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# BULGARIAN ECONOMY

## Monthly Report

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September /2014

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## Highlights

**GDP growth** gathered speed in Q2 2014 as the economy expanded by 1.8% yoy s.a. (ESA 2010 terms). Domestic demand added positively largely on the back of the fixed investment increase, while both households' and government consumption growth slowed down.

**Short-term business statistics** pointed towards a loss of momentum in the third quarter. Industrial and construction output growth, as well as industrial turnover reported declines, only retail sales continued on the increase. The business climate indicator also deteriorated.

**Employment** went up by 0.3% yoy in the second quarter. The revival of seasonal activities led to a decrease in the **unemployment rate** to 11.4%, while its annual drop widened to 1.5 pps. The **registered unemployment** increased by a marginal 0.1 pp to 10.5% as of end-September.

The rate of increase of **labour incomes** decelerated further in Q2 mainly driven by the slowdown in private sector wages. The overall **labour productivity** improved by 1.8% yoy in real terms, following the upward trend in the economic activity, while the increase of **unit labour costs** (ULC) slowed down further, up by 1.3% and 1.8% yoy in nominal and real terms respectively.

The negative **annual rate of inflation** widened somewhat to 1.4%, as the HICP registered a 0.7% mom decrease in September. Lower prices of market services had the largest negative contribution for the monthly price dynamics.

**CAB** reported a surplus of 1.3% of GDP in January-July, up 32.4% yoy. Monthly dynamics were driven by the improvement in trade, income and current transfers balance. **Financial account balance** was positive at 2.2% of GDP compared with a deficit of 2.2% of GDP in the same period of the previous year. FDI inflows amounted to EUR 825.3 mln.

According to monthly data, **consolidated budget deficit** stood at BGN 1 275.6 mln (1.6% of GDP) on a cash basis at end-August, up by 1.3 pps on a year earlier. ●

# Recent economic developments

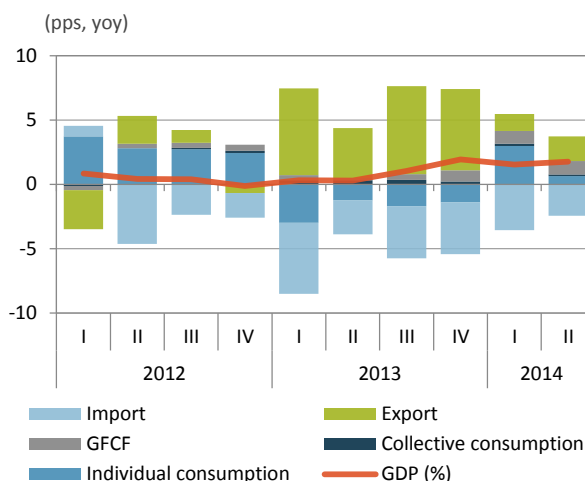
## GROSS DOMESTIC PRODUCT

The European System of National and Regional Accounts (ESA 2010) is the newest accounting framework implemented as from September 2014. For more information, please see the dedicated ESA 2010 section of the Eurostat website. From this moment on, all ratios-to-GDP in this document will be expressed in ESA 2010 terms.

**GDP growth gathered momentum, up 1.8% yoy s.a. in Q2 2014** (ESA 2010). Export expanded by 3%, while import growth decelerated to 3.7%. Domestic demand also contributed for the GDP growth mostly on the account of the 4.8% increase in fixed investments. According to data on expenditures for fixed assets acquisition there was an increase mainly in manufacturing sector and *public administration; education; health*. Households' consumption growth slowed to 1%, being in line with the deceleration in real disposable income growth and lower consumer confidence. Government expenditure growth also decelerated, down to 3.1% and 1.7% for individual and collective consumption, respectively.

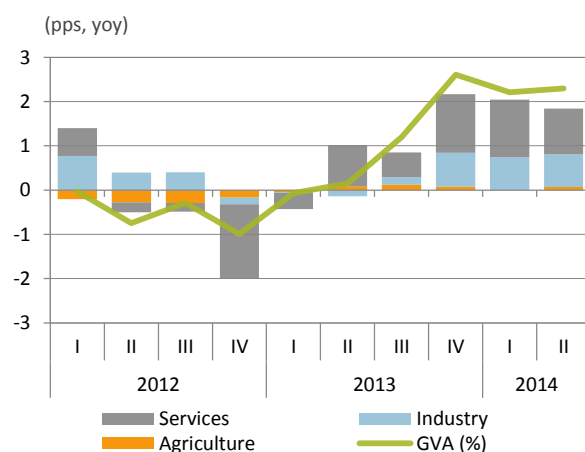
The registered expansion of value added in manufacturing, up 3.6%, led to a 2.3% yoy s.a. increase in GVA for the whole economy. All activities from the services' sector except *financial and insurance activities* also had a positive contribution to economic growth. The decline of value added in construction sector reached 1.1%, while an increase of 1.4% was recorded in agriculture.

Fig. 1: Contributions to GDP growth



Source: NSI

Fig. 2: Contributions to GVA growth



Source: NSI

### SHORT-TERM BUSINESS STATISTICS

**Industrial turnover**<sup>1</sup> remained on the decrease in August, down by 2.5% on a year earlier. Both foreign and domestic industrial sales contributed to the reported decline. The slump in foreign turnover reached 2.9% yoy due to the negative dynamics in *energy products* and *manufacture of food products*. Domestic turnover decreased by 2.2% yoy. Similarly to previous month, *electricity, gas, steam and air conditioning supply* had the major contribution for the outlined downward trend.

