



### Key indicators for Bulgaria\*

This update: 30 December 2016

Next update: 6 April 2017

		May'16	June'16	July'16	August'16	Sept.'16	Oct.'16	Nov.'16	Dec.'16
<b>1. Output</b>									
Industrial confidence <sup>1.1</sup>	%	-0.9	1.6	-0.5	-2.5	-1.5	-1.8	-0.9	-2.4
Industrial production <sup>1.2</sup>	yoy % ch.	-3.4	4.0	2.3	2.6	3.4	2.8		
Construction Production <sup>1.3</sup>	yoy % ch.	-8.2	-13.0	-11.7	-10.0	-10.5	-14.0		
		<b>15 Q1</b>	<b>15 Q2</b>	<b>15 Q3</b>	<b>15 Q4</b>	<b>16 Q1</b>	<b>16 Q2</b>	<b>16 Q3</b>	<b>16 Q4</b>
Gross domestic product <sup>1.4</sup>	yoy % ch.	3.3	3.5	3.8	3.7	3.4	3.6	3.4	
<b>2. Private consumption</b>									
Consumer confidence <sup>2.1</sup>	%	-29.8	-30.2	-30.2	-28.7	-26.9	-27.5	-27.9	
		<b>May'16</b>	<b>June'16</b>	<b>July'16</b>	<b>August'16</b>	<b>Sept.'16</b>	<b>Oct.'16</b>	<b>Nov.'16</b>	<b>Dec.'16</b>
Turnover in retail trade <sup>2.2</sup>	yoy % ch.	4.0	5.4	2.3	5.3	2.0	2.9		
		<b>15 Q1</b>	<b>15 Q2</b>	<b>15 Q3</b>	<b>15 Q4</b>	<b>16 Q1</b>	<b>16 Q2</b>	<b>16 Q3</b>	<b>16 Q4</b>
Individual final consumption <sup>2.3</sup>	yoy % ch.	0.9	2.9	4.7	5.7	2.1	2.5	1.3	
<b>3. Investment</b>									
Capacity utilization in industry <sup>3.1</sup>	%	74.3	74.3	72.5	75.2	72.4	73.3	74.6	
Gross fixed capital formation <sup>3.2</sup>	yoy % ch.	0.0	0.9	2.7	4.8	3.7	-0.1	-1.8	
Change in stocks <sup>3.3</sup>	% of GDP	-0.3	0.0	-0.4	1.3	0.9	1.9	0.7	
<b>4. Labour market</b>									
Unemployment rate <sup>4.1</sup>	%	10.6	9.9	8.3	7.9	8.6	8.0	7.0	
Unemployment rate - male	%	11.4	10.9	8.8	8.0	9.3	8.8	7.4	
Unemployment rate - female	%	9.7	8.8	7.6	7.6	7.8	7.2	6.5	
Employment rate 15+ <sup>4.2</sup>	%	47.7	48.7	50.3	49.7	48.5	49.5	49.9	
Employment rate 20-64	%	65.0	66.6	68.8	68.1	66.5	68.0	68.5	
Employed persons <sup>4.3</sup>	yoy % ch.	1.9	1.1	1.4	2.4	0.9	0.7	-1.7	
Labour costs <sup>4.4</sup>	yoy % ch.	6.7	8.1	7.2	5.6	7.7	7.3	8.4	
		<b>May'16</b>	<b>June'16</b>	<b>July'16</b>	<b>August'16</b>	<b>Sept.'16</b>	<b>Oct.'16</b>	<b>Nov.'16</b>	<b>Dec.'16</b>
Shortage of labour in industry <sup>4.5</sup>	%	21.2	21.9	23.3	24.2	25.0	25.0	23.3	24.5
Wages <sup>4.6</sup>	yoy % ch.	7.9	7.8	7.7	7.6	7.8			
<b>5. International transactions</b>									
Export order books in industry <sup>5.1</sup>	balance	-33.9	-30.4	-27.5	-30.1	-26.2	-29.4	-28.5	-26.5
Exports of goods <sup>5.2 **</sup>	mln. EUR	1736.4	1941.2	1992.0	1924.3	1990.9	2131.1		
Imports of goods <sup>5.3 **</sup>	mln. EUR	1947.4	2068.3	2081.8	2147.4	1998.0	2364.2		
Trade balance <sup>5.4 **</sup>	mln. EUR	-211.1	-127.1	-89.9	-223.1	-7.1	-233.1		
Current account <sup>5.5 **</sup>	mln. EUR	1.9	657.8	483.8	541.8	402.2	-57.4		
Direct investment (net) <sup>5.6 **</sup>	mln. EUR	-98.2	-171.9	-149.6	-90.9	94.4	17.1		
Portfolio investment (net) <sup>5.7 **</sup>	mln. EUR	84.2	-14.4	-90.1	142.2	-299.5	157.6		
		<b>15 Q1</b>	<b>15 Q2</b>	<b>15 Q3</b>	<b>15 Q4</b>	<b>16 Q1</b>	<b>16 Q2</b>	<b>16 Q3</b>	<b>16 Q4</b>
Exports of goods and services <sup>5.8</sup>	yoy % ch.	12.4	6.3	2.8	2.0	2.5	4.5	9.5	
Imports of goods and services <sup>5.9</sup>	yoy % ch.	7.8	7.0	2.7	4.6	0.8	2.8	7.5	
<b>6. Prices</b>									
HICP <sup>6.1</sup>	yoy % ch.	-2.5	-1.9	-1.1	-1.1	-1.1	-1.0	-0.8	
		<b>15 Q1</b>	<b>15 Q2</b>	<b>15 Q3</b>	<b>15 Q4</b>	<b>16 Q1</b>	<b>16 Q2</b>	<b>16 Q3</b>	<b>16 Q4</b>
HPI <sup>6.2</sup>	yoy % ch.	2.3	2.8	2.1	4.0	4.6	6.5		
		<b>May'16</b>	<b>June'16</b>	<b>July'16</b>	<b>August'16</b>	<b>Sept.'16</b>	<b>Oct.'16</b>	<b>Nov.'16</b>	<b>Dec.'16</b>
Producer prices on domestic market (in industry) <sup>6.3</sup>	yoy % ch.	-4.4	-4.2	-3.8	-2.7	-2.4	-1.4	-0.6	
Selling prices expectations in industry <sup>6.4</sup>	balance	0.1	0.8	-0.1	0.7	-1.5	1	1.7	4.6
Selling prices expectations in retail trade <sup>6.5</sup>	balance	5.3	5.2	1.1	-1.7	-3.0	1.3	0.3	1.7
<b>7. Monetary and financial indicators</b>									
SOFIBOR (3 months) <sup>7.1</sup>	index	0.14	0.13	0.13	0.15	0.14	0.14	0.14	
M3 <sup>7.2</sup>	yoy % ch.	8.1	8.9	8.6	8.9	8.7	8.1	8.1	
Credit to Non-financial Corporations and Households and NPISHs <sup>7.3</sup>	yoy % ch.	-1.1	-1.2	-0.6	-0.5	-0.7	0.4	0.4	
Exchange rate USD/BGN <sup>7.4</sup>	value	1.75	1.76	1.76	1.76	1.79	1.75	1.84	

