



REPUBLIC OF BULGARIA
Ministry of Finance

ISSN 2367-5020



February /2015

BULGARIAN ECONOMY

Monthly Report

March/2015

April/2015

May/2015

June/2015

July-August/2015

September/2015

October/2015

November/2015

December/2015

BULGARIAN ECONOMY

Monthly Report

February/2015

This issue of the Monthly Report on Bulgarian Economy is based on materials and statistical data received up to March 13, 2015. Contents of the Monthly Report may be quoted or reproduced without further permission; however, due acknowledgment is requested. The estimates and projections published in this issue should not be regarded as advice or recommendation.

ISSN 2367-5020

© Ministry of Finance, 2015
Economic and Financial Policy Directorate

102, Rakovski Str., 1000 Sofia, Bulgaria
<http://www.minfin.bg/en/page/542>
e-mail: secretary.evp@minfin.bg

Highlights

Bulgarian economy expanded by 1.7% yoy in 2014.

According to seasonally adjusted data, GDP growth slowed down slightly to 1.3% yoy in Q4 2014. Economic activity in the country was driven by domestic demand, while net export contributed negatively. Households' expenditure growth accelerated supported by the real wage increase and the improvement of consumer confidence. Public expenditure expanded as well. GVA increased by 1.2% yoy s.a. with positive contribution from all four major sectors of the economy.

Short-term business statistics lost momentum in the beginning of 2015, as the growth of industrial production and turnover and retail sales decelerated, while the construction production index turned negative. The business climate, however, continued on improving on the back of more favorable assessment of manufacturing, retail trade and construction.

Employment growth was marginal at 0.1% yoy in Q4 2014 due to the decrease in employed in services. The **jobless rate** decreased both over the previous quarter and over Q4 2013. It stood at 10.6% reporting the largest yoy drop in 2014 of 2.4 pps.

Real labor productivity grew by 1.5% yoy in Q4 2014 supported by all economic sectors. Growth remained lower compared to the increase of **compensation per employee**, up 4% yoy, thus contributing to the increase

in **unit labor costs**, up by 2.4% and 2.7% yoy in nominal and real terms, respectively.

The negative **annual rate of inflation** decelerated to 1.7% as of February, owing to the lower negative contribution from food and fuels.

In 2014 the **current account** was virtually balanced at EUR 18.8 mln (0.04% of GDP). The surplus narrowed compared to 2013 on the back of higher trade deficit and lower current transfers' surplus. On the other hand, *Services' surplus* and *Income deficit* improved in yoy terms. **Financial account** came in positive at EUR 1 954 mln (4.7% of GDP); its dynamics was mainly driven by the issue of government Eurobonds in mid-summer and the bridge loan taken in December 2014. **Foreign direct investments** inflow reached EUR 1 181.6 mln (2.8% of GDP).

Gross external debt (GED) amounted to EUR 39.6 bn (94.6% of GDP) in 2014 picking up by 7.1% yoy with external government debt being the main driver behind its dynamics.

Consolidated budget balance came in positive at BGN 69.1 mln (0.1% of projected GDP) compared to BGN 373.3 mln deficit registered in January 2014. ●

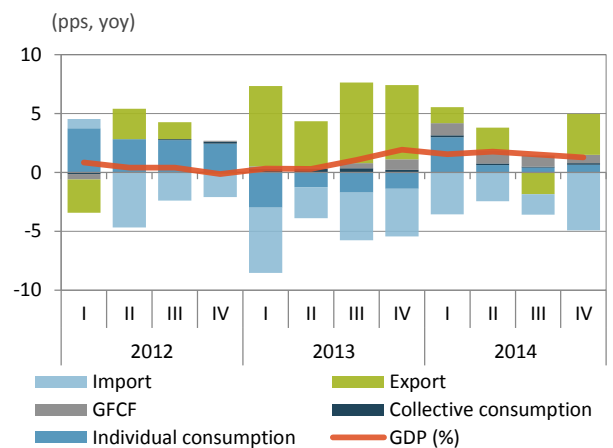
Recent economic developments

GROSS DOMESTIC PRODUCT

According to seasonally adjusted data, economic growth decelerated slightly to 1.3% yoy in Q4 2014 (ESA 2010)¹. **For 2014, Bulgarian economy expanded by 1.7%.** Similarly to the dynamics in previous quarters, economic activity in the country was driven by domestic demand, while net export contributed negatively. Final consumption increased by 1.4% in Q4 2014, as households' expenditure growth accelerated to 2.2%. The latter was supported by the real wage increase and the improvement of the consumer confidence. Public expenditure expanded as well, up by 8.8% and 1.6% for the final and collective government consumption, respectively. Gross fixed capital formation growth decelerated to 3.3%. Real exports were up by 5.4%, which together with increased domestic demand led to imports growth by 7.5%.

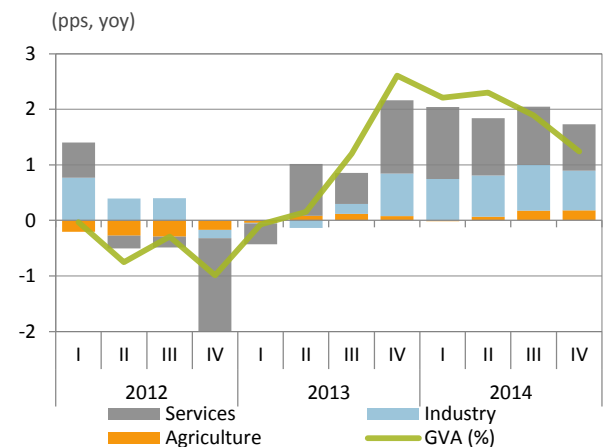
On the supply side, GVA increased by 1.2% yoy s.a. Growth in the agricultural sector accelerated to 3.9%, while the pace of increase in manufacturing slowed to 2.9%. In contrast to previous quarters of 2014, when value added in construction went down by 1% on average, in Q4 it grew by 1.1%. The contribution of services was also positive owing to the following activities: *trade, transport, accommodation; real estate; financial and insurance activities; professional, scientific and technical activities, administrative and support service activities.*

Fig. 1: Contributions to GDP growth



Source: NSI

Fig. 2: Contributions to GVA growth



Source: NSI

¹ 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.

