

BULGARIAN ECONOMY

Monthly Report

6/2018

Ministry of Finance of the Republic of Bulgaria • Economic and Financial Policy Directorate

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Main topics:

- » Short-term Business Statistics
- » Labour Market
- » Inflation
- » External Sector
- » Financial Sector
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Highlights

Short-term business statistics reported some mixed performance in May. Retail sales growth speeded up to 6.2% yoy, while industrial turnover slightly decelerated to 3.2% yoy. Both industrial and construction production stood relatively flat on a year earlier. In June, the **business climate indicator** remained high, but declined after being on the increase for five months in a row. The **consumer confidence** also decreased as the expectations regarding the financial situation of households worsened. The **economic climate tracer** remained in the expansion area, but pointed to the downswing quadrant.

Registered **unemployment** decreased further to 5.7% at end-June, down by 0.4 pps over the previous month, and was driven by the occupation of jobs both on the primary labour market and under the active labour market programmes.

Consumer prices increased by 0.5% mom in June mainly driven by higher services prices. The **annual inflation rate** accelerated further to 3% yoy, on the account of higher energy prices in line with the ongoing recovery

in international crude oil prices, as core inflation also increased, up by 2.2% yoy.

The **current account deficit** stood at 1.4% of projected GDP in January-April, remaining unchanged on a year earlier as the increase in the deficit on goods and services was offset by higher incomes surplus.

Credit to the private sector continued to accelerate in May, up by 6.6% yoy. Consumer loans and mortgages kept the upward trend, by 15% yoy and 9.8% yoy, respectively. Corporate credit increased by 2.9% yoy with the biggest contribution coming from loans with maturity over 5 years and overdraft.

The **price of corporate new loans** increased by 6 bps in May, following a drop of 41 bps in April. Meanwhile, the average price of mortgages and consumer loans decreased on a month earlier. **Weighted interest rate on new time deposits** also lowered in May, down by 2 bps. The decrease was driven by those in national currency and those denominated in EUR, down by 3 bps and 26 bps.

The **budget surplus on the consolidated fiscal programme** for the first five months of 2018 amounted to BGN 1.4 bn (1.4% of projected GDP). The positive fiscal outcome resulted from higher revenues over expenditures on the national budget, while EU funds account reported a marginal deficit. ■

SHORT-TERM BUSINESS STATISTICS

Industrial turnover (fig. 1) increased by 3.2% yoy in May, slightly down from 3.8% yoy in April. As in previous months, the growth was driven by domestic industrial sales, up by 8% yoy. Major contribution for the increase had *electricity, gas, steam and air conditioning supply* and *manufacture of food products*. Meanwhile, foreign turnover decreased by 2.3% yoy due to the decline in *energy products* and some *investment products* that fall into the group of *manufacture of fabricated metal products, except machinery and equipment*.

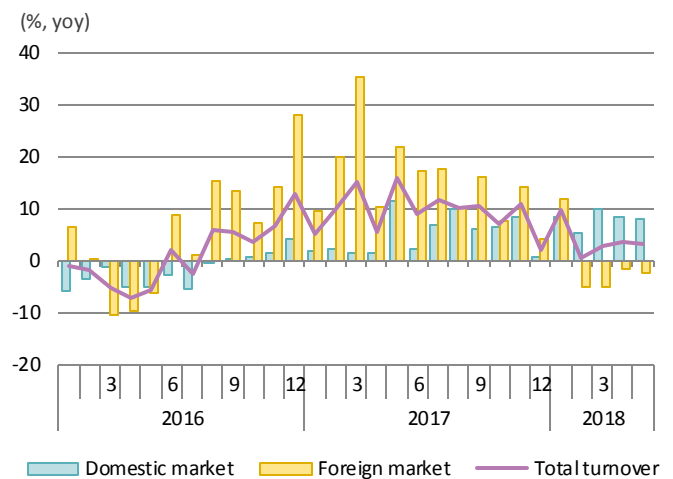
Industrial production remained subdued in May as the index stood flat on a year earlier. Unfavourable dynamics in the above-mentioned export-oriented sectors were the major drag on growth.

Construction production index (fig. 2) reported a marginal decline of 0.5% yoy in May due to the decrease of *civil engineering*, down by 3.6% yoy. At the same time, the growth of *building construction* decelerated to 2% yoy being 6.7% in April and also contributed to the unfavourable overall dynamics.

On the other hand, **retail trade** growth continued to accelerate and reached 6.2% yoy in May. The positive development was spread to most of the sectors with *retail trade of food, beverages and tobacco* and *retail sales of medical and orthopaedic goods* having the largest increase of 10.9% and 10.2%, respectively.

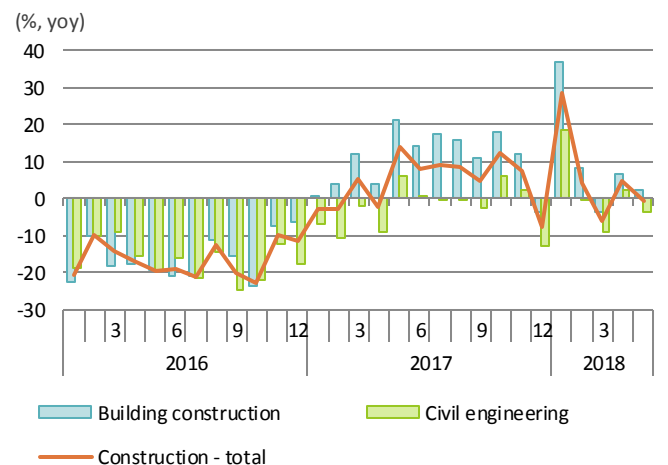
After five months on the increase, the **overall business climate indicator** remained high but slightly declined in June as the assessments in construction and services worsened (fig. 3 and 4). Despite the reported increase in orders, the expectations for the construction activity over the next 3 months were not optimistic. The shortage of labour was the biggest obstacle in the sector, as pointed out by 48.1% of the respondents. The business climate indicator in services declined due to more reserved assessments and expectations about the business situation of the enterprises. However, the expectations for the demand of services improved. The expectations for production activity in industry were also favourable, while those for retail sales volume were more reserved.

