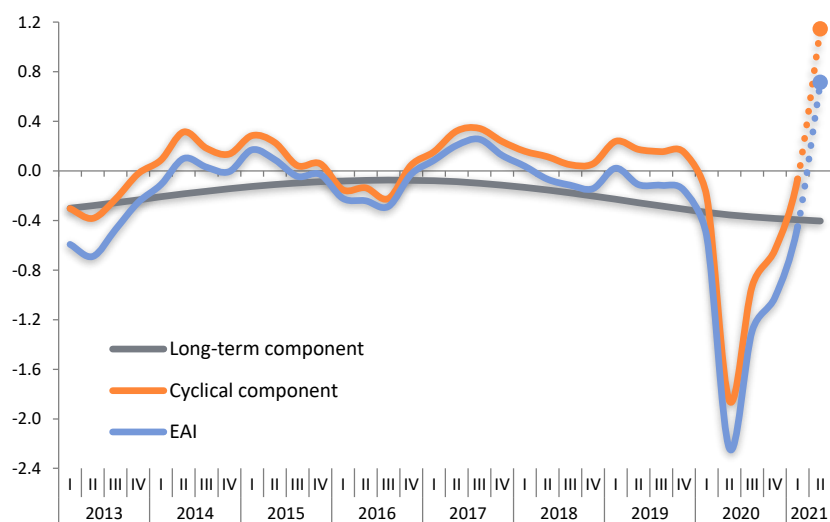


ECONOMIC ACTIVITY INDICATOR IN BULGARIA

1 EAI BY COMPONENTS



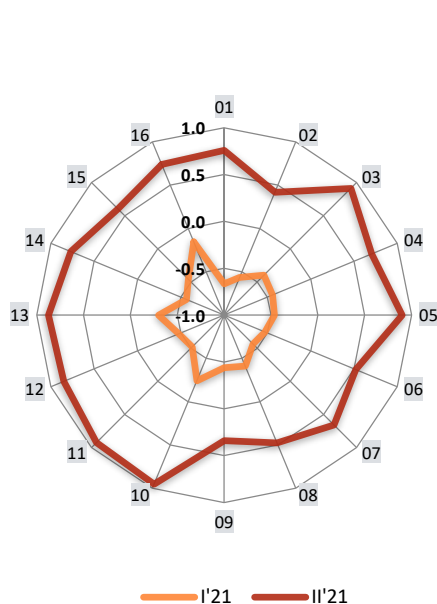
* Preliminary estimate of EAI by components in Q2'21

Source: MF, xls file

Sharp rise of EAI in Q2

Over the second quarter of 2021 the Economic Activity Indicator¹ (EAI) is estimated to turn into positive territory. According to Q2 preliminary estimate the composite indicator stepped up to 0.71 from -0.45 in Q1, mainly benefitting from the improvement in its cyclical component. The long-term position remained relatively unchanged.

