



## Key indicators for Bulgaria

This update: 30 September 2010

Next update: 30 December 2010

		2007	2008	2009	Mar.-10	Apr.-10	May-10	June-10	July-10	Aug.-10
<b>1. Output</b>										
Industrial confidence <sup>1.1</sup>	%	7.5	5.9	-9.5	-9.8	-9.3	-6.9	-6.5	-6.3	-5.3
Industrial production <sup>1.2</sup>	yoy % ch.	9.7	0.9	-18.2	1.5	0.2	0.5	4.2	-0.6	
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>09Q1</b>	<b>09Q2</b>	<b>09Q3</b>	<b>09Q4</b>	<b>10Q1</b>	<b>10Q2</b>
Gross domestic product <sup>1.3</sup>	yoy % ch.	6.4	6.2	-4.9	-4.9	-3.4	-4.9	-6.3	-3.2	-1.4
<b>2. Private consumption</b>										
Consumer confidence <sup>2.1</sup>	%	-31.7	-36.6	-49.6	-52.8	-47.3	-53.2	-54.0	-47.6	-43.1
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Mar.-10</b>	<b>Apr.-10</b>	<b>May-10</b>	<b>June-10</b>	<b>July-10</b>	<b>Aug.-10</b>
Turnover in retail trade <sup>2.2</sup>	yoy % ch.	19.4	9.3	-8.8	-11.6	-11.6	-8.6	-6.7	-4.8	
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>09Q1</b>	<b>09Q2</b>	<b>09Q3</b>	<b>09Q4</b>	<b>10Q1</b>	<b>10Q2</b>
Private consumption <sup>2.3</sup>	yoy % ch.	8.3	3.0	-4.0	-6.9	-2.1	-0.9	-5.8	-6.0	-4.0
<b>3. Investment</b>										
Capacity utilization in industry <sup>3.1</sup>	%	71.6	73.4	66.0	66.7	63.9	65.1	64.5	68.5	67.9
Gross fixed capital formation <sup>3.2</sup>	yoy % ch.	11.8	21.9	-29.0	-15.4	-22.6	-36.4	-36.8	-14.6	-12.2
Change in stocks <sup>3.3</sup>	% of GDP	5.4	3.9	1.2	0.6	0.9	1.0	2.3	0.6	1.7
<b>4. Labour market</b>										
Unemployment <sup>4.1</sup>	%	6.9	5.6	6.8	6.4	6.3	6.7	7.9	10.2	10.0
Employed persons <sup>4.2</sup>	yoy % ch.	4.6	3.3	-3.2	-0.8	-2.1	-4.0	-5.7	-7.7	-6.9
Labour costs <sup>4.3</sup>	yoy % ch.	16.9	19.1	13.3	19.5	15.7	10.8	7.1	9.4	8.2
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Mar.-10</b>	<b>Apr.-10</b>	<b>May-10</b>	<b>June-10</b>	<b>July-10</b>	<b>Aug.-10</b>
Shortage of labour in industry <sup>4.4</sup>	%	15.6	19.5	11.1	6.1	6.0	6.7	7.2	5.8	6.0
Wages <sup>4.5</sup>	yoy % ch.	19.5	26.5	8.5	9.8	8.4	9.4	8.3		
<b>5. International transactions</b>										
Export order books in industry <sup>5.1</sup>	balance	-25.7	-28.5	-47.6	-47.9	-46.4	-46.6	-44.2	-41.1	-41.6
Exports of goods <sup>5.2</sup>	mln. EUR	13511.9	15203.8	11699.4	1120.8	1179.9	1209.1	1410.6	1501.1	
Imports of goods <sup>5.3</sup>	mln. EUR	20757.2	23801.1	15872.7	-1418.3	-1470.5	-1540.4	-1558.5	-1546.7	
Trade balance <sup>5.4</sup>	mln. EUR	-7245.3	-8597.3	-4173.5	-297.5	-290.6	-331.3	-147.9	-45.6	
Current account <sup>5.5</sup>	mln. EUR	-7755.1	-8190.8	-3476.9	-272.0	-173.5	-69.3	-13.4	529.5	
Direct investment (net) <sup>5.6</sup>	mln. EUR	8838.1	6203.1	3371.6	-187.4	354.4	17.6	155.9	118.6	
Portfolio investment (net) <sup>5.7</sup>	mln. EUR	-518.4	-730.7	-570.5	-170.3	28.1	-114.8	-220.5	-22.8	
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>09Q1</b>	<b>09Q2</b>	<b>09Q3</b>	<b>09Q4</b>	<b>10Q1</b>	<b>10Q2</b>
Exports of goods and services <sup>5.8</sup>	yoy % ch.	6.1	3.0	-10.3	-16.9	-15.2	-8.4	-0.8	7.1	12.4
Imports of goods and services <sup>5.9</sup>	yoy % ch.	9.6	4.2	-21.5	-21.3	-24.6	-20.6	-19.1	-2.6	0.0
<b>6. Prices</b>										
HICP <sup>6.1</sup>	yoy % ch.	7.6	12.0	2.5	2.4	3.0	3.0	2.5	3.2	3.2
Producer prices on domestic market (in industry) <sup>6.2</sup>	yoy % ch.	7.9	13.3	-4.2	2.8	5.6	5.8	5.6	9.0	
Selling prices expectations in industry <sup>6.3</sup>	balance	18.1	17.7	1.6	9.4	7.1	7.1	7.1	-0.7	4.5
Selling prices expectations in retail trade <sup>6.4</sup>	balance	25.0	35.5	0.7	3.0	10.5	9.9	8.5	10.3	6.7
<b>7. Monetary and financial indicators</b>										
SOFIBOR (3 months) <sup>7.1</sup>	index	4.90	7.14	5.72	4.21	4.21	4.19	4.18	4.09	4.04
M3 <sup>7.2</sup>	yoy % ch.	31.2	8.8	4.2	7.7	7.9	8.1	8.0	8.8	9.4
Credit to Non-financial Corporations and Households and NPISHs <sup>7.3</sup>	yoy % ch.	63.7	32.5	3.6	2.3	1.7	2.3	2.2	2.2	1.6
Exchange rate USD/BGN <sup>7.4</sup>	value	1.43	1.34	1.41	1.44	1.46	1.56	1.60	1.53	1.52
Nominal effective exchange rate <sup>7.5</sup>	index	127.5	131.2	134.0	131.6	130.8	129.5	128.9	129.8	

