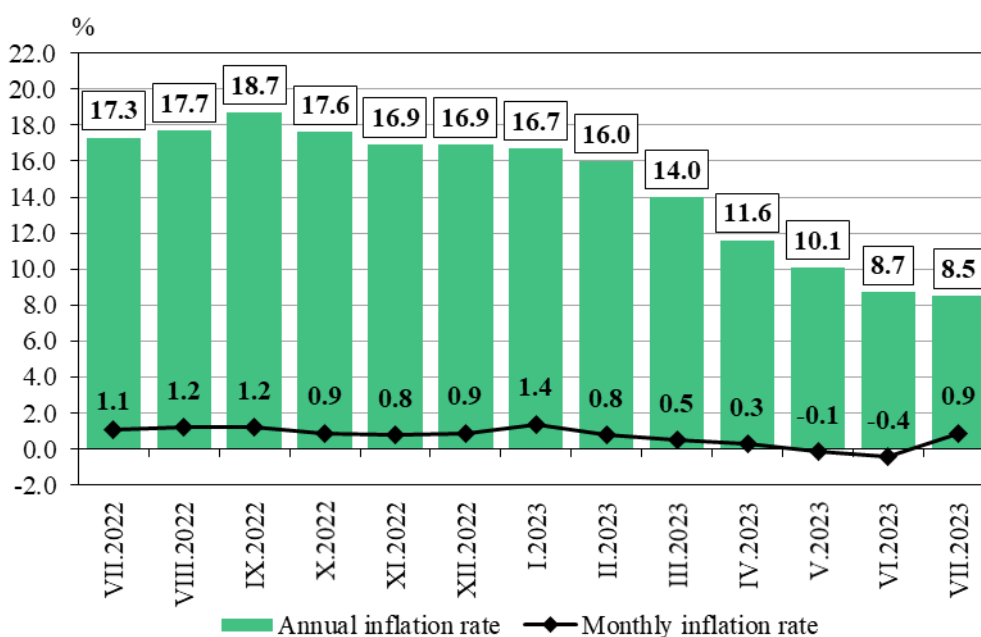
In July 2023, compared to the previous month, the highest increase was recorded in the prices for Recreation and culture (+7.5%), Restaurants and hotels (+2.9%), Housing, water, electricity, gas and other fuels (+1.8%) and Health (+0.7%). The decrease was registered for Clothing and footwear (-1.4%) and Miscellaneous goods and services (-0.1%).

Consumer Price Index (CPI)

In July 2023, the **monthly inflation** rate was 0.9% compared to the previous month, and the **annual inflation** rate in July 2023 compared to July 2022 was 8.5%¹.

The inflation rate since the beginning of the year (July 2023 compared to December 2022) was 3.3%, and the annual average inflation rate for the period August 2022 - July 2023 compared to the period August 2021 - July 2022 was 14.3%.

Figure 1. Inflation, measured by CPI, by month



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

- Recreation and culture - an increase of 7.5%;
- Restaurants and hotels - an increase of 2.9%;
- Housing, water, electricity, gas and other fuels - an increase of 1.8%;

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

- Health - an increase of 0.7%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.5%;
- Transport - an increase of 0.5%;
- Communications - an increase of 0.4%;
- Education - an increase of 0.2%;
- Alcoholic beverages and tobacco - an increase of 0.2%;
- Food and non-alcoholic beverages - an increase of 0.1%.

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

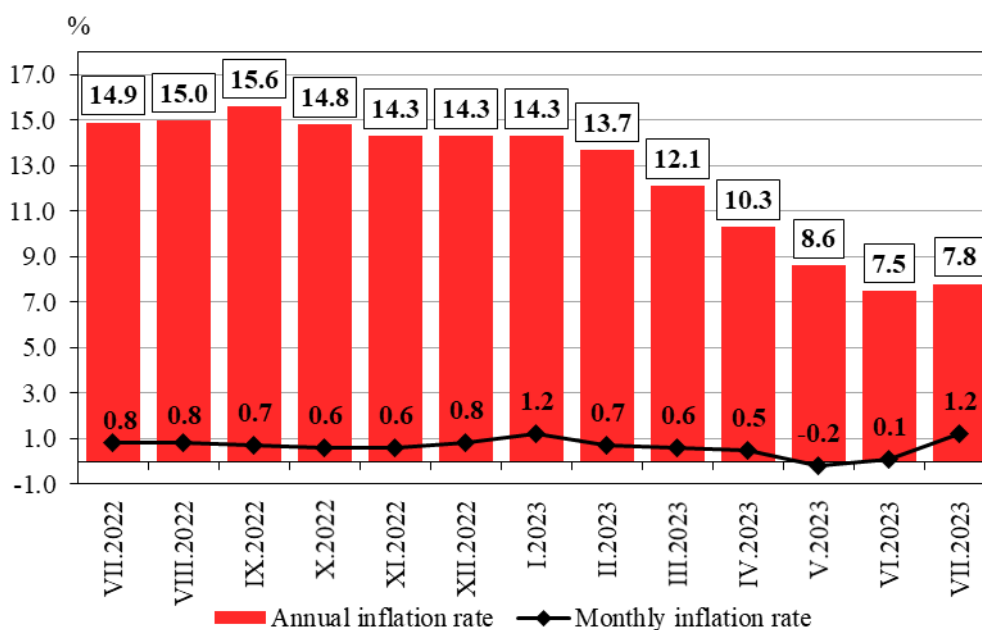
- Clothing and footwear - a decrease of 1.4%;
- Miscellaneous goods and services - a decrease of 0.1%.

