



GROSS DOMESTIC PRODUCT, SECOND QUARTER OF 2016 (PRELIMINARY DATA)

GDP at current prices is 21 916 million BGN in the second quarter of 2016. In Euro terms GDP is 11 205 million Euro or 1 568 euro per person. According to the seasonally adjusted data, the GDP growth rate in the second quarter of 2016 is 3.0% compared with the same quarter of the previous year and 0.7% compared with the first quarter.

GDP, current prices

Second quarter of 2016

According to the preliminary data, the Gross Domestic Product (GDP)¹ at current prices in the second quarter of 2016 amounted to 21 916 million BGN (Annex, Table 1). GDP per person amounted to 3 067 BGN. In USD terms at average quarterly exchange rate of 1.73264 BGN per dollar, GDP is 12 649 million dollars or 1 770 dollars per person. In Euro terms, the GDP amounted to 11 205 million Euro or 1 568 Euro per person.

Gross value added (GVA)² at current prices in the second quarter of 2016 amounted to 18 853 million BGN.

As compared with the second quarter of 2015 the share of the agricultural sector in the gross value added of the economy decreases with 0.4 percentage points to 4.2%. The industrial sector retains its share in the value added of the economy from 29.3 percent. The share of services increases by 0.4 percentage points to 66.5% compared to the same period of the previous year.

¹ **GDP at market prices** characterizes the final result of the economic activity by resident institutional units. GDP is derived by following three approaches:

a) GDP is the sum of GVA created by institutional sectors or economic activity groupings plus net taxes on products (taxes minus subsidies which are not distributed by sectors and economic activity groupings). GVA is the balancing item of the Production account.

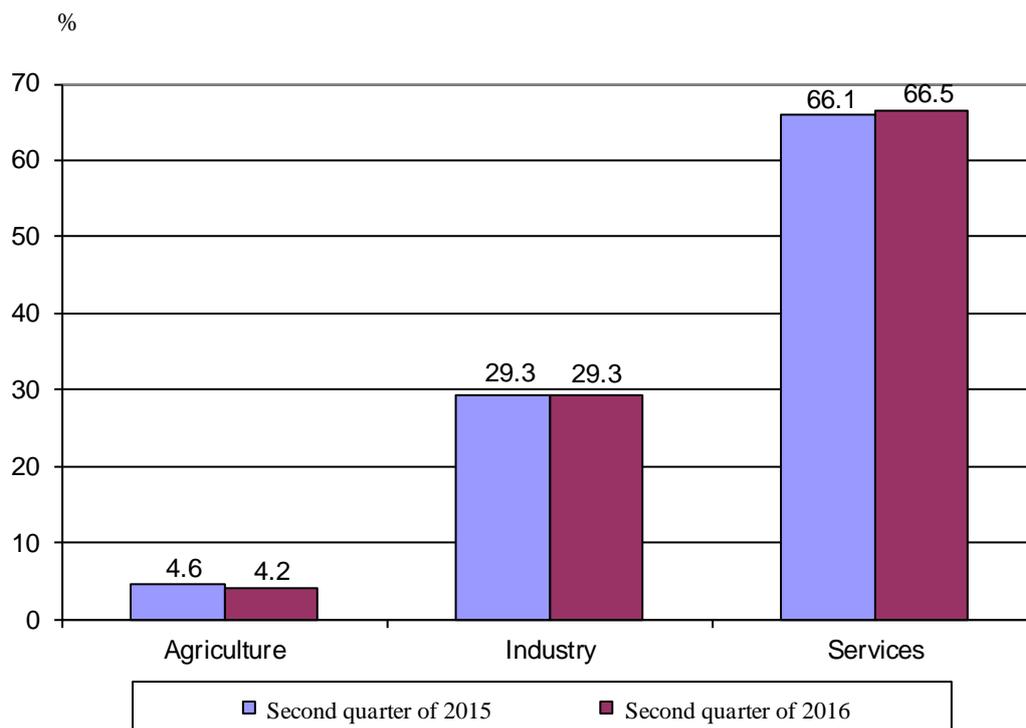
b) GDP by final expenditure is calculated as a sum of individual consumption, collective consumption, gross fixed capital formation, changes in inventories, net exports of goods and services.

c) GDP by income approach is a sum of generated income in the income account (compensation of employees, net taxes on production, gross operating surplus, and gross mixed income).

² **Gross value added at basic prices** is a balancing item of the Production account between the gross output at basic prices and the intermediate consumption at purchasers' prices.



Figure 1. Structure of Gross Value Added by economic sectors in the second quarter of 2015 and 2016



In the second quarter of 2016 the final consumption expenditure¹ formed 75.1% of GDP. Investments (gross fixed capital formation²) formed 21.6% of GDP. The external balance (exports-imports) is positive.

