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## Slowdown signs - Bulgarian unemployment rate may reach 13pct in 2010

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Dnevnik reported that Bulgaria's labor market will collapse next year pushing the unemployment rate to 12% to 13%. Bulgarian companies, which have used soft tools to contain plummeting production and demand, including cutting pay, shortening work hours and sending workers in paid leave, will run out of resources in February to March 2010, accelerating the jobless rate which has so far risen only gradually against the severe economic downturn.

Mr Bozhidar Danev chair of Bulgarian Industrial Association said that another negative factors that would speed up unemployment include the government's plans to lay off 15% of state administration, or 20,000 out of some 145,000 civil servants along with a massive payroll cut at state run railway operator BDZ, where 2,000 people will be forced into retirement or dismissed. At the same time, sectors like real estate, construction, trade and financial brokerage, which have created most jobs in recent years, will no longer bring added value in the future.

Mr Plamen Dimitrov deputy chairman of Bulgaria's largest trade union CITUB calculated that some 150,000 Bulgarians will go on the dole in the next 12 to 15 months, lifting the official end of September unemployment rate of 8.03% by 3% to 5%.

Mr Totyu Mladenov labor minister and Mr Evgeni Ivanov executive director of the Confederation of Employers & Industrialists in Bulgaria made more moderate projections with the former expecting a jobless rate of up to 10% by the end of 2009.

Mr Ivanov said that while unemployment spiraled out of control in other countries in Central and Eastern Europe, Bulgaria curbed the pace, largely due to the former Cabinet's measures, sponsored by CEIBG, to help companies save jobs by paying bottom wages for short hour workers. The effort proved successful as only 0.4% of companies tapping the aid axed jobs.

(Sourced from [www.dnevnik.bg](http://www.dnevnik.bg))

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