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

\* The key indicators are elaborated in accordance with the euro zone indicators system. The analytical document is quarterly updated. Source of the data are the NSI statistical surveys and BNB data.

 \*\* The publication from BNB of data compiled in accordance with the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual starts on 17 April 2015 (BPM6). Information on the methodology and data on BNB indicators can be found on the website of the BNB, Statistics section - <http://www.bnb.bg/Statistics/StMethodologicalInstructions/index.htm>.



## Comments\*

### 1. Output

According to the NSI business inquiries in December 2016 the **industrial confidence indicator** decreased by 1.5 percentage point compared to November 2016.

In October 2016 working day adjusted **Industrial Production Index** rose by 2.8% in comparison with the same month of 2015 (preliminary data). On annual basis in October 2016 Industrial Production Index calculated from working day adjusted data increased in the mining and quarrying industry by 8.8%, in the electricity, gas, steam and air conditioning supply by 3.5% and in the manufacturing by 1.7%.

In October 2016 working day adjusted data showed a decrease by 14.0% in **the construction production**, compared to the same month of 2015. On an annual basis in October 2016, the decrease of production in construction, calculated from working day adjusted data, was determined from the negative rate as well as in the building construction, where the drop was by 14.6% and in the civil engineering - decline by 13.3%.

According to the preliminary data, the **Gross Domestic Product (GDP)** at current prices in the third quarter of 2016 amounted to 25 336 million BGN. GDP per person amounted to 3 549 BGN. In USD terms at average quarterly exchange rate of 1.75152 BGN per dollar, GDP is 14 465 million dollars or 2 026 dollars per person. In Euro terms, the GDP amounted to 12 954 million Euro or 1 815 Euro per person. According to the seasonally adjusted data<sup>1</sup>, the GDP growth rate in the third quarter of 2016 is 3.4% compared with the same quarter of the previous year and 0.7% compared with the second quarter of 2016.

### 2. Private consumption

In October 2016 the **total consumer confidence indicator** preserves approximately to its July level. The consumers' opinions about the development of the general economic situation in the country over the last 12 months as well the expectations about the next 12 months are slightly deteriorated compared to the previous survey.

\* From July 6, 2016 annual data will be published in a separate application, which will be updated every first half year.

<sup>1</sup> Seasonally and calendar adjusted data.

In October 2016 the working day adjusted **turnover in 'Retail trade, except of motor vehicles and motorcycles' (preliminary data)** increased by 2.9% in comparison with the same month of the previous year. In October 2016 compared to the same month of 2015 the turnover increased more significantly in the 'Retail sale of textiles, clothing, footwear and leather goods' by 11.4%, in the 'Retail sale of food, beverages and tobacco' by 9.6% and in the 'Retail sale via mail order houses or via Internet' by 6.6%. A decrease was registered in the 'Retail sale of audio and video equipment; hardware, paints and glass; electrical household appliances' - 3.8%, in the 'Retail sale of automotive fuel' - 3.3% and in the 'Retail sale in non-specialised stores' - 2.8%.

In the third quarter of 2016 for **individual consumption** were spent 61.9% of the GDP produced. According to seasonally adjusted data<sup>1</sup>, the indicator increased by 1.3% compared to the respective quarter of 2015.

### 3. Investment

In October 2016 the **average capacity utilization in industry** increased by 1.3 percentage points in comparison with July 2016 and it reached 74.6%.

According to seasonally adjusted data, the **gross fixed capital formation** in the third quarter of 2016 decreased in real terms by 1.8% compared to the same period of the previous year. The relative share of that indicator in GDP is 18.5%<sup>1</sup>.

### 4. Labour market

In the third quarter of 2016 there were 3 052.7 thousand **employed persons** aged 15 years and over, of whom 1 623.7 thousand men and 1 429.1 thousand women. The share of employed persons in the total population aged 15 years and over was 49.9% and went down by 0.4 percentage points compared to the third quarter of 2015. In employment were 55.2% of men and 45.0% of women in the age group concerned.

In the third quarter of 2016 there were 229.0 thousand **unemployed persons** and the **unemployment rate** was 7.0%. In comparison with the third quarter of 2015 the number of unemployed persons went down by 50.3 thousand and the unemployment rate decreased by 1.3 percentage points. Of the total number of unemployed persons in the third quarter of



2016, 130.1 thousand (56.8%) were men and 98.9 thousand (43.2%) were women. The unemployment rate was 7.4% for men and 6.5% for women.