Fig. 1: Industrial turnover by components



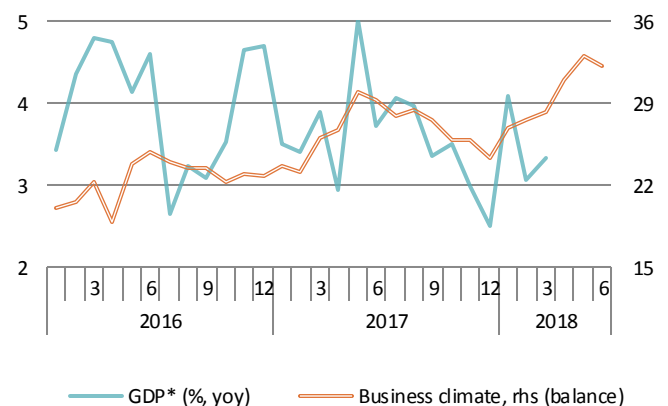
Source: NSI

Fig. 2: Construction production index



Source: NSI

Fig. 3: Business climate and GDP



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

Source: NSI, MF

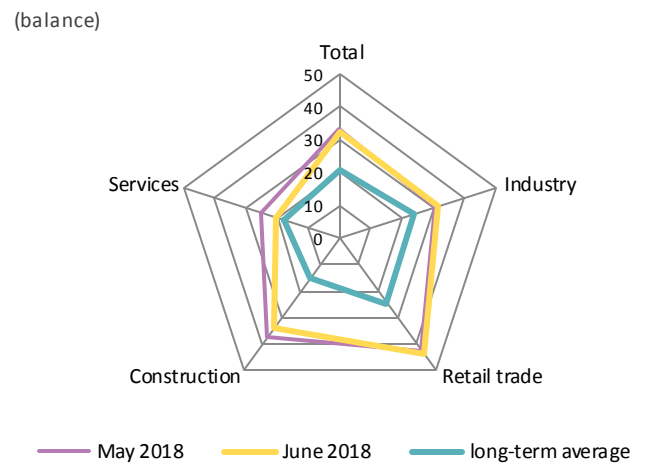
In June, the **consumer confidence indicator** decreased by 0.4 points (fig. 5). The expectations for the financial situation of household worsened. The respondents expected some increase in the prices over the next 12 months.

The **economic climate tracer**¹ in the country was in the expansion area in Q2 (fig.6), but pointed to the downswing quadrant. Two of the sectoral climate tracers were in the expansion quadrant – services and consumers. Other two entered the downswing quadrant – retail and industry. The climate tracer in construction was on the border between the two quadrants.

LABOUR MARKET

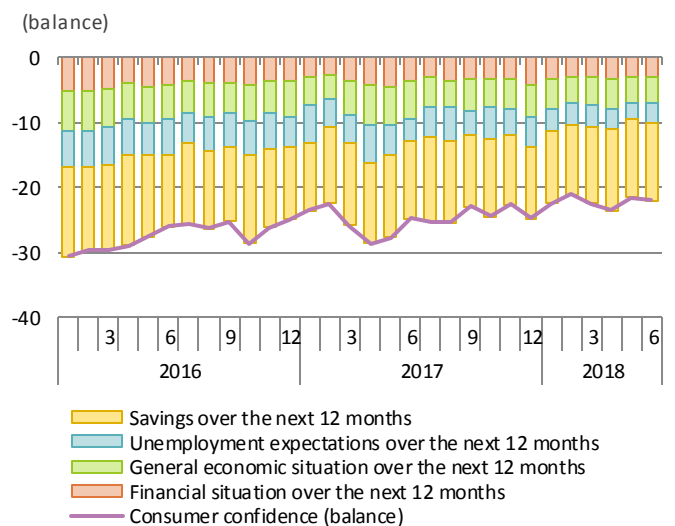
The **unemployment rate** continued to decline and reached 5.7% as of end-June supported by the occupation of jobs both on the primary labour market and under the active labour market programmes. This was among the record low levels and corresponded to the lowest number of unemployed since mid-1991 of 188.6 thousand (fig. 7). The downward dynamics on a month earlier was due to the higher outflow of unemployment largely driven by persons who found employment, although those who dropped out of registration also went up. The number of people who started working reached 23.8 thousand in June, up by 9.3% mom, due particularly to the activated participation in subsidized employment. Thus, persons who got jobs under the implemented labour market programmes and measures more than tripled over the previous month, reaching 5.9 thousand. At the same time, although decreasing on a month earlier to 13.8 thousand, people who started working on the primary labour market still accounted for the largest share of 58% of the persons who found jobs in June. As usual, the number of newly announced work places during the active season was lower compared to the period before its beginning but the majority of the positions continued to be in the seasonal activities of manufacturing, trade, hotels and restaurants, administrative and subsidiary activities, construction, etc.

