

# BULGARIAN ECONOMY

## Monthly Report

9/2018

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
- » Fiscal Developments
- » Table:Key Economic Indicators

## Highlights

**Short-term business statistics** reported weaker performance in August, as industrial turnover and production slowed down, while construction output declined. At the same time, retail trade growth accelerated. The **business climate indicator** decreased in September due to worsened expectations for demand in construction and services, but remained above its long-term average.

The **registered unemployment** remained unchanged on a month earlier at 5.6% in September, reflecting almost equal number of unemployment inflow and outflow.

**Consumer prices**, as measured by the HICP, declined by 0.3% mom in September, largely driven by lower prices of market services. The **annual inflation rate** decelerated to 3.6% yoy, as the contribution of market services decreased. Core inflation also slowed down to 2.6% yoy.

The **current account surplus** in January-July stood at EUR 933.7 mln (1.7% of projected GDP). The trade deficit remained higher on a year earlier, while the surplus on services improved. Gross external debt-to-GDP ratio stood at 60.9% as at end-July.

**Credit to the private sector** speeded up to 7.6% yoy in August. **Weighted average interest rate on credit** to non-financial corporations went down by 82 bps, while the price of consumer loans and mortgages increased on a month earlier. **Weighted average interest rate on time deposits** also decreased mom.

For the first eight months of 2018, **the balance on the consolidated fiscal program** was positive, reaching BGN 2.4 bn (2.2% of projected GDP) at end-August. The positive fiscal outcome resulted from higher revenue over expenditure on the national budget. ■

## SHORT-TERM BUSINESS STATISTICS

In August **industrial turnover** growth decelerated to 2.4% yoy (4.8% yoy in July), as both domestic and foreign industrial sales contributed to the reported slow-down (fig. 1). Domestic turnover continued to be leading for the increase in industrial sales, up by 3.9% yoy. Positive development was observed in *electricity, gas, steam and air conditioning supply* and *manufacture of food products*, which have the largest shares in domestic sales. Foreign turnover increased by 0.6% yoy supported by *manufacture of electrical equipment*.

**Industrial production** increased by 2.3% on a year earlier in August compared with a rate of 2.4% in July. Major contribution for the growth came from *manufacture of basic metals* and *manufacture of electrical equipment*.

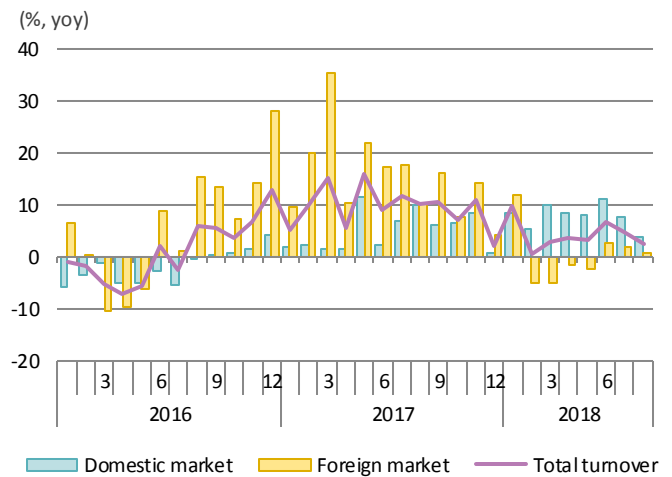
**Construction production index** (fig. 2) decreased by 1.1% yoy in August due to a decline in *building construction*, down by 1.4% yoy. At the same time, *civil engineering* increased by 1.1% on a year earlier.

The pace of growth of **retail trade** accelerated slightly to 5.2% yoy in August, being 4.8% yoy in July. *Retail sales of medical and orthopaedic goods* posted the largest increase of 12% yoy, followed by *retail trade of food, beverages and tobacco*, up by 9% yoy.

In September, the **overall business climate indicator** decreased by 1.5 points due to worsened assessment in construction and services (fig. 3). Expectations for construction activity over the next 3 months were more reserved. Respondents were also less optimistic about the expected demand on services. Meanwhile, the business climate indicator in industry and retail trade remained close to the levels in August.

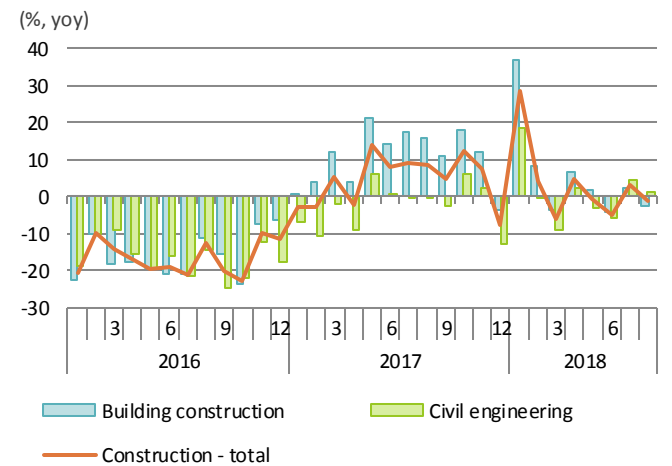
The **economic climate tracer**<sup>1</sup> in the country entered the downswing quadrant (Fig. 4). Four of the sectoral climate tracers, namely industry, retail trade, con-