Note: yoy % ch. - growth rate compared to the same period of the previous year.



## Comments

### 1. Output

According to the NSI business inquiries in September 2010 the **industrial confidence indicator** increased slightly in comparison with August. This is due to the favorable managers' expectations about the production activity over the next 3 months. At the same time the production assurance with orders was almost unchanged in comparison with the previous month.

In July 2010 the **Industrial Production Index** decreased by 0.6% in comparison with the same month of the previous year (by preliminary data). A drop was recorded in Electricity, gas, steam and air conditioning supply (by 5.6%) and in Mining and quarrying (by 0.4%). At the same time in Manufacturing was registered an increase of 1.1%.

By preliminary operative data the **gross domestic product (GDP)** in the second quarter of 2010 amounted to BGN 16 874.7 million at current prices and GDP per capita was BGN 2 238.1. At the average exchange rate for the quarter of BGN 1.541733 for 1 US dollar, GDP amounted to USD 10 945.3 million and respectively USD 1 451.7 per capita. GDP recalculated in Euro was EUR 8 627.9 million or EUR 1 144.3 per capita. The real volume of GDP dropped by 1.4% compared to the second quarter of 2009.

### 2. Private consumption

In July 2010 the total **consumer confidence indicator** increased by 4.5 percentage points in comparison with 3 months ago, which was due to the increased confidence of the urban and rural inhabitants. The pessimism in the consumers' assessments and expectations regarding the general economic situation in the country and the financial situation of households decreased in comparison with April.

In July 2010 the **turnover in retail trade** decreased by 4.8% compared to the same month of 2009 (by preliminary data). "Retail sale of food, beverages and tobacco" increased by 1.4%. Significant impact on the index value had the reduction in "Retail sale of automotive fuel in specialized stores" - 4.7%, in "Retail sale of audio and video equipment; hardware,

paints and glass; electrical household appliances, etc. in specialized stores" - 6.4% and in "Retail sale of computers, peripheral units and software; telecommunications equipment, etc. in specialized stores" - 9.6%, which together formed about 60% of the turnover volume.

In the second quarter of 2010 for **individual consumption of the population** were spent 71.7% of the produced GDP. The real decrease of the indicator was by 4.0% in comparison with the respective quarter of 2009.

### 3. Investment

The **average capacity utilization in industry** in July 2010 approximately preserved its level from April and was assessed to be 67.9%.

In the second quarter of 2010 the **gross fixed capital formation** decreased in real terms by 12.2% in comparison with the same period of the previous year. The relative share of that category in GDP is 23.9%.

### 4. Labour market

In the second quarter of 2010 the **total number of employed persons** aged 15 and over was 3 072.1 thousand and their relative share of the population of the same age group was 47.0%. In comparison with the same period of 2009 the number of persons employed decreased by 228.0 thousand and the employment rate - by 3.1 percentage points.

In the second quarter of 2010 the **unemployed persons** were 342.2 thousand or 10.0% of the labour force. The unemployment rate compared to the same quarter of the previous year increased by 3.7 percentage points and the number of unemployed persons - by 119.6 thousand.

According to the NSI business inquiries in September 2010 5.7% of the industrial enterprises pointed out the **labour shortage** as a factor limiting their activity.

In June 2010 the **average wage and salary** was BGN 636 (by preliminary data) which is by 0.6% lower than the previous month. In comparison with June 2009 the growth rate is 8.3%.



## 5. International transactions

According to the industrial managers' assessments in September 2010 there was a slight improvement of the production assurance with **orders from abroad** in comparison with August.

In the period January - July 2010 **the current account deficit** was EUR 278.1 million (0.8% of the projected GDP for 2010), against a deficit of EUR 2 574.8 million (7.3% of GDP) for January - July 2009.

**The trade balance** in the period January - July 2010 was negative and it amounted to EUR 1 376.4 million (4.0% of the projected GDP for 2010) compared to a deficit of EUR 2 733.7 million (7.8% of GDP) for January - July 2009.

**Exports of goods (FOB)** in January - July 2010 amounted to EUR 8 343.4 million against EUR 6 425.4 million for January - July 2009, increasing by 29.9% annually against an annual decrease of 30.7% for January - July 2009. **Imports of goods (FOB)** in January - July 2010 amounted to EUR 9 719.8 million, against EUR 9 159.1 million for January - July 2009, increasing by 6.1% annually against an annual decrease of 35.8% for January - July 2009.