In the third quarter of 2016 **the total hourly labour cost** (preliminary data) rose by 8.4% compared to the third quarter of 2015. The total hourly labour cost grew by 8.5% in industry, by 7.7% in services and by 5.0% in construction.

According to the NSI business inquiries in December 2016 24.5% of the industrial enterprises pointed out the **labour shortage** as a factor limiting their activity.

In September 2016 the **average wage and salary** was BGN 954 or 3.4% more compared to the previous month. Compared to September 2015 the increase was 7.8%.

## 5. International transactions

According to the industrial managers' assessments in December 2016 in comparison with November an increase of the production assurance with **orders from abroad** by 2.0 percentage points was registered.

In October 2016 the **current account**<sup>1</sup> was negative amounting to EUR 57.4 million, compared with a deficit of EUR 141.4 million in October 2015. In January - October 2016 the current account was positive and amounted to EUR 2 193 million (4.8% of GDP)<sup>2</sup> compared with a surplus of EUR 813.3 million (1.8% of GDP)<sup>2</sup> in January - October 2015.

In October 2016 **the trade balance**<sup>1</sup> recorded a deficit of EUR 233.1 million in October 2016, compared with a deficit of EUR 294.6 million in October 2015. In January - October 2016 the balance on goods was negative amounting to EUR 1 386.9 million (3.0% of GDP)<sup>2</sup>, compared with a deficit of EUR 1 906.5 million (4.2% of GDP)<sup>2</sup> in January - October 2015

In October 2016 **exports of goods (FOB)**<sup>1</sup> amounted to EUR 2 131.1 million in October 2016, growing by EUR 233.3 million (12.3%) from October 2015 (EUR 1 897.8 million). In January - October 2016 exports of goods totalled EUR 18 622.4 million, increasing by EUR 187.1 million (1.0%) year-on-year (from EUR 18 435.3 million). In January - October 2015 exports grew by 5.5% year-on-year. In October 2016 **imports of goods (FOB)**<sup>1</sup> amounted to EUR 2 364.2 million in

October 2016, growing by EUR 171.7 million (7.8%) from October 2015 (EUR 2 192.4 million). In January - October 2016 imports of goods totalled EUR 20 009.4 million, dropping by EUR 332.4 million (1.6%) from January - October 2015 (EUR 20 341.7 million). In January - October 2015 imports grew by 3.1% year-on-year.

In October 2016 **the foreign direct investment in Bulgaria**<sup>1</sup> (under the directional principle) were negative totalling EUR 25.2 million in October 2016 according to preliminary data, compared with a positive value of EUR 137.8 million in October 2015. In January - October 2016 foreign direct investment in Bulgaria equated to EUR 942 million, compared with a total of EUR 1 748.3 million in January - October 2015. In October 2016 **the direct investment abroad**<sup>1</sup> dropped by EUR 8.1 million in October 2016, compared with an increase of EUR 13.1 million in October 2015. In January - October 2016 the direct investment abroad increased by EUR 92.5 million, compared with an increase of EUR 57.8 million in the same period of 2015.

In October 2016 **the balance on portfolio investment**<sup>1</sup> was positive amounting to EUR 157.6 million. In January - October 2016 the balance was negative and equated to EUR 1 170.4 million (2.6% of GDP)<sup>2</sup>, compared with a negative balance of EUR 916.7 million (2.0% of GDP)<sup>2</sup> million in January - October 2015. In October 2016 **portfolio investment - assets**<sup>1</sup> grew by EUR 186 million, compared with an increase of EUR 39.9 million in October 2015. In January - October 2016 they rose by EUR 333.1 million compared with a decline of EUR 547 million in January - October 2015. In October 2016 **portfolio investment - liabilities**<sup>1</sup> rose by EUR 28.5 million compared with a decline of EUR 78.5 million in October 2015. In January - October 2016 portfolio investment - liabilities grew by EUR 1 503.5 million, compared with an increase of EUR 369.7 million in January - October 2015.

**The external balance** in the third quarter of 2016 is positive. **Exports and Imports of goods and services** increased by 9.5% and 7.5% respectively compared with the corresponding quarter of the previous year (according to seasonally adjusted data<sup>3</sup>).

<sup>1</sup> Preliminary data. In accordance with the practice of the BNB and the data revision requirements of the ECB.

<sup>2</sup> The estimates of GDP are taken from BNB.

<sup>3</sup> Seasonally and calendar adjusted data



## 6. Prices

In November 2016 the **harmonized index of consumer prices** decreased by 0.8% compared to November 2015. The highest decrease was registered in 'Communication' - by 4.6%.

In second quarter of 2016 the **house price index** increased by 6.5% compared to same quarter of 2015.

**Producer Price Index on Domestic Market** in November 2016 decreased by 0.6% compared to the same month of 2015. The domestic prices fell in the electricity, gas, steam and air conditioning supply by 2.7%, while the prices rose in the mining and quarrying industry by 4.6% and in the manufacturing by 0.2%.

According to the conjuncture inquiry in December 2016 the majority of the managers expected the **selling prices in industry** to preserve their level over the next 3 months.

## 7. Monetary and financial indicators

In November 2016 the **three-month interbank market index SOFIBOR**<sup>1</sup> decreased in comparison with November 2015 by 0.35 percentage points from 0.49% to 0.14%.

In November 2016 broad money (**monetary aggregate M3**)<sup>1</sup> increased annually by 8.1% compared to 8.1% annual growth in October 2016. At the end of November 2016 M3 was BGN 78.641 billion (88.4% of GDP)<sup>2</sup> compared to BGN 77.816 billion (87.5% of GDP)<sup>2</sup> in October 2016.