Fig. 1: Industrial turnover by components



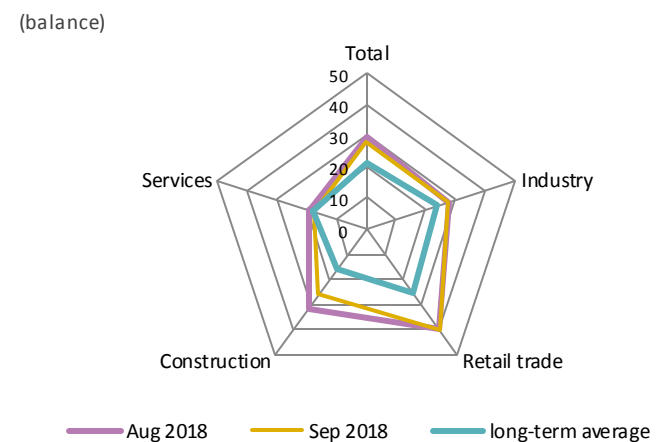
Source: NSI

Fig. 2: Construction production index



Source: NSI

Fig. 3: Business climate by sectors



Source: NSI

<sup>1</sup> Developments in the survey data over the third quarter are illustrated by the evolution of the climate tracer. 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"

struction and consumers, were in the downswing quadrant, while the services tracer was still in the expansion quadrant.

### LABOUR MARKET

The **registered unemployment** in September remained unchanged from its previous month level of 5.6%, due to the almost equal number of unemployment inflow and outflow (fig. 5). The outflow was only 116 people higher and resulted in a corresponding mom decrease in the number of unemployed to 183.8 thousand. The reported increase in the unemployment inflow was usual for September and had to do with the fall in seasonal activities in *tourism, trade, manufacturing, agriculture* and *construction*. Although labour demand (the number of jobs announced in the labour offices) weakened compared with August, the number of the occupied work places went up largely due to the increase in *education* with the start of the new school year. The overall number of people who found jobs in September increased to 18.3 thousand mainly in result of the higher number of those who started working on the primary labour market (12.6 thousand); however the number of persons who found employment without the mediation of the labour offices also had a positive contribution.

### INFLATION

**Consumer prices**, as measured by the HICP, declined by 0.3% in September on a month earlier, fully driven by lower prices of market services, down by 3.1% on average. Accommodation services and package holidays prices decreases by 17.1% and 14%, respectively, and had a cumulative negative contribution of 0.68 pps to the fall of the headline index. Fresh vegetables had a seasonal price increase of 7.7%, which offset a significant part of the negative contribution of services. Transport fuels prices went up by 1.4% and were the other HICP component with notable positive contribution to the main index. The latter dynamics can be linked to the resumed upward trend of crude oil prices in August and September, reflecting uncertainty

Fig 4: Climate tracer

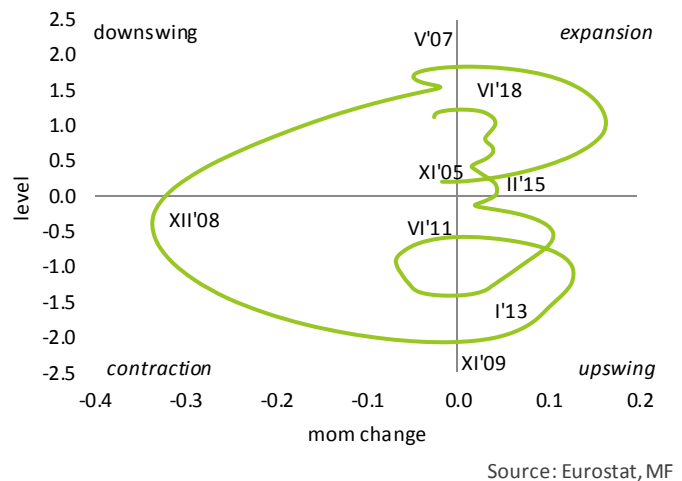


Fig. 5: Net flow and stock of unemployment

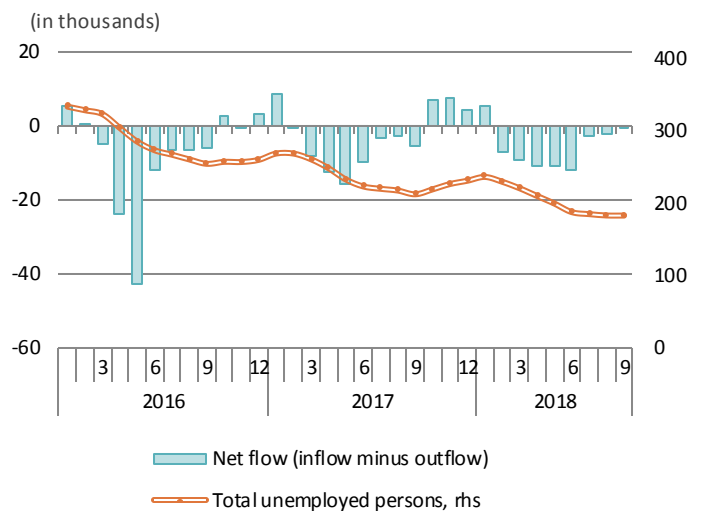
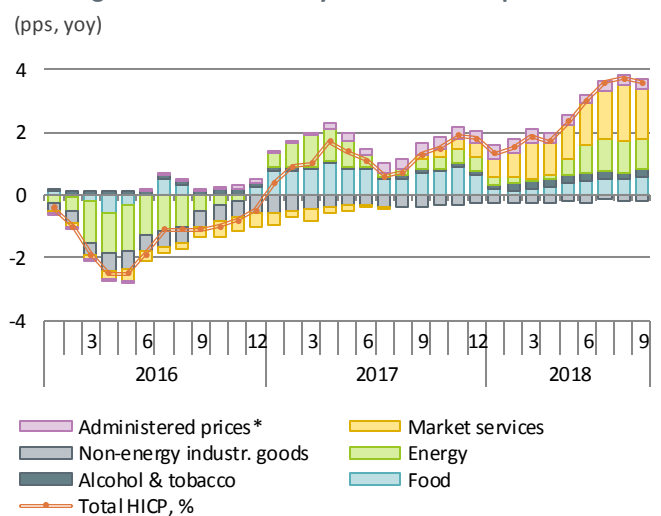