**Foreign direct investment abroad** for January - July 2010 was EUR 68.0 million against EUR 55.7 million for the same period of 2009. **Foreign direct investment in Bulgaria** was EUR 731.0 million (2.1% of projected GDP) against EUR 1 932.1 million (5.5% of GDP) for January - July 2009. The direct investment covered 262.9% of the current account deficit against 75.0% for January - July 2009.

In January - July 2010 the **portfolio investment - assets** increased by EUR 324.5 million, compared to an increase of EUR 415.0 million for the same period of 2009. **Portfolio investment - liabilities** decreased by EUR 142.9 million, compared to a decrease of EUR 122.7 million for January - July 2009.

In the second quarter of 2010 the external balance of goods and services was negative. **The imports of goods and services** exceeded the value of the exports by BGN 771.2 million. In comparison with the respective quarter of 2009 the **exports of goods and services** increased in real terms by 12.4% and the imports preserved their level.

## 6. Prices

In August 2010 the **harmonized index of consumer prices** increased by 3.2% compared to the same month of 2009. The highest increase was registered in "Alcoholic beverages and tobacco" - by 25.3%. A decrease of prices was observed in the groups "Clothing and footwear", "Communications" and "Furnishings, household equipment and routine maintenance of the house".

**The Producer Price Index on Domestic Market** in July 2010 increased by 9.0% compared to the same month of 2009. In mining and quarrying the prices rose by 15.1%, in manufacturing - by 6.9%, and in electricity, gas, steam and air conditioning supply - by 12.5%.

According to the conjuncture inquiry in September 2010 the expectations of the enterprises with regard to the **prices** in industry were for the preservation of their level over the next 3 months.

## 7. Monetary and financial indicators

In August 2010 the **three-month interbank market index SOFIBOR** decreased from 4.09 to 4.04% in comparison with the previous month, whereas the value in August 2009 was 5.30%.

The annual growth rate of **the broad money (monetary aggregate M3)** was 9.4% in August 2010 against 8.8% in July, as at the end of August M3 amounted to BGN 50.514 billion (74.2% of the projected GDP for 2010) against BGN 49.836 billion in July 2010 (73.2% of GDP). The narrow money M1 amounted to BGN 19.051 billion, as it increased by 6.6% annually against an increase of 4.8% in July 2010.

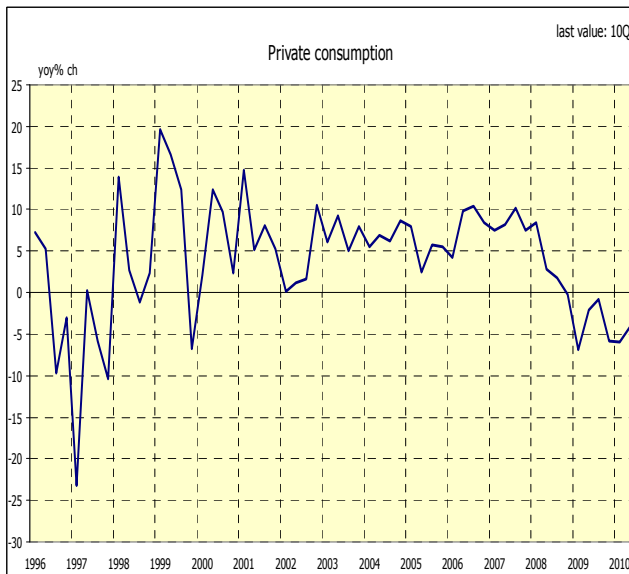
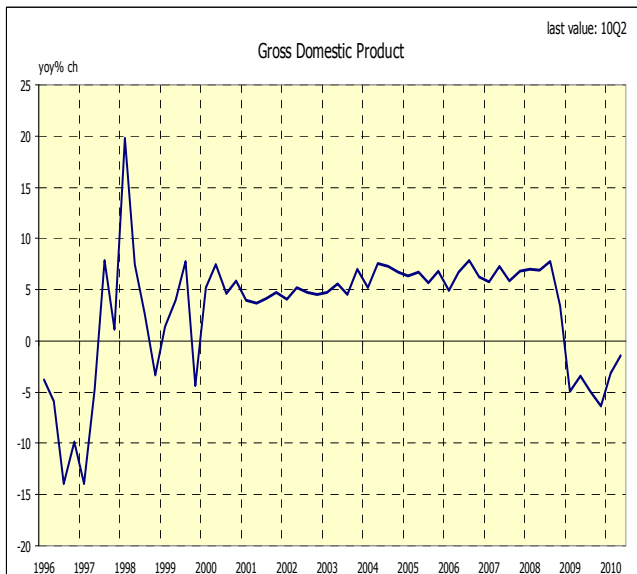
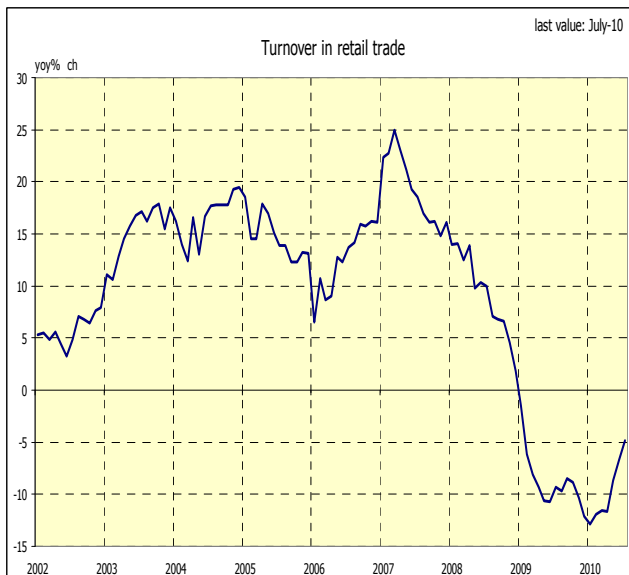
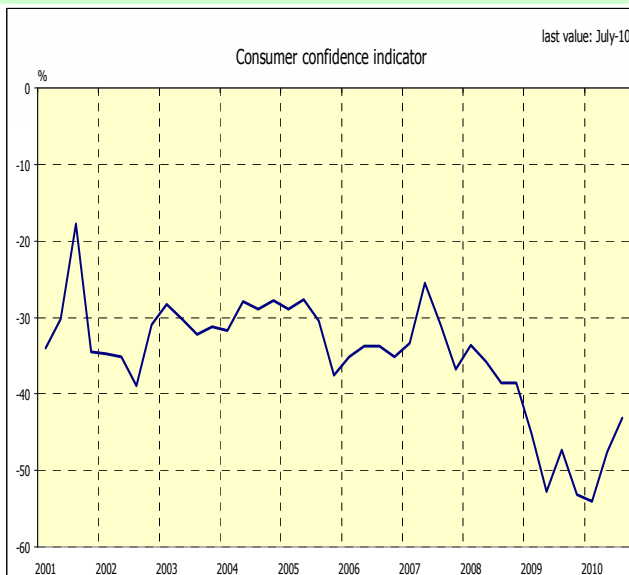
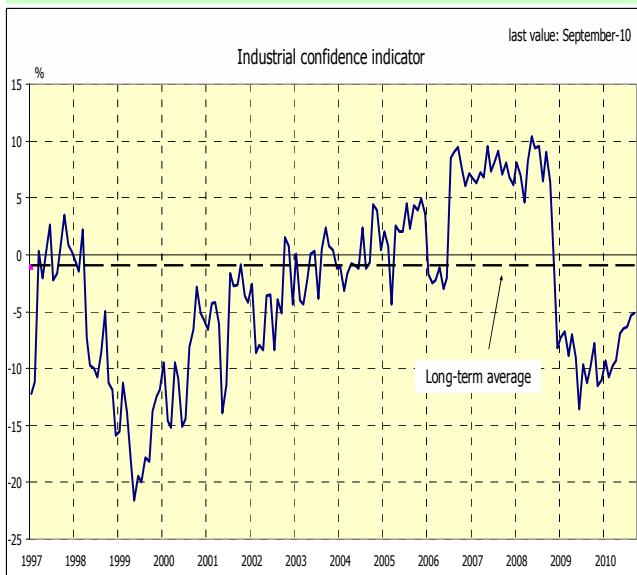
In August 2010 the volume of the **loans to non-financial corporations, households and NPISHs** amounted to BGN 49.613 billion (72.8% of the projected GDP for 2010) and the annual increase was by 1.6% against 2.2% in July 2010. The annual growth rate of the loans to non-financial corporations in August was 0.3% against 1.3% in the previous month and for the households and NPISHs - 3.8% in August compared to 3.6% in July.

