



## FOREIGN DIRECT INVESTMENTS AND EXPENDITURE ON ACQUISITION OF TANGIBLE FIXED ASSETS IN 2018 (PRELIMINARY DATA)

### 1. Foreign direct investments

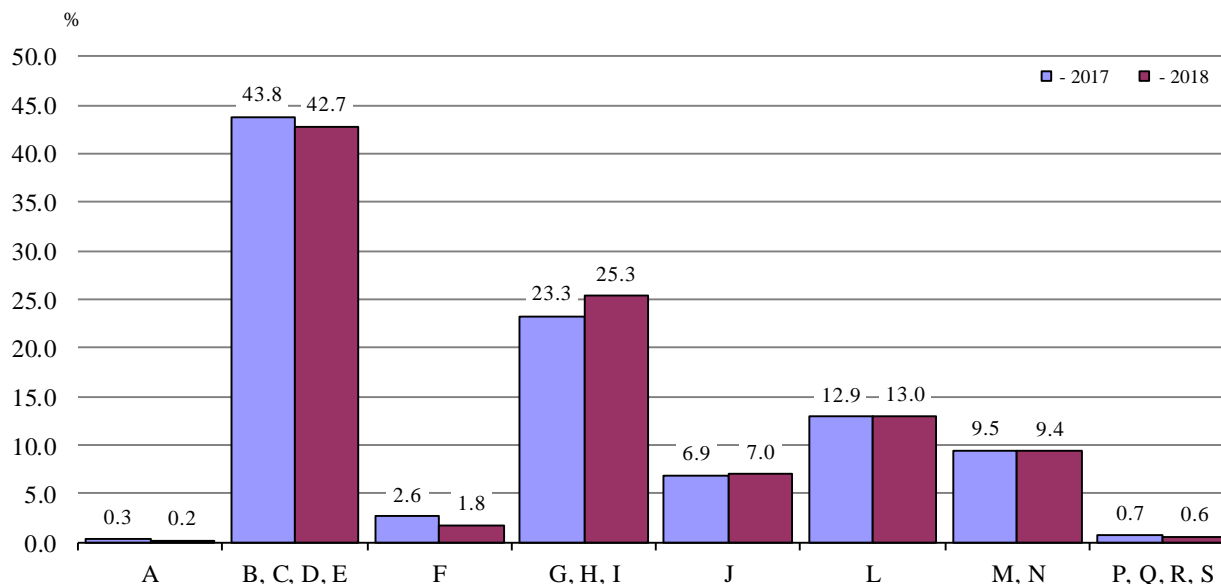
According to preliminary data the foreign direct investments (FDI) in the *non-financial sector* as of 31.12.2018 amounted to 25 454 million Euro at current prices.

In 2018 the largest volume of the foreign direct investments was made in Industry sector - 10 873 million Euro. 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) - 6 430 million Euro.

The foreign direct investments in Construction sector was 457 million Euro in 2018.

In 2018, in the structure of the foreign direct investments by economic activity an increase was observed in the investments made in Service sector, as their relative share increased by 2.0 percentage points compared to the previous year, while the relative share of FDI in Industry sector decreased by 1.1 percentage points compared to 2017.