¹ **Final consumption expenditure** includes expenditures of resident institutional units (households, non-profit institutions serving households, general government) for providing the goods and services, used for individual consumption of the population and collective consumption of the society. According to the national concepts principles, individual consumption expenditures include expenditures for goods and services on the territory of the country and abroad.

² **Gross fixed capital formation** includes the acquired fixed assets owned by residential producers and households less disposal ones during the reporting period. Gross fixed capital formation covers the investments for the tangible and intangible assets, produced in the production process or imported which is used many times over than one year.



Figure 2. GDP and its components in the second quarter of 2015 and 2016

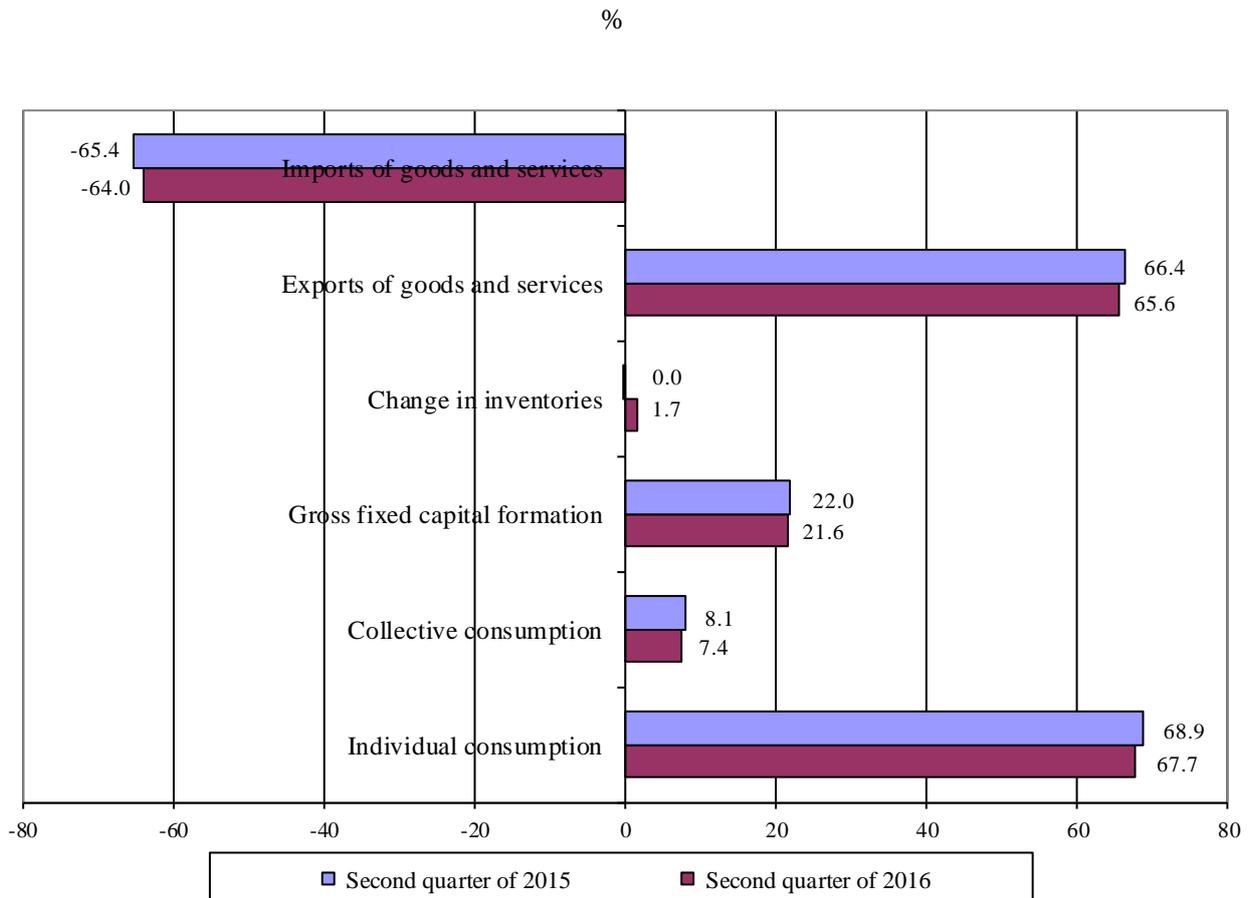
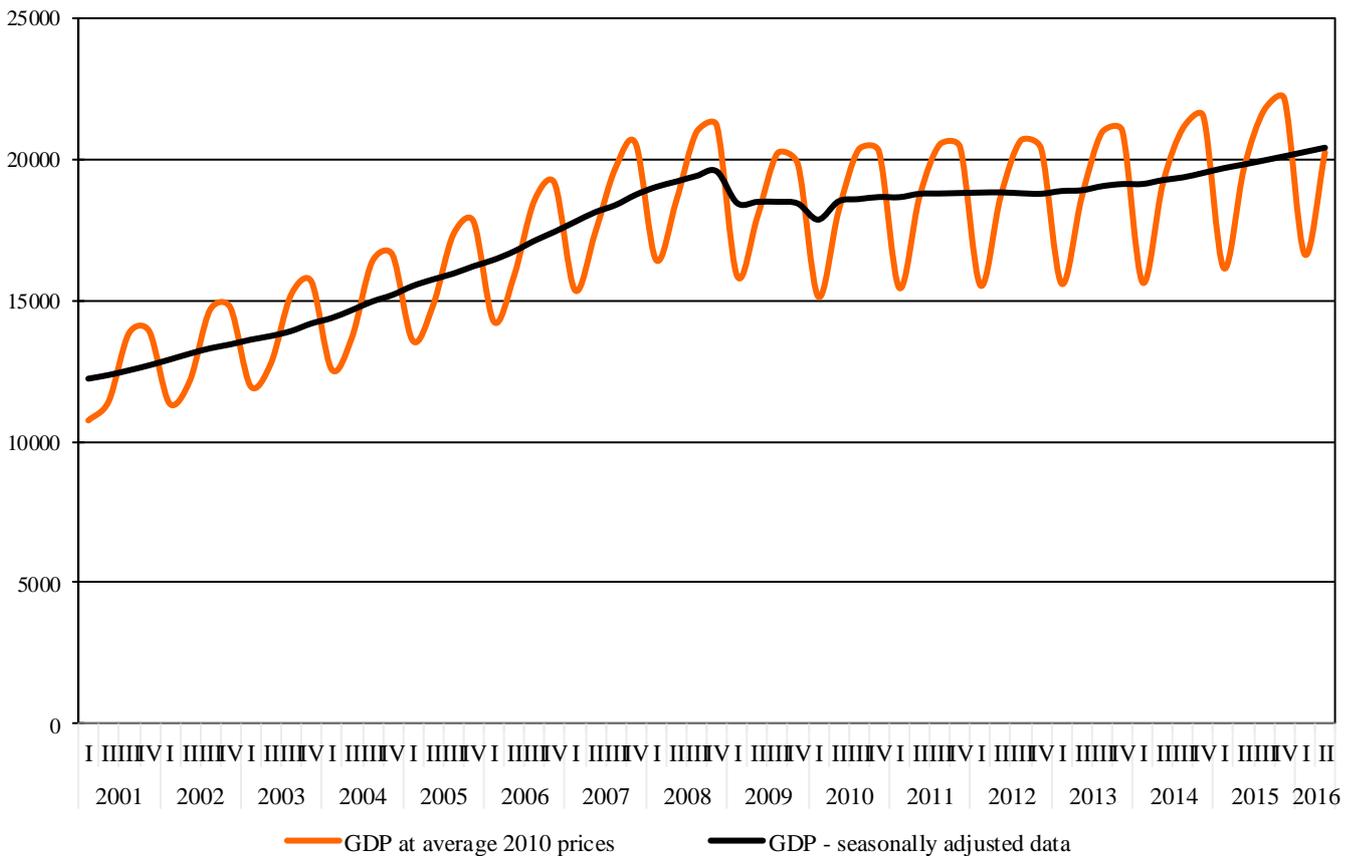




