

BULGARIA ECONOMY REPORT

Q1 2020

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MACROECONOMIC SNAPSHOT

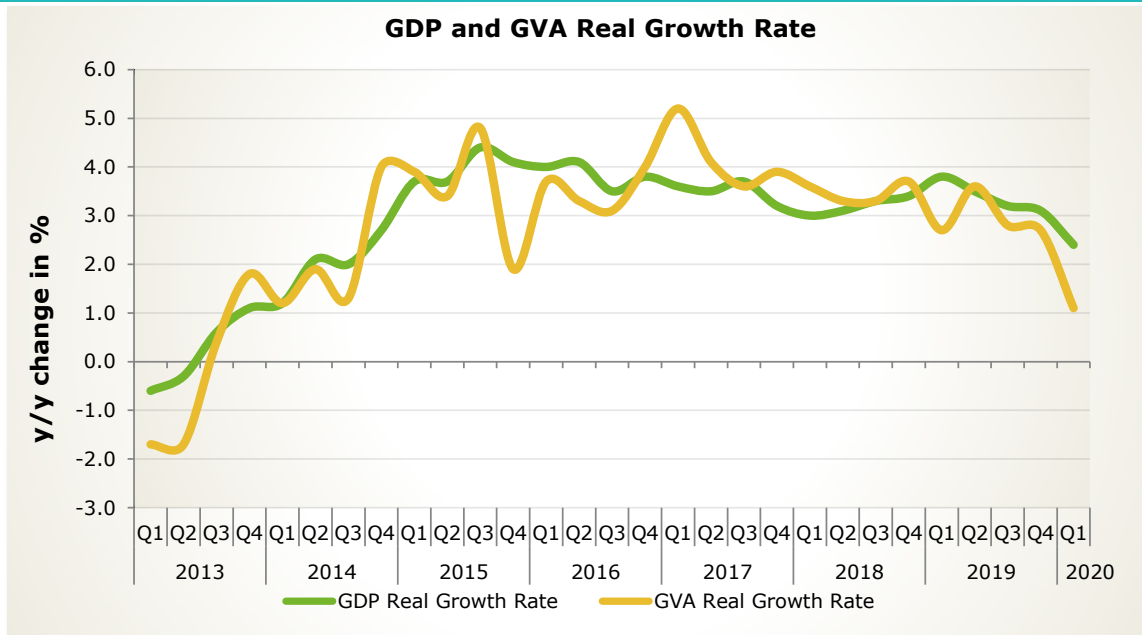
BULGARIA – MACROECONOMIC SNAPSHOT AS OF Q1 2020	
GDP Growth	2.4% y/y
Business confidence indicator	95.9
Industrial output	-6.8% y/y
Industrial sales	-2.8% y/y
Wholesale	-1.9% y/y
Retail sales	1.1% y/y
Average annual inflation	2.6%
Unemployment rate	4.6%
Number of building permits	-6.9% y/y
Money supply growth	8.1% y/y
Household loans	10.0% y/y
Gross external debt	EUR 33.5 bln
Current account surplus	EUR 439.2 mln
FDI inflow	EUR 291.0 mln
Foreign trade deficit	EUR 637.5 mln

1. NATIONAL ACCOUNTS

1.1. GROSS DOMESTIC PRODUCT

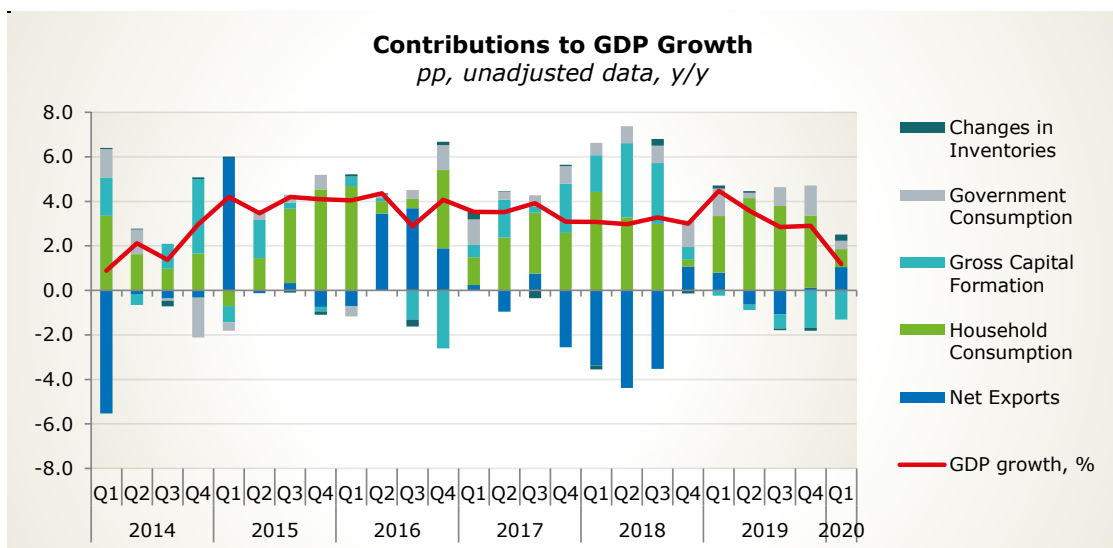
GDP still up in Q1 2020, by 2.4% y/y

The Bulgarian economy reported positive real GDP growth rate, of 2.4% y/y, in Q1 2020, Eurostat data shows. This was the weakest seasonally and calendar adjusted growth rate in a quarter since Q3 2014. Unlike most countries in the EU, the impact of the COVID-19 pandemic was too limited to push Bulgaria's economy in the red in the first quarter of 2020. However, the inevitable drop will be experienced from Q2 2020 onwards, according to estimates by the IMF, the World Bank and the European Commission. There continues to be a high level of uncertainty in the global economic conditions, especially in the light of recurring surge of infection numbers throughout Europe in October, and perspectives for recovery of the economic growth could not be made until the end of 2020.



Source: Eurostat

The main component contributing to the uptrend was the net exports, which added 1.1 pp to the GDP growth in Q1 2020, followed by household consumption with 0.8 pp. Government consumption added another 0.4 pp, while reduced gross capital formation took away 1.3 pp.



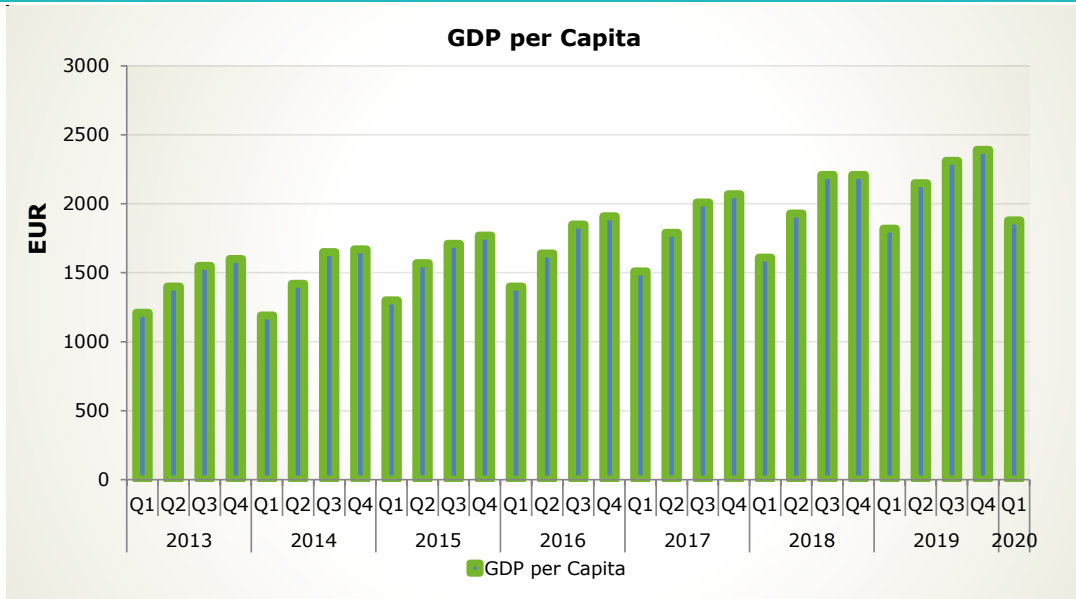
Source: SeeNews calculations; Eurostat

Note: Non-additive data due to direct chain-linking of GDP and its components. Contribution of changes in inventories has been derived as a residual.

1.2. GDP PER CAPITA

GDP per capita up 3.3% in Q1 2020

GDP per capita stood at EUR 1,880 in Q1 2020, up by 3.3% from the corresponding quarter of the previous year. On a q/q basis, it slumped by 21.3%, but this can be attributed mainly to the clear seasonality of the indicator.

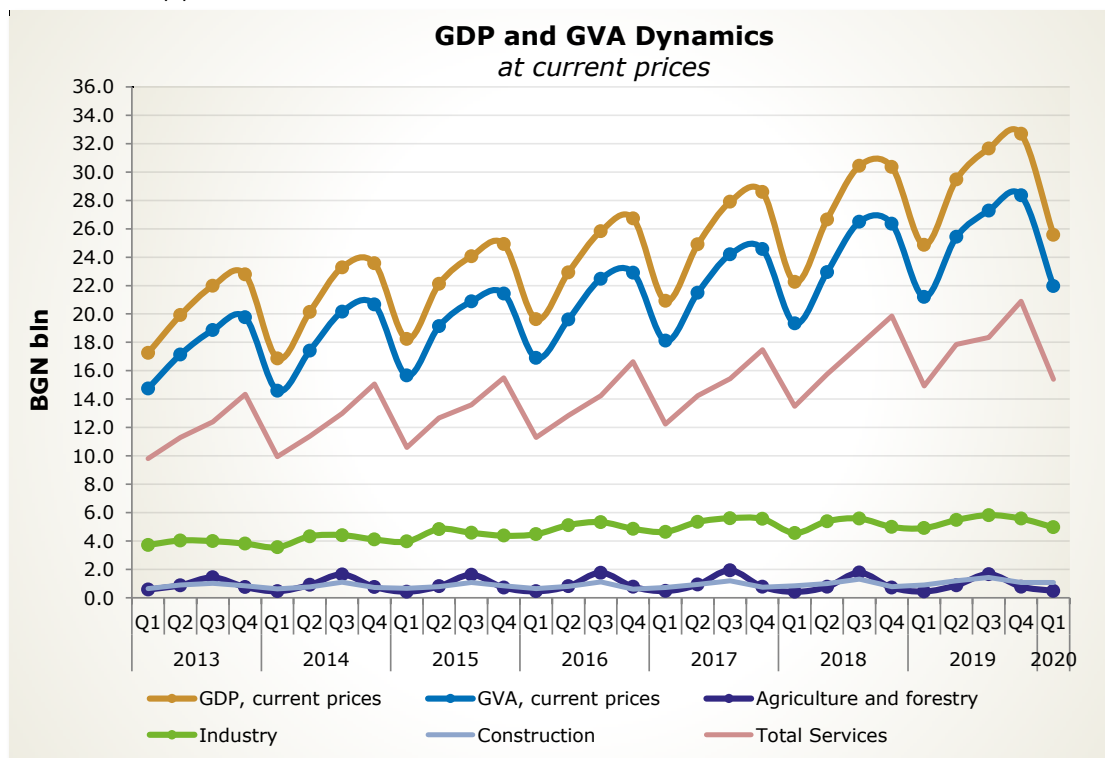


Source: Eurostat

1.3. GROSS VALUE ADDED

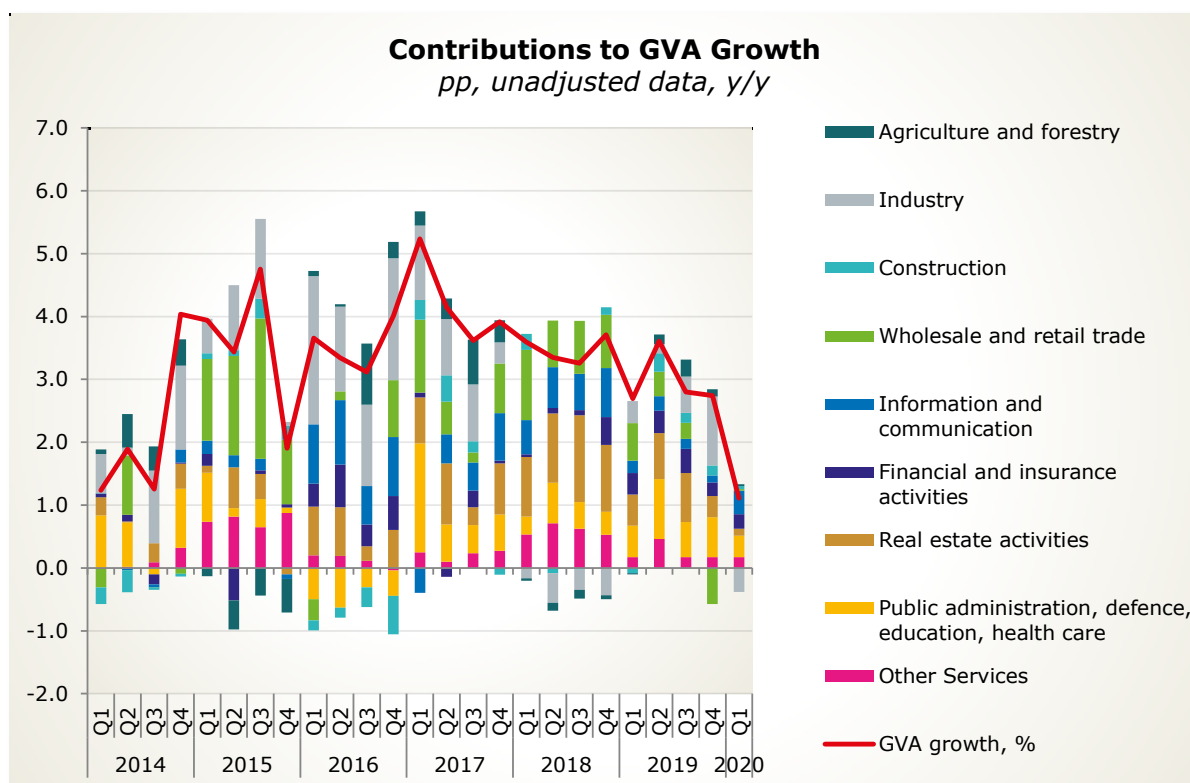
GVA up by 1.1% y/y, services sector is the biggest contributor to growth