Fig. 4: Business climate by sectors



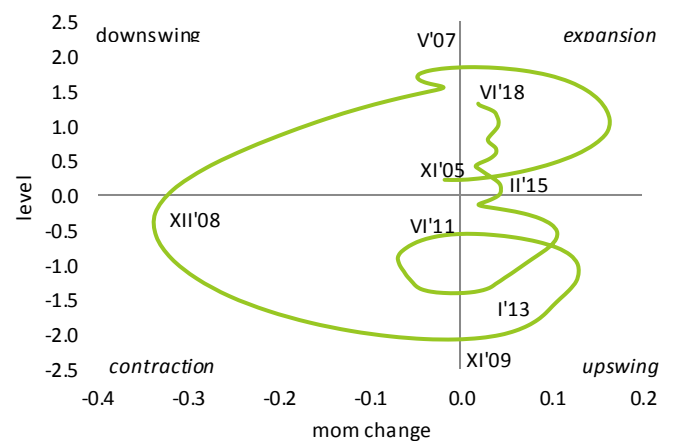
Source: NSI

Fig. 5: Consumer confidence indicator by components



Source: Eurostat

Fig 6: Climate tracer



Source: Eurostat, MF

¹ The climate tracer illustrates developments in the survey data over the respective quarter. For more information please refer to Gayer, C (2010) "Report: The Economic Climate Tracer – A tool to visualise the cyclical stance of the economy using survey data" and Gayer, C, J. Genet (2006) "Using Factor Models to Construct Composite Indicators from BCS Data"

INFLATION

Consumer prices, as measured by the HICP, posted a 0.5% increase in June over the previous month. Prices of market services went up by 1.8% mom and led to the higher headline rate with a contribution of 0.43 pps. Among the services components, prices of accommodation services and airfares, up by 12.2% and 8.8% mom, respectively, were the drivers behind the increase. As crude oil prices followed an upward trend for a fourth months in a row, transport fuel prices, up by 3.2% mom, were the other main contributor to the higher HICP. The seasonal decline in the prices of fresh vegetables, down by 7.6% mom, accounted for the decline of 2.2% mom of the unprocessed food index.

Annual HICP inflation rate continued to accelerate in June and reached 3% (fig. 8) driven mainly by the 12-month increase of fuel prices. Further acceleration of market services prices brought core inflation² up from 2% yoy in May to 2.2% and also contributed to the higher headline rate.

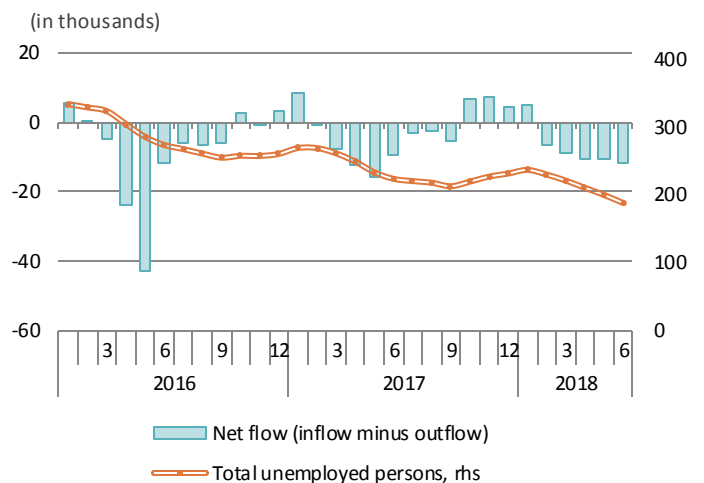
EXTERNAL SECTOR

In April, **current account balance** improved on a year earlier for a second month in a row. Export of goods and services increased by 11.4% yoy and outpaced the growth of import (10.4% yoy). However, the *deficit on goods and services* remained almost unchanged on a year earlier at EUR 209 mln. *Incomes surplus* increased by 18.7% yoy to EUR 145.7 mln supported by positive balances on both *primary* and *secondary income*.

In January-April, import growth turned out stronger than the increase of export on a year earlier, which led to a deficit on *goods and services* of 1.4% of projected GDP, up from a negative balance of 1.2% in the four-month period of 2017. The accumulated since the beginning of the year *primary income* deficit improved to 0.2% of projected GDP compared with a negative balance of 0.5% of GDP a year ago. Higher payments to Bulgarians working abroad and lower investment income payments to non-residents drove the dynamics. At the same time, the surplus on *secondary income* lowered by 0.2 pps to 1.2% of projected GDP.

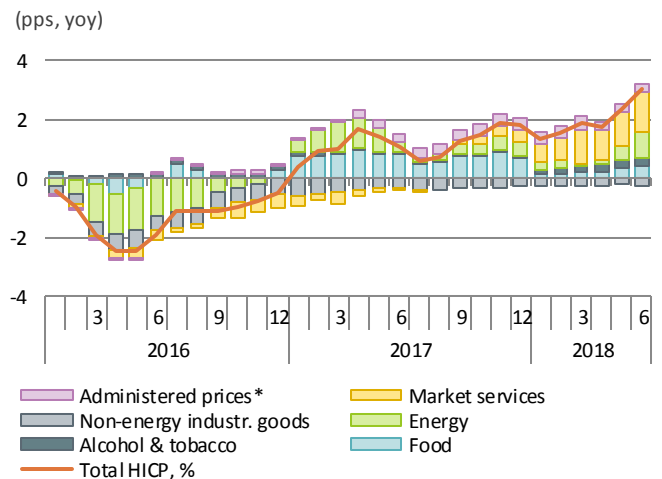
² The total HICP excluding energy and unprocessed food

