29 September 2026

OPINION

On the Ministry of Finance's Autumn Macroeconomic Forecast for the period 2026–2029

This opinion has been prepared up pursuant to Article 6(1)(2) of the Fiscal Council and Automatic Corrective Mechanisms Act (FCACMA), pursuant to which the Fiscal Council shall prepare a reasoned opinion and recommendations on the spring and autumn macroeconomic forecasts within 10 days of their publication.

1. Legal basis and mandate

The opinion also complies with the requirements of EU law applicable to Bulgaria as a euro area Member State from 1 January 2026:

- Regulation (EU) No 473/2013, Article 4(4);
- Directive 2011/85/EU, as amended by Directive (EU) 2024/1265;
- Regulation (EU) 2024/1263 (new economic governance framework), Article 11(2);
- Public Finance Act, Articles 68 and 75.

The Council notes the following limitations in the information base:

- the alternative scenario that is to be published with the forecast has not been supplied, nor has a quantitative sensitivity analysis;
- no estimates have been provided for potential growth and the deviation of GDP from potential, nor have the assumptions regarding fiscal policy (under a no-policy-change scenario or with measures);
- no comparison with the European Commission's forecast has been provided and no explanation of the significant differences (Article 4(1) of Directive 2011/85/EU and Article 75(1) of the Public Finance Act);
- no information has been provided on the models used and the changes in methodology compared with the spring forecast.

2. The Fiscal Council's forecast and comparison with the Ministry of Finance and the Bulgarian National Bank

The Council applies an approach consistent with the best practices of independent fiscal institutions in the EU. The conclusion is formulated in one of three categories: approves (the forecast is realistic and within the permissible range), approves with reservations (the forecast is generally acceptable, but individual indicators or years are outside the range or insufficiently substantiated) and does not approve (key budget indicators are outside the acceptable range without a convincing justification). The assessment of individual indicators uses the 'cautious/realistic/optimistic' scale.

Table 1. Comparison between the FC's and the MoF's forecasts

Indicator	Measure	MF 2026	MF 2027	MF 2028	MF 2029	FC 2026	FC 2027	FC 2028	FC 2029	FC – MF 2026	FC– MF 2027	FC– MF 2028	FC– MF 2029	Threshold for a material difference
INTERNATIONAL ENVIRONMENT														
Global economy, real growth	%	3.0	3.4	3.2	3.1	3.0	3.3	2.5	3.0	0.0	-0.1	-0.7	-0.1	0.3
European economy (EU), real growth	%	1.2	1.4	1.6	1.5	1.1	1.4	0.8	1.4	-0.1	0.0	-0.8	-0.1	0.3
Exchange rate (USD/EUR)	Level	1.16	1.16	1.16	1.16	1.17	1.17	1.17	1.17	+0.01	+0.01	+0.01	+0.01	0.03
Brent crude	US$/barrel	90.9	80.5	74.7	72.4	93.0	85.0	76.0	70.0	+2.1	+4.5	+1.3	-2.4	5
3-month EURIBOR	%	2.3	2.5	2.3	2.3	2.4	3.0	3.0	2.2	+0.1	+0.5	+0.7	-0.1	0.25
GROSS DOMESTIC PRODUCT														
GDP, nominal growth	%	12.4	8.3	6.7	6.1	10.9	8.6	6.6	6.9	-1.5	+0.3	-0.1	+0.8	1
GDP, real growth	%	3.0	2.5	2.4	2.4	2.8	2.5	1.5	2.8	-0.2	0.0	-0.9	+0.4	0.5
LABOUR MARKET AND PRICES														
Unemployment rate (NRS)	%	3.4	3.4	3.4	3.4	3.5	3.6	3.8	3.4	+0.1	+0.2	+0.4	0.0	0.3
Compensation per employee	%	8.5	6.2	5.3	5.2	8.4	6.0	4.3	4.8	-0.1	-0.2	-1.0	-0.4	1
GDP deflator	%	9.1	5.7	4.2	3.6	7.9	6.1	5.0	4.0	-1.2	+0.4	+0.8	+0.4	1
Average annual inflation (HICP)	%	4.8	4.0	2.6	2.4	5.0	3.9	3.0	2.5	+0.2	-0.1	+0.4	+0.1	0.5

Source: Ministry of Finance, Autumn Macroeconomic Forecast 2026–2029, Fiscal Council forecasts.