The unadjusted gross value added (GVA) generated by the national economy increased by 1.1% y/y in real terms in Q1 2020 and totalled BGN 21.956 bln in current prices. The services sector grew by 3.2% y/y in value terms and was the biggest contributor to annual GVA growth with 1.3 pp.



Source: Eurostat

Information and communication grew at the fastest annual rate, by 6.9%, and accounted for 0.4 pp of the overall GVA growth in Q1 2020. All other service subsectors reported positive annual growth and contributed between 0.3 pp for public administration, defence, education and healthcare and 0.1 pp for real estate activities. Construction and agriculture and forestry grew in annual terms by 19.5% and 9.5% in current prices, respectively, but had neutral contribution. Industry, which registered an annual increase of 1.1%, took away 0.4 pp from the real GVA growth.



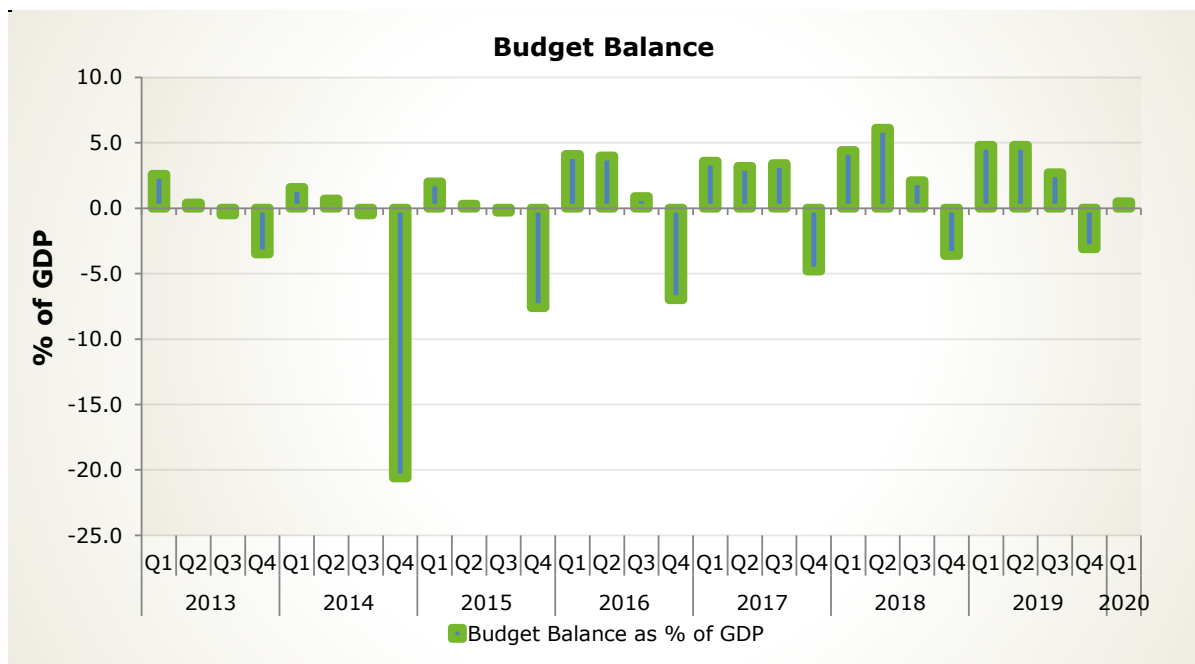
Source: SeeNews Calculations; Eurostat

Note: Non-additive data due to direct chain linking of GDP and its components.

1.4. BUDGET BALANCE

Budget surplus at 0.5% of GDP in Q1 2020

The budget balance of the Bulgarian government in Q1 2020 was positive, at 0.5% of GDP. Compared to the same quarter of the previous year, the surplus was significantly narrower – it stood at 4.8% of GDP in Q1 2019. However, the balance is expected to turn to the negative in the rest of the year, amidst the deepening COVID-19 global crisis. Increased government expenses in the form of packages of fiscal incentives and social payments will hardly be compensated by the diminishing tax revenues caused by decreased economic activity and prolonged deadlines for various tax payments, valid until 2021 as a part of the economic measures to fight recession.



Source: Eurostat

2. OUTPUT AND CONSUMPTION

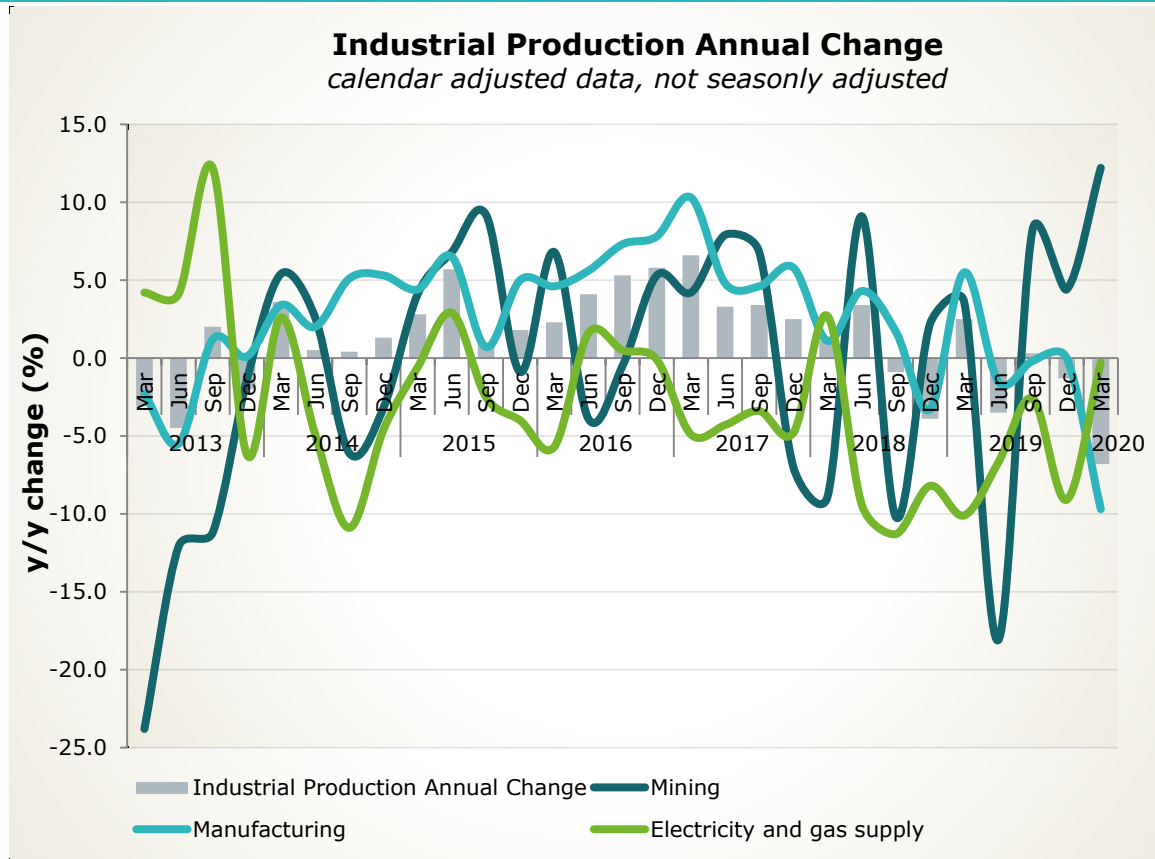
2.1. INDUSTRIAL PRODUCTION

Industrial production down by 6.8% annually in March 2020

In March 2020, industrial production annual change in Bulgaria stood at -6.8%, according to Eurostat. Although the coronavirus-induced furlough did not encompass the whole month, it still brought the output of the industrial sector down at a rate unmatched since 2013.

The mining sector was the only one to maintain its annual growth in March, mainly due to the nature of operations performed outdoors and allowing social distancing without interruption of the production process.

Manufacturing suffered the most, with entire branches, such as the automotive industry, announcing temporary halt of operations. This resulted in a decrease of 9.7% over the same month of the previous year. Electricity and gas supply did not face a major decline in activity, despite dropping demand, and inched down by an annual rate of 0.3% in March 2020.



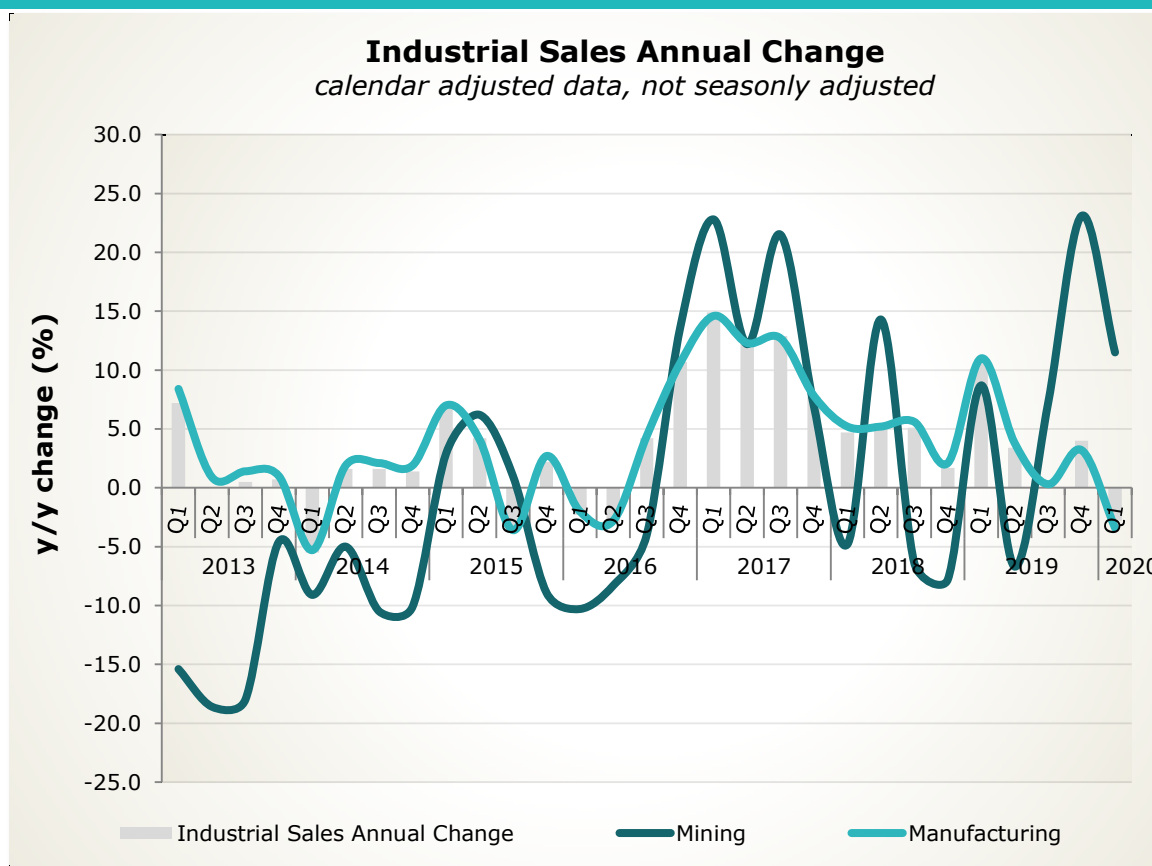
Source: Eurostat

2.2. INDUSTRIAL SALES

Industrial sales decreased by 2.8% y/y in Q1 2020

Industrial sales fell by 2.8% y/y in the first quarter of 2020, according to Eurostat, for the first time since Q2 2016. The decline reflected the lower economic activity caused by the onset of the COVID-19 pandemic in the end of the quarter. Bulgaria's industrial sales diminished to a lesser extent than the EU average of -5.1% y/y, but the drop was sharper than most SEE peers with the exception of Slovenia, North Macedonia and Bosnia and Herzegovina.

