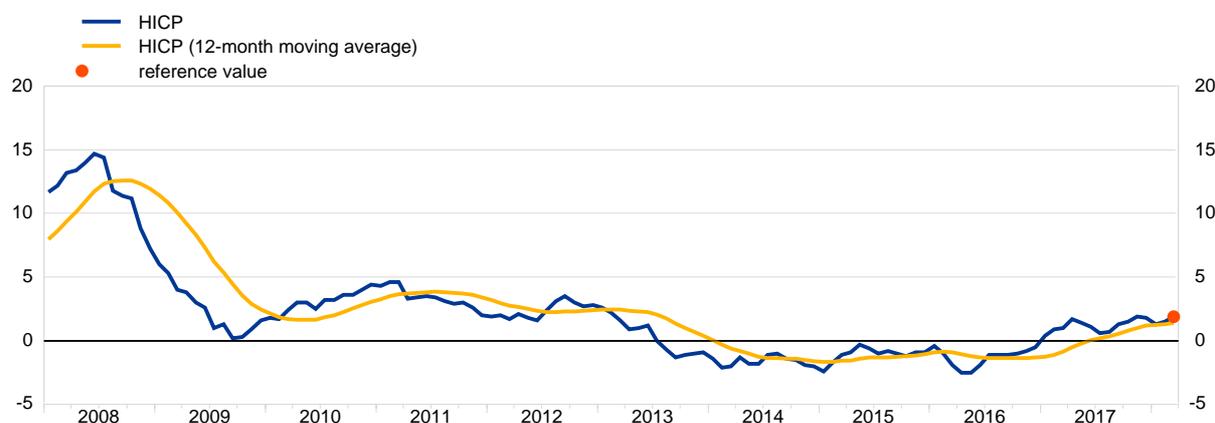


## Bulgaria - Price developments

Chart 5.1.1 HICP inflation and reference value <sup>1)</sup>  
(annual percentage changes)



Sources: European Commission (Eurostat) and ECB calculations.

1) The basis of the calculation of the reference value for the period from April 2017 to March 2018 is the unweighted arithmetic average of the annual percentage changes in the HICP for Cyprus, Ireland and Finland plus 1.5 percentage points. The reference value is 1.9%.

Table 5.1.1 Measures of inflation and related indicators  
(annual percentage changes, unless otherwise indicated)

	2008-2017 <sup>1)</sup>	2008-2012 <sup>1)</sup>	2013-2017 <sup>1)</sup>	2013	2014	2015	2016	2017	2018 <sup>2)</sup>	2019 <sup>2)</sup>
<b>Measures of inflation</b>										
HICP	2.0	4.6	-0.5	0.4	-1.6	-1.1	-1.3	1.2	1.8	1.8
HICP excluding unprocessed food and energy	2.0	4.4	-0.3	0.3	-1.3	-0.3	-0.4	0.2	1.6	1.6
HICP at constant tax rates <sup>3)</sup>	1.8	4.1	-0.6	0.4	-1.6	-1.1	-1.5	1.0	-	-
CPI	2.5	4.9	0.1	0.9	-1.4	-0.1	-0.8	2.1	1.7	1.8
Private consumption deflator	1.6	3.3	-0.1	-2.6	0.0	1.2	-0.1	1.1	1.8	1.8
GDP deflator	2.6	4.1	1.1	-0.7	0.5	2.2	2.2	1.2	2.2	2.3
Producer prices <sup>4)</sup>	2.6	5.8	-0.5	-1.3	-0.9	-1.7	-2.8	4.2	-	-
<b>Related indicators</b>										
Real GDP growth	1.9	1.1	2.7	0.9	1.3	3.6	3.9	3.6	3.8	3.7
GDP per capita in PPS <sup>5)</sup> (euro area = 100)	42.3	40.9	44.1	42.7	43.8	44.3	45.7	.	-	-
Comparative price levels (euro area = 100)	48.7	49.9	47.2	48.2	46.7	46.9	46.9	.	-	-
Output gap <sup>6)</sup>	-0.3	0.1	-0.8	-0.8	-1.8	-1.3	-0.3	0.1	0.4	0.5
Unemployment rate (%) <sup>7)</sup>	9.4	9.3	9.5	13.0	11.4	9.2	7.6	6.2	5.5	5.3
Unit labour costs, whole economy	5.6	6.9	4.4	7.4	4.6	2.3	2.3	5.7	4.8	3.6
Compensation per employee, whole economy	8.2	9.8	6.7	8.8	5.6	5.6	5.8	7.5	7.6	7.0
Labour productivity, whole economy	2.4	2.7	2.1	1.3	1.0	3.3	3.4	1.7	2.7	3.3
Imports of goods and services deflator	1.4	4.2	-1.2	-2.4	-1.9	-2.6	-5.1	6.2	1.7	1.4
Nominal effective exchange rate <sup>8)</sup>	0.6	0.2	1.1	2.0	1.9	-2.2	2.2	1.8	-	-
Money supply (M3) <sup>9)</sup>	8.0	7.8	8.1	9.3	7.5	8.2	7.2	8.5	-	-
Lending from banks <sup>10)</sup>	5.6	8.5	2.8	1.1	2.2	-0.2	3.4	7.8	-	-
Stock prices (SOFIX) <sup>11)</sup>	-61.7	-80.5	96.1	42.3	6.2	-11.7	27.2	15.5	-	-
Residential property prices	-0.2	-3.7	3.5	-2.2	1.4	2.8	7.0	8.7	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and residential property prices, and ECB calculations based on Thomson Reuters data for stock prices.

