
Macroeconomic indicators -Bulgarian economy restart growth in mid 2010

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According to a new report by the Center for Economic Development, Bulgaria has plunged deeper into recession in the third quarter of the year when GDP shrank by an alarming 6% and could not make it back to the growth path before the middle of 2010.

The CED is more upbeat about Bulgaria's economic outlook than international institutions such as the European Bank for Reconstruction and Development and the International Monetary Fund. The EBRD said in a recent report it expects recession in Bulgaria will escalate by the end of the year, reaching an annual 7.4% between October and December.

CED noted that short-term figures show the real economies of Bulgaria and its key trade partners started to come back to their feet in March. Orders in the processing industry within the eurozone have been gathering momentum since June as industrial production hovers around the same level. This could tip eurozone economies into a further deterioration in its GDP, while boosting the foreign environment for the Bulgarian economy, most notably in early 2010.

The report warns that certain sectors, such as construction, will continue to be plagued by sinking output but others like transport and trade might fare better than the start of the year. Foreign direct investment in Bulgaria is in for a new slowdown in 2010, when they will drop to between EUR 2.5 billion and 3 billion.

At the same time, they could surpass their 2009 level to EUR 3.5 billion to EUR 4 billion at the end of December 2010. Amid widespread job losses in the second quarter, the financial sector was the only one to increase its workforce.

(Sourced from Dnevnik)

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