



EUROPEAN CENTRAL BANK

EUROSYSTEM

## Convergence in figures

June 2025



**Table 3.1**

## Overview table of economic indicators of convergence

	Price stability	Government budgetary developments and projections			Exchange rate		Long-term interest rate <sup>6</sup>
	HICP inflation <sup>1</sup>	Country in excessive deficit <sup>2,3</sup>	General government surplus (+)/deficit (-) <sup>4</sup>	General government debt <sup>4</sup>	Currency participating in ERM II <sup>3</sup>	Exchange rate vis-à-vis the euro <sup>5</sup>	
<b>2023</b>	8.6	No	-2.0	22.9	Yes	0.0	3.8
<b>2024</b>	2.6	No	-3.0	24.1	Yes	0.0	3.9
<b>2025</b>	2.7	No	-2.8	25.1	Yes	0.0	3.9
<b>Reference value<sup>7</sup></b>	<b>2.8</b>		<b>-3.0</b>	<b>60.0</b>			<b>5.1</b>

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs) and European System of Central Banks.

1) Average annual percentage change. Data for 2025 refer to the period from May 2024 to April 2025.

2) Refers to whether a country was subject to an EU Council decision on the existence of an excessive deficit for at least part of the year.

3) The information for 2025 refers to the period up to the cut-off date for statistics (19 May 2025).

4) As a percentage of GDP. Data for 2025 are taken from the European Commission's Spring 2025 Economic Forecast.

5) Annual percentage change. A positive (negative) number denotes appreciation (depreciation) vis-à-vis the euro. Data for 2025 refer to the period from 1 January 2025 to 19 May 2025.

6) Average annual interest rate. Data for 2025 refer to the period from May 2024 to April 2025.

7) The reference values for HICP inflation and long-term interest rates refer to the period from May 2024 to April 2025; for the general government balance and debt, the reference values are defined in Article 126(2) of the Treaty on the Functioning of the European Union and the related Protocol (No 12) on the excessive deficit procedure.

**Table 4.1**

## Scoreboard for the surveillance of macroeconomic imbalances

**Table 4.1a – External imbalances and competitiveness indicators**

	Current account balance <sup>1</sup>	Net international investment position <sup>2</sup>	Real effective exchange rate <sup>3</sup>	Export performance against advanced economies <sup>4</sup>	Nominal unit labour cost index <sup>5</sup>
2021	0.3	-15.6	3.7	9.7	14.0
2022	-1.1	-8.7	5.8	17.0	24.1
2023	-1.5	-6.3	8.5	15.3	26.9
2024	-1.8	-3.7	7.3	4.1	33.8
Threshold	-4.0/+6.0	-35.0	+/-10.0	-3.0	+12.0

**Table 4.1b – Internal imbalances and employment indicators**

	Internal imbalances					Employment indicators		
	General government gross debt <sup>2,6</sup>	Household debt <sup>2,6,7</sup>	Non-financial corporations debt <sup>2,6</sup>	Household credit flow <sup>6,7,8</sup>	Non-financial corporations credit flow <sup>6,8,9</sup>	House price index <sup>10</sup>	Unemployment rate <sup>11</sup>	Labour force participation <sup>12</sup>
2021	23.8	23.7	59.4	14.1	5.7	8.7	5.2	0.9
2022	22.5	22.4	50.4	15.0	6.2	13.8	4.2	0.2
2023	22.9	23.5	47.9	16.3	7.8	9.9	4.3	1.3
2024	24.1	25.9	46.4	21.2	8.6	16.5	4.2	1.8
Threshold	60.0	55.0	85.0	14.0	13.0	9.0	10.0	-0.2

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs) and European System of Central Banks.

Note: This table includes data available as at 19 May 2025, i.e. the cut-off date for this report, and therefore differs from the scoreboard published in the Alert Mechanism Report 2025.

1) As a percentage of GDP, three-year average.

2) As a percentage of GDP.

3) HICP-deflated. Three-year percentage change relative to 42 trading partners. A positive value indicates a loss of competitiveness.

4) Three-year percentage change. Advanced economies are the member countries of the OECD plus the non-OECD EU Member States.

5) Per hour worked (2015 = 100), three-year percentage change.

6) Consolidated debt.

7) Includes non-profit institutions serving households (NPISH).

8) As a percentage of the debt stock at t-1.

9) Excludes foreign direct investment (FDI).

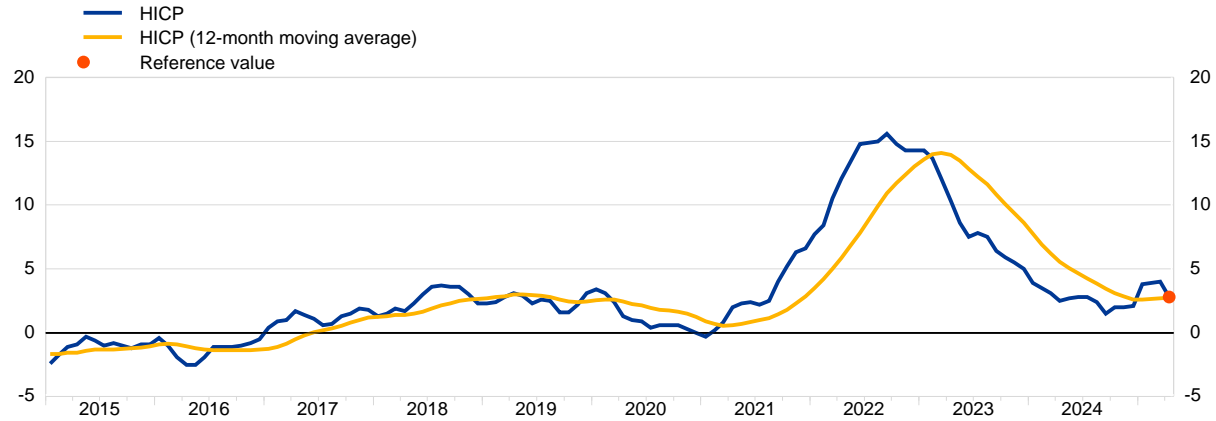
10) Nominal house prices. One-year percentage change.

11) As a percentage of the labour force aged 15-74.

