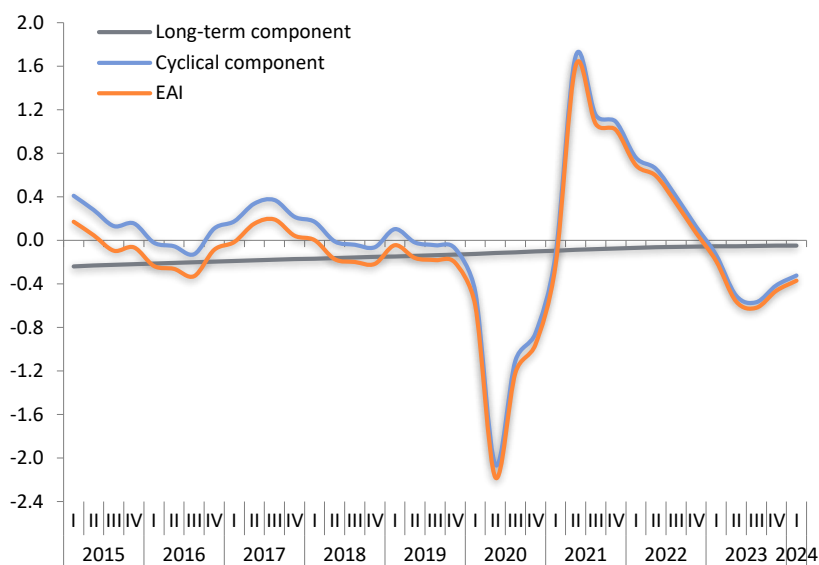


# ECONOMIC ACTIVITY INDICATOR IN BULGARIA

## 1 EAI BY COMPONENTS\*



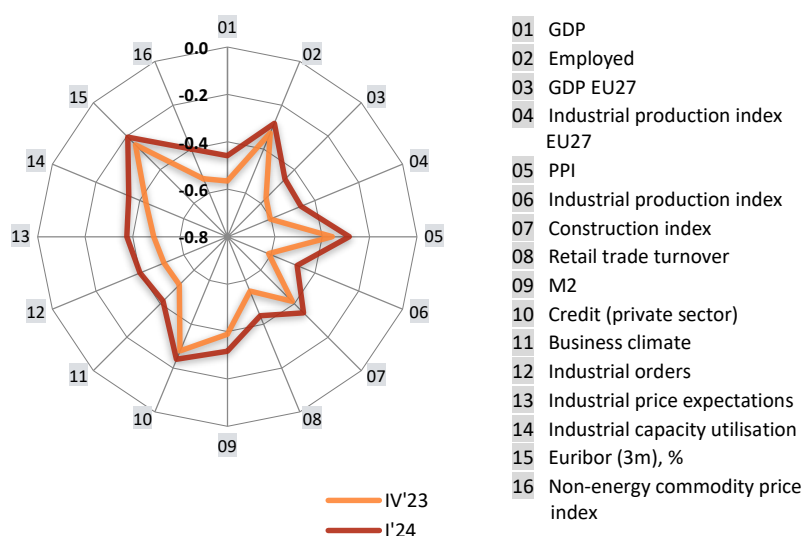
\* Preliminary estimate of EAI by components in Q1'24

Source: IAF

**EAI improved slightly in the first quarter of 2024**

The Economic Activity Indicator<sup>1</sup> (EAI) slightly improved in the first quarter of 2024 but remained negative at -0.42 up from -0.46 in the fourth quarter of 2023. The improvement was due to both the development of the cyclical and the long-term components.