In August 2010 the **exchange rate BGN against the US dollar** decreased in comparison with the previous month from 1.53 to 1.52.



**1. OUTPUT**

**2. PRIVATE CONSUMPTION**

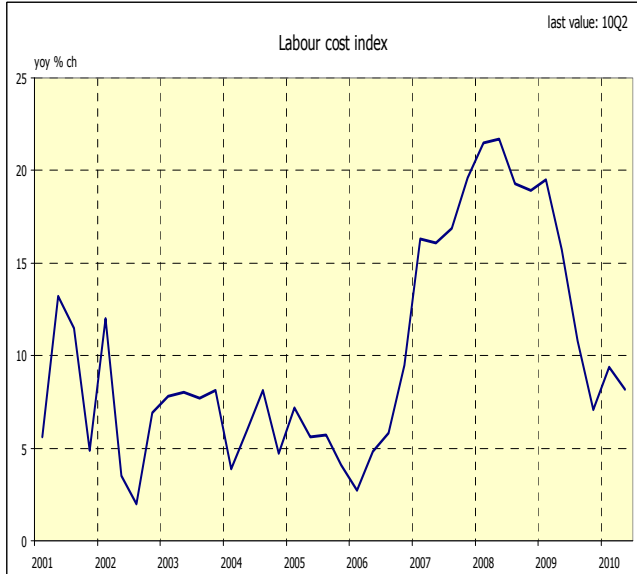
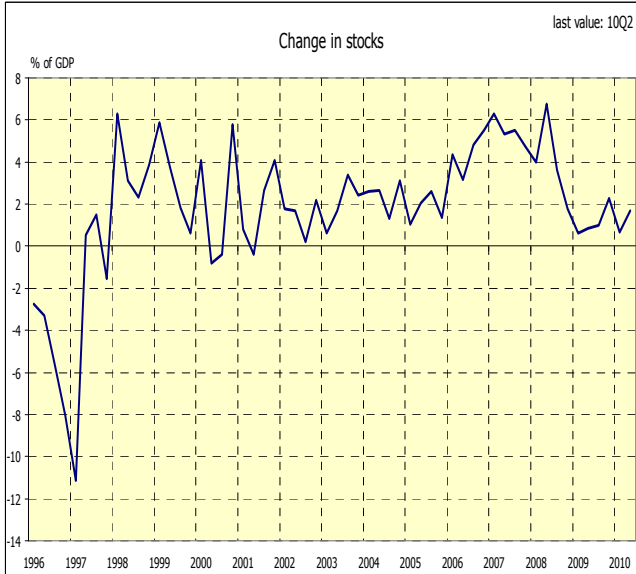
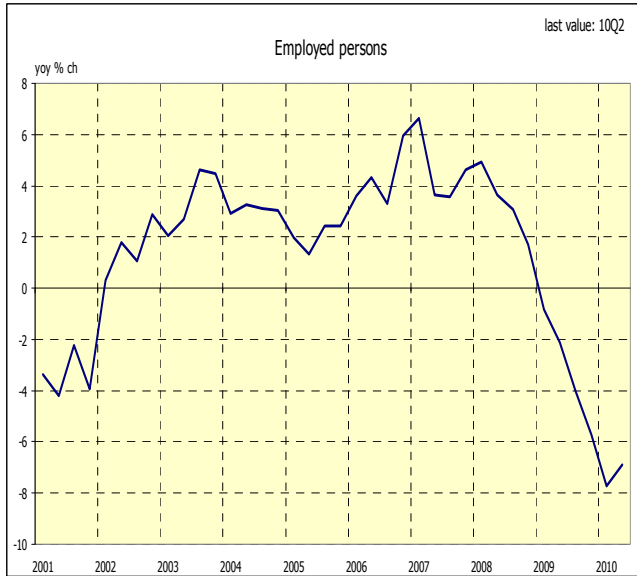
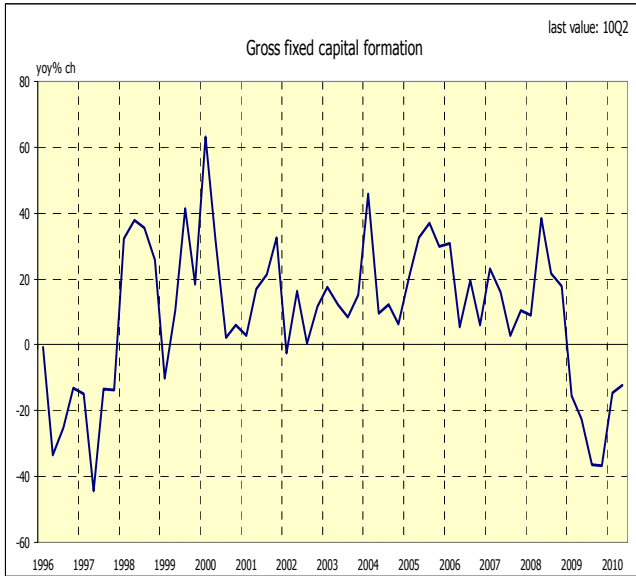
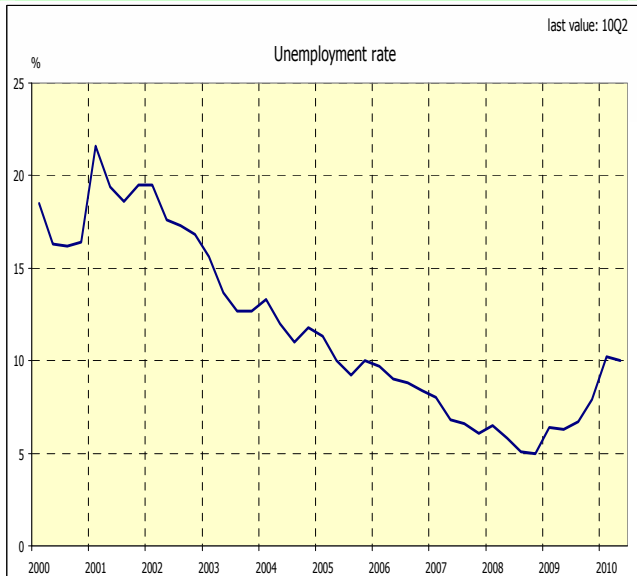
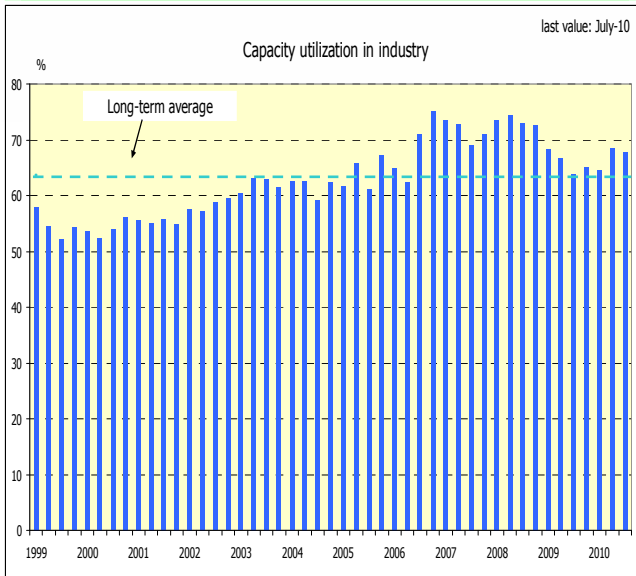