Figure 3. GDP by quarter at average 2010 prices

Million BGN



Growth rate of GDP, total and by components

Quarter-on-quarter growth rates

According to the seasonally adjusted data, GDP in the second quarter of 2016 increased by 0.7% compared with the previous quarter (Annex, Table 2). In the second quarter of 2016 gross value added of the total economy rises also by 0.5%.

According to the preliminary estimates of GDP by final expenditure, in the second quarter of 2016 compared with the previous quarter the final consumption increases by 0.2%. For the same period, gross



fixed capital formation increase is 0.5%. In the second quarter of 2016, the exports of goods and services decreased by 0.9%. During the same period, imports of goods and services decreased by 1.6% over the previous quarter.

Growth rates on annual basis

During the second quarter of 2016 GDP increased by 3.0% compared to the same quarter of the previous year according to the seasonally adjusted data. Gross value added increased by 2.6% compared to the same quarter of previous year. The indicator's movement is determined by the increase recorded in: Arts, entertainment and recreation, repair of households goods and other services - 6.8% Financial and insurance activities - 5.6% Professional scientific and technical activities; administrative and support service activities - 5.1%, Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities - 4.3%, Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation - 2.9%, Information and communication - 2.7% Real estate activities - 1.5%, Public administration and defence; compulsory social security; education; human health and social work activities - 0.5%.

