



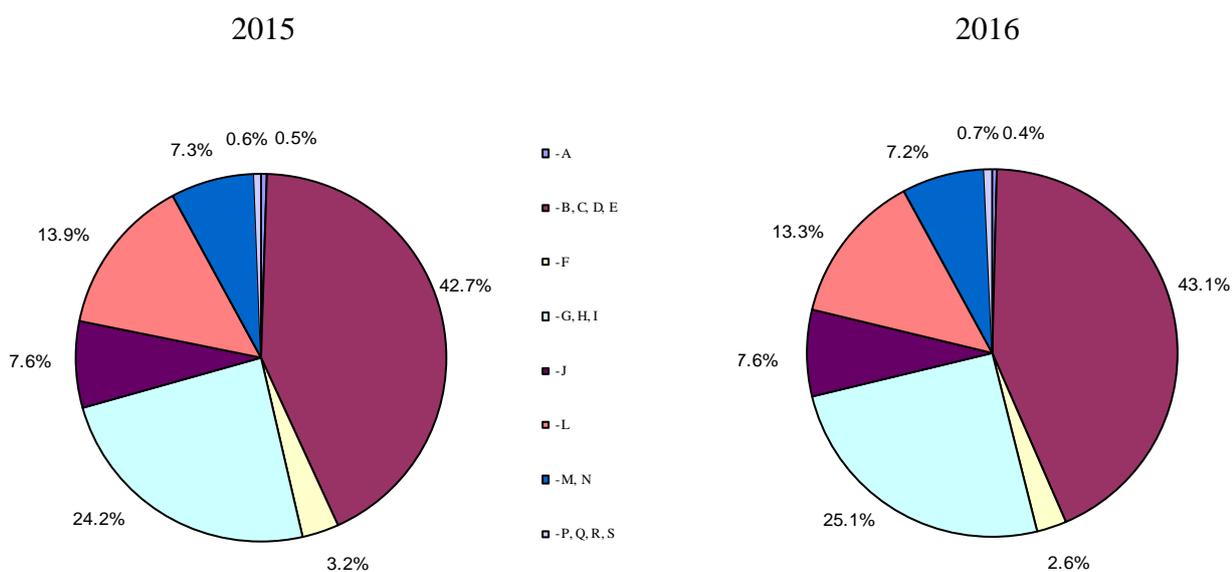
FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2016 (PRELIMINARY DATA)

1. Foreign direct investments

According to preliminary data the foreign direct investments in the non-financial sector as of 31.12.2016 amounted to 23 491 million Euro, which is 1.4% more compared to 2015.

In 2016 the largest volume of the foreign direct investments was made in Industry - 10 139 million Euro and in Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 5 887 million Euro. These two activities formed 68.2% of the total foreign direct investments, as their relative share increased by 1.3 percentage points with comparison with the previous year. The foreign direct investments in Construction sector are 608 million Euro or by 19.4% less as compared to 2015.

**Figure 1. Structure of the foreign direct investments in non-financial enterprises
by economic activity as of 31.12.**



Economic activities by section (NACE Rev. 2):

A - Agriculture, forestry and fishing

B, C, D, E - Manufacturing; Mining and quarrying and other industry

F - Construction

G, H, I - Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities

J - Information and communication

L - Real estate activities

M, N - Professional, scientific, technical; Administration and support service activities