2 DECOMPOSITION OF EAI VARIABLES

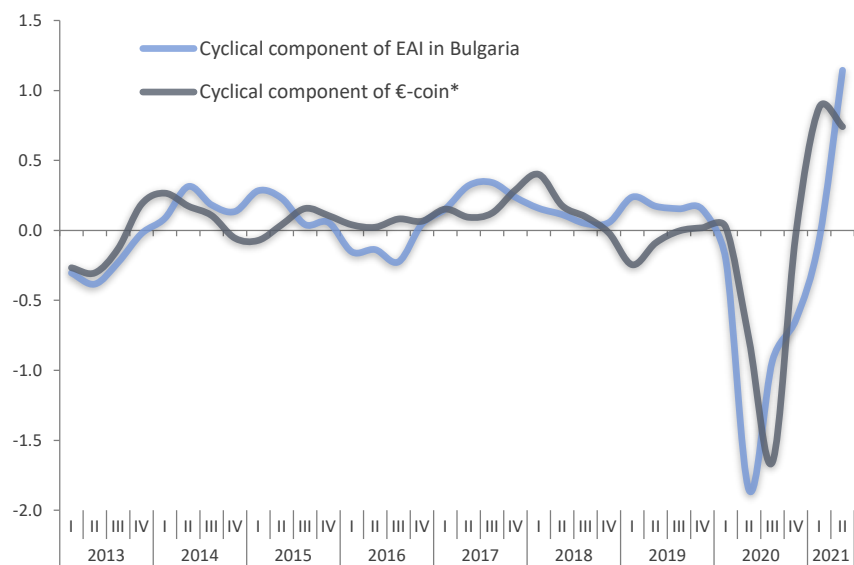


1	GDP
2	Employed
3	GDP EU27
4	PPI
5	Industrial production index
6	Construction index
7	Retail trade turnover
8	M2
9	Credit (private sector)
10	Industrial production index EU27
11	Business climate
12	Industrial orders
13	Industrial price expectations
14	Industrial capacity utilisation
15	Euribor (3m)
16	Non energy commodity price index

Source: MF

All variables making up the EAI had positive impact on the EAI cyclical position and country's economic activity, respectively. The largest improvements on a quarter earlier came from the industrial sector variables such as industrial capacity utilization and production index. The latter reflected the stronger external activity dynamics as well. The more optimistic sentiment indicators' assessments in April-June also contributed to the upward EAI developments.

3 ESTIMATED CYCLICAL FLUCTUATIONS IN THE EURO AREA AND BULGARIA

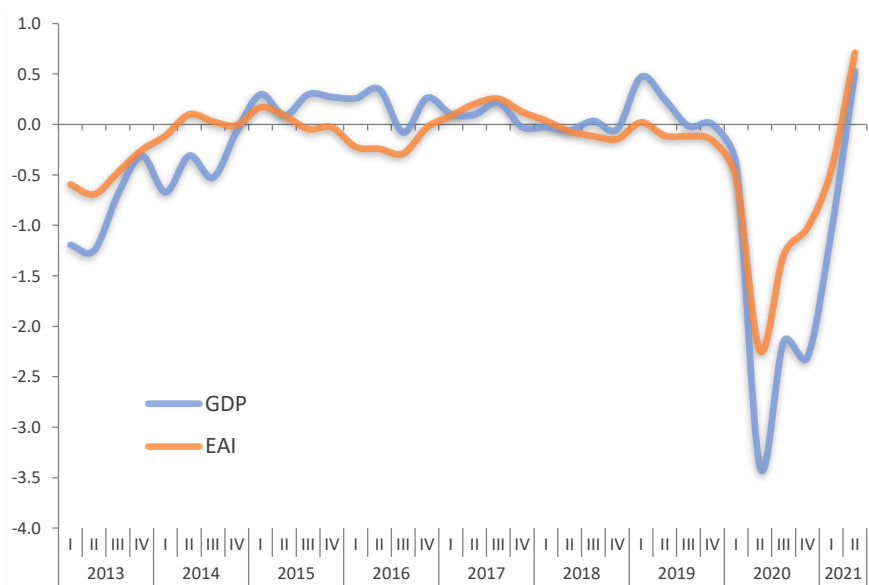


Source: MF, CERP

In Q2 2021, the value of €-coin² kept almost the same level on a quarter earlier. The estimated cyclical position in the euro area remained stable, benefitting from the further improvement in the expectations of households and firms.

The upward cyclical position of EAI was in line with the recent positive cyclical fluctuations in the euro area. There are some differences reflecting the fact that €-coin reported significant growth in the first three months of the year, while the positive change in the country's EAI is estimated to occur in the second quarter of the year.

4 EAI AND GDP*



* Preliminary estimates for EAI and GDP in Q2'21. To achieve better compatibility, real GDP growth data has been standardized by subtracting the mean and dividing by the standard deviation of the series.

Source: MF

The preliminary estimate for EAI in Q2 also includes a strong acceleration of real GDP growth rate.

¹ A new version of the EAI has been released in 2/2021, which incorporates some revisions to the database. The historical series according to the methodology are also available starting from 2001 onwards. For more detailed information see "[Rationale and Methodology of the EAI](#)".

² For more detailed data and methodological notes on €-coin, monthly estimates of the economic activity in the euro area visit <http://eurocoin.cepr.org/>. Data have been averaged to make the comparison with the quarterly EAI possible. In addition, since €-coin excludes only short-term (seasonal) fluctuations in euro area business activity, it was also necessary to eliminate the long-term trend in the time series, using the Hordrick-Prescott filter.