



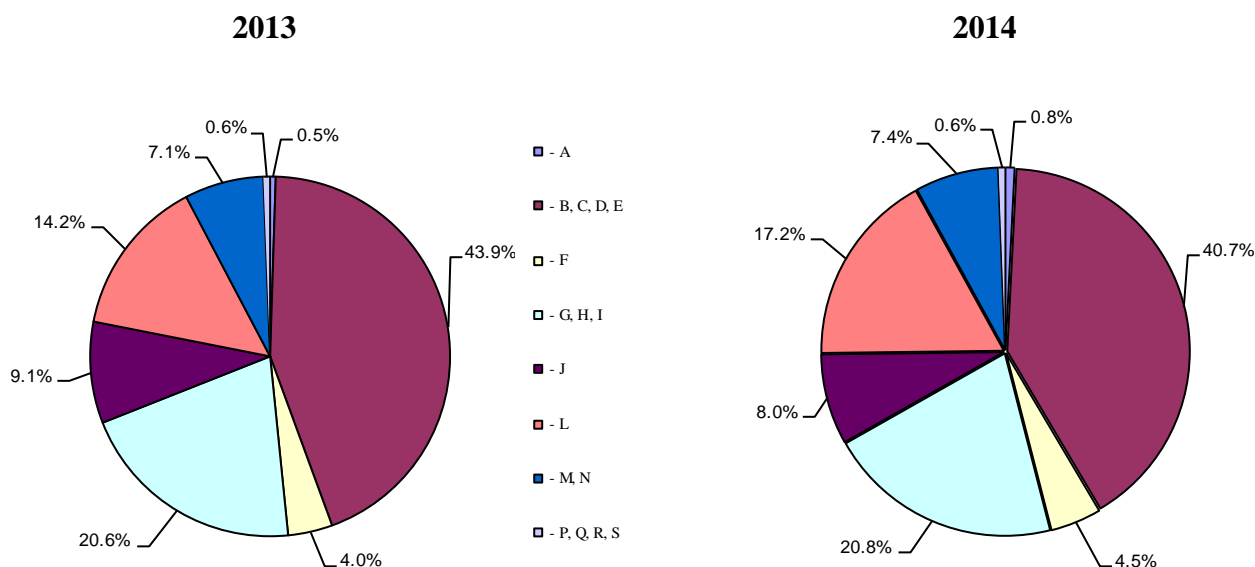
## FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2014 (PRELIMINARY DATA)

### 1. Foreign direct investments

According to preliminary data the foreign direct investments in the non-financial sector as of 31.12.2014 amounted to 21 953 million Euro, which is 5.9% less compared to 2013.

In 2014 the largest volume of the foreign direct investments was made in Industry - 8 945 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) - 4 576 million Euro. These two activities formed 61.6% of the total foreign direct investments, as their relative share decreased by 2.9 percentage points with comparison with the previous year. The foreign direct investments in Construction sector amounted to 994 million Euro or by 7.0% more as compared to 2013.

**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

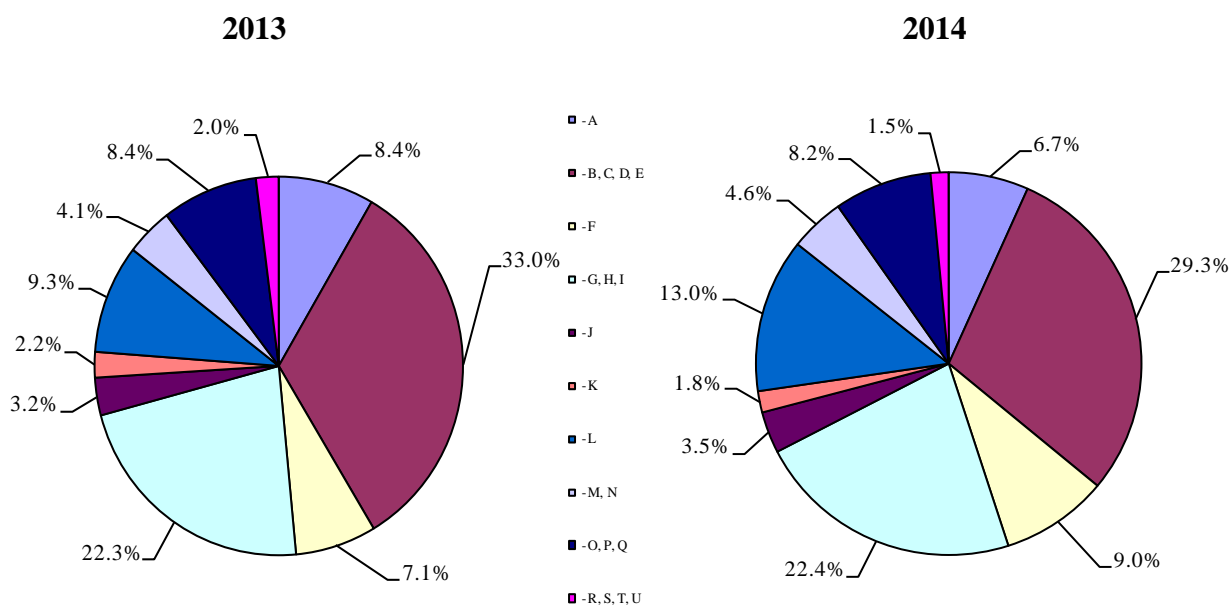


## 2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2014 the actual expenditure on acquisition of tangible fixed assets in all sectors of the economy amounted to 21 493 million BGN and increased by 18.8% compared to the previous year.