The Council's forecasts regarding the international environment are similar to those of the Ministry of Finance, with the exception of 2028, when we expect a slowdown in global and European growth due to cyclical fluctuations. Accordingly, the Council's forecasts for real growth and unemployment in Bulgaria in 2028 are lower than those of the Ministry of Finance. For 2026, the Ministry of Finance's real growth forecast of 3.0 per cent is optimistic and does not fully take account of the supply shock that is slowing the growth of the European and, consequently, the Bulgarian economy. The Council provides a cautious forecast of 2.8 per cent growth in 2026.

Table 2. Comparison of forecasts by the Financial Stability Board, the Bulgarian National Bank and the Ministry of Finance

Indicators	2026			2027			2028		
Institutions	FC	BNB	MF	FC	BNB	MF	FC	BNB	MF
Real GDP growth	2,8	2,8	3,0	2,5	2,7	2,5	1,5	2,9	2,4
Harmonised average annual inflation	5,0	5,0	4,8	3,9	3,5	4,0	3,0	2,6	2,6
Unemployment rate	3,5	3,3	3,4	3,6	3,1	3,4	3,8	3,0	3,4

Source: Ministry of Finance, Autumn Macroeconomic Forecast 2026–2029, BNB Macroeconomic Forecast June 2026; Fiscal Council forecasts.

The BNB's forecasts are generally more optimistic than those of the Council and the Ministry of Finance regarding growth, the decline in inflation and unemployment. The exception is 2026, for which the BNB forecasts growth of 2.8 per cent and inflation of 5 per cent, which are within the acceptable upper range.

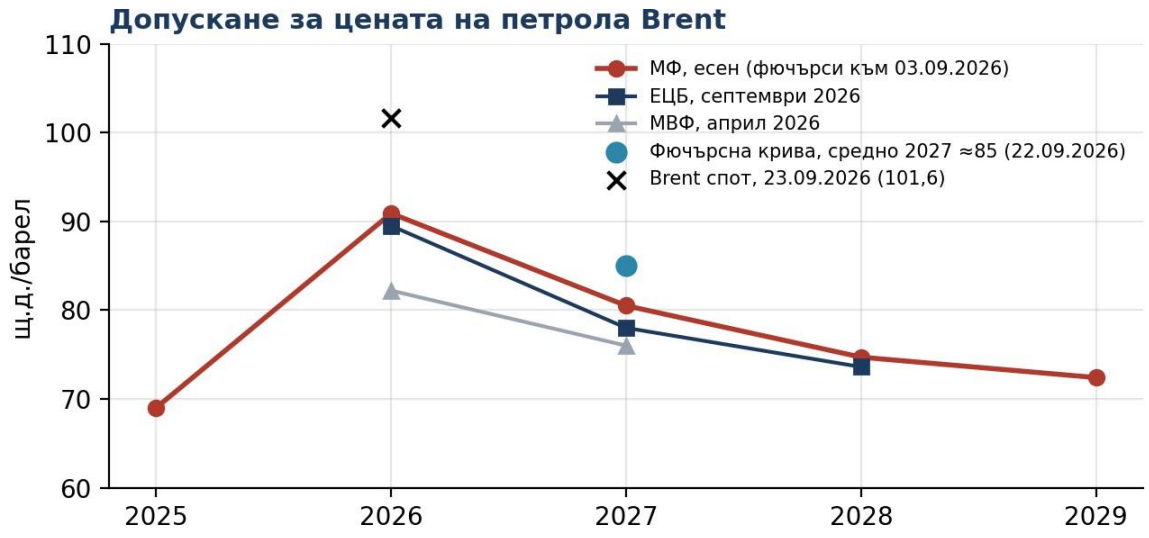
3. Revisions and external assumptions

Table 3. International environment: assumptions by the Ministry of Finance and other institutions

Indicator	Ministry of Finance, autumn 2026	ECB, Sept. 2026	IMF, July 2026	OECD, Sept. 2026	EC, spring 2026	Markets, 22–23 September
Global economy, %						
2026	3.0	–	3.0	2.9	–	–
2027	3.4	–	3.4	3.0	–	–
EU / euro area*, %						
2026	1.2	0.9*	0.9*	1.0*	1.1 (EU)	–
2027	1.4	1.4*	1.2*	1.0*	1.4 (EU)	–
Brent, US$/barrel						
2026	90.9	89.5	89	n/a	–	101.6 (spot)
2027	80.5	78.0	n/a	n/a	–	≈85 (futures)
2028	74.7	73.6	–	–	–	–
USD/EUR exchange rate						
2026–2027	1.16	1.16	–	–	–	1.14
3-month EURIBOR, %						
2026	2.3	2.4	–	–	–	2.62 (21 September)
2027	2.5	3.0	–	–	–	–
2028	2.3	3.0	–	–	–	–

** Eurozone. Sources: Ministry of Finance, Autumn Macroeconomic Forecast (14 September 2026); ECB, ECB Staff Macroeconomic Projections (10 September 2026); IMF, WEO Update (July 2026); OECD, Interim Economic Outlook (23 September 2026); EC, Spring 2026 Economic Forecast (21 May 2026); market data – Trading Economics, Oilprice.com, euribor-rates.info.*

Figure 1. Assumptions regarding the price of Brent crude oil.



