

INFLATION AND CONSUMER PRICE INDICES IN FEBRUARY 2023

According to the preliminary data of the NSI, the monthly inflation rate was 0.8%, while the annual inflation rate was 16.0%. The inflation rate is measured by the CPI, with monthly inflation referring to the month of February 2023 compared to the previous month, and annual inflation being for February 2023 compared to the same month of the previous year.

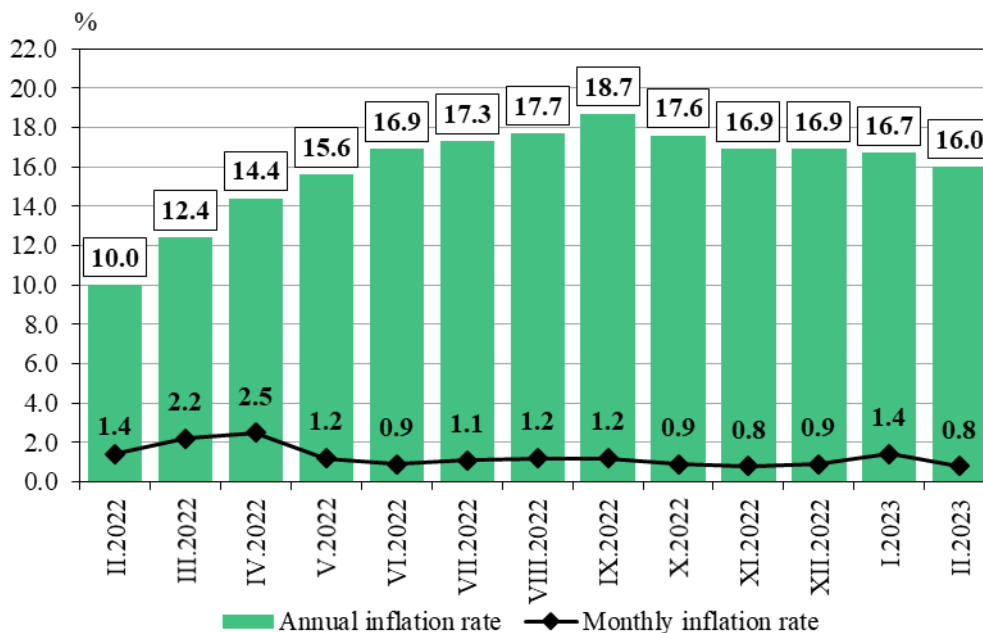
In February 2023, compared to the previous month, the highest price increase was registered for Food and non-alcoholic beverages (+2.4%), Communications (+1.9%), Restaurants and hotels (+1.1%), Recreation and culture (1.1%) and Health (+1.0%). The largest decrease was recorded in the prices for Housing, water, electricity, gas and other fuels (-1.2%), Clothing and footwear (-1.2%) and Transport (-0.4%).

Consumer price index (CPI)

In February 2023, the **monthly inflation** rate was 0.8% compared to the previous month, and the **annual inflation** rate in February 2023 compared to February 2022 was 16.0%.¹

The inflation rate since the beginning of the year (February 2023 compared to December 2022) was 2.1%, and the annual average inflation rate for the period March 2022 - February 2023 compared to the period March 2021 - February 2022 was 16.4%.

Figure 1. Inflation, measured by CPI, by month



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

- Food and non-alcoholic beverages - an increase of 2.4%;
- Communications - an increase of 1.9%;

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 1.1%;
- Recreation and culture - an increase of 1.1%;
- Health - an increase of 1.0%;
- Alcoholic beverages and tobacco - an increase of 0.6%;
- Miscellaneous goods and services - an increase of 0.4%;
- Education - an increase of 0.2%.

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

- Housing, water, electricity, gas and other fuels - a decrease of 1.2%;
- Clothing and footwear - a decrease of 1.2%;
- Transport - a decrease of 0.4%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.2%.