The **loans to Non-financial corporations, households and NPISHs**<sup>1</sup> in November 2016 amounted to BGN 49.599 billion. In November 2016, loans to Non-financial corporations decreased by 0.2% annually (0.03% annual increase in October 2016) and at the end of November amounted to BGN 30.994 billion (34.8% of GDP)<sup>2</sup>. Loans to Households and NPISHs were BGN 18.605 billion (20.9% of GDP)<sup>2</sup> at the end of November 2016.

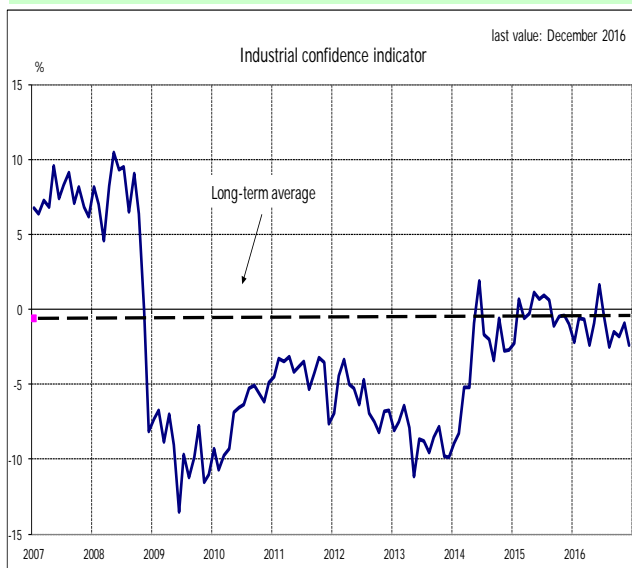
In November 2016 the **exchange rate BGN against the USD** reached BGN 1.84 per USD.

<sup>1</sup> Preliminary data. In accordance with the practice of the BNB and the data revision requirements of the ECB.

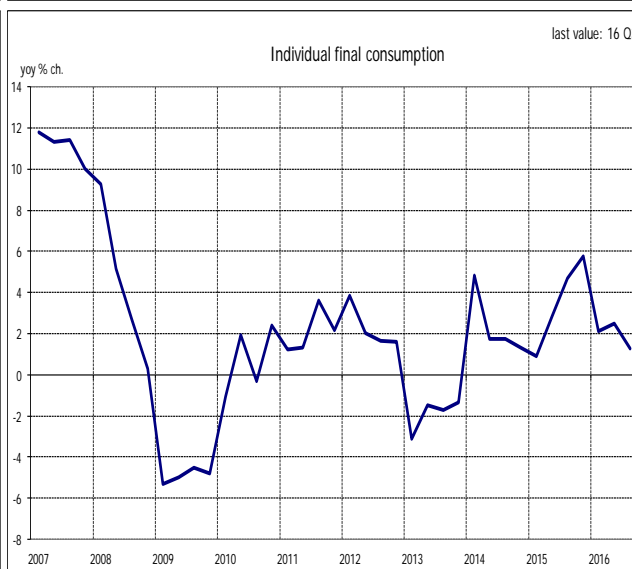
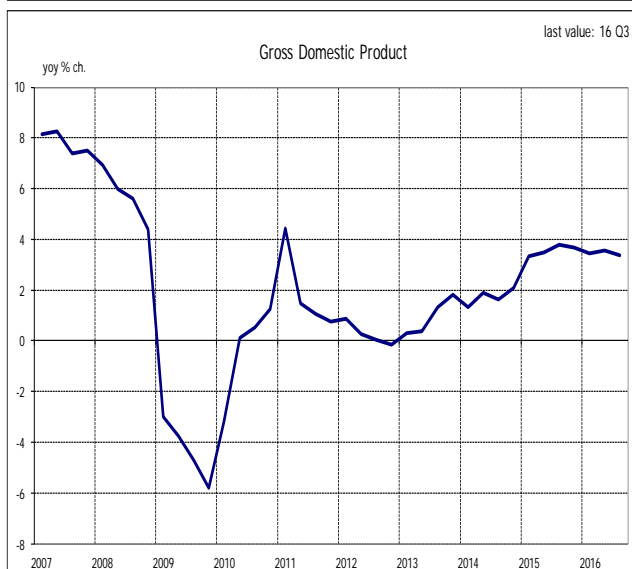
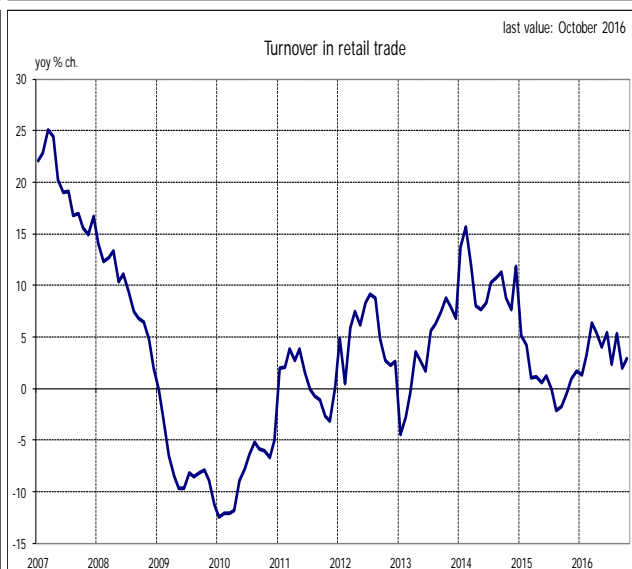
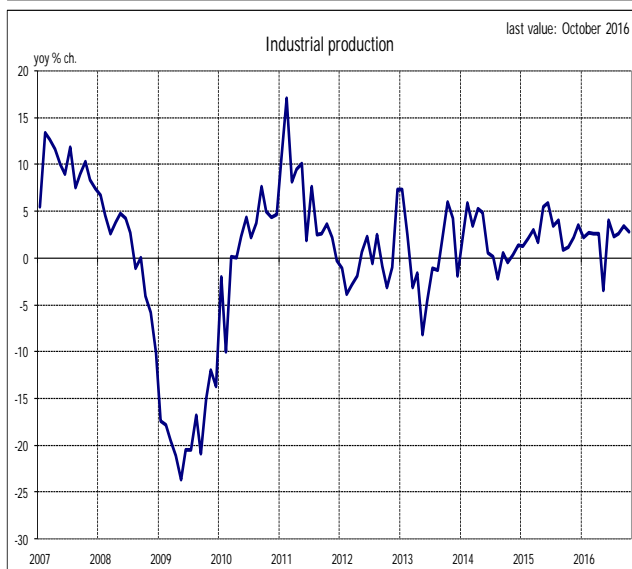
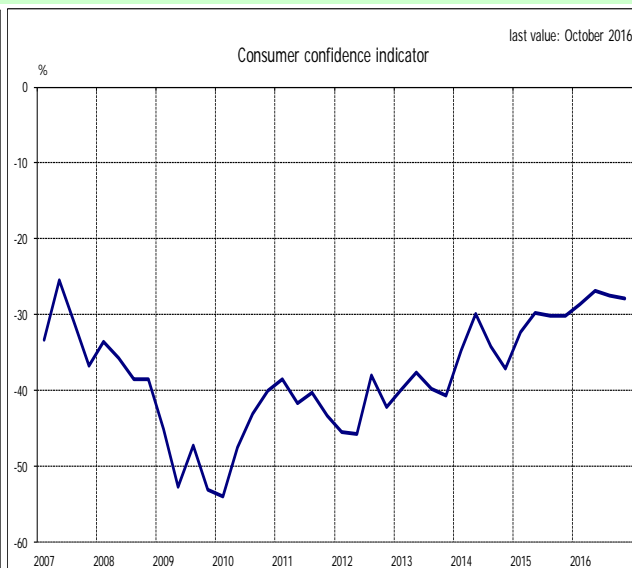
<sup>2</sup> The estimates of GDP are taken from BNB.