Sources: Ministry of Finance, ECB, IMF, market quotes.

- **Global economy and the EU.** The assumptions are realistic and in line with the July–September 2026 consensus. The OECD's interim forecast of 23 September 2026 is more pessimistic for 2027 (3.0 per cent for the global economy and 1.0 per cent for the euro area), which creates a moderate downside risk to external demand and exports in 2027. The Fiscal Council assumes that this economic slowdown will occur in 2028. The assumption of 1.6 per cent growth in the EU in 2028 is at the upper end of the available estimates.
- **Oil price.** The methodology (futures, 10-working-day averages) is standard and consistent with the practice of the European Commission and the ECB, whilst the assumption is very close to that of the ECB. However, after the cut-off date, the price of Brent rose by around 10 per cent in one month (to US$101.6 on 23 September 2026) due to a renewed escalation of tensions around the Strait of Hormuz. Given the current futures curve, the average price for 2027 would be around US$85 per barrel, 5–6 per cent above the assumption. This represents an upside risk to inflation and a downside risk to real growth. The updated prices should be reflected in the forecast for the Draft Budgetary Plan or in the sensitivity analysis.
- **Interest rates.** The assumption for EURIBOR (2.3% in 2026, 2.5% in 2027 and 2.3% in 2028–2029) was drawn up prior to the ECB's decision of 10 September 2026 to raise interest rates by 25 basis points. This is significantly below the ECB's trajectory (3.0% for 2027–2028), whilst the markets are also pricing in a further increase by the end of the year. Higher interest rates would slow lending to households and investment and would increase interest expenditure on public debt. The Council considers this assumption to be optimistic.
- **Exchange rate.** The assumption (1.16 USD/EUR) is technically justified and close to the current level (1.14). Since the introduction of the euro, exchange rate risk has been limited to external competitiveness vis-à-vis countries outside the euro area.

Table 4. Revisions to the Ministry of Finance's Spring Macroeconomic Forecast (April 2026)

Indicator	Spring 2026	Autumn 2026	Revision	Main reason according to the Ministry of Finance
Real GDP 2026, %	2.6	3.0	+0.4	Stronger domestic demand in the first half of the year
Real GDP 2027, %	2.5	2.5	0.0	–
HICP 2026, average, %	4.3	4.8	+0.5	Higher fuel prices, excise duty schedule
HICP 2026, end of year, %	5.2	6.1	+0.9	As above
HICP 2027, %	3.8	4.0	+0.2	Carry-over from 2026
Brent 2026, US$/barrel	≈83.8*	90.9	+7.1	A renewed escalation of tensions in the Middle East
Employment 2026, %	0.6	0.5	–0.1	Decline in the second quarter

** Calculated by the Financial Supervisory Authority (FSA) based on the 21.5 per cent increase compared with 2025, as stated by the Ministry of Finance in its spring forecast (31.6 per cent – 10.1 percentage points). The spring figures for the HICP and GDP are taken from the Ministry of Finance's publication of April 2026.*

The revisions are in line with what is expected from the new data and are justified. Growth has been revised upwards despite the less favorable external environment. The reason is stronger domestic demand, which is supported by the data for the first half of the year, but increases the forecast's dependence on continued strong consumption growth.

4. Real GDP and the labour market

4.1. Consistency with reported data for 2026

Table 5. Actual data for the first half of 2026 and the Ministry of Finance's forecast for 2026, real year-on-year growth, %

Indicator	Q1 2026	Q2 2026	MoF forecast for 2026	Required growth for the second half of the year (indicative)
GDP	2.9–3.0	2.8	3.0	≈3.2
Final consumption	7.6	6.2	5.2	≈3.5
of which by households	8.6	7.6	n.a.	–
of which government	2.2	–2.7	n.a.	–
Gross fixed capital formation	8.7	8.4*	5.8	≈3.0
Exports of goods and services	–7.1	0.2	0.5	≈+4.5
Imports of goods and services	8.2	8.5	7.2	≈6.0
Employment (SNA)	≈+1.2	–0.4	0.5	≈+0.6

