



FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS

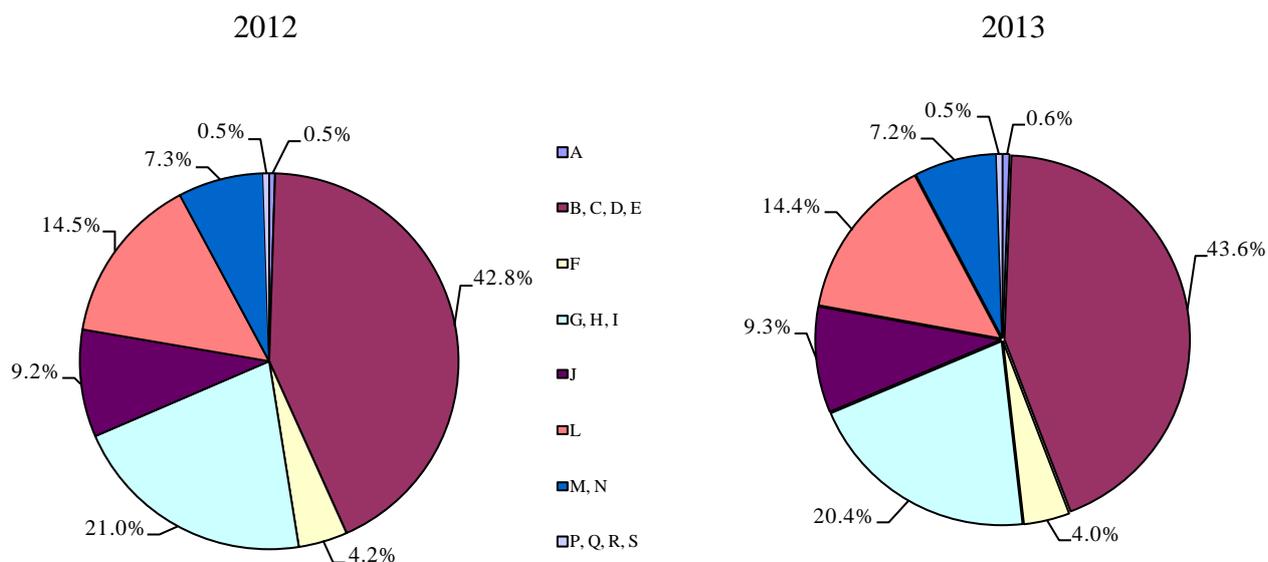
1. Foreign direct investments

According to preliminary data the foreign direct investments in the non-financial sector as of 31.12.2013 amounted to 22 948 million Euro, which is 4.5% more compared to 2012.

The largest volume of the foreign investments was made in Industry - 10 011 million Euro and Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 4 688 million Euro.

In 2013 these activities formed 64.1% of the total foreign direct investments, as their relative share increased by 0.2 percentage points with comparison with the previous year. The foreign direct investments in Construction sector amounted to 918 million Euro or by 0.3% more as compared to 2012.

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



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

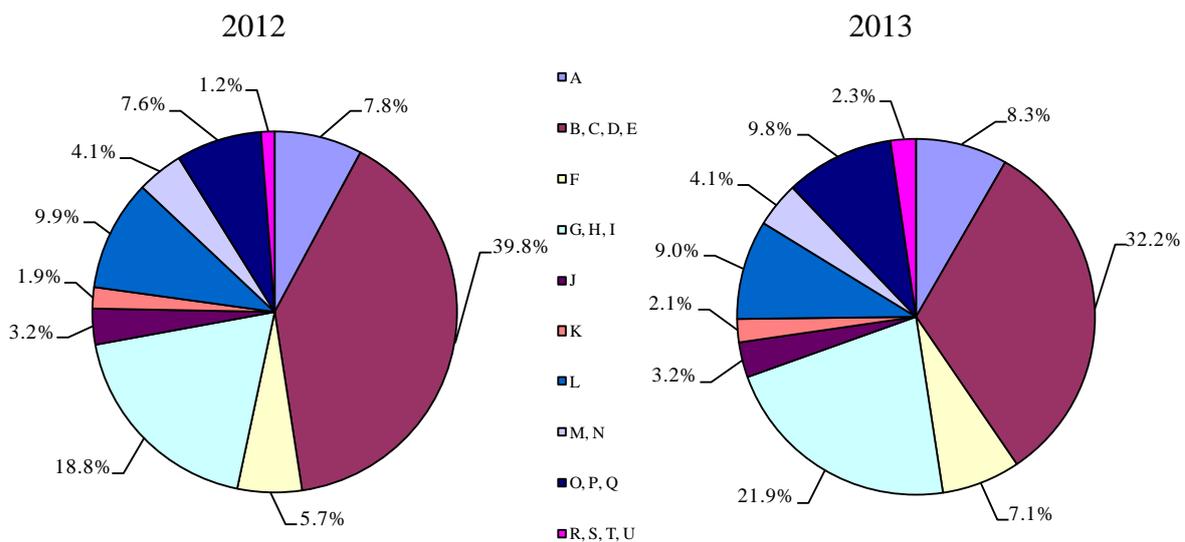


2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2013 the actual expenditure on acquisition of tangible fixed assets in all sectors of the economy amounted to 18 351 million BGN and decreased by 3.9% compared with the previous year.

