

BULGARIAN ECONOMY

Monthly Report

7&8/2016

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Main topics:

- » Gross domestic product
- » Short-term Business Statistics
- » Labour market and incomes
- » Inflation Dynamics
- » External Sector
- » Financial sector
- » Fiscal Developments
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Highlights

GDP growth reached 2.9% yoy in Q2 2016 with positive contributions of both domestic demand and net export. On the supply side, **gross value added** increased by 2.6% yoy in Q2 almost entirely on the account of positive developments in the services sector.

Short-term business statistics showed some mixed signals. Industrial production and turnover reported increase in yoy terms in June, but returned to decline in July. Retail sales growth slowed, while the slump in the construction production index deepened. Furthermore, the **consumer confidence** indicator in August decreased for the first time this year, while the **business climate** indicator remained close to its July level.

The number of employed in Q2 2016 reported its highest growth rate of 1.5% yoy since 2014 largely on the account of job creation in services subsectors, while the

unemployment rate decreased further, down by almost 2 pps yoy to 8% (LFS).

Favourable employment trends resulted in a nominal 6.8% yoy increase of **compensation per employee** in the second quarter. The latter contributed to the **unit labour costs** increase, up by 5.4% and 7.1% in nominal and real terms, respectively, while the **labour productivity** growth decelerated to 1.4% yoy in real terms.

The negative annual inflation rate decelerated further to 1.1% in August, as food prices reported increase in yoy terms. The negative contribution of energy and core inflation also decelerated.

Current account balance turned positive at EUR 562.8 mln in June, thus the surplus accumulated for the first half of the year reached EUR 693.8 mln (1.5% of projected GDP). The positive dynamics were supported by stronger foreign trade in goods with EU countries, thus the trade deficit halved on a year earlier, while export and import of services kept declining.

Gross external debt stood at EUR 34.54 bn (76.7% of projected GDP) as at end-June, as indebtedness of all institutional sectors, except for General Government, declined on a year earlier.

Consolidated fiscal balance on cash basis was positive to the amount of BGN 3.28 bn (3.7% of proj. GDP) as at end-July. The budget position improved by 2.8 pps as a ratio to GDP compared to the same period of 2015 mostly due to the higher revenues. ■

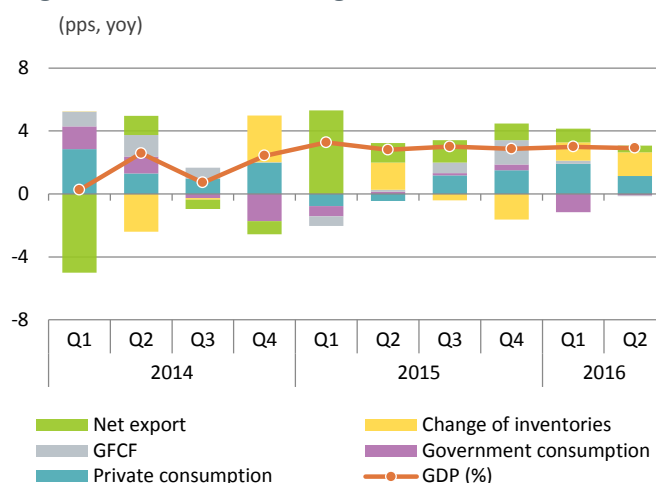


GROSS DOMESTIC PRODUCT

GDP growth reached 2.9%¹ yoy in Q2 2016 (Fig. 1) with positive contributions of both domestic demand (2.5 pps) and net export (0.4 pps). Export growth accelerated compared to the first quarter, up 5.1% yoy. The demand from export oriented industries together with the higher domestic demand led to an increase in import, up by 4.6%. Private consumption growth slowed to 1.9% due to the lower growth of real disposable income of households. At the same time, public consumption decreased by 0.6%, thus the contribution of final consumption to the GDP growth amounted to 1 pps (being 0.8 pps in Q1). Fixed investments went down by 0.3% on the back of lower public capital expenditures. For a second quarter in a row, the increase in inventories had significant contribution to the economic growth, thus potentially indicating a discrepancy between the initial demand expectations of entrepreneurs and their fulfilment.

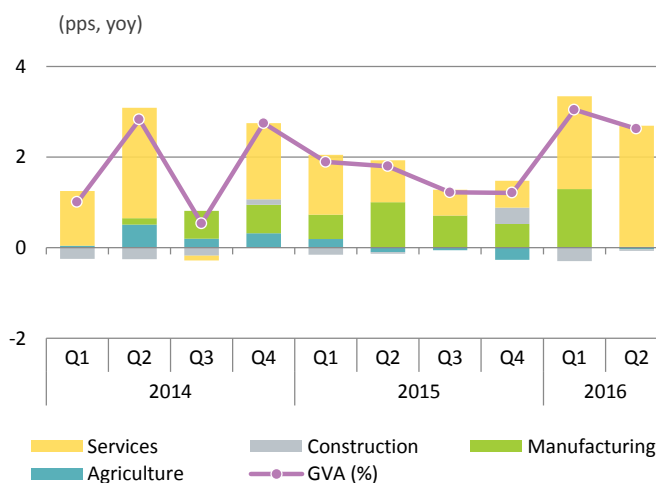
On the supply side, **gross value added** (GVA) increased by 2.6% yoy in Q2 almost entirely on the account of positive developments in the services sector, up by 4.1% (Fig. 2). The value added in construction continued decreasing, down 0.7%, while it slowed down to just 0.1% in manufacturing, up by 5.3% in Q1. Among the activities which contributed the most to the GVA growth were *trade, transportation, accommodation* (+1 pps) and *real estate activities* (+0.6 pps). Developments in trade were in line with the business survey results which showed strong improvement in the business climate in retail trade during the period. Other activities with positive development were *information and communication, financial and insurance, professional, scientific, administrative activities*.

Fig. 1: Contributions to GDP growth



Source: NSI

Fig. 2: Contributions to GVA



Source: NSI

¹ Quarterly GDP growth rates are derived from chain-linked (2010) level series, not seasonally adjusted data.