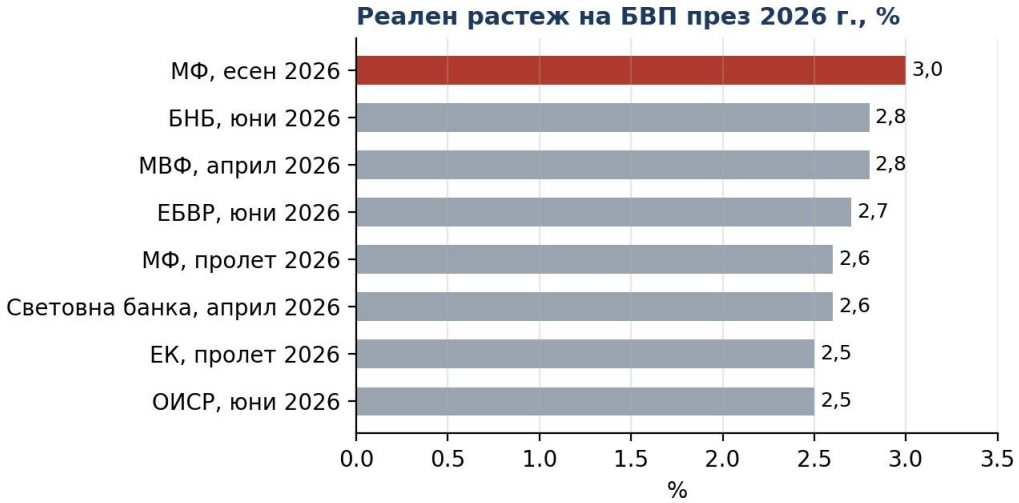
** Gross capital formation (including changes in inventories) rose by 11.4 per cent. Sources: NSI, preliminary data for the second quarter (7 September 2026) and revised data for the first quarter; Eurostat. The required growth for the second half of the year is an indicative estimate by the Financial Stability Board, which assumes equal weightings for the two halves of the year.*

Carry-over effect. Seasonally adjusted growth stood at 0.7 per cent per quarter in the first and second quarters. If that pace is maintained in the second half of the year, annual growth for 2026 would be around 2.8–2.9 per cent (the methodology is set out in Appendix C). The forecast of 3.0 per cent requires average quarterly growth of around 0.9 per cent in the third and fourth quarters, i.e. an acceleration compared with the first half of the year.

Short-term indicators. Data for the third quarter send mixed signals. Industrial production fell by 6.8 per cent year-on-year in July (the fourth consecutive month of decline), whilst retail trade slowed to 5.6 per cent year-on-year (7.1 per cent in June). The European Commission's economic confidence indicator improved to 96.8 in August, but remains below the long-term average of 100. Factors supporting the Ministry of Finance's forecast are the strong quarterly growth in exports in the second quarter (+5.2% q/q), accelerated payments under the Public Procurement Act by the end of August, and the continued high growth in lending and incomes.

The Council considers the forecast for 2026 to be optimistic: the realistic range is 2.5–2.8 per cent. As the year is in its final quarter, the impact on the 2026 budget is limited. However, the higher base carries over into nominal GDP for 2027 and, consequently, into the budgetary ratios.

Figure 2. Real GDP growth in 2026, %, comparison of institutional forecasts



Sources: Ministry of Finance; BNB (26 June 2026); IMF, WEO (April 2026); EBRD, REP (June 2026); World Bank (April 2026); EC (May 2026); OECD, EO (June 2026).