P, Q, R, S - Other services

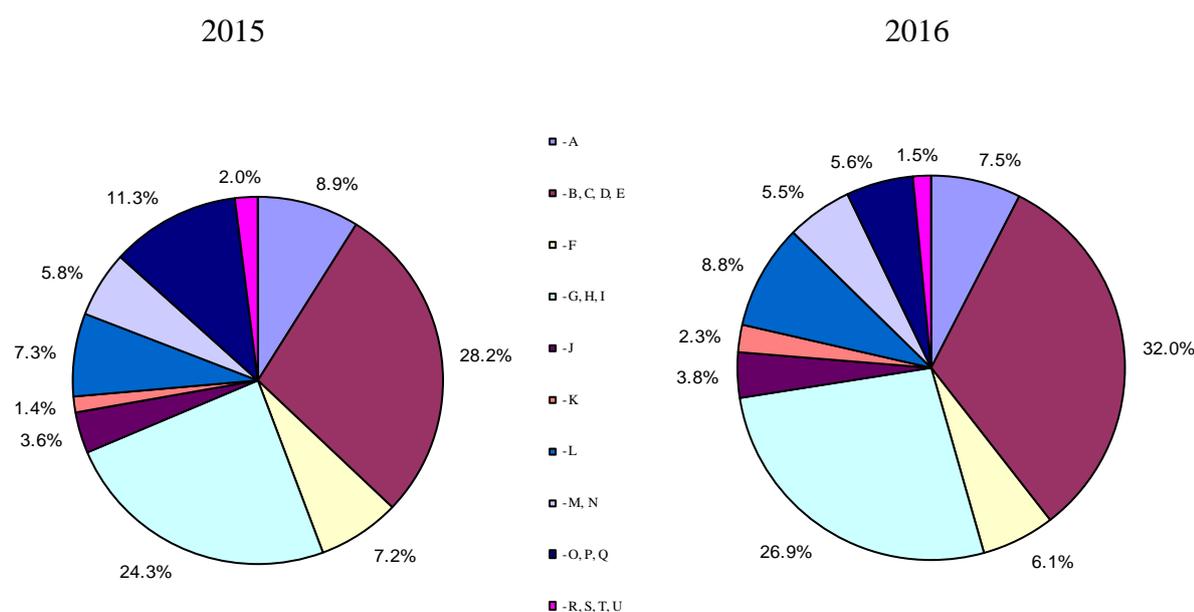


2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2016 the actual expenditure on acquisition of tangible fixed assets in all sectors of the economy amounted to 17 619 million BGN and decreased by 16.9% compared to the previous year.

The largest volume of investments in tangible fixed assets was invested in the sector of Industry - 5 638 million BGN and in the Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 4 744 million BGN. In 2016 these sectors formed 58.9% of total expenditure on acquisition fixed assets. The investment in tangible fixed assets in the Construction sector was 1 083 million BGN and decreased by 28.5% compared to 2015.

Figure. 2. Structure of the expenditure on acquisition of tangible fixed assets in 2015 and 2016 by economic activity



Economic activities by section (NACE Rev. 2):

A - Agriculture, forestry and fishing

B, C, D, E - Manufacturing; Mining and quarrying and other industry

F - Construction

G, H, I - Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities

J - Information and communication

K - Financial and insurance activities

L - Real estate activities

M, N - Professional, scientific, technical; Administration and support service activities

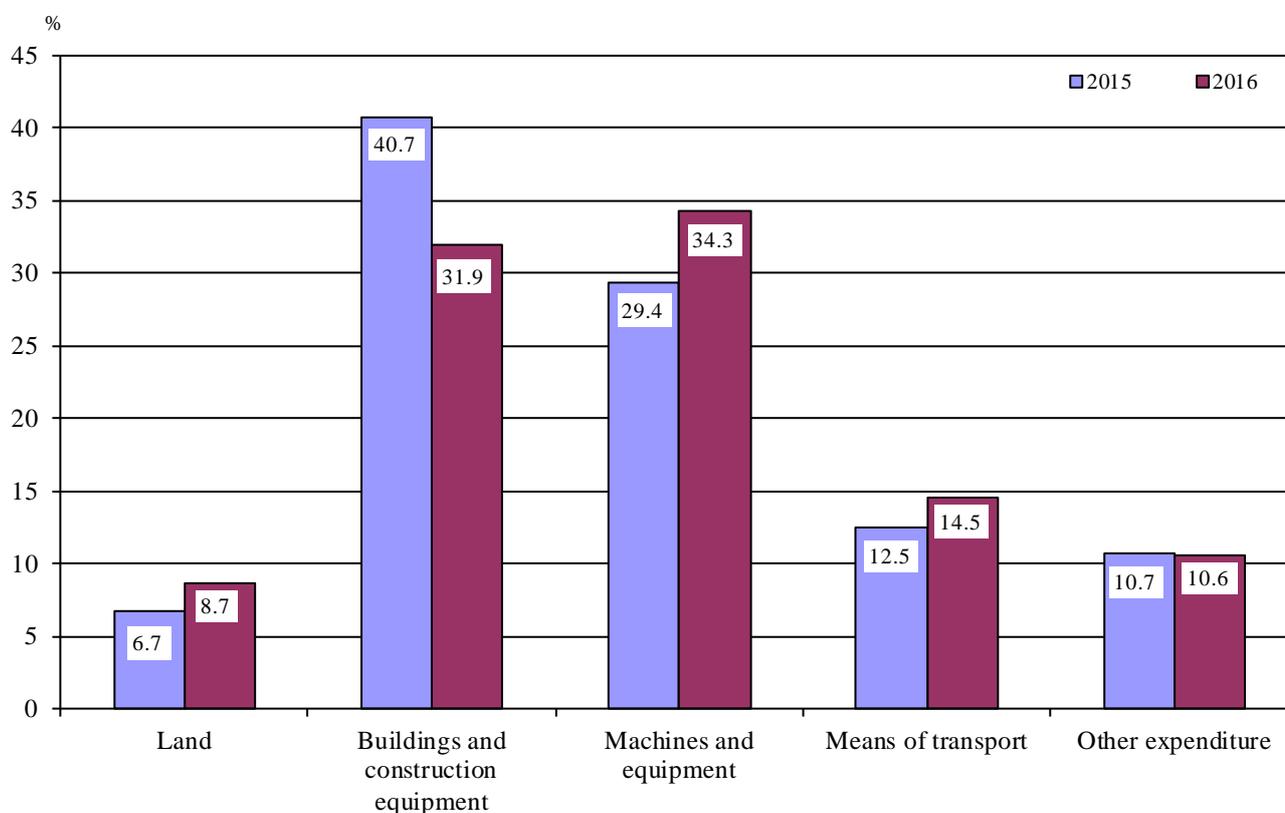
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services