SHORT-TERM BUSINESS STATISTICS

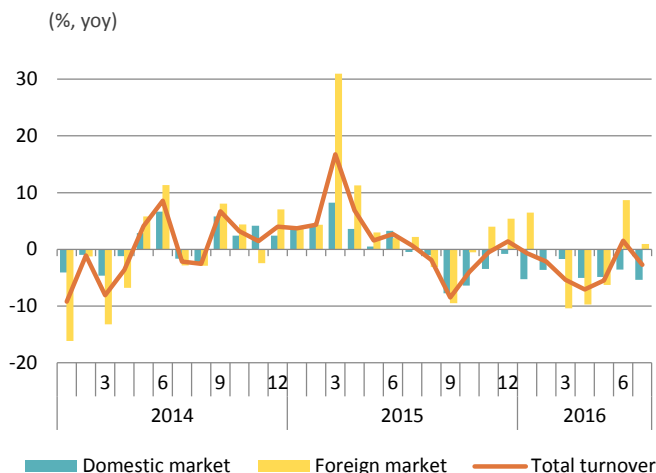
Industrial turnover² reported an increase of 1.5% yoy in June for the first time since the beginning of the year (Fig. 3) due to the favourable development of foreign industrial sales, namely *manufacture of fabricated metal products, except machinery and equipment*. However, the index returned to negative territory in July, down 2.7% yoy, as both foreign and domestic sales contributed for the observed downward trend. The growth of foreign turnover slowed down to 0.9% yoy in July compared to an annual increase of 8.7% in the previous month. *Manufacture of basic metals* continued to be a major drag on growth, followed by *electricity, gas, steam and air conditioning supply*. At the same time, the decline in domestic turnover deepened from 3.6% yoy in June to 5.4% in July as deterioration was widely spread across the sectors.

Industrial production also posted an increase of 4% yoy in June supported by the strong performance of *manufacture of fabricated metal products, except machinery and equipment* but decreased again in July, down 0.5% yoy. The observed unfavourable dynamics covered most of the manufacturing industries with *intermediate goods* contributing the most for the reported decline.

The slump in the **construction production index** deepened to 13.4% yoy in June and went further down to 16% in July (Fig. 4) due to the decline in both *building construction* and *civil engineering*, down 14.5% and 17.6% in July.

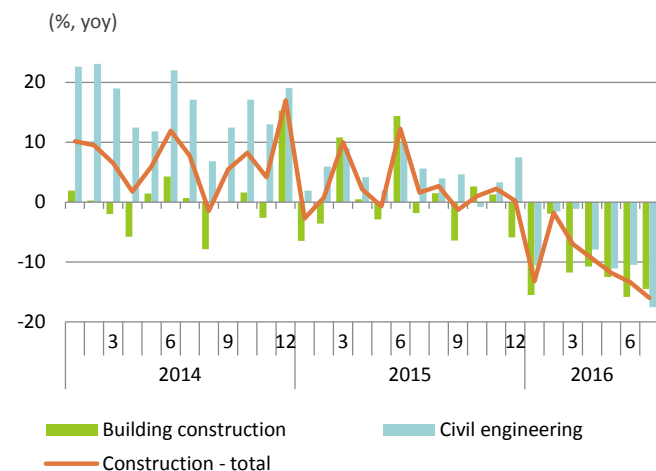
The growth of **retail sales** slowed down to 1.8% yoy in July compared to an annual increase of 5.5% in the

Fig.3: Industrial turnover by components



Source: NSI

Fig. 4: Construction production index



Source: NSI

² 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.

previous month. *Retail sales of computers and telecommunications equipment, sales of audio and video equipment and sales in non-specialized stores* reported a decline in July, down 9.6%, 3% and 1.8%, respectively, while *retail sales of food, beverages and tobacco* posted the largest increase, up by 7.4% yoy, followed by *sales of medical, orthopaedic goods and cosmetics*, up by 4.5%.

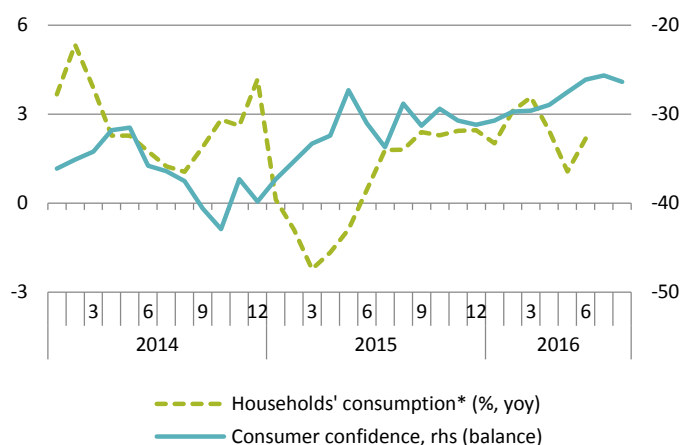
In August, the **consumer confidence indicator** decreased for the first time in 2016 due to worsened expectations regarding the economic situation in the country and the financial situation of households (Fig. 5). However, the number of respondents who consider the current situation as suitable for major purchases increased.

The **overall business climate** indicator in August remained close to its July level when a decline of 0.9 points was registered due to worsening of the expectations in services (Fig. 6 and 7). The assessments of the present business situation in retail trade and construction worsened in August. However, there were some improvements in the expectations in industry and services. An increase in the domestic assurance with orders was registered in industry. In all sectors the number of respondents who consider the insufficient demand as a major obstacle decreased.

