



GROSS DOMESTIC PRODUCT, SECOND QUARTER OF 2014 (PRELIMINARY DATA)

In the second quarter of 2014 GDP at current prices amounts to 19 517 million BGN. In Euro terms GDP is 9 979 million Euro or 1 379 euro per person. According to the seasonally adjusted data, the GDP growth rate in the second quarter of 2014 is 1.6% compared with the same quarter of the previous year and 0.5% compared with the first quarter of 2014.

GDP, current prices

Second quarter of 2014

According to the preliminary data, the Gross Domestic Product (GDP)¹ at current prices in the second quarter of 2014 amounted to 19 517 million BGN (Annex, Table 1). The GDP per person amounted to 2 696 BGN. In USD terms at average quarterly exchange rate of 1.42758 BGN per dollar, the GDP amounted to 13 671 million dollars or 1 889 dollars per person. In Euro terms, the GDP amounted to 9 979 million Euro or 1 379 Euro per person.

Gross value added (GVA)² at current prices in the second quarter of 2014 amounted to 16 643 million BGN.

As compared with the second quarter of 2013 the agricultural sector preserves its share of 4.8% in the gross value added of the economy. The share of industrial sector reaches 33.6 %, up by 0.9 percentage points. The share of services is 61.6% which is a decrease of 0.9 percentage points compared to the same period of the previous year.

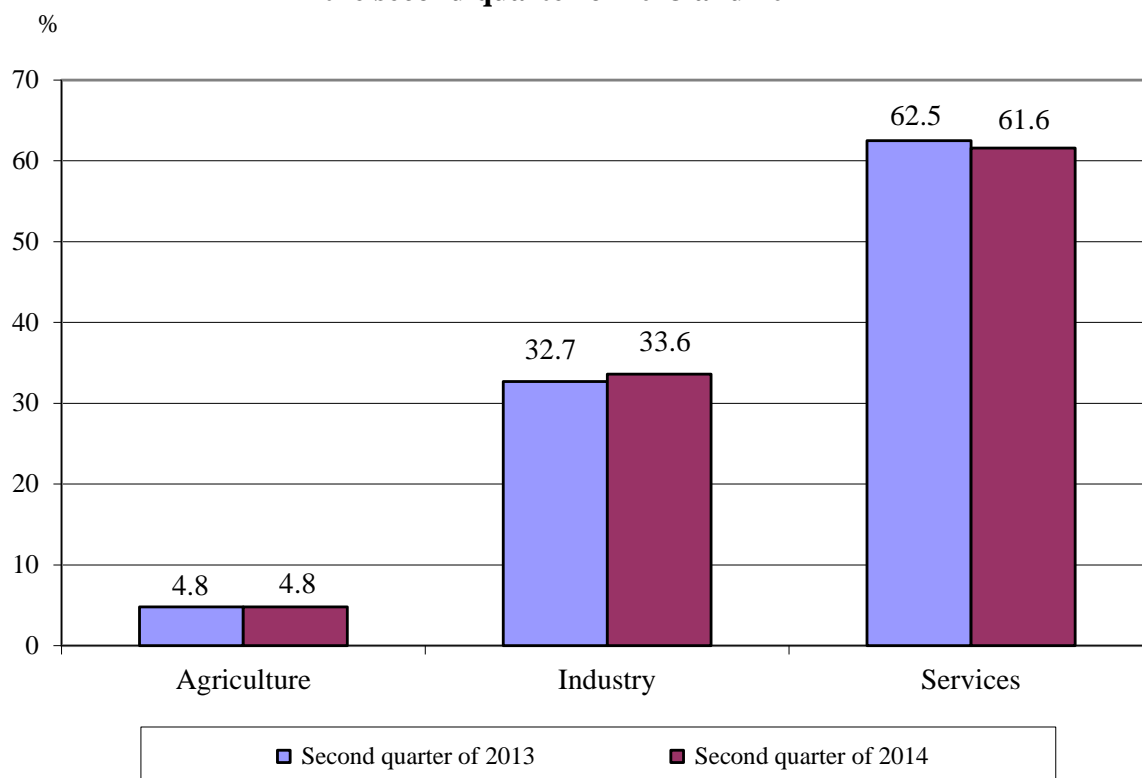
¹ **GDP at market prices** characterizes the final result of the economic activity by resident institutional units. GDP is derived by following three approaches:

- 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.
- 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.
- 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 (before recording of the taxes on products and services, including subsidies on products) and the intermediate consumption at purchasers' prices.



