

Bulgaria

Financial Outlook

Bulgaria's 2014 budget, announced in late October 2013, anticipates GDP growth of 1.8% in the year ahead. The Bulgarian finance ministry said that it was committed to achieving accelerated economic growth and that policies in the budget were designed to achieve this. With the EU-harmonized inflation rate also expected to be around 1.8%, this does not leave much room for real growth. However, Bulgaria's fiscal deficit for 2014 has also been set at 1.8%, putting it well inside the European Union's 3% target for fiscal deficits of member states. According to a November 2013 IMF report on Bulgaria, growth decelerated in the first half of 2013, but increased exports and government spending kept growth positive, with GDP for 2013 likely to amount to around 0.5%. On the positive side, the country's current account is in surplus, and government bond yields and risk premia remain in line with other strong performers in Central and Eastern Europe, the IMF says. In the medium term, Bulgaria could expect growth to average around 3%, the IMF added.

More Info

Websites:

- BBC profile of Bulgaria: tinyurl.com/ccp7bh
- IMF on Bulgaria: www.imf.org/external/country/bgr
- Invest Bulgaria Agency: www.investbg.government.bg

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