



REPUBLIC OF BULGARIA
Ministry of Finance

February/2014



BULGARIAN ECONOMY

Monthly Report

March/2014

April/2014

May/2014

June/2014

July/2014

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Highlights

According to preliminary data, **Bulgarian economy expanded by 0.9% on average in 2013** as GDP s.a. growth rate accelerated to 1.2% yoy during the fourth quarter. Stronger demand from main trading partners largely contributed for the expansion of economic activity. Demand from export oriented industries also led to an increase in import. Final consumption went down by 1.6% as households have been cautious and cut their expenditures in favor of precautionary savings. Meanwhile, government expenditures for individual and collective consumption expanded. Investment in fixed capital also expanded, up by 2.5% yoy in Q4, with the largest increase in the *manufacturing*.

Employment decreased further, down 0.7% yoy in Q4 2013, largely due to the reported decline in agriculture and protracted labor contraction in both manufacturing and construction. The end of seasonal works and subsidized employment programs led to the increase in unemployment reported in the last three months of 2013. Labor force developments pointed to higher participation of the population; however, due to the limited hiring opportunities it kept the unemployment rate rather high at 13% in Q4. Meanwhile, **registered unemployment** increased to 12.2% in January 2014, up 0.3 pps on a year earlier.

The increase of **labor incomes** accelerated in 2013 in both nominal and real terms. The average wage

developments in the country have been led by the increase reported in the private sector. The ongoing employment adjustment had positive contribution to **labor productivity** in 2013, up 1.3%. However, the latter was outstripped by the 6.6% growth of compensation per employee, resulting thus into a further increase in RULC.

Consumer prices posted a minor decrease in January, down 0.2% mom. Annual HICP inflation went further into negative territory at 1.3%, with the reductions in administered prices and the widening of both processed and unprocessed food prices slump.

Current account surplus reached EUR 1.3 bn in Jan-Dec 2013 or 2.1% of GDP. The positive balance reflected reduction in *trade deficit* on the back of strong performance of merchandise exports. **Financial account balance** was positive in December alone, however, the deficit accumulated in Jan-Dec stood at EUR 1.5 bn (3.7% of GDP). FDI made the major inflows (3.1% of GDP), but the total inward investment remained below its previous year level.

Consolidated budget deficit came much lower compared to a year earlier and stood at BGN 373.3 mln on cash basis as of end-January 2014.

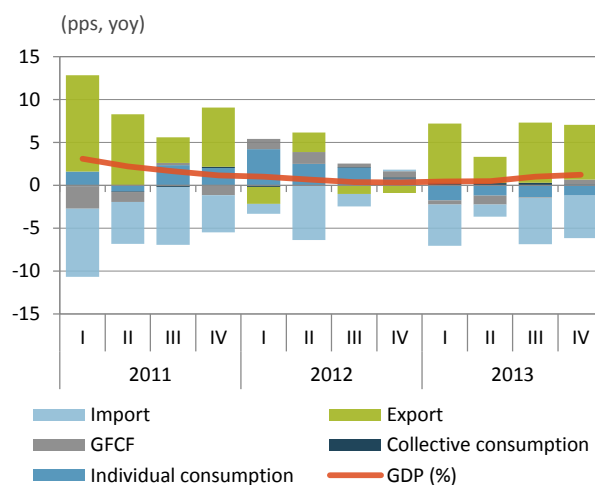
Recent economic developments

GROSS DOMESTIC PRODUCT

According to preliminary data, **Bulgarian GDP growth accelerated to 1.2% yoy s.a. in Q4**, thus economic activity expanded by 0.9% on average in 2013. GDP growth during the fourth quarter was once again driven by external demand. Real exports were up by 9.6% as a result of stronger demand from Bulgaria's main trading partners. Import increased by 6.9% on the back of demand from export oriented industries. Final consumption went down by 1.6%, as the slump in households' expenditures stood at 2.7%. Data for 2012 and 2013 has been revised, thus consumption of households has been corrected downwards, despite the real increase in wages during the year. The latter indicated that households have been cautious and were increasing their precautionary savings. Contrary to developments in private consumption, government expenditures for individual and collective consumption expanded, up by 0.9% and 1.3% respectively. Investment in fixed capital increased by 2.5% yoy during the final quarter and according to data on expenditures for fixed assets acquisition, growth came mainly on the back of the *manufacturing sector*.

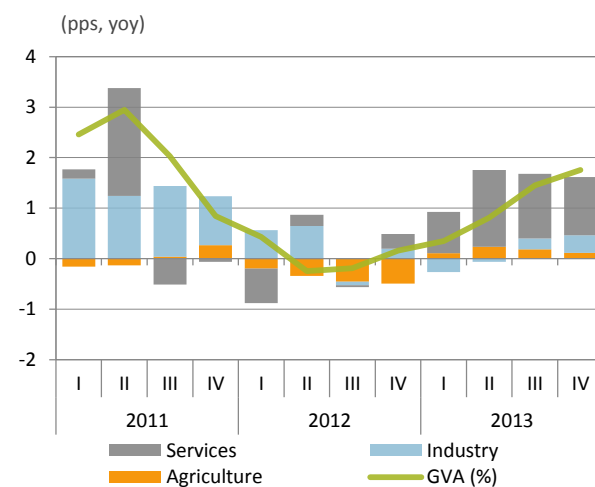
On the supply side, **gross value added (GVA)** increased by 1.8% in Q4 2013. The agricultural sector reported a 2.1% growth, while the value added in manufacturing went up by 1.6%. All activities in the services sector reported an increase, except for *trade; transport; accommodation*, hence the largest positive contribution to economic performance came from *public administration; education; health*. Meanwhile, the decline in the construction sector slowed to 0.4% yoy.