4.2. Forecast for 2027–2029

Figure 3. Real GDP growth in 2027, %, comparison of the institutions' forecasts

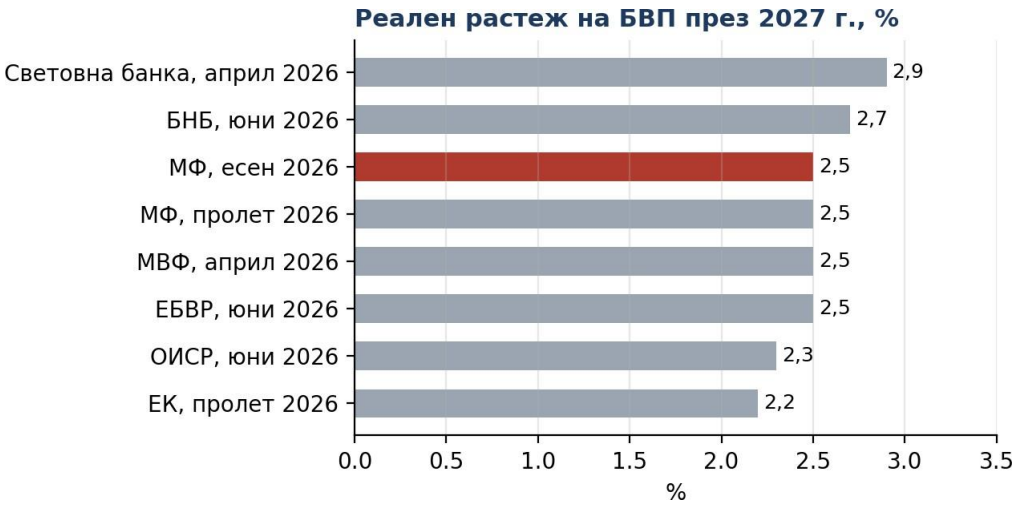


Figure 3. Forecasts for real GDP growth in 2027. Sources: Ministry of Finance; Bulgarian National Bank (26 June 2026); IMF, WEO (April 2026); EBRD, REP (June 2026); World Bank (April 2026); EC (May 2026); OECD, EO (June 2026).

The forecast for 2027 (2.5 per cent) is in the middle of the range (2.2–2.9 per cent) and is in line with those of the IMF and the EBRD. The Council considers it to be realistic. It is based on an acceleration in exports (3.7 per cent) and a slowdown in consumption (3.5 per cent), reflecting slower income growth, and forecasts a decline in fixed capital formation (–0.7 per cent) following the end of the recovery programme.

- **Investment following the end of the Structural Adjustment Programme.** The deadline for implementing the MIP expired on 31 August 2026, with reported absorption of around 70 per cent. Whether the unspent funds will be offset by national resources and cohesion funds or will lead to a deeper decline in public investment depends on the draft budget for 2027.
- **Fiscal consolidation.** The forecast does not specify the assumptions regarding fiscal policy. The consolidation required to implement the recommendations under the excessive deficit procedure and to reduce the deficit to 3 per cent of GDP will limit government consumption and revenue. The consumption forecast (3.5 per cent in 2027) appears to reflect this effect only partially.
- **Inventories and statistical discrepancies.** According to the Financial Council's indicative

calculations (based on the 2025 GDP structure), the projected growth rates of the components for 2026 imply a positive contribution from changes in inventories and statistical discrepancies of around 1.5–2 percentage points. This is consistent with the data for the first half of the year, but is an unstable source of growth and carries the risk of a downward correction. For 2027–2029, the components and GDP growth are consistent.

For 2028–2029, growth of 2.4 per cent is close to the long-term average and estimates of potential growth. Given the demographic constraints (a population of 6.42 million by the end of 2025, a decline in the labour force) and zero employment growth, this requires annual productivity growth of around 2.4 per cent. This is achievable, but it presupposes the effective use of funds under EU programmes and the continuation of structural reforms.

Labour market

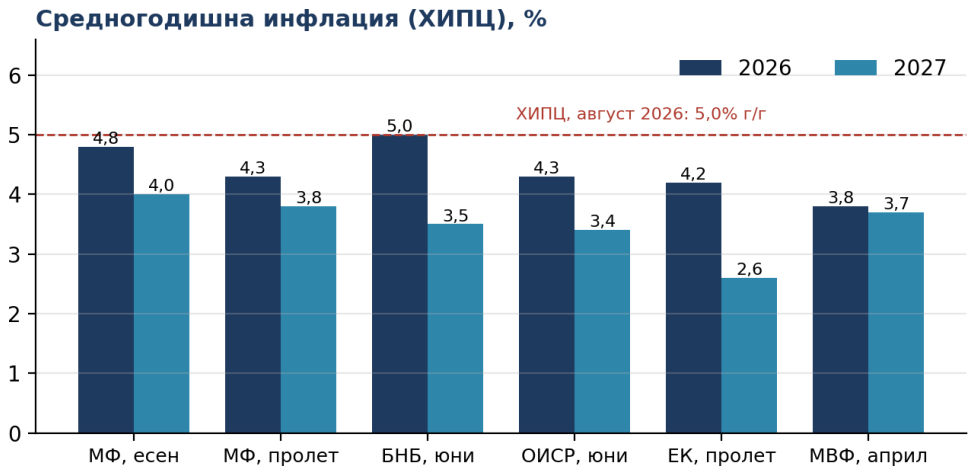
Employment. The 0.4 per cent year-on-year decline in employment in the second quarter (–0.2 per cent quarter-on-quarter) is the first since 2023. With growth of around +0.4% in the first half of the year, the forecast of 0.5% for the year requires an acceleration to around +0.6% year-on-year in the second half of the year, which is not supported by the latest data. The Council considers this forecast to be optimistic. The forecast for virtually unchanged employment in 2027–2029 is realistic given the demographic trends.