Sector-wise, the drop in Q1 2020 was due to the 3.4% narrowing in manufacturing sales – the sector which was negatively affected earlier and in larger extent by the furlough than mining. The latter reported a sound annual growth of 11.5% during the first three months of 2020, but its share in the national industry is too small to prevent the overall drop.



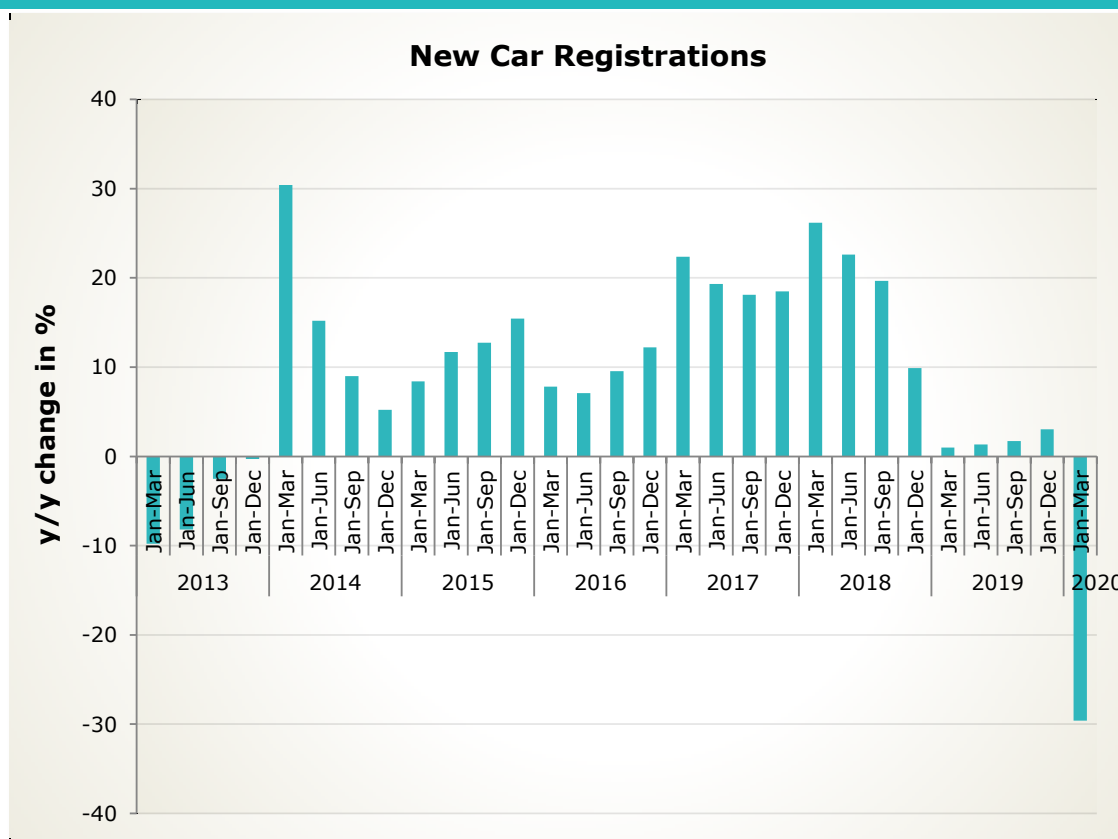
Source: Eurostat

2.3. NEW CAR REGISTRATIONS

New car registrations plummeted in Q1 2020

In the first three months of 2020 the number of new car registrations in Bulgaria fell by 29.6% y/y, ACEA data shows. Only four markets in the EU were hit more heavily in Q1 2020 – Italy, France, Spain and Austria. The slowdown, which had begun in 2019, was aggravated by the coronavirus crisis in March, which brought new car registrations close to zero in the last weeks of the period. In March 2020 alone, the drop reached a low of 50.7% y/y, one of the heaviest in the EU and the worst among the SEE members of the union.

The decrease in new car registrations is likely to persist, given the limited demand due to the COVID-19 restrictions, paired with the temporary halt of production of most major European manufacturers, which encompassed the second quarter of the year. The change towards a more cautious spending by consumers and investors will play a negative role on the new car market in Bulgaria at least until the end of 2020.



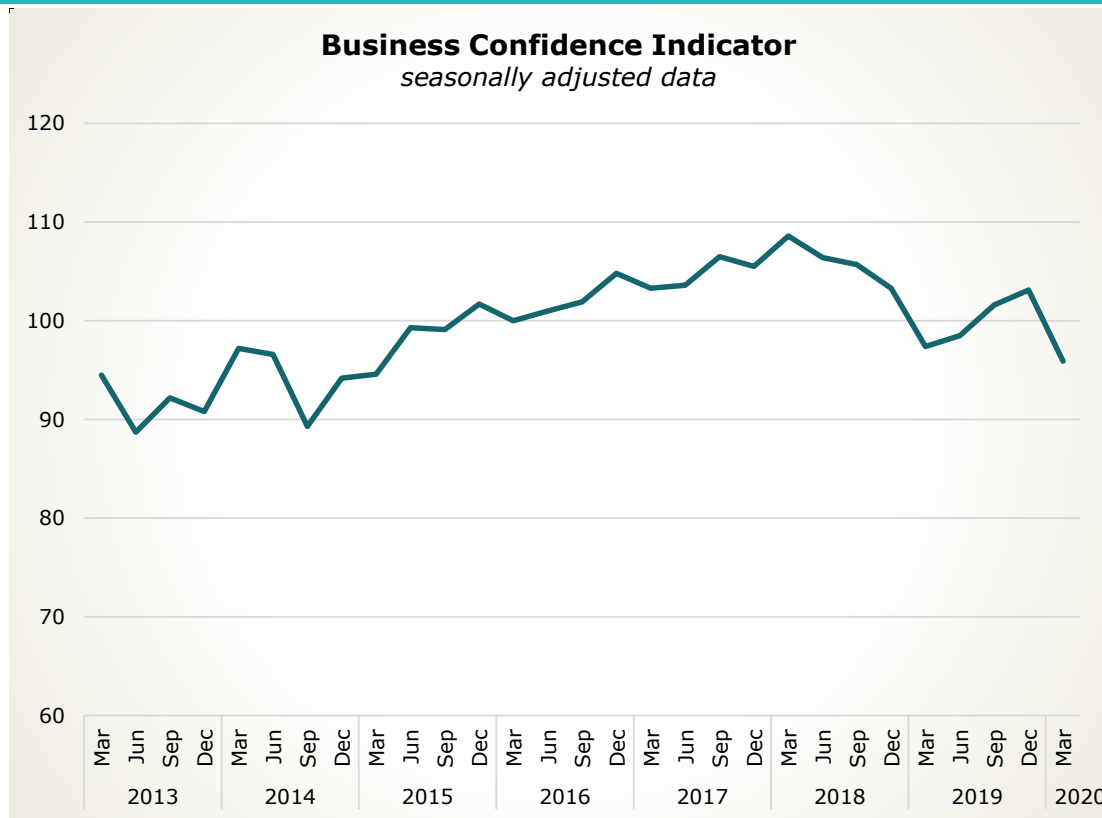
Source: ACEA

2.4. BUSINESS CONFIDENCE INDICATOR

Business confidence indicator hit five-year bottom in Q1 2020

The business confidence indicator in Bulgaria immediately reflected the forthcoming global crisis and in each of the first three months of 2020 pessimism widened to reach the lowest confidence level among investors since Q1 2015. The value of the Economic Sentiment Index by the European Commission was 95.9 in March 2020, down from 98.3 in February and 101.1 in January.

Compared with the other SEE countries, the economic sentiment in Bulgaria in the end of Q1 2020 was among the worst, together with Slovenia. Both countries were at the bottom of the business confidence ranking in the region even before the coronavirus crisis, due to their larger exposure to the Eurozone economy and the signs of economic slowdown there, which were evident throughout 2019.



Source: Eurostat

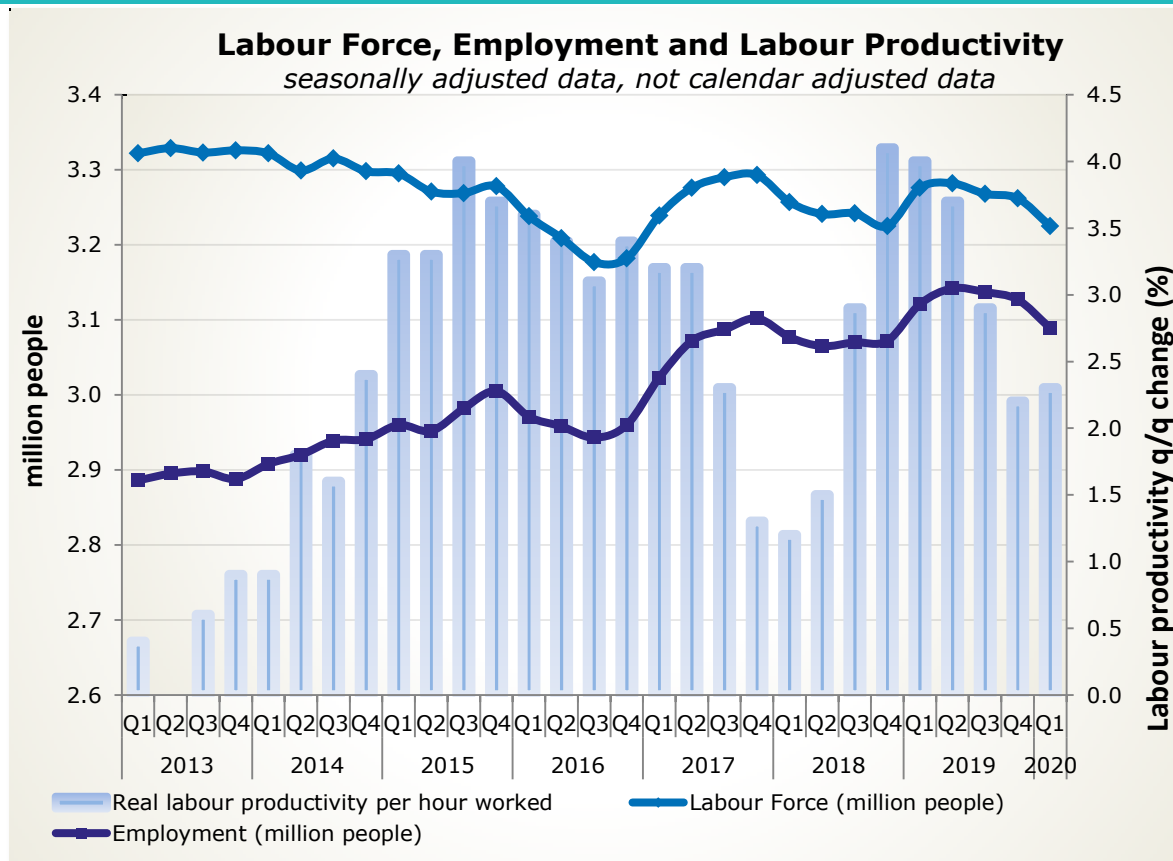
3. LABOUR MARKET

3.1. LABOUR FORCE, EMPLOYMENT AND REAL LABOUR PRODUCTIVITY

Labour force narrowed by 1.6% in Q1 2020, real labour productivity growth slowing down

The labour force in Bulgaria narrowed to 3.225 million people in Q1 2020, down by 1.6% y/y, according to Eurostat. The employed population aged 15 years and older was 3.089 million, also down, by 1.0%, compared to the corresponding period of the previous year. The decrease in employment can be partially explained by the wave of redundancies in some sectors that require close interaction with customers, such as personal services and hospitality, which began in mid-March as a result of the nationwide furlough in Bulgaria.

Real labour productivity per hour worked in Bulgaria continued to improve according to Eurostat by an annual rate of 2.3% in Q1 2020. However, a significant slowdown in comparison to 2019, when productivity grew by an annual average of 3.2%, was registered. In regional and European context Bulgaria performed well in terms of productivity convergence, consistently above the EU average, of 0.3% y/y, for eighth consecutive quarter, on par with Romania and better than Slovenia and Croatia.



