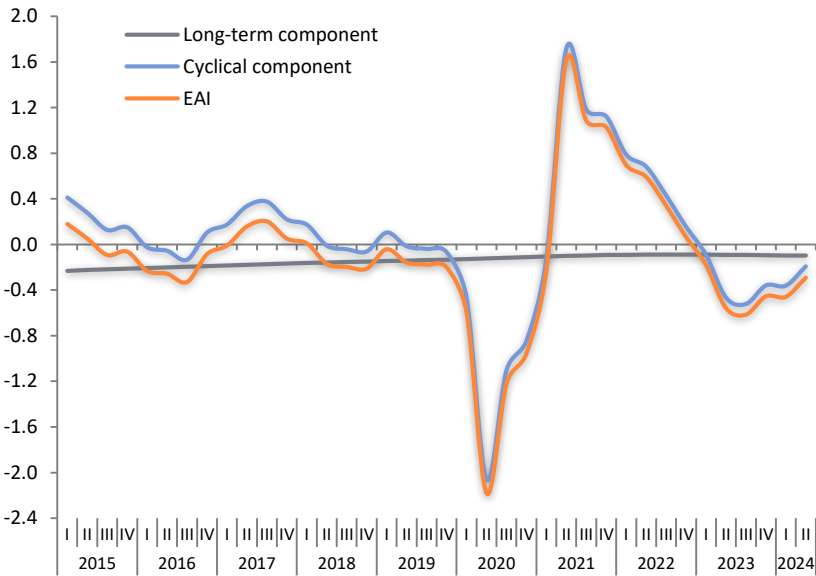


# ECONOMIC ACTIVITY INDICATOR IN BULGARIA

## 1 EAI BY COMPONENTS\*



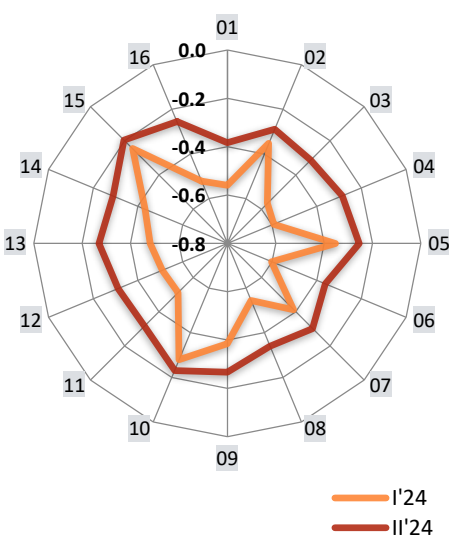
\* Preliminary estimate of EAI by components in Q2'24  
Source: MF

**EAI significantly improved in the second quarter of 2024**

The Economic Activity Indicator<sup>1</sup> (EAI) reported a significant improvement in the second quarter of 2024, but remained negative at -0.29 from -0.46 in Q1 2024. The improvement was mainly due to the cyclical component, while the long-term slightly worsened.

All indicators included in the EAI improved compared to the first quarter of 2024. The current assessment reflects the better position of both the external and internal environments. The biggest contribution and the strongest improvement compared to the previous quarter were the indicators for the industrial production index both in the European Union and in Bulgaria, the non-energy commodity price index, the EU27 GDP and the industrial price expectations. A substantial improvement was also reported in the business climate index, the industrial orders, Bulgarian GDP, the industrial capacity utilization, M2 and producer prices index.