Unemployment. The forecast of 3.4 per cent is consistent with the Labour Force Survey data (3.2 per cent in the first quarter and 3.5 per cent in the second quarter) and is realistic. The European Commission expects higher figures (3.7 per cent in 2026 and 3.9 per cent in 2027). The discrepancy should be explained.

Wages. According to Ministry of Finance data, compensation per employee rose by 7.1 per cent in the first half of the year, but the forecast for the year is 8.5 per cent, which implies an acceleration to around 10 per cent in the second half of the year. The average wage, according to employment statistics, rose by 9.8 per cent year-on-year in the second quarter, whilst the labour cost index rose by 9.9 per cent. The discrepancy between the two sources needs to be clarified. The slowdown to 6.2 per cent in 2027 takes account of the changes to the mechanism for setting the minimum wage (adopted by the National Assembly on 24 July 2026) and the forecast minimum wage of €660. The Council considers this to be realistic, with an upside risk due to the tight labour market.

5. Inflation, deflator and nominal GDP

Chart 4. Forecasts for average annual inflation (HICP)



Sources: Ministry of Finance; Bulgarian National Bank (June 2026); OECD (June 2026); European Commission (May 2026); IMF (April 2026); Eurostat.

Inflation 2026. The average annual inflation rate of 4.8% (revised by +0.5 percentage points) and 6.1 per cent at the end of the year are consistent with the reported figures of 4.4 per cent in July and 5.0 per cent in August, as well as with the BNB's forecast (5.0 per cent for the year as a whole and 5.9 per cent at the end of the year). The Council assesses this as realistic, with an upside risk. The rise in oil prices after 3 September 2026 and the delayed effect of higher natural gas prices could add approximately 0.1–0.3 percentage points. Eurostat finds no statistically significant effect of the introduction of the euro on inflation in the first quarter of 2026.

Inflation 2027–2029. The forecast of 4.0 per cent for 2027 is the highest among the institutions (2.6–3.8 per cent). This is explained by the high carry-over effect from the end of 2026 and by changes to the excise duty schedule for tobacco products, but it implies a relatively slow disinflationary impact from the fall in oil prices (–11 per cent in 2027). From a revenue perspective, this estimate is rather cautious regarding indirect taxes. At the same time, it leads to a higher indexation of inflation-linked expenditure (pensions, social benefits). The forecasts of 2.6 per cent and 2.4 per cent for 2028–2029 are above the ECB's target, in line with price convergence (the Balassa–Samuelson effect), and are realistic.

GDP deflator and nominal GDP

Table 6. Consistency check for nominal GDP

Indicator	2025	2026	2027	2028	2029
Nominal GDP, million euros	116,018	130,459	141,302	150,819	160,013
Nominal growth, %	–	12.4	8.3	6.7	6.1
Real growth × deflator, %	–	12.4	8.3	6.7	6.1
GDP deflator, %	7.4	9.1	5.7	4.2	3.6
HICP, %	3.5	4.8	4.0	2.6	2.4
Deflator – HICP difference, p.p.	3.9	4.3	1.7	1.6	1.2
Remuneration per employee, %	10.4	8.5	6.2	5.3	5.2
Productivity (GDP/employment), %	0.9	2.5	2.3	2.4	2.4
Labour costs per unit of output, %	9.4	5.9	3.8	2.8	2.7

Source: Ministry of Finance, FC calculations. Labour productivity and unit labour costs (ULC) for 2027–2029 have been calculated by the FC based on data from the Ministry of Finance; the ULC figure for 2026 (5.9 per cent) matches that reported by the Ministry of Finance.

Nominal GDP is arithmetically consistent with real growth and the deflator for all years. The implied deflator for the second quarter of 2026 is around 10 per cent (nominal GDP of €30.3 billion compared with €26.8 billion a year earlier, with real growth of 2.8 per cent). The forecast of 9.1 per cent for the year as a whole is therefore supported by the data, although the deterioration in terms of trade resulting from rising energy prices typically reduces the deflator relative to consumer prices.

The Council draws attention to the medium-term profile of the deflator. The decline in the deflator from 9.1 in 2026 to 5.7–3.6 in 2027–2029 is large and is not explained in the accompanying note.

The Council considers that the forecast for the deflator for 2027–2029 requires further justification.

6. External and monetary sector

The current account deficit for January–July 2026 stands at €5.43 billion (€2.47 billion a year earlier). The Ministry of Finance's forecast of 6.4 per cent of GDP (around €8.35 billion) implies a deficit of around €2.9 billion for August–December, smaller than that for the same period in 2025 (around €4.1 billion, calculated from the Ministry of Finance's data for the year). If last year's pattern were to be repeated, the deficit would reach around 7.3 per cent of GDP. The Council considers the forecast to be realistic, with a risk of a larger deficit.