Fig. 6: Contributions by main HICP components



\* 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: NSI, MF

around global supply after it was announced that US sanctions towards Iranian export would come into force in November.

**Annual inflation** slightly slowed down to 3.6% in September, being 3.7% a month earlier (fig. 6). Market services were the main driver for the lower headline rate as the monthly decline in their average price led to a lower price increase in yoy terms (from 7.1% in August to 6.3% in September). The change in the annual inflation rate in services brought down the core inflation<sup>2</sup> as well and it reached 2.6%, down from 2.8% in August.

Despite slowing down from a peak in June, the yoy growth of Brent crude oil price continued and reached 46.1% in September (fig. 7). International food prices were little changed, while metals prices declined by 4.3% on a year earlier.

## EXTERNAL SECTOR

**Current account** reached a surplus of EUR 947.8 mln in July, the highest level in the year so far, but the balance lowered compared with the same month of 2017. Following the tendency, which started in November 2017, import of goods grew stronger than export, up by 22.2% and 4.9% yoy, respectively. The monthly trade balance came in negative compared with a surplus a year ago. The export of services continued to be led mainly by export of travel services, up by 5.3% yoy in July. Still the overall export increase (4.2% yoy) was outpaced by the rise in import (5.1% yoy). Travel and other services (technical, trade-related and other business services) had the highest contribution to the import dynamics. On the other hand, Incomes surplus improved on a year earlier in July, up by 30.7%. Lower investment payments to non-residents, higher income payments to Bulgarians working abroad and EU funds related transfers led the increase. In accumulated terms, **Current account** balance came in positive at EUR 933.7 mln or 1.7% of projected GDP in January-July, as the surplus lowered on a year earlier (fig. 8). Trade deficit worsened com-

Fig. 7: International prices of major commodity groups, in euro

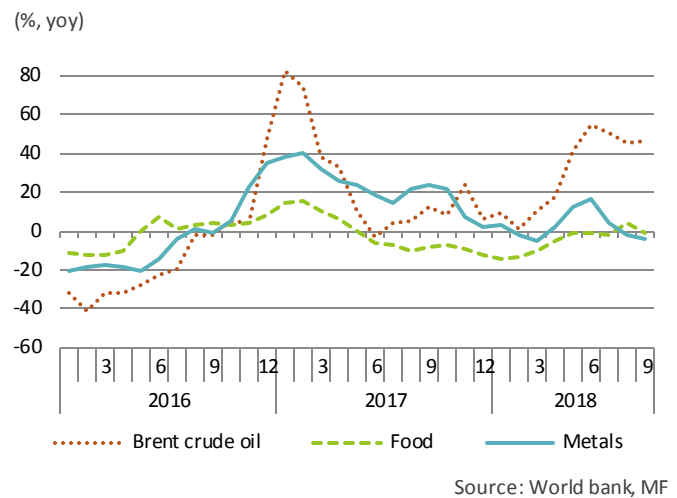


Fig.8: FDI, current and capital account (January-July)

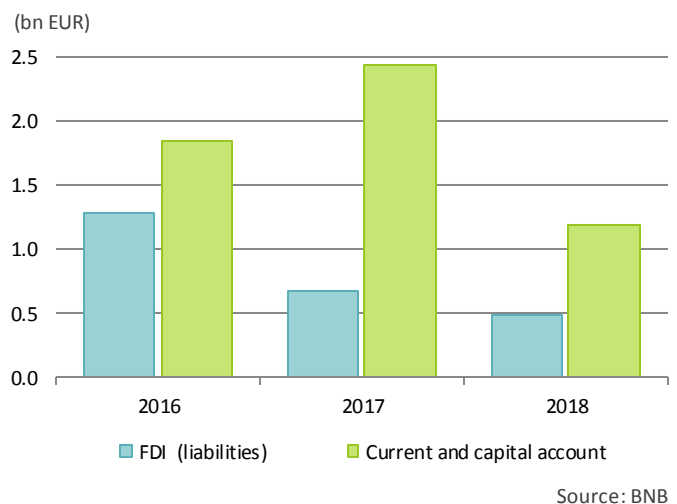
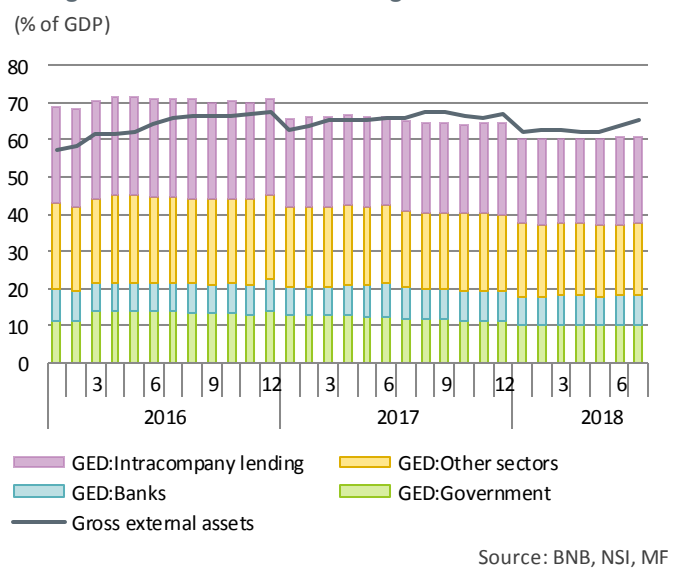