Fig. 7: Net flow and stock of unemployment



Source: EA

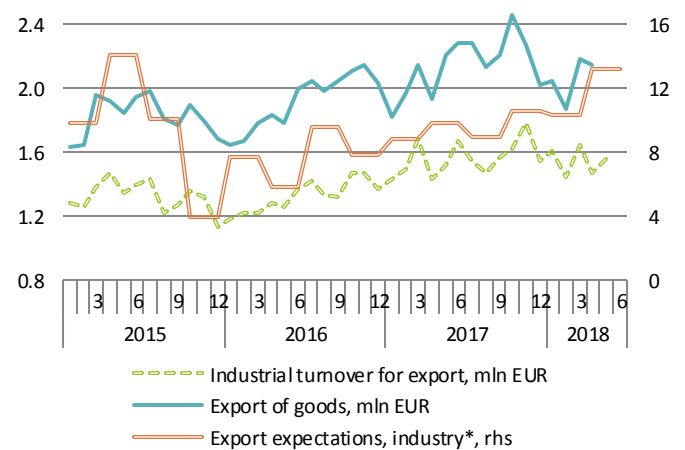
Fig. 8: Contributions to HICP growth



* The index of administered prices is calculated as a weighted average of all elementary aggregate groups (goods and services) the prices of which are set or influenced to a significant extent by the government.

Source: Eurostat, MF

Fig. 9: Export, export turnover and expectations



* Balance, Business survey

Source: NSI, BNB

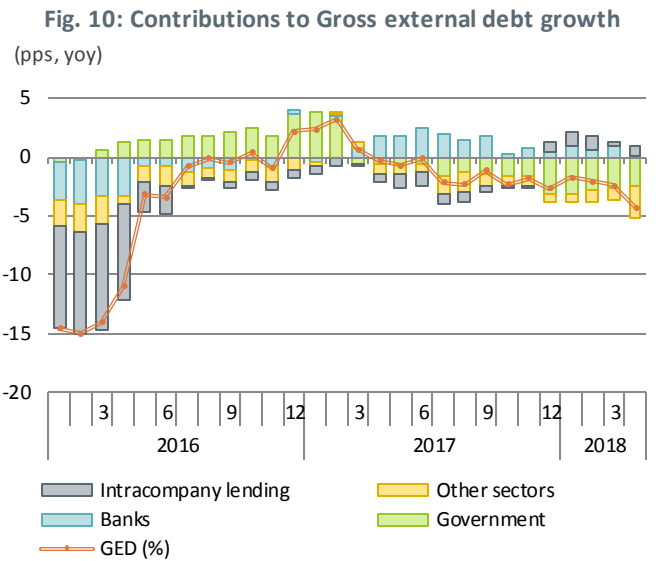
The latter was due to slightly higher contribution to the EU budget. Overall the *balance on incomes* improved on a year earlier and offset the slight decline in the *trade of goods and services* surplus in January-April. The **current account balance** remained unchanged as a ratio to GDP at a deficit of 1.4%.

Gross external debt (fig. 10) decreased further to EUR 32.9 bn (61.4% of projected GDP) as at end-April compared with EUR 34.3 bn twelve months ago and EUR 33.3 bn as at end-March. The long term indebtedness of the private non-banking sector had the largest contribution to the decrease, down from 21.9% of GDP in April 2017 to 19.8% in March 2018 and 18.9% in April. The external creditor position of Bulgaria widened on a month ago, as net external debt reached -2.4% of projected GDP.

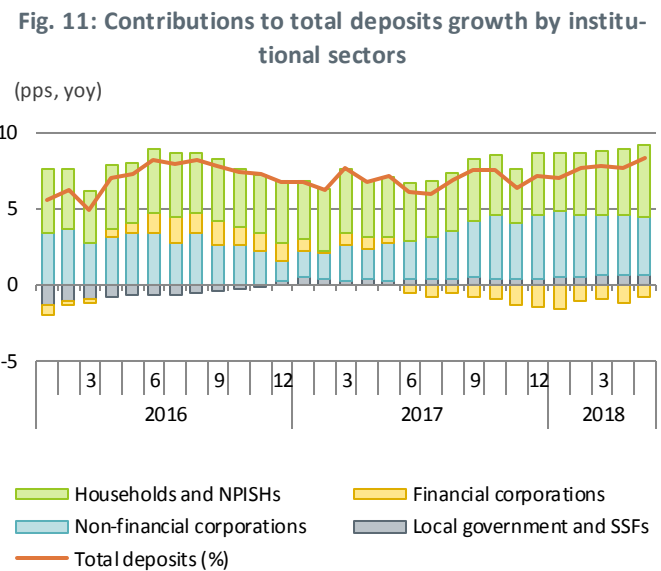
FINANCIAL SECTOR

In June, **international reserves** reached EUR 23.5 bn as growth accelerated to 3% mom, up from 1.4% mom in May. Bank reserves posted the highest growth of 7.4% mom. Banknotes and coins in circulation and government deposit also had a positive contribution, up by 1.7% mom and 3% mom, respectively. Meanwhile, liabilities to other depositors registered a slight decrease of 0.3% mom, having a growth of 19.4% mom in May. The double-digit rise in the previous month reflected the banks' annual premium contributions to the Bulgarian Deposit Insurance Fund. International reserves continued to decrease on a year earlier, but due to the positive monthly dynamics the pace of decline decelerated to 1.9% yoy vs. a drop of 3.6% in May. Bank reserves continued to be the main driver for the decline. Currency in circulation had the biggest positive contribution, up by 10.9% yoy, followed by liabilities to other depositors, up by 30.7% yoy.