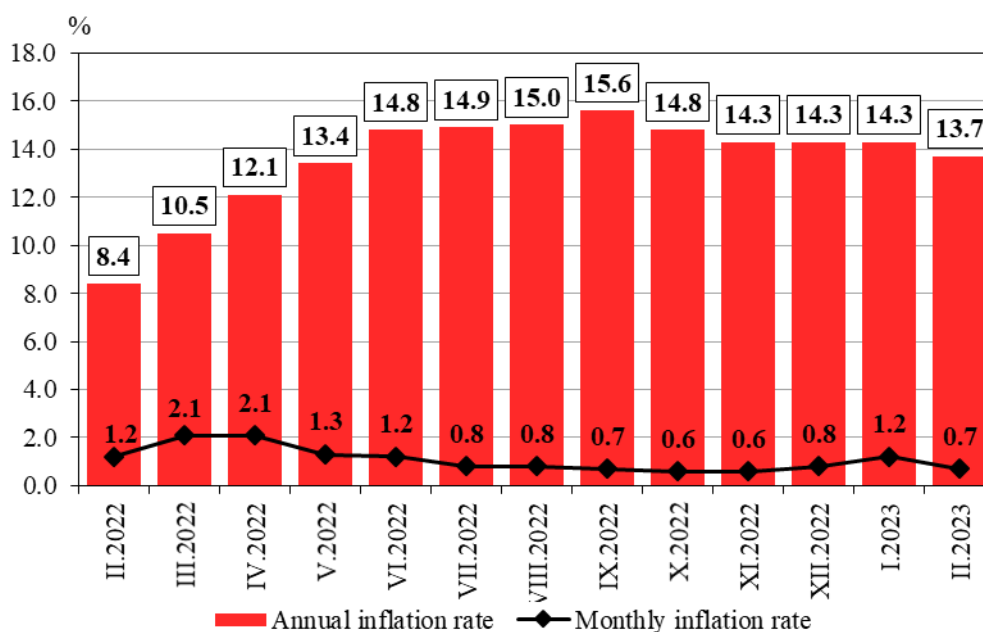
According to the final data of the NSI, in January 2023, the monthly inflation rate was 1.4% compared to the previous month, and the annual inflation rate in January 2023 compared to January 2022 was 16.7%.

Harmonized index of consumer prices (HICP)

In February 2023, the **monthly inflation** rate, measured by HICP, was 0.7% compared to the previous month, and the **annual inflation** rate in February 2023 compared to February 2022 was 13.7%.¹

The inflation rate since the beginning of the year (February 2023 compared to December 2022) was 1.9%, and the annual average inflation rate for the period March 2022 - February 2023 compared to the period March 2021 - February 2022 was 14.0%.

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

- Food and non-alcoholic beverages - an increase of 2.4%;
- Communications - an increase of 1.9%;
- Restaurants and hotels - an increase of 1.3%;
- Health - an increase of 1.0%;
- Alcoholic beverages and tobacco - an increase of 0.8%;
- Recreation and culture - an increase of 0.7%;
- Education - an increase of 0.2%.

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

- Clothing and footwear - a decrease of 1.1%;
- Housing, water, electricity, gas and other fuels - a decrease of 0.9%;
- Transport - a decrease of 0.6%;
- Furnishings, household equipment and routine maintenance of the house - a decrease of 0.2%;
- Miscellaneous goods and services - a decrease of 0.2%.

According to the final data of the NSI, in January 2023, the monthly inflation rate was 1.2% compared to the previous month, and the annual inflation rate in January 2023 compared to January 2022 was 14.3%.

Price index of a small basket (PISB)

In February 2023, a price increase of 1.2%, measured by the **price index of a small basket**, was registered on a monthly basis, and a price increase of 2.7% since the beginning of the year (February 2023 compared to December 2022).¹

In February 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 2.4%;
- Services - an increase of 0.2%;
- Non-food products - the prices remained at the level of the previous month.

According to the final data of the NSI, in January 2023, a price increase of 1.5%, measured by the **price index of a small basket**, was registered on a monthly basis.

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 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-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 2023 price indices are released as preliminary since they are calculated with the household budget data for the period October 2021 - September 2022. **The final January 2023 consumer price indices**, calculated with the annual 2022 household budget data for the weights, are released along with the February 2023 data.

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 \(nsi.bg\)](#)