

# BULGARIAN ECONOMY

## Monthly Report

5/2019

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

### Main topics:

- » Gross Domestic Product
- » Short-term Business Statistics
- » Labour Market and Productivity
- » Inflation
- » External Sector
- » Financial Sector
- » Fiscal Developments
- » Tabl. Key Economic Indicators

Based on statistical data published up to June 17, 2019

ISSN 2367-5020

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Economic and Financial Policy Directorate

102, Rakovski Str.,  
1000 Sofia, Bulgaria  
<http://www.minfin.bg/en/page/542>  
E-mail: [secretary.evp@minfin.bg](mailto:secretary.evp@minfin.bg)

## Highlights

According to preliminary data, **Bulgaria's gross domestic product** increased by 4.8% yoy (not s.a.) in Q1 2019, up from 3% in Q4 2018. The increase was driven by both export and public consumption, up by 6.9% and 8.3%, respectively.

As regards **short-term business statistics**, growth in industrial production and sales as well as in construction speeded up in April. Meanwhile the mixed performance in retail trade continued as the retail sales edged down on a year earlier. In May, the overall **business climate** indicator increased due to better assessments in construction and retail trade. The **consumer confidence** indicator also performed better than a month ago, due to favourable households' expectations for the financial situation and the general economic situation in the country.

**Employment** returned to growth in Q1 2019, supported by higher labour demand in industry and services. The country's average wage totalled BGN 1208 in Q1 and speeded up by a real 9.4% yoy. **Real productivity growth** reached 2.8% yoy following a strong acceleration in manufacturing productivity. In May, registered **unemployment** continued to decrease and reached a current historical low of 5.3%.

The **annual inflation rate** slowed down to 2.9% in May due to slower increase in energy and services prices. The **core inflation** remained unchanged at 2.6% yoy.

In March, the **current account balance** came in positive and the accumulated surplus in January-March increased to 1.1% of projected GDP compared to a balanced position in Q1 2018. **Gross external debt** stood at 57.2% of projected GDP and also improved on a year earlier.

In an environment of low interest rates, rising incomes and low unemployment, private sector credit continued to increase at a robust rate of 6.9% yoy in April. Loans to households went up by 7.9% yoy, while corporate credit grew by 4.8%.

According to monthly data on a cash basis, the **budget balance on the consolidated fiscal programme** for the first four months of 2019 was positive at 2.3% of projected GDP. The surplus resulted from higher revenue over expenditure on the national budget (2.2% of GDP), together with a surplus on the EU funds account (0.1% of GDP). ■

## GROSS DOMESTIC PRODUCT

**Bulgaria's Gross Domestic Product (GDP) growth accelerated** to 4.8% yoy (not s.a.) in Q1 2019 from 3% in Q4 2018. The increase largely reflected higher positive contributions from net exports and public consumption (fig. 1). Export growth reached 6.9% due to recovery in trade with third countries. The higher expenditures for wages and salaries led to an increase in public consumption of 8.3%. At the same time, the pace of growth in household consumption was close to the one in Q4 (2.5%). This was attributable to the consumer confidence, which deteriorated in Q4 2018 and remained broadly unchanged in Q1 2019 (fig. 2). Fixed investments edged up 0.6%, restricted by the high base in Q1 2018.

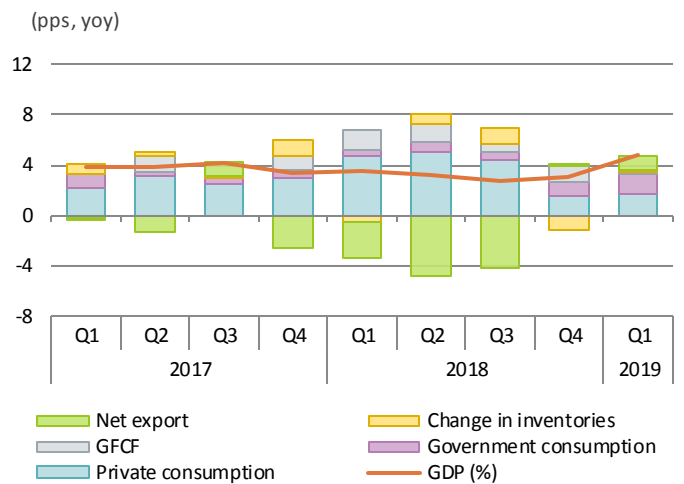
On the supply side, **Gross Value Added (GVA) increased** by 2.9% yoy in Q1 (fig. 3). Growth in industry excl. construction reached 3% owing to the recovery in export. Services were up by 3.2% with the highest contributions coming from *public administration, and trade; transportation; accommodation* as well as *real estate activities*. The value added in construction decreased by 1.9% yoy.

## SHORT-TERM BUSINESS STATISTICS

In April, growth in **industrial production and turnover** accelerated compared to a month earlier, as a result of the stronger performance in both domestic and foreign industrial sales (fig. 4). Domestic turnover went up by 8.4% yoy supported by *manufacture of food products* as well as *electricity, gas, steam and air conditioning supply*. The latter reported an increase for the first time since the beginning of the year. Meanwhile, foreign turnover rose by 13.6% yoy with *energy products* having the major contribution to the reported growth.

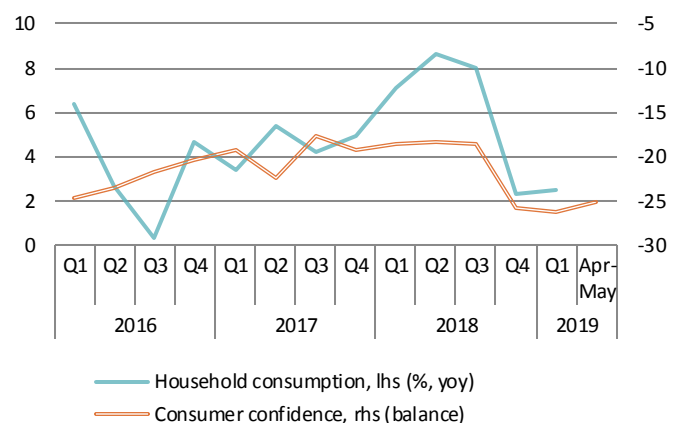
**Construction production index** also followed an upward trend in April (fig. 5). As in the previous months, the growth was mainly driven by *building construction*, up by 13.7% yoy. However, *civil engineering* had positive contribution as well, rising by 1.4% yoy compared to a reported decline in March.