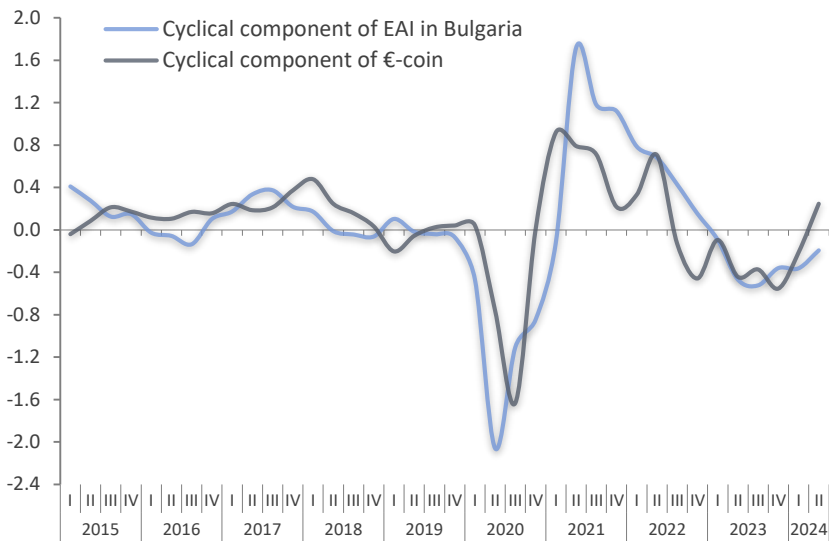
## 2 DECOMPOSITION OF EAI VARIABLES



- 01 GDP
- 02 Employed
- 03 GDP EU27
- 04 Industrial production index EU27
- 05 PPI
- 06 Industrial production index
- 07 Construction index
- 08 Retail trade turnover
- 09 M2
- 10 Credit (private sector)
- 11 Business climate
- 12 Industrial orders
- 13 Industrial price expectations
- 14 Industrial capacity utilization
- 15 Euribor (3m)
- 16 Non-energy commodity price index

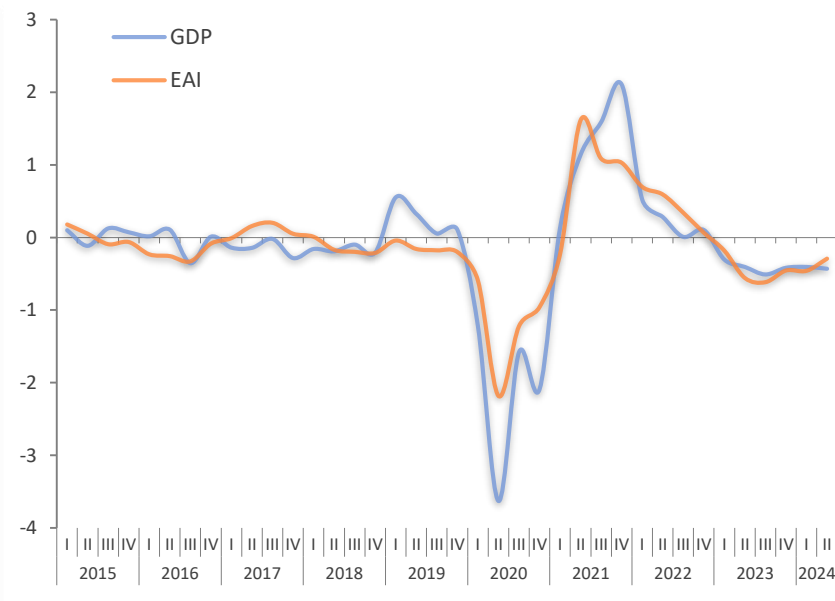
Source: MF

### 3 ESTIMATED CYCLICAL FLUCTUATIONS IN THE EURO AREA AND BULGARIA



Source: MF, CEPR

### 4 EAI AND GDP\*



\* Preliminary estimates for EAI and GDP in Q2'24. 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

In the second quarter of 2024, the cyclical position of the composite indicator €-coin<sup>2</sup> of the Eurozone moved into positive territory. The increase in the indicator reflected the improvement of the consumer confidence and expectations in services sector. The first was due to more optimistic expectations for the general economic situation in the EU and an increase in consumer intentions for future purchases. In May, managers' expectations for service demand improved. It was expressed in a stronger demand for tourist services mainly in Italy and Spain.

The preliminary assessment of the EAI gives a clear indication that economic activity in the country in the second quarter of 2024 has improved considerably, driven by both external and internal factors and is a prerequisite for a slight acceleration of real GDP growth.

<sup>1</sup> 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".

<sup>2</sup> 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.