Figure 1. Structure of Gross Value Added by economic sectors in the second quarter of 2013 and 2014



In the second quarter of 2014 the final consumption expenditure¹ formed 79.3% of GDP in the economy. Investments (gross fixed capital formation²) formed 21.6% of GDP. The external balance (exports-imports) was negative.

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 2013 and 2014
%

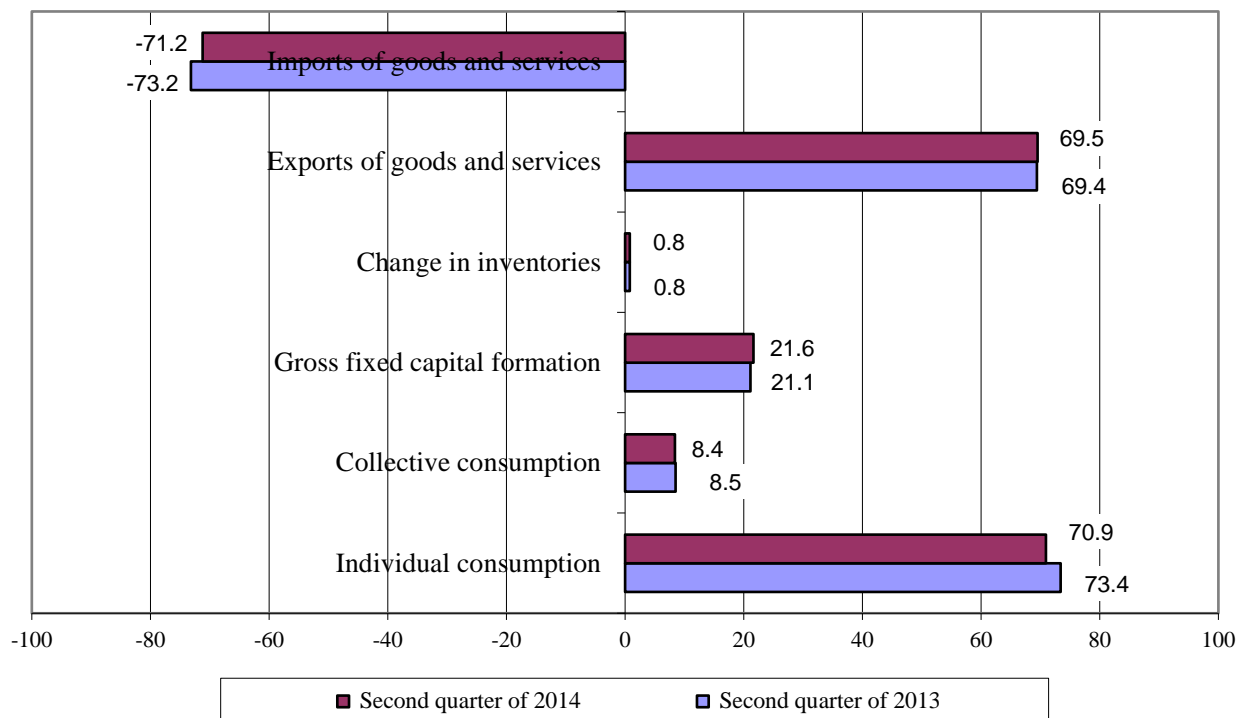
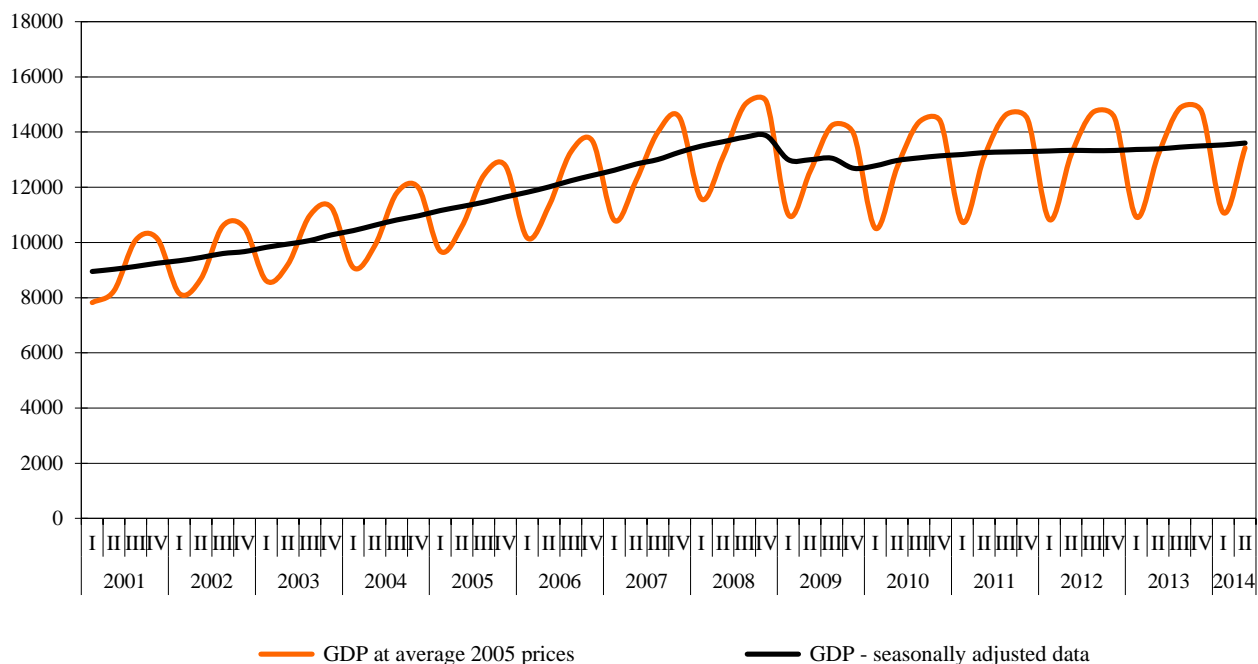