Fig. 1: Contributions to GDP growth



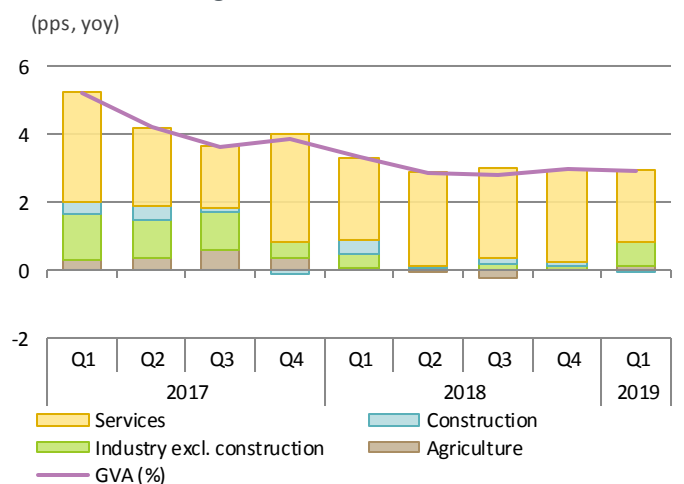
Source: NSI

Fig. 2: Consumer confidence and household consumption (% yoy)



Source: NSI

Fig. 3: Contributions to GVA



Source: NSI

Meanwhile, **retail trade** decreased by 0.2% yoy due to a decline in *retail sales of medical and orthopaedic goods, sales of textiles, clothing, footwear and leather goods, and retail trade of food, beverages and tobacco*. The other sectors continued to report an increase; however, the pace of growth decelerated compared the one reported in the previous month.

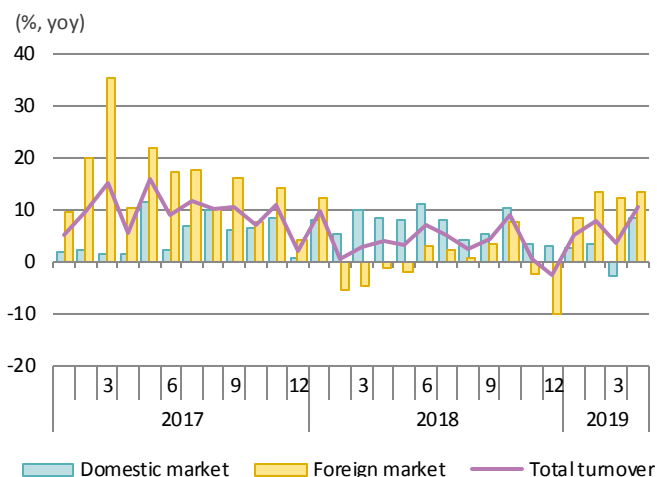
In May, the **overall business climate indicator** increased due to better assessments in *construction and retail trade* (fig. 6 and 7). The business climate in *construction* recorded a solid improvement of 7 points due to more favourable assessments of the current situation and optimistic expectations. At the same time, the number of respondents who reported problems with shortage of labour reached 51.9%, the highest level ever. In *retail trade* the volume of sales in the last three months increased but the sales expectations were more reserved on a month earlier. The business climate in *industry* remained broadly stable as the worsened appraisals of the present business situation were counterbalanced by better assessment of the expected business situation. Expectations in *services* also improved despite worsened assessments of the current situation.

The **consumer confidence indicator** increased by 1.6 points in May due to households' improved expectations about the general economic situation, as well as more optimistic views on their past and future financial situation.

## LABOUR MARKET AND PRODUCTIVITY

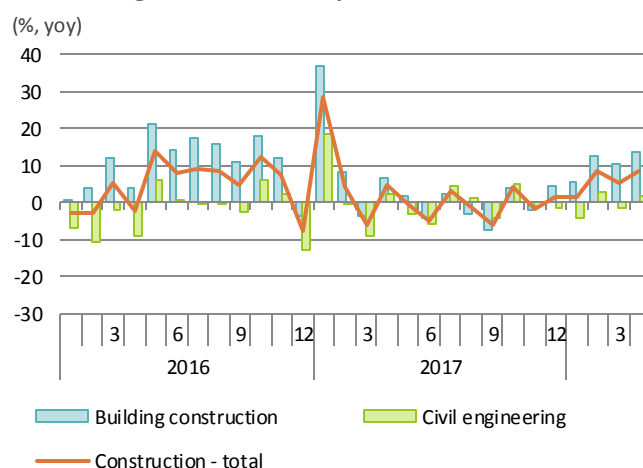
In Q1 2019 the **number of employed** (ESA 2010) edged up by 0.1% yoy after the decrease in the second half of 2018. The recovery was supported by all economic sectors, with larger positive contributions from *industry and services* and smaller negative contribution from *agriculture* (fig. 8). The agricultural sector was among the few ones with a decrease in real GVA and this resulted in a drop in employment of 5%. Real GVA in *construction* also declined but this did not curb the employment performance and the latter increased by 5.5% yoy. Although the economic activity in *manufacturing* strengthened and the export performance strongly improved, em-

