

## **Bulgarian morning TV soundbites September 17 2008**

11:16 Wed 17 Sep 2008 - Elitsa Savova

“Land in Bulgaria will become more expensive and the property market will suffer a crisis,” following the US financial market meltdown, economist Vladimir Karolev said on the morning show of private broadcaster Nova Television. There will not be significant collapses at the stock exchange and there are no indications of bankruptcies of Bulgarian banks, he said.

The Cabinet’s policy of keeping a high budget surplus is correct, State Administration Minister Nikolai Vassilev told Nova Television. This policy formed part of measures to counteract the financial crisis.

Financial expert Kolyo Paramov also commented on conditions facing the country’s financial sector on the Nova morning show. Bankruptcies are expected in the real estate and construction sector,” he said. According to Paramov, the big budget surplus was a mistake. The risks were bad income policy, lack of “fresh” money in the households and low purchasing power.

“Bulgaria has sufficient grounds to make Russia start negotiating on gas prices, Democrats for a Strong Bulgaria (DSB) leader Ivan Kostov told Nova. The cause of the energy crisis lay in the re-negotiated terms of the contract with Russia and the low purchasing power of Bulgarians, he said. “DSB had been insisting on re-consideration of strategic decisions for the Bulgarian economy for a long time,” Kostov said. “The Cabinet should demand re-negotiation. The least it could do is demand a postponement of gas price increases,” he said.

Bulgaria will suffer secondary consequences from the financial crisis in the US, municipal councillor from the Bulgarian Socialist Party Georgi Kadiev told private broadcaster bTV. It would be hard for those banks owned by western European banks to make more money and so they would start collecting resource from the Bulgarian market, increasing the deposit interests, which would lead to an increase in credit interest rates. People should not take out loans unless they were imperative, Kadiev said.