1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.

2) Data from the European Commission's Spring 2018 Economic Forecast.

3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.

4) Domestic sales, total industry excluding construction.

5) PPS stands for purchasing power standards.

6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.

7) Definition conforms to International Labour Organization guidelines.

8) EER-38 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).

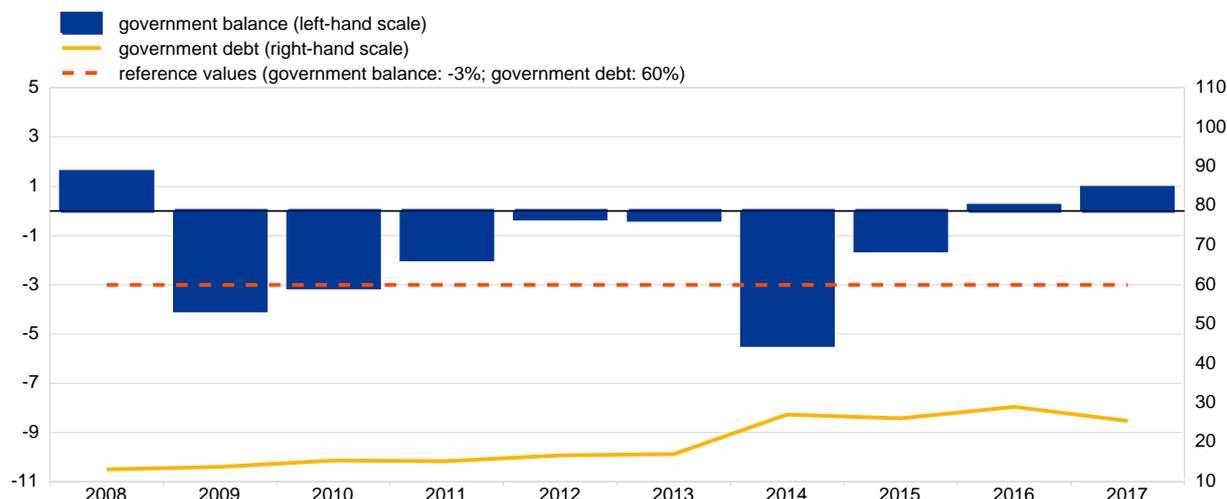
9) The series includes repurchase agreements with central counterparties.

