

The Way Forward: Central, Eastern and Southeastern Europe

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Bulgaria is one out of the three EU member states that fulfill all Maastricht criteria

	<i>Reference value</i>	<i>Bulgaria</i>
● Price stability:	3.1%	2.7%
● Long term interest rate:	5.8%	5.3%
● Public finance:		
● Government debt to GDP ratio:	60%	16.3%
● Budget deficit to GDP ratio:	3%	1.3%
● Exchange rate volatility: BGN irrevocably fixed to the euro by law setting the Currency Board Arrangements		

Source: European Commission, Convergence report 2012.

Bulgaria is among the four countries with a budget deficits below the reference value of Maastricht and has the second lowest debt to GDP ratio in the EU

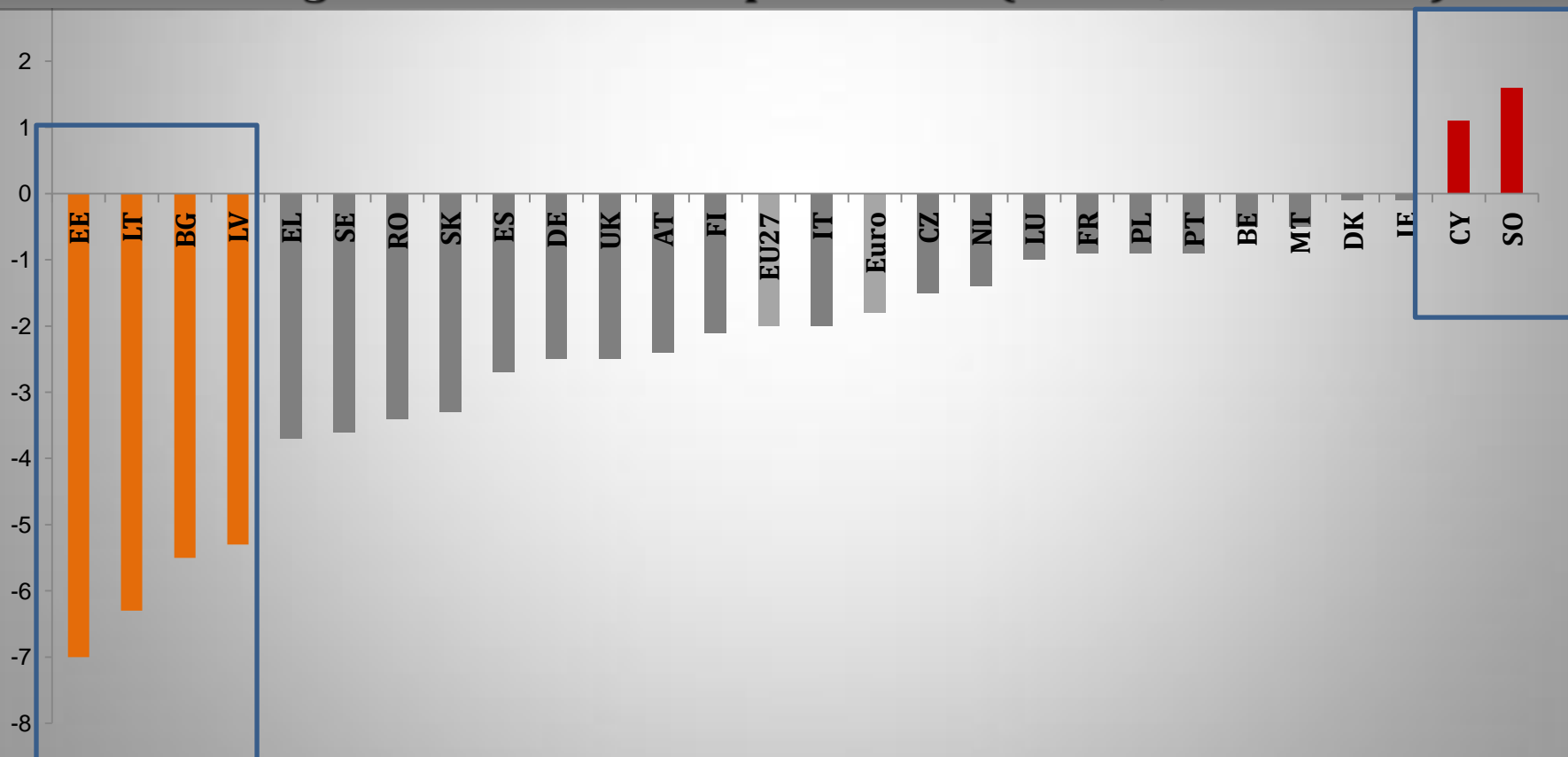
General Government Gross Debt - (% GDP, YE 2011)



