

## INFLATION AND CONSUMER PRICE INDICES IN OCTOBER 2023

The monthly inflation rate was 0.4%, while the annual inflation rate was 5.8%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of October 2023 compared to the previous month, and annual inflation being for October 2023 compared to the same month of the previous year.

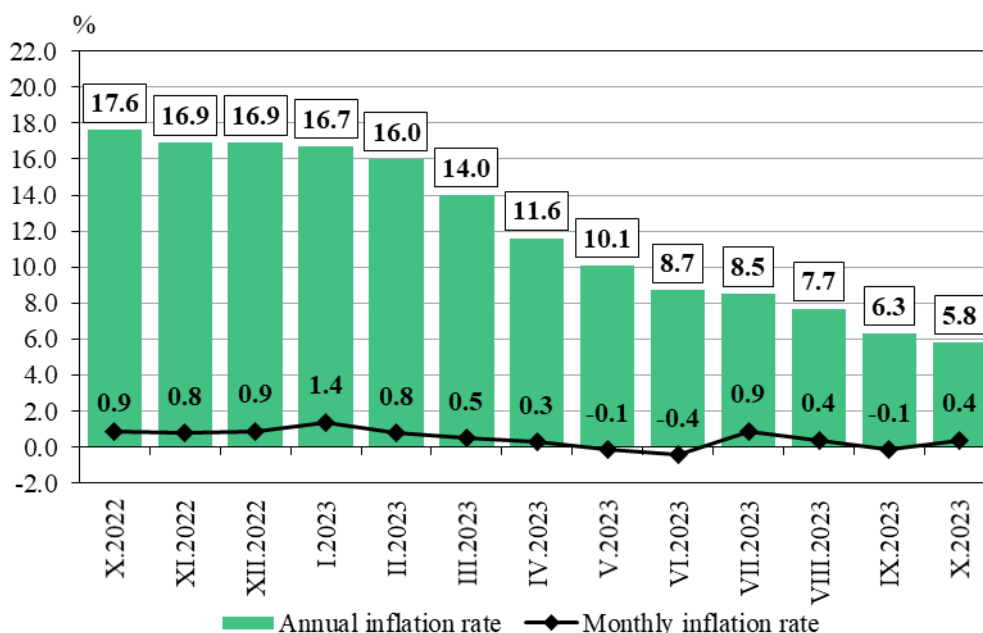
In October 2023, compared to the previous month, an increase was registered for Recreation and culture (+6.7%), Clothing and footwear (+5.7%), Education (+1.1%) and Furnishings, household equipment and routine maintenance of the house (+0.8%). The highest decrease was recorded in the prices for Housing, water, electricity, gas and other fuels (-0.4%), Food and non-alcoholic beverages (-0.4%) and Transport (-0.3%).

### Consumer Price Index (CPI)

In October 2023, the **monthly inflation** rate was 0.4% and the **annual inflation** rate in October 2023 compared to October 2022 was 5.8%<sup>1</sup>.

The inflation rate since the beginning of the year (October 2023 compared to December 2022) was 4.1%, and the annual average inflation rate for the period November 2022 - October 2023 compared to the period November 2021 - October 2022 was 11.4%.

**Figure 1. Inflation, measured by CPI, by month**



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

In October 2023, the prices of goods and services increased in the following consumer groups:

- Recreation and culture - an increase of 6.7%;
- Clothing and footwear - an increase of 5.7%;
- Education - an increase of 1.1%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.8%;
- Alcoholic beverages and tobacco - an increase of 0.4%;
- Health - an increase of 0.3%.

The prices of goods and services decreased in the following consumer groups:

- Housing, water, electricity, gas and other fuels - a decrease of 0.4%;
- Food and non-alcoholic beverages - a decrease of 0.4%;
- Transport - a decrease of 0.3%.

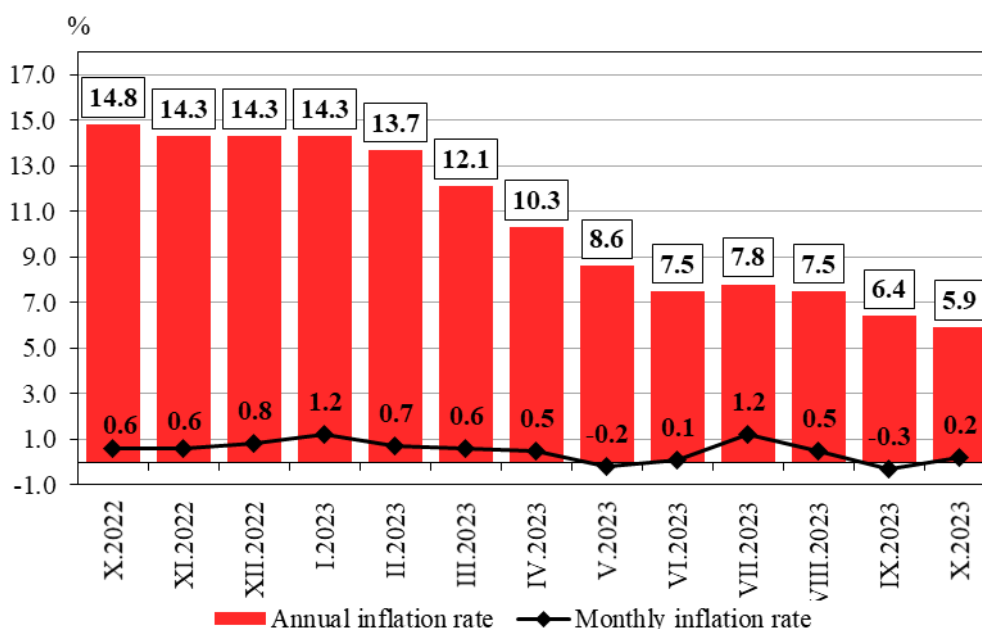
The prices of goods and services in Miscellaneous goods and services, Restaurants and hotels and Communications remained unchanged.