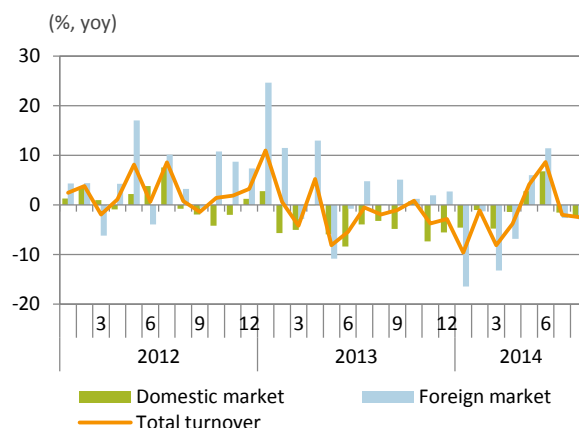
**Industrial production** moved to negative territory for the first time since August 2013, down by 3.6% yoy. Although manufacturing reported a slight increase, the slump in *electricity, gas, steam and air conditioning supply* largely accounted for the overall decline.

**Retail sales** continued on the increase in August, up 4% on a year earlier. *Retail sales of automotive fuel* once again reported the largest increase, up 10.8% yoy, followed by *retail sales of food, beverages and tobacco* and *retail sales of computers, peripheral units and software*, up 4.8% and 4.5% respectively.

**Construction production index** decelerated significantly in the last couple of months and even turned negative by 2.4% yoy in August. *Building construction* went down by 9.7% yoy and had major contribution for the observed decline. At the same time, the reported growth of *civil engineering* continued slowing to 7.5% yoy down from an annual growth of 12.5% a month earlier.

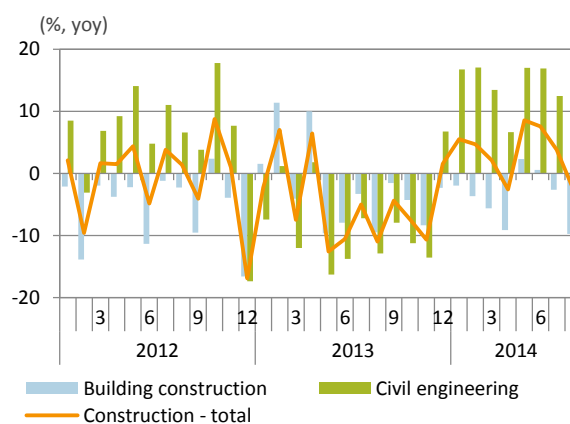
The **business climate indicator** deteriorated further in September as the assessment of the present business situation of enterprises in all sectors except services continued worsening. Production assurance with orders in industry registered decline and expectations in the sector were more pessimistic. The entrepreneurs in construction also reported a decline in orders and reduced activity. Although both demand for ser-

Fig. 3: Industrial turnover



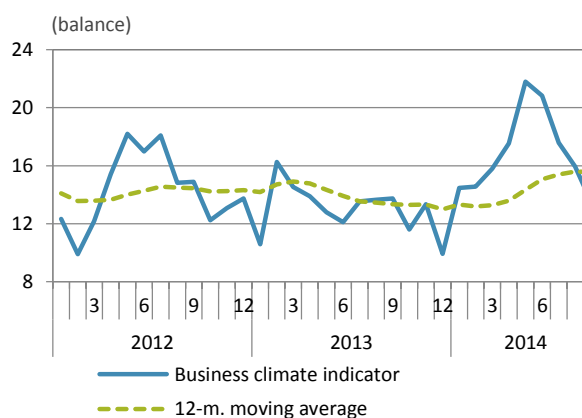
Source: NSI

Fig. 4: Construction production index



Source: NSI

Fig. 5: Business climate



Source: NSI

<sup>1</sup> According to NSI methodology, the *industrial turnover index* reflects changes in both volume of sales and prices, while for the *industrial production index* compilation, the value of enterprises' production is deflated by the producer price index in order to isolate the price fluctuations.

vices and retail sales declined, expectations about the future business situation of enterprises in these sectors were more favourable.

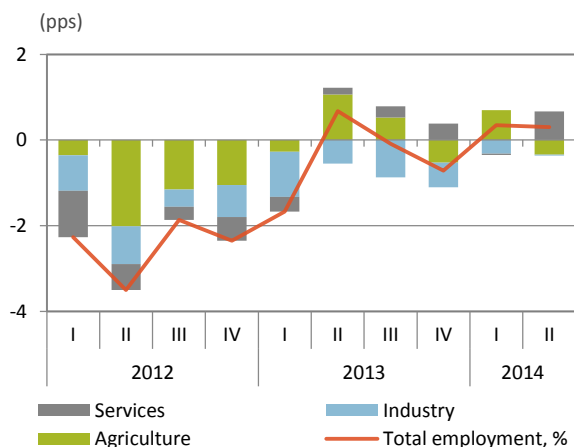
## LABOUR MARKET AND WAGES

In Q2 2014 **employment** number went further up by 0.3% yoy (ESA 2010). The positive development was mainly due to the service sector, where all the sub activities, excluding *professional activities and research; administrative and subsidiary activities*, reported increase in the employed. The number of industrial employment stabilized close to its Q2 2013 level for the first time since 2009, on the account of both the improvement in manufacturing, where employment decrease slowed to 0.3%, as well as the registered 0.8% yoy increase in employment in construction. Detailed data from the survey on employees and wages witnessed that in Q2 manufacturing employees' number slightly increased, up by 0.2% yoy, sustained by the positive dynamics in a large number of export-oriented industries. Agricultural employment, which was the main driver behind the employment growth in Q1, decreased by 1.6% yoy in Q2, thus hampering the overall employment growth.

