

## BULGARIA

Data for road transport in Bulgaria have unfortunately been processed only for the first half of 2008.

In practise the crisis first influenced the work of the Bulgarian hauliers carrying out cross trade transport (third-country traffic within EU).

Since October the demand of domestic and international transport to and from Bulgaria has dropped as well, which has resulted also in a drop of freight rates. The hauliers estimate that the volume of loads has dropped by 40-50%. The financial status of the companies with most leased vehicles is severe because of inability of leasing debt servicing.

In Bulgaria the Bank system is stable. In spite of the relatively high growth of the Gross Domestic Product (GDP) in the third quarter of 2008 (+6,8%) compared to the same period of 2007, the first indication of the negative impact of the world economic crisis is the faintly slackening the pace of GDP growth. (In the previous two quarters it was as high as 7% and 7.1% respectively.) This still high growth of the GPD has been achieved mainly due to the good performance in agriculture in consequence of the rich crop this year.

In October 2008, industrial production increased scarcely by 0.6% compared to the previous month and is 1.9 % below the October 2007 level. The receipts from industrial sales in October 2008 are 3.4% less than in September 2008 and 5% less than in October 2007. Most affected industries are the manufacture of textile (-9.4%), chemicals and chemical products (-16%) and metallurgy (-15.5%). These are the mainly EU export orientated industries and they represent 65% of Bulgarian export to EU-member states. Bearing in mind that Bulgaria has a negative trade balance and a respective imbalance between export and import transport activity, the problems of these industries further worsen the position of the hauliers.

According to data of the National Statistical Institute's business inquiries carried out in November 2008 the deterioration of economic conjuncture in the country, which started in October, continued also in November, as the "total business indicator" dropped by another 5.7 percentage points. The indicator level reached, which was already only by 7.1 percentage points above the long-term average for the last 10 years, was a result of a less confident assessment and expectation about the business situation during the next 6 months as seen by managers from all surveyed sectors – industry, construction, retail trade and services.

The forecast for 2009 by

- the Bulgarian Ministry of Finance: 4.7% growth of the GPD, 5.4% inflation, 12.4% drop of investments
- the International Monetary Fund: 2% growth of the GPD, 4.5% inflation, drop of investments

In October 2008, in the trade of motor vehicles, motorcycles, spare parts and accessories there was a growth of 3.3% compared to the previous month and 8.7% compared to October 2007. According to data of the Union of the Vehicle Importers in Bulgaria, the growth of sold new trucks by their members will be over 25% more this year than in previous year.

**New Trucks Sales\***

Month	2007	2008
January	145	204
February	153	465
March	280	391
April	182	404
May	228	292
June	308	435
July	301	449
August	226	282
September	274	386
October	253	144
November	333	188
Total	2683	3640

\* These figures represent only the trucks sold by the official representatives of truck manufacturers in Bulgaria. Data concerning the additional directly purchased new trucks from manufacturers without such representatives in Bulgaria and those concerning second hand trucks are currently unavailable.

Source: AEBTRI