10) Not adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

## Bulgaria - Fiscal developments

Chart 5.1.2 General government balance and debt  
(as a percentage of GDP)



Sources: European System of Central Banks and European Commission (Eurostat).

Table 5.1.2 Government budgetary developments and projections  
(as a percentage of GDP, unless otherwise indicated)

	2008-2017 <sup>1)</sup>	2008-2012 <sup>1)</sup>	2013-2017 <sup>1)</sup>	2013	2014	2015	2016	2017	2018 <sup>2)</sup>	2019 <sup>2)</sup>	2020	2021
<b>Government balance</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-1.3</b>	<b>-0.4</b>	<b>-5.5</b>	<b>-1.6</b>	<b>0.2</b>	<b>0.9</b>	<b>0.6</b>	<b>0.6</b>	-	-
Total revenue	35.7	34.6	36.8	37.2	36.6	39.1	35.2	36.1	36.4	36.4	-	-
Current revenue	34.1	33.3	34.8	35.0	34.0	35.1	34.6	35.3	35.4	35.2	-	-
Direct taxes	5.3	5.0	5.5	5.1	5.4	5.4	5.6	5.9	5.9	5.9	-	-
Indirect taxes	15.0	14.7	15.2	15.3	14.8	15.4	15.4	15.1	15.1	15.1	-	-
Net social contributions	7.4	7.0	7.9	7.4	7.9	7.9	7.8	8.6	8.6	8.6	-	-
Other current revenue <sup>3)</sup>	6.4	6.6	6.2	7.1	6.0	6.4	5.8	5.7	5.8	5.7	-	-
Capital revenue	1.7	1.3	2.0	2.2	2.6	4.0	0.6	0.8	1.0	1.2	-	-
Total expenditure	37.1	36.2	38.1	37.6	42.1	40.7	35.0	35.2	35.8	35.8	-	-
Current expenditure	32.1	31.5	32.7	33.2	33.2	33.8	31.1	32.2	32.4	31.9	-	-
Compensation of employees	9.1	8.9	9.3	9.5	9.5	9.4	9.0	9.3	9.6	9.7	-	-
Social benefits	13.3	12.7	13.9	13.8	14.5	13.9	13.8	13.6	13.8	13.5	-	-
Interest payable	0.8	0.8	0.8	0.7	0.9	0.9	0.9	0.8	0.7	0.7	-	-
Other current expenditure <sup>4)</sup>	8.9	9.2	8.6	9.2	8.3	9.5	7.4	8.5	8.4	8.0	-	-
Capital expenditure	5.0	4.7	5.4	4.4	8.9	6.9	3.8	3.0	3.4	3.9	-	-
of which: Investment	4.2	4.4	4.1	4.0	5.2	6.6	2.6	2.1	2.9	3.5	-	-
Cyclically adjusted balance	-1.3	-1.6	-1.0	-0.1	-4.9	-1.2	0.3	0.9	0.5	0.5	-	-
One-off and temporary measures	.	.	-0.7	0.0	-3.2	-0.1	0.0	0.0	0.0	0.0	-	-
Structural balance <sup>5)</sup>	.	.	-0.3	-0.1	-1.7	-1.1	0.3	0.9	0.5	0.5	-	-
<b>Government debt</b>	<b>19.8</b>	<b>14.8</b>	<b>24.9</b>	<b>17.0</b>	<b>27.0</b>	<b>26.0</b>	<b>29.0</b>	<b>25.4</b>	<b>23.3</b>	<b>21.4</b>	-	-
Average residual maturity (in years)	7.1	6.8	7.3	7.2	5.8	8.2	7.8	7.7	.	.	.	.
In foreign currencies (% of total)	77.8	76.3	79.2	73.4	80.9	79.1	82.1	80.6	.	.	.	.
of which: Euro	64.8	55.8	73.7	59.4	71.4	77.4	80.9	79.5	.	.	.	.
Domestic ownership (% of total)	50.0	48.1	51.9	52.3	47.7	52.7	51.5	55.4	.	.	.	.
Medium and long-term maturity (% of total) <sup>6)</sup>	96.8	98.8	94.8	98.1	77.0	99.2	99.7	100.0	.	.	.	.
of which: Variable interest rate (% of total)	17.2	24.6	9.9	16.2	9.4	8.6	9.9	5.3	.	.	.	.
<b>Deficit-debt adjustment</b>	<b>0.3</b>	<b>-0.7</b>	<b>1.4</b>	<b>0.0</b>	<b>4.8</b>	<b>-1.1</b>	<b>4.8</b>	<b>-1.4</b>	.	.	.	.
Net acquisitions of main financial assets	0.2	-0.5	1.0	-1.7	3.7	-2.5	6.4	-0.9	.	.	.	.
Currency and deposits	0.2	-0.3	0.7	-1.3	1.6	-2.0	5.9	-0.8	.	.	.	.
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.	.	.	.
Loans	0.0	-0.2	0.2	-0.1	1.0	-0.5	0.6	0.0	.	.	.	.
Equity and investment fund shares or units	0.1	0.0	0.1	-0.3	1.0	0.0	-0.1	0.0	.	.	.	.
Revaluation effects on debt	0.0	0.1	0.0	-0.2	0.1	0.1	0.0	0.0	.	.	.	.
of which: Foreign exchange holding gains/losses	0.1	0.1	0.0	-0.2	0.3	0.1	0.0	0.0	.	.	.	.
Other <sup>7)</sup>	0.1	-0.3	0.4	1.8	1.0	1.3	-1.6	-0.5	.	.	.	.
Convergence programme: government balance	-	-	-	-	-	-	-	-	0.0	0.3	0.5	0.2
Convergence programme: structural balance	-	-	-	-	-	-	-	-	0.0	0.2	0.3	0.0
Convergence programme: government debt	-	-	-	-	-	-	-	-	23.3	22.1	20.7	19.4