Seasonal activities revival during the second quarter accounted for the decrease in the **unemployment rate** to 11.4% (LFS), while its annual drop widened to 1.5 pps. In contrast to Q1, the labour force decreased compared to the same period a year earlier, thus the rise in the participation rate narrowed to 54.1%. The main factors behind the work force decrease were the smaller inflow from younger age cohorts (15-24 and 25-29), as well as the weaker increase within the 55-64 age group in yoy terms, probably due to the retirement age freeze and the subsequent outflow from the labour force.

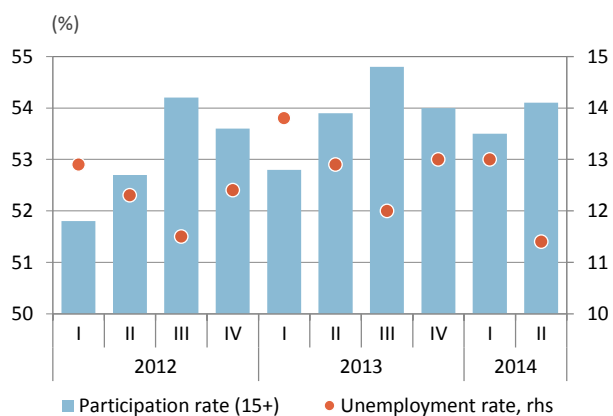
The **registered unemployment** increased in mom terms for the first time since the beginning of the year, up by 0.1 pp to 10.5% in September. Although the number of persons who found job went up compared to August, the newly registered in the employment offices also increased, influenced by the

Fig. 6: Employment dynamics and contribution by sectors



Source: NSI

Fig. 7: Participation and Unemployment Rates



Source: NSI

implementation of schemes for employment settlement of unemployed youths.

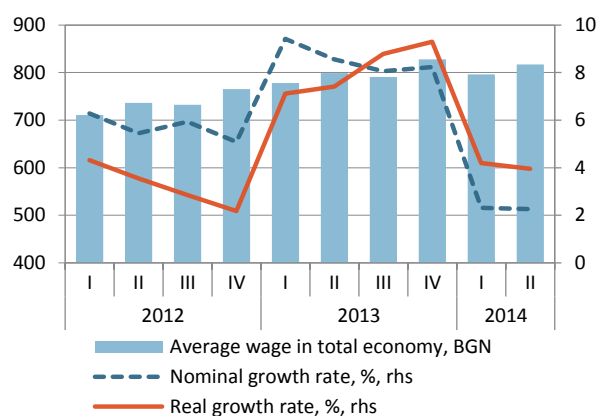
The rate of increase of **labour incomes** decelerated further in Q2 2014 compared to a year earlier. The average wage in the country stepped up by 2.3% yoy in nominal terms, which was significantly lower compared to its 8.6% yoy increase in Q2 2013. The HICP deflated real wage growth reached 3.9% yoy. Recent developments were mainly driven by the slowdown in private sector wages to 0.6% yoy, which remained lower than the 7.1% increase in public sector. Almost all economic activities reported a downward trend in income dynamics, while wages in *trade, informational and professional activities*, and *real estate* continued on the decrease. Wages in *mining and electricity* were the only to report acceleration in their growth rate during the considered period.

The overall **labour productivity** improved by 1.8% yoy in real terms, following the upward trend in the economic activity. All sectors had a positive contribution, as productivity in agriculture increased by 4.6% yoy, followed by industry, up 1.9% yoy, and services, up 0.8% yoy. The recent upward trend led to a further slowdown in unit labour cost (ULC), up by 1.3% and 1.8% yoy in nominal and real terms respectively. In the period under consideration, real ULC in manufacturing decreased by 1.9% yoy, thus pointing toward a further improvement in labour cost adjustment of enterprises in the sector.

### INFLATION DYNAMICS

**Consumer prices** decreased by 0.7% mom in September and the negative annual inflation rate widened to 1.4% yoy. Prices of market services fell by 2.9% on average over the previous month and contributed the most (-0.71 pps) for the registered monthly decline in the headline rate. The so called “shoulder season” largely accounted for the registered reduction in prices of package holidays and accommodation in resorts, down by 15.2% and 18% respectively. Airfares also decreased during the month, down by 17.2% on average. Consumer non-food goods (excl. energy) also had a negative contribution (-0.07

Fig. 8: Average wage developments



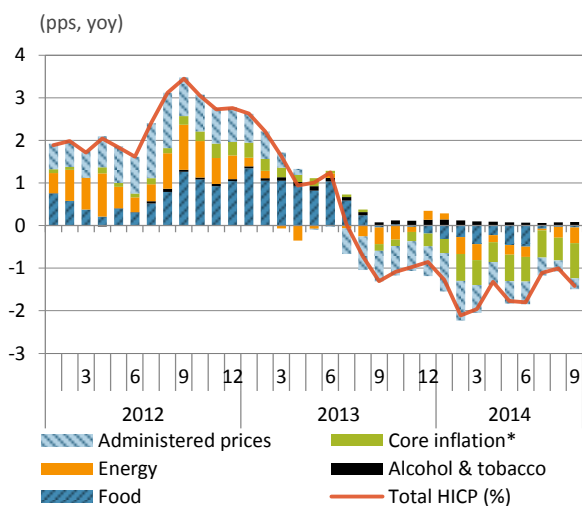
Source: NSI

Fig. 9 Labour productivity and real ULC



Source: NSI

Fig. 10: HICP and contributions by main components



\* Overall index excluding energy, food, alcohol and tobacco.