Fig. 9: Gross external debt and gross external assets



<sup>2</sup> The total HICP excluding energy and unprocessed food

pared to the seven months of the previous year and offset the increase in services surplus, while the overall balance on primary and secondary income remained unchanged as a ration to GDP.

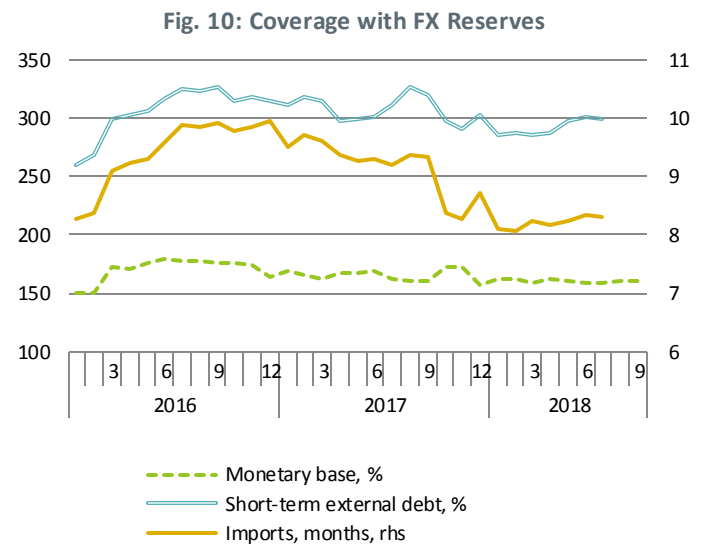
At end-July **Gross external debt** reached 60.9% of GDP and the ratio lowered on a year ago, but increased on a month earlier. All institutional sectors contributed to the improvement compared with July 2017, while slightly higher short-term banking and long-term firms' indebtedness led the increase in the ratio compared with end-June. **Net external debt** continued to indicate higher external assets than liabilities (fig. 9).

### FINANCIAL SECTOR

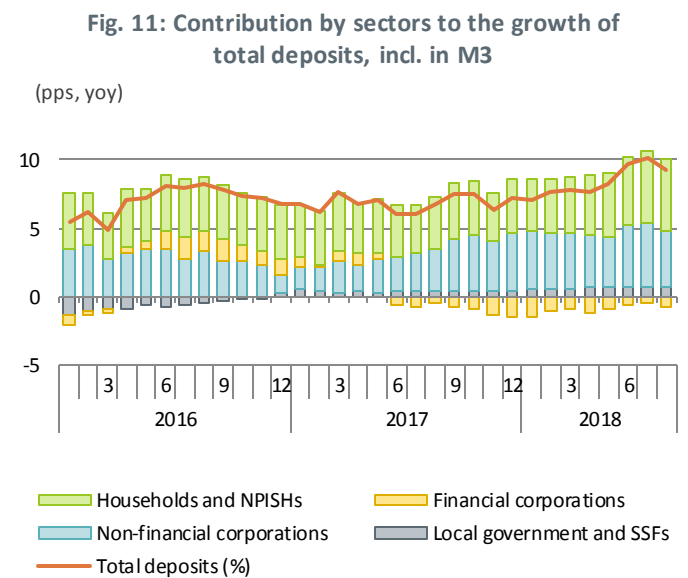
In September, **international reserves** reached EUR 24.5 bn, up by 2.4% on a month earlier. All components of BNB Issue department liabilities had a positive contribution to the monthly change except for the "Banking Department deposit", which decreased by 1.1% mom. Compared with the same period of the previous year reserves' level was marginally lower. Government deposit and Bank reserves decreased by 4% and 9.4% yoy, respectively, while currency in circulation increased by 10.4% yoy (fig. 10).

**Credit to the private sector** continued to accelerate in August, up by 7.6% yoy vs. 7.1% yoy a month earlier (fig. 12). Both credit to non-financial corporations and credit to households speeded up, reaching 4.2% yoy and 10.2% yoy, respectively. Regarding corporate credit, regular credits increased by 5.1% yoy, while bad and restructured ones kept decreasing, down by 2% yoy. Mortgages and consumer loans annual growth accelerated compared to end-July, up by 9.6% and 15.4% yoy, respectively. Other credits continued to decrease, down by 10.4% yoy.