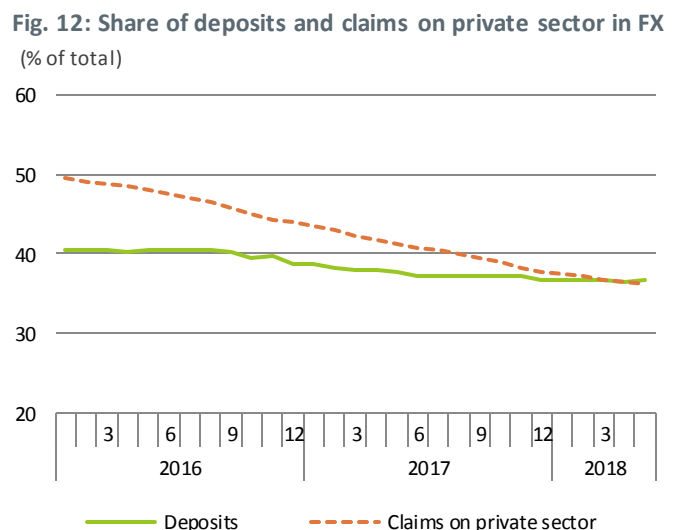
In May, **credit to the private sector** kept increasing at the same rate as in the previous month, up by 6.6% yoy. Credit to both non-financial corporations and households contributed to the upward dynamics (fig. 13). The first increased at the same pace of growth as in April, up by 2.9% yoy, as corporate overdraft and loans with maturity over 5 years remained the main drivers. The annual growth rate of consumer loans and mortgages continued to accelerate, up by



Source: BNB



Source: BNB



Source: BNB, MF

15% and 9.8%, respectively. This led to the positive dynamics of loans to households (up by 8.8% yoy), while the decrease in “other credits” widened to 23.3% yoy from 16.1% in April and continued to have a negative contribution. Bad and restructured credits kept on decreasing, down by 14.3% yoy in May. Their share in total credit to non-financial corporations and households narrowed to 12.4%, being 15.2% a year ago.

Weighted interest rate on new credits (tabl. 1) to non-financial corporations increased by 6 bps in May vs. a drop of 41 bps in April. It was entirely due to new euro-denominated deals, while the price on loans in national currency and in USD decreased. The total volume of new corporate credits came lower on the previous month, down by 36.3%, but increased by 17.5% compared to end-May 2017. The average price of consumer loans and mortgages decreased by 36 bps and 5 bps mom, respectively.

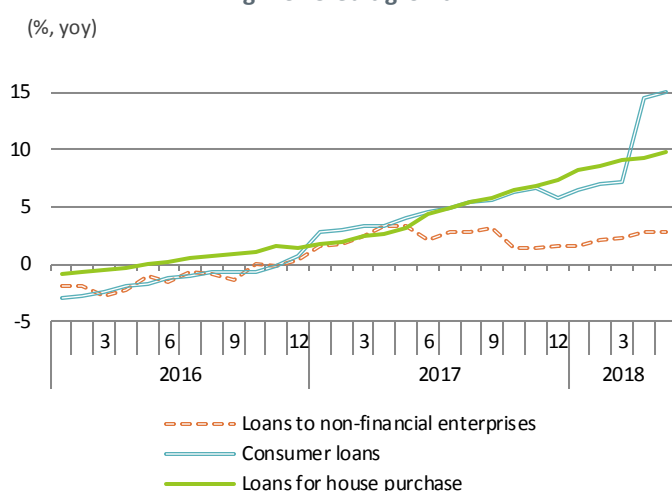
Weighted interest rate on new time deposits (tabl. 3) went down by 2 bps in May compared to April. The decrease was driven by deposits denominated in national currency and in EUR, down by 3 bps and 26 bps, respectively. The weighted price on time deposits in USD moved up by 27 bps. A breakdown of interest rates by type of holder showed, the price of households' funds was up by 2 bps, as all currency segments contributed positively. The rate in the corporate segment also moved up by 5 bps supported entirely by USD denominated deposits, while the price and share of national currency and EUR-denominated funds went down. The total volume of new time deposits reached BGN 1.04 bn in May, up by 8.9% yoy.

FISCAL DEVELOPMENTS

According to monthly data on a cash basis, **the budget balance on the consolidated fiscal programme** (CFP) was positive for the first five months of 2018, reaching BGN 1.4 bn (1.4% of projected GDP) at end-May. The positive fiscal outcome resulted from higher revenue over expenditure on the national budget (1.6% of projected GDP), while the EU funds account recorded a minor deficit (0.3% of projected GDP).

Revenue and grants (fig. 14) totalled BGN 16 bn, up by

Fig. 13: Credit growth



Source: BNB, MF

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

	May 2017	April 2018	May 2018
Non-financial companies	3.81	3.46	3.52
Consumer credits	7.88	8.58	8.22
Mortgages	3.99	3.53	3.47

Source: BNB, MF

Table 2: Annual Percentage Rate of Charge (APRC) * on new loans to households

	May 2017	April 2018	May 2018
Consumer credits	9.37	10.65	10.04
Mortgages	4.44	3.90	3.84

* 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.