Source: NSI, MF

pps) almost fully on the account of a 5.5% decrease in prices of second-hand motor cars. Fuel prices declined as well, down 0.6%, following lower prices of crude oil on international markets. Only food prices went up by 0.8% mom largely on the back of higher prices of fresh fruits and vegetables.

**EXTERNAL SECTOR**

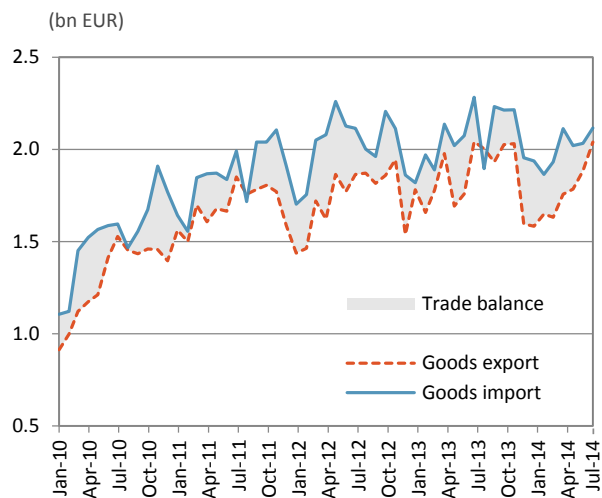
**Current account surplus** reached 1.3% of GDP (EUR 528.2 mln) in January-July. The surplus increased by 32.4% yoy over the corresponding period of the previous year and tripled in yoy terms in July alone. Its monthly dynamics were led by the improvement in trade, income and current transfers balance, while the services surplus registered a slight deterioration.

Export of goods remained almost unchanged in July as export to EU members increased by 7.5% yoy, while exports to non-EU countries declined again, down by 12% yoy. Thus, the accumulated decline of export since the beginning of the year narrowed to 2.8% yoy. EU accounted for about 63% of the total export, with Belgium and Romania having the highest positive contribution to the dynamics in January-July. The lower-than-expected economic growth in Germany and Italy was reflected in nominal fall in the exports to these countries. Regarding import, trade dropped by 7.3% yoy in July due to shrinking import from both EU and non-EU partners. With declines in five of the last seven months, accumulated import decreased by 1.3% yoy as of July. Lower import of mineral fuels remained the main driver for the overall decline.

Unfavourable weather conditions had negative impact on the summer tourist season, with visits from EU countries declining by a cumulative 15.8% yoy in June-July. The geopolitical crisis in Ukraine also resulted in lower number of tourists from the country (down by 6.4% in Jan-Jul). However the decreasing number of tourist visits was not reflected in lower receipts. Travel surplus increased by 2.4% yoy in July and reached 2.5% of GDP for the first seven months.

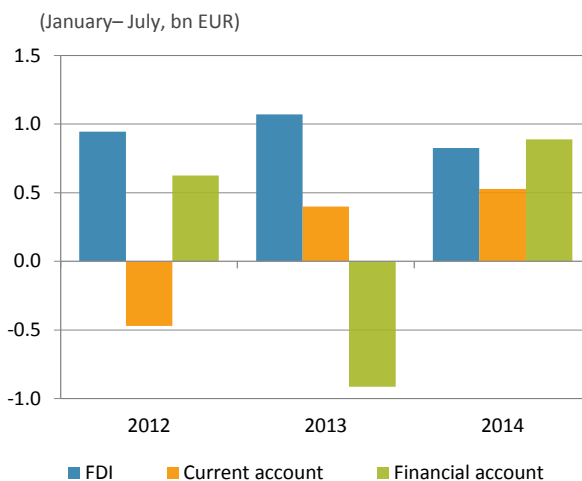
**Financial account balance** was positive at EUR 889.6 mln

**Fig. 11: Merchandise trade dynamics**



Source: BNB

**Fig. 12: FDI, Current and Financial Account**



Source: BNB



(2.2% of GDP) as of end-July compared with a deficit of 2.2% of GDP for the same period of the previous year. FDI inflows attracted since January amounted to EUR 825.3 mln, which was by 30% lower compared to the corresponding period of 2013. However, if compared with the preliminary data as of the same month a year earlier, there is an increase of 2.8%. Most of the inward FDI were in other capital (i.e. credits extended by parent companies to their local subsidiaries). These dynamics led to a slight 0.6% yoy increase of external debt in intercompany lending, which amounted to 38.8% of GDP as of end-July.