12) As a percentage of the population aged 15-64, three-year change.

## Bulgaria - Price developments

Chart 4.5.1 HICP inflation and reference value <sup>1)</sup>  
(annual percentage changes)



Sources: European Commission (Eurostat) and ECB calculations.

1) The basis of the calculation of the reference value for the period from May 2024 to April 2025 is the unweighted arithmetic average of the annual percentage changes in the HICP for Ireland, Finland and Italy plus 1.5 percentage points. The reference value is 2.8%.

Table 4.5.1 Measures of inflation and related indicators  
(annual percentage changes, unless otherwise indicated)

	2015-2024 <sup>1)</sup>	2015-2019 <sup>1)</sup>	2020-2024 <sup>1)</sup>	2020	2021	2022	2023	2024	2025 <sup>2)</sup>	2026 <sup>2)</sup>
<b>Measures of inflation</b>										
HICP	3.1	0.8	5.6	1.2	2.8	13.0	8.6	2.6	3.6	1.8
HICP excluding unprocessed food and energy	3.1	0.8	5.4	2.0	1.9	10.4	9.8	3.1	4.2	2.2
HICP at constant tax rates <sup>3)</sup>	3.2	0.6	5.7	1.5	3.2	13.3	8.7	2.3	-	-
CPI	3.8	1.4	6.3	1.7	3.3	15.3	9.5	2.4	3.6	1.8
Private consumption deflator	4.7	2.6	6.8	-0.6	6.0	16.0	8.1	4.9	3.5	2.5
GDP deflator	6.2	4.1	8.3	4.3	7.0	15.9	8.0	6.5	5.4	2.5
Producer prices <sup>4)</sup>	4.3	1.5	7.2	-0.2	14.9	48.4	-12.5	-4.8	-	-
<b>Related indicators</b>										
Real GDP growth	2.8	3.1	2.6	-3.2	7.8	4.0	1.9	2.8	2.0	2.1
GDP per capita in PPS <sup>5)</sup> (euro area = 100)	53.0	48.9	58.3	55.1	57.1	59.8	61.1	63.6	-	-
Comparative price levels (euro area = 100)	50.4	48.6	53.3	52.2	52.7	55.1	56.6	.	-	-
Output gap <sup>6)</sup>	-0.1	-0.2	0.0	-4.3	0.4	2.0	1.2	0.7	-0.1	-0.5
Unemployment rate (%) <sup>7)</sup>	6.1	7.5	4.8	6.1	5.2	4.2	4.3	4.2	4.0	3.8
Unit labour costs, whole economy	6.7	4.7	8.8	8.8	3.3	10.9	12.5	8.5	7.8	4.2
Compensation per employee, whole economy	9.5	7.7	11.3	7.2	11.3	14.2	13.4	10.4	9.6	6.1
Labour productivity, whole economy	2.6	2.9	2.3	-1.5	7.7	3.0	0.8	1.7	1.7	1.8
Imports of goods and services deflator	2.5	0.1	4.9	-6.6	14.7	21.3	-2.4	0.1	-0.5	0.5
Nominal effective exchange rate <sup>8)</sup>	2.0	1.4	2.7	2.9	1.9	1.5	4.4	2.8	-	-
Money supply (M3) <sup>9)</sup>	9.5	8.5	10.4	11.4	10.7	12.9	8.8	8.3	-	-
Lending from banks <sup>10)</sup>	8.8	6.2	11.4	5.3	9.7	13.9	13.3	15.1	-	-
Stock prices (SOFIX) <sup>11)</sup>	71.0	8.8	57.1	-21.2	42.0	-5.4	27.2	16.7	-	-
Residential property prices	8.4	6.2	10.6	4.6	8.7	13.8	9.9	16.5	-	-

Sources: European Commission (Eurostat, Directorate-General for Economic and Financial Affairs), national data for CPI, money supply, lending from banks and ECB calculations based on Bloomberg Finance L.P. data for stock prices.

1) Multi-annual averages calculated using the geometric mean, except for GDP per capita in PPS, comparative price levels, output gap and unemployment rate, for which the arithmetic mean is used.

2) Data from the European Commission's Spring 2025 Economic Forecast.

3) The difference between the HICP and the HICP at constant tax rates shows the theoretical impact of changes in indirect taxes (e.g. VAT and excise duties) on the overall rate of inflation. This impact assumes a full and instantaneous pass-through of tax rate changes to the price paid by the consumer.

4) Domestic sales, total industry excluding construction.

5) PPS stands for purchasing power standards.

6) Percentage difference from potential GDP: a positive (negative) sign indicates that actual GDP is above (below) potential GDP.

7) Definition conforms to International Labor Organization guidelines.

8) EER-41 group of trading partners. A positive (negative) sign indicates an appreciation (depreciation).

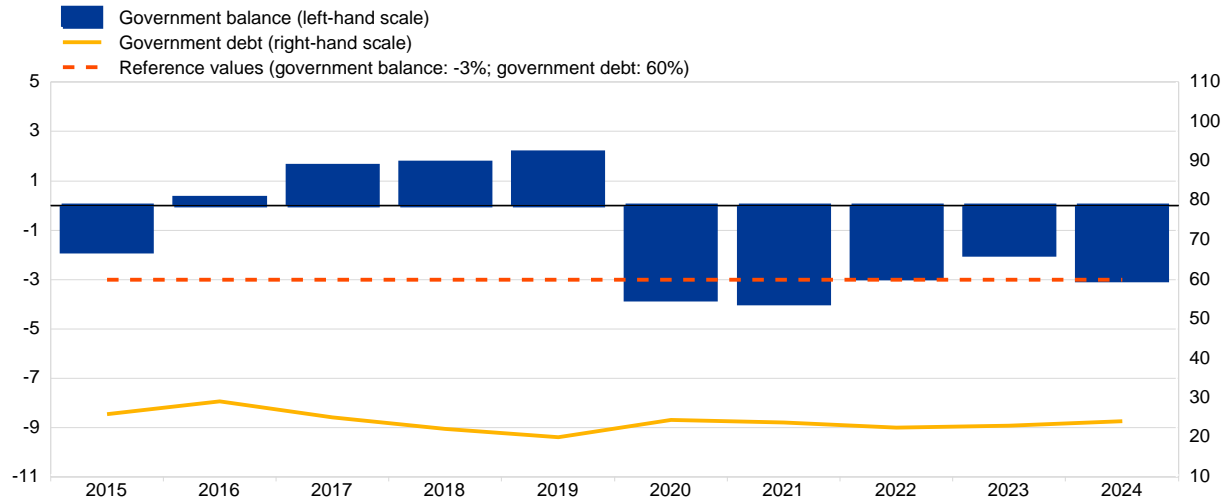
9) The series includes repurchase agreements with central counterparties.