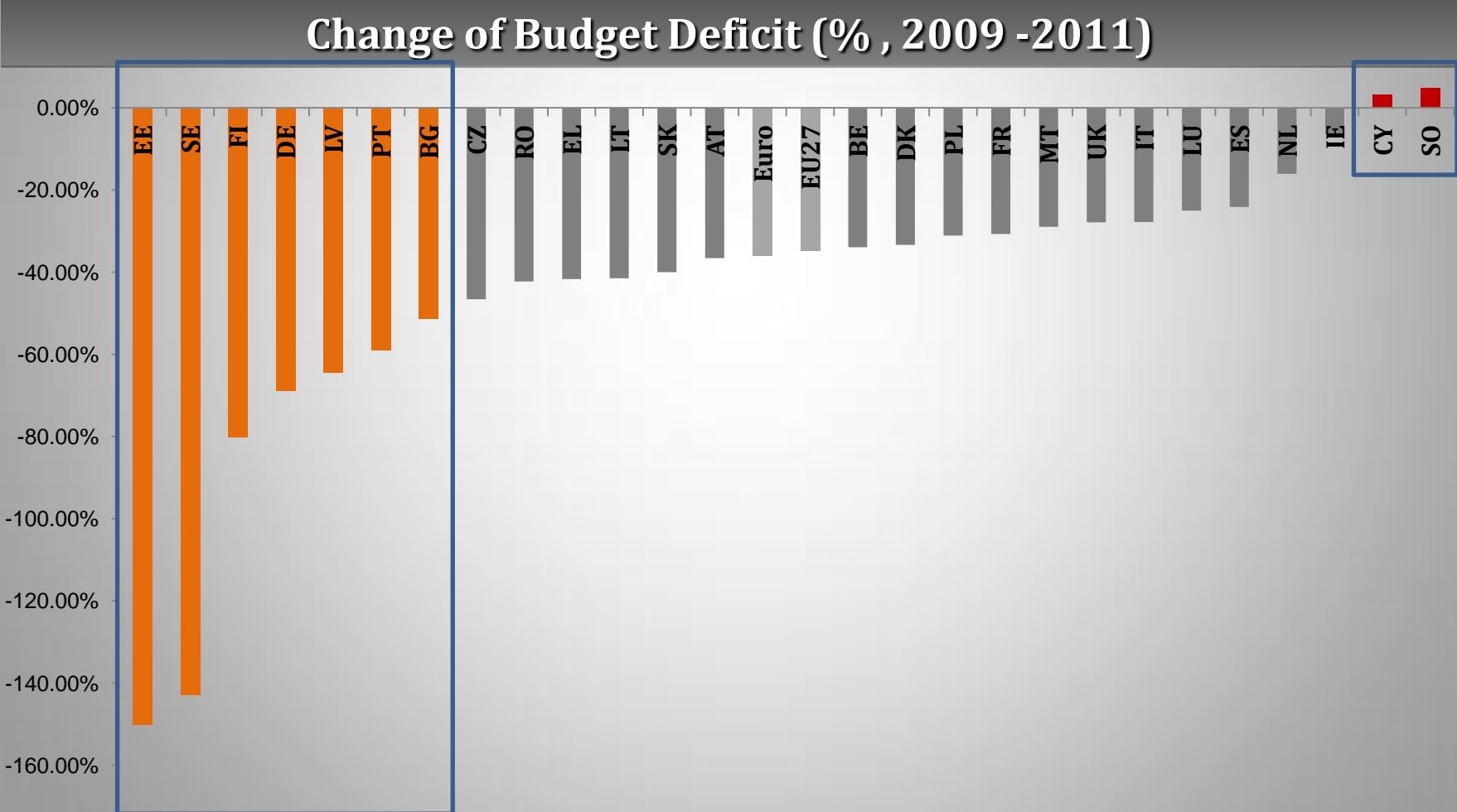
Source: Eurostat

The four countries – Estonia, Latvia, Lithuania and Bulgaria, carried out a highly frontloaded fiscal consolidation, consisting mainly of expenditure cuts rather than tax increasing measures.