## 1. OUTPUT



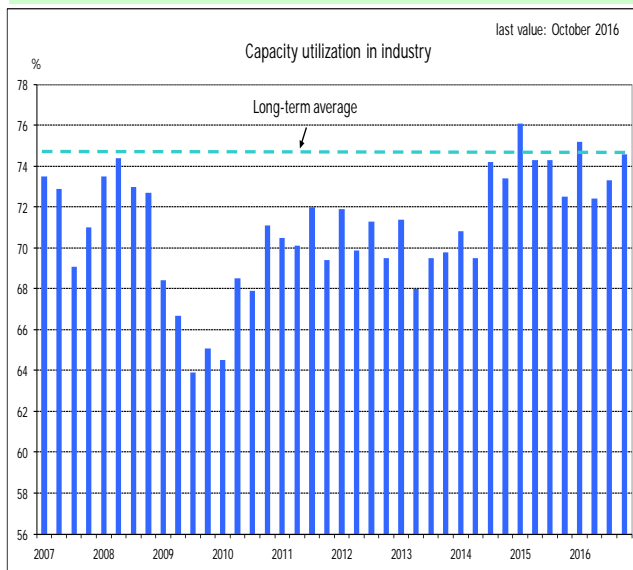
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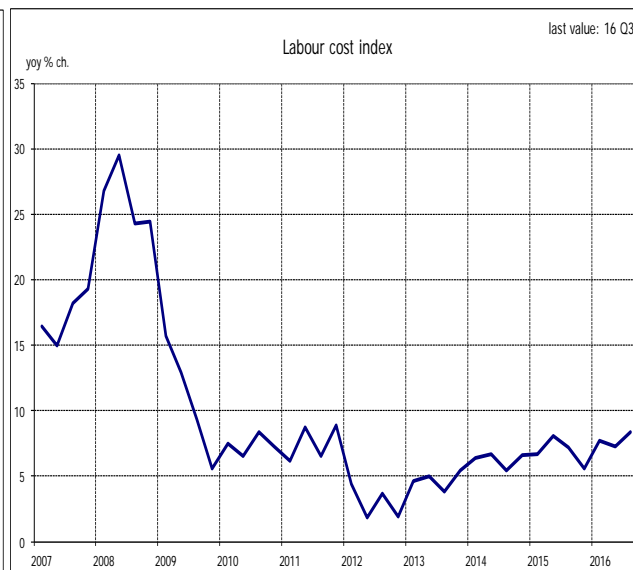
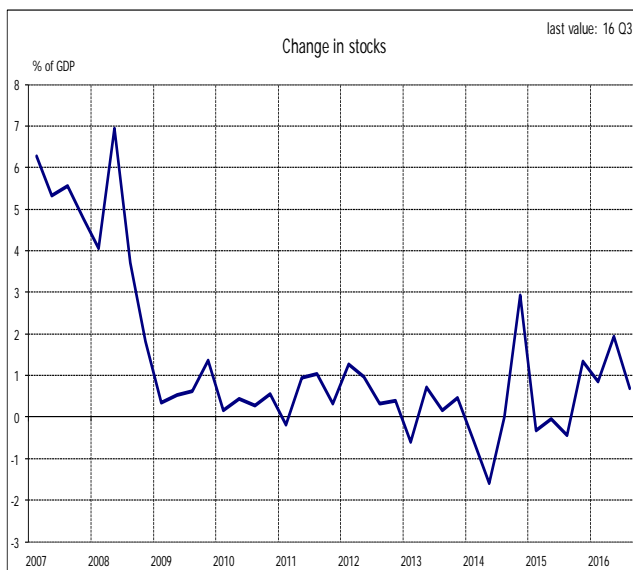
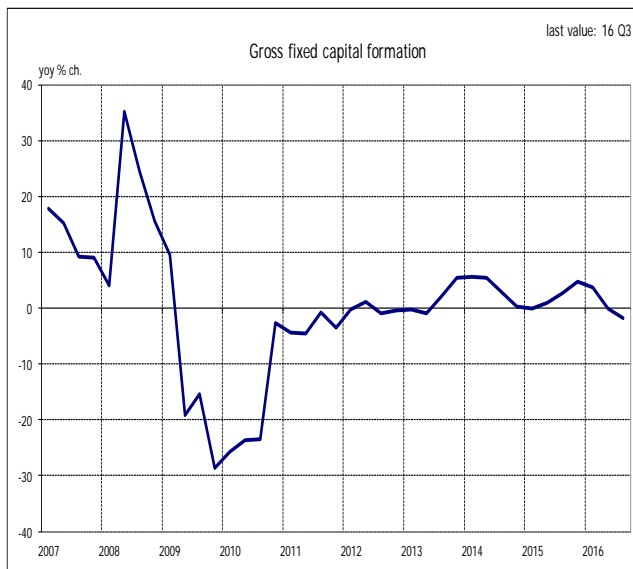
**Note:** yoy % ch. - growth rate compared to the same period of the previous year.