LABOUR MARKET AND INCOMES

The **number of employed** (ESA 2010) in Q2 2016 reported its highest growth rate of 1.5% yoy since employment started to recover in 2014 (Fig. 8). The robust performance was largely on the account of job creation in services subsectors, which was in line with the positive results from short-term statistics on revenue turnover, as well as with the strong GVA growth in services. Even though manufacturing was among

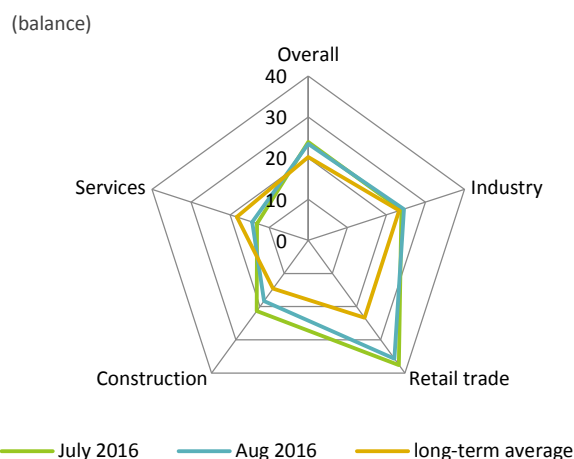
Fig. 5: Consumer confidence and households' consumption



* Monthly consumption data is obtained using Chow-Lin methodology for temporal disaggregation

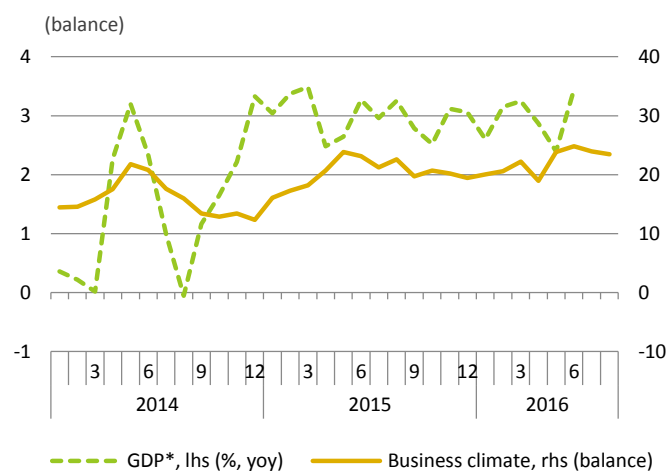
Source: NSI

Fig. 6: Business climate by sectors



Source: NSI, MF

Fig. 7: Business climate and GDP



* Monthly GDP data is obtained using Chow-Lin methodology for temporal disaggregation

Source: NSI, MF

the major drivers for the overall employment improvement during the previous quarter, employed number in this sector reported a slight decrease in Q2, down 0.2% yoy. The latter, however, was not due to job destruction, as far as hired employment continued to increase, up by 1.1%, but had to do particularly with the strong decrease of self-employment.

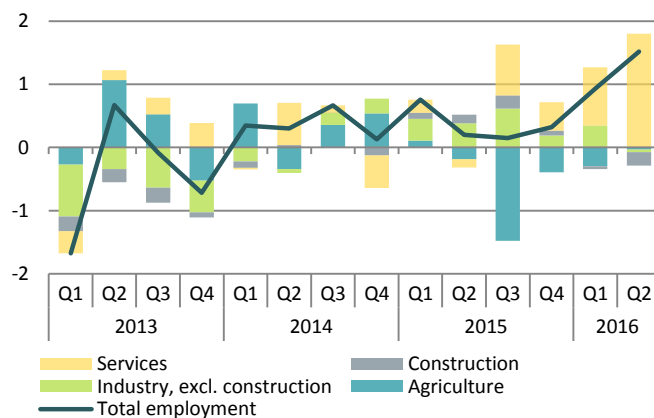
The unemployment rate decreased further, down by almost 2 pps yoy to 8% (LFS) in Q2 2016. The effect of demographic factors for the latter expanded as the disaggregation of the unemployment decline showed that the population and the participation rate decreases since Q1 2016 haven't been offset by the employment growth (fig. 9).

The downward trend of unemployment persisted in the summer months as evidenced by the continuing decrease in the **registered unemployment rate** to 8% as at end-August. The newly started working climbed up to 19.8 K, of whom 59.2% got employment on the primary labour market, while those who participated in active labour market programmes and measures expanded to 4.4 K in August.

Favourable employment trends resulted in a nominal 6.8% yoy increase of **compensation per employee** in Q2 2016. Wages in services went up by 5.3% yoy and had the largest positive contribution. However, their increase decelerated compared to the previous quarter resulting in a slowdown in the overall wage growth, despite the strong wage increase in industry, up by 10.2% yoy. Detailed short-term data on employment and labour costs indicated that the upward trend in employees was accompanied by a significant increase in wages with the largest positive contribution to higher labour incomes coming from manufacturing, trade, informational and professional activities.

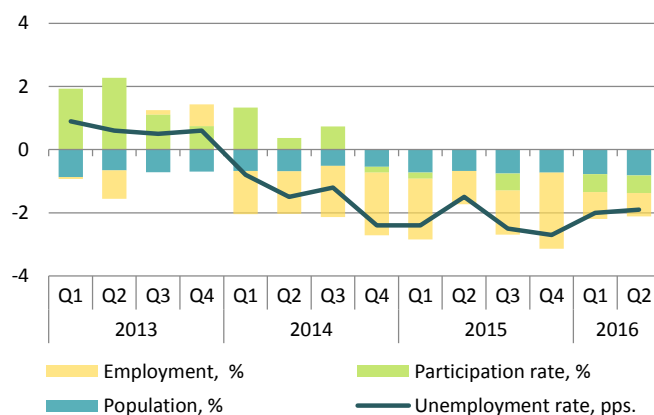
Labour productivity decelerated to 1.4% yoy in real terms in the second quarter (Fig. 10). There has been

Fig. 8: Employment growth (%) and contribution by sectors (pps)



Source: NSI

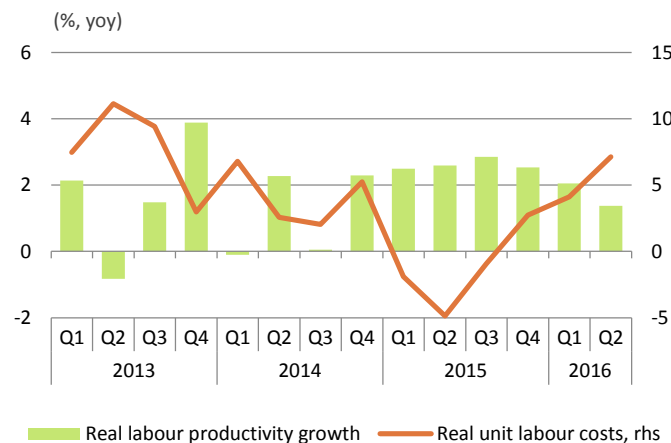
Fig. 9: Driver forces for the UR change*



* This disaggregation follows from certain transformations of the main identities for unemployment number and unemployment rate. Thus the change in UR is approximately equal to the sum of changes in population and participation rates minus the change of employment. Calculations are based on LFS figures, according to which the employment growth in Q2 was 0.7% yoy.