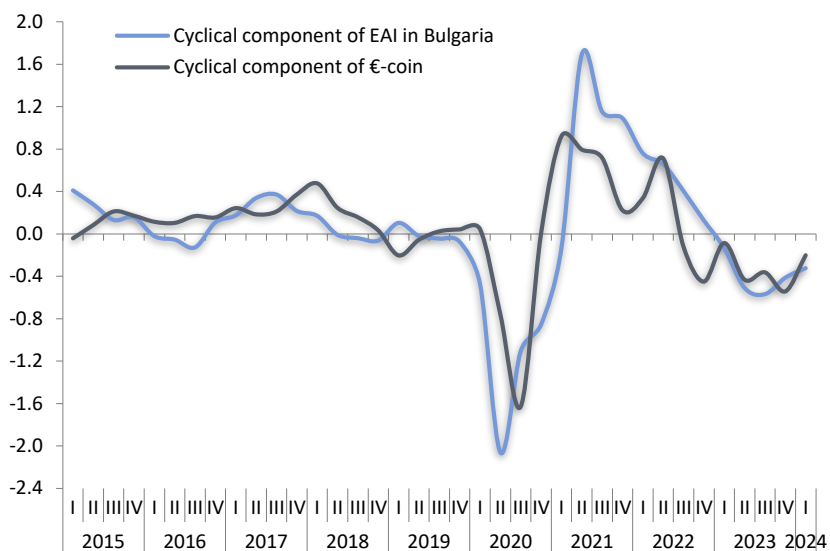
## 2 DECOMPOSITION OF EAI VARIABLES



Source: IAF

Most of the indicators included in the EAI improved compared to last quarter of 2023 with the exception of employed, credit (private sector), Euribor (3m) and the construction index. The current assessment reflects the improved position of both the external and internal environments. The indicators for industrial production both in the European Union and in Bulgaria had the greatest contribution. A significant improvement was also recorded in other internal indicators such as retail trade turnover, industrial orders, industrial price expectations and the business climate.

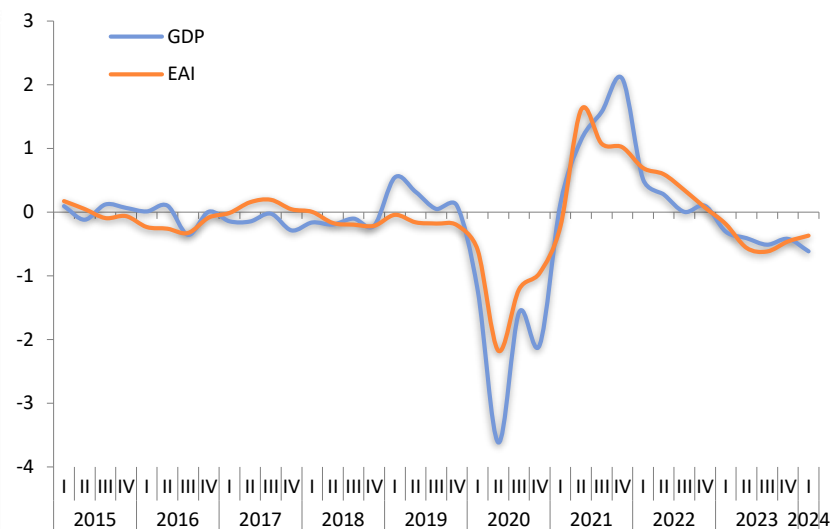
### 3 ESTIMATED CYCLICAL FLUCTUATIONS IN THE EURO AREA AND BULGARIA



Source: IAF, CEPR

In the first quarter of 2024, the estimated cyclical position of the composite indicator of the euro area also continued to be negative. In January 2024 €-coin<sup>2</sup> decreased significantly mainly due to the weakness in demand indicators and to worsening consumer confidence. In February it remained in negative territory for the twelfth month in a row, but the still positive signs on employment managed to offset the persistent weakness in confidence indicators, contributed to the improvement. In March it turned positive for the first time since the beginning of 2023. The growth in the indicator mainly reflected the positive growth in share prices and the recovery of the qualitative indicators for economic activity.

### 4 EAI AND GDP\*



\* Preliminary estimates for EAI and GDP in Q1'24. To achieve better compatibility, real GDP growth data has been standardized by subtracting the mean and dividing by the standard deviation of the series.

Source: IAF

The preliminary assessment of the EAI gives an indication that the economic activity in the country in the first quarter of 2024 is improving, but it is affected by the new geopolitical conflicts and the still high level of uncertainty. The real GDP growth will remain close to the recorded in the previous quarter.

<sup>1</sup> A new version of the EAI has been released in 2/2021, which incorporates some revisions to the database. The historical series according to the methodology are also available starting from 2001 onwards. For more detailed information see "[Rationale and Methodology of the EAI](#)".

<sup>2</sup> For more detailed data and methodological notes on €-coin, monthly estimates of the economic activity in the euro area visit <http://eurocoin.cepr.org/>. Data have been averaged to make the comparison with the quarterly EAI possible. In addition, since €-coin excludes only short-term (seasonal) fluctuations in euro area business activity, it was also necessary to eliminate the long-term trend in the time series, using the Hordrick-Prescott filter.