**Note:** yoy % ch. - growth rate compared to the same period of the previous year.



**3. INVESTMENT**

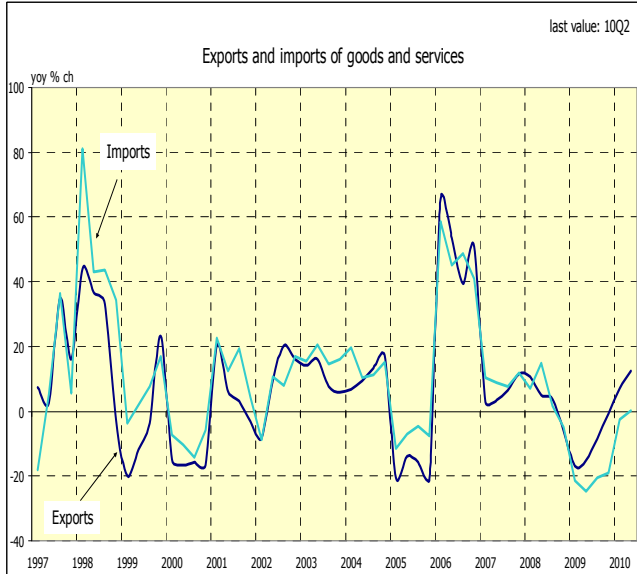
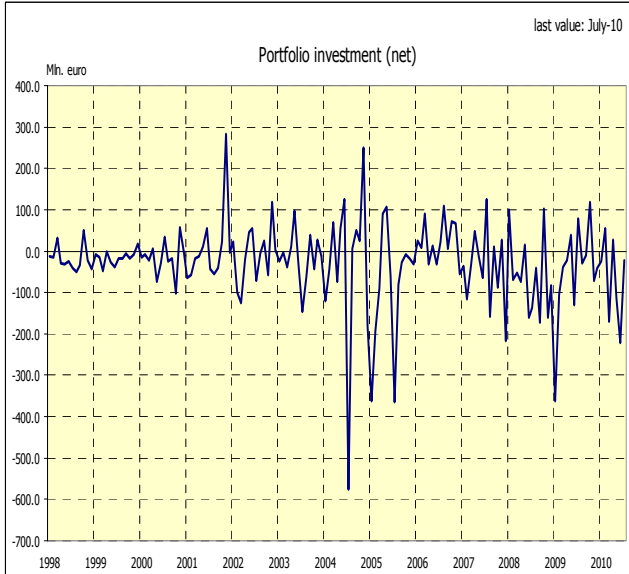
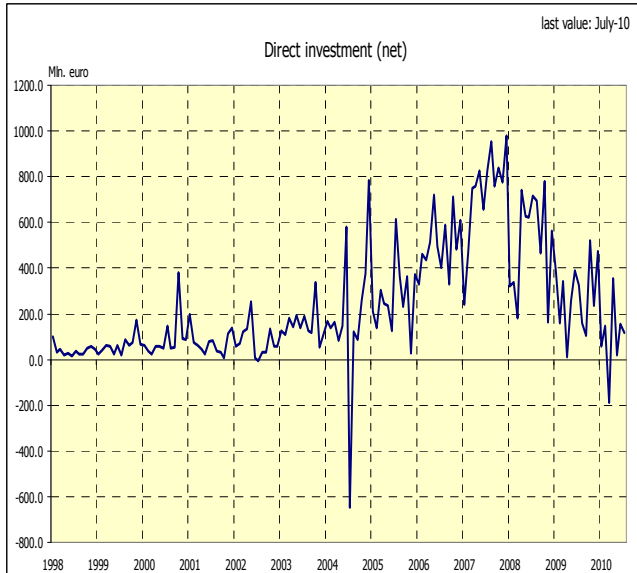
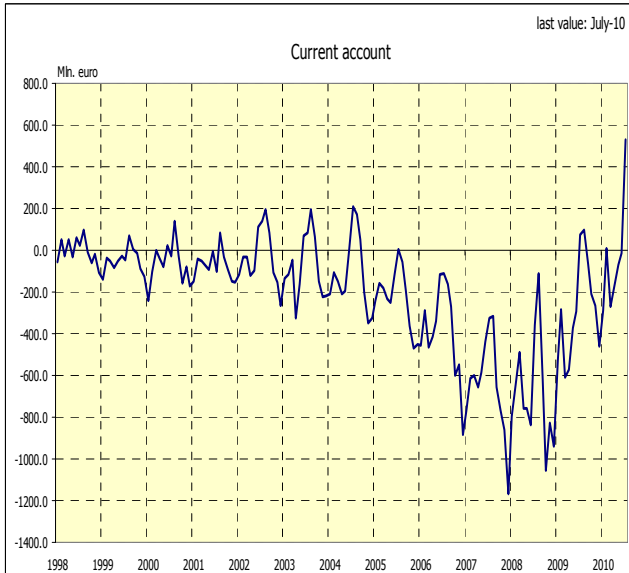
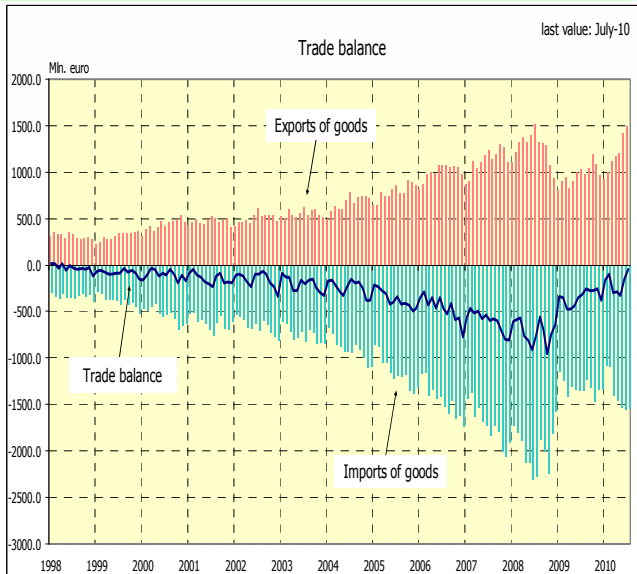
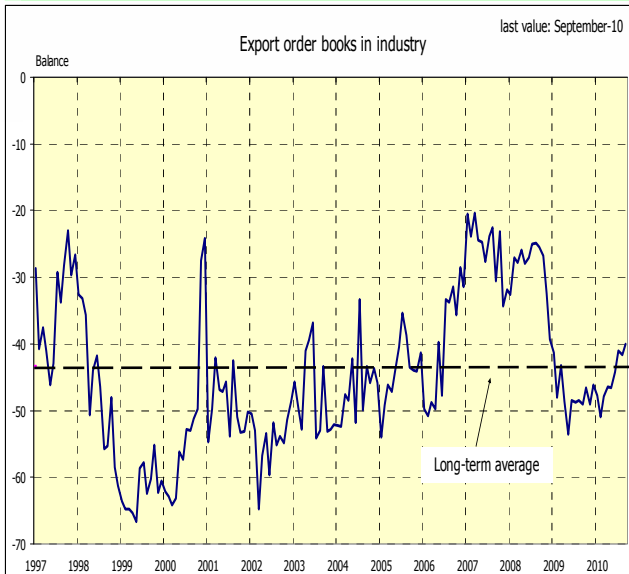
**4. LABOUR MARKET**