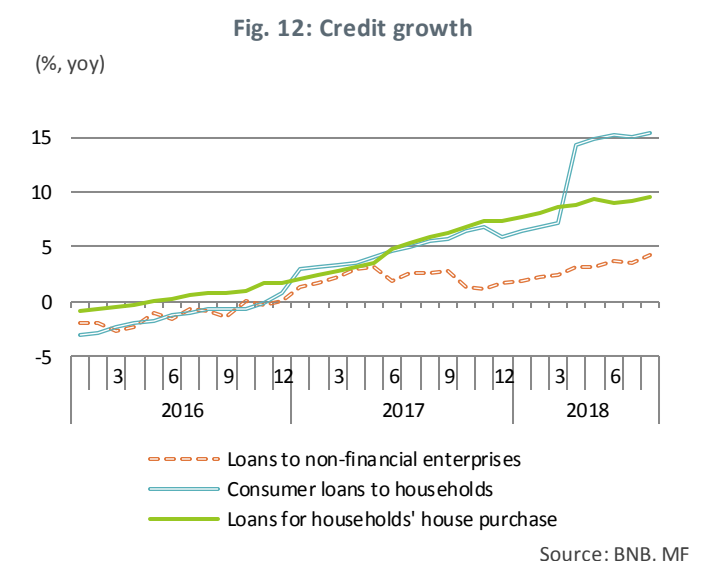
**Weighted interest rate on new credit** to non-financial corporations decreased by 82 bps in August due to credit denominated in EUR and BGN, while the weighted interest rate for new deals in USD was higher by 72 bps on a month earlier. The volume of new corporate credit in August went up by 21.3% compared to end-July and by 33.5% more compared to the



Source: BNB, MF



Source: BNB



Source: BNB, MF

same month of the previous year. The average price of new consumer loans and mortgages increased compared to end-July, up by 11 and 7 bps, respectively (table 1).

In August, **weighted interest rate on new time deposits** went down by 6 bps on a month earlier, supported by all currency segments (table 2). The average rates on time deposits of households and non-financial corporations decreased by 1 and 3 bps, respectively, compared to end-July. The total volume of new time deposits reached BGN 1.16 bn, up by 6.8% compared to August 2017.

### FISCAL DEVELOPMENTS

According to preliminary monthly data on a cash basis **the balance on the consolidated fiscal program** came positive for the first eight months of 2018, reaching BGN 2.4 bn (2.2% of projected GDP, up from 2.1% of GDP a year earlier). The surplus resulted from higher revenue over expenditure on national budget, while the EU funds account was negative.

**Total revenue** (including grants) amounted to BGN 26 bn, up by 11.6% on a year earlier (fig. 14). The increase was mainly due to higher tax revenue (up by 10% yoy), including social and health insurance contributions (up by 13.7% yoy) and indirect taxes (up 7.3% yoy). Among the latter, proceeds from VAT, excise and custom duties also increased, up by 8%, 5.3% and 26.5% yoy respectively. Direct tax revenue posted an increase of 11.9% compared to January-August 2017, while the non-tax revenue and grants rose by 15.8% and 29.5% yoy, respectively.

**Total government spending** remained lower than revenue, being BGN 23.6 bn as of August (up by 11.6% yoy). The growth came largely on account of higher current non-interest expenditure, including wage bill (up 11.5% yoy), current maintenance (8.5%) and subsidies (16.3%). Significant contributions had also capital expenditure (up by 53.6% yoy) and increased social payments (6.6% yoy) (fig. 15).

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

	August 2017	July 2018	August 2018
Non-financial companies	3.65	3.69	2.87
Consumer loans	8.06	8.74	8.85
Mortgages	3.94	3.41	3.47

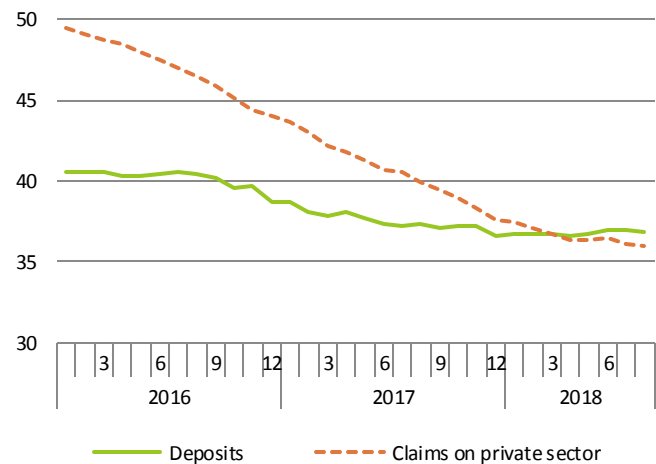
Source: BNB, MF

**Table 2: Weighted average interest rate on new time deposits of households and non-financial companies, in %**

	August 2017	July 2018	August 2018
BGN	0.21	0.19	0.16
EUR	0.19	0.23	0.20
USD	0.42	0.84	0.65