SHORT-TERM BUSINESS STATISTICS

The growth in **industrial turnover**² decelerated marginally to 3.9% yoy in January 2015 due to the reported slower growth in foreign industrial sales, up 2.6%. *Manufacture of chemical products* and *electricity, gas, steam and air conditioning supply* had major contribution for the overall growth. At the same time, the increase of domestic turnover accelerated to 4.7% yoy backed by the development in *energy products*. *Manufacturing* also returned to growth with the largest positive contribution coming from *manufacture of machinery and equipment*.

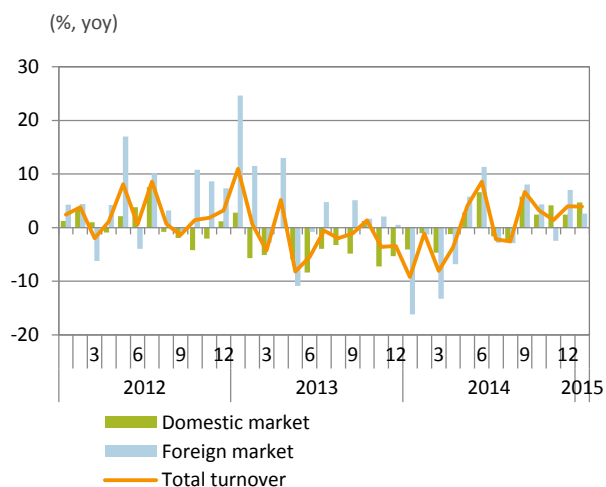
The growth in **industrial production** decelerated to 0.2% yoy affected by the downward trend in *manufacturing*, mainly by the weaker performance of *manufacture of basic metals and fabricated metal products*. Favorable dynamics was observed in *manufacture of chemical products*, *manufacture of other transport equipment* and *manufacture of food products*.

Retail sales increased by 4.3% compared to the same period of the previous year. *Retail sales of audio and video equipment* posted the largest increase, up by 9.8%, while *retail sales of computers, peripheral units and software* turned to negative territory, down 2.9% yoy.

The development of **construction production index** remained volatile and it decreased by 6% yoy in January. Both *civil engineering* and *building construction* contributed for the observed dynamics. The growth in *civil engineering* slowed down to 3.1%, while the slump in *building construction* accelerated to 13.1% over the first month of the previous year.

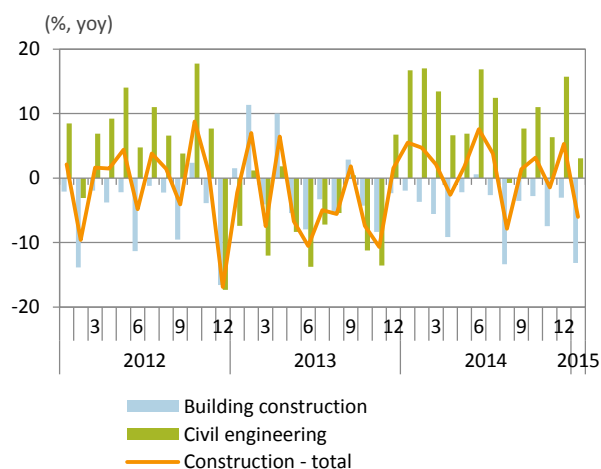
Business climate indicator improved by 1.2 pps mom in February 2015. Respondents in manufacturing, retail trade and construction were more positive, while the indicator for the services' sector deteriorated. The assessment of the present business situation improved in manufacturing, only, as order-

Fig. 3: Industrial turnover



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.

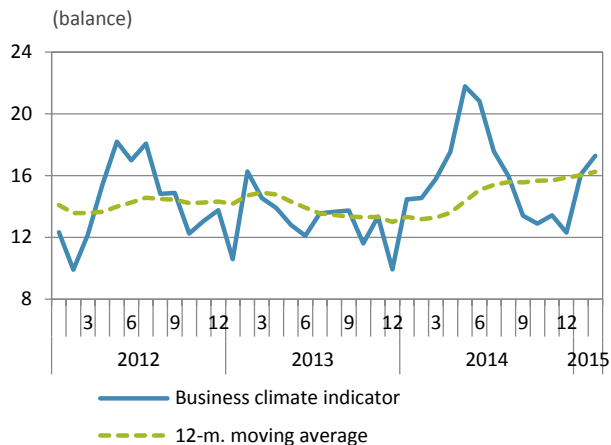
books level for the domestic market increased. Respondents in manufacturing were optimistic about the future business situation and the production tendency. More favorable expectations for the volume of orders to suppliers in the country and from abroad in the coming months were reported in retail trade. More positive development of construction activity was also expected. In the services' sector, both present and future business situation was assessed as unfavorable. The survey pointed to a decline in services demand in latest months, while the expectations for future demand improved.

LABOUR MARKET

Employment growth slowed down to 0.1% (ESA 2010) yoy in Q4 2014. The main driver behind the worsening compared to a quarter earlier was the decrease in employed in the services' sector, largely on the account of negative dynamics in the *trade, transport and hotels and restaurants* subsector. The latter, however, was due particularly to self-employment developments, albeit positive dynamics of hired employment also slowed down compared to a quarter earlier. Detailed monthly data on the number of employees showed a continuing increase of hired workers in *trade and hotels and restaurants* sustained by positive economic activity, while growth in *transport* didn't materialized in a higher number of employees. Employment in *professional activities and research; administrative and subsidiary activities* also went on decreasing influenced by the limited scope of the active labor market programs compared to 2014. On the contrary, employment growth in agriculture and industry offset its decrease in services. Employed number in agriculture grew by 3.3%, along with positive GVA increase, while industrial sector employment development was driven by the export-oriented manufacturing industries.