10) Adjusted for the derecognition of loans from the MFI statistical balance sheet due to their sale or securitisation.

11) Multi-annual and annual figures represent the percentage change between the end of the given period and the end of the previous period.

## Bulgaria - Fiscal developments

Chart 4.5.2 General government balance and debt  
(as a percentage of GDP)



Sources: European System of Central Banks and European Commission (Eurostat).

Table 4.5.2 Government budgetary developments and projections  
(as a percentage of GDP, unless otherwise indicated)

	2015-2024 <sup>1)</sup>	2015-2019 <sup>1)</sup>	2020-2024 <sup>1)</sup>	2020	2021	2022	2023	2024	2025 <sup>2)</sup>	2026 <sup>2)</sup>
<b>Government balance</b>	<b>-1.2</b>	<b>0.8</b>	<b>-3.2</b>	<b>-3.8</b>	<b>-4.0</b>	<b>-3.0</b>	<b>-2.0</b>	<b>-3.0</b>	<b>-2.8</b>	<b>-2.8</b>
Total revenue	37.4	37.5	37.4	37.5	37.5	38.3	36.8	36.7	38.8	38.4
Current revenue	36.0	36.0	35.9	36.2	36.4	36.3	35.4	35.3	37.0	36.2
Direct taxes	6.0	5.7	6.3	5.8	6.4	6.2	6.4	6.6	6.6	6.2
Indirect taxes	15.1	15.2	15.0	15.0	14.8	16.1	14.6	14.8	15.9	15.8
Net social contributions	8.5	8.3	8.7	9.1	8.8	8.2	8.5	9.0	9.2	9.3
Other current revenue <sup>3)</sup>	6.4	6.8	5.9	6.4	6.5	5.8	5.9	5.0	5.3	4.9
Capital revenue	1.5	1.5	1.4	1.3	1.1	2.0	1.4	1.4	1.8	2.2
Total expenditure	38.6	36.7	40.5	41.3	41.5	41.3	38.8	39.8	41.6	41.2
Current expenditure	34.3	32.0	36.6	36.5	38.3	37.6	34.7	35.6	36.6	36.5
Compensation of employees	10.1	9.4	10.8	10.7	11.0	10.1	10.5	11.4	12.7	12.6
Social benefits	14.0	13.3	14.7	14.1	14.1	14.6	15.0	15.7	16.0	16.1
Interest payable	0.6	0.8	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.7
Other current expenditure <sup>4)</sup>	9.6	8.6	10.6	11.1	12.7	12.6	8.6	8.0	7.3	7.2
Capital expenditure	4.3	4.6	4.0	4.8	3.2	3.7	4.1	4.1	4.9	4.7
of which: Investment	3.3	3.6	3.0	3.3	2.7	2.4	3.8	3.0	3.6	3.3
Cyclically adjusted balance	-1.1	0.9	-3.1	-2.5	-4.1	-3.5	-2.3	-3.2	-2.8	-2.7
One-off and temporary measures	0.0	0.0	0.0	0.0	0.0	0.0	0.5	-0.5	0.4	0.0
Structural balance <sup>5)</sup>	-1.1	0.9	-3.1	-2.5	-4.0	-3.5	-2.8	-2.7	-3.2	-2.7
<b>Government debt</b>	<b>24.0</b>	<b>24.5</b>	<b>23.5</b>	<b>24.4</b>	<b>23.8</b>	<b>22.5</b>	<b>22.9</b>	<b>24.1</b>	<b>25.1</b>	<b>27.1</b>
Average residual maturity (in years)	7.8	7.5	8.1	8.8	8.0	7.8	7.8	8.3	.	.
In foreign currencies (% of total)	78.0	80.2	75.9	82.5	74.6	71.6	74.8	76.1	.	.
of which: Euro	76.7	79.0	74.3	81.8	74.0	71.2	74.5	70.1	.	.
Domestic ownership (% of total)	52.7	54.6	50.9	50.7	53.8	52.2	49.6	48.0	.	.
Medium and long-term maturity (% of total) <sup>6)</sup>	99.8	99.7	99.9	100.0	99.9	99.9	99.7	99.8	.	.
of which: Variable interest rate (% of total)	5.2	7.8	2.6	3.3	3.0	3.0	2.2	1.5	.	.
<b>Deficit-debt adjustment</b>	<b>0.6</b>	<b>1.2</b>	<b>0.0</b>	<b>0.7</b>	<b>-1.3</b>	<b>-0.2</b>	<b>0.5</b>	<b>0.1</b>	.	.
Net acquisitions of main financial assets	0.6	0.5	0.6	0.6	0.9	1.6	0.7	-0.6	.	.
Currency and deposits	0.6	0.6	0.6	0.7	0.9	1.7	0.3	-0.8	.	.
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	.	.
Loans	0.0	0.0	0.0	0.0	0.0	-0.1	0.2	0.0	.	.
Equity and investment fund shares or units	0.0	-0.1	0.0	-0.1	0.0	0.0	0.1	0.0	.	.
Revaluation effects on debt	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	.	.
of which: Foreign exchange holding gains/losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	.	.
Other <sup>7)</sup>	-0.1	0.6	-0.7	0.1	-2.3	-1.9	-0.2	0.7	.	.
<b>Net expenditure growth (in percent)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.4</b>	<b>9.2</b>	<b>1.7</b>
Medium-term fiscal-structural plan: net expenditure growth (in percent)	-	-	-	-	-	-	-	-	6.2	4.9

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).

1) Multi-annual averages calculated using the arithmetic mean.

2) Data from the European Commission's Spring 2025 Economic Forecast.

