



## Key indicators for Bulgaria

This update: 30 September 2011

Next update: 30 December 2011

		2008	2009	2010	Mar.-11	Apr.-11	May-11	June-11	July-11	Aug.-11
<b>1. Output</b>										
Industrial confidence <sup>1.1</sup>	%	5.9	-9.5	-7.2	-3.5	-3.2	-4.2	-3.8	-3.5	-5.4
Industrial production <sup>1.2</sup>	yoy % ch.	0.7	-18.1	2.0	6.1	9.8	7.6	2.9	6.2	
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>10Q1</b>	<b>10Q2</b>	<b>10Q3</b>	<b>10Q4</b>	<b>11Q1</b>	<b>11Q2</b>
Gross domestic product <sup>1.3</sup>	yoy % ch.	6.2	-5.5	0.2	-1.9	-0.4	0.0	3.7	3.3	2.0
<b>2. Private consumption</b>										
Consumer confidence <sup>2.1</sup>	%	-36.6	-49.6	-46.2	-47.6	-43.1	-40.1	-38.6	-41.7	-40.4
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Mar.-11</b>	<b>Apr.-11</b>	<b>May-11</b>	<b>June-11</b>	<b>July-11</b>	<b>Aug.-11</b>
Turnover in retail trade <sup>2.2</sup>	yoy % ch.	9.1	-7.4	-7.1	1.4	0.5	1.7	-0.8	-2.8	
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>10Q1</b>	<b>10Q2</b>	<b>10Q3</b>	<b>10Q4</b>	<b>11Q1</b>	<b>11Q2</b>
Private consumption <sup>2.3</sup>	yoy % ch.	3.0	-7.6	-0.6	-0.9	-0.5	-0.4	0.7	1.5	1.4
<b>3. Investment</b>										
Capacity utilization in industry <sup>3.1</sup>	%	73.4	66.0	68.0	68.5	67.9	71.1	70.5	70.1	72.0
Gross fixed capital formation <sup>3.2</sup>	yoy % ch.	21.9	-17.6	-16.5	-24.1	-21.3	-21.3	-0.9	1.6	8.4
Change in stocks <sup>3.3</sup>	% of GDP	3.9	0.5	1.4	0.6	1.7	1.1	2.2	-0.7	3.6
<b>4. Labour market</b>										
Unemployment <sup>4.1</sup>	%	5.6	6.8	10.2	10.2	10.0	9.5	11.2	12.0	11.2
Employed persons <sup>4.2</sup>	yoy % ch.	3.3	-3.2	-6.2	-7.7	-6.9	-5.4	-4.7	-4.0	-4.5
Labour costs <sup>4.3</sup>	yoy % ch.	20.9	12.1	9.5	9.9	9.4	10.6	8.0	6.9	10.1
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Mar.-11</b>	<b>Apr.-11</b>	<b>May-11</b>	<b>June-11</b>	<b>July-11</b>	<b>Aug.-11</b>
Shortage of labour in industry <sup>4.4</sup>	%	19.5	11.1	6.5	7.2	8.3	6.8	6.8	8.2	9.7
Wages <sup>4.5</sup>	yoy % ch.	26.5	11.8	6.3	8.3	10.4	9.1	8.5		
<b>5. International transactions</b>										
Export order books in industry <sup>5.1</sup>	balance	-28.5	-47.6	-43.5	-39.1	-37.1	-43.9	-41	-38.2	-43.5
Exports of goods <sup>5.2</sup>	mln. EUR	15204.0	11699.2	15561.2	1696.9	1605.6	1660.3	1596.0	1834.8	
Imports of goods <sup>5.3</sup>	mln. EUR	23801.7	15873.1	18324.8	-1743.4	-1808.1	-1879.2	-1804.4	-1784.1	
Trade balance <sup>5.4</sup>	mln. EUR	-8597.7	-4173.9	-2763.7	-46.5	-202.5	-218.9	-208.4	50.7	
Current account <sup>5.5</sup>	mln. EUR	-8182.5	-3116.2	-475.6	24.1	-79.4	126.8	49.6	641.7	
Direct investment (net) <sup>5.6</sup>	mln. EUR	6205.7	2505.3	1585.1	-408.0	109.0	54.4	12.1	61.3	
Portfolio investment (net) <sup>5.7</sup>	mln. EUR	-730.9	-619.1	-661.2	-6.1	170.0	-148.1	-40.3	13.1	
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>10Q1</b>	<b>10Q2</b>	<b>10Q3</b>	<b>10Q4</b>	<b>11Q1</b>	<b>11Q2</b>
Exports of goods and services <sup>5.8</sup>	yoy % ch.	3.0	-11.2	16.2	5.9	16.5	27.7	15.2	21.6	12.2
Imports of goods and services <sup>5.9</sup>	yoy % ch.	4.2	-21.0	4.5	-1.5	2.9	5.3	10.7	10.0	7.5
<b>6. Prices</b>										
HICP <sup>6.1</sup>	yoy % ch.	12.0	2.5	3.0	4.6	3.3	3.4	3.5	3.4	3.1
Producer prices on domestic market (in industry) <sup>6.2</sup>	yoy % ch.	13.3	-4.2	7.2	12.1	10.7	9.9	10.1	8.4	
Selling prices expectations in industry <sup>6.3</sup>	balance	17.7	1.6	5.5	11.0	6.4	11.1	12.3	9.1	7.3
Selling prices expectations in retail trade <sup>6.4</sup>	balance	35.5	0.7	5.4	9.9	5.5	5.9	2.7	5.8	4.5
<b>7. Monetary and financial indicators</b>										
SOFIBOR (3 months) <sup>7.1</sup>	index	7.14	5.72	4.12	3.90	3.79	3.77	3.74	3.75	3.74
M3 <sup>7.2</sup>	yoy % ch.	8.8	4.2	6.4	7.4	7.6	7.9	8.0	9.4	9.4
Credit to Non-financial Corporations and Households and NPISHs <sup>7.3</sup>	yoy % ch.	32.5	3.6	1.2	1.6	2.1	2.1	2.3	2.8	3.6
Exchange rate USD/BGN <sup>7.4</sup>	value	1.34	1.41	1.48	1.40	1.35	1.36	1.36	1.37	1.36
Nominal effective exchange rate <sup>7.5</sup>	index	131.2	134.0	130.5	131.1	131.8	132.3	132.2	132.4	

