

Bulgaria: Selected Macroeconomic Indicators (monthly data)

Real sector

06.96 07.96 08.96 09.96 10.96 11.96

Output

Receipts from sales of public sector output

% change over corresponding month of previous year, comparable prices -2.1 -3.4 -2.5 -14.6 -11.3 -

Receipts from sales of industrial output

% change over corresponding month of previous year, comparable prices -0.3 -0.4 0 -15.0 -11.3 -

Unemployment

Registered unemployed, end of month

level, thousand 380.3 396.4 396.2 401.6 425.4 -

% change over previous month -3.9 4.2 -0.1 1.4 5.9 -

% change over corresponding month of previous year -6.9 -4.3 -2.7 0.2 6.7 -

Unemployment rate, end of month

% of total labour force* 10 10.4 10.4 10.5 11.1 -

Wages and Prices

Average monthly wage in the public sector

nominal level, BGL 12786 12277 12830 17879 - -

nominal growth, BGL

% change over previous month 29.6 -4.0 4.5 39.4 - -

% change over corresponding month of previous year 63.7 67.4 76.0 109.7 - -

% change, cumulative from the beginning of respective year 42.8 37.1 43.3 99.7 - -

nominal level, USD 89 68 67 80 - -

nominal growth, USD

% change over previous month 8.3 -23.7 -1.8 19.0 - -

% change over corresponding month of previous year -24.4 -38.6 -37.8 -36.5 - -

% change, cumulative from the beginning of respective year -31.0 -47.4 -48.3 -38.5 - -

real (CPI deflated) growth, BGL

% change over previous month 1.1 0.8 0.9 1.2 - -

% change over corresponding month of previous year -3.8 -19.1 -26.9 -23.2 - -

% change, cumulative from the beginning of respective year 6.1 7.0 7.9 9.2 - -

Average monthly wage in industry

nominal level, BGL 16710 14411 15384 24015 - -

real (CPI deflated) growth, BGL

% change over previous month 1.2 0.7 0.9 1.3 - -

% change over corresponding month of previous year 10.1 -13.7 -21.3 -13.2 - -

% change, cumulative from the beginning of respective year 6.3 7.1 8.1 9.5 - -

real (PPI deflated) growth, BGL

% change over previous month 1.2 0.6 0.9 1.4 - -

% change over corresponding month of previous year 8.7 -21.2 -27.0 -16.5 - -

% change, cumulative from the beginning of respective year 6.4 7.0 8.0 9.5 - -

Producer prices in industry

% change over previous month 18.9 33 17.6 13.2 16.0 10.7

% change over corresponding month of previous year 72.5 126.4 159.6 183.7 229.1 257.1

% change, cumulative from the beginning of respective year 45.9 94 128.0 158.2 199.6 231.6

Consumer prices

% change over previous month 20.3 23.3 17.1 18.8 16.7 9.7

% change over corresponding month of previous year 70.2 106.8 140.7 172.9 210.6 232

% change, cumulative from the beginning of respective year 47.5 81.9 113 153.0 195.1 223.6