### Harmonized Index of Consumer Prices (HICP)

In October 2023, the **monthly inflation** rate, measured by HICP, was 0.2% and the **annual inflation** rate in October 2023 compared to October 2022 was 5.9%<sup>1</sup>.

The inflation rate since the beginning of the year (October 2023 compared to December 2022) was 4.4%, and the annual average inflation rate for the period November 2022 - October 2023 compared to the period November 2021 - October 2022 was 10.1%.

**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 October 2023, the prices of goods and services increased in the following consumer groups:

- Clothing and footwear - an increase of 5.2%;
- Recreation and culture - an increase of 3.1%.
- Education - an increase of 1.0%;
- Alcoholic beverages and tobacco - an increase of 0.5%;
- Furnishings, household equipment and routine maintenance of the house - an increase of 0.4%;
- Health - an increase of 0.3%;
- Miscellaneous goods and services - an increase of 0.2%.

The prices of goods and services decreased in the following consumer groups:

- Restaurants and hotels - a decrease of 1.3%;
- Transport - a decrease of 0.8%;
- Food and non-alcoholic beverages - a decrease of 0.3%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.3%.

The prices of goods and services in Communications remained unchanged.

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

In October 2023, a price increase of 0.1%, measured by the **Price Index of a Small Basket**, was registered on a monthly basis, and a price increase of 3.8% since the beginning of the year<sup>1</sup>.

In October 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:

- Non-food products - an increase of 1.0%;
- Services - an increase of 0.1%;
- Food products - a decrease of 0.5%.

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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 criterions 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 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-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](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 October 2023

(Per cent)

Commodity groups	Weights	October 2023		
		September 2023 = 100	December 2022 = 100	October 2022 = 100
<b>00 Total CPI</b>	<b>100.000</b>	<b>100.4</b>	<b>104.1</b>	<b>105.8</b>
01 Food and non-alcoholic beverages	31.198	99.6	104.8	107.6
02 Alcoholic beverages and tobacco	4.615	100.4	105.8	106.6
03 Clothing and footwear	3.996	105.7	104.6	103.9
04 Housing, water, electricity, gas and other fuels	17.219	99.6	99.0	98.3
05 Furnishings, household equipment and routine household maintenance	5.381	100.8	105.3	106.5
06 Health	8.120	100.3	107.5	111.8
07 Transport	9.544	99.7	105.5	102.5
08 Communication	5.107	100.0	102.9	105.9
09 Recreation and culture	5.069	106.7	99.6	111.1
10 Education	0.330	101.1	108.2	108.7
11 Restaurants and hotels	4.764	100.0	107.9	110.4
12 Miscellaneous goods and services	4.656	100.0	108.0	110.4
Foods	32.435	99.7	104.9	107.7
Non-foods	36.889	100.6	103.5	103.6
Catering	4.284	100.6	108.3	110.4
Services	26.393	101.1	103.0	105.6



Table 2

**Harmonized Indices of Consumer Prices in October 2023**

Commodity groups	Weights	October 2023			
		2015 = 100	September 2023 = 100	December 2022 = 100	October 2022 = 100
	%	%			
<b>00 Total HICP</b>	<b>1000.000</b>	<b>135.44</b>	<b>100.2</b>	<b>104.4</b>	<b>105.9</b>
01 Food and non-alcoholic beverages	238.994	166.25	99.7	105.2	107.9
02 Alcoholic beverages and tobacco	51.169	124.44	100.5	105.9	106.7
03 Clothing and footwear	35.637	111.86	105.2	104.5	103.9
04 Housing, water, electricity, gas and other fuels	115.668	146.14	99.7	100.4	98.9
05 Furnishings, household equipment and routine household maintenance	61.905	125.99	100.4	104.6	105.5
06 Health	83.555	123.40	100.3	107.5	111.6
07 Transport	134.623	121.59	99.2	103.8	102.3
08 Communication	50.200	94.19	100.0	102.9	105.9
09 Recreation and culture	79.503	120.67	103.1	101.2	105.6
10 Education	17.724	149.93	101.0	107.6	108.2
11 Restaurants and hotels	71.010	156.30	98.7	107.1	110.2
12 Miscellaneous goods and services	60.012	138.18	100.2	106.4	108.9

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 October 2023**

Commodity groups	Weights	(Per cent)	
		October 2023	September 2023 = 100
<b>Total PISB</b>	<b>100.000</b>	<b>100.1</b>	
Food and non-alcoholic beverages	49.304	99.5	
Clothing and footwear	4.182	105.0	
Housing, water, electricity, gas and other fuels	26.367	99.6	
Furnishings, household equipment and routine household maintenance	2.488	104.8	
Health	11.196	100.8	
Transport	1.158	100.1	
Communication	0.089	100.0	
Recreation and culture	0.551	105.2	
Miscellaneous goods and services	4.665	99.5	
Foods	49.304	99.5	
Non-foods	30.412	101.0	
Services	20.284	100.1	