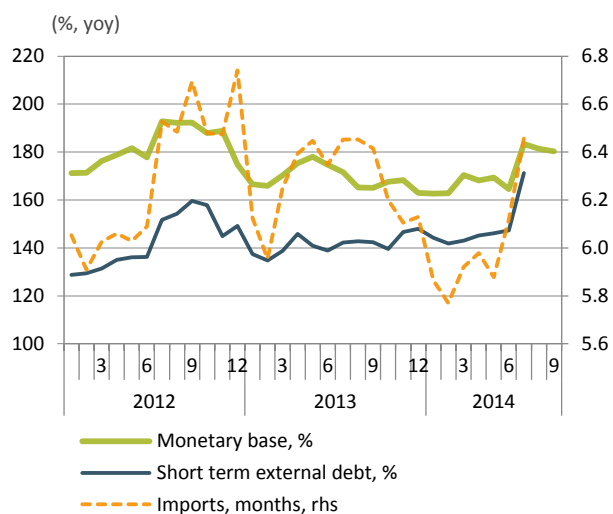
On June 26, Bulgarian Government placed 10Y Eurobonds. The transaction was settled at the beginning of July. With most of the bonds held by foreign investors, the issue resulted in portfolio investment liabilities increase of almost EUR 1.4 bn. General government external debt reached 11.6% of GDP as of end-July, up by 3.3 pps over the previous month and up by 3.4 pps on a year earlier. The indebtedness of banks and other sectors was on a downward path. As of July **gross external debt** stood at 92.6% of GDP (EUR 38.2 bn).

## FINANCIAL SECTOR

**International reserves** increased by 1.5% mom in September to EUR 15.6 bn. Thus, their annual growth rate accelerated further to 4.2% from 3.1% as of end-August. Among the main contributors were bank reserves, up 6.1% mom, and to a smaller extent the *other depositors'* account, up 6.2%. The sharp increase of bank reserves led to a slight deterioration of monetary base coverage to 180.4% coming from 181.4% a month earlier. Due to the new Eurobond issue, the coverage of imports improved from 6.1 to 6.5 months, while the coverage of the short-term external debt increased from 157.5% to 171.2% as of end-July.

**Money supply growth** marginally accelerated from 6.9% to 7.2% yoy at the end of August. It was driven by the faster increase of the M1 aggregate compared to end-July (18% vs. 16.8% yoy), led by the increase in overnight deposits which

Fig. 14: Coverage with FX Reserves



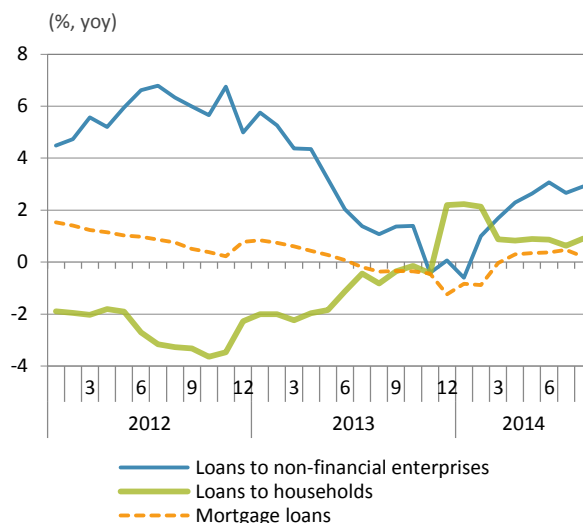
Source: BNB, MF

accelerated from 19.6% to 21.5% yoy. Deposits with agreed maturity preserved their rate of decrease from the previous month at 8.9% yoy, while deposits redeemable at notice slowed down from 28.9% to 26.5% and together contributed negatively for the annual growth of the broad money. All major M3 components except deposits with agreed maturity increased on a monthly basis, led by a 4.2% mom growth of overnight deposits. This resulted in higher money supply, up by 1.8% over the previous month. Total deposits also recovered slightly from 6.3% to 6.7% yoy in August due to the faster rate of growth of deposits from non-financial corporations.

**Credit to the private sector** returned to the upward trajectory and posted a 2.4% yoy growth after slowing down to 2.2% at the end of July. Corporate credit growth accelerated to 2.9% yoy as compared to 2.7% a month earlier and had the major positive contribution. Consumer credits also developed in positive direction after returning to 0.9% growth after losing some speed in July. Mortgages took a step back and increased by 0.2% coming from 0.5%. **Bad and restructured loans** continued decreasing, down by 1.5% in August, nevertheless, their share in total loans to firms and households widened by 11 bps to 17.8%.

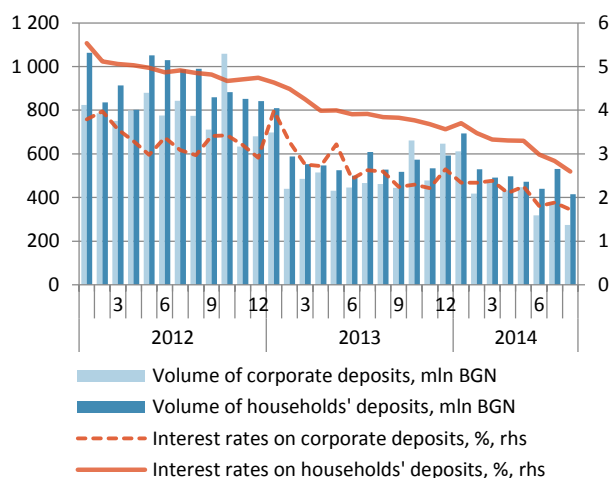
**Weighted average interest rates** on credits for non-financial corporations went up by 1.2 pps over the previous month, meanwhile the monthly volume of new loans came 6.9% higher compared to a year earlier. The price of consumer credits and mortgages also increased, up by 8 and 15 bps respectively. Their monthly volumes were higher as well, up by 1% and 6.8% yoy. Weighted average interest rates on time deposits in BGN, EUR and USD continued their decline in August. Local currency rate of return decreased the most, down by 34 bps, while the average rates on euro and dollar denominated deposits lost 16 and 13 bps respectively. The monthly volume of new deposits amounted to BGN 1.7 bn, down by 24.9% over the same month of 2013.