Fig. 4: Industrial turnover by components



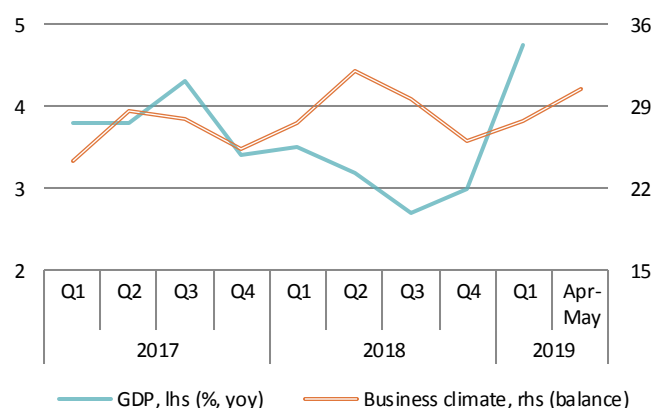
Source: NSI

Fig. 5: Construction production index



Source: NSI

Fig. 6: Business climate and Gross domestic product



Source: NSI, MF

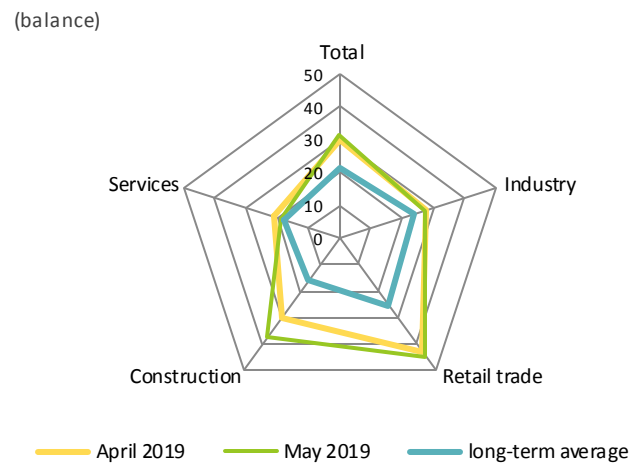
ployment in *industry excl. construction* continued to decrease following the inertia in the second half of 2018. At the same time, the employment in *services* gained momentum, up by 1.3%, as the strongest positive contribution came from *trade, transport and hotels and restaurants*, and *information and communication activities*. The overall employment growth was slower than in Q1 2018 due to both *services* and *industry*. Given the high level of labour demand, the latter might be due to limitations from the labour supply.

In May the **registered unemployment** rate continued to decrease and reached a current historical low of 5.3%. The negative net unemployment flow declined on a month earlier to about 9 thousand people, as the number of persons who found jobs also lowered, down by 8% compared to April (fig. 9). The latter was driven mainly by the lower number of people who started working on the primary labour market which is usual and related to the already taken jobs before the start of the new active summer season.

In Q1 2019 the growth in **GVA per employed** accelerated to 2.8% yoy in real terms, up from 2.1% yoy a year earlier. The recent favourable productivity development was supported by the increase in real GVA in *manufacturing* and *services* (fig. 10). Labour productivity accelerated the most in *manufacturing*, up by 3.4% yoy, as the upward GVA trend coupled with a decrease in employment of 0.4% yoy. Productivity growth in *services* also speeded up on a year earlier, to 1.8% yoy from 1% in Q1 2018, but remained lower than the previous quarter, due to the increased labour demand in the sector. Productivity in *agriculture* kept increasing as well, driven by the reported drop in employment 5% yoy. In *construction*, given the negative GVA dynamics, the strong employment growth resulted in a significant productivity decrease of 7% yoy.

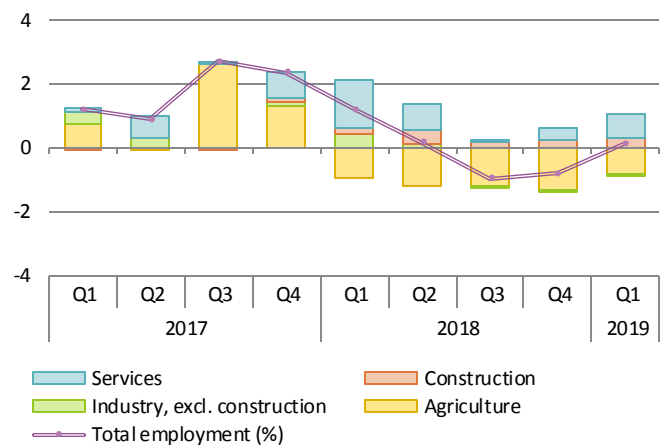
In Q1 2019 the increase in **compensation per employee** accelerated to 11.2% yoy, up from 5.7% in the Q1 2018. This was primarily due to a positive base effect in the *services* sector, as the compensation per employee in predominant part of the economic activities decreased in the previous year (fig. 11). At the same time, the negative employment dynamics in *industry excl. construction* were accom-

Fig. 7: Business climate by sectors



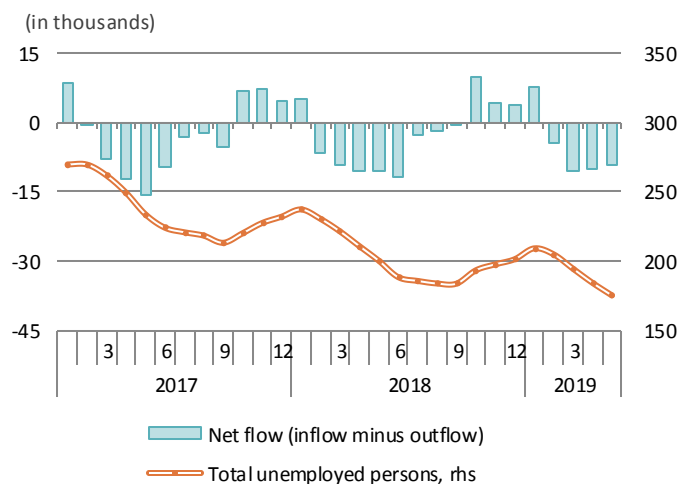
Source: NSI

Fig. 8: Employment dynamics and contribution by sectors (pps, yoy)



Source: NSI

Fig. 9: Net flow and stock of unemployment



Source: EA

panied by a narrower compensation per employee increase of 6.6% yoy which resulted in reducing the nominal unit labour costs (NULC) growth to 3.1%. Thus, the reported increase in NULC for the whole economy of 6.3% in Q1 2019 reflected particularly the developments in services, while the competitiveness improvement in the export-oriented activities was evidenced by the rise in the industrial production and exports of goods.