Source: MF

Fig. 10: Labour productivity and real unit labour cost in total economy



Source: NSI

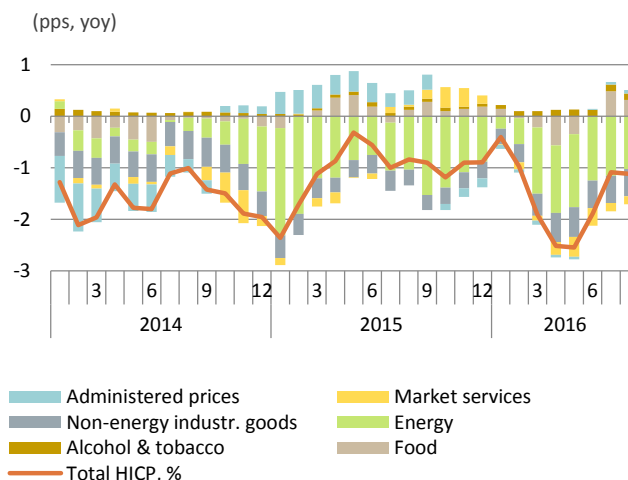
a slowdown in most of the economic sectors, however, productivity growth stepped up further in construction, real estate, financial and informational activities. The recent upward trend of compensation per employee contributed to the **unit labour costs** (ULC) increase, up by 5.4% and 7.1% in nominal and real terms, respectively. However, industrial production and wages followed a similar pace of increase in most of export-oriented manufacturing activities including manufacturing of basic metals, machinery and equipment, pharmaceuticals, electronic equipment.

INFLATION DYNAMICS

Consumer prices posted 1% mom increase in July mostly driven by seasonal factors such as higher prices of package holidays and accommodation in resorts. The latter increased by 15.4% and 19.7% mom, respectively, in July, thus accounting for 0.72 pps of the reported increase in the headline rate. Contrary to expectations, prices of unprocessed food also increased in July, up by 4.4% mom. The HICP index remained unchanged in August, compared to the previous month. There was a more noticeable increase in the price of international air fares – up by 6.5%, which was offset by a decrease reported in the prices of clothes and footwear – down 2.4%.

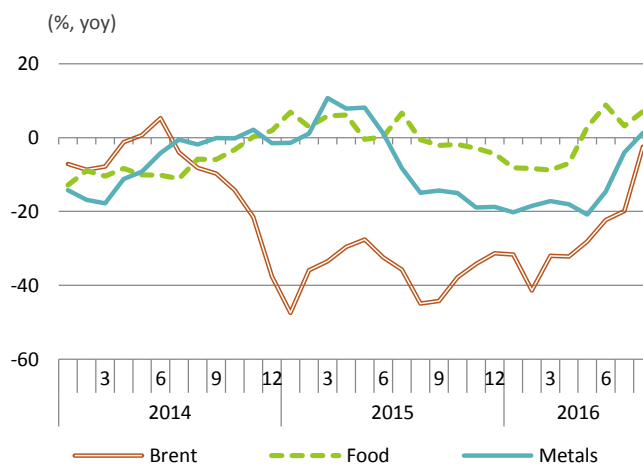
The negative annual inflation rate decelerated further to -1.1% in August (Fig. 11), as food prices reported increase, up 1.5% yoy, mostly on the account of higher unprocessed food prices. The negative contribution of energy prices also narrowed, though their rate of decrease was still double-digit. The negative core inflation³ also decelerated to 0.3% over the same period a year earlier.

Fig. 11: HICP and contributions by main components



Source: NSI, MF

Fig. 12: International prices of major commodities in euro



Source: World Bank, MF

³ The total index excluding energy and unprocessed food

Price drops for the major commodities on world markets decelerated significantly during the summer months (Fig. 12). Thus, the yoy slump in Brent price narrowed to 2.5% in euro terms in August; while non-energy commodity prices reported increase, up by 1.7% yoy.

EXTERNAL SECTOR

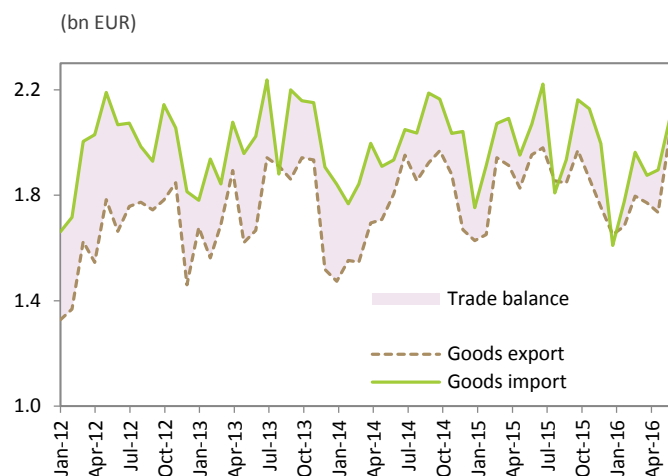
In June, some positive dynamics in trade of goods were observed, as export increased by 4.4% yoy, following three consecutive months of decline. Import rose for the first time this year, up by 1.3% yoy. Both export and import dynamics were led by EU trade, while export to and import from non-EU countries kept decreasing at a two-digit rate. Trade deficit halved on a year earlier to EUR 55.5 mln (Fig. 13). On the other hand, export and import of services kept declining in nominal terms, down by 10.7% and 10.6% yoy, respectively, in June. Both were due to continuing decrease in transportation and other business services trade. Current account balance turned positive at EUR 562.8 mln in June, thus the surplus accumulated for the first half of the year reached EUR 693.8 mln (1.5% of projected GDP), compared with a deficit of 0.2% for the same period in 2015.