**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

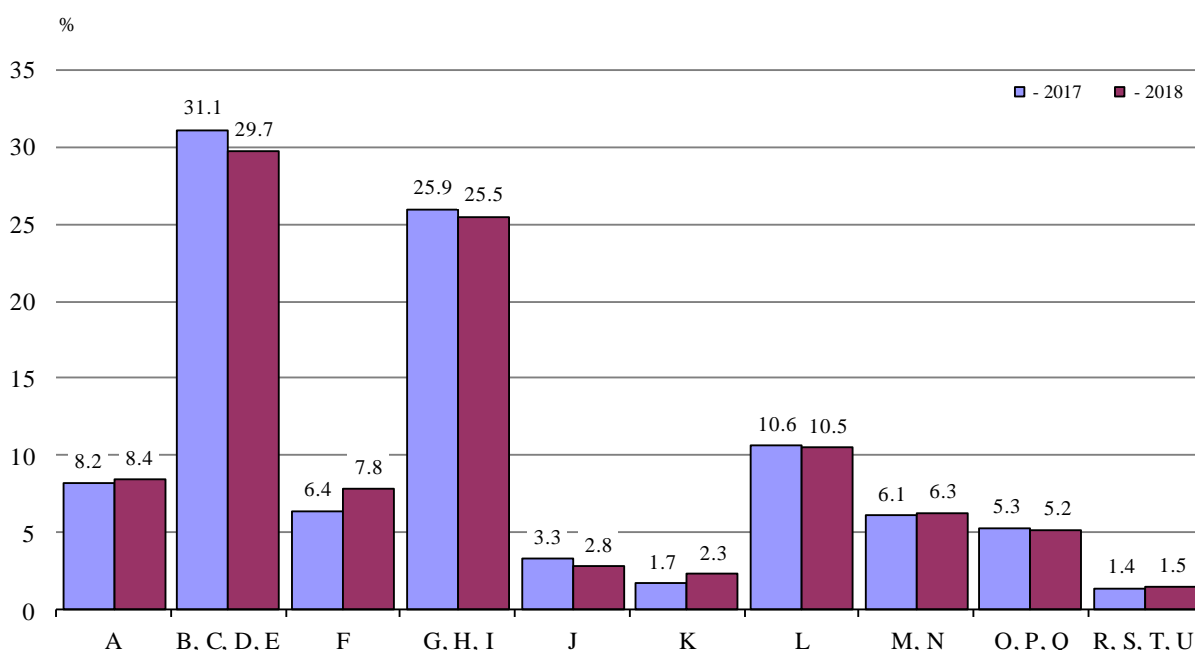
According to preliminary data in 2018 the expenditure on acquisition of tangible fixed assets in *all sectors of the economy* amounted to 19 267 million BGN at current prices.

The largest volume of investments in tangible fixed assets was in the sector of Industry - 5 726 million BGN. 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) - 4 913 million BGN.

In 2018 the investment in tangible fixed assets in the Construction sector was 1 505 million BGN.

In 2018, in the structure of expenditure on acquisition of tangible fixed assets by economic activity an decrease was observed in the investments made in Industry and Service sectors, as their relative share decreased by 1.4 and 0.4 percentage points respectively compared to the previous year.

**Figure 2. Structure of the expenditure on acquisition of tangible fixed assets in 2017 and 2018 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

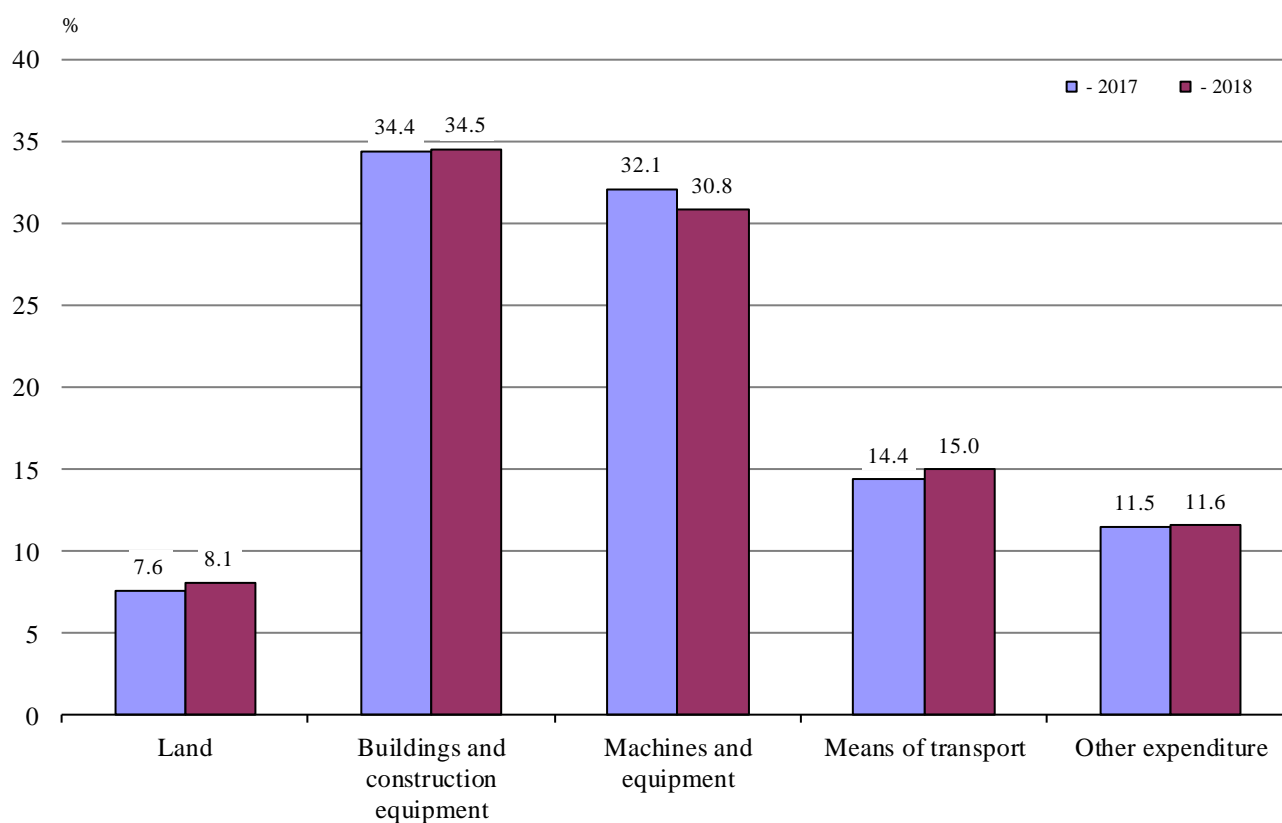
O, P, Q - Public administration, defense, Education, Human health and social work activities