Source: BNB, MF

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

	May 2017	April 2018	May 2018
BGN	0.24	0.19	0.16
EUR	0.24	0.43	0.17
USD	0.29	0.44	0.70

Source: BNB, MF

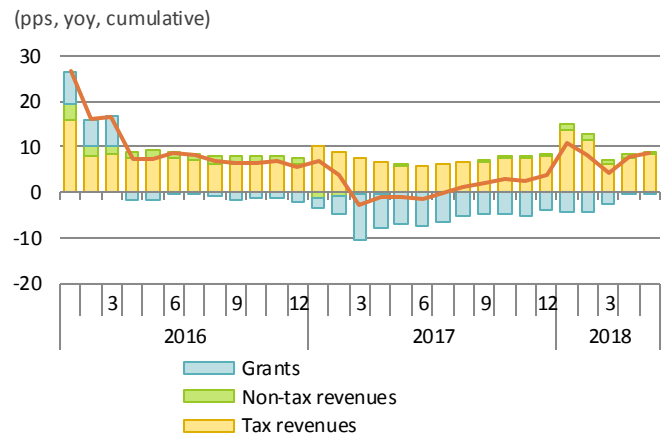
8.6% yoy. Tax and non-tax receipts rose by 9.9% and 5.3% yoy respectively, while grants came lower by 9.3%. Social and health insurance contributions had the highest contribution to the overall revenue growth (up 14.1% yoy), followed by indirect tax receipts (up 6.4% yoy) and direct taxes (up 13.1% yoy). Cash receipts from VAT, excise and custom duties rose by 6.9%, 4.5% and 25.9% yoy, respectively.

Consolidated government expenditure (fig. 15), including the Bulgarian contribution to the EU budget, reached BGN 14.6 bn, up by 11.7% yoy. This was mostly due to higher personnel costs (up by 26.1% yoy), as a result of increased remunerations in the Education sector. Social payments and scholarships, up by 7.1% yoy, also had significant contribution, mainly due to base effect of the increase of pensions as of July 2017. Investment costs were also higher compared to May 2017, up by 62%. Current maintenance and interest costs went down by 10% and 2.3% yoy, respectively.

Fiscal reserve amounted to BGN 10.4 bn (9.9% of projected GDP) as at end-May, of which BGN 9.6 bn were in bank deposits and BGN 0.8 bn - EU funds receivables on certified expenses.

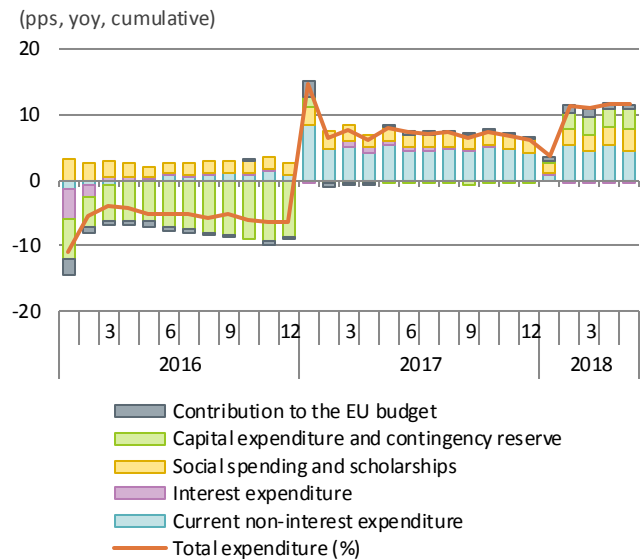
General government debt, incl. guaranteed debt, decreased to BGN 24.3 bn or 23.3% of projected GDP as at end-May, being 27.4% of GDP a year earlier. Domestic debt lowered to 5.4% of projected GDP from 6.4% of GDP twelve months earlier. The external debt-to-GDP-ratio also improved from 19.2% in May 2017 down to 16%. Government guaranteed debt was 1.9% of projected GDP, being 1.8% of GDP a year earlier. ■