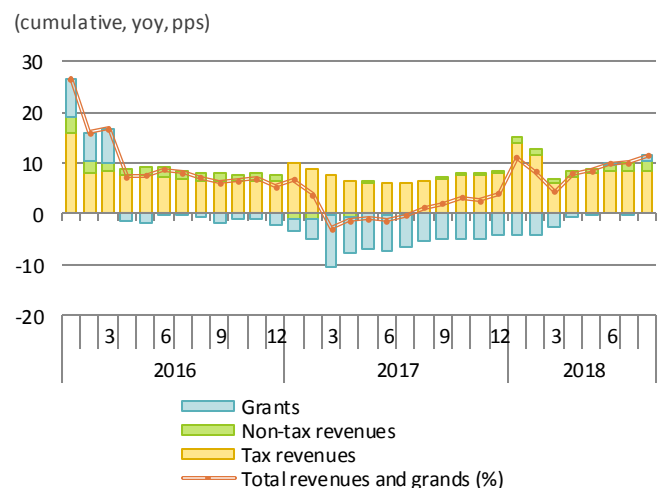
Source: BNB, MF

**Fig 13: Share of deposits and claims on private sector in FX**



Source: BNB, MF

**Fig. 14: Contribution to the growth of total revenues and grants**

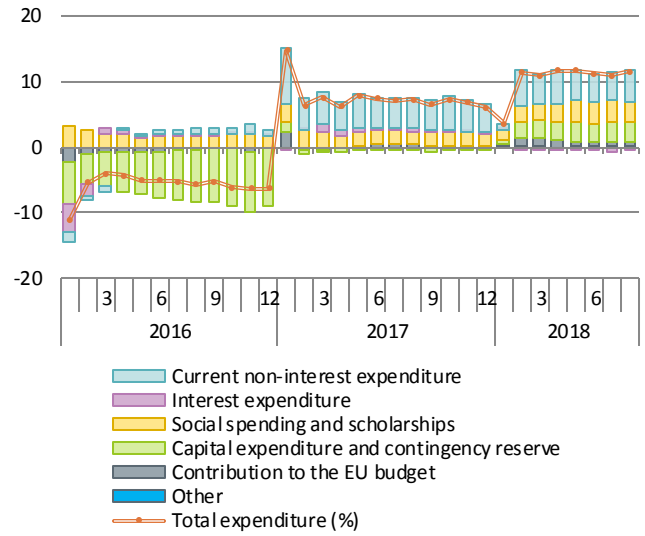


Source: MF

The **fiscal reserve** amounted to BGN 10.9 bn (10% of projected GDP) as of end-August, of which BGN 10.6 bn in bank deposits and BGN 0.3 bn – EU funds receivables on certified expenses. The fiscal reserve decreased by 6.6% yoy.

**General government debt**, incl. guaranteed debt, declined to BGN 24.2 bn (22.4% of projected GDP, being 25.2% of GDP a year earlier). Domestic and external debt stood at 5.2% and 15.4% of projected GDP respectively, down from 6.4% and 16.8% of GDP a year earlier. Government guaranteed debt-to-GDP ratio was 1.8% at end-August, down from 2% twelve months earlier.

