



FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2017 (PRELIMINARY DATA)

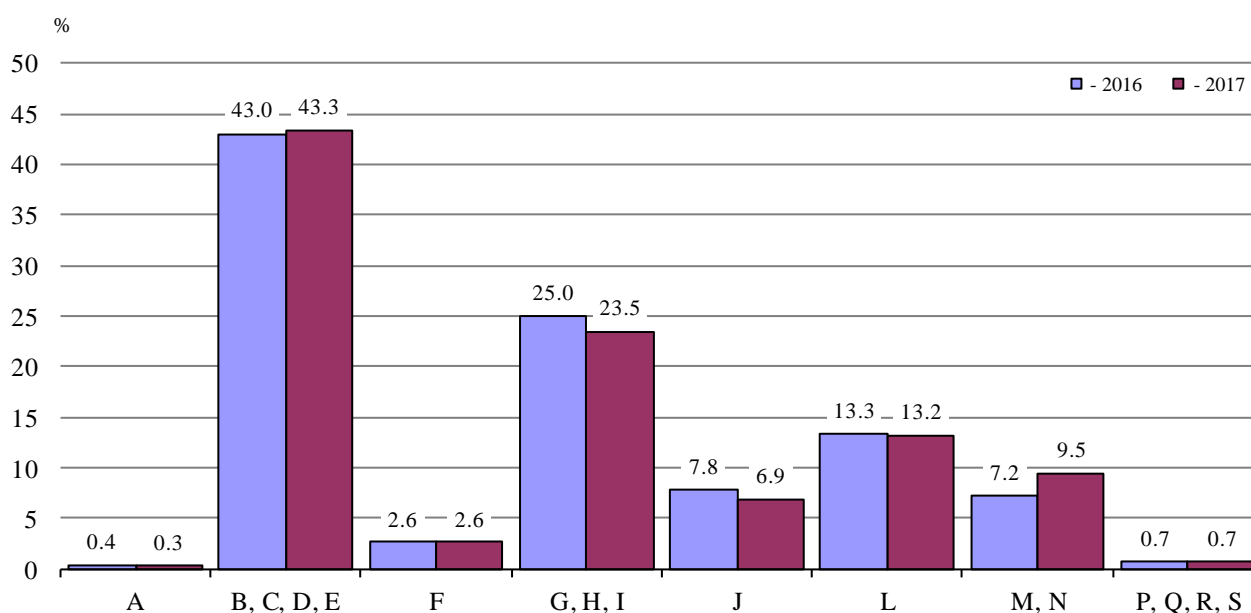
1. Foreign direct investments

According to preliminary data the foreign direct investments (FDI) in the *non-financial sector* as of 31.12.2017 amounted to 24 366 million Euro, which was 3.6% more compared to 2016.

In 2017 the largest volume of the foreign direct investments was made in Industry sector - 10 550 million Euro or by 4.3 % more than the previous year. Next by FDI volume was Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 5 715 million Euro, which was 2.6% less than in 2016.

The foreign direct investments in Construction sector was 626 million Euro in 2017 or by 2.8% more as compared to the previous year.

**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 - Education; Human health and social work activities; Arts, entertainment and recreation; Other service activities