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 2011 compared to August the **industrial confidence indicator** increased by 1.1 percentage points, which is due to a certain improvement of the production assurance with orders mainly for export.

In July 2011 the working-day-adjusted **Industrial Production Index** rose by 6.2% in comparison with July 2010 (by preliminary data). An increase was recorded in Mining and quarrying - by 10.3%, in Electricity, gas, steam and air conditioning supply by 7.4% and in Manufacturing - by 5.9%.

By preliminary operative data, the **Gross Domestic Product (GDP)** in the second quarter of 2011 amounted to BGN 18 804 million at current prices and GDP per capita was BGN 2 511.6. At the average exchange rate for the quarter of BGN 1.3587 for 1 US dollar, the GDP amounted to USD 13 839.8 million and respectively USD 1 848.5 per capita. GDP recalculated in Euro was EUR 9 614.3 million or EUR 1 284.1 per capita. In comparison with the second quarter of 2010 the real volume of GDP increased by 2.0% according to the seasonally adjusted data.

### 2. Private consumption

In July 2011 the total **consumer confidence indicator** increased by 1.3 percentage points compared to April's level which was mostly due to an increase of confidence among the urban inhabitants. The consumers' expectations about the development of the general economic situation in the country over the next 12 months as a whole are more unfavourable compared to the opinions expressed before 3 months.

In July 2011 the working day adjusted **turnover in Retail trade** decreased by 2.8% in comparison with the same month of the previous year (by preliminary data). An increase is observed in the 'Dispensing chemist; retail sale of medical and orthopedic goods, cosmetic and toilet articles' by 3.9%. A reduction was registered in the "Retail sale of audio and video equipment; hardware, paints and glass; electrical household appliances" - by 8.2%, in the "Retail sale of computers, peripheral units and software; telecommunications equipment" - by 5.5%, in the "Retail sale of textiles, clothing, footwear and leather goods" - by 3.4%, in the "Retail sale of automotive

fuel" - by 1.8% and in the "Retail sale of food, beverages and tobacco" - by 0.3%.

In the second quarter of 2011 70.1% of the produced GDP were spent for **individual consumption of the population**. The real increase of the indicator was by 1.4% in comparison with the respective quarter of 2010 (according to the seasonally adjusted data).

### 3. Investment

In July 2011 the **average capacity utilization in industry** increased by 1.9 percentage points in comparison with April and reached to 72.0%.

In the second quarter of 2011 the **gross fixed capital formation** increased in real terms (according to the seasonally adjusted data) by 8.4% in comparison with the same period of the previous year. The relative share of that category in GDP is 21.1%.

### 4. Labour market

In the second quarter of 2011 the **total number of employed persons** aged 15 and over was 2 934.1 thousand and their relative share of the population of the same age group was 45.3%. In comparison with the same period of 2010 the number of persons employed decreased by 138.0 thousand and the employment rate - by 1.7 percentage points.

In the second quarter of 2011 the **unemployed persons** were 369.8 thousand and the unemployment rate - 11.2%. The number of unemployed persons compared to the same quarter of the previous year increased by 27.6 thousand and the unemployment rate - by 1.2 percentage points.

According to the NSI business inquiries in September 2011 8.0% of the industrial enterprises pointed out the **labour shortage** as a factor limiting their activity.

In June 2011 the **average wage and salary** was BGN 690 (by preliminary data) which is by 1.1% lower than the previous month. In comparison with June 2010 the growth rate is 8.5%.

### 5. International transactions

According to the industrial managers' assessments in September 2011 there was an improvement of the production assurance with **orders from abroad** by 3.4 percentage points in comparison with August.



In the period January - July 2011, the **current account** was positive - EUR 885.8 million (2.3% of GDP projected for 2011), against a deficit of EUR 390.8 million (1.1% of GDP) for the period January - July 2010. Main factor for the current account balance increase was the lower trade deficit (by EUR 998.5 million).

