
Description: This report covers the key macroeconomic, financial and political releases for Bulgaria for the period since April 17, 2016.

Bulgaria's real GDP growth decelerated to 2.9% y/y in the first quarter of 2016 from 3% y/y in the previous three months, a seasonally-adjusted statistics office flash estimate showed on May 13.

The European Bank for Reconstruction and Development (EBRD) revised upwards Bulgaria's 2016 GDP growth forecast to 2.5% from 2% projected in November. In the spring edition of its European economic forecast, the European Commission (EC) raised its forecasts for Bulgaria's GDP growth in both 2016 and 2017, to 2% and 2.4%, respectively, from 1.5% and 2% projected in February.

Bulgaria's consumer sentiment improved during the three months to April, with the confidence indicator rising 1.8 points to -26.9, its best level since April 2007.

Bulgaria's business confidence deteriorated m/m in April. The industrial production growth accelerated to 3% y/y in March from 2.7% y/y in February. The construction output went down 9.3% y/y in March, after decreasing by revised 5.2% y/y the month before. Retail sales (at constant prices) climbed 6.2% y/y in March, speeding up from a 3.3% y/y rise in February.

Key points:
- The CPI decreased by 2.2% y/y in April after dropping by 1.5% y/y in March
- Bulgaria reported a consolidated budget surplus of BGN2.35bn (€1.2bn) in January-April, equal to some 2.6% of projected GDP, preliminary data from the finance ministry showed
- The country reported a current account surplus of €168.3mn in January and February, reversing a deficit of €318.1mn in the first two months of 2015

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