3) Sales and other current revenue.

4) Intermediate consumption, subsidies payable and other current expenditure.

5) Cyclically adjusted balance excluding one-off and other temporary measures.

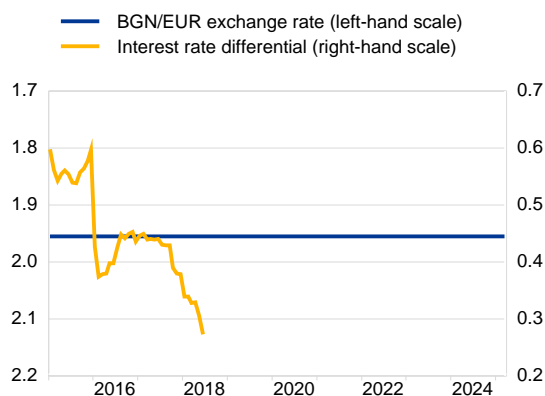
6) Original maturity of more than one year.

7) Time of recording differences and other factors (sector reclassifications and statistical discrepancies).

## Bulgaria - Exchange rate and external developments

**Chart 4.5.3 Bilateral exchange rate and short-term interest rate differential <sup>1)</sup>**

(BGN/EUR exchange rate: monthly averages;  
difference between three-month interbank interest rates  
and three-month EURIBOR: basis points, monthly values)

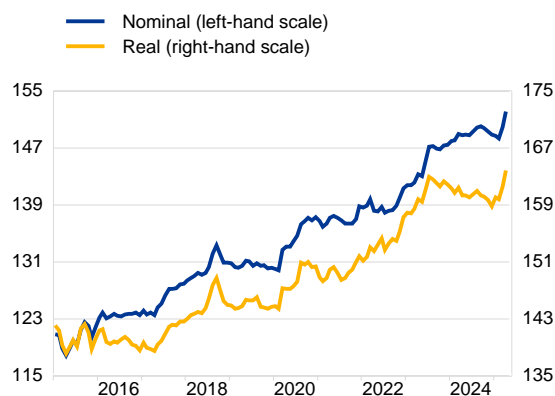


Sources: National data and ECB calculations.

1) The interest rate differential is calculated against SOFIBOR. Production of SOFIBOR reference rate was discontinued by the national central bank as of 1 July 2018; a comparable rate is not currently available.

**Chart 4.5.4 Effective exchange rates <sup>2)</sup>**

(EER-41 group of trading partners; monthly averages; index: Q1 1999 = 100)



Source: ECB.

2) The real EER-41 is CPI-deflated. An increase (decrease) in the EER indicates an appreciation (depreciation).

**Table 4.5.3 External developments**  
(as a percentage of GDP, unless otherwise indicated)

	2015-2024 <sup>1)</sup>	2015-2019 <sup>1)</sup>	2020-2024 <sup>1)</sup>	2020	2021	2022	2023	2024	2025 <sup>2)</sup>	2026 <sup>2)</sup>
<b>Balance of payments</b>										
Current account and capital account balance <sup>3)</sup>	1.8	3.5	0.1	1.9	-0.4	-1.7	0.7	-0.1	1.6	0.6
Current account balance	0.2	1.7	-1.2	0.4	-1.1	-2.7	-0.9	-1.8	-0.2	-1.2
Goods	-4.1	-3.8	-4.5	-3.1	-4.0	-5.9	-4.2	-5.2	.	.
Services	7.0	7.0	7.0	5.7	6.5	7.0	8.3	7.5	.	.
Primary income	-5.0	-4.8	-5.2	-3.7	-4.8	-5.6	-6.6	-5.1	.	.
Secondary income	2.4	3.3	1.5	1.6	1.3	1.8	1.6	1.0	.	.
Capital account balance	1.5	1.8	1.3	1.4	0.7	0.9	1.6	1.7	.	.
Combined direct and portfolio investment balance <sup>3)</sup>	-1.0	-0.7	-1.4	-2.9	1.7	-2.9	-2.9	0.1	.	.
Direct investment	-2.7	-2.2	-3.2	-4.1	-1.6	-4.1	-4.2	-2.2	.	.
Portfolio investment	1.7	1.6	1.9	1.2	3.2	1.2	1.3	2.3	.	.
Other investment balance	1.2	3.2	-0.7	-2.2	-3.0	1.0	0.4	0.2	.	.
Reserve assets	3.8	3.3	4.3	9.4	5.1	4.6	3.5	-0.9	.	.
Exports of goods and services	63.0	64.9	61.2	56.4	61.8	70.0	61.9	55.8	.	.
Imports of goods and services	60.2	61.7	58.7	53.9	59.3	68.9	57.8	53.5	.	.
Net international investment position <sup>4)</sup>	-27.9	-44.2	-11.5	-23.4	-15.6	-8.7	-6.3	-3.7	.	.
Gross external debt <sup>4)</sup>	62.3	71.6	53.1	62.6	57.7	50.3	47.5	47.4	.	.
<b>Trade with the euro area <sup>5)</sup></b>										
Exports of goods and services	45.2	44.4	46.1	46.7	46.2	46.0	45.9	45.7	.	.
Imports of goods and services	42.3	43.6	41.0	41.7	42.0	38.7	42.0	40.5	.	.
<b>Investment position with the euro area <sup>5)</sup></b>										
Direct investment assets <sup>4)</sup>	48.2	48.3	48.1	49.9	49.1	48.5	49.0	43.9	.	.
Direct investment liabilities <sup>4)</sup>	65.0	65.8	64.2	63.9	65.1	64.4	63.6	64.0	.	.
Portfolio investment assets <sup>4)</sup>	50.4	50.9	49.9	44.2	50.1	49.0	52.4	53.8	.	.
Portfolio investment liabilities <sup>4)</sup>	75.5	76.5	74.6	74.5	77.6	70.5	74.6	75.8	.	.

Sources: European System of Central Banks and European Commission (Eurostat, Directorate-General for Economic and Financial Affairs).

1) Multi-annual averages calculated using the arithmetic mean.

2) Data from the European Commission's Spring 2025 Economic Forecast.

