

## Bulgaria: GDP growth slightly below expectations in 1Q

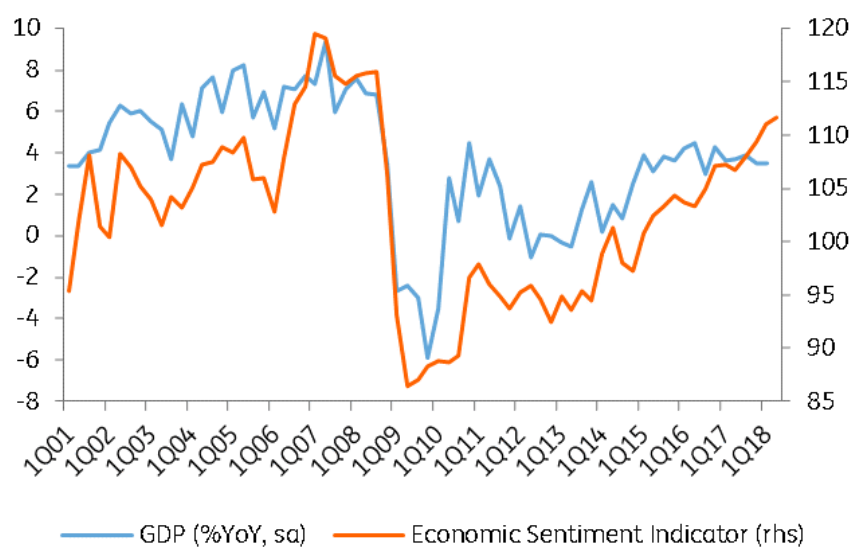
The disappointing GDP is pushing our full-year forecast 0.2ppt lower to 3.5%. But looking ahead, the growth prospects remain solid for the current year



Source: Flickr

First quarter GDP came in at 3.5% year on year in the first quarter compared to the 3.8% Bloomberg median and ING's forecast of 3.7%. A slowdown in domestic demand was the main driver behind the softer reading, though historical data revisions generally to the upside, the underlying growth picture is rather stable. The positive news comes from an acceleration of investments and the decline of the negative contribution of net exports to economic growth

## Soft data points to an acceleration in 2Q18



Source: EC, NSI, ING

GDP was rather disappointing versus the economic sentiment index (ESI) in 1Q18. Looking forward, the soft data point to acceleration at the start of 2Q18. Hence, the growth prospects remain quite solid for the current year.

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