Fig. 15: Credit growth



Source: BNB, MF

Fig. 16: Interest rates and volumes of time deposits in BGN up to 1Y



Source: BNB, MF

## FISCAL DEVELOPMENTS

According to monthly data on a cash basis, **consolidated budget deficit** stood at BGN 1 275.6 mln (1.6% of GDP) at the end of August, up by 1.3 pps on a year earlier.

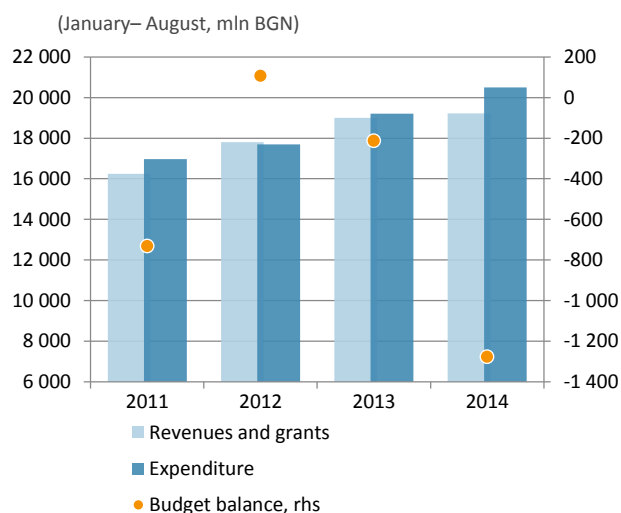
**Total revenues and grants** accounted for BGN 19 215.1 mln, up 1.2% yoy in nominal terms. Tax revenues increased by 2.8% yoy, which was mainly on the account of higher receipts from direct taxes, up 9.6% yoy. In contrast, the drop in revenues from indirect taxes for the first eight months continued at a slower pace, down 0.7% yoy, due to lower proceeds from VAT and excise duties, down by 0.8% each. Revenue from custom duties went up by 4.8%, while non-tax revenues were 9.1% lower compared to August 2013. Grants increased by 3.5% yoy.

**Total expenditure**, including the contribution to the EU budget, accounted for BGN 20 490.7 mln, up 6.7% yoy in nominal terms. The growth in overall outlays came largely on the account of social expenditures (including scholarships), up 7.2% yoy, as well as investments, subsidies and wages and salaries, up by 25.6%, 24.3%, and 3.6% respectively. Interest payments went down by 22.8% yoy.

**Fiscal reserve** stood at BGN 8.7 bn (10.8% of GDP) at end-August 2014.

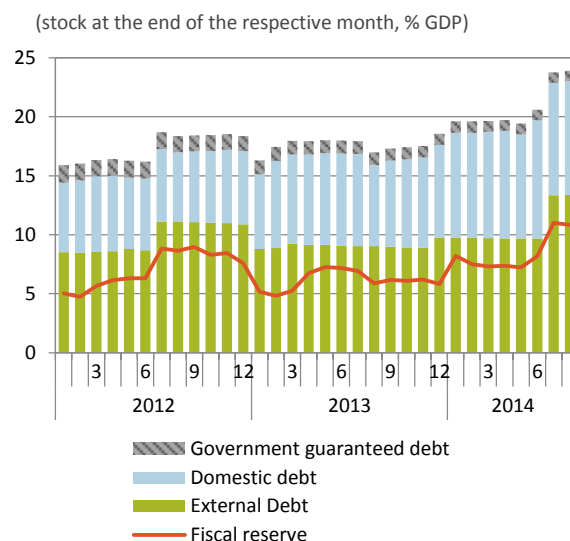
**General government debt**, including government guaranteed debt, accounted for 23.9% of GDP, of which: 9.6% of GDP domestic debt, 13.4% of GDP external debt and 0.9% of GDP government guaranteed debt. ●