In 2016 the structure of expenditure on acquisition of tangible fixed assets by kind was changed. The relative share of investments for buildings and construction equipment decreased by 8.8 percentage points compared to the previous year and reached 31.9%. At the same time the expenditure for machines and equipment increased by 4.9 percentage points, for the purchase of land - by 2.0 percentage points and for means of transport - by 2.0 percentage points which formed 34.3%, 8.7% and 14.5% of total investments of tangible fixed assets respectively.

Figure. 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2015 and 2016





Methodological notes

Foreign direct investment is an investment, which includes long-term relationship, referring to a significant degree of influence of a resident of a foreign economy (foreign direct investor) on the management of an enterprise - resident of the Bulgarian economy (investment enterprise). Direct investment comprises not only the initial transaction establishing the relationship between the investor and the enterprise but also all subsequent transactions between them.

The volume of the foreign direct investment in the investment enterprise is defined as a sum:

- Of the foreign share in the equity capital of the enterprise;
- Plus the amount of the unpaid part of long and short-term loans and trade credits granted by the foreign investor to the investment enterprise as of 31.12. of the surveyed year;
- Minus the amount of unpaid part of the long and short-term loans and trade credits granted by the investment enterprise to the foreign investor as of 31.12. of the surveyed year.

The expenditure on acquisition of tangible fixed assets during the period under review include the actual costs: land purchase and building construction, construction equipment and mechanisms through order and produced by own account, for delivery and installation of tangible fixed assets, for machinery, equipment and means of transport, for geological and hydrological prospecting, for research and design related to construction and other expenditure, connected with acquiring tangible fixed assets.

The current maintenance cost of existing tangible fixed assets is not included in the volume of expenditure on acquisition of tangible fixed assets.



Annex

Table 1

Expenditure on acquisition of tangible fixed assets by economic activity

(Million BGN)

Economic activity groupings (A10) by NACE Rev. 2	2013	2014	2015	2016¹
Total	18089	20124	21191	17619
Agriculture, forestry and fishing	1529	1441	1893	1313
Manufacturing, mining and quarrying and other industry	5963	6325	5976	5638
Construction	1300	1903	1515	1083
Wholesale and retail trade, transportation and storage, accommodation and food service activities	4036	5003	5157	4744
Information and communication	585	770	767	674
Financial and insurance activities	391	416	305	407
Real estate activities	1682	1365	1536	1552
Professional, scientific, technical, administration and support service activities	743	1000	1223	963
Public administration, defense, education, human health and social work activities	1511	1584	2396	978
Other services	349	317	423	267

¹ Data are preliminary.