

SM/11/124
Supplement 1
Correction 1

July 15, 2011

To: Members of the Executive Board

From: The Secretary

Subject: **Bulgaria—Staff Report for the 2011 Article IV Consultation—
Informational Annex**

The attached correction to SM/11/124, Sup. 1 (6/16/11) has been provided by the staff:

Typographical Error

Page 10, para. 11, line 3: for “Statistics Yearbook up to 2008”
read “Statistics Yearbook up to 2009”

Questions may be referred to Ms. Mitra (ext. 39523), Mr. Pouvelle (ext. 39904), and Ms. Purfield (ext. 34093) in EUR.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities. This correction is not being distributed in hard copy. It can be accessed in the Institutional Repository. A link to this document can be found in the daily list (<http://www-int.imf.org/depts/sec/services/eb/dailydocumentsfull.htm>) for the issuance date shown above.

Att: (1)

Other Distribution:
Department Heads

BNB to review data issues and ensure consistency between the NSI export and import data and the balance of payments data.

5. The national account data on employment and hours worked are compiled by the NSI based on Labor Force Survey and adjusted according to the ESA'95 methodology. The NSI also obtains current monthly estimates from a quarterly survey of establishments using all public enterprises and a sample of private employers that excludes establishments with less than five employees. The sample included 14,500 private employers out of approximately 142,000 qualifying private enterprises. The NSI household labor force survey is an alternative source of data, but improvements are needed to make it more consistent with the establishment survey, especially regarding agricultural employment. The survey is conducted four times a year.

6. The NSI also compiles and publishes wage data for various economic sectors. The main shortcomings include: (i) under-reporting of private sector wages; and (ii) reporting of average gross earnings only, not wages for time worked and wages by occupation. Since 2002, every four years a survey on earnings is conducted which provides information about average monthly and hourly earnings by economic activity, by occupation, by gender and by education. The National Social Security Institute (NSSI) administrative data are currently used to estimate wages by occupation and age (as well as the number of self-employed and employment in small firms). The household budget survey could provide an alternative source of data for private sector wages.

7. A Population Census was conducted in early 2001 and is a source for redesigning the household surveys conducted by the NSI, particularly the household budget survey and the labor force survey.

Government finance

8. In recent years, following the recommendations of a combined STA/FAD mission and within the framework of fiscal reporting requirements for EU accession, the authorities have made significant progress on implementing accrual accounting for government, budgetary and statistical systems. Consolidated data on a cash basis, covering general and central government operations, are routinely reported for publication in the *GFS Yearbook/Annual CD-ROM* and in *IFS*. In addition, quarterly accrual GFS data are reported on a quarterly basis for publication in *IFS*, through Eurostat. Since September 2008, the Ministry of Finance (MOF) prepares and submits the SDDS indicators for the central government finances in the IMF's GFSM 2001 format. The same indicators are published on the MOF's website on a monthly and quarterly basis.

9. The Ministry of Finance prepares data on the execution of the consolidated government budget on a monthly basis, following the national presentation. These data are not according to *GFS* standards. Aggregate data on revenue, expenditure, balance of the general government and composition of the financing (in national formats) are published in the monthly bulletin and posted on the MOF's website, in addition to the GFSM 2001 data.

The authorities have made progress in presenting data on a disaggregated basis, including expenditure by functional classification. In addition, a full economic classification of expenditure is now available, and the authorities have provided such data on an annual basis back to 1998.

Money and banking statistics

10. BNB reports monetary data for publication in *IFS* based on the ECB framework for the collection and compilation of monetary data.

Balance of payments

11. Bulgaria provides quarterly balance of payments (BOP) statistics for dissemination in the *IFS* on a timely basis. Yearly BOP data are disseminated in the Balance of Payments Statistics Yearbook up to 2008⁹. The BNB derives other sectors investment income data on reinvested earnings, (debit) from the annual direct investment surveys of the NSI, as well as through surveys of the largest foreign-owned enterprises, used for preliminary estimates. Starting from 2002, data series on freight were revised according to a new methodology introduced jointly by the BNB and the NSI. Since joining the EU in January 2007, the trade data with EU countries are being collected following the INTRASTAT system. Data collection for imports and exports with non-EU member states and the movement of goods within the EU are still recorded through customs declaration.