## INFLATION

In May, **consumer prices** as measured by the Harmonised index of consumer prices (HICP) went up by 0.2% on a month earlier. Prices of energy goods increased by 1.2% mom (incl. liquid fuels up by 2.5%), foods - by 0.3%, while prices of non-energy industrial goods remained at the same level, and those of services edged down by 0.3% mom. The rise in liquid fuels' prices was due to the residual effect of the higher crude oil prices in April, which also affected the energy producer prices. The drop in services prices reflected the seasonal decline in international airfares.

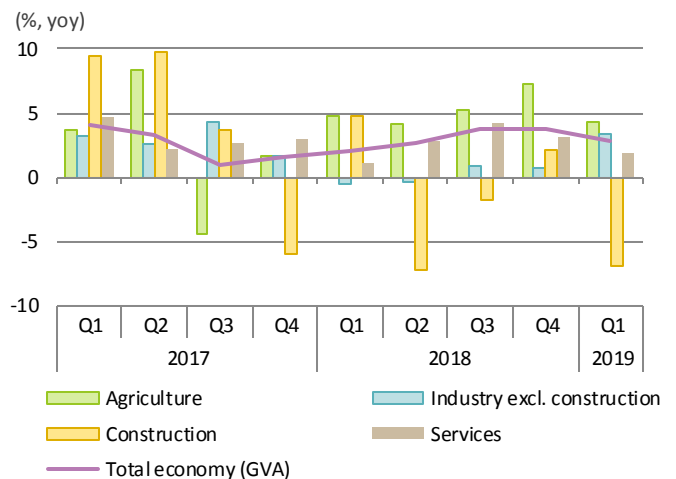
The **annual inflation** slowed down to 2.9% yoy in May compared to 3.1% yoy in April (fig. 12). Food prices, up by 5.3%, and energy prices, up by 3.9%, contributed 1.2 and 0.5 pps. to the increase in the headline rate. The euro depreciation since the beginning of the year supported the price increase in imported goods and raw materials. Services prices went up by 3.3% yoy and had a positive contribution of 1.1 pps.

**Core inflation**<sup>1</sup> in May stood at 2.6% yoy remaining unchanged from April (fig. 13).

## EXTERNAL SECTOR

**Current account** balance remained positive and in March posted a surplus of EUR 155.5 mln. Export of goods had a strong performance, growing by 9.5% yoy, while import increased at a more moderate pace of 2.7% yoy. The positive development in export was driven by the increase in trade with third

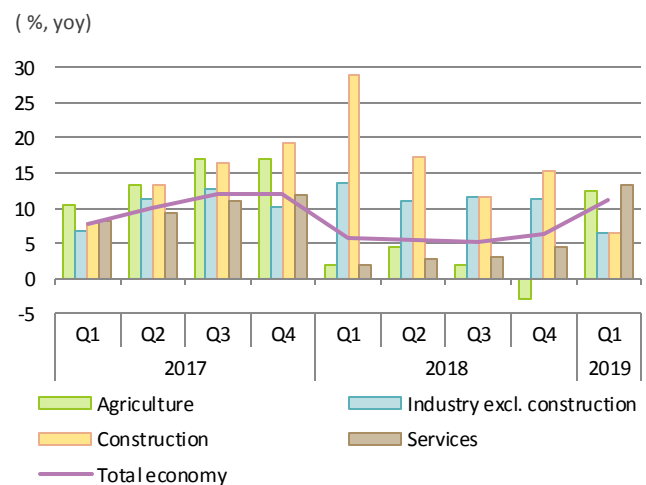
**Fig. 10: Real productivity growth by economic sectors\***



