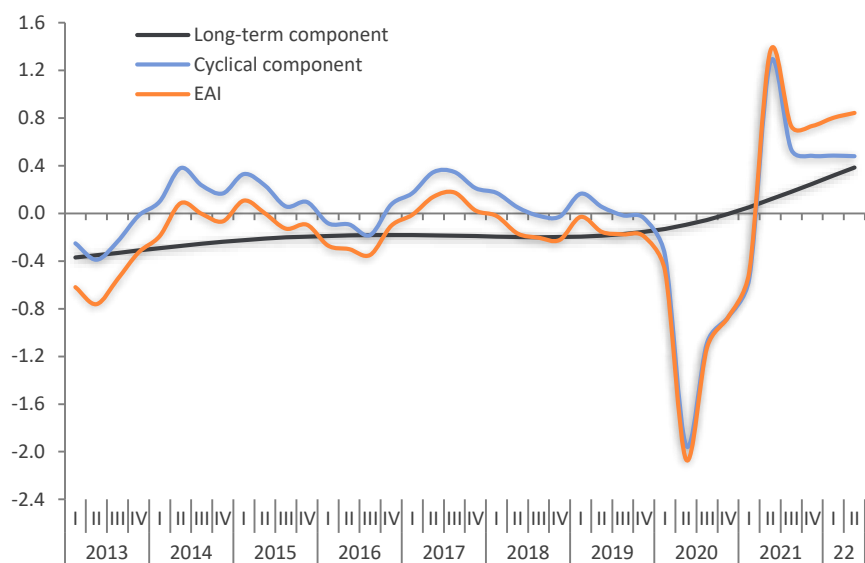


ECONOMIC ACTIVITY INDICATOR IN BULGARIA

1 EAI BY COMPONENTS*



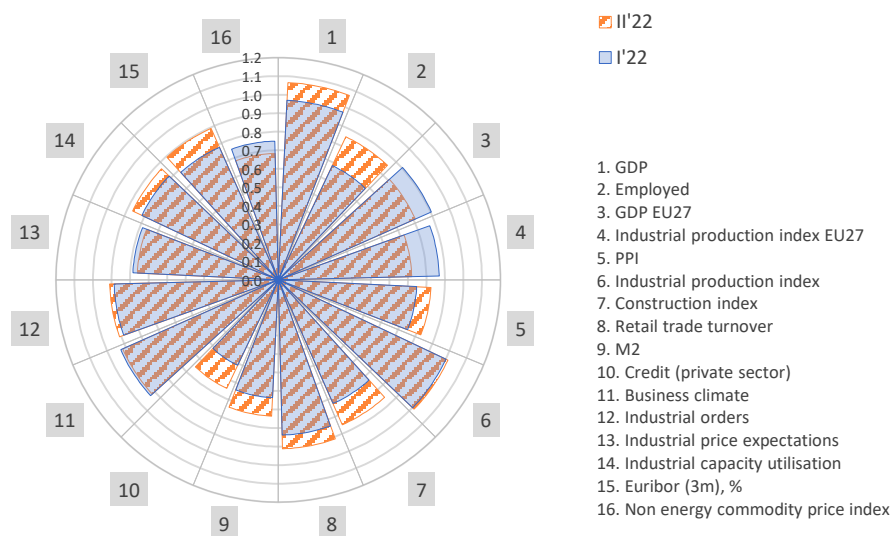
Source: MF

* Preliminary estimate of EAI by components in Q2'22

EAI remained fairly stable in Q2

In the second quarter of 2022, the Economic Activity Indicator¹ (EAI) remained broadly stable (0.84, from 0.8 in Q1) as its cyclical component posted no change. According to preliminary estimate the composite indicator continued to point to an economic expansion in Q2.