Harmonized Index of Consumer Prices (HICP)

In July 2023, the **monthly inflation** rate, measured by HICP, was 1.2% compared to the previous month, and the **annual inflation** rate in July 2023 compared to July 2022 was 7.8%¹.

The inflation rate since the beginning of the year (July 2023 compared to December 2022) was 4.1%, and the annual average inflation rate for the period August 2022 - July 2023 compared to the period August 2021 - July 2022 was 12.3%.

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

- Restaurants and hotels - an increase of 8.0%;
- Recreation and culture - an increase of 3.1%;
- Housing, water, electricity, gas and other fuels - an increase of 1.5%;
- Health - an increase of 0.7%;
- Transport - an increase of 0.7%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.5%;
- Communications - an increase of 0.4%;
- Education - an increase of 0.2%;
- Alcoholic beverages and tobacco - an increase of 0.1%;
- Miscellaneous goods and services - an increase of 0.1%.

In July 2023, compared to the previous month, the prices of goods and services in Clothing and footwear decreased by 1.4%.

The prices of Food and non-alcoholic beverages remained unchanged.

Price Index of a Small Basket (PISB)

In July 2023, a price increase of 0.5%, measured by the **Price Index of a Small Basket**, was registered on a monthly basis, and a price increase of 3.2% since the beginning of the year (July 2023 compared to December 2022)¹.

In July 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:

- Services - an increase of 3.3%;
- Non-food products - a decrease of 0.4%.

The prices of Food products remained unchanged.

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 for 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 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 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**.

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-month 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 2023

(Per cent)

Commodity groups	Weights	July 2023		
		June 2023 = 100	December 2022 = 100	July 2022 = 100
00 Total CPI	100.000	100.9	103.3	108.5
01 Food and non-alcoholic beverages	31.198	100.1	104.5	113.5
02 Alcoholic beverages and tobacco	4.615	100.2	105.0	106.8
03 Clothing and footwear	3.996	98.6	100.7	106.6
04 Housing, water, electricity, gas and other fuels	17.219	101.8	99.6	106.2
05 Furnishings, household equipment and routine household maintenance	5.381	100.5	104.2	108.5
06 Health	8.120	100.7	105.9	113.3
07 Transport	9.544	100.5	98.6	88.2
08 Communication	5.107	100.4	103.6	105.4
09 Recreation and culture	5.069	107.5	103.7	114.6
10 Education	0.330	100.2	102.8	110.4
11 Restaurants and hotels	4.764	102.9	109.4	113.9
12 Miscellaneous goods and services	4.656	99.9	107.1	114.0
Foods	32.435	100.1	104.5	113.5
Non-foods	36.889	99.9	101.1	103.8
Catering	4.284	100.5	106.4	113.1
Services	26.393	103.6	104.5	108.0



Table 2

Harmonized Indices of Consumer Prices in July 2023

Commodity groups	Weights	July 2023			
		2015 = 100	June 2023 = 100	December 2022 = 100	July 2022 = 100
	%	%			
00 Total HICP	1000.000	134.99	101.2	104.1	107.8
01 Food and non-alcoholic beverages	238.994	165.71	100.0	104.9	113.6
02 Alcoholic beverages and tobacco	51.169	123.39	100.1	105.0	107.1
03 Clothing and footwear	35.637	107.72	98.6	100.6	106.9
04 Housing, water, electricity, gas and other fuels	115.668	146.75	101.5	100.8	105.8
05 Furnishings, household equipment and routine household maintenance	61.905	124.85	100.5	103.6	107.5
06 Health	83.555	121.50	100.7	105.8	113.2
07 Transport	134.623	116.68	100.7	99.6	92.0
08 Communication	50.200	94.84	100.4	103.6	105.4
09 Recreation and culture	79.503	122.69	103.1	102.9	109.1
10 Education	17.724	142.45	100.2	102.2	109.4
11 Restaurants and hotels	71.010	168.66	108.0	115.6	116.3
12 Miscellaneous goods and services	60.012	137.11	100.1	105.6	112.1

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 July 2023

Commodity groups	Weights	(Per cent)
		July 2023 June 2023 = 100
Total PISB	100.000	100.5
Food and non-alcoholic beverages	49.304	100.0
Clothing and footwear	4.182	99.5
Housing, water, electricity, gas and other fuels	26.367	102.0
Furnishings, household equipment and routine household maintenance	2.488	100.5
Health	11.196	101.0
Transport	1.158	100.3
Communication	0.089	100.0
Recreation and culture	0.551	100.4
Miscellaneous goods and services	4.665	98.2
Foods	49.304	100.0
Non-foods	30.412	99.6
Services	20.284	103.3