* Women on maternity leave not counted

External Sector

	06.96	07.96	08.96	09.96	10.96	11.96
Gross Official Reserves*						
level, mln USD, end of month	573.4	479.6	548.0	471.0	490.3	490.1
% change over previous month	-4.5	-16.4	14.3	-14.1	4.1	-0.01
% change over corresponding month of previous year	-61.8	-67.3	-62.2	-67.1	-66.5	-64.0
Exchange Rates						
<i>Nominal</i>						
BGL per 1 USD, monthly average	143.10	180.14	191.79	224.6	224.3	283.39
% change over previous month	19.7	25.9	6.5	17.1	-0.1	26.3
% change over corresponding month of previous year	116.4	172.5	183.2	230.1	228.7	310.1
% change, cumulative from the beginning of respective year	106.9	160.5	177.3	224.8	224.4	309.8
BGL per 1 USD, end of month	155.46	187.14	201.99	229.98	239.63	349.86
% change over previous month	5.7	20.4	7.9	13.9	4.2	46.0
% change over corresponding month of previous year	135.3	182.6	197.1	238.1	249.1	401.1
% change, cumulative from the beginning of respective year	119.9	164.7	185.7	225.3	238.9	394.8
<i>Real (CPI deflated)</i>						
BGL per 1 USD, monthly average						
% change over previous month	-0.4	2.1	-9.1	-1.4	-14.4	15.2
% change over corresponding month of previous year	27.2	31.8	17.6	20.9	5.8	23.5
% change, cumulative from the beginning of respective year	40.3	43.2	30.2	28.4	9.9	26.6
BGL per 1 USD, end of month						
% change over previous month	-12.1	-2.4	-7.8	-4.1	-10.7	33.2
% change over corresponding month of previous year	38.3	36.7	23.4	23.9	12.4	50.9
% change, cumulative from the beginning of respective year	49	45.5	34.1	28.6	14.8	52.9
<i>Real (PPI deflated)</i>						
BGL per 1 USD, monthly average						
% change over previous month	0.7	-5.3	-9.4	3.4	-13.9	14.2
% change over corresponding month of previous year	25.5	20.3	9.1	16.3	-0.1	14.8
% change, cumulative from the beginning of respective year	41.9	34.3	21.6	25.8	8.3	23.6
BGL per 1 USD, end of month						
% change over previous month	-11.1	-9.5	-8.2	0.5	-10.2	31.9
% change over corresponding month of previous year	36.4	24.8	14.5	19.2	6.1	40.3
% change, cumulative from the beginning of respective year	50.8	36.5	25.3	26.0	13.1	49.2

* Monetary gold not included; SDRs and nondollar currencies converted into USD at their respective end-of-period exchange rates

Fiscal Policy- Consolidated State Budget

	06.96	07.96	08.96	09.96	10.96	11.96
Revenues:						
bln BGL	182.2	231.4	275.6	335.8	396.1	-
% of GDP	10.5	13.3	15.8	19.3	22.8	-
Expenditures:						
bln BGL	219.5	294.9	344.6	418.1	477.9	-
% of GDP	12.6	16.9	19.8	24.0	27.5	-
Surplus (+)/Deficit(-):						
bln BGL	-37.3	-63.4	-69	-82.3	-81.7	-
% of GDP	2.1	3.6	4.0	4.7	4.7	-
Foreign financing, net						
bln BGL	-6.9	-32.3	-33.1	-35.7	-37.3	-
% of budget deficit	18.4	50.9	48.0	43.5	45.6	-
Domestic financing, net						
bln BGL	44.1	95.8	102.1	118.0	119.0	-
% of budget deficit	118.4	150.9	148.0	143.5	145.6	-
Securities financing						
bln BGL	42.5	82.2	84.4	80.1	104.0	-
% of budget deficit	113.9	129.6	122.4	97.4	127.3	-
Bank financing						
bln BGL	-3.6	8.3	12.4	33.4	9.7	-
% of budget deficit	-9.6	13.1	18.0	40.6	11.9	-



Monetary Policy

Broad money, end of month	06.96	07.96	08.96	09.96	10.96	11.96
level, bln BGL	697.9	760.7	815.2	826.5	-	-
currency outside banks	70.3	77.1	83.0	85.4	-	-
demand deposits	42.1	51.1	59.1	57.2	-	-
time and savings deposits	323.1	324.9	333.2	327.2	-	-
foreign currency deposits	239.6	283.0	309.2	324.6	-	-
% change over previous month	0.9	9.0	7.2	1.4	-	-
currency outside banks	6.8	9.7	7.7	2.9	-	-
demand deposits	12.3	21.2	15.7	-3.1	-	-
time and savings deposits	-0.8	0.5	2.6	-1.8	-	-
foreign currency deposits	0.3	18.1	9.3	5.0	-	-
% change over corresponding month of previous year	40.2	47.6	53.9	52.2	-	-
currency outside banks	50.8	49.8	58.2	57.5	-	-
demand deposits	42.7	62.3	72.8	61.1	-	-
time and savings deposits	14.1	12.3	15.4	10.9	-	-
foreign currency deposits	87.7	115.7	118.0	123.4	-	-
Domestic credit, end of month						
level, bln BGL	922.1	1082.9	1137.3	1208.1	-	-
net claims on government	370.5	456.8	471.6	494.6	-	-
claims on nonfinancial public enterprises	249.4	285.3	302.0	320.6	-	-
claims on private sector	302.3	340.8	363.7	392.9	-	-
% change over previous month	10.3	17.4	5.0	6.2	-	-
net claims on government	22.2	23.2	3.2	4.9	-	-
claims on nonfinancial public enterprises	-0.6	14.4	5.9	6.2	-	-
claims on private sector	7.3	12.7	6.7	8.0	-	-
% change over corresponding month of previous year	58.1	78.7	93.6	102.5	-	-
net claims on government	32.7	56.3	78.4	88.8	-	-
claims on nonfinancial public enterprises	67.4	84.7	94.9	100.0	-	-
claims on private sector	95.2	114.1	116.2	125.2	-	-