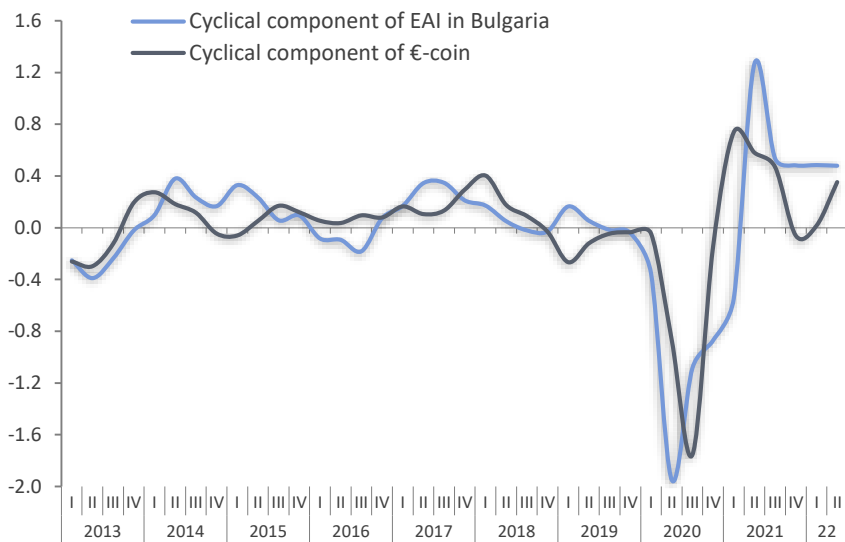
2 DECOMPOSITION OF EAI VARIABLES



Source: MF

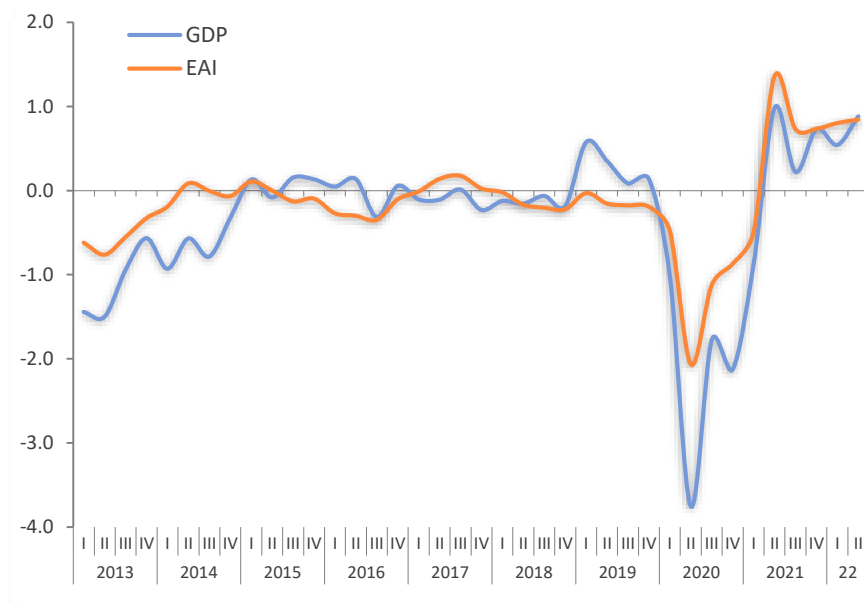
Most variables making up the EAI improved on a quarter earlier. The largest positive impact came from the related domestic activity variables such as retail trade turnover, construction production as well as financial sector variables. In contrast, negative contributions to the EAI current development made the externally-driven indicators presented with the real GDP growth in EU 27, industrial production in EU 27 and international non-energy commodity prices.

3 ESTIMATED CYCLICAL FLUCTUATIONS IN THE EURO AREA AND BULGARIA



Source: MF, CERP

4 EAI AND GDP*



Source: MF

* Preliminary estimates for EAI and GDP in Q2'22. To achieve better compatibility, real GDP growth data has been standardized by subtracting the mean and dividing by the standard deviation of the series.

Over Q2'2022, the estimated cyclical position of the composite indicator in the euro area was in positive territory. €-coin² remained at a level compatible with an expansion. Its current development reflected the resilience at historically high levels of business confidence and it was consistent with the reported data on economic growth in the first quarter. On the negative side, the upward shift in the euro-area bond yield curve and the slowdown in industrial production contributed to the decline in €-coin.

The preliminary estimate for EAI indicates that the growth rate of real GDP in Q2 is expected to remain close as compared to the previous two quarters.

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 Hodrick-Prescott filter.