**Fig. 15: Contribution to the growth of total expenditure**  
(cumulative, yoy, pps)



Source: MF



## KEY ECONOMIC INDICATORS

		Annual data			Quarterly data				Monthly data						
		2015	2016	2017	Q3'17	Q4'17	Q1'18	Q2'18	03'18	04'18	05'18	06'18	07'18	08'18	09'18
<b>— GDP<sup>1</sup></b>															
Gross Domestic Product	% , yoy	3.5	3.9	3.8	4.3	3.4	3.5	3.2	-	-	-	-	-	-	-
Consumption	% , yoy	3.8	3.3	4.3	4.0	4.7	6.1	7.7	-	-	-	-	-	-	-
Gross fixed capital formation	% , yoy	2.7	-6.6	3.2	0.5	5.6	10.9	7.0	-	-	-	-	-	-	-
Export	% , yoy	5.7	8.1	5.8	7.0	3.9	1.1	-2.3	-	-	-	-	-	-	-
Import	% , yoy	5.4	4.5	7.5	5.9	8.6	4.6	4.9	-	-	-	-	-	-	-
Agriculture	% , yoy	-6.8	5.3	8.9	9.0	10.1	-0.6	-2.0	-	-	-	-	-	-	-
Industry	% , yoy	3.5	4.0	4.1	4.3	1.6	2.6	0.4	-	-	-	-	-	-	-
Services	% , yoy	3.4	3.1	3.9	2.8	4.4	3.6	4.3	-	-	-	-	-	-	-
Adjustments	% , yoy	7.5	7.2	1.5	8.1	0.0	4.7	5.7	-	-	-	-	-	-	-
<b>— Short-term business statistics<sup>2</sup></b>															
Industrial production	% , yoy	2.9	2.7	3.4	3.5	1.6	1.6	1.2	0.1	0.8	0.5	2.1	2.4	2.3	-
Industrial turnover	% , yoy	1.7	1.1	9.3	10.8	6.7	4.3	4.7	2.7	3.8	3.3	6.8	4.8	2.4	-
Retail trade turnover	% , yoy	11.8	6.1	3.7	2.6	4.0	3.5	5.7	2.6	4.9	6.2	6.0	4.8	5.2	-
Construction output	% , yoy	11.2	-16.7	4.6	7.3	4.2	7.1	-0.5	-6.0	4.8	-0.5	-5.0	3.2	-1.1	-
Total business climate	balance	20.3	22.5	26.6	28.0	25.4	27.6	32.1	28.2	31.0	33.1	32.2	32.1	29.2	27.7
Industry	balance	22.9	23.5	26.9	27.8	25.7	28.3	30.4	28.2	28.9	30.3	31.8	29.6	27.7	27.6
Retail trade	balance	27.6	33.6	37.9	40.6	39.5	41.5	43.3	43.6	44.1	42.5	43.3	44.0	40.0	40.1
Construction	balance	15.2	17.9	24.6	27.9	22.2	21.9	33.3	23.9	29.0	37.1	33.7	35.3	31.5	25.7
Services	balance	12.7	13.8	16.7	15.8	13.8	17.8	23.2	17.0	24.1	25.0	20.5	21.8	19.0	17.3
<b>— Labour market</b>															
Participation rate (15+)	level	54.1	53.3	55.4	56.5	55.5	54.6	55.5	-	-	-	-	-	-	-
Employment rate (15+)	level	49.1	49.3	51.9	53.2	52.3	51.5	52.5	-	-	-	-	-	-	-
Employment (SNA)	% , yoy	0.4	0.5	1.8	2.7	2.4	1.2	0.2	-	-	-	-	-	-	-
Unemployment rate (LFS)	level	9.1	7.6	6.2	5.8	5.6	5.7	5.5	-	-	-	-	-	-	-
Unemployment rate (EA)	level	10.1	8.7	7.2	6.6	6.9	7.0	6.1	6.8	6.4	6.1	5.7	5.7	5.6	5.6
Nominal wage	% , yoy	6.8	8.0	11.8	10.7	11.4	7.1	8.2	6.9	8.1	7.3	9.0	-	-	-
Real wage <sup>3</sup>	% , yoy	8.0	9.5	10.5	9.7	9.5	5.4	5.7	4.9	6.3	4.9	5.8	-	-	-
Labour productivity (GDP per employed)	% , yoy	3.1	3.4	2.0	1.5	1.0	2.3	3.1	-	-	-	-	-	-	-
Real ULC (GDP)	% , yoy	0.2	0.1	4.8	6.8	7.1	0.5	-1.2	-	-	-	-	-	-	-
Nominal ULC (GDP)	% , yoy	2.5	2.3	8.4	10.2	10.9	3.3	2.3	-	-	-	-	-	-	-
<b>— Prices</b>															
National consumer price index (CPI)	% , yoy	-0.1	-0.8	2.1	1.6	2.7	2.0	2.6	2.2	2.0	2.6	3.2	3.5	3.5	3.6
Harmonized index of consumer prices (HICP)	% , yoy	-1.1	-1.3	1.2	0.9	1.7	1.6	2.3	1.9	1.7	2.3	3.0	3.6	3.7	3.6
PPI, domestic market	% , yoy	-1.6	-2.9	4.2	5.7	5.5	4.9	4.8	4.8	3.8	4.8	5.7	3.4	3.1	-
PPI, non-domestic market	% , yoy	-2.4	-3.5	6.0	4.7	4.6	0.6	5.7	0.3	1.6	7.1	8.3	6.8	5.0	-
<b>— Consolidated fiscal program (cumulative)</b>															
Revenues and grants	mln BGN	32 200	33 959	35 317	26 152	35 316	9 220	19 210	9 219	12 971	15 978	19 210	22 547	25 976	-
Total expenditure	mln BGN	34 685	32 491	34 471	23 732	34 471	8 628	17 497	8 626	11 652	14 557	17 496	20 533	23 588	-
Contribution to EU budget	mln BGN	946	859	888	677	888	308	576	308	390	457	576	654	738	-
Cash deficit (-) / surplus (+)	mln BGN	-2 485	1 468	846	2 420	846	592	1 713	593	1 319	1 422	1 714	2 015	2 388	-
	% of GDP	-2.8	1.6	0.8	2.4	0.8	0.5	1.6	0.5	1.2	1.3	1.6	1.9	2.2	-
Government debt (incl. guaranteed debt)	mln BGN	23 300	27 424	25 531	25 479	25 531	24 429	24 250	24 429	24 389	24 344	24 250	24 242	24 219	-
	% of GDP	26.3	29.1	25.9	25.2	25.3	22.6	22.4	22.6	22.6	22.5	22.4	22.4	22.4	-
Fiscal reserve	mln BGN	7 873	12 883	10 289	11 867	10 289	10 149	10 831	10 149	10 749	10 413	10 831	10 803	10 860	-
	% of GDP	8.9	13.7	10.4	11.7	10.2	9.4	10.0	9.4	9.9	9.6	10.0	10.0	10.0	-