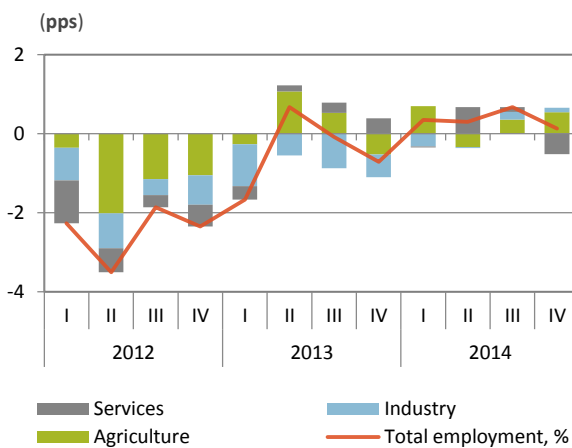
Jobless rate in the final quarter of 2014 made a decrease both over the previous quarter and over Q4 2013. It stood at 10.6% reporting the largest yoy drop in 2014 of 2.4 pps. The distribution of unemployed number by ways of job searching showed

Fig. 5: Business climate



Source: NSI

Fig. 6: Employment dynamics and contribution by sectors



Source: NSI

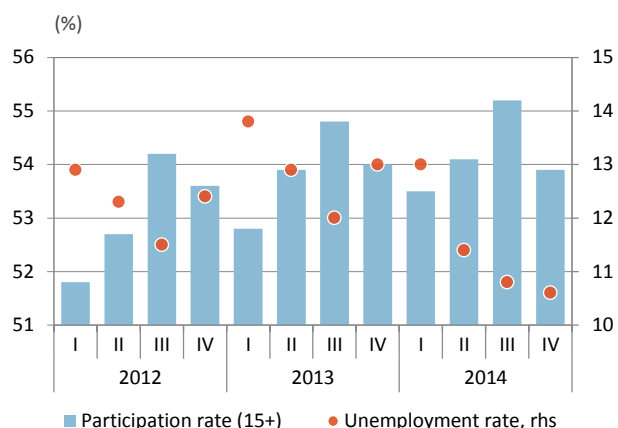
that the reported decrease was primarily seen among unemployed having looked for a job through a direct communication with employers, with the help of relatives and friends, and by means of jobs announcements, and to a lesser extent with the intermediation of the employment offices, which generally reflects the higher opportunities for job creation compared to a year earlier. However, the labor force decreased in yoy terms and the participation rate (15+) made a marginal 0.1 pps decrease for the first time since mid-2012.

In the beginning of 2015 **registered unemployment** stepped up by 0.4 pps compared to end-2014 but remained 1.1 pps lower compared to the beginning of the previous year. Both the inflow and outflow increased, as the latter was influenced particularly by the higher number of people who found jobs on the labor market. Its positive development was largely on the account of the implemented active labor market policies, however, the higher demand on the primary labor market, both mom and yoy, also contributed positively to the rise of people who started working in January.

Along with the recovery of employment, the **real labor productivity** grew by 1.5% yoy in Q4 2014. Upward trend has been evidenced by all economic sectors with the leading contribution coming from services, up 1.4% yoy, followed by agriculture, up 1.3% yoy, and industry, up 0.4% yoy. Recent productivity dynamics within services' sector reflected to a larger extent employment decrease, although part of the activities there reported higher labor demand. Favorable productivity development in construction was also accompanied by negative employment trend, but GVA in real terms significantly increased. On a contrast to services and construction, the improved employment dynamics in agriculture and manufacturing resulted in a slowdown of labor productivity growth rate.

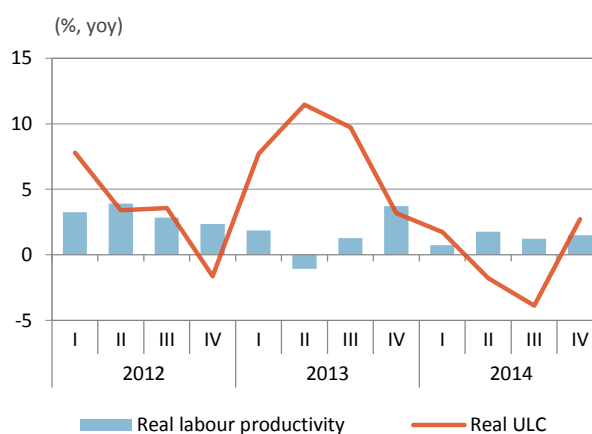
Despite the reported growth in productivity, the latter remained lower than the increase of compensation per employee, up 4% yoy, thus contributing to the increase in **unit labor costs**, up by 2.4% and 2.7% yoy in nominal and real terms,

Fig. 7: Participation and Unemployment Rates



Source: NSI

Fig. 8: Labor productivity and real unit labor costs growth in total economy



Source: NSI

respectively. Still, part of the activities within the services' sector reported decrease in labor costs, particularly in *trade, hotels and restaurants and transport; informational activities* and *real estate*, given that labor incomes there declined on a year earlier.