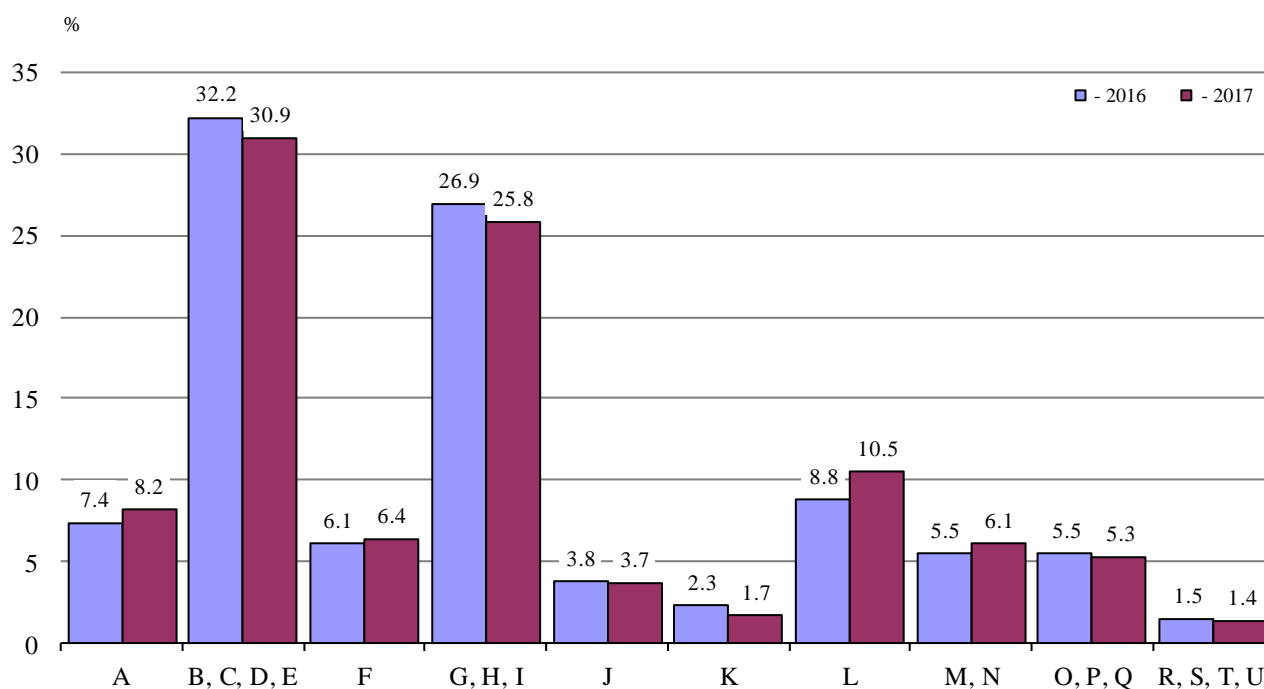
2. Expenditure on acquisition of tangible fixed assets

According to preliminary data in 2017 the expenditure on acquisition of tangible fixed assets in *all sectors of the economy* amounted to 17 621 million BGN and decreased by 0.2% compared to the previous year.

The largest volume of investments in tangible fixed assets was in the sector of Industry - 5 443 million BGN, which was 4.4% less than in 2016. The second sector by volume of investments in tangible fixed assets was Service sector (Wholesale and retail trade; repair of motor vehicles and motorcycles; Transport, communication and services; Accommodation and food service activities) - 4 554 million BGN, which was 4.0% less compared to the previous year.

In 2017 the investment in tangible fixed assets in the Construction sector was 1 121 million BGN and more by 4.3% compared to 2016.

Figure. 2. Structure of the expenditure on acquisition of tangible fixed assets in 2016 and 2017 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