		Annual data			Quarterly data				Monthly data						
		2015	2016	2017	Q3'17	Q4'17	Q1'18	Q2'18	03'18	04'18	05'18	06'18	07'18	08'18	09'18
<b>— Financial sector</b>															
BNB International reserves	mln EUR	20 285	23 899	23 662	24 551	23 662	22 606	23 510	22 606	22 518	22 825	23 510	23 731	23 960	24 540
Monetary base coverage	%	144.3	163.4	156.4	161.2	156.4	158.6	158.7	158.6	161.4	160.6	158.7	158.6	160.7	160.1
Coverage of import with FX reserves	months	8.5	10.0	8.7	9.3	8.7	8.2	8.4	8.2	8.2	8.2	8.4	8.3	-	-
Coverage of short-term external debt	%	267.5	315.7	304.6	321.1	304.6	287.0	301.1	285.5	288.1	298.4	301.1	300.3	-	-
Money M1 (Narrow money)	%, yoy	15.6	13.5	16.9	16.3	16.9	17.2	15.8	17.2	15.7	15.6	15.8	15.7	14.0	-
Money M3 (Broad money)	%, yoy	8.8	7.6	7.7	8.2	7.7	8.4	10.0	8.4	8.2	8.8	10.0	10.4	9.6	-
Deposits	%, yoy	8.2	6.7	7.2	7.5	7.2	7.8	9.6	7.8	7.7	8.3	9.6	10.2	9.3	-
Credit to private sector	%, yoy	-1.2	1.5	4.8	4.9	4.8	5.6	6.7	5.6	6.6	6.6	6.7	7.1	7.6	-
Credit to non-financial enterprises	%, yoy	-1.7	0.3	1.7	2.8	1.7	2.5	3.8	2.5	3.1	3.1	3.8	3.4	4.2	-
Credit to households	%, yoy	-1.3	2.0	6.0	6.0	6.0	6.3	9.2	6.3	9.1	8.9	9.2	10.0	10.2	-
Interest rate on credit <sup>4</sup>	%	7.0	5.8	4.3	4.6	4.3	4.6	4.8	4.6	4.6	4.9	4.7	4.9	4.4	-
Interest rate on deposits <sup>5</sup>	%	1.3	0.8	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	-
APRC <sup>6</sup> , consumer loans	%	11.5	11.0	10.2	10.2	10.8	10.0	10.3	9.7	10.7	10.0	10.2	10.9	11.1	-
APRC <sup>6</sup> , mortgages	%	6.4	5.5	4.4	4.3	4.2	4.1	3.9	4.0	3.9	3.8	4.0	3.9	4.0	-
Exchange rate BGN/USD	eop	1.79	1.86	1.63	1.66	1.63	1.59	1.68	1.59	1.62	1.67	1.68	1.67	1.68	1.69
	per. av.	1.76	1.77	1.74	1.67	1.66	1.59	1.64	1.59	1.59	1.66	1.67	1.67	1.69	1.68
<b>— Gross External Debt (GED)</b>															
Gross external debt	% of GDP	74.0	71.1	64.6	64.7	64.6	60.2	60.5	60.2	60.1	60.1	60.5	60.9	-	-
Short-term external debt	% of GED	22.6	22.1	23.4	23.0	23.4	23.8	23.3	23.8	23.5	23.0	23.3	23.5	-	-
Intercompany lending	% of GED	37.8	36.2	38.1	37.3	38.1	38.0	38.4	38.0	37.8	38.3	38.4	38.0	-	-
<b>— Balance of payments<sup>7</sup></b>															
Current account	mln EUR	-15	1 244	3 368	2 630	-229	-130	116	-73	-112	-11	238	948	-	-
Current account (moving average)	% of GDP	0.0	2.6	6.5	6.2	6.5	5.7	4.5	5.4	5.3	4.8	4.3	3.9	-	-
Trade balance	mln EUR	-2 622	-984	-766	231	-572	-804	-853	-220	-261	-286	-306	-215	-	-
Trade balance (moving average)	% of GDP	-5.8	-2.0	-1.5	-1.1	-1.5	-2.5	-3.8	-2.4	-2.5	-3.0	-3.6	-4.3	-	-
Export, f.o.b.	mln EUR	21 919	23 104	26 950	7 017	7 032	6 119	6 505	2 187	2 074	2 142	2 290	2 510	-	-
	%, yoy	4.2	5.4	16.6	15.4	11.7	-2.3	-2.0	-5.9	3.9	-6.1	-3.0	4.9	-	-
Import, f.o.b.	mln EUR	18 678	24 088	27 716	6 786	7 604	6 923	7 358	2 408	2 335	2 427	2 596	2 725	-	-
	%, yoy	-21.5	29.0	15.1	10.7	14.0	6.2	8.1	-3.3	6.8	4.9	12.5	22.2	-	-
Capital account	mln EUR	1 422	1 071	530	144	191	2	193	3	66	35	92	63	-	-
Financial account	mln EUR	-650	-266	2 260	1 382	876	1 445	-442	-289	119	86	-648	628	-	-
Net Foreign Direct Investments	mln EUR	-2 241	-266	-1 079	-102	-557	53	-103	259	40	-30	-113	109	-	-
Net Portfolio Investments	mln EUR	1 145	-75	1 291	207	752	404	-284	6	-255	-28	0	33	-	-
Other Investments – net	mln EUR	-4 604	1 735	631	113	282	1 342	-388	-227	239	-500	-128	866	-	-
Change in BNB reserve assets	mln EUR	3 730	3 467	-99	597	-869	-1 035	892	399	-101	260	733	288	-	-

## Notes:

Ratios to GDP are calculated using GDP data as follows: for 2015 - BGN 88 575.2 mln, for 2016 - BGN 94 130.0 mln, for 2017 - BGN 101 042.5 mln and MF projections for 2018 - BGN 108 141.0 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 credit 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. Annual Percentage Rate of Charge on new loans to households by original maturity, weighted by currency and maturity;
7. Analytical presentation (BPM6).

This issue of the Monthly Report on Bulgarian Economy is based on materials and statistical data received up to October 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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