INFLATION DYNAMICS

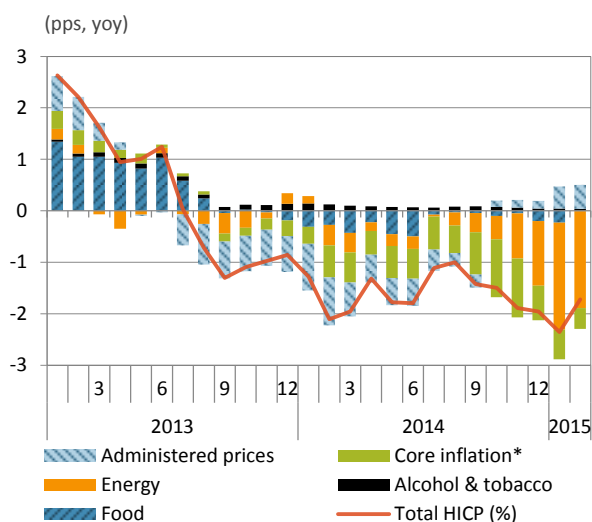
Consumer prices stepped up by a marginal 0.1% mom in February almost fully on the account of higher food prices, up 1.1% over January (+0.26 pps). The latter came largely on the back of increasing prices of unprocessed food, fresh vegetables in particular, which is well in line with their seasonal pattern. All other major HICP components registered price declines compared to the previous month. Non-energy industrial goods had the largest negative contribution (-0.13 pps), as winter sales led to a 2.3% average reduction in prices of clothing and footwear and car prices continued on decreasing, down by 1% mom. Market services also added to the negative contribution of underlying inflation, with prices of tourism services declining by 1% mom on average in the shoulder season, as well as lower international airfares, down by 4% over January. Following the reversal of crude oil negative price dynamics on world markets, as well as the depreciation of the euro against the US dollar, domestic fuel prices started increasing as of February. However, LPG prices reported 11.8% monthly drop, thus average automotive fuel prices registered a marginal decline over the previous month and had a negligible contribution for the change in the headline rate.

The negative inflation rate decelerated to 1.7% yoy as of February, due to the lower negative contribution from food and fuels.

EXTERNAL SECTOR

In 2014 the **current account** was virtually balanced at EUR 18.8 mln (0.04% of GDP). The surplus narrowed compared to 2013 on the back of higher trade deficit and lower current

Fig. 9: HICP and contributions by main components



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

Source: NSI, MF

transfers' surplus. On the other hand, *Services' surplus* and *Income deficit* improved in yoy terms.

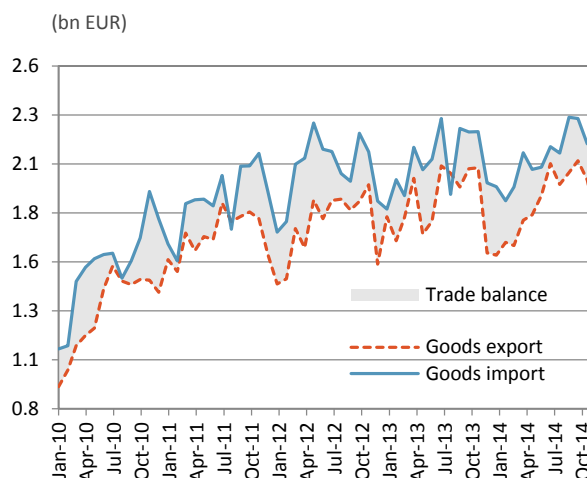
The *trade deficit* widened to 6.9% of GDP (5.9% in 2013) as import growth, spurred by increasing domestic demand, outpaced the rise in export (in volume terms). Declining international prices resulted in negative deflators and pushed down nominal growth. Merchandise export declined by 0.7% yoy in nominal terms, while import increased by 1.2% yoy in 2014. Concerning the regional structure, both export and import with non-EU countries declined over the previous year, down by 6.6 and 3.1% respectively, reflecting lower trade with oil and oil products.

The unfavorable weather conditions and the tensions between Ukraine and Russia led to lower visits from foreign tourists in the country. Nonetheless, the increase in business and other visits offset the decline and the receipts from total travel services kept their annual increase at 1.9%.

Financial account came in positive at EUR 1 954 mln (4.7% of GDP). The dynamics were mainly determined by the issue of government Eurobonds in mid-summer and the bridge loan taken in December 2014. **Foreign direct investments** inflow reached EUR 1 181.6 mln (2.8% of GDP). These inflows were mainly concentrated in real estate, renting and business activities, financial intermediation, energy and construction.

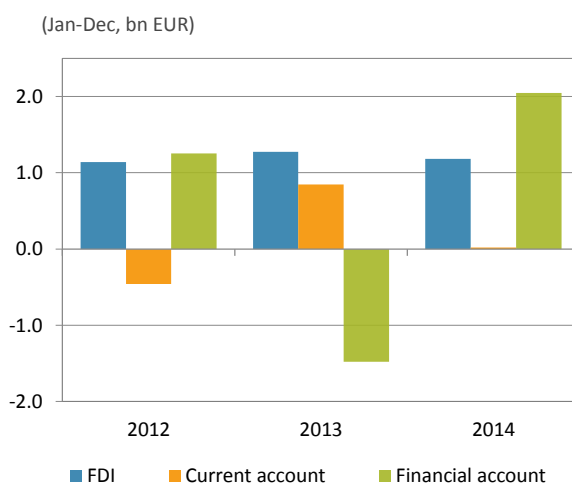
Gross external debt (GED) amounted to EUR 39.6 bn (94.6% of GDP) in 2014 picking up by 7.1% yoy. The external government debt was the main factor behind the rising GED – it went up by 76.8% yoy to EUR 6.03 bn (14.4% of GDP). The mass accumulation of external government debt was driven by the Eurobonds issue in mid-2014. In addition, in December 2014 the government signed a bridge loan agreement at the amount of EUR 1.5 bn with three foreign and one domestic bank that pushed up external debt by EUR 984 mln. The proceeds from the bond issue and the loans were used to finance the state budget deficit, to pay back USD denominated global bonds maturing in January 2015, to extend a loan to the Bank Depos-