Gross external debt stood at EUR 34.54 bn (76.7% of projected GDP) as at end-June (Fig. 14), as indebtedness of all institutional sectors, except for General Government, declined on a year earlier. Net external debt dropped to 8.9% of GDP.

FINANCIAL SECTOR

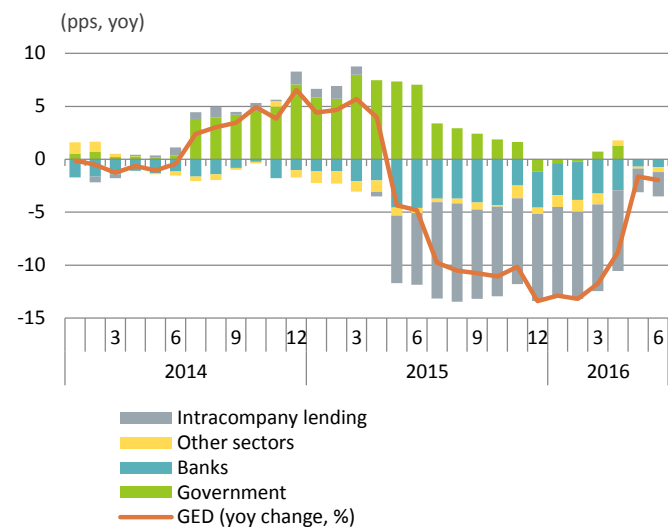
International reserves went up by 2.9% and 0.9% mom, in July and August respectively, to reach EUR 23.3 bn as at end-August. Notes in circulation and bank reserves were the main contributors for the increase in both months as the former rose by 3.1%

Fig. 13: Merchandise trade dynamics



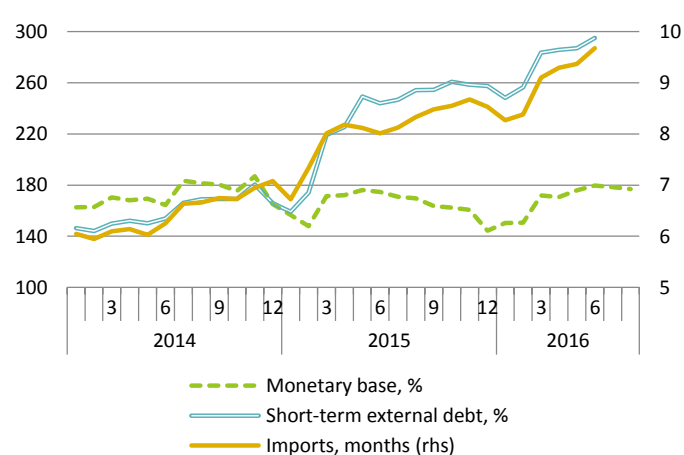
Source: BNB

Fig. 14: Gross external debt by institutional sector



Source: BNB

Fig. 15: Coverage with FX Reserves



Source: BNB, MF

and 2% and the latter went up by 4.2% and 1.5%, respectively. The increase in notes in circulation could be attributed to the summer vacation season, when there is usually a seasonal increase in liquidity demand. The annual growth rate of the BNB's official reserves speeded up in July to 17.7% and then in August returned to the pace from June at 16.7%.

Credit to the private sector speeded up its recovery in June and July and came out of the negative territory, reaching annual growth of zero at end-July (Fig. 18). The largest contribution in mom terms came from corporate loans as their annual decrease narrowed significantly, down 0.6% yoy as of end-July. Positive contributions came from mortgages as well, up by 0.6% yoy, while the annual decrease in consumer loans continued slowing down to 1.1%. **Bad and restructured credits** declined by 8.8% and 9.7% yoy, in June and July respectively. Their share in total credits to non-financial corporations and households decreased from 17.2% in June to 16.9% in July.

Weighted average interest rate on credits to non-financial corporations slightly increased in June and July, up by 7 and 28 bps, respectively (Table 1). The monthly volume of new corporate loans decreased by 26% in July compared to the corresponding month of the previous year. Meanwhile, the price of new mortgages also declined, down by 13 bps mom. Consumer credits' price increased in July, up by 41 bps over the previous month.

Weighted average interest rate on time deposits in USD and EUR slightly decreased in July, down by 9 bps and 3 bps, respectively (Table 3). A slight increase was registered in BGN denominated time deposits' rate, up by 1 bp. The monthly volume of new time deposits reached BGN 1.25 bn in July, which was by 34.2% less compared to the same period of the previous year, while on a monthly basis there was a slight increase of 1.3%.

Fig. 16: Contribution to annual growth of total deposits by institutional sectors