### 3. INVESTMENT



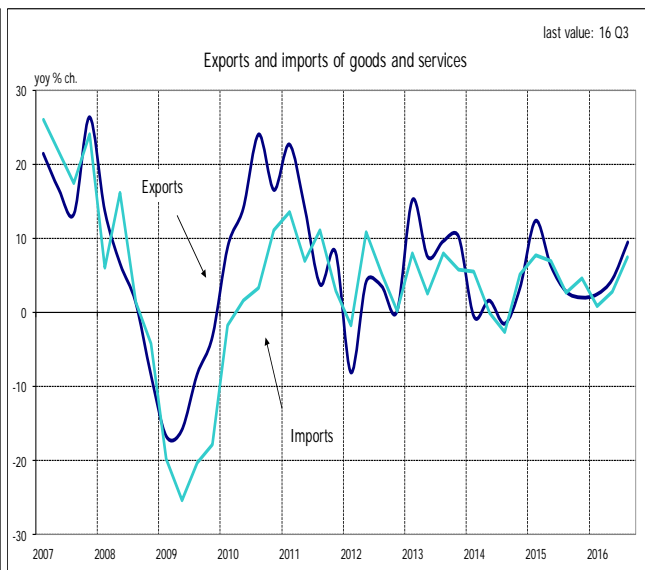
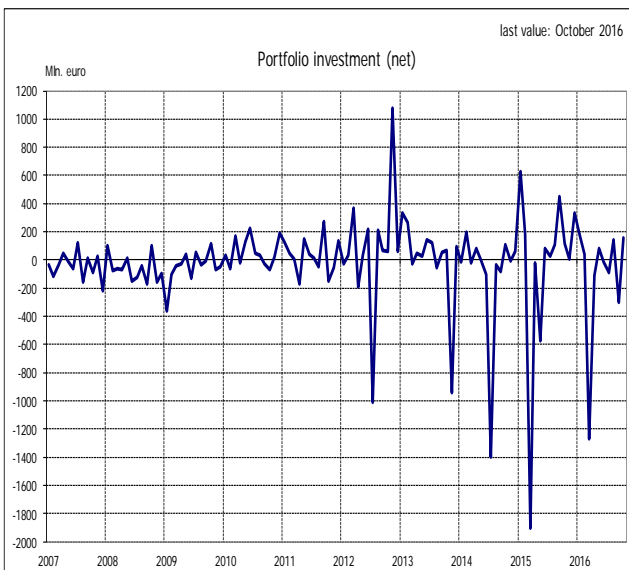
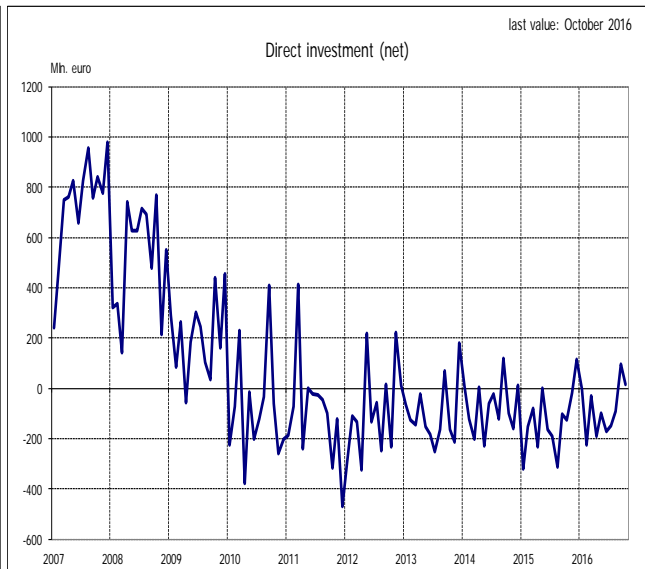
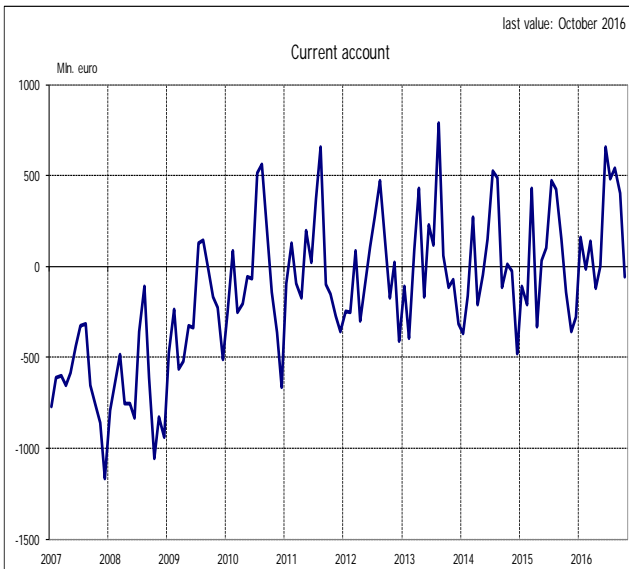
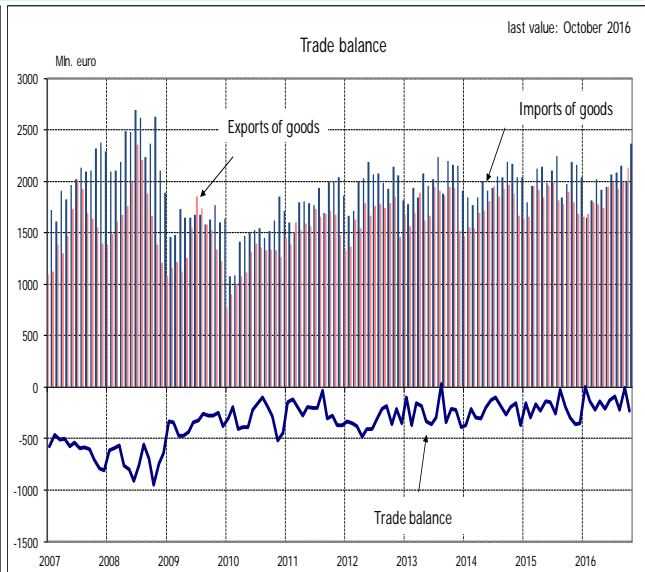
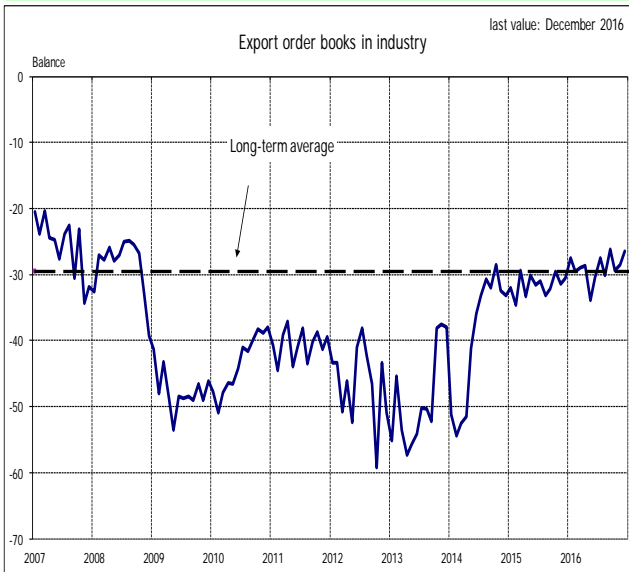
### 4. LABOUR MARKET