Source: Eurostat

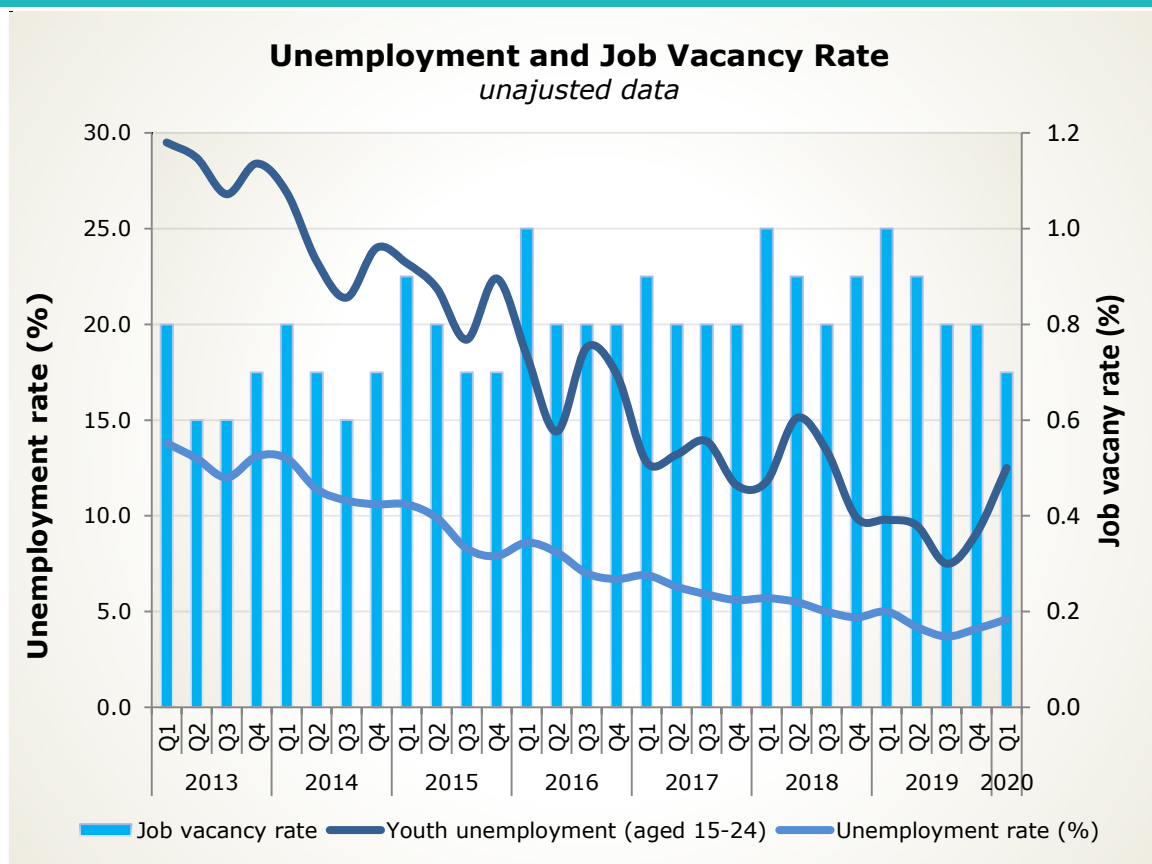
3.2. UNEMPLOYMENT RATE AND JOB VACANCIES

Unemployment rate rose to 4.6% due to COVID-19, job vacancy rate at record low

The unemployment rate in Bulgaria in Q1 2020 stood at 4.6%, still lower than the same quarter of the previous year, but on the rise compared to the previous two quarters, when it even fell below 4.0%. The main reason behind the rise of the unemployment rate was the devastating impact of the COVID-19 pandemic on transport, tourism and hospitality, which practically ceased to operate in March and accounted for 28.1% of the employment in the country in 2019, according to NSI.

Youth (population aged 15-24) unemployment rate also went up to 12.5%, compared to 9.1% in the previous quarter and 9.8% in the corresponding quarter of the previous year. The sharper rise in youth unemployment is attributed to the higher share of people aged 15-24 in the sectors directly hit by the pandemic.

The job vacancy rate in Q1 2020 stood at 0.7%, down from 1.0% in the corresponding quarter of the previous year. In absolute terms, job vacancies counted 14,938 in the first three months of 2020, which represented the lowest number since Q3 2014, Eurostat data shows. At the same time, the number of occupied jobs reached its bottom for the last 10 years, at 2.136 million, which indicates a weakening of the economic activity in Bulgaria in Q1 2020, even before the full effect of the global coronavirus crisis is felt.

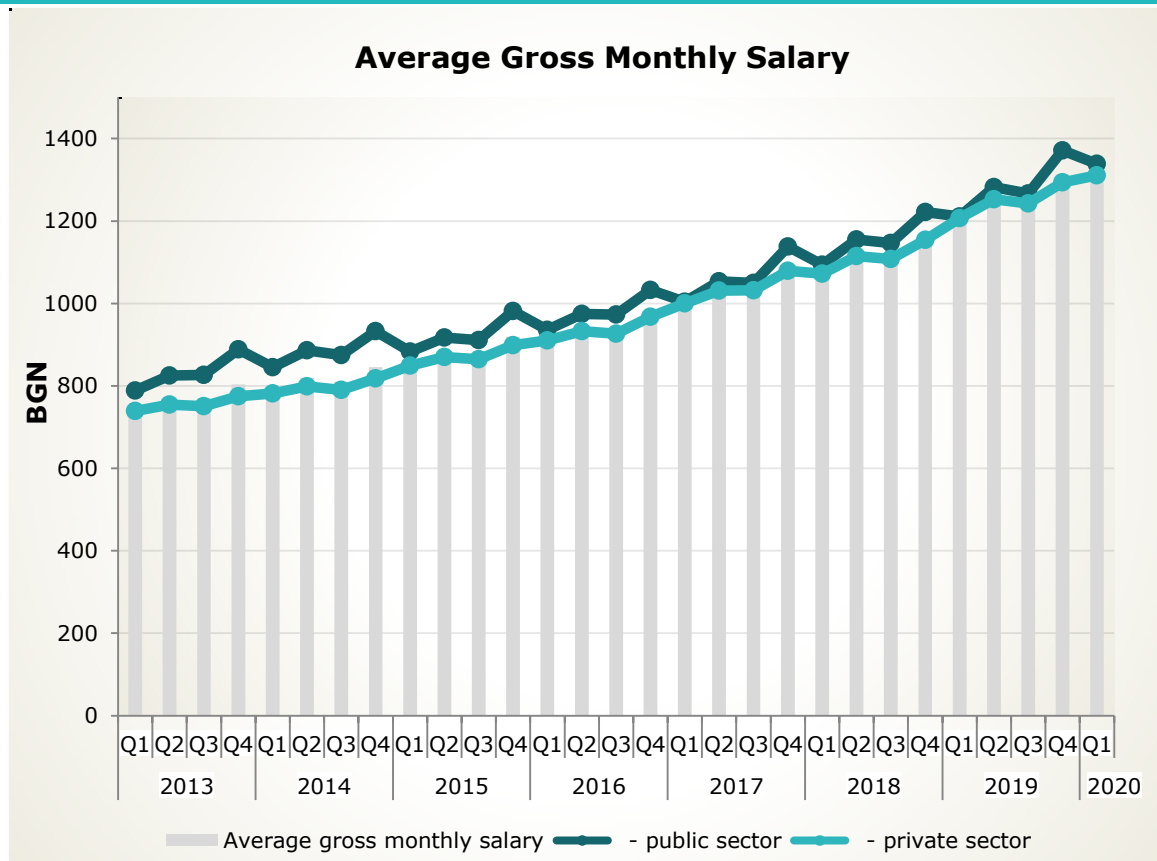


Source: Eurostat

3.3 AVERAGE MONTHLY SALARY

Average gross monthly salary up by 9.0% in Q1 2020

The average gross monthly salary in Q1 2020 grew by 9.0% y/y to BGN 1,317, according to NSI data. Salaries in the private and public sectors went up by 8.6% y/y and 10.6% y/y, respectively, and reached an average of BGN 1,311 in the private and BGN 1,339 in the public sector. Employees in IT and communication were again the highest paid with average gross monthly salary of BGN 3,236, followed by financial and insurance activities with BGN 2,121 and energy with BGN 2,031. At the other end of the ranking stood three sectors with average gross monthly salaries lower than BGN 1,000. These included construction, agriculture, forestry and fisheries and tourism and hospitality. The employees in the latter earned BGN 734 on average, which is almost half of the national average and four times lower than the highest earning sector IT and communication.



Source: NSI

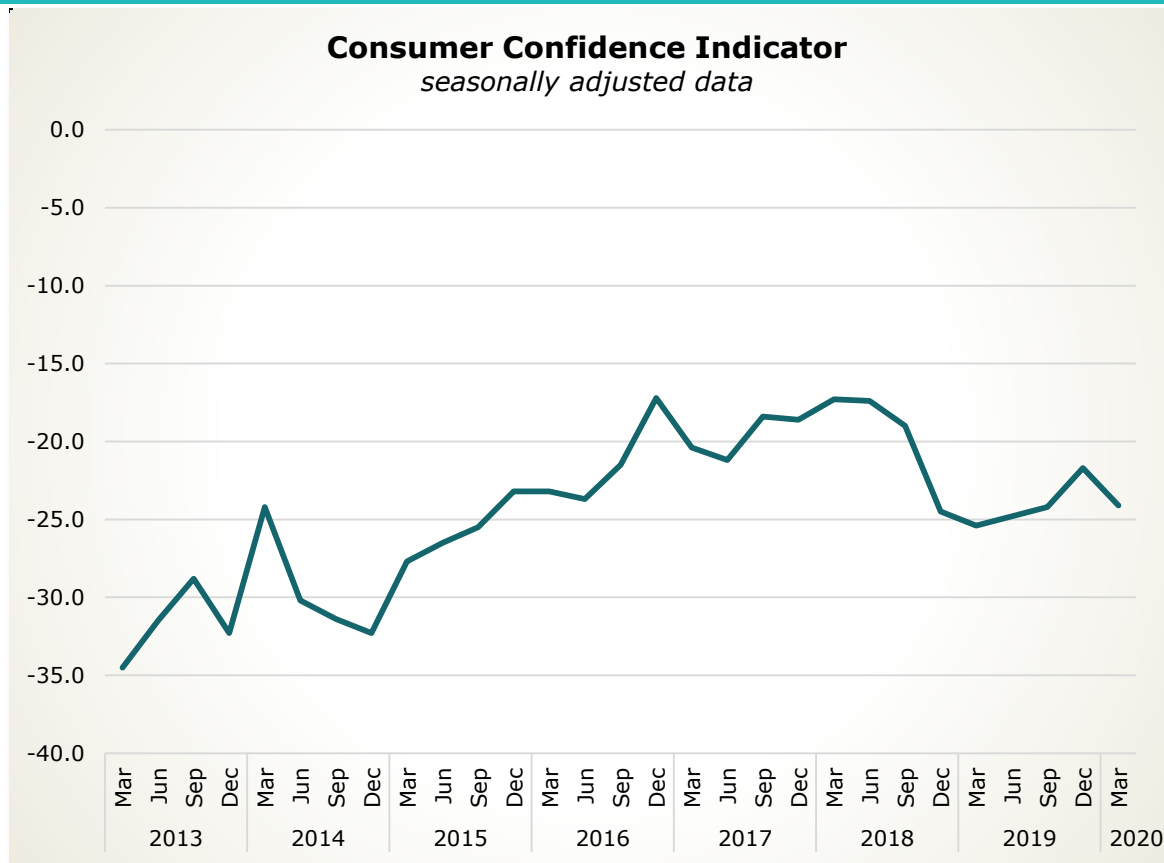
4. HOUSEHOLDS

4.1. CONSUMER CONFIDENCE INDICATOR

Consumer confidence indicator stayed negative in Q1 2020, at -24.1 points

The consumer confidence indicator in Bulgaria moved down in line with the overall developments in the economy in Q1 2020 to reach -24.1 points in March, according to the European Commission. Its value was higher, although still negative, even before the onset of the COVID-19 pandemic and the surge of pessimism associated with it. In February 2020 the index stood at -21.2 points and in January 2020 – at -21.7 points.

The consumer sentiment in Bulgaria in March 2020 was the lowest among all SEE countries. This is due not only to the COVID-19 crisis and the pessimism has no direct connection to the extent of restrictions in Bulgaria in comparison to its neighbours, since the country has continuously had the worst score in consumer expectations in SEE since Q1 2014.