The largest volume of investments in tangible fixed assets was invested in the sector of Industry - 6 287 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) - 4 815 million BGN. In 2014 these sectors formed 51.7% of total expenditure on acquisition fixed assets. The investment in tangible fixed assets in the Construction sector was 1 928 million BGN and increased by 48.3% compared to 2013.

**Figure. 2. Structure of the expenditure on acquisition of tangible fixed assets in 2013 and 2014 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

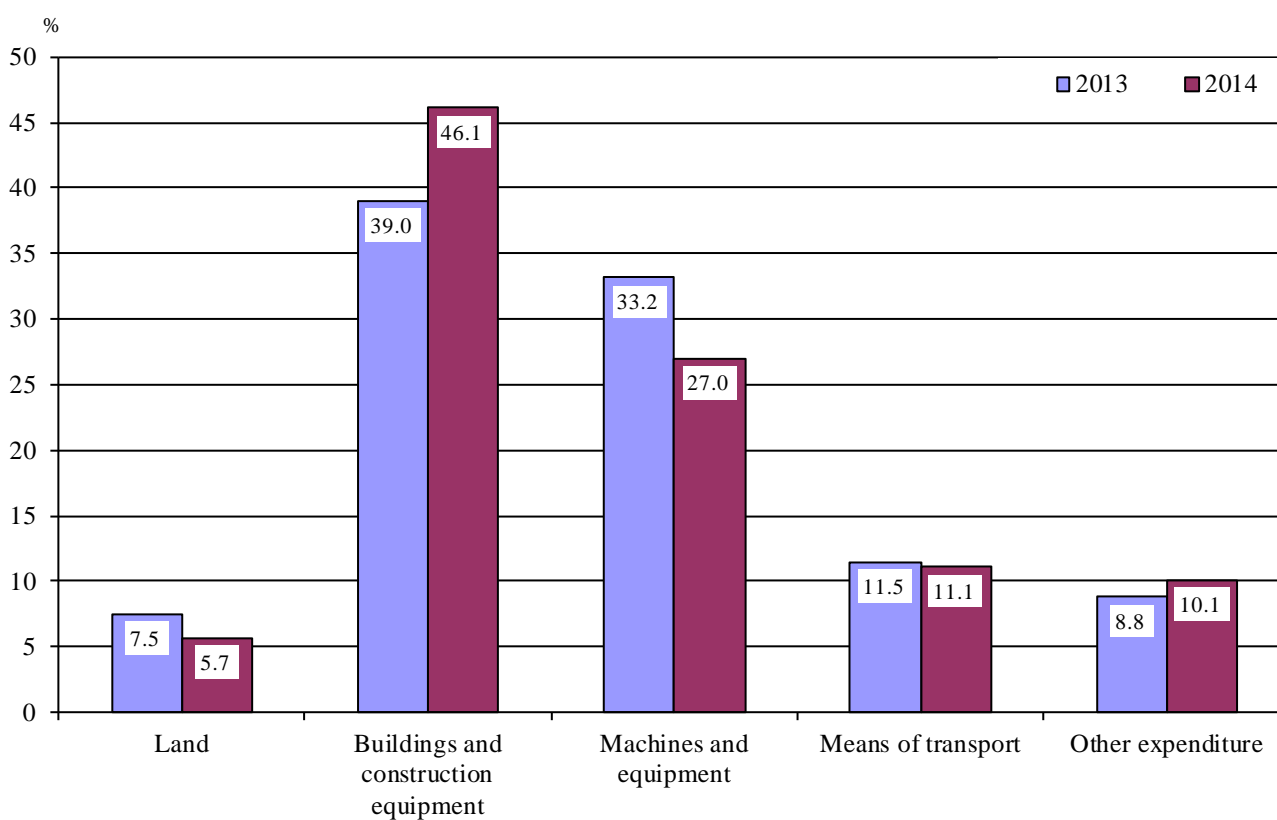
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services



In 2014 the structure of expenditure on acquisition of tangible fixed assets by kind was changed. The relative share of investments for buildings and construction equipment increased by 7.1 percentage points compared to the previous year and reached 46.1%. At the same time the expenditure for machines and equipment decreased by 6.2 percentage points, for the purchase of land – by 1.8 percentage points and for means of transport - by 0.4 percentage points which formed 27.0, 5.7 and 11.1% of total investments of tangible fixed assets respectively.

**Figure. 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2013 and 2014**





## 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 Levs)

Economic activity groupings (A10)	2011	2012	2013	2014 <sup>1</sup>
<b>Total</b>	<b>17914</b>	<b>19091</b>	<b>18089</b>	<b>21493</b>
Agriculture, forestry and fishing	1470	1480	1529	1446
Manufacturing, mining and quarrying and other industry	5361	7602	5963	6287
Construction	1147	1088	1300	1928
Wholesale and retail trade, transportation and storage, accommodation and food service activities	4143	3588	4036	4815
Information and communication	600	618	585	764
Financial and insurance activities	424	369	391	391
Real estate activities	2498	1896	1682	2790
Professional, scientific, technical, administration and support service activities	833	783	743	1000
Public administration, defense, education, human health and social work activities	1215	1443	1511	1755
Other services	223	224	349	317

<sup>1</sup> Data are preliminary.