



FEBRUARY 2010 ECONOMIC OUTLOOK FOR BULGARIA: ANSWERS FROM BIA

MAIN FORECAST					
MINITED TO THE STREET OF THE S		2009	2010		
Real GDP growth		-4.8	0.3		
Consumer price inflation		0.5	1.5		
Unemployment rate		8.5	10.5		
Employment growth		-2.0	-2.5		
Employment growth		-2.0	-2.3		
Components of aggregate demand - in r	eal terms				
Annual % change	car terms	2008	2009		
Private consumption		-5.0	-6.0		
•		-3.0	-4.5		
Public consumption					
Investment (Gross fixed capital formation)		na	na		
Exports		-10.0	-15.0		
Imports		-12.0	-15.0		
ECONOMIC SENTIMENT					
	5	M			
	Positive	Negative	Unchanged		
Trend in business climate over the next		Industry			
6 months		Services			
	Positive	Negative	Unchanged		
Trend in profitability over the next 6		Industry	J		
months					
		Services			
	•	•		5	n
	Increase	Increase	Unchanged	Decrease	Decrease
	(faster pace)	(slower pace)	J	(slower pace)	(faster pace)
Investment intentions over the next 6				Industry	
months				Services	
	Global demand	Domestic demand	Cost of finance	Availability of finance	
Influence on companies' investment					
decisions	negative	negative	negative	negative	
aecisions					
	5		5		
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment	positive	neutral	neutral	positive	
decisions in the next 6 months	росило		outra.	poomio	
	Industry: past 6 months	Industry: next 6 months	Services: past 6	Services: next 6	
	industry. past o months	mausay. Hext o monuis	months	months	
Overall trend in employment	Down	Down	Down	Down	
ACCESS TO FINANCE AND IMPACT OF	THE CRISIS ON POTENT	AL GROWTH			
Compared to 6 months ago,					
cost/access to finance has been				down / easier	
	sharply up / restrained	up / more difficult	same		
for SMEs	sharply up / restrained	up / more difficult Cost	same		
for SMEs	sharply up / restrained	Cost	same		
for SMEs	sharply up / restrained		same		
	sharply up / restrained	Cost Access	same		
for SMEs for larger companies (>250 employees)	sharply up / restrained	Cost Access Cost	same		
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POLICY MIX					
	Tight, appropriate for				Loose, appropriate fo
	the euro area	Tight	Appropriate	Loose	the euro area
Monetary policy is		yes			
	adequate	inadequate			
Consistency between fiscal and monetary policies		yes			
	excellent committment	satisfactory committment	neither satisfactory nor unsatisfactory committment	unsatisfactory committment	no clear committmen creating an extremely worrying situation
Regarding the sustainability of public finances, government shows			yes		
	respect the 3% limit	be in balance			
In 2015, the government deficit will	yes	no			