**Note:** yoy % ch. - growth rate compared to the same period of the previous year.



**5. INTERNATIONAL TRANSACTIONS**



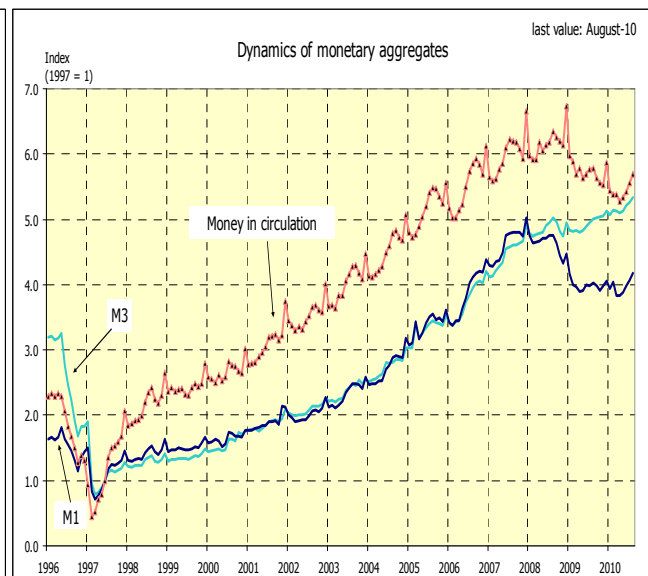
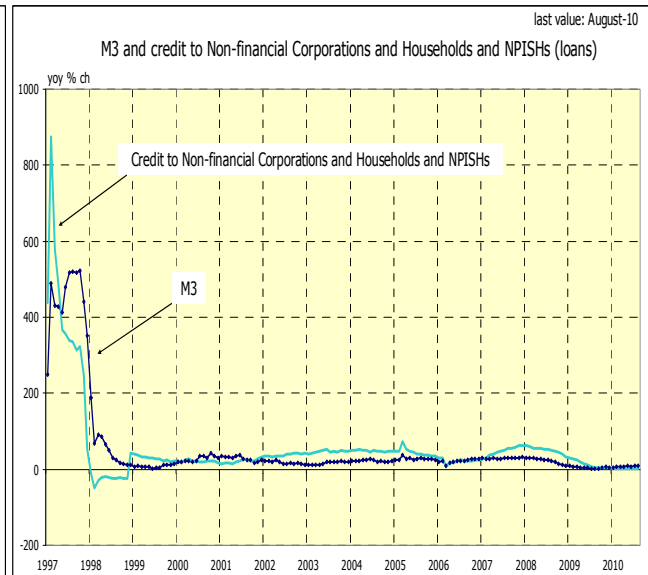
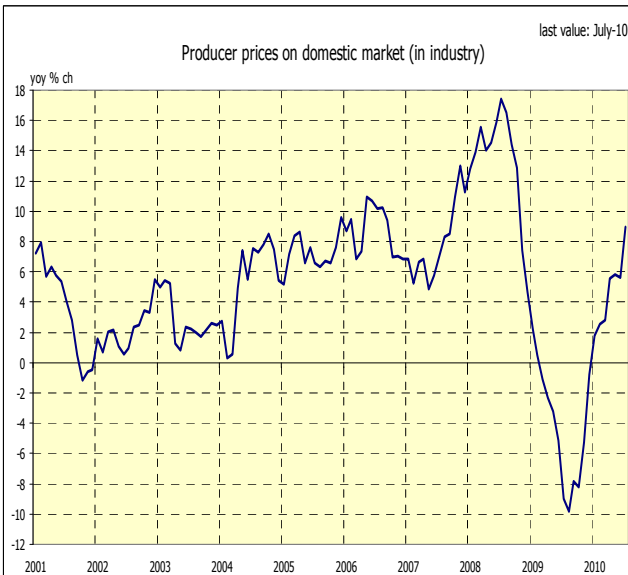
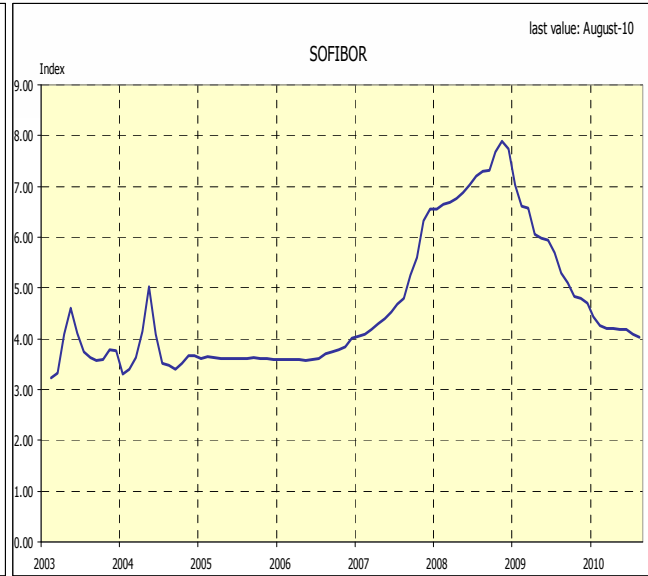
**Note:** yoy % ch. - growth rate compared to the same period of the previous year.