**Trade balance** in January - July 2011 was negative amounting to EUR 590.5 million (1.5% of GDP projected for 2011), compared to a deficit of EUR 1 589 million (4.4% of GDP) for the period January - July 2010.

**Exports (FOB)** in the period January - July 2011 amounted to EUR 11 473.4 million against EUR 8 361.1 million for January - July 2010, which was an increase of 37.2% against an annual increase of 30.1% for the same period of 2010. **Imports (FOB)** in the period January - July 2011 was EUR 12 064 million, against EUR 9 950.1 million for the period January - July 2010. They increased by 21.2% annually against an increase annual of 8.6% for January - July 2010.

**Foreign direct investment abroad** in January - July 2011 was EUR 66.6 million against EUR 118 million for January - July 2010. **Foreign direct investment in Bulgaria** increased by EUR 183.8 million (0.5% of GDP) against an increase of EUR 775.6 million (2.2% of GDP) for the period January - July 2010.

**Portfolio investment - assets** in January - July 2011 increased by EUR 23 million, compared to an increase of EUR 364.6 million for January - July 2010. **Portfolio investment – liabilities** in January - July 2011 decreased by EUR 170.8 million. In the period January - July 2010, they decreased by EUR 142.9 million.

In the second quarter of 2011 the external balance (exports-imports) was negative amounting to BGN 414 million. In comparison with the respective quarter of 2010 the **exports of goods and services** increased in real terms by 12.2%, while the **imports** increased by 7.5% (according to the seasonally adjusted data).

## 6. Prices

In August 2011 the **harmonized index of consumer prices** increased by 3.1% compared to the same

month of 2010. A rise of prices was observed in all groups, with the exception of “Recreation and culture” “Communications” and “Furnishing, household equipment and routine maintenance of the house”. The highest increase was registered in “Food and non-alcoholic beverages” - by 8.1%.

**The Producer Price Index on Domestic Market** in July 2011 increased by 8.4% compared to the same month of 2010. In mining and quarrying the prices rose - by 11.9%, in manufacturing - by 11.6%, and in electricity, gas, steam and air conditioning supply by - 1.3%.

According to the business conjuncture in September 2011 the managers’ expectations with regard to the **prices in industry** were not for an increase over the next 3 months.

## 7. Monetary and financial indicators

In August 2011 the **three-month interbank market index SOFIBOR** decreased from 3.75 to 3.74% in comparison with the previous month, whereas the value in August 2010 was 4.04%.

The annual growth rate of the broad money (**monetary aggregate M3**) was 9.4% in August 2011 against 9.4% in July, as at the end of August 2011 M3 amounted to BGN 55.243 billion (71.7% of GDP projected for 2011) against BGN 54.513 billion in July 2011 (70.7% of GDP). The narrow money M1 amounted to BGN 20.352 billion as they increased by 6.8% annually against an increase of 5.2% in July 2011.

