

METHODOLOGY

FOREIGN DIRECT INVESTMENTS IN NON-FINANCIAL SECTOR

1. Purpose, nature and use

The National Statistical Institute conducts an annual statistical survey on foreign direct investments (FDI) in the enterprises from the non-financial sector of the national economy as of 31.12. of the year.

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.

A foreign direct investor is an investor - resident of a foreign economy, who has performed direct investment in Bulgarian enterprise. This investment ensures a significant degree of influence on the management of the enterprise.

An investment enterprise is an enterprise - resident of the Bulgarian economy in which an investment by foreign direct investor is performed and this investment ensures a significant degree of influence on the management of the enterprise.

2. Coverage and source of information

The FDI statistical survey is annual, exhaustive and covers the non-financial enterprises in which foreign direct investor owns 10 up to 100% shares in the equity capital obtaining a lasting interest and significant degree of influence on the management. The annual statistical questionnaire provides information on the volume of foreign direct investments as of 31st of December of the surveyed year.

The enterprises balance sheet values are a source of information for filling in data in the statistical questionnaires for FDI.

3. Main statistical indicators

The statistical questionnaire contains indicators, characterizing:

- The share of foreign owners in the equity capital;
- The long and short-term inter-company debt transactions (loans) between foreign direct investor and investment enterprise (unpaid part of liabilities and trade credits both from direct investor to investment enterprise and from investment enterprise to direct investor are included);
- Net operating profit of the reference period;
- Distributed profits during the surveyed year;
- The forms of share of the foreign investor in the capital and reserves as of 31 of December (monetary and non-monetary);
- The kind of enterprise with foreign share - according the year and the way of its establishment.

Data on every indicator are shown as a total for each enterprise and separately for the foreign share, broken down by countries of the foreign investors.

The total volume of the foreign direct investments in the non-financial sector (as of 31 of December) is formed as a sum of the foreign direct investments in the non-financial enterprises.

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 elaborated basic methodological framework for foreign direct investments in the non-financial sector adheres to the requirements of the International Monetary Fund, the

Organization for Economic Cooperation and Development and legislation peculiarities in the Republic of Bulgaria.

4. Organization of the survey

The Structural Business Statistics Division of NSI is responsible for elaboration of the methodology, statistical tools and organization of the carried out statistical survey on foreign direct investments.

Statistical data processing is automated and a decentralized method is used. The reported data of the enterprises with foreign share are input by the corresponding territorial statistical offices after the logical and arithmetical software check.

5. Used classifications and nomenclatures:

- National Classification of the Economic Activities (NACE.BG2008);
- Classification of the countries and international organizations.

6. Publicity and transparency

Access to the applied methodology

The methodology and aggregated survey results about foreign direct investments in non-financial enterprises are publicly available.

Publications

Statistical data are published in:

- *Statistical Yearbook* - NSI annual publication.

Internet

Output tables from the survey on foreign direct investments in the enterprises of the non-financial sector (as of 31 of December of the surveyed year) are posted on the NSI web site.

Data provision

The results of the annual statistical survey on foreign direct investments are available in the Structural Business Statistics Division of NSI.

According to the Rules for data dissemination the results of the survey are provided by Statistical Service Division of NSI (on electronic carrier or paper) by request or according signed agreements.