Fig. 1: Contributions to GDP growth



Source: NSI

Fig. 2: Contributions to GVA growth



Source: NS

SHORT-TERM BUSINESS STATISTICS

The decline in **industrial turnover** accelerated somewhat to 3.3% yoy in December due to the registered decrease in domestic sales, down by 6.3%. Although turnover in manufacturing expanded by 2.7% largely led by the positive contribution of *food products, beverages and tobacco*, the protracted slump in *electricity, gas, steam and air conditioning supply* outlined the overall downward trend. Meanwhile, foreign market sales increased by 2.9% on a year earlier. *Manufacture of basic metals and fabricated metal products, except machinery and equipment*, had the major contribution for the reported growth. *Manufacture of machinery and equipment*, as well as *manufacture of food products and manufacture of wearing apparel*, also performed quite well but the slump in *energy products* limited the overall growth.

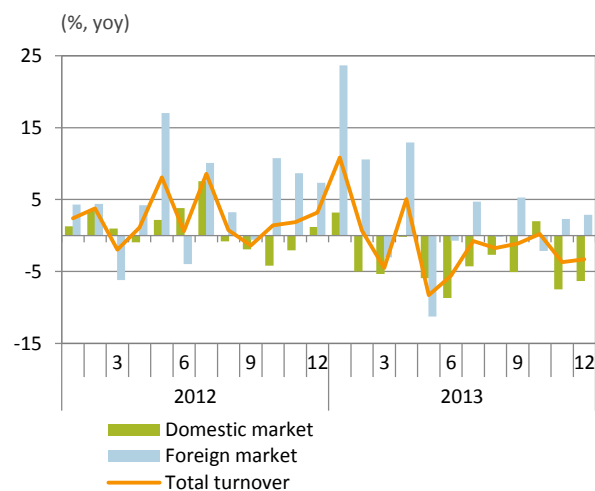
Industrial production growth continued slowing for a second consecutive month. It stood at 0.1% yoy in December compared to the 1.9% annual increase as of November. The negative dynamics in *energy products* were the main driver behind the deceleration in industrial activity.

Retail sales continued performing quite well, up by 5.3% on a year earlier. Similar to previous month, only *retail sales of automotive fuels* registered a decline, while *retail sales of audio and video equipment* posted the largest increase, up 16.2% yoy.

The decline in the **construction production index** decelerated significantly to 1.7% yoy from the 10.7% slump in November. *Civil engineering* returned to positive territory for the first time since April and posted a minor increase, up by 0.8%, while the decrease in *building construction* narrowed to 3.5% yoy.

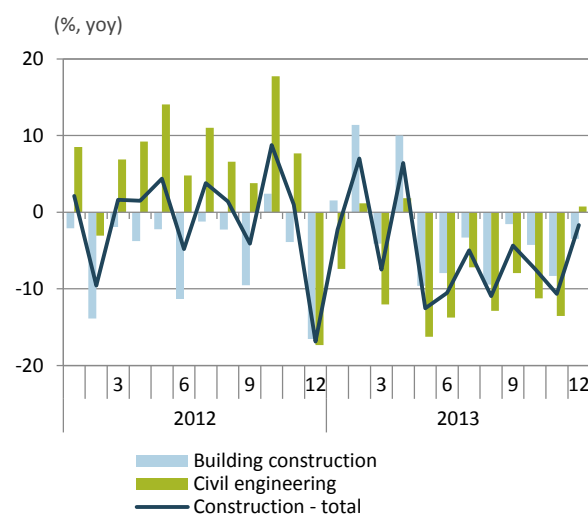
The **business climate indicator** remained unchanged in February over the previous month. The less favorable assessments in retail trade and services were offset by an improvement in both expectations in construction and present business situation of enterprises in industry. The latter

Fig. 3: Industrial turnover



Source: NSI

Fig. 4: Construction production index



Source: NSI

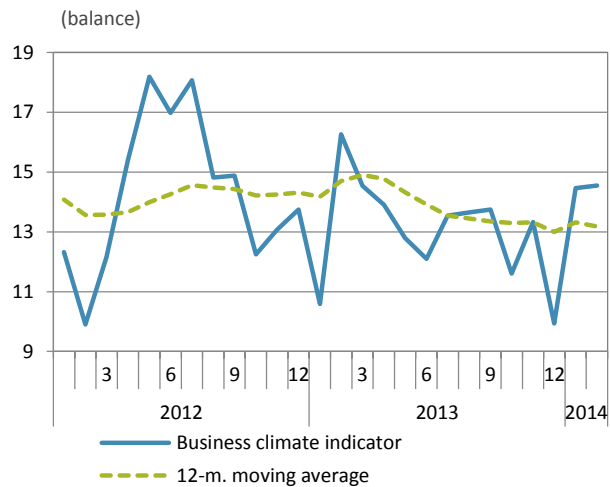
reported a decline in the number of entrepreneurs who report insufficient demand as a problem, while the optimism in construction sector was supported by an increase in orders in civil engineering. Respondents in retail trade reported more favorable expectations for sales over next months; the same applies to demand for services.

LABOR MARKET AND WAGES

Employment decline accelerated to 0.7% yoy (SNA) in Q4 2013 mainly due to the reported decrease in agriculture. The latter has been the main driver behind the improvement in employment during the previous two quarters, while the reduction in seasonal employment in the fourth quarter came higher compared to a year earlier and triggered a 3.2% drop in the number of employed in this sector. Industry also contributed to the employment decrease, on the back of protracted labor contraction in both manufacturing and construction. Only services' sector continued regaining employment, as the reported total increase of 0.7% was supported by the pickup in employed in *professional activities, research, administrative and subsidiary activities, information and communication, and public administration, education and healthcare subsectors*¹. The employment increase in the latter was driven by positive dynamics in education and healthcare, while employment in public administration remained close to its previous year level.