Figure 3. GDP by quarter at average 2005 prices

Million BGN





Growth rate of GDP, total and by components

Quarter-on-quarter growth rates

According to the seasonally adjusted data, the GDP growth rate in the second quarter of 2014 increased by 0.5% compared with the previous quarter (Annex, Table 2). In the second quarter of 2014 gross value added of the total economy rises by 0.6% compared with the fourth quarter of the previous year.

According to the preliminary estimates of GDP by final expenditure, in the second quarter of 2014 compared with the previous quarter the final consumption expenditure decreased by 0.4%. For the same period, gross fixed capital formation increased by 0.8%. In the second quarter of 2014, the exports of goods and services increased by 2.0%. During the same period, imports of goods and services decreased by 1.2% over the previous quarter.

Growth rates on annual basis

During the second quarter of 2014 GDP increased by 1.6% compared to the same quarter of the previous year. Gross value added increased by 2.3% compared to same quarter of previous year. The indicator's movement is determined mainly by the increase recorded in the Mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply, waste management and remediation activities - 3.8%, Public administration and defence, compulsory social security, education, human health and social work activities - 1.5%, Information and communication - 1.5%, Professional, scientific and technical activities, administrative and support service activities - 1.1%, Real estate activities - 0.8%, Arts, entertainment and recreation, repair of households goods and other services - 0.6% and Financial and insurance activities - 0.1%.