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



## 5. INTERNATIONAL TRANSACTIONS



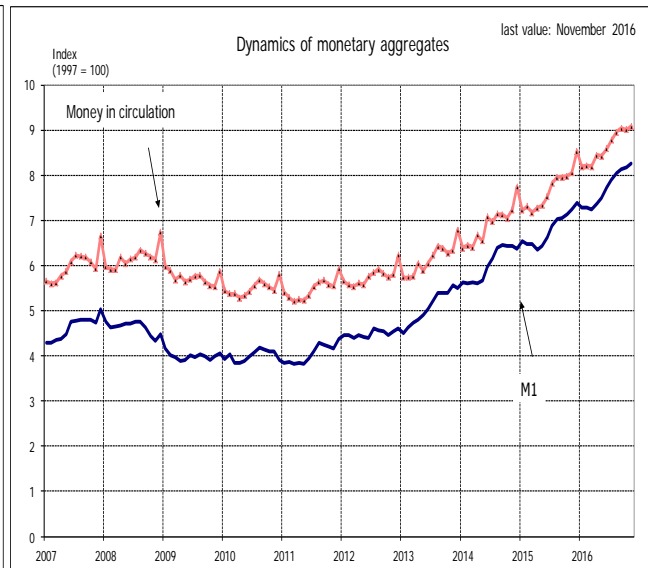
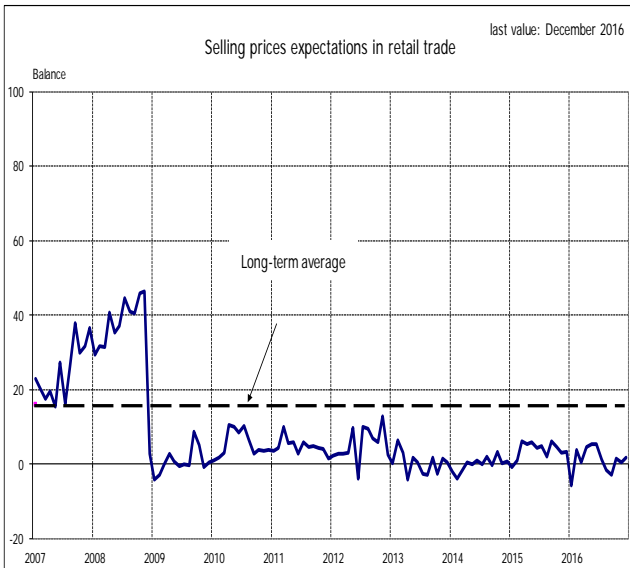
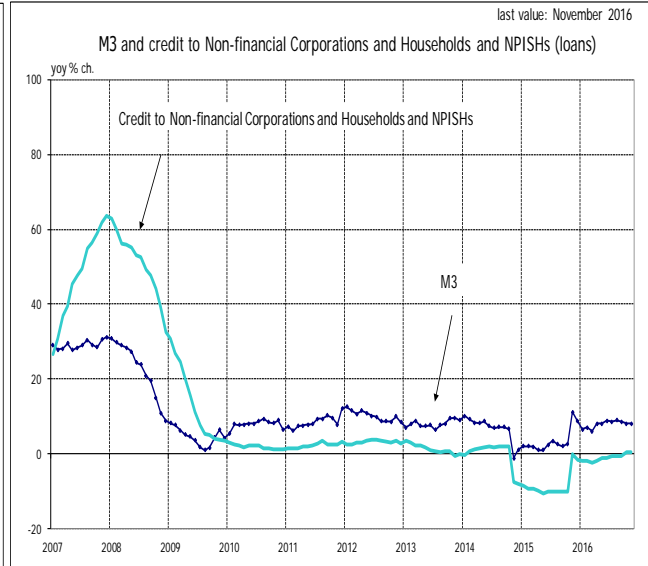
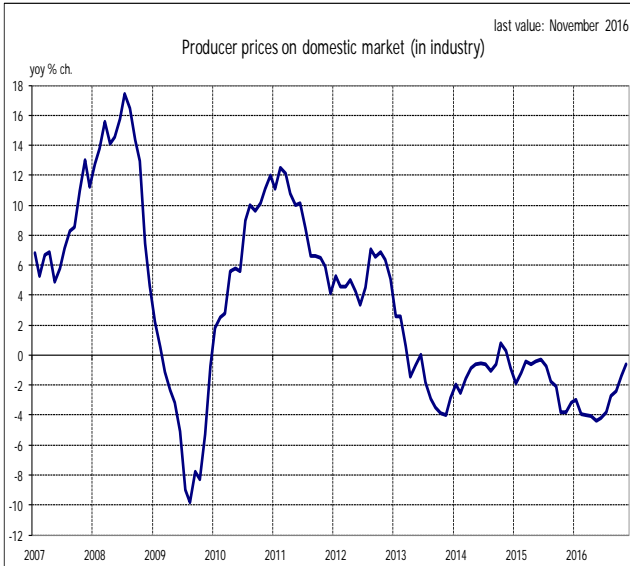
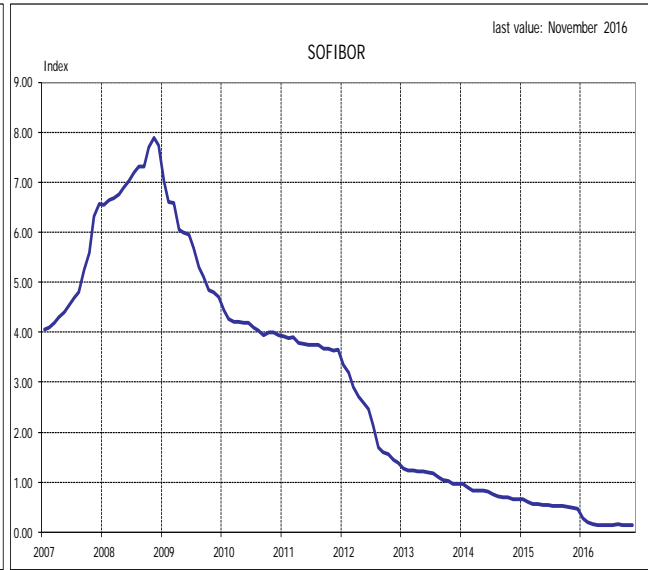
**Note:** yoy % ch. - growth rate compared to the same period of the previous year.



**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 - Methodological notes

№	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, working day adjusted data.	NSI
1.3.	Construction Production	Growth rate compared to the same period of the previous year, working day adjusted data.	NSI
1.4.	Gross Domestic Product	Growth rate compared to the same period of the previous year, seasonally adjusted data corrected for working day effects. Data are presented according to ESA '10.	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) at constant prices, growth rate compared to the same period of the previous year, working day adjusted data.	NSI
2.3.	Individual final consumption	Growth rate compared to the same period of the previous year, seasonally adjusted data corrected for working day effects. Data are presented according to ESA '10.	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, seasonally adjusted data corrected for working day effects. Data are presented according to ESA '10.	NSI
3.3.	Change in stocks	As a percentage of GDP. Data are presented according to ESA '10.	NSI
<b>4.</b>	<b>Labour market</b>		
4.1.	Unemployment rate	Ratio between the unemployed persons and the economically active population in Bulgaria (data from Labour force survey).	NSI
4.2.	Employment rate	Ratio between the employed persons and the total population of the same age group (data from Labour force survey).	NSI