Fig. 14: Contributions to growth of total revenues and grants



Source: MF

Fig. 15: Contributions to growth of total expenditure



Source: MF



KEY ECONOMIC INDICATORS

		Annual data			Quarterly data				Monthly data						
		2015	2016	2017	Q2'17	Q3'17	Q4'17	Q1'18	12'17	01'18	02'18	03'18	04'18	05'18	06'18
— GDP¹															
Gross Domestic Product	% , yoy	3.6	3.9	3.6	3.9	3.8	3.0	3.5	-	-	-	-	-	-	-
Consumption	% , yoy	3.8	3.3	4.5	4.7	4.2	4.8	3.2	-	-	-	-	-	-	-
Gross fixed capital formation	% , yoy	2.7	-6.6	3.8	4.0	4.2	4.1	10.2	-	-	-	-	-	-	-
Export	% , yoy	5.7	8.1	4.0	3.6	4.6	2.1	5.0	-	-	-	-	-	-	-
Import	% , yoy	5.4	4.5	7.2	6.2	5.4	8.2	4.6	-	-	-	-	-	-	-
Agriculture	% , yoy	-6.8	5.3	-0.1	0.0	-1.5	2.9	-0.3	-	-	-	-	-	-	-
Industry	% , yoy	4.2	4.0	3.4	4.1	3.5	2.3	2.9	-	-	-	-	-	-	-
Services	% , yoy	3.3	3.1	4.2	4.3	3.6	3.7	3.8	-	-	-	-	-	-	-
Adjustments	% , yoy	7.5	7.2	2.4	2.7	9.0	1.1	3.2	-	-	-	-	-	-	-
— Short-term business statistics²															
Industrial production	% , yoy	2.9	2.7	3.4	4.9	3.5	1.6	1.6	-1.1	5.8	-0.9	0.1	0.8	0.0	-
Industrial turnover	% , yoy	1.7	1.1	9.3	10.1	10.8	6.7	4.3	2.2	9.8	0.6	2.7	3.8	3.2	-
Retail trade turnover	% , yoy	11.8	6.1	3.7	3.4	2.6	4.0	3.5	4.0	5.0	3.1	2.6	4.9	6.2	-
Construction output	% , yoy	11.2	-16.7	4.6	6.4	7.3	4.2	7.1	-7.9	28.5	4.2	-6.0	4.8	-0.5	-
Total business climate	balance	20.3	22.5	26.6	28.7	28.0	25.4	27.6	24.4	27.0	27.5	28.2	31.0	33.1	32.2
Industry	balance	22.9	23.5	26.9	27.7	27.8	25.7	28.3	24.8	28.6	28.1	28.2	28.9	30.3	31.8
Retail trade	balance	27.6	33.6	37.9	39.4	40.6	39.5	41.5	40.1	40.5	40.4	43.6	44.1	42.5	43.3
Construction	balance	15.2	17.9	24.6	29.1	27.9	22.2	21.9	19.0	19.1	22.7	23.9	29.0	37.1	33.7
Services	balance	12.7	13.8	16.7	19.6	15.8	13.8	17.8	13.2	18.1	18.4	17.0	24.1	25.0	20.5
— Labour market															
Participation rate (15+)	level	54.1	53.3	55.4	55.8	56.5	55.5	54.6	-	-	-	-	-	-	-
Employment rate (15+)	level	49.1	49.3	51.9	52.2	53.2	52.3	51.5	-	-	-	-	-	-	-
Employment (SNA)	% , yoy	0.4	0.5	1.8	0.9	2.7	2.4	1.2	-	-	-	-	-	-	-
Unemployment rate (LFS)	level	9.1	7.6	6.2	6.3	5.8	5.6	5.7	-	-	-	-	-	-	-
Unemployment rate (EA)	level	10.1	8.7	7.2	7.2	6.6	6.9	7.0	7.1	7.2	7.0	6.8	6.4	6.1	5.7
Nominal wage	% , yoy	6.8	8.0	11.8	10.3	10.7	11.4	7.1	11.6	8.0	6.3	6.9	-	-	-
Real wage ³	% , yoy	8.0	9.5	10.5	8.8	9.7	9.5	5.4	9.7	6.7	4.7	4.9	-	-	-
Labour productivity (GDP per employed)	% , yoy	3.3	3.4	1.7	2.9	1.1	0.7	2.3	-	-	-	-	-	-	-
Real ULC (GDP)	% , yoy	0.1	0.1	4.5	1.6	5.8	7.3	2.6	-	-	-	-	-	-	-
Nominal ULC (GDP)	% , yoy	2.3	2.3	5.7	4.1	7.5	8.3	6.1	-	-	-	-	-	-	-
— Prices															
National consumer price index (CPI)	% , yoy	-0.1	-0.8	2.1	2.3	1.6	2.7	2.0	2.8	1.8	2.0	2.2	2.0	2.6	3.2
Harmonized index of consumer prices (HICP)	% , yoy	-1.1	-1.3	1.2	1.4	0.9	1.7	1.6	1.8	1.3	1.5	1.9	1.7	2.3	3.0
PPI, domestic market	% , yoy	-1.6	-2.9	4.2	3.4	5.7	5.5	4.9	5.1	5.6	4.4	4.8	3.8	-	-
PPI, non-domestic market	% , yoy	-2.4	-3.5	6.0	5.6	4.8	4.6	0.6	2.3	2.1	-0.5	0.3	1.5	-	-
— Consolidated fiscal program (cumulative)															
Revenues and grants	mln BGN	32 200	33 959	35 316	17 483	26 152	35 316	9 220	35 315	3 706	6 212	9 219	12 971	15 978	-
Total expenditure	mln BGN	34 685	32 491	34 471	15 737	23 732	34 471	8 628	34 470	2 544	5 460	8 626	11 652	14 557	-
Contribution to EU budget	mln BGN	946	859	888	488	677	888	308	888	84	220	308	390	457	-
Cash deficit (-) / surplus (+)	mln BGN	-2 485	1 468	846	1 746	2 420	846	592	845	1 162	752	593	1 319	1 422	-
	% of GDP	-2.8	1.6	0.9	1.8	2.5	0.9	0.6	0.9	1.1	0.7	0.6	1.3	1.4	-
Government debt (incl. guaranteed debt)	mln BGN	23 300	27 424	25 531	27 212	25 479	25 531	24 429	25 531	24 461	24 463	24 429	24 389	24 344	-
	% of GDP	26.3	29.1	25.9	27.6	25.6	25.6	23.3	25.9	23.4	23.4	23.3	23.3	23.3	-
Fiscal reserve	mln BGN	7 873	12 883	10 289	13 174	11 867	10 289	10 149	10 289	11 186	10 687	10 149	10 749	10 413	-
	% , yoy	9.1	63.6	-20.1	-6.8	-16.9	-20.1	-19.3	-20.1	-19.2	-21.3	-19.3	-18.4	-18.8	-