With regard to the expenditure components of GDP, the contributor to the registered positive economic growth is the final consumption with 1.8%. Exports and Imports of goods and services increased by 2.4% and 3.4% respectively compared with the corresponding quarter of the previous year.



Methodological notes

Quarterly surveys of national accounts for GDP and its components are developed in accordance with the methodological principles of the European System of National Accounts, 2010 - adopted by Council Regulation 549/2013 EC.

The survey has been conducted regularly since 1996. The time series are available on the website of the NSI¹.

The results are preliminary. They are based on available monthly and quarterly statistical and administrative information and are updated annually (9 months after the end of the year) based on data from annual exhaustive surveys and updated administrative information.

The calculations are based on two independent approaches for estimation of GDP: production and final use method. The difference between the estimated GDP by the two approaches is shown as an unbalanced sum from the final use side.

¹ See www.nsi.bg, Macroeconomic statistics.



Annex

Table 1

Gross Domestic Product in the second quarter of 2016 - unadjusted data

		Second quarter of 2016		
		Value at current prices	Relative share	
			in GVA	in GDP
		Million BGN	%	%
1	Gross Value Added by economic sector, (2+3+4):	18853	100.0	86.0
2	Agriculture	783	4.2	3.6
3	Industry	5531	29.3	25.2
4	Services	12538	66.5	57.2
5	Adjustments	3063		14.0
6	Gross Domestic Product (1+5=7+10+13+16)	21916		100.0
	By final use components:			
7	Final consumption (8+9)	16467		75.1
8	Individual	14847		67.7
9	Collective	1620		7.4
10	Gross capital formation (11+12)	5109		23.3
11	Gross fixed capital formation	4727		21.6
12	Change in inventories	382		1.7
13	Balance (exports - imports) (14-15)	340		1.6
14	Exports of goods and services	14368		65.6
15	Imports of goods and services	14028		64.0
16	Statistical discrepancy	0		0.0



Growth rates of GDP - total and by component¹

Table 2

(Per cent)

		Growth rate, current quarter compared with the previous quarter				Growth rate, current quarter compared with the same quarter of the previous year			
		III 2015	IV 2015	I 2016	II 2016	III 2015	IV 2015	I 2016	II 2016
1	Gross Value Added by economic sector:	0.4	0.6	1.0	0.5	1.8	1.5	2.6	2.6
2	Agriculture, forestry and fishing	1.1	-2.7	2.4	-0.7	1.4	-5.5	0.0	0.0
3	Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, waste management and remediation activities	0.8	1.0	1.4	-0.4	3.5	3.5	4.8	2.9
4	Construction	0.0	0.2	-2.6	0.3	0.8	2.2	-1.7	-2.2
5	Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	1.0	0.9	1.8	0.7	2.2	2.9	5.0	4.3
6	Information and communication	0.5	0.5	0.6	1.1	2.0	1.9	2.0	2.7
7	Financial and insurance activities	-0.3	2.2	3.4	0.2	1.4	3.8	6.9	5.6
8	Real estate activities	-0.1	0.4	0.0	1.1	2.5	2.2	1.1	1.5
9	Professional, scientific and technical activities; administrative and support service activities	0.7	1.3	3.0	0.0	1.0	2.1	6.2	5.1
10	Public administration and defence; compulsory social security; education; human health and social work activities	0.7	-0.8	0.7	-0.1	1.9	-1.5	0.4	0.5
11	Arts, entertainment and recreation, repair of households goods and other services	-0.4	1.5	2.0	3.5	0.0	0.7	3.1	6.8
12	Adjustments	2.7	1.3	-2.0	2.0	12.0	12.4	2.6	4.0
13	Gross Domestic Product	0.7	0.7	0.7	0.7	3.1	3.0	2.9	3.0
	by final use components:								
14	Final consumption	0.8	0.5	0.4	0.2	1.2	1.8	2.1	1.8
15	Individual	0.9	1.0	1.2	0.1	1.5	2.8	3.7	3.2
16	Collective	-0.1	-1.1	-2.4	0.3	-1.1	4.1	8.1	-0.6
17	Gross capital formation	.	.	.	.	.	.	.	.
18	Gross fixed capital formation	-0.3	-1.1	-3.5	0.5	1.4	0.9	-3.9	-4.4
19	Change in inventories	.	.	.	.	.	.	.	.
20	Balance (exports - imports)	.	.	.	.	.	.	.	.
21	Exports of goods and services	-2.0	5.4	0.0	-0.9	5.4	6.1	0.3	2.4
22	Imports of goods and services	-0.8	3.8	-1.2	1.6	2.6	4.1	-1.3	3.4
23	Statistical discrepancy	.	.	.	.	.	.	.	.

¹ The growth rate is calculated by using chain-linked estimates of the GDP components based on average 2010 prices.