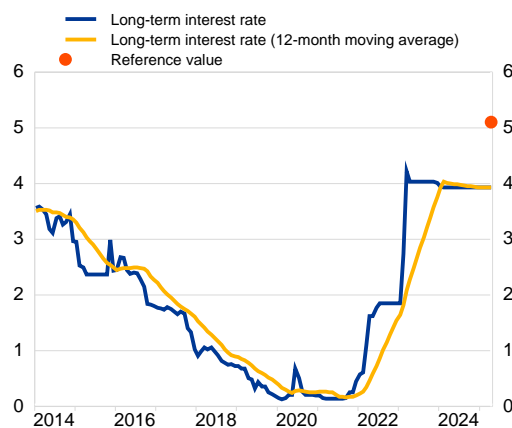
3) Differences between totals and the sum of their components are due to rounding.

4) End-of-period outstanding amounts.

5) As a percentage of the total.

## Bulgaria - Long-term interest rate developments

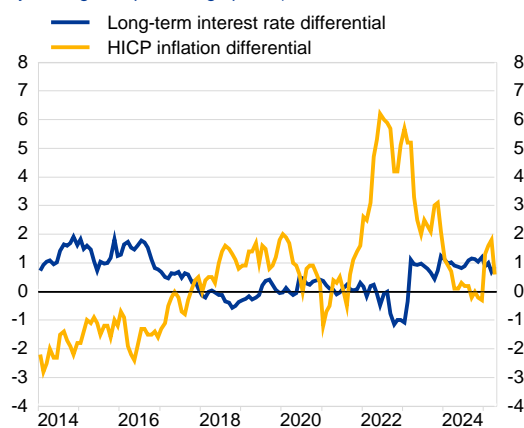
Chart 4.5.5 Long-term interest rate <sup>1)</sup>  
(monthly averages in percentages)



Sources: European System of Central Banks and ECB calculations.

1) The basis of the calculation of the reference value for the period from May 2024 to April 2025 is the unweighted arithmetic average of the interest rate levels in Ireland, Finland and Italy plus 2 percentage points. The reference value is 5.1%.

Chart 4.5.6 Long-term interest rate and HICP inflation differentials vis-à-vis the euro area  
(monthly averages in percentage points)



Sources: European System of Central Banks, ECB calculations and European Commission (Eurostat).

Table 4.5.4 Long-term interest rates and indicators of financial development and integration  
(as a percentage of GDP, unless otherwise indicated)

	2015-2024 <sup>1)</sup>	2015-2019 <sup>1)</sup>	2020-2024 <sup>1)</sup>	2021	2022	2023	2024	May. 2024 to Apr. 2025	Memo item: euro area 2024
<b>Long-term interest rates</b>									
Bulgaria <sup>2)</sup>	1.7	1.5	1.9	0.2	1.5	3.8	3.9	3.9	-
Euro area <sup>3), 4)</sup>	1.3	0.9	1.6	0.1	1.9	3.1	2.9	3.0	-
Euro area AAA par curve, ten-year residual maturity <sup>2), 4)</sup>	0.7	0.3	1.1	-0.3	1.2	2.5	2.4	2.5	-
<b>Indicators of financial development and integration</b>									
Debt securities issued by financial corporations <sup>5)</sup>	1.3	1.1	1.6	1.4	1.5	1.8	2.0	-	61.1
Debt securities issued by non-financial corporations <sup>6)</sup>	2.6	3.1	2.0	2.2	1.8	1.7	1.8	-	11.6
Stock market capitalisation <sup>7)</sup>	13.7	17.8	9.6	11.1	9.2	9.2	8.4	-	67.1
MFI credit to non-government residents <sup>8)</sup>	52.5	53.5	51.4	51.9	48.5	49.6	51.9	-	96.2
Claims of euro area MFIs on resident MFIs <sup>9)</sup>	4.0	3.3	4.8	4.0	4.8	5.7	6.4	-	25.7

Sources: European System of Central Banks and ECB calculations.

1) Multi-annual averages calculated using the arithmetic mean.

2) Average interest rate.

3) GDP-weighted average of the euro area long-term interest rates for the purpose of assessing convergence.

4) Included for information only.

5) Outstanding amount of debt securities issued by resident MFIs (excluding the national central bank) and other financial corporations at face value.

6) Outstanding amount of debt securities issued by resident non-financial corporations at face value.

7) Outstanding amount of listed shares issued by residents at market value.

8) MFI (excluding national central bank) credit to domestic non-MFI residents other than general government. Credit comprises outstanding amounts of loans and debt securities.

9) Outstanding amount of deposits and debt securities issued by domestic MFIs (excluding the national central bank) held by euro area MFIs as a percentage of total liabilities of domestic MFIs (excluding the national central bank). Total liabilities exclude capital and reserves and remaining liabilities.

## 5 Statistical methodology of convergence indicators

**The examination of the convergence process is highly dependent on the quality and integrity of the underlying statistics; the compilation and reporting of statistics, particularly government finance statistics (GFS), must not be subject to any political or other external interference.** Member States are invited to consider the quality and integrity of their statistics as a matter of priority, to ensure that a proper system of checks and balances is in place when compiling these statistics and to apply high standards with respect to governance and quality in the domain of statistics.

**National statistical authorities in each Member State and the EU statistical authority within the European Commission (Eurostat) should enjoy professional independence and ensure that European statistics are impartial and of a high quality.** This is in line with the principles laid down in Article 338(2) of the Treaty, the Regulation on European statistics<sup>154</sup> and the European Statistics Code of Practice<sup>155</sup>. Article 2(1) of the Regulation on European statistics states that the development, production and dissemination of European statistics shall be governed by the following statistical principles: a) professional independence, b) impartiality, c) objectivity, d) reliability, e) statistical confidentiality, and f) cost effectiveness. Pursuant to Article 11 of the Regulation, these statistical principles are elaborated further in the European Statistics Code of Practice.

**Against this background, this chapter reviews the quality and integrity of the convergence indicators in terms of the underlying statistics.** It provides information on the statistical methodology of the convergence indicators, as well as on the compliance of the underlying statistics with the standards necessary for an appropriate assessment of the convergence process.