As regards the expenditure component of GDP, contributors to the registered positive economic growth are the final consumption with 2.3% and the gross fixed capital formation with 3.9%. Imports and exports of goods and services increased by 3.4% and 3.9% 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, 1995 (ESA '95) - adopted by Council Regulation 2223/96 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 (15 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, Gross Domestic Product.

Table 1

Gross Domestic Product in the second quarter of 2014 - unadjusted data

		Second quarter of 2014		
		Value at current prices	Relative share	
			in GVA	in GDP
		Million BGN	%	%
1	Gross Value Added by economic sector, (2+3+4):	16643	100.0	85.3
2	Agriculture	794	4.8	4.1
3	Industry	5593	33.6	28.7
4	Services	10256	61.6	52.5
5	Adjustments	2874		14.7
6	Gross Domestic Product (1+5=7+10+13+16)	19517		100.0
	By final use components:			
7	Final consumption (8+9)	15482		79.3
8	Individual	13828		70.9
9	Collective	1654		8.4
10	Gross capital formation (11+12)	4369		22.4
11	Gross fixed capital formation	4215		21.6
12	Change in inventories	154		0.8
13	Balance (exports - imports) (14-15)	-334		-1.7
14	Exports of goods and services	13570		69.5
15	Imports of goods and services	13904		71.2
16	Statistical discrepancy	0		0



Growth rates of GDP 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			
		Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2013	Q4 2013	Q1 2014	Q2 2014
1	Gross Value Added by economic sector:	0.8	0.6	0.4	0.6	1.3	1.8	2.0	2.3
2	Agriculture, forestry and fishing	-0.7	0.3	-1.7	0.5	2.3	1.9	-1.4	-1.6
3	Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, waste management and remediation activities	0.0	2.1	0.3	1.3	0.9	2.2	3.4	3.8
4	Construction	0.5	-0.5	0.2	-0.4	-1.4	0.4	-0.1	-0.2
5	Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	-0.2	-0.3	0.1	0.5	-1.3	-1.7	-0.4	0.0
6	Information and communication	0.5	0.3	0.2	0.5	1.4	1.5	1.2	1.5
7	Financial and insurance activities	-1.5	-6.2	1.6	6.7	6.6	1.5	-1.2	0.1
8	Real estate activities	0.4	0.3	0.1	0.0	0.6	1.1	0.9	0.8
9	Professional, scientific and technical activities; administrative and support service activities	-1.1	1.5	1.4	-0.6	1.3	2.9	3.8	1.1
10	Public administration and defence; compulsory social security; education; human health and social work activities	0.7	1.3	-1.4	0.9	4.0	3.3	1.7	1.5
11	Arts, entertainment and recreation, repair of households goods and other services	1.0	-0.3	-0.9	0.7	4.0	2.5	-2.1	0.6
12	Adjustments	-0.3	-1.5	-0.7	1.7	-0.7	-1.7	-4.4	-0.8
13	Gross Domestic Product	0.5	0.3	0.3	0.5	0.9	1.2	1.2	1.6
	by final use components:								
14	Final consumption	0.3	0.4	1.9	-0.4	-1.0	-0.6	3.0	2.3
15	Individual	0.2	0.4	1.3	-0.2	-1.3	-0.7	1.8	1.6
16	Collective	0.7	-0.5	0.3	0.3	3.5	1.6	1.6	0.8
17	Gross capital formation	.	.	.	.	.	.	.	.
18	Gross fixed capital formation	0.9	1.3	0.9	0.8	1.8	3.1	3.4	3.9
19	Change in inventories	.	.	.	.	.	.	.	.
20	Balance (exports - imports)	.	.	.	.	.	.	.	.
21	Exports of goods and services	3.1	0.9	-2.1	2.0	10.3	9.3	1.5	3.9
22	Imports of goods and services	1.9	-1.1	3.8	-1.2	7.4	6.9	6.3	3.4
23	Statistical discrepancy	.	.	.	.	.	.	.	.

¹ The growth rate is calculated by using chain-linked estimates of the GDP components based on average 2005 prices.