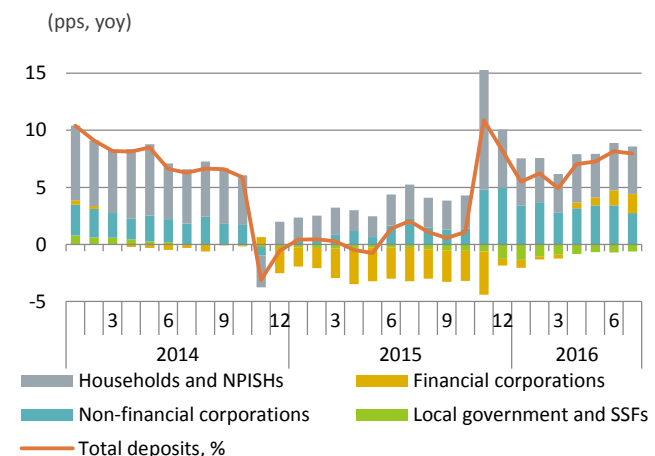


Fig. 17: Share of deposits and claims on private sector in FX

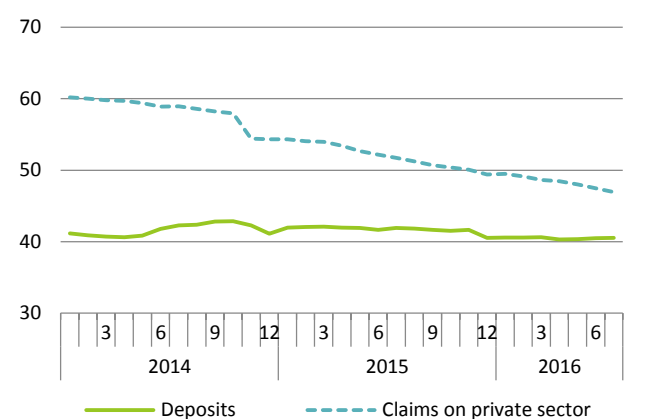
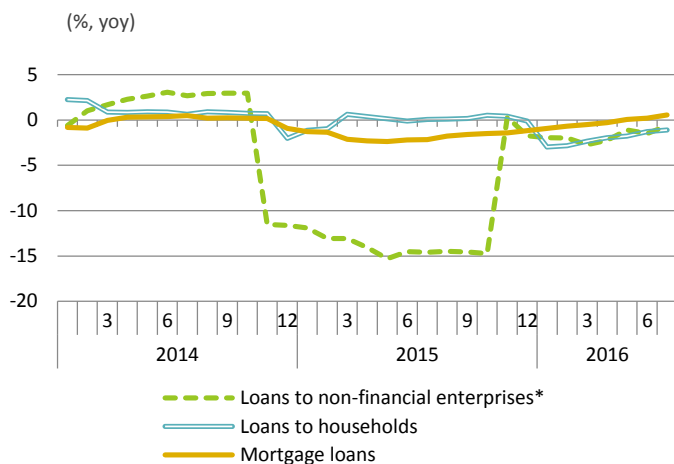


Fig. 18: Credit growth





FISCAL DEVELOPMENTS

The **consolidated budget balance** on cash basis was positive at the end of July 2016 and amounted to BGN 3.28 bn (3.7% of projected GDP). The national budget and the EU funds account registered surpluses to the amount of BGN 1.75 bn and BGN 1.53 bn, respectively. The budget balance improved by 2.8 pps as a ratio to GDP compared to July 2015 when a surplus of BGN 789.4 mln was registered. Higher revenues on a year earlier remained as the main factor behind this improvement (Fig. 19).

Total revenue and grants grew by 8% yoy. Tax receipts increased by 9.1% in nominal terms, as the revenues from direct and indirect taxes were higher by 8.4% and 11.2%, respectively, and the social security contributions grew by 0.9% yoy. **The total expenditure** (including the contribution to the EU budget) decreased by 5.3% yoy.

The fiscal reserve at the end of July 2016 amounted to BGN 14.5 bn, including deposits of the fiscal reserve in the Bulgarian National Bank and other banks equal to BGN 12.9 bn and receivables under the EU Funds for certified expenditure, advance payments, etc. to the amount of BGN 1.6 bn.

Government debt showed no change compared to the previous month at 29.9% of GDP as at end-July. Domestic debt remained at 7.8% of GDP, while the external debt - at 21.5% of GDP. The **government guaranteed debt/GDP ratio** was 0.6%. ■

Table 1: Weighted average interest rate on new credits to households and non-financial companies, in %

	July 2015	June 2016	July 2016
Non-financial companies	7.04	4.66	4.94
Consumer credits	10.43	9.45	9.86
Mortgages	5.69	5.06	4.93

Table 2: Annual Percentage Rate of Charge (APRC)*

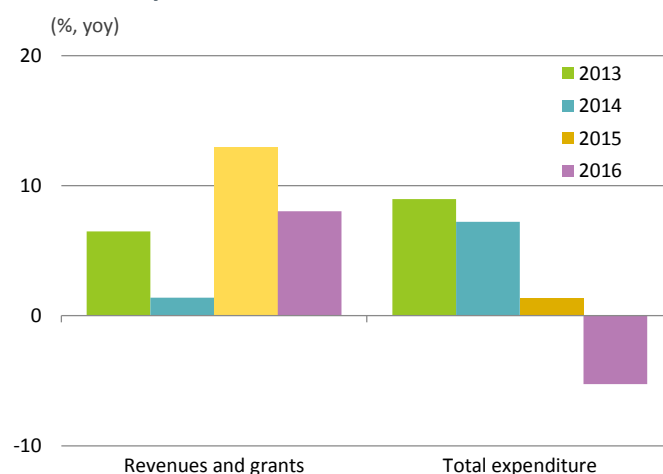
	July 2015	June 2016	July 2016
Consumer credits	11.43	10.36	10.84
Mortgages	6.25	5.49	5.42

* Annual Percentage Rate of Charge on New Business on Loans to Households Sector by Original Maturity. APRC for consumer credits and mortgages are weighted by currency and maturity.

Table 3: Weighted average interest rate on new time deposits of house-holds and non-financial companies, in %

	July 2015	June 2016	July 2016
BGN	1.28	0.78	0.79
EUR	1.12	0.63	0.60
USD	0.76	0.55	0.46