The largest volume of investments in tangible fixed assets was invested in the sector of Industry - 5 912 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) - 4 016 million BGN. In 2013 these sectors formed 54.1% of total expenditure on acquisition fixed assets. The investment in tangible fixed assets in the Construction sector was 1 298 million BGN and increased by 19.3% compared with 2012.

Figure. 2. Structure of the expenditure on acquisition of tangible fixed assets in 2012 and 2013 by economic activity

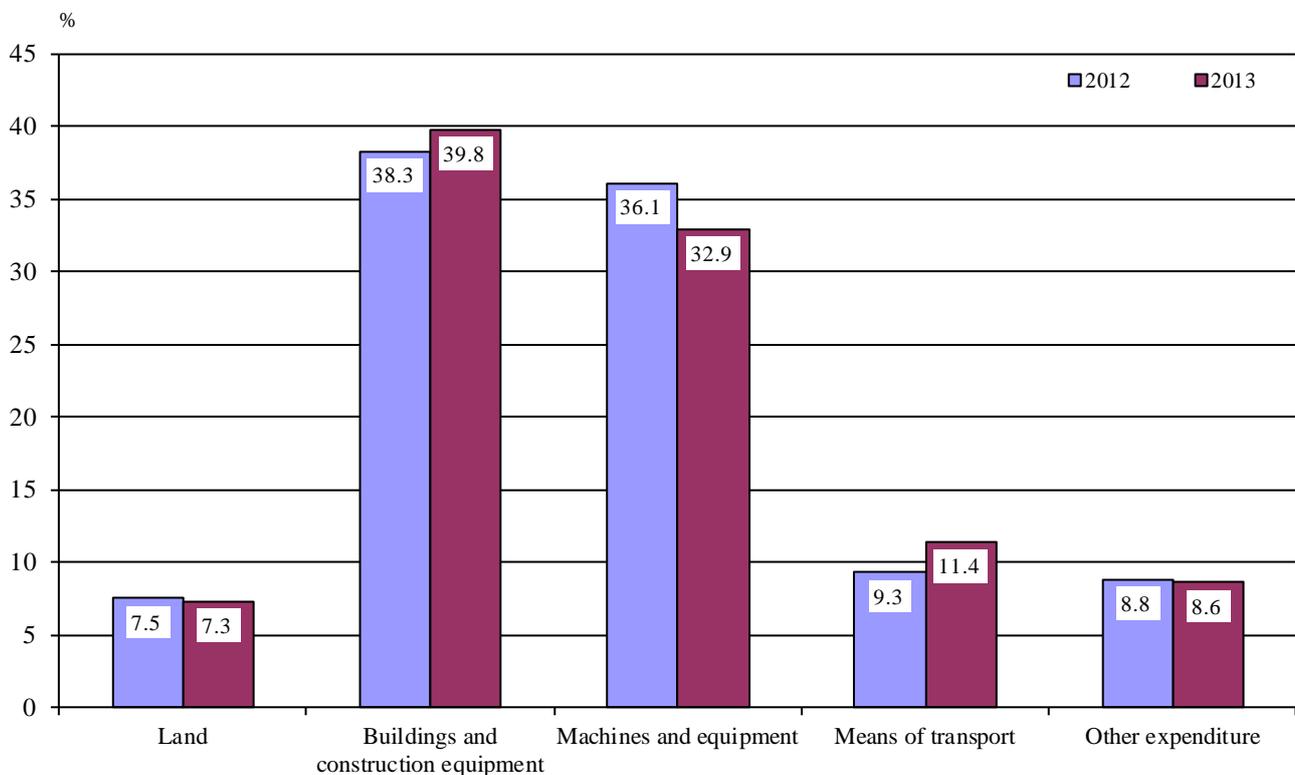


- A - Agriculture, forestry and fishing
- B, C, D, E - Manufacturing; Mining and quarrying and other industry
- F - Construction
- G, H, I - Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities
- J - Information 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 2013 the structure of expenditure on acquisition of tangible fixed assets by kind was changed. The relative share of investments for machines and equipment reduce by 3.2 percentage points compared with the previous year and was 32.9%. The share of the expenditure for purchase of land decreased by 0.2 percentage points and was 7.3%. At the same time observed an increase of the relative share of expenditure for means of transport by 2.1 percentage points and of buildings and construction equipment - by 1.5 percentage points, which formed 11.4% and 39.8% from total investments respectively.

Figure. 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2012 and 2013





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)	2010	2011	2012	2013 ¹
Total	16218	17914	19091	18351
Agriculture, forestry and fishing	915	1470	1480	1531
Manufacturing, mining and quarrying and other industry	5104	5361	7602	5912
Construction	1369	1147	1088	1298
Wholesale and retail trade, transportation and storage, accommodation and food service activities	3887	4143	3588	4016
Information and communication	733	600	618	585
Financial and insurance activities	320	424	369	392
Real estate activities	1592	2498	1896	1657
Professional, scientific, technical, administration and support service activities	775	833	783	747
Public administration, defense, education, human health and social work activities	1255	1215	1443	1791
Other services	268	223	224	422

¹ Data are preliminary.