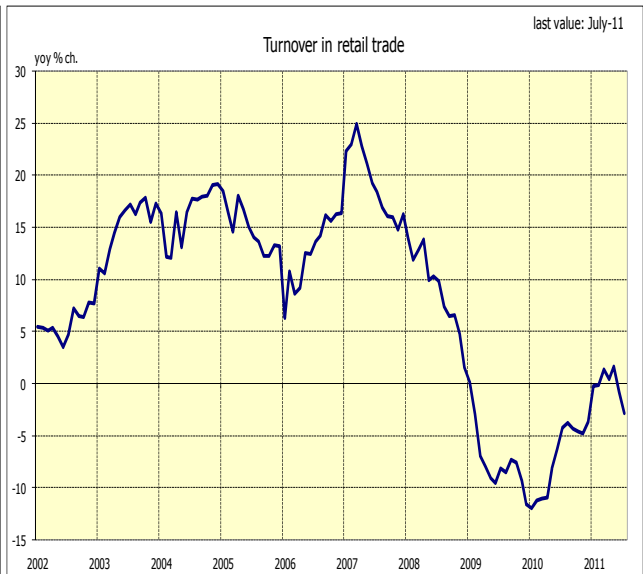
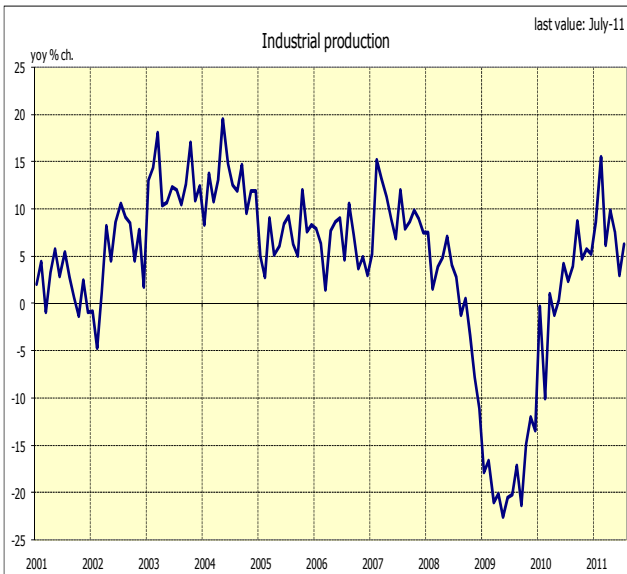
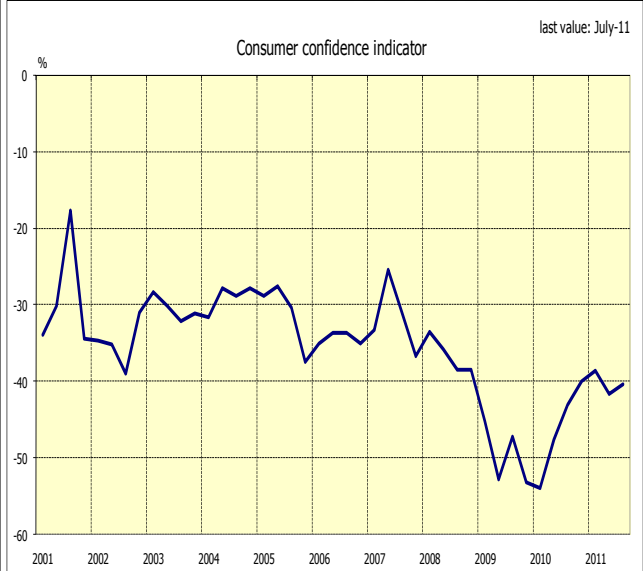
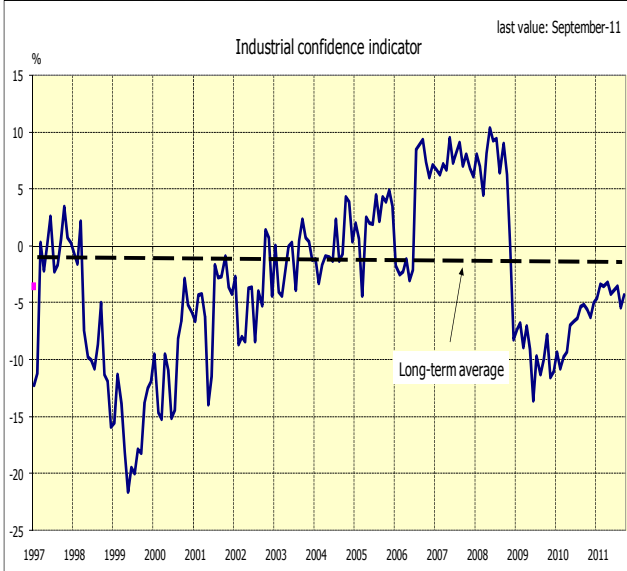
In August 2011 the **volume of the loans to non-financial corporations, households and NPISHs** amounted to BGN 51.394 billion (66.7% of the GDP projected for 2011). The annual growth rate of the loans to non-financial corporations in August was 6.1 against 4.8% in the previous month; the loans to the households and NPISHs in August decreased by 0.4% in comparison with the same month of 2010 against an annual decrease of 0.5% in July 2011.

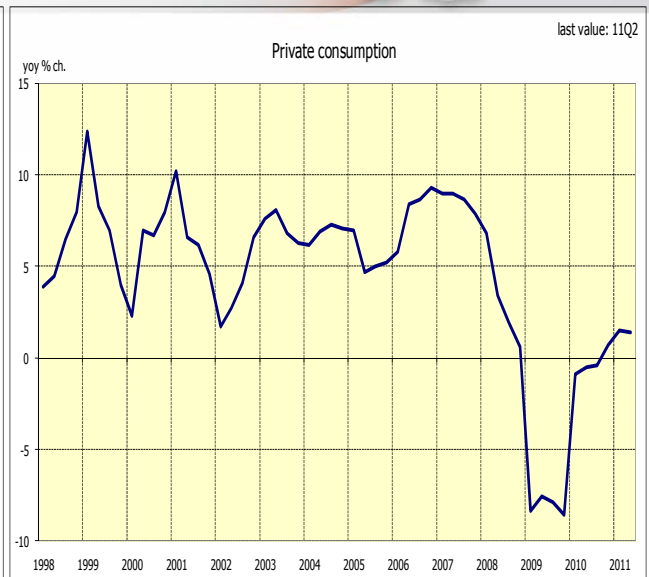
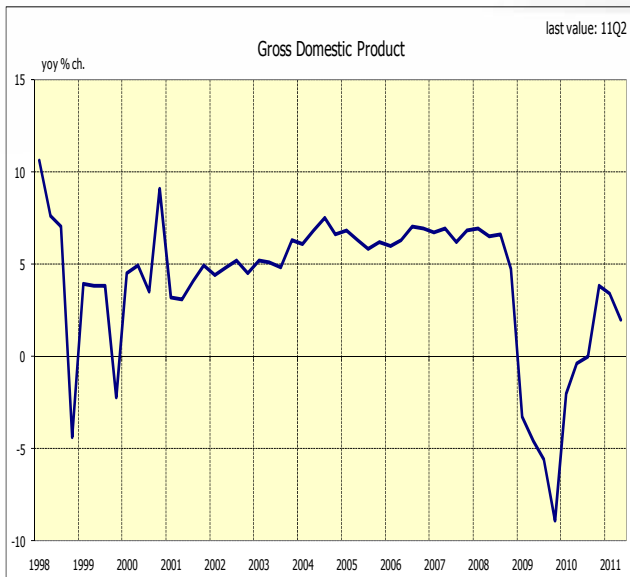
In August 2011 the **exchange rate BGN against the US dollar** decreased in comparison with the previous month from 1.37 to 1.36.