R, S, T, U - Other services



In 2018, 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 and means of transport, as their relative share increased by 0.1 and 0.6 percentage points respectively compared to the previous year.

**Figure 3. Structure of the expenditure on acquisition of tangible fixed assets by kind in 2017 and 2018**





## 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<sup>1</sup> in non-financial enterprises by economic activity as of 31.12

(Million Euro)

Economic activity groupings (A10)	NACE Rev.2 code	2015	2016	2017	2018*
<b>Non-financial enterprises<sup>2</sup></b>		<b>23163</b>	<b>23509</b>	<b>24475</b>	<b>25454</b>
Agriculture, forestry and fishing	A	113	84	68	53
Industry (except Construction)	B-E	9882	10120	10723	10873
Construction	F	755	609	626	457
Wholesale and retail trade, transport, accommodation and food service activities	G-I	5596	5867	5714	6430
Information and communication	J	1761	1832	1687	1791
Real estate activities	L	3217	3136	3152	3305
Professional, scientific, technical, administration and support service activities	M_N	1684	1692	2325	2389
Public administration, defence, education, human health and social work activities	O-Q	27	29	30	32
Arts, entertainment and recreation; other activities	R-U	128	140	150	124

<sup>1</sup> Data at current prices.

<sup>2</sup> The 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'.

\* Preliminary data.



**Table 2**

**Expenditure on acquisition of tangible fixed assets<sup>1</sup> by economic activity**

(Million BGN)

<b>Economic activity groupings (A10)</b>	<b>NACE Rev. 2 code</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>
<b>Total</b>		<b>21191</b>	<b>17672</b>	<b>17629</b>	<b>19267</b>
Agriculture, forestry and fishing	A	1893	1316	1452	1622
Industry (except Construction)	B-E	5976	5692	5484	5726
Construction	F	1515	1075	1121	1505
Wholesale and retail trade, transport, accommodation and food service activities	G-I	5157	4745	4572	4913
Information and communication	J	767	673	581	549
Financial and insurance activities	K	305	407	294	447
Real estate activities	L	1536	1552	1866	2020
Professional, scientific, technical, administration and support service activities	M_N	1223	967	1068	1205
Public administration, defence, education, human health and social work activities	O-Q	2396	979	938	999
Arts, entertainment and recreation; other activities	R-U	423	266	253	281

<sup>1</sup> Data at current prices.

\* Preliminary data.