The projected deficits of over 5 per cent of GDP throughout the period and the trade deficit of around 9 per cent of GDP reflect strong domestic demand and a loss of price competitiveness (the unit labour cost index is rising faster than the euro area average). These are a source of macroeconomic imbalances in the context of the macroeconomic imbalances procedure. Foreign direct investment (FDI) coverage (3.7–3.8 per cent of GDP) is partial. The forecasts by the European Commission (–5.0 per cent) and the IMF (–4.0 per cent for 2026) are significantly more optimistic, but were prepared before the first-half figures were released.

The forecast for growth in loans to households (19.7 per cent in 2026, gradually slowing to 9.7 per cent in 2029) and to businesses (12.7 per cent in 2026) is consistent with the latest data: at the end of July, lending to households had risen by 20.8 per cent, mortgage lending by 25.7 per cent, and lending to non-financial corporations by 13.0 per cent. The Council considers this forecast to be realistic for 2026.

The slowdown in lending after 2026 is explained by slower income growth, but is not linked to higher interest rates following the ECB's tightening. If the EURIBOR follows the ECB's trajectory (3.0 per cent in 2027), the slowdown would be more rapid. The Council notes the mounting risks in the housing market (prices rose by 15.5 per cent year-on-year in the second quarter) and considers that the alternative scenario should factor in a sharper cooling of credit and the housing market.

7. Comparison with the European Commission's forecast

In accordance with Article 4(1) of Directive 2011/85/EU and Article 75(1) of the Public Finance Act, the Ministry of Finance is required to compare its forecast with the European Commission's most recent forecast and to explain any significant differences. Table 5 presents the comparison prepared by the Fiscal Council.

Table 7. Ministry of Finance forecast (autumn 2026) compared with the European Commission's forecast (spring 2026)

Indicator	MoF 2026	EC 2026	Difference	MF 2027	EC 2027	Difference
Real GDP growth, %	3.0	2.5	+0.5	2.5	2.2	+0.3
Inflation (HICP), %	4.8	4.2	+0.6	4.0	2.6	+1.4
Unemployment, %	3.4	3.7	–0.3	3.4	3.9	–0.5
Current account, % of GDP	–6.4	–5.0	–1.4	–5.8	–5.0	–0.8

Sources: Ministry of Finance; European Commission, Spring 2026 Economic Forecast (cut-off date 29 April 2026). Differences of more than 0.3 percentage points for growth and 0.5 percentage points for inflation are marked as significant.

Some of the differences are due to the Ministry of Finance's more recent data (reporting figures for the first half of the year, higher energy prices). The European Commission will publish its autumn forecast in November 2026. The significant differences regarding growth in 2026, inflation in 2027 and the current account must be explained in the published forecast and in the Draft Budget Plan.

8. Risks and alternative scenarios

Table 8. Risk matrix

Risk	Probability	Impact on growth	Impact on inflation	Impact on the budget
Escalation in the Middle East, permanent closure of the Strait of Hormuz, Brent above US$100	Moderate	Negative (–0.3 to –0.5 percentage points)	Positive (+0.5 to +1.0 percentage points)	Higher nominal revenues, but pressure for compensatory measures
Faster tightening of the ECB's monetary policy (EURIBOR around 3 per cent)	Medium –high	Negative (credit, investment, housing)	Negative	Higher interest expenses
Fiscal consolidation under the excessive deficit procedure	High	Negative (0.2–0.4 percentage points in 2027)	Slightly negative	Reduces the deficit
Lower growth in the EU and trade fragmentation (protectionism)	Moderate	Negative (exports)	Unclear	Lower revenue
Missed EU funding and a sharper decline in public investment	Medium –high	Negative in 2027	Slightly negative	Pressure for national funding
A sharper slowdown in consumption (adjustment in credit and the housing market)	Low–medium	Negative	Negative	Lower VAT revenue
Higher wages in a tight labour market	Moderate	Positive in the short term	Positive	Mixed
Consumption to remain strong in the second half of 2026	Low–medium	Positive	Positive	Higher revenue

The projections are indicative expert assessments by the Financial Stability Board and are intended to classify risks rather than to provide a precise quantitative measurement.

Risk balance.

Risks to real growth are tilted to the downside in 2026 and 2027, risks to inflation are tilted to the upside in 2026 and balanced in 2027. For nominal GDP, the risks have shifted to the downside in 2027–2029 due to the medium-term profile of the deflator.