Source: European Commission

4.2. WHOLESALE AND RETAIL

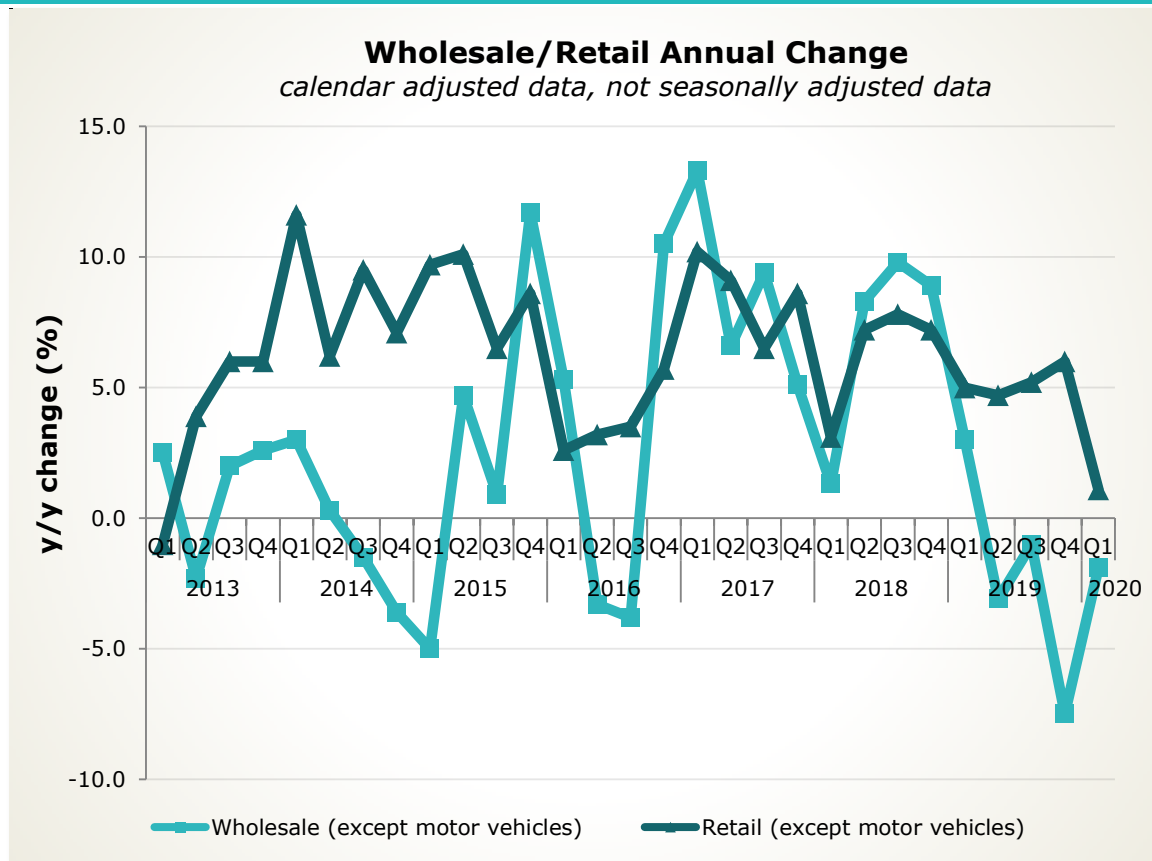
Retail sales still up in Q1 2020, as wholesale began to shrink

In the first quarter of 2020, wholesale and retail sales registered a 3.6% annual decrease, according to Eurostat data. This was the second consecutive quarter with negative trend and at the same time the quarter with the sharpest drop in the last eight years.

Retail sales, except motor vehicles, still notched up by 1.1% y/y, while wholesale recorded a 1.9% y/y decline. Wholesale, retail and repair of motor vehicles was the sector which first experienced the negative effect of the shutdown in the second half of March 2020, when it practically ceased, and slumped by 13.2% y/y for the whole quarter.

Retail sales increased the most during the period in the sectors of medical, orthopaedic and cosmetic goods with 12.2% y/y, food, beverages and tobacco with 8.4% y/y and retail sales via mail and internet with 8.1% y/y. On the other hand, retail sale of automotive fuel in specialised stores, computers and software, and household equipment and recreational goods marked a distinguished decline in Q1 2020.

As far as wholesale is concerned, agricultural raw materials and live animals, information and communication equipment and household goods performed better than in the same quarter of the previous year, while machinery and equipment, food, beverages and tobacco and other non-specialised wholesale trade reported an annual drop.



Source: Eurostat

5. PRICES

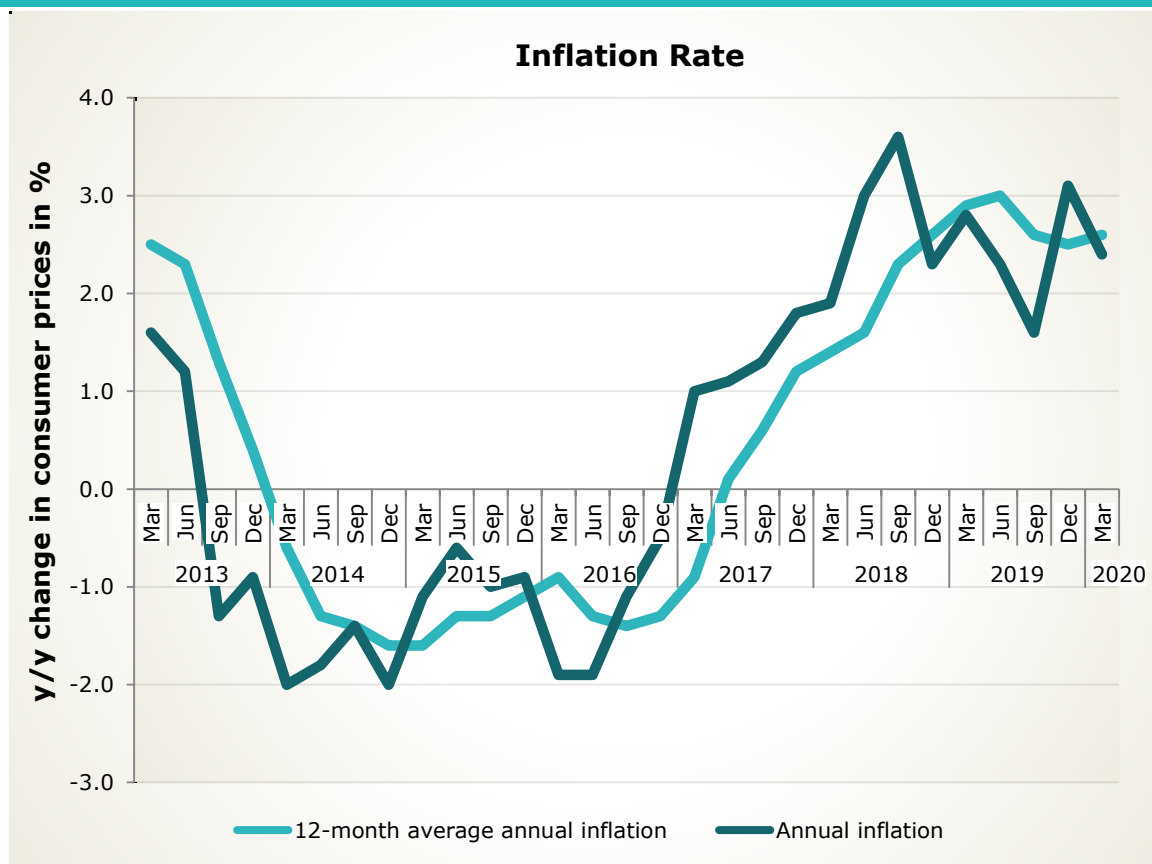
5.1. INFLATION

Inflation slowed down in Q1 2020 to 2.6%

In Q1 2020, the moving twelve-month average inflation in Bulgaria came in at 2.6%, according to Eurostat, down from 2.9% in the corresponding quarter of the previous year. In regional aspect, Bulgaria had the second highest moving twelve-month average inflation in SEE in Q1 2020, after Romania, but well above Slovenia, Croatia, Serbia and North Macedonia.

Annual inflation also slowed down to 2.4% y/y, compared to 2.8% in Q1 2019. With the sudden narrowing of consumer expenditures caused by external shock, consumer prices are expected to continue their downward movement due to the prioritisation of spending and pessimistic short-term expectations among consumers, who avoid or postpone expensive and non-essential purchases.

The highest average twelve-month annual inflation, of 5.7%, was registered by restaurants and hotels, followed by food and non-alcoholic beverages with 5.6%. Prices of communications were the only ones to decline y/y, by 3.0%.



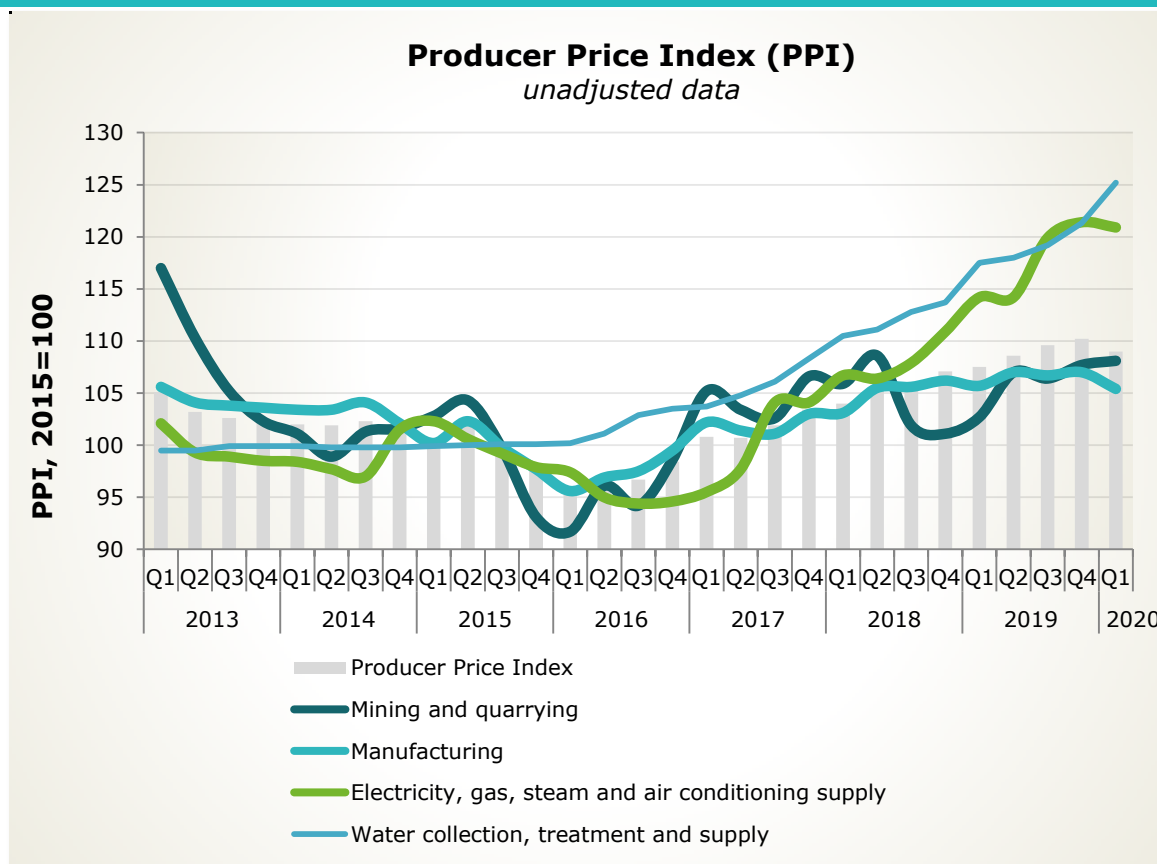
Source: Eurostat

5.2. PRODUCER PRICE INDEX

Producer price index at 109.0 points in Q1 2020

Eurostat's unadjusted producer price index in Bulgaria stood at 109.0 points in Q1 2020, which represented a decrease compared to Q4 2019, by 1.2 pp, but on an annual basis this marked a rise of 1.5 pp.

Manufacturing was the only sector to register a decline in producer prices in Q1 2020, both on an annual and quarterly basis. The producer price index in all other sectors climbed compared with the year-ago quarter. In water collection, treatment and supply it rose by 7.7 pp y/y followed by electricity, gas and steam supply with 6.6 pp y/y and mining and quarrying with 5.4 pp y/y.