**Fig. 17: Consolidated budget**



Source: MF

**Fig. 18: GG debt and fiscal reserve**



Source: MF

# Key Economic Indicators

		Annual data			Quarterly data				Monthly data						
		2011	2012	2013	Q3'13	Q4'13	Q1'14	Q2'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sep'14
<b>— GDP</b>															
Gross Domestic Product <sup>1</sup>	% , yoy	2.0	0.5	1.1	1.1	1.9	1.5	1.8							
Consumption	% , yoy	1.8	2.9	-1.3	-1.3	-1.3	3.3	1.2							
Gross fixed capital formation	% , yoy	-6.6	4.2	-0.1	2.0	4.1	4.6	4.8							
Export	% , yoy	12.3	0.1	9.2	11.5	10.5	2.1	3.0							
Import	% , yoy	8.5	4.5	4.9	6.5	6.4	5.5	3.7							
Agriculture	% , yoy	-1.5	-7.3	3.3	2.5	1.6	-0.3	1.4							
Industry	% , yoy	6.3	1.6	-0.1	0.6	2.7	2.6	2.6							
Services	% , yoy	0.9	-0.8	1.6	0.8	2.0	2.0	1.5							
Adjustments	% , yoy	0.2	6.9	0.3	-0.7	-1.2	-1.7	1.6							
<b>— Short-term business statistics</b>															
Industrial production	% , yoy	5.8	-0.4	-0.1	0.4	2.7	3.4	4.6	2.0	4.8	6.7	2.3	0.3	-3.6	
Industrial turnover	% , yoy	17.2	2.3	-1.0	-1.2	-2.0	-6.4	2.8	-8.1	-3.8	4.1	8.6	-2.0	-2.5	
Retail trade turnover	% , yoy	0.6	5.3	2.9	6.1	6.6	7.1	1.9	5.1	1.4	1.8	2.4	4.0	4.0	
Construction output	% , yoy	-12.8	-0.8	-5.3	-6.9	-6.2	4.1	4.3	2.1	-2.6	8.6	7.6	3.8	-2.4	
Total business climate	balance	14.2	14.3	13.0	13.6	11.6	14.9	20.0	15.8	17.5	21.8	20.8	17.6	16.0	13.4
Industry	balance	22.4	21.3	15.6	15.2	12.5	17.8	21.0	17.4	18.8	23.0	21.2	19.1	19.3	17.1
Retail trade	balance	17.3	16.4	19.7	21.6	22.0	22.2	28.8	26.2	27.0	29.5	29.9	23.7	22.8	21.6
Construction	balance	2.8	0.3	2.0	2.7	-1.0	1.7	13.2	3.6	10.4	12.6	16.6	13.6	11.4	4.1
Services	balance	5.9	12.2	12.2	13.7	12.2	15.2	16.2	14.4	12.6	20.8	15.2	12.4	7.1	7.3
<b>— Labour market</b>															
Participation rate (15+)	level	52.5	53.1	53.9	54.8	54.0	53.5	54.1							
Employment rate (15+)	level	46.6	46.6	46.9	47.9	47.0	46.5	47.9							
Employment (LFS)	% , yoy	-2.2	-2.5	-0.4	-0.1	-0.7	0.3	0.3							
Unemployment rate (LFS)	level	11.3	12.3	12.9	12.0	13.0	13.0	11.4							
Unemployment rate (Employment agency)	level	10.1	11.1	11.3	10.8	11.5	12.2	11.2	12.2	11.8	11.2	10.7	10.6	10.4	10.5
Nominal wage	% , yoy	5.8	6.6	10.5	8.1	8.2	2.3	2.3	2.1	3.1	2.1	1.6			
Real wage <sup>2</sup>	% , yoy	2.4	4.1	10.0	8.8	9.3	4.2	3.9	4.2	4.5	4.0	3.5			
Labour productivity (GDP per employed)	% , yoy	4.1	3.2	1.3	1.3	3.7	0.7	1.8							
Real ULC (GDP)	% , yoy	-2.2	1.3	6.1	9.7	3.2	1.7	-1.8							
<b>— Prices</b>															
National index of consumer prices (CPI)	% , yoy	4.2	3.0	0.9	-0.6	-1.5	-2.4	-0.8	-2.3	-1.6	-2.0	-1.9	-1.0	-0.6	-0.8
Harmonized index of consumer prices (HICP)	% , yoy	3.4	2.4	0.4	-0.7	-1.0	-1.8	-1.2	-2.0	-1.3	-1.8	-1.8	-1.1	-1.0	-1.4
Domestic producer prices	% , yoy	8.6	5.4	-1.3	-2.8	-3.6	-2.0	-0.7	-1.6	-0.9	-0.7	-0.5	-0.6	-1.0	
<b>— Consolidated fiscal program (cumulative)</b>															
Revenues and grants	mIn BGN	25 378	27 470	28 981	21 307	28 977	6 575	14 171	6 575	9 454	11 776	14 170	16 841	19 215	
Total expenses	mIn BGN	26 867	27 828	30 430	21 669	30	7 450	15 167	7 449	10 318	12 665	15 166	17 988	20 491	
Contribution to EU budget	mIn BGN	779	809	934	747	934	349	562	349	422	495	562	615	663	
Cash deficit (-) / surplus (+)	mIn BGN	-1 488	-358	-1 448	-360	-1 441	-875	-996	-874	-864	-889	-996	-1 147	-1 276	
	% of GDP	-2.0	-0.5	-1.9	-0.5	-1.9	-1.1	-1.2	-1.1	-1.1	-1.1	-1.2	-1.4	-1.6	
Government debt (incl. guaranteed debt)	mIn BGN	12 826	14 683	14 893	13 886	14 893	15 836	16 603	15 836	15 898	15 658	16 603	19 160	19 266	
	% of GDP	17.0	18.8	19.1	17.8	19.1	19.6	20.6	19.6	19.7	19.4	20.6	23.7	23.9	