**1. OUTPUT**

**2. PRIVATE CONSUMPTION**

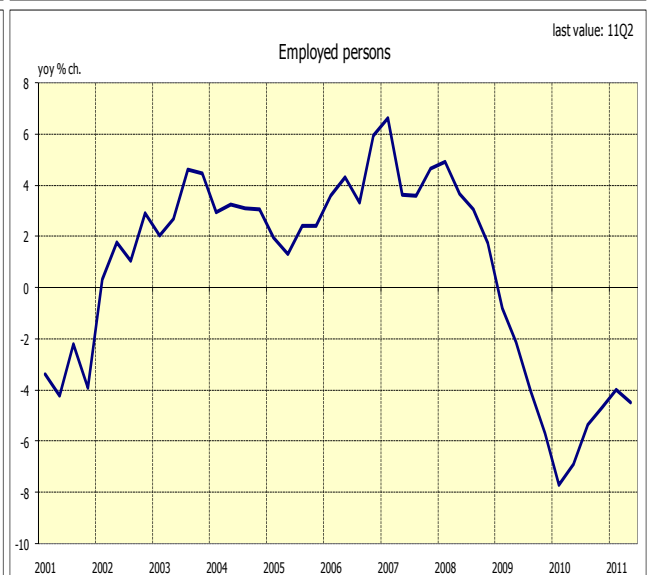
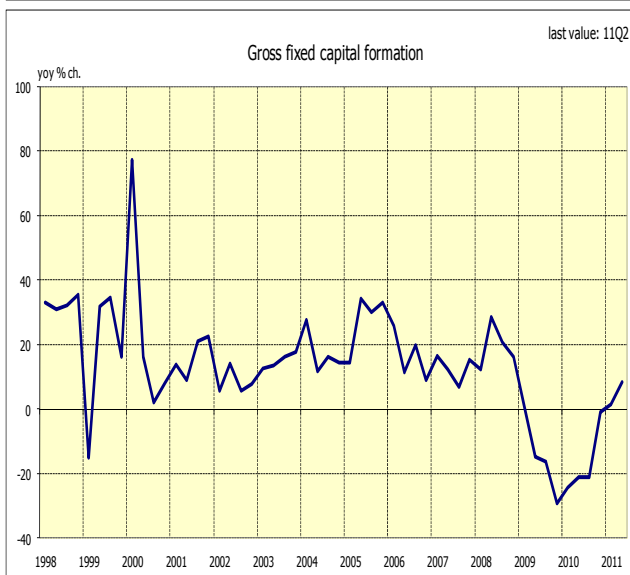
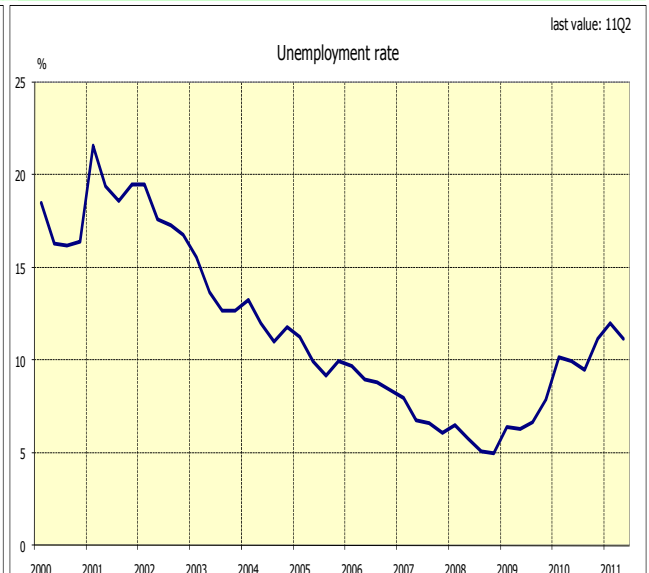
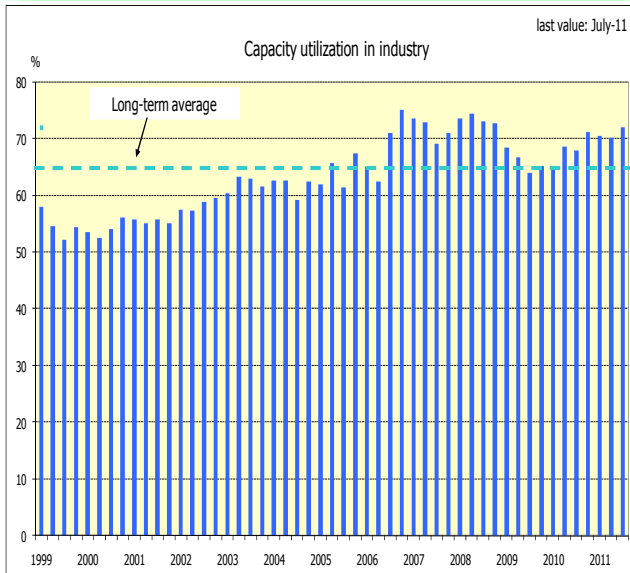


