



AUTUMN 2009 ECONOMIC OUTLOOK FOR BULGARIA: ANSWERS FROM BIA

MAIN FORECAST					
		2009	2010		
Real GDP growth		-3.9	1.0		
Consumer price inflation		1.6	2.5		
Unemployment rate		10.0	10.0		
Employment growth		-1.5	-1.2		
Components of aggregate demand					
<i>Annual % change</i>		2008	2009		
Private consumption		-0.8	-0.2		
Public consumption		1.0	1.5		
Investment (Gross fixed capital formation)		na	na		
Exports		-11.0	-2.0		
Imports		-10.0	-1.0		
ECONOMIC SENTIMENT					
	Positive	Negative	Unchanged		
Trend in business climate over the next 6 months		Industry			
		Services			
	Positive	Negative	Unchanged		
Trend in profitability over the next 6 months		Industry			
		Services			
	Increase (faster pace)	Increase (slower pace)	Unchanged	Decrease (slower pace)	Decrease (faster pace)
Investment intentions over the next 6 months				Industry	
				Services	
	Fall in global demand	Cost of finance	Availability of finance		
Influence on companies' investment decisions	negative	negative	negative		
	Replacement	Extension	Rationalisation	Innovation	
Driving force behind investment decisions in the next 6 months	neutral	neutral	important	important	
	Industry: past 6 months	Industry: next 6 months	Services: past 6 months	Services: next 6 months	
Overall trend in employment	Down	Down	Down	Down	
ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH					
Compared to 6 months ago, cost/access to finance has been...	sharply up / restrained	up / more difficult	same	down / easier	
<i>for SMEs</i>		Cost			
		Access			
<i>for larger companies (>250 employees)</i>		Cost			
		Access			
Over the next 6 months, cost /access to finance will be...	sharply up / restrained	up / more difficult	same	down / easier	
<i>for SMEs</i>		Cost			
		Access			
<i>for larger companies (>250 employees)</i>		Cost			
		Access			
For companies, the current financing situation is...	threat to company existence	of high concern	somewhat concerning	not worrying	
working capital / treasury needs			SMEs		
			large companies		
debt refinancing		SMEs			
			large companies		
financing productive investments			SMEs		
			large companies		
financing innovation and R&D			SMEs		
			large companies		
Based on measures taken at national and EU level, the crisis will lead to...	no change in the potential growth rate but a permanent shift in the potential output level				



POLICY MIX					
	<i>Tight, appropriate for the euro area</i>	<i>Tight</i>	<i>Appropriate</i>	<i>Loose</i>	<i>Loose, appropriate for the euro area</i>
<i>Monetary policy is...</i>			yes		
	<i>adequate</i>	<i>inadequate</i>			
<i>Consistency between fiscal and monetary policies</i>	yes				
	<i>excellent commitment</i>	<i>satisfactory commitment</i>	<i>neither satisfactory nor unsatisfactory commitment</i>	<i>unsatisfactory commitment</i>	<i>no clear commitment creating an extremely worrying situation</i>
<i>Regarding the sustainability of public finances, government shows ...</i>			yes		
	<i>respect the 3% limit</i>	<i>be in balance</i>			
<i>In 2015, the government deficit will...</i>	yes	no			