Monetary Policy

Interest rates, end of month	06.96	07.96	08.96	09.96	10.96	11.96
<i>Nominal deposit rate *</i>						
monthly rate	5.0	4.9	4.9	5.4	19.9	11.0
annual effective rate	78.8	78.4	78.5	87.4	779.0	248.0
cumulative from the beginning of respective year	20.1	26.1	32.3	39.4	67.1	85.4
<i>Real (CPI deflated) deposit rate *</i>						
monthly rate	-12.7	-14.9	-10.4	-11.3	2.7	1.2
annual effective rate	-80.4	-85.6	-73.1	-76.2	38.3	15.3
cumulative from the beginning of respective year	-18.6	-30.7	-37.9	-44.9	-43.4	-42.7
<i>Nominal lending rate **</i>						
monthly rate	9.8	9.7	9.7	12.1	24.2	16.8
annual effective rate	205.5	203.9	202.8	292.1	1246.2	546.3
cumulative from the beginning of respective year	40.6	54.3	69.2	89.6	135.5	175.1
<i>Real (CPI deflated) lending rate **</i>						
monthly rate	-8.7	-11.1	-6.3	-5.7	6.5	6.5
annual effective rate	-66.6	-75.5	-54.3	-50.2	112.0	113.9
cumulative from the beginning of respective year	-4.7	-15.2	-20.6	-20.1	-20.2	-15
<i>Base central bank rate</i>						
simple annual rate	108.0	108.0	108.0	136.4	-274.0	186
monthly rate	9.0	9.0	9.0	11.4	22.8	15.5
annual effective rate	181.3	181.3	181.3	264.1	1079.8	463.6
cumulative from the beginning of respective year	35.8	48.0	61.3	79.7	120.7	154.9

* One-month time deposit rate, average for commercial banks.

** Short-term lending rate, average for commercial banks.

My Few Lines

For the first eleven months the National Institute of Statistics (NIS) announced inflation of 224%. Till 15th of December the monitored by the government goods (food, electricity, fuel, etc.) increased their prices by another 10.9%. The 1996 inflation is expected to reach the level of 300%. The accumulated interest rate on one-month bank deposits from the beginning of the year till the end of November is 85.4% which means that the real interest rate on BGL deposits is -43%.

The Lev lost 624% of its value against the USD for less than one year (2 Jan - 16 Dec). The exchange rate reached its record level of 520-530 levs/\$. On January, 2nd, BGL 1000 equaled 14.14%. Eleven months later, even if deposited in a bank, BGL

1000 equaled only 3.63\$!

The government faces serious problems in domestic debt servicing. The volume of the debt increased by BGL 171 bln in November and reached the record BGL 839.3 bln which is half of the estimated GDP for 1996. The BSP cabinet has now two alternatives - to reschedule the debt (or to stop servicing it) or to continue money printing and therefore to lead the country to hyperinflation. Bearing in mind the figures given above, the government has obviously chosen the latter. Under these circumstances it seems strange that the government plans to propose a budget for 1997 based on 400-500 BGL/\$ and annual inflation of 40%.

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