Change of Government expenditure - (% GDP, 2009 -2011)

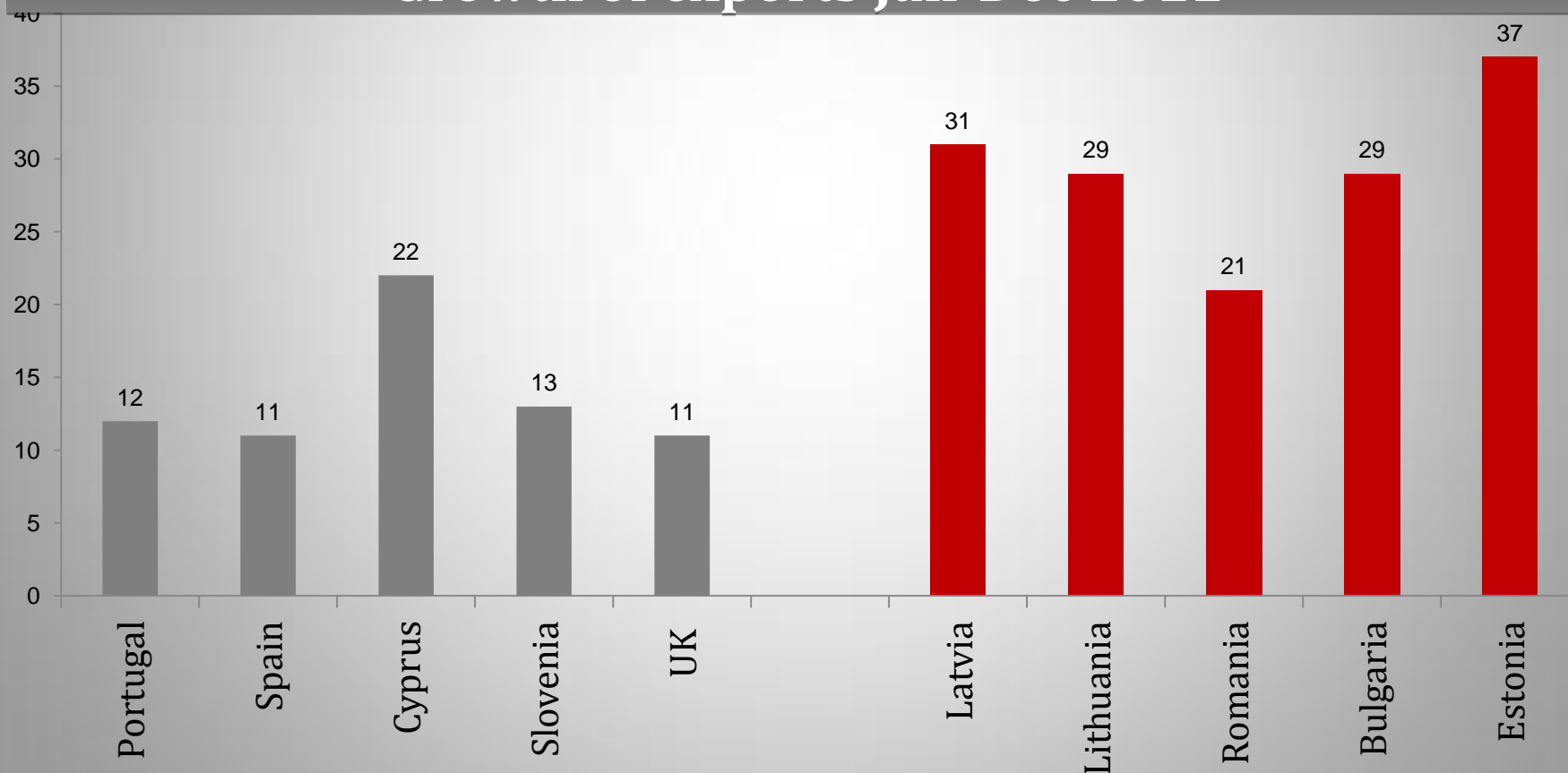


Only 7 countries have managed to reduce the deficit by more than 50% in the period 2009-2011



Export growth has been highest in the Baltic states and Bulgaria

Growth of exports Jan-Dec 2011



Source: EUROSTAT

Bulgaria – among the ten countries with highest GDP growth in PPP terms (2009 – 2011)

Change in GDP in PPP - (% , YE 2011 vs. 2009)