Source: Eurostat

6. CONSTRUCTION AND REAL ESTATE

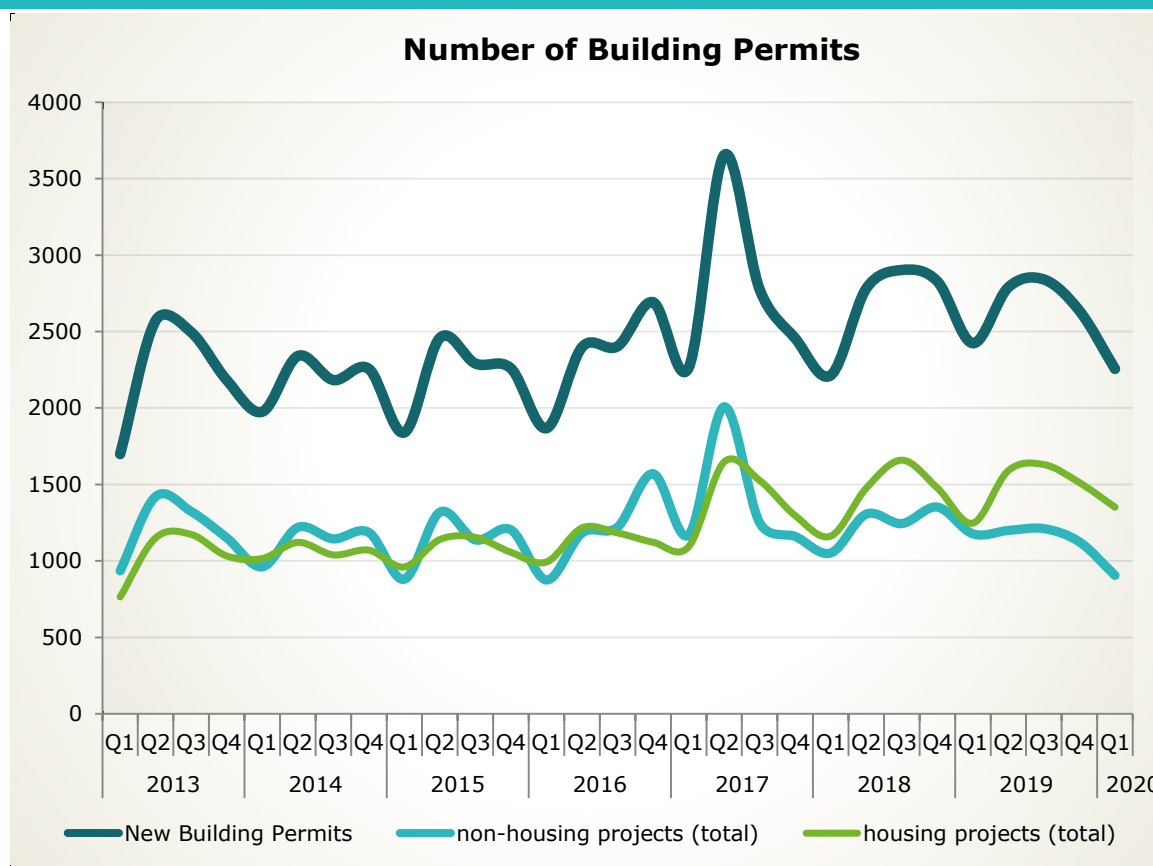
6.1. NEW BUILDING PERMITS

New building permits decreased by 6.9% y/y in Q1 2020

The number of building permits issued in Bulgaria in the first three months of 2020 went down by 6.9% y/y and totalled 2,256, according to NSI data. Housing projects still recorded positive growth, of 8.3% y/y, but permits for non-housing and administrative buildings in particular plummeted by 23.1% y/y to 905, compared to 1,177 a year earlier.

The total built-up area of both residential and non-residential units declined on an annual basis in Q1 2020. The built-up area covered by new non-residential permits narrowed by 14.5% to 536,343 sq m, while the total built-up area of the residential space slumped by 21.1% to 815,293 sq m.

In the light of the unpredictability caused by the pandemic, construction activity in Bulgaria is expected to slow down, especially in the office segment, until economic activity, consumer confidence and work from offices are on the rise again, which will not happen earlier than 2021.



Source: NSI

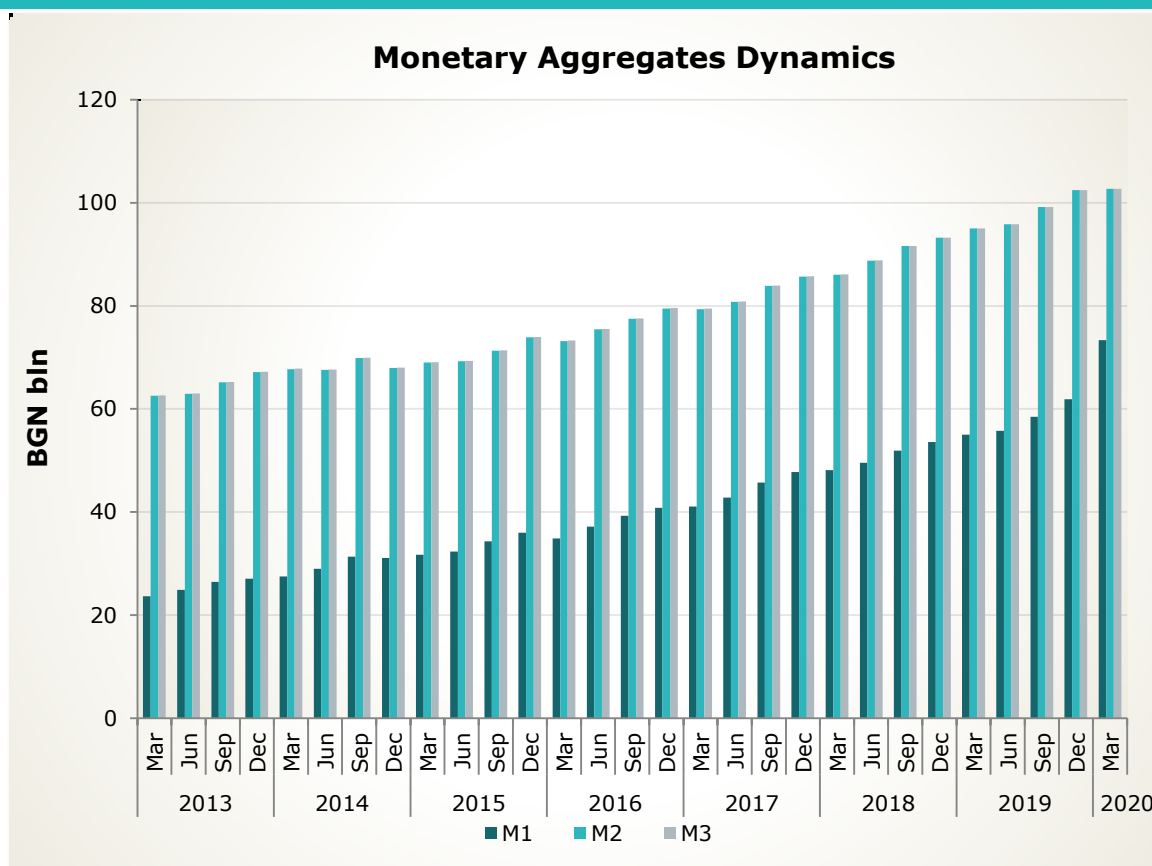
7. MONEY

7.1. MONETARY AGGREGATES

Money supply growth was 8.1% y/y in Q1 2020, narrow money jumped by 33.3%

At the end of Q1 2020 the broad monetary aggregate M3 rose by 8.1% on an annual basis and the total money supply in the Bulgarian economy stood at BGN 102.7 bln, surpassing BGN 100.0 mln for a second consecutive quarter.

The M2 money supply equalled the M3 money supply, thus also growing by 8.1% y/y. The monetary aggregate M1, or narrow money, jumped by 33.3% to BGN 73.3 bln. Banknotes and coins in circulation increased by 10.2% y/y, underpinned by the low interest rates on deposits, and savers' preferences to have cash.



Source: BNB

7.2. BANKS' CAPITAL RATIOS

Financial soundness indicators of the banking system improve in Q1 2020

As of end-March 2020, the banking system's capital ratios marked an annual rise, according to BNB data. Regulatory Tier 1 capital to risk-weighted assets ratio increased to 19.75%, compared to 18.27% in the corresponding quarter of the previous year. The regulatory Tier 1 capital to total assets ratio stood at 12.27%, up from 10.71% in Q1 2019.

7.3. CENTRAL BANK'S INTEREST RATE

BNB base interest rate unchanged in Q1 2020

In Q1 2020 the base interest rate of BNB remained at 0.0%, unchanged since the beginning of 2016. Although it has a very limited significance as a monetary policy instrument, the base interest rate indicates the determination of Bulgaria's central bank to stimulate investment and consumer spending in order to boost economic activity as a counter measure to the global slowdown.

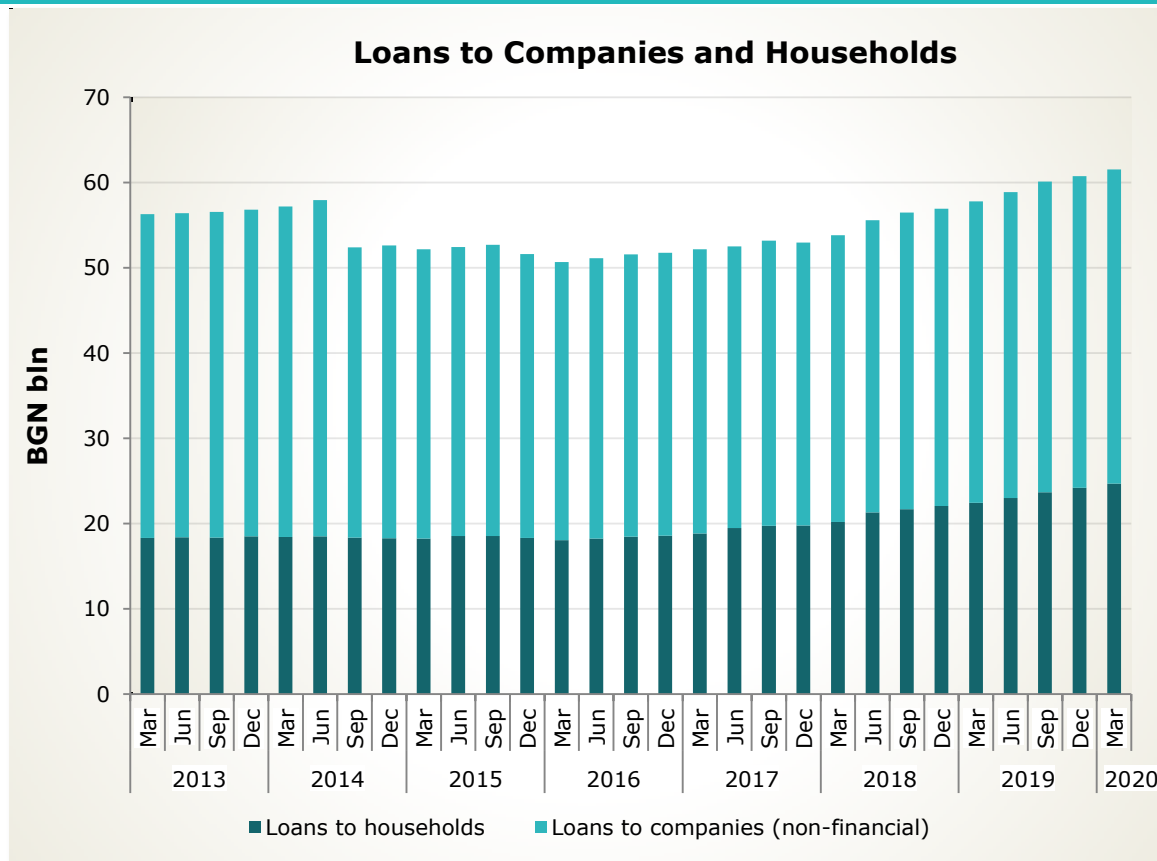


Source: BNB

7.4. LOANS TO COMPANIES AND HOUSEHOLDS

Loans to companies up by 4.2% y/y, household loans soared by 10.0% y/y in Q1 2020

In March 2020 the loans to non-financial corporations increased by 4.2% on the year to BGN 36.9 bln. The annual growth of loans to households was stronger, at 10.0% and they totalled BGN 24.7 bln. The rise was supported by both mortgage and consumer loans, which grew at a rate significantly higher than the average for all loans. Loans for house purchase increased by 13.3%, while consumer loans jumped by 19.6%. Corporate and consumer loans are expected to slow down their growth in the rest of 2020 to reflect the stagnating economic activity and changed spending patterns in favour of savings by individual consumers.