Fig. 10: Merchandise trade dynamics



Source: BNB

Fig. 11: FDI, Current and Financial Account



Source: BNB

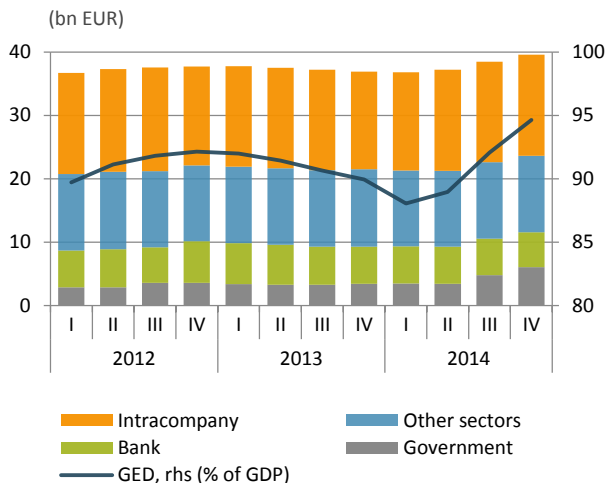
it Insurance Fund, and to provide liquidity support. The other segment that registered accumulation of external debt was intercompany lending, that went up by 3.1% yoy to EUR 15.9 bn. In 2014 banks were reducing their external debt. The deleveraging process started in November 2013 and reflected the paying off of long-term loans and the withdrawal of short-term deposits by non-residents. At the same time, there was some restructuring of the external debt of banks with short-term loans increasing by 9.1% yoy to EUR 1.56 bn. Bank's debt was EUR 5.52 bn (13.2% of the GDP), shrinking by 5.6% yoy as of end-2014. The external debt of other sectors went down by 1.1% yoy to EUR 12.1 bn as the reduction of short-term liabilities more than compensated the rise of longer-term debt. The share of short-term external debt inched down to 25.6% of total GED in 2014 against 25.9% in 2013, while the share of revolving credits decreased to 8.3% from 10.3% a year earlier.

FINANCIAL SECTOR

International reserves increased by 9.8% mom in February and reached EUR 17.2 bn. This brought their annual growth rate up to 26.4% coming from 12.8% as of end-January. The main reason for the change in reserves was the 35% mom increase of bank reserves. Notes in circulation were another positive contributor that increased with 1.3% after decreasing by 7% compared to end-January. The Bank Department's deposit monthly growth was slightly negative against an increase of 8.7% a month earlier (the latter due to the decrease in gold prices in February). "Other depositors' account" had a negative contribution with a drop of 10% mom. As a result of the components' dynamics, the coverage of monetary base went down to 147.8% from 156.7% a month earlier. As of end-December 2014, the international reserves could cover 6.9 months of imports of goods and services or 163.2% of the short-term external debt.

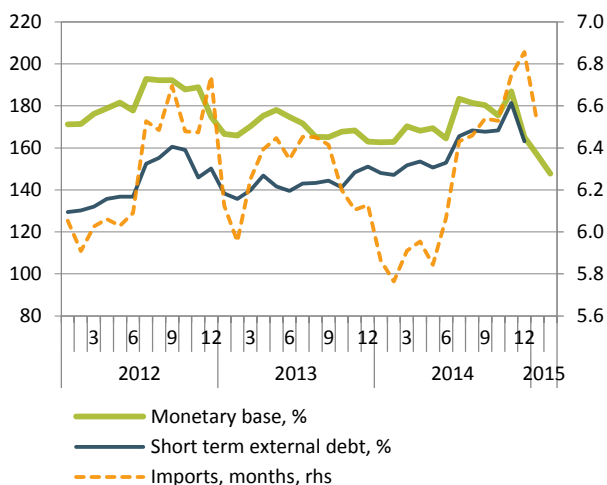
Money supply sustained its positive annual growth and went up by 2% in January. The pace of growth of the liquid monetary aggregate M1 slightly decreased compared to December

Fig. 12: Gross external debt by institutional sector



Source: BNB, MF

Fig. 13: Coverage with FX Reserves



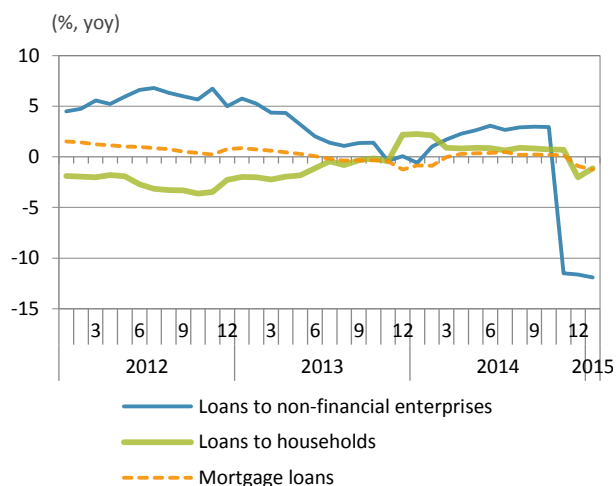
Source: BNB, MF

2014 (14.8% vs. 15.1% yoy) due to the slower growth of overnight deposits, while dynamics of money outside MFI were just in the opposite direction – their growth rate accelerated to 12.8% yoy against 12% a month earlier. On the other hand, deposits with agreed maturity continued to decrease but at a slower pace coming from 10.1% yoy at end-2014 to 7.5% in January 2015. The annual change of deposits redeemable at notice remained on the negative site, down by 5.2% yoy against a decrease of 3.1 yoy in the previous month. Total deposits grew by 2.3% mom, turning their annual growth rate positive to 0.4%.

Credit to the private sector in January decreased by 0.9% on a monthly basis and with 8.4% yoy (their annual decrease was 8.2% at the end of December 2014). The monthly shrinkage was due to the negative developments regarding the corporate segment and mortgage loans. Consumer credit's monthly growth returned to positive territory, up by 0.5% against a negative growth of 0.7% a month earlier. Corporate credits' annual growth was negative, down 11.9% vs. the 11.6% decline in December 2014. The monthly dynamics of loans to non-financial corporations were also negative, down by 0.9%. Mortgage deals continued on decreasing, both in monthly and in annual terms respectively, down by 0.4% mom and 1.3% yoy. **Bad and restructured loans** in January reported a negative annual growth for a third consecutive month, down by 3.9% against a 5.1% drop in December 2014. Nevertheless, their share in total loans to firms and households increased slightly from 18.7% to 19%, which was due to the decreased amount of loans to firms and households reflecting a lower denominator.