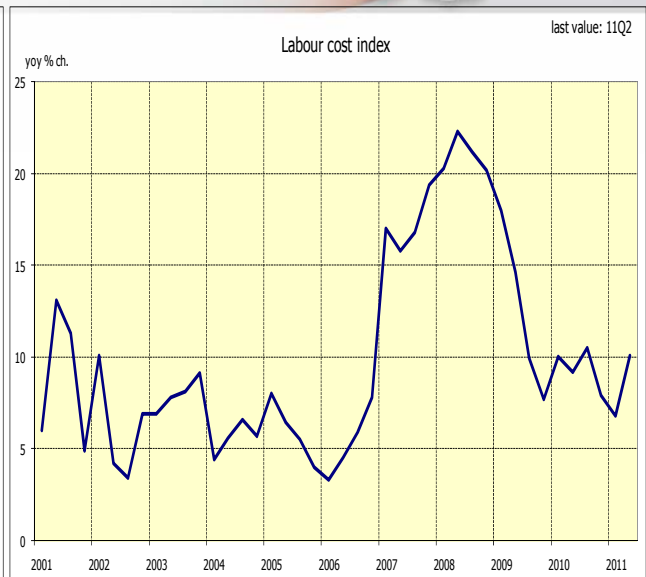
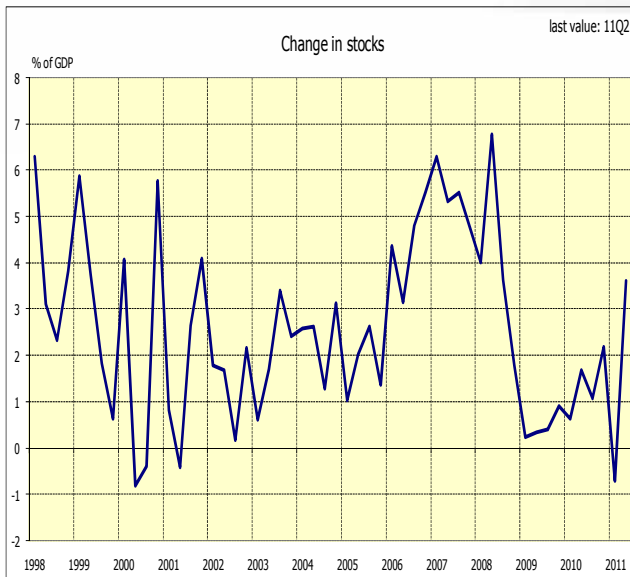


Note: yoy % ch. - growth rate compared to the same period of the previous year.