4.3.	Employed persons	Growth rate compared to the same period of the previous year (data from Labour force survey).	NSI
4.4.	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
4.5.	Shortage of labour	Percentage of firms in industry pointing out shortage of labour as a constraint to production.	NSI
4.6.	Wages	Growth rate of the average monthly wages of the employees under labour contract nominal value compared to the same period of the previous year.	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 (according BPM6), Analytical presentation, million EUR	BNB
5.3.	Imports of goods	Balance of payment (according BPM6), Analytical presentation, million EUR	BNB
5.4.	Trade balance	Balance of payment (according BPM6), Analytical presentation, million EUR	BNB
5.5.	Current account	Balance of payment (according BPM6), Analytical presentation, million EUR	BNB
5.6.	Direct investment	(net) million EUR, balance of payment (according BPM6), Analytical presentation	BNB
5.7.	Portfolio investment	(net) million EUR, balance of payment (according BPM6), Analytical presentation	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. Data are presented according to ESA '10.	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. Data are presented according to ESA '10.	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.	House price	Growth rate compared to the same period of the previous year. Data refers to new and existing dwellings (apartments).	NSI
6.3.	Producer prices on domestic market (in industry)	Growth rate compared to the same period of the previous year.	NSI
6.4.	Selling price expectations in industry	Business survey in industry. Balance of positive and negative replies.	NSI
6.5.	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