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Statement of Mr. Vladislav Goranov

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European Bank for Reconstruction and Development**

On the Occasion of the 27th EBRD Annual Meeting, Dead Sea, Jordan, 9-11 May, 2018

First of all I would like to thank the Kingdom of Jordan for hosting the Twenty-seventh Annual Meeting of the EBRD and for their warm welcome and hospitality. We are very pleased to be visiting this beautiful and forward-looking country, which has managed to provide stability and economic assurance to its investors. We acknowledge the great importance of the first EBRD Annual Meeting in the Southern and Eastern Mediterranean for the future activity of the Bank in this relatively new region of operations.

I would like also to express our appreciation for the dedicated work of President Suma, the management and the staff of the Bank in promoting the transition objectives in the countries of operations while, at the same time, maintaining the financial stability of the institution.

We congratulate the EBRD on the strong operational and financial results in 2017 despite the continuing challenging economic and political environment. We warmly commend the Bank on its record investments of €9.8 billion in 412 projects in the countries of operations, as well as the high Transition Impact scores. In the effort to energise economies and render them more resilient, EBRD has proven to be a very important and reliable partner to the region of operations for a consecutive year. At the current stage of transition we would like to encourage the Bank to continue delivering strong support like at the beginning of its mandate and to pursue opportunities in all countries of operations.

As Bulgaria goes forward with our Presidency of the EU Council, we are pleased to share with you our priorities which align with the Bank's strategy for our region - economic and social cohesion with a focus on the next EU multiannual financial framework, stability and security of Europe, more efficient migration management, digital economy and skills for the future, prospects and connectivity of the Western Balkans.

In line with our mutual priorities for the development and prospect of the Western Balkans, Bulgaria's Prime Minister Boyko Borissov opened the third Western Balkans Investment Summit organized by the EBRD in London on 26 February. We are fully aware that the increase of the impact and visibility of the investments in the Western Balkans needs further development of the regional integration and connectivity, both digital and infrastructure. In this respect, we value EBRD's continued support to the region and we are looking forward to cooperate on this topic and share information regarding various events and initiatives related to Western Balkans. We highly appreciate the personal active commitment of President Suma and we would be glad to welcome him on the EU-Western Balkans Summit in Sofia on 16-17 May.

Turning now to Bulgaria, it is worth to note that the economic situation of the country remained stable in 2017. After growing 3.9 per cent in 2016, the economy expanded by 3.6 per cent and 3.9 per cent in the first two quarters of 2017. Private consumption was the main driver of growth as a result of a 10 per cent year-on-year increase in average wages and growing consumer confidence. The fiscal objectives of the Bulgarian government remain

oriented at maintaining the sustainable budgetary framework: Bulgaria has the third lowest government debt-to-GDP ratio at the end of 2017 (25.4 %).

We are pleased to note that EBRD has been making further steps in delivering its goals and priorities, outlined in the current Strategy for Bulgaria, in particular that of enhancing competitiveness through improved efficiency, governance and innovation. The Bank has provided valuable support for projects aimed at strengthening the financial sector and capital markets, and through this, ensuring sufficient funds for the SMEs. We would like to encourage EBRD to further its engagements in the corporate sector, most importantly for shifting to more productive and export-oriented activities. EBRD support would be especially appreciated for innovative, high value-added and outward-looking local companies. For these enterprises, we would also rely on the Bank's efforts to promote regional integration through cross-border investments and exports in current countries of operations.

In the backdrop of the Bulgarian Presidency's priorities, as well the EU Digital Agenda, the Bank's support for the ICT and digital sector in particular would also be welcomed. We consider that the Bank could greatly contribute for the tightening of the transition gap in competitiveness by supporting the retraining of the workforce for the new economy through vocational training, apprenticeships and other forms of practical education.

In the financial sector we would welcome the introduction of more long-term and innovative financial instruments, notably for municipal infrastructure. We would also encourage a wider regional dialogue and cooperation in the field of energy efficiency and energy security.

The Bank's continued commitment to the Bulgarian private sector is essential to delivering the Bulgarian Government's strategic priorities. Therefore, in all of the respects mentioned above, EBRD can count fully on my Government's support.

Thank you.