\* GVA in services includes imputed rent

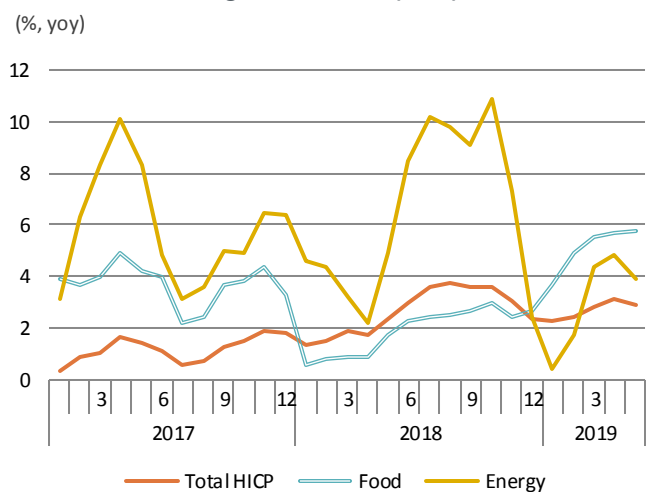
Source: NSI, MF

**Fig. 11: Compensation per employee dynamics by economic sectors**



Source: NSI

**Fig. 12: Inflation (HICP)**



Source: NSI

<sup>1</sup> Total HICP excluding energy and unprocessed food

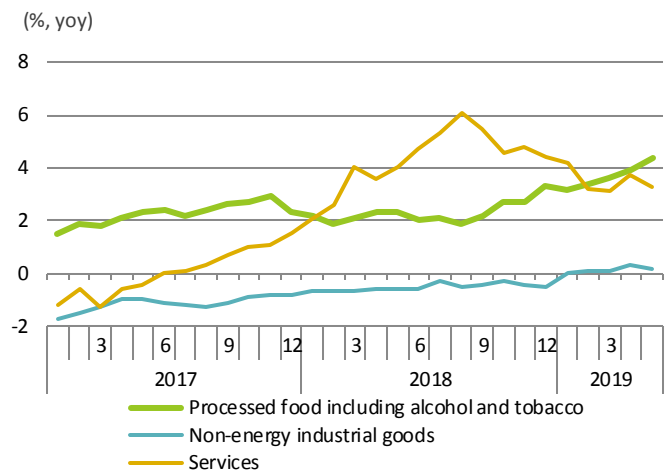
countries while export growth to EU member states slowed down from a month earlier (fig. 14). As a result of the strong export performance since the beginning of the year, trade deficit shrank to 0.4% of projected GDP compared with 1.1% in Q1 2018. As regards trade in services, both export and import decreased in March, down by 4.1% yoy and 1.2% yoy, respectively, due to a decline in manufacturing services with input owned by others and transport services. Still, the accumulated surplus in January-March remained almost unchanged on a year earlier. The overall surplus on income articles improved by 0.4 pps to 1% of projected GDP in Q1. The total surplus on the current account increased to 1.1% of projected GDP compared with a balanced position in January-March 2018. **Capital account** surplus also improved on a year earlier, up to 0.4% of projected GDP for the three-month period.

**Gross external debt (GED)** edged down to 57.2% of projected GDP as at end-March. In nominal terms GED was slightly higher than a year ago, up by 0.3% yoy. In Q1, about 85.8% of the GED was denominated in euro, another 9.8% - in US dollars and 4.3% in other currencies (fig. 15). Although the overall structure has not changed significantly from a year earlier, among the institutional sectors some shifts could be observed in the private banks indebtedness and foreign investment related debt. In the former group, the US dollars denominated debt decreased by 1.8 pps yoy to a share of 11%. Meanwhile, the US denominated intercompany debt increased by 0.9 pps to 13.1% of the foreign investment related debt.

## FINANCIAL SECTOR

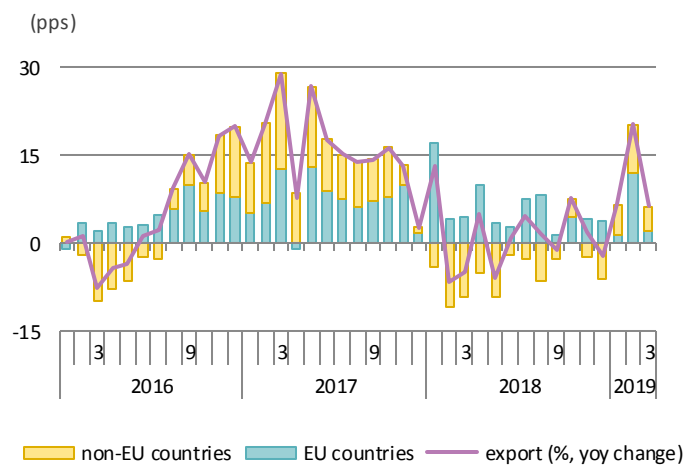
In an environment of low interest rates, rising incomes and low unemployment, **private sector credit** continued to increase at a robust rate of 6.9% yoy in April. The pace was a bit slower than a month earlier, as both household and corporate credit growth decelerated in the month (fig. 16). Loans to households, up by 7.9% yoy in April, were affected by the depletion of a one-off effect in consumer loans<sup>2</sup>. Nevertheless the growth in the latter remained high at 10.9% yoy. "Other credits" component continued

Fig. 13: Core inflation main components



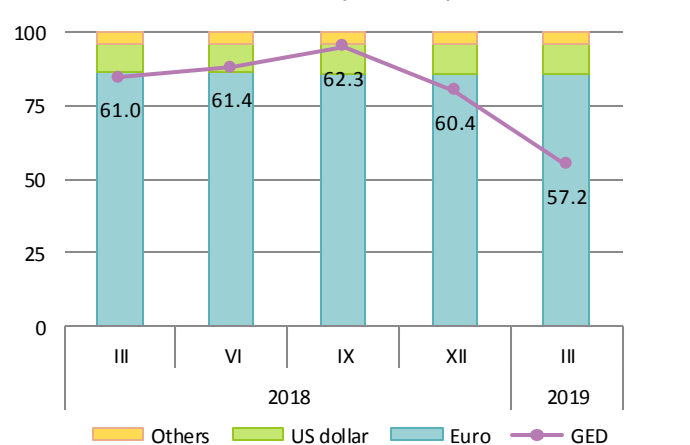
Source: NSI, Eurostat

Fig. 14: Export growth, contributions by regions



Source: BNB

Fig. 15: Gross external debt (% of GDP) and currency structure (% of GED)



Source: BNB, NSI, MF

<sup>2</sup> In April 2018 a new reporting entity was included in the monetary statistics due to a reclassification as a result of a merger.

to contribute negatively to the overall household credit dynamics, as its decrease speeded up to 39.1% yoy in April. Meanwhile, loans for house purchases expanded by 11.8% yoy in April vs 11.5% at end-March, in line with rising construction production. Regarding corporate credit, growth slowed down to 4.8% yoy, due to the continued decrease in bad and restructured loans in the segment, down by 13.5% yoy, and slower increase in overdraft and all regular credit groups, except for deals up to 1 year. Bad and restructured loans continued to decline both as a level and a share in total credit to non-financial corporations and households and at end-April reached 10.4% vs. 12.5% a year ago.