Weighted average interest rates on credits for non-financial corporations in January went up by 106 bps over the previous month reaching 7.4% (vs. 6.3% in December 2014), while a year earlier the price for corporate borrowings was 9.3%. The monthly volume of new corporate loans sharply decreased by 33% compared to December 2014, down by 49% yoy. Regarding long-term dynamics in mortgage deals, the price for bor-

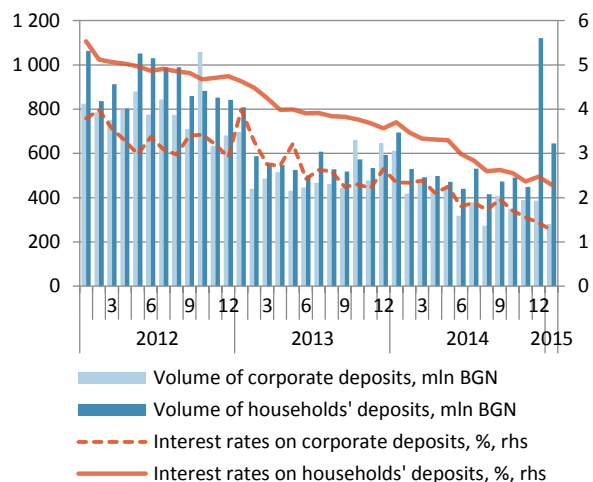
Fig. 14: Credit growth



Source: BNB, MF

rowing funds was higher by 77 bps a year earlier. Compared to the previous month, the price of mortgages reported a marginal increase of 7 bps. Weighted average interest rates on time deposits in BGN, EUR and USD declined in January. The rate on time deposits in BGN decreased in January both in mom and yoy terms, down by 29 bps and by 120 bps respectively. The monthly volume of new deposits in local currency decreased significantly by 39.7% due to the extraordinary large base regarding the repayment of the guaranteed deposits in KTB in December 2014 most of which deposited back into the banking system. The average rates on EUR and USD denominated time deposits in January lost 29 and 13 bps, respectively. The monthly volume of new deposits amounted to BGN 2.26 bn, down by 19% over the same month of 2014.

Fig. 15: Interest rates and volumes of time deposits in BGN up to 1Y



Source: BNB, MF

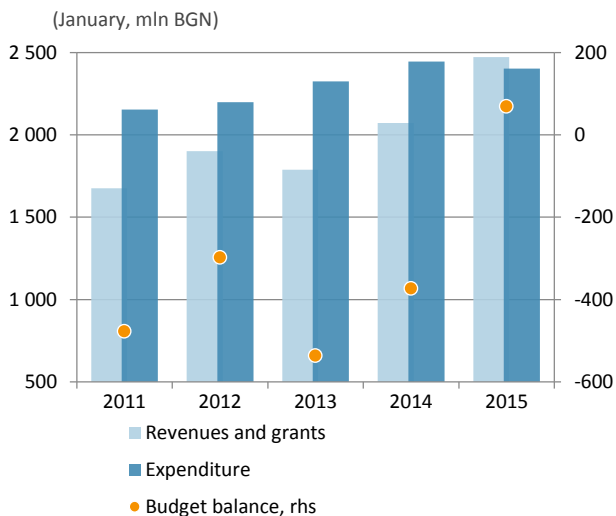
FISCAL DEVELOPMENTS

In the first month of 2015, the **consolidated budget balance** was positive and amounted to BGN 69.1 mln (0.1% of GDP) compared to a deficit of BGN 373.3 mln (0.5% of GDP) registered in January 2014. The positive developments on a year earlier were mainly attributable to the yoy increase in revenues but also to the shrinking of expenditures for maintenance, subsidies and social spending.

Total revenue and grants received in January amounted to BGN 2 471.6 mln, equal to 8.1% of the plan for 2015. Compared to a year earlier, tax receipts were up by 21%, non-tax revenue – by 9.1%, and grants – by 5%. The largest contribution to the nominal growth of tax receipts came from VAT revenues. They increased by 49.5% due to growth in VAT from taxable domestic supply and intra-community acquisition. Net receipts from excises and custom duties also rose. Direct taxes were up by 0.6% due to growth in revenues from taxes on dividends, liquidation shares and incomes of foreign and local juridical entities, while personal income tax receipts shrank due to base effect of legislative changes in 2013.

Total expenditure, including the contribution to the EU budg-

Fig. 16: Consolidated budget



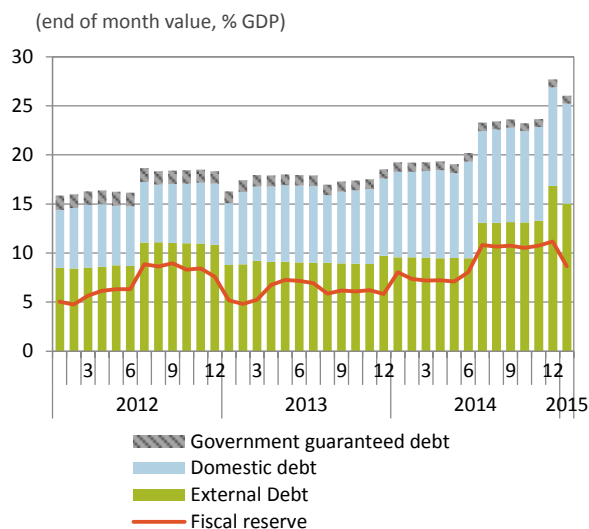
Source: MF

et, decreased by 1.7% compared to January 2014. The main contribution to the reduction in expenditure came from social payments and subsidies. The maintenance spending also shrank and capital expenditures decreased slightly by 0.8%. Expenditure components, which registered an increase, were wages and salaries, social and health insurance contributions and interest payments.

Fiscal reserve at end-January 2015 reached BGN 7.1 bn, down by BGN 2 bn compared to end-2014. It should be noted, however, that there was a payment of BGN 1.9 bn on global bonds in US dollars made during the month.