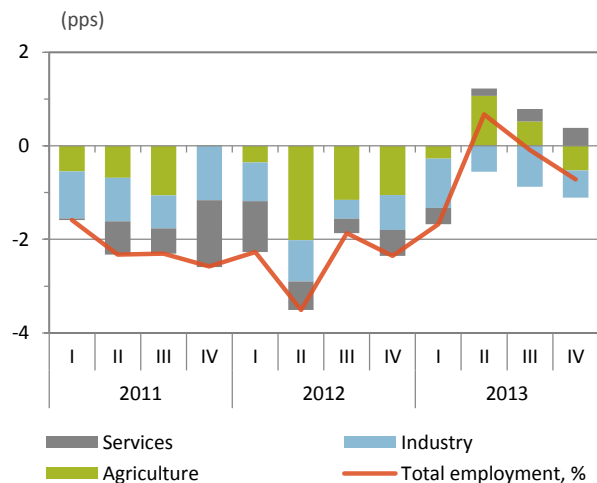
The end of seasonal works and subsidized employment programs led to the increase in unemployment in the last three months of 2013 and early-2014. According to LFS data, **the number of unemployed** reached 439.8 K, thus their annual increase offset the decrease in employment and contributed for maintaining the upward trend in labor force developments. The latter pointed to higher labor force participation of the population, however, due to the limited hiring opportunities it kept the unemployment rate rather high at 13% in Q4.

Fig. 5: Business climate



Source: NSI

Fig. 6: Employment dynamics and contribution by sector



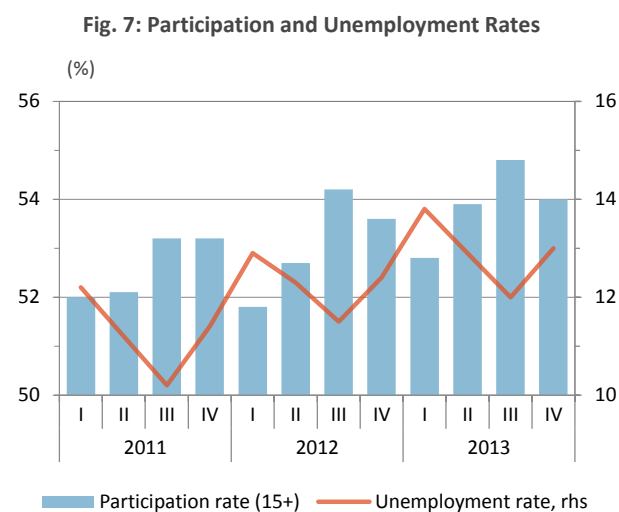
Source: NSI

¹. According to NACE 2008 10 economic activities.

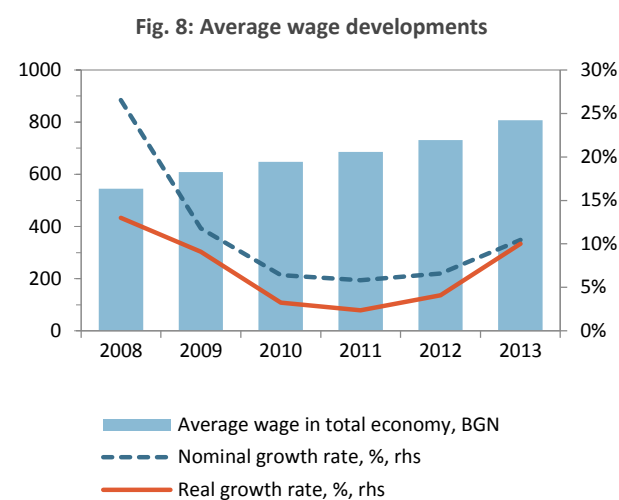
Meanwhile, **registered unemployment** increased by 0.5 pps mom to 12.2% in January 2014, up 0.3 pps on a year earlier. The rise in the number of unemployed over the end of 2013 exceeded 15 K, as the unemployment inflow reached 47.2 K. The outflow of unemployed also stepped up to 32.1 K, fully on the account of the higher number of persons who started working in January – 16.7 K. The activation of subsidized employment programs in the beginning of the year had the major contribution to the increased number of people who found jobs with the help of the employment offices, as those who were included in programs and measures under the Law on employment promotion reached 4.6 K. At the same time, even though primary labor market demand is traditionally weak in the beginning of the year, it underwent some revival and supported the higher number of persons who got jobs there – 8.7 K.

The increase of **labor incomes**, in both nominal and real terms, accelerated in 2013. In the period under consideration the average wage in the country stepped up by a nominal 10.5% yoy, up from 6.6% yoy in 2012. Recent wage dynamics were largely influenced by developments in the private sector wages, up 12% yoy, which outpaced the 6.1% yoy growth of public sector wages. The HICP deflated real wage growth reached 10% yoy, pointing toward further increase in purchasing power of average incomes. Real wage growth in private and public sector stood at 11.6% yoy and 5.7% yoy, respectively. An upward trend in income dynamics has been evidenced by almost all economic activities with a leading contribution made by services' sector, and *trade, real estates, professional and administrative activities and hotels & restaurants* in particular. The observed wage developments were also influenced by the downward revision of 2012 annual data, which in turn pushed up 2013 wage growth.

The ongoing employment adjustment process had positive contribution to **labor productivity** in 2013. During the considered period, the latter increased by 1.3%² yoy largely



Source: NSI



Source: NSI

² Measured as the ratio of GDP at constant prices and employed numbers (SNA).

driven by the 2.8% yoy increase in the tradable sector³. Real productivity in services grew at a slower rate, up 0.4% yoy. However, part of the activities in this sector reported an improvement, financial intermediation in particular, where the indicator rose 6.8% yoy. On the other hand, **compensation per employee** stepped up by 6.6% on a year earlier, thus outstripping the labor productivity growth. The latter resulted in further increase of **real ULC**⁴, up by 6.1% yoy. Considered by economic activities, 2013 RULC dynamics was mainly influenced by developments in *agriculture, construction and trade, transport and hotels& restaurants*.