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).

1) Multi-annual averages calculated using the arithmetic mean.

2) Data from the European Commission's Spring 2018 Economic Forecast, except for convergence programme data.

3) Sales and other current revenue.

4) Intermediate consumption, subsidies payable and other current expenditure.

5) Cyclically-adjusted balance excluding one-off and other temporary measures.

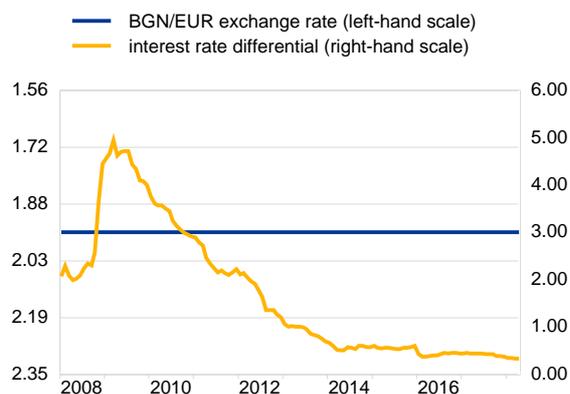
6) Original maturity of more than one year.

7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

## Bulgaria - Exchange rate and external developments

**Chart 5.1.3 Bilateral exchange rate and short-term interest rate differential**

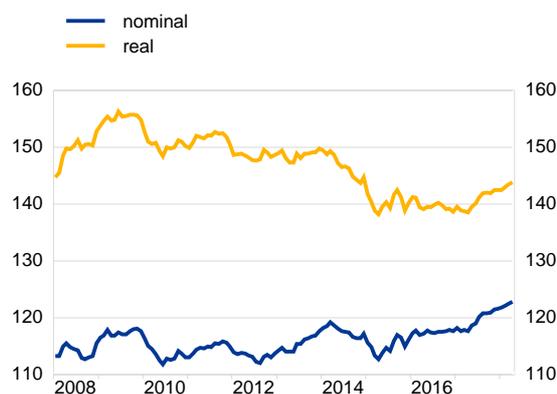
(BGN/EUR exchange rate: monthly averages; difference between three-month interbank interest rates and three-month EURIBOR: basis points, monthly values)



Sources: National data and ECB calculations.