General government debt amounted to 25.2% of GDP, consisting of 10.2% of GDP – domestic debt and 15% of GDP – external debt. The repayment of the global bonds in US dollars reduced the external debt compared to the end of 2014 by 2 pps. Government guaranteed debt at the end of January stood at 0.8% of GDP. ●

Fig. 17 : GG debt and fiscal reserve



Source: MF

Key Economic Indicators

		Annual data			Quarterly data				Monthly data						
		2012	2013	2014	Q1'14	Q2'14	Q3'14	Q4'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15
— GDP															
Gross Domestic Product ¹	% , yoy	0.5	1.1	1.7	1.5	1.8	1.5	1.3	-	-	-	-	-	-	-
Consumption	% , yoy	2.9	-1.3	2.4	3.3	1.2	0.8	1.4	-	-	-	-	-	-	-
Gross fixed capital formation	% , yoy	2.0	-0.1	2.8	4.8	5.1	4.4	3.3	-	-	-	-	-	-	-
Export	% , yoy	0.8	9.2	2.2	2.1	3.0	-2.8	5.4	-	-	-	-	-	-	-
Import	% , yoy	4.5	4.9	3.8	5.5	3.7	2.6	7.5	-	-	-	-	-	-	-
Agriculture	% , yoy	-7.3	3.3	5.2	-0.3	1.4	3.7	3.9	-	-	-	-	-	-	-
Industry	% , yoy	1.6	-0.1	2.0	2.6	2.6	2.8	2.5	-	-	-	-	-	-	-
Services	% , yoy	-0.8	1.6	1.2	2.0	1.5	1.6	1.3	-	-	-	-	-	-	-
Adjustments	% , yoy	6.9	0.3	2.1	-1.7	1.6	2.5	3.7	-	-	-	-	-	-	-
— Short-term business statistics															
Industrial production	% , yoy	-0.4	-0.1	1.8	3.3	4.5	-0.5	0.4	-3.7	2.0	-0.5	-1.1	2.9	0.2	-
Industrial turnover	% , yoy	2.3	-1.0	0.0	-6.3	2.8	0.5	2.9	-2.6	6.7	3.2	1.4	4.0	3.9	-
Retail trade turnover	% , yoy	5.3	3.8	4.4	7.4	2.1	4.4	4.0	3.9	5.3	3.6	1.7	6.4	4.3	-
Construction output	% , yoy	-0.8	-3.7	1.8	4.1	2.1	-1.0	2.2	-7.9	1.4	3.1	-1.5	5.3	-6.0	-
Total business climate	balance	14.3	13.0	15.9	14.9	20.0	15.6	12.9	16.0	13.4	12.9	13.4	12.3	16.1	17.3
Industry	balance	21.3	15.6	18.2	17.8	21.0	18.5	15.5	19.3	17.1	16.0	14.1	16.5	19.9	22.3
Retail trade	balance	16.4	19.7	24.0	22.2	28.8	22.7	22.2	22.8	21.6	18.7	26.2	21.6	19.6	21.9
Construction	balance	0.3	2.0	7.3	1.7	13.2	9.7	4.8	11.4	4.1	6.2	8.2	0.0	9.8	11.6
Services	balance	12.2	12.2	11.7	15.2	16.2	8.9	6.4	7.1	7.3	7.5	4.7	7.1	11.2	8.2
— Labor market															
Participation rate (15+)	level	53.1	53.9	54.1	53.5	54.1	55.2	53.9	-	-	-	-	-	-	-
Employment rate (15+)	level	46.6	46.9	48.2	46.5	47.9	49.3	48.2	-	-	-	-	-	-	-
Employment (LFS)	% , yoy	-2.5	-0.4	0.4	0.3	0.3	0.7	0.1	-	-	-	-	-	-	-
Unemployment rate (LFS)	level	12.3	12.9	11.4	13.0	11.4	10.8	10.6	-	-	-	-	-	-	-
Unemployment rate (Employment agency)	level	11.1	11.3	11.2	12.2	11.2	10.5	10.7	10.4	10.5	10.7	10.8	10.7	11.1	-
Nominal wage	% , yoy	6.6	6.0	6.8	2.3	2.3	2.3	2.3	2.2	2.4	2.6	1.8	2.2	-	-
Real wage ²	% , yoy	4.1	5.6	8.5	4.2	3.9	3.5	4.1	3.2	3.8	4.1	3.8	4.3	-	-
Labor productivity (GDP per employed)	% , yoy	3.1	1.5	1.3	0.7	1.8	1.2	1.5	-	-	-	-	-	-	-
Real ULC (GDP)	% , yoy	2.9	8.0	-0.5	1.7	-1.8	-3.9	2.7	-	-	-	-	-	-	-
— Prices															
National index of consumer prices (CPI)	% , yoy	3.0	0.9	-1.4	-2.4	-1.8	-0.8	-0.6	-0.6	-0.8	-0.4	-0.6	-0.9	-1.0	-0.5
Harmonized index of consumer prices (HICP)	% , yoy	2.4	0.4	-1.6	-1.8	-1.6	-1.2	-1.8	-1.0	-1.4	-1.5	-1.9	-2.0	-2.4	-1.7
Domestic producer prices	% , yoy	5.4	-1.3	-0.9	-2.0	-0.7	-0.8	0.0	-1.0	-0.6	0.8	0.3	-0.9	-1.9	-
— Consolidated fiscal program (cumulative)															
Revenues and grants	mIn BGN	27 470	28 981	29 407	6 576	14 171	21 556	29 407	19 215	21 556	24 021	26 738	29 407	2 472	-
Total expenses	mIn BGN	27 828	30 430	32 455	7 450	15 167	23 035	32 455	20 491	23 039	25 781	28 339	32 455	2 403	-
Contribution to EU budget	mIn BGN	809	934	955	349	562	700	955	663	700	743	810	955	76	-
Cash deficit (-) / surplus (+)	mIn BGN	-358	-1 448	-3 048	-875	-996	-1 479	-3 048	-1 276	-1 483	-1 760	-1 601	-3 048	69	-
	% of GDP	-0.4	-1.8	-3.7	-1.1	-1.2	-1.8	-3.7	-1.6	-1.8	-2.1	-1.9	-3.7	0.1	-
Government debt (incl. guaranteed debt)	mIn BGN	14 683	14 893	22 758	15 836	16 604	19 409	22 758	19 266	19 409	19 096	19 433	22 758	21 470	-
	% of GDP	18.3	18.6	27.7	19.3	20.2	23.6	27.7	23.4	23.6	23.2	23.7	27.7	26.1	-