		Annual data			Quarterly data				Monthly data						
		2015	2016	2017	Q2'17	Q3'17	Q4'17	Q1'18	12'17	01'18	02'18	03'18	04'18	05'18	06'18
— Financial sector															
BNB International reserves	mln EUR	20 285	23 899	23 662	23 970	24 551	23 662	22 606	23 662	22 264	22 215	22 606	22 518	22 825	23 510
Monetary base coverage	%	144.3	163.4	156.4	168.4	161.2	156.4	158.6	156.4	161.8	162.7	158.6	161.4	160.6	158.7
Coverage of import with FX reserves	months	8.5	10.0	8.7	9.3	9.3	8.7	8.2	8.7	8.1	8.1	8.2	8.1	-	-
Coverage of short-term external debt	%	267.5	315.7	304.6	302.1	321.1	304.6	287.0	304.6	288.0	290.1	287.0	287.5	-	-
Money M1 (Narrow money)	%, yoy	15.6	13.5	16.9	15.2	16.3	16.9	17.2	16.9	16.9	17.6	17.2	15.7	15.6	-
Money M3 (Broad money)	%, yoy	8.8	7.6	7.7	7.0	8.2	7.7	8.4	7.7	7.7	8.1	8.4	8.2	8.8	-
Deposits	%, yoy	8.2	6.7	7.2	6.0	7.5	7.2	7.8	7.2	7.1	7.7	7.8	7.7	8.3	-
Credit to private sector	%, yoy	-1.2	1.5	4.8	4.2	4.9	4.8	5.6	4.8	4.8	5.0	5.6	6.6	6.6	-
Credit to non-financial enterprises	%, yoy	-1.7	0.3	1.7	2.1	3.1	1.7	2.3	1.7	1.6	2.0	2.3	2.9	2.9	-
Credit to households	%, yoy	-1.3	2.0	6.0	6.0	5.9	6.0	6.3	6.0	6.1	6.1	6.3	9.1	8.8	-
Interest rate on credits ⁴	%	7.0	5.8	4.3	4.8	4.6	4.3	4.6	4.4	4.6	4.6	4.6	4.6	4.9	-
Interest rate on deposits ⁵	%	1.3	0.8	0.2	0.3	0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	-
Exchange rate BGN/USD	eop	1.79	1.86	1.63	1.71	1.66	1.63	1.59	1.63	1.57	1.60	1.59	1.62	1.67	1.68
	per. av.	1.76	1.77	1.74	1.78	1.67	1.66	1.59	1.65	1.60	1.58	1.59	1.59	1.66	1.67
— Gross External Debt (GED)															
Gross external debt	% of GDP	73.6	71.1	66.1	67.9	66.1	66.1	62.2	66.1	62.3	62.3	62.2	61.4	-	-
Short-term external debt	% of GED	22.2	22.1	23.3	23.2	22.9	23.3	23.7	23.3	23.2	23.0	23.7	23.8	-	-
Intercompany lending	% of GED	38.1	36.2	38.1	36.3	37.3	38.1	38.1	38.1	38.3	38.8	38.1	38.6	-	-
— Balance of payments⁶															
Current account	mln EUR	-17	1 091	2 269	581	2 250	-464	-139	-339	-230	169	-77	-63	-	-
Current account (moving average)	% of GDP	0.0	2.3	4.5	2.7	4.5	4.5	4.4	4.5	3.9	3.7	4.2	4.2	-	-
Trade balance	mln EUR	-2 622	-984	-2 074	-407	-179	-885	-865	-483	-330	-295	-240	-290	-	-
Trade balance (moving average)	% of GDP	-5.8	-2.0	-4.1	-2.9	-3.1	-4.1	-4.6	-4.1	-4.2	-4.6	-4.4	-4.4	-	-
Export, f.o.b.	mln EUR	21 919	23 104	25 754	6 431	6 631	6 747	6 109	2 025	2 050	1 872	2 187	2 144	-	-
	%, yoy	4.2	5.4	11.5	14.5	9.0	7.2	2.8	-0.3	12.3	-5.4	2.1	10.9	-	-
Import, f.o.b.	mln EUR	18 678	24 088	27 829	6 838	6 811	7 632	6 973	2 508	2 379	2 167	2 427	2 433	-	-
	%, yoy	-21.5	29.0	15.5	16.7	11.1	14.4	6.5	14.7	20.2	4.6	-2.8	10.6	-	-
Capital account	mln EUR	1 422	1 070	526	81	144	188	1	96	16	-18	3	77	-	-
Financial account	mln EUR	-738	-356	2 320	232	1 325	1 099	1 371	-1 023	1 153	485	-266	422	-	-
Net Foreign Direct Investments	mln EUR	-2 329	-356	-688	-160	-97	-208	-42	-17	-316	10	264	2	-	-
Net Portfolio Investments	mln EUR	44	2 198	878	348	-193	752	476	209	300	98	78	-260	-	-
Other Investments – net	mln EUR	-4 603	1 734	843	378	126	476	1 207	-1 074	1 333	114	-239	-134	-	-
Change in BNB reserve assets	mln EUR	3 730	3 467	-99	96	597	-869	-1 035	1 473	-1 359	-76	399	-101	-	-

Notes:

Ratios to GDP are calculated using GDP data as follows: for 2015 - BGN 88 571.3 mln, for 2016 – BGN 94 129.9 mln, for 2017 – BGN 98 631.1 and MF projections for 2018 - BGN 104 674.4 mln;

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

This issue of the Monthly Report on Bulgarian Economy is based on materials and statistical data received up to June 16, 2018. 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.

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