**Chart 5.1.4 Effective exchange rates <sup>1)</sup>**

(EER-38 group of trading partners; monthly averages; base index: Q1 1999 = 100)



Source: ECB.

1) The real EER-38 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

**Table 5.1.3 External developments**

(as a percentage of GDP, unless otherwise indicated)

	2008-2017 <sup>1)</sup>	2008-2012 <sup>1)</sup>	2013-2017 <sup>1)</sup>	2013	2014	2015	2016	2017	2018 <sup>2)</sup>	2019 <sup>2)</sup>
<b>Balance of payments</b>										
Current account and capital account balance <sup>3)</sup>	-0.9	-5.5	3.6	2.4	2.3	3.1	4.5	5.5	3.2	2.7
Current account balance	-2.5	-6.5	1.6	1.3	0.1	0.0	2.3	4.5	1.4	0.8
Goods	-8.9	-12.7	-5.1	-7.0	-6.5	-5.8	-2.0	-4.1	.	.
Services	6.1	6.0	6.2	6.3	5.9	6.6	6.1	6.0	.	.
Primary income	-3.5	-3.4	-3.5	-3.8	-3.1	-4.5	-5.1	-1.1	.	.
Secondary income	3.8	3.6	4.0	5.7	3.8	3.6	3.3	3.7	.	.
Capital account balance	1.5	1.1	2.0	1.1	2.2	3.1	2.2	1.0	.	.
Combined direct and portfolio investment balance <sup>3)</sup>	-3.5	-4.4	-2.6	-2.6	-4.9	-6.4	-2.8	3.9	.	.
Direct investment	-4.4	-6.1	-2.6	-3.0	-2.1	-5.1	-1.5	-1.4	.	.
Portfolio investment	0.8	1.7	0.0	0.3	-2.8	-1.3	-1.3	5.2	.	.
Other investment balance	0.4	-2.3	3.1	5.8	0.1	4.8	4.1	0.8	.	.
Reserve assets	2.3	1.0	3.6	-1.3	4.2	8.2	7.2	-0.2	.	.
Exports of goods and services	59.4	54.0	64.7	64.5	64.9	63.8	63.9	66.4	.	.
Imports of goods and services	62.1	60.7	63.6	65.2	65.5	62.9	59.9	64.5	.	.
Net international investment position <sup>4)</sup>	-64.7	-70.1	-59.3	-73.3	-75.2	-61.2	-46.2	-40.5	.	.
Gross external debt <sup>4)</sup>	88.2	94.1	84.6	90.9	97.4	81.3	79.3	74.2	.	.
<b>Internal trade with the euro area <sup>5)</sup></b>										
Exports of goods and services	42.9	42.4	43.3	42.0	42.6	43.4	43.8	44.6	.	.
Imports of goods and services	42.5	41.5	43.1	41.9	42.4	43.8	44.1	43.4	.	.
<b>Investment position with the euro area <sup>5)</sup></b>										
Direct investment assets <sup>4)</sup>	50.9	54.8	48.6	51.9	48.5	49.6	49.2	43.7	.	.
Direct investment liabilities <sup>4)</sup>	66.6	68.6	65.3	64.4	64.4	65.1	66.5	66.2	.	.
Portfolio investment assets <sup>4)</sup>	48.2	49.2	47.7	43.9	43.5	55.7	51.1	44.1	.	.
Portfolio investment liabilities <sup>4)</sup>	65.8	74.1	60.8	63.6	57.0	53.9	64.3	64.9	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).

Note: Backdata are available from 2008.

1) Multi-annual averages calculated using the arithmetic mean.

2) Data from the European Commission's Spring 2018 Economic Forecast.