### FISCAL DEVELOPMENTS

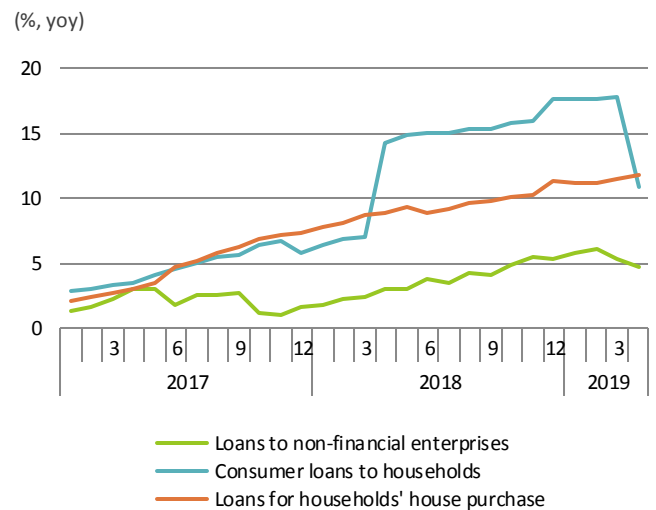
In April, the **accumulated surplus** on the Consolidated Fiscal Program strengthened further to 2.3% of projected GDP (compared with 1.2% a year earlier). According to monthly data on a cash basis, revenue exceeded expenditure both on the national budget and on the EU funds account.

**Total receipts** increased by 17% yoy. The growth was mostly attributable to higher tax revenue, up by 10% yoy (fig. 17). Indirect taxation was the main driver within taxes, as VAT proceeds rose by 12.3%. Social and health insurance contributions (nearly 30% of tax revenue) also supported the increase, up by 11.1%. Non-tax receipts, with a share of 16%, went up by 42.4%. Grants on EU programs (5% of overall government revenue) more than doubled.

**Budget outlays** up by 7.1% yoy, reached 28.1% of the full-year plan (fig. 18). The main drivers of the higher public spending were wage bill, up by 14% yoy, social expenditures, up by 4.1% yoy, and EU budget instalment, up by 37.5% yoy. The capital expenditures posted an increase of 4%, while subsidies were up by 5.2% yoy.

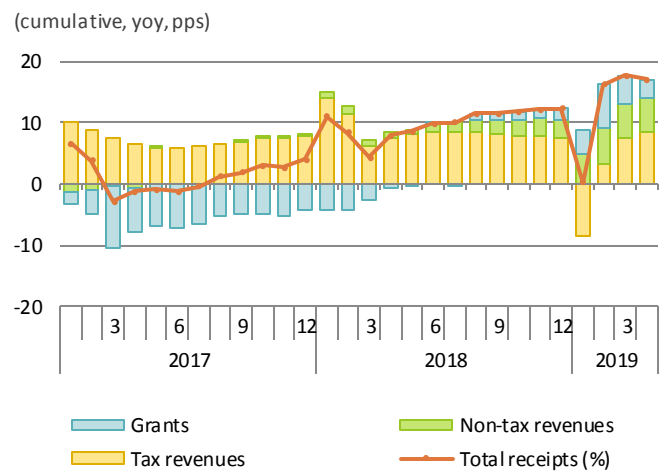
**Total government and guaranteed debt** was little changed from February and March at 19.9% of GDP, of which 14.4% external, 3.9% domestic and 1.6% guaranteed debt. ■