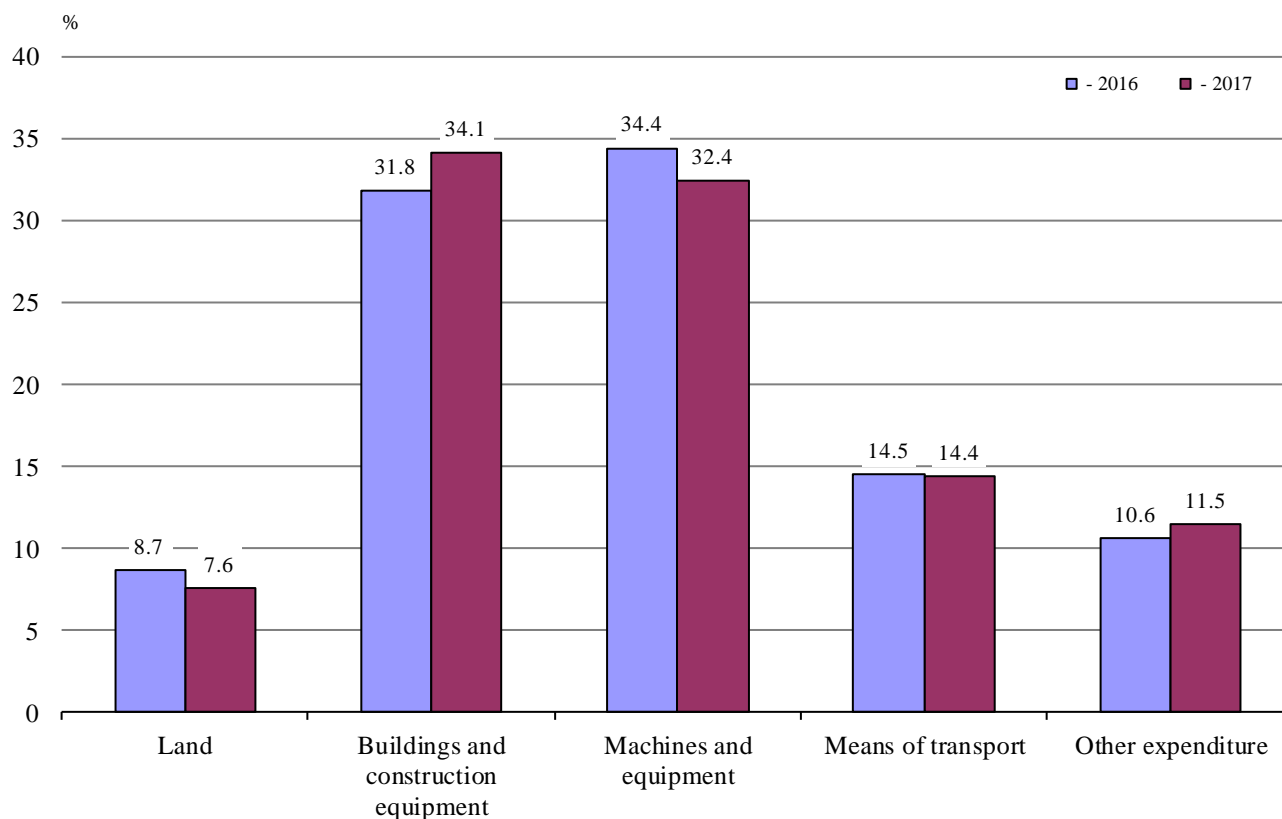
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services



In 2017, in the structure of expenditure on acquisition of tangible fixed assets by kind an increase was observed in the investments made in buildings and construction equipment, as their relative share increased by 2.3 percentage points compared to the previous year.

Figure. 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2016 and 2017





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

Foreign direct investments in non-financial enterprises by economic activity as of 31.12

(Million euro)

Economic activity groupings (A10)	NACE Rev.2 code	2014	2015	2016	2017 ¹
Non-financial enterprises²		21582	23163	23509	24366
Agriculture, forestry and fishing	A	171	113	84	68
Industry (except Construction)	B-E	8936	9882	10120	10550
Construction	F	917	755	609	626
Wholesale and retail trade, transport, accomodation and food service activities	G-I	4986	5596	5867	5715
Information and communication	J	1750	1761	1832	1681
Real estate activities	L	3045	3217	3136	3223
Professional, scientific, technical, administration and support service activities	M_N	1661	1684	1692	2323
Public administration, defence, education, human health and social work activities	O-Q	12	27	29	30
Arts, entertainment and recreation; other activities	R-U	104	128	140	150

¹Preliminary data

²The non-financial enterprises include all sections by NACE Rev. 2., with the exception of 'Financial and insurance activities', 'Public administration and defence, compulsory social security', 'Activities of membership organisations' and 'Activities of households'.



Table 2

Expenditure on acquisition of tangible fixed assets by economic activity

(Million Levs)

Economic activity groupings (A10)	NACE Rev. 2 code	2014	2015	2016	2017¹
Total		20124	21191	17672	17621
Agriculture, forestry and fishing	A	1441	1893	1316	1448
Industry (except Construction)	B-E	6325	5976	5692	5443
Construction	F	1903	1515	1075	1121
Wholesale and retail trade, transport, accommodation and food service activities	G-I	5003	5157	4745	4554
Information and communication	J	770	767	673	659
Financial and insurance activities	K	416	305	407	294
Real estate activities	L	1365	1536	1552	1842
Professional, scientific, technical, administration and support service activities	M_N	1000	1223	967	1068
Public administration, defence, education, human health and social work activities	O-Q	1584	2396	979	938
Arts, entertainment and recreation; other activities	R-U	317	423	266	254

¹Preliminary data