### 3. INVESTMENT

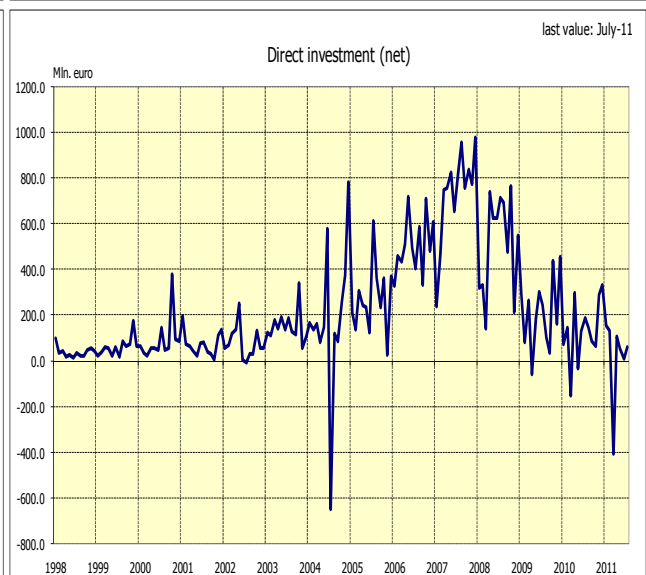
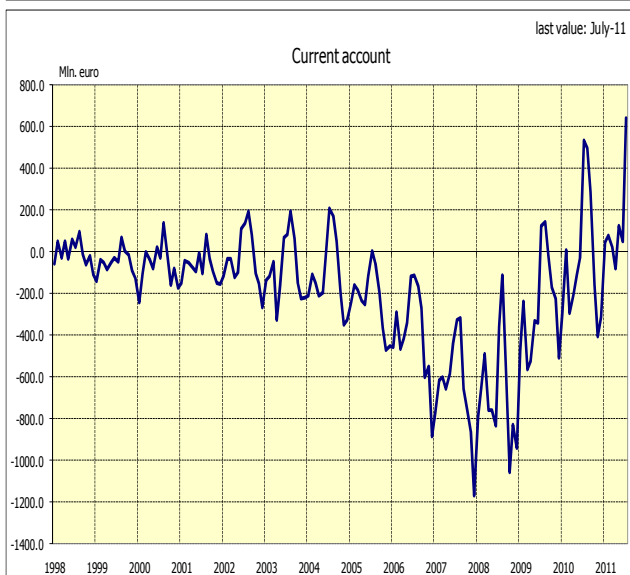
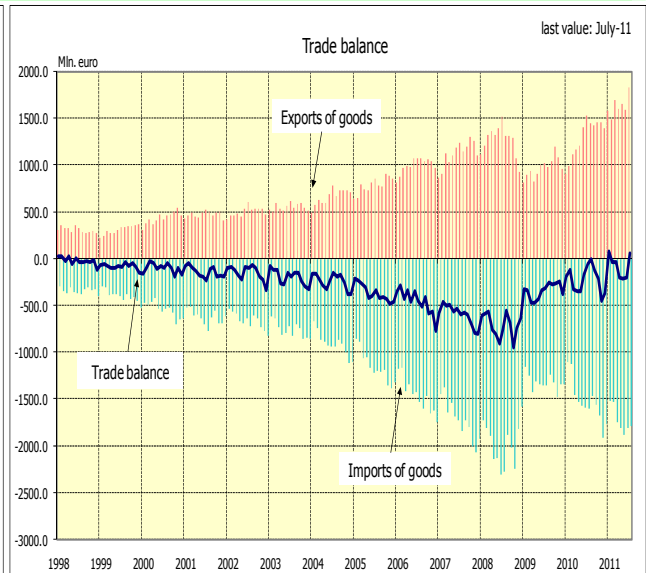
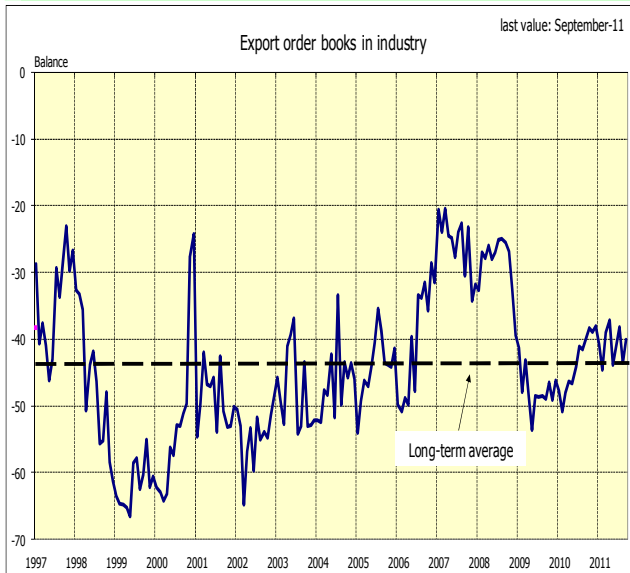
### 4. LABOUR MARKET

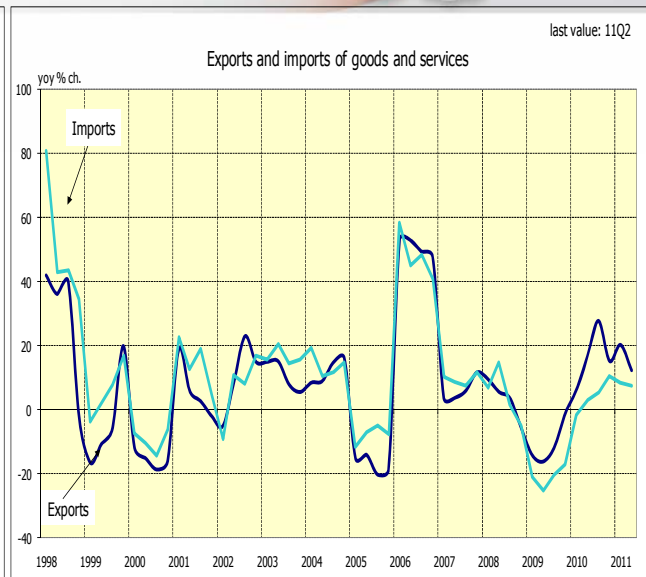
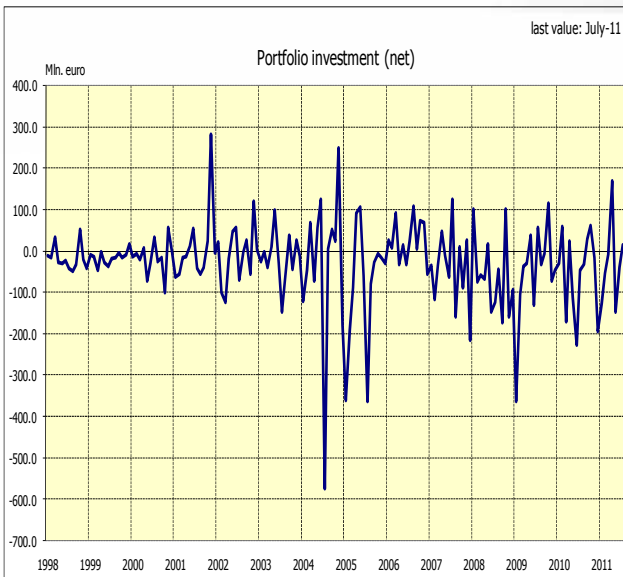