### 5.1 Institutional features relating to the quality of statistics for the assessment of the convergence process

**The governance of the European Statistical System (ESS) has been progressively improved, in particular with the adoption of the European**

<sup>154</sup> Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164), as amended by Regulation (EU) 2024/3018 of the European Parliament and of the Council of 27 November 2024 (OJ L 2024/3018, 6.12.2024).

<sup>155</sup> The European Statistics Code of Practice was endorsed by the European Commission in its Recommendation of 25 May 2005 on the independence, integrity and accountability of the national and Community statistical authorities (COM(2005) 217 final), and revised by the European Statistical System Committee in September 2011 and November 2017.



**Statistics Code of Practice in 2005.** In the specific context of the EU fiscal surveillance system and of the excessive deficit procedure (EDP), Council Regulation (EU) No 679/2010<sup>156</sup> granted Eurostat new competences for the regular monitoring and verification of public finance data, which it exercises by conducting more in-depth dialogue visits to Member States and by extending such visits to public entities supplying upstream public finance data to the national statistical institutes (NSIs).

**Furthermore, the legislative package of six legal texts adopted in 2011 to strengthen the economic governance structure of the euro area and the EU as a whole requires the compilation of high-quality statistical information, which needs to be produced under robust quality management.**<sup>157</sup> In this context, the European Statistics Code of Practice was revised in September 2011 in order to distinguish between the principles to be implemented by ESS members and the principles relating to the institutional environment that are to be implemented by Member State governments. In 2017 it was revised again in order to emphasise that the NSIs and Eurostat coordinate all activities involved in the development, production and dissemination of European statistics (produced in accordance with the Regulation on European statistics) at the level of their national statistical systems and the ESS respectively.<sup>158</sup>

**In 2015 the Regulation on European statistics<sup>159</sup> was amended in order to, among other things, clarify that the principle of professional independence of NSIs applies unconditionally.** Statistics must indeed be developed, produced and disseminated in an independent manner, free of any pressure from political or interest groups or from EU or national authorities, and existing institutional frameworks must not be allowed to restrict this principle.

**Lastly, it is necessary to assure the independence of other statistical authorities responsible for the compilation of European statistics (e.g. ministries of finance).** Other statistical authorities' responsibility for the publication of statistics needs to be clearly identified in order to distinguish statistical releases from political statements. In Bulgaria, the Ministry of Finance compiles quarterly government debt data, while the NSI compiles annual government debt data. The

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<sup>156</sup> Council Regulation (EU) No 679/2010 of 26 July 2010 amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure (OJ L 198, 30.7.2010, p. 1).

<sup>157</sup> On 13 December 2011 the reinforced Stability and Growth Pact (SGP) entered into force with a new set of rules for economic and fiscal surveillance. These measures, known as the "six-pack", consist of five regulations and one directive proposed by the European Commission and approved in October 2010 by all 27 Member States at the time and the European Parliament.

<sup>158</sup> European statistics are developed, produced and disseminated by both the ESS and the European System of Central Banks (ESCB) but under separate legal frameworks reflecting their respective governance structures. The members of the ESCB are not involved in the production of European statistics pursuant to the Regulation on European statistics. However, with a view to minimising the reporting burden and guaranteeing the coherence necessary to produce European statistics, the ESS and the ESCB cooperate closely, while complying with the statistical principles set out in Article 2(1) of the Regulation on European statistics. Given that some European statistics may be compiled by national central banks in their capacity as members of the ESCB, the NSIs and the national central banks also cooperate closely under national arrangements with a view to ensuring the necessary cooperation between the ESS and the ESCB and to guaranteeing the production of complete and coherent European statistics.

<sup>159</sup> Regulation (EU) 2015/759 of the European Parliament and of the Council of 29 April 2015 amending Regulation (EC) No 223/2009 on European statistics (OJ L 123, 19.5.2015, p. 90).

institutional responsibilities for the compilation of EDP data and GFS are shown in Table 5.1. Although the independence of the compilers at the Bulgarian Ministry of Finance is not guaranteed by law, the monitoring and quality assurance of the EDP data and GFS compiled by the Ministry of Finance form part of the coordination role of the NSI.

**Table 5.1**  
Quality and integrity of convergence statistics

Institutional features relating to the quality and integrity of the statistics used in assessing the convergence process	
Legal independence of the national statistical institute (NSI)	Under Article 2(2) of the Law on Statistics <sup>1)</sup> , statistics are based on the principles of professional independence, impartiality, objectivity, reliability, statistical confidentiality and cost effectiveness. Under Article 8 of the Law on Statistics, the President of the NSI is appointed by a decision of the Council of Ministers. The term of office is fixed (seven years; reappointment is possible, only once).
Administrative supervision and budget autonomy	The NSI has the status of a state agency and is directly subordinated to the Council of Ministers. It has budget autonomy on the basis of an annual amount assigned from the state budget.
Legal mandate for data collection	The Law on Statistics determines the main principles of data collection.
Legal provisions regarding statistical confidentiality	Under Articles 25 to 27a of the Law on Statistics, the confidentiality of the statistical data is assured.
Harmonised Index of Consumer Prices (HICP) inflation	
Compliance with legal minimum standards	Eurostat made a compliance monitoring visit in September 2024 and published a report in December that year confirming that the methods used for producing the HICP are satisfactory. <sup>2)</sup> There were no major instances of non-compliance with the HICP methodology.
Other issues	Eurostat considered the representativeness of the HICP to be generally appropriate.
Government finance statistics	
Data coverage	Revenue, expenditure, deficit and debt data are provided for the period 2015-24.
Outstanding statistical issues	No major outstanding statistical issues identified. Eurostat made an <a href="#">EDP visit to Bulgaria in 2023</a> and published the final findings on its website.
Institution responsible for the compilation of statistics	The NSI compiles the non-financial and annual financial accounts of government, as well as annual government debt. The Ministry of Finance compiles quarterly government debt and the national central bank compiles the quarterly financial accounts of government.

1) Law on Statistics, *State Gazette*, No 57, 25 June 1999.

2) The [full report on the findings and recommendations of Eurostat's compliance monitoring of the Bulgarian HICP](#) is available on its website.