INFLATION DYNAMICS

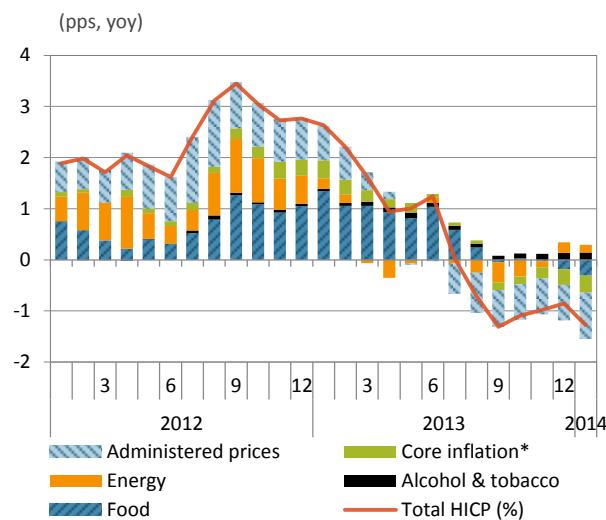
According to preliminary data, **consumer prices** posted a minor decrease in January, down 0.2% mom⁵. Downward corrections in administered prices, down 1.7% on average, had the largest negative contribution for the monthly change in the total HICP (-0.28 pps). There was a 23.1% reduction in fees to physicians and dentists for medical and dental services under contract with the NHIF, as fees paid by retired persons have been reduced by almost 2/3 as of January 7. Furthermore, prices of electricity declined 2.8% mom on average, and prices of heating, gas supply and medicines also posted some negligible decreases. Meanwhile, prices of garments and footwear decreased during the winter sales, and consumer durables continued on the decline. Thus, prices of non-energy industrial goods fell 0.7% mom and subtracted another 0.14 pps from the headline rate. Automotive fuels also posted a minor decline, down 0.5% mom, as prices of crude oil on the international markets slightly declined. Only food prices reported an increase, up 0.9% mom, almost fully on the account of higher prices of fresh vegetables. Prices of market services and alcohol and tobacco stood almost unchanged compared to December 2013.

Fig. 9: Labor productivity and real unit labor costs



Source: NSI, MF

Fig. 10: HICP and contributions by main components



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

Source: NSI, MF

³ Tradable sector is represented by industry excl. construction.

⁴ Measured as the ratio of compensation per employee and GDP per employed at current prices (SNA).

⁵ January data is preliminary because the weights used to calculate the price index cover households' monetary expenditures only for the first eleven months of the previous year. Final data will be published with February indices.

Annual HICP inflation went further into negative territory at 1.3%. Reductions in administered prices largely accounted for the deepening slump in consumer prices, though the widening deflation in food price, both processed and unprocessed, also contributed for these dynamics.

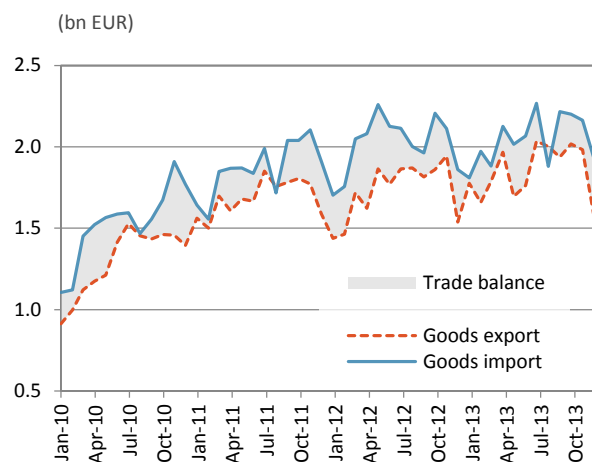
EXTERNAL SECTOR

Current account surplus reached EUR 1.3 bn in Jan-Dec 2013 or 2.1% of GDP compared with a deficit of 1.3% of GDP in 2012. The positive balance reflected a more than 30% yoy reduction in *trade deficit* on the back of strong performance of merchandise exports. Export expanded by 6.9% driven by intra EU trade, outpacing thus the increase of import, up 1.3%. Although both exported and imported quantities were higher on a year earlier, the decline in international prices resulted in lower nominal growth rates. Export rose by 2.8% in December alone, while import went up by 3.9% yoy.

Regarding the balance on *Services*, their surplus narrowed by 11% yoy to 5.2% of GDP in 2013, as transport services dropped by 9% yoy and other services plummeted by more than 80%. The sharp decrease in the latter came on the back of lower export of communication services, construction services and other business services. Lower dividend and interest payments on foreign investment resulted in improved *income deficit*, which stood at 3.1% of GDP compared with the 3.6% deficit in 2012. The accelerated EU funds absorption resulted in higher official inflows and the *current transfers' surplus* increased by 12.5% to 5.8% of GDP.

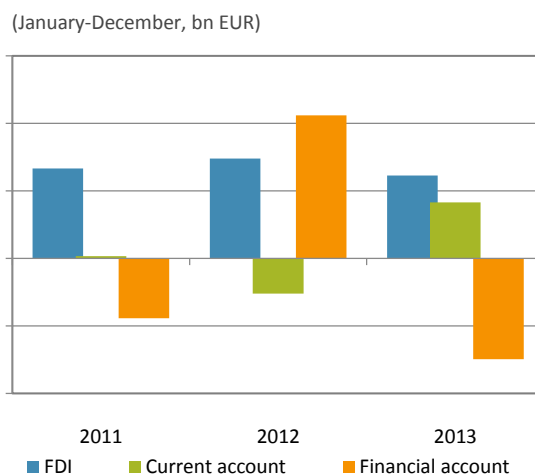
In December alone, the **financial account** recorded a surplus of EUR 668 mln, as the Government attracted external financing through the private placement of *Schuldschein* loans to the total amount of EUR 290 mln. The positive value, however, didn't change the annual trend and the financial account balance for Jan-Dec was negative at EUR 1.5 bn (3.7% of GDP), being on a EUR 2.2 bn surplus (5.3% of GDP) in 2012. The outflows were related to more assets abroad of the domestic banking sector, held predominantly in currency and deposits. FDI made the major inflows (3.1% of GDP), however

Fig. 11: Merchandise trade dynamics



Source: BNB

Fig. 12: FDI, Current and Financial Account



Source: BNB

the total inward investment remained below its previous year level, down by 17%.