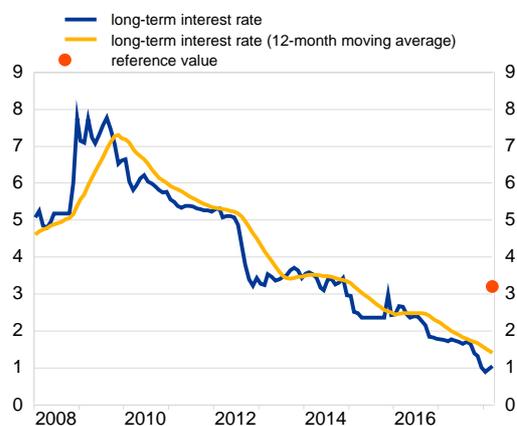
3) Differences between totals and sum of their components are due to rounding.

4) End-of-period outstanding amounts.

5) As a percentage of the total.

## Bulgaria - Long-term interest rate developments

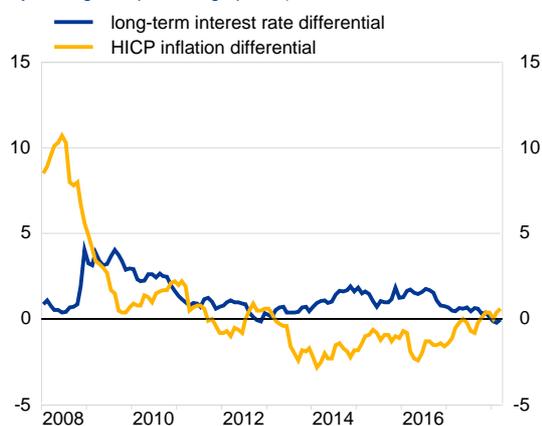
Chart 5.1.5 Long-term interest rate <sup>1)</sup>  
(monthly averages in percentages)



Sources: European System of Central Banks and ECB calculations.

1) The basis of the calculation of the reference value for the period from April 2017 to March 2018 is the unweighted arithmetic average of the interest rate levels in Cyprus, Ireland and Finland plus 2 percentage points. The reference value is 3.2%.

Chart 5.1.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area  
(monthly averages in percentage points)



Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 5.1.4 Long-term interest rates and indicators of financial development and integration  
(as a percentage of GDP, unless otherwise indicated)

	2008-2017 <sup>1)</sup>	2008-2012 <sup>1)</sup>	2013-2017 <sup>1)</sup>	2014	2015	2016	2017	Apr. 2017 to Mar. 2018	Memo item: euro area 2017
<b>Long-term interest rates</b>									
Bulgaria <sup>2)</sup>	4.2	5.7	2.6	3.3	2.5	2.3	1.6	1.4	-
Euro area <sup>2), 3)</sup>	2.8	4.0	1.6	2.0	1.2	0.9	1.1	1.1	-
Euro area AAA par curve, ten-year residual maturity <sup>2), 3)</sup>	2.1	3.2	0.9	1.4	0.6	0.2	0.4	0.5	-
<b>Indicators of financial development and integration</b>									
Debt securities issued by financial corporations <sup>4)</sup>	1.1	1.2	1.1	1.2	1.0	1.1	1.2	-	66.0
Debt securities issued by non-financial corporations <sup>5)</sup>	2.4	1.3	3.4	3.1	2.8	4.1	3.7	-	11.3
Stock market capitalisation <sup>6)</sup>	14.1	15.0	13.2	11.5	9.7	8.7	23.9	-	67.4
MFI credit to non-government residents <sup>7)</sup>	63.5	68.3	58.7	61.1	56.7	54.2	54.1	-	108.1
Claims of euro area MFIs on resident MFIs <sup>8)</sup>	11.2	16.8	5.7	8.8	4.2	3.0	2.9	-	26.3

Sources: European System of Central Banks and ECB calculations.

1) Multi-annual averages calculated using the arithmetic mean.

2) Average interest rate.

3) Included for information only.

4) Outstanding amount of debt securities issued by resident MFIs and other financial corporations.

5) Outstanding amount of debt securities issued by resident non-financial corporations.

6) Outstanding amount of listed shares issued by residents at the end of the period at market values.

7) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit includes outstanding amounts of loans and debt securities.

8) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.