		Annual data			Quarterly data				Monthly data						
		2011	2012	2013	Q3'13	Q4'13	Q1'14	Q2'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sep'14
Fiscal reserve <sup>3</sup>	mIn BGN	4 999	6 081	4 681	4 965	4 681	5 904	6 600	5 904	5 955	5 836	6 600	8 886	8 742	
	%, yoy	-16.9	21.6	-23.0	-30.8	-23.0	40.0	14.7	40.0	10.2	0.2	14.7	59.6	85.3	
<b>— Financial sector</b>															
BNB International reserves	mIn EUR	13 349	15 552	14 426	14 937	14 426	13 960	14 323	13 960	14 062	13 819	14 323	15 135	15 331	15 564
Monetary base coverage	%	175.1	174.9	162.9	165.1	162.9	170.4	164.5	170.4	168.2	169.3	164.5	183.3	181.4	180.4
Coverage of import with FX reserves	months	6.2	6.7	6.2	6.4	6.1	5.9	6.1	5.9	6.0	5.8	6.1	6.5		
Coverage of short-term external debt	%	133.8	146.7	148.7	142.4	148.0	142.7	147.3	153.0	154.8	155.5	157.5	171.2		
Money M1 (Narrow money)	%, yoy	14.4	9.5	17.5	16.7	17.5	16.1	16.4	16.1	15.0	13.3	16.4	16.8	18.0	
Money M3 (Broad money)	%, yoy	12.2	8.4	8.9	8.1	8.9	8.3	7.4	8.3	8.3	8.7	7.4	6.9	7.2	
Deposits	%, yoy	13.2	8.4	9.4	8.3	9.4	8.2	6.6	8.2	8.1	8.5	6.6	6.3	6.7	
Credit to private sector	%, yoy	3.3	3.0	0.2	0.5	0.2	1.4	2.3	1.4	1.6	2.0	2.3	2.2	2.4	
Credit to non-financial enterprises	%, yoy	5.7	5.0	0.1	1.4	0.1	1.7	3.1	1.7	2.3	2.6	3.1	2.7	2.9	
Credit to households	%, yoy	-0.4	-1.0	-0.2	-0.6	-0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.0	0.1	
Interest rate on short-term loans	%	7.2	7.6	7.9	7.3	8.1	7.8	7.8	7.1	8.2	7.5	7.6	7.1	7.4	
Interest rate on time deposits	%	4.8	4.3	3.5	3.4	3.2	3.2	3.0	3.1	3.0	3.1	2.9	2.7	2.4	
Exchange rate BGN/USD	eop	1.51	1.48	1.42	1.45	1.42	1.42	1.43	1.42	1.41	1.44	1.43	1.46	1.48	1.55
	per. av.	1.41	1.52	1.47	1.48	1.44	1.43	1.43	1.41	1.42	1.43	1.44	1.44	1.47	1.52
<b>— Gross External Debt (GED)</b>															
Gross external debt	% of GDP	90.5	92.2	91.0	90.6	91.0	89.4	89.8	89.4	89.6	89.6	89.8	92.6		
Short-term external debt	% of GED	27.9	27.5	25.6	27.8	25.6	24.8	24.6	24.8	24.6	24.1	24.6	23.1		
Intercompany lending	% of GED	42.8	41.4	41.3	42.7	41.3	42.2	42.7	42.2	42.5	42.7	42.7	41.9		
<b>— Balance of payments</b>															
Current account	mIn EUR	33	-458	857	1 081	-428	-315	249	276	-268	53	464	594		
<i>Current account (moving average)</i>	% of GDP	0.1	-1.1	2.1	1.8	2.1	2.2	1.4	2.2	0.4	0.9	1.4	2.4		
Trade balance	mIn EUR	-2 156	-3 460	-2 430	-433	-731	-870	-739	-299	-355	-235	-149	-76		
<i>Trade balance (moving average)</i>	% of GDP	-5.4	-8.5	-5.9	-6.2	-5.9	-6.9	-6.8	-6.9	-7.4	-7.1	-6.7	-6.3		
Export, f.o.b.	mIn EUR	20 264	20 770	22 271	5 976	5 653	4 864	5 425	1 633	1 757	1 785	1 884	2 039		
	%, yoy	30.2	2.5	7.2	7.7	5.8	-6.8	0.0	-8.2	-11.1	5.5	7.2	-0.1		
Import, f.o.b.	mIn EUR	22 420	24 230	24 701	-6 409	-6 384	-5 734	-6 164	-1 932	-2 112	-2 020	-2 032	-2 115		
	%, yoy	22.3	8.1	1.9	5.5	3.3	1.0	-1.1	2.3	-1.1	-0.1	-2.0	-7.3		
Capital account	mIn EUR	504	551	468	166	161	125	201	29	-5	76	130	91		
Financial account	mIn EUR	-886	1 255	-1 293	-628	276	-440	616	131	263	-396	750	713		
Net Foreign Direct Investments	mIn EUR	1 213	871	974	281	-51	415	240	216	76	112	53	70		
Net Portfolio Investments	mIn EUR	-357	-887	-129	-126	780	-161	27	19	-80	3	104	1 464		
Other Investments – net	mIn EUR	-1 676	1 303	-2 019	-772	-444	-691	351	-103	269	-511	593	-820		
Change in BNB reserve assets	mIn EUR	-159	-2 161	599	-269	351	553	-328	-399	-110	234	-452	-797		

## Notes:

1. Reference year 2010, seasonally and working day adjusted data;
2. HICP deflated;
3. Change in the structure of fiscal reserve as of 2014.