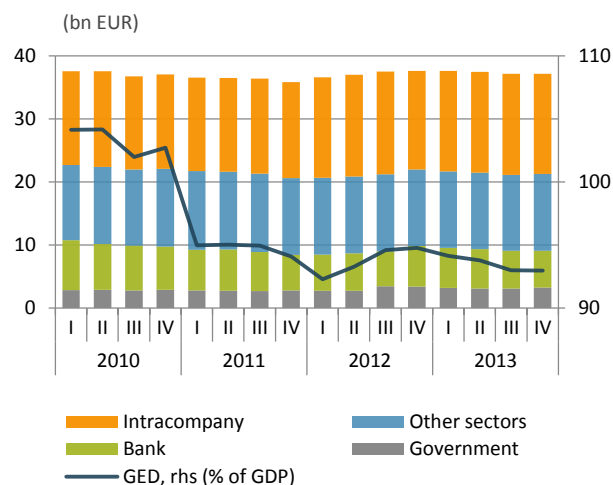
Gross external debt stood at EUR 37.1 bn or 93% of GDP as of end-December 2013, down by 1.3 pps on a year earlier. Banking indebtedness followed a downward trend during the year and reached 14.6% of GDP in December, being 16.2% at the end of 2012. Other sector external debt stock remained almost unchanged at 30.5% of GDP, while FDI intercompany lending increased slightly to 39.8% of GDP. GG external debt narrowed in January following the repayment of Eurobonds and remained at that level throughout the year to pick up again in December, due to the new external financing. As of end-December GG external debt stood at 8.1% of GDP.

FINANCIAL SECTOR

International reserves posted a 2% mom decrease in February and reached EUR 13.6 bn, thus their annual growth rate came negative at 2.3% for a second straight month. The change in reserves was triggered by a 5.8% slump of bank reserves and to a lesser extent by the 5.7% decrease of the Government deposit. The monetary base coverage improved marginally by 10 bps compared to January and stood at 162.9%. At end-December 2013 reserves were enough to cover 6.2 months of import or 148.7% of the short-term external debt.

Money supply growth accelerated in the beginning of 2014 to 10.1% yoy (8.9% as of end-2013). It came exclusively on the back of the faster pace of increase of M1, up 22.4% from 17.5% yoy a month earlier. Overnight deposits had the largest contribution for these developments, as their growth rate gathered momentum and stood at 29.8% yoy coming from 23.8% as of end-December. Deposits, redeemable at notice, also contributed for the acceleration in M3, despite slowing down somewhat from 63.6% to 59.1% yoy for the same period. Money supply grew by 0.6% in January alone, led by a 5.3% expansion of overnight deposits. On the other hand, money outside MFI and deposits with agreed maturity shrank by 3.8% and 1.7%, respectively. The growth rate of total deposits also accelerated to 10.4% yoy as of end-January after reporting a

Fig. 13: Gross external debt by institutional sector



Source: BNB

Fig. 14: Coverage with FX Reserves



Source: BNB, MF

1.3% increase (BGN 773.4 mln.) over the previous month.

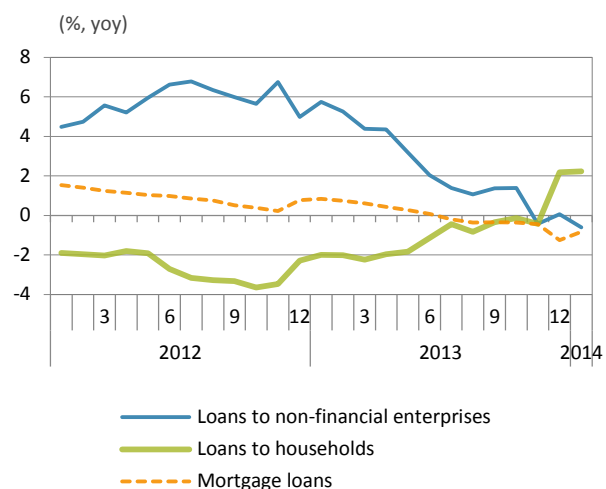
Credit to the private sector returned to negative territory in January and dropped by 0.4% on a year earlier after the 0.6% yoy decrease in corporate credits. Credits to households kept their 0.2% yoy decrease from the previous month. Both consumer credits and mortgages had positive developments as the former kept their growth at 2.2%, while the latter limited its decrease from 1.2% to 0.8% yoy in January. However, the other components of the retail credits, i.e. overdraft and other credits, speeded up their descent, contributing thus to the overall dynamics. **Bad and restructured loans** went down by 0.5% yoy as of end-January, nevertheless, their share in total credits to households and corporations increased by 8 bps to 18.1%.

The weighted average interest rate on corporate credits went up by 1.5 pps in January over the previous month, while the monthly volume of new credits to corporations came 33.9% higher compared to the corresponding month of 2013. The average rate on consumer credits dropped by 30 bps, while the price of mortgages rose by 10 bps on a month earlier. However, monthly volumes of both credit types decreased, down by 0.4% and 0.9% yoy, respectively. Weighted average interest rate on local currency deposits increased by a marginal 1 bps in January, while the average return rates on euro and USD deposits declined by 16 and 30 bps, respectively. The total amount of deposits, attracted in January alone, reached BGN 2.8 bn, down by 10.3% compared to the amount of new deposits in the same month of the previous year.