Fig. 16: Credit growth



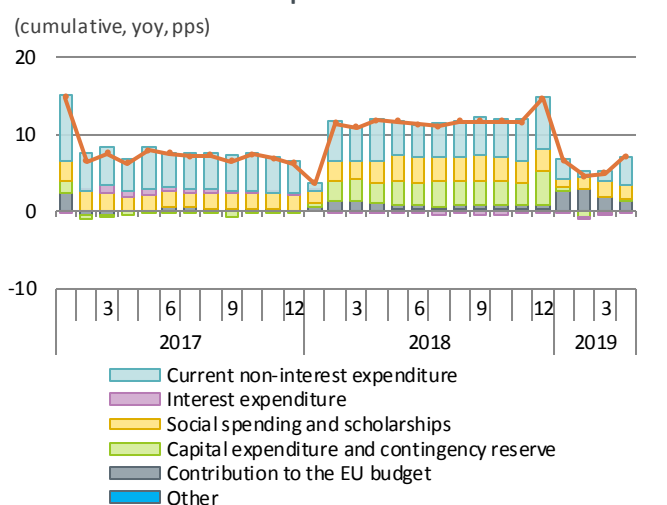
Source: BNB, MF

Fig. 17: Contribution to the dynamics of total cash budget receipts



Source: MF

Fig. 18: Contribution to the dynamics of total cash budget expenditure



Source: MF



## KEY ECONOMIC INDICATORS

		Annual data			Quarterly data				Monthly data						
		2016	2017	2018	Q2'18	Q3'18	Q4'18	Q1'19	11'18	12'18	01'19	02'19	03'19	04'19	05'19
<b>— GDP<sup>1</sup></b>															
Gross Domestic Product	% , yoy	3.9	3.8	3.1	3.2	2.7	3.0	4.8	-	-	-	-	-	-	-
Consumption	% , yoy	3.3	4.3	6.0	7.7	7.5	3.4	3.8	-	-	-	-	-	-	-
Gross fixed capital formation	% , yoy	-6.6	3.2	6.5	7.0	3.0	6.7	0.6	-	-	-	-	-	-	-
Export	% , yoy	8.1	5.8	-0.8	-2.3	-3.2	2.2	6.9	-	-	-	-	-	-	-
Import	% , yoy	4.5	7.5	3.7	4.9	3.8	1.6	4.8	-	-	-	-	-	-	-
Agriculture	% , yoy	5.3	8.9	-1.1	-2.0	-0.8	-1.1	-1.0	-	-	-	-	-	-	-
Industry excl. Construction	% , yoy	5.9	4.0	0.8	0.4	0.9	0.3	3.0	-	-	-	-	-	-	-
Construction	% , yoy	-6.8	4.4	4.0	0.7	2.1	6.6	-1.9	-	-	-	-	-	-	-
Services	% , yoy	3.1	3.9	4.0	4.3	4.3	3.8	3.2	-	-	-	-	-	-	-
Adjustments	% , yoy	7.2	1.5	3.8	5.7	2.0	3.1	17.3	-	-	-	-	-	-	-
<b>— Short-term business statistics<sup>2</sup></b>															
Industrial production	% , yoy	2.7	3.4	1.1	1.4	1.1	0.2	3.5	1.9	-4.0	2.6	6.9	1.2	-	-
Industrial turnover	% , yoy	1.1	9.3	3.8	4.8	4.0	2.2	5.4	0.7	-2.5	5.1	7.7	3.7	-	-
Retail trade turnover	% , yoy	6.1	5.4	4.5	5.4	4.2	4.9	1.2	6.7	2.9	3.2	-0.1	0.6	-	-
Construction output	% , yoy	-16.7	4.6	1.6	-0.5	-1.2	1.3	4.9	-1.7	1.6	1.3	8.4	5.1	-	-
Total business climate	balance	22.5	26.6	28.8	32.1	29.6	26.1	27.8	26.4	25.9	27.8	27.7	28.0	29.9	31.2
Industry	balance	23.5	26.9	28.1	30.4	28.3	25.5	26.7	27.0	24.3	28.4	26.1	25.7	27.7	27.5
Retail trade	balance	33.6	37.9	41.4	43.3	41.4	39.3	40.7	38.6	41.8	40.1	39.7	42.3	42.7	44.8
Construction	balance	17.9	24.6	28.3	33.3	30.9	27.0	28.5	26.1	26.5	27.7	29.0	29.0	30.3	37.2
Services	balance	13.8	16.7	18.3	23.2	19.3	13.0	16.5	13.2	13.0	14.2	17.6	17.5	20.9	18.7
Consumer confidence	balance	-22.5	-19.6	-20.3	-18.3	-18.7	-25.8	-26.3	-27.9	-26.2	-26.8	-26.7	-25.3	-26	-24.4
<b>— Labour market</b>															
Participation rate (15+)	level	53.3	55.4	55.3	55.5	56.1	55.0	55.5	-	-	-	-	-	-	-
Employment rate (15+)	level	49.3	51.9	52.4	52.5	53.3	52.5	52.7	-	-	-	-	-	-	-
Employment (SNA)	% , yoy	0.5	1.8	-0.1	0.2	-0.9	-0.8	0.1	-	-	-	-	-	-	-
Unemployment rate (LFS)	level	7.6	6.2	5.2	5.5	5.0	4.7	5.0	-	-	-	-	-	-	-
Unemployment rate (EA)	level	8.7	7.2	6.2	6.1	5.6	6.0	6.2	6.0	6.1	6.4	6.2	5.9	5.6	5.3
Nominal wage	% , yoy	8.0	9.4	9.4	8.2	7.7	6.9	12.2	6.8	7.3	10.9	12.9	12.6	-	-
Real wage <sup>3</sup>	% , yoy	9.5	8.1	6.6	5.7	3.9	3.8	9.4	3.6	4.9	8.4	10.2	9.6	-	-
Labour productivity (GDP per employed)	% , yoy	3.4	2.0	3.2	3.1	3.7	3.8	4.6	-	-	-	-	-	-	-
Real ULC (GDP)	% , yoy	0.1	4.8	-1.2	-1.2	-3.9	-0.1	-0.7	-	-	-	-	-	-	-
Nominal ULC (GDP)	% , yoy	2.3	8.4	2.4	2.3	1.4	2.4	6.3	-	-	-	-	-	-	-
<b>— Prices</b>															
National consumer price index (CPI)	% , yoy	-0.8	2.1	2.8	2.6	3.5	3.1	3.3	3.1	2.7	3.0	3.2	3.6	3.7	3.5
Harmonized index of consumer prices (HICP)	% , yoy	-1.3	1.2	2.6	2.4	3.6	3.0	2.5	3.0	2.3	2.3	2.4	2.8	3.1	2.9
PPI, domestic market	% , yoy	-2.9	4.2	4.1	4.8	3.2	3.4	3.2	3.5	2.9	2.1	4.1	4.1	4.0	-
PPI, non-domestic market	% , yoy	-3.5	6.0	3.9	5.7	5.4	3.8	3.4	3.4	2.4	0.6	3.5	5.5	4.7	-
<b>— Consolidated fiscal program (cumulative)</b>															
Revenues and grants	mIn BGN	33 959	35 317	39 651	19 210	29 164	39 651	10 858	35 810	39 646	3 718	7 220	10 858	15 176	-
Total expenditure	mIn BGN	32 491	34 471	39 516	17 497	26 501	39 516	9 054	32 913	39 509	2 712	5 706	9 051	12 476	-
Contribution to EU budget	mIn BGN	859	888	1 083	576	823	1 083	466	994	1 083	149	372	466	537	-
Cash deficit (-) / surplus (+)	mIn BGN	1 468	846	135	1 713	2 663	135	1 804	2 897	137	1 006	1 513	1 807	2 700	-
	% of GDP	1.6	0.8	0.1	1.6	2.5	0.1	1.6	2.7	0.1	0.9	1.3	1.6	2.3	-
Government debt (incl. guaranteed debt)	mIn BGN	27 424	25 531	23 942	24 250	24 153	23 942	22 966	23 980	23 942	23 197	22 985	22 966	22 935	-
	% of GDP	29.1	25.3	22.2	22.5	22.4	22.2	19.9	22.2	22.2	20.1	19.9	19.9	19.9	-