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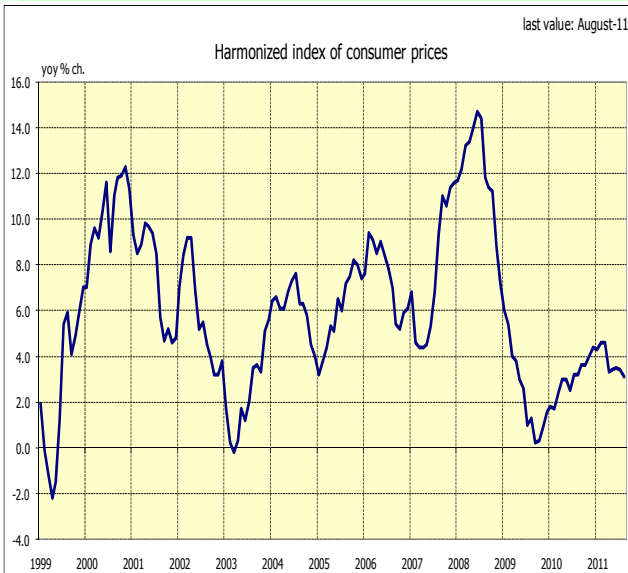
### 5. INTERNATIONAL TRANSACTIONS



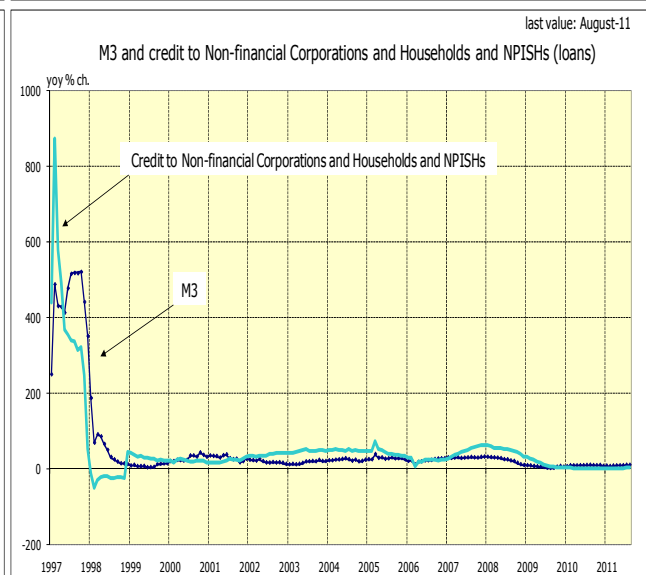


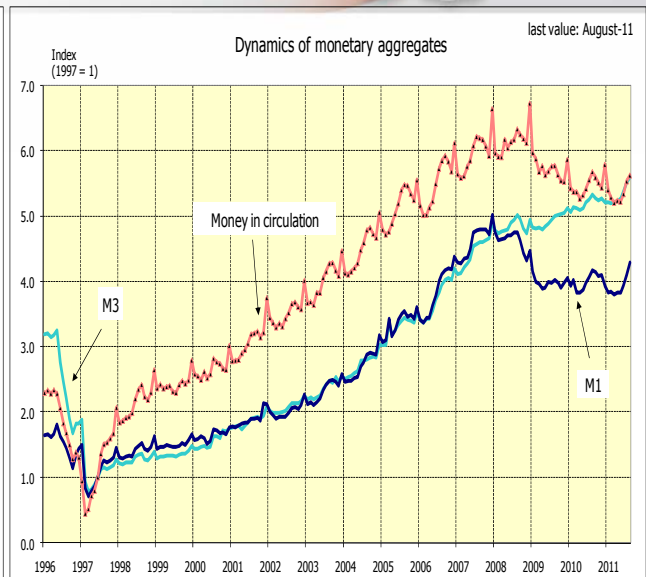
Note: yoy % ch. - growth rate compared to the same period of the previous year.

### 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**

№	Indicator	Note	Source
<b>1. 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, working day adjusted data	NSI
1.3.	Gross Domestic Product	Growth rate compared to the same period of the previous year, seasonally adjusted data corrected for working day effects	NSI
<b>2. 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, working day adjusted data	NSI
2.3.	Private consumption	Growth rate compared to the same period of the previous year, seasonally adjusted data corrected for working day effects	NSI
<b>3. 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, seasonally adjusted data corrected for working day effects	NSI
3.3.	Change in stocks	As a percentage of GDP	NSI
<b>4. 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, working day adjusted data	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. 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, seasonally adjusted data corrected for working day effects	NSI
5.9.	Imports of goods and services	Growth rate compared to the same period of the previous year, seasonally adjusted data corrected for working day effects	NSI
<b>6. 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. 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