FISCAL DEVELOPMENTS

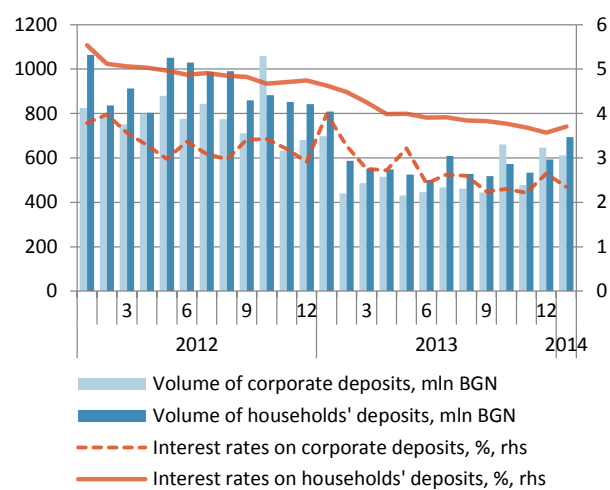
Consolidated budget deficit stood at BGN 373.3 mln on cash basis at end-January 2014, much lower than the BGN 536.5 mln deficit reported a year earlier. End-January balance was negative both under the national budget and the EU funds account, standing at BGN 158.1 mln and BGN 215.1 ml, respectively.

Fig. 15: Credit growth



Source: BNB, MF

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



Source: BNB, MF

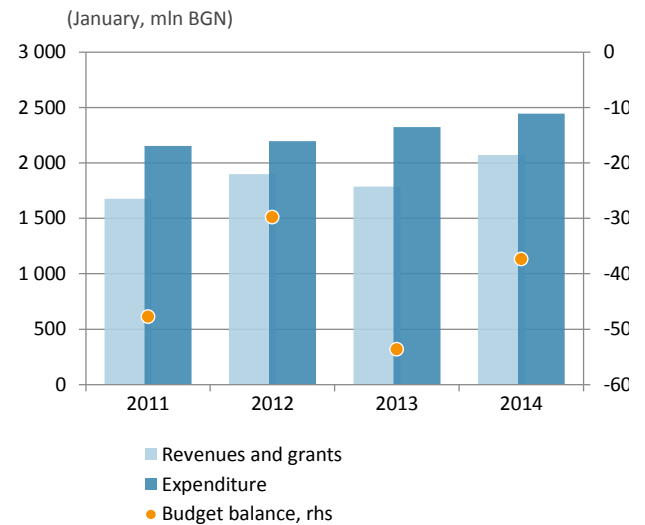
Total revenues and grants were up by 15.8% yoy, as tax receipts registered an increase of 19.3% yoy in nominal terms. Grants were significantly above their January 2013 level, while non-tax revenues decreased by 13.4% yoy. Total receipts from direct taxes reported a growth rate of more than 50% yoy which can be largely ascribed to the legislation changes made in 2013 concerning the timing of declaration and payment of tax liabilities. Indirect taxes collected during the month grew as well, up by 13.8% yoy. Receipt from VAT increased by 11% on a year earlier, due to the higher net VAT revenues for taxable domestic supply and intra-community acquisition, while net VAT for export stood near its January 2013 reading. Excise and custom duty receipts, on the other hand, increased by 19.2% and 7.2% yoy, respectively. A change in the terms for payment of social security contributions entered into force in the beginning of 2013, resulting in partial time shifting of receipts by up to one month. The latter affected the level of receipts in January 2013, creating thus a lower base effect for revenues from social and health insurance contributions, up by 17.9% yoy.

Total expenditure increased by 5.2% yoy, with the largest contribution coming from social payments followed by subsidies and capital expenditure. Expenditure on interest halved on a year earlier.

Fiscal reserve amounted to BGN 6.6 bn as of end-January. In accordance with the Public Finance Law the scope of fiscal reserve has been changed in order to include receivables under the EU Funds for certified expenditure, advance payments, etc., which equaled BGN 2.3 bn.

General government debt stood at BGN 15.82 bn, including BGN 7.16 bn domestic debt, BGN 7.87 bn external debt, and BGN 0.79 bn guaranteed debt.

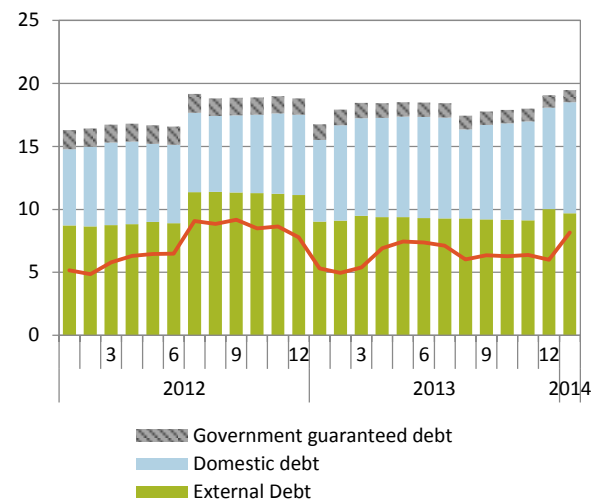
Fig. 17: Consolidated budget



Source: MF

Fig. 18: GG debt and fiscal reserve

(stock at the end of the respective month, % GDP)