		Annual data			Quarterly data				Monthly data						
		2016	2017	2018	Q2'18	Q3'18	Q4'18	Q1'19	11'18	12'18	01'19	02'19	03'19	04'19	05'19
Fiscal reserve	mln BGN	12 883	10 289	9 365	10 831	11 213	9 365	10 333	11 306	9 365	10 518	10 417	10 333	10 618	-
	% of GDP	13.7	10.2	8.7	10.0	10.4	8.7	9.0	10.5	8.7	9.1	9.0	9.0	9.2	-
<b>— Financial sector</b>															
BNB International reserves	mln EUR	23 899	23 662	25 072	23 510	24 540	25 072	25 026	24 161	25 072	24 398	24 767	25 026	24 813	24 837
Monetary base coverage	%	163.4	156.4	150.5	158.7	160.1	150.5	155.2	163.0	150.5	154.1	156.2	155.2	156.3	-
Coverage of import with FX reserves	months	10.0	8.7	8.7	8.4	8.6	8.7	8.5	8.3	8.7	8.4	8.5	8.5	-	-
Coverage of short-term external debt	%	315.7	304.6	307.0	295.6	295.7	307.0	297.5	283.5	307.0	295.9	298.7	297.5	-	-
Money M1 (Narrow money)	%, yoy	13.5	16.9	12.2	15.8	13.5	12.2	14.3	14.5	12.2	13.5	14.1	14.3	15.6	-
Money M3 (Broad money)	%, yoy	7.6	7.7	8.8	10.0	9.2	8.8	10.4	9.3	8.8	10.0	10.4	10.4	11.1	-
Deposits	%, yoy	6.7	7.2	8.7	9.6	8.8	8.7	10.5	9.2	8.7	10.0	10.4	10.5	11.3	-
Credit to private sector	%, yoy	1.5	4.8	8.4	6.8	7.4	8.4	7.8	8.2	8.4	8.5	8.7	7.8	6.9	-
Credit to non-financial enterprises	%, yoy	0.3	1.7	5.4	3.8	4.1	5.4	5.3	5.5	5.4	5.8	6.2	5.3	4.8	-
Credit to households	%, yoy	2.0	6.0	11.2	9.2	9.7	11.2	11.0	10.0	11.2	10.8	10.7	11.0	7.9	-
Interest rate on credit <sup>4</sup>	%	5.8	4.3	4.6	4.7	4.6	4.3	4.6	4.3	4.0	4.6	4.6	4.7	4.4	-
Interest rate on deposits <sup>5</sup>	%	0.8	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	-
APRC <sup>6</sup> , consumer loans	%	11.0	10.2	10.5	10.3	10.9	10.9	10.1	10.7	11.3	10.5	9.9	9.9	10.1	-
APRC <sup>6</sup> , mortgages	%	5.5	4.4	3.9	3.9	3.9	3.6	3.6	3.6	3.6	3.7	3.7	3.6	3.5	-
Exchange rate BGN/USD	eop	1.86	1.63	1.71	1.68	1.69	1.71	1.74	1.72	1.71	1.70	1.71	1.74	1.74	-
	per. av.	1.77	1.74	1.72	1.64	1.68	1.72	1.73	1.72	1.72	1.71	1.72	1.73	1.74	-
<b>— Gross External Debt (GED)</b>															
Gross external debt	% of GDP	71.1	65.5	60.4	61.4	62.3	60.4	57.2	62.1	60.4	56.6	56.9	57.2	-	-
Short-term external debt	% of GED	22.1	23.4	24.5	23.5	24.1	24.5	24.9	24.9	24.5	24.7	24.7	24.9	-	-
Intercompany lending	% of GED	36.2	38.3	37.7	38.5	38.1	37.7	38.3	38.5	37.7	37.9	38.0	38.3	-	-
<b>— Balance of payments<sup>7</sup></b>															
Current account	mln EUR	1 244	1 578	2 548	261	2 257	24	654	71	-40	89	410	156	-	-
Current account (moving average)	% of GDP	2.6	3.1	4.6	3.1	3.4	4.6	5.4	3.9	4.6	5.0	5.1	5.4	-	-
Trade balance	mln EUR	-984	-766	-2 264	-699	-257	-673	-245	-190	-242	-81	-123	-41	-	-
Trade balance (moving average)	% of GDP	-2.0	-1.5	-4.1	-3.0	-3.9	-4.1	-3.2	-4.4	-4.1	-3.6	-3.4	-3.2	-	-
Export, f.o.b.	mln EUR	23 104	26 950	27 348	6 649	7 174	7 240	6 966	2 489	2 070	2 245	2 292	2 429	-	-
	%, yoy	5.4	16.6	1.5	0.2	2.2	3.0	10.8	1.7	-1.6	4.1	19.9	9.5	-	-
Import, f.o.b.	mln EUR	24 088	27 716	29 612	7 349	7 431	7 913	7 211	2 679	2 312	2 326	2 415	2 470	-	-
	%, yoy	-1.8	15.1	6.8	7.9	9.5	4.1	4.2	4.4	-7.5	-1.5	12.2	2.7	-	-
Capital account	mln EUR	1 071	530	598	193	248	155	240	61	17	73	121	45	-	-
Financial account	mln EUR	668	1 252	627	18	53	-864	1 004	-550	-569	829	392	-217	-	-
Net Foreign Direct Investments	mln EUR	-615	-1 999	-1 416	-42	-511	-931	337	-283	-201	326	21	-10	-	-
Net Portfolio Investments	mln EUR	2 198	898	322	-118	298	-333	28	-604	45	24	75	-70	-	-
Other Investments – net	mln EUR	1 735	271	1 723	-9	804	-349	813	-223	-705	418	278	116	-	-
Change in BNB reserve assets	mln EUR	3 467	-99	1 362	892	1 122	383	-133	34	843	-715	350	232	-	-

## Notes:

Ratios to GDP are calculated using GDP data as follows: for 2016 – BGN 94 130.0 mln, for 2017 – BGN 101 042.5 mln, for 2018 – BGN 107 925.3 mln and MF projections for 2019 – BGN 116 411.7 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).