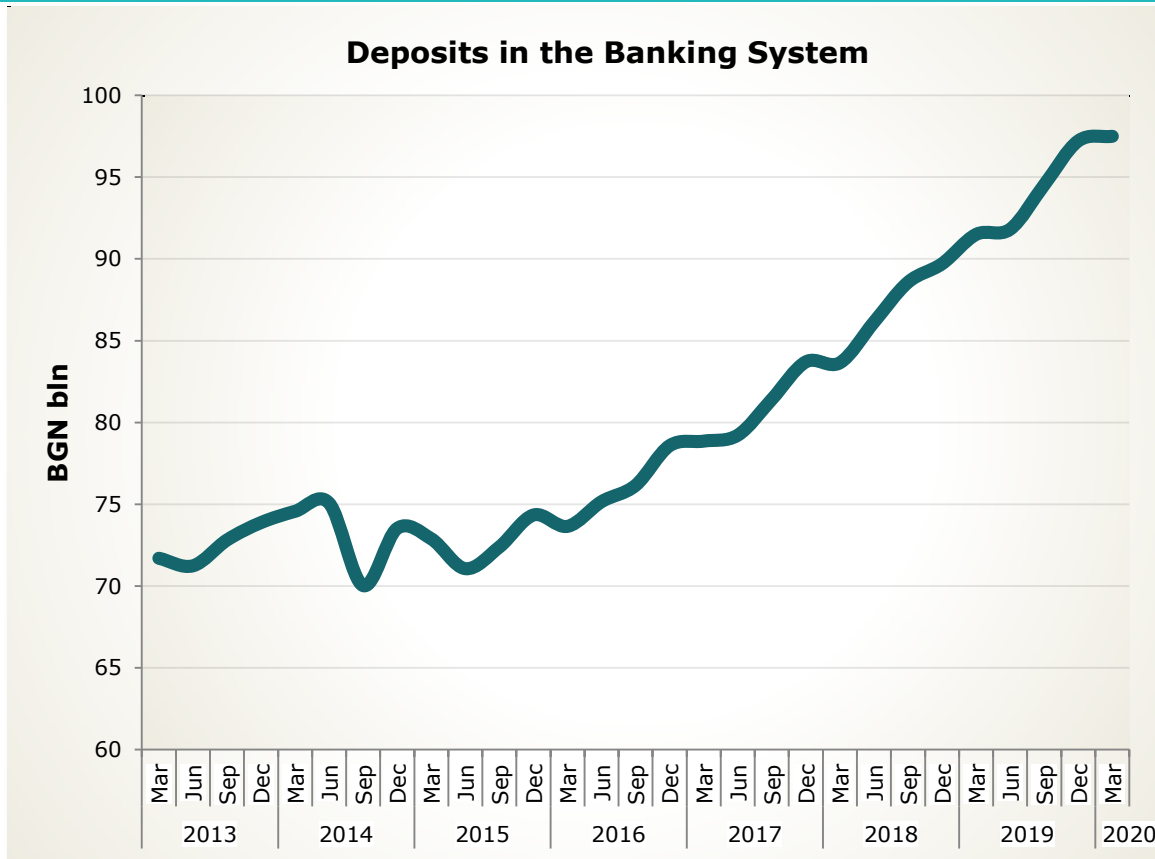


Source: BNB

7.5. DEPOSITS

Deposits increased by 6.6% y/y in Q1 2020

The total amount of deposits in the banking system, as of end-March 2020, grew by 6.6% y/y and stood at BGN 97.5 bln, compared to BGN 91.5 bln in the same month of the previous year. The growth is likely to accelerate in the second quarter of 2020 and probably until the end of the year as a consequence of the increased savings rate in Bulgaria as a reaction to the high uncertainty associated with the coronavirus crisis.



Source: BNB

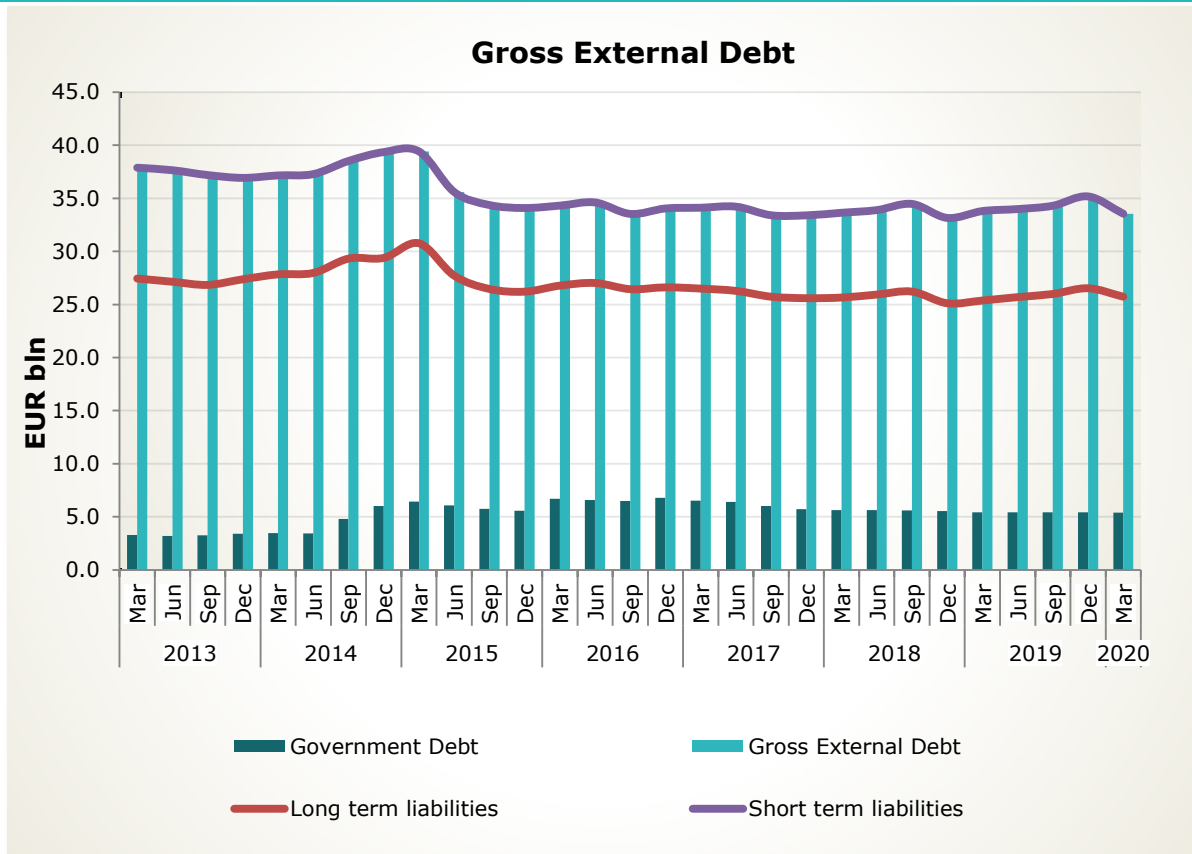
8. EXTERNAL SECTOR

8.1. DEBT

Gross external debt notched down by 0.7% y/y in Q1 2020

The gross external debt went down by 0.7% y/y totalling EUR 33.5 bln as of end-March 2020, according to BNB. Relative to the economy, the gross external debt accounted for 55.3% of the country's latest annual GDP. This makes Bulgaria well positioned in regional and global aspect in the group of countries with low risk for additional indebtedness as a result of the fiscal measures packages introduced by the governments to combat the negative economic effects of the COVID-19 pandemic.

Government debt also registered a moderate decrease on an annual basis in Q1 2020, by 1.0% to EUR 5.4 bln at the end of the period. Long-term liabilities rose by 1.4% y/y and amounted to EUR 25.7 bln, or 76.7% of the total debt, and short-term liabilities totalled EUR 7.8 bln, following a 7.2% annual drop and equalled 23.3% of the total debt.

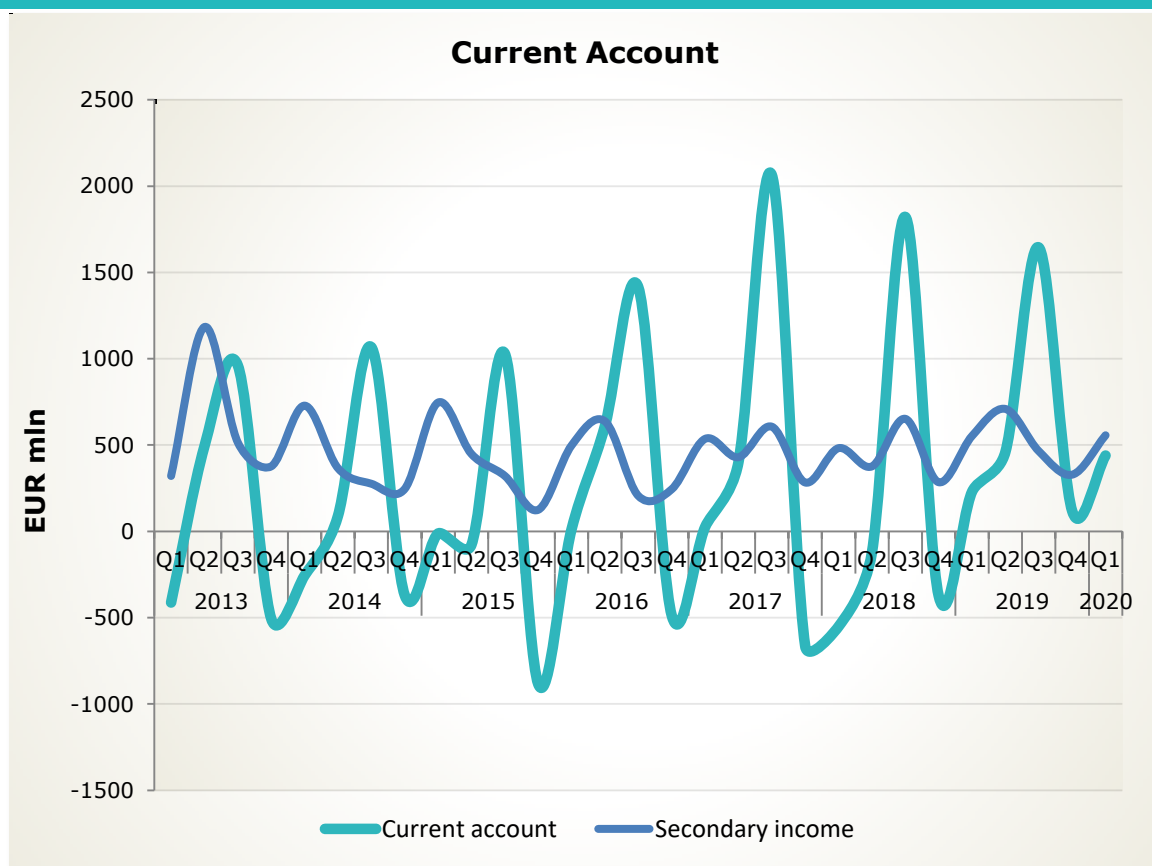


Source: BNB

8.2. CURRENT ACCOUNT

Current account surplus almost doubled in Q1 2020

The current account surplus totalled EUR 439.2 mln in Q1 2020, the record high for the first quarter in the 2012-2020 period, up by 91.0% y/y, according to Eurostat data. As a share of Bulgaria's GDP, the current account also nearly doubled, to 3.4%, compared to 1.8% in Q1 2019. Secondary income in Q1 2020 stood at EUR 556.6 mln, up 0.7% y/y.



Source: Eurostat

8.3. TRADE BALANCE

Foreign trade deficit narrowed by 21.3% y/y in Q1 2020

Exports outperformed imports in annual growth terms in Q1 2020, which resulted in a 21.3% decrease of the foreign trade gap to EUR 637.5 mln, according to BNB data. In the first three months of 2020, exports notched up by 0.9% and reached EUR 7.324 bln. Imports came in at EUR 7.962 bln, or by 1.4% less than in the corresponding quarter of the previous year. A further sharp decline in both exports and imports is expected in the rest of 2020 under the negative impact of the global COVID-19 crisis and the tight integration of Bulgaria with the market of the European Union.