Source: MF

Key Economic Indicators

		2010	2011	2012	2013	Q1'13	Q2'13	Q3'13	Q4'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
— GDP															
Gross Domestic Product ¹	% , yoY	0.4	1.8	0.6	0.9	0.5	0.5	1.0	1.2						
Consumption	% , yoY	0.5	1.5	2.9	-1.4	-0.8	-0.9	-1.5	-1.6						
Gross fixed capital formation	% , yoY	-18.3	-6.5	4.0	-0.3	-2.1	-4.6	-0.4	2.5						
Export	% , yoY	14.7	12.3	-0.4	8.9	11.1	4.5	10.7	9.6						
Import	% , yoY	2.4	8.8	3.3	5.7	6.8	1.9	7.4	6.9						
Agriculture	% , yoY	-6.2	-1.1	-7.2	3.4	2.0	4.4	3.4	2.1						
Industry	% , yoY	-6.3	5.8	1.6	-0.2	-0.9	-0.2	0.7	1.2						
Services	% , yoY	4.4	0.7	0.0	1.5	1.3	2.4	2.0	1.8						
Adjustments	% , yoY	-0.5	0.2	3.9	-0.4	-0.8	-1.2	-0.6	-1.7						
— Short-term business statistics															
Industrial production	% , yoY	2.0	5.8	-0.4	-0.4	1.6	-4.1	-1.2	1.9	-4.1	2.0	3.8	1.9	0.1	
Industrial turnover	% , yoY	14.1	17.2	2.3	-1.1	2.2	-3.1	-1.2	-2.3	-1.8	-1.1	0.2	-3.7	-3.3	
Retail trade turnover	% , yoY	-8.4	0.6	-2.3	2.6	-3.8	1.5	5.5	6.2	5.2	6.7	6.9	6.3	5.3	
Construction output	% , yoY	-14.9	-12.8	-0.8	-5.5	-1.5	-5.9	-6.9	-7.1	-11.0	-4.4	-7.4	-10.7	-1.7	
Total business climate	balance	9.6	14.2	14.3	13.0	13.8	12.9	13.6	11.6	13.7	13.7	11.6	13.3	9.9	14.5
Industry	balance	13.4	22.4	21.3	15.6	20.4	14.3	15.2	12.5	12.7	15.3	10.7	15.0	11.8	17.2
Retail trade	balance	10.1	17.3	16.4	19.7	17.0	18.1	21.6	22.0	21.9	21.8	23.4	22.8	19.9	21.3
Construction	balance	5.1	2.8	0.3	2.0	1.3	5.0	2.7	-1.0	4.3	1.8	2.2	1.9	-7.2	-0.6
Services	balance	5.6	5.9	12.2	12.2	9.9	13.0	13.7	12.2	16.6	14.4	11.1	12.0	13.4	17.1
— Labor market															
Participation rate (15+)	level	52.0	52.5	53.1	53.9	52.8	53.9	54.8	54.0						
Employment rate (15+)	level	46.7	46.6	46.6	46.9	45.6	47.0	47.9	47.0						
Employment (LFS)	% , yoY	-3.9	-2.2	-2.5	-0.7	-1.7	0.7	-0.1	-0.7						
Unemployment rate (LFS)	level	10.2	11.3	12.3	12.9	13.8	12.9	12.0	13.0						
Unemployment rate (Employment agency)	level	9.5	10.1	11.1	11.3	11.9	11.1	10.8	11.5	10.7	10.8	11.2	11.5	11.8	12.2
Nominal wage	% , yoY	6.4	5.8	6.6	10.5	4.3	3.8	3.5	3.1	2.9	3.1	3.8	3.4	2.2	
Real wage ²	% , yoY	3.3	2.4	4.1	10.0	2.1	2.7	4.4	4.1	3.8	4.5	4.9	4.4	3.1	
Labor productivity (GDP per employed)	% , yoY	4.5	4.1	3.2	1.3	2.6	-0.8	1.2	2.3						
Real ULC (GDP)	% , yoY	2.4	-2.2	1.3	6.1	5.3	8.4	7.8	2.4						
— Prices															
National index of consumer prices (CPI)	% , yoY	2.4	4.2	3.0	0.9	3.6	2.2	-0.6	-1.5	-0.7	-1.6	-1.4	-1.5	-1.6	-2.2
Harmonized index of consumer prices (HICP)	% , yoY	3.0	3.4	2.4	0.4	2.2	1.1	-0.7	-1.0	-0.7	-1.3	-1.1	-1.0	-0.9	-1.3
Domestic producer prices	% , yoY	7.1	8.6	5.4	-1.3	1.9	-0.7	-2.8	-3.6	-2.9	-3.5	-3.9	-4.0	-2.8	-2.0
— Consolidated fiscal program (cumulative)															
Revenues and grants	mIn BGN	23 933	25 378	27 470	28 981	6 158	14 166	21 307	28 981	18 996	21 308	23 751	26 311	28 981	2 071
Total expenses	mIn BGN	26 755	26 867	27 828	30 430	6 955	14 172	21 668	30 430	19 209	21 668	24 194	26 883	30 430	2 444
Contribution to EU budget	mIn BGN	670	779	809	934	328	533	747	934	675	747	790	833	934	87
Cash deficit (-) / surplus (+)	mIn BGN	-2 823	-1 488	-358	-1 448	-799	-7	-360	-1 448	-213	-360	-443	-572	-1 448	-373
	% of GDP	-4.0	-2.0	-0.5	-1.9	-1.0	0.0	-0.5	-1.9	-0.3	-0.5	-0.6	-0.7	-1.9	-0.5
Government debt (incl. guaranteed debt)	mIn BGN	11 778	12 826	14 683	14 893	14 408	14 428	13 886	14 893	13 627	13 886	13 968	14 066	14 893	15 821