## 5.2 HICP inflation

**This section considers the methodology and quality of the statistics underlying the measurement of price developments, specifically the Harmonised Index of Consumer Prices (HICP).** The HICP was developed for the purpose of assessing convergence in terms of price stability on a comparable basis. It is published for all EU Member States by Eurostat.<sup>160</sup> The HICP covering the euro area as a whole has been the main measure of price developments for the monetary policy of the ECB since January 1999.

**Article 1 of Protocol (No 13) on the convergence criteria (annexed to the Treaties) requires price convergence to be measured by means of the consumer price index (CPI) on a comparable basis, taking into account**

<sup>160</sup> See Eurostat's website for details on the [HICP legislative framework](#). Eurostat has also published [recommendations and a methodological manual](#).

**differences in national definitions.** The framework regulation introduced to establish HICPs, Council Regulation (EC) No 2494/95<sup>161</sup>, was adopted in October 1995 and subsequently replaced by Regulation (EU) 2016/792<sup>162</sup>, which entered into force in June 2016. The HICPs have also been harmonised on the basis of EU Council and European Parliament regulations. They use common standards for the coverage of the items, the territory and the population included (all these elements are major reasons for differences between national CPIs). Common standards have also been established in several other areas, for example the treatment of new goods and services.

**The HICPs use annually updated expenditure weights (or, until 2011, less frequent updates if this did not have a significant effect on the index) and cover all goods and services included in household final monetary consumption expenditure.** The latter is derived from the national accounts domestic concept of household final consumption expenditure but excludes owner-occupied housing. The prices observed are the prices households actually pay for goods and services in monetary transactions and thus include all taxes (minus subsidies) on products, e.g. VAT and excise duties. Expenditure on health, education and social services is covered to the extent that it is financed (directly or through private insurance) by households and not reimbursed by the government. The “HICP – administered prices” includes only prices which are directly set or significantly influenced by the government, including national regulators. It is based on a common definition and compilation, and is published by Eurostat.

**Eurostat must ensure that the statistical practices used to compile national HICPs comply with HICP methodological requirements and that good practices in the field of consumer price indices are being followed.** Eurostat carries out compliance monitoring visits and publishes its findings in information notes made available on its website.

## 5.3 Government finance statistics

**This section describes the methodology and quality of the statistics used to measure fiscal developments.** GFS are based mainly on national accounts concepts as defined in the ESA 2010<sup>163</sup> and Commission Regulation (EU) No 220/2014<sup>164</sup>. They refer to the institutional sector “general government” as defined in the ESA 2010. This comprises central government, state government (in Member

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<sup>161</sup> Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonized indices of consumer prices (OJ L 257, 27.10.1995, p. 1).

<sup>162</sup> Regulation (EU) 2016/792 of the European Parliament and of the Council of 11 May 2016 on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95 (OJ L 135, 24.5.2016, p. 11).

<sup>163</sup> See Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

<sup>164</sup> Commission Regulation (EU) No 220/2014 of 7 March 2014 amending Council Regulation (EC) No 479/2009 as regards references to the European system of national and regional accounts in the European Union (OJ L 69, 8.3.2014, p. 101).

States with a federal structure), local government and social security funds. It typically does not include public corporations.

**The general government deficit (-)/surplus (+) is equal to the ESA 2010 item “net lending (+)/net borrowing (-)”, which in turn is equal to “total revenue” minus “total expenditure”.** The primary government deficit/surplus is the government deficit/surplus excluding interest expenditure.

**The general government debt is the sum of the outstanding gross liabilities at nominal value (face value) in currency and deposits, debt securities (e.g. government bills, notes and bonds) and loans.** It excludes financial derivatives, such as swaps<sup>165</sup>, as well as trade credits<sup>166</sup> and other liabilities not represented by a financial document, such as overpaid tax advances. It also excludes contingent liabilities, such as government guarantees and pension commitments. While government debt is a gross concept in the sense that neither financial nor non-financial assets are deducted from liabilities, it is consolidated within the general government sector and therefore does not include government debt held by other government units.

**Government deficit and debt ratios are expressed as a percentage of GDP at current market prices.**

### 5.3.1 Data source

**The national central banks (NCBs) provide the ECB with detailed GFS data under the ECB’s GFS Guideline<sup>167</sup>.** Although the Guideline is only legally binding for the euro area NCBs, the non-euro area EU NCBs also transmit GFS data to the ECB by the same deadlines and using the same procedures. The Guideline lays down requirements for the transmission of annual data with detailed breakdowns of annual revenue and expenditure and the deficit-debt adjustment. In addition, it requests figures on general government debt with breakdowns by instrument, by initial and residual maturity and by holder.

### 5.3.2 Methodological issues

**GFS must comply with the ESA 2010 and reflect decisions and guidelines issued by Eurostat for specific cases involving the general government sector.**

The borderline classification cases between the financial, non-financial and general government sectors continue to be examined closely by Eurostat and national

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<sup>165</sup> However, on the basis of a Eurostat guidance note released in 2008, lump sums received by government under off-market interest rate swaps are treated as government loans.

<sup>166</sup> A 2012 Eurostat decision stipulates that trade credits that are refinanced without recourse to the original holder and trade credits that are renegotiated beyond the simple extension of the initial maturity need to be reclassified as loans and are thus included in the EDP general government debt.

<sup>167</sup> Guideline (EU) 2025/603 of the European Central Bank of 7 March 2025 on government finance statistics (ECB/2025/9) (OJ L, 2025/603, 31.3.2025).

statistical compilers and may lead to further reclassifications and changes in the EDP and GFS data.

## 5.4 Exchange rates

**Article 3 of Protocol (No 13) on the convergence criteria defines what is meant by the criterion on participation in the exchange rate mechanism of the European Monetary System.** The bilateral exchange rates of the Member States' currencies vis-à-vis the euro are daily reference rates recorded by the ECB at 14:15 CET and subsequently published on the ECB's website.<sup>168</sup> Nominal and real effective exchange rates (EERs) are constructed by applying trade weights (based on a geometric weighting) to the bilateral nominal and real exchange rates of the Member States' currencies vis-à-vis the currencies of 41 trading partners. Both nominal and real EER statistics are published by the ECB.