Fig. 19: Revenues and expenditure growth rates as at end-July



Source: MF



KEY ECONOMIC INDICATORS

		Annual data			Quarterly data				Monthly data							
		2013	2014	2015	Q3'15	Q4'15	Q1'16	Q2'16	02'16	03'16	04'16	05'16	06'16	07'16	08'16	
— GDP¹																
Gross Domestic Product	% , yoy	1.3	1.5	3.0	3.0	2.9	3.0	2.9	-	-	-	-	-	-	-	
Consumption	% , yoy	-0.7	2.2	0.7	1.8	2.4	0.9	1.3	-	-	-	-	-	-	-	
Gross fixed capital formation	% , yoy	0.3	3.4	2.5	3.2	7.2	1.4	-0.3	-	-	-	-	-	-	-	
Export	% , yoy	9.2	-0.1	7.6	4.3	6.4	3.5	5.1	-	-	-	-	-	-	-	
Import	% , yoy	4.9	1.5	4.4	2.3	4.3	2.4	4.6	-	-	-	-	-	-	-	
Agriculture	% , yoy	3.2	5.2	-1.4	1.2	-8.3	0.5	-0.7	-	-	-	-	-	-	-	
Industry	% , yoy	0.2	0.9	2.8	2.6	3.6	3.5	-0.1	-	-	-	-	-	-	-	
Services	% , yoy	1.3	1.9	1.2	0.9	0.8	3.0	4.1	-	-	-	-	-	-	-	
Adjustments	% , yoy	2.5	0.0	12.7	14.5	14.4	2.7	4.7	-	-	-	-	-	-	-	
— Short-term business statistics²																
Industrial production	% , yoy	-0.1	1.8	2.9	2.8	2.3	2.9	1.1	3.9	4.1	1.2	-2.1	4.0	-0.5	-	
Industrial turnover	% , yoy	-1.0	0.0	1.7	-3.2	-1.1	-2.8	-3.7	-2.2	-5.4	-7.1	-5.5	1.5	-2.7	-	
Retail trade turnover	% , yoy	3.8	10.2	1.0	-1.0	0.7	3.7	4.8	4.0	6.4	5.7	3.1	5.5	1.8	-	
Construction output	% , yoy	-3.7	7.0	2.4	1.0	1.2	-7.3	-11.6	-1.8	-7.0	-9.4	-11.8	-13.4	-16.0	-	
Total business climate	balance	13.0	15.9	20.3	21.2	20.1	20.9	22.5	20.6	22.2	18.9	23.9	24.8	23.9	23.5	
Industry	balance	15.6	18.2	22.9	22.0	22.4	24.6	21.8	24.0	26.9	18.8	22.9	23.7	23.8	24.5	
Retail trade	balance	19.7	24.0	27.6	30.1	30.3	28.3	34.8	28.9	29.9	29.6	36.9	37.8	37.6	35.7	
Construction	balance	2.0	7.3	15.2	18.0	14.8	15.0	19.0	13.0	15.4	15.1	21.8	20.0	21.3	18.3	
Services	balance	12.2	11.7	12.7	14.0	10.5	12.4	15.4	13.1	11.8	12.5	14.9	18.8	13.1	14.4	
— Labour market																
Participation rate (15+)	level	53.9	54.1	54.1	54.9	53.9	53.1	53.8	-	-	-	-	-	-	-	
Employment rate (15+)	level	46.9	48.0	49.1	50.3	49.7	48.5	49.5	-	-	-	-	-	-	-	
Employment (LFS)	% , yoy	-0.4	0.4	0.4	0.2	0.3	0.9	1.5	-	-	-	-	-	-	-	
Unemployment rate (LFS)	level	12.9	11.4	9.1	8.3	7.9	8.6	8.0	-	-	-	-	-	-	-	
Unemployment rate (EA)	level	11.3	11.2	10.1	9.3	9.8	10.0	8.8	10.0	9.9	9.3	8.7	8.4	8.2	8.0	
Nominal wage	% , yoy	6.0	6.0	8.8	8.0	8.0	7.3	7.6	7.7	6.9	7.2	7.9	7.8	-	-	
Real wage ³	% , yoy	5.6	7.7	9.9	9.0	9.1	8.5	10.2	8.8	9.0	10.0	10.7	9.9	-	-	
Labour productivity (GDP per employed)	% , yoy	1.7	1.2	2.6	2.9	2.5	2.1	1.4	-	-	-	-	-	-	-	
Real ULC (GDP)	% , yoy	7.8	3.9	-1.1	-0.9	2.7	4.1	7.1	-	-	-	-	-	-	-	
Nominal ULC (GDP)	% , yoy	7.0	4.4	-0.7	-2.5	1.1	6.7	5.4	-	-	-	-	-	-	-	
— Prices																
National consumer price index (CPI)	% , yoy	0.9	-1.4	-0.1	0.0	-0.5	-0.7	-1.9	-0.5	-1.5	-2.2	-2.0	-1.3	-0.2	-0.3	
Harmonized index of consumer prices (HICP)	% , yoy	0.4	-1.6	-1.1	-0.9	-1.0	-1.1	-1.2	-1.0	-1.9	-2.5	-2.5	-1.9	-1.1	-1.1	
PPI, domestic market	% , yoy	-1.3	-0.9	-1.7	-1.5	-3.6	-3.7	-4.3	-4.0	-4.1	-4.1	-4.5	-4.2	-3.8	-	
PPI, non-domestic market	% , yoy	-2.1	-1.8	-2.4	-3.9	-5.0	-6.6	-6.7	-7.4	-8.1	-7.3	-7.8	-5.0	-5.2	-	
— Consolidated fiscal program (cumulative)																
Revenues and grants	mIn BGN	28 981	29 409	32 200	24 162	32 200	9 097	17 709	5 519	9 097	12 170	14 852	17 709	20 549	-	
Total expenses	mIn BGN	30 430	32 482	34 685	23 530	34 685	7 234	14 638	4 604	7 233	9 819	12 079	14 638	17 270	-	
Contribution to EU budget	mIn BGN	934	955	946	624	946	254	397	180	254	295	357	397	467	-	
Cash deficit (-) / surplus (+)	mIn BGN	-1 448	-3 073	-2 484	633	-2 484	1 862	3 071	915	1 864	2 351	2 774	3 071	3 279	-	
	% of GDP	-1.8	-3.7	-2.9	0.7	-2.9	2.1	3.4	1.0	2.1	2.6	3.1	3.4	3.7	-	
Government debt (incl. guaranteed debt)	mIn BGN	14 893	22 753	23 300	23 494	23 300	26 675	26 683	23 281	26 675	26 665	26 709	26 683	26 704	-	
	% of GDP	18.2	27.2	27.0	27.3	27.0	29.9	29.9	26.1	29.9	29.9	29.9	29.9	29.9	-	