		Annual data			Quarterly data				Monthly data						
		2012	2013	2014	Q1'14	Q2'14	Q3'14	Q4'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15
Fiscal reserve ³	mIn BGN	6 081	4 681	9 170	5 904	6 600	8 824	9 170	8 742	8 824	8 653	8 824	9 170	7 130	-
	%, yoy	21.6	-23.0	95.9	40.0	14.7	77.7	95.9	85.3	77.7	76.5	76.9	95.9	7.6	-
— Financial sector															
BNB International reserves	mIn EUR	15 552	14 426	16 534	13 960	14 323	15 564	16 534	15 331	15 564	15 580	16 061	16 534	15 647	17 180
Monetary base coverage	%	174.9	162.9	165.1	170.4	164.5	180.4	165.1	181.4	180.4	175.5	186.8	165.1	156.7	147.8
Coverage of import with FX reserves	months	6.7	6.1	6.9	5.9	6.1	6.5	6.9	6.5	6.5	6.5	6.7	6.9	6.5	-
Coverage of short-term external debt	%	150.2	151.1	163.2	151.7	152.9	167.8	163.2	168.3	167.8	168.4	181.4	163.2	-	-
Money M1 (Narrow money)	%, yoy	9.5	17.5	15.1	16.1	16.4	18.7	15.1	18.0	18.7	18.6	15.3	15.1	14.8	-
Money M3 (Broad money)	%, yoy	8.4	8.9	1.1	8.3	7.4	7.2	1.1	7.2	7.2	6.7	-1.2	1.1	2.0	-
Deposits	%, yoy	8.4	9.4	-0.5	8.2	6.6	6.6	-0.5	6.7	6.6	5.9	-3.1	-0.5	0.4	-
Credit to private sector	%, yoy	3.0	0.2	-8.2	1.4	2.3	2.6	-8.2	2.4	2.6	2.3	-7.4	-8.2	-8.4	-
Credit to non-financial enterprises	%, yoy	5.0	0.1	-11.6	1.7	3.1	3.0	-11.6	2.9	3.0	3.0	-11.5	-11.6	-11.9	-
Credit to households	%, yoy	-1.0	-0.2	-1.6	0.3	0.3	0.1	-1.6	0.1	0.1	0.0	0.0	-1.6	-2.0	-
Interest rate on short-term loans	%	7.6	7.9	7.4	7.8	7.8	7.1	7.0	7.4	6.8	5.9	8.3	6.8	6.5	-
Interest rate on time deposits	%	4.3	3.5	2.7	3.2	3.0	2.5	2.3	2.4	2.4	2.3	2.1	2.4	2.1	-
Exchange rate BGN/USD	eop	1.48	1.42	1.61	1.42	1.43	1.55	1.61	1.48	1.55	1.56	1.57	1.61	1.73	1.74
	per. av.	1.52	1.47	1.47	1.43	1.43	1.48	1.57	1.47	1.52	1.54	1.57	1.58	1.69	1.72
— Gross External Debt (GED)															
Gross external debt	% of GDP	92.2	90.0	94.2	87.6	88.5	91.6	94.2	91.5	91.6	92.0	91.4	94.2	-	-
Short-term external debt	% of GED	27.5	25.9	25.6	25.0	25.2	24.1	25.6	23.7	24.1	23.9	23.1	25.6	-	-
Intercompany lending	% of GED	41.4	41.8	40.2	42.1	42.8	41.2	40.2	42.1	41.2	41.4	41.3	40.2	-	-
— Balance of payments															
Current account	mIn EUR	-458	848	19	-299	-90	933	-525	409	41	-82	-130	-313	-	-
<i>Current account (moving average)</i>	% of GDP	-1.1	2.1	0.0	2.2	0.6	0.3	0.0	0.2	0.3	0.2	0.0	0.0	-	-
Trade balance	mIn EUR	-3 460	-2 430	-2 902	-862	-720	-527	-794	-159	-281	-217	-185	-392	-	-
<i>Trade balance (moving average)</i>	% of GDP	-8.5	-5.9	-7.0	-6.9	-6.7	-6.8	-6.9	-6.8	-6.8	-6.8	-6.8	-6.9	-	-
Export, f.o.b.	mIn EUR	20 770	22 271	22 106	4 868	5 443	6 005	5 790	1 946	2 007	2 066	1 969	1 756	-	-
	%, yoy	2.5	7.2	-0.7	-6.7	0.3	0.5	2.4	-2.8	3.9	2.0	-3.0	10.0	-	-
Import, f.o.b.	mIn EUR	24 230	24 701	25 009	5 730	6 163	6 532	6 584	2 105	2 288	2 283	2 154	2 147	-	-
	%, yoy	8.1	1.9	1.2	0.9	-1.1	1.9	3.1	11.1	2.5	3.1	-2.8	9.9	-	-
Capital account	mIn EUR	551	468	1 012	125	200	203	484	61	36	14	279	191	-	-
Financial account	mIn EUR	1 255	-1 476	2 047	-44	259	384	1 448	-205	-89	72	688	688	-	-
Net Foreign Direct Investments	mIn EUR	871	1 094	996	465	-14	-1	547	258	-332	216	244	88	-	-
Net Portfolio Investments	mIn EUR	-887	-129	1 263	-161	27	1 512	-115	34	80	-110	11	-16	-	-
Other Investments – net	mIn EUR	1 303	-2 323	-269	-344	249	-1 107	933	-496	181	-30	237	726	-	-
Change in BNB reserve assets	mIn EUR	-2 161	599	-1 909	553	-328	-1 211	-924	-180	-235	-49	-463	-412	-	-

Notes:

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