## 5.5 Long-term interest rates

**Article 4 of Protocol (No 13) on the convergence criteria requires interest rates to be measured on the basis of long-term government bonds or comparable securities, taking into account differences in national definitions.** While Article 5 assigns the responsibility for providing the statistical data for the application of the Protocol to the European Commission, the ECB, given its expertise in the area, assists in this process by defining representative long-term interest rates and collecting the data from the NCBs for transmission to the Commission. This is a continuation of the work carried out by the European Monetary Institute as part of the preparations for Stage Three of Economic and Monetary Union in close cooperation with the Commission. The conceptual work resulted in the definition of seven key features to be considered in the calculation of long-term interest rates, as presented in Table 5.2. Long-term interest rates refer to bonds denominated in national currency.

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<sup>168</sup> Since 1 July 2016 the reference rates have been published at around 16:00 CET. For details, see "[ECB introduces changes to euro foreign exchange reference rates](#)", *press release*, ECB, 7 December 2015.

**Table 5.2**

Statistical framework for defining long-term interest rates for the purpose of assessing convergence

Concept	Recommendation
<b>Bond issuer</b>	The bond should be issued by the central government.
<b>Maturity</b>	As close as possible to ten years' residual maturity. Any replacement of bonds should minimise maturity drift; the structural liquidity of the market must be considered.
<b>Coupon effects</b>	No direct adjustment.
<b>Taxation</b>	Gross of tax.
<b>Choice of bonds</b>	The selected bonds should be sufficiently liquid. This requirement should determine the choice between benchmark or sample approaches, depending on national market conditions.
<b>Yield formula</b>	The "redemption yield" formula should be applied.
<b>Aggregation</b>	Where there is more than one bond in the sample, a simple average of the yields should be used to produce the representative rate.

## 5.6 Other factors

**The last paragraph of Article 140(1) of the Treaty states that the reports of the European Commission and the ECB shall take account of, in addition to the four main criteria, the results of the integration of markets, the situation and development of the national balance of payments and an examination of the development of unit labour costs and other price indices.** Whereas, for the four main criteria, Protocol (No 13) stipulates that the Commission will provide the data to be used for the assessment of compliance and describes those statistics in more detail, it makes no reference to the provision of statistics for these "other factors".

**With regard to the results of the integration of markets, two sets of indicators are used.** These are i) statistics on financial development and integration referring to the structure of the financial system,<sup>169</sup> and ii) statistics on financial and non-financial integration with the euro area.<sup>170</sup>

**The data covering the structure of the financial system are provided by the NCBs.** The indicators concerning the debt securities issued by resident financial corporations (monetary financial institutions (MFIs) excluding the NCB and non-monetary financial corporations) and non-financial corporations are compiled in accordance with the methodology set out in Guideline (EU) 2022/971<sup>171</sup>. The indicator relating to stock market capitalisation refers to listed shares issued by resident corporations following the methodology given in the same Guideline. The indicators concerning MFI credit to residents and claims of euro area MFIs on resident MFIs are based on available data collected by the ECB as part of the MFI balance sheet

<sup>169</sup> Debt securities issued by resident corporations, stock market capitalisation, MFI credit to non-government residents and claims of euro area MFIs on resident MFIs.

<sup>170</sup> External trade and investment position with the euro area.

<sup>171</sup> Guideline (EU) 2022/971 of the European Central Bank of 19 May 2022 on the Centralised Securities Database and the production of securities issues statistics and repealing Guideline ECB/2012/21 and Guideline (EU) 2021/834 (ECB/2022/25) (OJ L 166, 22.6.2022, p. 147).

statistics collection framework. The data are obtained from the countries under review and, for the latter indicator, also from the euro area countries covered by Regulation (EU) No 2021/379<sup>172</sup>. Historical data are compiled by the relevant NCBs, where appropriate. For the indicators mentioned in this paragraph, the statistical data relating to the euro area cover the countries that had adopted the euro at the time to which the statistics relate.

**Balance of payments and international investment position statistics are compiled in accordance with the concepts and definitions laid down in the sixth edition of the International Monetary Fund's Balance of Payments and International Investment Position Manual (BPM6) and with guidance provided by the ECB in its Guideline on external statistics<sup>173,174</sup> and by Eurostat.** The Convergence Report examines developments in the current account (goods, services, primary income and secondary income) and the capital account; the sum of the balances of these two accounts corresponds to the net lending/net borrowing of the total economy. In addition, developments in the main components of the financial account are presented together with the net international investment position and gross external debt of each country. Exports and imports of goods and services are presented vis-à-vis both the rest of the world and the euro area. Direct and portfolio investment assets and liabilities with the euro area are also reported. Forecasted data are taken from the European Commission's economic forecasts.<sup>175</sup>

**The Convergence Report also looks at the development of unit labour costs and other price indices.** With regard to producer price indices, these data refer to domestic sales of total industry excluding construction. The statistics are collected on a harmonised basis under the EU Regulation on European business statistics<sup>176</sup>. Statistics on unit labour costs (calculated as compensation per employee divided by GDP chain-linked volumes per hours worked) are derived from data provided under the ESA 2010 transmission programme.

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<sup>172</sup> Regulation (EU) 2021/379 of the European Central Bank of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/2) (OJ L 73, 3.3.2021, p. 16).

<sup>173</sup> Guideline of the European Central Bank of 9 December 2011 on the statistical reporting requirements of the European Central Bank in the field of external statistics (ECB/2011/23), recast of Guideline ECB/2004/15 of 16 July 2004, as amended by Guidelines ECB/2013/25 of 30 July 2013, ECB/2015/392 of 26 November 2015, ECB/2018/19 of 2 August 2018, ECB/2020/52 of 14 October 2020, ECB/2022/23 of 5 May 2022 and ECB/2024/21 of 23 July 2024.

<sup>174</sup> See also "EU Balance of Payments and International Investment Position statistical sources and methods – B.o.p. and i.i.p. e-book", ECB, Frankfurt am Main, October 2023.

<sup>175</sup> These economic forecasts are made by the Directorate-General for Economic and Financial Affairs (DG ECFIN) on behalf of the European Commission.

<sup>176</sup> Regulation (EU) No 2019/2152 of the European Parliament and of the Council of 27 November 2019 on European business statistics (OJ L 327, 17.12.2019, p. 1).