		Annual data			Quarterly data				Monthly data						
		2013	2014	2015	Q3'15	Q4'15	Q1'16	Q2'16	02'16	03'16	04'16	05'16	06'16	07'16	08'16
Fiscal reserve ⁴	mIn BGN	4 681	9 170	7 873	10 074	7 873	11 866	14 132	8 862	11 866	12 320	13 445	14 132	14 504	-
	%, yoy	-23.0	95.9	9.1	14.2	-14.1	7.0	28.1	11.6	7.0	11.3	20.8	28.1	29.6	-
— Financial sector															
BNB International reserves	mIn EUR	14 426	16 534	20 285	20 133	20 285	21 360	22 442	19 748	21 360	21 632	21 749	22 442	23 104	23 308
Monetary base coverage	%	162.9	165.1	144.3	163.7	144.3	171.9	179.6	150.7	171.9	170.7	176.0	179.6	178.4	176.9
Coverage of import with FX reserves	months	6.1	6.4	8.1	8.3	8.6	8.6	9.4	8.4	9.1	9.3	9.4	9.7	-	-
Coverage of short-term external debt	%	150.9	166.0	256.6	254.5	257.3	283.5	295.0	256.3	283.5	285.6	286.8	295.0	-	-
Money M1 (Narrow money)	%, yoy	17.5	15.1	15.6	9.4	15.6	10.1	15.0	11.8	10.1	13.3	14.2	15.0	14.8	-
Money M3 (Broad money)	%, yoy	8.9	1.1	8.8	2.1	8.8	6.0	8.9	7.1	6.0	8.0	8.1	8.9	8.6	-
Deposits	%, yoy	9.4	-0.5	8.2	0.6	8.2	4.9	8.2	6.2	4.9	7.0	7.3	8.2	8.0	-
Credit to private sector	%, yoy	0.2	-8.2	-1.2	-10.0	-1.2	-2.1	-0.6	-1.4	-2.1	-1.6	-0.9	-0.6	0.0	-
Credit to non-financial enterprises	%, yoy	0.1	-11.6	-1.7	-14.6	-1.7	-2.7	-1.5	-2.0	-2.7	-2.2	-1.1	-1.5	-0.6	-
Credit to households	%, yoy	-0.2	-1.6	-1.3	-1.4	-1.3	-1.5	-0.7	-1.7	-1.5	-1.4	-1.0	-0.7	-0.4	-
Interest rate on credits ⁵	%	8.4	7.9	7.0	7.0	6.2	6.5	5.8	6.3	6.4	6.4	5.6	5.4	5.6	-
Interest rate on deposits ⁶	%	3.3	2.6	1.3	1.2	1.1	1.0	0.8	1.1	0.8	0.9	0.8	0.7	0.7	-
Exchange rate BGN/USD	eop	1.42	1.61	1.79	1.75	1.79	1.72	1.76	1.80	1.72	1.72	1.75	1.76	1.76	1.76
	per. av.	1.47	1.47	1.76	1.76	1.79	1.77	1.74	1.76	1.76	1.73	1.73	1.74	1.77	1.74
— Gross External Debt (GED)															
Gross external debt	% of GDP	88.1	92.5	77.2	77.8	77.2	76.3	76.5	74.0	76.3	77.5	77.0	76.5	-	-
Short-term external debt	% of GED	25.9	25.3	23.1	23.0	23.1	21.7	21.8	22.8	21.7	21.4	21.6	21.8	-	-
Intercompany lending	% of GED	41.8	40.3	37.1	37.0	37.1	36.7	36.7	37.9	36.7	36.2	36.6	36.7	-	-
— Balance of payments⁷															
Current account	mIn EUR	536	365	609	1 163	-462	312	382	-5	144	-156	-26	563	-	-
<i>Current account (moving average)</i>	% of GDP	1.3	0.9	1.4	1.2	1.4	2.0	3.4	2.4	1.8	2.1	2.0	3.1	-	-
Trade balance	mIn EUR	-2 933	-2 777	-1 917	-283	-697	-218	-321	-93	-166	-104	-161	-56	-	-
<i>Trade balance (moving average)</i>	% of GDP	-7.0	-6.5	-4.3	-4.4	-4.3	-4.0	-3.7	-3.5	-3.5	-3.4	-3.5	-3.3	-	-
Export, f.o.b.	mIn EUR	21 218	21 026	22 184	5 681	5 589	5 131	5 545	1 683	1 797	1 772	1 735	2 039	-	-
	%, yoy	7.8	-0.9	5.5	-0.9	1.3	-1.7	-2.6	2.0	-7.5	-7.4	-5.1	4.4	-	-
Import, f.o.b.	mIn EUR	24 150	23 803	18 362	5 965	6 286	5 349	5 866	1 776	1 963	1 876	1 896	2 094	-	-
	%, yoy	2.0	-1.4	-22.9	-4.9	0.7	-6.8	-4.0	-7.2	-5.3	-10.3	-2.9	1.3	-	-
Capital account	mIn EUR	469	960	1 418	301	387	569	199	80	374	-29	86	141	-	-
Financial account	mIn EUR	1 419	-2 087	-939	143	115	62	-282	202	-1 170	-640	218	141	-	-
Net Foreign Direct Investments	mIn EUR	-1 243	-877	-1 516	-572	21	-357	-282	-175	-94	-55	-122	-144	-	-
Net Portfolio Investments	mIn EUR	1 161	1 871	-13	-470	138	1 137	-153	33	1 067	-72	5	-86	-	-
Other Investments – net	mIn EUR	703	2 175	-4 535	75	-952	641	580	-35	20	597	95	-113	-	-
Change in BNB reserve assets	mIn EUR	-532	1 807	3 730	980	148	927	904	15	1 702	244	119	541	-	-

Notes: 1. Growth rates derived from chain-linked (2010) level series, not seasonally adjusted data; 2. Not seasonally adjusted data; 3. HICP deflated; 4. Change in the structure of fiscal reserve as of 2014; 5. Weighted average interest rate on new credits to households, NPISHs and non-financial companies by type, currency and maturity; 6. Weighted average interest rate on new time deposits of households, NPISHs and non-financial companies by type, currency and maturity; 7. Analytical presentation (BPM6).

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