



## **The crisis in Bulgaria: small downturn and hard to get loans**

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**Sofia.** Economy growth will be around 4,7%, the cabinet expects. Some economists predict growth lower than 4%, others believe it will remain as high as this year's, the **24 chasa Daily** informs.

There are different expectations for two other indicators - unemployment rate and labor cost reduction. According to the macroeconomic frame of the budget drastic increase of unemployment is expected. There is also a 10% income growth and 20% increase of pensions.

The real sector is already suffering from a shortage of fresh finances because of the tightened credit regulations banks imposed. Numerous or chain reaction types of bankruptcies are not expected, but rather expected are bankruptcies of separate companies. The crisis will affect mostly construction, tourism and real estate market.

The amount of guaranteed bank deposits was increased in order to preserve the stability in the banking sector. All analysts are unanimous that the currency board will preserve the stability of the Bulgarian currency. What is expected however is increase in corporate loans and reduction of the amount of consumer and mortgage loans.

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