		2010	2011	2012	2013	Q1'13	Q2'13	Q3'13	Q4'13	Aug'13	Sep'13	Oct'13	Nov'13	Dec'13	Jan'14
	% of GDP	16.7	17.0	18.8	19.1	18.4	18.5	17.8	19.1	17.4	17.8	17.9	18.0	19.1	19.5
Fiscal reserve ³	mIn BGN	6 012	4 999	6 081	4 681	4 216	5 754	4 965	4 681	4 717	4 965	4 902	4 989	4 681	6 625
	%, yoy	-21.6	-16.9	21.6	-23.0	-6.9	13.7	-30.8	-23.0	-31.8	-30.8	-26.2	-26.2	-23.0	59.9
— Financial sector															
BNB International reserves	mIn EUR	12 977	13 349	15 552	14 426	14 493	14 590	14 937	14 426	14 875	14 937	14 452	14 289	14 426	13 870
Monetary base coverage	%	179.8	175.1	174.9	162.9	170.3	174.7	165.1	162.9	165.2	165.1	167.6	168.3	162.9	162.7
Coverage of import with FX reserves	months	7.3	6.2	6.7	6.2	6.3	6.3	6.4	6.2	6.5	6.4	6.2	6.1	6.2	
Coverage of short-term external debt	%	115.3	133.8	146.7	148.7	140.2	140.6	144.0	148.7	144.2	143.5	141.0	147.8	148.7	
Money M1 (Narrow money)	%, yoy	0.8	14.4	9.5	17.5	10.7	17.1	16.7	17.5	16.9	16.7	19.2	20.6	17.5	22.4
Money M3 (Broad money)	%, yoy	6.2	12.2	8.4	8.9	8.9	7.7	8.1	8.9	7.7	8.1	9.5	9.6	8.9	10.1
Deposits	%, yoy	6.6	13.2	8.4	9.4	9.3	7.8	8.3	9.4	7.8	8.3	9.9	9.9	9.4	10.4
Credit to private sector	%, yoy	1.1	3.3	3.0	0.2	2.3	0.8	0.5	0.2	0.3	0.5	0.7	-0.6	0.2	-0.4
Credit to non-financial enterprises	%, yoy	2.4	5.7	5.0	0.1	4.4	2.0	1.4	0.1	1.1	1.4	1.4	-0.4	0.1	-0.6
Credit to households	%, yoy	-0.8	-0.4	-1.0	-0.2	-1.3	-0.9	-0.6	-0.2	-0.8	-0.6	-0.6	-0.8	-0.2	-0.2
Interest rate on short-term loans	%	8.5	7.2	7.6	7.9	7.6	8.5	7.3	8.1	7.2	7.2	8.3	7.0	8.9	9.8
Interest rate on time deposits	%	5.4	4.8	4.3	3.5	4.1	3.5	3.4	3.2	3.4	3.2	3.2	3.3	3.3	3.3
Exchange rate BGN/USD	eop	1.47	1.51	1.48	1.42	1.53	1.50	1.45	1.42	1.48	1.45	1.43	1.44	1.42	1.45
	per. av.	1.48	1.41	1.52	1.47	1.48	1.50	1.48	1.44	1.47	1.46	1.43	1.45	1.43	1.44
— Gross External Debt (GED)															
Gross external debt	% of GDP	102.7	94.1	94.9	93.0	94.1	93.8	93.0	93.0	93.1	93.0	91.8	93.4	93.0	
Short-term external debt	% of GED	30.2	27.8	27.8	26.1	27.5	27.8	28.0	26.1	27.7	28.0	27.9	25.9	26.1	
Intercompany lending	% of GED	40.4	42.7	41.6	42.8	42.3	42.7	43.2	42.8	43.1	43.2	43.4	43.7	42.8	
— Balance of payments															
Current account	mIn EUR	-533	39	-521	831	-390	522	1 085	-385	850	31	-67	-37	-282	
<i>Current account (moving average)</i>	% of GDP	-1.5	0.1	-1.3	2.1	-0.9	1.3	1.8	2.1	2.4	1.8	2.1	2.0	2.1	
Trade balance	mIn EUR	-2 764	-2 156	-3 460	-2 336	-444	-786	-391	-715	121	-279	-184	-180	-351	
<i>Trade balance (moving average)</i>	% of GDP	-7.7	-5.6	-8.7	-5.8	-7.5	-6.5	-6.2	-5.8	-5.8	-6.2	-5.7	-5.8	-5.8	
Export, f.o.b.	mIn EUR	15 561	20 264	20 770	22 200	5 223	5 424	5 972	5 581	2 001	1 936	2 017	1 982	1 582	
	%, yoy	33.0	30.2	2.5	6.9	13.0	3.2	7.6	4.5	7.0	6.7	8.4	2.0	2.8	
Import, f.o.b.	mIn EUR	18 325	22 420	24 230	24 535	-5 666	-6 210	-6 363	-6 296	-1 881	-2 215	-2 201	-2 162	-1 933	
	%, yoy	15.4	22.3	8.1	1.3	2.9	-4.0	4.7	1.9	-6.0	12.9	-0.3	2.4	3.9	
Capital account	mIn EUR	291	497	541	2 634	-9	87	168	299	72	57	52	92	26	
Financial account	mIn EUR	-673	-968	2 117	25 367	-735	-199	-397	-163	-481	-7	-751	-81	668	
Net Foreign Direct Investments	mIn EUR	977	1 199	1 209	22 064	466	225	383	42	113	23	-120	312	-150	
Net Portfolio Investments	mIn EUR	-635	-357	-898	-3 374	-577	-206	-126	775	53	-57	-64	942	-99	
Other Investments – net	mIn EUR	-990	-1 744	1 840	1 522	-615	-128	-643	-1 593	-647	29	-562	-1 331	918	
Change in BNB reserve assets	mIn EUR	384	-159	-2 161	-1 380	1 045	-527	-269	332	129	-148	463	85	-197	

Notes:

1. Reference year 2005, seasonally and working day adjusted data;

2. HICP deflated;

3. Change in the structure of fiscal reserve as of 2014.