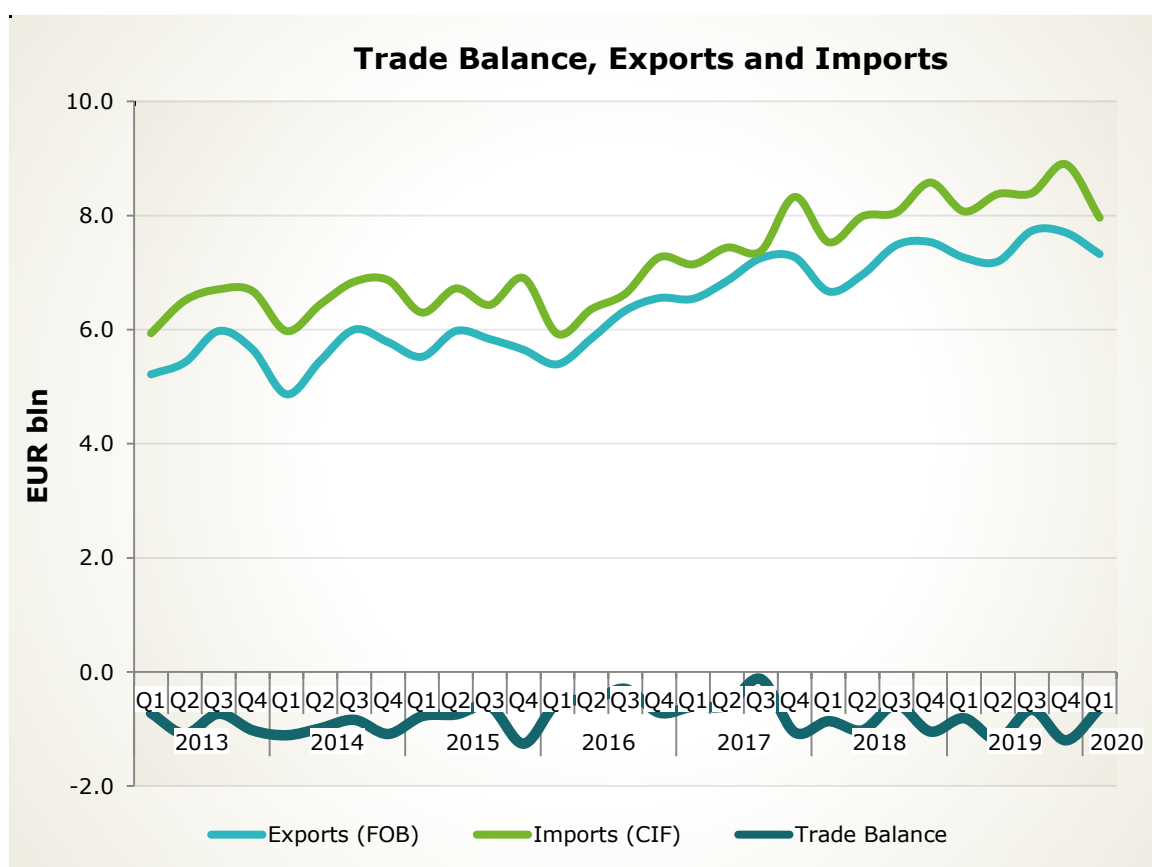
In the first three months of 2020, Bulgaria exported mainly other raw materials, non-ferrous metals and raw materials for the food industry. Export of beverages jumped the most, by 61.8% y/y to EUR 46.1 mln, while fertiliser exports sank the sharpest, by 31.8% y/y.

Fuels were the leading product group in Bulgaria's imports in Q1 2020, slicing a 9.5% share of the total. The highest rise in imports, of 42.2%, was recorded by raw materials for the food industry, while imports of coal shrank the most, by 33.5%.

The main export markets for Bulgarian goods and services in the first quarter of 2020 were Germany, Romania and Italy. The European Union accounted for 64.7% of the total exports of

Bulgaria, down from 67.7% in Q1 2019, mainly due to UK's exclusion of EU in the BNB external trade statistics. As far as the exports risk exposure in the early stages of the coronavirus crisis in March 2020 is concerned, Bulgaria was in comparatively favourable position, with insignificant exports to China – the first country experiencing widespread shutdown of economic activity.

The main trading partners of Bulgaria in terms of imports in Q1 2020 were Germany, China and Russia. Imports from all three countries were weaker on annual basis and their combined share in overall imports fell to 27.8% from 29.6% a year earlier. The drop in imports from these countries followed the start of pandemic-related restrictions in China and the temporary closure of entire industries in Germany in late March. Expectations are that Bulgarian imports from China would be the first to recover in terms of volume due to the earlier peak of the crisis there and the economic upturn in Q2 2020, unlike in Europe and the rest of the world.



Source: BNB

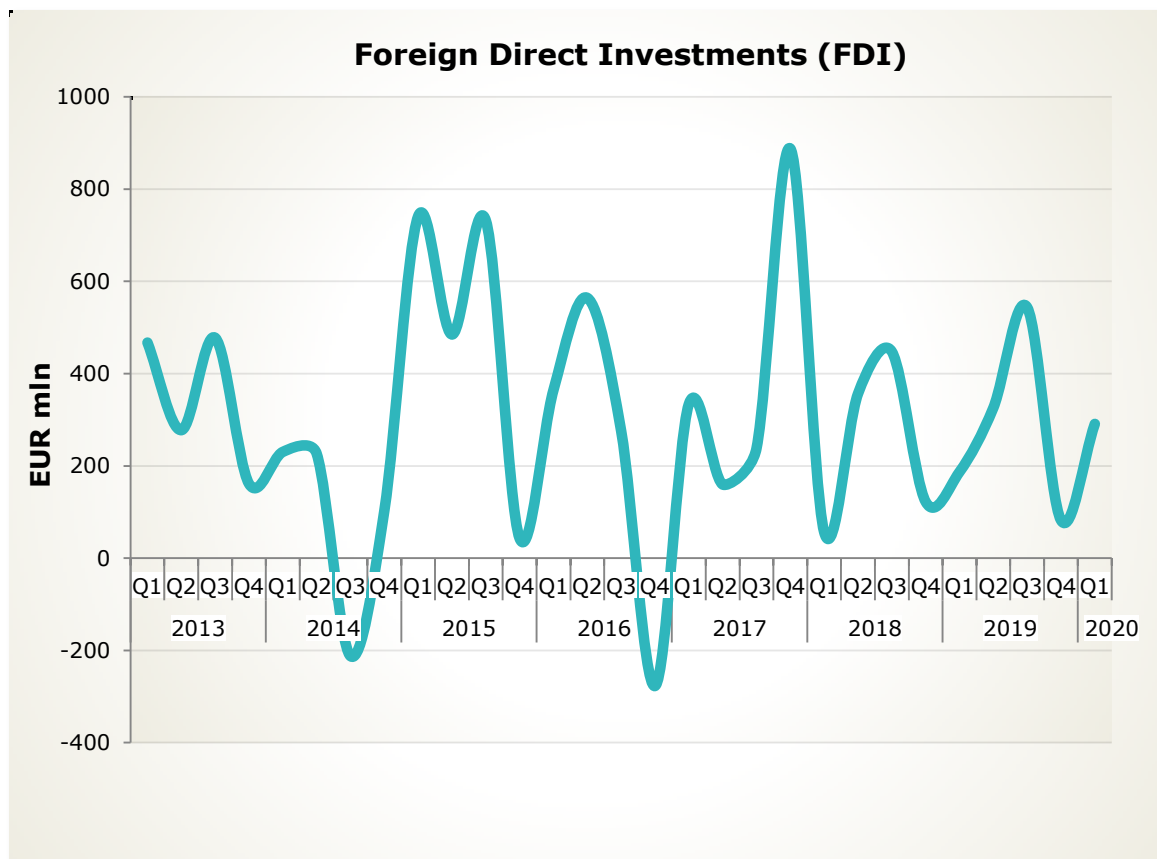
8.4. FDI

FDIs soared by 55.7% y/y in Q1 2020

Net FDI flow in Bulgaria reached EUR 291.0 mln in Q1 2020, jumping by 55.7% y/y, according to BNB data. For the first three months of 2020 FDIs accounted for 2.2% of the country's GDP for the period.

Wholesale and retail trade attracted the highest amount of FDIs among the economy sectors – EUR 167.4 mln, followed by energy with EUR 65.4 mln and finance and insurance with EUR 51.4 mln.

The Netherlands reclaimed its position as the top foreign investor in the Bulgarian economy from the United Kingdom, with an FDI inflow of EUR 144.0 mln, or almost half of the total FDI, followed by Austria with EUR 71.3 mln and Hungary with EUR 59.6 mln. The geographical structure of Bulgaria's FDI inflow proved favourable in the beginning of 2020 in the light of fast spreading economic and travel restrictions, as the most badly hit countries in this period, such as China, Italy and France, are not among the leading investors in the Bulgarian economy. However, FDI inflow is expected to slow down, at least in Q2 2020, when the economic crisis acquired global dimensions and led to a decrease in investments worldwide.



Source: BNB

FORECAST AND ANALYSIS

The international financial institutions, such as the IMF and the World Bank, see Bulgaria as one of the better positioned SEE countries with prospects for economic recovery to pre-coronavirus levels by the end of 2022. According to IMF, Bulgaria's GDP will shrink by 4.0% in 2020, followed by a stable growth of 4.1% in 2021 and 3.7% in 2022.

The World Bank sticks to a more conservative forecast with 5.1% decrease in 2020 and a slower rebound of 3.9% in 2021, followed by accelerating growth of 4.1% in 2022, when the

national economy will reach its 2019 level. Compared to its previous forecast in June, the World Bank has made an upward revision for the full-year 2020 rate, due to better than expected Q2 2020 figures.

However, these forecasts are made under the assumption of no second lockdown as in the period March-May 2020. The unpredictability in the behaviour of the COVID-19 infection rates and the recent surge in Bulgaria and most of Europe impose a risk of downward revision of the GDP prospects, should strict containment measures be implemented once again until the end of 2020. The political instability, reflected in more than three months of anti-government demonstrations, also undermines the chances for speedy recovery of the Bulgarian economy.

MAJOR DEVELOPMENTS

Bulgarian govt revises budget to target 2.9%/GDP deficit, increases planned debt fivefold

Mar 31, 2020

Bulgaria's government said that it has adopted draft changes to the country's 2020 balanced budget, envisaging a deficit equivalent to 2.9% of gross domestic product (GDP), or BGN 3.5 bln (USD 2.0 bln/EUR 1.8 bln), due to the coronavirus pandemic.

[Read the full story here](#)

COVID-19 pandemic to delay Bulgaria's ERM-II entry until 2021 - c-bank

Mar 30, 2020

Bulgaria's entry in the Exchange Rate Mechanism II (ERM II), the mandatory precursor to Eurozone membership, and the EU's banking union could be delayed until 2021 by the global coronavirus crisis, central bank governor Dimitar Radev said.

[Read the full story here](#)

Foreign tourist arrivals to Bulgaria rise 5.2% y/y in Feb

Mar 27, 2020

The number of foreign tourists who visited Bulgaria in February increased by 5.2% year-on-year to 508,000, the National Statistical Institute (NSI) said on Friday.

[Read the full story here](#)

EC gives green light to EUR 77 mln investment in Sofia CHP plant

Mar 25, 2020

The European Commission (EC) said it has approved an investment of over EUR 77 mln (USD 83.2 mln) which will support the construction of a combined heat and power (CHP) plant in Bulgaria's capital Sofia.

[Read the full story here](#)

Bulgarian govt decides to inject up to EUR 358 mln in development bank's capital

Mar 25, 2020

Bulgaria's government said that it has decided on Wednesday to increase the capital of the Bulgarian Development Bank (BDB) via cash contributions of up to BGN 700 mln (USD 387 mln/EUR 358 mln), in order to allow the BDB to support businesses affected by the coronavirus pandemic.

[Read the full story here](#)

Bulgaria launches new tender for concession of Plovdiv Airport

Feb 27, 2020

Bulgaria's government said on Thursday that it has endorsed the transport minister's decision to launch a new tender for awarding a concession contract for operation of Plovdiv Airport.

[Read the full story here](#)

Bulgaria needs to effectively enforce anti-money laundering legislation

Feb 26, 2020

Bulgaria has made sufficient progress towards upgrading the corporate governance framework of state-owned enterprises (SOEs) but shows limited progress in the effective supervision and enforcement of the anti-money laundering (AML) framework, the European Commission said on Wednesday.

[Read the full story here](#)

EBRD ready to scale up investment in Bulgaria

Feb 26, 2020

The European Bank for Reconstruction and Development (EBRD) said on Wednesday that its vice president Alain Pilloux is starting his official visit to Bulgaria where he will hold talks for increasing investment.

[Read the full story here](#)

IMF urges Bulgaria to improve governance, invest in people

Feb 14, 2020

The International Monetary Fund (IMF) said on Friday that Bulgaria should implement more reforms on all structural fronts, including to improve governance and loosen labour shortages in order to achieve higher investment and productivity growth.

[Read the full story here](#)

World Bank to advise Bulgaria on science, technology, innovation spending

Feb 13, 2020

The World Bank said that it has signed an agreement to provide analytical and advisory support to Bulgaria on how to make the most of public spending on science, technology and innovation, and how to formulate a vision for the education sector until 2030.

[Read the full story here](#)

Bulgaria's revenue from tourist overnights rises 4.5% in 2019

Feb 12, 2020

The revenue from tourist overnights spent in Bulgaria increased 4.5% last year to over BGN1.52 bln (USD 837.4 mln/EUR 766.9 mln), the tourism ministry said.

[Read the full story here](#)

Bulgarian banks post flattish 2019 net profit, revenue

Feb 3, 2020

The combined net profit of the banks operating in Bulgaria remained flattish year-on-year at BGN 1.67 bln (USD 946 mln/EUR 854 mln) in 2019, the country's central bank said.

[Read the full story here](#)

Bulgarian govt survives no-confidence vote over environment policy

Jan 29, 2020

Bulgaria's ruling coalition of GERB and nationalist alliance United Patriots survived on Wednesday a no-confidence vote sought by the opposition Bulgarian Socialist Party (BSP) over environmental policy issues, the parliament said.

[Read the full story here](#)

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