**6. PRICES**



**7. MONETARY AND FINANCIAL INDICATORS**



Note: yoy % ch. - growth rate compared to the same period of the previous year.



## Key indicators for Bulgaria - Explanatory notes

No	Indicator	Note	Source
<b>1.</b>	<b>Output</b>		
1.1.	Industrial confidence indicator	Business survey in industry. The industrial confidence indicator is an arithmetic average of balances to replies on production expectations, order books and stocks of finished products (the latter with negative sign).	NSI
1.2.	Industrial production	Growth rate compared to the same period of the previous year	NSI
1.3.	Gross Domestic Product	Growth rate compared to the same period of the previous year	NSI
<b>2.</b>	<b>Private consumption</b>		
2.1.	Consumer confidence indicator	Consumer survey. The consumer confidence indicator is an arithmetic average of balances of the expectations about the economic and financial situation, unemployment and savings of households over the next 12 months.	NSI
2.2.	Turnover in retail trade	Turnover in retail trade (excluding motor vehicles), growth rate compared to the same period of the previous year	NSI
2.3.	Private consumption	Growth rate compared to the same period of the previous year	NSI
<b>3.</b>	<b>Investment</b>		
3.1.	Capacity utilization	Average capacity utilization in industry, as a percentage of full capacity (Data are collected each January, April, July and October.).	NSI
3.2.	Gross fixed capital formation	Growth rate compared to the same period of the previous year	NSI
3.3.	Change in stocks	As a percentage of GDP	NSI
<b>4.</b>	<b>Labour market</b>		
4.1.	Unemployment	As a percentage of labour force in Bulgaria (data from Labour force survey)	NSI
4.2.	Employed persons	Growth rate compared to the same period of the previous year (data from Labour force survey)	NSI
4.3.	Labour costs	Index of hourly labour costs incurred by the employers as a result of engaging the workforce, growth rate compared to the same period of previous year	NSI
4.4.	Shortage of labour	Percentage of firms in industry pointing out shortage of labour as a constraint to production	NSI
4.5.	Wages	Nominal value, growth rate compared to the same period of the previous year, average monthly wages of the employees under labour contract	NSI
<b>5.</b>	<b>International transactions</b>		
5.1.	Export order books	Business survey in industry. Balance of positive and negative replies	NSI
5.2.	Exports of goods	Balance of payment, million EUR	BNB
5.3.	Imports of goods	Balance of payment, million EUR	BNB
5.4.	Trade balance	Balance of payment, million EUR	BNB
5.5.	Current account	Balance of payment, million EUR	BNB
5.6.	Direct investment	(net) million EUR, balance of payment	BNB
5.7.	Portfolio investment	(net) million EUR, balance of payment	BNB
5.8.	Exports of goods and services	Growth rate compared to the same period of the previous year	NSI
5.9.	Imports of goods and services	Growth rate compared to the same period of the previous year	NSI
<b>6.</b>	<b>Prices</b>		
6.1.	Harmonized Index of Consumer Prices	Growth rate compared to the same period of the previous year	NSI
6.2.	Producer prices on domestic market (in industry)	Growth rate compared to the same period of the previous year	NSI
6.3.	Selling price expectations in industry	Business survey in industry. Balance of positive and negative replies	NSI
6.4.	Selling price expectations in retail trade	Business survey in retail trade. Balance of positive and negative replies	NSI
<b>7.</b>	<b>Monetary and financial indicators</b>		
7.1.	SOFIBOR	Three-month interbank market index SOFIBOR (SOFIBOR: Sofia Interbank Offered Rate is a fixing of the quotations for unsecured BGN deposits offered in the Bulgarian interbank market)	BNB
7.2.	M3	Growth rate compared to the same period of the previous year (monthly value: value at the end of the month)	BNB
7.3.	Credit to Non-financial Corporations and Households and NPISHs (loans)	Growth rate compared to the same period of the previous year (monthly value: value at the end of the month)	BNB
7.4.	Exchange rate USD/BGN	Period averages	BNB
7.5.	Nominal effective exchange rate	Index (June 1997=100)	BNB