Alternative scenario. The Council welcomes the Ministry of Finance's intention to publish an alternative scenario featuring a more adverse external environment and higher energy prices. To comply with Article 4 of Directive 2011/85/EU and best practice, the scenario must: (i) be quantified for all indicators in the main table; (ii)

include domestic shocks (a sharper credit crunch, a lower deflator, shortfalls in social security contributions); (iii) contain an assessment of the effects on revenue, the deficit and debt; (iv) specify the probability of the scenario. The Council will assess the alternative scenario following its publication.

9. Summary assessment

Table 9. Summary assessment

Indicator	MF 2026	MF 2027	Range of other forecasts 2026 / 2027	FC estimate
Global growth, %	3.0	3.4	2.9–3.0 / 3.0–3.4	Realistic
Growth in the EU, %	1.2	1.4	0.9–1.1 / 1.0–1.4	Realistic (with a slight downside risk)
Brent, US$/barrel	90.9	80.5	82–90 / 76–85	Realistic as at 3 September, now with upside risk
3-month EURIBOR, %	2.3	2.5	2.4 / 3.0 (ECB)	Optimistic (low)
Real GDP, %	3.0	2.5	2.5–2.8 / 2.2–2.9	Optimistic (2026) / realistic (2027)
Final consumption, %	5.2	3.5	–	Realistic
Investment in fixed capital, %	5.8	–0.7	–	Realistic, requires justification (PBU)
Exports, %	0.5	3.7	–	Realistic, but requires acceleration
Employment, %	0.5	0.2	–	Optimistic (2026)
Unemployment, %	3.4	3.4	3.7 / 3.9 (EC)	Realistic
Compensation per employee, %	8.5	6.2	–	Realistic)
HICP, %	4.8	4.0	3.8–5.0 / 2.6–3.8	Realistic (2026) / cautious (2027)
GDP deflator, %	9.1	5.7	–	Realistic (2026) / requires justification (2027–29)
Current account, % of GDP	–6.4	–5.8	–4.0 to –5.0 / –3.2 to –5.0	Realistic, with a risk of a larger deficit
Household credit, %	19.7	14.9	–	Realistic

The ranges include the latest available forecasts from the European Commission, the IMF, the OECD, the ECB, the Bulgarian National Bank, the World Bank and the EBRD (April–September 2026).

On the basis of the above, the Fiscal Council concludes that the Ministry of Finance's Autumn Macroeconomic Forecast for 2026–2029 has been prepared on the basis of up-to-date reporting data and standard technical assumptions, is internally consistent in terms of national accounts and nominal GDP, and, on the whole, describes a plausible scenario for the development of the Bulgarian economy. The forecast for 2027, which forms the basis of the draft budget, falls within the acceptable range.

The Council approves the forecast with the following recommendations and reservations:

Recommendations: 1) The forecast of 3.0 per cent real growth for 2026 should be substantiated with a quarterly profile and a breakdown of the contributing components, or the forecast should be revised towards the upper limit of the range (around 2.8 per cent); 2) The assumptions regarding EURIBOR (following the ECB's decision of 10 September 2026) and the price of oil should be updated or included in the sensitivity analysis; 3) The alternative scenario should be described in quantitative terms, including domestic shocks and an assessment of the budgetary effects; 4) The assumptions regarding fiscal policy (public consumption and investment, the effect of consolidation

and the end of the Public Debt Management Programme) should be specified.

Reservations regarding: 1) real growth and employment in 2026, which are assessed as optimistic; 2) the assumptions regarding interest rates and the price of oil, which do not reflect developments after 3 September 2026; 3) the lack of a comparison with the European Commission's forecast and of an explanation for the significant differences.

Given the dowsiderisks to growth and nominal GDP, the Council recommends that budget planning for 2027 be based on a cautious approach to the revenue forecast and include a buffer to cope with an adverse scenario, particularly in view of the commitments under the excessive deficit procedure.

10. Conclusion

The Fiscal Council **approves** the Ministry of Finance's (MoF) Autumn Macroeconomic Forecast for the period 2026–2029, submitted by letter ref. No. 61-00-96 of 15 September 2026, as the basis for drawing up the draft state budget for 2027 and Bulgaria's Draft Budget Plan for 2027.

The Council assesses the macroeconomic scenario for 2027–2029 as realistic and within the acceptable range relative to the forecasts of independent institutions. For 2026, the forecast for real GDP growth of 3.0 per cent is at the upper end of the available forecasts (2.5–2.8 per cent) and implies an acceleration in quarterly growth during the second half of the year, which is not currently supported by short-term indicators.

CHAIRMAN OF THE FISCAL COUNCIL
SIMEON DYANKOV